

Julimar Project Newsletter

Welcome to the sixth issue of our Newsletter, and the first for 2022

The purpose of this newsletter is to provide regular updates on our Julimar Project, located in the Shire of Toodyay. In this issue, we discuss our low impact exploration drilling in the Julimar State Forest, which recently commenced. This area has never been explored for minerals before, but there is considerable potential it could host a globally significant source of green metals.

What does exploration in the Julimar State Forest look like?

At Chalice, we take our environmental responsibilities seriously and are committed to managing all aspects of exploration to the highest standards.

Chalice's exploration approach is designed to minimise impact, with all our activity in the Julimar State Forest strictly governed by a Conservation Management Plan (CMP) approved by the Western Australian Government.

To deliver on this commitment, Chalice is using small, compact drill rigs that have a very small footprint and can therefore easily navigate around trees, avoiding the need for any mechanised clearing of vegetation. Our exploration drilling in the Forest does not require the use of bulldozers or graders, only minor pruning of branches will be done where required for safety reasons, in accordance with the CMP.

Because these drill rigs have caterpillar tracks rather than rubber wheels, they exert very low pressure on the ground, allowing them to roll over vegetation without disturbing the plant roots.

They also have self-contained drilling fluids systems, which means all waste is captured in above ground tanks and removed from the Forest area. No excavation of a drilling sump to contain drill fluids is required.

Initial drilling is occurring wholly within the footprint of existing access tracks at the southern end of the State Forest. There is an extensive network of existing tracks frequently used by recreational users as well as emergency services. Chalice has also sought approval for off-track drilling within Julimar State Forest and is awaiting finalisation of the permit from the WA State Government.

The total operational footprint of this exploration drilling program in the Forest is a maximum of 4.4 hectares (inclusive of a 'buffer', meaning the disturbance to vegetation could be considerably less). This 4.4 hectares includes ~70 drill sites and associated access routes across a ~2,000ha area. The total area of Julimar State Forest is approximately 28,000 hectares.

Chalice's exploration requires no mechanised clearing of vegetation.

Many existing access tracks in the Forest are used for recreation and fire breaks. Drill sites are located on existing tracks where possible.



A video demonstrating the compact drill rigs is available here:
<https://youtu.be/5W0TEDo5WNc>



Chalice's compact drill rig operating on existing access track in the Julimar State Forest.



Rubber tracked rigs and vehicles will roll over low-lying vegetation (when accessing sites off-track) exerting minimal ground pressure, removing the need for mechanised clearing.

Frequently Asked Questions

Q: Why does Chalice need a Clearing Permit if no mechanised clearing is required?

A: Chalice was required to apply for a Native Vegetation Clearing Permit for off-track drilling, as disturbance to vegetation, including driving a vehicle over vegetation, is classified as 'clearing' under the WA Environmental Protection Act 1986. This may be confusing, however it is important to note that the Permit does not allow Chalice to clear any trees.

The Permit will allow the small rigs to roll over low-lying vegetation and conduct minor manual pruning of branches only where required for safety reasons. All activity is in accordance with the CMP.

Q: How long will the drilling program be?

A: Each drill hole is expected to take 2-4 weeks to complete and the entire drill program will take 6-12 months to complete utilising multiple rigs. Once the drill holes are complete at each site, the affected area will be rehabilitated and restored, meaning that the long term impact to the Forest is negligible.



Before: Drill site on existing track before hole drilled.



After: Rehabilitated drill site on existing track after hole drilled

Q: How is Chalice ensuring wildlife is not affected?

A: Chalice has conducted flora and fauna surveys covering an area of over 5,700 hectares in the Julimar region. This allows us to plan a drill program to avoid any areas of significant habitats.

In addition, before drilling can commence at each new site, the area must be monitored by a zoologist to check for wildlife. This monitoring includes threatened species, such as the Chuditch and Black Cockatoo.

Flora and vegetation surveys have been undertaken twice across the planned drilling area. Firstly broad surveys were done to describe vegetation types and identify the presence of conservation significant plant species. This was followed by surveys in Spring to map in detail the occurrence of any conservation significant plants. This was an important step in our planning that allowed Chalice to design the exploration program to avoid impact to any threatened plants.



Zoologist Claire checking for Black Cockatoos before the drill rig can enter the area.

Q: How is Chalice protecting Cultural Heritage?

A: Another way Chalice is minimising our impact in the Forest is ongoing monitoring conducted by Yued and Whadjuk Traditional Owners. The role of the monitors is to confirm that all drilling activities are taking place within areas that do not contain any cultural heritage sites .

Chalice has engaged Yued and Whadjuk representatives to ensure their community is represented and culture is respected, and forms part of Chalice's cultural heritage management plan for the exploration program. The monitoring of each drill site is in addition to broader cultural heritage surveys conducted across the exploration areas in 2021.

When will the Julimar Project become a mine?

This is one of the most common questions the Chalice team are asked. There are many considerations to best answer this question:

- « There are several stages required to develop a project from discovery of minerals to an operating mine.
- « There are many determining factors, but on average it takes five-to-seven years for a project to reach mine stage, possibly longer if it is located in a new region like Julimar.
- « Chalice is currently in the early period of the 'Feasibility & Permitting' Stage. The current stage is likely to take three-to-five years to complete.
- « During this stage, Chalice is progressing scoping studies to determine if the discovery can be developed into an economical mine.
- « These studies will analyse the design, processing and costs as well as environmental and social impacts of the mine.
- « Other plans for mine infrastructure, such as power, water, roads and waste management will also be assessed and refined throughout this stage.
- « Chalice recognises outcomes such as traffic and water supply are sensitive to the community.
- « Chalice is at the beginning of the journey to mine and still has years of work before a development is assured. Our community consultation will increase and align with the relevant project stages, playing a key role in all planning considerations.

Chalice and the Community



Top: Santa and his helpers from the Toodyay VFRS delivered lollies for the 3rd annual Lolly Run and water fight.

Bottom: New pool inflatable at the Toodyay Rec Centre.

The Christmas period provided a short, but well-earned break for the Chalice team. In the lead-up, we were thrilled to be able to support both the Toodyay Christmas Street Party and the Volunteer Fire and Rescue Services (VFRS) Santa Lolly Run held in December 2021.

We were also pleased to support the latest addition at the Toodyay Recreation Centre – an



Top: Santa made a special appearance at the 2021 Toodyay Christmas Street Party.

Bottom: Special performances with the new keyboard piano.

inflatable water slide just in time for the summer heat! The Toodyay CRC, along with local performer and opera singer, Emma Pettemerides, are enjoying a new piano keyboard, proudly provided by Chalice. The piano is used by the community for music events and rehearsals including the children's choir.

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For more information and fact sheets visit:

www.chalicemining.com/community-julimar-project

