



Issue No. 2 – February 2021

Welcome to the second issue of the Julimar Project Newsletter. The purpose of this newsletter is to provide regular updates on our Julimar Project, located in the Shire of Toodyay.

This newsletter forms part of our commitment to raising awareness in the local community and will be published on a regular basis. In this issue, we cover our progress since November 2020.

Since our initial newsletter, the Chalice team have progressed our Julimar Project and continued to engage with the local community. In this update, we will look at the work completed over this period and what's happening over the next few months.

Project updates:

- Drilling continued at the main exploration target, named the Gonville Intrusion, located on private farmland.
- Chalice has six drill rigs operating across two private properties, with both reverse circulation (air hammer) and diamond drilling (rotary core) techniques in use.
- The current phase of 'resource definition' drilling is expected to continue until Q3 2021.
- The Western Australian Minister for Environment and Minister for Mines approved initial non-ground disturbing, low impact activities on granted Exploration Licences within the Julimar State Forest (JSF).
- These activities will be strictly governed by the approved Stage 1 Conservation Management Plan (CMP) and will be undertaken concurrently with exploration activities on private farmland.

Julimar State Forest exploration activities

Chalice recently commenced low impact, non-ground disturbing activities within the JSF. Chalice takes its environmental responsibilities seriously, and these works will be governed by our approved Stage 1 CMP.

The approved exploration activities within the JSF will require no clearing or ground disturbance and hence will have negligible impact on vegetation and fauna.

These low-impact activities will be completed largely on foot, with vehicles used only along existing tracks. The primary purpose of these activities is to effectively screen large areas for minerals with minimal impact.



Chalice staff conducting low-impact soil sampling in the JSF.

How does a CMP protect the environment?

The CMP has been prepared in order to identify potential environmental impacts, ensure protection of JSF environmental values, and ensure compliance with all relevant legislation.

The CMP includes detailed information of the flora, fauna, surface water, cultural heritage and recreational uses of the area. Management and mitigation measures are detailed to avoid or minimise adverse impacts on the local environment. This includes avoiding the spread of Dieback and fire prevention measures.

The CMP has been developed in consultation with the Department of Biodiversity Conservation and Attractions (DBCA) and reflects industry best practice and recognised codes of practice.

The primary purpose of these low impact activities is to effectively assess the mineral potential of a narrow exploration 'corridor' within the JSF (which amounts to less than 20% of the total State Forest area).

Chalice will submit a new Conservation Management Plan (Stage 2) for approval if ground disturbing activities are warranted.



Environmental and baseline surveys

In addition to the CMP, Chalice continues to take a proactive approach to environmental management, with flora, fauna, heritage and dieback surveys already undertaken on private land. Additional surveys within the JSF are underway and will be completed in 2021. More detailed surveys will be completed prior to drill testing (if warranted).

Chalice appreciates that water is a precious resource and is continuing to regularly sample ground water and surface water on private farmland to establish a baseline.

Will this exploration affect recreational activities in the State Forest?

No, Chalice anticipates that recreational activities within the JSF will not be impacted. The duration of Chalice's low-impact exploration program in any given location is short and will involve a small number of personnel.

Why is the Julimar discovery significant?

The Julimar discovery is considered Australia's first major palladium discovery, and also hosts a material quantity of critical, clean energy metals such as platinum, nickel, copper and cobalt.

Deposits of these metals are extremely rare, and the combination of metals discovered at Julimar is unique for Australia.

These metals all need to be mined in increasing quantities in order for the global economy to be decarbonised (reducing reliance on fossil fuels) to address climate change.

Palladium and platinum, part of the six 'Platinum Group Elements' (PGE) suite, are used in automotive catalytic converters for vehicles, where they reduce noxious exhaust emissions like carbon monoxide, unburnt hydrocarbons and sulphur oxides as well as reduce greenhouse gas emissions like nitrous oxides.

Auto manufacturers are highly reliant on mines in Russia and South Africa for sourcing of palladium and platinum, where environmental regulations are considerably weaker than in Australia.

The PGEs, nickel, copper and cobalt metals also have a key role to play in electric, hybrid and hydrogen fuel cell vehicles. As such the Julimar discovery is considered globally significant and could become a major green energy metal mine of the future.



Example of a catalytic converter in a passenger vehicle, which requires a significant amount of palladium and/or platinum to manufacture.

For more information please visit the Chalice website for a suite of Fact Sheets:
<https://chalicemining.com/community-julimar-project>

Successful Toodyay Christmas Street Party

Chalice was thrilled to be part of the 2020 Toodyay Christmas Street Party, held on Friday 18th December.

The Toodyay main street was a buzz of activity and people with local market stalls, great food, rides and attractions, late night shopping, face painting and live music.

Chalice would like to congratulate the Toodyay Community Resource Centre, along with fellow sponsors and all involved, for putting on such a fun and festive evening.

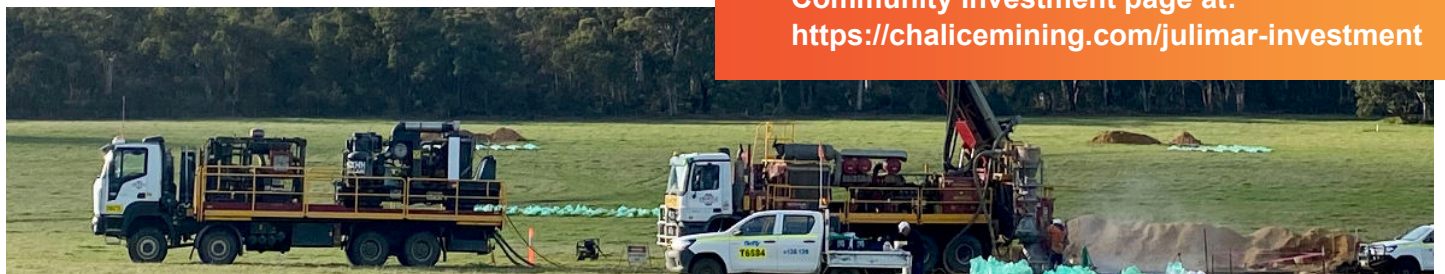
A number of the Chalice team and their families joined in the Street Party!



Free face painting was part of the festivities at the 2020 Toodyay Christmas Street Party.



Santa arrived in style, much to the delight of guests at the 2020 Toodyay Christmas Street Party.



Bushfires

Our thoughts are with those affected by the recent bushfires in the Perth hills area, especially those in our local community who have lost property and livestock.

A huge thank you to the Department of Fire and Emergency Services (DFES) and all involved in the response.

Whilst our project site was outside of the warning areas, the Chalice crew monitored and complied with all DFES updates.

The recent events are a timely reminder of the increased fire risk during the summer months. Chalice has robust fire prevention and response procedures in place, adheres to all fire ban and movement ban restrictions and is committed to ongoing team training and community support.



Onsite with visitors at the Julimar Project.

Community Investment

As an active member of the community, Chalice prioritises local procurement and employment.

As the Project advances, so does our intention to provide further investment in community initiatives.

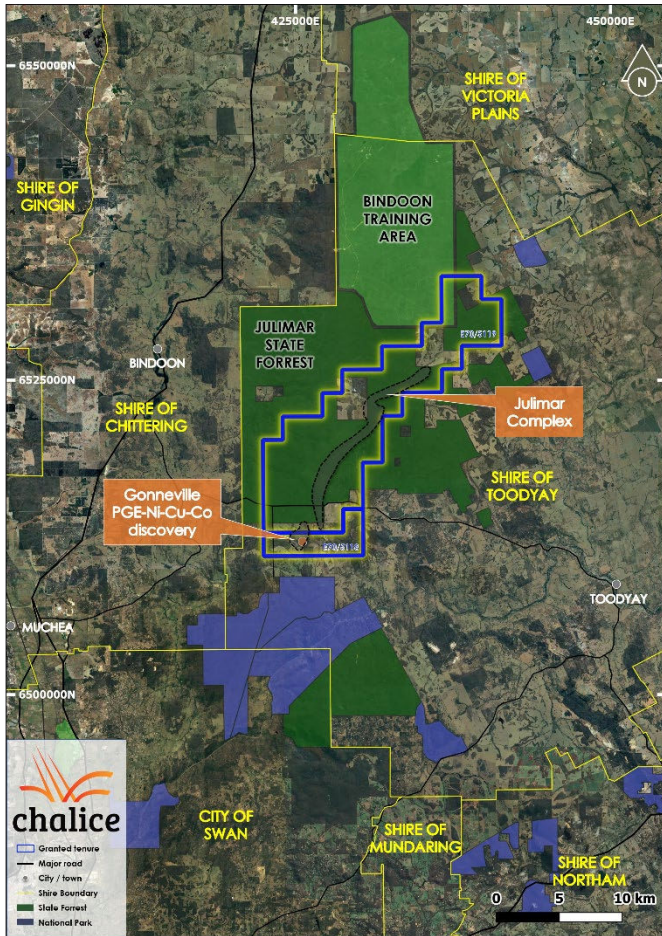
While funding is limited during the current exploration stage, Chalice has determined three focus areas to best prioritise our support:

- **Education** – initiatives that advance and improve regional educational opportunities.
- **Environment** – initiatives that protect and rehabilitate the environment.
- **Community Connection** – supporting local opportunities, events and groups to strengthen the community connection within the region.

If you believe you have a suitable community partnering initiative within the Shires of Toodyay or Chittering, we welcome your application.

For more information please visit the [Community Investment page at: https://chalicemining.com/julimar-investment](https://chalicemining.com/julimar-investment)

Julimar Project Location



Map of Chalice's granted exploration tenure in the region and surrounding Shires.



Example of a drill core sample at the Julimar Project, from the main Gonneville discovery located on private farmland.

Recent Chalice Activity in the JSF



Chalice staff conducting surface soil sampling in the Julimar State Forest in February 2021 – a low-impact activity. The approved exploration activities within the JSF will have negligible impact on vegetation and fauna, as no clearing or ground disturbance will take place.

Contact Us

You can find out more information about Chalice and the Julimar Project on our website:
<https://chalicemining.com/community-julimar-project>

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