



Issue No. 1 – November 2020

Welcome to the first issue of the Julimar Project Newsletter. The purpose of this newsletter is to introduce and 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 first issue, we cover our progress since the major discovery in March.

About us

Chalice is a Western Australian exploration company founded in 2006, and is majority owned by Australian investors. The Company has a long track record of successful and responsible mineral exploration.

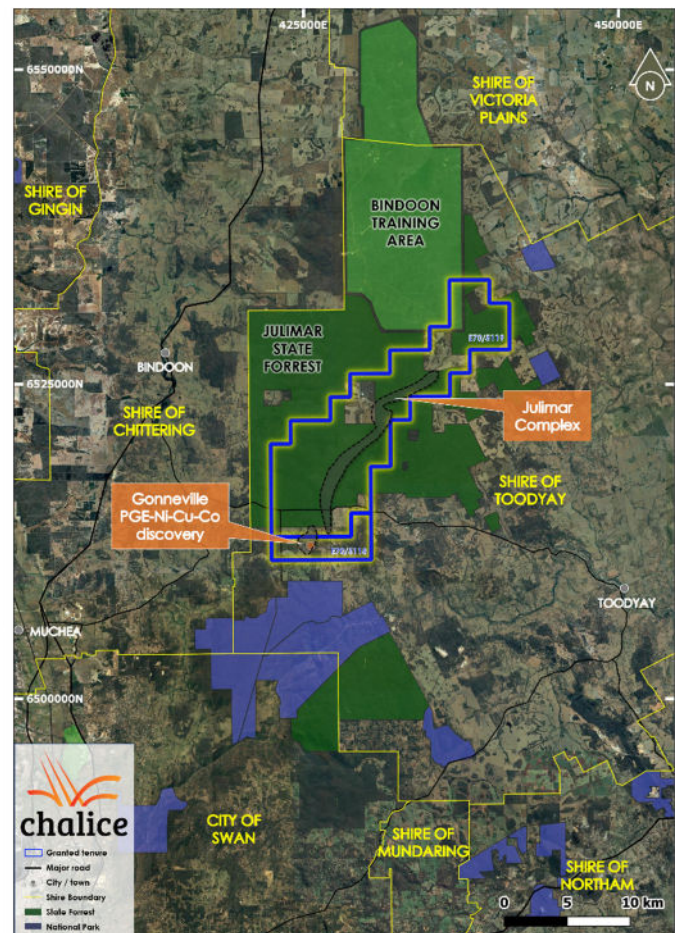
In March 2020, Chalice made a major platinum group element (PGE), nickel, copper, cobalt discovery at the Julimar Project, immediately south of the Julimar State Forest.

Since that time, we have been busy drilling and exploring around the discovery. Our team have also enjoyed getting to know the area and the local community.

Chalice has been exploring for nickel, copper, cobalt and PGEs at Julimar since mid 2019. Deposits of these metals are extremely rare, and the combination of metals discovered at Julimar is unique for Australia.

This suite of metals are considered critical, and in some cases strategically important for the transition of the energy and transport sectors from fossil fuels and internal combustion engines to renewable sources, electric, hybrid and hydrogen fuel cell vehicles.

In short, these metals are all critically important in helping Australia to achieve a greener future.



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

Chalice's field team at Julimar has grown over the last few months, with several staff now based locally in the region. We hope you will continue to see more of our team in local businesses and we are thankful of the welcome we have received to date.

Project activities

All Chalice's on-ground exploration activities to date have taken place on private farmland within granted exploration licences.

Chalice currently has 5 drill rigs operating on two private properties at the ~1.6km x ~0.8km 'Gonneville Intrusion' – the geological host of the recent discovery within the 75km² Julimar Project area. Both reverse circulation (air hammer) and diamond drilling (rotary core) techniques are in use.

As well as drilling, other exploration activities completed includes:

- Non-ground disturbing exploration, such as shallow soil sampling and ground-based electromagnetic, magnetic and gravity geophysics.
- An aerial electromagnetic survey was flown over our 75km² Project area in late August. These surveys are routinely used across WA and their primary purpose is to effectively screen large areas relatively quickly to define potential mineralisation.
- Mineralogy / metallurgical studies to understand various styles of mineralisation investigate potential processing and recovery techniques.

The current phase of 'resource definition' drilling (drilling to sufficient hole spacing to be able to quantify contained metal in ground) is expected to continue until mid-2021. Chalice then plans to conduct preliminary mining, processing, environmental and infrastructure studies to determine if the project hosts an economic deposit of minerals. Only once this phase is completed, will the Company understand if the project has the potential to become a mining operation.

There are a number of follow-on stages to complete before mining may commence at Julimar, and Chalice anticipates this could take several years.



Drill core specimen from the Julimar Project.

Minimising impact on the environment

Chalice is working hard to understand the sensitivities of operating within the Avon region, and takes its environmental responsibilities seriously.

No exploration has been conducted within the Julimar State Forest (JSF) to date, however Chalice is currently seeking approval from the State Government to conduct low impact, non-ground disturbing exploration activities on granted tenements located within the area. This work would be undertaken concurrently with the current activities on private farmland.

The proposed activities within the forest will have negligible impact on vegetation and fauna, as no clearing or ground disturbance will take place. Activities will be completed on foot and using quad bikes or similar vehicles along existing tracks. Recreational activities within the Forest are unlikely to be impacted in any way.

The primary purpose of these activities is to effectively screen large areas quickly with minimal impact.



Demonstration of soil sampling – an example of low-impact activities proposed within the Julimar State Forest.



Example of electromagnetic geophysics – another low-impact activity proposed within the Julimar State Forest.

Flora, fauna and heritage surveys

Chalice recently commissioned independent flora, fauna, dieback and heritage surveys on the private farming properties we are exploring on.

Potential Chuditch and Black Cockatoo habitat was identified. Trees with suitable hollows to support cockatoo breeding will be monitored in the future to better understand usage of the project area. This is part of a plan being developed for more extensive ecological studies.

No significant conservation listed flora or Aboriginal sites were identified in the current area of operations, however once again the team is now well prepared for potential identification in the future.

If Chalice is granted access to the Forest, it will be strictly guided by a government approved Conservation Management Plan, intended to minimise and mitigate potential environmental impacts and ensure protection of the forest.

For more information please visit the Chalice website for a suite of Fact Sheets, including information on exploration activities and licenses: <https://chalicegold.com/community-julimar-project>

Complying with Total Fire Bans

Chalice is aware of the significant fire risk in the local area during the summer months. Staff and contractors have recently undergone training, and Chalice will ensure Total Fire Bans and Vehicle Movement Bans are strictly adhered to at all times.



Chalice Managing Director, Alex Dorsch, and Lead Geologist, Matthew Demmer at Julimar.

Community Liaison Manager

Toodyay and Chittering residents can expect to see more of our Community Liaison and Field Manager, Derek Gardner, as we progress the Project.

Derek lives locally within the Shire of Toodyay and is Chalice's local representative for the Julimar Project. Derek has over 35 years' experience in the resources industry, having worked in community roles for the last 15 years. Derek has specialised in land access, heritage, local government and community engagement in prior roles throughout the Wheatbelt region.

Please feel free to contact Derek or the Chalice team if you have any questions relating to our operations via info@chalicegold.com.



Derek Gardner - Community Liaison and Field Manager for Julimar.

Property updates

Chalice has recently acquired three local farming properties over and adjacent to the recent Julimar discovery. The acquisition of these properties is an important milestone for the project and demonstrates our commitment to the region.

Chalice reiterates that it has not yet defined a commercially feasible mining operation, and the purchase of properties does not mean any mining activities can take place.



Toodyay Christmas Street Party

The Toodyay Christmas Street Party is back in 2020 – and Chalice is thrilled to be part of this year's celebrations!

On Friday 18th December, the Toodyay main street will come alive with fun and festivities – market stalls, great food, rides and attractions, late night shopping, face painting, live performances – including headline band Another Fine Mess bringing their high energy show that are guaranteed to get the street rocking – truly something for everyone.

The Toodyay Community Resource Centre, along with Chalice and fellow sponsors the Shire of Toodyay, Toodyay Op Shop and Toodyay Makit Hardware and Farm, are looking forward to celebrating Christmas with the whole town. It will be a night not to be missed and we hope to see you there.



TOODYAY CHRISTMAS STREET PARTY
FRIDAY **2020**
DECEMBER 18
6 PM - 9 PM
STIRLING TERRACE TOODYAY

Facepainting!
Christmas Shopping!
Great Food!
Tiny Tots go!!

Another Fine Mess performing live!
Dart Wars!
Bouncing Castle
Christmas Fairies!

Bucking Bull!

Organised by the Toodyay Community Resource Centre
With a huge thank you to our wonderful sponsors:

Shire of Toodyay
Toodyay Community Resource Centre
Chalice
Toodyay Op Shop
MAKIT

Chalice of Commerce Meeting



Chalice was recently given the opportunity to introduce the Julimar Project at the Toodyay Chamber of Commerce and Industry (TCCI) Sundowner, held in September.

Thank you to the TCCI for welcoming the Chalice team so warmly. It was fantastic to see such a strong crowd from the Toodyay business community, who had plenty of questions for Alex Dorsch, Chalice Managing Director.

Much of the feedback centred around the potential for the Julimar Project to deliver significant jobs, skills and economic diversification to the region. We look forward to regular briefings going forward.

Community Fund

As a new member of the Toodyay and Chittering communities, we will offer support, wherever possible, by prioritising local procurement and local employment options and supporting community partnering initiatives consistent with our core values.

As funding is limited during the current exploration stage, Chalice has determined guidelines to provide the framework for Community Investment decision making.

For more information on this, and to view our Sponsorship Application Form, please visit our website: <https://chalicegold.com/julimar-investment>.

Contact Us

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

Email us at info@chalicegold.com.

To speak with us, please call our office on (08) 9322 3960.