

WELCOME

to the fourth 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.

Chalice is a WA-based exploration company with a long track record of effective and responsible exploration. In 2020, Chalice made a major platinum group element (PGE), nickel, copper, cobalt, gold discovery at the Julimar Project. The Project comprises several granted exploration licences over private farmland and the Julimar State Forest.

Community Support



Chalice is a proud supporter of the local communities surrounding our Julimar Project. Recent initiatives included:

- A donation to the **Toodyay District High School** to assist with school upgrades, including the resurfacing of basketball courts, new shade sails and library furniture.
- Sponsorship of the **Toodyay Junior Cricket Club** for the upcoming summer season.
- Sponsorship of the recent **Toodyay International Food Festival**, held as part of the Avon Descent.

Project Updates

During the last financial year (2020/2021), Chalice spent over \$400,000 in the local economy through purchases and community investments within the region. We are committed to supporting local suppliers and employees wherever possible, and aim to continue growing these contributions.

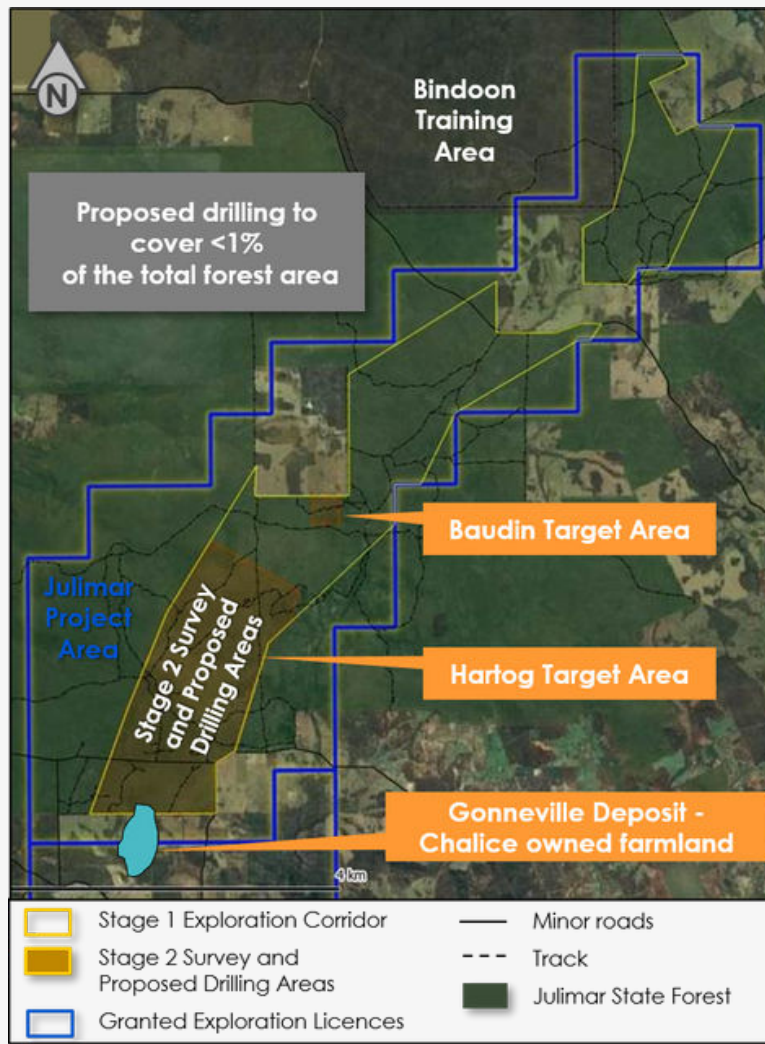
Our recent activities at the Gonneville deposit, located across three Chalice-owned properties at Julimar, included:

- Ongoing resource definition drilling, with a maiden Mineral Resource Estimate (quantifying the size and quality of the deposit) expected in Q4 2021.
- The Resource is the initial step to determine if the deposit can be developed into a feasible mining project, and is the first of many studies required over the next 3-5 years before a decision to mine can be made.
- We acquired an additional private property surrounding Gonneville, increasing our total freehold land in the area to ~2,100ha.

Our other recent activity centered on the Hartog and Baudin targets located in the Julimar State Forest (JSF), including:

- Major flora and fauna surveys completed in the JSF to inform our exploration approach and to build our environmental database.
- Submission of a draft Stage 2 Conservation Management Plan (CMP) to the Department of Biodiversity Conservation and Attractions (DBCA) to conduct low-impact drilling activities within the JSF.
- The purpose of this proposed drilling is to assess if the mineralisation continues from Gonneville into the JSF, and to reduce and refine areas of exploration interest.

What will exploration in the Julimar State Forest look like?



All drilling to date has taken place on Chalice-owned farms at the Gonneville deposit, located at the southern end of the Julimar Complex (the prospective geological host of the mineralisation). The Julimar Complex is interpreted to continue for many kilometers into the JSF to the north.

Chalice takes its environmental responsibilities seriously and has worked closely with all relevant government and expert consultants to understand the sensitivities of the region. Our proposed drilling in the JSF will have minimal impact, based on the following key restrictions:

- Exploration footprint will be constrained to 72 small drill sites within the 'Stage 2 Survey and Proposed Drilling Areas' shown on the map on left.
- No mechanised vegetation clearing.
- No direct impact to wildlife or significant habitats.
- Much of the access is via existing tracks - a significant network of fire / recreational tracks exists.
- Once approved by DBCA and Minister for Environment, Chalice must follow the strict conditions of the CMP to protect the conservation values of the JSF.

The major environmental surveys completed by Chalice have targeted the identification of populations of threatened and priority species as well as mapping of vegetation types and condition. The survey results identified:

- No Threatened or Priority Ecological Communities occur across our targets.
- One Threatened and three Priority flora identified in the survey – all outside of proposed drilling footprint.
- Work will be further validated by additional Spring surveys.

Will exploration affect recreational ACTIVITIES IN THE FOREST?



Chalice anticipates that our low-impact exploration within the JSF will have minimal impact on recreational users.

The duration of Chalice's activity in any given location should be short (weeks), and the operating drill rigs occupy a very small area (~50m²). Traffic management will be in place as required to ensure recreational impacts are minimised.

Chalice will ensure further information is made available via the Company website following approval of the program: www.chalicemining.com

Minimising our footprint TRACK MOUNTED DRILL RIGS



Small track-mounted diamond drill rigs will be used in the JSF to minimise our impact and footprint – these roll over low-lying vegetation and navigate around trees, eliminating the need for mechanised vegetation clearance.

All drill water and drill cuttings will be captured in a portable container, meaning all waste will be removed from the JSF. Chalice is already successfully using these rigs at Gonneville in vegetated areas of farmland, allowing us to trial these techniques and refine our approach.



Community Updates

We were thrilled to host the Toodyay Shire Council at site in June, which allowed us to showcase the current activities and build a tangible understanding of the Project.

Key discussion points included the timeline from our current exploration stage to a potential mine - which typically takes 5+ years and includes extensive environmental and heritage approvals. Chalice would like to again thank the Council, and we will continue to engage with key local stakeholders.