

Community Fact Sheet

The Julimar Nickel-Copper-PGE Project

Avon Region, Western Australia

Updated August 2020

Key Information

The following suite of fact sheets can be found at the Chalice website:

<https://chalicegold.com/community-western-australia:>

- Community Fact Sheet
- Drilling Activity Fact Sheet
- Exploration Licence Fact Sheet
- Environment Fact Sheet



1. Commitment

Chalice Gold Mines aims to uphold the highest corporate, social and environmental standards and recognises the importance of building respectful and inclusive relationships with our Western Australian stakeholders, communities and governing organisations.

Chalice is committed to open communication with the community in which it operates. The Company aims to actively manage the impact of our activities through the continued consideration and response to the interests and concerns of the local community.

2. About Chalice

Chalice is a mineral exploration company, based in West Perth and listed on the Australian Stock Exchange (ASX: CHN). The Company was founded in 2006, is majority owned by Australian investors and has a long track record of effective and responsible mineral exploration in Australia.

3. Project Background

The Julimar Nickel-Copper-Platinum Group Element (PGE) Project is located in the Avon Region of the Wheatbelt, ~70km north-east of Perth. In March 2020, Chalice made a significant nickel-palladium discovery at the Project, named the Gonneville Discovery.

The Project comprises a mix of granted exploration licences over privately-held land and the Julimar State Forest, within the Shire of Toodyay (see Figure 1).

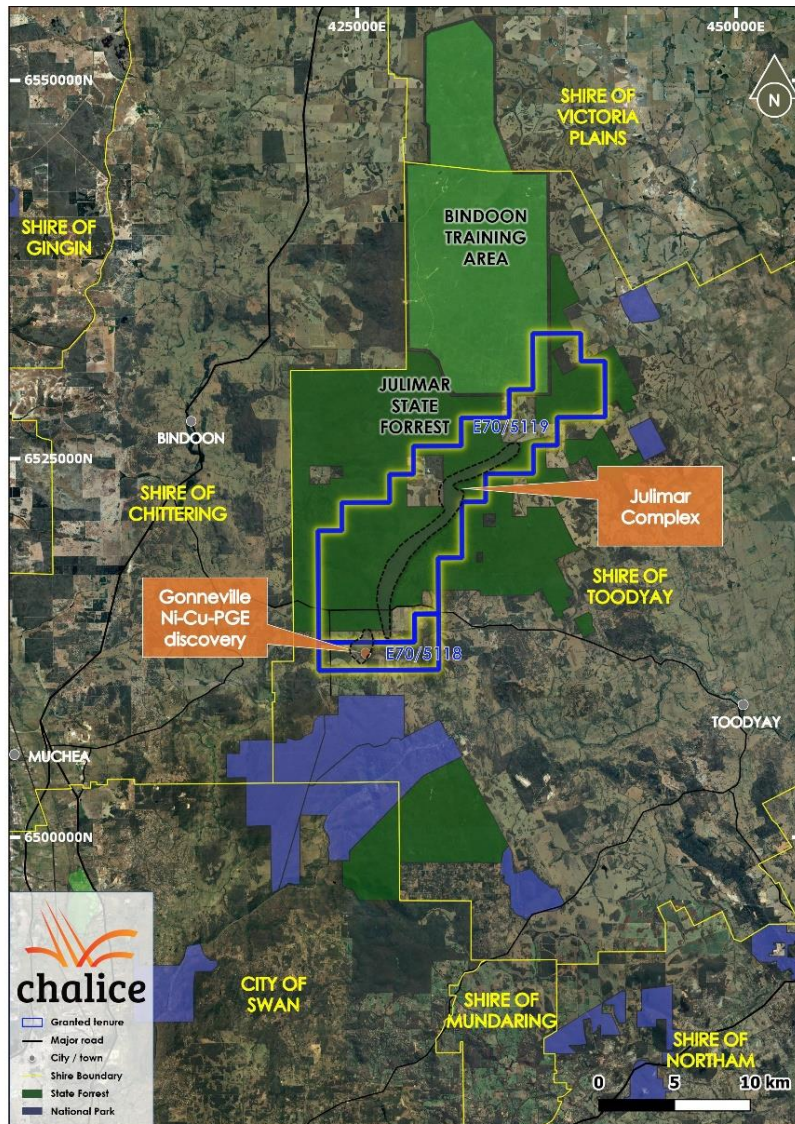


Figure 1. Map of Chalice’s granted exploration tenure and surrounding Shires.

4. Mining Project Lifecycle

The following figure (Figure 2) shows a typical timeline for a mining project with several stages of progression. A project only progresses to the next stage if the previous stage is successful. Although some projects advance more quickly than shown, it is rare for a project to get from discovery to a decision to mine in less than 5 years especially if it is located in a new region.

Chalice is currently in the 'Discovery' stage outlined below, where the key goal is to determine if the Julimar Project hosts an economic deposit of minerals.

It is important to note that there are a number of future stages to complete before mining can commence at Julimar, and Chalice anticipates this would take several years.



Figure 2: Typical timeline for a mining project with several stages of progression.

5. Exploration Licences

Before accessing, exploring or drilling on land, all companies must apply for and have granted a mineral exploration licence over the area. The Mining Act, administered by the Department of Mines, Industry Regulation and Safety (DMIRS) governs the licence conditions and relevant processes. In the case of private land, an access agreement with the landowner is also required prior to a company conducting any exploration activities.

Chalice must also receive the necessary permits from DMIRS prior to conducting exploration activities within its granted exploration licences. These permits contain detailed conditions to minimise disturbance and environmental impacts.

Please note that an exploration licence does not allow the holder to conduct any mining activities. A mining licence must be granted for this to occur, a process which can take many years to approve.

If your property falls within the area of an exploration licence, it does not automatically follow that access to your land will be requested. Chalice will contact only those landowners whose land falls within targeted exploration areas, with the vast majority of areas within these exploration licences not affected.

For more information on this topic, please refer to the ['Chalice Exploration Licence Fact Sheet'](#) and the [Private Land Provisions Fact Sheet](#) published by DMIRS.

6. Exploration Activities

Chalice is now exploring for nickel, copper, cobalt and PGE's, with all activities to date taking place on private land within granted exploration licences.

Current activities include exploration drilling (using both reverse circulation and diamond core rigs) and non-ground disturbing exploration (e.g. soil sampling, ground-based geophysics and airborne geophysics).

Please refer to our ['Drilling Activity Fact Sheet'](#) for further information.

7. Environment

Chalice takes its environmental responsibilities seriously and understands the sensitivities of working within the Avon region.

No exploration has been conducted within the Julimar State Forest area to date. Chalice is currently seeking approval from the State Government to conduct low impact, non-ground disturbing exploration activities on granted tenements located within the State Forest. Chalice is seeking approval to explore less than 10% of the State Forest area.

These activities will have little-to-no impact on the environment as they do not involve disturbance of vegetation or native fauna, and can be completed on foot or along existing tracks via quad bike. The duration of the programs in any given location is short (days rather than weeks) therefore the impact on community usage of the area will also be minimal.

The primary purpose of these low impact activities is to effectively screen large areas so that any potential future ground disturbing activities are limited to much smaller target areas, therefore minimising environmental impact.

Chalice has prepared a Conservation Management Plan (CMP) to provide a framework for the management of exploration activities undertaken during this exploration stage and controls used to minimise impact.

Please refer to our ['Chalice Environmental Fact Sheet'](#) for further information.

8. Stakeholder Engagement

Engagement with external stakeholders commenced during the Company's initial soil sampling program, and subsequently with relevant landowners to acquire access for the current phase of exploration on private land.

Chalice maintains a detailed 'Community Engagement Register' of all stakeholder communications in order to best track project discussions and outcomes, and to support the Company's goal to provide clear and effective communication.

How does Chalice communicate with Stakeholders?

We aim to communicate with stakeholders in person where possible. Every effort will be made to meet with the stakeholder at their estate or an appropriate location proximal to the area of proposed work.

There may be occasions where no appropriate company personnel are onsite. In these cases, Chalice welcomes any enquiries via email or phone.

We will respect the rights of all landowners and seek to minimise any potential disturbance associated with our activities as much as possible through the following commitments:

- Provide key information on our exploration activities to local stakeholders.
- Consideration of any social, environmental and economic effects of Chalice's activities at the local stakeholder level.
- Seek to understand stakeholder values, interests and concerns and address these in a timely manner.
- Ensure our employees and contractors are aware of their obligations with respect to the local community and environment.

- Contribute to the community through local employment opportunities and utilise local contractors and suppliers where possible.
- Communicate effectively through various means, including (in order of preference),
 - one-on-one meetings
 - telephone conversations
 - letter drops
 - email communications
 - newsletter communications
 - local and regional media placements
 - posting on our Company website

This statement is complementary to the regulatory requirements and established procedures governed by the Western Australian [Mining Act 1978](#) (the Mining Act).

How will Chalice respond to community concerns?

All community feedback will be carefully considered when deciding how to proceed with exploration programs and all reasonable measures will be made to ensure a satisfactory solution is achieved for all parties.

Please refer to our [‘Community Feedback Information Sheet’](#) for further information.

9. Contact Us

Below are the contact details for the Julimar Project:

Staff Name	Position	Contact
Derek Gardner	Community Liaison & Field Manager	dgardner@chalicegold.com +61 08 9322 3960
General Office Enquiry	Reception	info@chalicegold.com +61 08 9322 3960

Visit our website at www.chalicegold.com, follow us on Twitter, LinkedIn or subscribe to receive our updates.

Chalice Gold Mines Office

Level 2, 1292 Hay Street, West Perth, Western Australia 6005

GPO Box 2890, Perth, Western Australia 6001

T: +61 08 9322 3960

F: +61 08 9322 5800

E: info@chalicegold.com.au

W: www.chalicegold.com.au

Twitter: <https://twitter.com/chalicegold>

LinkedIn: <https://www.linkedin.com/company/chalice-gold-mines>