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CHALICE MINING LIMITED

# Annual Report 2022

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## Directors

Derek La Ferla  
Non-executive Chairman

Alex Dorsch  
Managing Director and Chief Executive Officer

Morgan Ball  
Non-executive Director

Garret Dixon  
Non-executive Director

Stephen McIntosh  
Non-executive Director

Linda Kenyon  
Non-executive Director

Jo Gaines  
Non-executive Director

## Company Secretary

Jamie Armes

## Principal Place of Business & Registered Office

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46 Colin Street,  
WEST PERTH  
Western Australia 6005

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Email: [info@chalicemining.com](mailto:info@chalicemining.com)

Web: [www.chalicemining.com](http://www.chalicemining.com)

ABN: 47 1 16 648 956

## Auditors

HLB Mann Judd  
Level 4,  
130 Stirling Street,  
PERTH  
Western Australia 6000

## Home Exchange

Australian Securities Exchange Ltd  
Level 40,  
Central Park,  
152-158 St Georges Terrace  
PERTH  
Western Australia 6000

## OTCQB Exchange

12th Floor,  
300 Vesey Street,  
NEW YORK, NY,  
UNITED STATES 10282

## Share Registry

Computershare Investor Services Pty Ltd  
Level 11,  
172 St Georges Terrace,  
PERTH  
Western Australia 6000

Tel: 1300 850 505

## ASX Listing

ASX Code: CHN

## OTCQB Listing

OTCQB Code: CGMLF

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We acknowledge the Traditional Owners of the land on which our operations exist and on which we work. We recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

# FY2022 Highlights

## Shareholder Value

1



3,050% Total Shareholder Return over three years, one of the top performing companies in the ASX 200



\$100 million raised from leading domestic and international institutional and sophisticated investors to provide >18 months of forecast capital requirements



Falcon Metals (ASX: FAL) IPO completed – demerger of non-core gold assets and in-specie distribution to eligible Chalice shareholders

## Operations

2



Delivered a Mineral Resource Estimate (Resource) for the Gonneville Deposit at Julimar in less than two years from discovery, confirming it as one of the largest recent nickel sulphide discoveries worldwide<sup>1</sup>, and the largest PGE discovery in Australian history



A world class, strategic Resource defined with a rare mix of critical green metals:

**350Mt @ ~0.58% NiEq or ~1.8g/t PdEq<sup>2</sup> (~70% Indicated / ~30% Inferred):**

11Moz 3E<sup>3</sup>

560kt Ni

360kt Cu

54kt Co

equivalent to ~2.0Mt NiEq or ~20Moz PdEq

**including a higher-grade (>0.6% NiEq OP + UG) sulphide resource:**

**82Mt @ ~1.0% NiEq or ~2.9g/t PdEq, extending from 30m to 700m+ (open)**



1284 drill holes for 136,200m of combined AC/RC/diamond drilling completed at Julimar



Advanced the Scoping Study for the initial mine development at Gonneville, assessing multiple potential mining and processing alternatives



Initial exploration drilling commenced immediately north of the Gonneville Deposit across ~10km of Julimar Complex strike length



Multiple indications of orthomagmatic sulphide mineralisation outside of Gonneville, demonstrating the potential for additional Ni-Cu-PGE discoveries along the >30km long Julimar Complex



First pass exploration completed across several priority areas within the ~8,000km<sup>2</sup> West Yilgarn licence holding

3

## Environment



Comprehensive program of baseline environmental surveys conducted over ~6,000ha in the Julimar region, including ground water, surface water, flora, fauna and dieback



Key approval of a Conservation Management Plan for exploration drilling in the Julimar State Forest, that sets high standards for low impact exploration campaigns in Western Australia

4

## Social



Zero fatalities or lost time injuries



Active engagement with Yued and Whadjuk Traditional Owners to protect cultural heritage values at the Julimar Project, including monitoring of exploration drilling within the Julimar State Forest



Prioritised local employment with ~22% of current workforce locally based near Julimar (as at 30-June-22)



Continued expansion of the Community Investment Program with \$80,000 in funding awarded to local initiatives in the Shires of Toodyay, Chittering and Northam



Chalice's local procurement and investment contributed \$1.23 million in the local shires surrounding the Julimar Project, plus ~\$1.5 million additional local spend by direct Chalice contractors

5

## Governance



Compliance with 34 of 35 principles outlined in ASX Corporate Governance Principles 4th Edition



Appointment of Derek La Ferla as Independent Non-executive Chairman, following the retirement of Company founder and long-standing Chairman, Tim Goyder



Appointment of Linda Kenyon – Independent Non-executive Director in FY2022 and Jo Gaines – Independent Non-executive Director in FY2023



29% female representation at Board level, and 48% across the whole organisation



Development of Environmental, Social and Governance (ESG) strategy and 3 year roadmap



Enhancement of safety, risk and environmental management systems

1: Source: S&P Global Market Intelligence, Capital IQ.  
2: Refer to full Mineral Resource Statement on page 32.  
3: 3E = Palladium (Pd) + Platinum (Pt) + Gold (Au).



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# Chairman's Letter

Dear Shareholders,

I am delighted to present my inaugural Chairman's Letter and, together with my fellow Directors, to acknowledge what has been another year of growth and success for Chalice.

Since joining the Board and being appointed as Chairman in November 2021, I have had the privilege of witnessing some of the recent key achievements that have made Chalice one of the Australian mining sector's most exciting new growth stories.

These recent achievements include the definition of a world-class Resource of critical minerals at our flagship Julimar Nickel-Copper-Platinum Group Element (PGE) Project in WA, the continued growth of the exceptional Chalice team and the strengthening of Chalice's balance sheet and register through institutional investment.

These achievements have continued the Company's extraordinary trajectory, which has seen the transition from a micro-cap explorer to an ASX-200 company.

This evolution has also led to the refining of the Company's direction, with a refreshed purpose "to find the metals needed to decarbonise the world". This purpose guides our strategy, with a long term aspiration to create a world class, multi-district green metals province with leading environmental and cultural heritage practices. At the core, we remain a values-based Company underpinned by our unique generative exploration and development capabilities with an entrepreneurial mindset, and our five values of Integrity, Ownership, Urgency, Alignment and Advancement are reflected in our Company culture.

The past year has been an important one for Chalice, with the maiden Resource at the Julimar Project providing the basis for the ongoing Scoping Study, and the completion of a highly successful \$100 million capital raise from institutional shareholders which ensures our significant activity levels can continue through 2023.

The ongoing Gonneville Scoping Study will provide an important step for Chalice's pathway to a potential development at Julimar and signals the start of a new phase in the Company's evolution. The world-class Resource already defined provides a large degree of optionality, which remains the subject of thorough analysis and discussion at Board level.

On the corporate front, the Company has maintained its commitment to rigorous capital discipline, ensuring that our expenditure is carefully managed to deliver maximum value for shareholders.

The demerger and Initial Public Offer of Chalice's gold projects into a new corporate entity – Falcon Metals – was also completed during the year, enabling Chalice shareholders to benefit from the creation of a standalone, well-funded Australian gold exploration company with a high-quality asset base in Victoria and Western Australia.

In recognising the Company's success over FY2022, I must also acknowledge the outstanding vision and drive of my predecessor, the Company's founding Chairman, Tim Goyder who retired in November 2021. Tim has been a driving force behind the Company's growth and success over the past 15 years.

Tim attracted some of the leading explorationists in the world into Chalice during his time, which ultimately led to the staking of tenure in the unexplored Julimar region north of Perth in early 2018 – a move that led to the globally-significant Julimar discovery and unlocked an entirely new mineral province for Western Australia.

Tim's contribution to Chalice and the wider mining industry was recently recognised at the 2022 Diggers & Dealers Mining Forum in Kalgoorlie, where he was awarded the prestigious GJ Stokes Memorial Award. Tim leaves a remarkable legacy, and I am honoured to succeed him as Chair to deliver the next chapter of Chalice's growth story as we continue to transition from explorer to developer.

Throughout FY2022, Chalice has maintained a stable Board with a strong mix of skill sets, added to in August by the appointment of Jo Gaines, who has significant experience in strategic policy and intergovernmental relations. I would also like to pay tribute to Stephen Quin who stepped down from the Board after 11 years of dedicated service to the Company. I sincerely thank my fellow Directors for their wise counsel and strong input over the course of the year.

I must also acknowledge the outstanding efforts of the Chalice team, led by our Managing Director and CEO, Alex Dorsch, who continues to provide exceptionally strong leadership and continues to build a strong market presence for Chalice in equity capital markets.

As we look to the future, I believe that Chalice is in an exceptional position to continue delivering on our objectives. While our share price performance has not been immune to the impact of global macro-economic themes – such as COVID-19, rising geopolitical tensions and inflationary conditions – the Julimar Project represents a strategic and rare opportunity for both the state and nationally.

There can be no doubt that the future is green, and Chalice can play a key role in this global evolution through the supply of green metals from the Julimar Project – something our shareholders should be very proud of.

In closing, I would like to sincerely thank you – our valued shareholders – for your continued support. We have a busy exploration and development program for the year ahead with a number of key catalysts for growth, starting with the first-ever exploration drilling underway over the Julimar Complex and delivery of a Scoping Study for the potential initial mine development.

I am excited by this suite of opportunities and very much look forward to the year ahead.

Yours faithfully,

Derek La Ferla,  
Chairman





# Managing Director & CEO's Letter

Dear Shareholders,

I am pleased to present Chalice's 2022 Annual Report and to report on what has been an incredibly successful year, marked by the delivery of a tier-1 scale Mineral Resource Estimate for our world-class, green metals discovery at the Julimar Project in Western Australia.

As a business, Chalice's focus remains the discovery and development of a green metals portfolio, consistent with our purpose. The mining industry will play an increasingly critical role in supplying the metals and minerals essential to decarbonise the world economy in a responsible manner, and Chalice is well positioned to be part of this effort.

The growing recognition of the vast quantities of these metals that will be required in the decades ahead if the world is to achieve its decarbonisation targets reinforces our belief that the Julimar Project is a rare, strategic and critical source of green metals which should be rapidly and sustainably developed.

The Chalice team has worked hard during the year to progress Gonneville towards a starter mine development for the Julimar Project. The delivery of a maiden Mineral Resource Estimate in November 2021 was the first major milestone, confirming Gonneville as the largest nickel sulphide discovery worldwide since 2000<sup>4</sup> (>20 years) and the largest PGE discovery in Australian history.

In July 2022, an updated Resource delivered further growth with an equivalent metal endowment of ~2 million tonnes of nickel or ~20 million ounces of palladium defined. There was also a significant increase in the higher-confidence Indicated Resource – which now represents ~70% of the total. This upgrade represents a major de-risking step for the project, enhancing the significant development optionality of the Resource and underpinning the Scoping Study.

While we already have a tier-1 scale deposit, our ongoing large-scale exploration program also continues to demonstrate upside potential for the resource base along the effectively untested ~30km long Julimar Complex to the north.

The commencement of exploration drilling in the Julimar State Forest during the year marks the first-ever exploration of its kind in the region and, while it is still early days, the initial results have confirmed the prospectivity of the area for further Ni-Cu-PGE discoveries. The design of our exploration program has recognised the environmental sensitivities of this region, and I am immensely proud that our work sets a new standard as one of the lowest impact exploration methods ever undertaken in Western Australia.

Beyond Julimar, Chalice remains well and truly in the driver's seat in the new West Yilgarn Nickel-Copper-PGE Province in Western Australia, and our initial work continues to reinforce the potential for more major discoveries.

We have made substantial progress in future-proofing the Company to support our next growth phase and aspirations over the coming years – through balance sheet strengthening, increasing the depth and breadth of capabilities and enhancing our governance and sustainability credentials.

To achieve these future ambitions, we have refined our three year Company Strategy including our objectives, targets and supporting initiatives. This plan will act as the guiding framework for the decision-making to achieve our aspiration to create a world-class, multi-district green metals province. In the coming year, our focus will be on exploring new areas of the West Yilgarn, rapidly advancing Julimar to production, maintaining and building upon our strong corporate culture, broadening our development capabilities and strengthening our systems and processes.

Sustainability is at the core of Chalice's business, and we have demonstrated our commitments through strict environmental management measures and growing stakeholder engagement. Our collaborative work with the Yued and Whadjuk Traditional Owners to protect the cultural heritage values at Julimar has been industry leading. We have also completed large-scale flora and fauna surveys, allowing us to develop a better understanding of the biodiversity of the Julimar region.

I am proud to also present our Julimar Biodiversity Strategy within our Annual Report. Our Sustainability Report delves into the outcomes of this Strategy in detail, but at the heart of our work is an unwavering and increasing focus on our sustainability practices and a commitment to a 'science-based no net loss' biodiversity goal for any potential future mines.

In parallel, Chalice recognises that community engagement is critical, and we have continued to engage with our local stakeholders and grow our community funding to achieve long-term positive impacts. We have strengthened and grown this part of our team, allowing us to build better and stronger relationships.

All of this great work would not be possible without the unwavering efforts of the Chalice team. At every level, our team displayed agility and focus despite another year of COVID-19 related uncertainties. I also acknowledge the dedication and hard work of our Board and our employees and consultants, as well as the continued support of their families and our host communities.

I would also like to thank our shareholders for the ongoing support and for your faith in the Chalice Board and Executive team throughout the year.

Chalice has continued to deliver for our shareholders, and the next few years presents us with an exciting and unique opportunity to not only develop the Julimar Project into a green metals mine but also test the full potential of the new West Yilgarn Province. Julimar and the West Yilgarn have the potential to deliver significant long-term economic and social benefits for the local communities and WA, while at the same time playing a key role in decarbonisation.

I am looking forward to the year ahead, and like the entire Chalice team, I am committed to work hard to deliver on these aspirations.

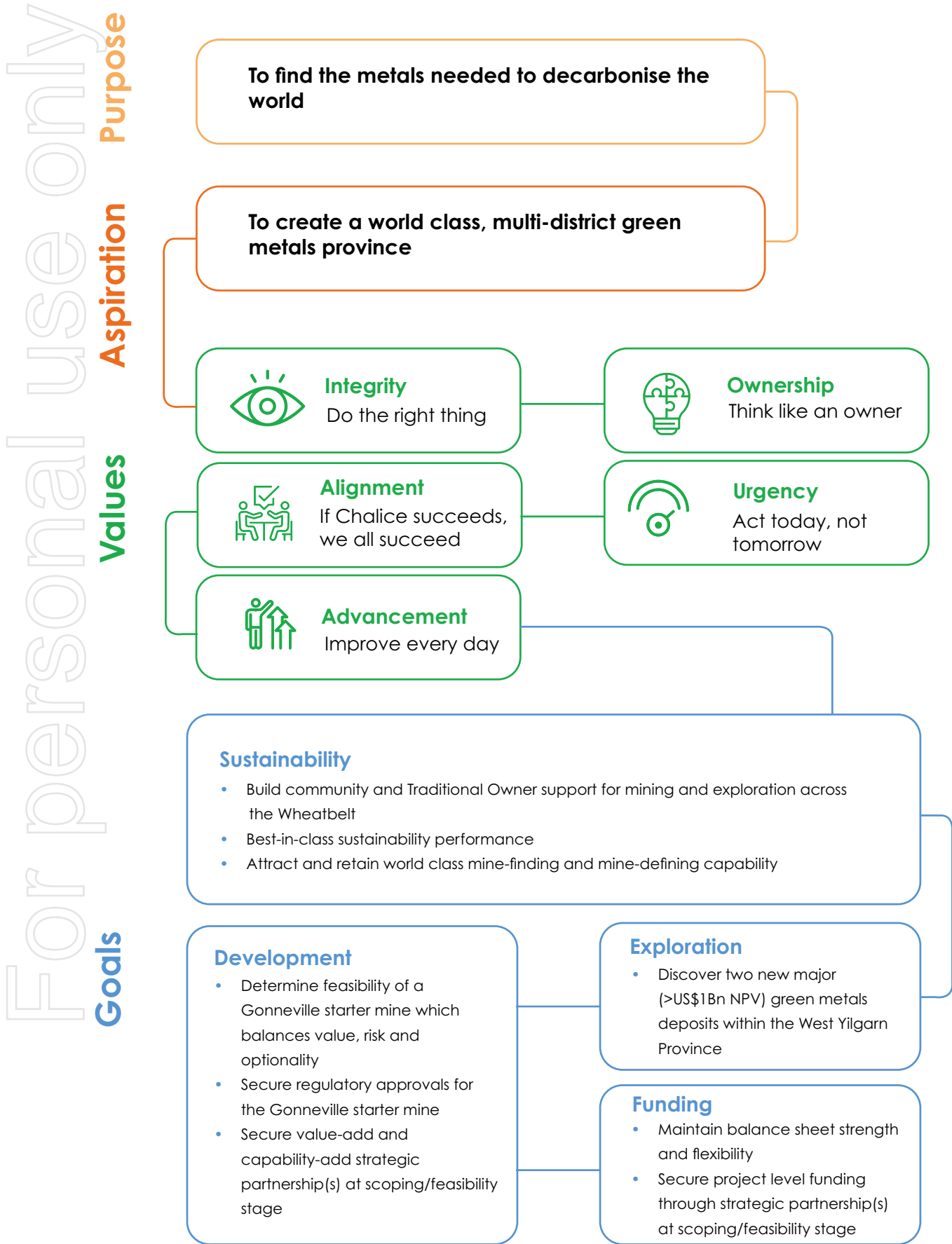
Sincerely,

Alex Dorsch  
Managing Director  
and Chief Executive Officer

<sup>4</sup> Source: S&P Global Market Intelligence, Capital IQ.



# The Chalice Way





# FY2023 Strategy

## 1 Generate New Discoveries

- Complete reconnaissance exploration and identify tier-1 scale greenfield targets across the West Yilgarn Ni-Cu-PGE Province
- Drill test new tier-1 scale targets, maximising our unique competitive advantage

## 2 Define New Resources

- Scope the overall scale of the Julimar mineral system using the latest technology
- Define sufficient Measured or Indicated resources for all potential Gonneville development scenarios
- Characterise all mineralogies identified at Julimar to de-risk future processing

## 3 De-risk Development

- Complete the Scoping Study for a Gonneville starter mine
- Investigate alternative processing flowsheets for Gonneville mineralisation and determine piloting strategy
- Commence Pre-Feasibility Study on Gonneville development cases which balance value, risk and optionality
- Commence regulatory approvals process for a Gonneville starter mine

## 4 Develop our Business and Market

- Assess new electrification and hydrogen technologies which utilise palladium or platinum
- Evaluate synergistic projects within the West Yilgarn Province
- Divest non-core opportunities to retain focus

## 5 Fund the Strategy

- Maintain financial strength and maximise financing optionality
- Investigate value-add and capability-add strategic partnership(s) which support project financing

## 6 Focus on People and Stakeholders

- Progress our three year sustainability roadmap to achieve best-in-class sustainability performance
- Attract and retain world class mine-finding and mine-defining capability
- Develop social value framework and community partnership fund for the Julimar Project
- Continue to nurture our culture of ownership, sustainable success and ideation





# Operating and Financial Review

## Company overview

Chalice Mining is a globally recognised specialist explorer and developer with a major greenfield platinum group element (PGE), nickel, copper, cobalt and gold discovery at its Julimar Project in Western Australia.

Since the Julimar discovery in early 2020, Chalice has defined a tier-1 scale Mineral Resource Estimate (Resource) for the Gonneville PGE-Ni-Cu-Co-Au Deposit, the first discovery within the Julimar Project. Recently updated in July 2022, the Gonneville Resource provides a strong foundation from which to develop a world-class, globally significant green-metals project.

The Company has also advanced studies to support the development of Gonneville, while continuing to aggressively explore the area to determine the full scale of the Julimar mineral system. Chalice is in a unique position to transition towards becoming a globally significant producer of sustainably-sourced critical green metals, in one of the world's best mining jurisdictions.

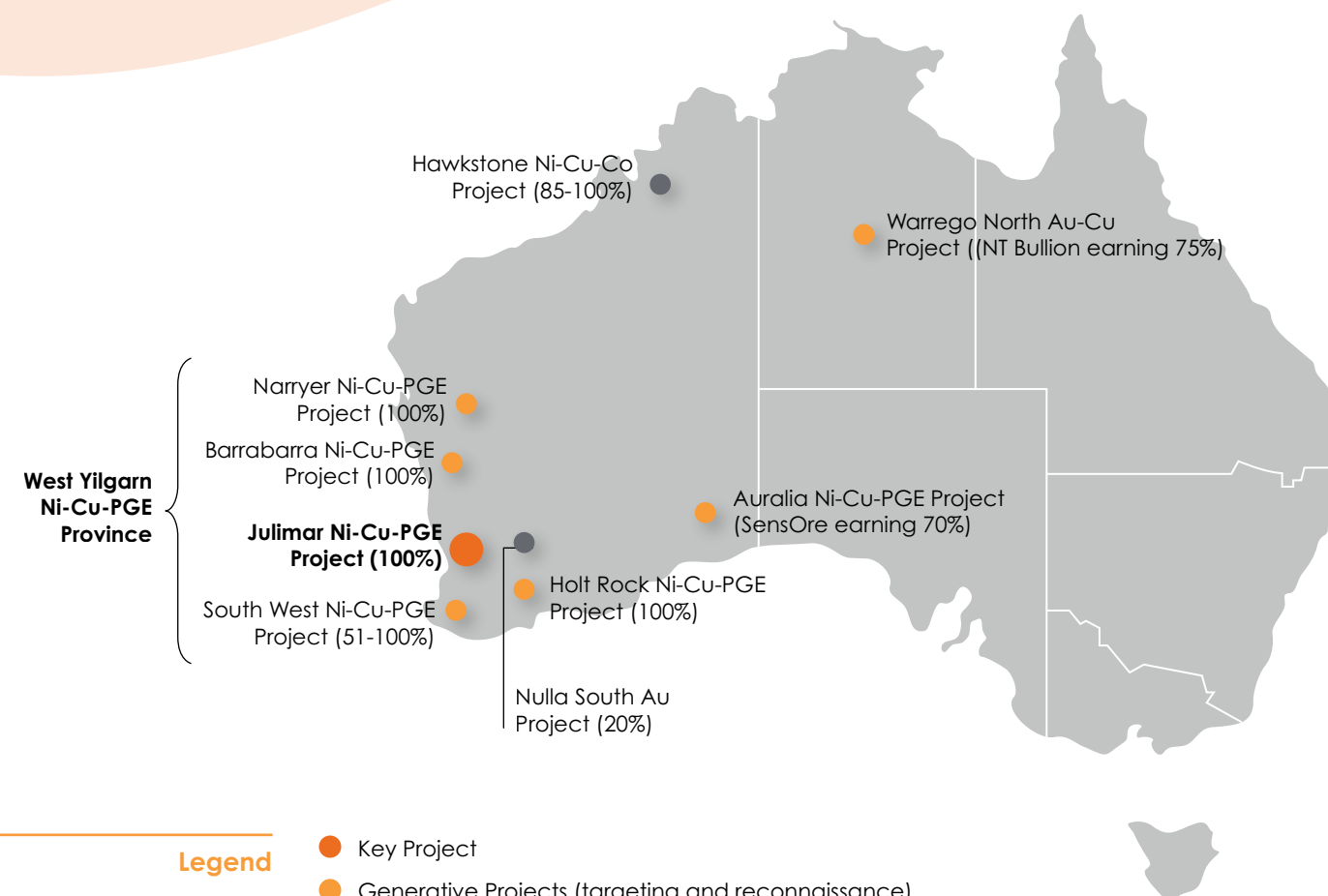
The Julimar discovery was made in an almost completely unexplored region of Western Australia, and hence established the new West Yilgarn Ni-Cu-PGE Province, which is interpreted to extend for ~1,200km along the western margin of the Yilgarn Craton. Chalice, as first mover, secured an >8,000km<sup>2</sup> land position in this exciting unexplored province shortly after the discovery.

The Company is leveraging this first mover advantage within the West Yilgarn, conducting first-pass reconnaissance exploration across several discrete project areas with the aim of creating a world class, multi-district green metals province. Given the surge in demand for these green metals, the Company is exploring as rapidly as possible on multiple fronts with a focus on testing targets with tier-1 scale potential.

The new province has the potential to deliver more major Ni-Cu-PGE discoveries and is now regarded as one of the most exciting new mineral provinces in the world.

The Chalice portfolio also includes a strategic investment in Julimar Project neighbour Caspin Resources Limited (ASX: CPN) as well as several early-stage royalties and non-operated joint ventures.

The Company is led by a highly credentialed Board and executive team, with a strong track record of mine-finding and value creation for shareholders.



## Legend

- Key Project
- Generative Projects (targeting and reconnaissance)
- Available for JV / sale

## Royalties

- Nyanzaga, Tanzania – A\$5 million payment receivable upon commercial production from Orecorp Limited (ASX: ORR)
- East Cadillac, Quebec – 1.0% NSR partial
- Kinebik, Quebec – 1.0% NSR
- Ardeen, Ontario – 0.12-1.0% NSR partial
- Cameron, Ontario – 1.0% NSR partial
- Jericho, WA – 1.0% NSR capped
- Bunjarra Well, WA – 1.0% NSR capped

## Strategic Investments

- ~6.9M shares (~9.24%) in Caspin Resources (ASX: CPN)





# Julimar Nickel-Copper-PGE Project

Location	Avon Region, Western Australia
Development Stage	Advanced Exploration / Scoping
Acquired	Staked in 2018
Ownership	100%
Project Area	>740km <sup>2</sup>

## Overview

The 100%-owned Julimar Nickel-Copper-PGE Project is located ~70km north-east of Perth in Western Australia. The greenfield project was staked in early 2018 as part of Chalice's global search for high potential nickel sulphide exploration opportunities.

Chalice interpreted the possible presence of an unrecognised, >30km long mafic-ultramafic layered intrusive complex at Julimar based on high-resolution regional magnetics (the Julimar Complex). An initial reverse circulation (RC) drill program commenced in Q1 2020 at the southern end of the Julimar Complex on private farmland, which resulted in the discovery of high-grade PGE-nickel-copper-cobalt-gold sulphide mineralisation near surface (the Gonneville Deposit).

A tier-1 scale maiden Resource was defined for the Gonneville Deposit in Q4 2021, and initial drilling elsewhere along the Julimar Complex has confirmed both prospective mafic-ultramafic geology and orthomagmatic nickel-copper sulphides, highlighting the potential for further discoveries at the Project.

Studies and metallurgical testwork have also continued as part of a Scoping Study for the initial stage of mine development for Gonneville. The Company is aiming to develop Gonneville as a starter mine for the Project while the full extent of the Julimar mineral system is defined.

The Julimar Project is favourably located, with world-class road, rail, port and high-voltage power infrastructure nearby, plus access to a significant 'drive-in, drive-out' mining workforce in the Perth surrounds (Figure 1). The Project has the potential to become a globally significant producer of sustainably-sourced critical green metals, in one of the world's best mining jurisdictions.

## Property acquisitions

Two private properties were acquired at Gonneville to secure surrounding land in the vicinity of the Deposit for potential siting of mine infrastructure or for the purpose of planned biodiversity or other environmental initiatives. Chalice now owns 23km<sup>2</sup> of private property around Gonneville.

## Exploration and Evaluation

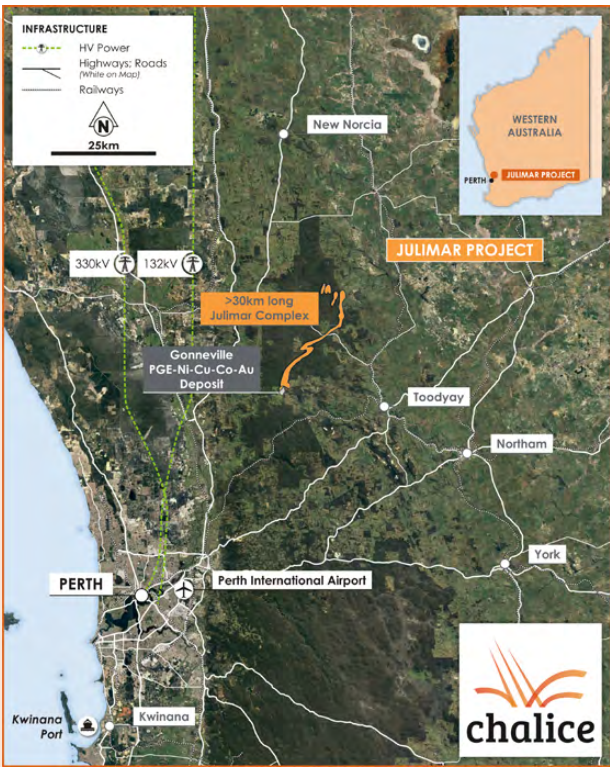


Figure 1. Julimar Complex, Gonneville Deposit, Project tenure and nearby infrastructure.

## Gonneville Resource comparison (Nov-21 to Jul-22)

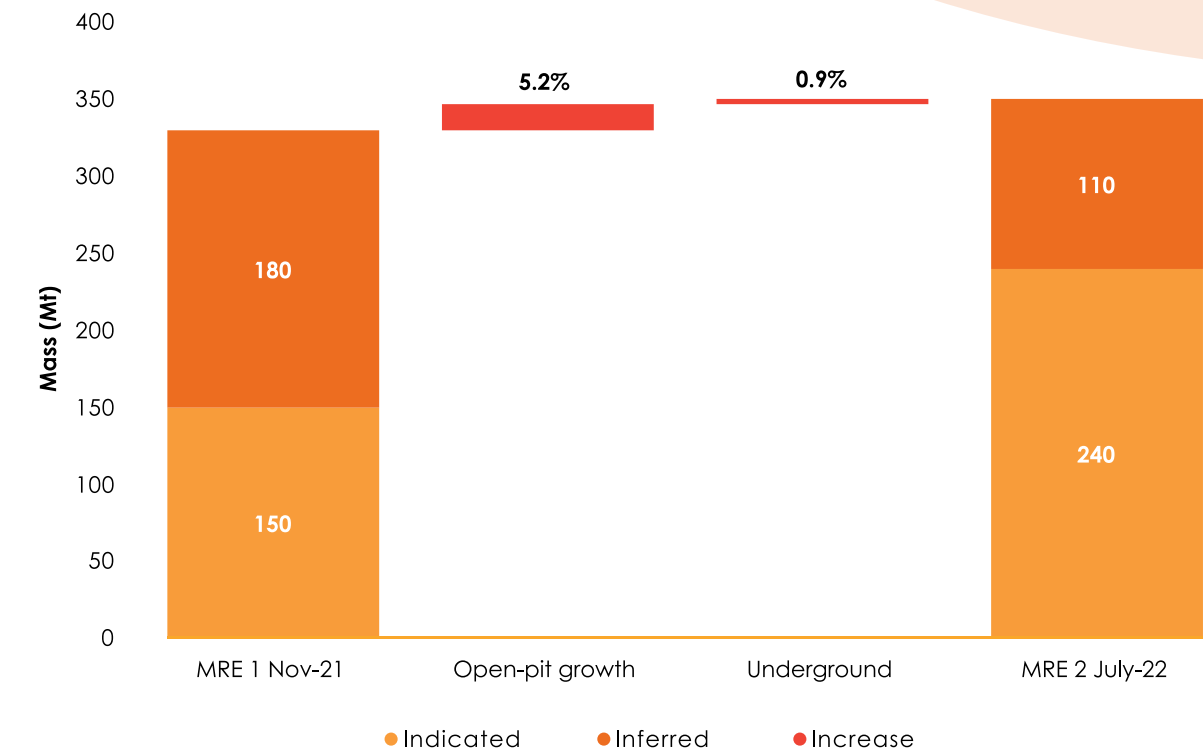


Figure 2. Change in Gonneville Resource from November 2021 to July 2022.

## Gonneville Mineral Resource Estimate

In November 2021, the Company defined a maiden indicated and inferred, pit-constrained Mineral Resource Estimate (Resource) for the Gonneville PGE-Ni-Cu-Co-Au Deposit, confirming Julimar's status as a world class, green metals project.

In July 2022, Chalice defined an updated Resource for Gonneville of 350Mt @ 0.96g/t 3E<sup>5</sup>, 0.16% Ni, 0.10% Cu, 0.015% Co (~0.58% NiEq<sup>6</sup> or ~1.8g/t PdEq<sup>7</sup>). This Resource includes a higher-grade sulphide component (>0.6% NiEq cut-off in-pit plus underground) of 82Mt @ 1.7g/t 3E, 0.21% Ni, 0.20% Cu, 0.020% Co (~1.0% NiEq or ~2.9g/t PdEq).

Refer to the Mineral Resource Statement on page 32 for full details of the Resource.

Since the maiden Resource was reported in November 2021, drilling at Gonneville focused on shallow infill to improve the confidence level of the Resource from

the inferred category to indicated. The proportion of indicated category Resources increased from ~45% to ~70% of the total (Figure 2), with ~90% of the Resource above a depth of 250m classified as Indicated. An initial underground category resource was also defined that remains open.

The Resource includes a mix of oxide, transitional and sulphide mineralisation. The pit constrained sulphide mineralisation is reported at two different cut-off grades to highlight the scale and development optionality the Resource affords.

The robust nature of the Resource is demonstrated by the grade-tonnage curve (Figure 3), which highlights the significant quantity of pit-constrained sulphide mineralisation at higher cut-off grades. Note, the grade-tonnage curve for the Resource includes material classified as Inferred, where data is insufficient to allow the geological grade and continuity to be confidently interpreted.

5 Source: 3E = Palladium (Pd) + Platinum (Pt) + Gold (Au), with an average in-situ ratio of ~4.8:1:0.18 (Pd:Pt:Au).  
6 Source: 3E = NiEq (Nickel Equivalent %) = Ni (%) + 0.33x Pd(g/t) + 0.24x Pt(g/t) + 0.29x Au(g/t) + 0.78x Cu(%) + 3.41x Co(%).  
7 Source: PdEq (Palladium Equivalent g/t) = Pd (g/t) + 0.72x Pt(g/t) + 0.86x Au(g/t) + 2.99x Ni(%) + 2.33x Cu(%) + 10.18x Co(%)  
4 Source: 3E = NiEq (Nickel Equivalent %) = Ni (%) + 0.33x Pd(g/t) + 0.24x Pt(g/t) + 0.29x Au(g/t) + 0.78x Cu(%) + 3.41x Co(%).



Gonneville Nickel Equivalent Grade-Tonnage Curve in-pit (on NiEq cut-off grade basis)

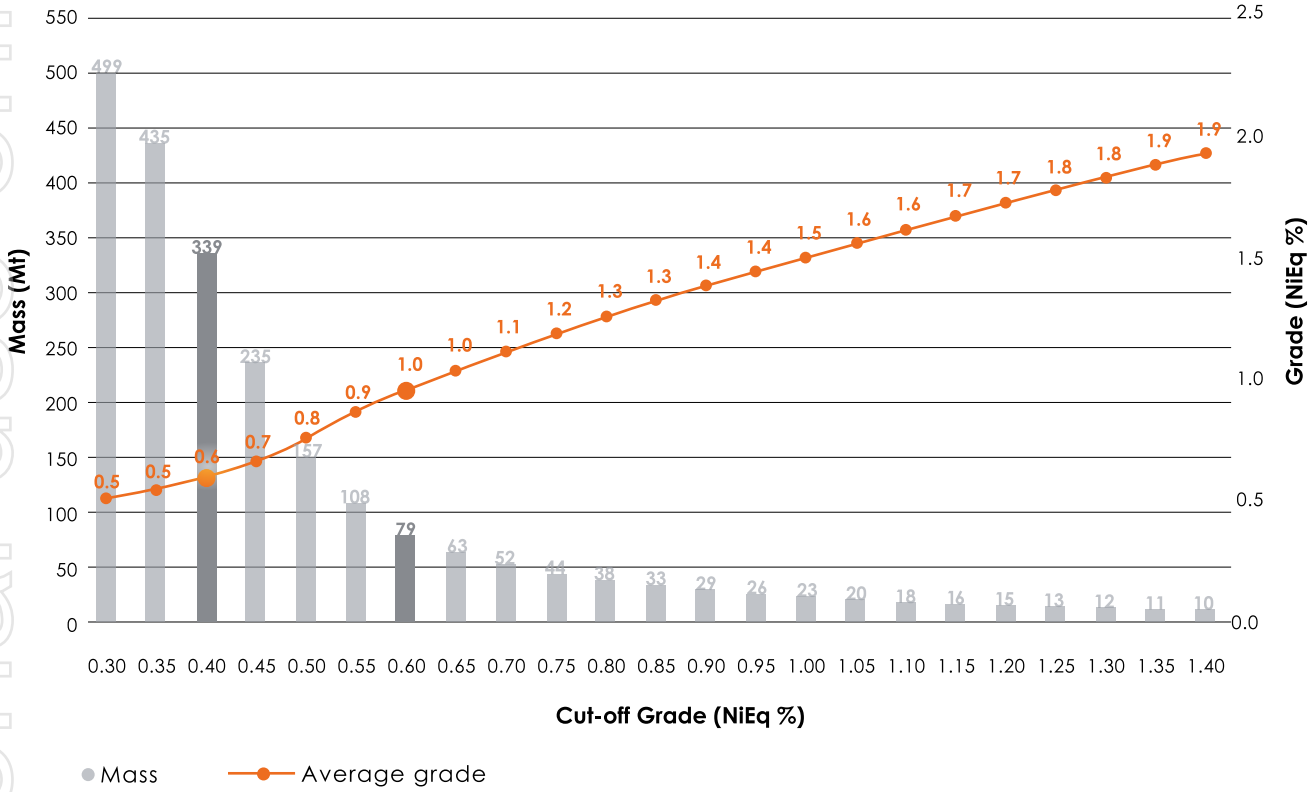


Figure 3. Gonneville NiEq grade-tonnage curve for pit-constrained sulphide mineralisation on a NiEq cut-off grade basis.



The significant higher-grade component of the Resource provides excellent optionality for any future development and could potentially materially improve project economics in the initial years of operation. This is a key focus of the ongoing Gonneville Scoping Study. Drilling is continuing outside of the ~1.9km x 0.9km Resource to test for extensions of high-grade mineralisation beyond a depth of ~700m. Gonneville also remains open at the Julimar State Forest boundary to the north, where multiple diamond rigs are continuing an initial drill program at the Hartog-Dampier targets.

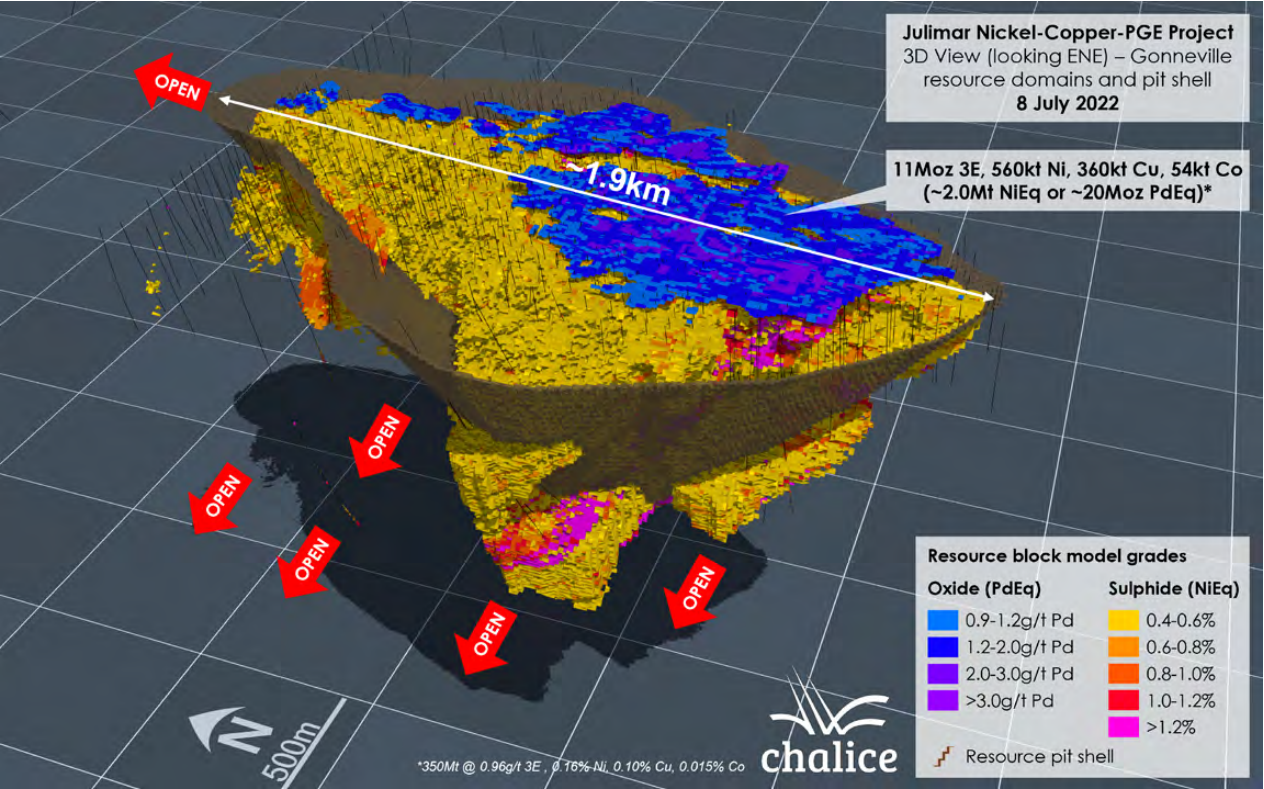


Figure 4. 3D view (looking ENE) of Gonneville block model (all domains) and Resource pit shell.

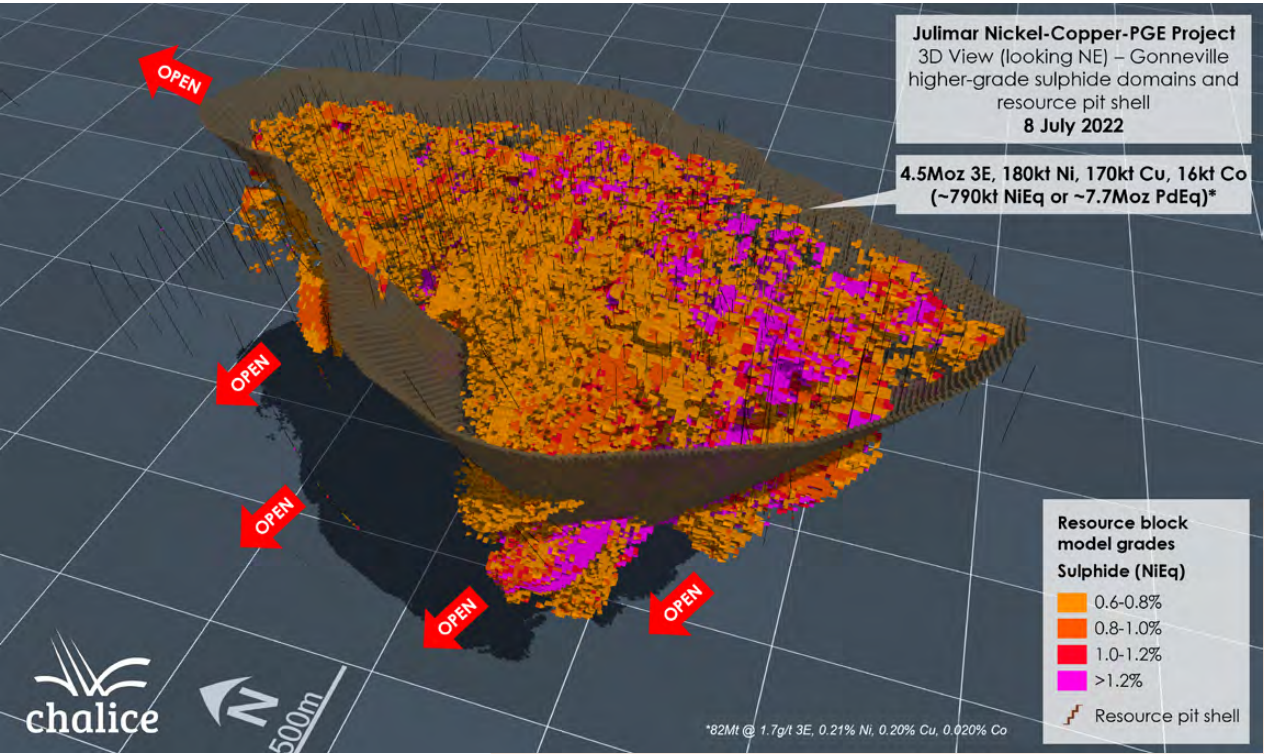


Figure 5. 3D view (looking NE) of Gonneville higher-grade sulphide block model (>0.6% NiEq) and Resource pit shell.



## Julimar Complex reconnaissance exploration

Drilling activities commenced at the Hartog and Dampier targets in April 2022, following the receipt of final approvals from the WA State Government for initial low-impact drilling within the Julimar State Forest. A total of 70 sites are planned to be drilled across the ~10km section of the Julimar Complex, with the ability to drill multiple holes per site if warranted.

Chalice's ongoing exploration drilling program in the Julimar State Forest is utilising small footprint diamond drill rigs and does not involve any mechanised clearing of vegetation or excavation. Comprehensive flora, fauna and cultural heritage surveys as well as heritage monitoring is underway according to industry best practice.

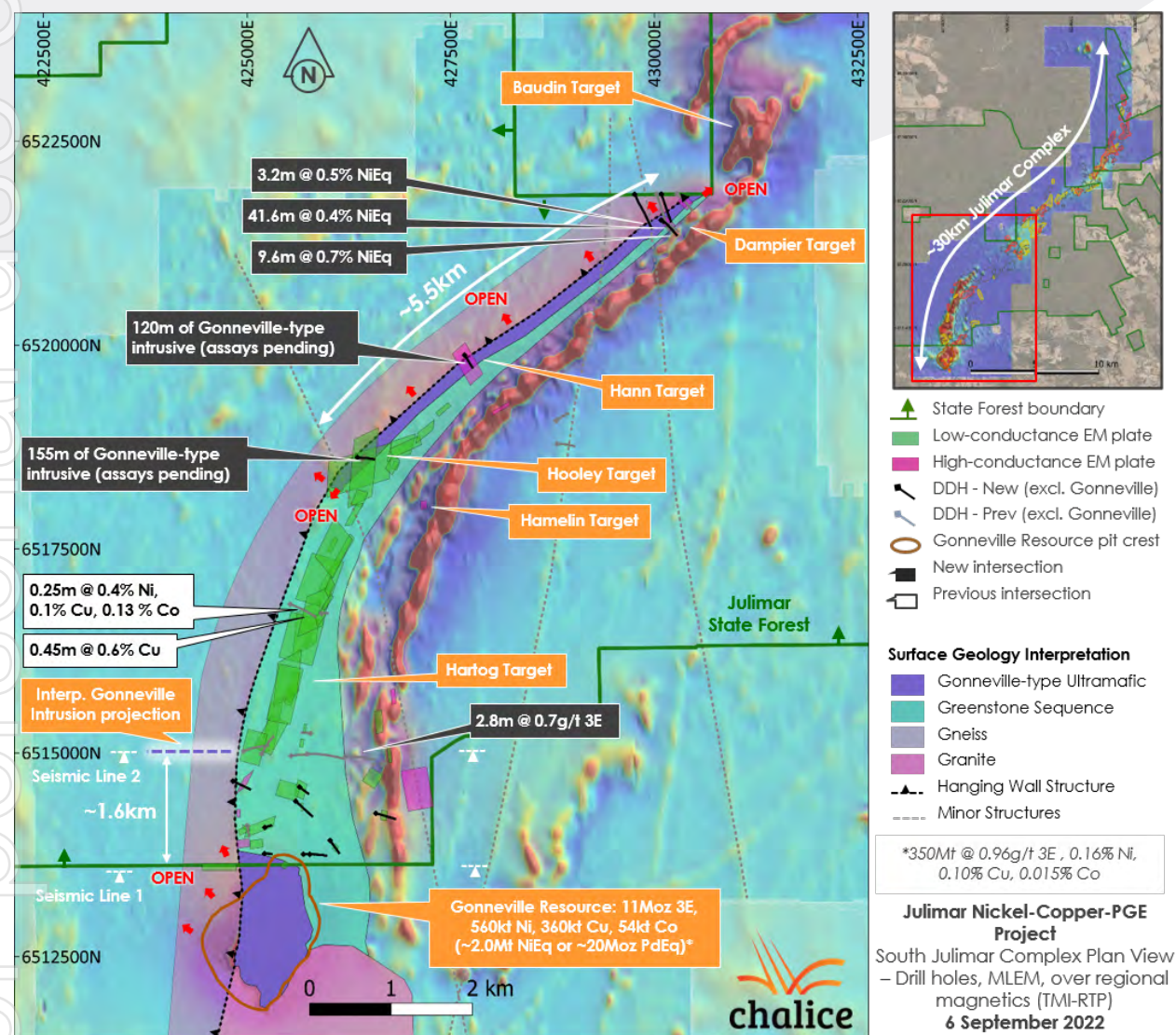


Figure 6. Southern Julimar Complex plan view – drill holes, MLEM, interpreted surface geology over regional magnetics.

A 2D seismic survey was completed over the Gonville-Hartog area subsequent to year end, with results indicating the Gonville Intrusion could extend down plunge to the north-west for ~1.6km and ~500m below surface.

If confirmed with drilling, this could materially expand the footprint of Gonville, given that the Gonville intrusion has so far proven to be consistently well mineralised. Drilling at the Hartog Target to date has not tested this extension with deeper drilling planned.

At the Dampier Target, ~10km north of Gonville, initial drilling has intersected broad intervals of disseminated sulphides within a ~20-150m wide 'Gonville-type' ultramafic intrusive sequence. The presence of elevated base metals (Ni, Cu, Co) in localised zones towards the interpreted base of the intrusive is considered highly encouraging.

Along strike of Dampier at the Hann and Hooley targets, ~6-8km north of Gonville, initial reconnaissance diamond drilling was also completed. Results have expanded the wide 'Gonville-type' ultramafic horizon over ~5.5km of strike length, providing a large-scale target horizon for further exploration drilling.

## Gonville metallurgical testwork

Processing flowsheet development work has continued throughout FY2022. Metallurgical testwork on oxide mineralisation has investigated a leaching flowsheet using a variety of lixiviants which has demonstrated leach extraction of palladium of 70-80%. Work is ongoing to optimise reagent consumption and to assess methods for recovery of the palladium from solution.

Limited testwork has been completed on the transitional domain which indicates the need to further define the degree of oxidation with some transitional material likely to be reclassified as more suitable for treatment by leaching than flotation.

Metallurgical testwork on sulphide mineralisation has investigated two flowsheet options, including:

- » Sequential flotation of separate copper-PGE-Au and nickel-Co-PGE concentrates, for sale to smelters (Figure 7).

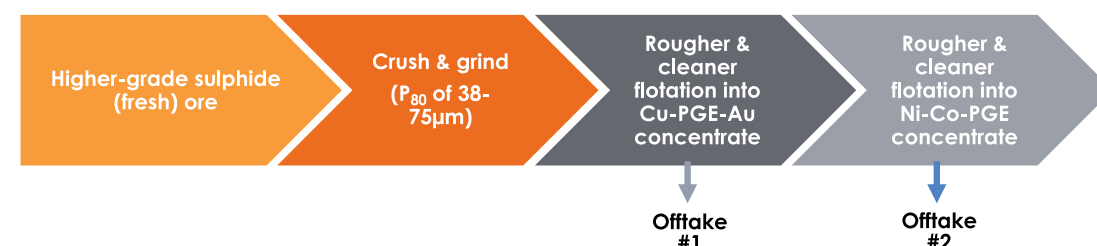


Figure 7. Simplified sequential flotation process for higher grade sulphide mineralisation.

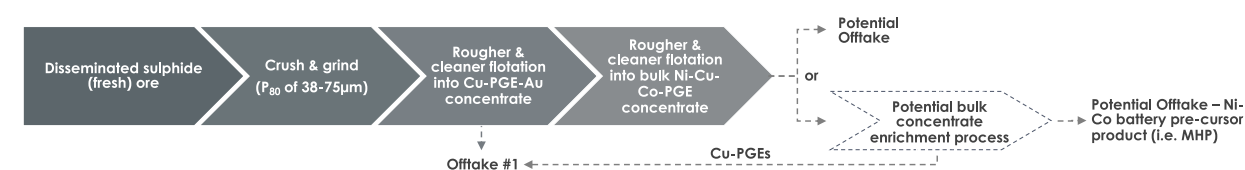


Figure 8. Simplified flotation and enrichment process for lower-grade disseminated sulphide mineralisation.

An initial phase of aircore drilling was also completed on private farmland sections of the Jansz and Torres targets during the year. Several of the holes intersected ultramafic geology (pyroxenite), coincident with magnetic highs, with several at Torres intersecting sulphides with highly anomalous peak metal values of 0.15g/t Pd, 0.15g/t Pt, 0.13% Ni and 0.07% Cu. The prospective trends identified remain open into the Julimar State Forest.

- » Sequential flotation of a separate copper concentrate (for sale to smelters), plus bulk flotation of a nickel-cobalt-PGE concentrate into a hydrometallurgical concentrate enrichment process to produce a nickel-cobalt intermediate product (for sale to battery manufacturers) (Figure 8).

Comminution and flotation testwork, together with geo-metallurgical characterisation, has been completed on 15 sulphide composite samples from several geological domains (including higher-grade and lower-grade samples). To date, results have demonstrated the potential to produce two commercially attractive concentrates for sale from higher-grade sulphide material, with low levels of potentially deleterious elements.

It should be cautioned though that variability testwork is continuing in order to generate representative geo-metallurgical algorithms for all domains.





Recoveries for each major element vary with grade and define a recovery algorithm, used to define a metallurgical recovery value for each element in each resource block based on the grade.

The range of recoveries and average predicted recoveries for each metal using a concentrate enrichment flowsheet are provided in Table 1.

The flotation data is based on locked cycle flotation tests whilst the recoveries from enrichment are based on indicative testing on a Julimar concentrate sample and published data for similar approaches. Recoveries are robust at higher grades and good quality copper and nickel concentrates can be produced.

Copper and PGE recoveries are robust at lower grades, however more work is required to optimise flotation recovery of nickel and cobalt (and corresponding PGEs which report to the nickel concentrate) at lower grades. This may entail some form of concentrate enrichment

to produce higher grade intermediates in order to maximise recovery, a flowsheet which is currently being investigated. Chalice has secured a \$2.9M CRC-P grant from the Commonwealth Government to evaluate these 'midstream' processing options.

Other investigations underway include:

- » Detailed mineralogy to better understand the deportment of nickel and cobalt other than in pentlandite. Non-sulphide nickel content in composites tested to date indicate a range of 10-20% and as such further mineralogical investigation is required;
- » Finer grinding to improve concentrate grades and recovery of associated PGE's; and
- » Production of bulk concentrates at lower nickel grades. (Further discussions are underway with potential offtake customers to determine terms)

Metal	Metallurgical recovery range (%)	>0.4% NiEq cut-off		>0.6% NiEq cut-off	
		Avg Resource grade	Predicted metallurgical recovery (%)	Avg Resource grade	Predicted metallurgical recovery (%)
Palladium	55% to 90%	0.72g/t	60%	1.31g/t	67%
Platinum	55% to 90%	0.16g/t	61%	0.29g/t	68%
Gold	30% to 65%	0.03g/t	62%	0.07g/t	62%
Nickel	40% to 80%	0.16%	49%	0.21%	55%
Copper	88% to 95%	0.11%	90%	0.20%	92%
Cobalt <sup>8</sup>	40% to 80%	0.02%	49%	0.02%	55%

Table 1. Metallurgical recoveries – sulphide (fresh) domain, concentrate enrichment flowsheet (copper-PGE concentrate and nickel-cobalt MHP).

8: Cobalt is associated with nickel and hence recoveries reflect the nickel grade.

## Gonneville development studies

Mine development studies to support a Scoping Study commenced in FY2022. These initial studies aim to evaluate a range of production options for an initial stage of mine development at Gonneville. Given the broad range of development options, due to the

shallow and variable nature of the Gonneville Resource, and the resourcing constraints of service providers, the studies are expected to continue until late 2022.

The following work scopes, which are all ongoing (unless otherwise stated), were progressed during the year:

### Mining and geotechnical

- » Pit Shells were generated using Whittle Optimisation for the maiden November 2021 and updated July 2022 Resource, using a range of input parameters.
- » Indicative open-pit and underground mining schedules are underway at various mining throughput rates and using different flowsheet options.
- » Indicative geotechnical parameters have been ascertained for open-pit mining methods.

### Processing

- » Preliminary flowsheet designs were completed for comminution and flotation circuits at various plant throughput rates.
- » Preliminary flowsheet designs are underway to produce a battery-grade nickel-cobalt intermediate product (together with a copper-PGE-gold concentrate for sale) as a potential alternative to selling a nickel-cobalt-PGE concentrate.

### Waste rock and tailings

- » Tailings characterisation testwork is underway to assess environmental characteristics of an initial selection of tailings samples.
- » Initial waste rock characterisation is underway to establish environmental characteristics.

### Water, infrastructure and logistics

- » Installation of groundwater monitoring equipment was completed.
- » Installation of surface water monitoring stations is underway.
- » Investigations are underway into water supply options, power supply, tailings storage and logistics options.

### Marketing and Commercial

- » Discussions with several potential copper and nickel smelters and metals traders continued.
- » Indicative offtake terms for various product specifications were obtained.

### Environmental and Regulatory Approvals

- » A biodiversity strategy was completed which forms the basis of commitments and planned activities.
- » Baseline surveys of ground water, surface water, flora, fauna and dieback were undertaken, as part of a long-term baseline and monitoring program underway.



## Forward plan

Chalice has **consistently delivered** since the Julimar discovery in early 2020



We are rapidly advancing Gonneville **towards mine development...**



... while completing first pass exploration on **large unexplored areas** of the new West Yilgarn Province

Timeline is indicative and subject to exploration and Scoping Study outcomes.

## Generative exploration and strategic investments

Reconnaissance exploration continued across Chalice's largely unexplored West Yilgarn tenure holding in FY2022 (Figure 9). Several new exciting greenfield targets are planned to be drill tested in FY2023, including within the Julimar Regional, South West and Barrabarra projects.

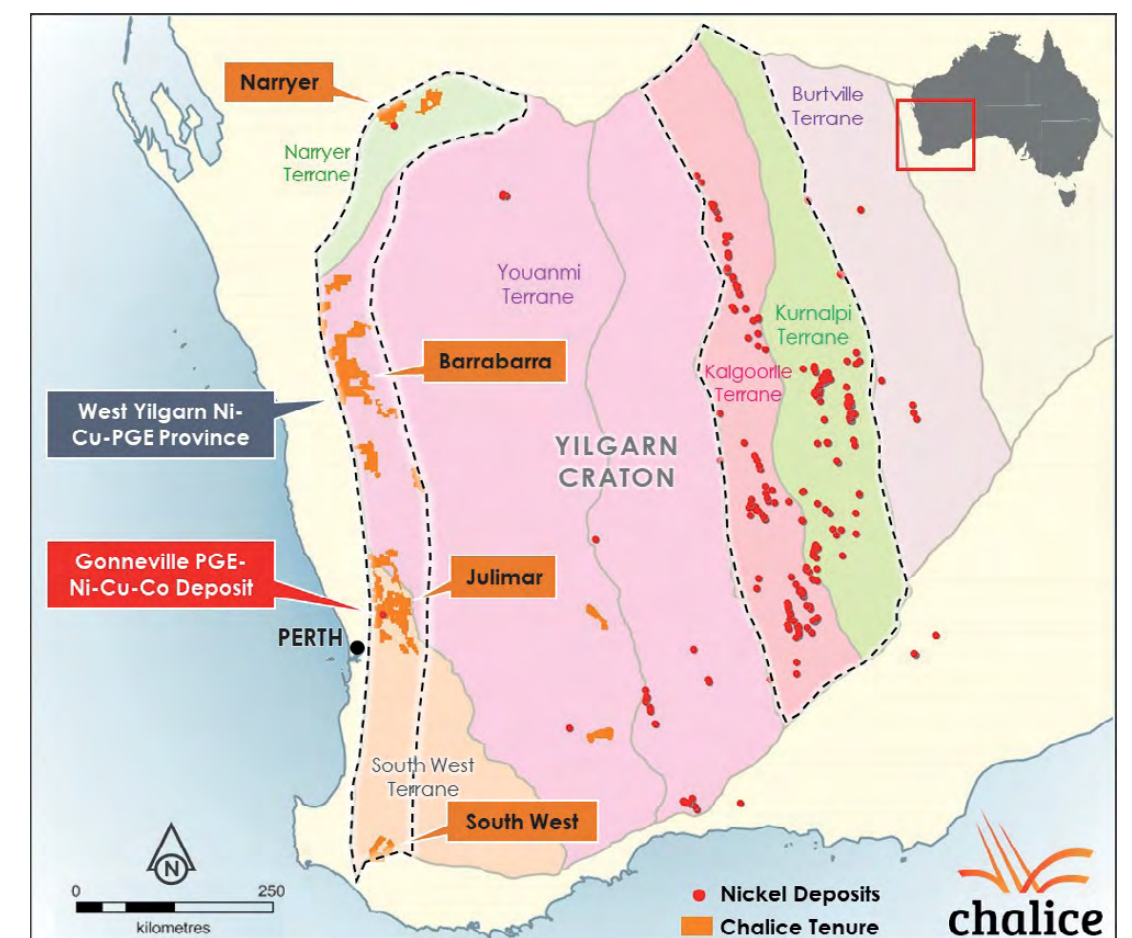


Figure 9. Chalice's tenure in the West Yilgarn Ni-Cu-PGE Province and historical nickel deposits, Western Australia.

### Julimar Regional Nickel-Copper-PGE Project, WA 100% owned

Two new early-stage targets were identified during the year, following completion of a roadside geochemical sampling program and a 1,692 line-km Helitem airborne electromagnetic (AEM) survey. Exploration activities

at these targets included field reconnaissance, MLEM, ground gravity and auger soil geochemical sampling over confirmed prospective mafic-ultramafic intrusive rocks.

Initial RC drilling is planned at one target area in Q4 2022, while auger soil geochemical sampling is planned in Q3 2022 at the other target area.



### Barrabarra Nickel-Copper-PGE Project, WA 100% owned

A reconnaissance AC drilling program was completed over the new Recherche geochemical target – a coincident PGE-Ni-Cr+/-Cu soil anomaly associated with a ~16km long aeromagnetic anomaly. This activity identified Ni, Cu and PGE anomalism, which was further tested by an 8 hole RC drilling program. Drilling failed to intersect any significant indications of orthomagmatic sulphide mineralisation within the ultramafic-mafic intrusive rock types and has downgraded the target.

A follow-up program of AC drilling ~15km west of the Recherche target is scheduled in Q4 2022 to test coincident Ni-Cu-Cr-PGE anomalies which are likely to be associated with ultramafic-mafic intrusive rock types.

Results were received for a 2,095 line-km Helitem airborne electromagnetic (AEM) survey, which identified multiple AEM anomalies for follow up with field reconnaissance planned for Q3 2022.

### South West Nickel-Copper-PGE Project, WA Chalice earning 70%, 100% owned

A 3 hole diamond drill program was completed to test priority MLEM conductors along the ~20km long Thor magnetic trend. No significant assay results were observed from sulphide mineralisation intersected at the target EM horizons.

An auger soil geochemical program was also completed over the Thor trend which defined two new coincident Ni-Cu-PGE targets located over interpreted ultramafic rocks. The targets will be followed up with MLEM, subject to approvals, to define targets for potential drill testing.

During the year, the Company earned a 51% interest in the project from Venture Minerals (ASX: VMS) having met an initial expenditure commitment of \$1.2 million. In August 2022, Chalice committed to the second stage of the JV which requires a further \$2.5 million of expenditure over the next two years to earn a further 19% interest (for a total of 70%).

### Holt Rock Nickel-Copper-PGE Project, WA 100% owned

An auger soil geochemical program was completed to provide an initial reconnaissance-scale test over a ~20km x 8km high-amplitude aeromagnetic anomaly, interpreted as a potential mafic-ultramafic intrusive complex. No significant anomalism was identified and no further work is planned.

### Hawkstone Nickel-Copper-Cobalt Project, WA 85-100% owned

A single diamond drill hole was completed at the Ephesus Target, targeting a ground EM conductor associated with outcropping Ruins Dolerite. The hole intersected low level nickel and copper associated with minor disseminated sulphides in Ruins Dolerite.

The project remains prospective for orthomagmatic Ni-Cu+/-PGE mineralisation associated with Ruins Dolerite intrusives and Cu-Zn VHMS in Marboo Formation sulphidic sediments. The Company continues to seek expressions of interest from third parties to acquire Chalice's interest in the project.

### Auralia Nickel-Copper-PGE Project, WA SensOre Limited earning 51%

An earn-in agreement was executed with SensOre Limited whereby SensOre may earn up to a 51% interest in the Auralia Project by spending \$1.5 million within 2 years (Stage 1), which includes a minimum commitment of \$0.5 million and drilling at least one 600m hole before being able to withdraw. SensOre may earn an additional 19% (at Chalice's election) by spending a further \$3.5 million within 2 years from earning its Stage 1 interest.

SensOre and Chalice executed a heritage agreement with the Pila Nguru Corporation to facilitate planned exploration activities over key target areas identified by SensOre.

### Nulla South Gold Project, WA 20% owned

Ramelius (75%) undertook a 38 hole / 2,170m AC drilling program and a 5 hole / 430m RC drilling program at the Hitchings prospect which defined low-order gold anomalism over ~1-2km strike length of mafic gneiss, proximal to a contact/structure with footwall granite. Encouraging isolated results were obtained, with follow up exploration activities to be planned by Ramelius.

## Strategic investments and divestments

### Demerger and IPO – Falcon Metals Limited (ASX: FAL)

The Company completed a demerger of its Australian gold assets concurrent with an Initial Public Offer (IPO) to raise \$30 million (before costs) in December 2021. The assets demerged included the Pyramid Hill, Viking and Mt Jackson Gold projects. This established a new, well-funded ASX-listed gold exploration company called Falcon Metals Limited (ASX: FAL), with its own highly experienced board and management team.

The demerger allows the Company to focus on its flagship Julimar Ni-Cu-PGE Project and the new West Yilgarn Province in Western Australia.

The demerger was completed by a pro rata distribution of 117,000,000 fully-paid ordinary Falcon Shares to eligible Chalice shareholders. Eligible Chalice shareholders received 1 share in Falcon for every 3.034 shares held in Chalice on the record date of 13 December 2021. Falcon commenced trading on the ASX on 22 December 2021.

### Caspin Resources Limited (ASX: CPN)

Chalice acquired a strategic interest in Caspin Resources in December 2020. Caspin holds a 400km<sup>2</sup> exploration licence area located ~50km north of Julimar, where several early stage drilling results have indicated PGE-Ni-Cu-Co sulphide mineralisation within ultramafic to mafic intrusions, which appear to have similar parentage to the Gonneville discovery.

The Company holds a ~9.2% interest in Caspin which is valued at approximately \$2.6 million at 30 June 2022.

### Divestment – Flinders River Vanadium Project

In August 2022, Chalice received 12,500,000 common shares in TSX-V Listed Currie Rose Resources Inc. ("Currie Rose") (TSX-V: CUI), as well as 4,000,000 warrants, as consideration for the sale of the Flinders River Vanadium Project in Queensland. Chalice also retains a 2% net gross revenue royalty in the project.

The Company holds a ~13.4% interest in Currie Rose on an un-diluted basis.





# Financial performance



The loss for the year ended 30 June 2022 of \$18.3 million was lower than the net loss of \$43 million for the year ended 30 June 2021 largely due to the net gain realised of \$47 million from the demerger of the Falcon group, which was offset by high level of exploration and evaluation activities at the Julimar Project, resulting in expenditure increasing to \$51.4 million from \$31.4 million in 2021 (Table 2).

Corporate and administration costs decreased from \$6.8 million to \$5.8 million primarily due to the inclusion of \$2 million in payroll taxes incurred from the vesting of performance rights in the prior year, which is then offset by an increase in other corporate and administration costs due the rapid growth in scale of the Company's activities over the period.

Share based payments decreased from \$3.0 million to \$1.9 million primarily due the issue of 700,000 share options to directors in the prior financial year. Those shares options all vested on grant and therefore, the value of those options was expensed on grant in the 30 June 2021 financial year.

	2022 \$'000	2021 \$'000
<b>Julimar, Western Australia</b>	<b>51,438</b>	<b>31,443</b>
<b>West Yilgarn, Western Australia</b>	<b>5,413</b>	<b>1,593</b>
<b>Hawkstone, Western Australia</b>	<b>731</b>	<b>843</b>
<b>Pyramid Hill, Victoria</b>	<b>351</b>	<b>3,445</b>
	<b>57,993</b>	<b>37,324</b>

Table 2: Exploration and evaluation expenditure by project.

## Financial Position

At 30 June 2022, the Company remains well funded to execute its corporate strategy outlined on page 14. The Group had net assets of \$176.3 million (2021: \$149.2 million) and an excess of current assets over current liabilities of \$129.9 million (2021: \$105.4 million).

Current assets increased by 16.9% to \$138.6 million (2021: \$118.6 million) primarily due to an increase in cash on hand following a placement to raise \$100 million during the year (before costs). Refer to the statement of cash flows discussed below for further details regarding the movements of cash equivalents at 30 June 2022.

Non-current assets increased from \$44.1 million to \$48.1 million due to the acquisition of two private properties at the Julimar Project and the Company entering into a new lease for its Perth Corporate office.

Current liabilities at 30 June 2022 decreased by 34.1% from \$13.2 million in 2021 to \$8.7 million at 30 June 2022. The decrease in liabilities is primarily due to the inclusion of \$4.7 million at 30 June 2021 for the consideration payable of a private property at the Julimar Project, which had not settled at 30 June 2021.

## Statement of Cash Flows

Cash and cash equivalents at 30 June 2022 were \$131.7 million (2021: \$99.9 million). The increase in cash of \$31.8 million is predominately due to a share placement, which was undertaken in May 2022 to institutional and sophisticated investors raising \$100 million (before costs), offset by an increase in exploration and evaluation activities at the Group's Julimar Project.



# Mineral Resource Statement

The Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year.

## Julimar Ni-Cu-PGE Project - Gonneville Mineral Resource Estimate

The Company reported its maiden Mineral Resource estimate for Gonneville, the first discovery at the Julimar Project located in Western Australia, on 9 November 2021. The Company reviewed its Mineral Resources for the year ended 30 June 2022 resulting in an updated Mineral Resource estimate for Gonneville being reported on 8 July 2022. The current Mineral Resource estimate is reported below:

Cut-off Grade		Category	Mass	Grade								Contained Metal							
			(Mt)	Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	PdEq (g/t)	Pd (Moz)	Pt (Moz)	Au (Moz)	Ni (kt)	Cu (kt)	Co (kt)	NiEq (kt)	PdEq (Moz)
	0.9g/t Pd	Indicated	8.6	1.9	-	0.06	-	-	-	-	1.9	0.52	-	0.02	-	-	-	-	0.54
		Inferred	0.4	1.9	-	0.13	-	-	-	-	2.0	0.03	-	0.00	-	-	-	-	0.03
		Subtotal	9.1	1.9	-	0.06	-	-	-	-	1.9	0.55	-	0.02	-	-	-	-	0.57
	0.4% NiEq	Indicated	14	0.80	0.19	0.03	0.17	0.12	0.024	0.65	2.0	0.37	0.09	0.01	24	17	3	93	0.90
		Inferred	1.1	0.64	0.17	0.03	0.14	0.11	0.016	0.55	1.6	0.02	0.01	0	2	1	0	6	0.06
		Subtotal	15	0.79	0.19	0.03	0.16	0.12	0.023	0.65	1.9	0.39	0.09	0.01	25	18	4	99	0.96
Sulphide (Fresh)	0.4% NiEq	Indicated	220	0.73	0.16	0.03	0.16	0.10	0.016	0.59	1.8	5.1	1.1	0.20	360	230	34	1,300	12
		Inferred	110	0.71	0.15	0.03	0.16	0.11	0.015	0.58	1.7	2.4	0.52	0.10	170	110	16	610	5.9
		Subtotal	320	0.72	0.16	0.03	0.16	0.11	0.015	0.58	1.8	7.5	1.7	0.30	530	340	50	1,900	18
Underground	MSO	Indicated	0.03	1.7	0.33	0.08	0.16	0.15	0.016	0.99	3.0	0	0	0	0.1	0.1	0.0	0.3	0
		Inferred	2.9	1.8	0.40	0.06	0.27	0.21	0.021	1.2	3.7	0.17	0.04	0.01	7.6	6.0	0.6	35	0.34
		Subtotal	2.9	1.8	0.40	0.06	0.26	0.21	0.021	1.2	3.7	0.17	0.04	0.01	7.6	6.1	0.6	35	0.34
		Indicated	240	0.78	0.16	0.03	0.16	0.10	0.015	0.57	1.8	6.0	1.2	0.22	380	240	37	1,400	14
		Inferred	110	0.74	0.16	0.03	0.16	0.11	0.015	0.59	1.8	2.6	0.57	0.11	180	120	17	650	6.3
		Total	350	0.77	0.16	0.03	0.16	0.10	0.015	0.58	1.8	8.6	1.8	0.33	560	360	54	2,000	20

Note some numerical differences may occur due to rounding to 2 significant figures.  
PdEq oxide (Palladium Equivalent g/t) = Pd (g/t) + 1.27x Au (g/t)  
NiEq sulphide (Nickel Equivalent %) = Ni (%) + 0.33x Pd(g/t) + 0.24x Pt(g/t) + 0.29x Au(g/t) + 0.78x Cu(%) + 3.41x Co(%)  
PdEq sulphide (Palladium Equivalent g/t) = Pd (g/t) + 0.72x Pt(g/t) + 0.86x Au(g/t) + 2.99x Ni(%) + 2.33x Cu(%) + 10.18x Co(%)  
MSO optimisation defined reasonable shapes that could be extracted by underground mining methods.  
Includes drill holes drilled up to and including 18 March 2022.

Table 3. Gonneville Mineral Resource Estimate (JORC Code 2012), 8 July 2022.

There was no Mineral Resource statement at 30 June 2021 to compare to the current Mineral Resource statement.

The Mineral Resource is an estimate, and in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that Mineral Resources constitute or will be converted into Ore Reserves.

### Metal equivalents

The Mineral Resource is quoted in both nickel equivalent (NiEq) and palladium equivalent (PdEq) terms to take into account the contribution of multiple potentially payable metals. The cut-off grade for the sulphide domain was determined using NiEq in preference to PdEq, due to the assumed requirement for sulphide flotation to recover the metals.

PdEq is quoted given the relative importance of palladium by value at the assumed prices. Separate metal equivalent calculations are used for the oxide and transitional/sulphide zones to take into account the differing metallurgical recoveries in each zone.

### Oxide Domain

Initial metallurgical testwork indicates that only palladium and gold are likely to be recovered in the oxide domain, therefore no NiEq grade has been quoted for the oxide. The PdEq grade for the oxide has been calculated using the formula:

PdEq oxide (g/t) = Pd (g/t) + 1.27 x Au (g/t).

- » Metal recoveries based on limited metallurgical test work completed to date:  
Pd – 75%, Au – 95%.
- » Metal prices used are consistent with those used in the pit optimisation:  
US\$1,800/oz Pd, US\$1,800/oz Au.



## Transitional and Fresh Sulphide Domains

Based on metallurgical testwork completed to date for the sulphide domain, it is the Company's opinion that all the quoted elements included in metal equivalent calculations (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential of being recovered and sold.



Only limited samples have been collected from the transitional zone due to its relatively small volume. Therefore, the metallurgical recovery of all metals in this domain are unknown. However, given the relatively small proportion of the transition zone in the Mineral Resource, the impact on the metal equivalent calculation is not considered to be material.

Metal equivalents for the transitional and sulphide domains are calculated according to the formula below:

- »  $\text{NiEq (\%)} = \text{Ni (\%)} + 0.33 \times \text{Pd (g/t)} + 0.24 \times \text{Pt (g/t)} + 0.29 \times \text{Au (g/t)} + 0.78 \times \text{Cu (\%)} + 3.41 \times \text{Co (\%)};$
- »  $\text{PdEq (g/t)} = \text{Pd (g/t)} + 0.72 \times \text{Pt (g/t)} + 0.86 \times \text{Au (g/t)} + 2.99 \times \text{Ni (\%)} + 2.33 \times \text{Cu (\%)} + 10.18 \times \text{Co (\%)}.$

Metal recoveries used in the metal equivalent calculations are based on rounded average Resource grades for the higher-grade sulphide domain (>0.6% NiEq cut-off):

- » Pd – 70%, Pt – 70%, Au – 60%, Ni – 55%, Cu – 90%, Co – 55%.

Metal prices used are consistent with those used in the Whittle pit optimisation (based on long term consensus analyst estimates):

- » US\$1,800/oz Pd, US\$1,300/oz Pt, US\$1,800/oz Au, US\$22,000/t Ni, US\$10,500/t Cu and US\$75,000/t Co.



## Governance Arrangements and Internal Controls

Chalice reports its Mineral Resource estimates on an annual basis in accordance with the JORC Code (2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) and the ASX Listing Rules.

The Company has ensured that the Mineral Resources reported are subject to thorough governance arrangements and internal controls including sign off by senior technical staff on inputs used in the preparation of the estimates. The 8 July 2022, Mineral Resource estimate for Gonnevillie was prepared by independent mining consulting group Cube Consulting Pty Ltd with the pit optimisation used to constrain the Mineral Resource completed by AMC Consultants.

The Company's reporting governance for Mineral Resource estimates consists of several assurance measures, including:

- » Peer review by external consultants and senior technical staff before being presented to the Company's Board for approval and subsequent public reporting.

- » The Competent Persons responsible for the estimate are current members of professional organisations recognised by the JORC Code:

- » Mr Michael Millad is a Director and Principal Geologist/Geostatistician at Cube Consulting, and a Member in good standing of the Australian Institute of Geoscientists. Mr Michael Job is a Director and Principal Geologist/Geostatistician at Cube Consulting and a Fellow in good standing of the Australasian Institute of Mining and Metallurgy. Both Mr Millad and Mr Job have sufficient relevant experience to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.

- » The Company received prior written consent from the Competent Persons to the issue of the Mineral Resource statements in the form and context in which they appear in this Annual Report.

- » The Company has received supporting documentation for the estimates to a level consistent with standard industry practice.







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# Sustainability Report

A message from the Chair of the Risk and Sustainability Committee

Welcome to Chalice's 2022 Sustainability Report. Since the release of our inaugural report last year, we have taken important steps toward delivering on our commitment to create sustained value for our stakeholders and shareholders through responsible sustainability practices.

As an immediate focus, we have strengthened our high standards of governance, matured our health and safety management system, increased our engagement with communities, and continued to build our scientific knowledge of the biodiversity and conservation values where we operate.

The Company has a refined and strengthened purpose; to find the metals needed to decarbonise the world. These green metals are essential to our everyday living and are critical in powering the technology and infrastructure needed for a decarbonised future.

Chalice recognises that mined raw materials are integral to every aspect of our modern lives and are integral to delivering the global pledge of decarbonisation. Copper is essential to electrification and renewable energy technologies such as solar panels and wind turbines. Nickel and cobalt are key battery materials in electric vehicles. Platinum and palladium already play a very important role in removing pollutants, including greenhouse gases, from vehicle exhausts and are likely to play a key role in a future green hydrogen economy.

It is estimated that in order to successfully meet the goals of the Paris Agreement, the production of these metals will need to increase roughly four-fold relative to current production levels<sup>9</sup>.

<sup>9</sup>: Source: International Energy Agency - The Role of Critical Minerals in Clean Energy Transitions Report, 2021.



At Chalice we believe that meeting the global challenge of decarbonisation should not come at the cost of unacceptable local impacts. We fundamentally believe that mining can be done sustainably and responsibly, and that mining development can coexist with conservation and community values.

That is why one of our key areas of focus in the past year has been the development of a Biodiversity Strategy for the Julimar Project. Endorsed by the Board, the strategy sets a corporate goal to ensure science-based no net loss of species or habitat diversity as a result of our operations. This will see us embark on an exciting and innovative program of work at Julimar to add areas of remnant vegetation to the conservation estate and restore cleared land to form ecological corridors and reduce habitat fragmentation.

This year's Sustainability Report outlines the substantial progress we have made in fulfilling our commitments across the four pillars that underpin our Environmental, Social and Governance (ESG) Strategy and roadmap. I am proud of our achievements so far and look forward to further strengthening our performance across all dimensions of ESG, while continuing to create shared value for our stakeholders and shareholders.

Yours faithfully,

Garret Dixon  
Chair of Risk and Sustainability Committee



# Our Approach to Sustainability

Chalice aims to deliver sustained shared value, for both stakeholders and shareholders, through responsible sustainability practices. Our focus on sustainability remains central to value creation, enabling Chalice to realise opportunities, effectively manage risk and contribute to sustainable development.

Chalice set its corporate sustainability strategy in 2021, and it is now integral to the business strategy more broadly, forming one of our four key strategic goals. The strategy was reviewed in 2022 and remains strongly aligned to our purpose, corporate strategy and material sustainability issues.

Chalice's approach to sustainability is based on four pillars, or focus areas, that encompass our material sustainability issues and drive our performance across our activities via clearly defined long-term goals and targets. In essence we seek to minimise our environmental footprint through strong environmental stewardship, provide a safe and healthy workplace for our employees and contractors, create value for our stakeholders, and contribute to the global transition to clean energy and a low emissions future.

Each year, we review our goals and targets against previous performance to ensure they remain appropriate for the business. As part of this process, we consider strategic priorities, community expectations and the results of materiality testing.

This year we strengthened our commitment to environmental stewardship with the development of a Biodiversity Strategy with the following two goals:

- » **To ensure science-based no net loss of species or habitat diversity as a result of our operations; and**
- » **To strive towards a net positive legacy for significant species and our local community.**

The development of the Biodiversity Strategy and these goals are reported in further detail on page 48.



## Our Sustainability Vision and Pillars

Deliver sustained shared value, for both stakeholders and shareholders, through responsible sustainability practices



Healthy and Safe Workforce



Strong Environmental Stewardship



Manage Climate Change Risk



Create Value for Stakeholders

The United Nations Sustainable Development Goals (UNSDGs) promote action in areas that are critical to ending poverty, protecting the environment and improving the prosperity of all people through economic, social and technological progress. The goals are relevant for all countries and all sectors of society, including business.

Chalice recognises the importance of playing our part in helping achieve the UNSDGs by their target date of 2030. Of the 17 UNSDGs, we have identified nine immediate areas of focus (pictured above) and have formulated a strategy aimed at achieving best practice in these areas.

In targeting our impact on these UNSDGs, Chalice aims to deliver sustained, shared valued for both our shareholders and stakeholders through responsible sustainability practices.

As we grow and mature as a Company, we will seek to expand our commitment in these areas with appropriate performance metrics which will be measured to ensure they form an integral part of our approach and overall business strategy.



# Stakeholders and Materiality

In FY2022 we have built on the materiality testing conducted in FY2021. Chalice has applied a materiality process underpinned by the Global Reporting Initiative (GRI) Standards Reporting Principles to inform the scope and level of disclosures identified in this Report which included external stakeholder engagement for the first time.

A material sustainability topic is considered one that reflects the organisation's economic, environmental, and social impacts, or influencing the decisions of stakeholders, in accordance with guidance from GRI.

The process for initially identifying sustainability issues included a review of current and emerging issues facing the mining industry, stakeholder and investor feedback, industry benchmarking, shifts in government policy and regulatory settings and material company risks. Issues were then prioritised by internal and external stakeholders (such as industry associations, government and non-government organisations and investors) and subject matter experts via surveys and focussed discussions.

## Process to establish sustainability materiality



Finally, issues were evaluated by the Key Management Personnel (KMP) and Board to ensure they were aligned to business and stakeholder priorities. The issues shown in Figure 10 and disclosed in this Report focus on environmental, social and governance topics that were identified as being critical for the current stage of the Company's projects. These are the issues that we believe substantially impact our business performance and the decisions we currently make.

While both tailings and waste management were identified by stakeholders as important, these issues are not included in this report because Chalice does not currently produce any tailings material or noxious or toxic wastes that require disposal. These issues are being carefully considered as part of early engineering studies for the Julimar Project but no detailed or definitive design for tailings and waste management facilities has been decided.

## Prioritisation of material topics

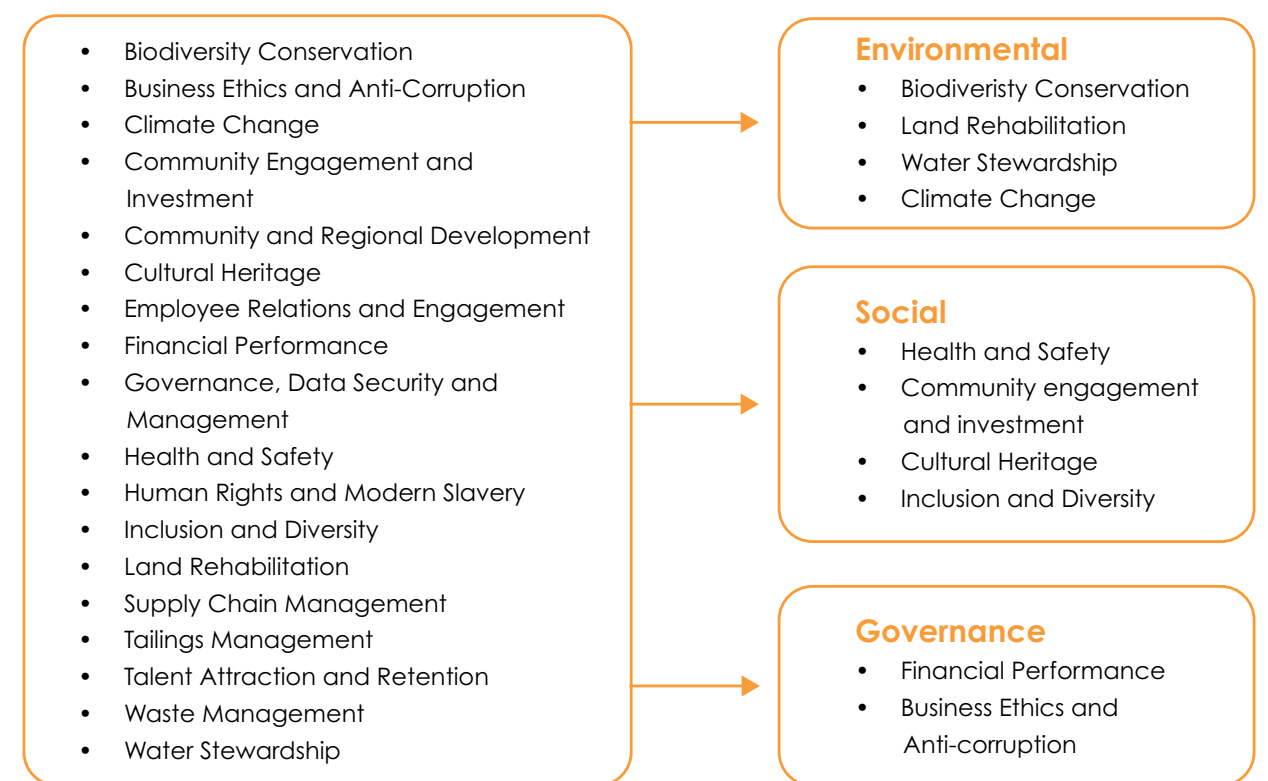


Figure 10. A Materiality Matrix addressed 18 topics (left), from which those that were prioritised by Chalice are listed above (right).

# Reporting

We have used the Global Reporting Initiative (GRI) standards, 101 Foundation and 102 General Disclosures, and other internationally recognised standards as a guide to the principles and disclosures for sustainability reporting. We will progressively align our reporting in accordance with the GRI standards over future reporting periods as our organisation matures from our current exploration phase into potential mine development and future operations.

Chalice has also adopted the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations for addressing climate-related risks and opportunities. Implementation of TCFD will be undertaken progressively and our planned activities are outlined on page 52.

The 2022 Sustainability Report covers the sustainability goals, activities and performance of our wholly owned and operated exploration projects in Western Australia. These are activities over which Chalice had operational control in the 2022 financial year and that materially contributed to our sustainability performance.





# Green Metals

The green metals are a group of metals used in applications like renewable energy, energy storage, batteries, electric vehicles, pollution control and hydrogen. These new technologies are required in very large quantities to decarbonise the global economy. The green metals include nickel, copper, cobalt, platinum, palladium, lithium, manganese, graphite and vanadium, and most are classified as 'critical minerals' by western governments.

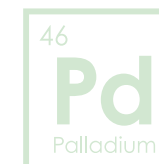
Green metals are essential to our modern society, however sustainable new sources of these metals are becoming increasingly rare. The supply of these metals is increasingly being dominated by geographies with poor sustainability standards.

As the world pledges to meet greenhouse gas emission targets, demand for these metals is projected to surge over the coming years. The International Energy Agency forecasts that 60 new nickel and 17 new cobalt mines alone are required by 2030 to meet announced emissions goals<sup>10</sup>.

Despite wide acknowledgement of this increased demand, the number of new discoveries and mines globally is declining rapidly, as known mineral deposits deplete.

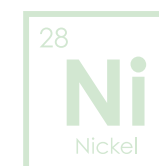
<sup>10</sup> Global Supply Chains of EV Batteries Report, July 2022, International Energy Agency;  
<sup>11</sup> Johnson Matthey PGM Market Report 2021; IEA "The Role of Critical World Energy Outlook Special Report Minerals in Clean Energy Transitions" March 2022; S&P Global Commodity Quarterly: Copper Q4 2021.

## Applications and Uses<sup>11</sup>



### Platinum and Palladium:

Primarily used in catalytic converters – a pollution control device in every petrol, diesel or hybrid vehicle. Palladium reduces greenhouse gas emissions from exhaust streams, including nitrogen oxides which are 300x more potent than CO<sub>2</sub> as a greenhouse gas. These metals also have a future role to play in green hydrogen production, storage, transportation and use in hydrogen fuel cells. Platinum and palladium are the most common Platinum Group Elements (PGEs).



### Nickel and Cobalt:

Nickel and cobalt are key materials required in lithium-ion batteries for electric vehicles (EV) and other high-powered battery applications. Nickel is also used in everyday electronics including mobile phones, laptops and digital cameras alongside home appliances and medical equipment.



### Copper:

Used extensively in solar, wind, hydro and geothermal energy technologies, as well as in mass electrification technologies including EV's and batteries. It is also used in everyday consumer electronics such as mobile phones, and in all aspects of the electricity system.

## Growing demand for green metals



Renewables



Energy storage



Electric vehicles



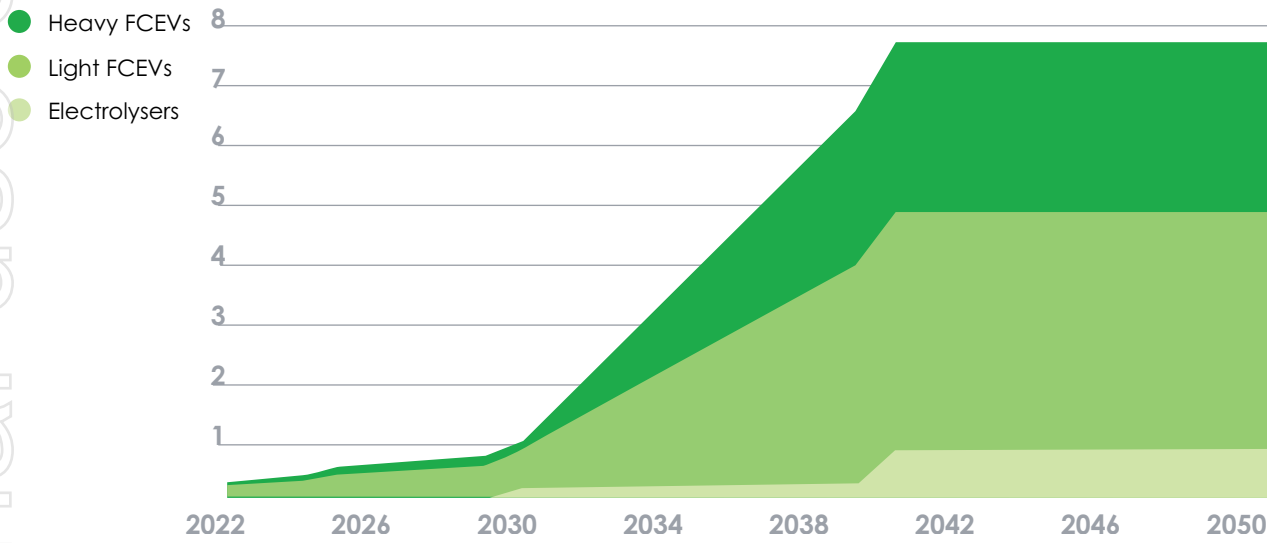
Hydrogen



Hydrogen – a new source of demand for Platinum and Palladium

Platinum and palladium are essential in all stages of the hydrogen economy, another potentially critical solution to achieving decarbonisation. The rapid growth and increasing adoption of green hydrogen has the potential to underpin long term platinum and palladium demand.

Estimated annual Pt and Pd demand from Hydrogen (Moz)



Source: Chalice. Refer to the assumptions and cautionary statement on page 84.

The role for Chalice and Julimar

Large-scale deposits of these green metals are rare, and Julimar is one of the largest and most significant discoveries in recent history. Driven by the need to comply with emissions targets and to satisfy increasing sustainability standards, end-users such as battery manufacturers are searching for reliable, sustainable sources of these metals.

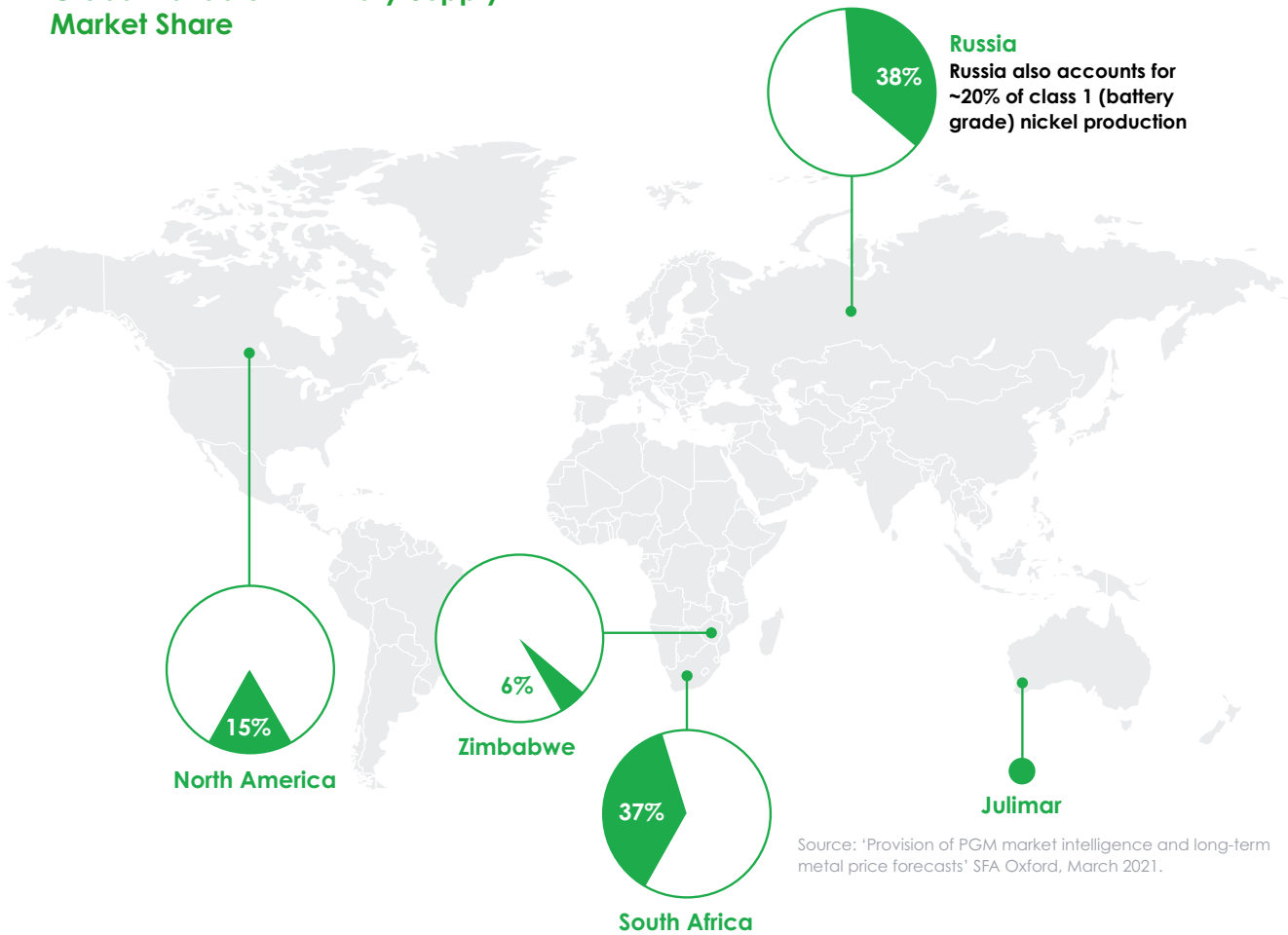
Julimar's location in a tier-1 mining jurisdiction and proximity to world-class infrastructure make it uniquely positioned to deliver low carbon intensity metals. Russia and South Africa currently dominate the world's production of PGE's and Australia has never had a major PGE mine.

This presents an excellent opportunity for Chalice and the Julimar Project, which has the potential to be a reliable future source of these critical metals, generating significant economic benefits for the region and state.

Chalice believes that mining of these critical green metals must be done in a responsible and sustainable manner, and acknowledges that mining and processing of metals has environmental impacts.

Chalice is committed to protecting local environmental values and ensuring greenhouse gas emissions from any future metals production are appropriately addressed as part of development design and planning.

Global Palladium Primary Supply Market Share







# Strong environmental stewardship

Chalice is committed to rigorous standards and governing frameworks to ensure responsible environmental practices are followed in all our operations. We take our environmental responsibilities seriously and are committed to achieving excellence in environmental management through understanding the sensitivities of the areas where we operate and applying the mitigation hierarchy to avoid, minimise, mitigate, and/or, where appropriate, offset our impacts to the environment.

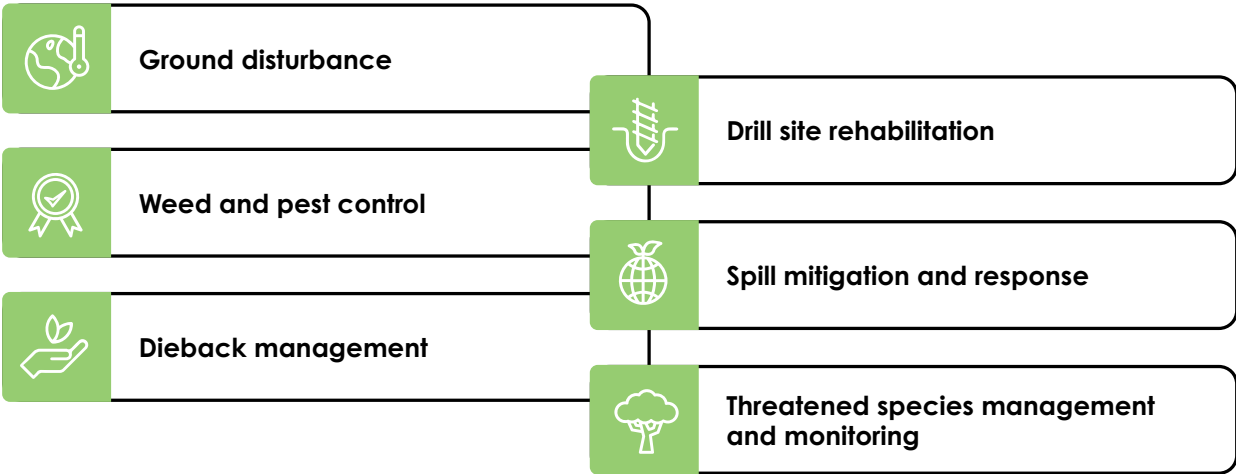
Environmental management measures are applied proactively across all our exploration programs through procedures and standards established within our ISO14001 aligned HSEC Management System. Implementing and maintaining an environmental management system that aligns with ISO14001 standard enables identification and effective management

of potential environmental risks, impacts and opportunities across all our activities. All environmental management is undertaken in accordance with the [Environment Policy](#) which has been recently reviewed and updated.

As an exploration company, Chalice does not have any tailings material, noxious or toxic wastes that require disposal. All waste from our operations (including hydrocarbon contaminated wastes) is collected from sites by a licensed contractor that disposes all waste offsite at an appropriately licensed facility.



Our core environmental management procedures include:



In addition to Chalice’s internal environmental governance, all of Chalice’s exploration activities are governed by regulatory permits that contain stringent conditions to protect the environment such as Conservation Management Plans, Native Vegetation Clearing Permits (NVCP) and Programmes of Work (PoW).

During FY2022, the Company complied with all relevant environmental laws and the obligations under applicable legislation and permits. Chalice has not had to pay any fines or penalties for environmental or ecological matters.



# Julimar Project Biodiversity Strategy

## Case Study 1



Farmland owned by Chalice will form part of our restoration program to establish ecological corridors under the Julimar Project Biodiversity Strategy.

Chalice recognises the importance of understanding and managing land and biodiversity risks, and in contributing to a resilient environment in the areas surrounding our potential future operations. The Julimar Project is situated adjacent to areas of biodiversity value including State Forest, conservation areas and areas of remnant woodland on agricultural land. Effectively managing biodiversity, rehabilitation and closure is therefore part of our commitment to responsible development and is integral to meeting community expectations and regulatory requirements.

With this in mind, Chalice engaged Syrnix Environmental, who are highly regarded in the fields of remediation and restoration ecology, to develop a Biodiversity Strategy for the Julimar Project. There were two key aims in developing the Strategy:

- » To be credible and transparent in the way we work and communicate with the community and our stakeholders on biodiversity issues and commitments; and
- » To balance our impacts to biodiversity and ecosystem services with environmental and social gains along the continuum of our potential mine life and beyond.

The Strategy covers potential future mining operations at Gonneville including the direct and indirect footprint associated with mining, processing, and associated infrastructure. The intent is to span the life of the mine and beyond to ensure sustainable post mining closure and land-uses. Central to the Strategy are two biodiversity goals:

- » To ensure science-based no net loss of species or habitat diversity as a result of any mining operations; and
- » To strive towards a net positive legacy for significant species and our local community

The Strategy and goals will be achieved through restoration initiatives that address habitat fragmentation, establish ecological corridors and improve carbon sequestration. Chalice will develop a detailed implementation plan for the Biodiversity Strategy over the coming year and will continue to follow the development of the Taskforce on Nature-related Financial Disclosures (TNFD).

# Environmental Baseline Surveys

## Case Study 2

### Flora and Fauna

Baseline flora and fauna surveys have been conducted by teams of specialist botanists and zoologists across 6,000 hectares in the Julimar region. The intent of these surveys is to gather information specific to the region to avoid and mitigate impacts to conservation values of the Julimar State Forest and the Chalice-owned farmland during drilling activities.

Surveys undertaken across the year include but are not limited to the following activities:

#### Flora and vegetation including:

- » Dieback occurrence
- » Targeted surveys for conservation significant flora and vegetation communities
- » Detailed surveys to characterise the flora, delineate vegetation communities and assess vegetation condition

#### Fauna including:

- » Fauna monitoring prior to drill rig mobilisations
- » Basic surveys to gather broad fauna information and map fauna habitat
- » Targeted Black Cockatoo surveys and habitat assessments
- » Targeted mammal surveys



All survey methodology was consistent with relevant Environmental Protection Authority technical guidance and Index of Biodiversity Surveys for Assessments data standards.

Future flora and fauna baseline surveys across the Julimar State Forest and the Chalice-owned farmland will include additional detailed and targeted flora surveys, and surveys focused on black cockatoos, short range endemics, and aquatic fauna.

The environmental baseline information will be utilised in future project studies to minimise and avoid impact to significant environmental values.

A team of biologists, zoologists and Traditional Owners conducted the flora and fauna surveys.





# Ground Disturbance and Rehabilitation

## Case Study 3

For personal use only



The Chalice team consider rehabilitation from the very first stages of exploration planning.

Rehabilitation is considered from the very first stages of exploration planning, such as choosing sites which require minimal vegetation and ground disturbance where possible. Chalice's low-impact exploration in vegetated areas also avoids the need for mechanised clearing, which has obvious advantages for rehabilitation. By not clearing trees our work has little impact on existing root stock, topsoil and the seed bank.

All rehabilitation sites in vegetated areas are photographed and documented regularly, which occurs every three to six months depending on the location. Photographs are compared between each monitoring event to ensure:

- » No increase or introduction of weeds
- » No observable erosion has occurred
- » Hole capping is sufficient and has not created a hazard for animals, and
- » Natural regeneration of vegetation is occurring

If the monitoring identifies an issue with the rehabilitation, rectification activities will be implemented until the issue is addressed.

Chalice's rehabilitation is also inspected by the Department of Mines, Industry Regulation and Safety to ensure it meets industry standards, whilst program conditions are designed in conjunction with the Department of Biodiversity, Conservation and Attractions.

In FY2022, Chalice undertook 1.23 hectares of ground disturbance, with 0.99 hectares rehabilitated across all our operations. The remaining areas will be rehabilitated once drilling activities are complete. Disturbed areas are progressively rehabilitated to ensure they are physically safe, stable, non-polluting and capable of sustaining the pre-exploration land use.

## Groundwater and Surface Water

Chalice recognises that water is a critical shared resource that must be managed efficiently and responsibly. Whilst our current water usage in the exploration phase is minimal, we are conducting studies to understand the potential water usage of a mining operation at Julimar.


Our goal is to ensure that our activities do not compromise environmental values or have adverse impact on other users.

To deliver on this, and to better understand the groundwater and surface water systems at Julimar, Chalice has been regularly sampling both groundwater and surface water. These samples are sent to a National Association of Testing Authorities, (NATA) laboratory for independent analysis.

The baseline groundwater and surface water sampling program will continue throughout the Julimar Project development phase. Additional groundwater and surface water monitoring locations are being investigated at a regional scale. Chalice will then utilise the information gathered to establish a site-specific water balance for the Julimar Project as the project develops.



The Chalice team conducting water monitoring at Julimar.

Sustainability Pillar	FY2022 Achievement	FY2023 Performance Target
 Strong environmental stewardship	<ul style="list-style-type: none"><li>» Zero significant environmental incidents</li><li>» 100% compliance with tenement conditions and Conservation Management Plan (CMP) requirements</li></ul>	<ul style="list-style-type: none"><li>» Zero significant environmental incidents</li><li>» Continue baseline environmental studies for Julimar Project</li><li>» Implement Biodiversity Strategy for Julimar Project</li></ul>
Goal	<ul style="list-style-type: none"><li>• Ensure science based no net loss of species or habitat diversity as a result of our operations</li><li>• Strive towards a net positive legacy for significant species and our local community</li><li>• Understand and responsibly manage water as a shared resource</li></ul>	<ul style="list-style-type: none"><li>» Approval of CMP and Native Vegetation Clearing Permit (NVCP) for low impact drilling in the Julimar State Forest</li><li>» Baseline environmental surveys and groundwater and surface water studies conducted at Gonneville and across proposed exploration areas with State Forest</li><li>» Biodiversity Strategy developed for Julimar Project</li><li>» Progressive rehabilitation of exploration activities (0.99 hectares rehabilitated of 1.23 hectares of ground disturbance)</li></ul>
		<ul style="list-style-type: none"><li>» Develop site-specific water balance for Julimar Project</li><li>» Develop a water stewardship position statement and action plan</li><li>» Continue progressive rehabilitation of all exploration activities</li></ul>



# Climate Change Response and Management

## Chalice's position on climate change

Chalice believes in being part of the solution to climate change by responsibly discovering and developing new mineral deposits that provide the key metals which are critical to decarbonisation. Supporting a low carbon emissions future is central to our purpose and strategy as an organisation.

Chalice acknowledges the scientific consensus and the position expressed by the Intergovernmental Panel on Climate Change (IPCC). There is an urgent need to limit global warming to well below 2°C and to pursue efforts to limit the temperature increase to 1.5°C.

We recognise that climate change is a material issue for the Company and anticipate that our strategy and operations will be influenced by climate-related issues in the short, medium and long term.

## TCFD Disclosures

### Governance

Chalice has established a governance system to respond to a range of sustainability issues. Climate change is addressed within this governance system albeit explicit processes have yet to be implemented.

The Board oversees the Company's approach to sustainability issues including climate-related risks and opportunities. Climate change is one of the four pillars of Chalice's Sustainability Strategy that was endorsed by the Board in FY2021. In FY2022, the Board reviewed and endorsed a refreshed Corporate Strategy which continues to focus on climate change as a pillar of the Sustainability Strategy and identifies climate change as a material issue.

## Commitment to Taskforce on Climate-related Financial Disclosures

Chalice's approach to the assessment, governance and management of climate risk is guided by an increasing alignment with the Taskforce on Climate-related Financial Disclosures (TCFD recommendations).

Chalice recognises that full alignment with TCFD is an incremental process. The following section provides our first set of voluntary TCFD disclosures, summarising the initial measures taken in FY2022 and future plans to progressively adopt the TCFD recommendations.

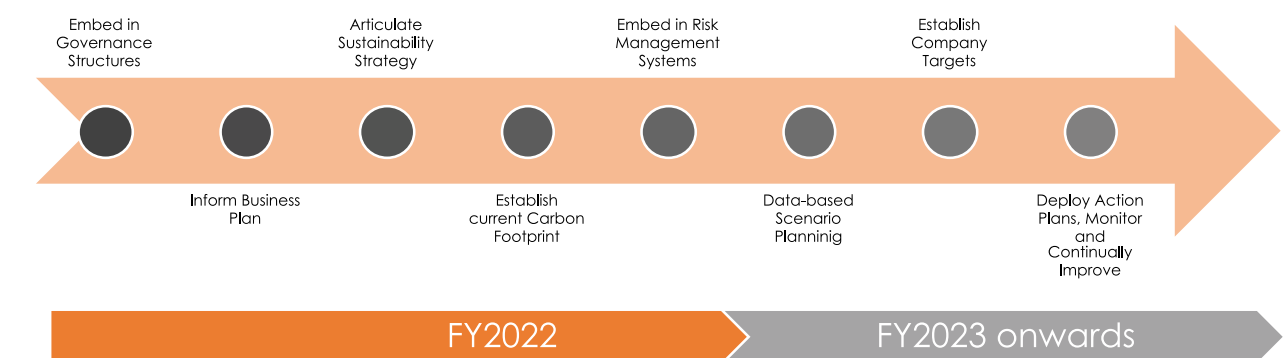
The Board's Risk and Sustainability Committee oversees and monitors Chalice's Risk Management Framework and provides oversight and guidance on sustainability, primarily in the areas of safety, environment, community and heritage. The Committee's Charter requires the Committee to meet at least two times annually, and two meetings took place in FY2022.

Chalice intends to further develop our climate governance and embed the oversight of climate-related issues into the role of the Board and the Risk and Sustainability Committee, and to embed the role of KMP in assessing and managing climate-related risks and opportunities.

## Strategy

The risks and opportunities of climate change are set inherently within Chalice's purpose, as an explorer and developer of green metals. Chalice is pursuing the opportunities arising from the emerging and existing technologies that support the global transition to clean energy and a low emissions future.

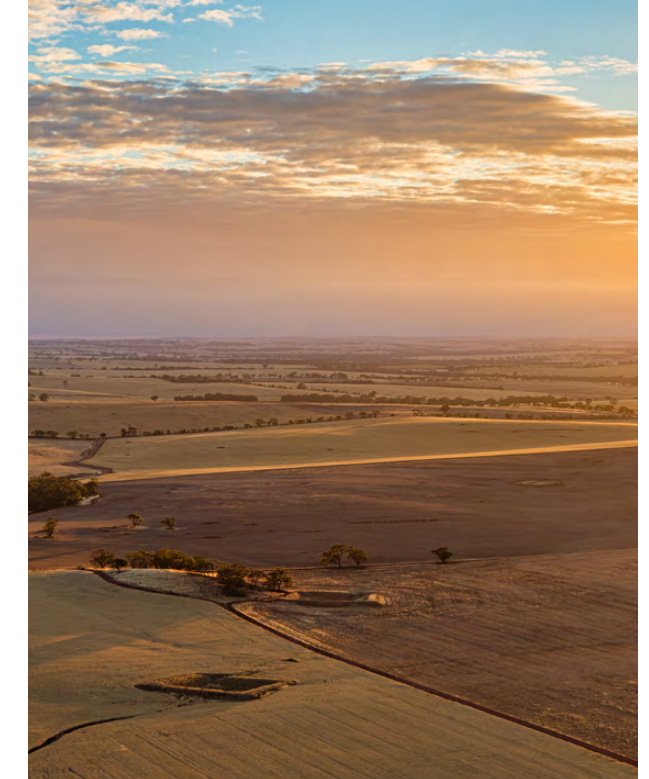
Given the rapid growth experienced by the Company, there has been a focus on a short-term time horizon for Chalice's current period of evolution from explorer to developer.



An overview of TCFD relevant developments that have been achieved in FY2022, and significant activities planned for the forthcoming period.

The Corporate Strategy refresh in FY2022 identified several macro themes likely to impact Chalice in the near-medium term. Transition opportunities arise from battery and green metals driving favourable investment trends and commodity cycles. Transition opportunities also arise in technology and innovation. Transition risks arise from heightened scrutiny of ESG performance in the mining industry.

The next step in our Sustainability Roadmap is to undertake a more detailed assessment of climate-related risks and opportunities. Chalice has already commenced sustainability materiality testing, which will continue to inform the Sustainability Strategy and the Company's priority areas.





## Risk Management

Embedding critical risk management processes was a strategic action in the FY2021 Sustainability Strategy.

The Risk Management Framework sets the overall structures and processes for the identification and management of enterprise and operational risks. It designates specific responsibilities for the oversight of risks by the Board, the Risk and Sustainability Committee, KMP, Managers and Supervisors.

In accordance with the Risk Management Framework, risks are evaluated by KMP (for enterprise risks) and KMP and supervisors (for operational risks). Risks are identified and ranked and control actions and responsibilities are allocated. Reviews are conducted semi-annually and material outcomes are presented to the Risk and Sustainability Committee.


Chalice's approach to risk management was further enhanced by the introduction of an electronic risk management platform (CGR Foundation). Enterprise and operational risk registers have been established in CGR Foundation, with a risk owner designated for each risk.

## Metrics and Targets

The enterprise and operational risk scores assessed in our risk management processes serve as quantifiable metrics. Incident information (including as it pertains to acute physical risks) is also available and reflects Chalice's current operations.

The Sustainability Strategy sets a goal to assess and benchmark the carbon intensity of Chalice's projects. In FY2021 Chalice completed the assessment of its organisational carbon footprint to provide a baseline. In FY2022 the assessment has been undertaken again, as outlined on page 56.

These performance metrics relate to Chalice's current operations and activities and are relevant in the short term. In the mid and long-term, suitable metrics will be identified to measure GHG emissions, physical climate and the proportion of vulnerable products, assets, operations, locations and suppliers. This will enable Chalice to predict likely impacts so that they can be quantified and managed proactively.

Sustainability Pillar	FY2022 Achievement	FY2023 Performance Target
 <b>Manage climate change risks</b>	<ul style="list-style-type: none"> <li>» Annual organisational carbon assessment completed</li> <li>» Commenced first set of voluntary TCFD disclosures</li> </ul>	<ul style="list-style-type: none"> <li>» Define benchmark carbon targets in engineering design including the physical and transition risks and opportunities of climate change for Julimar Pre Feasibility Study (carried over from FY2022)</li> <li>» Develop and commence implementation of TCFD roadmap</li> <li>» Further develop processes for embedding climate-related risks and opportunities in the risk management system</li> </ul>
<b>Goal</b>		
<ul style="list-style-type: none"> <li>• Assess and benchmark carbon intensity of our projects</li> </ul>		

TCFD Recommendation		FY2022 Achievement	FY2023/2024 Target
<b>GOVERNANCE - Disclosure of governance relating to climate related risks and opportunities</b>			
A.	Describe the board's oversight of climate-related risks and opportunities.	» Suitable Board and Committee structures have been established to enable ongoing oversight.	» Further embed climate governance into role of Board and Risk and Sustainability Committee.
B.	Describe management's role in assessing and managing risks and opportunities.	» Management structures, processes and roles have been established which enable ongoing assessment and management of risks and opportunities.	» Further embed role of management in assessing and managing climate-related risk and opportunities.
<b>STRATEGY - Disclosure of actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</b>			
A.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	» Relevant transition and physical risks and opportunities pertaining to the short-term have been identified and documented at a general level.	» Develop greater articulation of specific risks and opportunities as they relate to the short, medium and long term.
B.	Describe the impact of climate-related risks and opportunities of the organisation's businesses, strategy, and financial planning.	» The Company's positioning as a future supplier of green metals describes the transition opportunity relating to technology and its impact on the Company's financial performance.	» Develop greater articulation of specific impacts as they relate to the short, medium and long term.
C.	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios.	» n/a.	» Undertake detailed scenario planning for the short, mid and long-term that aligns with major markets/jurisdictions and predicted technology uptake as the global transition to clean energy.
<b>RISK MANAGEMENT - Disclose how the organisation identifies, assesses, and manages climate-related risks</b>			
A.	Describe the organisation's processes for identifying and assessing climate-related risk.	» Risk Management Framework has been revised, endorsed and implemented.	» Continue implementation and improvement of processes.
B.	Describe the organisation's processes for managing climate-related risks.	» Electronic risk management platform (CGR Foundation) has been developed and launched.	» Augment processes with further risks and opportunities pertaining to Policy, Technology, Markets, Reputation, Acute and Chronic Physical Risks, Resource Efficiency, Products, and Services.
C.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	» n/a.	» As above.
<b>METRICS &amp; TARGETS - Disclosure of metrics and targets used by the organisation to assess and manage climate-related risks and opportunities</b>			
A.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	» Monitored GHG emission metrics (tCO2e), risk scores and incident statistics are being used to assess climate risks and opportunities as they relate to the Company's current operational activities.	<ul style="list-style-type: none"> <li>» With continued progress from exploration to design and construction, develop metrics as they relate to medium and long-term.</li> <li>» Predict likely impacts so that they can be quantified and managed proactively. Ensure this work is correctly scoped when progressing the development, assessment and approval of the Julimar Project.</li> </ul>
B.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	» Organisational carbon footprint undertaken for FY2021 and FY2022.	» Develop understanding of future associated Scope 1, 2 and 3 emissions (and savings), to enable a confident articulation to stakeholders of the Company's role in enabling the global transition to clean energy.
C.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	» n/a.	» Identify and implement targets to manage climate related risks and opportunities over the short, medium and long term.



Our Carbon Footprint

Chalice engaged the expertise of Life Cycle Assessment Certified Practitioners from Perspektiv to conduct an organisational carbon assessment of the Company's activities. The review assessed Chalice's operations, centred on its head office and the Julimar Project site in Western Australia, alongside a number of exploration projects throughout Australia.

The organisation's total identified greenhouse gas emissions for the financial year July 2021 to June 2022 amount to 4,683 tonnes of CO2-equivalent. For context, in 2021, the Australian average household emits 15 to 20 tonnes of CO2-equivalent gas (Chalice's total emissions this financial year would therefore be equal to emissions from up to 312 average Australian households). Again, Scope 3 indirect emissions form the majority of emissions at 94%. Drilling and waste disposal are top contributors, amounting to 67% (3,151 tCO2e) and 18% (840 tCO2e) of total impacts, respectively.

All direct Scope 1 emissions and indirect Scope 2 emissions associated with electricity use have been quantified in line with National Greenhouse and Energy Reporting (NGER) reporting guidelines, alongside major Scope 3 emissions. On the other hand, emissions associated with farm operations, fixed assets, leased equipment and vehicles, goods and services, staff commute, refrigerants and catering have been excluded. Some of these sources are recommended for future inclusion, pending ongoing review against the Greenhouse Gas (GHG) Protocol Relevance Test. Minor carbon-reducing initiatives were identified, including use of solar PV panels for accommodation and water pumping, and freight delivery by bicycle.

A new, more accurate calculation method was adopted to align with the latest industry best practices for GHG quantification. As a result, business travel emissions associated with passenger flights decreased



significantly compared to FY2021, therefore requiring re-baselining to align with new methods and allow year-on-year tracking. This new method enables calculation of emissions per passenger kilometer instead of including all emissions per flight regardless of passenger numbers. As such, last year's flight emissions decreased from 1,622 tCO2e to 24 tCO2e; with total emissions from FY2021 amounting to 3,144 tCO2e after re-baselining (previously indicated as 4,797 tCO2e).

A 49% increase is therefore observed when comparing FY2021 (re-baselined) and FY2022's GHG emissions, with majority of impacts coming from drilling operations and waste disposal at the Julimar Project. This is expected as operations onsite considerably increased compared to FY2021.

Calculation of all GHG emissions was done on basis of Chalice's financial accounts data. Perspektiv conducted the GHG inventory, assessed all quantifiable sources using industry practice calculation methods, and reviewed the relevance of other non-quantified emissions sources.



GHG Emissions Per Activity [tCO2e]

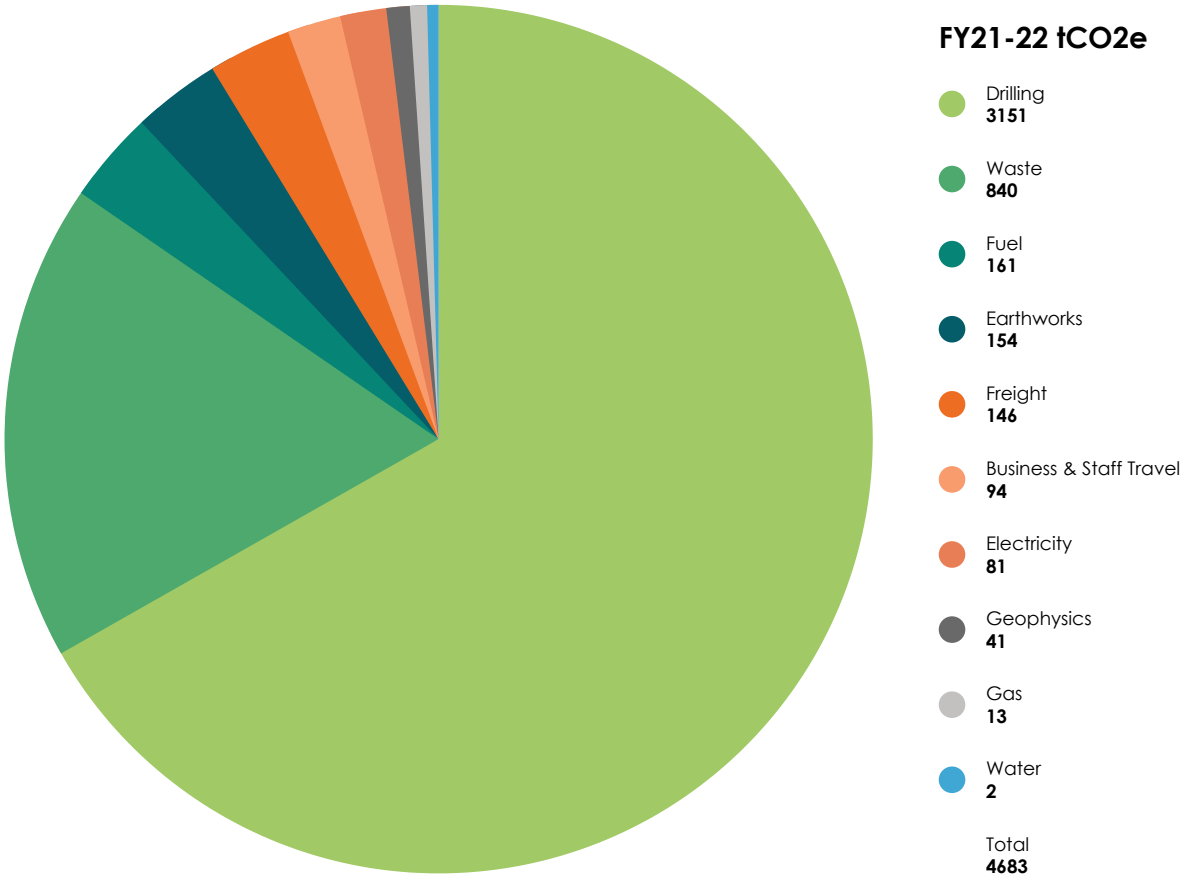


Table 4. GHG emissions [tCO2e] per facility over time.

Facilities	Chalice Corporate Office	Julimar Project	Pyramid Hill Project	WA Exploration Projects	Total
FY20/21 (rebaselined)	111	2,697	255	81	3,144
FY21/22	76	4,370	31	206	4,683





# Healthy and Safe Workforce

Chalice recognises that employee and contractor health and safety lies at the core of our business. Maintaining high health and safety performance requires the right mindsets and behaviours, which together with our systems contribute to our strong safety culture. Our primary objectives are to maintain a culture of integrity and ownership, to provide a safe working environment at all Chalice locations and to maintain the health and wellbeing of our employees and contractors.

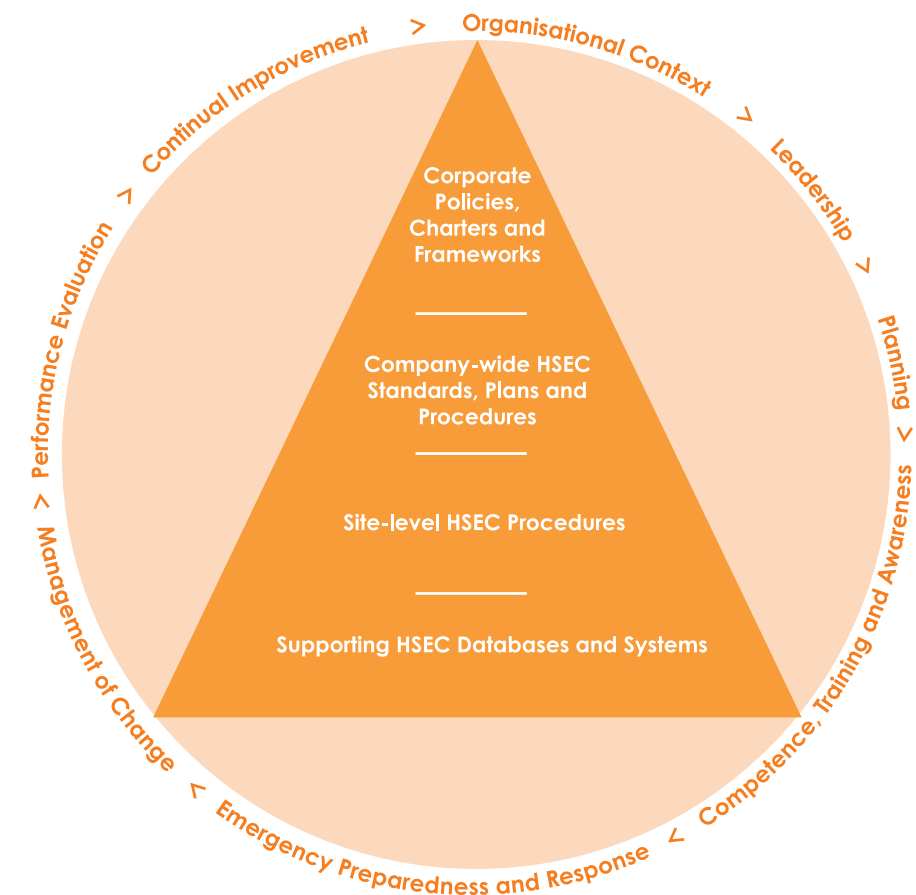
Chalice is committed to ensuring occupational health and safety standards are implemented and owned by the workforce. Our Health, Safety, Environment and Community (HSEC) Management System governs our day-to-day activities, ensuring appropriate standards are adopted, hazards are identified, controlled, managed and monitored appropriately. The system aligns with ISO 45001 (occupational health and safety management systems), ISO 14001 (environmental management systems) and ISO 9001 (quality management).

The Chalice HSEC Management System and processes are continually reviewed to ensure we have the ability to adapt to a growing exploration and project development portfolio. The system is comprised of four elements:

1. Corporate Policies, Charters and Frameworks
2. Company-wide HSEC Standards, Plans and Procedures
3. Site-level HSEC Procedures
4. HSEC Databases and Systems

This system links directly to the Risk Management Framework, under which KMP regularly review critical enterprise and operational risks. These elements help us understand, mitigate and manage risks to the business, employees, contractors, stakeholders and the environment across all of our activities, as well as track our overall performance.

Our **Health and Safety Policy** outlines our commitment to implementing policies, systems, and procedures that assist with hazard identification, risk assessment and control, to ensure a safe system of work and mitigate the risk of health and safety incidents.



Chalice's Health, Safety, Environment and Community (HSEC) Management System.

In March 2022 the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) implemented the Work Health and Safety Regulations (Mines) 2022 that requires the mining industry to comply with the minimum requirements of a Mine Safety Management System (MSMS).

DMIRS have given the mining industry twelve months from date of proclamation to implement the MSMS. Over the next year we will continue to carefully review the Chalice HSEC Management System against the Code of Practice for MSMS and governing Regulations to ensure that we align to these requirements.





HSEC Assurance Audit (ISO 45001)

Early in FY2022, Chalice undertook an internal audit of our HSEC Management System utilising the ISO 45001 standard (safety systems – occupational health and safety) as a reference. The audit was supported by the Risk and Sustainability Committee Chair and monitored by the Board. Key focus areas included contractor management, audit and assurance, incident investigation methods and processes, crisis and emergency management, and management of change. Whilst the overall audit result was positive, a number of initiatives were identified to improve the system including updates to:

- » Management of change process
- » Investigation procedure and methodology
- » HSEC accountabilities and responsibilities framework
- » Crisis and emergency management procedures and testing schedule
- » Risk Management Framework, and
- » Contractor Management Framework

Health and Safety Training

Over the last year Chalice has supported the ongoing development of employee health and safety competencies through the delivery of several health and safety training programs including:

- » Fire extinguisher training
- » First aid training
- » Fire warden training
- » Fibrous material awareness
- » Tasked based risk assessment (Job Safety Analysis) and risk management
- » Work Health and Safety Statutory Supervisor training
- » Health and safety representative training
- » Manual handling awareness training

Employee and contractor health and safety training directly contributes to our health and safety performance, by ensuring our people are provided with the instruction and training required to complete their work safely.

COVID-19 Pandemic

We are pleased to report that the COVID-19 pandemic did not have a material impact on Chalice's workforce and operations in FY2022. The Company experienced an increase in cases of COVID-19 associated with the broader wave of Omicron variant infections in Western Australia in the latter half of the year, however this was managed in accordance with government guidance and resulted in minimal impact.

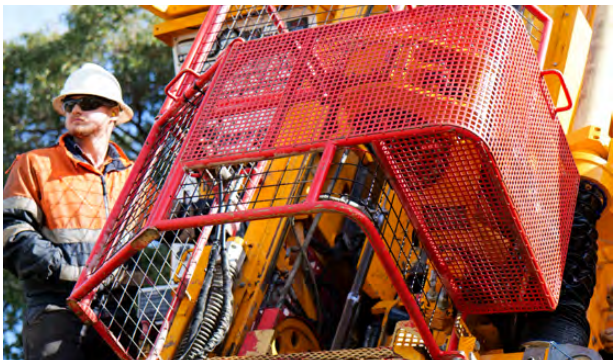
The Company continued to maintain operational protocols, including Rapid Antigen Test (RAT) screening as part of the critical worker furloughing process, to minimise the transmission of COVID-19 at site. Various controls, in line with our Infectious Diseases Management Plan and the WA Government-issued mandates, were put in place to limit the spread of COVID-19 and minimise risk to individuals and operations.

FY2022 Safety Statistics

Fatalities	0
Lost Time Injury Frequency Rate (LTIFR)	0
High Potential Near Misses	0

\*All health and safety data includes contracting partners.

Despite achievement of our goal of zero fatalities and LTIFR of <3.0, there were several less serious recorded injuries resulting in restrictions to normal duties for some of our employees. Chalice reduced the number of significant events in FY2022 compared to the previous year. This was the result of increased focus on operational critical risk management and verification of critical controls, as well as improvement of our investigation processes to identify contributing factors and corrective actions.



Occupational Health and Hygiene

Chalice has implemented a number of occupational health and hygiene management programs during the year as the scale of our activities has grown. This has included appropriate protocols for managing the health risks associated with the COVID-19 pandemic, ergonomic assessments and training in safe manual work, and provision of respiratory fit testing and respirable hazard awareness training.

We have continued with our Workwell Program which delivers regular site-based exercise physiologist support for preventative programs including ergonomic assessments, health and musculoskeletal assessments and injury management support for any work related and non-work-related injuries.

To support a psychologically safe workplace, Chalice also engaged an Employee Assistance Provider, BSS Psychological Services, to provide Chalice employees and their direct family members a resource to seek psychological services and mental health support. We recognise that increases in level of activities may bring with it potential psychosocial related hazards, so having a program whereby our employees and their direct family members can seek out confidential and targeted support is of utmost importance as we continue to grow.



# Supervisor Health and Safety Training

## Case Study 4




Supervisor Health and Safety Training with the Chalice team, provided by Toodyay-based trainer Di Granger.

Chalice's positive safety culture is underpinned by the behaviours of our leaders. To further train and develop our site leaders in the areas of health and safety, Chalice engaged local Toodyay-based trainers, Lifelong Learning and Safety and Learning Techniques, to deliver statutory supervisor training.

Central to this training were the requirements of statutory supervisors under the Work Health and Safety Regulations (Mines) 2022, as well as an emphasis on effective health and safety leadership which is a cornerstone to developing a positive safety culture.

Elements of the training, including characteristics of effective supervisors, communicating safety in the workplace, modelling behaviours and being safe at work, were designed to ensure that Chalice supervisors understand how to connect with their people around safety in the workplace.



Sustainability Pillar	FY2022 Achievement	FY2023 Performance Target
 Healthy and safe workforce	<ul style="list-style-type: none"><li>» Zero fatalities or permanent impairment</li><li>» Zero lost time injuries</li></ul>	<ul style="list-style-type: none"><li>» Zero fatalities or permanent impairment</li><li>» Zero high potential near miss events</li></ul>
<b>Goal</b> <ul style="list-style-type: none"><li>• Zero lost-time injuries and fatalities</li></ul>	<ul style="list-style-type: none"><li>» Below Occupational Exposure Limit (OEL) for fibrous material</li><li>» Integration of the Risk Management Framework, including operational critical risks, into the CGR Foundation database</li><li>» Implemented improvements to the HSEC Management System, including updated investigation procedure and injury and illness classification process</li><li>» Completed Perform (ergonomic assessments) of field staff to reduce manual handling risks</li><li>» Completion of HSEC Management Systems audit (based on ISO 450001)</li><li>» Implementation of employee assistance program</li></ul>	<ul style="list-style-type: none"><li>» LTIFR of &lt;3.0* (zero Lost Time Injury cases which impact an employee for &gt;2 weeks)</li><li>» Below Occupational Exposure Limit (OEL) for fibrous material</li></ul>



# Create Value for Stakeholders

## Stakeholder Engagement

From the beginning of the Julimar Project in 2020, Chalice has recognised that community engagement is critical. As a result, we have actively and transparently engaged with local communities to build respectful and collaborative relationships, with a goal of earning trust and achieving lasting social and economic benefits. It also helps us better understand the potential social, environmental, and economic impacts of our activities in the communities where we operate.

## Local Communities

Chalice considers the communities in the Shires of Toodyay and Chittering as our key regional stakeholders, alongside neighbouring communities such as Northam, Goomalling and Victoria Plains proximal to our Julimar Project.

As a member of these communities, local employment, procurement and sponsorships are among the best ways Chalice can contribute today.

To ensure we deliver on these commitments, Chalice has developed a Community Engagement Framework to apply a best practice approach in all areas of our business. This framework outlines our targets for community engagement and the supporting initiatives we are implementing to achieve this.

As the Julimar Project has evolved, the level of engagement has also increased, and Chalice continues to use a range of platforms to effectively communicate and distribute information to our host communities. Regular communications include the Julimar Project Community Newsletter, local advertising, information sheets as well as formal and informal meetings.

To support our engagement activities, we have strengthened our resources with the addition of a dedicated Community Relations Advisor, allowing us to build better and broader relationships through face-to-face and direct communication. This consultation and engagement aims to understand community issues and desired outcomes, as well as proactively address potential issues in a timely manner.

A key focus for the Community Engagement Framework is the contribution to local economic development – or simply, to buy local and support local. Chalice has prioritised local employment where possible, which has been achieved through advertising opportunities in local papers and through existing local connections. As of 30 June 2022, 22% of Chalice's workforce at the Julimar Project is locally based.

This supports Chalice's [Community and Heritage Policy](#) which outlines our commitment to making a positive difference to both the social and economic development in the areas in which we operate.

Chalice has also supported further economic development through local procurement and contracts. In FY2022 Chalice contributed ~\$1.23 million to the local economy including investments, plus ~\$1.5 million of additional local spend by direct Chalice contractors. We currently have ~50 local contractors and suppliers working with us in the shires of Toodyay, Chittering, and Northam, providing services and products such as food, fuel, consumables and earthworks. Our site office and our field base at Avalon in West Toodyay are also supplied and serviced by local businesses.

## Traditional Owners

Chalice continues to engage with the Traditional Owners proximal to the Julimar Project through a collaborative approach, which has led to employment and an effective working relationship with Yued and Whadjuk representatives. This work and our achievements to date are covered in more detail in the Traditional Owner Engagement and Participation section of this Report.

## Government

Our engagement with local, State and Federal government increased throughout the year and was mainly facilitated via face-to-face briefings with the purpose of providing a sound understanding of the project status, upcoming activities and required future approvals.

Chalice consistently ensures government stakeholders are informed and updated providing open and timely communication, responding to questions or issues promptly, and ensuring there is a two-way dialogue.

## Stakeholder Engagement System

Chalice has implemented a robust stakeholder engagement system in which all engagements, including complaints are recorded, reviewed, and dealt with in a constructive and timely manner.

Our key stakeholders, their interests, and how we engage with them are summarised in the table below.

Key Stakeholder	Interest	Engagement Activities
<b>Shareholders</b>	Returns to shareholders, capital gain, sustainability and corporate governance performance, corporate strategy, risk management.	<ul style="list-style-type: none"> <li>» ASX announcements</li> <li>» Financial reporting</li> <li>» Annual/general meetings</li> <li>» Investor calls/webinars</li> <li>» Conferences</li> <li>» Roadshows</li> <li>» Site visits</li> <li>» Website</li> <li>» Media</li> <li>» Social Platforms</li> </ul>
<b>Employees and Contractors</b>	Company performance, job security, remuneration, professional development, safety, culture, job satisfaction and general wellbeing.	<ul style="list-style-type: none"> <li>» Meetings</li> <li>» Face to face discussions</li> <li>» Social events</li> <li>» Briefing notes and posters</li> <li>» Safety training</li> </ul>
<b>Local Communities:</b> <ul style="list-style-type: none"> <li>» Groups and individuals in close proximity to or impacted by potential future operations</li> </ul>	Employment, business opportunities, environmental, cultural heritage and land access management, economic and social contribution, social license to operate.	<ul style="list-style-type: none"> <li>» Face to face meetings</li> <li>» Group presentations</li> <li>» Stakeholder site tours</li> <li>» Community investment</li> <li>» Newsletters and information sheets</li> <li>» Website</li> <li>» Dedicated community mail</li> <li>» Stakeholder engagement process for feedback or concerns</li> <li>» Local media</li> </ul>
<b>Traditional Owners:</b> <ul style="list-style-type: none"> <li>» South West Aboriginal Land and Sea Council</li> <li>» Whadjuk People</li> <li>» Yued People</li> </ul>	Cultural heritage and land access management and employment opportunities.	<ul style="list-style-type: none"> <li>» Meetings</li> <li>» Formal and Informal correspondence</li> <li>» Compliance reporting</li> <li>» Heritage agreements</li> <li>» Heritage surveys</li> </ul>
<b>Government and regulatory agencies:</b> <ul style="list-style-type: none"> <li>» State, Federal and Local</li> </ul>	Regulatory compliance, regulator approvals, social and economic impacts, employment, environmental and land management, strategic policies.	<ul style="list-style-type: none"> <li>» Meetings</li> <li>» Formal and informal correspondence</li> <li>» Site visits and inspections</li> <li>» Compliance reporting ASX announcements</li> <li>» Websites</li> </ul>



# Community Investment

As a West Australian-based Company, Chalice is proud to be a part of the local communities where we operate. In 2020 Chalice developed a Community Investment Program to deliver positive long-term benefits through supporting local community-based initiatives.

Chalice continues to prioritise three areas for community investment:

- 1

Education - initiatives that advance and improve regional educational opportunities



Sharing of knowledge and capabilities for the benefit of the local community



Support innovation and advancement for local residents
- 2

Environment - initiatives that protect and rehabilitate the environment



Support the connection between community and the natural environment



Restore our natural environment and protects our ecosystems and endangered species
- 3

Community Connection - supporting local opportunities, events and groups to strengthen the community connection within the region



Facilitate and support greater engagement between community members



Respect and recognise local heritage and culture



Forming the basis of this framework is our focus on local community partnering initiatives which are consistent with three of our core values; Integrity, Alignment and Advancement.

To support this program, the Company also refined its community investment guidelines during the year with the purpose to assess and prioritise funding and provide a fair and equitable basis in which organisations can apply. The introduction of two submission periods, beginning each February and again in August, and an improved application form was promoted throughout the local communities, encouraging and informing groups on how to apply for funding.

Since the introduction of the Community Investment Program in 2020, the number of beneficiaries has increased from 8 to 20. Chalice expects these figures will continue to grow as the reach of community engagement extends.

In FY2022 Chalice invested \$80,000 directly into supporting local groups, including the following organisations:

Bolgart Bowling Club
Marsupial Mammals and Rehabilitation
Moora Kerkhopp Carnaby Group
Northam Chamber of Commerce
Society for Geology Applied to Mineral Deposits (SGA) WA Student Chapter
Taste of Chittering
Toodyay Bowling Club
Toodyay Community Resource Centre
Toodyay District High School
Toodyay Golf Club
Toodyay International Food Festival
Toodyay Junior and Senior Football Clubs
Toodyay Junior and Senior Cricket Clubs
Toodyay Junior Soccer Club
Toodyay Recreation Centre
Toodyay Volunteer Fire Brigade





# Nature Playground at Toodyay District High School

## Case Study 5



The nature playground at the Toodyay District High School was recently installed with the support of Chalice.

In late 2021, through our Community Investment Program, Chalice became aware of the Toodyay District High School Parents and Citizens (P&C) led initiative to build a nature playground for students. The playground would be a key learning and play environment improving all aspects of children's development, through the encouragement of imaginative, open-ended play and to facilitate learning in an outdoor classroom.

Chalice was thrilled to co-contribute funding for the nature playground, which was officially opened in August 2022. The playground design and build aimed to support all aspects of children's development

(physical, cognitive, social and emotional), and was a collaborative effort that included consultation with students and teachers. Located at the front of the school, the playground is now a proud entry statement for the school community.

The nature playground aligns with Chalice's education focus for community investment and will be used by children ranging from early childhood classes up to year six. The Chalice team enjoyed participating in the official opening which was hosted by the School Principal and P&C President, along with student representatives.

Sustainability Pillar	FY2022 Achievement	FY2023 Performance Target
<div>            Create value for stakeholders         </div>	» ~\$1.23 million in local procurement in the area in which we operate, including community sponsorships and donations	» Increased direct and in-kind contributions to support local organisations  » Prioritise local employment and procurement for the Julimar Project within the Toodyay and Chittering Shires
<div> <b>Goal</b> </div>	» Plus ~\$1.5 million additional local spend by direct Chalice contractors  » Implementation of stakeholder engagement plan  » Prioritised local employment with ~22% of current workforce locally based at Julimar Project  » Grew the community-based team with the recruitment of a Community Relations Advisor	» Undertake a baseline sentiment survey for local communities  » Scope and commence a socio-economic impact assessment for the Julimar Project  » Establish opportunities to engage with Aboriginal businesses and suppliers  » Increase frequency and reach of local communications, information and engagement





# Traditional owner engagement and participation

Traditional Owners have unique rights and interests to those of other stakeholders. Chalice recognises their rights, acknowledges their connection and responsibilities to their lands and waters, and respects their obligation to maintain culture, traditions and customs, and to care for their country. We aim to establish respectful, collaborative and long-lasting relationships with all Traditional Owners on whose country we work, from which we can mutually benefit.

The Julimar Project is located within the South West Native Title Settlement area. The Whadjuk and the Yued people are the Traditional Owners of the lands of the Julimar region, which is subject to two Indigenous Land Use Agreements.

Chalice entered into heritage agreements with Yued and Whadjuk in the form of two separate Noongar Standard Heritage Agreements in 2018. These agreements require Chalice to engage with the South West Aboriginal Land and Sea Council (SWALSC) before undertaking physical works or operations which may trigger the requirement for a cultural heritage survey to be conducted.



Chalice has been working with Yued and Whadjuk representatives to understand the cultural values across exploration areas in the Julimar State Forest and to identify and address the risks and opportunities to cultural heritage that might arise from our activities. In 2021 Yued and Whadjuk Traditional Owners conducted cultural heritage surveys across all proposed exploration areas in the Julimar State Forest.

These ethnographic and archaeological surveys led to the development of cultural heritage management plans by Yued and Whadjuk that set out both groups' expectations of Chalice for the protection and management of their cultural heritage. This includes processes to avoid impacts to cultural heritage material, build cultural competency of Chalice employees and contractors, ensure the cultural safety of Traditional Owners and requirements for monitoring of exploration activities in the Julimar State Forest by Whadjuk and Yued.

Chalice has Standard Heritage Agreements in place with Traditional Owner groups across all active tenements in Western Australia.

Chalice has worked collaboratively with Whadjuk representatives to assist with baseline fauna surveys. Conducted alongside a team of zoologists, the purpose of these surveys is to gather information on significant fauna and wildlife habitats and is a crucial input to environmental assessments and planning. Whilst these engagements are crucial to environment and heritage, they also present a great two-way learning opportunity for both Chalice staff and Noongar as they work side by side and learn about each other's roles.

Diana Ponton from the Yunga Foundation, an Aboriginal owned and led group who have facilitated the cultural heritage monitoring program, said that this work has proven mutually beneficial for both Chalice and members of the Whadjuk group. "Our work with the Chalice team has been a positive experience for our Whadjuk representatives and has enabled direct input and collaboration into the activities carried out at the Julimar Project."

Our [Community and Heritage Policy](#) sets out our commitment to building respectful, trust-based and inclusive relationships with Aboriginal communities.





# Cultural Heritage Monitoring

## Case Study 6



Yued and Whadjuk Traditional Owners, through their cultural heritage management plans, are leading the monitoring and protection of cultural heritage at the Julimar Project.

This includes monitoring conducted by Yued and Whadjuk representatives before a drill rig can be mobilised to an area. 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 and that all exploration activities are within areas that Whadjuk and Yued have conducted heritage surveys over.

The monitoring of each drill site is in addition to broader cultural heritage surveys conducted across the exploration areas in Julimar State Forest in 2021.



# Cultural Awareness Training

## Case Study 7


Chalice employees and contractors attended Cultural Awareness training conducted by Yued and Whadjuk Traditional Owners at the Julimar Project. This included on-country visits to learn about cultural heritage sites and Noongar connection to country, and classroom-based instruction in which Chalice staff learned about Noongar history and how the company should approach its relationship with Traditional Owners.

Cultural awareness sessions are vital for the education of our employees and contractors, and fosters relationships and knowledge sharing about the culture, language, history and cultural traditions of Traditional Owners and the places where we operate.

Cultural awareness training sessions will continue to be conducted by Traditional Owners.



Cultural Awareness training on-country at Julimar Project.

Sustainability Pillar	FY2022 Achievement	FY2023 Performance Target
 Create value for stakeholders	<ul style="list-style-type: none"><li>» Compliance with all heritage requirements on all sites</li><li>» Implementation of cultural heritage management plans, developed by Traditional Owners, for Julimar State Forest exploration program</li></ul>	<ul style="list-style-type: none"><li>» Complete all planned cultural heritage surveys for the Julimar Project</li></ul>
Goal	<ul style="list-style-type: none"><li>• Ensure heritage values and significant sites are identified and protected</li></ul>	<ul style="list-style-type: none"><li>» Continue to build relationships through engagement with Traditional Owners and their representative Regional Corporations</li><li>» Continue cultural awareness training program for Chalice employees and contractors</li><li>» Continue Traditional Owner participation in baseline environmental surveys</li></ul>
	<ul style="list-style-type: none"><li>» Cultural awareness training, delivered by Traditional Owners and undertaken by Chalice employees and contractors</li><li>» Cultural heritage surveys conducted by Traditional Owners across Julimar State Forest exploration areas</li><li>» Aboriginal engagement plan developed for the Julimar Project</li><li>» Traditional Owner participation in baseline fauna surveys at Gonneville</li></ul>	



# People and culture

## Diversity and Inclusion

Chalice recognises the importance of building a diverse and inclusive team with different individual backgrounds, skills, experiences and perspectives. Our [Diversity Policy](#) details our current commitments, and approach towards a diverse and inclusive workforce.

At 30 June 2022, women made up 48% of our overall workforce, a position we are incredibly proud of. Diversity and inclusion will continue to be a focus for Chalice in FY2023 as we seek to develop a Diversity Strategy that maintains and improves diversity throughout our organisation.

Chalice appointed Ms Linda Kenyon, our first female Non-executive Director in August 2021, and following the recent appointment of Ms Jo Gaines as a Non-executive Director in August 2022, currently has 29% female representation on the Board. These appointments have pleasingly brought us much closer to our objective of not less than 30% of each gender on our Board.

The Company aims to continue to develop a diverse workforce, a message reiterated by Ms Kenyon, “Joining the Chalice board at such a pivotal time in the Company’s development has been incredibly exciting, and with this growth comes great opportunity to nurture a diverse and inclusive workplace,

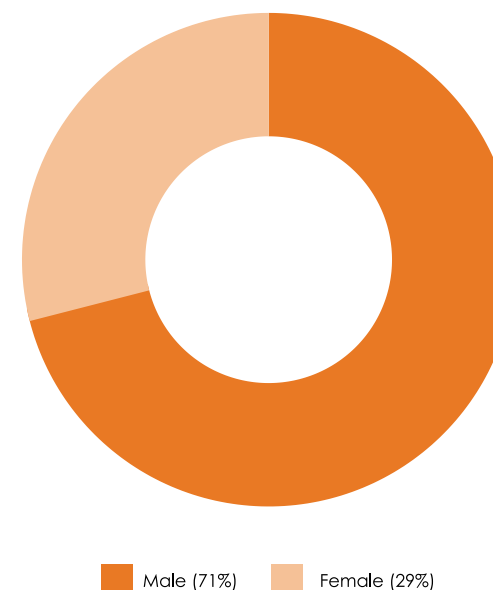
“But true diversity is just that, and it extends beyond gender to a range of factors such as age, ethnicity, family status and cultural backgrounds. We believe that in bringing together many minds and viewpoints we not only create a supportive and respectful culture, but we will deliver superior business outcomes. Our conversations are becoming actions, and I look forward to championing these diversity objectives over the coming years.”



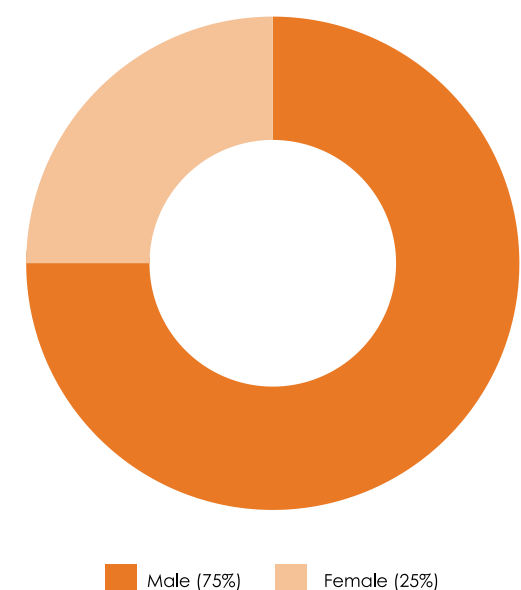
Linda Kenyon, Non-Executive Director

## Diversity Statistics

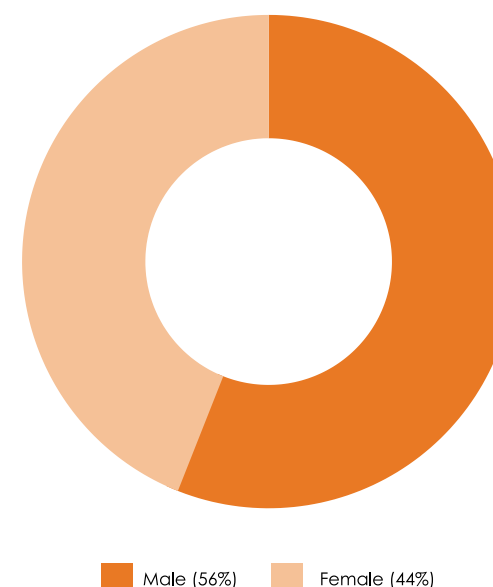
Board of Directors



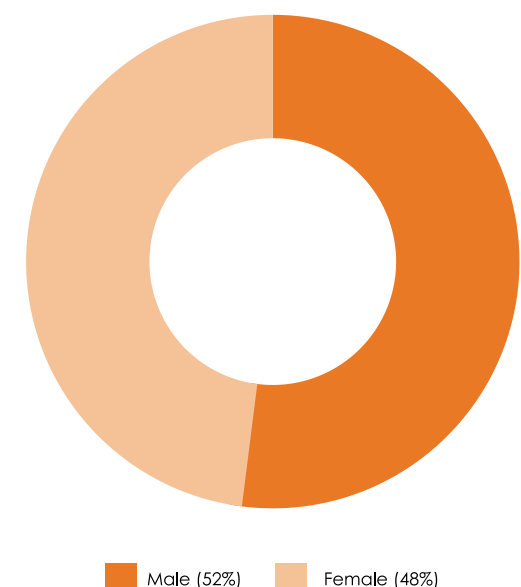
Senior Executive



Senior Manager



Whole Organisation



Board of Directors - Includes Alex Dorsch, Managing Director and CEO.

Senior Manager - Senior Managers are those positions that report directly to Senior Executives or Alex Dorsch, Managing Director and CEO and are those who plan, organise, direct and control an operational function.

Senior Executive - Senior Executive positions for these purposes means Key Management Personnel of the Company that report directly to Alex Dorsch, Managing Director and CEO.



# Corporate Governance

The Board acknowledges the importance of good corporate governance in striving to meet the expectations of our stakeholders whilst achieving the strategic objectives of the Company in an ethical and responsible manner. Chalice's corporate governance framework has been developed to ensure that the Company is managed effectively within a comprehensive system of control and accountability whilst also encouraging a corporate culture that is aligned with one of our key values "acting with integrity".

The Company is committed to aligning its governance processes with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition ("Principles and Recommendations"). Through this process the Company is currently complying with 34 of the 35 Principles and Recommendations. Our Corporate Governance Statement for the year ended 30 June 2022, detailing the key aspects of our corporate governance framework is available on our website along with information on our full suite of corporate governance practices at [www.chalicemining.com/corporate-governance](http://www.chalicemining.com/corporate-governance).



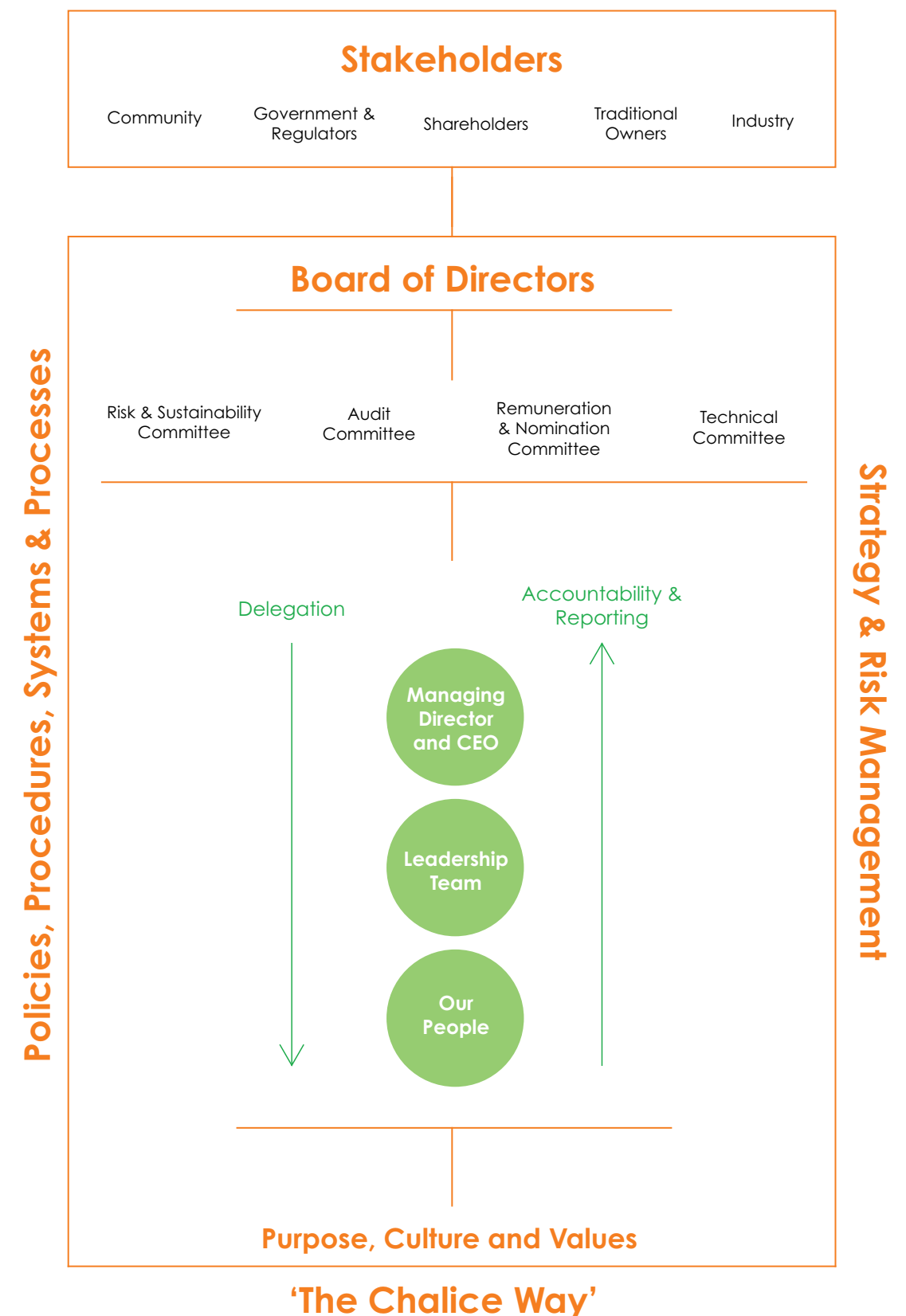
During the year the Board and its Committees were actively engaged in their governance responsibilities and fulfilling their role in accordance with the Board and Committee Charters. Key focus areas of the Board during the year included:

- I. Board renewal incorporating the appointment of an independent Non-executive Chair and increasing gender diversity on the Board;
- II. Review of Chalice's remuneration framework to ensure it is effective and relevant to the current market;
- III. Periodic review of the Board Charter, Committee Charters and governance policies;
- IV. A review of the Group's Risk Management Framework to ensure it adequately deals with evolving and emerging risks;
- V. Reinforcement of Chalice's commitment to safety and the continual development of the Group's Health, Safety, Environment and Community (HSEC) Management System, and
- VI. Review and adoption of strategic initiatives to deliver long-term value to shareholders.

Our Code of Conduct (Code) guides the behaviour of our people on how to conduct themselves with integrity, honesty and fairness in all business practices and to observing the rule and spirit of the legal and regulatory environment in which the Company operates. Our Code is supported by a range of policies including our Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy and Diversity Policy all of which are available on our website at [www.chalicemining.com/corporate-governance](http://www.chalicemining.com/corporate-governance). Key Chalice advisers, consultants and contractors are made aware of the expectations set out in the Code and the Group's policies.

Through the Risk and Sustainability Committee, the Board oversees the sustainability strategy, measures performance and considers sustainability risks and opportunities. Oversight and implementation of the sustainability strategy is the responsibility of the Managing Director and CEO, who in turn delegates specific implementation responsibilities to the General Manager – Environment and Community, as well as other Key Management Personnel (KMP).

## Chalice Corporate Governance System







## Risk Management

Overall accountability for risk management lies with the Board of Chalice. The Board is supported in its oversight of risk by the Risk and Sustainability Committee. The Audit Committee assists the Board with its oversight of financial assurance matters. The Board annually reviews and approves the Risk Management Framework and sets the overall risk appetite. The Board endorsed an updated Risk Management Framework during the year ended 30 June 2022 reflecting the implementation of an online risk management database system. The Board has delegated the responsibility for implementing the Risk Management Framework and managing material risks to the Managing Director and CEO and Executive KMP.

The Board, Executive KMP, and the Risk and Sustainability Committee review the risk profile of the business and implement and monitor controls to effectively manage risks. Reviews of mitigations and controls are undertaken to ensure their effectiveness.

Further information can be found in the Risk and Sustainability Committee Charter and Risk Management Policy available at [www.chalicemining.com/corporate-governance](http://www.chalicemining.com/corporate-governance).

Chalice has a strong focus on the identification of material risks and the implementation and monitoring of the controls to mitigate those risks. Material risks are considered those financial and non-financial risks with major or extreme consequence (irrespective of probability) as well as those with major or extreme residual risk rating. Risk ratings are determined in accordance with ISO 31000:2018 recommended risk management practices.

Whilst Chalice is in the exploration and evaluation phase, the risk management process focuses on material risks which have the potential to materially impact on the ability to execute Chalice's long-term strategy. These material risks are comprised of categories such as Economic, Strategic, Operational, Environmental, Legal and Governance.

The Group's identified material risks are summarised in the table below:

Risks	Mitigating Actions
<b>Major data loss or IT security breach</b> <ul style="list-style-type: none"> <li>» Failure to appropriately secure data could have significant consequences to the Group through loss of business continuity, reputational loss and increased financial costs.</li> </ul>	<ul style="list-style-type: none"> <li>» Implementation of controls associated with prevention, detection and recovery supported by awareness training.</li> </ul>
<b>Impaired social licence to operate</b> <ul style="list-style-type: none"> <li>» Loss of stakeholder support could result in the loss of social licence to operate, disrupting operations or delaying licence approvals.</li> </ul>	<ul style="list-style-type: none"> <li>» Maintaining a stakeholder management plan to guide Chalice's actions, engagement and behaviour.</li> </ul>
<b>Major Field Incident (Safety, Health or Environmental)</b> <ul style="list-style-type: none"> <li>» Exposure of our people to hazards at a level that causes harm.</li> <li>» Environmental incident that negatively impacts the environment and community in which we operate.</li> </ul>	<ul style="list-style-type: none"> <li>» Risk reduction by ensuring appropriate standards are adopted, hazards are identified, controlled, managed and monitored appropriately, supported by a comprehensive Health, Safety, Environment and Community Management System.</li> </ul>
<b>Loss of or Failure to Gain Land Access on Key Tenement</b> <ul style="list-style-type: none"> <li>» Inability to undertake planned exploration activities results in a loss of opportunity or financial loss.</li> </ul>	<ul style="list-style-type: none"> <li>» Chalice seeks to actively engage with stakeholders and has implemented internal controls designed to manage agreements with landholders, traditional owners and compliance with licence and permit requirements.</li> </ul>
<b>Capital Mismanagement (new ventures)</b> <ul style="list-style-type: none"> <li>» Loss of reputation and negative shareholder returns through the unsuccessful allocation of working capital to new ventures.</li> </ul>	<ul style="list-style-type: none"> <li>» Prior to undertaking any acquisitions, Chalice undertakes appropriate due diligence to identify key risks and to determine that the opportunity is aligned with Company strategy. Material acquisitions are considered by the Board.</li> </ul>
<b>Selection of Key Projects and Exploration / Evaluation Expenditure</b> <ul style="list-style-type: none"> <li>» Undisciplined expenditure on exploration projects.</li> <li>» Exploration projects are speculative in nature and often require substantial expenditure to establish the presence of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>» Employing and retaining experienced technical talent.</li> <li>» Actively managing key deliverables and uncertainties through strategic planning, budgeting, technical assessment and review.</li> </ul>
<b>Major Corporate Breach including Fraud</b> <ul style="list-style-type: none"> <li>» Material breach of law or regulation causing reputational damage and financial loss.</li> <li>» Inappropriate, unethical or unlawful conduct of our people.</li> </ul>	<ul style="list-style-type: none"> <li>» Guided by our values and Code of Conduct, Chalice aims to maintain a culture of accountability and reporting through its risk and governance systems, policies and procedures with the effective involvement of management.</li> <li>» Providing mechanisms for reporting wrongdoing and prompt action on misconduct through the Whistleblower Policy.</li> <li>» Implementation of appropriate internal financial controls.</li> </ul>
<b>Forfeiture of Key Tenements</b> <ul style="list-style-type: none"> <li>» Loss of title to key exploration tenements or licences may result in disruptions to operating performance and significant financial loss.</li> </ul>	<ul style="list-style-type: none"> <li>» Maintaining a system of monitoring and compliance with the aim of continually meeting key tenement conditions.</li> </ul>
<b>Collapse of Equity / Financial Markets</b> <ul style="list-style-type: none"> <li>» Unexpected changes in macro-economic conditions.</li> </ul>	<ul style="list-style-type: none"> <li>» Maintain a strong financial position backed by a well-executed strategy.</li> </ul>

In addition to the material risks detailed above, the Company has a range of controls in place to mitigate risks related to the COVID-19 pandemic. Refer to page 61 for further information.

Chalice's approach to climate related risk is described on page 52 of the Climate Change Response and Management section of this report.





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# Competent Persons' Statement and Cautionary Statements

## Competent Persons' and Qualifying Person Statements

The information in this Annual Report that relates to Mineral Resources in relation to the Julimar Nickel-Copper-PGE Project is based on and fairly represents information and supporting documentation compiled by Mike Millad and Mike Job. Mr Millad is a full-time employee and director of Cube Consulting and is a member in good standing of the Australian Institute of Geoscientists. Mr Millad does not hold securities in Chalice. Mr Millad has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. Mr Millad has reviewed the contents of this Annual Report and consents to the inclusion in this Annual Report of all technical statements based on his information in the form and context in which it appears. Mr Job is a full-time employee and director of Cube Consulting and is a Fellow in good standing of the Australasian Institute of Mining and Metallurgy. Mr Job does not hold securities in Chalice. Mr Job has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified

Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. Mr Job has reviewed the contents of this Annual Report and consents to the inclusion in this Annual Report of all technical statements based on his information in the form and context in which it appears.

The information in this Annual Report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr. Bruce Kendall BSc (Hons), a Competent Person, who is a Member of the Australian Institute of Geoscientists. Mr. Kendall is a full-time employee of the Chalice and holds securities in Chalice. Mr Kendall has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. Mr Kendall has verified the data disclosed in the Annual Report, including sampling, analytical and test data underlying the information. Mr Kendall consents to the inclusion in the Annual Report of all technical statements based on his information in the form and context in which it appears.

## Forward Looking Statements

This Annual Report may contain forward-looking statements and forward information, including forward looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this announcement and Chalice Mining Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to: the impact of the discovery on the Julimar Project's capital payback; the Company's strategy and objectives; the realisation of mineral resource estimates; the likelihood of exploration success; the timing of planned exploration and study activities on the Company's projects; access to sites for planned drilling activities; and the success of future potential mining operations; the timing of the receipt of exploration results.

In certain cases, forward-looking statements can be identified by the use of words such as, "aiming", "believes", "considered", "could", "embark", "estimate", "expected", "for", "forecast", "future", "generate", "goals", "if", "is", "indicate", "interpreted", "likely", "may", "open", "optionality", "plan" or "planned", "progressing", "potential", "provides", "seek", "strategy", "targets", "will" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; whether geophysical and geochemical anomalies are related to economic mineralisation or some other feature; whether visually identified mineralisation is



confirmed by laboratory assays; obtaining appropriate approvals to undertake exploration activities; results of planned metallurgical test work including results from other zones not tested yet, scaling up to commercial operations; changes in project parameters as plans continue to be refined; changes in exploration programs and budgets based upon the results of exploration, changes in commodity prices; economic conditions; grade or recovery rates; political and social risks, accidents, labour disputes and other risks of the mining industry; delays or difficulty in obtaining governmental approvals, necessary licences, permits or financing to undertake future mining development activities; changes to the regulatory framework within which Chalice operates or may in the future; movements in the share price of investments and the timing and proceeds realised on future disposals of investments, the impact

of the COVID 19 pandemic as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at [sedar.com](http://sedar.com), ASX at [asx.com.au](http://asx.com.au) and OTC Markets at [otcmarkets.com](http://otcmarkets.com).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## Designated Foreign Issuer Status

The Company is a reporting issuer in the province of Ontario. As such, the Company is required to comply with various disclosure requirements of applicable Canadian securities laws. However, in accordance with National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers ("NI 71-102"), the Company qualifies as a "designated foreign issuer" (as defined by NI 71-102) and will qualify as such for the balance of its current financial year and until

such time as it ceases to satisfy the requirements to be a designated foreign issuer. Accordingly, the Company will be generally exempt from certain Canadian securities legislation requirements if it complies with the foreign disclosure requirements of the Australia Securities and Investment Commission and the ASX and files any documents required to be filed with or furnished to the ASX on SEDAR.





# References

Long term PGE demand forecast: supporting assumptions & calculations relating to page 44.

The long term PGE demand impact from the Hydrogen economy have been generated by Company analysis using assumptions and forecasts that have been informed by recent third party research. These assumptions are based on an assessment of economic and operating conditions regarding future events and actions that, as at the date of this report, are considered reasonable by Chalice. The assumptions used below relate to the year 2040. Note: There is the potential risk that these projections will not be achieved should the adoption of a hydrogen economy be less than expected or if major technological developments reduce the PGE loadings required for electrolyzers and fuel cells.

Without limiting these risks, such forward-looking statements are predictive in character, may be affected by incorrect assumptions or by known or unknown risks and uncertainties, and may differ materially in due course. Investors are therefore cautioned against attributing undue certainty to forward-looking statements, including those outlined in the chart on page 44.

## Key Model Inputs (2040)

Technology	Input	Unit	Assumption	PGE Demand Evaluation
PEM electrolyser	Capacity	GW	70	$70 \times 75\% \times 0.5 / 31.1^{(1)} = \sim 0.8\text{Moz}$
	Market Share	%	75	
	PGE Loading	g/kW	0.5	
Light Vehicles	Light Vehicle Market	million per annum	100	$100 \times 12\% \times 80 \times 0.13 / 31.1^{(1)} = \sim 4.0\text{ Moz}$
	Light FCEV market share	%	12	
	Light vehicle rating	kW	80	
	PGE Loading	g/kW	0.13	
Heavy Vehicles	Heavy Vehicle Market	million per annum	7	$7 \times 40\% \times 250 \times 0.13 / 31.1^{(1)} = \sim 2.9\text{ Moz}$
	Heavy FCEV market share	%	40	
	Heavy vehicle rating	kW	250	
	PGE Loading	g/kW	0.13	

Source: 'Provision of PGM market intelligence and long-term metal price forecasts', SFA Oxford, April 2020 & 2021.  
 'Strategy Update', AngloAmerican Platinum, 22 February 2021.  
 'Australian and Global Hydrogen Demand Growth Scenario Analysis', Deloitte & COAG Energy Council, November 2019.  
 'Fuelling the Future of Mobility' Deloitte & Ballard, 2020.  
 'Committed to producing green metals', Green Metals & Hydrogen Conference, Sibanye Stillwater, 26 Nov 2021.

(1) Calculations use a grams to ounce conversion ratio of 31.1.





# Tenement Schedule

Location	Project	Tenement No.	Registered Holder	Nature of Interest
Western Australia	Hawkstone	E04/1169	Waterford Bay Pty Ltd	100% of the hard-rock mineral rights
		E04/2405	Waterford Bay Pty Ltd	100% of the hard-rock mineral rights
		E04/2563	Kimberley Alluvials Pty Ltd	100% of the hard-rock mineral rights
		E04/2299	Strategic Metals Pty Ltd	0% earn-in agreement, right to earn up to an 85% interest
		E04/2325	Strategic Metals Pty Ltd	
	Nulla South	E77/2353 to E77/2354	CGM (WA) Pty Ltd	20% - JV with Ramelius Resources
	Julimar	E70/5118 to E70/5119	CGM (WA) Pty Ltd	100%
	Julimar (regional)	E70/5350 to E70/5354	CGM (WA) Pty Ltd	100%
		E70/5358 to E70/5361	CGM (WA) Pty Ltd	100%
		E70/5367 to E70/5369	CGM (WA) Pty Ltd	100%
		E70/5373	CGM (WA) Pty Ltd	100%
		E70/5704	CGM (WA) Pty Ltd	100%
	Auralia	E69/3636 to E69/3637	CGM (WA) Pty Ltd	100% - SensOre Ltd has the right to earn up to a 70% interest
		E69/3700	CGM (WA) Pty Ltd	
	Barrabarra	E70/5263 to E70/5264	CGM (WA) Pty Ltd	100%
		E70/5355 to E70/5356	CGM (WA) Pty Ltd	100%
		E70/5535	CGM (WA) Pty Ltd	100%
		E70/5550 to E70/5551	CGM (WA) Pty Ltd	100%
		E70/5560	Koojan Exploration Pty Ltd	0% - Earn in agreement, right to earn up to an 80% interest
		E70/5624	CGM (WA) Pty Ltd	100%
		E70/5666 to E70/5667	CGM (WA) Pty Ltd	100%
		E70/5695	CGM (WA) Pty Ltd	100%
		E70/5705 to E70/5706	CGM (WA) Pty Ltd	100%

Location	Project	Tenement No.	Registered Holder	Nature of Interest
Western Australia	South West	E59/2451	CGM (WA) Pty Ltd	100%
		E59/2549	CGM (WA) Pty Ltd	100%
		E70/5086	Nebula Pty Ltd	100%
		E70/5532	Nebula Pty Ltd	100%
		E70/5685	CGM (WA) Pty Ltd	100%
		E70/4837	Venture Lithium Pty Ltd	51% - Earn-in agreement, right to earn up to a 70% interest
		E70/5067	Venture Lithium Pty Ltd	
		E70/5421	Venture Lithium Pty Ltd	
	Holt Rock	E70/5536	CGM (WA) Pty Ltd	100%
	Wubin	E70/5357	CGM (WA) Pty Ltd	100%
Northern Territory	Narryer	E09/2436	CGM (WA) Pty Ltd	100%
		E09/2446 to E09/2447	CGM (WA) Pty Ltd	100%
	Warrego North	EL23764	CGM (WA) Pty Ltd (51%) & Meteoric Resources NL (49%)	Earn-in agreement, right to earn up to a 70% interest
		EL31608	CGM (WA) Pty Ltd	100% - TC Resources NT Pty Ltd has the right to earn up to a 75% interest
		EL31610	CGM (WA) Pty Ltd	



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# Directors' Report

Directors' Report



Directors' Report

The Directors present their Directors' Report for the financial year ended 30 June 2022 for the consolidated entity consisting of Chalice Mining Limited ("Chalice" or "the Company") and its controlled entities (together "the Group").

1. BOARD OF DIRECTORS

The names and details of Directors in office during the financial year and until the date of this report are:

CURRENT DIRECTORS

Derek N La Ferla

B.Arts, B. Juris, B.Law, Fellow of AICD

Non-Executive Chair

Appointed 1 October 2021 and Chair on 24 November 2021

Mr La Ferla joined Chalice in October 2021 as a Non-executive Director and assumed the role of Chairman following the retirement of Mr Goyder at the 2021 Annual General Meeting.

Mr La Ferla is a highly regarded ASX200 chair and company director, with an extensive national network in business, capital markets, government, and industry backed by over 30 years of experience as a corporate lawyer. Mr La Ferla has a wide-range of board experience across several corporations in Western Australia, including as chair of Sandfire Resources Limited (ASX: SFR).

Mr La Ferla was appointed Chair of Sandfire in 2010, shortly after the discovery of the high-grade DeGrussa copper-gold deposit, and was instrumental in his role as chair throughout the feasibility, development and operational phases of the DeGrussa Project. Derek recently retired as a Non-executive Director of Sandfire on 8 July 2022.

Mr La Ferla is currently the Chair of Poseidon Nickel Limited (ASX: POS) on the national board of the Australian Institute of Company Directors and a WA Council Member.

In the past three years, Mr La Ferla has served as a Director of the following listed companies:

- « Poseidon Nickel Limited (Chair) (since December 2019)
- « Sandfire Resources Limited (Chair) (May 2010 to July 2022)
- « Threat Protect Australia Ltd (Chair) (September 2015 to September 2021)
- « Veris Ltd (Chair) (October 2011 to November 2019)
- « BNK Banking Corporation Ltd (Deputy Chair) (November 2015 to August 2019)

Committee memberships:

- « Remuneration Committee (Chair) (24 November 2021 to 1 July 2022)
- « Nomination Committee (Member) (24 November 2021 to 1 July 2022)
- « Remuneration and Nomination Committee (Chair) (since 1 July 2022)

Independence status:

- « Independent

Alexander (Alex) C Dorsch

BEng (Hons), BFin

Managing Director and Chief Executive Officer (MD&CEO)

Appointed 13 November 2018

Mr Dorsch joined Chalice in 2017 and was appointed Managing Director in November 2018. Mr Dorsch has lead Chalice through an exceptional recent growth period and was recognised as 'New/Emerging Leader of the Year' by MiningNews and 'CEO of the Year' by Kitco in 2020. He also received the Young Mining Professionals 'Peter Munk Award' in 2022.

Mr Dorsch has diverse experience in a variety of leadership roles across the resources sector, as a management consultant, engineer, project manager and corporate advisor. Prior to joining Chalice, he was working as a specialist consultant with the global management consultancy McKinsey & Company. He commenced his engineering career with resources giant BHP in Adelaide, and then spent over six years as an engineer in oil and gas exploration.

Morgan S Ball

B.Com, CA, FFin

Non-executive Director

Appointed 24 June 2016

Mr Dorsch holds a Bachelor of Mechanical Engineering (first class Honours) and a Bachelor of Finance from the University of Adelaide.

In the past three years, Mr Dorsch has served as a Director of the following listed companies:

- « Falcon Metals Limited (since July 2021)

Committee memberships:

- « Technical Committee (since 24 November 2021)

Mr Ball is a Chartered Accountant with more than 30 years of Australian and international experience in the resources, logistics and finance industries. Mr Ball is currently the Chief Commercial Officer for Genesis Minerals Limited (ASX: GMD). Mr Ball was formerly the Chief Financial Officer of ASX 50 gold producer, Northern Star Resources Limited (ASX: NST) and prior to that, the Chief Financial Officer of Saracen Mineral Holdings Limited (ASX: SAR). Mr Ball was Managing Director of ASX-listed BCI Minerals Ltd (ASX: BCI) from 2013 to 2016.

Mr Ball was the Lead Independent Director of the Company from June 2016 to December 2021.

In the past three years, Mr Ball has served as a Director of the following listed companies:

- « Arrow Minerals Limited (August 2019 to March 2020)

Committee memberships:

- « Audit Committee (Chair)
- « Risk & Sustainability Committee (Member) (until 24 August 2021)
- « Nomination Committee (Chair) (until 1 July 2022)
- « Remuneration Committee (Member) (until 1 July 2022)
- « Remuneration and Nomination Committee (Member) (since 1 July 2022)

Independence status:

- « Independent

Garret J Dixon

BEng, Civil (Hons), MBA, member of AICD

Non-executive Director

Appointed 21 August 2020

Mr Dixon has extensive experience in the resources and mining contracting sectors in Australia and overseas. His work in both private and ASX-listed companies spans more than three decades, having worked in senior executive roles for major mine owners, mine operators and contractors. Mr Dixon recently held the position of Executive VP Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation. His career also includes the role of Executive General Manager of civil construction and contract mining group Henry Walker Eltin Ltd and Managing Director of ASX-listed Gindalbie Metals Ltd (ASX: GBG).

In the past three years, Mr Dixon has served as a Director of the following listed companies:

- « BCI Minerals Limited (since June 2020)
- « Dynamic Group Holdings Limited (since May 2020)
- « MLG OZ Limited (since March 2021)
- « Fenix Resources Limited (January 2020 to February 2021)

Committee memberships:

- « Audit Committee (Member)
- « Risk & Sustainability Committee (Chair)
- « Technical Committee (Member)
- « Nomination Committee (Member) (until 1 July 2022)

Independence status:

- « Independent



**Stephen M McIntosh**  
BSc, MSc (Hons)  
**Non-executive Director**  
Appointed 20 February 2021

Mr McIntosh is an internationally recognised figure in the mining industry, with a global career spanning over 33 years. Most recently he was a member of the Executive Committee for Rio Tinto (ASX: RIO) and held the position of Group Executive, Growth & Innovation and Health, Safety, Environment & Security. Prior to this, Stephen was Rio Tinto's global Head of Exploration. He has been involved in the discovery, evaluation and development of multiple projects across a diverse range of commodities globally.

**In the past three years, Mr McIntosh has served as a Director of the following listed companies:**

« None

**Committee memberships:**

- « Risk & Sustainability Committee (Member)
- « Technical Committee (Chair)
- « Remuneration Committee (Member) (until 1 July 2022)
- « Remuneration and Nomination Committee (Member) (since 1 July 2022)

**Independence status:**

« Independent

**Linda J Kenyon**  
LLB, BJuris FGIA FCG  
**Non-executive Director**  
Appointed 24 August 2021

Ms Kenyon is a highly experienced corporate lawyer, governance professional and former senior executive with a career spanning 32 years at Wesfarmers Limited. Ms Kenyon was a member of Wesfarmers Executive Leadership Team and was Wesfarmers Company Secretary for 17 years. During this time she played a meaningful role in mergers and acquisitions, capital raisings and other significant commercial and property transactions.

Ms Kenyon holds a Bachelor of Laws and Bachelor of Jurisprudence degrees from the University of Western Australia. Linda is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors.

**In the past three years, Ms Kenyon has served as a Director of the following listed companies:**

« None

**Committee memberships:**

- « Risk & Sustainability Committee (Member) (since 24 August 2021)
- « Audit Committee (Member) (since 24 November 2021)

**Independence status:**

« Independent

**Joanne M Gaines**  
B.Arts, GradDip OHS  
**Non-executive Director**  
Appointed 17 August 2022

Ms Gaines is an experienced, highly regarded leader and strategic policy director, having previously worked as the Deputy Chief of Staff to the Premier of Western Australia. She was a leader in the development of the WA Recovery Plan in response to the COVID-19 pandemic.

Prior to this position, Ms Gaines served as Branch Secretary for the Community and Public Sector Union/Civil Service Association for over ten years.

Ms Gaines is currently Chair of the Government Employees Superannuation Board (GESB) and a Director of DevelopmentWA.

Ms Gaines is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Arts from the University of Western Australia and a Post Graduate Diploma in Occupational Health and Safety from Curtin University.

FORMER DIRECTORS

**Timothy (Tim) R B Goyder**  
**Non-executive Chairman**  
Resigned 24 November 2021

**Stephen P Quin**  
PGeo, FGAC, FSEG, MIOM3  
**Non-executive Director**  
Resigned 24 November 2021

**In the past three years, Ms Gaines has served as a Director of the following listed companies:**

« None

**Committee memberships:**

- « Risk & Sustainability Committee (Member) (since 17 August 2022)

**Independence status:**

« Independent

Mr Goyder has considerable experience in the resource industry as an executive and investor. Mr Goyder has been involved in the formation and management of several successful publicly listed and private companies including Chalice and Lione Resources Limited (ASX: LTR). Mr Goyder was a director of Chalice for a period of 16 years and transitioned from Executive Chairman to Non-executive Chairman in September 2020.

**Committee memberships:**

- « Nomination Committee (Member) (resigned 24 November 2021)

Mr Quin is a geologist with 40 years' experience in the mining and exploration industry. Mr Quin is based in Vancouver, Canada, and until December 2020, spent 10 years as the President & CEO of Midas Gold Corp. and is currently a director of Kutcho Copper Corp (since December 2017), a TSX-V listed resource development company. Mr Quin was previously President and COO of TSX listed copper producer Capstone Mining Corp. and, up until its merger with Capstone, President and CEO of TSX-V listed copper producer Sherwood Copper Corp. Prior to joining Sherwood, Mr Quin spent 18 years as Vice President and subsequently Executive Vice President of TSX listed Miramar Mining Corporation, a Canadian focused gold producer and developer. Stephen has extensive experience in the resources sector, and in the financing, development and operation of production companies.

Mr Quin was an Independent Non-executive Director of the Company for 11 years.

**Committee memberships:**

- « Remuneration Committee (Chair) (resigned 24 November 2021)
- « Audit Committee (Member) (resigned 24 November 2021)
- « Technical Committee (Member) (resigned 24 November 2021)

2. COMPANY SECRETARY

**Jamie Armes**  
B.Bus, CA

Mr Armes joined Chalice as Company Secretary in August 2019. For the past 18 years he has acted as Company Secretary and held finance roles in various ASX-listed companies, primarily within the mining and exploration industry providing corporate governance and financial reporting advice. Mr Armes is a Chartered Accountant and graduated from the University of Tasmania with a Bachelor of Business in 1993.



### 3. DIRECTORS' INTERESTS

The relevant interests of each director in the shares, performance rights or options over such instruments issued by Chalice and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares	Performance rights
Derek La Ferla	13,052	-	-
Alex Dorsch <sup>(1)</sup>	6,972,172	-	345,612
Morgan Ball	382,763	-	-
Garret Dixon	-	150,000	-
Stephen McIntosh	15,000	150,000	-
Linda Kenyon	7,000	-	-
Joanne Gaines	-	-	-

<sup>(1)</sup> In September 2022, the Board resolved, subject to shareholder approval at the Company's 2022 AGM to offer 228,938 performance rights to Mr Dorsch or his nominee.

### 4. COMMITTEE STRUCTURE AND MEMBERSHIP

Directors acting as members on the Committees of the Board as at 30 June 2022 are set out below:

Audit	Risk & Sustainability <sup>(2)</sup>	Remuneration <sup>(1)</sup>	Technical	Nomination <sup>(1)</sup>
<b>Chair:</b> Morgan Ball	<b>Chair:</b> Garret Dixon	<b>Chair:</b> Derek La Ferla	<b>Chair:</b> Stephen McIntosh	<b>Chair:</b> Morgan Ball
<b>Members:</b> Garret Dixon Linda Kenyon	<b>Members:</b> Stephen McIntosh Linda Kenyon	<b>Members:</b> Morgan Ball Stephen McIntosh	<b>Members:</b> Garret Dixon Alex Dorsch	<b>Members:</b> Garret Dixon Derek La Ferla

<sup>(1)</sup> On 1 July 2022, the Remuneration Committee and Nomination Committee were merged to form a combined Remuneration and Nomination Committee with Mr La Ferla as Chair and Mr Ball and Mr McIntosh as members.

<sup>(2)</sup> On 17 August 2022, Ms Gaines was appointed as a member of the Risk & Sustainability Committee.

Directors were members of a committee for the entire period unless otherwise noted in Section 5, Board and Committee Meetings.

### 5. BOARD AND COMMITTEE MEETINGS

The number of Board and committee meetings held during the financial year ended 30 June 2022 and the number of meetings attended by each of the Directors in office during the financial year is summarised in the table below:

Number of Meetings <sup>(1)</sup>	Board Meetings	Committee Meetings <sup>(2)</sup>				
		Audit	Risk & Sustainability	Remuneration	Technical	Nomination
	7	2	2	2	3	1
Tim Goyder <sup>(2)</sup>	2(2)	-	-	-	1(1)	-(-)
Derek La Ferla <sup>(3)</sup>	6(6)	-	1(1)	1(1)	-	1(1)
Alex Dorsch <sup>(4)</sup>	7(7)	-	-	-	1(1)	-
Stephen Quin <sup>(5)</sup>	2(2)	1(1)	1(1)	1(1)	2(2)	-
Morgan Ball <sup>(6)</sup>	7(7)	2(2)	-(-)	2(2)	-	1(1)
Garret Dixon	7(7)	2(2)	2(2)	-	3(3)	1(1)
Stephen McIntosh	7(7)	-	2(2)	2(2)	3(3)	-
Linda Kenyon <sup>(7)</sup>	7(7)	1(1)	2(2)	-	-	-

<sup>(1)</sup> The number of meetings that each Director was eligible to attend is included in brackets.

<sup>(2)</sup> Mr Goyder retired from the Board effective 24 November 2021.

<sup>(3)</sup> Mr La Ferla was appointed to the Board as an Independent Non-executive Director on 1 October 2021. Mr La Ferla was appointed Chair of the Board, Chair of the Remuneration Committee and a member of the Nomination Committee on 24 November 2022.

<sup>(4)</sup> Mr Dorsch was appointed as a member of the Technical Committee on 24 November 2021.

<sup>(5)</sup> Mr Quin retired from the Board effective 24 November 2021.

<sup>(6)</sup> Mr Ball retired as a member of the Risk and Sustainability Committee on 24 August 2021.

<sup>(7)</sup> Ms Kenyon was appointed to the Board as an Independent Non-executive Director and member of the Risk and Sustainability Committee on 24 August 2021. On 24 November 2021, Ms Kenyon was appointed as a member of the Audit Committee.

<sup>(8)</sup> Any Director may attend any Board committee meeting.

### 6. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year was the exploration and evaluation of the Julimar Nickel-Copper-PGE Project and West Yilgarn Projects in Western Australia.

In December 2021, the Group completed a demerger of its Australian gold projects through the establishment of Falcon Metals Limited (ASX:FAL). The assets demerged included the Pyramid Hill, Viking and Mt Jackson Gold Projects.

In the opinion of the Directors, there were no significant changes to the principal activities of the Group during the financial year under review that are not otherwise disclosed in this report.

### 7. OPERATING AND FINANCIAL REVIEW

Please refer to pages 16 to 31 of this Annual Report for information on the Group with respect to a review of operations during the year ended 30 June 2022 and comments on the financial position, business strategies, likely developments, prospects for future financial years and key risks.

### 8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the matters disclosed in the Operating and Financial Review on pages 16 to 31 of this Annual Report and elsewhere in this Directors' Report, there were no other significant changes in the state of affairs of the Company that occurred during the year.

### 9. REMUNERATION REPORT – AUDITED

The Directors present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2022. This Remuneration Report for the Group forms part of the Directors' Report and has been prepared in accordance with section 300A of the *Corporations Act 2001*.

#### 9.1 Executive Summary

Since the initial discovery of the Gonneville PGE-Ni-Cu-Co-Au deposit at the Julimar Project in March 2020, Chalice has consistently delivered against its key strategic objectives, including the release of a significant maiden resource estimate in November 2021, followed by an updated resources estimate in July 2022. Following a lengthy approvals process, Chalice now has access to drill greenfield targets along the >30km Julimar Complex located largely within the Julimar State Forest, opening the potential for further significant discoveries.

Following a detailed review of the Company's strategic priorities for the next three years in June 2022, the Board has continued to assess and refine the Group's remuneration structure to ensure it aligns with and aids the achievement of its long-term strategic objectives.

#### FY2022 STI outcomes

The Board determined that 40% of the maximum STI award be paid to Executive KMP and other eligible participants based on performance measures set by the Board in July 2021. This has resulted in a total cash payment of \$247,000 paid to Executive KMP.

#### FY2022 LTI outcomes

For performance rights issued in FY2019-20 with a measurement date of 30 June 2022, the Board determined that the performance rights vested in full due to the achievement of performance conditions set by the Board and measured over the three-year performance period. This resulted in a total of 4,557,053 performance rights



vesting in full which reflected the outstanding share price performance over the performance period and the achievement of a key strategic objective of significantly increasing the Group's resource base.

Executive KMP remuneration framework changes

The Board has implemented several changes to the overall structure of incentives to Executive KMP from 1 July 2022 including:

- « As a once off initiative, issuing long term retention rights to secure executive talent in a challenging labour market.
- « Varying the remuneration mix by reducing the allocation to short term incentives in lieu of an increase in long-term incentives and introduction of retention rights to Executive KMP (excluding the MD&CEO)
- « Increase incentives and 'at-risk' remuneration as a percentage of Executive KMP total remuneration opportunity.

Non-executive director fees

In July 2022, the Board commenced a review of Non-executive Director fees. At the time global financial markets and the Company were subject to significant market volatility and macro uncertainty. As a consequence of these uncertainties, the Board resolved to defer the completion of the review of Non-executive Director fees until the later part of 2022, subject to prevailing market conditions.

9.2 Key Management Personnel

This report discloses the FY2022 remuneration arrangements and outcomes for the people listed below, who are those individuals within the Company who have been determined to be Key Management Personnel (KMP) in the financial year to 30 June 2022. Key Management Personnel (KMP) are those people who have the authority and responsibility for planning, directing, and controlling the Group's activities, either directly or indirectly.

Name	Position	Term
Executive KMP		
Alex Dorsch	Managing Director and CEO	Full year
Richard Hacker	Chief Financial Officer	Full year
Kevin Frost	General Manager – Discovery & Growth	Full year
Bruce Kendall	General Manager – Exploration	Full year
Soolim Carney	General Manager – Environment & Community	Full year
Non-Executive Directors		
Tim Goyder	Non-executive Chairman	Until 24 November 2021
Derek La Ferla	Non-executive Chairman	From 24 November 2021
	Non-executive Director	From 1 October 2021 to 24 November 2021
Morgan Ball	Non-executive Director	Full year
Stephen Quin	Non-executive Director	Until 24 November 2021
Garret Dixon	Non-executive Director	Full year
Stephen McIntosh	Non-executive Director	Full year
Linda Kenyon	Non-executive Director	From 24 August 2021

Subsequent to year end, on 17 August 2022, Ms Joanne Gaines was appointed as a Non-executive Director.

Other than disclosed above, there were no changes in KMP after the reporting date and before the financial report was authorised for issue.

9.3 Remuneration governance and decision making

9.3.1 Role of the Board

The Board is responsible for setting Chalice's remuneration framework and remuneration policy to ensure that it is aligned with the Groups strategic objectives, values, and risk appetite. This includes approving the remuneration arrangements of Non-executive Directors, the MD&CEO and Executive KMP including approval of all performance targets set on awards of Short-term and Long-term incentives made to the Executive KMP.

Under a formal charter, the Board has established a Remuneration Committee to review and make recommendations to the Board on remuneration arrangements.

9.3.2 Remuneration Committee

The Remuneration Committee assists the Board with the Group's remuneration policies and framework and is primarily responsible for the consideration and recommendation of remuneration practices in relation to Executive KMP as well as recommending the level of Non-executive Director fees.

The Remuneration Committee comprises of three independent Non-Executive Directors. Details on the composition of the Remuneration Committee during the year ended 30 June 2022 is provided on page 94.

On 1 July 2022, the Remuneration Committee and Nomination Committee were merged to form a combined Remuneration and Nomination Committee with Mr La Ferla as Chair and Mr Ball and Mr McIntosh as members.

The responsibilities of the Remuneration Committee's role, objectives and responsibilities are outlined in its charter, which is available at [www.chalicemining.com/corporate-governance](http://www.chalicemining.com/corporate-governance)

The MD&CEO attends relevant Remuneration Committee meetings by invitation, where management input is required, however, has no vote in relation to matters before the Committee. The MD&CEO provides recommendations to the Remuneration Committee on the remuneration arrangements of his direct reports and all other employees. The Remuneration Committee has implemented processes to ensure conflicts of interest are managed appropriately.

9.3.3 Use of remuneration consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions and recommendations to the Board, the Remuneration Committee may seek external advice, as it requires, on remuneration policies and practices. Remuneration consultants can be engaged by, and report directly to, the Remuneration Committee. In selecting remuneration consultants, the Remuneration Committee will consider potential conflicts of interest and independence from the Group's KMP.

Given the recent growth of the Company, during the year ended 30 June 2022, the Remuneration Committee engaged BDO Remuneration and Reward (BDO Reward) to undertake a review of the remuneration framework for Executive KMP and Non-executive Directors, including assisting with the development of peer companies, remuneration benchmarking, remuneration mix, quantum and retention strategies. The advice received from BDO Reward is considered to constitute the provision of remuneration recommendations as defined by the Corporations Act 2001.

The Board is satisfied that appropriate arrangements were implemented and followed to ensure that BDO Reward would be free from undue influence by members of the KMP about whom their recommendations may relate. These arrangements include BDO Reward:

- « being engaged directly by the Chair of the Remuneration Committee and regularly updating the Chair on progress;
- « obtaining approval to interact with Executive KMP and reporting on the outcomes of those interactions, and
- « declaring that their recommendation is free from any undue influence from any KMP to whom the advice relates.

Fees paid to BDO Reward for the remuneration recommendations were \$28,500 (exclusive of GST). In addition to providing remuneration recommendations, BDO provided valuation advice for securities issued under the Employee Securities Incentive Plan and was paid \$12,568 (exclusive of GST) for these services.

In making their recommendations to the Board, the Remuneration Committee utilised the remuneration recommendations from BDO Reward as an input in developing their own independent assessment and decision to propose changes made to the quantum and structure of KMP remuneration.



### 9.3.4 Remuneration report approval at 2021 Annual General Meeting (AGM)

The Remuneration Report for the financial year ended 30 June 2021 received positive shareholder support at the 2021 AGM with a vote of 98.9% in favour. The Company received no specific feedback on its Remuneration Report at the 2021 AGM.

### 9.3.5 Securities Trading Policy

All Chalice KMP and employees are subject to the Company's Securities Trading Policy which sets out the governance approach for dealing in the Company's securities including when and how KMP and employees can deal in company securities. A copy is available at [www.chalicemining.com/corporate-governance](http://www.chalicemining.com/corporate-governance).

## 9.4 Executive KMP remuneration

### 9.4.1 Remuneration for FY2021-22

Executive Key Management Personnel		Short-term Benefits			Post-employment Benefits	Long-term Benefits	Share-based Payments	Total	Performance Related %
		Salary & Fees <sup>(1)</sup>	Non-monetary Benefits <sup>(2)</sup>	Cash Bonus <sup>(3)</sup>	Superannuation	Leave <sup>(4)</sup>	Long-term Incentives <sup>(6)</sup>		
		\$	\$	\$	\$	\$	\$	\$	%
<b>Managing Director &amp; CEO</b>									
Alex Dorsch	2022	478,299	45,542	100,000	24,399	-	502,304	1,150,544	44
	2021	335,696	15,658	125,438	21,694	-	345,087	843,573	41
<b>Executives</b>									
Richard Hacker	2022	326,432	19,663	35,000	23,568	6,808	159,892	571,363	28
	2021	284,202	27,079	65,003	21,694	(18)	138,991	536,951	26
Kevin M Frost	2022	328,700	33,280	35,000	23,568	-	166,727	587,275	28
	2021	291,724	21,820	64,813	21,694	-	149,632	549,683	27
Bruce Kendall	2022	329,521	39,701	35,000	23,568	-	139,968	567,758	25
	2021	280,570	27,810	63,750	21,694	-	109,283	503,107	22
Soolim Carney <sup>(5)</sup>	2022	305,141	24,064	42,027	23,568	-	82,769	477,569	17
	2021	74,439	10,853	-	6,542	-	-	91,834	-
<b>Total</b>									
	2022	1,768,093	162,250	247,027	118,671	6,808	1,051,660	3,354,509	
	2021	1,266,631	103,220	319,004	93,318	(18)	742,993	2,525,148	

<sup>(1)</sup> Salary and fees include base salary and additional allowances.

<sup>(2)</sup> Short-term non-monetary benefits include the cost to the company of providing car parking, income protection insurance and movement in annual leave entitlements.

<sup>(3)</sup> Cash bonuses represents the FY2021-22 STI payable to KMP (inclusive of superannuation).

<sup>(4)</sup> Long-term benefits, relates to movements in long service leave during the year.

<sup>(5)</sup> Commenced 15 March 2021.

<sup>(6)</sup> The amount disclosed in the table above relates to the non-cash value ascribed to share options and performance rights under Australian Accounting Standards using the Black Scholes and Monte Carlo valuation methodologies and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options and performance rights allocated to this reporting period. This includes negative amounts where a share-based payment expense is reversed due to a non-market based performance condition not being met or if an adjustment made to the number of performance rights that may vest based on a probability of meeting non-market based performance conditions.

### 9.4.2 Policy & Approach

The Company has adopted the following principles in its remuneration framework for Executive KMP:

- « Setting total aggregate remuneration at a level which provides the Company with the ability to attract and retain Executive KMP of a high calibre at a cost which is considered acceptable to shareholders; and

- « Align Executive KMP interests with those of key stakeholders by incorporating in the remuneration framework variable remuneration consisting of short and long-term incentives linked to the strategic goals and performance of the Company.

### 9.4.3 Overview of Remuneration Framework

The following table provides an overview of the elements of the remuneration framework for Executive KMP:

Element	Purpose	Section
<b>Total Fixed Remuneration (TFR)</b>		
Comprises of a cash salary, superannuation and non-monetary benefits.	Provides a competitive cash salary, determined by the scope of the role and benchmarked to ensure it remains competitive to attract and retain required capability.	9.4.7
<b>Variable Remuneration</b>		
<b>Short Term Incentives (STI)</b>		
Annual incentive opportunity paid in cash.	Rewards performance in executing the 12-month strategic priorities of the Company.	9.4.8
<b>Long Term Incentive (LTI)</b>		
Granted as Performance Rights vesting over a three-year period upon meeting performance objectives.	To reward longer term performance and achievement of strategic objectives aligned with shareholder interests.	9.4.9
<b>Retention Rights</b>		
Implemented from 1 July 2022 as a once-off issue. Granted as a Performance Rights subject to a 3.5-year continued service vesting condition.	Developed to mitigate the impact of the current unprecedented labour constraints in the resources industry on the Company.	9.4.10

### 9.4.4 Alignment of Remuneration Framework to the Strategic Objectives

Included on page 12 of this Annual Report is a summary of the Company's strategic plan for FY2022 – FY2025 which outlined Chalice's key objectives 'to create a world class, multi-district green metals province'.

## Goals

### Sustainability

- Build community and Traditional Owner support for mining and exploration across the Wheatbelt
- Best-in-class sustainability performance
- Attract and retain world class mine-finding and mine-defining capability

### Development

- Determine feasibility of the Gonneville Starter Mine which balances value, risk and optionality
- Secure regulatory approvals for the Gonneville Starter Mine
- Secure value-add and capability-add strategic partnership(s) at scoping/feasibility stage

### Exploration

- Discover two new major (>US\$1Bn) green metals deposits within the West Yilgarn Province

### Funding

- Maintain balance sheet strength and flexibility
- Secure project level funding through strategic partnership(s) at scoping/feasibility stage



Informed by the strategic review process, the Board has undertaken a review of the remuneration framework to ensure it remains fit for purpose given the Board's desire to maintain the Company's strong discovery culture through exploration, which has been the key driver of the Company's success to date, whilst also building capabilities to support the transition to becoming a mine developer. The remuneration framework aims to link the remuneration outcomes for Executive KMP to the achievement of these objectives in driving long term value creation for shareholders.

#### 9.4.5 Remuneration mix

The tables below demonstrate remuneration mix for Executive KMP when maximum incentive opportunities are achieved and the "at risk" elements as a proportion of TSR.

In June 2022, the Remuneration Committee reviewed the remuneration mix paid to Executive KMP having regard to external remuneration recommendations provided by BDO Reward. The Remuneration Committee determined to increase the maximum "at risk" elements of Executive KMP remuneration to support the delivery of Chalice's short-term goals and longer term and strategic objectives and to drive value for shareholders and stakeholders.

The Board has determined that the remuneration mix should be weighted towards longer term strategic objectives and as such have weighted greater rewards to LTIs (refer below).

Increased activity in the resources industry in Australia and globally is currently creating significant challenges to attract and retain Executive KMP and key technical employees and has become a significant risk factor to the Company achieving its strategic objectives. With competition for experienced and competent employees remaining exceptionally strong throughout the resource industry, retaining the Company's existing high performing employees is seen as critical to:

- « Ensure continuity of the Company's operations to maintain existing levels of business activity to deliver the Company's strategic objectives;
- « Reduce the financial impact of employee turnover, including the cost of recruitment;
- « Maintain the intellectual capital of the Company for a defined period;
- « Recognise that the Company values the commitment and loyalty of employees, and
- « Alleviate pressure on the Company to provide future above market annual remuneration increases as a means of retention to assist the Company in managing its salary overhead structure in a more constrained manner over the longer term.

In response to these unique industry challenges and in addition to other retention strategies, the Board has determined that it is appropriate to implement a once off retention plan for Executive KMP (excluding the MD&CEO) and other key technical employees to mitigate the risk of losing employees should other variable incentives be at risk of not being realised.

The MD&CEO has been excluded from the retention plan on the basis that he has been awarded a larger long term "at risk" incentive opportunity than other Executive KMP and the level of his current shareholding in the Company aligns his long-term interests with shareholders.

The retention plan consists of retention rights exercisable into fully paid ordinary shares upon meeting a continued service vesting condition of 3.5 years. This aligns with the delivery timeline of important key strategic objectives relating to the Julimar Project (refer to section 9.4.10 for further details).

#### (a) Maximum Incentive Opportunities as a Percentage of Total Fixed Remuneration (TFR) are set out in the table below:

	From 1 July 2022			FY2021-22	
	STI % of TFR	LTI % of TFR	Once off Retention Rights % of TFR	STI % of TFR	LTI % of TFR
MD&CEO	25%	175%	-	50%	100%
Other Executive KMP	25%	95%	87.5%	25%	75%
Soolim Carney <sup>(1)</sup>	25%	95%	87.5%	32%	120%

#### (b) Remuneration mix based on maximum incentive opportunity

	From 1 July 2022				30 June 2022		
	TFR %	STI %	LTI %	Once off Retention Rights %	TFR %	STI %	LTI %
MD&CEO	33%	8%	58%	-	40%	20%	40%
Other Executive KMP	33%	8%	31%	28%	50%	13%	38%
Soolim Carney <sup>(1)</sup>	33%	8%	31%	28%	40%	13%	47%

<sup>(1)</sup> Ms Carney was appointed on 15 March 2021. Under the Remuneration Policy, Executive KMP that commence after 1 October, have their STI and LTI incentive opportunity for the following year increased by a pro-rata amount based on the date of their commencement. In addition, the Board awarded S Carney, a one-time, non-recurring additional 30% increase in maximum LTI opportunity as a recruitment and long-term retention incentive.

#### 9.4.6 Link between performance and Executive KMP remuneration

The remuneration of Executive KMP is designed to provide a direct link between remuneration outcomes and Company performance over the short-term (12 months) and long-term (>3 years).

The following table provides a summary of key financial metrics for the Company for 30 June 2022 and the previous five financial years. As the Company does not yet generate revenues, share price performance and long-term TSR is considered to be the most appropriate metric with which to link performance to remuneration.

	2018	2019	2020	2021	2022
Share price at 30 June	\$0.10	\$0.12	\$0.995	\$7.42	\$3.78
Change in share price during period	(9%)	20%	729%	646%	(49%)
Market capitalisation	\$26m	\$32m	\$302m	\$2,574m	\$1,405m
Long term - 3 Year TSR to 30 June	27%	3%	756%	6,283%	3,050%
Loss after Income Tax (\$'000)	\$15,949	\$10,166	\$2,659	\$43,193	\$18,305

#### 9.4.7 Total Fixed Remuneration (TFR)

TFR comprises cash salary including statutory superannuation. The level of TFR is set to provide a base level of remuneration which is both appropriate for the position and competitive in the market. The Company aims to set TFR in accordance with market rates. However, the Board may use its discretion to pay above this to attract and retain key employees in achieving the Company's strategic goals. TFR is reviewed on no less than an annual basis by the Remuneration Committee and approved by the Board having regard to the Company and individual performance, relevant comparable remuneration for similarly capitalised companies in the mining industry and independently compiled market data.

In June 2022, the Board reviewed the remuneration of Executive KMP having regard to external benchmark information provided by BDO Reward, the ongoing competitiveness for talent in the Western Australian market and the further increasing scale and complexity of the Company's activities.

In determining the appropriate peer 'market' the Remuneration Committee requested BDO Reward to consider both "Producers" and "Developers" in the provision of benchmark information which reflected where executive talent may be 'recruited from' or 'lost to'.

As a result of this review the Board approved the following changes shown below:

Name	From 1 July 2022 \$	From 1 July 2021 \$	From 1 July 2020 \$
Alex Dorsch	552,500	500,000	355,000
Richard Hacker	386,750	350,000	305,896
Kevin Frost	351,724	350,000	305,000
Bruce Kendall	351,724	350,000	300,000
Soolim Carney	327,424	325,000	271,694



#### 9.4.8 Short Term Incentive (STI) Plan

##### (a) Key questions and answers on how the STI Plan works

Question	Answer
<b>Why does the Board consider a STI Plan is appropriate?</b>	The purpose of the STI Plan is to make a proportion of the total remuneration package subject to meeting various short-term performance measures aligned with Chalice's Strategic Plan, thereby strengthening the link to remuneration and performance.
<b>How is it paid?</b>	STI awards for Executive KMP are paid in cash according to the extent of achievement of the applicable performance measures.
<b>What is the performance period and how much can the Executive KMP earn?</b>	STI awards are assessed over a 12-month period aligned with the Company's financial year. For FY2022, the maximum STI opportunity as a percentage of TFR for the MD&CEO is 50% and other Executive KMP, 25% (except for Ms Carney, 32%). For FY2023, the maximum STI opportunity as a percentage of TFR for the MD&CEO and all other Executive KMP is 25%. If performance against any measurement objective is assessed as not being met or below threshold, no outcome is awarded for that measure. The determination as to whether the performance measures have been met by the Company and the calculation of the amount payable under the STI Plan is at the absolute discretion of the Board.
<b>How is performance assessed?</b>	Performance measures include Group KPIs which are aligned to the Group's strategic plan and values. The Board, with the assistance of the Remuneration Committee sets and assesses achievement of each KPI at the end of the financial year.
<b>What are the performance measures for FY2022?</b>	Performance measures for the MD&CEO and other Executive KMP include those relating to health, safety, environment, community, and heritage objectives (weighting 12.5%), sustainability objectives (weighting 10%), project definition objectives (weighting 30%), generative exploration objectives (weighting 30%) and business development objectives (weighting 10%). The measurement date for the FY2022 STI is 30 June 2022. Outcomes are disclosed below.
<b>What are the performance measures for FY2023?</b>	Performance measures for the MD&CEO include those relating to exploration objectives (weighting 45%), project definition objectives (weighting 15%), project development and project approval objectives (weighting 25%), and commercial objectives (weighting 15%). A downward scaling factor will be applied to a maximum 50% of the total STI award for breaches of certain sustainability criteria. Therefore, up to 50% of an employee's maximum STI is "at-risk" subject to a minimum level of sustainability performance (health, safety, environment, and community). For other Executive KMP, weightings are adjusted to those of the MD&CEO to reflect each other Executive KMPs skillset and influence on achievement of each outcome. The measurement date for the FY2023 STI is 30 June 2023.
<b>Who is eligible to participate in the STI Plan?</b>	The MD&CEO and all other Executive KMP are eligible to participate in the STI Plan. All permanent and fixed term employees of Chalice are also eligible to participate.
<b>What happens to STI awards when an Executive ceases employment?</b>	STI awards are pro-rated for the period of service during the financial year and the Executive KMP must be an employee of Chalice on 30 June each year to remain eligible.

##### (b) STI Performance and Outcomes for FY2022

The Board determined that 40% of the maximum STI award be paid to Executive KMP and other eligible participants. The following table sets out the actual STI outcomes for each Executive KMP for the year ended 30 June 2022.

Name	Maximum STI Opportunity	Actual STI Outcome		Cash STI Outcome
	(% of TFR)	(% of maximum)	(% of TFR)	\$
Alex Dorsch	50%	40%	20%	\$100,000
Richard Hacker	25%	40%	10%	\$35,000
Kevin Frost	25%	40%	10%	\$35,000
Bruce Kendall	25%	40%	10%	\$35,000
Soolim Carney	32.3%	40%	12.9%	\$42,027

Below is a summary of the basis in determining the STI outcome for the performance period from 1 July 2021 to 30 June 2022, including commentary on achievements versus performance measures and the award percentage.

FY2022 STI Objective and Target	Outcome and Commentary on Performance
<b>1. Health, Safety, Environment, Community and Heritage (Max 20% weighting)</b> A proportional STI payment shall be made according to the number of conditions below being met between 1 July 2021 and 30 June 2022: <ul style="list-style-type: none"> <li>« Zero Major or Catastrophic consequence safety incidents</li> <li>« Lost Time Injury Frequency Rate (LTIFR) for Chalice staff of &lt;3.0</li> <li>« All high potential safety 'near misses' are documented and investigated</li> <li>« Zero reportable environmental incidents</li> <li>« No material breach of any WA DMIRS or Vic ERR Programme of Work (POW) or tenement conditions</li> <li>« Zero community or landowner incidents</li> <li>« No material breach of the Company's Code of Conduct <ul style="list-style-type: none"> <li>o If all 7 metrics met - 20%</li> <li>o If 6 metrics met – 12.5%</li> <li>o If 5 metrics met – 7.5%</li> <li>o If 4 or less metrics met - 0%</li> </ul> </li> </ul>	<b>Outcome 20% awarded</b> The Board assessed the ESG outcomes and determined all 7 metrics have been met and that the maximum award weighting of 20% was achieved.
<b>2. Sustainability (Max 10% weighting)</b> Deliver a maiden sustainability strategy for the Company by 30 June 2022 <b>AND</b> Design and complete planned environmental (water and biodiversity) baseline studies for the Julimar Project (Gonneville initial development). Accurately map the regulatory approvals process and timeline for Julimar and demonstrate progress and readiness for a mining proposal submission in 2023. <b>AND</b> Obtain access approval to drill within the Julimar State Forest.	<b>Outcome 10% awarded</b> A sustainability strategy incorporating the specified requirements has been developed. Baseline studies for Julimar have been completed and the regulatory approvals process has been mapped. Permits to undertake all planned drilling in the Julimar State Forest were received from DMIRS. The maximum award weighting of 10% was achieved.
<b>3. Project Definition (Max 30% weighting)</b> Announce to the ASX a maiden JORC Mineral Resource Estimate for Gonneville of >150Mt in the Measured and Indicated categories. <b>AND</b> Announce to the ASX a scoping study for Gonneville initial stage(s) of project development, with at least one development scenario predicted to achieve a Board approved minimum IRR hurdle.	<b>Outcome 10% awarded</b> A maiden JORC Mineral Resource Estimate for Gonneville was greater than >150Mt in the measured and indicated category. A scoping study for an initial mining operation at Gonneville was not completed by 30 June 2022 principally due to ongoing drilling success at Gonneville which delayed the ability to finalise a scoping study. The Board exercised its discretion as it considers that the ongoing success in project definition drilling resulted in the scoping study performance objective becoming unobtainable. It was determined that a partial award of 10% be awarded, reflecting the significant efforts in advancing the asset during the period.



FY2022 STI Objective and Target	Outcome and Commentary on Performance
<b>4. Significant New Discovery (outside of Gonneville) (30% weighting)</b>	<b>Outcome 0% awarded</b>
Make a material new discovery (outside of Gonneville) which is reportable according to the DMIRS 'Reporting Mineral Discoveries (Minerals of Economic Interest) – Guidance Note' and shows the potential to be economic based on consensus commodity prices and other board approved assumptions.	The Company did not make a significant discovery outside of Gonneville during the performance measurement period resulting in 0% being achieved for this objective.
<b>5. Business Development (Maximum 10% weighting)</b>	<b>Outcome 0% awarded</b>
Complete a demerger of the gold portfolio into an ASX-listed 'NewCo' which has an enterprise value of at least \$50 million pre-IPO. <b>AND</b> Achieve an absolute TSR for 'NewCo' of >10% to 30 June 2022.	Whilst the demerger of the gold portfolio was achieved with an enterprise value of at least \$50m, the share price of Falcon Metals Ltd at 30 June 2022 of \$0.19 is less than the IPO price of \$0.50 and therefore the TSR requirement has not been met resulting in 0% being achieved for this objective.

(c) STI Performance and Outcomes for FY2020-21

As part of the STI awarded to Executive KMP for the year ended 30 June 2021, the Board exercised its discretion to pay a maximum weighting of 30% in relation to Objective 2 - "Maiden Mineral Resource at Gonneville". At that time, the MRE for Gonneville had not been released to ASX and therefore the Company could not disclose the targets associated with this objective due to the commercially sensitive nature of the information and to do so would also constitute the provision of forward-looking statements without having a reasonable basis.

It is now confirmed that the target was >150Mt in the Measured and Indicated categories. Subsequently, the Company released a maiden MRE in November 2021 confirming that this target has been met with a total maiden MRE of 150Mt in the indicated category.

9.4.9 Long Term Incentive (LTI) Plan

(a) Key questions and answers on how the LTI Plan works

Question	Answer
<b>Why does the Board consider a LTI Plan is appropriate?</b>	The Board believes that a LTI Plan which is well designed and aligned to the strategic objectives of the Company can drive performance and optimise long term shareholder value. A LTI Plan can create an immediate ownership mindset among Executive KMP participants, linking a substantial portion of potential reward to Chalice's share price and returns to shareholders. The award of LTI's is an important component of remuneration to attract and retain the most talented Executive KMP in a highly competitive market.
<b>How is the LTI award delivered?</b>	LTI awards are delivered in performance rights, granted for no consideration to Executive KMP. Each performance right is exercisable into fully paid ordinary share for no consideration if performance measures as set by the Board are met i.e., the performance rights vest. If the performance measures are not met by the measurement date, which is 3 years from the date of the commencement of the performance period, the performance rights lapse with no ordinary shares being issued. There is no re-testing of performance measures after the measurement date.
<b>Who is eligible to participate in the LTI Plan?</b>	All full-time employees and permanent part-time employees (including executive directors) of the Company are eligible participants. Shareholder approval is required before any director or their related party can participate. It is the policy of the Company that Non-executive Directors are not awarded performance rights under the LTI Plan.

Question	Answer
<b>How many Performance Rights are issued to Executive KMP?</b>	The Board has the discretion to make annual awards of performance rights with the level of the award dependent on an Executive KMP's position within the Company and their TFR. The number of performance rights issued is determined by dividing the Executive KMP's LTI opportunity (calculated as a percentage of TFR) by the 20-day volume weighted average price prior to the first trading day of the performance period. For FY2022, the MD&CEO received performance rights valued at 100% of TFR and other Executive KMP received performance rights valued at 75% of TFR. For FY2023, the MD&CEO has been offered performance rights valued at 175% of TFR, subject to shareholder approval and other Executive KMP received performance rights valued at 95% of TFR.
<b>What is the performance period?</b>	3 years – for example, the issue of FY2022 performance rights has a measurement period commencing on 1 July 2021 with a measurement date of 30 June 2024, being the date at which the Board will determine if the performance measures are met.
<b>How is performance assessed?</b>	Performance measures include Group KPIs which are aligned to the Group's strategic plan and values. Performance measures typically include a mixture of measures linked to key strategic objectives and Absolute total shareholder return (ATSR) and Relative total shareholder return (RTSR) share price performance measures. The Board, with the assistance of the Remuneration Committee sets and assesses achievement of each KPI at the measurement date.
<b>What are the performance measures for the performance rights?</b>	Refer to 9.4.9 (e) for FY2020-21 series Refer to 9.4.9 (f) for FY2021-22 series Refer to 9.4.9 (g) for FY2022-23 series
<b>What is the expiry date of the performance rights?</b>	From 1 July 2022, performance rights will expire five years from the commencement date of the performance period. Prior to 1 July 2022, performance rights expired 4 years from the commencement date of the performance period.
<b>What is ATSR and how is it measured?</b>	ATSR is a method of calculating the return shareholders would earn if they held a notional number of shares over the performance period based on a 20-day VWAP prior to the measurement date. TSR measures the growth in the company's share price together with the value of the dividends during the performance period, assuming all dividends are re-invested into new shares. For FY2023, with a 3-year performance period, 20% of the total tranche issued to Executive KMP will be measured against ATSR performance criteria.
<b>What is RTSR and how is it measured?</b>	RTSR is a method for calculating the return shareholders would earn if they held a notional number of shares over the performance period measured against a comparator group based on a 20-day VWAP at the measurement date. TSR measures the growth in a company's share price together with the value of dividends during the period, assuming that all of those dividends are re-invested into new shares. For FY2023 with a 3-year performance period, 40% of the total tranche issued to Executive KMP will be measured against RTSR performance criteria using the ASX300 Metals and Mining Index as a comparator group.
<b>For FY2023, why is the ASX300 Metals and Mining Index an appropriate comparator comparing RTSR?</b>	The ASX300 Metals and Mining Index includes a diverse group of resource companies against which Chalice's share price performance can be appropriately benchmarked. Benchmarking against numerous comparable companies within the index minimises the impact of fluctuations in commodity prices to illustrate how effective management have been in creating value from the Group's assets.
<b>Is there a deferral mechanism?</b>	There is currently no deferral mechanism applied to vested performance rights.
<b>What happens to performance rights when an Executive KMP ceases employment?</b>	Unvested performance rights will automatically be forfeited by the participant, unless the Board uses discretion to permit some or all performance rights to vest or to allow the participant to hold the LTI award to be tested against performance conditions at the end of the performance period. Examples of the circumstances when the Board may decide to exercise its discretion includes where a participant becomes a leaver due to death, redundancy, permanent disability, mental incapacity, or retirement.
<b>What happens in the event of a change of control?</b>	If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the participant's performance rights will be dealt with, including, without limitation, allowing the participant to participate in and/or benefit from any transaction arising from the change of control event.



Question	Answer
<b>Are there malus or clawback provisions?</b>	Where the Board determines that a participant has acted fraudulently or dishonestly; or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested convertible securities held by that Participant to have been forfeited.

**(b) Summary of LTI Performance Rights Issued to Executive KMP**

Series	Issue date	Measurement date	Expiry date	Status	Section
<b>FY2018-19</b>	31 July 2018 & 28 November 2018 (MD&CEO)	30 June 2021	30 June 2022	Vested FY2022	9.4.9 (c)
<b>FY2019-20</b>	28 November 2019 (MD&CEO)	30 June 2022	30 June 2023	Vested FY2023	9.4.9 (d)
<b>FY2020-21</b>	2 September 2020 & 25 November 2020 (MD&CEO)	30 June 2023	30 June 2025	Issued - not yet tested	9.4.9 (e)
<b>FY2021-22</b>	23 September 2021 & 24 November 2021 (MD&CEO)	30 June 2024	30 June 2026	Issued - not yet tested	9.4.9 (f)
<b>FY2022-23</b>	5 September 2022	30 June 2025	30 June 2027	Issued - not yet tested	9.4.9 (g)

**(c) LTI Performance and Outcomes - FY2018-19 Performance Rights**

Summary of Terms	
<b>Performance Period</b>	3 years (1 July 2018 – 30 June 2021)
<b>Award Opportunity</b>	Executive Chair and MD&CEO – 50% of TFR Other Executive KMP – 40% - 45% of TFR
<b>Status</b>	Tested at measurement date of 30 June 2021 with 100% vesting
<b>Quantum issued to Executive KMP</b>	During the year ended 30 June 2019, 3,527,934 FY2018-19 Performance Rights were issued to Executive KMP

The table below outlines the FY2018-19 performance rights granted to Executive KMP. In August 2021, the Board, following a recommendation from the Remuneration Committee, determined that the FY2018-19 Performance Rights vested in full due to the achievement of the performance conditions measured over the three years ended 30 June 2021 – refer to page 74 of the 2021 Annual Report for further details.

Upon vesting, all of the performance rights were exercised into an equivalent number of fully paid ordinary shares.

Series	Executive KMP	Number of Rights	Measurement Date	Expiry date
FY2018-19	Tim Goyder <sup>(1)</sup>	871,751	30 June 2021	30 June 2022
	Alex Dorsch	1,045,931	30 June 2021	30 June 2022
	Richard Hacker	762,514	30 June 2021	30 June 2022
	Kevin Frost	847,738	30 June 2021	30 June 2022

<sup>(1)</sup> On 1 September 2020, Mr Goyder ceased to act as Executive Chairman and transitioned to Non-executive Chairman. The Board determined that performance rights previously issued to Mr Goyder whilst an Executive KMP would be retained on the original terms of issue, in recognition of Mr Goyder's 15 years of service to the Company.

**(d) LTI Performance and Outcomes - FY2019-20 Performance Rights**

Summary of Terms	
<b>Performance Period</b>	3 years (1 July 2019 – 30 June 2022)
<b>Award Opportunity</b>	Executive Chair and MD&CEO – 50% of TFR Other Executive KMP – 37.5% - 45% of TFR
<b>Status</b>	Tested at measurement date 30 June 2022 with 100% vesting
<b>Quantum issued to Executive KMP</b>	During the year ended 30 June 2019, 3,701,116 FY2019-20 Performance Rights were issued to Executive KMP

The table below outlines the FY2019-20 performance rights granted to Executive KMP. In July 2022, the Board, following a recommendation from the Remuneration Committee, determined that the 2019-20 Performance Rights vested in full due to the achievement of the performance conditions measured over the three years ended 30 June 2022.

The performance rights can be exercised into an equivalent number of fully paid ordinary shares in accordance with their terms.

Series	KMP	Number of Rights	Measurement Date	Expiry date
FY2019-20	Tim Goyder <sup>(1)</sup>	735,294	30 June 2022	30 June 2023
	Alex Dorsch	1,074,402	30 June 2022	30 June 2023
	Richard Hacker	700,606	30 June 2022	30 June 2023
	Kevin Frost	827,593	30 June 2022	30 June 2023
	Bruce Kendall	363,221	30 June 2022	30 June 2023

<sup>(1)</sup> On 1 September 2020, Mr Goyder ceased to act as Executive Chairman and transitioned to Non-executive Chairman. The Board determined that performance rights previously issued to Mr Goyder whilst an Executive KMP would be retained on the original terms of issue, in recognition of Mr Goyder's 15 years of service to the Company. On 2 November 2021, the Board determined to exercise its discretion under the terms of the issue of the performance rights and the Employee Securities Incentive Plan to permit the FY2019-20 Performance Rights to vest with effect from the date of Mr Goyder's retirement on 24 November 2021 and that any shares issued upon exercise would be subject to a voluntary trading restriction until the measurement date of 30 June 2022. Mr Goyder exercised the vested performance rights on 2 December 2021.

The following table outlines key performance objectives which were determined to have been met in full during the measurement period. As such, the performance rights have vested after the year ended 30 June 2022 and may be exercised by participants into an equivalent number of fully paid ordinary shares.

No.	FY2019-20 Performance Conditions and weightings	Outcome and Commentary on Performance
1.	<b>Strategic objectives (Max weighting 50%)</b> Undertake a significant acquisition or corporate transaction: acquire one or more assets or undertake a corporate transaction with potential to generate an internal rate of return (IRR) of at least 20% using consensus commodity prices and board approved cost assumptions. AND/OR Value generation through: <ul style="list-style-type: none"> <li>making a significant new discovery which shows the potential to be economic based on consensus commodity prices and board approved cost assumptions;</li> <li>substantially increasing the Company's resource base;</li> <li>conducting economic/feasibility studies which show the potential to generate an IRR of at least 20% using consensus commodity prices and board approved cost assumptions; or</li> <li>the sale of an asset(s) at a significant profit.</li> </ul> NB: The determination as to whether the above objectives have been met will be done by the Board of the Company in a timely manner, acting reasonably and in good faith.	On 9 November 2021, a maiden JORC mineral resource estimate was published for the Gonneville deposit. The Board determined that there had been a substantial increase in the Company's resource base and therefore a maximum weighting of 50% was achieved.



No.	FY2019-20 Performance Conditions and weightings	Outcome and Commentary on Performance
2.	<b>Absolute TSR objectives (Max weighting 25%)</b> If the volume weighted average price of the Company's Shares traded on ASX over the 30 trading days (30-Day VWAP) up to and including 30 June 2022 is: <ul style="list-style-type: none"> <li>« below \$0.18 per Share – 0%</li> <li>« between \$0.18 and \$0.20 per Share - Pro rata weighting between 8.25% and 25%; and</li> <li>« at or above \$0.20 per Share – 25%</li> </ul> By way of example, if the 30-Day VWAP as at 30 June 2022 is \$0.19 per Share, 16.625% of the Performance Rights would vest, calculated as follows: $8.25\% + ((\$0.19 - \$0.18) / (\$0.20 - \$0.18) * (25\% - 8.25\%)) = 16.625\%$  In the event of a corporate action including a demerger, special dividend or reorganisation of capital (including a consolidation, sub-division, return of capital, or reduction of capital), the above thresholds are to be amended to account for that corporate action, provided that such amendment must not provide the Performance Rights holder with a benefit that holders of Shares do not receive.	The Absolute TSR objective is tested by measuring the Company's share price performance over the performance measurement period against predetermined targets set by the Board.  At 30 June 2022, the 30-day VWAP was \$4.69 resulting in the maximum award of 25% being achieved.
3.	<b>Relative TSR objectives (Max weighting 25%)</b> Comparison of the Company's total shareholder return (TSR) with that of an appropriate comparator group of companies as determined by the Remuneration Committee over the performance period to 30 June 2022. The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant vesting date as follows: <ul style="list-style-type: none"> <li>« Below 50th percentile - 0%</li> <li>« Between 50th and 75th percentile - Pro rata weighting between 8.25% and 25%</li> <li>« At or above 75th percentile - 25%</li> </ul> The comparators companies include the following ASX and TSX listed companies: Probe Metals Inc., Cartier Resources Inc, QMX Gold Corporation, GFG Resources Inc., Catalyst Metals Limited, Navarre Minerals Limited, Kalamazoo Resources Limited, Petrathern Limited, Buxton Resources Limited, Encounter Resources Limited, Prodigy Gold Limited, S2 Resources Limited, and Mirasol Resources Ltd.	The Relative TSR measure compares Chalice's TSR against that of the comparator companies selected at the commencement of the performance period.  On 30 June 2022, the relative TSR performance condition was tested. Chalice achieved a TSR of 3,050%, over the three-year measurement period ranking it at the 100 <sup>th</sup> percentile, resulting in the maximum award of 25% being achieved.

#### (e) Performance Rights Issued FY2020-21

Summary of Terms	
<b>Performance Period</b>	3 years (1 July 2020 – 30 June 2023)
<b>Award Opportunity</b>	MD&CEO - 75% of TFR Other Executive KMP - 50% of TFR
<b>Status</b>	Not yet tested or vested
<b>Quantum issued to Executive KMP</b>	During the year ended 30 June 2021, 759,188 FY2020-21 Performance Rights were issued to Executive KMP

The table below outlines the FY2020-21 performance rights granted to Executive KMP.

Series	Executive KMP	Number of Rights	Measurement Date	Expiry date
FY2020-21	Alex Dorsch	280,081	30 June 2023	30 June 2024
	Richard Hacker	160,893	30 June 2023	30 June 2024
	Kevin Frost	160,422	30 June 2023	30 June 2024
	Bruce Kendall	157,792	30 June 2023	30 June 2024

The following table outlines performance conditions and the weightings of each condition.

FY2020-21 Performance Conditions and Weightings
<b>ESG and H&amp;S objectives (Maximum weighting 15%)</b> A proportional LTI payment shall be made according to the number of conditions below being met between 1 July 2020 and 30 June 2023: <ul style="list-style-type: none"> <li>« Zero fatalities*</li> <li>« LTIFR for Chalice staff of &lt;1.8</li> <li>« Zero reportable environmental incidents (including spills, loss of containment, etc.)</li> <li>« No material breach of any POW conditions (drilling permits)</li> <li>« Zero community or landowner incidents resulting in the permanent loss of land access on a material private property or the immediate halting of all operations on any site</li> <li>« No material breach of the Company's Code of Conduct</li> </ul> 100% allocation if no breach 67% allocation if one breach 33% allocation if two breaches 0% allocation if more than two breaches *Two fatalities would be considered two breaches
<b>Pre-feasibility study completion (Maximum weighting 25%)</b> Release on the ASX a mining pre-feasibility study (PFS) on an asset (including Gonneville) which shows the potential to generate an internal rate of return (IRR) of >20% using consensus commodity prices and Board approved assumptions.
<b>Project milestone achievements (Maximum weighting 25%)</b> Generate significant value, on an existing or new asset (either operated or non-operated), through achievement of the below milestones: <ul style="list-style-type: none"> <li>a) Define a new JORC Mineral Resource Estimate (for a new discovery outside of Gonneville) which shows the potential to be economic (generate an IRR &gt;20% based on internal financial modelling using consensus commodity prices and Board approved assumptions).</li> <li>b) Increase an existing JORC Mineral Resource Estimate by a factor of 2x, subject to a minimum increase of 0.5Moz AuEq.</li> <li>c) Sell a material asset (as part of an asset sale or corporate transaction) where:               <ul style="list-style-type: none"> <li>(i) the total deal value (including royalties retained) exceeds a threshold determined by the Board using a published mining feasibility study outcome OR consensus commodity prices and Board approved assumptions OR as determined by an Independent Expert); AND</li> <li>(ii) the deal generates a profit after-tax of at least 50% reflecting costs of acquisition and all project-to-date expenditure incurred (whether expensed or capitalised).</li> </ul> </li> </ul> Achieving NONE of the above conditions – 0% Achieving ONE of the above conditions – 12.5% Achieving TWO of the above conditions – 25% For example: achieving both a) and or b) on a single asset, OR achieving a) on two separate assets, would classify as this condition met.
<b>Absolute TSR measure - (Maximum weighting 17.5%)</b> A proportional LTI payment shall be made which is directly proportional to the Total Shareholder Return (TSR) from 1 July 2020 to 30 June 2023. The proportion paid is calculated as: <ul style="list-style-type: none"> <li>« 0% allocation if 3-yr TSR &lt;30%</li> <li>« Pro-rata allocation if 3-yr TSR between 30-100%</li> <li>« 100% allocation if 3-yr TSR &gt;100%</li> </ul> If the 20-trading day VWAP until 30 June 2023 exceeds 200% of the 20-trading day VWAP until 1 July 2020, the performance measure would be deemed to have been met. The 20-day VWAP of the Company at 1 July 2020 is \$0.95. If, for example, the 20-day VWAP at 30 June 2023 is \$1.71 (an 80% increase in the 20-day VWAP), then 80% of this performance measure would be deemed to have been met.



## FY2020-21 Performance Conditions and Weightings

**Relative TSR - (Maximum weighting 17.5%)**

A proportional LTI payment shall be made where the TSR exceeds the median TSR, between 1 July 2020 and 30 June 2023, of the comparator group\* (refer below).

- « 0% allocation if TSR below 50th percentile
- « Pro-rata allocation if TSR between 50th and 75th percentile (as detailed below)
- « 100% allocation if TSR above 75th percentile

If the TSR is between the 50th and 75th percentile, then for each percentile increment above 50, a multiple of 4 times that increment would have been met. For example: If the Chalice TSR is at the 55th percentile, 20% of this performance measure would be deemed to have been met.

\*The comparator group includes the following ASX-listed resource companies: Panoramic Resources Limited, Flinders Mines Limited, Liofentown Resources Limited, New Century Resources Limited, Emerald Resources NL, Rand Mining Limited, Atrum Coal Limited, Greenland Minerals Limited, Stavelly Minerals Limited, Lion One Metals Limited, Magnetic Resources NL and Oklo Resources Limited.

**Board Discretion**

Where required, the Board may, acting reasonably and in good faith, use its discretion to vary the LTI maximum weightings. For example, where a sale of an asset occurs prior to completion of a PFS (i.e. milestone 2 is unable to be met), the Board may allocate the attributable weighting to other milestones.

**(f) Performance Rights Issued FY2021-22****Summary of Terms**

<b>Performance Period</b>	3 years (1 July 2021 – 30 June 2024)
<b>Award Opportunity</b>	MD&CEO - 100% of TFR Other Executive KMP - 75% of TFR
<b>Status</b>	Not yet tested or vested
<b>Quantum issued to Executive KMP</b>	During the year ended 30 June 2022, 219,638 FY2021-22 Performance Rights were issued to Executive KMP

The table below outlines the FY2021-22 performance rights granted to Executive KMP:

Series	KMP	Number of Rights	Measurement Date	Expiry date
FY2021-22	Alex Dorsch	65,531	30 June 2024	30 June 2026
	Richard Hacker	34,404	30 June 2024	30 June 2026
	Kevin Frost	34,404	30 June 2024	30 June 2026
	Bruce Kendall	34,404	30 June 2024	30 June 2026
	Soolim Carney	50,895	30 June 2024	30 June 2026

The following table outlines key business objectives and the weightings of the performance conditions:

**No. FY2021-22 Performance Conditions and Weightings**

- 1. Sustainability (Max. weighting 20%)**  
Achieve inclusion into the S&P/ASX 200 ESG Index by 30 June 2024.
- 2. Generative Exploration, Project Definition and Strategic (Max. weighting 30%)**  
Generate significant value, on an existing or new asset (either operated or non-operated), through the achievement of several strategic objectives that exceed stretch targets, pre-determined by the Board by resolution on 16 August 2021, including:
  - « Define a new, material JORC Mineral Resources (excluding Gonneville) which show the potential to be economic;
  - « Increase materially an existing JORC Mineral Resource;
  - « Define JORC Mineral Reserves or a material increase in JORC Mineral Reserves; and
  - « Disposal of a material asset (as part of an asset sale, joint venture or corporate transaction).

**No. FY2021-22 Performance Conditions and Weightings****3. Absolute TSR measure (Max. weighting 25%)**

A proportional LTI payment shall be made which is directly proportional to the Total Shareholder Return (TSR) from 1 July 2021 to 30 June 2024. The proportion paid is calculated as:

- « If 3-yr TSR <10% p.a (equivalent to <33.1% increase in share price) – 0%
- « If 3-yr TSR between 10-20% p.a (equivalent to 33.1-72.8% increase in share price) - weighting pro-rata between 5-25%
- « If 3-yr TSR >20% p.a (equivalent to >72.8% increase in share price) – weighting 25%

**4. Relative TSR compared to peer group. (Max. weighting 25%)**

A proportional LTI payment shall be made where the TSR exceeds the median TSR of the peer group, between 1 July 2021 and 30 June 2024. The proportion paid is calculated as:

- « If TSR <50th percentile – 0%
- « If TSR between 50th and 75th percentile - weighting pro-rata between 5-25%
- « If TSR >75th percentile – weighting 25%

As an illustrative example: If the TSR is at the 65th percentile, 17% of the performance measure would be deemed to have been met – calculated as (((65%-50%)/(75%-50%))x(25%-5%))+5%

The comparators companies include the following ASX-listed companies: Pilbara Minerals Limited, Zimplats Holding Limited, Orocobre Limited, Galaxy Resources Limited, Brockman Mining Limited, De Grey Mining Limited, Perseus Mining Limited, Piedmont Lithium Limited, Oceanagold Corporation, Ramelius Resources Limited, Sandfire Resources NL, Gold Road Resources Limited, Mount Gibson Iron Limited

**Board Discretion**

Where required, the Board may, acting reasonably and in good faith, use its discretion to vary the LTI maximum weightings. For example, where a sale of an asset occurs prior to estimating resources or reserves (i.e. a milestone is unable to be met), the Board may allocate the attributable weighting to other milestones.

**(g) LTI Performance Rights Issued During FY2022-23****Summary of Terms**

<b>Performance Period</b>	3 years (1 July 2022 – 30 June 2025)
<b>Award Opportunity</b>	MD&CEO - 175% of TFR Other Executive KMP - 95% of TFR
<b>Status</b>	Not yet tested or vested
<b>Quantum issued to Executive KMP</b>	Subsequent to 30 June 2022, 547,823 FY2022-23 Performance Rights were granted to Executive KMP

The table below outlines the FY2022-23 performance rights granted to Executive KMP.

Series	KMP	Number of Rights	Measurement Date	Expiry date
FY2022-23	Alex Dorsch <sup>(1)</sup>	228,938	30 June 2025	30 June 2027
	Richard Hacker	86,997	30 June 2025	30 June 2027
	Kevin Frost	79,118	30 June 2025	30 June 2027
	Bruce Kendall	79,118	30 June 2025	30 June 2027
	Soolim Carney	73,652	30 June 2025	30 June 2027

<sup>(1)</sup> The performance rights to be issued to Mr Dorsch are subject to approval by shareholders at the Company's 2022 AGM.



The following table outlines key business objectives and the weightings of the performance conditions:

No.	FY2022-23 Performance Conditions and Weightings
1.	<p><b>Generative Exploration, Project Definition, Pre-development and Strategic (Max. weighting 40%)</b></p> <p>Generate significant value, on an existing or new asset (either operated or non-operated), through the achievement of several strategic objectives that exceed stretch targets as pre-determined by the Board, including:</p> <ul style="list-style-type: none"><li>« Define new, material JORC Mineral Resources (excluding Gonneville);</li><li>« Increase materially an existing JORC Mineral Resource;</li><li>« Define JORC Mineral Reserves or a material increase in JORC Mineral Reserves,</li><li>« Complete a Feasibility Study for the Gonneville starter mine,</li><li>« Submit all technical studies required for major environmental approvals for Gonneville,</li><li>« Secure a pathway to obtaining granted mining licences within the Julimar State Forest, and</li><li>« Sell or divest a material asset (as part of an asset sale, joint venture or corporate transaction).</li></ul>
2.	<p><b>Absolute TSR measure (Max. weighting 20%)</b></p> <p>A proportional LTI payment shall be made which is directly proportional to the Total Shareholder Return (TSR) from 1 July 2022 to 30 June 2025. The proportion paid is calculated as:</p> <ul style="list-style-type: none"><li>« If 3-yr TSR &lt;10% p.a (equivalent to &lt;33.1% increase in share price) – 0%</li><li>« If 3-yr TSR between 10-20% p.a (equivalent to 33.1-72.8% increase in share price) - weighting pro-rata between 5-20%</li><li>« If 3-yr TSR &gt;20% p.a (equivalent to &gt;72.8% increase in share price) – weighting 20%</li></ul>
3.	<p><b>Relative TSR compared to peer group. (Max. weighting 40%)</b></p> <p>A proportional LTI payment shall be made where the TSR exceeds the median TSR of the ASX 300 Metals and Mining Index, between 1 July 2022 and 30 June 2025. The proportion paid is calculated as:</p> <ul style="list-style-type: none"><li>« If TSR &lt;50th percentile – 0%</li><li>« If TSR between 50th and 75th percentile - weighting pro-rata between 5-40%</li><li>« If TSR &gt;75th percentile – weighting 40%</li></ul> <p>As an illustrative example; If the TSR is at the 65th percentile, 26% of the performance measure would be deemed to have been met – calculated as (((65%-50%)/(75%-50%))x(40%-5%))+5%</p> <p><b>Board Discretion</b></p> <p>Where required, the Board may, acting reasonably and in good faith, use its discretion to vary the LTI maximum weightings. For example, where a sale of an asset occurs prior to estimating resources or reserves (i.e. a milestone is unable to be met), the Board may allocate the attributable weighting to other milestones.</p>

9.4.10 FY2022-23 retention rights

In September 2022, the Board implemented a retention rights plan with no performance hurdles other than meeting a service period of at least 3.5 years. Further information on the rationale for the retention rights plan is provided in section 9.4.5.

A summary of the terms of the retention rights is provided in the table below:

Summary of Terms	
Milestone	Continuous employment within the Group for 3.5 years (1 July 2022 – 31 December 2025)
Award Opportunity	MD& CEO – Nil Other Executive KMP – up front, once off award of 87.5% of TFR
Quantum issued to Executive KMP	Subsequent to 30 June 2022, 293,709 FY2022-23 Retention Rights were granted to Executive KMP
Expiry Date	31 December 2027

The table below outlines the FY2022-23 retention rights granted to Executive KMP.

Executive KMP	Number of retention rights	Measurement Date
Richard Hacker	80,128	31 December 2025
Kevin Frost	72,872	31 December 2025
Bruce Kendall	72,872	31 December 2025
Soolim Carney	67,837	31 December 2025

(a) Executive KMP contracts

Remuneration and other terms of employment for Executive KMP are formalised in employment contracts with key terms as follows:

	A Dorsch	R Hacker	K Frost	B Kendall	S Carney
Resignation notice	3 months	3 months	3 months	3 months	3 months
Termination notice for cause	None	None	None	None	None
Termination notice without cause (severance pay)	3 months	3 months	3 months	3 months	3 months
Diminution of responsibility (severance pay)	6 Months	6 Months	N/A	N/A	N/A

All employment agreements with Executive KMP are for an unlimited duration. All Executive KMP are entitled to receive pay in lieu of notice and any accrued but untaken annual and long-service leave on cessation of employment.

9.5 Non-executive director remuneration

9.5.1 Policy & Approach

The Company's Constitution and the ASX Listing Rules specify that the maximum aggregate fees paid to non-executive directors for their roles as directors is determined by shareholders. The latest determination was at the 2021 AGM, whereby Shareholders approved a maximum aggregate amount of \$850,000 per annum (including superannuation). The Board will not seek to increase the non-executive director fee pool at the upcoming 2022 AGM.

The fee structure for non-executive directors is reviewed annually by the Remuneration Committee and approved by the Board. The fee structure is set to:

- « attract and retain highly qualified directors with appropriate skills and experience
- « reflect the time commitment and responsibilities of the role, and
- « be competitive with comparator companies.

Other than the payment of statutory superannuation benefits, non-executive directors are not entitled to receive retirement benefits. It is the current policy of the Company to no longer issue convertible securities to non-executive directors.

All non-executive directors enter into a letter of appointment with the Company. The letter summarises the Company's policies, terms of appointment, including remuneration relevant to the office of non-executive director.



### 9.5.2 Summary of non-executive director fees

	From 1 July 2021	From 1 August 2020 to 30 June 2021
	\$	\$
<b>Base Fees (per annum, incl. superannuation)</b>		
Non-executive Chairman	150,000	150,000
Non-executive Directors	70,000	60,000
<b>Committee Fees (per annum, incl. superannuation)</b>		
Chairperson of Committee	15,000	6,000
Member of Committee	7,500	4,000

### 9.5.3 Non-executive directors remuneration for FY2021-22

In August 2021, the Board reviewed the remuneration paid to non-executive directors, having regard to the Company's inclusion in the S&P ASX200, external benchmark information and the increasing time commitments being placed on Board Committee members.

As a result of this review the Board:

- « approved an increase in non-executive director and committee fees, effective 1 July 2021; and
- « determined that the award of unlisted options to non-executive directors would cease in line with investor expectations to maintain the independence of non-executive directors and given the high volatility of the share price. At that time, 150,000 unlisted options were already proposed to be issued to S McIntosh subject to shareholder approval at the 2021 AGM (these unlisted options were approved at that meeting).

### 9.5.4 Non-executive directors remuneration for FY2022-23

In July 2022, the Board commenced a review of non-executive director fees. At the time global financial markets and the Company were subject to significant market volatility and macro uncertainty. As a consequence of these uncertainties, the Board resolved to defer the completion of the review of non-executive director fees until the later part of 2022, subject to prevailing market conditions.

### 9.5.5 Minimum shareholding requirement for non-executive directors

To align to interests of the Board and shareholders, a minimum shareholding policy for non-executive directors is being developed that requires each non-executive director to hold a minimum number of shares in Chalice, based on 100% of each individual non-executive directors annual fees (including committee fees) within 5 years from the later of their appointment or the date the policy commences.

### 9.5.6 Non-executive director remuneration

Non-executive Directors		Short-term Benefits		Post-employment Benefits	Long-term Benefits	Share-based Payments	Total	Performance Related
		Fees \$	Non-monetary Benefits <sup>(5)</sup> \$	Super-annuation \$	Leave <sup>(4)</sup> \$	Options <sup>(1)(2)</sup> \$	Performance Rights <sup>(7)</sup> \$	%
Derek La Ferla <sup>(4)</sup>	2022	103,495	10,098	10,350	-	-	-	123,943
	2021	-	-	-	-	-	-	-
Tim Goyder <sup>(3)</sup>	2022	57,490	7,870	5,749	-	-	40,683	111,792
	2021	161,949	8,919	15,385	(7,490)	680,750	84,073	943,586
Linda Kenyon <sup>(8)</sup>	2022	64,394	11,504	6,439	-	-	-	82,337
	2021	-	-	-	-	-	-	-
Garret Dixon	2022	97,728	13,501	9,773	-	78,957	-	199,959
	2021	55,682	6,984	5,290	-	329,493	-	397,449
Stephen Quin	2022	40,152	7,363	-	-	-	-	47,515
	2021	69,833	11,756	-	-	408,450	-	490,039
Morgan Ball	2022	103,665	13,501	4,886	-	-	-	122,052
	2021	68,960	8,119	2,007	-	408,450	-	487,536
Stephen McIntosh <sup>(2)</sup>	2022	90,909	13,501	9,091	-	647,223	-	760,724
	2021	23,934	2,914	2,274	-	257,478	-	286,600
<b>Total</b>	2022	557,833	77,338	46,288	-	726,180	40,683	1,448,322
	2021	380,358	38,692	24,956	(7,490)	2,084,621	84,073	2,605,210

<sup>(1)</sup> On 21 August 2020, as a prudent means to conserve cash at a time of rapidly increasing expenditures and limited cash, the Board resolved to issue 700,000 unlisted options expiring 30 June 2023 to non-executive directors, subject to shareholder approval that was obtained on 25 November 2020. At the time of the Board resolution, the 5 day VWAP of Chalice's shares was \$1.39. Based on this 5 day VWAP an exercise price of \$2.20 was set representing a 58% premium.

A valuation of the options was undertaken using a Black-Scholes option methodology at the time Board resolved to issue the options resulting in an estimated aggregate value of \$523,600 (or \$0.748 per option).

By the issue date of 25 November 2020 (i.e. following shareholder approval), the closing price of Chalice's shares had increased significantly to \$3.78. Based on the issue date assumptions, the aggregate fair value of the options, as shown in the above table is significantly higher at approximately \$1.9 million (or \$2.723 per option). This fair value is not related to or indicative of the benefit (if any) that the individual may in fact receive. The assumptions underpinning the valuation are set out in Note 18 to the financial statements.

<sup>(2)</sup> Mr McIntosh was appointed as Non-executive Director on 20 February 2021. On his appointment as a non-executive director, and in order to align his remuneration with other non-executive directors, the Board resolved to issue to Mr McIntosh, 150,000 unlisted options with an exercise price of \$6.72, expiring 19 February 2024, vesting 19 February 2022. The options were subsequently approved by shareholders on 24 November 2021. At the time of the Board resolution the 5 day VWAP of Chalice's shares was \$4.48 and based on this 5 day VWAP an exercise price of \$6.72 was set representing a 50% premium. By the issue date of 24 November 2021, the Company's closing share price had increased significantly to \$9.59, therefore, the fair value of the options at grant date was approximately \$0.9 million (or \$6.0313 per option) using a Black-Scholes option valuation methodology. Under Australian Accounting Standards, the value of the options was estimated from commencement of the vesting period, being 19 February 2021, and the estimated value is then adjusted to reflect the valuation at grant date. This fair value is not related to or indicative of the benefit (if any) that the individual may in fact receive. The assumptions underpinning the valuation are set out in Note 18 to the financial statements.

<sup>(3)</sup> On 24 November 2021, Mr Goyder retired from the Board.

<sup>(4)</sup> On 1 October 2021, Mr La Ferla was appointed as a Non-executive Director and was subsequently appointed as Non-executive Chairman on 24 November 2021.

<sup>(5)</sup> Non-monetary benefits include the cost of the Company providing directors and officers insurance, car parking (T Goyder only) and statutory Canadian employment insurance obligations (S Quin only).

<sup>(6)</sup> Long-term benefits, relates to movements in long service leave during the year.

<sup>(7)</sup> On transition to Non-executive Chairman on 1 September 2020, the Board determined that performance rights previously issued to Mr Goyder whilst Executive Chairman would be retained on their original terms of issue in recognition of 15 years of service to the Company. The fair value of performance rights is calculated at the date of issue using the Black-Scholes and Monte Carlo Simulation model and recognised over the period in which the minimum service conditions are fulfilled (the



vesting period). The fair value is not related to or indicative of the benefit (if any) that the individual may in fact receive. The assumptions underpinning this valuation are set out in Note 18 to the financial statements.

<sup>(8)</sup> Ms Kenyon was appointed as Non-executive Director 24 August 2021.

#### 9.5.7 Retirement of Mr Goyder as Chairman

Mr Goyder retired as Chairman of the Company on 24 November 2021. On 28 November 2019, Mr Goyder was granted 735,294 FY2019-20 Performance Rights under the Employee Securities Incentive Plan (Plan) whilst, Executive Chairman of the Company on the terms as set out in section 9.4.9 (d).

On 2 November 2021, the Board assessed that the FY2019-20 Performance Rights would vest on their measurement date of 30 June 2022 due to the satisfaction of all performance conditions (other than continuous service), and resolved to exercise its discretion under the terms of the issue of the performance rights and the Employee Securities Incentive Plan to permit Mr Goyder's FY2019-20 Performance Rights to vest with effect from the date of Mr Goyder's retirement on 24 November 2021 and that any shares issued upon exercise would be subject to a voluntary trading restriction until the measurement date of 30 June 2022. Mr Goyder exercised the vested performance rights on 2 December 2021.

The exercise of the Board's discretion to permit the vesting of Mr Goyder's performance rights constitutes a retirement benefit under section 200B of the Corporations Act. The Corporations Act restricts the termination benefits that can be provided to KMP on cessation of their employment, unless shareholder approval is obtained. On 27 November 2019, in relation to securities issued under the Plan, shareholders of the Company approved the giving of benefits to any current and future members of KMP in connection with that person ceasing to hold a managerial or executive office (as defined in section 200AA of the Corporations Act) in the Company.

### 9.6 Equity instruments

#### 9.6.1 Options issued as compensation

During the financial year, options over ordinary shares issued as compensation under the Employee Share Incentive Plan (ESIP) following shareholder approval at the Company's 2021 AGM are as follows:

	No. of options granted	Grant date	Fair value per option at grant date <sup>(1)</sup> \$	Value of options granted <sup>(1)</sup> \$	Exercise price per option \$	Expiry date	Number of options vested
<b>Directors</b>							
Stephen McIntosh	150,000	24 November 2021	6.03	\$904,700	6.7119 <sup>(2)</sup>	19 February 2024	150,000

<sup>(1)</sup> The value of the options is estimated at the date of grant using a Black-Scholes option-pricing model. Refer to Note 18 of the financial statements for model inputs for the options granted during the year.

<sup>(2)</sup> The exercise price of the options issued to Mr McIntosh at grant was \$6.20, however following demerger of Falcon Metals Limited in December 2021 and in accordance with ASX Listing Rule 7.22.3, the exercise price was reduced by \$0.0081.

#### 9.6.2 Options exercised during the year ended 30 June 2022

	Date of exercise	Grant Date	No. of options exercised	Exercise price per share \$	No. of Shares Issued	Value of options exercised <sup>(1)</sup> \$
<b>Directors</b>						
Morgan Ball	5 August 2021	25 November 2020	150,000	\$2.20	150,000	721,500
Tim Goyder	15 November 2021	25 November 2020	250,000	\$2.20	150,000	1,164,000
Alex Dorsch	15 November 2021	27 November 2019	1,000,000	\$0.21	1,000,000	9,750,000
Stephen Quin	15 November 2021	25 November 2020	50,000	\$2.20	50,000	388,000

<sup>(1)</sup> Determined as the intrinsic value at the date of exercise.

#### 9.6.3 Performance rights granted as compensation

During the reporting period the following performance rights were issued as compensation to KMP and details of performance rights that vested during the reporting period are as follows:

	Number of performance rights granted	Issue date	Fair value of performance rights at issue date \$	Weighted average fair value per right \$	Expiry date	Number of performance rights vested
<b>Directors</b>						
Tim Goyder	-	-	-	-	-	1,607,045
Alex Dorsch	65,531	24 November 2021	551,804	8.421	30 June 2027	1,045,931
<b>Executives</b>						
Richard Hacker	34,404	23 September 2021	220,065	6.397	30 June 2027	762,514
Kevin Frost	34,404	23 September 2021	220,065	6.397	30 June 2027	847,738
Bruce Kendall	34,404	23 September 2021	220,065	6.397	30 June 2027	-
Soolim Carney	50,895	23 September 2021	325,550	6.397	30 June 2027	-

The value of performance rights issued during the year is the fair value of performance rights calculated at the issue date using the Monte Carlo simulation model (market based conditions) and the Black Scholes option valuation methodology (non-market based conditions) that takes into account the term of performance rights, the share price at the issue date and expected volatility of the underlying performance right, the expected dividend yield, the risk free rate for the term of the performance right and the correlations and volatilities of the peer companies. The total value of the performance rights granted is included in the table above. This amount is allocated to remuneration over the vesting period. Refer to Note 18 of the financial statements for model inputs for the performance rights issued during the year.

Details of the vesting profile of performance rights issued as remuneration to each KMP of the Group are outlined below:

	Series	Number of Performance Rights	Issue date	% vested in year	% forfeited/lapsed in year	Measurement Date
<b>Directors</b>						
Tim Goyder	FY2018-19	871,751	28 November 2018	100	-	30 June 2021
	FY2019-20	735,294	28 November 2019	100 <sup>(1)</sup>	-	30 June 2022
Alex Dorsch	FY2018-19	1,045,931	31 July 2018	100	-	30 June 2021
	FY2019-20	1,074,402	28 November 2019	-	-	30 June 2022
	FY2020-21	280,081	25 November 2020	-	-	30 June 2023
	FY2021-22	65,531	24 November 2021	-	-	30 June 2024
<b>Executives</b>						
Richard Hacker	FY2018-19	762,514	31 July 2018	100	-	30 June 2021
	FY2019-20	700,606	28 November 2019	-	-	30 June 2022
	FY2020-21	160,893	2 September 2020	-	-	30 June 2023
	FY2021-22	34,404	23 September 2021	-	-	30 June 2024
Kevin Frost	FY2018-19	847,738	31 July 2018	100	-	30 June 2021
	FY2019-20	827,593	28 November 2019	-	-	30 June 2022
	FY2020-21	160,422	2 September 2020	-	-	30 June 2023
	FY2021-22	34,404	23 September 2021	-	-	30 June 2024
Bruce Kendall	FY2019-20	363,221	28 November 2019	-	-	30 June 2022
	FY2020-21	157,792	2 September 2020	-	-	30 June 2023
	FY2021-22	34,404	23 September 2021	-	-	30 June 2024
Soolim Carney	FY2021-22	50,895	21 September 2021	-	-	30 June 2024



<sup>(1)</sup> On 2 November 2021, the Board determined to exercise its discretion under the terms of the issue of the performance rights and the Employee Securities Incentive Plan to permit the FY2019-20 Performance Rights to vest with effect from the date of Mr Goyder's retirement on 24 November 2021 and that any shares issued upon exercise would be subject to a voluntary trading restriction until the measurement date of 30 June 2022. Mr Goyder exercised the vested performance rights post retirement.

#### 9.6.4 Performance Rights exercised during the year ended 30 June 2022

	Date of exercise	Grant Date	No. of performance rights exercised	Exercise price per share \$	No. of Shares Issued	Value of performance rights exercised <sup>(1)</sup> \$
<b>Directors</b>						
Tim Goyder	3 August 2021	28 November 2018	871,751	Nil	871,751	6,231,944
Alex Dorsch	3 August 2021	31 July 2018	1,045,931	Nil	1,045,931	7,477,116
<b>Executives</b>						
Richard Hacker	3 August 2021	31 July 2018	762,514	Nil	762,514	5,451,034
Kevin Frost	3 August 2021	31 July 2018	847,738	Nil	847,738	6,060,281

<sup>(1)</sup> The value of each exercised performance right is based on Chalice's 5-day VWAP prior to the date of exercise.

#### 9.6.5 Equity holdings of key management personnel

##### (a) Option holdings of key management personnel

The movement during the reporting period in the number of options over ordinary shares in the Group held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Granted as compensation	Exercised	Held at 30 June 2022	Vested during the year	Vested and exercisable at 30 June 2022
<b>Directors</b>						
Derek La Ferla	-	-	-	-	-	-
Tim Goyder	250,000	-	(250,000)	-	-	-
Alex Dorsch	1,000,000	-	(1,000,000)	-	-	-
Stephen Quin	150,000	-	(50,000)	100,000 <sup>(1)</sup>	-	-
Garret Dixon	150,000	-	-	150,000	150,000	150,000
Morgan Ball	150,000	-	(150,000)	-	-	-
Stephen McIntosh	-	150,000	-	150,000	150,000	150,000
Linda Kenyon	-	-	-	-	-	-
<b>Executives</b>						
Richard Hacker	-	-	-	-	-	-
Kevin Frost	-	-	-	-	-	-
Bruce Kendall	-	-	-	-	-	-
Soolim Carney	-	-	-	-	-	-

<sup>(1)</sup> Represents options held by Mr Quin on the date he ceased to be KMP (i.e 24 November 2021).

No options granted to KMP were forfeited or lapsed during the year ended 30 June 2022.

##### (b) Performance rights held by key management personnel

The movement during the reporting period in the number of performance rights in the Group held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Granted as compensation	Exercised	Held at 30 June 2022	Vested during the year	Vested and exercisable at 30 June 2022
<b>Directors</b>						
Derek La Ferla	-	-	-	-	-	-
Tim Goyder <sup>(1)</sup>	1,607,045	-	(871,751)	735,294	1,607,045	735,294
Alex Dorsch	2,400,414	65,531	(1,045,931)	1,420,014	1,045,931	-
Stephen Quin	-	-	-	-	-	-
Garret Dixon	-	-	-	-	-	-
Morgan Ball	-	-	-	-	-	-
Stephen McIntosh	-	-	-	-	-	-
Linda Kenyon	-	-	-	-	-	-
<b>Executives</b>						
Richard Hacker	1,624,013	34,404	(762,514)	895,903	762,514	-
Kevin Frost	1,835,753	34,404	(847,738)	1,022,419	847,738	-
Bruce Kendall	521,013	34,404	-	555,417	-	-
Soolim Carney	-	50,895	-	50,895	-	-

<sup>(1)</sup> On 2 November 2021, the Board determined to exercise its discretion under the terms of the issue of the performance rights and the Employee Securities Incentive Plan to permit the FY2019-20 Performance Rights to vest with effect from the date of Mr Goyder's retirement on 24 November 2021 and that any shares issued upon exercise would be subject to a voluntary trading restriction until the measurement date of 30 June 2022. Mr Goyder exercised the vested performance rights on 2 December 2021. The performance rights held at 30 June 2022 represents the number of rights held at the date Mr Goyder ceased to be a KMP on 24 November 2021.

No performance rights granted to KMP were forfeited or lapsed during the year ended 30 June 2022.

##### (c) Shareholdings of key management personnel

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Received on exercise of Options	Received on exercise of Performance rights	Other Changes <sup>(1)</sup>	Held at 30 June 2022
<b>Directors</b>					
Derek La Ferla	-	-	-	13,052	13,502
Tim Goyder	37,198,724	250,000	871,751	-	38,320,475 <sup>(2)</sup>
Alex Dorsch	4,341,839	1,000,000	1,045,931	(490,000)	5,897,770
Linda Kenyon	-	-	-	7,000	7,000
Morgan Ball	282,763	150,000	-	(50,000)	382,763
Garret Dixon	-	-	-	-	-
Stephen McIntosh	-	-	-	15,000	15,000
Stephen Quin	150,851	50,000	-	(88,381)	112,470 <sup>(2)</sup>
<b>Executives</b>					
Richard Hacker	466,763	-	762,514	(529,277)	700,000
Kevin Frost	815,607	-	847,738	(601,698)	1,061,647
Bruce Kendall	-	-	-	-	-
Soolim Carney	-	-	-	-	-

<sup>(1)</sup> Other changes represent shares that were purchased or sold during the year.

<sup>(2)</sup> Represents shareholding held by Messrs Goyder and Quin on the date they ceased to be KMP on 24 November 2021.



**(d) Loans to key management personnel**

There were no loans to key management personnel of the Group, including their personally related parties as at 30 June 2022 (2021: nil).

**9.7 Other transactions with key management personnel and their related parties**

There were no other key management personnel transactions within the Group during the year ended 30 June 2022.

**End of Remuneration Report****10. DIVIDENDS**

No dividends were declared or paid during the year and the directors recommend that no dividend be paid.

**11. FUTURE DEVELOPMENTS**

In the opinion of Directors, information regarding the likely developments of the Group is set out in the Operating and Financial Review on pages 16 to 31 of the Annual Report, which forms part of this Directors' Report. Disclosure of any further information relating to likely developments and expected results could result in unreasonable prejudice to the interests of the Group.

**12. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 7 July 2022, 4,557,053 FY2019-20 Performance Rights that were issued to KMP and employees in 2019 vested in full due to the achievement of the performance conditions measured over the three years ended 30 June 2022. On 7 July 2022, the Company issued 4,557,053 fully paid ordinary shares to CPU Share Plans Pty Limited as trustee of the Chalice Mining Employee Share Trust for allocation to the participants upon exercising their Performance Rights. Subsequent to vesting, 3,382,238 Performance Rights were exercised into an equivalent number of fully paid ordinary shares.

On 5 September 2022, the Company issued 708,478 FY2022-23 Performance Rights and 697,270 Retention Rights to senior executives and employees of the Company under the terms of the Employee Securities Incentive Plan. In addition to the above issue, on 5 September 2022, it was resolved that Alex Dorsch, Managing Director and CEO has been awarded 228,938 Performance Rights on the same terms and conditions. The issue of the Performance Rights to Mr Dorsch is conditional on the receipt of shareholder approval to be sought at the Company's 2022 Annual General Meeting.

Other than disclosed above, there has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**13. SHARE PLACEMENTS AND ISSUES**

During the financial year, the Company issued the following fully paid ordinary shares, excluding options and performance rights exercised:

Description	Date	No. of shares	Price per share	Amount Raised Before Costs
Placement	30 May 2022	16,666,667	\$6.00	\$100,000,002

**14. SHARE OPTIONS**

At the date of this report 300,000 (300,000 at reporting date) unissued ordinary shares of the Company are under option on the following terms and conditions:

Expiry date	Exercise price (\$)	Number of options
30 June 2023	2.1919 <sup>(1)</sup>	150,000
19 February 2024	6.7119 <sup>(1)</sup>	150,000

<sup>(1)</sup> Following the demerger of Falcon Metals Limited in December 2021, in accordance with ASX-Listing Rules 7.22.3, the exercise price of unlisted options on issue were reduced by \$0.0081 per option.

Unless exercised, these options do not entitle the holder to participate in any share issue of the Company or any other entity.

**15. PERFORMANCE RIGHTS**

At the date of this report 3,357,546 performance rights (6,055,064 at reporting date) are on issue with the following terms and conditions:

Series	Exercise price (\$)	Number of rights	Test date	Expiry date
FY2019-20	Nil	1,174,815	30 June 2022	30 June 2023
FY2020-21	Nil	1,126,795	30 June 2023	30 June 2024
FY2021-22	Nil	347,458	30 June 2024	30 June 2026
FY2022-23	Nil	708,478	30 June 2025	30 June 2027

In addition to the above, the Board resolved, subject to shareholder approval at the Company's 2022 AGM to grant Mr Dorsch 228,938 FY2022-23 performance rights with a test date of 30 June 2025, and expiry of 30 June 2027.

Unless exercised, these performance rights do not entitle the holder to participate in any share issue of the Company or any other entity.

**16. RETENTION RIGHTS**

At the date of this report 697,270 retention rights (nil at reporting date) are on issue with the following terms and conditions:

Series	Exercise price (\$)	Number of rights	Test date	Expiry date
FY2022-23	Nil	697,270	31 December 2025	31 December 2027

Unless exercised, these retention rights do not entitle the holder to participate in any share issue of the Company or any other entity.

Included in the performance rights and retention rights above are performance rights and retention rights granted as remuneration to the directors and the five most highly remunerated officers during or since the end of the financial year ended 30 June 2022. Details of performance rights granted to key management personnel are disclosed on page 117 above. In addition, the following performance rights and retention rights were granted to Jamie Armes, Company Secretary, an officer who is among the five highest remunerated officers of the Company and the Group, but is not key management personnel and hence not disclosed in the remuneration report:

Incentive	Series	Exercise price (\$)	Number of rights	Test date	Expiry date
Performance rights	FY2020-21	Nil	49,967	30 June 2023	30 June 2024
Performance rights	FY2021-22	Nil	22,149	30 June 2024	30 June 2026
Performance rights	FY2022-23	Nil	31,040	30 June 2025	30 June 2027
Retention rights	FY2022-23	Nil	32,592	31 December 2025	31 December 2027

**17. SHARES ISSUED ON EXERCISE OF OPTIONS**

During the financial year, the Company issued the following fully paid ordinary shares on the exercise of options:

Date	Grant Date	Issue price of shares	No. of shares issued
5 August 2021	25 November 2020	\$2.20	150,000
15 November 2021	27 November 2019	\$0.21	1,000,000
15 November 2021	25 November 2020	\$2.20	300,000
20 January 2022	25 November 2020	\$2.20	50,000
31 May 2022	25 November 2020	\$2.1919 <sup>(1)</sup>	50,000

<sup>(1)</sup> Following the demerger of Falcon Metals Limited in December 2021, in accordance with ASX-Listing Rules 7.22.3, the exercise price of unlisted options on issue were reduced by \$0.0081 per option.

There have been no option exercises since the end of the financial year to the date of this report.



18. SHARES ISSUED ON VESTING AND EXERCISE OF PERFORMANCE RIGHTS

During the financial year, the Company issued the following fully paid ordinary shares on the vesting and exercise of performance rights:

Date	Issue Date	Issue price of shares	No. of shares issued
2 August 2021	26 July 2018	Nil	5,059,036
2 August 2021	27 November 2018	Nil	871,751
2 December 2021	28 November 2019	Nil	735,294

Subsequent to the end of the financial year, on 7 July 2022, the Company issued 4,557,053 fully paid ordinary shares to CPU Share Plans Pty Limited as trustee of the Chalice Mining Employee Share Trust following the vesting of the FY2019-20 performance rights for allocation to participants upon exercising their performance rights.

19. ENVIRONMENTAL LEGISLATION

The Group is subject to environmental legislation and obligations within the jurisdictions in which it operates throughout Australia.

The Group has policies and procedures in place that are designed to ensure that, where our activities are subject to any particular and significant environmental regulation under the law of the Commonwealth of Australia or of an Australian State or Territory, those obligations are identified, appropriately addressed and any breaches promptly notified.

So far as the Directors are aware, there have been no material breaches of the Group's licence conditions and environmental regulations to which the Group is subject to during the year ended 30 June 2022 and to the date of this report.

20. PROCEEDINGS ON BEHALF OF THE COMPANY

No application has been made under section 237 of the *Corporations Act 2001 (Cth)* in respect of the Company, and there are no proceedings that a person has brought or intervened in on behalf of the Company under that section.

21. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed, to the maximum extent permitted by law, to indemnify each of its Directors and Officers who have held office during the year, against all liabilities to a third party (other than the Company or a related body corporate of the Company) that may arise from their position as a Director or Officer of the Company or a related body corporate of the Company. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including legal costs incurred.

During the year the Group has paid insurance premiums in respect of a contract insuring Directors and Officers of the Group against a liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the coverage and the amount of the premium.

22. INDEMNIFICATION OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as an auditor.

23. NON-AUDIT SERVICES

During the year, the Group's external auditor, HLB Mann Judd received or are due to receive \$12,600 for the provision of non-audit services. Refer to Note 28 for further information.

The Audit Committee reviews non-audit services performed by the auditor. In accordance with advice received from the Audit Committee, the Directors are satisfied that the provision of these non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*. The Directors are so satisfied, as in accordance with its charter, the Audit Committee, or its delegate has assessed each service, having regard to auditor independence requirements of applicable laws, rules and regulations, and concluded in respect of each non-audit service or type of non-audit service that the provision of that service or type of service would not impair the auditor's impartiality and objectivity.

24. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 302C of the *Corporations Act 2001*, is set out on page 124 and forms part of this Directors' Report.

25. ROUNDING OF AMOUNTS

The amounts contained in this financial report have been rounded to the nearest thousand unless otherwise specified under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors.



Alex Dorsch  
Managing Director and Chief Executive Officer

Dated at Perth the 29th day of September 2022



**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Chalice Mining Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
29 September 2022

  
M R Ohm  
Partner

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## Consolidated Statement of Comprehensive Income

	Note	2022 \$'000	2021 \$'000
<b>Continuing operations</b>			
Revenue	5(a)	634	520
Net finance (expense)/income	5(b)	(18)	150
Foreign exchange gain		188	33
Net gain from demerger	9	46,966	-
Exploration and evaluation expenditure	7	(57,933)	(37,324)
Corporate and administration expenses	6(a)	(5,832)	(6,774)
Share based payments	18(a)	(1,919)	(2,956)
Fair value adjustment	13	(145)	102
Loss from deconsolidation of subsidiaries		-	(8)
<b>Loss before tax from continuing operations</b>		<b>(18,059)</b>	<b>(46,257)</b>
Income tax benefit/(expense)	8	(246)	3,064
<b>Loss for the year attributed to owners of the parent</b>		<b>(18,305)</b>	<b>(43,193)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit or loss</b>			
Foreign exchange gain on deconsolidation of subsidiaries		-	8
<b>Items that will not be reclassified to profit or loss</b>			
Net gain/(loss) on fair value of financial assets, net of tax	24(b)	(7,301)	6,635
Exchanges differences on translation of foreign operations		94	47
<b>Other comprehensive income/(loss) for the year</b>		<b>(7,207)</b>	<b>6,690</b>
<b>Total comprehensive loss for the year</b>		<b>(25,512)</b>	<b>(36,503)</b>
<b>Total comprehensive loss for the year attributable to owners of the parent</b>		<b>(25,512)</b>	<b>(36,503)</b>
Basic and diluted loss per share from continuing operations	10	(0.05)	(0.13)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



## Consolidated Statement of Financial Position

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	11	131,712	99,884
Receivables	12	2,571	1,684
Biological assets	13	-	329
Income tax receivable	8	1,528	1,094
Financial assets	14	2,820	15,570
<b>Total current assets</b>		<b>138,631</b>	<b>118,561</b>
<b>Non-current assets</b>			
Financial assets	14	617	300
Right-of-use assets	16	1,483	252
Property, plant and equipment	15	46,049	43,551
<b>Total non-current assets</b>		<b>48,149</b>	<b>44,103</b>
<b>Total assets</b>		<b>186,780</b>	<b>162,664</b>
<b>Current liabilities</b>			
Trade and other payables	19	6,699	10,577
Grant funding received in advance	20	904	-
Provisions	21	-	2,063
Lease liabilities	16	443	137
Employee benefits	17	611	409
<b>Total current liabilities</b>		<b>8,657</b>	<b>13,186</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	1,693	212
Other liabilities		99	42
<b>Total non-current liabilities</b>		<b>1,792</b>	<b>254</b>
<b>Total liabilities</b>		<b>10,449</b>	<b>13,440</b>
<b>Net assets</b>		<b>176,331</b>	<b>149,224</b>
<b>Equity</b>			
Issued capital	22	285,040	189,429
Accumulated losses	23	(112,564)	(49,181)
Reserves	24	3,855	8,976
<b>Total equity</b>		<b>176,331</b>	<b>149,224</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

	Issued capital \$'000	Accumulated losses \$'000	Share based payments reserve Note 24(a) \$'000	Investment revaluation reserve Note 24(b) \$'000	Foreign currency translation reserve Note 24 (c) \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	<b>189,429</b>	<b>(49,181)</b>	<b>3,739</b>	<b>4,666</b>	<b>571</b>	<b>149,224</b>
Loss for the year	-	(18,305)	-	-	-	(18,305)
<b>Other comprehensive income for the period</b>						
Net gain/(loss) on fair value of financial assets, net of tax	-	-	-	(7,301)	-	(7,301)
Exchange differences on translation of foreign operations	-	-	-	-	94	94
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(18,305)</b>	<b>-</b>	<b>(7,301)</b>	<b>94</b>	<b>(25,512)</b>
Issue of share capital (net of costs)	97,614	-	-	-	-	97,614
Capital return and demerger dividend (refer note 9)	(2,884)	(44,030)	-	-	-	(46,914)
Share-based payments	-	-	1,919	-	-	1,919
Transfers between equity items	881	(1,048)	(2,423)	2,590	-	-
<b>Balance at 30 June 2022</b>	<b>285,040</b>	<b>(112,564)</b>	<b>3,235</b>	<b>(45)</b>	<b>665</b>	<b>176,331</b>

	Issued capital \$'000	Accumulated losses \$'000	Share based payments reserve Note 24(a) \$'000	Investment revaluation reserve Note 24(b) \$'000	Foreign currency translation reserve Note 24 (c) \$'000	Total \$'000
<b>Balance at 1 July 2020</b>	<b>59,501</b>	<b>(6,752)</b>	<b>1,630</b>	<b>(1,468)</b>	<b>516</b>	<b>53,427</b>
Loss for the year	-	(43,193)	-	-	-	(43,193)
<b>Other comprehensive income for the period</b>						
Net change in fair value of equity investments	-	-	-	6,635	-	6,635
Exchange differences on deconsolidation of subsidiaries	-	-	-	-	8	8
Exchange differences on translation of foreign operations	-	-	-	-	47	47
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(43,193)</b>	<b>-</b>	<b>6,635</b>	<b>55</b>	<b>(36,503)</b>
Issue of share capital (net of costs)	129,344	-	-	-	-	129,344
Share-based payments	-	-	2,956	-	-	2,956
Transfers between equity items	584	764	(847)	(501)	-	-
<b>Balance at 30 June 2021</b>	<b>189,429</b>	<b>(49,181)</b>	<b>3,739</b>	<b>4,666</b>	<b>571</b>	<b>149,224</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes



## Consolidated Statement of Cash Flows

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Cash receipts from operations		156	81
Cash paid to suppliers and employees		(5,549)	(3,884)
Payments for mineral exploration and evaluation		(56,412)	(34,561)
Payroll taxes paid on vested securities		(2,450)	-
Income tax received		-	125
Research and development tax credit received		1,165	-
Government grants and incentives received		1,203	462
Interest received		88	171
Interest paid		-	(24)
<b>Net cash used in operating activities</b>	11	<b>(61,799)</b>	<b>(37,630)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(1,796)	(689)
Acquisition of biological assets		-	(574)
Acquisition of freehold land and buildings		(6,052)	(20,753)
Lease incentive		372	-
Proceeds from sale of biological assets		474	264
Proceeds from sale of fixed assets		114	-
Proceeds from sale of financial assets		4,637	2,691
Payment for acquisition of financial assets		(901)	(1,202)
Costs associated with demerger of subsidiary		(299)	-
<b>Net cash used in investing activities</b>		<b>(3,451)</b>	<b>(20,263)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(452)	(32)
Security deposits		(218)	(21)
Proceeds from issue of shares	22(a)	101,420	115,983
Share issue costs		(3,822)	(3,900)
<b>Net cash from financing activities</b>		<b>96,928</b>	<b>112,030</b>
Net increase in cash and cash equivalents		31,678	54,137
Cash and cash equivalents at the beginning of the year		99,884	45,694
Effect of exchange rate fluctuations on cash held		150	53
<b>Cash and cash equivalents at 30 June</b>	11	<b>131,712</b>	<b>99,884</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

Summary of Significant Policies

This Section of the financial report sets out the Group's (being Chalice Mining Limited and its controlled entities) accounting policies that relate to the Consolidated Financial Statements as a whole. Where the accounting policy is specific to one Note, the policy is described in the Note to which it relates.

The Notes include information which is required to understand the Financial Statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if:

- « The amount is significant due to its size or nature
- « The amount is important in understanding the results of the Group
- « It helps to explain the impact of significant changes in the Group's business
- « It relates to an aspect of the Group's operations that is important to its future performance.

1. CORPORATE INFORMATION

The consolidated financial report of Chalice Mining Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of Directors on 29th September 2022.

Chalice Mining Limited is listed on the Australian Securities Exchange ("ASX") (trading under the code CHN) and OTCQB Venture Market ("OTCQB") (trading under the code CGMLF) and is domiciled in Australia at Level 3, 46 Colin Street, West Perth, Western Australia. The nature of the operations and principal activities are disclosed in the Directors' Report.

2. REPORTING ENTITY

The consolidated financial report comprises the financial statements of Chalice Mining Limited ("Company" or "Parent") and its subsidiaries ("the Group") for the year ended 30 June 2022. A list of the Group's subsidiaries is provided at note 27.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Basis of measurement

The financial report has been prepared on a historical cost basis, except for financial assets, and biological assets which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. Chalice is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise stated in accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191.

(c) Significant accounting judgements, estimates and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Group.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group also discloses its exposure to risks and uncertainties in note 25. The key judgements, estimates and assumptions which are material to the financial report are found in note 18.

(d) Foreign currency translation

The functional currency of the Company is Australian dollars and the functional currency of the subsidiary based in Canada is Canadian Dollars (CAD). The Group's consolidated financial statements are presented in Australian Dollars (AUD), which is also the parent company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss as incurred. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates as at the date of the initial transaction.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Chalice Mining Limited at the rate of exchange ruling at the balance date and their statement of comprehensive income is translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

PERFORMANCE FOR THE YEAR

This section provides additional information about those line items in the Statement of Comprehensive Income that the directors consider most relevant in the context of the operations of the entity.

4. SEGMENT REPORTING

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The Group considers that it only operated in one reportable segment, being mineral exploration and evaluation. The segment information is as per the Group's consolidated financial statements.

5. REVENUE

(a) Revenue

Corporate and administration services  
Net gain on sale of livestock  
Government grants and incentives  
Other

	2022 \$'000	2021 \$'000
Corporate and administration services	-	60
Net gain on sale of livestock	266	-
Government grants and incentives	189	460
Other	179	-
	634	520

Government grants and incentives for the year ended 30 June 2022 represents the Group's share of grant income received under a Cooperative Research Centre Program ("CRCP") with the Commonwealth Government (refer note 20).

Grant and incentive income received during the 2021 financial year predominately related to amounts received under the Australian Federal Government's JobKeeper Payment Scheme and Cashflow Boost Scheme, which provided temporary subsidies to eligible businesses. No further grants or incentives of this type was received during the year ended 30 June 2022.



#### Accounting policy

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Government Grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

#### (b) Net finance (expense)/income

##### Finance Income

Interest income from financial assets  
Interest income from lease receivables

	2022 \$'000	2021 \$'000
Interest income from financial assets	134	175
Interest income from lease receivables	12	3
	146	178
<b>Finance costs</b>		
Interest on lease liabilities	(164)	(28)
	(164)	(28)
	(18)	150

#### Accounting policy

The Group's finance income and finance costs include interest income, interest expense and interest income and expenses on lease liabilities. The Group receives interest income from monies held in its bank accounts.

Interest revenue is recognised on an accruals basis based on the interest rate, deposited amount and time which lapses before the reporting period end date.

#### 6. EXPENSES

##### (a) Corporate and administration expenses

Depreciation  
Insurances  
Investor relations and marketing  
Consulting and advisory fees  
Regulatory and compliance  
Corporate personnel expenses (note 6(b))  
Other

	2022 \$'000	2021 \$'000
Depreciation	174	118
Insurances	296	154
Investor relations and marketing	477	287
Consulting and advisory fees	621	317
Regulatory and compliance	978	481
Corporate personnel expenses (note 6(b))	3,065	5,176
Other	221	241
	5,832	6,774

##### (b) Corporate personnel expenses

Wages and salaries  
Non-executive directors' fees  
Associated personnel expenses  
Payroll tax expense <sup>(1)</sup>  
Superannuation contributions  
Increase in liability for annual leave  
Increase in liability for long service leave

	2022 \$'000	2021 \$'000
Wages and salaries	1,507	1,606
Non-executive directors' fees	613	365
Associated personnel expenses	190	175
Payroll tax expense <sup>(1)</sup>	586	2,808
Superannuation contributions	140	157
Increase in liability for annual leave	6	56
Increase in liability for long service leave	23	9
	3,065	5,176

<sup>(1)</sup> Payroll tax expense for the 2021 financial year includes payroll taxes payable on the vesting of performance rights that occurred in August 2021. Refer note 21.

#### 7. EXPLORATION AND EVALUATION EXPENDITURE

Julimar, Western Australia  
West Yilgarn, Western Australia  
Hawkstone, Western Australia  
Pyramid Hill, Victoria

	2022 \$'000	2021 \$'000
Julimar, Western Australia	51,438	31,443
West Yilgarn, Western Australia	5,413	1,593
Hawkstone, Western Australia	731	843
Pyramid Hill, Victoria	351	3,445
	57,933	37,324

#### Accounting policy

Costs incurred in the exploration and evaluation stages of specific areas of interest are expensed against profit or loss as incurred. All exploration expenditure, including acquisition costs, general permit activity, geological and geophysical costs, project generation and drilling costs, is expensed as incurred. Once the technical feasibility and commercial viability of extracting a mineral resource are demonstrable in respect of an area of interest, development expenditure is capitalised to the Statement of Financial Position.

#### 8. INCOME TAX

The major components of income tax expense are as follows:

##### Current income tax:

Under provision for income tax  
Research and Development tax credits

	2022 \$'000	2021 \$'000
Under provision for income tax	(71)	(125)
Research and Development tax credits	(1,528)	(1,094)
	(1,599)	(1,219)
<b>Deferred tax:</b>		
Temporary differences relating to financial assets	1,845	(1,845)
Total income tax expense/(benefit) reported in the statement of comprehensive income	246	(3,064)

The prima facie income tax expense on pre-tax accounting result on operations reconciles to the income tax expense in the financial statements as follows:

Loss before tax from continuing operations

	2022 \$'000	2021 \$'000
Loss before tax from continuing operations	(18,059)	(46,257)
	(18,059)	(46,257)
Income tax calculated at the Australian corporate rate of 25% (2021: 26%)	(4,515)	(12,027)
Non-deductible expenses	891	563
Share based payments	184	662
Non-assessable income	(11,741)	(39)
Deferred tax assets and liabilities not recognised	16,943	10,841
Income tax benefit on financial assets	-	(1,845)
Capital gain on demerger of subsidiaries	83	-
Adjustments for under provision of tax credits	(71)	-
Previously unrecognised tax losses refunded	-	(125)
Research and development tax credits	(1,528)	(1,094)
Income tax (expense)/benefit reported in the statement of comprehensive income	246	(3,064)

The tax rate used in the above reconciliation is the corporate rate of 25% (2021: 26%) payable by Australian corporate entities on taxable profits under Australian tax law.



**Current tax assets comprise:**

Income tax receivable attributable to:  
Parent Entity

2022 \$'000	2021 \$'000
1,528	1,094
1,528	1,094

The following deferred tax assets and liabilities have not been brought to account:

**Unrecognised deferred tax balances**

*Deferred tax assets comprise:*

Revenue losses available for offset against future taxable income  
Lease liabilities  
Other deferred tax assets

2022 \$'000	2021 \$'000
40,010	16,354
534	98
5,467	1,954
46,011	18,406

*Deferred tax liabilities comprise:*

Right-of-use assets  
Other deferred tax liabilities

2022 \$'000	2021 \$'000
371	65
23	3
394	68

**Income tax benefit not recognised directly in equity during the year:**

Share issue costs

2022 \$'000	2021 \$'000
1,558	1,070

Deferred tax liabilities have not been recognised in respect of these taxable temporary differences as the entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

**Accounting Policy**

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the country where the company's subsidiaries operate and generate taxable income. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Unrecognised deferred income tax assets at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Tax Consolidation**

Chalice and its 100% owned Australian resident subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Chalice recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the

amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

**9. NET GAIN ON DEMERGER**

In July 2021, the Group publicly announced the demerger of Chalice's Pyramid Hill Project (Victoria) and the Viking and Mt Jackson gold projects (WA) into a newly formed company, Falcon Metals Limited ("Falcon"), in order to focus on the Julimar Project in Western Australia.

The demerger of Falcon was completed on 15 December 2021, whereby eligible Chalice shareholders received an in-specie distribution of Falcon's shares, resulting in Chalice no longer holding any interest in Falcon. Falcon was admitted to the ASX on 22 December 2021 following a successful IPO raising \$30 million (before issue costs).

At the date of demerger, the Group has recognised a net gain on demerger as follows:

	2022 \$'000	2021 \$'000
Fair value of Falcon demerger <sup>(1)</sup>	46,914	-
Carrying value of net asset of Falcon (net deficit) (refer note 7)	351	-
	47,265	-
Less demerger costs incurred	(299)	-
	46,966	-

<sup>(1)</sup> The fair value of the Falcon demerger is based on the first five trading days after the demerger date volume weighted average price ("VWAP") of Falcon (\$0.401) multiplied by the number of Falcon shares (117,000,000).

The demerger distribution is accounted for as a reduction in equity, split between share capital of \$2,883,804 and accumulated losses of \$44,029,889.

The amount treated as a reduction in share capital has been determined in accordance with the tax allocation specified by an ATO ruling, where reference is made to the relative market value of Chalice's share and the market value of Falcon's shares post demerger. The difference between the fair value of the distribution and the capital reduction is the demerger dividend. Refer to note 22 and note 23 for further details.

**10. LOSS PER SHARE**

**Basic and diluted loss per share**

The calculation of basic loss per share for the year ended 30 June 2022 was based on the loss attributable to ordinary equity holders of the parent of \$18.3million (2021: loss of \$43.2 million) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2022 of 355,099,348 (2021: 327,183,753).

	2022 \$'000	2021 \$'000
<b>Loss attributable to ordinary shareholders</b>		
Loss attributable to ordinary equity holders of the parent from continuing operations	(18,305)	(43,193)
<b>Loss attributable to ordinary equity holders of the parent for basic earnings</b>	(18,305)	(43,193)
<b>Loss attributable to ordinary equity holders of the parent adjusted for the effect of dilution</b>	(18,305)	(43,193)

Diluted loss per share has not been disclosed as the impact from options and performance rights is anti-dilutive.

**Accounting policy**

Basic loss per share is calculated by dividing the profit or loss attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the financial year.

Diluted loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.



## ASSETS

This section provides additional information about those individual line items in the Statement of Financial Position that the Directors consider most relevant in the context of the operations of the entity.

### 11. CASH AND CASH EQUIVALENTS

	2022 \$'000	2021 \$'000
Bank balances and cash on hand	18,137	20,862
Term deposits	113,575	79,022
	131,712	99,884

#### (a) Reconciliation of cash flows from operating activities

	2022 \$'000	2021 \$'000
Loss for the year attributed to owners of the parent	(18,305)	(43,193)
Adjustments for:		
Depreciation and amortisation	671	274
Loss on sale of fixed assets	19	-
Income tax expense/(benefit)	246	(2,938)
Net gain on demerger	(46,966)	-
Foreign exchange gain	(188)	(33)
Fair value adjustment on livestock	145	(102)
Deconsolidation of subsidiaries	-	8
Equity-settled share-based payment expenses	1,919	2,956
<b>Operating loss before changes in working capital and provisions</b>	<b>(62,459)</b>	<b>(43,028)</b>
Decrease/(increase) in trade and other receivables	550	(1,003)
Increase in financial assets	-	(1)
Increase in trade creditors and other liabilities	1,917	4,146
Increase/(decrease) in provisions	(1,807)	2,256
<b>Net cash used in operating activities</b>	<b>(61,799)</b>	<b>(37,630)</b>

#### (b) Non-cash financing and investing activities

	2022 \$'000	2021 \$'000
Additions to right-of-use assets	1,751	169
Shares issued to acquire property, plant and equipment	-	17,271
Leasehold improvements – lease make good	50	-
Shares received on demerger of a listed company	8	-

#### Accounting policy

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of six months or less. The carrying value of cash and cash equivalents is considered to approximate fair value.

### 12. RECEIVABLES

	2022 \$'000	2021 \$'000
Trade receivables	62	19
GST receivable	1,910	1,282
Lease receivable	174	14
Prepayments	425	369
	2,571	1,684

#### Accounting Policy

##### Trade and Other Receivables

Trade and other receivables are recognised at fair value which is usually the value of the invoice sent to the counterparty and subsequently at amortised cost using the effective interest rate, less any allowance for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days.

##### Goods and Services Taxes (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated at the amount of GST included. The net amount of GST recoverable from, or payable, to the Australian Taxation Office ('ATO') is included as a current asset or current liability in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

### 13. BIOLOGICAL ASSETS

#### Livestock

Carrying amount at 1 July  
Acquisitions of livestock  
Decreases due to sales  
Change in fair value

	2022 \$'000	2021 \$'000
Carrying amount at 1 July	329	-
Acquisitions of livestock	-	573
Decreases due to sales	(474)	(346)
Change in fair value	145	102
	-	329

#### Accounting Policy

Livestock is measured at fair value less costs to sell.

### 14. FINANCIAL ASSETS

#### Current

Equity instruments designated at fair value through other comprehensive income:  
Listed equity investments<sup>(1)</sup>

	2022 \$'000	2021 \$'000
Equity instruments designated at fair value through other comprehensive income:		
Listed equity investments <sup>(1)</sup>	2,820	15,570
	2,820	15,570

<sup>(1)</sup> Listed equity investments held at 30 June 2022 predominately includes 6,908,271 ordinary shares held in Caspin Resources Limited (ASX:CPN) ("Caspin"). In November 2020, the Company acquired a strategic interest in Caspin as part of an Initial Public Offering by Caspin for \$1.2 million. In addition, a further 901,079 fully paid ordinary shares were acquired during the year ended 30 June 2022 for \$0.9 million. The total average cost of shares acquired was \$0.30 per share and the market value of the shares at 30 June 2022 was \$0.38 per share (2021: \$1.66 per share).

In addition, the Group's sold its holding of 2,115,884 ordinary shares in TSX-Listed O3 Mining Inc. for net proceeds of \$4.6 million. Refer to note 24 (b) for details of movements in equity instruments (including disposals) and note 25 for further information in relation to the fair value determination of financial assets.

#### Non-current

Bank guarantee and security deposits

	2022 \$'000	2021 \$'000
Bank guarantee and security deposits	617	300
	617	300

#### Accounting Policy

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are



subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the business model that such assets are held.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

**(i) Financial assets at fair value through profit or loss:**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted.

Fair value movements are recognised in profit or loss.

**(ii) Financial assets at fair value through other comprehensive income:**

Financial assets at fair value through other comprehensive income (FVOCI) include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Any gains or losses recognised in other comprehensive income are not recycled upon derecognition of the asset.

**15. PROPERTY, PLANT AND EQUIPMENT**

	Plant, equipment & vehicles \$'000	Office furniture & computer equipment \$'000	Freehold land & buildings \$'000	Total \$'000
<b>Cost</b>				
At 1 July 2021	851	687	42,654	44,192
Additions	373	1,399	-	1,772
Disposals/write-offs	(388)	(126)	-	(514)
Acquisition of freehold land and buildings <sup>(1)</sup>	-	-	1,367	1,367
<b>At 30 June 2022</b>	<b>836</b>	<b>1,960</b>	<b>44,021</b>	<b>46,817</b>
<b>Accumulated depreciation and impairment losses</b>				
At 1 July 2021	171	449	21	641
Depreciation charge	155	205	60	420
Disposals/write-offs	(29)	(264)	-	(293)
<b>At 30 June 2022</b>	<b>297</b>	<b>390</b>	<b>81</b>	<b>768</b>
<b>Net book value at 30 June 2022</b>	<b>539</b>	<b>1,570</b>	<b>43,940</b>	<b>46,049</b>

<sup>(1)</sup> In June 2022, the Group acquired two additional private properties in close proximity to the Julimar Project.

	Plant, equipment & vehicles \$'000	Office furniture & computer equipment \$'000	Freehold land & buildings \$'000	Total \$'000
<b>Cost</b>				
At 1 July 2020	183	590	-	773
Additions	668	97	-	765
Acquisition of freehold land and buildings	-	-	42,654	42,654
<b>At 30 June 2021</b>	<b>851</b>	<b>687</b>	<b>42,654</b>	<b>44,192</b>

**Cost**

At 1 July 2020

Additions

Acquisition of freehold land and buildings

**At 30 June 2021**

**Accumulated depreciation and impairment losses**

At 1 July 2020

Depreciation charge

**At 30 June 2021**

**Net book value at 30 June 2021**

	86	391	-	477
	85	58	21	164
<b>At 30 June 2021</b>	<b>171</b>	<b>449</b>	<b>21</b>	<b>641</b>
<b>Net book value at 30 June 2021</b>	<b>680</b>	<b>238</b>	<b>42,633</b>	<b>43,551</b>

**Accounting Policy**

**Recognition and measurement**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses, if any. It also includes the direct cost of bringing the asset to the location and condition necessary for first use. The assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

**Depreciation**

Depreciation is calculated on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates used in the current and comparative periods are as follows:

« Buildings	2.5%
« Plant, equipment and vehicles	5%-40%
« Office furniture & computer equipment	6%-40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

**Impairment**

The carrying values of plant and equipment are reviewed for impairment at each balance date in line with the Group's impairment policy.

The Group assesses the carrying value of freehold land at each balance date to ensure that the value represents the highest and best use of the asset – that is for mineral development. Should further exploration activities indicate that technical feasibility and commercial viability of extracting mineral resources not be demonstrated, or should future mining operations cease, there may be an indication of impairment of the carrying value of land and improvement assets.



## 16. LEASES

This Note provides information for leases where the Group is lessee.

### Amounts recognised in statement of financial position

#### Right-of-use assets

	2022 \$'000	2021 \$'000
Right-of-use assets	1,781	347
Amortisation	(298)	(95)
Net carrying amount	1,483	252

#### Lease liabilities

Current	443	137
Non-current	1,693	212
Total liabilities	2,136	349

### Amounts recognised in statement of comprehensive income

Amortisation charge of right-of-use assets	105	109
Net finance expenses	152	25

During the year ended 30 June 2022, the Company entered into a new lease agreement for its corporate head office. The lease has a three-year term, and the Company has the option to extend the lease for a further three years (six year term in total). In determining the value of the right-of-use asset on inception of the lease, the Company has included the additional three year option period, and an adjustment has been made to the carrying value of the right of use asset for the lease incentive received under the lease agreement.

#### Accounting Policy

##### Right-of-use leased assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

##### Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## EMPLOYEE BENEFITS AND SHARE-BASED PAYMENTS

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the remuneration of employees and consultants of the Group, but that is not necessarily immediately related to individual line items in the Financial Statements.

## 17. EMPLOYEE BENEFITS

Annual leave accrued  
Provision for long service leave

	2022 \$'000	2021 \$'000
Annual leave accrued	582	403
Provision for long service leave	29	6
	611	409

#### Accounting Policy

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

The provision for long service leave represents the vested long service leave entitlements accrued.

## 18. SHARE-BASED PAYMENTS

### (a) Share based payment transactions

The expense recognised during the year is shown in the following table:

	2022 \$'000	2021 \$'000
Share options granted – equity settled	726	2,085
Performance rights granted – equity settled	1,223	930
Reversal of expense previously recognised on performance rights that lapsed during the period	(30)	(59)
<b>Total expenses recognised as share-based payments</b>	<b>1,919</b>	<b>2,956</b>

### (b) Share Options

Share options are granted under the terms of the Company's Employee Share Incentive Plan (ESIP). Under the terms of the ESIP, the Board may offer options for no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement), executive and non-executive directors. In the case of the directors, the issue of options requires shareholder approval. As outlined in the Remuneration Report, from 1 July 2021, convertible securities shall not be issued to non-executive directors as a form of compensation.

Each share option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the share options. The exercise price for the share options is determined by the Board. A share option may only be exercised after that share option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period, if any. Where options are granted with vesting conditions, unless the Board determines otherwise, unvested options are forfeited when the holder ceases to be employed by the Group.

Typically, share options are granted under service conditions. Non-market performance conditions are not considered in the grant date fair value measurement of the services received.

The number and weighted average exercise prices of share options on issue is as follows:

	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
	2022	2022	2021	2021
Outstanding at the beginning of the year <sup>(1)</sup>	1.32	1,850,000	0.19	6,350,000
Exercised during the year	0.92	(1,550,000)	0.18	(5,350,000)
Issued during the year	-	-	3.43	850,000
Outstanding at the end of the year	4.45	300,000	1.32	1,850,000
Vested/exercisable at the end of the year	4.45	300,000	1.09	1,550,000



(1) Included in options outstanding at the beginning of the year are 150,000 options agreed to be issued to Mr McIntosh, Non-executive Director during the year ended 30 June 2022. The issue of these options were subject to shareholder approval that was obtained on 24 November 2021.

The share options outstanding as of 30 June 2022 have a weighted average contractual life remaining of 2.42 years (2021: 2.28 years).

The fair value of the share options is estimated at the date of grant using a Black-Scholes option-pricing model. Expected volatility has been based on historical volatility as it is assumed that this is indicative of future volatility.

The following table gives the assumptions made in determining the fair value of options issued during the years ended 30 June 2022 and 30 June 2021.

	2022	2021
Weighted average share price at grant date	\$9.59	\$4.42
Weighted exercise price	\$6.72	\$3.43
Expected volatility (expressed as weighted average volatility)	100%	110%
Option life (expressed as weighted average life)	2.24	2.60
Expected dividends	-	-
Risk-free interest rate (expressed as weighted average)	0.99%	0.13%
Weighted average valuation per share option	\$6.03	\$2.29

#### (c) Performance Rights

Performance rights issued during the year ended 30 June 2022, were issued under the Company's ESIP. Under the ESIP, the Board may issue performance rights to eligible employees and directors. Each performance right represents a right to be issued an ordinary share at a future point in time, subject to the satisfaction of any vesting conditions. Unless determined otherwise by the Board, performance rights are subject to lapsing if the vesting conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated.

No exercise price is payable and eligibility to receive performance rights under the ESIP is at the Board's discretion. The performance rights cannot be transferred and are not quoted on the Australian Securities Exchange (ASX). There are no voting rights attached to the performance rights. For details regarding the vesting conditions of the performance rights refer to section 9.4.8 of the Remuneration Report.

A summary of performance rights on issue is as follows:

#### 30 June 2022:

Issue date	Opening balance	Issued	Vested	Lapsed/Forfeited	Closing balance	Share price at date of issue (\$)
	Number	Number	Number	Number	Number	
31 July 2018	5,059,036	-	(5,059,036)	-	-	0.155
28 November 2018	871,751	-	(871,751)	-	-	0.155
28 November 2019	5,292,347	-	(735,294)	-	4,557,053	0.165
2 September 2020	820,482	-	-	(19,524)	800,958	1.475
25 November 2020	280,081	-	-	-	280,081	3.78
26 November 2020	7,500	-	-	-	7,500	3.86
25 February 2021	62,014	-	-	-	62,014	4.57
2 September 2021	-	296,160	-	(14,233)	281,927	7.32
24 November 2021	-	65,531	-	-	65,531	9.59
	12,393,211	361,691	(6,666,081)	(33,757)	6,055,064	

#### 30 June 2021:

Issue date	Opening balance	Issued	Vested	Lapsed/Forfeited	Closing balance	Share price at date of issue (\$)
	Number	Number	Number	Number	Number	
27 July 2017	2,825,590	-	(2,410,225)	(415,365)	-	0.16
9 November 2017	339,076	-	(339,076)	-	-	0.205
29 November 2017	1,217,989	-	(1,217,989)	-	-	0.18
31 July 2018	5,059,036	-	-	-	5,059,036	0.155
28 November 2018	871,751	-	-	-	871,751	0.155
28 November 2019	5,292,347	-	-	-	5,292,347	0.165
2 September 2020	-	820,482	-	-	820,482	1.475
25 November 2020	-	280,081	-	-	280,081	3.78
26 November 2020	-	7,500	-	-	7,500	3.86
25 February 2021	-	62,014	-	-	62,014	4.57
	15,605,789	1,170,077	(3,967,290)	(415,365)	12,393,211	

The following table provides the assumptions made in determining the fair value of the performance rights issued.

	2022	2021
Weighted average share price at grant date	\$7.748	\$2.206
Exercise price	Nil	Nil
Weighted average expected volatility	100%	110%
Weighted average performance period (years)	2.68	2.74
Weighted average Vesting period (years)	2.68	2.74
Expected dividends	-	-
Weighted average Risk-free interest rate	0.58%	0.22%
Weighted average fair value per right	\$6.778	\$2.142

The weighted average fair value of the performance rights outstanding at 30 June 2022 was \$0.906 per performance right (2021: \$0.326).

#### Accounting Policy

The fair value of performance rights and share options issued by the Company is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the performance rights and share options granted including any market conditions (e.g. the company's share price) and excluding the impact of any service and non-market performance vesting conditions (e.g. strategic objectives and service conditions).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of performance rights or share options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The value of share options at issue date is calculated using a Black Scholes option valuation model. The value of performance rights at issue date is the fair value of performance rights calculated is calculated using a Monte Carlo simulation model (market-based conditions) and the Black Scholes option valuation model (non-market based conditions).

Share-based payment expenses are recognised over the period during which the employees provide the relevant services. This period may commence prior to the grant date, in circumstances where performance rights or share options are subject to shareholder approval which is yet to be obtained at reporting date. In this situation, the Group estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established (i.e. shareholder approval has been obtained), the Group revises the earlier estimate so that the amounts recognised for services received is ultimately based on the grant date fair value.

#### Significant accounting judgements, estimates and assumptions

The Group measures the cost of equity-settled share-based payments of options at fair value at the issue date using a Black-Scholes Option model and performance rights are measured using a Monte Carlo simulation model



for market-based conditions and the Black Scholes option valuation methodology for non-market-based conditions, taking into account the terms and conditions upon which the instruments were issued.

The expected life of the share-based payments is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

At each reporting period non-market vesting conditions in relation to performance rights are assessed in order to determine the probability of the likelihood that the non-market vesting conditions are met.

## LIABILITIES AND EQUITY

This section provides additional information about those individual line items in the Statement of Financial Position that the Directors consider most relevant in the context of the operations of the entity.

### 19. TRADE AND OTHER PAYABLES

	2022 \$'000	2021 \$'000
Trade payables	620	36
Other payables	238	185
Property acquisition payable	-	4,685
Accrued expenses	5,841	5,671
	6,699	10,577

#### Accounting Policy

Trade and other payables are stated at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

### 20. GRANT FUNDING RECEIVED IN ADVANCE

During the financial year ended 30 June 2022, the Group entered into an agreement with the Commonwealth Government to receive grant funding under a Cooperative Research Centre Program ("CRC-P"). Total funding received under the CRC-P to 30 June 2022 was \$1.1 million, however at 30 June 2022 only \$0.2 million of this funding has been recognised as revenue, representing the Group's share of revenue (refer note 5 (a)) related to the costs incurred under the CRC-P to 30 June 2022. Therefore, \$0.9 million has been recognised as grant funding received in advance at 30 June 2022.

### 21. PROVISIONS

	2022 \$'000	2021 \$'000
Provision for payroll tax	-	2,063
	-	2,063

At 30 June 2021, a provision for payroll tax payable was recognised in relation to 5,930,787 performance rights that vested in August 2021.

#### Accounting Policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### 22. ISSUED CAPITAL

There were 371,740,141 shares on issue at 30 June 2022 (2021: 346,857,393).

(a) Movements in ordinary shares on issue	2022		2021	
	No.	\$'000	No.	\$'000
Balance at beginning of financial year	346,857,393	189,429	303,537,180	59,501
Shares issued on vesting of performance rights	6,666,081	881	3,967,290	584
Shares issued to acquire private properties	-	-	3,336,304	17,271
Options exercised - directors	1,550,000	1,420	4,850,000	859
Options exercised - other	-	-	500,000	125
Share placement	16,666,667	100,000	26,666,667	100,000
Share purchase plan	-	-	3,999,952	15,000
Demerger capital reduction <sup>(1)</sup>	-	(2,884)	-	-
Share issue costs	-	(3,806)	-	(3,911)
Balance at end of financial year	371,740,141	285,040	346,857,393	189,429

<sup>(1)</sup> On 15 December 2021, the Company demerged its wholly owned subsidiary Falcon (and underlying subsidiaries) via an in-specie distribution of Falcon shares to eligible Chalice shareholders. The demerger was done via a capital reduction, and as such the capital reduction has been calculated by reference to the market value of Chalice's shares and Falcon shares post demerger (refer to note 9).

#### Issuance of Ordinary Shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, the ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

(b) Share options	2022 No.	2021 No.
On issue at 1 July <sup>(1)</sup>	1,850,000	6,350,000
Options exercised during the year	(1,550,000)	(5,350,000)
Options issued during the year	-	700,000
On issue at 30 June	300,000	1,700,000
Options issued to directors subject to shareholder approval (refer note 18)	-	150,000
Total	300,000	1,850,000

<sup>(1)</sup> Included in options outstanding at the beginning of the year are 150,000 options agreed to be issued to Mr McIntosh, Non-executive Director during the year ended 30 June 2022. The issue of these options was subject to shareholder approval that was obtained on 24 November 2021.

The details of options on issue as at 30 June 2022 are as follows:

Number	Expiry Date	Exercise Price \$
150,000	30 June 2023	2.1919
150,000	19 February 2024	6.7119

#### (c) Performance rights

	2022 No.	2021 No.
On issue at 1 July	12,393,211	15,605,789
Performance rights issued	361,691	1,170,077
Performance rights vested	(6,666,081)	(3,967,290)
Performance rights lapsed	(33,757)	(415,365)
On issue at 30 June	6,055,064	12,393,211



At 30 June 2022 the Company had 6,055,064 performance rights on issue under the following terms and conditions:

Series	Number	Terms	Expiry Date	Exercise Price \$
FY2019-20	4,557,053	The number of performance rights that will vest will be solely dependent on the Company meeting the outlined strategy objectives, absolute Total Shareholder Return ("TSR") objectives and by comparing the Company's TSR with that of a comparator group, as at the measurement date of 30 June 2022, as outlined in the Remuneration Report.	30 June 2023	Nil
FY2020-21	1,150,553	The number of performance rights that will vest will be solely dependent on the Company meeting the outlined strategy objectives, absolute Total Shareholder Return ("TSR") objectives and by comparing the Company's TSR with that of a comparator group, as at the measurement date of 30 June 2023, as outlined in the Remuneration Report.	30 June 2024	Nil
FY2021-22	347,458	The number of performance rights that will vest will be solely dependent on the Company meeting the outlined strategy objectives, absolute Total Shareholder Return ("TSR") objectives and by comparing the Company's TSR with that of a comparator group, as at the measurement date of 30 June 2024, as outlined in the Remuneration Report.	30 June 2026	Nil

## 23. ACCUMULATED LOSSES

### Movements in accumulated losses attributable to owners of the parent:

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	(49,181)	(6,752)
Loss for the year attributable to owners of the parent	(18,305)	(43,193)
Demerger dividend (refer note 9)	(44,030)	-
Transfers between equity items (refer note 24(a) and (b))	(1,048)	764
<b>Balance at end of financial year</b>	<b>(112,564)</b>	<b>(49,181)</b>

## 24. RESERVES

### (a) Share based payment reserve

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	3,739	1,630
Equity settled share-based payments expense (refer note 18(a))	1,919	2,956
Performance rights vested (refer note 22)	(881)	(584)
Transfers to accumulated losses	(1,542)	(263)
<b>Balance at end of financial year</b>	<b>3,235</b>	<b>3,739</b>

The share-based payments reserve is used to recognise the value of equity settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. Refer to note 18 for further details.

### (b) Investment revaluation reserve

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	4,666	(1,468)
Realised loss on sale of financial assets <sup>(1)</sup>	(2,175)	(487)
Fair value movement on revaluation of financial assets <sup>(2)</sup>	(6,971)	8,969
Tax effect on investment revaluations and disposals	1,845	(1,847)
	(7,301)	6,635
Transfers to accumulated losses	2,590	(501)
<b>Balance at end of financial year</b>	<b>(45)</b>	<b>4,666</b>

<sup>(1)</sup> Realised loss on sale of financial assets for the year ended 30 June 2022, represents the net loss on sale (before tax) of the Company's equity investment in O3 Mining Inc (see note 14).

<sup>(2)</sup> Unrealised fair value movements on financial assets for the year ended 30 June 2022, primarily relates to the movements in fair value of the Company's equity investment in Caspin Resources Limited (see note 14).

### (c) Foreign currency translation reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of exchange variances resulting from net investments in foreign operations. Total foreign currency translation reserve balance at 30 June 2022 was \$0.7 million (30 June 2021: \$0.5 million).

All movements in the above reserves are as stated in the consolidated statement of changes in equity.

## FINANCIAL INSTRUMENTS

This section of the Notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

## 25. FINANCIAL INSTRUMENTS

### (a) Capital risk management

The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses as disclosed in notes 22-24.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

### (b) Market risk exposures

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices and interest rates will have on the Group's income or value of its holdings of financial instruments.

#### (i) Foreign exchange rate risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group does not hedge this exposure. The cash at bank held by the Company currently comprises predominately of Australian dollar ("AUD"), with minimal funds held in Canadian dollar ("CAD") funds.

The Group manages its foreign exchange risk by constantly reviewing its exposure and ensuring that there are appropriate cash balances in order to meet its likely future commitments in each currency where applicable. As the Company held approximately CAD \$0.1 million at 30 June 2022, and with focus on projects within Australia, the Company's exposure to movements in foreign currency is minimal.

#### (ii) Equity prices

The Group has exposure to equity prices through its holdings in various listed entities. The following table outlines the impact of increases/decreases in the value of the Company's investment holding on the components of equity. The sensitivity analysis uses a variance of 10% movement upwards and down on the year end closing share prices.

	2022 \$'000	2021 \$'000
Impact on equity	281	1,557
Share price +10%	(256)	(1,415)
Share price -10%		

#### (iii) Interest rate risk

At reporting date, the Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term cash deposits. The Group is not exposed to cash flow volatility from interest rate changes on borrowings, as it does not have any short or long term borrowings.

Chalice constantly analyses its exposures to interest rates, with consideration given to potential renewal of existing positions and the period to which deposits may be fixed. The Group considers preservation of capital as the primary objective as opposed to maximising interest rate yields by investing in higher risk investments.



At reporting date, the following financial assets were exposed to fluctuations in interest rates:

	2022 \$'000	2021 \$'000
Cash and cash equivalents	131,712	99,884

Based on the financial instruments held at 30 June 2022, if interest rates had increased by 100 basis points or decreased by 20 basis points from the year end rates, with all other variables held constant, loss and equity for the year would have been \$1,136,000 lower/\$227,000 higher (2021: \$158,000 lower/\$158,000 higher based on a +/- 20 basis point change to the year-end rates).

#### (c) Credit risk exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowance for doubtful debts, as disclosed in the notes to the financial statements.

It is not the Company's policy to securitise its trade and other receivables, however, receivable balances are monitored on an ongoing basis. In addition, the Company currently diversifies its cash holdings across three of the main Australian financial institutions.

#### (d) Liquidity risk exposure

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board of Directors actively monitors the Group's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

The Group has non-derivative financial liabilities and lease liabilities which include trade and other payables of \$6.7 million (2021: \$10.6 million) all of which are due within 60 days.

In light of the Group's current financial assets and minimal committed expenditure, the Group could continue to operate as a going concern for a considerable period of time, subject to any changes to the Group structure or undertaking a material transaction.

#### (e) Fair value of financial instruments

The Directors consider the carrying value of the financial assets and financial liabilities are recognised in the consolidated financial statements approximate their fair values. In particular, equity investments designated at fair value through other comprehensive income are measured at fair value using quoted market prices at the reporting date (Level 1 fair value measurement).

Non-listed equity investments are measured at fair value using unobservable inputs (Level 3 fair value measurement).

The directors have assessed that the fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Accounting Policy

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- « In the principal market for the asset or liability; or
- « In the absence of a principal market, the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximise the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- « Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- « Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- « Level 3 - Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

## GROUP COMPOSITION

This section of the Notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the structure of the Group, but that is not immediately related to individual line items in the Financial Statements.

### 26. PARENT ENTITY

	2022 \$'000	2021 \$'000
<b>Financial position</b>		
<b>Assets</b>		
Current assets	136,845	110,224
Non-current assets	44,269	6,546
<b>Total assets</b>	<b>181,114</b>	<b>116,770</b>
<b>Liabilities</b>		
Current liabilities	3,280	3,421
Non-current liabilities	1,789	254
<b>Total liabilities</b>	<b>5,069</b>	<b>3,675</b>
<b>Net assets</b>	<b>176,045</b>	<b>113,095</b>
<b>Equity</b>		
Issued capital	285,040	189,429
Accumulated losses	(135,487)	(109,561)
Reserves	26,492	33,227
<b>Total equity</b>	<b>176,045</b>	<b>113,095</b>
<b>Financial performance</b>		
Profit/(loss) for the year	16,914	(77,829)
Total comprehensive income/(loss)	16,914	(77,829)

#### Commitments and contingencies

##### (i) Contingencies

Other than as disclosed in note 30 the parent entity has no contingent assets or liabilities.

##### (ii) Capital commitments

Other than as disclosed in note 30, the parent entity has no capital commitments.



#### Accounting Policy

The financial information for the parent entity, Chalice Mining Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

#### 27. LIST OF SUBSIDIARIES

##### Significant investments in subsidiaries

The consolidated financial statements include the financial statements of Chalice Mining Limited and its subsidiaries listed in the following table:

Name of entity	Country of Incorporation	% Equity Interest	
		2022	2021
Chalice Operations Pty Ltd	Australia	100	100
Western Rift Pty Ltd	Australia	100	100
CGM (Lithium) Pty Ltd	Australia	100	100
CGM (WA) Pty Ltd	Australia	100	100
North West Nickel Pty Ltd	Australia	100	100
Nebula Resources Pty Ltd	Australia	100	100
Chalice Gold Mines (Ontario) Inc.	Canada	100	100
CGM (West Yilgarn) Pty Ltd	Australia	100	-
CGM (Julimar) Pty Ltd	Australia	100	-
CGM (South Yilgarn) Pty Ltd	Australia	100	-
Falcon Metals Limited <sup>(1)</sup>	Australia	-	-
Falcon Metals (WA) Pty Ltd <sup>(1)</sup>	Australia	-	-
Falcon Gold Resources Pty Ltd <sup>(2)</sup>	Australia	-	100

<sup>(1)</sup> Falcon Metals Limited and Falcon Metals (WA) Pty Ltd were incorporated during the financial year, and subsequently demerged as part of the demerger of the Group's gold projects in December 2021 (refer note 9).

<sup>(2)</sup> Falcon Gold Resources Pty Ltd (formerly named CGM Minerals Pty Ltd) was demerged in December 2021 as part of the demerger of the Group's Gold Projects (refer note 9).

#### Accounting Policy

The consolidated financial statements comprise the financial statements of Chalice Mining Limited ("Company" or "Parent") and its subsidiaries as at 30 June each year (the "Group"). Interests in associates are equity accounted and are not part of the consolidated Group.

Subsidiaries are all those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Special purpose entities are those entities over which the Group has no ownership interest but in effect the substance of the relationship is such that the Group controls the entity so as to obtain the majority of benefits from its operation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries and special purpose entities are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Chalice Mining Limited are accounted for at cost in the financial statements of the parent entity less any impairment charges.

#### OTHER INFORMATION

This section of the Notes includes other information that must be disclosed to comply with accounting standards and other pronouncements, but that is not immediately related to individual line items in the Financial Statements.

#### 28. AUDITOR'S REMUNERATION

##### Audit services

HLB Mann Judd:

Audit and review of financial reports

Other services<sup>(1)</sup>

	2022 \$	2021 \$
Audit and review of financial reports	79,677	36,272
Other services <sup>(1)</sup>	12,600	8,275
	92,277	44,547

<sup>(1)</sup> Other services represent fees for the Independent Limited Assurance Report for inclusion in the prospectus for the Falcon Group demerger and a high level review of the Group's general Information Technology framework.

#### 29. RELATED PARTIES

##### Key management personnel

##### Executive Directors

Alex Dorsch (Managing Director and Chief Executive Officer)

##### Non-executive Directors

Derek La Ferla (Chairman) – appointed 1 October 2022 and appointed Chairman 24 November 2021

Tim Goyder (Chairman) – retired 24 November 2021

Stephen Quin – retired 24 November 2021

Morgan Ball

Garret Dixon

Stephen McIntosh

Linda Kenyon – appointed 24 August 2021

##### Executives

Richard Hacker (Chief Financial Officer)

Kevin Frost (General Manager – Discovery & Growth)

Bruce Kendall (General Manager – Exploration)

Soolim Carney (General Manager – Environment and Community)

The KMP compensation is as follows:

	2022 \$	2021 \$
Short-term benefits	2,812,541	2,107,905
Post-employment benefits	164,959	118,274
Long-term benefits	6,808	(7,508)
Share-based payments	1,818,523	2,911,687
	4,802,831	5,130,358

##### Individual director's and executive's compensation disclosures

The Group has transferred the detailed remuneration disclosures to the Directors' Report in accordance with Corporations Amendment Regulations 2006 (No. 4). These remuneration disclosures are provided in the Remuneration Report on pages 95 and 120 of the Directors' Report and are designated as audited.

##### Loans to key management personnel and their related parties

No loans were made to KMP or their related parties.

##### Other key management personnel transactions with the Group

There were no other key management personnel transactions within the Group during the year ended 30 June 2022.



30. COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements as specified by various governments in order to maintain exploration tenements in good standing. Therefore, amounts stated are based on the minimum commitments known within the next year. The Group may in certain situations apply for exemptions under relevant mining legislation or enter into joint venture arrangements which significantly reduce working capital commitments. These obligations are not provided for in the financial report and are payable:

	2022 \$'000	2021 \$'000
Within 1 year	3,574	5,187
Within 2-5 years	2,141	-
Later than 5 years	-	-
	5,715	5,187

Contingent asset and Contingent Liabilities

There are no contingent assets or contingent liabilities at 30 June 2022 (30 June 2021: nil).

31. EVENTS SUBSEQUENT TO REPORTING DATE

On 7 July 2022, 4,557,053 FY2019-20 Performance Rights that were issued to KMP and employees in 2019 vested in full due to the achievement of the performance conditions measured over the three years ended 30 June 2022. On 7 July 2022, the Company issued 4,557,053 fully paid ordinary shares to CPU Share Plans Pty Limited as trustee of the Chalice Mining Employee Share Trust for allocation to the participants upon exercising their Performance Rights. Subsequent to vesting, 3,382,238 Performance Rights were exercised into an equivalent number of fully paid ordinary shares.

On 5 September 2022, the Company issued 708,478 FY2022-23 Performance Rights and 697,270 Retention Rights to senior executives and employees of the Company under the terms of the Employee Securities Incentive Plan. In addition to the above issue, on 5 September 2022, it was resolved that Alex Dorsch, Managing Director and CEO has been awarded 228,938 Performance Rights on the same terms and conditions. The issue of the Performance Rights to Mr Dorsch is conditional on the receipt of shareholder approval to be sought at the Company's 2022 Annual General Meeting.

Other than disclosed above or elsewhere in this report, there have been no other material post balance date events which have impacted the Company.

32. CHANGES IN ACCOUNTING POLICIES

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period.

The impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations is not material. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

33. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the year ended 30 June 2022.

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact of the standards and Interpretations on issue and not yet adopted by the Company.

Directors' Declaration

- In the opinion of the directors of Chalice Mining Limited (the 'Company'):
  - the financial statements, notes and the additional disclosures in the directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001* including:
    - giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
    - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - The statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
- This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

This declaration is signed in accordance with a resolution of the Directors of Chalice Mining Limited.

Dated at Perth the 29th day of September 2022.

On behalf of the Board:



Alex Dorsch  
Managing Director and Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT  
To the Members of Chalice Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Chalice Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Liability limited by a scheme approved under Professional Standards Legislation.



Key Audit Matter	How our audit addressed the key audit matter
<b>Demerger of Falcon Metals Limited</b> Refer to Note 9	
During the financial year, the Group completed the demerger of its Pyramid Hill, Viking and Mt Jackson projects into a newly formed company, Falcon Metals Limited ('Falcon').	Our procedures included but were not limited to:
The demerger of Falcon resulted in recognition of a net gain on demerger of \$46.97 million.	<ul style="list-style-type: none"><li>- Reviewing the demerger implementation deed and various other agreements related to the implementation of the demerger;</li><li>- Reviewing the demerger workings prepared by management;</li><li>- Consideration of the treatment of the demerger accounting entries with respect to Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i> and AASB 13 <i>Fair Value Measurement</i>;</li><li>- Consideration of the reduction in equity split between the capital reduction and demerger dividend;</li><li>- Review of the fair value of the demerged assets, the associated carrying value and demerger costs incurred; and</li><li>- Ensuring the disclosure within the financial statements was appropriate.</li></ul>
<b>Accounting for share-based payments</b> Refer to Note 18	
The Group has various share-based payment arrangements in place comprising options and performance rights issued with various performance conditions and in varying tranches. The Group recorded a share-based payment expense of \$1.92 million for the year ended 30 June 2022.	Our procedures included but were not limited to the following:
We consider this to be a key audit matter due to the complexity of the varying share-based payment arrangements and the judgement involved in relation to the satisfaction of vesting conditions and allocation across vesting periods.	<ul style="list-style-type: none"><li>- Reviewing the valuation of share-based payments entered into during the accounting period;</li><li>- Assessing the experience, qualifications and expertise of external valuers used;</li><li>- Considering whether the determination of the current period vesting expense had been correctly determined;</li><li>- Assessing whether management's determination of the likelihood of vesting was reasonable; and</li><li>- Ensuring disclosures within the financial statements and remuneration report were appropriate.</li></ul>

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.





In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Chalice Mining Limited for the year ended 30 June 2022 complies with Section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*HLB Mann Judd*

HLB Mann Judd  
Chartered Accountants

Perth, Western Australia  
29 September 2022

M R Ohm  
Partner

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ASX Additional Information

Additional information required by the Australian Securities Exchange Limited ("ASX") Listing Rules and not disclosed elsewhere in this report is set out below. The information below was applicable as at 15 September 2022.

Substantial shareholders

The names of the substantial shareholders as disclosed in substantial shareholding notices given to the Company and the number of shares in which they have a relevant interest are:

Shareholder	Number of ordinary shares held	Percentage of capital held %
The Goldman Sachs Group, Inc.	34,325,901	9.23
Timothy Rupert Barr Goyder	33,128,842	8.80
State Street Corporation and Subsidiaries	21,188,531	5.63

Issued Capital

Share capital comprised 376,297,194 fully paid ordinary shares of the Company and the Company had 14,649 holders of ordinary fully paid shares.

Other Unlisted Equity Securities on Issue

Class of Security	No. Securities	No. Holders
Options, exercise price \$2.1919, expiry 30 June 2023	150,000	1
Options, exercise price \$6.7119, expiry 19 February 2024	150,000	1
Performance Rights, nil exercise price, (measurement date 30 June 2022)	1,174,815	3
Performance Rights, nil exercise price, (measurement date 30 June 2023)	1,126,795	16
Performance Rights, nil exercise price, (measurement date 30 June 2024)	347,458	20
Performance Rights, nil exercise price, (measurement date 30 June 2025)	708,478	29
Retention Rights, nil exercise price, (measurement date 31 December 2025)	697,270	22

The unlisted securities above were issued under an employee incentive scheme.

There were no holders of unquoted equity securities, excluding securities held under an employee incentive scheme, where the holder held 20% or more of a class of unlisted security as at 15 September 2022.

Distribution of equity security holders:

Range	Ordinary Shares		Unlisted Share Options		Performance Rights	
	No. Holders	% Held	No. Holders	% Held	No. Holders	% Held
1 – 1,000	6,533	0.76	-	-	-	-
1,001 – 5,000	4,696	3.23	-	-	-	-
5,001 – 10,000	1,389	2.80	-	-	3	0.50
10,001 – 100,000	1,804	13.56	-	-	16	17.07
100,001 and over	227	79.65	2	100	12	82.43
Total	14,649	100	2	100	31	100

The number of shareholders holding less than a marketable parcel is 1,157 (based on a share price of \$4.29).

Securities Exchange Listing

The Company is a listed public company incorporated in Australia. The fully paid ordinary shares of the Company are listed on the Australian Securities Exchange Limited (ASX) under the code "CHN". The Company is also quoted on the OTCQB under the code "CGMLF".

Voting Rights

All fully paid ordinary shares carry one vote per share. In accordance with the Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly appointed representative has one vote. On a poll every member present or by proxy or attorney or duly authorised representative has one vote for every fully paid share held. There are no voting rights attached to options, performance rights or retention rights until exercised.

Restricted securities

There are no restricted ordinary shares on issue.

On-market Buyback

No on-market buy-back is currently being undertaken by the Company.

Twenty Largest Ordinary Fully Paid Shareholders

Name	Number of shares	Percentage of issued capital
Citicorp Nominees Pty Limited	65,248,749	17.34
HSBC Custody Nominees (Australia) Limited	63,538,385	16.89
Mr Timothy R B Goyder	33,128,842	8.80
J P Morgan Nominees Australia Pty Limited	26,967,502	7.17
BNP Paribas Noms Pty Ltd <DRP>	13,305,292	3.54
Lunar Co Pty Ltd <H&A Dorsch Family A/C>	6,972,172	1.85
BNP Paribas Nominees Pty Ltd ACF Clearstream	5,792,138	1.54
UBS Nominees Pty Ltd	5,356,228	1.42
National Nominees Limited	5,095,491	1.35
BNP Paribas Nominees Pty Ltd <IB Au Noms Retail Client DRP>	4,318,290	1.15
HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	2,683,299	0.71
AEGP Super Pty Ltd <AEGP Superannuation Fund A/C>	2,500,000	0.66
Bremerton Pty Ltd <The Bartlett Family Fund A/C>	2,383,010	0.63
Howard-Smith Investments Pty Ltd	1,632,017	0.43
HSBC Custody Nominees (Australia) Limited-GSCO ECA	1,568,939	0.42
Lambhill Pty Ltd <Willims Final Discretion A/C>	1,380,678	0.37
Mr Philip Scott Button + Ms Philippa Anne Nicol <Christopher Jordan A/C>	1,352,461	0.36
HS Superannuation Pty Ltd <HS Superannuation Fund A/C>	1,345,017	0.36
Guravembi Investments Pty Ltd	1,265,000	0.34
HSBC Custody Nominees (Australia) Limited - A/C 2	1,175,851	0.31
<b>Top Twenty Shareholders</b>	<b>247,009,361</b>	<b>65.64</b>
<b>Total Remaining Shareholders</b>	<b>129,287,833</b>	<b>34.36</b>
<b>Total</b>	<b>376,297,194</b>	

Share Registry Information

For information on your shareholding or related administrative matters please contact the Company's share registry Computershare Investor Services Pty Ltd at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne VIC 3001  
AUSTRALIA

Telephone Australia: 1300 850 505  
Telephone International: (+61 3) 9415 4000

Website: <https://www.computershare.com/au>



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ASX: **CHN**

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