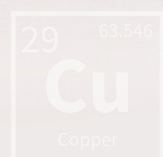




**CHRYSOS
CORPORATION**
Assays at the speed of light

Condensed Interim
Financial Report
for the Half Year Ended
31 December 2022

Strong and Sustainable Growth



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Forward looking statements

This report may contain forward looking statements. Further information can be found on page 23 of this report.

CHRYSOS PHOTONASSAY™ DELIVERS FASTER, SAFER, MORE ACCURATE AND ENVIRONMENTALLY-FRIENDLY ANALYSIS OF GOLD, SILVER, COPPER AND OTHER ELEMENTS.



Quantitative results in as little as 2 minutes



Better social and environmental outcomes



Reduced labour and operating costs



Enhanced accuracy and precision



Improved occupational health and safety

DIRECTORS' REPORT

The Directors present their report, together with the consolidated interim financial statements, of the Group comprising Chrysos Corporation Limited and its subsidiaries (referred to hereafter as the 'Group') for the half year ended 31 December 2022 (1H FY23), and the auditor's review report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year are:

- **Robert Henry Richard Adamson** BE (Mech) (UWA), BE Hons (Ag) (Melb), MBA (AGSM) MAICD
Chair and Non-Executive Director
Appointed a Director 2016 and appointed Chair 2019
- **Dirk Moore Treasure** MComm (Sydney), BSc (Murdoch), MAusIMM, MAICD
Managing Director and Chief Executive Officer (CEO)
Appointed as Managing Director 2022 (Appointed as CEO 2016)
- **Eric Ford** GAICD, BSc (Mining Engineering), MSc (Management Science)
Non-Executive Director
Appointed 2019
- **Ivan Gustavo Mellado** GAICD, Master of Law (IP), B. Business (Marketing)
Non-Executive Director
Appointed 2016
- **Kerry Jo-Anne Gleeson** LLB (Hons), FAICD
Non-Executive Director
Appointed 2021
- **Robert Brett Boynton** B.Com (Economics and Accounting), MBA (Duke), CF
Non-Executive Director
Appointed 2016

PRINCIPAL ACTIVITIES

The Group's principal activities during the financial year were that of mining technology development and supply.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous half year.

REVIEW AND RESULTS OF OPERATIONS

OPERATIONS AND FINANCIAL PERFORMANCE

The highlight for the period is Group revenue growth of 109% to \$11.5m from \$5.5m compared to 1H FY22, delivering positive operating cashflows. This increase has been driven by the accelerating global rollout of PhotonAssay™ units to West Africa, Western Australia and Queensland, complementing existing Australian, Canadian and East African deployments. In total, 14 PhotonAssay™ units were deployed at the end of December 2022.

The Group recorded a reduced statutory net loss after tax of \$1m for 1H FY23, compared to a loss of \$1.6m in 1H FY22. This result includes previously unrecorded tax losses (net \$0.8m) due to the improved profit outlook.

Chrysos has a Product-as-a-Service business model, which means in addition to traditional financial metrics, the Group monitors non-IFRS metrics such as Total Contract Value (TCV). At the end of 1H FY23 this was \$714m. The Group has stated its intention to raise the unit deployment rate to 18 per year, and to achieve this goal is investing in long lead time components that support the Group's deployment schedule. This has seen an increase in capital expenditure of 32% to \$14.5m during 1H FY23, and an increase in capital commitments of 78.6% to \$76.3m (FY22 – \$42.7m).

Investing in deployment capability and a global operating platform has seen the Chrysos team expand to 86 people at the end of the period, with offices in Adelaide, Perth, Abidjan, Dar es Saleem and Montreal. These office locations have been established to support the Group's key target markets of Australia, North America and Africa.

Directors' Report (Continued)

The Group's financial performance for the half year to 31 December 2022 is summarised as follows:

	1H FY23	1H FY22	YoY comparison to FY22 (%)
Prospective Financial Information (non-IFRS)			
Total Contract Value (TCV) ^{1,2}	\$714.1m	\$228.7	+\$485.4m +212%
Minimum Monthly Assay Payment (MMAP)	\$8.8m	\$4.3m	+\$4.5m +103%
Historical Financial Information (IFRS)			
Total revenue	\$11.5m	\$5.5m	+\$6.0m +109%
EBITDA	\$0.6m	\$0.0	\$0.6m

1. Total Contract Value (TCV) is non-IFRS information representing the future minimum contracted revenue on PhotonAssay™ unit leases (both deployed and committed) that are yet to be invoiced (and calculated) at a point in time. TCV is subject to the Group's contractual performance obligations and where the Directors consider reasonable certainty exists, and may include values associated with exercise of option periods. This information has not been audited or reviewed by the Group's auditor.
2. TCV is calculated using foreign exchange rates of AUD:USD 0.73, AUD:CAD 0.94 and AUD:GBP 0.56. The USD and CAD rates are based on the average of the 3-month forward curve from Bloomberg in March 2022, per the Chrysos prospectus and GBP rates are based on the average of the 3-month forward curve from Bloomberg in May 2022.

SUBSEQUENT EVENTS

Subsequent to end of 1H FY23, the Group finalised the installation of a PhotonAssay™ unit at Barrick Gold's Kibali Gold Mine in the Democratic Republic of Congo. The Company is currently installing an additional four units globally, and relocating a unit for MSALABS previously deployed at the Morilla mine site in Mali.

Also post-end 1H FY23, the Commonwealth Bank of Australia (CBA) approved an increased secured banking facility of \$30m, which when drawn will repay the existing CBA Facility (currently drawn to \$4.9m) and be used to further support Chrysos' execution of its global expansion strategy. The secured facility has a 5 year term and a cost above BBSY of 4.40%.

SHARES UNDER OPTION

There are 6,380,088 Options and Performance Rights outstanding at the date of this Report which have a weighted average exercise price of \$1.11. There are 495,210 Performance Rights outstanding as at the date of this report.

No person entitled to exercise the Options or Performance Rights had or has any right by virtue of the Option to participate in any share issue of the Group or of any other body corporate.

INDEMNITY AND INSURANCE OF OFFICERS

The Company's Constitution provides that, to the extent permitted by law, the Company must indemnify a person who is or has been an Officer of the Company against any liability incurred by that person as such an Officer and for costs and expenses incurred by that person in defending proceedings. The Constitution further provides that the Company may pay a premium in respect of a contract insuring a person who is or has been an Officer of the Company against such liabilities. The Company has entered into Deeds of access, indemnity and insurance with current and former Officers. In addition, the Group has paid an insurance premium for Directors' and Officers' liability policies. These policies insure against legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Group, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

AUDITOR

KPMG has been appointed in accordance with section 327 of the *Corporations Act 2001*.

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

On behalf of the Directors

Dirk Moore Treasure
Director

22 February 2023

Robert Henry Richard Adamson
Director

22 February 2023

AUDITOR'S INDEPENDENCE DECLARATION



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Chrysos Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Chrysos Corporation Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

The KPMG logo, consisting of the letters 'KPMG' in a bold, blue, sans-serif font, with a stylized graphic of four vertical bars of increasing height to the left of the letters.

KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner
Adelaide
22 February 2023

CONSOLIDATED FINANCIAL REPORT

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$'000	\$'000
Revenue and other income			
PhotonAssay™ Income	4A	10,976	5,521
Revenue from Consumables	4B	560	–
Other income	4C	687	50
		12,223	5,572
Expenses			
Maintenance costs		(2,379)	(830)
Employee benefit expenses		(5,475)	(3,705)
Consulting fees		(94)	(137)
Consumables cost of sales		(529)	–
Travel and marketing costs		(1,112)	(224)
Legal fees		(79)	(101)
Other expenses		(1,239)	(488)
Depreciation and amortisation expense		(2,649)	(1,362)
Finance costs		(107)	(329)
Loss before income tax		(1,440)	(1,605)
Income tax benefit		441	–
(Loss) for the half year		(999)	(1,605)
Other comprehensive income for the half year		–	–
Total comprehensive (loss) for the half year attributable to the owners		(999)	(1,605)
From continuing operations			
Basic (loss) per share (weighted average common shares outstanding/net income)		(\$0.010)	(\$0.020)
Diluted (loss) per share		(\$0.010)	(\$0.020)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		31 December 2022	30 June 2022
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents		81,091	92,104
Trade and other receivables	6	6,967	5,782
Research and development receivables		1,150	872
Other current assets		226	715
Prepayments		5,059	5,235
		94,493	104,708
Non-current assets			
Plant and equipment	8	55,608	37,861
Right of use assets		434	139
Intangible assets		1,867	1,378
Deferred tax asset		795	–
		58,704	39,378
Total assets		153,197	144,086
Current liabilities			
Trade and other payables	7	17,409	10,098
Lease liabilities		81	141
Employee benefits		1,462	734
Other financial liabilities		–	436
Provisions		642	1,395
		19,594	12,804
Non-current liabilities			
Trade and other payables	7	324	623
Lease Liabilities		348	–
Employee benefits		120	98
Other financial liabilities		5,962	3,343
Provisions		–	–
Loans and borrowings		4,900	4,900
		11,654	8,964
Total liabilities		31,248	21,768
Net assets		121,949	122,318
Equity			
Issued capital		136,003	135,725
Accumulated losses		(15,526)	(14,527)
Reserves		1,472	1,120
Total equity		121,949	122,318

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

	Issued capital	Accumulated losses	Foreign Exchange Reserve	Share-based payments reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	24,081	(10,589)	–	736	14,228
Loss for the half year	–	(1,605)	–	–	(1,605)
Total comprehensive loss for the half year	–	(1,605)	–	–	(1,605)
Share-based payments	–	–	–	335	335
Issued shares	47,731	–	–	–	–
Balance at 31 December 2021	71,812	(12,194)	–	1,071	60,689
Balance as at 1 July 2022	135,725	(14,527)	–	1,120	122,318
(Loss) for the half year	–	(999)	–	–	(999)
Total comprehensive (loss) for the half year	–	(999)	–	–	(999)
Share-based payments	–	–	–	506	506
Unrealised loss on foreign exchange	–	–	(154)	–	(154)
Issued shares, net of sell down and raising costs	278	–	–	–	278
Balance at 31 December 2022	136,003	(15,526)	(154)	1,626	121,949

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022

	Note	31 December 2022	31 December 2021
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		13,124	4,281
Payments to suppliers (inclusive of GST)		(9,588)	(4,323)
Cash from operations		3,536	(42)
Early repayment of customer deposits		–	(1,157)
Interest received/(paid)		260	(263)
Cash from/(used in) operating activities		3,796	(1,462)
Cash flows from investing activities			
Interest received		–	50
Investment in term deposits		–	(12,006)
Purchases of intangibles		(599)	(675)
Purchases of property, plant and equipment		(14,301)	(10,850)
Net cash (used in) investing activities		(14,900)	(23,481)
Cash flows from financing activities			
Proceeds from issue of share capital		277	50,000
Transactions costs of issue of share capital		–	2,269
Proceeds from loan borrowings		–	4,900
Repayment of lease liabilities		–	(62)
Net cash from financing activities		277	52,569
Net cash increase/(decrease) in cash and cash equivalent		(10,827)	27,626
Cash and cash equivalents at 1 July		92,048	5,768
Foreign Exchange		(130)	–
Cash and cash equivalents at 31 December		81,091	33,394

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION AND REPORTING ENTITY

Chrysos Corporation Limited (the 'Company') is incorporated in Australia and currently operates in Australia, Africa and Canada. These condensed consolidated interim financial statements ('interim financial statements') as at and for the half year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 are available upon request from the Company's registered office below or at www.chrysoscorp.com.

Chrysos Corporation Limited is a for profit entity. Its registered office and principal place of business are:

Registered office
Thomson Geer Lawyers
Level 5, 19 Currie Street
Adelaide SA 5000

Principal place of business
Waite Road
Urrbrae SA 5064

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 22 February 2023.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim financial reporting* and the *Corporations Act 2001*, and with IAS Interim Financial Reporting.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

These interim financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the legislative instrument, amount in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

USEFUL LIFE OF INTELLECTUAL PROPERTY

The Group regularly considers the finite life of Intellectual Property, which is currently estimated to be five years. In determining the appropriate useful life for these assets a range of factors are taken into account including the specific nature of the asset created, risk of technological obsolescence, business performance and market conditions.

USEFUL LIFE OF PHOTONASSAY™ UNITS

The Group regularly considers the useful life of the PhotonAssay™ units, which is now primarily aligned to the useful life of the linear accelerator (LINAC). In determining the appropriate useful life for these assets, a range of factors are taken into account including the specific nature of the asset deployed, risk of technological obsolescence, operational and business performance and market conditions.

RESEARCH AND DEVELOPMENT EXPENSES

Expenditure during the research phase of a project is recognised as an expense as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

PROVISION FOR PAYROLL TAXES

The provision for payroll tax is the Group's best estimate of its future liability for payroll tax on share-based payments that have been granted prior to reporting period end and remain unexercised. The liability estimate is based on the current fair value of shares in the Group at balance date, using recent share transaction prices and other information that is relevant to the valuation of the Group, including the progress in executing new leasing arrangements as lessor and status of negotiations with new lessees, amongst other information. As the date at which the liability crystallises is uncertain, and contingent upon the holder when and if a holder exercises, the fair value of the instruments at the time of exercise is currently unknown, and consequently the amount payable for associated payroll tax could be greater or less than the estimate provided for. Refer to Note 13 for further information.

LEASES OF PHOTONASSAY™ UNITS AS LESSOR

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease term is for the major part of the economic life of the asset.

Significant judgement is required to determine the lease term. Consideration has been given to the non-cancellable periods and early cancellation penalties contained within the leasing arrangements and it has been determined that the lease term is not a major part of the economic life of the underlying unit being leased. On this basis, amongst other factors, all current leases have determined to be operating leases.

Notes to the Consolidated Financial Statements (Continued)

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NOTE 4: REVENUE AND OTHER INCOME

The Group generates revenue primarily from deployment of PhotonAssay™ units with its customers. Under each contract for deployment the Group assesses the terms to understand substantially where all of the risks and rewards incidental to ownership lie. When the risks and rewards of ownership lie with the Group, revenue is recognised as operating lease income (see Note 4A). When the risk and rewards of ownership lie with the customer, the asset is considered as a finance lease. Currently, all lease arrangements are categorised as operating leases.

NOTE 4A: PHOTONASSAY™ OPERATING LEASE INCOME

	31 December 2022	31 December 2021
	\$'000's	\$'000's
Operating lease income – minimum lease payments	8,828	4,345
Operating lease income – variable lease payments	2,147	1,176
	10,976	5,521

NOTE 4B: REVENUE FROM CONSUMABLES

	31 December 2022	31 December 2021
	\$'000's	\$'000's
Revenue recognised at a point in time	560	–

Revenue recognised at a point in time relates to the sale of sample jars to PhotonAssay™ customers.

NOTE 4C: OTHER INCOME

	31 December 2022	31 December 2021
	\$'000's	\$'000's
Interest	687	50
	687	50

Notes to the Consolidated Financial Statements (Continued)

NOTE 5: SEGMENT INFORMATION

The Group identifies the Managing Director and CEO as the Chief Operating Decision Maker (CODM). The CODM monitors the Group's defined segments and makes business decisions on the basis of, amongst other things, segment operating results.

Factors used in identifying and defining segments include geographic location, economic profile, market attractiveness, competing or complementary services offered, and emerging management structures. Delivery of PhotonAssay™ to the identified segments facilitates the Group's ability to generate Minimum Monthly Assay Payments and Additional Assay Charges.

Unallocated items comprise mainly corporate assets, research and development, and head office expenses. The presentation of segment revenue is based predominantly on the location of PhotonAssay™ unit deployments.

Of these revenues, three major customers account for more than 10% of total revenue each and contribute approximately 85% of total revenue when combined (2021: 95 percent).

The Group currently has three reportable segments:

- Middle East & Africa
- Australia
- Americas

As noted below, in the previous financial reporting period there were only two segments: Australia and Middle East & Africa:

	31 December 2022	31 December 2021
	\$'000's	\$'000's
Segment revenues		
Australia	8,617	4,934
Middle East & Africa	2,375	587
Americas	544	–
Total revenues	11,536	5,521
Segment depreciation & amortisation		
Australia	2,209	1,283
Middle East & Africa	430	79
Americas	10	–
Total of segments depreciation & amortisation	2,649	1,362
Segment results		
Profit before tax		
Australia	5,657	2,684
Middle East & Africa	1,972	390
Americas	418	–
Total of segments	8,048	3,074
Reconciliation of reportable segment result to profit/(loss) before tax		
Segment profit	8,048	3,074
Central costs*	(9,488)	(4,679)
Loss before tax	(1,440)	(1,605)
Income tax benefit/(expense)	441	–
Comprehensive loss for the period	(999)	(1,605)
Segment capital expenditure		
Australia	14,452	10,708
Middle East & Africa	–	–
Americas	–	–
Total of segments capital expenditure	14,452	10,708

NOTE 5: SEGMENT INFORMATION CONTINUED

Segment assets and Liabilities	Assets		Liabilities	
As at	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	\$'000's	\$'000's	\$'000's	\$'000's
Australia – current	4,138	3,667	–	7,001
Australia – total	31,154	17,463	3,468	7,001
Middle East & Africa – current	1,442	2,187	–	–
Middle East & Africa – total	11,883	5,518	–	–
Americas – current	3,154	3,722	–	–
Americas – total	6,265	3,722	2,494	–
Total of segments	49,302	26,703	5,962	7,001
Unallocated	103,895	117,383	25,286	14,767
Total	153,197	144,086	31,248	21,768

* Central costs comprise research, development, sales and head office costs associated with the Group's growth and development trajectory. Where possible costs attributable to operations are allocated to reportable segments.

For the purposes of monitoring segment performance and allocating resources between segments:

- Only deployed PhotonAssay™ units, debtors and other directly attributable assets are allocated to the segments.
- Only liabilities directly attributable to the segments are recognised at a segment level and on deployment of a PhotonAssay™ unit to that segment, any associated liability is transferred on deployment.

NOTE 6: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	31 December 2022	30 June 2022
	\$'000's	\$'000's
Trade receivables	6,045	5,749
Other receivables	922	33
Total receivable	6,967	5,782

As at 31 December 2022, there were \$852k Receivables past due (FY22: None) of which \$504k has since been paid. A provision for impairment of \$109k (FY22: \$169k) was held.

Notes to the Consolidated Financial Statements (Continued)

NOTE 7: TRADE AND OTHER PAYABLES

	31 December 2022	30 June 2022
	\$'000's	\$'000's
Current		
Trade payables	11,921	6,947
Accrued expenses and other receivables	2,246	116
Supplier extended payment terms	3,242	3,035
	17,409	10,098
Non-Current		
Supplier extended payment terms	324	623

The Group has extended payment terms with key suppliers. The amounts payable under these arrangements are shown above as 'Supplier extended payment terms' and are non-interest bearing. The carrying amount of these amounts has been discounted to present value.

NOTE 8: PLANT AND EQUIPMENT – ACQUISITIONS AND DISPOSALS

During the period ended 31 December 2022, the Group acquired assets with a cost of \$18,898,743 (period ended 31 December 2021, \$6,817,000). This relates primarily to the deployment of a PhotonAssay™ unit during the six months, and an increase in capital WIP for machines to be deployed post period end.

There were no plant and equipment disposals during the period.

NOTE 9: CAPITAL COMMITMENTS**CAPITAL COMMITMENTS FOR PLANT AND EQUIPMENT**

At the end of the period there was \$76.3m (FY22 – \$42.7m) in capital commitments relating to Chrysos PhotonAssay™ units on order and under construction.

NOTE 10: RELATED PARTY TRANSACTIONS

Chrysos Corporation Limited is the parent entity and as at the date of the report, there have been no transactions with subsidiaries. The following related party disclosures relate to director related entities:

	31 December 2022	31 December 2021
	\$'000's	\$'000's
RFC Ambrian Limited	–	25
CSIRO	30	40

CSIRO held 21.65% of the ordinary share capital of the Group as at 31 December 2022 (30 June 2022: 21.97%).

NOTE 11: LOANS AND BORROWINGS

	31 December 2022	30 June 2022
	\$'000's	\$'000's
Loan	4,900	4,900

The Group drew down \$4.9m of its \$7.5m facility with the Commonwealth Bank. This leaves unutilised facilities of \$2.6m. The facilities covenants are reported quarterly and the facility has a loan term of 2 years from draw down, being a maturity date of 31 August 2023. There are no repayment requirements on the facility, other than at expiry. The facility has a nominal interest rate margin of 5.35% above BBSY. Security is by way of a General Security Interest by the Company, by a first ranking charge all property.

NOTE 12: PROVISIONS

	31 December 2022	30 June 2022
	\$'000's	\$'000's
Provision for payroll tax – current	642	1,395
Provisions – total	642	1,395
Opening balance 1 July	1,395	1,348
Additional provision/(release) for the year	(753)	47
Closing balance 30 June	642	1,395

The provision for payroll tax represents an estimate of the payroll tax payable on share-based payments that have been granted prior to reporting period end. The amount of payroll tax that is paid in the future is calculated by deducting the exercise price of the instrument from the fair value of the instrument at the earlier of either when the holder exercises their instruments or the 7th anniversary of the grant date, multiplied by the payroll tax rate.

The provision at balance date has been determined by reference to the estimated fair value of the Group's shares at balance date. Instruments where the vesting date is in excess of 12 months from reporting period end have been classified as non-current (noting that all instruments currently on issue have a vesting date which is prior to the 7th anniversary of their grant date).

Notes to the Consolidated Financial Statements (Continued)

NOTE 13: EARNINGS PER SHARE

	31 December 2022	31 December 2021
	\$'000's	\$'000's
Loss attributable to the equity holders of the group in the calculation of basic and diluted earnings per share	(999)	(1,605)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	98,294,504	82,202,791
Weighted average number of ordinary shares for the purposes of diluted earnings per share	105,856,767	82,202,791
From continuing operations		
Basic loss per share (Cents per share)	(1.0)	(2.0)
Diluted loss per share (Cents per share)	(1.0)	(2.0)

NOTE 14: ECONOMIC DEPENDENCY

Chrysos is reliant on several third-party manufacturers and suppliers. While the Group has worked with a number of these parties for several years and has strong existing relationships, including key manufacturer Nucotech, there is a risk that the Group will be unable to continue working with these parties, or to do so on the same or similar terms to those currently experienced. Moreover, given the advanced technical nature of some of the componentry, it can be difficult to procure alternative suppliers. This could ultimately disrupt the unit deployment schedule and adversely impact financial performance.

Chrysos' key third-party manufacturers and suppliers are based in international jurisdictions and are subject to geopolitical, transportation and raw material risks. Further, there is no guarantee that they will be able to continue to meet cost, quality and volume requirements for the Group to remain competitive and meet its contractual obligations with customers.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

DEPLOYMENT

The Group has finalised the installation of a PhotonAssay™ unit at Barrick Gold's Kibali Gold Mine in the Democratic Republic of Congo, is currently installing 4 units globally and relocating the unit previously deployed at the Morilla mine site.

BANK FACILITIES

The Commonwealth Bank of Australia has approved an increased banking facilities of \$30m on the following terms. On draw down of this facility, the existing Commonwealth Bank of Australia facility (currently drawn to \$4.9m) will be repaid.

Key Terms	
Limit	\$30,000,000
Facility Term	5 Years
Cost above BBSY	4.40%
Security	General Security Charge over the borrower Guarantee by the borrower Chattel Mortgage over the assets financed

NOTE 16: CONSOLIDATED ENTITY

The Group has incorporated the following wholly owned subsidiaries:

Company	Country of Incorporation	Date of Incorporation
Chrysos AU Operations	Australia	8 June 2022
Chrysos Mali	Australia	26 September 2022
Chrysos DRC	Australia	29 September 2022
Chrysos Africa (Tanzania branch)	Australia	15 August 2022
Chrysos Ghana	Australia	23 December 2022

* Note Chrysos is in the process of incorporating local entities in the Ivory Coast and Ghana.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including
 - giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
 - complying with Australian Accounting Standards, and the *Corporations Regulations 2001*;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Dirk Moore Treasure
Director

22 February 2023

Robert Henry Richard Adamson
Director

22 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

to the Shareholders of Chrysos Corporation Limited



Independent Auditor's Review Report

To the Shareholders of Chrysos Corporation Limited

Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Chrysos Corporation Limited (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Chrysos Corporation Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Consolidated Statement of Financial Position as at 31 December 2022;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Chrysos Corporation Limited (the Company) and the entities it controlled at half-year end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that presents fairly, in all material respects, in accordance with *Australian Accounting Standards*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that presents fairly and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Review Report (Continued)



Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not present fairly, in all material respects the financial position of the Group as at 31 December 2022 and its performance for the half-year ended on that date in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner

Adelaide

22 February 2023

IMPORTANT NOTICES

This document may contain forward looking statements including plans and objectives. You should not place undue reliance on these forward looking statements as actual results may differ, and may do so materially.

Nothing in this document is or should be relied upon as a promise or representation as to the future. They reflect Chrysos' views as at the date of this document, are not guarantees of future performance and are subject to certain uncertainties and risks, such as those described in the Governance and Risk section of this document.

Subject to the relevant law, Chrysos assumes no obligation to update, review or revise any information in this document, regardless of whether new information, future events or any other factors affect the information contained in this document. While Chrysos' results are reported under International Financial Reporting Standards (IFRS), this document may also include non-IFRS information (such as EBITDA, contribution margin, exit rate, free cash flow, annual recurring revenue (ARR), total contract value (TCV), return on invested capital (ROIC), and lifetime duration (LTD)). These measures are provided in this document to assist you with understanding Chrysos' financial performance and the condition of its business. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures. You should not place undue reliance on any non-IFRS financial measures included in this document.

The information in this document is for general information purposes only, and does not purport to be a complete or accurate statement of all material information regarding any potential investment in Chrysos. It has been prepared without taking into account your personal investment objectives, financial circumstances or needs. It is not intended to be, and should not be construed in any way as, investment, legal or financial advice. You should make your own assessment of the information and your own financial circumstances and obtain independent professional advice prior to taking any action based on the information contained in this document.

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Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the presented figures.

CORPORATE DIRECTORY

DIRECTORS

Robert Henry Richard Adamson –
Non-executive Chair
Dirk Moore Treasure – Managing Director and CEO
Eric Ford – Non-Executive Director
Ivan Gustavo Mellado – Non-Executive Director
Robert Brett Boynton – Non-Executive Director
Kerry Jo-Anne Gleeson – Non-Executive Director

COMPANY SECRETARIES

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Brett Anthony Coventry
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SHARE REGISTRY

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Shareholders with queries should contract
the Groups share registry, Link Market Services,
on the details noted above.

SECURITIES EXCHANGE LISTING

The Group's shares are listed on the Australian Securities
Exchange (ticker: C79), and were listed from 6 May 2022.

BANK INSTITUTIONS

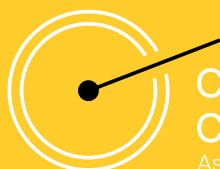
Commonwealth Bank of Australia

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Chrysos Corporation Ltd
ASX: C79



CHRYSOS CORPORATION

Assays at the speed of light

Chrysos Corporation combines
science and software to create
technology solutions for the
global mining industry.

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