

24 January 2023

Quarterly Activities Report and Appendix 4C Q2 FY23

Chrysos Corporation Ltd (ASX:C79) ("Chrysos" or the "Company") is pleased to provide its Quarterly 4C Report and summary of its activities for the Quarter ended 31 December 2022 (Q2 FY23).

- Strong momentum continuing, with Unaudited Total Revenue¹ of \$6.4m in Q2 FY23, reflecting 25% growth Quarter-on-Quarter (QoQ) and 104% growth Year on Year (YoY)
- Operating Cash Flow positive, with a strong cash balance of \$81.1m as at 31 December 2022
- Two new units deployed and one new unit deployed post quarter, bringing the total number of deployed² PhotonAssay™ units to 15
- One new lease agreement signed, with the total number of contracted PhotonAssay™ units at 49
- Sample volumes increased 8% QoQ to 796k and 69% YoY
- On track to have 21 units deployed and operating by the end of FY23
- Chrysos CEO and CTO awarded the 2022 Prime Minister's Prize for Innovation in recognition of their role in the successful development and commercialisation of PhotonAssay™

Chrysos Managing Director and CEO Dirk Treasure commented: "Chrysos maintained significant momentum through the second Quarter of FY23 with QoQ top line growth of 25%. Our balance sheet and cash position remain solid, with cash on hand at \$81.1m and discussions with debt financiers for future funding options advancing well. Chrysos' global deployment team is progressing the roll out of contracted units and we are on track to having our forecast 21 units deployed by the end of FY23. Importantly, the business maintains a strong deployment pipeline extending into 2025 and is developing strategic partnerships with major customers across key global mining hubs."

Key Performance Metrics

	Q2 FY23	YoY comparison to Q2 FY22	QoQ Comparison to Q1 FY23
Deployed units²	14	+7	+2
<i>current</i>	15		
PhotonAssay™ Lease Agreements	49	+28	+1
<i>current</i>	49		
Total Contract Value (TCV)³	\$714m	\$229m +212%	\$703m +2%
Samples Processed	796k	470k +69%	740k +8%
Unaudited Total Revenue¹	\$6.4m	\$3.1m +104%	\$5.1m +25%
Minimum Monthly Assay Payments (MMAP)	\$5.0m	\$2.5m +104%	\$3.8m +32%
Additional Assay Charges (AAC)	\$1.1m	\$0.6m +79%	\$1.0m +12%

¹ Revenue is unaudited and includes operating lease and other income

² "Deployed" units refers to those units that have been deployed and are generating revenue

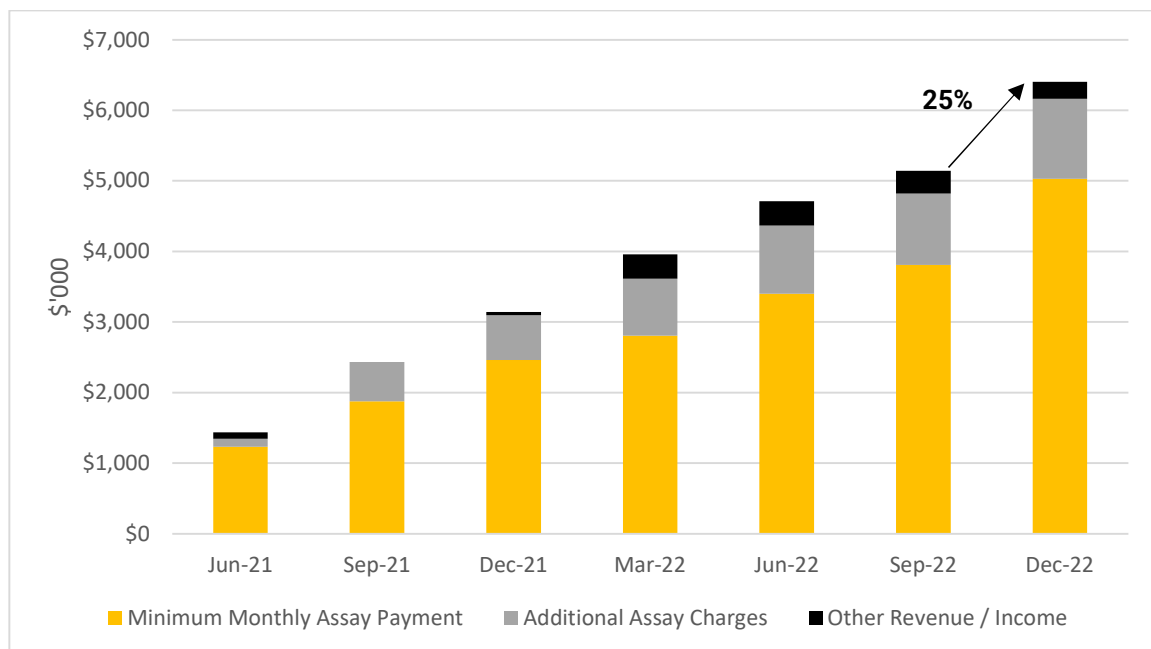
³ TCV reflects contracted revenue netted off against income which converted to invoiced unaudited Revenue during the Quarter.



Operational Highlights Q2 FY23

- Chrysos' global deployment team installed two new PhotonAssay™ units during the Quarter:
 - ALS' facility in Perth, Australia
 - MSALABS' facility in Yamoussoukro, Côte d'Ivoire
- Post period end, one new unit was deployed for MSALABS at Barrick Gold's Kibali Gold Mine in the Democratic Republic of the Congo
- The unit deployed in Q1 FY23 to MSALABS' Morila facility in Mali is expected to be redeployed by MSALABS to a new location within Mali before the end of FY23
- As noted previously in the Q1 FY23 update, a new lease agreement was signed with existing customer ALS for deployment in Canada during the second half of calendar year 2023
- Total Contract Value (TCV) was \$714m^{4,5} at the close of the Quarter. TCV reflects contracted revenue netted off against converted invoiced unaudited Revenue during the Quarter

Chart 1: Quarterly Growth in MMAP, Additional Assay Charges & Other Income



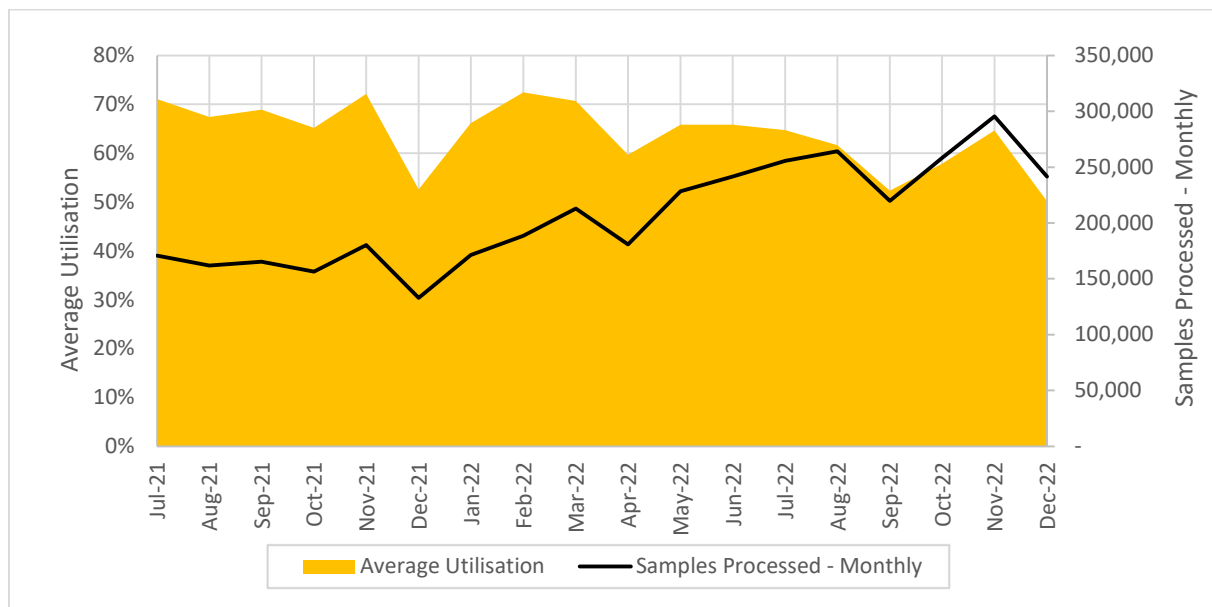
Unaudited Total Revenue was \$6.4m, reflecting 25% growth QoQ driven by newly deployed units commencing operation and sustained utilisation of established units. Both MMAP revenue and AAC revenue continue to increase, up 32% and 12% respectively QoQ, in line with Chrysos' growing deployed unit base. Chrysos' revenue model provides strong reliable cashflows to the Company from deployed units. Other income reflects the provision of sample jars and lids to customers.

4 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.

5 TCV represents the future minimum contracted revenue on PhotonAssay leases (both deployed and committed) that are yet to be invoiced at a point in time, which are subject to the Company's contractual performance obligations and where the Directors consider reasonable certainty exists, may include values associated with exercise of option periods.



Chart 2: Deployed Unit Utilisation & Samples Processed



Sample volumes continue to increase steadily, with the Q2 FY23 deployed unit utilisation rate averaging 58% in comparison to the FY23 Prospectus forecast of 55%. 796k samples were processed during the Quarter, reflecting QoQ growth of 8% and YoY growth of 69% (Chart 2).

Cash Flow Summary

During Q2 FY23, the Company recorded cash receipts from customers of \$7.1m, compared to \$6.2m in Q1 FY23, reflecting increasing in MMAP, AAC and collection cycles.

Chrysos was operationally cash flow positive for a second consecutive Quarter with net operating cash inflows of \$2.7m, increasing from net inflows \$0.8m in Q1 FY23. Product operating costs remain stable at \$1.0m, although these costs are expected to increase aligned with the growing deployed unit base.

Staff, corporate and administration costs remain in line with prospectus expectations and are stable across Q1 and Q2 FY23.

In accordance with ASX Listing Rule 4.7C, Chrysos advises payments to related parties and their associates for Q2 FY23 were \$213k. These payments were related to Director fees and expenses paid to Directors and their associates, as well as rent to CSIRO which is a significant shareholder of Chrysos Corporation.

Chrysos Corporation ended the Quarter with \$81.1m cash in the bank, as at 31 December 2022.

A copy of the Appendix 4C – Quarterly Cash Flow Report for the Quarter is appended.

ENDS



Investor Webcast

Dirk Treasure, Managing Director and CEO of Chrysos Corporation, and Chrysos' CFO Brett Coventry, will host a webcast and conference call for analysts and investors at 10.30am AEDT today.

The links for participant registration are available below.

Webcast: <https://webcast.openbriefing.com/c79-qtr-240123/>

Conference call: <https://s1.c-conf.com/diamondpass/10027870-a5k8mu.html>

About Chrysos Corporation

Headquartered in Adelaide, with operations spanning Australia, Canada and Africa, Chrysos Corporation combines science and software to create technology solutions for the global mining industry. The Company's flagship product PhotonAssay™ delivers faster, safer, more accurate and environmentally-friendly analysis of gold, silver, copper and other elements. For more information about Chrysos or its PhotonAssay™ technology, visit www.chrysoscorp.com.

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This announcement was authorised for release by the Chair of Chrysos Corporation Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Chrysos Corporation Limited

ABN

76 613 131 141

Quarter ended ("current quarter")

December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,058	13,293
1.2 Payments for		
(a) research and development	(45)	(102)
(b) product manufacturing and operating costs	(979)	(2,279)
(c) advertising and marketing	(1)	(11)
(d) leased assets	(226)	(385)
(e) staff costs	(2,604)	(5,186)
(f) administration and corporate costs	(790)	(2,108)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	527	687
1.5 Interest and other costs of finance paid	(199)	(413)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,741	3.496
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4,778)	(14,452)
(d) investments	-	-
(e) intellectual property	(327)	(599)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5,105)	(15,050)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	267	277
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) (Repayment of Customer Debt)	-	-
3.10	Net cash from / (used in) financing activities	267	277

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	82,869	92,051
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,741	3,496
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,105)	(15,050)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	267	277
4.5	Effect of movement in exchange rates on cash held	319	317
4.6	Cash and cash equivalents at end of period	81,091	81,091

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	38,268	38,268
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	42,823	42,823
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	81,091	81,091

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	213
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Includes directors fees and rent paid to CSIRO for the quarter.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	7,500	4,900
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	7,500	4,900
7.5	Unused financing facilities available at quarter end		2,600
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Loan facilities are with the Commonwealth Bank, covenants are to be reported quarterly and is secured by a general security interest over the assets of the Company.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,741
8.2	Cash and cash equivalents at quarter end (item 4.6)	81,091
8.3	Unused finance facilities available at quarter end (item 7.5)	2,600
8.4	Total available funding (item 8.2 + item 8.3)	83,691
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2023

Authorised by: Brett Coventry - Chief Financial Officer &
Company Secretary

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.