

27 April 2023

## Quarterly Activities Report and Appendix 4C Q3 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 March 2023 (Q3 FY23).

- Strong momentum continuing, with Unaudited Total Revenue<sup>1</sup> of \$6.7m in Q3 FY23, reflecting 5% growth Quarter-on-Quarter (QoQ) and 70% growth Year on Year (YoY)
- Operating Cash Flow positive, with a strong cash balance of \$65.5m as at 31 March 2023
- Four new PhotonAssay™ units deployed during the Quarter, bringing the total number of deployed<sup>2</sup> units to 18
- Total number of contracted PhotonAssay™ units, including the 18 currently deployed, at 49
- Sample volumes rose to 818k representing a 3% increase QoQ and a 43% increase YoY
- Expanded banking facilities to \$30m through Commonwealth Bank, with scope for further growth
- Two installations ongoing and a further three units being shipped to site. Our FY23 target of 21 PhotonAssay™ units is expected to be achieved early Q1 FY24
- On track to achieve Prospectus targets for Revenue and EBITDA of \$26.6m and \$3.2m respectively

**Chrysos Managing Director and CEO Dirk Treasure commented:** "Chrysos' positive financial and operational momentum continued through the third Quarter of FY23. We installed four new PhotonAssay units across key mining hubs in Canada, Africa and Australia. While we have had some delays in shipping to Ghana, we anticipate having our 21<sup>st</sup> unit operational early in Q1 FY24. Our enhanced debt facility with the Commonwealth Bank will continue to support our accelerating deployment schedule through FY24 and importantly, we are on track to meet our FY23 Revenue and EBITDA Prospectus targets."

### Key Performance Metrics

	Q3 FY23	YoY comparison to Q3 FY22	QoQ Comparison to Q2 FY23
<b>Deployed units<sup>2</sup></b>	18	+10	+4
<i>current</i>	18		
<b>PhotonAssay™ Lease Agreements</b>	49	+15	-
<i>current</i>	49		
<b>Total Contract Value (TCV)<sup>3</sup></b>	\$708m	\$454m +56%	\$714 -1%
<b>Samples Processed</b>	818k	573k +43%	798k +3%
<b>Unaudited Total Revenue<sup>1</sup></b>	\$6.7m	\$3.9m +70%	\$6.4m +5%
<b>Minimum Monthly Assay Payments (MMAP)</b>	\$5.7m	\$2.8m +105%	\$5.0m +14%
<b>Additional Assay Charges (AAC)</b>	\$0.6m	\$0.8m -22%	\$1.0m -39%

<sup>1</sup> Revenue is unaudited and includes operating lease and other income.

<sup>2</sup> "Deployed" units refers to those units that have been deployed and are generating revenue

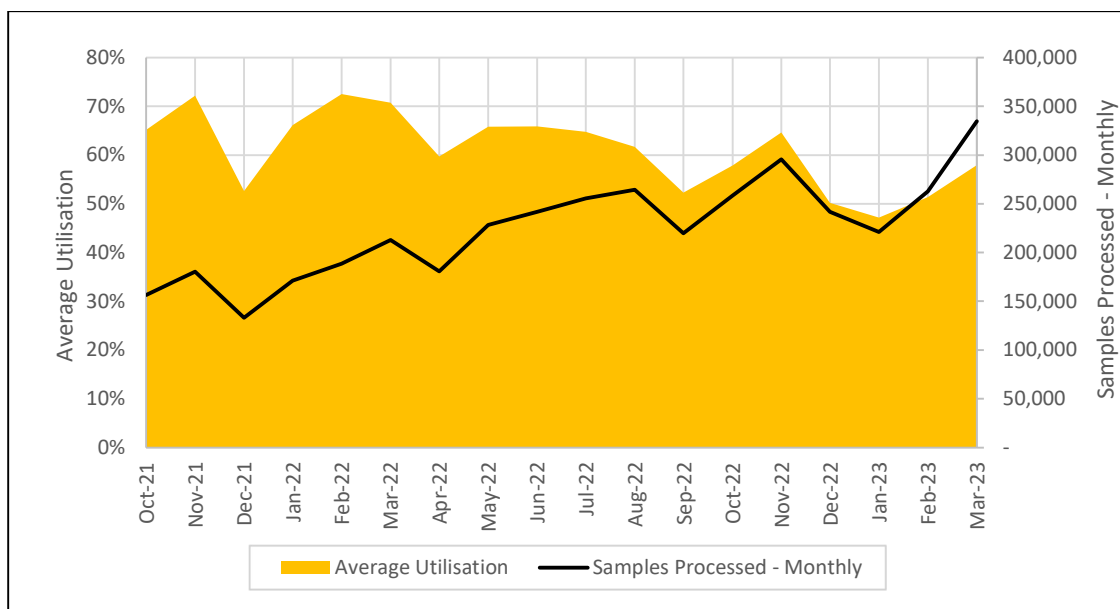
<sup>3</sup> TCV reflects contracted revenue netted off against income which converted to invoiced unaudited Revenue during the Quarter.



### Operational Highlights Q3 FY23

- Chrysos' global deployment team installed four new PhotonAssay™ units during the Quarter:
  - MSALABS at Barrick Gold's Kibali Gold Mine in the Democratic Republic of the Congo
  - MSALABS' central laboratory facility in Prince George, Canada
  - Intertek Minerals Global Centre of Excellence in Perth, Australia
  - SGS' first PhotonAssay™ unit at its facility in Perth, Australia
- The MSALABS unit in Morila, Mali is expected to be redeployed to a new location within Mali during the coming months
- Total Contract Value (TCV) was \$708m, at the close of the Quarter, a reduction of \$6m since the previous update. This slight decrease reflects the conversion of TCV to revenue by our deployed units and is a natural decline that is offset over time as Chrysos signs additional customer contracts and as existing contracts are renewed

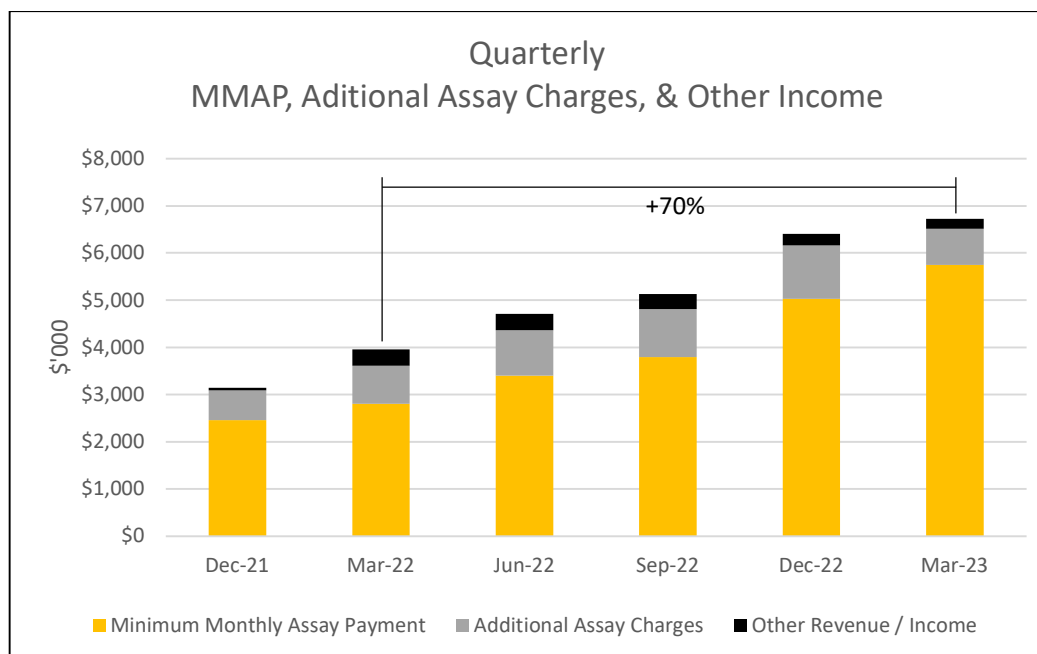
**Chart 1: Deployed Unit Utilisation & Samples Processed**



Sample volumes continue to increase as Chrysos deploys new PhotonAssay™ units. 818k samples were processed during the Quarter, reflecting QoQ growth of 3% and YoY growth of 43%. The Q3 FY23 deployed unit utilisation rate averaged 52%, bringing the year-to-date average utilisation rate to 56% in comparison with the FY23 Prospectus forecast of 55%.



**Chart 2: Quarterly Growth in MMAP, Additional Assay Charges & Other Income**



Unaudited Total Revenue grew 5% QoQ to \$6.7m, due in part to proceeds from Minimum Monthly Assay Payments (MMAP) increasing 14% QoQ in line with Chrysos' growing deployed unit base. Chrysos' revenue model provides strong reliable cashflows to the Company from deployed units, whilst Other Income is derived through the provision of sample jars and lids to customers.

### Cash Flow Summary

During Q3 FY23, the Company recorded cash receipts from customers of \$5.6m, compared to \$7.1m in Q2 FY23, reflecting the ongoing collection cycles.

Q3 FY23 net operating cash inflows totaled \$1.0m. During the Quarter, as part of continued enhancement of our global inventory management system, the Company reclassified a quantity of spare parts that had previously been expensed and allocated them instead to Property Plant and Equipment as inventory. This reallocation impacted net operating cash inflows for the current Quarter by \$1.3m offsetting over-expensing in previous quarters. The year-to-date net operating cashflow remains positive at \$4.8m.

Staff, corporate and administration costs remain in line with Prospectus expectations, reflecting Chrysos' increasing headcount to support growth, as well as the payment of previously disclosed payroll tax liabilities.

In accordance with ASX Listing Rule 4.7C, Chrysos advises payments to related parties and their associates for Q3 FY23 were \$192k. These payments were related to Director fees and expenses paid to Directors and their associates, as well as rent to the CSIRO which is a substantial shareholder of Chrysos Corporation.

Chrysos Corporation ended the Quarter with \$65.5m cash in the bank, as at 31 March 2023.

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

**ENDS**



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### **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 AEST today.

The links for participant registration are available below.

Webcast: <https://s1.c-conf.com/diamondpass/10030055-ydf5ec.html>

Conference call: <https://webcast.openbriefing.com/c79-qtr-270423/>

### **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](http://www.chrysoscorp.com).

### **For enquiries, please contact:**

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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")**

March 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,647	18,200
1.2 Payments for		
(a) research and development	(1)	(103)
(b) product manufacturing and operating costs	938	(1,340)
(c) advertising and marketing	(34)	(45)
(d) leased assets	(102)	(487)
(e) staff costs	(3,197)	(8,413)
(f) administration and corporate costs	(2,308)	(3,334)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	344	1,031
1.5 Interest and other costs of finance paid	(289)	(715)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>998</b>	<b>4,794</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(20,048)	(34,349)
(d) investments	-	-
(e) intellectual property	(490)	(1,089)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(20,538)</b>	<b>(35,438)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20	297
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	3,762	3,762
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,782</b>	<b>4,059</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	81,093	92,051
4.2	Net cash from / (used in) operating activities (item 1.9 above)	998	4,794
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20,538)	(35,438)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,782	4,059
4.5	Effect of movement in exchange rates on cash held	116	(15)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>65,451</b>	<b>65,451</b>

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	20,046	38,271
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	45,405	42,822
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>65,451</b>	<b>81,093</b>

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	192
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	30,000	8,662
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	30,000	8,662
7.5	<b>Unused financing facilities available at quarter end</b>		21,338
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	998
8.2	Cash and cash equivalents at quarter end (item 4.6)	65,451
8.3	Unused finance facilities available at quarter end (item 7.5)	21,338
8.4	Total available funding (item 8.2 + item 8.3)	87,787
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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?  <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
	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?  <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
	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?  <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
	<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: 27 April 2023 .....

Authorised by: Chief Financial Officer .....

(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.