

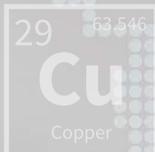
Annual Report 2023

The gold standard



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Forward looking statements

This report may contain forward looking statements. Further information can be found on page 88 of this report.

ABOUT US

Chrysos Corporation Limited ("Chrysos" or the "Group") is an Australian-based provider of novel assay services to the global mining industry through its proprietary PhotonAssay™ technology.

Assaying involves the analysis of ore or other materials to determine the presence and quantity of valuable metals or other constituents. It is a non-discretionary operating cost for the mining industry with applications across all stages of the value chain, from early-stage exploration drilling to later-stage production activities. While PhotonAssay™ can be used to detect a wide range of elements, the technology has proven particularly effective for assaying gold and is currently being rolled-out across the gold mining industry.

Chrysos PhotonAssay™ units are deployed to mine sites and independent laboratories which provide assay services.

Chrysos is headquartered in Adelaide, with operations spanning Australia, North America and Africa.



**CHRYSO 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**



**ENHANCED ACCURACY
AND PRECISION**



**REDUCED LABOUR
AND OPERATING COSTS**



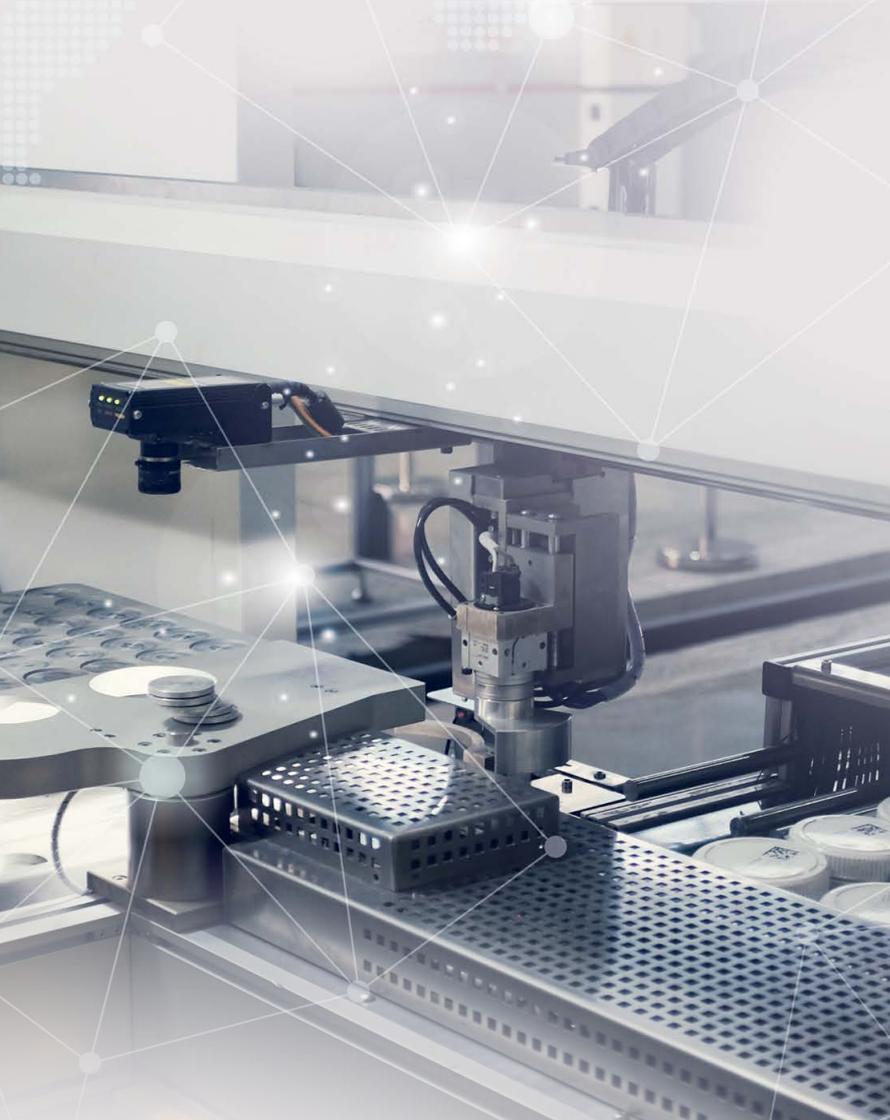
**BETTER SOCIAL AND
ENVIRONMENTAL OUTCOMES**



**IMPROVED OCCUPATIONAL
HEALTH AND SAFETY**



**“PHOTONASSAY™
PROVIDES TANGIBLE AND
MEASURABLE CUSTOMER
BENEFITS, INCLUDING
FASTER AND MORE
ACCURATE RESULTS,
REDUCED CO₂ EMISSIONS
PER SAMPLE, LESS
HAZARDOUS WASTE
AND CONSUMABLES,
AND IMPROVED
OCCUPATIONAL HEALTH
AND SAFETY OUTCOMES.”**



FY23 HIGHLIGHTS



KEY STATISTICS

20

PhotonAssay™ units

deployed: 10 during the year and a further one successfully deployed in the first Quarter of FY24, bringing the Group's deployed unit base to 21

49

PhotonAssay™ units

deployed or contractually-committed

+10%

Prospectus forecast EBITDA
exceeded by 10%

3.3m

More than
3.3 million samples
processed during the year



AS AT 30 JUNE 2023

INCOME

99%



\$28.4m up 99% from FY22

EBITDA

70%



\$3.5m up 70% from FY22

OPERATING CASH FLOW

231%

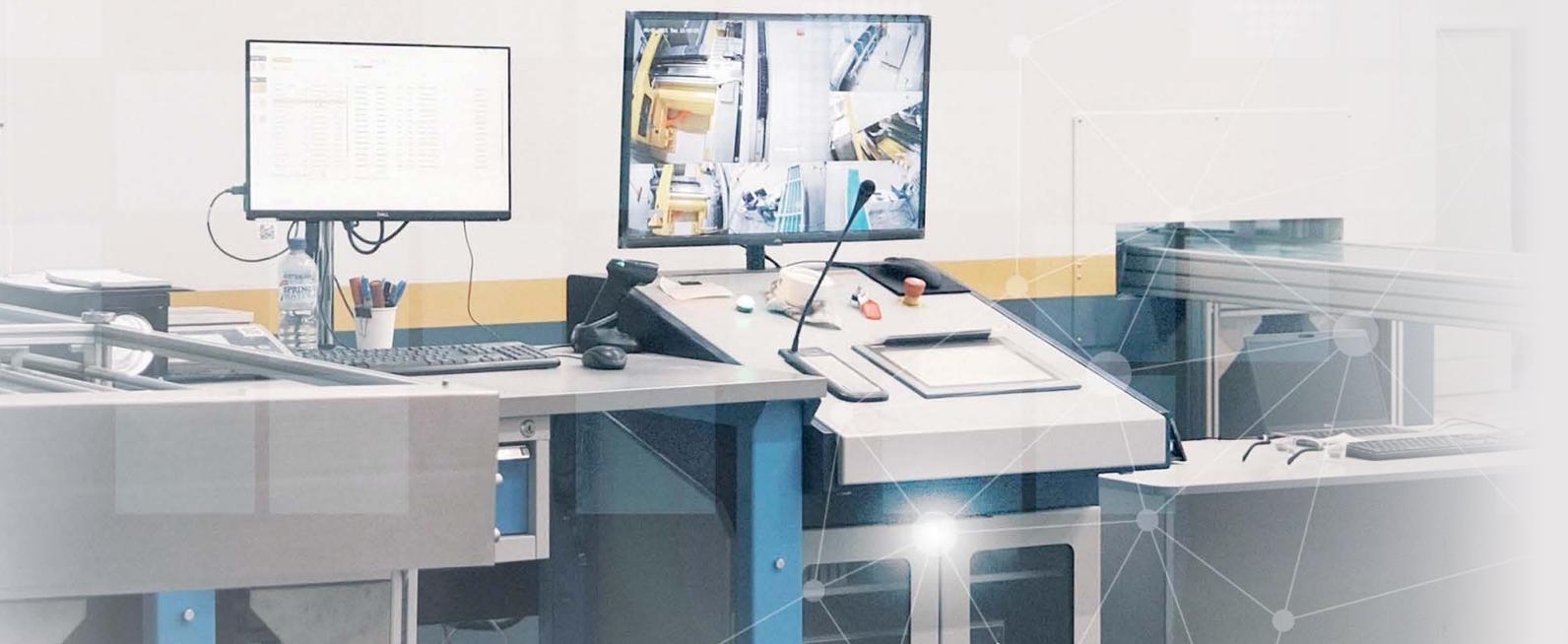


\$4.7m up 231% from FY22

Continued expansion across key global mining hubs, with **three PhotonAssay™ units deployed in Canada** and a further six units deployed across **five African nations**.



CHRYSO
PhotonAssay™
Faster, more accurate gold analysis



FY23 BUSINESS OVERVIEW

GROWTH

Operations continued to expand globally throughout the year. Our ongoing focus on mine site installations and the further development of our relationships with major laboratories has seen PhotonAssay™ deployments expand significantly across major mining hubs in Australia, North America and Africa.

SAFETY

Zero reportable safety incidents.

PRODUCT DEVELOPMENT

Enhanced proficiency across silver, copper and moisture analysis commercial offerings.

CAPABILITY

Continued strengthening of the Board and global leadership team.



ROB ADAMSON
CHAIR, CHRYSOS CORPORATION

CHAIR'S LETTER

Chrysos continues to establish its market leadership position; revolutionising assaying which is a core, non-discretionary requirement in the global gold industry.

DEAR FELLOW SHAREHOLDERS,

I am pleased to present Chrysos Corporation Limited's (Chrysos') Annual Report for financial year 2023, marking our first full year as a listed company and our seventh Report since the inception of our business in 2016.

FULFILLING OUR COMMITMENT TO INVESTORS

As in our previous Reports, we gratefully acknowledge the support and encouragement of our shareholders. This is an opportune moment to express our heartfelt thanks to everyone for their continuing backing as we progress and grow as a listed entity.

In line with our 2022 Prospectus, Chrysos has invested significant effort in forward-planning, meticulously identifying risk factors such as geopolitical uncertainty and economic fluctuations. Commensurate with this, our focus has been directed towards devising effective mitigation strategies. This risk-conscious approach is ingrained in Chrysos' DNA, propelling us towards the successful execution of our business plan.

Cash flow positive at operational level, generating

\$4.7m

in operating free cash flow

As Chrysos navigates the global business landscape, we continue to forge ahead with the deployment and commissioning of PhotonAssay™ units, fulfilling our Prospectus forecast and meeting the growing demand for PhotonAssay™ around the world. This pivotal year forms the bedrock upon which we will continue delivering tangible value to our customers and the broader stakeholder community.

WORLD-LEADING DISRUPTIVE TECHNOLOGY THAT REDUCES MINING'S ENVIRONMENTAL IMPACT

Chrysos is a fast growing Australian-based provider of assay services to the global mining industry. These services are provided via our proprietary PhotonAssay™ technology, which was originally conceived at Australia's National Science Agency, CSIRO which remains a significant shareholder in the Company and is a continuing supporter of our innovative approach to minerals analysis.

Chrysos is set to continue growing through new sales, accelerated deployment of previously-contracted PhotonAssay™ units, and strong unit utilisation.

Protected by global Intellectual Property (IP) rights, PhotonAssay™ combines science and software to deliver faster, safer, more accurate and environmentally-friendly analysis of gold, silver, copper and other elements.

A highly-disruptive technology with proven economic, environmental and safety benefits for mining and exploration companies as well as minerals analysis laboratories, PhotonAssay™ displaces the centuries-old fire assay method which is time consuming, labour intensive, and involves dangerously high temperatures and hazardous consumables that are harmful to both operators and the environment. In contrast, PhotonAssay™ offers reduced CO2 emissions per sample processed, with less hazardous waste and consumables, along with improved occupational health and safety outcomes. Importantly for mining companies, PhotonAssay's improved mineral assay data also leads to enhanced process recovery and more efficient use of key inputs in the production of targeted minerals.

AN ATTRACTIVE BUSINESS MODEL WITH STRONG MARKET DEMAND

Chrysos continues to establish its market leadership position; revolutionising assaying which is a core, non-discretionary requirement in the global gold industry. Assaying is used by companies throughout the mining value chain, from exploration through to new mine development and production. During times of high gold prices, assaying is in high demand from explorers seeking new reserves. Conversely, assaying remains a vital tool to the industry through the down cycle, as producers focus on the most economical mines and reserves.

In tune with the cyclical nature of the sector, Chrysos' Product-as-a-Service (PaaS) business model generates revenue largely from operating lease agreements. Three of the world's four biggest analytical laboratories, most of the largest global miners, and some of the fastest growing and disruptive geochemistry laboratories are included as customers.

At the completion of the financial year, Chrysos had a total of 49 PhotonAssay™ units either deployed or contractually committed to customers around the globe.

Chrysos' financial performance during the year was strong; the business achieved its Prospectus revenue forecast, and with steady growth surpassed its EBITDA forecast. The business remains operationally cash flow positive with \$4.7m in operating free cashflow, and ending the year with \$53.4m in cash and \$21.5m in undrawn bank facilities.

Chrysos reported revenue of \$26.8m, and delivered \$3.5m in EBITDA in FY23, compared with revenue of \$14.2m and an EBITDA profit of \$2.1m in FY22. This represents a 89% year-on-year increase in revenue, and a 70% increase in EBITDA.

It is pleasing to have achieved these results in an environment where some sections of the industry occasionally experienced fluctuating sample volumes. However, conversely, we also note that it is precisely PhotonAssay's key value propositions in efficiency, effectiveness and the environment,

that position the technology as the preferred analysis process across all market contexts.

It would be remiss of the Company to ignore the broader macro-economic uncertainties and inflationary environments that exist currently. However, Chrysos has the security of long-term renewable customer contracts which are typically five years, with an option for a further five years, and which deliver annuity style earnings to the business. In addition, the Company has strong existing relationships and long-term contracts with its key manufacturers; continuing to provide cost assurance in the short term and certainty around unit deployment schedules going forward.

With our efficient and market-appropriate business model, strong operational cash flow, material cash holdings and undrawn debt facilities, Chrysos is well positioned to continue executing its business plan. The results achieved for FY23 demonstrate the Company's ability to deliver efficient market penetration through technological leadership, supply chain security, IP protection, human resource flexibility, and superior customer service.

STRONG AND SUSTAINABLE GROWTH

Chrysos is committed to building and delivering faster, safer, more accurate and environmentally-friendly analysis of gold, silver, copper and other elements. Our PhotonAssay™ technology is rapidly displacing slower, more hazardous and costly processes to become the mining industry's most innovative and valuable assaying solution.

The provision of this enhanced analysis allows our customers to greatly improve their processes and outcomes, while at the same time reduce the environmental footprint of their operations.

Ultimately, our identifiable and achievable objective is to leverage measurable and profitable activities to capture a material share of the global assay market, and in doing so, become a leading mining technology solution provider.

CHAIR'S LETTER

CONTINUED

BOARD EVOLUTION

In alignment with our global growth initiatives, our Board continues to evolve, and I was delighted to welcome Greg Holt as a Non-Executive Director on 14th June 2023, bringing invaluable expertise to our international expansion plans, particularly across the Americas.

MMAP annuity style revenue from long-term PhotonAssay™ contracts grew 102% to

\$21.3m

THANK YOU

On behalf of the Board, and to the whole Chrysos team which continues to deliver significant growth in the business through new sales, accelerating unit deployments, and the delivery of tangible value to the market, I pass on our thanks. Reflecting the three foundational pillars that the business was built upon: respect, empathy and integrity, the entire team reinforced the company's reputation as a highly-respected technology innovator across the global mining industry.

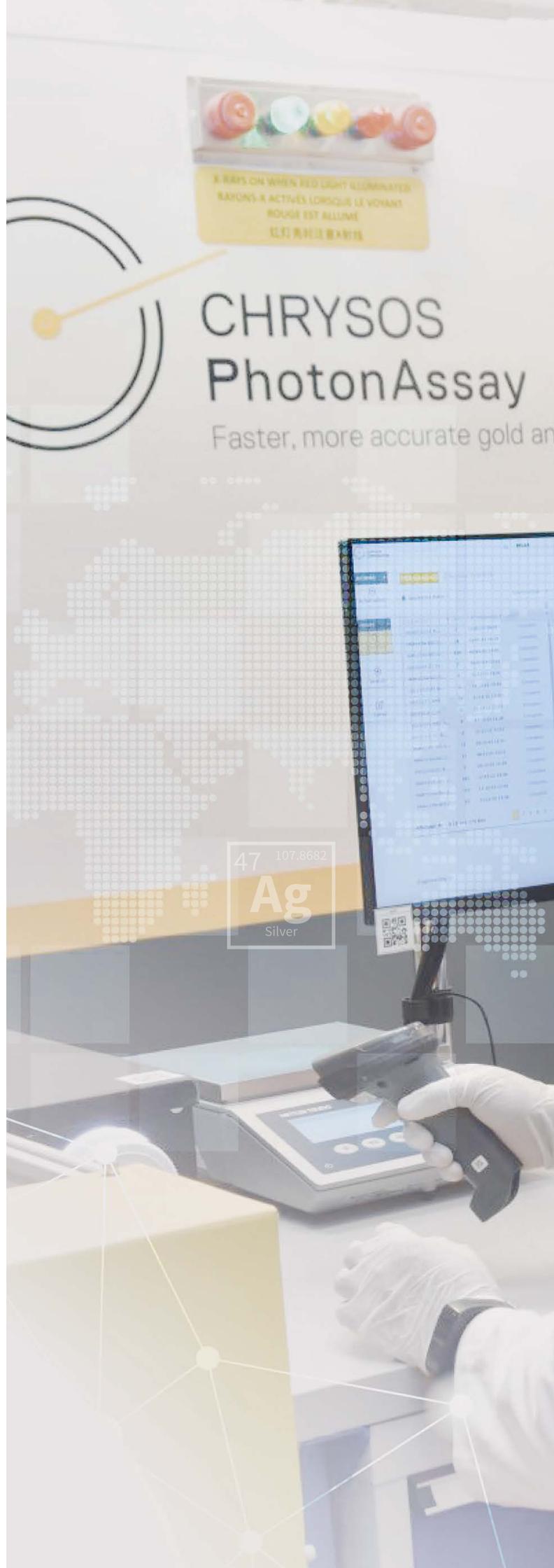
To all our shareholders, we look forward to continuing the progress made this year and reporting further success from our international unit deployments, impressive utilisation rates, and the associated revenue that derives from the growing global demand for our game-changing technology.

Thank you again for your ongoing support.

Yours sincerely,

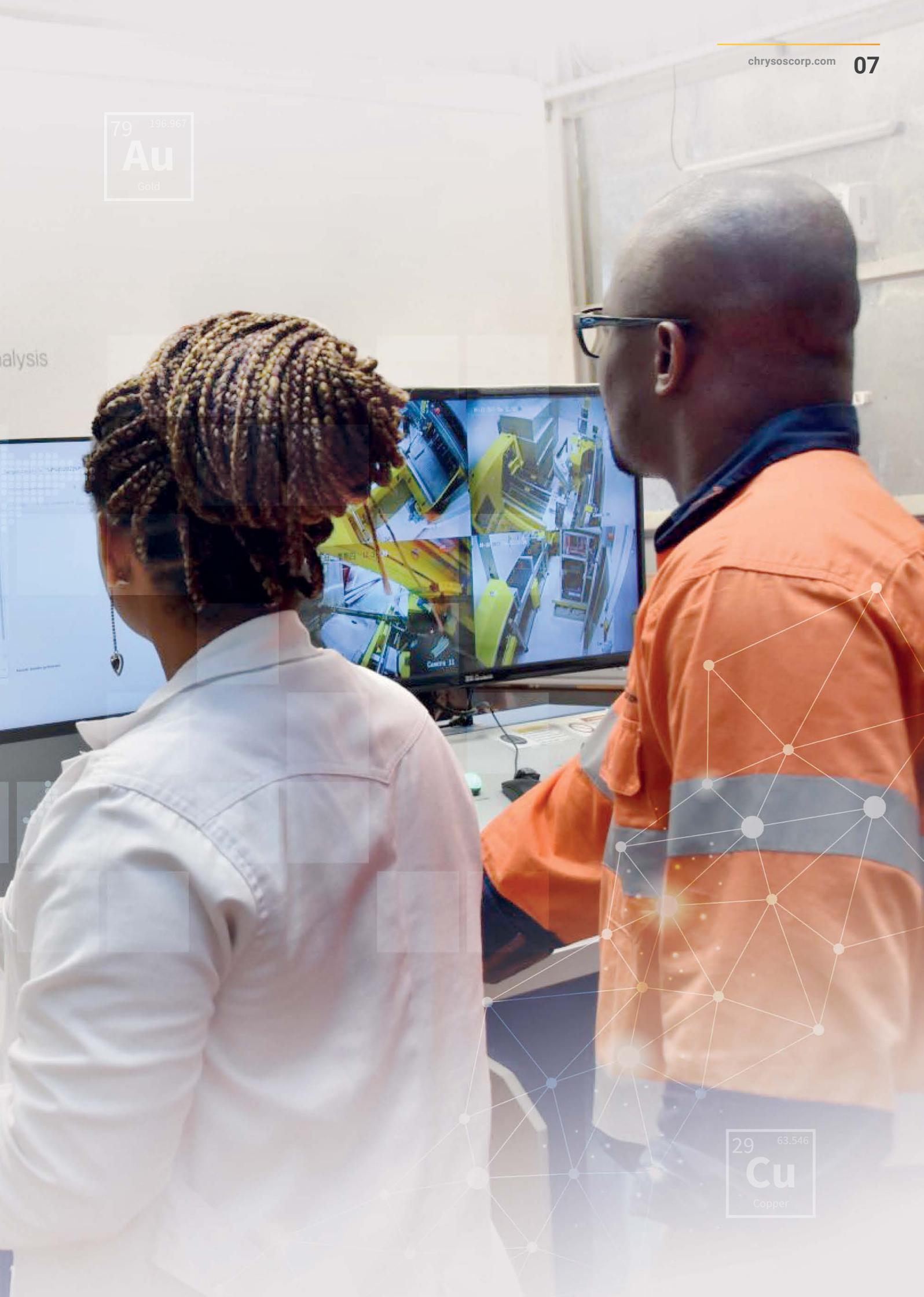


Rob Adamson
Chair, Chrysos Corporation





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DIRK TREASURE
MANAGING DIRECTOR AND CHIEF EXECUTIVE
OFFICER, CHRYSOS CORPORATION

MANAGING DIRECTOR AND CEO REPORT AND REVIEW OF OPERATIONS

Our international customer base continues to expand and grow, with current commitments now extending into 2025.

DEAR FELLOW SHAREHOLDERS,

Once again it has been an exciting and productive year for Chrysos commercially, operationally and from a corporate perspective as well. The Company has gone from strength to strength, with PhotonAssay™ sales and customer sample volumes building strongly.

Listing on the Australian Securities Exchange (ASX) in May 2022 provided us with new capital to pursue our strategic plans and bolster our growing profile across the mining industry. With a global platform established, we continued to enhance the profile of our PhotonAssay™ technology through the period, deploying into several new countries, including Ghana, Cote d'Ivoire and the Democratic Republic of the Congo. We now have strong representation across three continents and are looking to consolidate our operations in these key regions with a focus on increasing unit profitability.

BROADENING CUSTOMER BASE

Our international customer base continues to expand and grow, with current commitments now extending into 2025. Chrysos' model to date has been akin to onboarding channel partners, where we have had substantial laboratory businesses committing to multiple units. Subsequently, we have moved to firm up deployment locations with mining companies which are the actual end users of PhotonAssay™ technology. This has led to commercial units being typically deployed with commitments from at least one baseload customer, reducing potential operational risks for both Chrysos and our laboratory partners. As we continue to develop our standing within the mining industry, we are seeing increased interest directly from miners, highlighted by our deployment to the Ravenswood Gold operation in Queensland. We are also experiencing the evolution of our laboratory partnerships, illustrated best by our developing relationship with Barrick Gold which, following the success of a MSALABS-operated PhotonAssay™ unit at its Bulyanhulu mine in Tanzania, has installed another unit operated by MSALABS at its Kibali operation in the Democratic Republic of the Congo (DRC).

As the Company's footprint continues to expand internationally, we have refined our sales and marketing functions with the introduction of a Chief Marketing Officer, Vivianne Arnold. Vivianne has substantial technology marketing experience, including as a Worldwide Director of Marketing for Microsoft, and her broad expertise complements our mining-focused technical sales approach. A significant part of this initiative is to align our customer-focused innovation with the further development of our market value proposition, and to amplify the message that PhotonAssay™ is much greater than a like-for-like fire assay replacement. The evolution of our team also includes the integration of Technical Services personnel into the wider Sales and Marketing department, with the goal of leveraging Sales and Marketing activities across our global operations more efficiently.

49 PhotonAssay™ units

deployed or contractually committed in total, including 10 units deployed during FY23

STRONG CONTRACTED SALES AND A STRATEGIC VIEW

At present, Chrysos has 49 PhotonAssay™ units under committed lease agreements, with 21 of these units currently deployed. Significantly, the business has three major global laboratories as clients, with two of these already partnering with us to deploy PhotonAssay™ units in new or second regions. Excitingly, we also work with fast-growing and disruptive laboratory partners such as MSALABS, which has seen us broaden our footprint across Canadian and African mining regions as we focus on driving end-user uptake of the technology. MSALABS'

business model of deploying near to miners while retaining the ability to process samples externally, provides substantial revenue upside opportunity for both Chrysos and MSALABS.

Revenue of

\$26.8m

89% growth on last year

Chrysos takes a strategic approach to sales that directly enhance and grow miner adoption of PhotonAssay™. The 2023 Financial Year has seen the expansion of our relationship with ALS into North America, the development of our relationship with Intertek in Africa, and the ongoing evolution of our relationship with MSALABS, which is frontrunning most of our target deployment countries around the world. MSALABS' deployment success and operational capability has seen substantial PhotonAssay™ volumes being processed. Specific accomplishments in their operations at Bulyanhulu for Barrick have energised expansion of that relationship to cover the previously mentioned Kibali Gold Mine in the DRC. The adoption of PhotonAssay™ by large mining companies and global laboratories acts as a flywheel for further market adoption of the technology.

Chrysos' contracts with laboratory customers continue to be structured to provide improved profitability where laboratories run PhotonAssay™ preferentially to fire assay. In an inflationary environment, where fire assay costs are almost entirely exposed to inflation (being predominantly made up of labour, consumables and energy), we expect to see fire assay costs continue to increase over time. Strategically, a base of PhotonAssay™ units with major laboratories around the world supports our growing business, however the company

retains a commitment to adoption by miners directly, ideally with near-mine deployments. Accordingly, we maintain a relentless focus on unit reliability (already over 90% on average), deeper integration into mining operations, and operating with the highest precision and accuracy achievable, even when our technology already surpasses other available processes.

Chrysos' business model is underpinned by forecastable monthly revenue streams due for each deployed unit from major laboratory companies and miners around the world. An ongoing increase in Minimum Monthly Assay Payments (MMA) is forecast in line with the deployment of additional units throughout the year. In addition to MMA, Chrysos has access to Additional Assay Charges (AAC) when customers run samples in excess of their minimum commitments. Additional assays are somewhat dependent on macro-economic factors including the price of gold and the global exploration spend. While these factors currently indicate a steady demand for gold assays, estimating their translation into PhotonAssay™ sample volumes is difficult to perform with precision and leads naturally to breadth in our revenue forecast. The company has provided a revenue range for FY24 of \$48m to \$58m which is a 98% uplift on FY23 at the mid-point. This is well supported by the company's historic revenue growth, which has averaged over 150% over the past 4 years.

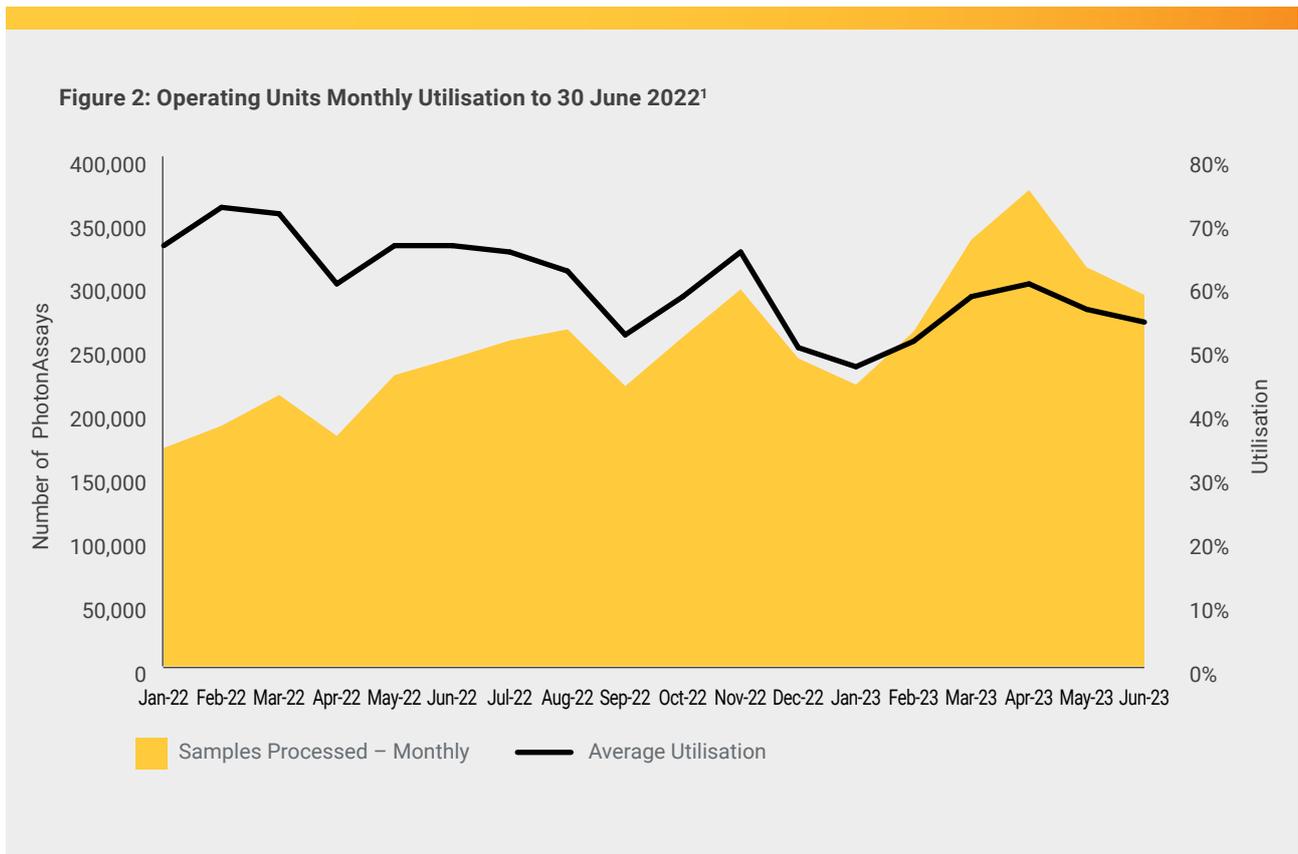
DEPLOYED UNIT BASE

During the 2023 Financial Year, deployed PhotonAssay™ units processed more than 3.3 million samples, reflecting a 71% increase compared to FY22 and taking the total number of samples processed past 6.5 million. The number of samples processed throughout each Quarter during the year also grew. Across our deployed units, average utilisation remained elevated at 56%, which is above the Prospectus forecast of 55%. Utilisation rates appear to have stabilised, and we expect similar utilisation rates for FY23.

MANAGING DIRECTOR AND CEO REPORT
AND REVIEW OF OPERATIONS

CONTINUED

Average Unit Utilisation & Samples Processed



More than

3.3m

samples processed, reflecting
56% utilisation for FY23

ChrysoS installed 10 PhotonAssay™ units during the period, doubling the total existing deployed unit base globally. We have increased our manufacturing and deployment capacity and have entered FY24 with the ability to add an additional 18 operating units to the fleet during the year. Accordingly, we have forecast that the company will have at least 38 PhotonAssay™ units installed by the end of FY24. These deployments are increasingly across regions where ChrysoS already has a presence, allowing the business to leverage existing assets and team members. Notably, ChrysoS plans to enter South America as a new region during the upcoming Financial Year.



1. Monthly utilisation rate calculated including only units deployed from the start of the month, with units operating below minimum committed assay included at minimum committed volumes, this commitment and additional assays processed, divided by total unit availability represents the average utilisation.

Chrysos Around The World



GLOBAL GROWTH

FY23 saw significant expansion of Chrysos' geographic footprint, with expansion across three continents. We have established regional offices in each of our key target markets with East Africa supported by Tanzania, West Africa by Cote d'Ivoire and North America supported by an office in Vancouver.

Our strategy to cluster units continues to evolve and co-located units are resulting in decreased unitised operating costs. With over half of the upcoming year's unit installations forecast for deployment into existing regions, we expect to see further improvements in unitised operating costs.

EBITDA

\$3.5m

70% growth on last year

The business is forecasting FY24 growth in EBITDA to land between \$7m to \$17m, which is a substantial uplift in EBITDA conversion compared to previous years. Chrysos' costs are largely dependent on deployments and future growth, and are only marginally related to the volume of samples processed by PhotonAssay™ units. For example, a PhotonAssay™ unit that is running at 70% capacity is only marginally more expensive for Chrysos to support than a unit operating at 50% capacity. Accordingly, the large range for the FY24 EBITDA forecast correlates to the revenue range summarised previously.

MANAGING DIRECTOR AND CEO REPORT AND REVIEW OF OPERATIONS

CONTINUED

In addition to clustering units where possible, Chrysos continues to drive performance improvements to influence unit availability and ensure that our equipment is available for use whenever our customers require. This year saw an availability of 91%, compared to 95% in the previous Financial Year.

\$74.9m

Funding available for growth, with cash of \$53.4m and undrawn debt of \$21.5m.

In terms of personnel, our worldwide team has grown from 55 to 116 in an evolving global employment marketplace, which includes new regions where we have built our employer brand. It is exciting to confirm that our hiring ability remains strong, and coupled with excellent staff retention (our annual turnover rate* for FY23 was 10% compared to an industry average of 14.5%), we continue to build out our global growth initiatives. Chrysos is also pleased to confirm, using the WGEA methodology, that our pay equity is 16.8% versus the Australia wide gender pay gap of 22.8% and is forecast to improve further in the coming year.

DEVELOPMENT

Chrysos' development team continues to enhance the quality of PhotonAssay™ analysis within gold, silver and copper, and we have firmly established ourselves as a high-quality analytical method for each of these elements. We are also focused on improving the efficiency of our quality control and support functions to ensure that our development teams

can continue evolving, rather than simply sustaining, our ever-growing number of units. Accordingly, our development functions have split into two during the year, with a set of teams focused on continuous development of day-to-day PhotonAssay™ and another devoted to future opportunities such as application expansion into adjacent markets and step-change possibilities within PhotonAssay™ itself. The business also maintains an eye to opportunities outside of PhotonAssay™ as the product is reaching an improved state of maturity.

THE YEAR AHEAD

Chrysos' positive operational cash flow, strong cash balance and increased debt facility, all provide the company with a stable platform from which to continue to grow through FY24 and beyond.

We are closing off another significant year in the evolution of Chrysos, one which includes the achievement of some substantial growth goals laid out in the company's Prospectus in early 2022. I would like to express my sincere thanks to the whole Chrysos team which has grown substantially and performed fantastically during a complicated macro-economic period. I remain proud and grateful for everyone's contribution and look forward to working with the team in achieving our next set of goals.

Yours sincerely,



Dirk Treasure

Managing Director and Chief Executive Officer, Chrysos Corporation

* Turnover is based on voluntary attrition





OPERATIONAL OVERVIEW



**6.5 MILLION CHRYSOS
PHOTONASSAY™ SAMPLES**



**3,200+ TONNES REDUCED
CO₂ EMISSIONS**



**2,100+ TONNES HAZARDOUS
WASTE REDUCTION**

ENVIRONMENTAL, SAFETY, SOCIAL AND CORPORATE GOVERNANCE (ESSG)

Chrysos' environmental, safety, social and corporate governance principles reflect its core values of respecting stakeholders, listening to, and empathising with the communities in which those stakeholders exist, and operating with integrity and consistency at all times.

Chrysos believes commitment to ESSG principles is fundamental to strong growth and successful expansion across the globe. Accordingly, Chrysos seeks to partner with companies that not only share its principles, but also demonstrate a history of strict legal compliance, local community engagement and sustainability practices.

Our people are of vital importance to our business and the culture they work within is fundamental to creating a safe and inclusive workplace.

As we continue our global journey, opportunities exist for our Australian-based team members to move overseas and to learn from, and expand our culture into, these new regions. We also commit to employment of local employees across the regions and ongoing investment in their development and wellbeing. This engagement with local communities not only enhances the business's capabilities, but also expands its cultural awareness and appreciation.

Chrysos strives for cultural and gender diversity and makes employment decisions without bias or prejudice in the context of relevant skills, qualifications and experience. This contributes to building an inclusive global workplace that supports our team's total wellbeing.

Our culture aspires to zero harm, which through systematic and active management of risk becomes an achievable goal. During the period ended 30 June 2023 we achieved a Total Recordable Injury Frequency Rate (TRIFR) of Zero, reflecting a strong focus on the safety and wellbeing of our employees and PhotonAssay™ users. This continues on from the Zero result in FY22 and continues to be an important cornerstone for Chrysos.

To support the health and wellbeing of our employees, we offer an Employee Assistance Program (EAP) provided by LifeWorks. This free and confidential service supports all employees and their immediate families to identify, explore and manage any issues impacting their lives. Importantly for Chrysos with its increasing Africa presence, LifeWorks is able to provide this service in French and Swahili.

Chrysos conducts business in a manner that is ethical, values-driven and in compliance with the laws of all countries in which it operates. We maintain strong governance systems to avert bribery and corruption, use performance management for complete and consistent compliance with applicable laws, and leverage training to help employees recognise and avoid potential bribery and corruption scenarios. In creating a culture that operates in this manner, we also provide access to confidential whistleblower services to ensure

any matters that arise are treated respectfully and in confidence.

These principles drive important discussions across the Chrysos employee cohort and provide for the following internal Values:

- Safety is not negotiable;
- We work as one united team;
- Partner for values-driven growth; and
- Innovation with empathy and impact.

In arriving at these calls to action, input came from across the global team to reflect our commitment to the underlying pillars outlined in our Committee Charter.

Following on from last year, Chrysos has commenced its own sustainability journey by continuing to understand Scope 1 and Scope 2 impacts as more clarity emerges on the reporting of these positions. We are justifiably proud in acknowledging that every sample processed by PhotonAssay™ results in fewer CO₂ emissions, reduced hazardous waste, and safer working environments for our customers and team members across the globe. Similarly, we are pleased with how these outcomes drive positive Scope 3 discussions and reporting opportunities for both us, and our stakeholders around the world.

DIVERSITY

Chrysos seeks to improve gender balance across the organisation. The business is setting aspirational goals and is developing consistent initiatives spanning the entire career lifecycle – from recruitment and promotion, through to succession processes.

This commitment to diversity sees the company with more than 20 cultures represented globally. Furthermore, during the period, the growth rate of female representation in Chrysos' workforce outstripped the growth rate of the total Chrysos workforce by 11%.

The Executive continues to work closely with the Board and its Committees to develop diversity objectives across an array of factors to increase representation throughout the business. These objectives will form part of an ongoing discussion and reporting mechanism to track progress.

DEPLOYMENTS AS AT THE END OF FY23

INTERNATIONAL

Canada

3

Units in operation

Ghana

1

Unit in operation

Tanzania

1

Unit in operation

DRC

1

Unit in operation

Cote d'Ivoire

1

Unit in operation

Mali

1

Unit in operation

AUSTRALIA

Western Australia

10

Units in operation

Queensland

1

Unit in operation

Victoria

1

Unit in operation

PHOTONASSAY™ AT WORK

- Deployed or currently installing
- Regions with PhotonAssay™ enquiries
- Offices and manufacturing



GOVERNANCE AND RISK

The Chrysos Board of Directors is committed to achieving the highest standards of corporate governance and business conduct, and fostering a culture which values our foundational pillars of respect, empathy and integrity. We believe this is essential for the long-term performance and sustainability of the business, whilst at the same time protecting and enhancing the interests of all our stakeholders.

Chrysos' Governance Framework provides the structure for setting the Group's business objectives, performance monitoring and risk management. It supports decision-making throughout the business and provides guidance on the standards of behaviour expected of our people across the organisation.

EMERGING RISKS

Economic, technological, socio-political, regulatory and environmental concerns are changing the risk landscape for many organisations. This complex situation highlights the importance of comprehensive risk management, including the detection, investigation and mitigation of emerging risks.

To best manage the level of inherent uncertainty posed by emerging risks, Chrysos proactively analyses the potential impact of these risks on our strategic and tactical objectives so we can react and respond effectively. Some emerging risk themes considered by Chrysos are described here.

COUNTERPARTY RISK

The Group faces various risks associated with engaging its various counterparties. These include non-performance by the counterparty (e.g. technical or financial performance), concentration risk around the particular counterparty (e.g. exposure to individual customers, services or risks), reputational risk, inability to manage a particular relationship that may lead to contractual or other disputes or losses, impact on the Group's relationship with other customers or third parties, or where the counterparty may experience financial or other difficulties which may affect that party's ability to perform its obligations to Chrysos. In addition, the Group operates in some jurisdictions which are at a higher risk of geopolitical unrest, bribery and corruption, modern slavery and crime.

COMPETITOR ACTIVITY AND ACCELERATING MINING TECHNOLOGY EVOLUTION

While barriers to entry in the field in which the Group operates are high, it is still possible that competitors may develop products that offer an alternative to, or substitute for, Chrysos' technology solutions. Additionally, the mining technology segment continues to evolve and receive increased attention. The Group's focus is to stay ahead of technological advancement in the mining industry and to remain responsive to the technological expectations and needs of clients. An increase in competition could have a materially adverse impact on the Group's revenue, margins and profitability.

INFLATION

Inflationary pressure is increasing across all markets the Group operates in, and is an emerging risk.

While uncertainty exists, the Group utilises, where possible, long-term purchase contracts with fixed pricing, and includes contractual obligations with customers to include, at minimum, some level of annual inflation adjustment.

CYBER RISK

The business faces various risks, through the potential harm or negative impact posed by cyber threats and attack. This encompasses the possibility of data breaches, ransomware, hacking, and other cyber incidents that can result in financial losses, reputational damage, privacy breaches, and disruptions to critical infrastructure. Managing cyber risk involves proactive measures, robust cybersecurity practices, and continual vigilance to safeguard against evolving threats in the digital age, and while protective measures are budgeted, these may exceed expectations and in the event of cyber incidents reparatory costs may impact profitability.

RISK OF CONFLICT

Chrysos operates in countries adjacent to or where conflicts may occur between nations or other entities, encompassing the possibility of diplomatic breakdowns, territorial disputes, ideological conflicts, and resource competition that may escalate into armed

confrontations. This means Chrysos' ability to control and operate its assets in these territories may be impacted, which may, in turn, lead to impacts on profitability and loss of assets.

ENVIRONMENT

Changing environmental dynamics may present direct operational risks and impede, more broadly, Chrysos' growth and deployment goals. From a general market perspective, sustainability and other Environmental, Social and Governance (ESG) factors may impact the development and operation of new and existing mines which may, in turn, impact the Group's Total Addressable Market (TAM).

However, within this context, Chrysos' environmentally-friendly technology replaces a harmful and dangerous process and presents an attractive value proposition to the global mining industry.

RISK MANAGEMENT APPROACH

The risks identified above describe factors and trends that have the potential to impact the Group's operations either materially or adversely. These factors and associated risks are not listed in order of importance and the list is not intended to be an exhaustive inventory. Additional risks and uncertainties not presently known to management, or that management considers to be currently immaterial or manageable, may also affect Chrysos' business activities negatively.

However, the Group's execution of its global expansion plans, and its ongoing assessment of evolving operational contexts, is not only aligned with the ASX Principles and Recommendations but has provided the business with a foundation of resilience from which to endure these potential challenges and achieve its identified growth goals.

In particular, the Group's focus on delivering PhotonAssay™ to key mining hubs across the world means that its geographically diverse operations, and the overall value that flows from them, is not impacted materially by localised events – environmental or otherwise.

Organisational Structure Map And Lines Of Responsibility



BUSINESS RISKS

Cyber Incidents

THREATS

Cyber risk encompasses the possibility of data breaches, ransomware, hacking, and other cyber incidents that can result in financial losses, reputational damage, privacy breaches, and disruptions to critical infrastructure. Protective measures may exceed expectations and in the event of cyber incidents reparatory costs may impact profitability.

OPPORTUNITIES

Organisational learnings can results in improved cybersecurity measures, enhancing incident response capabilities and building trust and transparency, A cyber incident may promote collaboration and information sharing, improve employee awareness, and may even create a competitive advantage for companies with robust security practices.

MANAGEMENT RESPONSE

The business promotes a culture of security awareness and continuous improvement. As on ongoing business risk, cybersecurity is integrated into the organisation's overall risk management process, rather than siloed within the IT functional area. Chryso actively engages with cybersecurity experts and professionals to stay informed about the latest threats, best practices, and regulatory requirements. Regular communication and collaboration with these experts enables the business to make informed decisions regarding cybersecurity.

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Operational interruptions

GOVERNANCE AND RISK

CONTINUED

BUSINESS RISKS**Failure to develop and commercialise its Intellectual Property (IP)****THREATS**

The Group's inability to continue to build and enhance its IP, could lead to a loss of opportunities and adversely impact the market positions of Chrysos and PhotonAssay™ on a global basis. Third-parties may emerge developing superior technology, or technology with greater commercial appeal, in the field in which the Group operates which, in turn, may harm the future prospects of the Group.

OPPORTUNITIES

Chrysos continues to enhance, develop and build its IP and the team associated with delivering this IP. Continued improvements to the technology, expansion of the range of materials and elements that can be assayed and

careful IP management create a greater competitive moat around PhotonAssay™.

MANAGEMENT RESPONSE

Chrysos continues to develop and plan a robust IP Roadmap and continues to silo the development team away from operational activity, allowing this team to focus on expediting new IP. This team is further supported by a product team, that facilitates the ongoing enhancement of developed IP.

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Operational interruptions

Suppliers may become unable or unwilling to do business with Chrysos**THREATS**

Given the advanced technical nature of some of the key components required for the PhotonAssay™ units, it may be difficult to procure alternative suppliers. If Chrysos is unable to source alternative suppliers within a reasonable timeframe and on reasonable terms, this may cause disruptions to Chrysos' business.

OPPORTUNITIES

Chrysos' product team continues to work with the Group's trusted suppliers, to improve quality and availability of key components, to actively identify secondary supply sources

where possible, and is actively engaged in achieving efficiencies from Chrysos' growing fleet of deployed units.

MANAGEMENT RESPONSE

Chrysos continues to work actively with these long standing suppliers to manage supply chain risk and maximise the various benefits of having an efficient supply chain.

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Operational interruptions
- Growth constraints

Inability to maintain continuous operation of its technology platforms, servers and hosting services**THREATS**

Systems may be affected adversely by various factors such as damaged, faulty or ageing equipment, power surges or failures, computer viruses, disruptions, damage or shutdowns as a result of failures during the process of upgrading or replacing software, or misuse and/or errors by staff or contractors. Other factors such as hacking, denial of service attacks, or natural disasters may also affect these systems adversely and cause them to become unavailable.

OPPORTUNITIES

Effective cyber security and data engagement practices give our clients confidence in our service delivery, whilst also building organisational resilience.

MANAGEMENT RESPONSE

The Group continues to invest in people, processes and technology to protect its information systems and assets. This includes:

- Information and security management systems
- Segregation and segmentation of networks
- Anti-malware/endpoint detection and response software
- Multi-factor authentication
- Security education, external testing and awareness materials

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Growth constraints
- Operational interruptions

Fraud, bribery and corruption

<p>THREATS</p> <p>The Group is exposed to fraud, bribery and corruption risk in some jurisdictions which could result in fines, reputation impacts and the loss of growth opportunities.</p> <p>OPPORTUNITIES</p> <p>By aligning processes for reducing and mitigating the impact of integrity risks, the Group can strengthen its broader compliance culture and, ultimately, build stakeholder confidence in its approach to compliance matters.</p>	<p>MANAGEMENT RESPONSE</p> <p>Our Code of Conduct and induction process sets out the standards of behaviour expected of our Directors, employees, consultants, contractors and suppliers, and is supplemented by the following:</p> <ul style="list-style-type: none"> - Anti Bribery and Corruption Policy - Securities Trading Policy - Whistleblowing Policy <p>POTENTIAL IMPACTS</p> <ul style="list-style-type: none"> - Compliance - Group reputation - Financial performance - Growth constraints
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Health or Safety incidents

<p>THREATS</p> <p>It is possible that the Group may experience accidents, serious injuries, illnesses or fatalities.</p> <p>OPPORTUNITIES</p> <p>Continuing to maintain a zero-harm philosophy.</p> <p>MANAGEMENT RESPONSE</p> <p>The Group has established HSE management systems consistent with international standards to manage health and safety risks. Key aspects include:</p> <ul style="list-style-type: none"> - Provision of appropriate training, supervision and resources - Critical Risk Standards and verification processes provide the framework for managing serious injury and fatality risk 	<ul style="list-style-type: none"> - Active engagement in safety across the organisation through our HSC (Health and Safety Committee) and SLC (Safety Leadership Committee) - Leadership training and development to support a mature culture which includes specific programs in relation to safety - Monitoring and adjustment of operations to the impact of known or emerging illnesses (e.g. Covid19) that impact the Group's people and communities in which the Group operates. - Regular review and audit of our HSE processes and controls - Monitoring of periodic HSE reporting and Significant Potential Incidents (SPI) at Group level <p>POTENTIAL IMPACTS</p> <ul style="list-style-type: none"> - Health and safety of our people - Compliance - Group reputation
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Market entry costs and revenue

<p>THREATS</p> <p>Chryso may not be able to retain or continue to grow its revenues in the jurisdictions it has entered or is planning to enter. There is a risk that expanding into these new jurisdictions may result in unforeseen costs, failure to achieve any revenue or to achieve the intended outcomes.</p> <p>OPPORTUNITIES</p> <p>Potential to continue performing profitable work and maintaining quality projects underpinned by robust financial and commercial disciplines to enable organic growth objectives.</p> <p>MANAGEMENT RESPONSE</p> <p>The Group has a strong record of deploying and operating PhotonAssay™. This is reflective of an experienced team,</p>	<p>and detailed planning for each deployment months in advance of an installation commencing.</p> <p>The Group is selective in the contracts that it enters to allow for options to extend where possible, and to maximise the contract period and the return on capital.</p> <p>Chryso focuses on executing work to a high standard and improving its operations and offerings to increase its value proposition to clients.</p> <p>The Group maintains a client portfolio diversified by geography, market, activity and end-customer to mitigate the impact of emerging trends and market volatility.</p> <p>POTENTIAL IMPACTS</p> <ul style="list-style-type: none"> - Group reputation - Financial performance - Growth constraints
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DIRECTORS' REPORT

The Directors present their report, together with the consolidated financial statements, of the Group comprising of Chrysos Corporation Limited (referred to hereafter as the 'Group' or 'Chrysos') and its subsidiaries for the year ended 30 June 2023.

DIRECTORS

The following persons were Directors of Chrysos Corporation Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Eric Ford
- Ivan Gustavo Mellado
- Robert Henry Richard Adamson
- Robert Brett Boynton
- Kerry Jo-Anne Gleeson
- Dirk Moore Treasure
- Gregory Vincent Holt (appointed 14 June 2023)

PRINCIPAL ACTIVITIES

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

DIVIDENDS

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

REVIEW OF OPERATIONS

The review of operations is set out within the following sections of the Annual Report 2023.

Managing Director and CEO Report and Review of Operations	Pages 08-13
Operational Overview	Page 14
Current Installations	Page 15
Governance and Risk	Pages 16-19

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Chrysos Guinea LLC has been incorporated on 04 August 2023. Chrysos has issued 620,798 performance rights to staff following 30 June 2023, as part of the long-term incentives under the Employee Incentive Plans.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group's growth strategy is finalisation and deployment of machinery currently under construction as at 30 June 2023.

Further information about likely developments in the operations of the Group and the expected results of those operations has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' REPORT continued

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under a law of Commonwealth or State within any of the geographical locations in which the Company operates in.

The Group has established an Environment, Safety, Social and Corporate Governance Committee, to assist and advise the Board on matters relating to the oversight of environment, safety, social and governance matters.

As the reporting requirements around environmental activities and impacts continue to evolve, the Group is preparing and developing a sound understanding of activities, in preparation to meet anticipated disclosure requirements.

In the meantime, management continues to identify, assess and manage climate-related risks and opportunities as part of the regular risk assessments presented to the Directors. Noting the resilience inherent in the Group's globally dispersed business operations.

INFORMATION ON DIRECTORS

Director	Experience and Responsibilities
 <p>Robert Adamson Non-Executive Chair <i>BE (Mechanical) (UWA), BE Hons (Ag)(Melb) MBA (AGSM)</i></p>	<p>Mr Adamson is an experienced Chairman and Director with an extensive 30 year history as a corporate adviser and investor in the resources and related industries sectors. He has taken his deep industry knowledge and commercial nous and combined it with the outstanding technology developed by the CSIRO to co-found Chrysos Corporation.</p> <p>Mr Adamson is Executive Chairman of both RFC Ambrian Group Limited and RFC Ambrian Limited. He is Chairman of Conveyor Manufacturers Australia and NextOre Limited. NextOre is a company owned by RFC Ambrian Group Limited, CSIRO and Advisian, and was formed to advance magnetic resonance ore sorting.</p> <p>Mr Adamson is also Chairman at MRead Limited a drug and explosives detection ESI company with an initial focus on humanitarian de-mining operations, and Hadean Energy Limited another ESI company that is currently commercialising tubular solid oxide electrolysis for the production of hydrogen and syngas.</p>
 <p>Dirk Treasure Managing Director & Chief Executive Officer <i>MComm (Sydney), BSc (Murdoch), MAusIMM, MAICD</i></p>	<p>Mr Treasure has been an active member of the mining industry since 2006. He is a metallurgist with both technical and corporate experience, and a background in mining-related research and development. Mr Treasure spent seven years in novel metallurgical process design, employed by service providers and mining companies directly. He has designed, built, and managed pilot plants across various deployment scales for hydrometallurgical, pyrometallurgical and electrolytic technologies. During his time as Operations Manager of ABR Process Development, he oversaw development of technology from conceptual design to commercial application. His technical experience includes working as the high-pressure acid leach Metallurgist for First Quantum's Ravensthorpe Nickel Operations, project technologist for Metals Finance Australia and Operations Manager for ABR Process Development. He is also a member of AusIMM and AICD. As Chrysos' Founding CEO, Mr Treasure has led the Company since operations began in 2017 and, while working within RFC Ambrian, he oversaw Chrysos' seed capital raising, Company formation and managed the acquisition of the underlying PhotonAssay™ technology from Australia's national science agency, CSIRO. Mr Treasure was appointed to the Board 4 February 2022.</p>

DIRECTORS' REPORT continued

Director

Experience and Responsibilities



Kerry Gleeson
Non-Executive
Director
LLB (Hons), FAICD

Ms Gleeson is an experienced Chair and Non-Executive Director in the mining industry following a 25-year career as a senior executive and as a lawyer in both the UK and Australia. She has significant experience in international governance, strategic mergers and acquisitions, complex corporate finance transactions, as well as risk and crisis management.

In her executive career, Ms Gleeson was a member of the Group Executive at Incitec Pivot Limited for 10 years until 2013, including as Company Secretary and General Counsel, with oversight over the Group's international operations in mining, explosives, chemicals, transport and logistics. Ms Gleeson led Incitec Pivot's Corporate Affairs function across government, media and regulatory affairs as well as leading international crises responses and major environmental remediation projects, and the Group's Culture & Values and Diversity programs.

Earlier in her career, Ms Gleeson practised as a corporate lawyer, with Blake Dawson Waldron (now Ashurst) in Melbourne after a 10 year legal career in the UK, including as a corporate finance and transactional partner in an English law firm, focusing on mergers and acquisitions and initial public offerings. Ms Gleeson was appointed to the Board on 15 July 2021.

Directorships of listed companies over the past three years	Dates
St Barbara Ltd (ASX:SBM)	May 2015 – current
Australian Strategic Minerals (ASX:ASM)	February 2022 – current
New Century Resources (ASX:NCZ)	November 2020 – May 2023



Brett Boynton
Non-Executive
Director
*B.Com (Economics
and Accounting),
MBA (Duke), CFA*

Appointed as a founding Director in June 2016, Mr. Boynton brings extensive expertise in corporate strategy and the commercialisation of technology to the Chrysos Board. With a background in international investment banking and private equity, he has successfully advised on corporate transactions and raised growth capital for energy, resources, and technology sector companies during his tenure at UBS in London and New York, as well as Credit Suisse in Australia.

In addition to his role at Chrysos, Mr. Boynton holds key positions in several private equity backed businesses. He is the co-founder and Chief Strategy Officer of Alpha Vista, an AI-powered risk analytics startup and also serves as the founder and CEO of UK listed exploration technology group Tectonic Gold Ltd. He is an Executive Director at DE Investments and serves on the boards of several private companies.

Within Chrysos, Mr. Boynton serves as the Chair of the Audit, Risk, and Finance Committee, contributing his expertise in financial oversight and risk management. Additionally, he is an active member of the Environment, Safety, Social, and Governance Committee, demonstrating his commitment to responsible business practices.

Directorships of listed companies over the past three years	Dates
Tectonic Gold PLC (AQSE:TTAU)	May 2015 – current

DIRECTORS' REPORT continued

Director Experience and Responsibilities



Eric Ford
 Non-Executive
 Director
 GAICD, BSc
 (Mining Engineering)
 MSc (Management
 Science)

Mr. Ford has extensive experience in the global mining industry in executive management and directorship roles. He recently served as a Non-Executive Director with Compass Minerals International (NYSE:CMP), where he is Chairman of their EHSS committee and a member of the Nominating and Governance Committee. Previous roles have included Chairman and CEO of Peabody Energy's Australian business unit, CEO of Anglo Coal Australia and Executive Director (Operations) with Anglo Platinum and numerous roles across local and international industry associations, including the Minerals Council of Australia. Mr Ford's prior experience includes numerous executive roles within globally recognised mining companies during a career that spans almost 50 years in the industry, including previous participation in the Coal Industry Advisory Board to the International Energy Agency.

Mr Ford has led, built, and turned around complex businesses encompassing large workforces in diverse geographies, cultures, currencies, and languages. This has included all lifecycle phases from feasibility through to closure and final rehabilitation in highly regulated and unionised environments across four continents.

Directorships of listed companies over the past three years	Dates
Compass Minerals International (NYSE:CMP)	August 2011 – August 2023



Ivan Mellado
 Non-Executive
 Director
 GAICD, Master of
 Law (IP), B.Business
 (Marketing)

Ivan Mellado is a company director and corporate advisor with particular expertise in technology commercialisation and new venture development.

He brings over 30 years of experience in corporate development, strategic marketing, financing, business development and executive management, the last 15 of which have focused on technology commercialisation through early-stage, high growth ventures and intellectual property partnering. He has served on numerous boards and has acted for corporate clients and major research institutions on a wide range of commercialisation-related transactions including new venture development, IP licensing, capital raising and M&A.



Greg Holt
 Non-Executive
 Director
 GAICD, B.Com, MA, MBA

Mr Holt is a senior executive with an international career spanning over 40 years across the logistics, industrial services, mining contracting and engineering industries. He is also an experienced company Director (GAICD) and Board member, having previously held Board positions with Brambles companies in the United Kingdom, and Swire companies in Australia and the United States. Mr Holt's strong track record includes driving and finalising successful global expansion and business optimisation projects.

Mr Holt is currently the CEO of Swire Water Holdings, which is a member of the Swire Group of Companies, a business with which Mr Holt has held Managing Director or Chief Executive Officer positions since 2010. Prior to Swire, Mr Holt worked within Brambles in senior executive positions across several of its subsidiaries and helped lead the transition of Brambles into BIS as part of the KKR acquisition.

DIRECTORS' REPORT continued

COMPANY SECRETARIES

Name	Brett Anthony Coventry
Qualifications	BAcc, GDip Co Sec Prac, MBA (Deakin), CPA, FGIA, FCIS, MAICD
Experience and expertise	See next section (Senior Management).
Name	Anand Sundaraj
Qualifications	BSc LLB (Hon)
Experience and expertise	Mr Sundaraj is a corporate lawyer with over 20 years' experience who specialises in advising on mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on general securities law matters including ASX Listing Rules compliance and corporate governance. Mr Sundaraj was appointed 25 November 2021.

SENIOR MANAGEMENT

Director	Experience and Responsibilities
 <p>Dirk Treasure Managing Director & Chief Executive Officer <i>MComm (Sydney), BSc (Murdoch), MAusIMM, MAICD</i></p>	See Directors Section above.
 <p>Brett Coventry Chief Financial Officer & Joint Company Secretary <i>BAcc, GDip Co Sec Prac, MBA (Deakin), CPA, FGIA, FCIS, MAICD</i></p>	<p>Mr Coventry is an accomplished CFO, company secretary and director, with over 25 years' experience in senior finance, banking and operational roles across private and publicly owned businesses. He has led cross-functional teams throughout Asia-Pacific, North America and Europe in listed, unlisted and private SaaS, technology, Fast Moving Consumer Goods (FMCG) and financial services companies. He is a Certified Practising Accountant, a Fellow of the Governance Institute of Australia, and a member of the Australian Institute of Company Directors.</p> <p>Prior to joining Chrysos in early 2020, Mr Coventry was involved in steering entrepreneurial technology companies through successful international expansion and market growth campaigns. This includes roles as Chief Financial Officer at Catapult Group International Limited (ASX:CAT) and Money3 Limited (ASX:MNY), which also included the management of the Initial Public Offering of Catapult Group International Limited.</p>

DIRECTORS' REPORT continued

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and Committees of Directors held during the year ended 30 June 2023, is as follows:

Directors Name	Board Meetings		Audit, Finance & Risk Committee		Nomination & Remuneration Committee		Environmental, Safety, Social & Governance Committee	
	A	B	A	B	A	B	A	B
Robert Adamson	6	6	7	7	–	–	2	2
Eric Ford	6	6	1	1	6	6	2	2
Ivan Mellado	6	6	4	4	6	6	–	–
Brett Boynton	6	6	5	5	1	1	–	–
Kerry Gleeson	6	6	4	4	5	5	–	–
Dirk Treasure	6	6	–	–	–	–	–	–
Gregory Holt	1	1	–	–	–	–	–	–

Where:

Column A is the number of meetings the Director was entitled to attend; and Column B is the number of meetings the Director attended.

SHARES UNDER OPTION AND PERFORMANCE RIGHT

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

Unissued ordinary shares of Chryso Corporation Limited under Option at the date of this report as follows:

Date Option Granted	Expiry Date	Exercise Price of Option	Number Under Option
7 December 2016	20 January 2024	\$0.20	3,054,878
15 February 2019	15 February 2024	\$1.00	725,000
1 May 2020	30 April 2025	\$2.00	897,500
1 July 2020	30 June 2025	\$2.00	660,000
16 December 2020	12 December 2024	\$2.00	60,000
24 September 2021	23 September 2026	\$4.50	380,000
21 November 2021	30 November 2026	\$4.50	75,000
			5,852,378

Unissued ordinary shares of Chryso Corporation Limited under Performance Rights at the date of this report are as follows:

Date Rights Granted	Expiry Date	Exercise Price of Rights	Number Under Rights
13 April 2022	1 July 2027	\$0.00	205,847
1 October 2022	1 October 2027	\$0.00	285,893
			491,740
16 August 2023	16 August 2028	\$0.00	620,798
Performance Rights forfeited			(2,468)
			1,110,070

DIRECTORS' REPORT continued

During the financial year ended 30 June 2023 the Group issued 298,057 Performance Rights as part of the Employee Share Program with an exercise price of \$0.00 and a weighted average fair value of \$1.40, during the financial year 12,164 performance rights were forfeited.

All Options and Rights expire on their expiry date.

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 Group 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

Chrysos has not, during or since the end of the financial year, 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 the consolidated financial statements and Directors' 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 and forms part of the Directors' report.

NON-AUDIT SERVICES

The Group appointed KPMG on 27 April 2021 after a review process. Mr Paul Cenko is the lead audit partner, with the next rotation of the lead partner for Chrysos Corporation Limited is planned to occur after the completion of the 30 June 2026 financial year audit.

During the year KPMG, the Group's auditor, has not performed any other services in addition to the audit and review of the financial statements.

DIRECTORS' REPORT continued

The Board in considering any non-audit services to be provided by the auditor, has a policy to satisfy itself that the provision of any non-audit services the auditor will be compatible with, and will not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Group and are reviewed by the Audit, Finance and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they are not to involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

In accordance with the International Ethics Standards Board for Accountants (IESBA) and the Australian Code, any future engagements for non-audit services, will be approved prior to commencement by the Groups, Audit, Finance and Risk Committee.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit services provided during the year are set out below:

	2023
Audit and review of financial statements	178,683
Total paid to KPMG	178,683

AUDITOR

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

CORPORATE GOVERNANCE

Our Corporate Governance Statement, which is available at <https://chryso.com.au/investor-centre/corporate-governance/>, discloses the extent to which the Group has complied with the Australian Securities Exchange Corporate Governance Council's 'Corporate Governance Principles & Recommendations – 4th edition'.

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

28 August 2023



Robert Henry Richard Adamson
Director

28 August 2023

REMUNERATION REPORT (AUDITED)

1. INTRODUCTION AND KEY MANAGEMENT PERSONNEL

The Remuneration Report (as part of the Annual Report) complements and should be read in conjunction with the information contained in the corresponding annual Corporate Governance Statement, which is available at <https://chrysolcorp.com/investor-centre/>.

This report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) and is audited as required by Section 308(3C) of the Act.

Key Management Personnel (KMP) named in this report are those with the authority and responsibility for planning, directing, and controlling the activities of the business. KMP for the financial year ended 30 June 2023 are listed below, and each was a KMP for the entire period unless otherwise stated.

1.1 KEY MANAGEMENT PERSONNEL DURING FY23

Non-Executive Directors

Rob Adamson	Non-Executive Chairman
Ivan Mellado	Non-Executive Director
Kerry Gleeson	Lead Independent Non-Executive Director
Brett Boynton	Independent Non-Executive Director
Eric Ford	Independent Non-Executive Director
Greg Holt*	Independent Non-Executive Director

* Mr Greg Holt was appointed to the Board on 14 June 2023.

Executives

Dirk Treasure	Managing Director & Chief Executive Officer (CEO)
Brett Coventry	Chief Financial Officer & Joint Company Secretary

2. HIGHLIGHTS OF 2023 KMP EXECUTIVE REMUNERATION

The approach to Executive remuneration in FY23 was consistent with the remuneration policy established in FY22 as part of listing the Company on the ASX. The policy aims to:

- attract, reward and motivate Executives based on their position and responsibility relative to business scale and complexity,
- provide competitive remuneration practices appropriate to the Group's needs, and
- drive the execution of the Group's strategy.

There was no change to the structure of Executive remuneration packages in FY23, and as such, they continued to comprise of fixed and variable or at-risk components (Short-Term Incentive and Long-Term Incentive). The combination of these components constituted the Executive's total remuneration in FY23.

REMUNERATION REPORT (AUDITED) continued

Executive Fixed remuneration	Zero Increase	There were no increases in Total Fixed Remuneration (TFR) for Executives in FY23. Refer to Section 5 for Statutory Remuneration disclosures.
Short-Term Incentive (STI) outcomes	Average STI achievement = 106% of Target	<p>The FY23 STI was subject to performance against Key Performance Indicators (KPIs) for Group performance and individual performance. For Executive KMP, their STI comprises Group performance and Individual performance.</p> <p>With regards to Group Performance, the threshold measure for each of the KPIs on safety and compliance was met. The Group Financial metric for revenue was at target, with the performance at maximum for EBITDA.</p> <p>With regard to individual performance, the Board assessed and acknowledged strong leadership during a significant period of growth, the effective execution of strategy, and noteworthy operational improvements. As such, individual performance was determined to be 101% of target, and STI was awarded accordingly.</p> <p>Further details are disclosed in section 5.</p>
Long-Term Incentive (LTI)	<p>No vesting of LTI as plan does not mature until 2025</p> <p>2020 Options were vested for Mr Dirk Treasure, 2020 and 2021 Options vested for Mr Brett Coventry</p>	<p>Prior to listing on the ASX in 2022, the Group established an LTI plan consisting of Performance Rights. The FY23 LTI will be tested in July 2025 at the end of the performance period.</p> <p>Further details on the plan are disclosed in section 5.</p> <p>As part of existing incentives on foot from prior periods, 150,000 Options vested for Mr Dirk Treasure and 135,000 Options vested for Mr Brett Coventry on the basis that the performance conditions were met. No other Options for Executive KMP were vested.</p> <p>Further details of Options and Performance Rights issued and held are set out in section 5.3 and 7.</p>
NED Remuneration	ZERO Increase	<p>There were no increases in fees for NEDs in FY23.</p> <p>In FY23, the Group's shareholder approved a fee pool at the Extraordinary General Meeting on 12 April 2022. During FY23 85.4% of the remuneration fee pool was utilized.</p> <p>Further detail can be found in section 7.</p>
Looking ahead to FY24		<p>After conducting a review of the Group's remuneration framework, and in comparison to best practice within the Group's peers, market trends and the Group's strategic long-term objectives, the Board is satisfied that the current framework remains robust. LTI offers will be issued using the same structure as FY23, with Indexed Total Shareholder Return (ITSR) continuing to be the most suitable measure to test performance and long-term shareholder value. Vesting will be measured in July 2026.</p> <p>Fixed Remuneration for Executive KMP will remain unchanged.</p> <p>STI measures will continue to focus on Group safety, compliance and financial objectives.</p> <p>NED fees will remain unchanged.</p> <p>Refer to section 5 and 7 for more information regarding KMP Remuneration in FY24.</p>

The Board seeks to ensure that the Remuneration Framework attracts, motivates, and retains high-performing employees whilst remaining aligned with shareholder expectations. The Group's main competition for employees is mining companies, technology businesses and government research bodies, so close attention is given to the remuneration practices of organisations in these sectors.

REMUNERATION REPORT (AUDITED) continued

3. REMUNERATION GOVERNANCE

Roles and responsibilities concerning the governance of remuneration for Chrysos KMP and employees, the Board, Remuneration & Nominations Committee, Management, and external advisors are outlined below.

Board	<p>The Board has an active role in governance, oversight and evaluation of the Remuneration Framework, including the approval of:</p> <ul style="list-style-type: none"> • Group Remuneration Framework; • Director and specific Executive remuneration; and • Incentive performance standards. <p>This approach ensures the Framework is designed to align and keep in mind:</p> <ul style="list-style-type: none"> • The interests of Executives; • The creation of value for the Group's shareholders; and • The Group's values, purpose, strategic objectives and risk appetite.
Remuneration & Nominations Committee	<p>The Remuneration & Nominations Committee (the Committee) was established by the Board and operates under a Charter. Its role is to assist and advise the Board on matters relating to the overall remuneration strategies and policies of the Group, including the remuneration arrangements of the Managing Director & CEO, other Executives and Non-Executive Directors.</p> <p>The Committee oversees and reviews the Group's remuneration strategy, policies and practices to ensure remuneration arrangements are equitable and aligned to the long-term interest of shareholders while supporting the Group's purpose and values. The Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for KMP and, in doing so, may take into consideration information provided by other Board committees on a range of matters, including culture, diversity, safety, environmental performance, governance, financial and risk management.</p> <p>In addition, it receives reports on organisation capability and effectiveness, skills, training and development, and succession planning for critical roles.</p> <p>The Committee is comprised entirely of Non-Executive Directors – Ivan Mellado (Chair), Kerry Gleeson (Member) and Eric Ford (Member).</p> <p>Additional information regarding the Committee's roles and responsibilities can be found in the Committee Charter at https://chrysoscorp.com/investor-centre/corporate-governance/.</p>
Management	<p>Management is responsible for implementing and continuously improving remuneration policies and practices. It may provide the Committee with information and insights to assist it in the discharge of its duties.</p> <p>The Managing Director & CEO may make recommendations to the Committee regarding the performance and remuneration of other Executives and has delegated authority to approve the remuneration of employees outside of the Senior Executive team within the business.</p>
External Remuneration Consultants	<p>External remuneration consultants may be engaged directly by the Board or the Committee to provide information or advice. All reports and professional advice relating to the Managing Director & CEO's remuneration are commissioned and received directly by the Committee.</p> <p>In FY23, given the work previously undertaken with external consultants at the point of public listing, no external remuneration consultants were engaged with respect to Board or Executive KMP remuneration as there was no change to the existing remuneration for these individuals.</p>

Through the Remuneration and Nominations Committee, the Board actively monitors market practices and recommendations from industry participants on remuneration structure and disclosure. It may amend the Remuneration Framework accordingly at any time.

REMUNERATION REPORT (AUDITED) continued

4. EXECUTIVE REMUNERATION STRATEGY

Chrysos' remuneration strategy reflects the Board's philosophy of providing competitive remuneration relative to businesses of comparable scale, complexity and maturity while rewarding outstanding performance with attractive incentives. The Group is committed to aligning the interests of Executives and shareholders, and attracting and retaining talented individuals; it understands that this approach to remuneration is critical in this endeavour.

Within this context, the Framework must reflect multiple considerations but particularly the underlying value of committed, long-term client relationships, recurring revenue, safety and ESG outcomes, and the continuing growth in customer numbers, profitability and shareholder value.

The guiding principles that underpin the Executive remuneration strategy are outlined below.

Chrysos Executive Remuneration Objectives

Attract, motivate and retain the executive talent required at each stage of business growth.	An appropriate balance of 'fixed' and 'at risk' components.	Creation of award differentiation to drive high performance culture and behaviour.	Shareholder value creation through the alignment of Executive performance targets and reward.
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Chrysos' remuneration strategy is designed to support and reinforce its overall business strategy. All at-risk components of remuneration packages are closely tied to measures that align with the key components of the Group's business strategy in both the short and long-term. Group performance targets are reflected in incentive plan performance measures, ensuring that performance directly informs what executives are paid.

Executive remuneration outcomes are aligned with shareholder experience, as the STI and LTI link personal remuneration outcomes with the achievement of targets that drive Group performance and shareholder return. The mix of fixed and at-risk remuneration varies according to the role of each Executive, with the highest level of at-risk remuneration applied to those roles that have the greatest potential to influence and deliver Group outcomes and drive shareholder return.

In setting the remuneration strategy, the Board is cognisant of the link between remuneration and the setting and maintaining of a positive company culture. All STI awards to Executive KMPs are subject to a clawback mechanism and malus provisions.

4.1 REMUNERATION STRUCTURE

The FY22 remuneration structure comprising of fixed and variable remuneration was carried forward into FY23. Variable remuneration comprised both short-term and long-term incentives. Short-term incentives are intended to be awarded in the form of a cash award based on performance measured against an STI scorecard.

Executive remuneration comprises:

- Total Fixed Remuneration (TFR);
- Short-Term Incentives (STI); and
- Long-Term Incentives (LTI).

When considering the remuneration package components, it was important that the right balance between "at risk" (STI and LTI) and fixed remuneration was achieved to balance the interests of Executives and Shareholders.

REMUNERATION REPORT (AUDITED) continued

Each of these components is outlined in the table below.

	Fixed Component	"At Risk" Components	
	Fixed Remuneration	Short-Term Incentive	Long-Term Incentive
Purpose	Competitive base remuneration to attract and retain high quality talent appropriate to the business scale, complexity and maturity.	Motivate and reward delivery of strong operational and financial performance against the annual plan.	Motivate and reward outcomes that grow long-term shareholder value.
Link to Strategy	Base remuneration aims to provide fair and competitive pay in recognition of day-to-day accountabilities and responsibilities in implementing the business strategy.	Rewards achievement of key strategic, financial and operational objectives on an annual basis consistent with longer-term priorities and goals.	Rewards successful delivery of longer-term strategies and sustained shareholder value creation by aligning Executive outcomes to shareholder value.
Form	Cash salary, superannuation and any salary-sacrificed items.	Cash payment or shares at the Board discretion.	<p>Prior to the 2022 Initial Public Offering (IPO) the Group used Options to incentivise performance and retention.</p> <p>See section 5.3 for further detail on Options.</p> <p>During FY23 Performance Rights vesting at the 3-year mark subject to achieving performance hurdles, detailed below, were used to incentivise performance and retention.</p> <p>In FY24, the Group will continue to use Performance Rights vesting at the 3-year mark subject to achieving performance hurdles as per FY23.</p>

REMUNERATION REPORT (AUDITED) continued

Fixed Component		"At Risk" Components	
	Fixed Remuneration	Short-Term Incentive	Long-Term Incentive
Approach in FY23	<p>In setting remuneration for Executives, the Remuneration and Nomination Committee considers relevant industry trend data and other remuneration information, including market salary surveys and benchmarking.</p> <p>Reviewed annually based on:</p> <ul style="list-style-type: none"> responsibilities of the role, knowledge, skills and experience required for the position, individual performance, and the requirement to attract and retain the right person for the role. 	<p>The STI is assessed against a scorecard of annual corporate and personal objectives the Board sets, considering individual metrics and behaviours within their control.</p> <p>Gates applying to safety, governance and compliance must be met for an STI award to be considered for payment.</p> <p>Structure – Managing Director & CEO</p> <ul style="list-style-type: none"> Max. quantum (% of Fixed Remuneration) = 130%. Target = 117% of Fixed Remuneration. Scorecard measures are weighted: <ul style="list-style-type: none"> 70% for Company performance (EBITDA and Revenue) 20% for Individual performance 10% for Company over performance (EBITDA and Revenue). <p>Structure – Chief Financial Officer & Joint Company Secretary</p> <ul style="list-style-type: none"> Max. quantum (% of Fixed Remuneration) = 70%. Target = 63% of Fixed Remuneration. Scorecard measures are weighted: <ul style="list-style-type: none"> 70% for Company performance (EBITDA and Revenue) 20% for Individual performance 10% for Company over performance (EBITDA and Revenue), 	<p>The LTI is assessed against Total Shareholder Return (TSR) at the completion of 3 years of performance and will vest at 100% only if the following hurdles are met:</p> <ol style="list-style-type: none"> Share price at the completion of the 3rd year must be positive relative to the commencement price, and Share price at the completion of the 3rd year must be at a level that meets or exceeds the growth of the relevant Indexed TSR + 10% CAGR. <p>Structure – Managing Director & CEO</p> <ul style="list-style-type: none"> Max. quantum (% of Fixed Remuneration) = 200%. Target = 50%, paid upon achievement of Index TSR + 5% TSR CAGR. <p>Structure – Chief Financial Officer & Joint Company Secretary</p> <ul style="list-style-type: none"> Max. quantum (% of Fixed Remuneration) = 125%. Target = 50%, paid upon achievement of Index TSR + 5% TSR CAGR. <p>Further detail on the vesting scale is outlined later in this section.</p>

REMUNERATION REPORT (AUDITED) continued

Fixed Component	"At Risk" Components	
Fixed Remuneration	Short-Term Incentive	Long-Term Incentive

It is at the Board's discretion whether any STI or LTI is awarded or granted. Additionally, at its discretion, the Board can vary the amount awarded or granted. Discretion may include reducing, withholding, or cancelling any unpaid STI or LTI awards if there is discovered to be any fraudulent, defalcation or gross misconduct, or a material misstatement in the Group's financial statements. All STI awards to executive KMPs are subject to a clawback mechanism and malus provisions.

The current weighting between STI and LTI is considered to provide appropriate alignment with long-term share price performance and retention of Executives.

FY23 TOTAL FIXED REMUNERATION (TFR)

The total remuneration package (including both fixed and at-risk pay) reflects more typically the upper quartile pay position when superior performance levels have been met or exceeded. TFR consists of base salary, superannuation and other non-monetary benefits and is set at a level intended to reflect:

- the scope of the Executive role;
- skills, experience and qualifications; and
- individual performance.

Executive KMP	Total Fixed Remuneration	Annual Base Salary	Superannuation*
Mr. Dirk Treasure	\$450,000	\$422,500	\$27,500
Mr. Brett Coventry	\$350,000	\$322,500	\$27,500

* In line with the Australian Superannuation Guarantee, KMP contributions are capped at \$27,500.

When setting (and reviewing) TFR for Executive KMPs, the Board has regard to comparable roles in companies of similar scale and complexity and engaged in industries analogous to that within which Chrysos Corporation operates. The Board intends to review KMP remuneration annually.

FY23 SHORT-TERM INCENTIVE

The STI is a performance-based remuneration component of Executive KMP remuneration, intended to align total remuneration outcomes for Executive KMPs with Group performance. Each Executive KMP, including the Managing Director & CEO, is eligible to participate in the STI. The STI focuses on performance in a single year, and the Board determines awards under the STI based on an assessment of performance against specific performance metrics (or 'KPIs') set at the beginning of the relevant STI period. Each of these components is outlined in more detail in the table below. KPIs are set such that they are objectively assessable against three levels of achievement – Threshold, Target and Maximum (or Stretch):

Threshold performance	Threshold performance represents the minimum acceptable performance level, acknowledging the stretch targets set. The threshold for the FY23 year was 90% achievement against EBITDA and Revenue targets, as well as the achievement of near-term goals linked to the annual business strategy.
Target performance	Target performance represents challenging but achievable levels of performance, plus achievement of EBITDA and Revenue targets.
Maximum (or stretch) performance	Maximum (stretch) performance requires significant performance above and beyond normal expectations and, if achieved, reflects a substantial and measurable improvement in business performance.

REMUNERATION REPORT (AUDITED) continued

FY23 LONG-TERM INCENTIVE

The LTI is a performance-based Executive remuneration component intended to align total remuneration outcomes for Executive KMPs with longer term Group performance and shareholder value. Each Executive KMP, including the Managing Director & CEO, is eligible to participate in the LTI. LTI awards are at the discretion of the Board and involve the award of performance rights under the Company's Employee Equity Plan Rules to eligible LTI participants. Unless the Board determines otherwise, Performance Rights granted under the LTI are subject to a three-year vesting period and performance testing at the end of the vesting period against vesting conditions specified by the Board at the time of grant. Vesting of LTI performance rights is also subject to continuity of service (unless the Board determines otherwise – e.g., "good leaver").

All LTI awards to Executive KMPs are subject to a clawback mechanism and malus provisions.

FY23 Performance Rights are to be assessed at the end of the 3-year period, 30 June 2025 and will be assessed against the measures described below:

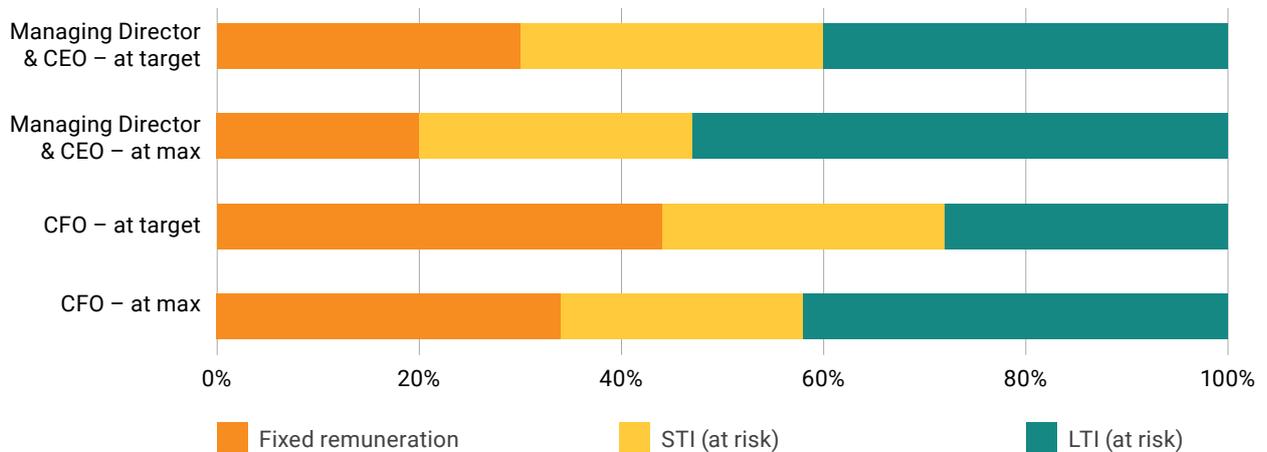
Performance Hurdle	Performance Period	Target
Performance Hurdle 1	1 July 2022 to 30 June 2025	30-day VWAP to 1 July 2025 share price must exceed the commencement share price.
Performance Hurdle 2	1 July 2022 – 30 June 2025	<p>Threshold: Index TSR</p> <p>Target: Index TSR + 5% TSR CAGR – See performance scorecard below</p> <p>Stretch: Index TSR + 10% TSR CAGR</p> <p>As detailed below.</p>
Performance Level	Chrysos TSR Compared to TSR of the Industrials Index	% of Grant Vesting
Stretch	≥ Index TSR + 10% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 5% TSR CAGR & < Index TSR + 10% TSR CAGR	Pro-rata
Target	Index TSR + 5% TSR CAGR	50%
Between Threshold and Target	> Index TSR & < Index TSR + 5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

Remaining consistent with research undertaken in FY22, Index TSR was confirmed as the most appropriate performance measure for the FY23 LTI program because it aligns Executive KMP reward with shareholder returns, and rewards only when Chrysos Corporation's performance exceeds the Industrial Index. The condition has also been chosen because it is an objective assessment of shareholder value and is widely used and understood.

REMUNERATION REPORT (AUDITED) continued

4.2 FY23 REMUNERATION MIX

The Remuneration and Nomination Committee has considered remuneration mix both from a “Target” and “Maximum” opportunity perspective to ensure targets that are set are challenging to achieve, and any over-performance paid is a result of significant and measurable achievement. The remuneration mix for Executives for FY23 is as follows:

**4.3 EXECUTIVE CONTRACTS**

All aspects of the Executive Terms and Conditions of employment are formalised in employment agreements. These agreements provide for the provision of performance incentive payments, benefits and participation in the Chrysos Corporation LTI plan, where applicable. All service agreements with Executives comply with the requirements of Part 2 D.2, Division 2 of the Corporations Act (regarding termination benefits).

REMUNERATION REPORT (AUDITED) continued

Key provisions are outlined below:

MR. DIRK TREASURE – MANAGING DIRECTOR & CEO

- Permanent ongoing appointment;
- Total Fixed Remuneration (TFR) of \$450,000 (inclusive of superannuation) to be reviewed annually;
- STI of up to 130% of TFR and LTI of up to 200% of TFR as described earlier in Section 4 above; and
- Competitive restraint: All senior managers are restrained from competing with Chrysos' business or soliciting any of Chrysos' suppliers, customers or employees with whom they have had dealings in the last 12 months of their employment with Chrysos. The restraint applies for a maximum period of up to 12 months after their employment ends (on a cascading basis). The limitation applies to a maximum area of worldwide (on a cascading basis).

Mr. Treasure's overall remuneration package was determined giving regard to relevant market data in 2022. There was no change to Mr. Treasure's remuneration in FY23.

Other than for serious misconduct or serious breach of duty, the Group or Mr. Treasure may terminate employment at any time with 6 months' notice.

MR. BRETT COVENTRY – CHIEF FINANCIAL OFFICER & JOINT COMPANY SECRETARY

- Permanent ongoing appointment;
- Total Fixed Remuneration (TFR) of \$350,000 (inclusive of superannuation) to be reviewed annually;
- STI of up to 70% of TFR and LTI of up to 125% of TFR as described earlier in Section 4 above; and
- Competitive restraint: All senior managers are restrained from competing with Chrysos' business or soliciting any of Chrysos' suppliers, customers or employees with whom they have had dealings in the last 12 months of their employment with Chrysos. The restraint applies for a maximum period of up to 12 months after their employment ends (on a cascading basis). The limitation applies to a maximum area of worldwide (on a cascading basis).

Mr. Coventry's overall remuneration package was determined giving regard to relevant market data in 2022. There was no change to Mr. Coventry's remuneration in FY23.

Other than for serious misconduct or serious breach of duty, the Group or Mr. Coventry may terminate employment at any time with 6 months' notice.

REMUNERATION REPORT (AUDITED) continued

5. EXECUTIVE REMUNERATION OUTCOMES AND REMUNERATION DISCLOSURE**5.1 REMUNERATION DISCLOSURE**

Details of the remuneration of Executive KMP during the year ended 30 June 2023 are set out in the following table:

Executive	Year	Short-Term Benefits		Other Long-Term Benefits	Post-Employment Benefits	Share-Based Payments	Total	% Performance Related
		Cash Salary	Incentive	Leave	Super			
Mr D Treasure	FY23	422,500	522,000	(1,154)	27,500	198,326	1,169,172	62%
	FY22	294,379	88,090	29,746	28,596	269,293	710,104	44%
Mr B Coventry	FY23	322,500	235,200	16,154	27,500	134,058	735,412	50%
	FY22	246,579	33,150	1,905	26,711	135,996	444,341	11%
Total	FY23	745,000	757,200	15,000	55,000	332,384	1,904,584	57%
	FY22	540,958	121,240	31,651	55,307	405,289	1,154,445	46%

Other than the provision or reimbursement of travel, accommodation and professional development necessarily incurred in performing their duties, there were no transactions with Executives other than as disclosed in the above table.

5.2 PERFORMANCE LINKED REMUNERATION - STI

The Group STI measures were assessed for the financial year ended 30 June 2023, with outcomes as shown below:

STI Measures	Target	Weighting	Result	Weighted Achievement
EBITDA	\$3,184,000	50%	Max achieved	110%
Revenue	\$26,623,000	50%	Slightly above Target	101%

INDIVIDUAL PERFORMANCE OUTCOMES

For 2023, the Board calculated the personal component of any Executive's STI by their individual contribution to the Group's strategy and growth objectives. The outcome of those assessments is included in section 5.1 above. A summary of assessed items is shared in general terms below:

SUMMARY OF EXECUTIVE INDIVIDUAL STI PERFORMANCE ASSESSED BY THE BOARD

- Review and renewal of long-term Group Strategy.
- Expansion of commercial infrastructure to support global growth.
- Leadership and oversight of global expansion, including attraction and retention of team members to support growth.
- Continued improvement and development of product and services.
- Procurement of debt facility.
- Development of key people programs to support performance and talent development.

REMUNERATION REPORT (AUDITED) continued

5.3 LONG-TERM INCENTIVE

Prior to the IPO, historically the Group's remuneration strategy included the issue of Options, details of which are provided below.

Prior to the IPO, for FY23, the Board approved a Rights Plan on 16 March 2022. Pursuant to which it established the FY23 LTI plan. Details of grants issued are outlined below.

	Balance as at 1 July 2022	Grant Date	Issued as Remuneration	Exercised	Lapsed/ Forfeited	Lapsed/ Forfeited %	Balance as at 30 June 2023	Vested during the period ended 30 June 2023	Vested %
Dirk Treasure									
Options	100,000	15 February 2019	–	–	–	–	100,000	–	100%
	90,000	1 May 2020	–	–	–	–	90,000	90,000	100%
	60,000	1 July 2020	–	–	–	–	60,000	60,000	100%
	27,500	24 September 2021	–	–	–	–	27,500	–	–
	277,500		–	–	–	–	277,500	150,000	54%
Performance Rights	138,462	13 April 2022	–	–	–	–	138,462	–	–
	138,462		–	–	–	–	138,462	–	–
Brett Coventry									
Options	60,000	1 July 2020	–	–	–	–	60,000	60,000	100%
	27,500	24 September 2021	–	–	–	–	27,500	–	–
	75,000	21 November 2021	–	–	–	–	75,000	75,000	100%
	162,500		–	–	–	–	162,500	135,000	83%
Performance Rights	67,385	13 April 2022	–	–	–	–	67,385	–	–
	67,385		–	–	–	–	67,385	–	–

Options vested during the year are exercisable, but subject to disposal restrictions from the IPO process. All Options on issue are subject to 3-year employment conditions, except for the grant of 75,000 Options on 21 November 2021, which were subject to performance measures including listing on the ASX, corporate structure, reporting and general performance. Performance Rights were issued on performance measures as outlined in section 4 of this report.

5.4 HISTORICAL COMPANY PERFORMANCE

In considering the Group's performance and benefits for shareholder alignment, the Remuneration and Nomination Committee have regard to the following indices in current and prior financial years.

	2023	2022	2021	2020	2019
Revenue (\$000)	26,818	14,092	4,350	3,040	
EBITDA (\$000)	3,505	2,066	(1,031)	(521)	
Profit/(Loss) attributable to owners (\$000)	443	(3,938)	(3,842)	(2,814)	
Operating income growth	–	80.3%	–39.1%	–	Not restated
Change in share price	43.30%	Not applicable information, listing occurred 6 May 2022			
Return on capital employed	–2.09%	–0.51%	8.55%	8.23%	

REMUNERATION REPORT (AUDITED) continued

6. LOOKING AHEAD TO FY24

There are no significant structural changes planned for FY24 for Executive KMP remuneration.

FIXED REMUNERATION

There will be no increases to Fixed Remuneration for Executive KMP in FY23. The Managing Director and CEO's Fixed Remuneration will remain at \$450,000 per annum, inclusive of superannuation.

STI FY24

To encourage focus towards sustainable growth the FY23 STI design has been updated for FY24, with Group measures set as detailed below.

Group Measures	Weighting
Revenue	25%
EBITDA	75%

Safety and compliance will continue to be gates to STI eligibility.

STRUCTURE – MANAGING DIRECTOR & CEO

- Max. quantum (% of Fixed Remuneration) = 130%.
- Target = 117% of Fixed Remuneration.
- Scorecard measures are weighted:
 - 54% for Company performance (EBITDA and Revenue);
 - 15% for Individual performance; and
 - 31% for over performance (8% company performance (EBITDA and Revenue) and 23% individual performance).

STRUCTURE – CHIEF FINANCIAL OFFICER & JOINT COMPANY SECRETARY

- Max. quantum (% of Fixed Remuneration) = 70%.
- Target = 63% of Fixed Remuneration.
- Scorecard measures are weighted:
 - 70% for Company performance (EBITDA and Revenue);
 - 20% for Individual performance; and
 - 10% for Company over performance (EBITDA and Revenue).

LTI FY24

Performance Rights to be granted to Executive KMP in respect of the 2024 financial year (FY24 Performance Rights) will be offered pursuant to the terms of the Rights Plan approved by the Board on 16 March 2022 and the performance conditions set out at 4.1 above. Subject to service conditions, the proportion of the FY24 Performance Rights that vest will be determined based on the same performance and conditions set out in the FY23 plan.

REMUNERATION REPORT (AUDITED) continued

7. NON-EXECUTIVE DIRECTOR REMUNERATION

7.1 NON-EXECUTIVE DIRECTOR REMUNERATION DISCLOSURE

Prior to its 2022 listing, the Group paid Non-Executive Director fees as a combination of cash and equity-based payments. This approach and structure reflected the early stage, developing nature of the business during that period of time. No equity-based payments have been made to Directors since listing and amounts included in this Remuneration Report, represent grants prior to listing date, with remuneration noted below attributable to measurement of fair value at grant date, as detailed in Note 2 of the Consolidated Financial Statements.

The Board determined that in the context of the business environment and related adjustments in increases during FY22, there would be no change to the remuneration fees for FY23. The Board set the level of fees paid to Non-Executive Directors within the aggregate pool approved by shareholders at the Extraordinary General Meeting (EGM) held on 14 April 2022 and is currently \$950,000 per annum.

For FY23, the annual Director fees that were paid by the Group were:

- Chairman \$170,000;
- Non-Executive Directors \$85,000;
- Chair of a committee \$20,000
- Member of a committee \$10,000

All base fees shown above are inclusive of statutory superannuation contributions.

Non-Executive Director fees and committee fees will continue to be reviewed annually.

Non-Executive Directors were remunerated as follows:

	Year	Short-Term Benefits		Post Employment Benefits	Share-Based Payments	Total
		Directors Fees	Other	Super		
Robert Adamson	FY23	170,000	–	–	48,486	218,486
	FY22	80,000	–	8,000	45,721	133,721
Ivan Mellado	FY23	104,072	–	10,927	40,613	155,612
	FY22	44,000	–	4,400	41,235	89,635
Kerry Gleeson	FY23	95,022	–	9,977	5,870	110,869
	FY22	38,333	–	3,833	4,487	46,653
Brett Boynton ¹	FY23	115,000	–	–	40,613	155,613
	FY22	49,500	–	–	41,235	90,735
Eric Ford	FY23	104,072	–	26,347	40,613	171,032
	FY22	55,600	–	4,400	41,233	101,233
Greg Holt ²	FY23	–	–	–	–	–
	FY22	–	–	–	–	–
Total	FY23	588,166	–	47,251	176,195	811,612
Total	FY22	267,433	–	20,633	173,911	461,977

1. Mr Boynton is a director of 33rd Degree Pty Ltd. His directors' fees (which are subject to GST are paid to 33rd Degree Pty Ltd and are shown net of GST.
2. Mr Holt was appointed as a non-executive director 14 June 2023.

REMUNERATION REPORT (AUDITED) continued

7.2 NON-EXECUTIVE DIRECTOR SHARE-BASED PAYMENTS

The following table sets out Options held during FY23.

	Balance as at 1 July 2022	Grant Date	Issued as Remun- eration	Exer- cised	Lapsed/ Forfeited	Lapsed/ Forfeited %	Balance as at 30 June 2023	Vested during the period ended 30 June 2023	Vested %
Robert Adamson									
Options	90,000	1 May 2020	-	-	-	-	90,000	90,000	100%
	60,000	1 July 2020	-	-	-	-	60,000	60,000	100%
	25,000	24 September 2021	-	-	-	-	25,000	-	-
	175,000		-	-	-	-	175,000	150,000	86%
Ivan Mellado ¹									
Options	100,000	24 February 2018	-	100,000	-	-	-	-	-
	100,000	15 February 2019	-	-	-	-	100,000	-	100%
	90,000	1 May 2020	-	-	-	-	90,000	90,000	100%
	60,000	1 July 2020	-	-	-	-	60,000	60,000	100%
	12,500	24 September 2021	-	-	-	-	12,500	-	-
	362,500		-	-	-	-	262,500	150,000	95%
Kerry Gleeson									
Options	12,500	24 September 2021	-	-	-	-	12,500	-	-
	12,500		-	-	-	-	12,500	-	-
Brett Boynton									
Options	100,000	24 February 2018	-	100,000	-	-	-	-	-
	100,000	15 February 2019	-	-	-	-	100,000	-	100%
	90,000	1 May 2020	-	-	-	-	90,000	90,000	100%
	60,000	1 July 2020	-	-	-	-	60,000	60,000	100%
	12,500	24 September 2021	-	-	-	-	12,500	-	-
	362,500		-	-	-	-	262,500	150,000	95%
Eric Ford									
	90,000	1 May 2020	-	-	-	-	90,000	90,000	100%
	60,000	1 July 2020	-	-	-	-	60,000	60,000	100%
	12,500	24 September 2021	-	-	-	-	12,500	-	-
	162,500		-	-	-	-	162,500	150,000	92%

Note: During the year ended 30 June 2023, 90,000 Options vested each, for Mr Adamson, Mr Mellado, Mr Boynton and Mr Ford, with an expiry date of 30 April 2025 and 60,000 Options vested each, for Mr Adamson, Mr Mellado, Mr Boynton and Mr Ford, with an expiry date of 30 June 2025. Options exercised during the year were paid for by Mr Mellado and Mr Boynton, price per Option was \$0.20 resulting in each paying \$20,000.

- Mr Mellado has the power to control Options held by Clarity Holdings Pty Ltd ATF the Kindred Spirits Trust and this table reflects the total of these direct and indirect holdings.

Other than the provision or reimbursement of travel, accommodation and professional development necessarily incurred in performing their duties, there were no transactions with Executives other than as disclosed in the above table.

REMUNERATION REPORT (AUDITED) continued

8. KEY MANAGEMENT PERSONNEL AND NON-EXECUTIVE DIRECTOR SHAREHOLDINGS

The number of shares in Chryso Corporation held directly, indirectly or beneficially during FY23 by KMP, including any related parties, is set out below.

	Class of Shares	Balance at the start of the period 1 July 2022	Shares allocated under remuneration framework ¹	Net Change Other	Balance at the end of the period 30 June 2023	Number of Options not vested at year end	Number of Options vested and not exercised at year end	Number of Performance Rights not vested at year end
Non-Executive Directors								
Mr. R Adamson*	Ordinary	7,900,500	–	–	7,900,500	25,000	150,000	–
Mr. I Mellado**	Ordinary	10,018	100,000 ¹	–	110,018	12,500	250,000	–
Ms. K Gleeson***	Ordinary	8,193	–	–	8,193	12,500	–	–
Mr. B Boynton****	Ordinary	10,581	100,000 ¹	–	110,581	12,500	250,000	–
Mr. E Ford*****	Ordinary	108,000	–	40,000 ²	148,000	12,500	150,000	–
Greg Holt		–	–	–	–	–	–	–
Senior Executives								
Mr. D Treasure#	Ordinary	845,967	–	–	845,967	27,500	250,000	138,462
Mr. B Coventry##	Ordinary	11,112	–	3,888 ³	15,000	27,500	135,000	67,385

- During the year ended 30 June 2023, Mr Boynton and Mr Mellado exercised 100,000 options which had a \$0.20 exercise price.
 - Mr Ford acquired 40,000 shares. Held via EVC Holdings Pty Ltd ATF the Ford Family Trust.
 - Mr Coventry acquired 3,888 shares. Held via Boulevard X Super Pty Ltd ATF the Boulevard X Superannuation Fund.
- * Mr Adamson has the power to control votes attached to shares held by Alchemy Securities Pty Ltd, RH Adamson Pty Ltd ATF the Adamson Family Superannuation Fund, Quadratura Investments Pty Ltd and DDD and M Pty Ltd ATF the Adamson Family Trust and this table reflects the total of these direct and indirect investments.
- ** Mr Mellado has the power to control votes attached to shares held by Mellado & Co Pty Ltd and Clarity Holdings Pty Ltd ATF the Kindred Spirits Trust. This table reflects the total of these direct and indirect investments.
- *** Ms Gleeson has the power to control votes attached to shares held by Gleeson-Peiniger SF Pty Ltd ATF the Gleeson-Peiniger Superannuation Fund and this table reflects the total of these direct and indirect investments.
- **** Mr Boynton has the power to control votes attached to shares held by Brookton Super Fund Pty Ltd, and this table reflects the total of these direct and indirect investments.
- ***** Mr Ford has the power to control votes attached to shares held by EVC Holdings Pty Ltd ATF the Ford Family Trust and this table reflects the total of these direct and indirect investments.
- # Mr Treasure has the power to control votes attached to shares held by Treasure Brother Pty Ltd, and this table reflects the total of these direct and indirect investments.
- ## Mr Coventry has the power to control votes attached to shares held by Boulevard X Pty Ltd ATF the Boulevard X Trust, and Boulevard X Super Pty Ltd ATF the Boulevard X Superannuation Fund, and this table reflects the total of these direct and indirect investments.

8.1 LOANS TO DIRECTORS AND EXECUTIVES

There were no loans to Directors or Executives during the FY23 financial year.

8.2 OTHER TRANSACTIONS WITH DIRECTORS AND EXECUTIVES

During the FY23 period there were no transactions or balances with KMP or the Directors (FY22 \$25,000 to RFC Ambrian, where Mr Adamson is Executive Chairman, for consulting services).

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 audit of Chrysos Corporation Limited for the financial year ended 30 June 2023 there have been:

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

KPMG

Paul Cenko
Partner

Adelaide

28 August 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

		30 June 2023	30 June 2022
	Note	\$'000	\$'000
Revenue and other income			
PhotonAssay™ Income	4A	25,613	13,521
Revenue from consumables	4B	1,204	571
Other income	4C	1,591	166
		28,408	14,258
Expenses			
Maintenance costs		(2,786)	(1,840)
Employee benefit expenses		(13,373)	(6,712)
Consulting and advisory fees		(985)	(707)
Consumables cost of sales		(1,085)	(542)
Travel and marketing costs		(1,490)	(656)
IT costs		(815)	(111)
Legal fees		(398)	(400)
Other expenses		(2,385)	(1,214)
Depreciation and amortisation expense	6	(6,421)	(2,825)
Finance costs	6	(792)	(1,905)
Profit/(Loss) before income tax		(2,122)	(2,568)
Income tax benefit/(expense)	7	2,565	(1,370)
Profit/(Loss) for the year		443	(3,938)
Other comprehensive income for the year		–	–
Total comprehensive profit/(loss) for the year attributable to the owners from continuing operations		443	(3,938)
Basic profit/(loss) per share	28	\$0.005	(\$0.045)
Diluted profit/(loss) per share	28	\$0.004	(\$0.045)

The above consolidated 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 30 June 2023

		30 June 2023	30 June 2022
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	8	53,359	92,104
Trade and other receivables	9	8,504	5,782
Research and development receivable		1,460	872
Other current assets		1,052	715
Prepayments		5,631	5,235
		70,006	104,708
Non-current assets			
Plant and equipment	10	86,734	37,861
Right-of-use assets	11	574	139
Intangible assets	12	2,463	1,378
Deferred Tax Asset	7	3,633	-
		93,404	39,378
Total assets		163,410	144,086
Current liabilities			
Trade and other payables	13	22,432	10,098
Lease liabilities	15	145	141
Employee benefits		2,290	734
Other financial liabilities	16	622	436
Provisions	18	55	1,395
		25,544	12,804
Non-current liabilities			
Trade and other payables	13	-	623
Lease Liabilities	15	307	-
Employee benefits		130	98
Other financial liabilities	16	4,748	3,343
Loans and Borrowings	17	8,454	4,900
		13,639	8,964
Total liabilities		39,183	21,768
Net assets		124,227	122,318
Equity			
Issued capital	19	136,043	135,725
Accumulated losses		(14,084)	(14,527)
Reserves	20	2,268	1,120
Total equity		124,227	122,318

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Issued Capital	Accumulated Losses	Foreign Exchange Reserve	Share-Based Payments Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021 Reissued*	24,081	(10,589)	–	736	14,228
Loss for the year	–	(3,938)	–	–	(3,938)
Total comprehensive loss for the year	–	(3,938)	–	–	(3,938)
Share-based payments	–	–	–	384	384
Issued shares	111,644	–	–	–	111,644
Balance at 30 June 2022	135,725	(14,527)	–	1,120	122,318
Total comprehensive profit for the year	–	443	–	–	443
Share-based payments	–	–	–	929	929
Translation reserve	–	–	219	–	219
Issued shares	318	–	–	–	318
Balance at 30 June 2023	136,043	(14,084)	219	2,049	124,227

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

		30 June 2023	30 June 2022
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		26,085	12,319
Payments to suppliers (inclusive of GST)		(21,883)	(11,496)
		4,202	823
Research and development refund received		–	957
Interest income		1,591	–
Interest paid		(1,140)	(373)
Net cash from operating activities	26	4,653	1,407
Cash flows from investing activities			
Interest income		–	96
Purchases of intangibles		(1,268)	(1,561)
Purchases of property, plant and equipment		(45,995)	(25,515)
Net cash used in investing activities		(47,263)	(26,980)
Cash flows from financing activities			
Proceeds from issue of share capital		317	113,194
Transaction costs of issue of share capital		–	(5,136)
Proceeds from loan borrowings		8,454	4,900
Repayment of lease liabilities		(327)	(145)
Repayment of other borrowings		(4,900)	(1,294)
Net cash from financing activities		3,544	111,519
Net cash increase in cash and cash equivalent		(39,065)	85,946
Cash and cash equivalents at 1 July		92,104	5,768
Foreign Exchange		321	390
Cash and cash equivalents at 30 June*	8	53,359	92,104

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

NOTE 1: GENERAL INFORMATION

Chrysos Corporation Limited (the 'Company') is incorporated in Australia and currently operates in Australia, Africa, North America and the United Kingdom. These consolidated financial statements as at year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the 'Group').

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

Registered office	Principal place of business
Thomson Geer Lawyers Level 5, 19 Currie Street Adelaide SA 5000	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 consolidated financial statements.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2023.

BASIS OF CONSOLIDATION

Subsidiaries are 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between subsidiaries are eliminated in full on consolidation.

The Group's subsidiaries are all currently wholly owned and there are no entities where the group has an interest, that could be considered non-controlling interests.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

GOING CONCERN BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities.

The Group has recognised a net profit after tax of \$0.443m for the year 30 June 2023 (FY22: loss of (\$3.938m)). Chrysos has facilities of \$30m of which \$8.5m was drawn at 30 June 2023 and at the same time the Group had \$53.359m cash and equivalents to hand. The Group operates with a positive operating cashflow, with its biggest outflows during the most recent financial year of \$45.996m being the investment in PhotonAssay™ and other minor property, plant and equipment, the rate of this investment is able to be controlled to meet cashflow requirements or accordingly to expedite growth in deployments.

Based on these factors, the Directors have a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future and pay its debts as and when they become due and payable.

BASIS OF PREPARATION

These consolidated financial statements are general purpose financial statement which have been prepared in accordance with the Australian Accounting Standards Tier 1 Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities that have public accountability. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the Group's functional currency, which is Australian dollars, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in finance costs on the consolidated statement of profit or loss and other comprehensive income (refer Note 6).

REVENUE RECOGNITION

FOREIGN OPERATIONS

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD, are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange-rate differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

The Group recognises revenue as follows:

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**PHOTONASSAY™ INCOME**

Minimum lease payments from PhotonAssay™ units comprises the Minimum Monthly Assay Payment (MMAP) which is recognised as income, over the lease term, on a straight-line basis, for the commitment of the Group to provide the PhotonAssay™ machine for use by the lessee. Any claims for warranty, where the machines are not available for the minimum availability as agreed under the lease are deducted from the MMAP if and when they are claimed by the lessee and agreed to by the Group in accordance with the lease agreement.

Variable lease payments arise from assay volumes that occur in-excess of the minimum monthly volume agreed in the lease and are recognised on a monthly basis in the month that those excess volumes occur and charges associated with the use of PhotonAssay™ and identified as Additional Assay Charges (AAC).

INTEREST

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

OTHER REVENUE

Other revenue is recognised when it is received or when the right to receive payment is established.

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 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.

RESEARCH AND DEVELOPMENT GRANT

The Group accounts for refundable research and development tax credits in accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently reviewed, on review the trade receivables remain at fair value or measured at amortised cost, less provision for doubtful debts. Trade receivables are usually due for settlement no more than 45 days from the date of recognition. Collectability of trade receivables are reviewed on an ongoing basis with a view to quantitative information from historic losses and collection activity, as well as quantitative information on different debtors given the concentration of customers. The Group uses a valuation model that considers probability and expected severity of default in determining an expected credit loss provision. Expected credit losses, are continually assessed as the Group takes on new customers and geographies, which may change the risk of expected credit losses and historic credit loss experience and forecast of economic conditions may not be representative of customers actual defaults in the future.

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.

FINANCIAL ASSETS AT AMORTISED COST

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**PLANT AND EQUIPMENT**

Prototype costs have been expensed in the profit and loss account as incurred.

For plant and equipment which is under construction (PhotonAssay™ units) and not yet in use, this is held at historical cost less impairment. Plant and equipment is subsequently stated at historical cost less accumulated depreciation and impairment once the asset is available or ready for use. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Other items of plant and equipment and motor vehicles are measured at cost less accumulated depreciation and impairment.

Depreciation as reviewed during the financial period, is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives, which remain consistent with the prior financial year as follows:

Plant and equipment	• Motor vehicles	5 years
	• Plant and equipment	10 years
	• Furniture & Fittings	10 years
	• Office Equipment	4 years
	• R & D Equipment	4 years
Deployed PhotonAssay™ Units on a component basis	• Linear Accelerators	10 years
	• Automation Equipment	5 years
	• Shielding and Housing	20 years
	• Non-significant components	10 years

An item of plant and equipment is derecognised upon either disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss and presented as net gains on disposal of assets.

RIGHT-OF-USE 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, except where included in the cost of inventories, 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. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**INTANGIBLE ASSETS**

Acquired intangible assets are initially recognised at cost and relate to Intellectual Property (IP) (finite life intangible asset).

The expected finite life of acquired intellectual property is 5 years, while reassessed during the financial period, remained consistent with prior financial periods.

Internally developed software and hardware IP, where expenditure is incurred on the research phase of projects to develop new technologies and solutions is recognised as an expense as incurred.

Costs that are directly attributable to analytics, tools or hardware IP during its development phase are recognised as capitalised development expenditure, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the IP created; and
- the software/hardware will generate probable future economic benefits. Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs and costs incurred on analytics and tools or hardware IP development.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The expected finite life of internally developed analytics and tools or hardware described at Internally developed assets at Note 12, remain consistent with previous financial years assessment of 10 years.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid at 30 June 2023.

Due to their short-term and long-term nature they are either measured at amortised cost and are not discounted (short-term), or recognised at the present value of the trade payments to be made over the credit term period, discounted using a market rate of interest (long-term).

OTHER FINANCIAL LIABILITIES

Other financial liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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.

FINANCE COSTS

Finance costs are expensed in the period in which they are incurred.

EMPLOYEE BENEFITS**SHORT-TERM EMPLOYEE BENEFITS**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

OTHER LONG-TERM EMPLOYEE BENEFITS

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Further detail on the provision for payroll tax is set out in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**SHARE-BASED PAYMENTS**

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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 and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or Options are shown in equity as a deduction, from the proceeds.

GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

LEASES

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

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 is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'PhotonAssay™ Income'.

CHANGES TO ACCOUNTING POLICIES

The Group has adopted all new and amended Australian Accounting Standards and Interpretations which were required to be applied from 1 July 2022. Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group and include:

New standard or amendments not relevant or significant to the Group	
	Nil
Effective Date	New accounting standards and interpretations not yet mandatory or early adopted
1 January 2023	Accounting Standard AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates Accounting Standard AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The impact of these amendments are still being considered by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Key judgments and estimate items are considered below.

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

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 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™ INCOME

	30 June 2023	30 June 2022
	\$'000's	\$'000's
PhotonAssay™ Income – minimum lease payments	21,336	10,592
PhotonAssay™ Income – variable lease payments	4,277	2,929
	25,613	13,521

NOTE 4B: PHOTONASSAY™ REVENUE FROM CONSUMABLES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Revenue recognised at a point in time	1,204	571

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

NOTE 4C: PHOTONASSAY™ OTHER INCOME

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Government grants	–	70
Interest	1,591	96
	1,591	166

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 (FY22: three major customers) who individually accounted for more than 10 percent of total revenue contributed approximately 84 percent of total revenue (FY22: 95 percent).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 5: SEGMENT INFORMATION (CONTINUED)

The Group has three reportable segments:

- (EMEA)
- Australia
- Americas

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Segment Revenues		
Australia	18,701	11,910
EMEA	5,573	2,188
Americas	2,543	64
Total Revenues	26,817	14,162
Segment Depreciation & Amortisation		
Australia	4,634	2,157
EMEA	1,023	264
Americas	764	64
Total of segments Depreciation & Amortisation	6,421	2,485
Segment Results		
Profit before tax		
Australia	10,937	7,077
EMEA	2,047	1,591
Americas	318	(66)
Total of segments	13,302	8,602
Reconciliation of reportable segment result to Profit/(Loss) before tax		
Segment Profit	13,302	8,602
Central Costs*	(15,424)	(11,170)
Loss Before Tax	(2,122)	(2,568)
Income Tax benefit/(expense)	2,565	(1,370)
Comprehensive profit/(loss) for the period	443	(3,938)
Segment Capital Expenditure		
Australia	15,977	14,306
Middle East & Africa	11,040	3,595
Americas	7,561	3,722
Total of segments Capital Expenditure	34,578	21,623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 5: SEGMENT INFORMATION (CONTINUED)

Segment Assets and Liabilities	Assets		Liabilities	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
As at	\$'000's	\$'000's	\$'000's	\$'000's
Australia – Current	4,107	3,667	622	7,001
Australia – Total	35,659	17,463	4,747	7,001
EMEA – Current	2,279	2,187	–	–
EMEA – Total	15,894	5,518	–	–
Americas – Current	2,672	3,722	–	–
Americas – Total	17,129	3,722	–	–
Total of Segments	68,682	26,703	4,747	7,001
Unallocated	94,728	117,383	34,436	14,769
Total	163,410	144,086	39,183	21,770

* 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; and
- 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: EXPENSES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Loss before income tax includes the following specific expenses: Depreciation		
Plant and Equipment	370	80
Deployed units	5,694	2,405
Total depreciation – property, plant and equipment	6,064	2,485
Right-of-use assets	175	137
Total Depreciation	6,239	2,622
Amortisation		
Intellectual Property	182	203
Total amortisation	182	203
Total Depreciation and amortisation	6,421	2,825
Finance costs		
Interest and finance charges paid/payable on other liabilities	753	613
Interest and finance charges paid/payable on equity	–	1,716
(Gains)/Losses on Foreign Exchange	39	(424)
Finance costs expensed	792	1,905
Leases		
Short-term lease payments	–	26
Superannuation on defined contribution funds	805	515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 7: INCOME AND DEFERRED TAX

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Income tax benefit/(expense)		
Current tax benefit/(expense)	4,000	–
Deferred tax – origination and reversal of temporary differences	(709)	1,849
Less: Temporary differences and tax losses not brought to account	(726)	(1,849)
Aggregate income tax (expense)/benefit	2,565	–
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,122)	(2,568)
Tax expense at the statutory tax rate of 30% (FY22: 25%)	(637)	(642)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D tax incentive	(645)	(872)
R&D included in salaries & wages not assessable	161	197
R&D allocated to intangible assets	484	675
Other non-assessable and non-deductible items	1,068	293
Under/over opening deferred tax asset	278	(131)
Adjustment recognised for prior periods	(5,068)	–
Non creditable withholding taxes	1,067	–
	(3,292)	(1,208)
Temporary differences and tax losses not brought to account	726	1,850
Income tax (benefit)/expense	(2,565)	1,370
Deferred tax asset/(liability)		
Trade and other receivables	37	43
Plant and equipment	(1,782)	(3,752)
Intangible assets	540	385
Employer provisions	239	143
Trade and other payables	61	409
Lease liabilities	10	8
Equity raising costs	1,072	1,597
Tax losses	4,253	6,356
Prepayments	(1)	(15)
Unrealised Gains/Losses on Foreign Exchange	(59)	(98)
ROU Asset	(11)	(7)
Subtotal	4,359	5,068
Less: deferred tax assets on losses not recognised	(726)	(5,068)
Deferred tax asset	3,633	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 7: INCOME AND DEFERRED TAX (CONTINUED)

Movements in deferred tax balances are shown below:

	Net Balance at 1 July 2022	Recog- nised in Profit or Loss	Recog- nised in OCI	Recog- nised Directly in Equity	Other	Net at 30 June 2023	Deferred Tax Assets	Deferred Tax Liabilities
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Movement in deferred tax balances								
Trade and Other Receivables	42	(5)	-	-	-	37	37	-
Plant and equipment	(3,752)	1,970	-	-	-	(1,782)	-	(1,782)
Intangible assets	385	154	-	-	-	540	-	-
Employer provisions	143	96	-	-	-	239	239	-
Trade and other payables	409	(348)	-	-	-	61	61	-
Lease liabilities	8	2	-	-	-	10	10	-
Equity raising costs	1,597	(525)	-	-	-	1,072	1,072	-
Tax losses	6,356	(2,102)	-	-	-	4,253	4,253	-
Prepayments	(15)	14	-	-	-	(1)	-	(1)
Unrealised Gains/ (Losses) on Foreign Exchange	(97)	38	-	-	-	(59)	-	(59)
ROU Asset	(7)	(4)	-	-	-	(11)	-	(11)
Subtotal	5,068	(709)	-	-	-	4,359	6,151	(1,792)
Offset of deferred tax assets/liabilities	-	-	-	-	-	-	(1,792)	1,792
Deferred Tax asset on losses not recognised:	-	-	-	-	-	(726)	(726)	-
Aggregate income tax benefit/(expense)	5,068	(709)	-	-	-	3,633	3,633	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 7: INCOME AND DEFERRED TAX (CONTINUED)

	Net Balance at 1 July 2021	Recog- nised in Profit or Loss	Recog- nised in OCI	Recog- nised Directly in Equity	Other	Net at 30 June 2022	Deferred Tax Assets	Deferred Tax Liabilities
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Movement in unrecognised deferred tax balances								
Trade and other receivables	-	42	-	-	-	42	42	-
Plant and equipment	(2,400)	(1,352)	-	-	-	(3,752)	-	(3,752)
Intangible assets	329	56	-	-	-	386	386	-
Employer provisions	57	86	-	-	-	143	143	-
Trade and other payables	402	7	-	-	-	409	409	-
Lease liabilities	9	(1)	-	-	-	8	8	-
Equity raising costs	193	34	-	1,370	-	1,597	1,597	-
Tax losses	4,642	1,714	-	-	-	6,356	6,356	-
Prepayments	(6)	(9)	-	-	-	(15)	-	(15)
Unrealised Gains/ (Losses) on Foreign Exchange	-	(97)	-	-	-	(98)	-	(98)
ROU Asset	(8)	1	-	-	-	(7)	-	(7)
Subtotal	3,218	480	-	1,370	-	5,068	8,940	(3,872)
Offset of deferred tax assets/liabilities	-	-	-	-	-	-	(3,872)	3,872
Less: unrecognised	(3,218)	(480)	-	(1,370)	-	(5,068)	(5,068)	-
Aggregate income tax benefit/(expense)	-	-	-	-	-	-	-	-

NOTE 8: CASH AND CASH EQUIVALENTS

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Cash at Bank	53,359	92,104

The Group has used the cash and assets in a form readily convertible to cash (that it had at the time of listing) in a way consistent with its business objectives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 9: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Trade receivables	6,857	5,749
Other receivables	1,647	33
	8,504	5,782

As at 30 June 2023, trade receivables totalling \$0.562m have exceeded terms, all other receivables were within terms (FY22: all receivables were within terms).

NOTE 10: NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Plant and Equipment at cost	752	283
Less: Accumulated Depreciation	(371)	(125)
	381	158
Motor Vehicle at cost	241	178
Less: Accumulated Depreciation	(60)	(17)
	181	161
Furniture and Fittings – Office	469	393
Less: Accumulated Depreciation	(100)	18
	369	375
Deployed Units (subject to operating leases as lessor)	74,908	34,969
Less: Accumulated Depreciation	(12,796)	(7,102)
	62,112	27,867
Property, plant and equipment	63,043	28,561
Work in progress – units	23,691	9,300
	23,691	9,300
Total property, plant and equipment	86,734	37,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 10: NON-CURRENT ASSETS – PLANT AND EQUIPMENT (CONTINUED)**PLANT AND EQUIPMENT RECONCILIATION**

	Plant and Equipment	Motor Vehicles	Furniture and Fittings	Deployed Units	WIP Units	Total
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 July 2021	135	17	10	15,925	2,688	18,775
Additions	75	156	383	12,163	8,796	21,573
Transfers	–	–	–	2,184	(2,184)	–
Depreciation expense	(52)	(12)	(18)	(2,405)	–	2,487
Balance at 30 June 2022	158	161	375	27,867	9,300	37,861
Additions	398	63	393	23,713	30,371	54,938
Transfers	71	–	(317)	16,226	(15,980)	–
Depreciation expense	(246)	(43)	(82)	(5,694)	–	(6,065)
Balance at 30 June 2023	381	181	369	62,112	23,691	86,734

NOTE 11: NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Property rentals – right-of-use	719	400
Less: Accumulated Depreciation	(145)	(261)
	574	139

NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS RECONCILIATION

	Total
	\$'000's
Balance at 1 July 2021	130
Additions	146
Disposals	–
Depreciation expense	(137)
Balance at 30 June 2022	139
Additions	610
Disposals	–
Depreciation expense	(175)
Balance at 30 June 2023	574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 12: NON-CURRENT ASSETS – INTANGIBLES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Intellectual property – at cost	1,750	1,750
Less: Accumulated amortisation	(1,750)	(1,750)
Internally developed assets	1,803	1,436
Less: Accumulated amortisation	(240)	(58)
Internally developed assets – WIP	900	–
	2,463	1,378

INTANGIBLES RECONCILIATION

	Intellectual Property	Internally Developed Assets	Internally developed assets – WIP	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	146	549	–	695
Additions	–	887	–	887
Disposals	–	–	–	–
Depreciation Expense	(146)	(58)	–	(204)
Balance at 30 June 2022	–	1,378	–	1,378
Additions	–	368	900	1,268
Disposals	–	–	–	–
Depreciation Expense	–	(183)	–	(183)
Balance at 30 June 2023	–	1,563	900	2,463

Included net in additions for the current year is a government grant (refundable R&D tax offset) of \$0.484m (FY22: \$0.675m).

NOTE 13: TRADE AND OTHER PAYABLES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Current		
Trade payables	8,905	6,947
Accrued expenses	4,346	116
Supplier extended payment terms	9,181	3,035
	22,432	10,098
Non-current		
Supplier extended payment terms	–	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.

The Group has an economic dependency on key suppliers. Further information is set out in Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 14: OPERATING LEASES AS LESSOR – MATURITY ANALYSIS

The Group has determined that the current leases as lessor for its PhotonAssay™ machines are all operating leases. Revenue recognised on these arrangements is set out in Note 4.

The table below sets out the maturity analysis on an undiscounted basis for the non-cancellable lease term:

Non-cancellable lease term – maturity analysis	30 June 2023	30 June 2022
	\$'000's	\$'000's
Less than one year	14,502	7,403
One to two years	1,720	4,320
Two to three years	–	1,720
Three to four years	–	250
Four to five years	–	–
More than five years	–	–
Total undiscounted lease payments	16,222	13,693

The table below sets out the maturity analysis on an undiscounted basis for the total initial terms and any option periods (which includes and is in-excess of the non-cancellable lease term as disclosed above):

Initial terms and option periods – maturity analysis	30 June 2023	30 June 2022
	\$'000's	\$'000's
Less than one year	27,903	14,654
One to two years	27,903	14,654
Two to three years	27,903	14,654
Three to four years	27,660	14,654
Four to five years	27,543	14,654
More than five years	133,351	61,588
Total undiscounted lease payments	272,263	134,858

The Group manages risk associated with rights retained in underlying PhotonAssay™ units leased under operating leases through an ongoing maintenance and monitoring program and remains the legal owner of the units. Additionally, the Group applies incremental charges to its clients for exceeding specified utilisation rates while operating Chryso PhotonAssay™ units.

NOTE 15: LEASE LIABILITIES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Current lease liabilities	145	141
Non-current lease liabilities	307	–
Lease liabilities	452	141

The Group leases buildings for its offices under agreements of between one to two years with, in some cases, options to extend. The average incremental borrowing rate is 7.07%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 15: LEASE LIABILITIES (CONTINUED)**LEASE LIABILITY RECONCILIATION**

	\$'000's
Balance at 1 July 2021	136
Additions	146
Interest charged to profit and loss	4
Lease payments	(145)
Balance at 30 June 2022	141
Additions	610
Interest charged to profit and loss	28
Lease payments	(327)
Balance at 30 June 2023	452

NOTE 16: OTHER FINANCIAL LIABILITIES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Non-Interest-bearing loans from customers	622	436
Other financial liabilities – current	622	436
Non-Interest-bearing loans from customers	–	239
Customer deposits	4,748	3,104
Other financial liabilities – non-current	4,748	3,343
	5,370	3,779

The repayment of the loans was linked to a fixed percentage applied to the minimum lease payments and any additional charges arising under the operating leases for PhotonAssay™ machines with the relevant lessee.

The Group seeks commitment deposits from its customers on contracts given the long lead time frequently associated with the deployment of PhotonAssay™. The deposits are non-interest bearing however the specific nature of these deposits, term and repayment arrangements are prohibited under the terms of the contracts held.

NOTE 17: LOANS AND BORROWINGS

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Loan	8,454	4,900

During the financial year the Group increased its facilities with the Commonwealth Bank (CBA) to \$30.000m. Existing debts with the CBA were fully repaid on the initial drawing of \$8.454m of the new facility, no further drawings have been made on this facility, leaving \$21.456m unutilised. The facilities covenants are reported bi-annually and the facility has a loan term of 5 years from draw down, being a maturity date of 14 February 2028. Drawn debts under this facility attract repayments over a 5-year term, with a balloon repayment on facility expiry. The facility has a nominal interest rate margin and line fee of 4.44% above BBSY. Security is by way of a General Security Interest by the Company, by a first ranking charge all property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 18: PROVISIONS

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Provision for payroll tax	55	1,395
Provisions – current	55	1,395
Provision for payroll tax	–	–
Provisions – non-current	–	–
Total Provisions	55	1,395
Movement in provision for payroll tax		
Opening balance 1 July	1,395	1,348
Additional provision for the year	(1,340)	47
Closing balance 30 June	55	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.

During the financial year the Group has worked with authorities and the obligations associated with the share-based payments have been recognised, lodged and cleared with the relevant authorities.

NOTE 19: EQUITY – ISSUED CAPITAL

	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$'000's	\$'000's
Ordinary shares – fully paid	99,590,770	98,125,214	136,043	135,725

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 19: EQUITY – ISSUED CAPITAL (CONTINUED)**MOVEMENT IN ORDINARY SHARES DURING THE YEAR**

	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$'000's	\$'000's
Issued at 1 July	98,125,214	75,695,122	135,725	24,081
Issued for cash	–	21,155,648	–	114,605
Exercise of share options	1,465,556	1,274,444	318	805
Equity raising costs, net of tax	–	–	–	(3,766)
Issued at 30 June – fully paid	99,590,770	98,125,214	136,043	135,725

The Group did not raise any capital during the financial year (FY22: \$114.605m). The issue of equity that occurred in the financial year was from means of exercised options \$0.318m (FY22: \$0.805m).

All ordinary shares rank equally with regard to the Group's residual assets and holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

NOTE 20: EQUITY – RESERVES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Balance at 1 July	1,120	736
Share options granted in year (Note 27)	957	884
Share options vested and moved to ordinary shares	–	(500)
Share option forfeited	(28)	–
Balance at 30 June	2,049	1,120

Given the rounding of the report, the value of the share options vested and moved to ordinary shares is \$177.23. The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration. The Group has foreign translation reserve amounting \$220,366.

NOTE 21: CAPITAL COMMITMENTS**CAPITAL COMMITMENTS FOR PLANT AND EQUIPMENT**

At the end of the period there was \$70.340m (2022 – \$42.677m) in capital commitments relating to PhotonAssay™ units on order and under construction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 22: FINANCIAL INSTRUMENTS

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Financial assets at amortised cost		
Cash and cash equivalents	53,359	92,104
Trade and other receivables	8,504	5,782
Financial liabilities at amortised cost		
Trade and other payables	13,251	6,947
Supplier extended payment terms	9,181	3,658
Loans and borrowings	8,454	4,900
Provisions	55	1,395
Lease liabilities	452	141
Other financial liabilities	5,369	3,779

Risk management is carried out by senior executives ("the Executive") under frameworks approved by the Board of Directors ('the Board'). These frameworks include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Executive identifies and evaluates the financial risks the group is exposed to through the normal course of business. The key financial risks impacting the Group relate to its financial instruments as disclosed in the statement of financial position. Specifically, the key risk is considered to be foreign currency risk, to a lesser extent interest rate risk. The Group monitors its exposure to these risks on a regular basis and may consider entering derivative financial instruments to manage these risk where appropriate. There are no derivative instruments in operation at the reporting date.

MARKET RISK

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Summary quantitative data amount the Group's exposure to currency risks is as follows.

	\$'000's	\$'000's	\$'000's
	USD	CAD	GBP
Cash and cash equivalents	258	1,448	577
Trade receivables	2,817	1,059	-
Trade payables	(3,149)	(28)	-
Net financial position	(74)	2,479	577
Sensitivity at +10% in \$000 AUD (strengthening)	7	(225)	(52)
Sensitivity at - 10% in \$000 AUD (weakening)	(7)	248	58

PRICE RISK

The Group is not exposed to any significant price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 22: FINANCIAL INSTRUMENTS (CONTINUED)**CREDIT RISK**

Credit risk refers to the risk of financial loss in the instance a counterparty defaults on its contractual obligations to the Group. During the financial period, the company moved from a single customer risk, to a multi-customer risk with deployment for additional customers in Australia and the Group's exposure to credit risk is predominantly influenced by the characteristics of each customer who enters into a lease.

In contracting with new clients, management assess the creditworthiness of each potential client and where appropriate referred to the Audit and Finance Committee for further consideration.

The majority of the current lease customers of the Group are either listed on stock exchanges or their parent company is listed and frequently the customer is required to pay a deposit in advance of receiving their PhotonAssay™ unit, which is held throughout the life of the lease. The Group had no amounts written off during the financial period, nor have any, refer Note 16 amounts been credit impaired at the reporting date.

Management have assessed the financial assets for impairment losses. This includes but is not limited to reviews of audited financial statements and available press information about the lessee's which is determined to be predictive of the risk of loss.

LIQUIDITY RISK

Liquidity risk management requires the Group to maintain sufficient liquid assets to meet its obligations in maintaining its leased assets and fund plant and equipment acquisition growth. The Group carefully considers timing and lead time risks to manage timing of supplier payments, at the same time leveraging extended trade payable funding arrangements with its key suppliers loan and borrowings, profiling working capital commitments over a similar term to the contractual cash inflows secured.

Additionally the Group further manages its operating and investing requirements through the use of its capital structure and debt facilities. There have been no capital raising activities during the year (FY22 \$115m), however the facilities with the CBA were increased to \$30.000m (FY22 \$7.500m) and are currently drawn to \$8.454m (FY22 \$4.900m). This facility is secured against the Group's assets and the Group is now working with its financiers to further increase this amount of available credit to aid further growth.

The following are the contractual liabilities as at the reporting date.

NON-DERIVATIVE FINANCIAL LIABILITIES

	Carrying Amount	Total	2 Months or Less	2-12 Months	1-2 Years	2-5 Years	5+ Years
30 June 2023	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Supplier extended payment terms	9,181	9,192	5,529	2,456	1,207	–	–
Trade and other payables	13,251	13,251	8,376	4,875	–	–	–
Lease liabilities	452	526	40	135	111	240	–
Loan and borrowings	8,454	8,454	230	1,151	1,381	5,692	–
Other financial liabilities	5,370	5,370	141	481	4,748	–	–
	36,708	36,792	14,316	9,098	7,447	5,932	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

	Carrying Amount	Total	2 Months or Less	2-12 Months	1-2 Years	2-5 Years	5+ Years
30 June 2022	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Supplier extended payment terms	3,658	3,753	1,550	1,560	643	–	–
Trade payables	6,947	6,947	6,947	–	–	–	–
Lease liabilities	141	158	22	49	27	60	–
Loans and borrowings	4,900	4,900	–	4,900	–	–	–
Other financial liabilities	3,779	3,779	73	363	360	360	2,623
	19,425	19,537	8,592	6,872	1,030	420	2,623

NOTE 23: REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by firms who acted as auditor of the Group:

REMUNERATION OF AUDITORS

	30 June 2023	30 June 2022
	\$	\$
KPMG		
Audit of the financial statements	178,683	169,918
Non-audit services	–	535,922
	178,683	705,840

NOTE 24: KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2023	30 June 2022
	\$	\$
Short-term employee benefits	2,090,366	929,631
Post-employee benefits	102,251	75,940
Long-term benefits	15,000	31,651
Share-based payments	508,579	579,200
	2,761,196	1,616,422

Information with regard to individual directors and executives compensation and equity instrument disclosures is provided in the remuneration report (audited) of the Directors report, as permitted by Corporations Regulations 2M.3.

NOTE 25: RELATED PARTY TRANSACTIONS**PARENT ENTITY**

Chryso Corporation Limited has the following 100% wholly owned subsidiaries:

- Chryso International Holdings Pty Ltd (Australia)
- Chryso AU Operations Pty Ltd (Australia)
- Chryso CA Holdings Ltd (Canada)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

- Chrysos CA Operations Ltd (Canada)
- Chrysos Operations Ltd (Tanzania)
- Chrysos EST Pty Ltd ATF Chrysos EST Trust
- Chrysos Africa Pty Ltd (Australia)
- Chrysos DRC Pty Ltd (Australia)
- Chrysos Mali Pty Ltd (Australia)
- Chrysos Ghana Pty Ltd (Australia)
- Chrysos CDI SARLU (Côte d'Ivoire)
- Chrysos UK Operations Ltd (United Kingdom)
- Chrysos America LLC (United States of America)

Subsequent to the end of the financial year, Chrysos Guinea LLC was incorporated, with an incorporation date of 4 August 2023.

The group does not see any risk with the investment in wholly owned subsidiaries.

RELATED PARTY TRANSACTIONS

	30 June 2023	30 June 2022
	\$	\$
Payments for other expenses – director related entities:		
RFC Ambrian Limited	–	25,358
Commonwealth Scientific and Industrial Research Organisation	232,677	95,881

Commonwealth Scientific and Industrial Research Organisation (CSIRO) held 21.66% of the ordinary share capital of the Group as at 30 June 2023, payment to CSIRO represent rent.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables from, or trade payables to, related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES

There are no loans with any related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 26: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	30 June 2023	30 June 2022
	\$'000's	\$'000's
Profit/(loss) after income tax benefit for the year	443	(3,938)
Adjustments for:		
Tax (benefit)/expense	(2,565)	1,370
Depreciation and amortisation	6,421	2,825
Interest income	–	(96)
Expenditure incurred in issuing share capital	–	1,716
Foreign Exchange movement	(219)	(390)
Other non-cash items	(530)	1,591
Change in operating assets and liabilities		
(Increase) in trade and other receivables	(3,310)	(3,970)
(Increase) in current tax asset	(119)	–
Increase in other assets	(543)	(671)
Increase in trade and other payables	3,146	794
Increase in other liabilities	1,897	2,074
Increase in employee benefits	1,282	55
(Decrease)/Increase in provisions	(1,340)	47
Net cash received from operating activities	4,653	1,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 27: SHARE-BASED PAYMENTS

The Group's incentive program has been in place since 2016 and underpins a broader strategy of rewarding performance and retaining key talent.

The program is designed to assist in motivating and rewarding long-term performance and teamwork towards the realisation of shared goals: growth in Chrysos' social impact and business success, and growth of the value of the business and share price towards realisation of a liquidity event, which was achieved by listing on the Australian Securities Exchange (ASX).

Accordingly, the Groups original long-term incentive program was superseded with the Group's listing.

The new Long-Term Incentive (LTI) program is a combination of performance-based and employment conditions. The program is designed to align longer term Group performance and shareholder value.

Awards during the year were based on the following performance conditions, in addition to employment conditions.

Performance Hurdle	Performance Period	Target
Performance Hurdle 1	1 July 2023 to 30 June 2026	30-day VWAP to 1 July 2025 share price must exceed commencement share price.
Performance Hurdle 2	1 July 2023 – 30 June 2026	<p>Threshold: Index TSR.</p> <p>Target: Index TSR + 5% TSR CAGR – See performance scorecard below.</p> <p>Stretch: Index TSR + 10% TSR CAGR.</p> <p>As detailed below.</p>

Performance Level	Chrysos TSR compared to TSR of the Industrials Index	% of Grant Vesting
Stretch	≥ Index TSR + 10% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 5% TSR CAGR & < Index TSR + 10% TSR CAGR	Pro-Rata
Between Threshold and Target	> Index TSR & < Index TSR + 5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

Vesting of LTI Performance Rights is also subject to continuity of service, except in the instance the Board determines otherwise, such as good leavers.

All LTI awards to executive KMPs are subject to a claw back mechanism and malus provisions.

No amounts are paid or payable by the recipient on receipt of the Option or Performance Right. The Option or Performance Right carry neither rights to dividends nor voting rights.

The share-based payment expense in relation to Options and Rights for 2023 is \$0.957m (FY22: \$0.884m). The key terms and conditions related to the grants under these programmes are as follows and all Options are to be settled by the physical delivery of shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Grant Date/Employees Entitled	Number of Instruments in Thousands Granted	Vesting Conditions	Exercise Price	Contractual Life of Options
'000s				
Options granted to key management personnel and directors and remaining on issue at year end				
On 15 February 2019	300	3 years service from grant date	\$1.00	5 years
On 1 May 2020	450	3 years service from grant date	\$2.00	5 years
On 1 July 2020	360	3 years service from grant date	\$2.00	5 years
On 24 September 2021	130	3 years service from grant date	\$4.50	5 years
On 21 November 2021	75	ASX Listing, Corporate Structure & Reporting, outstanding performance review	\$4.50	5 years
On 13 April 2022	206	Based on share price performance hurdles	\$0.00	5 years
Options granted to employees				
On 7 December 2016	3,055	3 years service from grant date	\$0.20	7 years
On 15 February 2019	425	3 years service from grant date	\$1.00	5 years
On 1 May 2020	448	3 years service from grant date	\$2.00	5 years
On 1 July 2020	300	3 years service from grant date	\$2.00	5 years
On 16 December 2020	60	Annually based on achievement of sales targets and deployment schedules	\$2.00	5 years
On 24 September 2021	250	3 years service from grant date	\$4.50	5 years
On 1 October 2022	285	3 years service from grant date	\$4.50	5 years
Total share options	6,344			

No options expired during the year ended 30 June 2023. Share options issued in 2018 have fully exercised by employees.

EQUITY-SETTLED SHARE OPTION PLAN

Set out below are summaries of Options granted:

	Number of Instruments	Weighted Average Exercise Price	Number of Instruments	Weighted Average Exercise Price
	2023	2023	2022	2022
Outstanding at 1 July	7,412,934	\$1.02	7,887,378	\$0.67
Granted	–	–	550,000	\$4.50
Exercised	(1,435,556)	(\$0.20)	(899,444)	(\$0.20)
Exercised	(30,000)	\$1.00	(125,000)	(\$1.00)
Forfeited	(95,000)	\$4.50	–	–
Outstanding at 30 June 2023	5,852,378	\$1.13	7,412,934	\$1.02

The Options outstanding at 30 June 2023 had a weighted average exercise price of \$1.13 (FY22: \$1.02), and a weighted average remaining contractual life of 1.01 years.

Under current remuneration policies the Group did not grant Options during the year (FY22: 550,000 Options) and has been using Performance Rights for long-term incentive programs.

During the period 1,465,556 (FY22: 1,024,444) ordinary shares were issued on the exercise of Options, for which the Group received \$0.317m (FY22: \$0.304m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 27: SHARE-BASED PAYMENTS (CONTINUED)

Set out below are summaries of Performance Rights granted:

	Number of Instruments	Weighted Average Exercise Price	Number of Instruments	Weighted Average Exercise Price
	2023	2023	2022	2022
Outstanding at 1 July	205,847	\$0.00	250,000	\$0.00
Granted	298,057	\$0.00	205,847	\$0.00
Exercised	–	–	(250,000)	\$0.00
Forfeited	(12,164)	\$0.00	–	–
Outstanding at 30 June 2023	491,740	\$0.00	205,847	\$0.00

The Performance Rights outstanding at 30 June 2023 a weighted average remaining contractual life of 4.13 years.

The Group granted Performance Rights on 1 October 2022, at which time 298,057 Rights were issued to employees and are subject to a range of Total Shareholder Return (TSR), Value Weighted Average Share Price and employment conditions for the period up to the vesting date of 1 July 2025 and expire 1 October 2027, with \$Nil exercise price.

During the period no ordinary shares (FY22: 250,000) were issued for the exercise of Performance Rights.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	Performance Right Programme			
	Key Management Personnel and Directors		Employees	
	2023	2022	2023	2022
Weighted average				
Fair value at grant date (\$)	0.00	3.5	0.77 – 1.97	0.00
Share price at grant date (\$)	0.00	6.50	3.01 – 3.11	0.00
Exercise price (\$)	0.00	0.00	0.00	0.00
Expected volatility (%)	–	40%	45%	–
Expected life	–	5 years	5 years	–
Expected dividends (\$)	0.00	0.00	0.00	0.00
Risk-free interest rate (based on government bonds)	–	2.75%	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Share Option Programmes				
Weighted average	Key Management Personnel and Directors		Employees	
	2023	2022	2023	2022
Fair value at grant date (\$)	0.00	1.06	0.00	1.06
Share price at grant date (\$)	0.00	4.50	0.00	2.00
Exercise price (\$)	0.00	4.50	0.00	2.00
Expected volatility	–	55%	–	55%
Expected life	–	5 years	–	5 years
Expected dividends (\$)	0.00	0.00	0.00	0.00
Risk-free interest rate (based on government bonds)	–	0.40%	–	0.39%

No Performance Rights were issued to Key Management Personnel during the year ended 30 June 2023, subsequent to the end of the financial year 620,798 Performance Rights were issued, including 266,670 Performance Rights issued to Key Management Personnel.

NOTE 28: PROFIT PER SHARE

	30 June 2023	30 June 2022
Profit/(loss) attributable to equity holders of the company in the calculation of basic and diluted earnings per share (\$'000)	443	(3,958)
Weighted average number of ordinary shares for the purposes of basic loss per share	98,663,955	86,593,409
Weighted average number of ordinary shares for the purposes of diluted loss per share	105,008,343	94,436,378
From continuing operations		
Basic profit/(loss) per share (cents per share)	0.5	(4.5)
Diluted profit/(loss) per share (cents per share)	0.4	(4.5)

Diluted loss per share, not adjusted as it is equal to basic loss per share in loss scenario.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

NOTE 29: PARENT ENTITY DISCLOSURES

	2023	2022
	\$'000's	\$'000's
Result of the parent entity		
Profit for the period	1,905	(3,938)
Other comprehensive income	–	–
Total comprehensive income for the period	1,905	(3,938)
Financial position of parent entity at year end		
Current Assets	75,614	104,644
Total Assets	157,460	144,086
Current Liabilities	(22,301)	(12,369)
Total Liabilities	(32,258)	(21,768)
Share Capital	136,043	135,725
Reserves	2,052	1,120
Retained Earnings	(12,893)	(14,527)
Total Equity	125,202	122,318

GUARANTEES ENTERED INTO BY THE COMPANY

Bank guarantees given by the Group in favour of landlords amounted to \$0.429m (FY22 \$0.006m).

CONTINGENT LIABILITIES OF THE COMPANY

The Company does not have any contingent liabilities other than the guarantees disclosed above.

PARENT ENTITY CAPITAL COMMITMENTS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At 30 June 2023, the Company had contractual commitments for the acquisition of property, plant and equipment of \$54.3m (FY22: \$42.7m).

NOTE 30: 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 with 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 being 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 31: EVENTS AFTER THE REPORTING PERIOD

Chrysos Guinea LLC has been incorporated on 04 August 2023.

Chrysos has issued 620,798 performance rights to staff following 30 June 2023, as part of the long-term incentives under the Employee Incentive Plans.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Chrysos Corporation Limited (the 'Company'):
 - a) the consolidated financial statements and notes that are set out on pages 45 to 82 and the remuneration report on pages 28 to 43 of the Directors report are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2023.
3. The Directors draw attention to Note 2 to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Adelaide 28 August 2023



Dirk Moore Treasure
Director



Robert Henry Richard Adamson
Director

INDEPENDENT AUDITOR'S REPORT

To the members of Chrysos Corporation Limited



Independent Auditor's Report

To the shareholders of Chrysos Corporation Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Chrysos Corporation Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flow for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

This matter was 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 this matter.

INDEPENDENT AUDITOR'S REPORT continued


PhotonAssay operating lease income (\$25.6 million)

Refer to Note 4A to the Financial Report.

The key audit matter

PhotonAssay operating lease income was a key audit matter due to:

- The quantum of operating lease income earned during the year, which comprised 90% of total revenue and other income.
- The judgement required in applying revenue recognition and lease accounting standards to the PhotonAssay leases. To classify each lease the Group applies judgement to assess whether the agreements transfer substantially all the risks and rewards of ownership of the underlying PhotonAssay assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. Significant judgement is required to determine the lease term. Consideration is given to the non-cancellable periods and early cancellation penalties contained in the leasing arrangements.

In assessing this key audit matter, we involved senior audit team members who understand the Group's business and industry.

How the matter was addressed in our audit

Our procedures included:

- Evaluating the appropriateness of the Group's accounting policies for revenue recognition against the requirements of the accounting standards and our understanding of the business.
- Comparing the relevant features, as described in the key audit matter, to the signed lease arrangement contracts, to the criteria in the accounting standards, and those in the Group's accounting policies.
- Recalculated the relevant minimum lease income for the period using the lease terms as contained in the signed lease arrangement contracts and compared it to the Group's recognised operating lease income.
- Tested a sample of the variable lease payment income to signed lease arrangement contracts for variable pricing, standard gold analysis usage reporting for volume and customer invoices.
- Assessing the appropriateness of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Chryso Corporation Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

INDEPENDENT AUDITOR'S REPORT continued

**Responsibilities of the Directors for the Financial Report**

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT continued

**Report on the Remuneration Report****Opinion**

In our opinion, the Remuneration Report of Chrysose Corporation Limited for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 28 to 43 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Paul Cenko
Partner

Adelaide

28 August 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.

To the maximum extent permitted by law, Chrysos does not accept any liability, either directly or indirectly, arising from any person relying, either wholly or partially, upon any information shown in, or omitted from this document. Under no circumstances will Chrysos be liable for any loss or damage caused by a person's reliance on the information obtained from reading this document.

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.

SHAREHOLDER INFORMATION

As at 8 August 2023

EQUITY SECURITY

At a general meeting, every Shareholder present in person or by proxy, a body corporate representative, or attorney, has one vote on a show of hands and one vote for each Share held on a poll.

Votes are cast by a show of hands unless a poll is demanded. A poll may be demanded by the chairperson or at least five Shareholders entitled to vote on the resolution or Shareholders with at least 5% of the votes that may be cast on the resolution on a poll.

Option and Performance Rights holders do not have voting rights.

NUMBER OF HOLDERS OF EACH CLASS OF SECURITY

Equity Security Class	Number
Ordinary Shares	1,696
Options	29
Performance Rights	38
Total	1,763

Please note that the company has issued more than one class of Options and all the classes of Options have been aggregated in this table.

SUBSTANTIAL HOLDERS

The names of the substantial holders of the Company's ordinary shares who have notified the Group in accordance with Section 671B of the *Corporations Act 2001* are:

Holder	Ordinary Shares	%
Commonwealth Scientific and Industrial Research Organisation	21,560,997	21.66
Regal Funds Management Pty Ltd and its associates	13,754,219	13.81
Mr Robert Adamson	7,900,500	7.93
Adrian Knowles and Mary-Ellen Knowles	7,035,000	7.07
Australian Super Pty Ltd	4,987,429	5.01
Chrysos Corporation Limited	35,315,102	35.47

SHAREHOLDER INFORMATION continued

20 LARGEST SHAREHOLDERS

The 20 largest holders of ordinary shares, the number of ordinary shares and percentage of capital held by each as follows:

Rank	Name	Number	% IC
1	COMMONWEALTH SCIENTIFIC & INDUSTRIAL RESEARCH	21,560,997	21.66
2	CITICORP NOMINEES PTY LIMITED	9,774,514	9.82
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,053,138	9.09
4	ALCHEMY SECURITIES PTY LTD	6,945,000	6.98
5	ADRIAN KNOWLES & MARY-ELLEN KNOWLES	6,285,000	6.31
6	ALLAN ANTHONY MCLELLAN	4,525,000	4.54
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,409,983	4.43
8	UBS NOMINEES PTY LTD	3,075,698	3.09
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	3,014,434	3.03
10	MAY WAN KHOR	2,240,616	2.25
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,177,684	2.19
12	ASIAN INVESTMENT MANAGEMENT SERVICES LTD	1,500,000	1.51
13	NATIONAL NOMINEES LIMITED	1,392,963	1.40
14	MARK JAMES ALLABY	1,200,000	1.21
15	NETWEALTH INVESTMENTS LIMITED	1,152,437	1.16
16	MR WILLIAM JAMES BEAMENT	1,125,000	1.13
17	ARGO INVESTMENTS LIMITED	1,000,000	1.00
18	MIRRABOOKA INVESTMENTS LIMITED	916,467	0.92
19	RH ADAMSON PTY LTD	875,000	0.88
20	DIRK TREASURE	814,273	0.82
Total		83,038,204	83.40

DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES**ORDINARY SHARES**

Range	No. of Shareholders	Securities	%
1 to 1,000	781	383,272	0.38
1,001 to 5,000	552	1,342,071	1.35
5,001 to 10,000	145	1,076,035	1.08
10,001 to 100,000	166	5,101,287	5.12
100,001 and Over	52	91,662,618	92.06
Total	1,696	99,565,283	100.00
The number of shareholders holding less than a marketable parcel of shares are	26	819	–

SHAREHOLDER INFORMATION continued

OPTIONS

Range	No. of Shareholders	Securities	%
1 to 1,000	0	0	0.00
1,001 to 5,000	0	0	0.00
5,001 to 10,000	3	30,000	0.51
10,001 to 100,000	16	750,000	12.87
100,001 and Over	10	5,047,378	86.61
Total	29	5,827,378	100.00

Please note that the Group has issued more than one class of Options and all the classes of Options have been aggregated in this table.

Of the Options issued, Dr James Tickner has the ability to control 3,332,378 Options, which are issued to Dr Tickner or entities he has the ability to control.

PERFORMANCE RIGHTS

Range	No. of Shareholders	Securities	%
1 to 1,000	0	0	0.00
1,001 to 5,000	21	61,011	12.47
5,001 to 10,000	10	73,721	15.07
10,001 to 100,000	5	216,078	44.16
100,001 and Over	1	138,462	28.30
Total	37	489,272	100.00

RESTRICTED SECURITIES

The number of securities subject to ASX restrictions and the restriction period applied to those securities is detailed below:

Type of Security	Number	Restriction Period
Shares	35,315,102	24 months from the date of official quotation
Options	1,515,000	24 months from the date of official quotation
Performance Rights	205,847	24 months from the date of official quotation

ANNUAL GENERAL MEETING

Our Annual General Meeting will be held on 27 November 2023, at 1:00 pm (ACDST) at MAB Circuit Tonsley, South Australia.

Members of our Board and Executive Leadership Team will be available to discuss the Company's performance, operations and technologies.

CORPORATE CALENDAR

August 2023	Release of FY23 Full Year Financial Results
September 2023	Notice of AGM and director nominations closure date
October 2023	Release of Q1 FY24 Quarterly Report
November 2023	FY23 Annual General Meeting
December 2023	H1 FY24 Year End
January 2024	Release of Q2 FY24 Quarterly Report
February 2024	Release of H1 FY24 Results
April 2024	Release of Q3 FY24 Quarterly Report
June 2024	FY24 Full Year End
July 2024	Release of Q4 FY24 Quarterly Report
August 2024	Release of FY24 Full Year Financial Results

CORPORATE DIRECTORY

DIRECTORS

Robert Henry Richard Adamson – Non-executive Chairman
 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
 Gregory Vincent Holt – Non-Executive Director

COMPANY SECRETARY

Anand Sundaraj
 Brett Anthony Coventry
 cosec@chrysofcorp.com.au

AUDITORS

KPMG
 ABN 51 194 660 183
 151 Pirie Street
 Adelaide SA 5000 Australia

REGISTERED OFFICE

Chrysofc Corporation Ltd
 ABN 76 613 131 141
 Level 5, 19 Gouger Street
 Adelaide SA 5000 Australia

PRINCIPAL PLACE OF BUSINESS

Gate 4, Waite Road
 Urrbrae SA 5064 Australia
 + 61 (0) 8 8338 5384

INVESTOR RELATIONS

investors@chrysofcorp.com.au
 +61 (0) 427 155 728

WEBSITE

chrysofcorp.com.au

SHARE REGISTRY

Link Market Services
 Level 12
 680 George Street
 Sydney NSW 2000
 +61 (0) 2 8280 7100

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

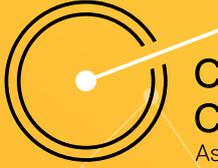
SECURITIES EXCHANGE LISTING

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

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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