



ASX Announcement

1 September 2023

Issue of Performance Rights

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN) advises that it has issued 768,878 Performance Rights for 2023/2024 Performance Rights ("Performance Rights") to Executive Key Management Personnel and employees of the Company under the terms of the Employee Securities Incentive Plan ("Plan").

In addition to the above issue, Alex Dorsch, Managing Director and Chief Executive Officer, has been awarded, 154,574 Performance Rights on the same terms and conditions. The issue of the Performance Rights to Mr Dorsch is conditional on the receipt of shareholder approval to be sought at the Company's 2023 Annual General Meeting.

The Performance Rights are issued for nil consideration and expire 30 June 2028. The Performance Rights are subject to performance and vesting conditions as set by the Board. Refer to the attached Annexure A for further details on the performance and vesting conditions. The performance measurement period for the Performance Rights begins on 1 July 2023 and ends on the measurement date of 30 June 2026.

If the Performance Rights vest and are exercised, each participant will be issued one fully paid ordinary share in the Company for each Performance Right.

For further information regarding the Performance Rights, please refer to the "Notification Regarding Unquoted Securities" that will be released to the ASX following this announcement.

This announcement has been authorised for release by the Disclosure Committee.

For further information, please visit www.chalicemining.com, or contact:

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ANNEXURE A – PERFORMANCE RIGHTS
PERFORMANCE AND VESTING CONDITIONS

The measurement date for the 2023/2024 Performance Rights is set at 30 June 2026. The following table outlines the key business objectives and the weightings of the performance conditions:

No.	FY2023-24 Performance Conditions and Weightings
1.	<p>Generative Exploration, Project Definition, Pre-development and Strategic Objectives (maximum weighting 40%)</p> <p>Generate significant value, on an existing or new asset (either operated or non-operated), through the achievement of several strategic objectives that exceed stretch targets as pre-determined by the Board, including:</p> <ul style="list-style-type: none">« Define a new, material JORC Mineral Resource Estimate (excluding Gonnevillle);« Increase materially an existing JORC Mineral Resource Estimate;« Complete a Feasibility Study for the initial stage of development for the Gonnevillle Project, and« Sell or divest a material asset (as part of an asset sale, joint venture or corporate transaction) achieving certain pre-determined financial outcomes.
2.	<p>Absolute Total Shareholder Return (TSR) measure (maximum weighting 20%)</p> <p>A proportional LTI payment shall be made which is directly proportional to the Total Shareholder Return (TSR) from 1 July 2023 to 30 June 2026. The proportion paid is calculated as:</p> <ul style="list-style-type: none">« If 3-yr TSR <10% p.a. (equivalent to <33.1% increase in share price in 3 years) – 0%« If 3-yr TSR between 10-20% p.a. (equivalent to 33.1-72.8% increase in share price) – weighting pro-rata between 5-20%« If 3-yr TSR >20% p.a. (equivalent to >72.8% increase in share price) – weighting 20%
3.	<p>Relative TSR compared to peer group. (maximum weighting 40%)</p> <p>A proportional LTI payment shall be made where the TSR exceeds the median TSR of the ASX 300 Metals and Mining Index, between 1 July 2023 and 30 June 2026. The proportion paid is calculated as:</p> <ul style="list-style-type: none">« If TSR <50th percentile – 0%« If TSR between 50th and 75th percentile - weighting pro-rata between 5-40%« If TSR >75th percentile – weighting 40% <p>As an illustrative example: If the TSR is at the 65th percentile, 26% of the performance measure would be deemed to have been met – calculated as $((65\%-50\%)/(75\%-50\%)) \times (40\%-5\%) + 5\%$</p>

Board Discretion

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