

16 August 2021

Remuneration Update

Chalice Mining Limited (“**Chalice**” or “**the Company**”, ASX: CHN | OTCQB: CGMLF) reports the key results of its annual remuneration review for Non-Executive Directors (“NED”) and Key Management Personnel (“KMP”).

The Board’s Remuneration Committee recently completed a comprehensive review of the Company’s remuneration structure, supported by external benchmarking against comparator companies. This review determined appropriate levels of Total Fixed Remuneration (“TFR”) and the level and composition of incentive-based remuneration for KMPs, as well as appropriate NED fees.

The changes in remuneration take into account the Company’s substantial increase in exploration and development activities at the Julimar Nickel-Copper-PGE Project in Western Australia, as well as its increased exploration activities across Chalice’s portfolio of projects. The changes also reflect the exceptional growth in the Company’s market capitalisation over the past year, where it was included in the ASX200 index and was one of the best performing companies on the ASX.

Key changes to Chalice’s remuneration are summarised below. Further details will be provided in the Company’s 2021 Remuneration Report.

Non-Executive Director Fees

To reflect the increased time commitment of NEDs and the demands placed on them to adequately perform their duties given the rapid expansion in the scope of the Company’s activities, as well as the change in nature of those activities as the Company transitioned from early-stage exploration to resource definition and project studies, director fees have been adjusted as set out below.

In addition, from 1 July 2021, options will no longer be awarded to non-executive directors as part of their remuneration (in prior years, options had been issued to reduce costs).

Effective 1 July 2021, NED and Committee Fees, (including superannuation where applicable), paid out of the Director’s fee pool of \$650,000 p.a., will be set at:

| | From 1 July 2021 | Previous |
|--------------------------------------|------------------|-----------|
| Director Fees (Annual) | | |
| Non-Executive Chairman | \$150,000 | \$150,000 |
| Non-Executive Directors | \$70,000 | \$60,000 |
| Board Committee Fees (Annual) | | |
| Committee Chair | \$15,000 | \$6,000 |
| Committee Member | \$7,500 | \$4,000 |

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The current Board Committees and members are summarised in the table below:

| | Audit | Remuneration | Risk & Sustainability | Technical | Nomination |
|------------------|----------|--------------|-----------------------|-----------|------------|
| Tim Goyder | | | | | ✓ |
| Morgan Ball | ✓(Chair) | ✓ | ✓ | | ✓(Chair) |
| Stephen Quin | ✓ | ✓(Chair) | | ✓ | |
| Garret Dixon | ✓ | | ✓(Chair) | ✓ | ✓ |
| Stephen McIntosh | | ✓ | ✓ | ✓(Chair) | |

Changes to Managing Director's Executive Services Agreement

- « Effective 1 July 2021, the Managing Director, Alex Dorsch, will receive a Total Fixed Remuneration of \$500,000 p.a. including superannuation (FY21: \$355,000 p.a.).
- « In recognition of Chalice's exceptional performance in FY21, Mr Dorsch will receive a one-off cash bonus of \$50,000 (including superannuation) in addition to other incentives previously awarded. This one-time bonus reflects Chalice's share price performance over FY21, which saw an increase of 657% over that period, making it one of the best performing companies on the ASX.
- « Mr Dorsch's "at-risk" remuneration in FY22 will include an annual Short-Term Incentive (cash bonus) of up to 50% of his TFR (FY21: 25%) and a Long-Term Incentive (performance rights) of 100% of his TFR (FY21: 75%).
- « Mr Dorsch will be offered 65,531 performance rights (FY21: 280,081) under the Long-Term Incentive Plan ("LTIP") for the 2021/22 year. The issue of the performance rights is subject to shareholder approval at the Company's upcoming Annual General Meeting in November 2021 and the vesting of those performance rights is subject to performance measures set by the board, with a measurement date of June 30, 2024.
- « Mr Dorsch's job title will be changed to "Managing Director and Chief Executive Officer".
- « There have been no other material changes to the terms of Mr Dorsch's Executive Services Agreement.

Authorised for release by the Board of Directors.



Tim Goyder
Chairman

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

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