



# ASX Announcement

23 September 2021

## Issue of Performance Rights

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Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) advises that it has issued 296,160 - 2021/2022 Performance Rights (Performance Rights) to senior executives and employees of the Company under the terms of the Employee Securities Incentive Plan (Plan).

In addition to the above issue, as announced on 16 August 2021, Alex Dorsch, Managing Director and Chief Executive Officer, has been awarded 65,531 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 2021 Annual General Meeting.

The Performance Rights are issued for no consideration and will not vest unless the performance conditions set by the Board have been satisfied, with the final vesting quantum to be determined following the measurement date of 30 June 2024. Refer to the attached Annexure A for the details of the performance and vesting conditions.

For further information regarding the Performance Rights, please refer to the "Notification Regarding Unquoted Securities" lodged with the ASX today.

Authorised for release by the Disclosure Committee.

**For further information, please visit [www.chalicemining.com](http://www.chalicemining.com) to view our latest corporate presentation, or contact:**

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## ANNEXURE A – PERFORMANCE AND VESTING CONDITIONS

The measurement date for the 2021/2022 Performance Rights is set at 30 June 2024. The following table outlines the key business objectives and the weightings of the performance conditions:

### No. Performance Conditions and Weightings

#### 1. Sustainability (Max. weighting 20%)

Achieve inclusion into the S&P/ASX 200 ESG Index by 30 June 2024.

#### 2. Generative Exploration, Project Definition and Strategic (Max. weighting 30%)

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, pre-determined by the Board by resolution on 16 August 2021, including:

- « Define a new, material JORC Mineral Resources (excluding Gonneville) which shows the potential to be economic;
- « Increase materially an existing JORC Mineral Resource;
- « Define JORC Mineral Reserves or a material increase in JORC Mineral Reserves, and
- « Disposal of a material asset (as part of an asset sale, joint venture or corporate transaction).

#### 3. Absolute TSR measure (Max. weighting 25%)

A proportional LTI payment shall be made which is directly proportional to the Total Shareholder Return (TSR) from 1 July 2021 to 30 June 2024. The proportion paid is calculated as:

- « If 3-yr TSR <10% p.a (equivalent to <33.1% increase in share price) – 0%
- « If 3-yr TSR between 10-20% p.a (equivalent to 33.1-72.8% increase in share price) - weighting pro-rata between 5-25%
- « If 3-yr TSR >20% p.a (equivalent to >72.8% increase in share price) – weighting 25%

#### 4. Relative TSR compared to peer group. (Max. weighting 25%)

A proportional LTI payment shall be made where the TSR exceeds the median TSR of the peer group, between 1 July 2021 and 30 June 2024. The proportion paid is calculated as:

- « If TSR <50th percentile – 0%
- « If TSR between 50th and 75th percentile - weighting pro-rata between 5-25%
- « If TSR >75th percentile – weighting 25%

As an illustrative example: If the TSR is at the 65th percentile, 17% of the performance measure would be deemed to have been met – calculated as  $((65\% - 50\%) / (75\% - 50\%)) \times (25\% - 5\%) + 5\%$

The comparators companies include the following ASX listed companies: Pilbara Minerals Limited, Zimplats Holding Limited, Orocobre Limited, Galaxy Resources Limited, Brockman Mining Limited, De Grey Mining Limited, Perseus Mining Limited, Piedmont Lithium Limited, Oceanagold Corporation, Ramelius Resources Limited, Sandfire Resources NL, Gold Road Resources Limited, Mount Gibson Iron Limited.

*Where required, the Board may, acting reasonably and in good faith, use its discretion to vary the 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.*