

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Chalice Mining Limited

ABN/ARBN

47 116 648 956

Financial year ended:

30 June 2021

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- This URL on our website: <https://chalicemining.com/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 23 September 2021 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 23 September 2021

Name of authorised officer authorising lodgement: Alex Dorsch  
Managing Director and Chief Executive Officer

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement on page 15 and we have disclosed a copy of our board charter at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Board Charter)	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement on page 16	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement on page 16	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> Refer Corporate Governance Statement on page 16	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Diversity Policy)</p> <p>and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement on page 17</p> <p>We were not included in the S&amp;P / ASX 300 Index at the commencement of the Reporting Period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 17 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Process for Performance Evaluations)</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at page 17.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:  <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Process for Performance Evaluations)</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at page 17.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement  <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Nomination Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement on page 18 and in the Directors' Report on page 62 of our 2021 Annual Report.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that for part of the Reporting Period we did not have a separate nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively in our Corporate Governance Statement on page 18.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 18. Effective from 13 May 2021, the Company is in compliance with Recommendation 2.1.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our Corporate Governance Statement on page 18.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement on page 20.</p> <p>and, where applicable, the information referred to in paragraph (b) at in our Corporate Governance Statement on page 20.</p> <p>and the length of service of each director in our Corporate Governance Statement on page 20.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 21. Effective from 20 August 2020, the Company is in compliance with Recommendation 2.4.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 21 <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 21.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://chalicemining.com/strategy-values">https://chalicemining.com/strategy-values</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 21. and we have disclosed our code of conduct at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Code of Conduct)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 22. and we have disclosed our Whistleblower Policy at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Whistleblower Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 22. and we have disclosed our anti-bribery and corruption policy at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Anti-Bribery and Anti-Corruption Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Audit Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement on page 22 and in the Directors' Report on page 59 to 61 of our 2021 Annual Report.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we did not have an audit committee that met the requirements of paragraph (a) for part of the Reporting Period and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner in our Corporate Governance Statement on page 22</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 22. Effective from 21 August 2020, the Company is in compliance with Recommendation 4.1.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23. and we have disclosed our continuous disclosure compliance policy at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Disclosure Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23.	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 23. and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Shareholder Communications and Investor Relations Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 24.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 24. <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Shareholder Communications and Investor Relations Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Risk and Sustainability Committee Charter) and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement on page 24 and in the Directors' Report on page 62 of our 2021 Annual Report.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we did not have a risk committee or committees that satisfies paragraph (a) for the entire Reporting Period and the processes we employ for overseeing our risk management framework in our Corporate Governance Statement on page 24.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 24. Effective from 21 August 2020, the Company is in compliance with Recommendation 7.1.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 25. and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement on page 25.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p>..</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement on page 25.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 25.</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risks in our Corporate Governance Statement on page 25.	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Remuneration Committee Charter) and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement on page 25 and in the Directors' Report on page 62 of our 2021 Annual Report.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we did not have a remuneration committee that satisfies paragraph (a) for the entire Reporting Period and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive in our Corporate Governance Statement on page 25.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 25. Effective from 21 August 2020, the Company is in compliance with Recommendation 7.1.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 26.</p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Remuneration Report on page 63 to 834 of our 2021 Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 26.</p> <p>and we have disclosed our policy on this issue or a summary of it at: <a href="https://chalicemining.com/corporate-governance">https://chalicemining.com/corporate-governance</a> (see Securities Trading Policy)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... .. [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>..</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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## Corporate Governance Statement

Chalice Mining Limited ACN 116 648 956

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### Approach to Corporate Governance

Chalice Mining Limited ACN 116 648 956 (**Company or Chalice**) has established a corporate governance framework designed to ensure that the Company is effectively managed, regulatory obligations are met and that the Company is managed in an appropriate manner to meet the expectations of stakeholders.

This Corporate Governance Statement outlines the main features of our governance framework reporting against the recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup> edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

Since the discovery of Julimar in March 2020, Chalice has undergone a period of significant growth in its operational activities, business complexity, staff numbers and market capitalisation. Just prior to the Julimar discovery, the Company had a market capitalisation of \$44 million. In March 2021, Chalice was included in the S&P/ASX 300 and in June 2021 achieved inclusion in the S&P/ASX 200. The Board recognises the increased governance expectations of ASX 200 companies and, during the year, has progressively undertaken a review of its governance framework to adopt the 4<sup>th</sup> edition of the Principles & Recommendations and align the Company's governance framework with these increased expectations. Changes made to the governance framework as a result of this review are noted within this Corporate Governance Statement.

The Company reports below on whether it has followed each of the recommendations during the financial year ended 30 June 2021 (**Reporting Period**). The information in this statement is current at 23 September 2021 and was approved by a resolution of the Board on that date.

### Principle 1 – Lay solid foundations for management and oversight

#### Recommendation 1.1: Board Charter – Roles and Responsibilities

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its *Board Charter* which was last reviewed and updated in June 2021.

The role of the Board is to:

- provide leadership for, and oversight of management;
- set the strategic direction of the Company and measure the progression by management of those strategic objectives;
- approve the Company's remuneration framework;
- appoint and replace the Managing Director;
- approve the appointment and removal of the Company Secretary and senior executives;
- monitor the effectiveness of the Company's governance practices;
- ensure that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate, and
- approve the Company's statement of values and Code of Conduct.

Management's role is to:

- implement the strategic objectives and operate within the risk appetite and values set by the Board;
- undertake the day-to-day running of the Company, in accordance with the delegated authority of the Board, and
- provide the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

Further information on the roles and responsibilities of the Board and management can be found in the Company's Board Charter which is available at <https://chalicemining.com/corporate-governance>.

The number of Board meetings attended by each Board member during the year ended 30 June 2021, can be found on page 62 of the Directors' Report in the Company's 2021 Annual Report.

### **Recommendation 1.2: Director Information and Background Checks**

The Company undertakes appropriate checks before appointing a director or senior executive or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks undertaken, and the information provided to shareholders, are set out in the *Nomination Committee Charter*, which is available at the Company's website at <https://chalicemining.com/corporate-governance>.

The Company provided shareholders with all material information in its possession relevant to the decision on whether or not to elect Mr Garret Dixon at the Company's 2020 Annual General Meeting through the notice of meeting.

The Board recognises that Board succession planning and renewal is critical to performance. An election of directors is held each year. Each director other than the Managing Director must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). A director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director must stand for election. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment is not automatic.

### **Recommendation 1.3: Director and Senior Executive Agreements**

The Company has a written agreement with each director and senior executive setting out the terms of their appointment in accordance with the *Nomination Committee Charter*, which is available on the Company's website at <https://chalicemining.com/corporate-governance>.

The material terms, and material variations of agreements with Non-executive Directors and the Managing Director have been disclosed in accordance with ASX Listing Rule 3.16.4.

### **Recommendation 1.4: Company Secretary**

The Company Secretary is accountable directly to the Board, through the Chair, on all matters supporting the effectiveness and proper functioning of the Board and its Committees. Each Director is able to communicate directly with the Company Secretary. Further details on the role of the Company Secretary are outlined in the Company's *Board Charter* which is available on the Company's website at <https://chalicemining.com/corporate-governance>.

Mr Jamie Armes was appointed Company Secretary on 19 August 2019. Details of Mr Armes' qualifications and experience are set out on page 61 of the Directors' Report contained within the Company's 2021 Annual Report.

### Recommendation 1.5: Diversity

The Company has a Diversity Policy which is available on the Company's website at <https://chalicemining.com/corporate-governance>.

The Diversity Policy provides that the Board may establish measurable objectives for achieving gender diversity that are appropriate for the Company. Due to the size and composition of the Company during the Reporting Period, the Board did not set measurable objectives for achieving gender diversity.

The Board acknowledges the value of diversity and the importance of providing a workplace that fosters an inclusive environment which attracts, welcomes and retains diverse and talented employees.

Within the next Reporting Period, the Company will develop a diversity strategy that will include a measurable gender diversity objective and the Board will assess annually both the objectives and progress towards achieving them. Following the Company's inclusion in the S&P/ASX300 in June 2021, this will include setting a measurable objective of no less than 30% of each gender on its Board.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (excluding non-executive directors) as at the end of the Reporting Period are set out in the following table. "Senior executive" for these purposes means Key Management Personnel of the Company, excluding the Managing Director.

	Proportion of women	
	FY2021	FY2020
Whole organisation (excluding non-executive directors)	20 out of 64 (31%)	6 out of 23 (26%)
Senior executive positions	1 out of 4 (25%)	0 out of 3 (0%)
Board	0 out of 6 (0%)	0 out of 4 (0%)

Subsequent to the end of the Reporting Period, on 24 August 2021, the Company appointed Linda Kenyon as an Independent Non-executive Director.

### Recommendation 1.6: Board and Managing Director Performance

The Chair is responsible for the evaluation of the Board and, when appropriate, Board committees and individual directors in accordance with the Company's *Process for Performance Evaluations*. The Chair is also responsible for evaluating the Managing Director. In the event the Chair is not deemed independent (under ASX guidelines) or is an executive, the evaluation is conducted by the Lead Independent Director.

The evaluation of the Board, individual directors and the Managing Director is undertaken by each director completing a questionnaire which is then evaluated by the Lead Independent Non-executive Director. Any issues arising are addressed by the Lead Independent Non-executive Director with the Board.

An evaluation of the Board, individual directors, Managing Director and applicable committees took place in accordance with the process disclosed in the Company's *Process for Performance Evaluations* during the Reporting Period.

### Recommendation 1.7: Senior Executive Performance

The Managing Director is responsible for evaluating the performance of senior executives in accordance with the process disclosed in the Company's *Process for Performance Evaluations*. This is conducted by informal interviews, and via ongoing contact between the Managing Director, the Chairman and the senior executives. As the Company grows, it will review the need for a formal evaluation process.

During the Reporting Period a performance evaluation of senior executives took place in accordance with the process disclosed.

## Principle 2 – Structure the board to add value

### Recommendation 2.1: Nomination Committee

In May 2021, the Board established a Nomination Committee structured in accordance with Recommendation 2.1. The Nomination Committee comprises of three members, Mr Morgan Ball (Chair), Mr Garret Dixon and Mr Tim Goyder. Mr Ball and Mr Dixon are Independent Non-Executive Directors.

To establish the separate Nomination Committee, the Board adopted a revised *Nomination Committee Charter* which describes the role, composition, functions and responsibilities of the Nomination Committee and is disclosed on the Company's website at <https://chalicemining.com/corporate-governance>.

The Nomination Committee held one meeting during the Reporting Period. Details of director attendance at Nomination Committee meetings during the Reporting Period are set out on page 62 of the Directors' Report contained within the Company's 2021 Annual Report.

Prior to May 2021, the full Board performed the role of the Nomination Committee. Given the previous size and composition of the Board, the Board believed that there would be no efficiencies gained by establishing a separate Nomination Committee. Although the Board had not established a separate Nomination Committee, it had adopted a *Nomination Committee Charter*, which described the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee. When the Board carried out those functions which were delegated to it in the Company's *Nomination Committee Charter*, items that are usually required to be discussed by a Nomination Committee were marked as separate agenda items at Board meetings when required.

### Recommendation 2.2: Board Skills Matrix

During the Reporting Period, the Board reviewed its Board Skills Matrix. The methodology used to develop the Skills Matrix involved determining the desired skills and experience considered appropriate to implement the Company's strategy and key issues facing the Company. The Board seeks to ensure that it has an extensive, diverse and relevant skill set.

Each Director was asked to grade their experience, capability and knowledge in respect of each identified skill using an assessment scale of 0 to 5, with 0 being no competency and 5 being a recognised industry expert competency. A level of 3 or above indicates a 'well developed competency' to participate in Board level decision making.

The following table sets out the identified skills/experience, capability and knowledge requirements that comprise the Company's Board Skills Matrix and the number of Directors that have been assessed in each category to a minimum level of 3. At the end of the Reporting Period there were six Directors in total (including the Managing Director).

Category, skill/experience, capability and knowledge requirements	No. of Directors
<b>Leadership and People Management</b> Significant Board and/or Executive experience in a publicly listed company or large organisation, with a proven track record of effective leadership and management of multi-disciplined teams.	6
<b>Strategic Planning, Business Development and Commercial</b> Formulating, assessing and executing strategic vision, objectives, business models and relevant financial metrics. Knowledge of industry competitive landscape, key risks, capability requirements and strategic planning processes.	6
<b>Corporate Transactions</b> Planning and execution of equity or debt capital raisings, mergers, acquisitions, joint ventures, de-mergers and takeover defence.	6
<b>Financial</b> Evaluating financial statements, understanding key financial drivers of a business, corporate finance (including debt and equity capital markets) and assessment of financial risks and controls.	5

<b>Category, skill/experience, capability and knowledge requirements</b>	<b>No. of Directors</b>
<b>Governance, Legal and Compliance</b> Formulating, implementing and overseeing of organisation-wide governance and compliance systems, processes, policies and frameworks. Knowledge of governance issues, including the legal, compliance and regulatory environment applicable to publicly listed entities.	6
<b>People, Culture and Remuneration</b> Establishing and overseeing organisation-wide capabilities, remuneration frameworks, performance assessment, people management and company culture, mindsets and behaviours.	5
<b>Investor Relations</b> Drafting and delivery of public announcements, other shareholder communications, market research / analysis and presentations at industry events / conferences.	6
<b>Risk Management</b> Formulating risk management frameworks and controls, setting appropriate risk appetite, identifying and providing oversight of key business risks (both financial and non-financial).	6
<b>Health and Safety</b> Formulating and implementing health and safety management systems, risk identification and mitigation processes, performance monitoring and governance.	5
<b>Sustainability and Environment</b> Formulating and managing environment and sustainability policies, standards, practices and implementation of environmental impact mitigations for mining projects.	3
<b>Community and Government Relations</b> Formulating and implementing stakeholder engagement and management strategies. Local, State and Federal Government and regulatory management.	6
<b>Geology and Exploration Targeting</b> Base and precious metal mineral systems, geology and targeting. Design, planning and execution of pre-discovery mineral exploration programs.	3
<b>Exploration and Resources Definition</b> Base and precious metal geology, resource and reserve measurement and classifications. Design, planning and execution of post-discovery resource definition drilling programs and related activities.	4
<b>Metallurgy and Mineral Processing</b> Base and precious metal mineralogy, metallurgy and marketing. Design, testing and optimisation of metallurgical flowsheet, processing facility and offtake.	4
<b>Project Studies and Engineering</b> Formulation and execution of mining scoping and feasibility studies to define and assess project scope, economic potential, financing options and risk factors.	6
<b>Project Design and Construction</b> Planning, management and execution of large-scale mining project construction, including financial assessment, contracting, procurement, engineering and risks.	4
<b>Mining Operations and Decommissioning</b> Managing and operating mid to large scale mining operations in base and/or precious metals, including mining engineering, mineral processing, logistics and operational management.	4

The Board Skills evaluation undertaken demonstrated that the Board is comprised of members that possess a diverse range of skills with significant experience in the majority of areas. A number of skills were identified where no Directors were assessed at a level 5 "recognised industry expert" competency, being the areas of Governance, Legal and Compliance, Sustainability and Environment, Project Design and Construction, Metallurgical and Mineral Processing and Mining Operations and Decommissioning. The Nomination Committee and the Board determined that any casual vacancies arising from Board succession and renewal would seek to enhance the Board's strength in these areas.

Subsequent to the end of the Reporting Period, on 24 August 2021, the Company appointed Linda Kenyon, as an independent Non-executive Director.

As a highly experienced corporate lawyer and governance professional, the appointment of Ms Kenyon has strengthened the Board's expertise in certain areas identified from the Board skills evaluation as requiring a recognised industry expert level of competency.

A profile of each Director setting out their skills, experience, expertise and period of office is set out on page 59 to 61 of the Directors' Report contained within the Company's 2021 Annual Report.

The Board's composition and diversity will continue to be assessed as the Company progresses its business strategy of advancing its exploration and evaluation stage projects.

### **Recommendation 2.3: Director's Independence**

The Board's approach to Director independence is set out in its Board Charter which states that to be judged independent, a director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Chalice as a whole rather than in the interests of an individual security holder or any other person.

The Board considers the independence of directors having regard to the *Board Charter* and the relationships listed in Box 2.3 of the Principles & Recommendations. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the *Board Charter*, which is available at <https://chalicemining.com/corporate-governance>.

The Board has undertaken a review of all Non-executive Directors during the Reporting Period and determined the independent directors of the Company are Mr Ball, Mr Quin, Mr Dixon and Mr McIntosh as they are non-executive directors who are not members of management and are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement. Ms Kenyon, appointed a Non-executive Director in August 2021, is also deemed independent.

During the Reporting Period, as a means of conserving cash during the exploration stage at a time when cash was limited, Non-executive Directors were issued unlisted options following approval by shareholders at the 2020 Annual General Meeting. Whilst the unlisted options were issued under the terms of the Employee Securities Incentive Plan, they are not linked to any performance conditions and are not considered sufficiently material to impact the independence of directors.

Mr Dorsch is not considered independent as he is engaged in an executive capacity as Managing Director.

Mr Goyder is not considered independent as he was previously engaged in an executive capacity as Executive Chair and is a substantial shareholder of the Company.

Mr Quin has been a non-executive Director of the Company for 11 years having commenced in May 2010. The Board considers that Mr Quin has always maintained absolute independence as a non-executive Director and has not formed associations with the Company's management or substantial shareholders that might compromise his ability to exercise independent judgement or to act in the best interest of the Company as a whole. Therefore, the Board does not believe that Mr Quin's length of service on the Board materially interferes with his ability to exercise independent judgement in the best interests of the Company. Mr Quin has advised his intention to step-down as a Non-executive Director at the upcoming 2021 Annual General Meeting.

The length of service and independence of each director is set out on page 59 to 61 of the Directors' Report in the Company's 2021 Annual Report.

#### **Recommendation 2.4: Majority of Independent Directors**

The Board currently has a majority of Directors who are independent.

Until the appointment of Mr Dixon as an independent Non-executive Director in August 2020, the Board did not have a majority of directors who were independent. Notwithstanding this, the Board considered that prior to this date, its composition was adequate for the Company's size and operation and included an appropriate mix of skills and expertise relevant to the Company's business. Subsequent to Mr Dixon's appointment, the Board had a majority of independent Non-executive Directors.

Mr McIntosh was appointed as an independent Non-executive Director on 20 February 2021, further increasing the prevalence of independent directors, and, subsequent to the Reporting Period, Ms Kenyon was appointed as an independent Non-executive Director on 24 August 2021.

The Board continues to review its composition and as the Company's activities evolve it will appoint further independent directors when considered appropriate.

#### **Recommendation 2.5: The Chair of the Board**

The non-independent Chair of the Board is Mr Timothy Goyder.

Mr Goyder is not an independent Non-executive director because he is a substantial shareholder of the Company and was previously engaged in an executive capacity as Executive Chairman. On 1 September 2020, Mr Goyder transitioned from Executive Chairman to the role of Non-executive Chairman. The Board believes that Mr Goyder is the most appropriate person for the position of Chair of the Board.

The Board appointed Mr Morgan Ball to act as Lead Independent Director when any conflicts or perceived conflicts of interest arise. The role and responsibilities of the Lead Independent Director are contained in the *Board Charter*, which is available at <https://chalicemining.com/corporate-governance>.

#### **Recommendation 2.6: Board Induction and Professional Development**

The Company has an induction program for new directors appointed to the Board. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity.

The Board annually reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. Refer to Recommendation 2.2 on page 18 for further information on the Board skills matrix.

### **Principle 3 – Act ethically and responsibly**

#### **Recommendation 3.1: Values**

Chalice's core values of integrity, ownership, urgency, alignment and advancement provide a foundational expectation for employee mindsets and behaviours to support its vision and strategy. The Board of Directors and Key Management Personnel review the appropriateness of the Company's core values regularly.

The Company's values are available on the Company's website at <https://chalicemining.com/strategy-values> and are detailed further on page 11 of the 2021 Annual Report.

#### **Recommendation 3.2: Code of Conduct**

The Company has established a Code of Conduct that applies to its directors, senior executives, employees and contractors. A copy of the Code of Conduct is available on the Company's website at <https://chalicemining.com/corporate-governance>.

Material breaches of the Code of Conduct must be reported to the Board.

### **Recommendation 3.3: Whistleblower Protection Policy**

The Company has established a Whistleblower Policy to encourage the reporting of suspected unethical, illegal, fraudulent or violations (or suspected violations) of the Company's Code of Conduct and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling. A copy of the Whistleblower Policy is available on the Company's website at <https://chalicemining.com/corporate-governance>.

Material incidents reported under the Whistleblower Policy must be reported to the Board.

### **Recommendation 3.4: Anti-Bribery and Anti-Corruption Policy**

The Company has established an Anti-bribery and Anti-Corruption Policy to establish a governance framework and business practices to mitigate the risk of bribery and corruption within the jurisdictions where it operates. A copy of the Anti-bribery and Anti-Corruption Policy is available on the Company's website at <https://chalicemining.com/corporate-governance>.

Material breaches of the Anti-bribery and Anti-Corruption Policy must be reported to the Board.

## **Principle 4 – Safeguard the integrity of corporate reports**

### **Recommendation 4.1: Audit Committee**

The Board has established an Audit Committee (previously Audit and Risk Committee) to assist the Board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting. The Audit Committee Charter was reviewed in March 2021 when the Board resolved to establish a separate Risk and Sustainability Committee. A copy of the *Audit Committee Charter*, which describes the Audit Committee's role, composition, functions and responsibilities is available on the Company's website at <https://chalicemining.com/corporate-governance>.

The members of the Audit Committee are the following independent Non-executive Directors:

- Mr Morgan Ball (Chair)
- Mr Stephen Quin
- Mr Garret Dixon (from 21 August 2020)

Prior to August 2020, the Audit Committee was not structured in compliance with Recommendation 4.1 as the committee consisted of only two members due to the size of the organisation and as the Board only had two independent directors. The Audit Committee consisted of Mr Ball (Chair) and Mr Quin. The Board considered that this structure was appropriate for a company of Chalice's size at the time and provided the best mix of skills and expertise available to the Company given the size of the Board and capitalisation of the Company. On 21 August 2020, Mr Dixon was appointed as an independent Non-executive Director and member of the Audit Committee and from this date the structure of the Audit Committee was in compliance with Recommendation 4.1.

The Audit Committee held two meetings during the Reporting Period. Details of member attendance at Audit Committee meetings during the Reporting Period are set out on page 62 of the Directors' Report contained within the Company's 2021 Annual Report.

The relevant qualifications and experience of the members of the Audit Committee are set out on pages 59 to 61 of the Directors' Report contained within the Company's 2021 Annual Report.

The Company has also established a *Procedure for the Selection, Appointment and Rotation of its External Auditor*. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee and any recommendations are made to the Board.

#### **Recommendation 4.2: Executive Assurance to the Board**

Before the Board approved the Company's financial statements for the half-year ended 31 December 2020 and the full-year ended 30 June 2021 and each of the quarters ending 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021, it received from the Managing Director and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **Recommendation 4.3: Processes for Verification of Non-Audited Periodic Reports**

Where periodic corporate reports are not audited or reviewed by an external auditor, the Company ensures it employs processes which minimise the chance of error in the report. The processes employed involves a review by the relevant internal stakeholder culminating in an internal sign-off that the portion of the report to which they have contributed is accurate prior to receiving approval by the Disclosure Committee or the Board.

### **Principle 5 – Make timely and balanced disclosure**

#### **Recommendation 5.1: Continuous Disclosure Policy**

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. In June 2021, the Board adopted a new *Disclosure Policy*, replacing the Company's *Policy on Continuous Disclosure and Compliance Procedures*. The *Disclosure Policy* is available on the Company's website at <https://chalicemining.com/corporate-governance>.

#### **Recommendation 5.2: Provision of Announcements to the Board after Release**

The Company Secretary is responsible for ensuring that all material ASX announcements are provided to the Board promptly after release.

#### **Recommendation 5.3: Investor or Analyst Presentations**

All new and substantive investor and analyst presentations provided by the Company are lodged with the ASX prior to the presentation.

### **Principle 6 – Respect the rights of security holders**

#### **Recommendation 6.1: Communication with Security Holders - Website**

The Company provides information about itself and its governance to investors via its website at [www.chalicemining.com](http://www.chalicemining.com) as set out in its *Shareholder Communication and Investor Relations Policy*.

#### **Recommendation 6.2: Investor Relations Program**

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy*.

#### **Recommendation 6.3: Security Holder Participation at Meeting**

The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of security holders.

At the 2020 Annual General Meeting, shareholders that could not physically attend the meeting were provided with the opportunity to attend, vote, and participate virtually. It is the Company's intention that the 2021 Annual General Meeting will be held in the same hybrid format.

**Recommendation 6.4: Polls**

It is the practice of the Company that at all security holder meetings, including the AGM, the outcomes of resolutions are decided by a poll rather than a show of hands.

**Recommendation 6.5: Electronic Communications**

Security holders are given the option and are encouraged to receive communications from, and send communications to, the Company and its share registry, Computershare Investor Services, electronically.

The Company provides security holders the option to receive communications from, and send communications to, the Company and its share registry electronically by registering their email address online with the Company's share registry, Computershare at [www.computershare.com/au](http://www.computershare.com/au).

Security holders and other stakeholders can register on the Company's website to receive information updates about the Company at [www.chalicemining.com](http://www.chalicemining.com).

**Principle 7 – Recognise and manage risk****Recommendation 7.1: Risk Management Committee**

The Board established a separate Risk and Sustainability Committee in March 2021 to assist the Board in discharging its oversight responsibility of the Company's risk management framework. Prior to March 2021, given the size of the organisation and capitalisation of the Company at the time, the role of the Risk Committee was undertaken by a combined Audit and Risk Committee. A copy of the Risk and Sustainability Committee's Charter, which describes the Risk and Sustainability Committee's role, composition, functions and responsibilities is available on the Company's website at <https://chalicemining.com/corporate-governance>.

The composition of the Risk and Sustainability Committee meets the criteria contained in the Principles and Recommendations in terms of Chair's independence, number of members and independence of members.

The members of the Risk and Sustainability Committee are the following independent Non-executive Directors:

- Mr Garret Dixon (Chair)
- Mr Stephen McIntosh
- Mr Morgan Ball (until 24 August 2021)
- Ms Linda Kenyon (from 24 August 2021)

The relevant qualifications and experience of the members of the Risk and Sustainability Committee are set out on pages 59 to 61 of the Directors' Report contained within the Company's 2021 Annual Report.

Refer to Recommendation 4.1 on page 22 for details of the members of the Audit and Risk Committee prior to the establishment of the separate Risk & Sustainability Committee.

Prior to August 2020, the Audit & Risk Committee was not structured in compliance with Recommendation 7.1 as the committee consisted of only two members due to the size of the organisation and as the Board only had two independent directors. The Audit and Risk Committee consisted of Mr Ball (Chair) and Mr Quin. The Board considered that this structure was appropriate for a company of Chalice's size at the time and provided the best mix of skills and expertise available to the Company given the size of the Board and capitalisation of the Company. On 21 August 2020, Mr Dixon was appointed as an independent Non-executive Director and member of the Audit and Risk Committee and from this date the structure of the Audit and Risk Committee was in compliance with Recommendation 7.1.

The Audit and Sustainability Committee held two meetings during the Reporting Period. The Audit and Risk Committee also held two meetings during the Reporting Period. Details of member attendance at these meetings are set out on page 62 of the Directors' Report contained within the Company's 2021 Annual Report.

**Recommendation 7.2: Risk Management Framework - Review at Least Annually**

During the Reporting Period, the Risk & Sustainability Committee reviewed and updated the Company's risk management framework to satisfy itself that material business risks the Company faces are appropriately identified and effectively managed and that the Company is operating with due regard to the risk appetite set by the Board.

**Recommendation 7.3: Internal Audit Function**

The Company does not have an internal audit function. The Board considers that the current size and nature of the Company's operations does not necessitate the need for an internal audit function at this time.

The Risk and Sustainability Committee Charter provides that the Risk and Sustainability Committee is responsible for internal audit processes (other than financial matters). The Audit Committee Charter provides that the Audit Committee is responsible for internal audit processes for financial matters. The operations of these Committees facilitate the oversight of risks and actions being undertaken by management to mitigate these risks to an acceptable level. The Board is prepared to adopt an internal audit function if deemed necessary in the future.

The Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being managed effectively. The Company's risk management processes continue to be monitored and reported against.

**Recommendation 7.4: Material Exposure to Environmental or Social Sustainability Risks**

As a mineral exploration and development company there are a number of material environmental or social sustainability risks that could adversely affect the Company and the achievement of the Company's strategic objectives. Chalice believes that a strong focus on Environmental, Social, and Governance (ESG) matters are integral to how the Company operates and its overall business strategy.

ESG risks and how they are managed are described in Chalice's Sustainability Report on pages 31 to 55 of the Company's 2021 Annual Report.

**Principle 8 – Remunerate fairly and responsibly****Recommendation 8.1: Remuneration Committee**

The Board has established a Remuneration Committee.

The members of the Remuneration Committee are the following independent Non-executive Directors:

- Mr Stephen Quin (Chair)
- Mr Morgan Ball
- Mr Garret Dixon (from 21 August 2020 to 20 February 2021)
- Mr Stephen McIntosh (from 20 February 2021)

Prior to August 2020 the Remuneration Committee was not structured in compliance with Recommendation 8.1 as the committee consisted of only two members, Mr Quin (Chair) and Mr Ball, due to the size of the organisation and as the Board only had two independent directors. The Board considered that this structure was appropriate for a company of Chalice's size at the time and provided the best mix of skills and expertise available to the Company given the size of the Board and capitalisation of the Company. On 21 August 2020, Mr Dixon was appointed as an independent Non-executive Director and member of the Remuneration Committee and from this date the structure of the Remuneration Committee was in compliance with Recommendation 8.1.

The Remuneration Committee held two meetings during the Reporting Period. Details of member attendance at Remuneration Committee meetings during the Reporting Period are set out page 62 of the Directors' Report contained within the Company's 2021 Annual Report.

A copy of the *Remuneration Committee Charter* which describes the role, composition, functions, and responsibilities of the Remuneration Committee is available on the Company's website at <https://chalicemining.com/corporate-governance>.

**Recommendation 8.2: Remuneration of Non-executive Directors, Managing Director and other Senior Executives**

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report and commences on page 64 of the Company's 2021 Annual Report.

The Company's policy on remuneration clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. Non-executive directors are remunerated at a fixed fee for time, commitment, and responsibilities. Remuneration of non-executive directors is not linked to individual performance. During the Reporting Period, as a method of conserving cash, non-executive directors were issued, subject to shareholder approval, out-of-the-money options that were not linked to performance conditions. There are no termination or retirement benefits for non-executive directors (other than superannuation).

Remuneration of executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives include performance rights granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay, which is reviewed at least annually to ensure market competitiveness.

**Recommendation 8.3: Economic Risks Under Equity-Based Remuneration Scheme**

The Company's *Securities Trading Policy* prohibits hedging arrangements, dealing in derivatives and any other arrangements that limit the economic risk related to the Company's securities. This includes hedging or arrangements that have the effect of limiting the economic risk in connection with unvested securities issued under an equity-based remuneration schemes.

The Company's *Securities Trading Policy* is available on the Company's website at <https://chalicemining.com/corporate-governance>.