CHRYSOS CORPORATION

Assays at the speed of light

Annual Report 2022

Strong and Sustainable Growth

ASX: C79

chrysos.com.au

CONTENTS

Forward looking statements

This report may contain forward looking statements. Further information can be found on page 89 of this report.

CHRYSOS PHOTONASSAY™ DELIVERS FASTER, SAFER, MORE ACCURATE AND ENVIRONMENTALLY-FRIENDLY ANALYSIS OF GOLD, SILVER, COPPER AND OTHER ELEMENTS.

Quantitative results in as little as 2 minutes

Better social and environmental outcomes

Reduced labour and operating costs

Enhanced accuracy and precision

Improved occupational health and safety

ABOUT US

Chrysos Corporation Limited ("Chrysos" or the "Group") is an Australian-based provider of novel assay services to the global mining industry through its proprietary PhotonAssay™ technology. Assaying involves the analysis of ore or other materials to determine the presence and quantity of valuable metals or other constituents. While PhotonAssay™ can be used to detect a wide range of elements, the technology has proven particularly effective for gold and is currently being rolled-out across the gold mining industry.

Assaying is a non-discretionary operating cost for the mining industry with applications across all stages of the value chain, from early-stage exploration drilling to later-stage production activities.

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

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

"PHOTONASSAY™ PROVIDES TANGIBLE AND MEASURABLE CUSTOMER BENEFITS, INCLUDING FASTER AND MORE ACCURATE RESULTS, REDUCED CO_2 EMISSIONS PER SAMPLE, LESS HAZARDOUS WASTE AND CONSUMABLES, AND IMPROVED OCCUPATIONAL HEALTH AND SAFETY OUTCOMES."

FY22 HIGHLIGHTS

+ FOUR PHOTONASSAY™ UNITS DEPLOYED DURING THE YEAR AND A FIFTH UNIT SUCCESSFULLY DEPLOYED IN JULY 2022 BRINGING THE GROUP'S DEPLOYED UNIT BASE TO **11**.
+ 38 DEPLOYED OR CONTRACTUALLY-COMMITTED PHOTONASSAY™ UNITS IN FY22. SUBSEQUENT TO YEAR END, AND DUE TO RECENT CONTRACT SIGNINGS, THIS NUMBER HAS INCREASED TO **48** DEPLOYED OR CONTRACTUALLY-COMMITTED PHOTONASSAY™ UNITS AT THE TIME OF THIS REPORT.
+ SUCCESSFUL EXPANSION INTO **NORTH AMERICA** AND **AFRICA**.
+ $558.5 MILLION IN TOTAL CONTRACT VALUE[1] (TCV), WITH POST YEAR END SIGNINGS INCREASING THIS TO **$705M**, DELIVERING STRONG AND SUSTAINABLE FUTURE MINIMUM CONTRACTED REVENUE.
+ MORE THAN **3 MILLION** COMMERCIAL PHOTONASSAY™ SAMPLES PROCESSED AT TIME OF WRITING.

AT 30 JUNE 2022

↑ **215%**

Income

$14.3m up 214.8% from FY21

↑ **429%**

TCV[1] (Total Contract Value)

$558.5m up 429% during FY22

↑ **155%**

Operating Cashflow

$1.4m up 155% from FY21

↑ **$3.2m**

EBITDA

$2.2m up from ($1.0m) in FY21

1. *Total Contract Value (TCV) is non-IFRS information representing the future minimum contracted revenue on PhotonAssay™ leases (both deployed and committed) that are yet to be invoiced (and calculated) at a point in time. TCV is subject to the Group's contractual performance obligations and where the Directors consider reasonable certainty exists, may include values associated with exercise of option periods, exchange rates used in this calculation are disclosed at page 03 of this Annual Report. This information has not been audited or reviewed by the Group's auditor, risk associated with TCV is described at page 14.*

BUSINESS PROGRESS

Growth

African and Canadian operations established during the year, with units handed over to MSALABS in Tanzania (at Barrick Gold's Bulyanhulu minesite) and in Canada.

Product Development

Silver, copper and moisture analysis now available as commercial offerings.

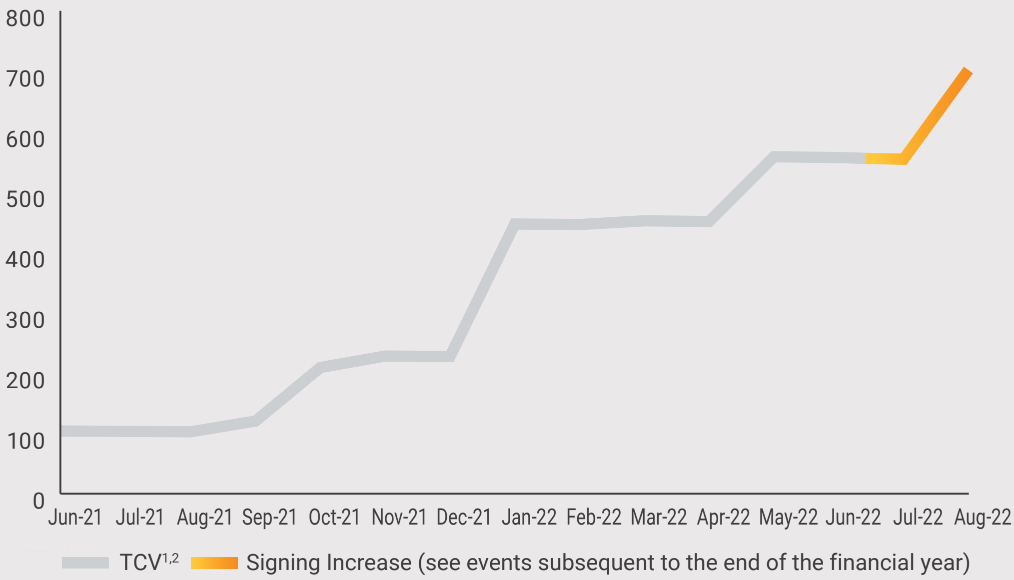
Capability

Continued strengthening of Board and management team.

Safety

Zero reportable safety incidents (Lost Time Injuries (LTIs) or above).

TOTAL CONTRACT VALUE ($M)[3]



1. *TCV is calculated using foreign exchange rates of AUD:USD 0.73, AUD:CAD 0.94 and AUD:GBP 0.56. The USD and CAD rates are based on the average of the 3-month forward curve from Bloomberg in March 2022, per the Chrysos prospectus and GBP rates are based on the average of the 3-month forward curve from Bloomberg in May 2022.*
2. *TCV represents the future minimum contracted revenue on PhotonAssay™ leases (both deployed and committed) that are yet to be invoiced at a point in time, which are subject to the Group's contractual performance obligations and where the Directors consider reasonable certainty exists, may include values associated with exercise of option periods, at the Annual Report date, the Directors' estimate that 60% of the PhotonAssay™ unit contracts include the renewal of a single option period, with the balance assumed to have a duration equivalent to the initial contract term.*
3. *Refer to page 02 for non-IFRS information.*

CHAIR'S LETTER

ROB ADAMSON
CHAIR, CHRYSOS CORPORATION

DEAR FELLOW SHAREHOLDERS,

I'm delighted to present Chrysos Corporation Limited's (Chrysos) Annual Report for the financial year 2022, our first report as a listed company following our float on the Australian Securities Exchange (ASX) on 6 May 2022, and our sixth report since forming the business in 2016.

FULFILLING OUR COMMITMENT TO EARLY INVESTORS

As part of the listing process, Chrysos received strong support from new and existing investors for a fully underwritten Initial Public Offering (IPO) which raised A$183.5 million[1]. The IPO fulfilled an important commitment to some of our early-stage investors and provided A$65 million in new funds to support the Group's ongoing growth plans.

We'd like to take this opportunity to thank all our new and existing shareholders who continue to support the business as a listed entity.

While Chrysos' debut on the ASX and its initial share price performance did not meet our expectations, I want to assure you that the focus of the Group continues to be on delivering the business plan we presented in the Prospectus.

When we formed Chrysos six years ago, considerable time was spent planning for the business, including identifying such risk factors as market uptake, unit deployment, geopolitical challenges and economic upheaval; we then trained our focus on how best to mitigate those factors. This approach to risk is part of the DNA of the Group, and it is how we support the effective delivery of our business plan.

As Chrysos addresses and attenuates these risks and continues to deploy and commission units to meet the growing pull of demand for our disruptive technology, I believe we will be successful in delivering measurable value to customers and our wider stakeholder community.

1. *Refer to note 19.*

Concurrent with our listing, and in accordance with CSIRO policy, Dr. Leong Mar stepped down from his role as Non-Executive Director after more than five years of service. Leong was an important link to the CSIRO as its representative on our Board and he facilitated the smooth transfer of technology into our company and fostered a strong cooperative working relationship between our organisations. On behalf of Chrysos, I would like to thank Leong for his leadership and support of the Group.

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

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

Protected by global intellectual property rights, PhotonAssay™ combines science and software to deliver faster and more accurate mineral assay results. The process involves exciting gold atoms with high-energy X-rays to measure the gold content of mineral samples. The technology is also applicable to silver, copper and other elements.

Chrysos PhotonAssay™ is a highly-disruptive technology with proven economic, environmental and safety benefits for mining and exploration companies as well as minerals analysis laboratories. It displaces the centuries-old fire assay method, which is time consuming, labour intensive, and involves dangerously high temperatures and hazardous consumables that are harmful to both operators and the environment. In contrast, PhotonAssay™ offers reduced CO_2 emissions per sample processed, with less hazardous waste and consumables, along with improved occupational health and safety outcomes.

Importantly for mining companies, improved mineral assay data leads to improved process recovery and more efficient use of key inputs in the production of targeted minerals.

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

$1.4m

Cashflow positive

At operational level, growing by 155.4% from FY21

$13.5m

Annuity style revenue

From long-term contracts grew 208% to $13.521m

Chrysos continues to deliver strong and sustainable growth through new sales, accelerated deployment and increased utilisation rates.

AN ATTRACTIVE BUSINESS MODEL WITH STRONG MARKET DEMAND

Under its Product-as-a-Service (PaaS) business model, Chrysos' revenue is generated largely from operating lease agreements with its clients, including three of the world's four largest laboratories – Intertek, SGS and ALS – whose own customers include some of the world's largest miners such as Barrick Gold and Agnico Eagle.

At the completion of the financial year, Chrysos had a total of 38 PhotonAssay™ units either deployed or contractually committed to customers around the globe.

Chrysos' financial performance during the year was strong and the business surpassed its Prospectus financial forecasts. The Group became cashflow positive at the operational level in FY22, generating $1.4m in operating free cash flow, and ending the year with $92m in cash.

Chrysos reported revenue of $14.258m, and delivered $2.162m in EBITDA in FY22, compared with revenue of $4.5m and an EBITDA loss of $1.0m in FY21. This represents a 215% year-on-year increase in revenue.

It is pleasing to have the business tracking ahead of plan financially.

While broader macro-economic uncertainties exist, Chrysos has the security of long-term renewable customer contracts which are typically of five year duration with an option for a further five year extension and which deliver annuity style earnings to the business. In addition, the Group has strong existing relationships and long-term contracts with its key manufacturers, providing cost assurance in the near term and certainty around its unit deployment schedule going forward.

With our efficient and market-appropriate business model, strong operational cashflow generation and recent IPO, Chrysos is well positioned to execute its business plan. We continue to deliver significant market penetration through our technological leadership, supply chain security, Intellectual Property (IP) protection, human resource flexibility and superior customer service.

STRONG AND SUSTAINABLE GROWTH

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

The provision of this timely data allows our customers to substantially improve their processes, while at the same time lower the environmental footprint of their operations significantly.

Our objective, over the coming years, is to capture a material share of the global assay market, and in doing so become a leading mining technology solution provider, and to do this in a measured and profitable way.

THANK YOU

On behalf of the Board, I would like to thank the whole Chrysos team which continues to deliver significant growth in the business through increased new sales, successful unit deployments and the delivery of tangible benefits to the market. The team operates under and reflects the three foundational pillars that the business is built upon: respect, empathy and integrity. Its continual excellence and dedication has reinforced our reputation as a highly-valued technology innovator across the global mining industry.

To all our shareholders, we look forward to reporting progress and further success from the accelerated unit deployment, increased utilisation and associated revenue that derives from the growing global demand for our game-changing technology.

Thank you again for your ongoing support.

Yours sincerely,

Rob Adamson

Chair, Chrysos Corporation

MANAGING DIRECTOR AND CEO REPORT AND REVIEW OF OPERATIONS

DIRK TREASURE
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, CHRYSOS CORPORATION

DEAR FELLOW SHAREHOLDERS,

It has been a busy and exciting year for Chrysos both from an operational and corporate perspective. The Group has gone from strength to strength, with PhotonAssay™ sales and customer sample volumes building strongly.

Our company listed on the Australian Securities Exchange (ASX) in May, providing us with new capital to underpin our strategic plans and reinforce our growing profile across the global market. We undertook the listing shortly after our $50m Series C capital raising and collectively raised more than $100m to support the Group's growth. With an order book of 37 units and $92m in the bank, Chrysos is well positioned to deliver growth at a time when many technology companies are having difficulty accessing new capital.

Our status as a listed entity provides us with more than liquidity for shareholders: it provides us with credibility as we deploy globally, supports our access to debt finance, and enables us to qualify for several global banking solutions that were unavailable to us whilst unlisted. We were the largest IPO in Australia at the time of listing and whilst the technology markets have been facing strong headwinds lately, the business is well positioned to execute on its business plan and garner positive market sentiment from its continuing delivery of measurable customer value.

BROADENING CUSTOMER BASE

While the Group's current unit commitments extend out to mid-2025, the business has scope to add new, strategically-important customers to its sales pipeline. Chrysos continues to operate a dual sales model whereby it seeks to enter long-term, multi-unit deals with major customers, but retains an 'immediate' sales pipeline of only 12–15 months. This enables the Group to have a solid pipeline of opportunities, which supports its forward manufacturing schedule, but also allows the business to capitalise on strategic opportunities as they arise.

Over the past year, Chrysos has continued to derive sales from both new and existing customers. We have a broadening base of units deployed with MSALABS and have become a core part of that company's global growth strategy. As part of this ongoing relationship and following the successful deployment of PhotonAssay™ at its Bulyanhulu operation, we have seen Barrick Gold broaden its adoption of our technology, with a unit now being installed at the Kibali Gold Mine in the DRC. Furthermore, Intertek's upcoming PhotonAssay™ installation in Ghana illustrates Chrysos' potential to drive incremental sales through its relationships with major analytical laboratories.

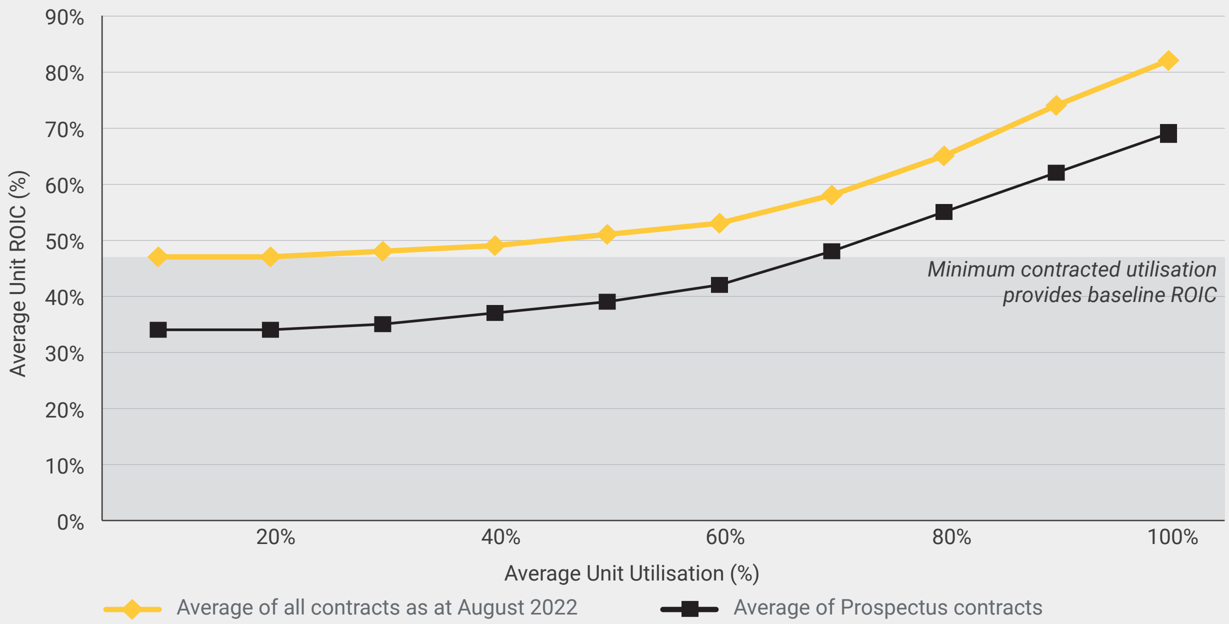
Our deployment regions continue to multiply, with recent installations in Canada, Tanzania and Mali, meaning Chrysos PhotonAssay™ is now operating on three continents. Country entry represents a significant growth opportunity for Chrysos from a sales potential perspective. In our experience, the rate of PhotonAssay™ adoption by miners is dependent on having operations proximate to mines. Geologists, metallurgists and mine managers often insist on feasibility studies and the opportunity to visit and observe their samples being processed. Our growing global footprint simplifies this process, and we anticipate accelerated adoption in these regions.

In FY22, Chrysos worked with Agnico Eagle and On Site Laboratory Services (OSLS) to widen access to the Bendigo PhotonAssay™ unit to projects beyond the Fosterville mine. OSLS has since more than doubled its throughput of PhotonAssay™ samples in some months compared to when it was a single-user operation. We expect these volumes to remain improved as the gold mining industry continues to work its way through its well-publicised sample backlog.

PhotonAssay™ unit sales and sample volumes are growing strongly across global mining hubs.

PHOTONASSAY™ ANNUAL RETURN ON INVESTED CAPITAL (ROIC)[1]

Figure 1: Average PhotonAssay™ unit ROIC[1]



GROWING SALES VALUE

Throughout the listing process the Chrysos team remained focused on accelerating the Group's growth trajectory; signing five new PhotonAssay™ Max lease agreements, taking the total signed during FY22 to 21. A further 10 agreements were signed subsequent to year end. We also deployed a further two new units with existing customers since the IPO, bringing our current number of operating PhotonAssay™ Max units to 11.

The new agreements added Alfred H Knight and Britannia Mining Solutions to our customer base and raised the total number of deployed or contractually-committed units to 38 (including 10 deployed units) at the end of the financial year. At the same time, Chrysos' Total Contract Value (TCV)[2] grew to $558.5 million, representing a strong and dependable future minimum contracted revenue base for the business.

Importantly, the strength of Chrysos' sales continues to grow, both from a TCV and recurring revenue perspective, reflecting the accelerating uptake of the technology by the global gold mining industry. Figure 1 above shows the annual Return On Invested Capital (ROIC) of the Group's contracted units in relation to sample throughput. The increase in the Company's average ROIC, as shown in Figure 1 illustrates the increased certainty of Chrysos' future revenue, while retaining upside exposure to additional revenue beyond the Minimum Monthly Payments.

FY22 Total Revenue and Other Income of $14.3m represents a 215% growth against FY21, comprising Minimum Monthly Assay Payments (MMAP) and Additional Assay Charges (AAC) of $13.5m and $0.7m in Other Revenue. Importantly, Chrysos has also grown EBITDA to $2.2m in FY22, from ($1.0m) in FY21, with revenue growing faster than costs.

$558.5m

in Total Contract Value (TCV)[2] as at 30 June 2022

103.8%

of revenue achieved against Prospectus forecast

$3.2m

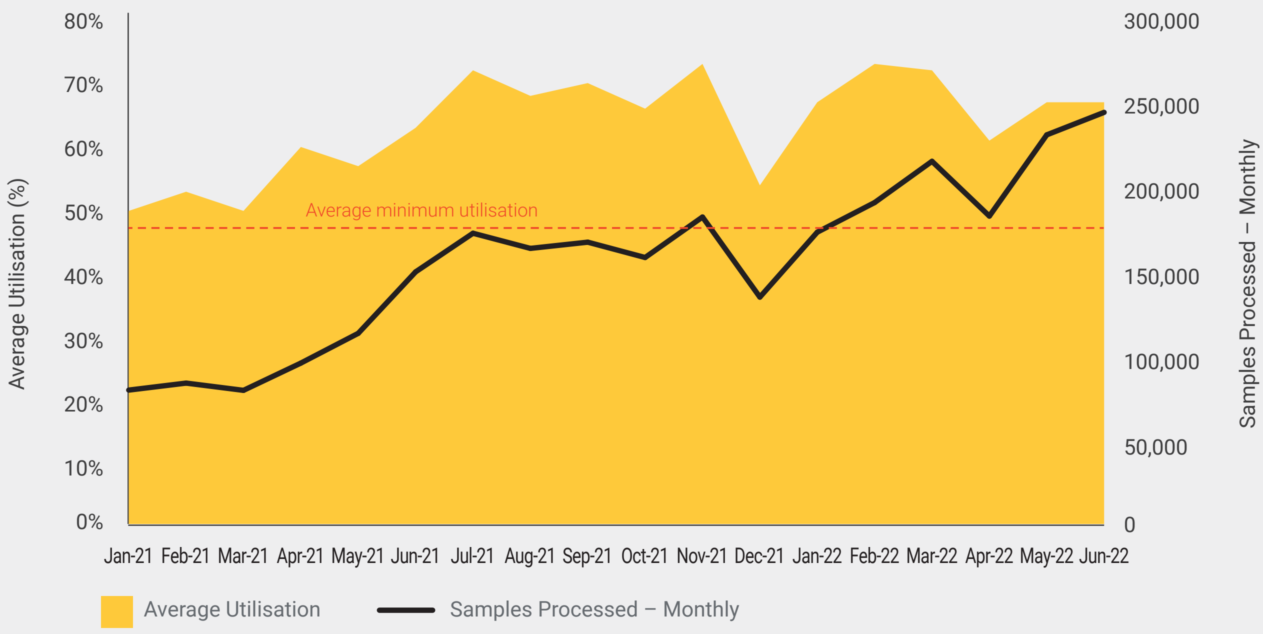
EBITDA improvement

1. *Return on Invested Capital (ROIC) is non-IFRS information and is calculated by the forecast annual gross profit divided by forecast capital expenditure to produce and install the unit, where the annual gross profit is calculated as the forecast annual revenue less the forecast direct costs associated with operating the unit. This information may assist forecast the growth of the Group, based on the groups growing deployment rate for PhotonAssay™ and has not been audited or reviewed by the Group's auditor. The risk section on page 14, outlines forecast risk.*
2. *Refer to page 02 for non-IFRS information.*

Managing Director and CEO Report and Review of Operations (Continued)

ANNUAL MONTHLY UTILISATION

Figure 2: Operating Units Monthly Utilisation to 30 June 2022



The Group's contracts with laboratories continue to highlight improved profitability for these customers where they operate PhotonAssay™ in preference to fire assay.

In an inflationary environment, Chrysos is well positioned to benefit from customers seeking to reduce overheads and improve operational efficiency.

DEPLOYED UNIT BASE

Chrysos' deployed unit base, processed more than 2.1 million samples in FY22, reflecting an 165% increase compared to FY21 and bringing the total number of samples processed by the end of FY22 to over 2.5 million.

Across our deployed units, average utilisation remained elevated at an average of 66% compared to 41% in FY21. This figure is well above our average minimum contracted utilisation of 49%, which also continues to trend higher, this is despite the addition of new units and the ramp-up period expected for new deployments. It also highlights the opportunity for further growth in FY23 with latent capacity able to be accessed by a gold industry that remains buoyant.

MORE THAN

3,000,000

Customer samples processed

at time of writing

48

Chrysos PhotonAssay™ units

Deployed or contractually-committed, including 11 deployed units at time of writing

CHRYSOS AROUND THE WORLD

GLOBAL GROWTH

In FY23, Chrysos expects to deploy a further 10 units, bringing its deployed unit base to a total of 21 across a number of regions. Entering new geographies and mining hubs is critical for growing the global adoption of PhotonAssay™, and investment in this market entry strategy enables economies of scale within those regions. Each new geography entered requires the creation of a support ecosystem, including the hiring of maintenance engineers, developing structures for management of staff, spare parts and clients, as well as the formation of appropriate financial arrangements to repatriate funds to Australia. However, subsequent regional deployments are then much simpler. Developing 'clusters' of units rapidly lowers incremental costs for the Group.

This clustering strategy is already bearing fruit in Australia, where we now have seven units in the Kalgoorlie-Perth area. In this region we are able to share resources and leverage our Continuous Improvement strategy which drives consistent improvement in unit up-time. Accordingly, we expect to experience an ongoing reduction in the Group's unit costs as we deploy closely-situated geographic clusters of PhotonAssay™ units.

The Chrysos team has also grown from 30 to 52 despite global staff shortages. We're excited to say that our hiring ability has been largely unaffected by these shortages and coupled with excellent retention of staff (our annual turnover rate for FY22 was 5% compared to the national wide average of 9.5%)[1], this lays the groundwork for our global market penetration plans.

We have also bolstered our Executive team with the addition of Kimberly Boland as the Group's Chief People Officer. Ms Boland joins us from a high growth, globally expanding data science technology company, which during her time expanded into to two new geographies and increased headcount by over 200 people, and we welcome her experience.

1. *As published by the AIGroup for 2022.*


79 196.967
Au
Gold
47 107.8682
Ag
Silver

Managing Director and CEO Report and Review of Operations (Continued)

THE YEAR AHEAD

During FY22, manufacturing capacity was doubled enabling Chrysos to produce a maximum of 12 PhotonAssay™ units per annum. Manufacturing capacity is set to step up again in FY23 to 18 units per year. Importantly, the Group remains on track to meet guidance set out in the Prospectus dated April 2022.

Furthermore, we continue to progress our planned development projects, recently building and testing the Group's first PhotonAssay™ Atom unit. The Atom unit is differentiated by its compact, portable and rugged design form (in comparison to the larger PhotonAssay™ Max) and is therefore eminently suited to the operational needs of smaller mine sites and presents new opportunities such as PhotonAssay™ trials or the direct support of short-term drilling campaigns. We are also pursuing a series of projects with our customer base to expand application of the technology to drive process plant optimisation strategies, which we envisage will lead to an increase in sample volumes processed by our on-site units.

In summary, notwithstanding the wider macro-economic uncertainties within which we continue to operate, Chrysos' positive operational cash flow and strong cash balance following our IPO, give the business a stable platform from which to accelerate its growth trajectory in FY23 and beyond.

Finally, with so much achieved over the last 12 months, I'd like to express my sincere thanks to the whole Chrysos team which has performed fantastically to deliver these positive results. I am extremely proud and grateful for everyone's contribution and look forward to working with all our stakeholders to achieve the goals we have set for the next stage of our journey.

Yours sincerely,

Dirk Treasure

Managing Director and Chief Executive Officer, Chrysos Corporation

"DURING FY22, MANUFACTURING CAPACITY WAS DOUBLED ENABLING CHRYSOS TO PRODUCE A MAXIMUM OF 12 PHOTONASSAY™ UNITS PER ANNUM. MANUFACTURING CAPACITY IS SET TO STEP UP AGAIN IN FY23 TO 18 UNITS PER YEAR."

OPERATIONAL OVERVIEW

Every sample analysed with PhotonAssay™ means reduced CO_2 emissions and less hazardous waste.

3+ million

Chrysos PhotonAssay™ samples[1]

1,400+ tonnes

Reduced $C0_2$ emissions[1]

950+ tonnes

Hazardous waste reduction[1]

ENVIRONMENTAL, SAFETY, SOCIAL AND CORPORATE GOVERNANCE

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

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

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

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

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

Our culture aspires to zero harm, which through systematic and active management of risk becomes an achievable goal. During the period ended 30 June 2022 we achieved a Total Recordable Injury Frequency Rate (TRIFR) of Zero, reflecting a strong focus on the safety and wellbeing of our employees and PhotonAssay™ users.

To support the health and wellbeing of our employees, we offer an Employee Assistance Program (EAP) provided by Converge International. This free and confidential service supports all employees and their immediate families to identify, explore and manage any issues impacting their lives.

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

In commencing our own sustainability journey, Chrysos is delivering positive environmental outcomes to customers around the globe. We are justifiably proud in acknowledging that every sample processed by Chrysos PhotonAssay™ results in fewer CO_2 emissions, reduced hazardous waste, and safer working environments.

DIVERSITY

Chrysos strives to improve gender balance across the organisation. We are setting aspirational goals and are developing consistent initiatives spanning the entire career lifecycle – from recruitment and promotion, through to succession processes. We are increasing training to new and emerging people leaders and are engaging with industry experts to support the achievement of these goals.

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

1. *At time of Annual Report.*

CURRENT INSTALLATIONS[1]

Perth
4
Units in operation

Kalgoorlie
3
Units in operation

Bendigo
1
Unit in operation

Val-d'Or
1
Unit in operation

Bulyanhulu
1
Unit in operation

Mali
1
Unit in operation

PHOTONASSAY™ AT WORK

Regions with ongoing or completed PhotonAssay™ due diligence
Current PhotonAssay™ installations and Chrysos company offices
PhotonAssay™ units currently being deployed

1. Correct as at July 2022.

GOVERNANCE AND RISK

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

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

EMERGING RISKS

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

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

COVID-19 IMPACTS

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals and governments to operate – this impact continues with the emergence of new strains and varying transmissibility. There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions. Risk exists in that some or all these factors could cause reduced productivity, operational interruptions and travel constraints.

COUNTERPARTY RISK

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

COMPETITOR ACTIVITY AND INCREASED MINING TECHNOLOGY EVOLUTION

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

INFLATION

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

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

TCV

As Chrysos continues to provide this metric of non-IFRS information, which considering the assessments made in arriving TCV, as outlined below, has risk associated with actual performance reported in future financial years versus TCV information provided at the point in time as disclosed. This arises as TCV represents the future minimum contract revenue (Minimum Monthly Assay Payments) on PhotonAssay™ leases (both deployed and committed) that are yet to be invoiced at a point in time. These revenues are subject to the Group's contractual performance obligations and where the Directors consider reasonable certainty exists, may include values associated with exercise of option periods.

Where assessing the inclusion option periods, the Directors consider variables including, but not limited to counter party risk, the site application, life of associated mine, client history, renewal activity, investment by the counter party in the provision of PhotonAssay™, competitor threats, PhotonAssay™ versus fire assay activity, site specific conditions and location of the unit. The TCV does not include any period in excess of 10 years from the initial deployment of a PhotonAssay™ unit.

As the market evolves, factors considered by the Directors in the process of arriving at TCV may not eventuate as forecast and the TCV position may vary over time. These factors and whether they eventuate should also be considered in the forecast ROIC.

ENVIRONMENT

Environmental risk may present on an operational basis, in terms of weather events and the outlined deployment and growth goals. Equally the global focus on mining sustainability may hamper the operation and development of new and existing mines, which would in turn affect the Group's Total Addressable Market (TAM).

However, this all presents an increasing opportunity for Chrysos, whose technology replaces a less sustainable option.

RISK MANAGEMENT APPROACH

The risks identified describe certain factors and trends that have the potential to have a materially adverse impact on the Group's operations. The factors are not necessarily listed in order of importance and are not intended as an exhaustive inventory. Additional risks and uncertainties not presently known to management, or that management considers to be immaterial or manageable, may also adversely affect Chrysos' business activities. The Group has a consistent, proactive approach to risk management across operations globally. This approach is aligned with the ASX Principles and Recommendations.

ORGANISATIONAL STRUCTURE MAP AND LINES OF RESPONSIBILITY

BUSINESS RISKS

COVID-19 (or other communicable disease) Breakout

THREATS

A large-scale outbreak in one of our operating jurisdictions may lead to interruptions in operations, closures of PhotonAssay™ sites, inability to source supplies or consumables, higher volatility in the global capital and commodity markets, adverse impacts on investment sentiment and economies. Ongoing restrictions on travel could significantly impair the Group's ability to manage its business effectively.

OPPORTUNITIES

Chrysos' proactive and collaborative approach to dealing with changing COVID-19 protocols means our workforce can trust our ability to respond; creating a competitive advantage in a tight labour market.

MANAGEMENT RESPONSE

The Group undertakes extensive planning to facilitate the mobility of its international and regional expatriate workforce as the Company manages international flight cancellations and COVID-19 travel restrictions.

The Group's key priorities on COVID-19 are:

- protecting our people with a focus on their wellbeing
- to play our role in limiting the spread of the virus
- delivering value for our clients and stakeholders
- maintaining the strongest possible financial position

POTENTIAL IMPACTS

- Health and safety of our people
- Group reputation
- Financial performance
- Operational interruptions

BUSINESS RISKS

Failure to develop and commercialise its Intellectual Property (IP)

THREATS

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

OPPORTUNITIES

Chrysos continues to enhance, develop and build its IP and the team associated with delivering this IP. Continued improvements to the technology, expansion of the range of materials and elements that can be assayed and careful IP management create a greater competitive moat around PhotonAssay™.

MANAGEMENT RESPONSE

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

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Operational interruptions

Suppliers may become unable or unwilling to do business with Chrysos

THREATS

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

OPPORTUNITIES

Chrysos' product team continues to work with the Group's trusted suppliers, to improve quality and availability of key components, to identify secondary supply sources where possible, and to achieve efficiencies from Chrysos' growing fleet of deployed units.

MANAGEMENT RESPONSE

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

POTENTIAL IMPACTS

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

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

THREATS

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

OPPORTUNITIES

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

MANAGEMENT RESPONSE

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

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

POTENTIAL IMPACTS

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

BUSINESS RISKS

Fraud, bribery and corruption

THREATS

The Group is exposed to fraud, bribery and corruption risk in some jurisdictions which could result in fines, reputation impacts and the loss of growth opportunities.

OPPORTUNITIES

By aligning processes for reducing and mitigating the impact of integrity risks, the Group can strengthen its broader compliance culture and, ultimately, build stakeholder confidence in its approach to compliance matters.

MANAGEMENT RESPONSE

Our Code of Conduct and induction process sets out the standards of behaviour expected of our Directors, employees, consultants, contractors and suppliers, and is supplemented by the following:

- Anti Bribery and Corruption Policy
- Securities Trading Policy
- Whistleblowing Policy

POTENTIAL IMPACTS

- Compliance
- Group reputation
- Financial performance
- Growth constraints

Health or Safety incidents

THREATS

It is possible that the Group may experience accidents, serious injuries or fatalities.

OPPORTUNITIES

Continuing to maintain a zero-harm philosophy.

MANAGEMENT RESPONSE

The Group has established HSE management systems consistent with international standards to manage health and safety risks. Key aspects include:

- Provision of appropriate training, supervision and resources
- Critical Risk Standards and verification processes provide the framework for managing serious injury and fatality risk
- Active engagement in safety across the organisation through our HSC (Health and Safety Committee) and SLC (Safety Leadership Committee)
- Leadership training and development to support a mature culture which includes specific programs in relation to safety
- Regular review and audit of our HSE processes and controls
- Monitoring of periodic HSE reporting and Significant Potential Incidents (SPI) at Group level

POTENTIAL IMPACTS

- Health and safety of our people
- Compliance
- Group reputation

Market entry costs and revenue

THREATS

Chrysos may not be able to retain or continue to grow its revenues in the jurisdictions it has entered or is planning to enter. There is a risk that expanding into these new jurisdictions may result in unforeseen costs, failure to achieve any revenue or to achieve the intended outcomes.

OPPORTUNITIES

Potential to continue performing profitable work and maintaining quality projects underpinned by robust financial and commercial disciplines to enable organic growth objectives.

MANAGEMENT RESPONSE

The Group has a strong record of deploying and operating PhotonAssay™. This is reflective of an experienced team, and detailed planning for each deployment months in advance of an installation commencing.

The Group is selective in the contracts that it enters to allow for options to extend where possible, and to maximise the contract period and the return on capital.

Chrysos focuses on executing work to a high standard and improving its operations and offerings to increase its value proposition to clients.

The Group maintains a client portfolio diversified by geography, market, activity and end-customer to mitigate the impact of emerging trends and market volatility.

POTENTIAL IMPACTS

- Group reputation
- Financial performance
- Growth constraints

DIRECTORS' REPORT

The Directors present their report, together with the consolidated financial statements, of the Group comprising of Chrysos Corporation Limited (referred to hereafter as the 'Group' or 'Chrysos') and it's subsidiaries for the year ended 30 June 2022.

DIRECTORS

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

- Eric Ford
- Gock Loung Leong Mar (resigned 6 May 2022)
- Ivan Gustavo Mellado
- Robert Henry Richard Adamson
- Robert Brett Boynton
- Kerry Jo-Anne Gleeson (appointed 15 July 2021)
- Dirk Moore Treasure (appointed 4 February 2022)

PRINCIPAL ACTIVITIES

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

DIVIDENDS

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

REVIEW OF OPERATIONS

The review of operations is set out within the following sections of the Annual Report 2022.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

During July Chrysos deployed its 11th PhotonAssay™ unit, this specific unit is being operated by MSALABS in Mali. The Group also signed an additional 10 units with existing customer Britannia Mining Solutions. These 10 new PhotonAssay™ leases signal a significant expansion of the existing relationship between Chrysos and Britannia Mining Solutions.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group's growth strategy is finalisation and deployment of machinery currently under construction as at 30 June 2022.

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

ENVIRONMENTAL REGULATION

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

INFORMATION ON DIRECTORS

Director	Experience and Responsibilities
 **Robert Adamson** Non-Executive Chair *BE (Mechanical) (UWA), BE Hons (Ag)(Melb)MBA (AGSM)*	Mr Adamson is an experienced Chairman and Director with a demonstrated history as a corporate adviser and investor in the resources and related industries sectors. He has over 30 years' professional experience, including 26 years in advisory and investment roles with RFC Group of Companies. He has combined his deep industry knowledge and commercial nous with the outstanding technology developed by the CSIRO to co-found Chrysos Corporation. Mr Adamson is executive chairman of both RFC Ambrian Group Limited and RFC Ambrian Limited. He is also Chairman of NextOre Pty Limited, a company owned by RFC Ambrian Group Limited, CSIRO and Advisian, formed to advance magnetic resonance ore sorting. Prior to joining the RFC Group in 2001 Mr Adamson worked with Anglo America Corporation in South Africa.
 **Dirk Treasure** Managing Director & Chief Executive Officer *MComm (Sydney), BSc (Murdoch), MAusIMM, MAICD*	Mr Treasure has been an active member of the mining industry since 2006. He is a metallurgist with both technical and corporate experience, and a background in mining-related research and development. Mr Treasure spent seven years in novel metallurgical process design, employed by service providers and mining companies directly. He has designed, built, and managed pilot plants across various deployment scales for hydrometallurgical, pyrometallurgical and electrolytic technologies. During his time as Operations Manager of ABR Process Development, he oversaw development of technology from conceptual design to commercial application. His technical experience includes working as the high-pressure acid leach Metallurgist for First Quantum's Ravensthorpe Nickel Operations, project technologist for Metals Finance Australia and Operations Manager for ABR Process Development. He is also a member of AusIMM and AICD. As Chrysos' Founding CEO, Mr Treasure has led the Company since operations began in 2017 and, while working within RFC Ambrian, he oversaw Chrysos' seed capital raising, Company formation and managed the acquisition of the underlying PhotonAssay™ technology from Australia's national science agency, CSIRO. Mr Treasure was appointed to the Board 4 February 2022.

DIRECTORS' REPORT (Continued)

Director	Experience and Responsibilities
 **Kerry Gleeson** Non-Executive Director *LLB (Hons), FAICD*	Ms Gleeson is an experienced Non-Executive Director following a 25-year career as a senior executive and as a lawyer in both the UK and Australia. She has significant experience in international governance, strategic mergers and acquisitions, complex corporate finance transactions, as well as risk and crisis management. Ms Gleeson was a member of the Group Executive at Incitec Pivot Limited for 10 years until 2013, including as Company Secretary and General Counsel, with involvement across its international operations in explosives and chemicals, mining, transport and logistics. Ms Gleeson led Incitec Pivot's Corporate Affairs function across government, media and regulatory affairs as well as leading international crises responses and major environmental remediation projects, and the Group's Culture & Values and Diversity programs. Earlier in her career, Ms Gleeson practised as a corporate lawyer, with Blake Dawson Waldron (now Ashurst) in Melbourne after a 10 year legal career in the UK, including as a corporate finance and transactional partner in an English law firm, focusing on mergers and acquisitions and initial public offerings. Ms Gleeson was appointed to the Board on 15 July 2021.

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

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

Appointed as a Director in June 2016.

Mr Boynton has background in investment banking and private equity with UBS in London and New York, and Credit Suisse in Australia. He has advised on transactions and raised capital for energy, resources and technology sector companies, both at IPO and on the secondary markets. In his executive capacity he has been founder of a number of technology startups, leading corporate strategy including cross-border acquisitions, joint ventures and project development.

Mr Boynton is Chief Strategy Officer of Alpha Vista, an AI powered hedge fund and risk advisory startup, founder and CEO of London listed Tectonic Gold Ltd, and sits on the Boards of several private companies.

Special Chrysos Board responsibilities:

- Chair of the Audit, Risk and Finance Committee; and
- Member of the Environment, Safety, Social and Governance Committee.

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

Director	Experience and Responsibilities
 **Eric Ford** Non-Executive Director *GAICD, BSc (Mining Engineering) MSc (Management Science)*	Mr. Ford has extensive experience in the global mining industry in executive management and directorship roles. He is currently a Non-Executive Director with Compass Minerals International (NYSE: CMP), where he is Chairman of their EHSS committee and a member of the Nominating and Governance Committee. Previous roles have included Chairman and CEO of Peabody Energy's Australian business unit, CEO of Anglo Coal Australia and Executive Director (Operations) with Anglo Platinum and numerous roles across local and international industry associations, including the Minerals Council of Australia. Mr Ford's prior experience includes numerous executive roles within globally recognised mining companies during a career that spans almost 50 years in the industry, including previous participation in the Coal Industry Advisory Board to the International Energy Agency. Mr Ford has led, built, and turned around complex businesses encompassing large workforces in diverse geographies, cultures, currencies, and languages. This has included all lifecycle phases from feasibility through to closure and final rehabilitation in highly regulated and unionised environments across four continents.

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

 **Ivan Mellado** Non-Executive Director *GAICD, Master of Law (IP), B.Business (Marketing)*	Ivan Mellado is a company director and corporate advisor with particular expertise in technology/IP commercialisation, technology-driven corporate transactions and new venture development. He leads Mellado & Co Pty Ltd, a specialist advisory practice delivering strategy and hands-on expertise to Boards and Management of innovative, high growth technology commercialisation companies and research institutions. Mr Mellado brings over 25 years of experience in business development, strategic marketing, financing and general management, the last 15 of which have been focused on the commercialisation and early-stage growth of intellectual property-based ventures. He has served as a director on numerous early stage company boards and has acted for corporate clients and major research institutions on a wide range of commercialisation-related transactions including new venture development, IP licensing, capital raising and M&A.

DIRECTORS' REPORT (Continued)

Director	Experience and Responsibilities
 **Dr Leong Mar** Non-Executive Director *BSc Hons (UNSW), PhD (UNSW), GAICD*	Appointed as a Director in February 2017 and resigned at 6 May 2022. Dr Mar has over 20 years of technical, commercial and entrepreneurial experience with research organisations, technology companies and one of the world's iconic science corporations. He is currently Commercial Initiatives Director at CSIRO and Investment Committee Member at Uniseed Investments. Prior to this, Dr Mar was with global science corporation DuPont for 10 years, serving in several roles including Manager of the Australia and New Zealand Technology Centre, Leader of the Corporate Business Growth and Innovation Teams and member of the Country Leadership team. During this time he led the development and commercialisation of technology solutions including multi-industry award winning solutions for the mining sector. Dr Mar has also held executive roles with several technology companies and has been appointed Visiting Fellow at University of New South Wales and Honorary Senior Fellow at University of Melbourne. He has a successful track record in identifying, developing and commercialising technology in different industry sectors and possesses broad knowledge across multiple scientific disciplines with a demonstrated ability to bridge research and industry. Special Chrysos Board responsibilities, up to 6 May 2022: – Member of the Environment, Safety, Social and Governance Committee.

COMPANY SECRETARIES

Name:	Brett Anthony Coventry
Qualifications	BAcc, GDip Co Sec Prac, MBA (Deakin), CPA, FGIA, FCIS, MAICD
Experience and expertise:	See next section (Senior Management).

Name:	Anand Sundaraj
Qualifications	BSc LLB (Hon)
Experience and expertise:	Mr Sundaraj is a corporate lawyer with over 20 years' experience who specialises in advising on mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on general securities law matters including ASX Listing Rules compliance and corporate governance. Mr Sundaraj was appointed 25 November 2021.

SENIOR MANAGEMENT

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

DIRECTORS' REPORT (Continued)

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and Committees of Directors held during the year ended 30 June 2022, is as follows:

Directors Name	Board Meetings		Audit, Finance & Risk Committee		Nomination & Remuneration Committee		Environmental, Safety, Social & Governance Committee	
	A	B	A	B	A	B	A	B
Robert Adamson	11	11	5	5	–	–	2	2
Eric Ford	11	11	1	1	6	6	2	2
Ivan Mellado	11	11	4	4	6	6	–	–
Brett Boynton	11	11	5	5	1	1	–	–
Gock Loung Leong Mar	10	10	–	–	–	–	2	2
Kerry Gleeson	11	11	4	4	5	5	–	–
Dirk Treasure	6	6	–	–	–	–	–	–

Where:

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

Ms Gleeson was appointed 15 July 2021 and Mr Treasure was appointed as a Director 4 February 2022 and both were only eligible to attend any meetings subsequent to those respective dates. Mr Mar resigned as a Director at 6 May 2022 and was only eligible to attend meetings up to that date. After the release of the 30 June 2021 results the committee memberships were adjusted to reflect the creation of the Environmental, Safety, Social & Governance Committee.

SHARES UNDER OPTION

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

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

Date Option granted	Expiry date	Exercise price of Option	Number under Option
7 December 2016	20 January 2024	$0.20	4,054,878
24 February 2018	23 February 2023	$0.20	435,556
15 February 2019	15 February 2024	$1.00	755,000
1 May 2020	30 April 2025	$2.00	897,500
1 July 2020	30 June 2025	$2.00	660,000
16 December 2020	12 December 2024	$2.00	60,000
24 September 2021	23 September 2026	$4.50	435,000
21 November 2021	30 November 2026	$4.50	75,000
26 November 2021	25 November 2026	$4.50	40,000
			7,412,934

During the financial year ended 30 June 2022 the Group issued 550,000 Options as part of the Long-Term Incentive plans with an exercise price of $4.50 and an average fair value of $1.42

Additionally the Group extended the expiry of 4,054,878 Options to 20 January 2024, previously expiring 20 January 2022, as approved by the Shareholders at the Annual General Meeting. There were no other modifications to Options during the period.

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

Date Rights granted	Expiry date	Exercise price of Rights	Number under Rights
13 April 2022	1 July 2027	$0.00	205,847
			205,847

During the financial year ended 30 June 2022 the Group issued 205,847 Performance Rights as part of the Employee Share Program with an exercise price of $0.00 and a fair value of $3.50

All Options and Rights expire on their expiry date.

INDEMNITY AND INSURANCE OF OFFICERS

The Company's constitution provides that, to the extent permitted by law, the Company must indemnify a person who is or has been an officer of the Company against any liability incurred by that person as such an officer and for costs and expenses incurred by that person in defending proceedings. The Constitution further provides that the Company may pay a premium in respect of a contract insuring a person who is or has been an officer of the Company against such liabilities.

The Group has entered into deeds of access, indemnity and insurance with current and former Officers. In addition, the Group has paid an insurance premium for Directors' and Officers' liability policies. These policies insure against legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

INDEMNITY AND INSURANCE OF AUDITOR

Chrysos has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report and forms part of the Directors' report.

NON-AUDIT SERVICES

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

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

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

In dollars	2022
Services other than audit and review of financial statements	
Remuneration advice	45,000
Tax advice	150,372
Investigating accounting services and advice	393,330
	588,672
Audit and review of financial statements	**170,009**
Total paid to KPMG	**758,681**

AUDITOR

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

CORPORATE GOVERNANCE

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

Dirk Moore Treasure
Director

29 August 2022

Robert Henry Richard Adamson
Director

29 August 2022

REMUNERATION REPORT (AUDITED)

1. INTRODUCTION AND KEY MANAGEMENT PERSONNEL

This Remuneration Report is the Group's inaugural report as a listed entity. Prior to this reporting period, the Group's remuneration strategy and practices reflected its status as an emerging technology commercialisation group. Substantial developments in the Group's business performance during FY22, including customer growth, international expansion and listing on the ASX, marked a significant transition year for the Group. The ASX listing on 6 May 2022 necessitated a maturing in the Group's approach to its remuneration strategies and practices. The purpose of this evolution was to enable it to compete more effectively for talent in a tight labour market and, in particular, motivate and reward senior personnel who are pivotal to the ongoing development and success of the growing business. Given the transitional nature of the year covered by this report, we have taken the approach of disclosing the FY22 remuneration outcomes and outlining the remuneration structure for FY23 which, for implementation purposes, took effect at the point of the listing date in the current reporting period.

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

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

Key Management Personnel (KMP) named in this report are those with the authority and responsibility for planning, directing, and controlling the activities of the business. KMP for the financial year ended 30 June 2022 are listed below and each was a KMP for the entire period unless otherwise stated.

1.1 KEY MANAGEMENT PERSONNEL DURING FY22

Non-Executive Directors	
Rob Adamson	Non-Executive Chair
Ivan Mellado	Non-Executive Director
Kerry Gleeson [1]	Independent Non-Executive Director
Brett Boynton	Independent Non-Executive Director
Eric Ford	Independent Non-Executive Director
Leong Mar [2]	Non-Executive Director

1. Appointed a director on 15 July 2021.
2. Leong Mar resigned from his role as Non-Executive Director effective 6 May 2022.

Executives	
Dirk Treasure*	Managing Director & Chief Executive Officer
Brett Coventry	Chief Financial Officer & Joint Company Secretary

* Dirk Treasure was appointed a Managing Director on 3 February 2022. Before this he formed part of the Key Management Personnel in his role of Chief Executive Officer.

Remuneration Report (Audited) (Continued)

2. HIGHLIGHTS OF 2022 KMP EXECUTIVE REMUNERATION

In FY22 the Group aimed to attract, reward and motivate executives based on their position and responsibility, relative to business scale and complexity, and sought to provide competitive remuneration practices appropriate to the Group's needs and to drive the execution of its strategy. Remuneration packages comprise both fixed and variable or at-risk components (Short-Term Incentive and Long-Term Incentive). The combination of these constituted the Executive's total remuneration in FY22.

Noting the transitional nature of the 2022 Financial Year, and before the business listed on the ASX, a review of the Executive remuneration structure and strategy was undertaken. Subsequent to an external benchmarking exercise, appropriate market-based adjustments were implemented. The information below provides a summary of remuneration outcomes and adjustments in FY22:

Executive Fixed Remuneration	From 1 July 2021 to listing date, KMP Fixed Remuneration was: Managing Director and Chief Executive Officer $242,000 inclusive of superannuation. Chief Financial Officer and Co-Company Secretary $243,000, inclusive of superannuation. In line with the ASX listing and post an external benchmarking exercise, factoring scale and complexity for each role, a fixed annual remuneration strategy was implemented. The Company's approach to Total Fixed Remuneration (TFR) for the remainder of FY22 and during FY23 is to position remuneration at the market's median for a fully proficient and capable performer. The total remuneration package (including both fixed and at-risk pay) reflects more typically the upper quartile pay position when superior of performance levels have been met or exceeded. As a result KMP fixed remuneration was adjusted as follows, which came into effect from the listing date: Managing Director and Chief Executive Officer: $450,000 inclusive of superannuation. Chief Financial Officer and Co-Company Secretary: $350,000 inclusive of superannuation. For further details on FY22 actual earnings for KMP Executives, refer to section 5.
Short-Term Incentive (STI) outcomes	The FY22 STI was payable based on individual performance against Key Performance Indicators (KPIs) aligned to the overall business strategy. Based on the assessment of performance against KPIs, (including an evaluation of the leadership and oversight throughout a significant stage of growth, the execution of strategy and the operational performance) each of the Executive KMP were awarded 100% of their FY22 STI. Further details are disclosed in section 5.
Long-Term Incentive (LTI) outcomes	In the years before listing on the ASX, the Group had awarded Options and Performance Rights to Executive KMP, forming a variable component of their remuneration. Further details of Options and Performance Rights issued and held are set out section 5. For FY22, the following was issued: Dirk Treasure = 27,500 Options Brett Coventry = 102,500 Options With effect from listing date Mr Treasure was issued 138,462 Performance Rights and Mr Coventry was issued 67,385 Performance Rights as set out in section 5.
NED Remuneration	In FY22, the Group's shareholder approved fee pool was $650,000. Consistent with its earlier practice as an emerging technology commercialisation Group and to preserve cash, the Group remunerated its directors utilising a mix of cash fees and Options within the approved fee pool. Further detail can be found in section 6.

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

3. REMUNERATION GOVERNANCE

The roles and responsibilities, concerning the governance of remuneration for KMP and employees, is set by the Board, through the Remuneration & Nominations Committee, Management, and external advisors as outlined below.

Board	The Board has an active role in governance, oversight and evaluation of the Remuneration Framework, including the approval of: – Group Remuneration Framework – Director and specific Executive remuneration – Incentive performance standards. This approach ensures the Framework is designed to align and reflect: – The interests of Executives; and – The creation of value for the Group's shareholders; and – The Group's values, purpose, strategic objectives and risk appetite.
Remuneration & Nominations Committee	The Remuneration & Nominations Committee (the Committee) was established by the Board and operates under a Charter. Its role is to assist and advise the Board on matters relating to the overall remuneration strategies and policies of the Group including the remuneration arrangements of the Managing Director & CEO, other Executives and Non-Executive Directors. It oversees and reviews the effectiveness of the Remuneration Framework, policies and practices to ensure remuneration arrangements are equitable and aligned to the long-term interests of shareholders, while supporting the Group's purpose and values. The Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for KMP and, in doing so, may take into consideration information provided by other Board committees, on a range of matters including culture, diversity, safety and environmental performance, governance, financial and risk management. In addition, it also receives reports on organisation capability and effectiveness, skills, training and development and succession planning for critical roles. The Committee is comprised entirely of Non-Executive Directors – Ivan Mellado (Chair), Kerry Gleeson (Member) and Eric Ford (Member). Additional information regarding the Committee's roles and responsibilities can be found in the Committee Charter at https://chrysos.com.au/investor-centre/corporate-governance/
Management	Management is responsible for implementing and continuously improving remuneration policies and practices. It may provide the Committee with information and insights to assist the Committee in discharging its duties. The Managing Director & Chief Executive Officer may make recommendations to the Committee regarding the performance and remuneration of other Executives and has delegated authority to approve the remuneration of employees outside of the Senior Executive team within the business.
External Remuneration Consultants	External remuneration consultants may be engaged directly by the Board or the Committee to provide information or advice. All reports and professional advice relating to the Managing Director & Chief Executive Officer's remuneration are commissioned by and received directly by the Committee. The advice from both KPMG and Godfrey Remuneration Group provided input to formulate both the amount remuneration should be considering the Groups maturity, growth and comparative roles and the specific elements of remuneration reflective of the roles to be performed and alignments to be shareholder objectives to be achieved. In FY22, KPMG's fee including GST was A$49,500 and The Godfrey Remuneration Group Pty Ltd's fee including GST was A$17,600.

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

Remuneration Report (Audited) (Continued)

4. EXECUTIVE REMUNERATION STRATEGY

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

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

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

Chrysos Executive remuneration objectives			
Attract, motivate and retain executive talent required at each stage of business growth	An appropriate balance of 'fixed' and 'at risk' components.	Creation of award differentiation to drive high performance culture and behaviour	Shareholder value creation through the alignment of executive performance targets and reward

Chrysos' remuneration strategy is designed to support and reinforce its overall business strategy. All at-risk components of remuneration packages are closely tied to measures that align with the key components of the Group's business strategy in both the short- and long-term. Our business performance targets are reflected in incentive plan performance measures, ensuring that performance directly impacts what Executives are paid. The Executive team demonstrated strong performance against FY22 objectives resulting in positive business outcomes and a successful listing of the Company on the ASX.

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

In setting the remuneration strategy, the Board is cognisant of the link between remuneration and setting and maintaining a positive company culture. In this regard, Chrysos Corporation's remuneration strategy allows for the claw-back of Executive incentives in the event of poor executive or organisational behaviour.

4.1 REMUNERATION STRUCTURE

With the Company listing occurring part way through FY22, remuneration for KMP was under two structures: a pre-listing structure which applied from 1 July 2021 to 5 May 2022, and a post-listing structure which applied from the 6 May 2022 listing date to 30 June 2022.

The FY22 remuneration for KMP prior to listing consisted of both fixed and variable components. Variable remuneration was made up of short-term and long-term incentives. Short-term incentives were in the form of a cash award based on performance measured against an STI scorecard. For Mr Dirk Treasure, remuneration also included Options; rewarding service and performance contributions. As a result of the inclusion of Options, his remuneration consisted of a larger at-risk component. Whereas for Mr Brett Coventry, remuneration consisted of a greater fixed component.

In line with the Group listing on the ASX, a new remuneration structure was developed to provide greater alignment to market practice as set by other ASX listed organisations, and to better align with shareholder expectations. From 6 May 2022, Executive remuneration comprises of:

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

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

A review undertaken to assess market peers identified that STI's and LTI's were integral to providing a competitive and market-appropriate total remuneration package.

Individual remuneration elements are detailed below as they apply from the listing date of 6 May 2022 through to 30 June 2023.

	Fixed component	"At Risk" components	
	Fixed Remuneration	**Short-Term Incentive**	**Long-Term Incentive**
Purpose	Competitive base remuneration to attract and retain high quality talent appropriate to the business' scale, complexity and maturity.	Motivate and reward delivery of strong operational and financial performance against the annual plan.	Motivate and reward outcomes that grow long-term shareholder value.
Link to Strategy	Base remuneration aims to provide competitive and fair pay in recognition of day-to-day accountabilities and responsibilities in implementing the business' strategies.	Rewards achievement of key strategic, financial and operational objectives on an annual basis consistent with longer-term priorities and goals.	Rewards delivery against longer-term strategy and sustained shareholder value creation by aligning Executive outcomes to shareholder value.
Form	Cash salary, superannuation and any salary-sacrificed items.	Cash payment	Performance Rights vesting at the 3-year mark subject to achieving performance hurdles.

Approach from 6 May 2022 and FY23	In setting remuneration for Executives, the Remuneration and Nominations Committee considers relevant industry trend data and other remuneration information including market salary surveys and benchmarking.
	
	Reviewed annually based on:
	– responsibilities of the role,
	– knowledge, skills and experience required for the position,
	– individual performance, and
	– the requirement to attract and retain the right person for the role.
		The STI is assessed against a scorecard of annual corporate and personal objectives the Board sets, considering individual metrics and behaviours within the individual's control.
		
		Gates applying to safety, governance and compliance must be met for an STI award to be considered for payment.
		
		Structure – Managing Director & Chief Executive Officer
		– Max. quantum (% of Fixed Remuneration) = 130%
		– Target = 90% of Fixed Remuneration.
		– Scorecard measures are weighted:
		  – 70% for Company performance (EBITDA and Revenue)
		  – 20% for Individual performance (Business safety, continuity and growth)
			The LTI is assessed against Total Shareholder Return (TSR) at the completion of 3 years of performance, and will vest at 100% only if the following hurdles are met:
			1) Share price at the completion of the 3rd year must be positive relative to the IPO price, and
			2) Share price at the completion of the 3rd year must be at a level that meets or exceeds the growth of the relevant Indexed TSR + 10% Compound Annual Growth Rate (CAGR)
			
			Structure – Managing Director & Chief Executive Officer
			– Max. quantum (% of Fixed Remuneration) = 200%
			– Target = 50%, paid upon achievement of Index TSR + 5% TSR CAGR

Remuneration Report (Audited) (Continued)

	Fixed component	"At Risk" components	
	Fixed Remuneration	Short-Term Incentive	Long-Term Incentive

		Structure – Chief Financial Officer & Joint Company Secretary
		– Max. quantum (% of Fixed Remuneration) = 70%
		– Target = 63% of Fixed Remuneration.
		– Scorecard measures are weighted:
		  – 70% for Company performance (EBITDA and Revenue)
		  – 20% for Individual performance (Business safety, continuity and growth)
			Structure – Chief Financial Officer & Joint Company Secretary
			– Max. quantum (% of Fixed Remuneration) = 125%
			– Target = 50%, paid upon achievement of Index TSR + 5% TSR CAGR

		It is at the Board's discretion whether any STI or LTI is awarded. Additionally at it's discretion, the Board can vary the amount awarded. Discretion may include reducing, withholding, or cancelling any unpaid STI or LTI awards if there is discovered to be any fraudulent, defalcation or gross misconduct, or a material misstatement in the company's financial statements. All STI awards to executive KMPs are subject to a claw back mechanism and malus provisions. The current weighting between STI and LTI is considered to provide appropriate alignment with long-term share price performance and retention of Executives.	

TOTAL FIXED REMUNERATION (TFR) FOR THE PERIOD 6 MAY 2022 TO 30 JUNE 2022 AND FULL YEAR FY23

The total remuneration package (including both fixed and at-risk pay) typically reflects the upper quartile pay position when superior performance levels have been met or exceeded. As a result, KMP fixed remuneration was adjusted per the table below and came into effect from the listing date. TFR consists of base salary, superannuation and other non-monetary benefits and is set at a level intended to reflect:

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

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

When setting (and reviewing) TFR for executive KMPs, the Board has regard to comparable roles in companies of a scale and complexity, and engaged in an industry, similar to Chrysos Corporation. The Board intends to review KMP remuneration annually.

SHORT-TERM INCENTIVE FOR THE PERIOD 6 MAY 2022 TO 30 JUNE 2022 AND FULL YEAR FY23

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

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

LONG-TERM INCENTIVE FOR THE PERIOD 6 MAY 2022 TO 30 JUNE 2022 AND FULL YEAR FY23

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

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

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

Performance Hurdle	Performance Period	Target
Performance Hurdle 1	1 July 2022 to 30 June 2025	30-day VWAP to 1 July 2025 share price must exceed the IPO share price of $6.50 per share
Performance Hurdle 2	1 July 2022 – 30 June 2025	**Threshold:** Index TSR **Target:** Index TSR + 5% TSR CAGR – See performance scorecard below **Stretch:** Index TSR + 10% TSR CAGR As detailed below.

Performance Level	Chrysos TSR compared to TSR of the Industrials Index	% Of Grant Vesting
Stretch	≥ Index TSR + 10% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 5% TSR CAGR & < Index TSR + 10% TSR CAGR	Pro-Rata
Target	Index TSR + 5% TSR CAGR	50%
Between Threshold and Target	> Index TSR & < Index TSR + 5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

After considering market practice and consultation with external specialists, Index TSR was identified as the appropriate performance measure for the FY23 LTI program because it aligns executive KMP reward with shareholder returns and rewards only when Chrysos Corporation's performance exceeds the Industrial Index. TSR has also been chosen because it is an objective assessment of shareholder value that is widely used and understood.

Remuneration Report (Audited) (Continued)

4.2 FY23 REMUNERATION MIX

The Remuneration and Nominations Committee has considered pay mix both from a "Target" and "Maximum" opportunity perspective to ensure targets that are set are challenging to achieve, and any over performance paid is a result of significant out performance. The 'remuneration mix for Executives for FY23 is as follows:

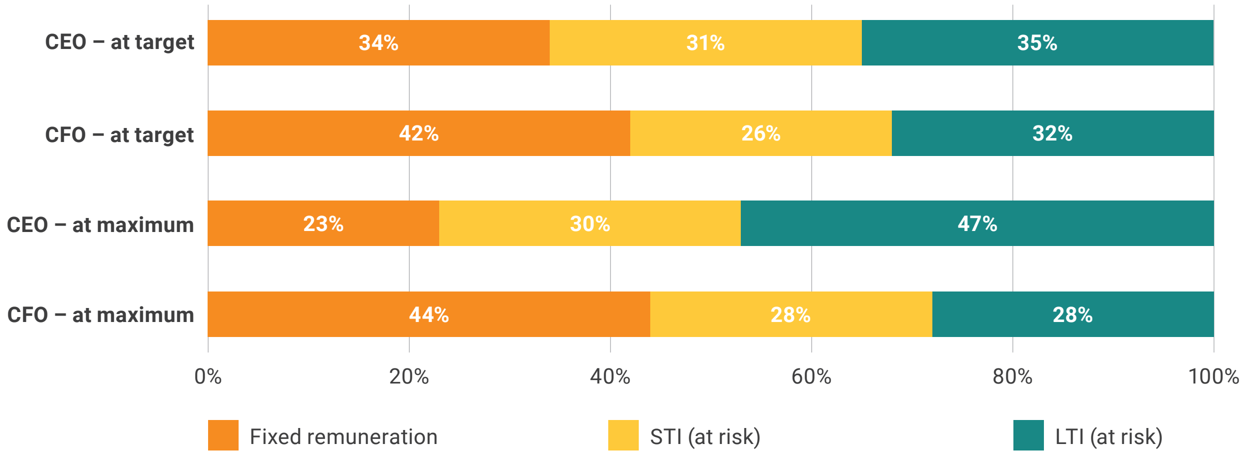


Figure 1: Composition of Executive remuneration – Maximum opportunity vs Target

4.3 EXECUTIVE CONTRACTS

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

Key provisions are outlined below:

Dirk Treasure – Managing Director & Chief Executive Officer

- Permanent ongoing appointment
- Total Fixed Remuneration (TFR) of $450,000 (inclusive of superannuation) to be reviewed annually
- STI of up to 130% of TFR and LTI of up to 200% of TFR as described earlier in Section 6 above
- Competitive restraint: All Executives are restrained from competing with Chrysos' business or soliciting any of Chrysos' suppliers, customers or employees with whom they have had dealings in the last 12 months of their employment with Chrysos. The restraint applies for a maximum period of up to 12 months after their employment ends (on a cascading basis). This limitation applies worldwide in its maximum capacity (on a cascading basis).

Mr Treasure's overall remuneration package was determined giving regard to relevant market data.

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

Brett Coventry – Chief Financial Officer & Joint Company Secretary

- Permanent ongoing appointment
- Total Fixed Remuneration (TFR) of $350,000 (inclusive of superannuation) to be reviewed annually
- STI of up to 70% of TFR and LTI of up to 125% of TFR as described earlier in Section 6 above
- Competitive restraint: All Executives are restrained from competing with Chrysos' business or soliciting any of Chrysos' suppliers, customers or employees with whom they have had dealings in the last 12 months of their employment with Chrysos. The restraint applies for a maximum period of up to 12 months after their employment ends (on a cascading basis). This limitation applies worldwide in its maximum capacity (on a cascading basis).

Mr. Coventry's overall remuneration package was determined giving regard to relevant market data.

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

5. EXECUTIVE REMUNERATION OUTCOMES AND REMUNERATION DISCLOSURE

5.1 REMUNERATION DISCLOSURE

Details of the remuneration of Executive KMP during the year ended 30 June 2022 are set out in the following table:

		Short-term benefits		Other long-term benefits	Post employment benefits	Share based payments	Total	Performance related %
Executive	Year	Cash Salary	Incentive	Leave	Super			
Dirk Treasure	FY22	294,379	88,090	29,746	28,596	269,293	710,014	44%
	FY21	233,210	86,238	–	21,994	286,681	628,123	54%
Brett Coventry	FY22	246,579	33,150	1,905	26,711	135,996	444,341	11%
	FY21	215,819	–	–	19,950	24,695	260,464	0%
Total	FY22	540,958	121,240	31,651	55,307	405,289	1,154,445	31%
	FY21	449,029	86,238	–	41,944	311,376	888,587	38%

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

5.2 PERFORMANCE LINKED REMUNERATION – STI

The STI was assessed for the financial year ended 30 June 2022. Highlights of the Group's achievements in 2022 include:

Performance KPI	Achievements	Weighting %
Strategic	Key strategic milestones were set and achieved as detailed follows. The Group successfully went through an IPO on 6 May 2022, listing on the ASX. Chrysos continued to expand into offshore locations such as Tanzania and Canada.	10-17.5%
Financial	Financial metric was assessed against budgeted Revenue and EBITDA measures. Revenues grew in line with the budget to $14.2m. At the same time expenses more favourably than budgeted resulting in an EBITDA of $2.162m.	27.5-60%
Operational	The Group assesses operational targets against deployment and operation of PhotonAssay™ units. The business successfully deployed 4 PhotonAssay™ units during the management and control of the resultant performance period and successfully commenced the international expansion to Canada and Africa.	20-27.5%
People, Safety and ESG	This measure is assessed against the safety performance of the Group's people and particular hiring goals, such as the role of Chief People Officer. The Group appointed a strong leadership team to support the international growth of the business including ensuring the appropriate resources were in place to help the company upon its listing on the ASX. This included recruiting a Chief People Officer to support drive high performance, global expansion, compliance and culture. Developing policies and procedures and an overall Corporate Governance model to support the Group as an ASX listed entity. The business continues to foster and grow a safety culture, with safety being a strong focus and point of discussion in all team and Group meetings. The team have an establish health and safety ecosystem with reporting discussed and plans implemented.	10-27.5%

Remuneration Report (Audited) (Continued)

In consideration of the above achievements, the Board determined that the following STI payments were awarded to KMP:

Executive KMP	Target STI Opportunity (% of TFR)	STI Award (TFR)	STI Award ($)
Mr Dirk Treasure	40%	40%	$88,090
Mr Brett Coventry	15%	15%	$33,150

As determined by the Board for the financial year ended 30 June 2022, the maximum 100% STI was achieved with no forfeiture.

5.3 LONG-TERM INCENTIVE

Share based payments awarded, vested and lapsed during FY22. The following table sets out Options and Rights held during FY22.

	Balance at the start of the period 1 July 2021	Grant Date	Issued as remu-neration	Exer-cised	Lapsed/ forfeited	Lapsed/ forfeited %	Balance at the end of the period 30 June 2022	Vested during the period ended 30 June 2022	Vested %
Mr D Treasure									
Options	100,000	24 February 2018	–	100,000	–	–	–	–	–
	500,000	24 February 2018	–	500,000	–	–	–	–	–
	100,000	15 February 2019	–	–	–	–	100,000	100,000	100%
	90,000	1 July 2020	–	–	–	–	90,000	–	–
	60,000	1 July 2020	–	–	–	–	60,000	–	–
	–	24 September 2021	27,500	–	–	–	27,500	–	–
	850,000		**27,500**	**600,000**	**0**	**0**	**277,500**	**100,000**	**36%**
Performance Rights	250,000	1 November 2019		250,000	–	–	–	–	–
	–	13 April 2022	138,462	–	–	–	138,462	–	–
	250,000		**138,462**	**250,000**	**–**	**–**	**138,462**	**–**	**–**
Mr B Coventry									
Options	60,000	1 July 2020	–	–	–	–	60,000	–	–
	–	24 September 2021	27,500	–	–	–	27,500	–	–
		21 November 2021	75,000	–	–	–	75,000		
	60,000		**102,500**	**–**	**–**	**–**	**162,500**	**–**	**–**
Performance Rights	–	13 April 2022	67,385	–	–	–	67,385	–	–
	–		**67,385**	**–**	**–**	**–**	**67,385**	**–**	**–**

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

Options exercised during the year were paid for by Mr Treasure, price per Option was $0.20 resulting in a total of $120k paid.

All Rights and Options can be exercised upon vesting, until their expiry date.

	Date of Grant	Expiry Date	Number issued	Fair value per unit	Exercise price per unit
Mr D Treasure					
Performance Rights	13 April 2022	1 July 2027	138,462	$3.50	$0.00
Options	24 September 2021	23 September 2026	27,500	$1.41	$4.50
Mr B Coventry					
Performance Rights	13 April 2022	1 July 2027	67,385	$3.50	$0.00
Options	21 November 2021	30 November 2026	75,000	$1.45	$4.50
	24 September 2021	23 September 2026	27,500	$1.41	$4.50

5.4 HISTORICAL COMPANY PERFORMANCE

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

	2022	2021	2020	2019	2018
Revenue ($000's)	14,258	4,530	3,040	Not restated	Not restated
EBITDA ($000's)	2,162	(1,031)	(521)		
Profit attributable to owners ($000's)	(3,938)	(3,842)	(2,814)		
Operating income growth	80.3%	-39.1%	–		
Change in share price	Not applicable information, listing occurred 6 May 2022				
Return on capital employed	-0.51%	-8.55%	-8.23%		

Remuneration Report (Audited) (Continued)

6. NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 NON-EXECUTIVE DIRECTOR REMUNERATION DISCLOSURE

Before listing, the Group paid Non-Executive Director fees as a combination of cash and equity-based payments. The level and structure reflected the early stage, developing nature of the business in the prior years. Non-Executive Directors do not receive any performance based remuneration and are not expected to be issued further Options or Performance Rights as part of future remuneration.

In FY22, the Group's shareholder approved fee pool was $650,000 as resolved at the Annual General Meeting held on 9 December 2021. Non-Executive Directors were remunerated as follows:

		Short-term benefits		Post employment benefits	Share based payments	Total
	Year	Director Fees	Other	Super		
Robert Adamson	FY22	80,000		8,000	45,721	133,721
	FY21	–	–	–	36,681	36,681
Ivan Mellado	FY22	44,000		4,400	41,235	89,635
	FY21	–	–	–	36,681	36,681
Kerry Gleeson [2]	FY22	38,333		3,833	4,487	46,653
	FY21	–	–	–	–	–
Brett Boynton [3]	FY22	49,500	–	–	41,235	90,735
	FY21	–	–	–	36,681	36,681
Eric Ford	FY22	55,600	–	4,400	41,233	101,233
	FY21	–	–	–	36,679	36,679
Leong Mar [1]	FY22	60,000	–	–	–	60,000
	FY21	–	–	–	–	–
Total	FY22	327,433	–	20,633	173,911	521,977
	FY21	–	–	–	146,722	146,722

1. Mr Leong's fees are accrued on account of and payable to CSIRO as their nominated Director.
2. Mrs Gleeson was appointed on 15 July 2021 and fees for FY22 are reflective of her appointment date.
3. Mr Boynton is a director of 33rd Degree Pty Ltd. His directors fees (which are subject to GST) are paid to 33rd Degree Pty Ltd and are shown net of GST.

6.2 NON-EXECUTIVE DIRECTOR SHARE-BASED PAYMENTS

The following table sets out Options held during FY22.

	Balance at the start of the period 1 July 2021	Grant Date	Issued as Remuneration	Exercised	Lapsed/ forfeited	Balance at the end of the period 30 June 2022	Vested during the period ended 30 June 2022	Vested %
Robert Adamson	100,000	24 February 2018	0	100,000	0	0	0	0
	100,000	15 February 2019	0	100,000	0	0	100,000	100%
	90,000	1 May 2020	0	0	0	90,000	0	0
	60,000	1 July 2020	0	0	0	60,000	0	0
	0	24 September 2021	25,000	0	0	25,000	0	0
	350,000		**25,000**	**200,000**	**0**	**175,000**	**100,000**	**0%**
Ivan Mellado*	100,000	24 February 2018	0	0	0	100,000	0	0
	100,000	15 February 2019	0	0	0	100,000	100,000	100%
	90,000	1 May 2020	0	0	0	90,000	0	0
	60,000	1 July 2020	0	0	0	60,000	0	0
	0	24 September 2021	12,500	0	0	12,500	0	0
	350,000		**12,500**	**0**	**0**	**362,500**	**100,000**	**28%**
Kerry Gleeson	0	24 September 2021	12,500	0	0	12,500	0	0
	0	**24 September 2021**	**12,500**	**0**	**0**	**12,500**	**0**	**0**
Brett Boynton	100,000	24 February 2018	0	0	0	100,000	0	0
	100,000	15 February 2019	0	0	0	100,000	100,000	100%
	90,000	1 May 2020	0	0	0	90,000	0	0
	60,000	1 July 2020	0	0	0	60,000	0	0
	0	24 September 2021	12,500	0	0	12,500	0	0
	350,000		**12,500**	**0**	**0**	**362,500**	**100,000**	**28%**
Eric Ford	90,000	1 May 2020	0	0	0	90,000	0	0
	60,000	1 July 2020	0	0	0	60,000	0	0
	0	24 September 2021	12,500	0	0	12,500	0	0
	150,000		**12,500**	**0**	**0**	**162,500**	**0**	**0%**

Note: During the year ended 30 June 2022, 100,000 Options vested each, for Mr Adamson, Mr Mellado and Mr Boynton, these Options have an expiry date of 14 February 2024.

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

Remuneration Report (Audited) (Continued)

	Grant Date	Expiry date	Number Issued	Fair value per unit	Exercise price per unit
Robert Adamson	24 September 2021	23 September 2026	25,000	1.41	4.50
Ivan Mellado*	24 September 2021	23 September 2026	12,500	1.41	4.50
Kerry Gleeson	24 September 2021	23 September 2026	12,500	1.41	4.50
Brett Boynton	24 September 2021	23 September 2026	12,500	1.41	4.50
Eric Ford	24 September 2021	23 September 2026	12,500	1.41	4.50

All Options on issue are subject to 3 year employment conditions.

Options exercised during the year, were paid for by Mr Adamson.

All Rights and Options can be exercised upon vesting, until their expiry date.

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

6.3 NON-EXECUTIVE DIRECTOR REMUNERATION IN FY23

As part of reviewing remuneration in transitioning to the listed environment, the Group considered its Director remuneration by obtaining independent advice from external remuneration consultants. The review highlighted the need to adjust Director fees to a level more appropriate to attracting and retaining relevantly skilled and experienced Directors for listed companies of comparable scale, complexity and market capitalisation. Having considered independent market benchmarking, Director fees have been adjusted to reflect the increased complexity faced by an ASX listed company for the coming financial year (FY23). The Board sets the level of fees paid to Non-executive Directors within the aggregate pool approved pool approved by shareholders at the Extraordinary General Meeting held on 14 April 2022 and is currently $950,000 per annum.

From 1 July 2022, the annual Director fees agreed to be paid by the Group will be:

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

All base fees shown above are inclusive of statutory superannuation contributions

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

7. KEY MANAGEMENT PERSONNEL AND NON-EXECUTIVE DIRECTOR SHAREHOLDINGS

The numbers of shares in Chrysos held directly, indirectly or beneficially during the year by each Key Management Personnel, including their related parties, are set out below.

	Class of Shares	Balance at the start of the period 1 July 2021	Number of shares on exercise of Rights or Options[1]	Net change other[2]	Balance at the end of the period 30 June 2022	Number of Options not vested at year end	Number of Performance Rights not vested at year end
Non-Executive Directors							
Robert Adamson[3]	Ordinary	7,890,500	200,000	(190,000)	7,900,500	175,000	–
Ivan Mellado[4]	Ordinary	–	–	10,018	10,018	362,500	–
Kerry Gleeson[5]	Ordinary	–	–	8,193	8,193	12,500	–
Brett Boynton[6]	Ordinary	–	–	10,581	10,581	362,500	–
Eric Ford[7]	Ordinary	75,000	–	33,000	108,000	162,500	–
Leong Mar	–	–	–	–	–	–	–
Senior Executives							
Mr D Treasure[8]	Ordinary	–	850,000[1]	(4,033)	845,967	277,500	138,462
Mr B Coventry[9.]	Ordinary	–	–	11,112	11,112	162,500	67,385

1. During the year ended 30 June 2022, Mr Treasure exercised 250,000 Performance Rights which had $0 exercise price, 500,000 Options with an exercise price of $0.20 and 100,000 Options with an exercise price of $1.00.
2. Net change other represents ordinary shares bought or sold during the period.
3. Mr Adamson has the power to control votes attached to shares held by Alchemy Securities Pty Ltd, RH Adamson Pty Ltd ATF the Adamson Family Superannuation Fund, Quadratura Investments Pty Ltd and DDD and M Pty Ltd ATF the Adamson Family Trust and this table reflects the total of these direct and indirect investments.
4. Mr Mellado has the power to control votes attached to shares held by Mellado & Co Pty Ltd and Clarity Holdings Pty Ltd ATF the Kindred Spirits Trust and this table reflects the total of these direct and indirect investments.
5. Ms Gleeson has the power to control votes attached to shares held by Gleeson-Peiniger SF Pty Ltd ATF the Gleeson-Peiniger Superannuation Fund and this table reflects the total of these direct and indirect investments.
6. Mr Boyton has the power to control votes attached to shares held by Brookton Super Fund Pty Ltd and this table reflects the total of these direct and indirect investments.
7. Mr Ford has the power to control votes attached to shares held by EVC Holdings Pty Ltd ATF the Ford Family Trust and this table reflects the total of these direct and indirect investments.
8. Mr Treasure has the power to control votes attached to shares held by Treasure Brother Pty Ltd and this table reflects the total of these direct and indirect investments.
9. Mr Coventry has the power to control votes attached to shares held by Boulevard X Pty Ltd ATF the Boulevard X Trust and Boulevard X Super Pty Ltd ATF the Boulevard X Superannuation Fund and this table reflects the total of these direct and indirect investments.

Remuneration Report (Audited) (Continued)

Chrysos Corporation encourages Non-Executive Directors, Executives and employees to own shares in the organisation (subject to the Group's Securities Dealing Policy). Chrysos Corporation is not licensed or authorised to provide individuals with financial product advice under the Corporations Act.

Chrysos Corporation does not specify target volumes for such shareholdings, as it does not know individuals personal preferences and objectives, financial situation or risk profile.

Chrysos Corporation acknowledges that, in the absence of share trading prohibitions, KMP generally incur an income tax liability on the market value of shares issued upon vesting employee rights under the LTI. As such they will generally need to sell a portion of their allocated shares to cover their income tax obligations. Where this occurs, it will comply with the Company's Securities Dealing Policy.

7.1 LOANS TO DIRECTORS AND EXECUTIVES

There were no loans to Directors or Executives during the 2022 financial year.

7.2 OTHER TRANSACTIONS WITH DIRECTORS AND EXECUTIVES

Mr Adamson is Executive Chair of RFC Ambrian Group Limited (RFC), during the year ended 30 June 2022, RFC provided consulting services to the value of $25,000 (2021: $0) to Chrysos on normal commercial terms and conditions.

Mr Mar is an employee of CSIRO and was a director until 6 May 2022, CSIRO remains a 21.97% shareholder of Chrysos. During the year the Group rented premises from CSIRO to the value of $96,000 (2021: $84,000) on normal commercial terms and conditions.

There are no other transactions or balance with key management personnel, the directors or their related parties.

AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Chrysos Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Chrysos Corporation Limited for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Cenko

Partner

Adelaide

29 August 2022

CONSOLIDATED FINANCIAL REPORT CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	30 June 2022 $'000	30 June 2021 Reissued* $'000
Revenue and other income			
PhotonAssay™ Income	4	13,521	4,388
Revenue from consumables	4	571	–
Other income	4	166	142
		14,258	**4,530**
Expenses			
Maintenance costs		(1,840)	(786)
Employee benefit expenses		(6,712)	(3,695)
Consulting fees		(261)	(40)
Consumables cost of sales		(542)	–
Travel and marketing costs		(656)	(259)
Legal fees		(400)	(176)
Other expenses		(1,685)	(605)
Depreciation and amortisation expense	6	(2,825)	(2,343)
Finance costs	6	(1,905)	(468)
Profit/(Loss) before income tax		(2,568)	(3,842)
Income tax expense	7	1,370	–
Profit/(Loss) for the year		(3,938)	(3,842)
Other comprehensive income for the year		–	–
Total comprehensive profit/(loss) for the year attributable to the owners from continuing operations		(3,938)	(3,842)
Basic loss per share	28	($0.045)	($0.051)
Diluted loss per share	28	($0.045)	($0.051)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

* As reported in the reissued financial statements for the year ended 30 June 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 $'000	30 June 2021 Reissued* $'000
Current assets			
Cash and cash equivalents	8	92,104	5,768
Trade and other receivables	9	5,782	1,024
Research and development receivable		872	957
Other current assets		715	44
Prepayments		5,235	2,119
		104,708	**9,912**
Non-current assets			
Plant and equipment	10	37,861	18,775
Right of use assets	11	139	130
Intangible assets	12	1,378	695
		39,378	**19,600**
Total assets		**144,086**	**29,512**
Current liabilities			
Trade and other payables	13	10,098	7,706
Lease liabilities	15	141	136
Employee benefits		734	573
Other financial liabilities	16	436	358
Provisions	18	1,395	1,194
		12,804	**9,967**
Non-current liabilities			
Trade and other payables	13	623	2,489
Employee benefits		98	27
Other financial liabilities	16	3,343	2,647
Provisions	18	–	154
Loans and Borrowings	17	4,900	–
		8,964	**5,317**
Total liabilities		**21,768**	**15,284**
Net assets		**122,318**	**14,228**
Equity			
Issued capital	19	135,725	24,081
Accumulated losses		(14,527)	(10,589)
Share-based payment reserve	19, 20	1,120	736
Total equity		**122,318**	**14,228**

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

* As reported in the reissued financial statements for the year ended 30 June 2021.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued capital	Accumulated losses	Share-based payments reserve	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2020 Reissued*	**24,081**	**(6,747)**	**150**	**17,484**
Loss for the year	–	(3,842)	–	(3,842)
Total comprehensive loss for the year	–	(3,842)	–	(3,842)
Share-based payments	–	–	586	586
Issued shares	–	–	–	–
Balance at 30 June 2021 Reissued*	**24,081**	**(10,589)**	**736**	**14,228**
Total comprehensive loss for the year	–	(3,938)	–	(3,938)
Share-based payments, net of options vested and moved to ordinary shares	–	–	384	384
Issued shares, net of sell down and raising costs	111,644	–	–	111,644
Balance at 30 June 2022	**135,725**	**(14,257)**	**1,120**	**122,318**

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

* As reported in the reissued financial statements for the year ended 30 June 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022	2021
		$'000	$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,319	4,479
Payments to suppliers (inclusive of GST)		(11,496)	(4,928)
		823	(449)
Research and development refund received		957	1,186
Interest paid		(373)	(186)
Net cash from operating activities	26	**1,407**	**551**
Cash flows from investing activities			
Interest received		96	62
Purchases of intangibles		(1,561)	(973)
Purchases of property, plant and equipment		(25,515)	(7,100)
Net cash used in investing activities		**(26,980)**	**(8,011)**
Cash flows from financing activities			
Proceeds from issue of share capital		113,194	–
Transaction costs of issue of share capital		(5,136)	–
Proceeds from loan borrowings		4,900	–
Repayment of lease liabilities		(145)	(72)
Repayment of other borrowings		(1,294)	(196)
Net cash from financing activities		**111,519**	**(268)**
Net cash increase in cash and cash equivalent		**85,946**	**(7,728)**
Cash and cash equivalents at 1 July		5,768	13,496
Foreign Exchange		390	–
Cash and cash equivalents at 30 June*	8	**92,104**	**5,768**

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

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

NOTE 1: GENERAL INFORMATION

Chrysos Corporation Limited (the 'Company') is incorporated in Australia and currently operates in Australia. The financial report of the Company and all of its subsidiaries (together referred to as the 'Group') is presented in Australian dollars, which is the Group's functional and presentation currency.

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

Registered office	Principal place of business
Thomson Geer Lawyers	Waite Road
Level 5, 19 Currie Street	Urrbrae SA 5064
Adelaide SA 5000	

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2022.

BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by Chrysos. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

GOING CONCERN BASIS OF ACCOUNTING

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

The Group has recognised a net loss after tax of $3.938m for the year 30 June 2022 (2021: $3.842m). Chrysos has facilities of $7.5m of which $4.9m was drawn at 30 June 2022 and at the same time the Group had $92.104m cash and equivalents to hand.

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

BASIS OF PREPARATION

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

HISTORICAL COST CONVENTION

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

CRITICAL ACCOUNTING ESTIMATES

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

FOREIGN CURRENCY TRANSACTIONS

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

REVENUE RECOGNITION

FOREIGN OPERATIONS

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

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

The Group recognises revenue as follows:

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

PHOTONASSAY™ INCOME

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

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

INTEREST

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

OTHER REVENUE

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

GOVERNMENT GRANT INCOME

During the year the Group received payments from the Australian Federal Government and these amounts have been recognised as government grants and recognised as other income once there is reasonable assurance the Group will comply with any conditions attached.

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

RESEARCH AND DEVELOPMENT GRANT

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

CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

CASH AND CASH EQUIVALENTS

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

TRADE AND OTHER RECEIVABLES

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

FINANCIAL ASSETS AT AMORTISED COST

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

IMPAIRMENT OF FINANCIAL ASSETS

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

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

PLANT AND EQUIPMENT

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

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

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

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

INTANGIBLE ASSETS

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

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

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

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

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the IP created; and
- the software/hardware will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

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

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

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

TRADE AND OTHER PAYABLES

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

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

OTHER FINANCIAL LIABILITIES

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

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

FINANCE COSTS

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

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

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

OTHER LONG-TERM EMPLOYEE BENEFITS

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

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

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

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Further detail on the provision for payroll tax is set out in Note 17.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

SHARE-BASED PAYMENTS

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

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

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

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

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

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

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

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

ISSUED CAPITAL

Ordinary shares are classified as equity.

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

GOODS AND SERVICES TAX (‘GST’) AND OTHER SIMILAR TAXES

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

LEASES

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

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

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

CHANGES TO ACCOUNTING POLICIES

The Group has adopted all new and amended Australian Accounting Standards and Interpretations which were required to be applied from 1 July 2021. Amendments to existing standards effective and adopted from 1 July 2021 but not relevant or significant to the group: Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group and include:

	New standard or amendments not relevant or significant to the Group
	Accounting Standard AASB 2020-8 Amendments to Australian Accounting Standards Interest Rate Benchmark Reform – Phase 2
Effective date	**New accounting standards and interpretations not yet mandatory or early adopted**
	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
1 January 2023	Accounting Standard AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
	Accounting Standard AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgement continues to be exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the goods and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes timing of deployment of PhotonAssay^{TM}, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

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

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

USEFUL LIFE OF PHOTONASSAY™ UNITS

The Group regularly considers the useful life of the PhotonAssay™ units, which remains primarily aligned to the useful life of the linear accelerator (LINAC) as evidenced in adjacent uses. In determining the appropriate useful life for these assets, a range of factors are taken into account including the specific nature of the asset deployed, risk of technological obsolescence, operational and business performance and market conditions.

RESEARCH AND DEVELOPMENT EXPENSES

Expenditure during the research phase of a project is recognised as an expense as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses

PROVISION FOR PAYROLL TAXES

The provision for payroll tax is the Group's best estimate of its future liability for payroll tax on share-based payments that have been granted prior to reporting period end and remain unexercised. The liability is based on the expected share value of the group at exercise date of the options, this estimated value has been calculated using a 60 day VWAP. As the date at which the liability crystallises is uncertain, and contingent upon the holder when and if a holder exercises, the fair value of the instruments at the time of exercise is currently unknown, and consequently the amount payable for associated payroll tax could be greater or less than the estimate provided for. Refer to Note 18 for further information.

LEASES OF PHOTONASSAY™ UNITS AS LESSOR

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease term is for the major part of the economic life of the asset.

Significant judgement is required to determine the lease term. Consideration has been given to the non-cancellable periods and early cancellation penalties contained within the leasing arrangements and it has been determined that the lease term is not a major part of the economic life of the underlying unit being leased. On this basis, amongst other factors, all current leases have determined to be operating leases.

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: REVENUE AND OTHER INCOME

The Group generates revenue primarily from deployment of PhotonAssay™ units with it customers. Under each contract for deployment the Group assess the terms to understand where substantially all of the risks and rewards incidental to ownership lie. When the risks and rewards of ownership lie with the Group, revenue is recognised as operating lease income (see Note 4A). When the risk and rewards of ownership lie with the customer, the asset is considered as a finance lease. Currently, all lease arrangements are categorised as operating leases. A maturity analysis for operating leases as lessor is set out in Note 14.

NOTE 4A: PHOTONASSAY™ INCOME

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
PhotonAssay™ Income – minimum lease payments	10,592	4,228
PhotonAssay™ Income – variable lease payments	2,929	160
	13,521	**4,388**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 4B: REVENUE FROM CONSUMABLES

	30 June 2022	30 June 2021
	$'000's	$'000's
Revenue recognised at a point in time	571	–

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

NOTE 4C: OTHER INCOME

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Government grants	70	86
Gains/(losses) on foreign currency	–	(6)
Interest	96	62
	166	**142**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 5: SEGMENT INFORMATION

The Group identifies the Managing Director and CEO as the Chief Operating Decision Maker (CODM). The CODM monitors segments and made on the basis of segment operating results.

Factors, economic characteristics and judgements used in identify the segments, include geographic location, similar services offered and emerging management structures. Provision of PhotonAssay™ is the Group's product, facilitating the ability to complete assay's from which the business generates Minimum Monthly Assay Payments and Additional Assay Charges.

Unallocated items comprise mainly corporate assets, research and development and head office expenses. Segment revenue information is presented on the basis of location of PhotonAssay™ operations.

Of these revenues three major customers (2021: one major customer) who individually accounted for more than 10 percent of total revenue contributed approximately 95 percent of total revenue (2021: 85 percent).

NOTE 5: SEGMENT INFORMATION CONTINUED

The Group has three reportable segments based on the geographical location to where the unit is deployed:

- Middle East & Africa
- Australia
- Americas

In the previous financial reporting periods there was only one segment being mining services in Australia: the information is set out below:

	30 June 2022	30 June 2021
	$'000's	$'000's
Segment Revenues		
Australia	12,006	4,341
Middle East & Africa	2,188	–
Americas	64	–
Total Revenues	**14,258**	**4,341**
Segment Depreciation & Amortisation		
Australia	2,157	1,841
Middle East & Africa	264	–
Americas	64	–
Total of segments Depreciation & Amortisation	**2,485**	**1,841**
Segment Results		
Profit before tax		
Australia	7,172	3,159
Middle East & Africa	1,591	–
Americas	(66)	–
Total of segments	**8,698**	**3,159**
Reconciliation of reportable segment result to Profit/(Loss) before tax		
Segment Profit	8,698	3,159
Central Costs*	(11,266)	(7,001)
Loss Before Tax	**(2,568)**	**(3,842)**
Income Tax benefit/(expense)	**1,370**	**–**
Comprehensive loss for the period	**(3,938)**	**(3,842)**
Segment Capital Expenditure		
Australia	14,306	10,708
Middle East & Africa	3,595	–
Americas	3,722	–
Total of segments Capital Expenditure	**21,623**	**10,708**

* Central costs comprise research, development, sales and head office costs associated with the Group's growth and development trajectory. Where possible costs attributable to operations are allocated to reportable segments.

Notes to the Consolidated Financial Statements (Continued)

NOTE 5: SEGMENT INFORMATION CONTINUED

Segment assets and Liabilities	Assets		Liabilities	
As at	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	$'000's	$'000's	$'000's	$'000's
Australia – Current	3,667	1,023	7,001	11,303
Australia – Total	17,463	17,498	7,001	11,303
Middle East & Africa – Current	2,187	–	–	–
Middle East & Africa – Total	5,518	–	–	–
Americas – Current	3,722	–	–	–
Americas – Total	3,722	–	–	–
Total of Segments	**26,703**	**17,498**	**7,001**	**11,303**
Unallocated	117,383	12,014	14,769	3,981
Total	**144,086**	**29,512**	**21,770**	**15,284**

For the purposes of monitoring segment performance and allocating resources between segments:

- only deployed PhotonAssay™ units, debtors and other directly attributable assets are allocated to the segments.
- only liabilities directly attributable to the segments are recognised at a segment level and on deployment of a PhotonAssay™ unit to that segment, any associated liability is transferred on deployment.
- unallocated assets are primarily represented by cash and cash equivalents (note 8) held to build and deploy PhotonAssay™ units, as well as Work in progress – units (see note 10) which are not attributable until deployment to that segment.

NOTE 6: EXPENSES

	30 June 2022	30 June 2021
	$'000's	$'000's
Loss before income tax includes the following specific expenses: Depreciation		
Plant and Equipment	80	42
Deployed units	2,405	1,880
Total depreciation – property, plant and equipment	**2,485**	**1,922**
Right-of-use assets	137	71
Total Depreciation	**2,622**	**1,993**
Amortisation		
Intellectual Property	203	350
Total amortisation	**203**	**350**
Total Depreciation and amortisation	**2,825**	**2,343**
Finance costs		
Interest and finance charges paid/payable on other liabilities	613	461
Interest and finance charges paid/payable on lease liabilities	1,716	5
(Gains)/Losses on Foreign Exchange	(424)	–
Finance costs expensed	**1,905**	**468**
Leases		
Short-term lease payments	26	14
Superannuation on defined contribution funds	515	290

Notes to the Consolidated Financial Statements (Continued)

NOTE 7: INCOME AND DEFERRED TAX

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Income tax benefit/(expense)		
Current tax benefit/(expense)	–	3,376
Deferred tax – origination and reversal of temporary differences	1,849	(2,790)
Less: Temporary differences and tax losses not brought to account	(1,849)	(586)
Aggregate income tax (expense)/benefit	–	–
Deferred tax included in income tax benefit comprises:		
Decrease/(increase) in deferred tax asset	–	–
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,568)	(3,842)
Tax expense at the statutory tax rate of 25% (2021: 26%)	(642)	(999)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development expenditure subject to R&D tax incentive and not deductible	(872)	319
R&D refund included in salaries & wages not assessable	197	(126)
Other non-assessable and non-deductible items	293	220
R&D refund allocated to intangible assets	675	–
Under/Over opening deferred tax asset	(131)	–
	(1,208)	413
Temporary differences and tax losses not brought to account	1,850	586
Income tax expense	**1,370**	**–**
Deferred tax asset/(liability)		
Trade and other receivables	43	–
Plant and equipment	(3,752)	(2,400)
Intangible assets	385	329
Employer provisions	143	57
Trade and other payables	409	402
Lease liabilities	8	9
Equity raising costs	1,597	193
Tax losses	6,356	4,642
Prepayments	(15)	(6)
Unrealised Gains/Losses on Foreign Exchange	(98)	–
ROU Asset	(7)	(8)
Subtotal	**5,068**	**3,218**
Less: deferred tax assets on losses not recognised	(5,068)	(3,218)
Deferred tax asset	**–**	**–**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 7: INCOME AND DEFERRED TAX CONTINUED

UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets of $5.068m has not been recognised as set out below:

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Deductible temporary differences	(1,288)	253
Tax losses	6,356	2,965
	5,068	**3,218**

* As reported in the reissued financial statements for the year ended 30 June 2021.

The deductible temporary differences and tax losses do not expire under current tax legislation. Future utilisation of the un-used tax losses is subject to satisfaction of sane or similar business tests, for the losses to be relied upon.

Movements in deferred tax balances are shown below:

	Net balance at 1 July 2021	Recog-nised in profit or loss	Recog-nised in OCI	Recog-nised directly in equity	Other	Net at 30 June 2022	Deferred tax assets	Deferred tax liabilities
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Movement in unrecognised deferred tax balances								
Trade and Other Receivables	–	42	–	–	–	42	42	–
Plant and equipment	(2,400)	(1,352)	–	–	–	(3,752)	–	(3,752)
Intangible assets	329	56	–	–	–	386	386	–
Employer provisions	57	86	–	–	–	143	143	–
Trade and other payables	402	7	–	–	–	409	409	–
Lease liabilities	9	(1)	–	–	–	8	8	–
Equity raising costs	193	34	–	1,370	–	1,597	1,597	–
Tax losses	4,642	1,714	–	–	–	6,356	6,356	–
Prepayments	(6)	(9)	–	–	–	(15)	–	(15)
ROU Asset	(8)	1	–	–	–	(7)	–	(7)
Subtotal	3,218	480	–	1,370	–	5,068	8,940	(3,872)
Offset of deferred tax assets/liabilities	–	–	–	–	–	–	(3,872)	3,872
Less: unrecognised	(3,218)	(2,142)	–	–	–	(5,068)	5,068	–
Aggregate income tax benefit/(expense)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Notes to the Consolidated Financial Statements (Continued)

NOTE 7: INCOME AND DEFERRED TAX CONTINUED

	Net balance at 1 July 2020 (Reissued) Note 4	Recog-nised in profit or loss (Reissued) Note 4	Recog-nised in OCI (Reissued) Note 4	Recog-nised directly in equity (Reissued) Note 4	Other (Reissued) Note 4	Net at 30 June 2021 (Reissued) Note 4	Deferred tax assets (Reissued) Note 4	Deferred tax liabilities (Reissued) Note 4
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Movement in unrecognised deferred tax balances								
Plant and equipment	622	(3,022)	–	–	–	(2,400)	–	(2,400)
Intangible assets	309	20	–	–	–	329	329	–
Employer provisions	43	14	–	–	–	57	57	–
Trade and other payables	186	216	–	–	–	402	402	–
Lease liabilities	10	(1)	–	–	–	9	9	–
Equity raising costs	204	(11)	–	–	–	193	193	–
Tax losses	1,266	3,376	–	–	–	4,642	4,642	–
Prepayments	–	(6)	–	–	–	(6)	–	(6)
ROU Asset	(8)		–	–	–	(8)	–	(8)
Subtotal	2,632	586	–	–	–	3,218	5,632	(2,414)
Offset of deferred tax assets/liabilities	–	–	–	–	–	–	(2,414)	2,414
Less: unrecognised	(2,632)	(586)	–	–	–	(3,218)	3,218	–
Aggregate income tax benefit/(expense)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

NOTE 8: CASH AND CASH EQUIVALENTS

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Cash at Bank	92,104	5,768

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

NOTE 9: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Trade receivables	5,749	1,024
Other receivables	33	–
	5,782	**1,024**

As at 30 June 2022, there were no receivables past due (2021: None). A provision for impairment of $169k (FY21: $Nil) was raised.

NOTE 10: NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Plant and Equipment at cost	283	208
Less: Accumulated Depreciation	(125)	(73)
	158	135
Motor Vehicle at cost	178	22
Less: Accumulated Depreciation	(17)	(5)
	161	17
Furniture and Fittings – Adelaide Office	393	13
Less: Accumulated Depreciation	(18)	(3)
	375	10
Deployed Units (subject to operating leases as lessor)	34,969	20,562
Less: Accumulated Depreciation	(7,102)	(4,637)
	27,867	15,925
Property, plant and equipment	28,561	16,087
Work in progress – units	9,300	2,688
	9,300	2,688
Total property, plant and equipment	**37,861**	**18,775**

* As reported in the reissued financial statements for the year ended 30 June 2021.

Notes to the Consolidated Financial Statements (Continued)

NOTE 10: NON-CURRENT ASSETS – PLANT AND EQUIPMENT CONTINUED

PLANT AND EQUIPMENT RECONCILIATION

	Plant and equipment	Motor vehicles	Furniture and fittings	Deployed units	WIP units	Total
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Balance at 1 July 2020	**104**	**22**	**–**	**7,596**	**2,357**	**10,079**
Additions	65	–	13	8,158	2,382	10,618
Transfers	–	–	–	2,051	(2,051)	–
Depreciation expense	(34)	(5)	(3)	(1,880)	–	(1,922)
Balance at 30 June 2021	**135**	**17**	**10**	**15,925**	**2,688**	**18,775**
Additions	76	156	380	12,163	8,796	21,571
Transfers	–	–	–	2,184	(2,184)	–
Depreciation expense	(52)	(12)	(15)	(2,405)	–	2,485
Balance at 30 June 2022	**158**	**161**	**375**	**27,867**	**9,300**	**37,861**

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

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Property rentals – right-of-use	400	254
Less: Accumulated Depreciation	(261)	(124)
	139	130

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

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

	Total
	$'000's
Balance at 1 July 2020	**30**
Additions	170
Disposals	–
Depreciation expense	(70)
Balance at 30 June 2021	**130**
Additions	146
Disposals	–
Depreciation expense	(137)
Balance at 30 June 2022	**139**

NOTE 12: NON-CURRENT ASSETS – INTANGIBLES

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Intellectual property – at cost	1,750	1,750
Less: Accumulated amortisation	(1,750)	(1,604)
Internally developed assets	1,436	549
Less: Accumulated amortisation	(58)	–
	1,378	**695**

* As reported in the reissued financial statements for the year ended 30 June 2021.

Notes to the Consolidated Financial Statements (Continued)

NOTE 12: NON-CURRENT ASSETS – INTANGIBLES CONTINUED

INTANGIBLES RECONCILIATION

	Intellectual property	Internally Developed assets	Total
	$'000	$'000	$'000
Balance at 1 July 2020	**496**	**–**	**496**
Additions	–	549	549
Disposals	–	–	–
Depreciation Expense	(350)	–	(350)
Balance at 30 June 2021	**146**	**549**	**695**
Additions	–	887	887
Disposals	–	–	–
Depreciation Expense	(146)	(58)	(204)
Balance at 30 June 2022	**–**	**1,378**	**1,378**

Included net in additions for the current year is a government grant (refundable R&D tax offset) of $674,504 (2021:$422,933).

NOTE 13: TRADE AND OTHER PAYABLES

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Current		
Trade payables	6,947	1,450
Accrued expenses	116	82
Supplier extended payment terms	3,035	6,174
	10,098	7,706
Non-current		
Supplier extended payment terms	623	2,489

* As reported in the reissued financial statements for the year ended 30 June 2021.

The Group has extended payment terms with key suppliers. The amounts payable under these arrangements are shown above as 'Supplier extended payment terms' and are non-interest bearing. The carrying amount of these amounts has been discounted to present value.

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

NOTE 14: OPERATING LEASES AS LESSOR – MATURITY ANALYSIS

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

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

Non-cancellable lease term – maturity analysis	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Less than one year	7,403	4,825
One to two years	4,320	2,880
Two to three years	1,720	2,880
Three to four years	250	280
Four to five years	–	–
More than five years	–	–
Total undiscounted lease payments	**13,693**	**10,865**

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

Initial terms and option periods – maturity analysis	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Less than one year	14,654	7,512
One to two years	14,654	7,512
Two to three years	14,654	7,512
Three to four years	14,654	7,375
Four to five years	14,654	6,840
More than five years	61,588	23,666
Total undiscounted lease payments	**134,858**	**60,417**

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 15: LEASE LIABILITIES

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Lease liabilities	141	136

* As reported in the reissued financial statements for the year ended 30 June 2021.

The Group leases buildings for its offices under agreements of between one to two years with, in some cases, options to extend. The average incremental borrowing rate is 5%.

LEASE LIABILITY RECONCILIATION

	$'000
Balance at 1 July 2020*	**36**
Additions	171
Interest charged to profit and loss	5
Lease payments	(76)
Balance at 30 June 2021*	136
Additions	146
Interest charged to profit and loss	4
Lease payments	(145)
Balance at 30 June 2022	**141**

* Refer to reissued financial statements for the year ended 30 June 2021.

NOTE 16: OTHER FINANCIAL LIABILITIES

	30 June 2022	30 June 2021
	$'000's	$'000's
Interest-bearing loans from customers	–	358
Non-Interest-bearing loans from customers	436	–
Other financial liabilities –current	**436**	**358**
Interest-bearing loans from customers	–	794
Non-Interest-bearing loans from customers	239	–
Customer deposits	3,104	1,853
Other financial liabilities – non-current	**3,343**	**2,647**
	3,779	**3,005**

The interest-bearing loans from customers were repaid to the customer following the September 2021 Series C capital raise. The repayment of the loans was linked to a fixed percentage applied to the minimum lease payments and any additional charges arising under the operating leases for PhotonAssay™ machines with the relevant lessee.

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

NOTE 17: LOANS AND BORROWINGS

	30 June 2022	30 June 2021
	$'000's	$'000's
Loan	4,900	–

The Group drew down $4.9m of the $7.5m facility with the Commonwealth Bank. The leaves unutilised facilities of $2.6m. Covenants are to be reported quarterly maximum and the facility 2 years from draw down, being a maturity date of 31 August 2023 and has no repayment requirements other than at expiry. The facility has a nominal interest rate margin of 5.35% above BBSY and is secured by a General Security Interest by the Company, by a first ranking charge all property.

NOTE 18: PROVISIONS

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Provision for payroll tax	1,395	1,194
Provisions – current	**1,395**	**1,194**
Provision for payroll tax	–	154
Provisions – non-current	**–**	**154**
Total Provisions	**1,395**	**1,348**
Movement in provision for payroll tax		
Opening balance 1 July	1,348	548
Additional provision for the year	47	800
Closing balance 30 June	**1,395**	**1,348**

The provision for payroll tax represents an estimate of the South Australian payroll tax payable on share-based payments that have been granted prior to reporting period end. The amount of payroll tax that is paid in the future is calculated by deducting the exercise price of the instrument from the fair value of the instrument at the earlier of the date when the holder exercises their instruments or the 7th anniversary of the grant date, multiplied by the payroll tax rate.

The provision at balance date has been determined by reference to the estimated fair value of the Group's shares at balance date. Instruments where the vesting date is in excess of 12 months from reporting period end have been classified as non-current (noting that all instruments currently on issue have a vesting date which is prior to the 7th anniversary of their grant date).

NOTE 19: EQUITY – ISSUED CAPITAL

	30 June 2022	30 June 2021 Reissued*	30 June 2022	30 June 2021 Reissued*
	Shares	Shares	$'000's	$'000's
Ordinary shares – fully paid	98,125,214	75,695,122	135,725	24,081

* As reported in the reissued financial statements for the year ended 30 June 2021.

Notes to the Consolidated Financial Statements (Continued)

NOTE 19: EQUITY – ISSUED CAPITAL CONTINUED

ORDINARY SHARES

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

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

MOVEMENT IN ORDINARY SHARES DURING THE YEAR

	30 June 2022	30 June 2021 Reissued*	30 June 2022	30 June 2021 Reissued*
	Shares	Shares	$'000's	$'000's
Issued at 1 July	75,695,122	75,695,122	24,081	24,081
Issued for cash	21,155,648	–	114,605	–
Exercise of share options	1,274,444	–	805	–
Equity raising costs, net of tax	–	–	(3,766)	–
Issued at 30 June – fully paid	**98,125,214**	**75,695,122**	**135,725**	**24,081**

* As reported in the reissued financial statements for the year ended 30 June 2021.

The Group successfully raised $235.5m during the financial year (2021:$nil), firstly through a series C $50.0m round with 11,111,112 equally ranking shares issued in September 2021. During the IPO process in May 2022, a further $183.5m was raised, to develop the Company's share register and continue to manage the Company's capital structure to enable the continued growth of the company. New funds of $65.0m were retained by the Group and 10,044,536 new equally ranking shares were issued, the balance of $118.5m in funds paid as shareholder sell downs. These equity raises incurred $6.9m (2021:$nil) in costs (net of recovered costs) of which $$3.8m was recognised in equity, net of tax.

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

NOTE 20: EQUITY – SHARE-BASED PAYMENT RESERVE

	30 June 2022	30 June 2021 Reissued*
	$'000's	$'000's
Balance at 1 July	736	150
Share options granted in year (Note 27)	884	586
Share options vested and moved to ordinary shares	(500)	–
Balance at 30 June	**1,120**	**736**

* As reported in the reissued financial statements for the year ended 30 June 2021.

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

NOTE 21: CAPITAL COMMITMENTS

CAPITAL COMMITMENTS FOR PLANT AND EQUIPMENT

At the end of the period there was $42.7m (2021 – $21.3m) in capital commitments relating to PhotonAssay™ units on order and under construction.

NOTE 22: FINANCIAL INSTRUMENTS

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Financial assets at amortised cost		
Cash and cash equivalents	92,104	5,768
Trade and other receivables	5,782	1,024
Financial liabilities at amortised cost		
Trade and other payables	6,947	1,450
Supplier extended payment terms	3,658	8,663
Provisions	1,395	1,348
Lease liabilities	141	136
Other financial liabilities	3,779	3,005

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

MARKET RISK

FOREIGN CURRENCY RISK

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

	$'000's	$'000's	$'000's
	USD	CAD	GBP
Cash and cash equivalents	3,798	694	529
Trade receivables	2,272	65	–
Trade payables	(183)	(6)	–
Net financial position	5,887	753	529
Sensitivity at +10% in $000 AUD (strengthening)	(535)	(68)	(48)
Sensitivity at – 10% in $000 AUD (weakening)	589	75	53

PRICE RISK

The Group is not exposed to any significant price risk.

Notes to the Consolidated Financial Statements (Continued)

NOTE 22: FINANCIAL INSTRUMENTS CONTINUED

CREDIT RISK

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

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

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

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

LIQUIDITY RISK

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

The Group also manages its operating and investing requirements through the use of its equity capital structure as required, which included a series C and Initial Public Offering during the financial year, with in excess of $100m raised. Additionally the Group has available credit from the Commonwealth Bank of Australia of $7,500,000 ($4,900,000 drawn) secured against the Group's assets and is working with it's financiers to increase this amount of available credit.

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

NON-DERIVATIVE FINANCIAL LIABILITIES

	Carrying Amount	Total	2 Months or less	2-12 months	1-2 years	2-5 years	5+ Years
30 June 2022	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Supplier extended payment terms	3,658	3,753	1,550	1,560	643	–	–
Trade payables	6,947	6,947	6,947	–	–	–	–
Lease liabilities	141	158	22	49	27	60	–
Other financial liabilities	3,779	3,779	73	363	360	360	2,623
	14,526	**14,637**	**8,592**	**1,972**	**1,030**	**420**	**2,623**

NOTE 22: FINANCIAL INSTRUMENTS CONTINUED

30 June 2021 Reissued	Carrying Amount $'000's	Total $'000's	2 Months or less $'000's	2-12 months $'000's	1-2 years $'000's	2-5 years $'000's	5 + Years $'000's
Supplier extended payment terms	8,663	8,935	4,396	1,970	1,926	643	–
Trade payables	1,450	1,450	1,450	–	–	–	–
Lease liabilities	136	151	16	135	–	–	–
Other financial liabilities	3,005	3,280	61	411	1,513	1,295	–
	13,254	**13,816**	**5,923**	**2,516**	**3,439**	**1,938**	**–**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 23: REMUNERATION OF AUDITORS

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

REMUNERATION OF AUDITORS

	30 June 2022 $'000's	30 June 2021 Reissued $'000's
KPMG		
Audit of the financial statements	170	55
Non-audit services	536	–
	706	**55**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 24: KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2022 $'000's	30 June 2021 Reissued $'000's
Short-term employee benefits	990	535
Post-employee benefits	76	42
Long-term benefits	31	–
Share-based payments	579	458
	1,676	**1,035**

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 25: RELATED PARTY TRANSACTIONS

PARENT ENTITY

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

- Chrysos International Holdings Pty Ltd (Australia)
- Chrysos AU Operations Pty Ltd (Australia)
- Chrysos CA Holdings Ltd (Canada)
- Chrysos CA Operations Ltd (Canada)
- Chrysos Operations Ltd (Tanzania)
- Chrysos EST Pty Ltd ATF Chrysos EST Trust
- Chrysos Africa Pty Ltd (Australia)

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

RELATED PARTY TRANSACTIONS

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Payments for other expenses – director related entities:		
RFC Ambrian Limited	25	–
Commonwealth Scientific and Industrial Research Organisation	96	84

* As reported in the reissued financial statements for the year ended 30 June 2021.

Commonwealth Scientific and Industrial Research Organisation held 21.97% of the ordinary share capital of the Group as at 30 June 2022.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

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

LOANS TO/FROM RELATED PARTIES

There are no loans with any related parties.

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

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Loss after income tax benefit for the year	(3,938)	(3,842)
Adjustments for:		
Tax expense	1,370	
Depreciation and amortisation	2,825	2,343
Interest income	(96)	(67)
Expenditure incurred in issuing share capital	1,716	–
Foreign Exchange movement in cash stores	(390)	–
Other non-cash items	1,591	586
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(3,970)	(343)
Decrease/(increase) in current tax asset	–	653
Increase in other assets	(671)	(25)
Increase in trade and other payables	794	(189)
Increase in other liabilities	2,074	192
Increase in employee benefits	55	443
Increase in provisions	47	800
Net cash received from operating activities	**1,407**	**551**

* As reported in the reissued financial statements for the year ended 30 June 2021.

NOTE 27: SHARE-BASED PAYMENTS

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 27: SHARE-BASED PAYMENTS CONTINUED

Performance Hurdle	Performance Period	Target
Performance Hurdle 1	1 July 2022 to 30 June 2025	30-day VWAP to 1 July 2025 share price must exceed the IPO share price of $6.50 per share
Performance Hurdle 2	1 July 2022 – 30 June 2025	**Threshold:** Index TSR + 5% TSR CAGR **Target:** Index TSR + 5% TSR CAGR – See performance scorecard below **Stretch:** Index TSR + 10% TSR CAGR As detailed below.

Performance Level	Chrysos TSR compared to TSR of the Industrials Index	% Of Grant Vesting
Stretch	≥ Index TSR + 10% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 5% TSR CAGR & < Index TSR + 10% TSR CAGR	Pro-Rata
Target	Index TSR + 5% TSR CAGR	50%
Between Threshold and Target	> Index TSR & < Index TSR + 5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

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

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

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

The share-based payment expense in relation to Options and Rights for 2022 is $873,000 (2021: $586,000). The key terms and conditions related to the grants under these programmes are as follows and all Options are to be settled by the physical delivery of shares.

NOTE 27: SHARE-BASED PAYMENTS CONTINUED

Grant date/employees entitled	Number of instruments in thousands granted	Vesting Conditions	Exercise Price	Contractual Life of Options
Options granted to key management personnel and directors and remaining on issue at year end				
On 24 February 2018	200	3 years service from grant date	$0.20	5 years
On 15 February 2019	300	3 years service from grant date	$1.00	5 years
On 1 May 2020	450	3 years service from grant date	$2.00	5 years
On 1 July 2020	360	3 years service from grant date	$2.00	5 years
On 24 September 2021	130	3 years service from grant date	$4.50	5 years
On 21 November 2021	75	ASX Listing, Corporate Structure & Reporting, outstanding performance review	$4.50	5 years
On 13 April 2022	206	Based on share price performance hurdles	$0.00	5 years
Options granted to employees				
On 7 December 2016	4,055	3 years service from grant date	$0.20	7 years
On 24 February 2018	235	3 years service from grant date	$0.20	5 years
On 15 February 2019	455	3 years service from grant date	$1.00	5 years
On 1 May 2020	448	3 years service from grant date	$2.00	5 years
On 1 July 2020	300	3 years service from grant date	$2.00	5 years
On 16 December 2020	60	Annually based on achievement of sales targets and deployment schedules	$2.00	5 years
On 24 September 2021	305	3 years service from grant date	$4.50	5 years
On 26 November 2021	40	3 years service from grant date	$4.50	5 years
Total share options	**7,619**			

No options expired during the year ended 30 June 2022.

Notes to the Consolidated Financial Statements (Continued)

NOTE 27: SHARE-BASED PAYMENTS CONTINUED

EQUITY-SETTLED SHARE OPTION PLAN

Set out below are summaries of Options granted:

	Number of instruments	Weighted average exercise price	Number of instruments	Weighted average exercise price
	2022	2022	2021	2021
Outstanding at 1 July	8,137,378	$0.67	7,417,378	$0.52
Granted	205,847	$0.00	750,000	$2.00
Granted	550,000	$4.50	–	$0.00
Exercised	(899,444)	($0.20)	–	$0.00
Exercised	(125,000)	($1.00)	–	$0.00
Forfeited	–	–	(30,000)	($2.00)
Exercised	(250,000)	($0.00)	–	–
Outstanding at 30 June	**7,618,781**	**$1.02**	**8,137,378**	**$0.67**

The Options outstanding at 30 June 2022 had a weighted average exercise price of $1.02 (2021: $0.67), and a weighted average remaining contractual life of 1.36 years.

The Group granted options on 24 September, at which time 435,000 Options were issued and on 26 November, at which time 40,000 Options were issued. These Options were subject to time based and employment conditions. An additional grant of 75,000 Options was issued on 21 November and was subject to a range performance goals, including ASX listing. In total 550,000 Options (2021: 750,000) were granted by the group in the financial year.

The Group granted Performance Rights on 13 April 2022, at which time 205,847 Rights were issued to Key Management Personnel and are subject to a range of Total Shareholder Return (TSR), Value Weighted Average Share Price and employment conditions for the period up to the vesting date of 1 July 2025. These Performance Rights expire on 1 July 2027 and have $Nil exercise price as detailed in section 5.3 of the remuneration report.

The Group extended the expiry of 4,054,878 Options to 20 January 2024, previously expiring 20 January 2022, as approved by the Shareholders at the Annual General Meeting. There were no other amendments to Options during the period.

During the period 1,024,444 (FY21: Nil) ordinary shares were issued on the exercise of Options, for which the Group received $304k (FY21: $Nil). A further 250,000 (FY21: Nil) ordinary shares were issued on the exercise of Performance Rights, for nil consideration.

NOTE 27: SHARE-BASED PAYMENTS CONTINUED

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

	Performance right programme			
	Key management personnel and Directors		Employees	
Weighted average	2022	2021	2022	2021
Fair value at grant date	$3.50	$–	$–	$–
Share price at grant date	$6.50	$–	$–	$–
Exercise price	$–	$–	$–	$–
Expected volatility	40.0%	–	–	–
Expected life	5 years	–	–	–
Expected dividends	$–	$–	$–	$–
Risk-free interest rate (based on government bonds)	2.75%	–	–	–

	Share option programmes			
	Key management personnel and Directors		Employees	
Weighted average	2022	2021	2022	2021
Fair value at grant date	$1.06	$1.06	$ 1.06	$1.06
Share price at grant date	$4.50	$2.00	$2.00	$2.00
Exercise price	$4.50	$2.00	$2.00	$2.00
Expected volatility	55%	55%	55%	55%
Expected life	5 years	5 years	5 years	5 years
Expected dividends	$ –	$ –	$ –	$ –
Risk-free interest rate (based on government bonds)	0.40%	0.40%	0.39%	0.39%

Notes to the Consolidated Financial Statements (Continued)

NOTE 28: LOSS PER SHARE

	30 June 2022	30 June 2021 Reissued
	$'000's	$'000's
Loss attributable to equity holders of the company in the calculation of basic and diluted earnings per share	(3,958)	(3,842)
Weighted average number of ordinary shares for the purposes of basic loss per share	86,593,409	75,695,122
Weighted average number of ordinary shares for the purposes of diluted loss per share	94,436,378	83,815,897
From continuing operations		
Basic loss per share (cents per share)	(4.5)	(5.1)
Diluted loss per share (cents per share)	(4.5)	(5.1)

* As reported in the reissued financial statements for the year ended 30 June 2021.

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

NOTE 29: PARENT ENTITY DISCLOSURES

	2022	2021
	$'000's	$'000's
Result of the parent entity		
Profit for the period	(3,938)	(3,842)
Other comprehensive income	0	–
Total comprehensive income for the period	(3,938)	(3,842)
Financial position of parent entity at year end		
Current Assets	104,644	9,912
Total Assets	144,086	29,512
Current Liabilities	(12,369)	(9,967)
Total Liabilities	(21,768)	(15,284)
Share Capital	135,725	24,081
Reserves	1,120	(736)
Retained Earnings	(14,527)	(10,589)
Total Equity	122,318	14,228

GUARANTEES ENTERED INTO BY THE COMPANY

Bank guarantees given by the Group in favour of landlords amounted to $6k (2021 $nil).

CONTINGENT LIABILITIES OF THE COMPANY

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

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

At 30 June 2022, the Company had contractual commitments for the acquisition of property, plant and equipment of $42.7m (2021: $21.3m).

Notes to the Consolidated Financial Statements (Continued)

NOTE 30: ECONOMIC DEPENDENCY

Chrysos is reliant on several third-party manufacturers and suppliers. While the Group has worked with a number of these parties for several years and has strong existing relationships,including with key manufacturer Nuctech, there is a risk that the Group will be unable to continue working with these parties, or to do so on the same or similar terms to those currently being experienced. Moreover, given the advanced technical nature of some of the componentry, it can be difficult to procure alternative suppliers. This could ultimately disrupt the unit deployment schedule and adversely impact financial performance.

Chrysos' key third-party manufacturers and suppliers are based in international jurisdictions and are subject to geopolitical, transportation and raw material risks. Further, there is no guarantee that they will be able to continue to meet cost, quality and volume requirements for the Group to remain competitive and meet its contractual obligations with customers.

NOTE 31: EVENTS AFTER THE REPORTING PERIOD

During July Chrysos deployed its 11th PhotonAssay™ unit, this specific unit is being operated by MSALABS in Mali. The Group has signed an additional 10 units with existing customer Britannia Mining Solutions. These 10 new PhotonAssay leases signal a significant expansion of the existing relationship between Chrysos and Britannia Mining Solutions.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including
  - giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
  - complying with Australian Accounting Standards, and the *Corporations Regulations 2001*.;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.
On behalf of the Directors

Dirk Moore Treasure
Director

29 August 2022

Robert Henry Richard Adamson
Director

29 August 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Chrysos Corporation Limited

KPMG

Independent Auditor's Report

To the shareholders of Chrysos Corporation Limited

Report on the audit of the Financial Report

Opinion

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

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

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and,
- Directors' Declaration.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG

PhotonAssay operating lease income ($13.5 million)	
Refer to Note 4A to the Financial Report.	
The key audit matter	**How the matter was addressed in our audit**
PhotonAssay operating lease income was a key audit matter due to: • The quantum of operating lease income earned during the year, which comprised 95%of total revenue and other income. • The judgement required in applying revenue recognition and lease accounting standards to the PhotonAssay leases. To classify each lease the Group applies judgement to assess whether the agreements transfer substantially all the risks and rewards of ownership of the underlying PhotonAssay assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. Significant judgement is required to determine the lease term. Consideration is given to the non-cancellable periods and early cancellation penalties contained in the leasing arrangements. In assessing this key audit matter, we involved senior audit team members who understand the Group's business and industry.	Our procedures included: • Evaluating the appropriateness of the Group's accounting policies for revenue recognition against the requirements of the accounting standards and our understanding of the business. • Comparing the relevant features, as described in the key audit matter, to the signed lease arrangement contracts, to the criteria in the accounting standards, and those in the Group's accounting policies. • Recalculated the relevant minimum lease income for the period using the lease terms as contained in the signed lease arrangement contracts and compared it to the Group's recognised operating lease income. • Tested a sample of the variable lease payment income to signed lease arrangement contracts for variable pricing, standard gold analysis usage reporting for volume and customer invoices. • Assessing the appropriateness of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

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

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

Independent Auditor's Report (Continued)

- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Chrysos Corporation Limited for the year ended 30 June 2022, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 27 to 42 of the Directors' report for the year ended 30 June 2022.

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

KPMG

KPMG

Paul Cenko

Partner

Adelaide

29 August 2022

IMPORTANT NOTICES

This document may contain forward looking statements including plans and objectives. You should not place undue reliance on these forward looking statements as actual results may differ, and may do so materially.

Nothing in this document is or should be relied upon as a promise or representation as to the future. They reflect Chrysos' views as at the date of this document, are not guarantees of future performance and are subject to certain uncertainties and risks, such as those described in the Governance and Risk section of this document.

Subject to the relevant law, Chrysos assumes no obligation to update, review or revise any information in this document, regardless of whether new information, future events or any other factors affect the information contained in this document. While Chrysos' results are reported under International Financial Reporting Standards (IFRS), this document may also include non-IFRS information (such as EBITDA, contribution margin, exit rate, free cash flow, annual recurring revenue (ARR), total contract value (TCV), return on invested capital (ROIC), and lifetime duration (LTD)). These measures are provided in this document to assist you with understanding Chrysos' financial performance and the condition of its business. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures. You should not place undue reliance on any non-IFRS financial measures included in this document.

The information in this document is for general information purposes only, and does not purport to be a complete or accurate statement of all material information regarding any potential investment in Chrysos. It has been prepared without taking into account your personal investment objectives, financial circumstances or needs. It is not intended to be, and should not be construed in any way as, investment, legal or financial advice. You should make your own assessment of the information and your own financial circumstances and obtain independent professional advice prior to taking any action based on the information contained in this document.

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

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the presented figures.

SHAREHOLDER INFORMATION

As at 12 August 2022

EQUITY SECURITY

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

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

Option and Performance Rights holders do not have voting rights.

NUMBER OF HOLDERS OF EACH CLASS OF SECURITY

Equity Security Class	Number
Ordinary Shares	909
Options	34
Performance Rights	2
Total	**945**

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

SUBSTANTIAL HOLDERS

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

Holder	Ordinary shares	%
Commonwealth Scientific and Industrial Research Organisation	21,560,997	21.97
Regal Funds Management Pty Ltd and its associates	9,330,536	9.51
Mr Robert Adamson	7,900,500	8.05
Adrian Knowles and Mary-Ellen Knowles	7,035,000	7.17
Chrysos Corporation Limited	38,485,465	39.26

20 LARGEST SHAREHOLDERS

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

Rank	Name	Number	% IC
1	Commonwealth Scientific and Industrial Research Organisation	21,560,997	21.97
2	Citicorp Nominees Pty Limited	10,359,014	10.56
3	Alchemy Securities Pty Ltd	6,945,000	7.08
4	Adrian Knowles & Mary-Ellen Knowles	6,285,000	6.41
5	J P Morgan Nominees Australia Pty Limited	5,106,706	5.20
6	Allan Anthony Mclellan	4,425,000	4.51
7	UBS Nominees Pty Ltd	3,890,723	3.97
8	HSBC Custody Nominees (Australia) Limited – A/C 2	3,020,598	3.08
9	National Nominees Limited	2,526,871	2.58
10	May Wan Khor	2,240,616	2.28
11	CS Third Nominees Pty Limited	1,915,087	1.95
12	Asian Investment Management Services Ltd.	1,500,000	1.53
13	Balroy Industries Pty Ltd	1,350,000	1.38
14	HSBC Custody Nominees (Australia) Limited	1,185,788	1.21
15	William James Beament	1,125,000	1.15
16	Mark James Allaby	1,100,000	1.12
17	Merrill Lynch (Australia) Nominees Pty Limited	1,071,559	1.09
18	Argo Investments Limited	1,000,000	1.02
19	Mirrabooka Investments Limited	916,467	0.93
20	RH Adamson Pty Ltd	885,000	0.89
	Total	**78,409,426**	**79.90**

Shareholder Information (Continued)

DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES

ORDINARY SHARES

Range	No. of holders	Securities	%
1 to 1,000	302	147,045	0.15
1,001 to 5,000	283	695,284	0.71
5,001 to 10,000	89	657,935	0.67
10,001 to 100,000	174	5,372,016	5.47
100,001 and Over	61	91,252,934	93.00
Total	**909**	**98,125,214**	**100.00**

As at 12 August 2016, there were no unmarketable parcels of shares.

OPTIONS

Range	No. of holders	Securities	%
1 to 1,000	0	0	0.00
1,001 to 5,000	0	0	0.00
5,001 to 10,000	3	30,000	0.39
10,001 to 100,000	19	700,000	9.13
100,001 and Over	12	6,682,934	87.21
Total	**34**	**7,412,934**	**100.00**

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

Of the Options issued, Mr James Tickner has the ability to control 4,332,378 Options, which are issued to Mr Tickner or entities he has the ability to control.

PERFORMANCE RIGHTS

Range	No. of holders	Securities	%
1 to 1,000	0	0	0.00
1,001 to 5,000	0	0	0.00
5,001 to 10,000	0	0	0.00
10,001 to 100,000	1	67,385	32.74
100,001 and Over	1	138,462	67.26
Total	**2**	**205,847**	**100.00**

RESTRICTED SECURITIES

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

Type of security	Number	Restriction Period
Shares	34,915,102	24 months from the date of official quotation
Options	1,915,000	24 months from the date of official quotation
Performance Rights	205,847	24 months from the date of official quotation
Shares	3,505,645	Restricted to 16 September 2022 (12 months from the issue date)
Shares	24,231	Restricted to 12 April 2023 (12 months from the issue date)
Shares	40,487	Restricted to 5 May 2023 (12 months from the issue date)
Employee Offer Voluntary Escrow (ordinary share)	40,487	Restricted to 5 May 2023 (12 months from the date of issue)

ANNUAL GENERAL MEETING

Our Annual General Meeting will be held on 28 November 2022, at 1:00 pm (ACDST) at Chrysos' Head Office, Gate 4 Waite Road, Urrbrae, South Australia.

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

CORPORATE CALENDAR

August 2022	Release of FY22 Full Year Financial Results
September 2022	Notice of AGM and director nominations closure date
October 2022	Release of Q1 FY23 Quarterly Report
November 2022	FY22 Annual General Meeting
December 2022	H1 FY23 Year End
January 2023	Release of Q2 FY23 Quarterly Report
February 2023	Release of H1 FY23 Results
April 2023	Release of Q3 FY23 Quarterly Report
June 2023	FY22 Full Year End
July 2023	Release of Q4 FY23 Quarterly Report
August 2023	Release of FY23 Full Year Financial Results

CORPORATE DIRECTORY

DIRECTORS

Robert Henry Richard Adamson –
Non-executive Chairman

Dirk Moore Treasure – Managing Director and CEO

Eric Ford – Non-Executive Director

Ivan Gustavo Mellado – Non-Executive Director

Robert Brett Boynton – Non-Executive Director

Kerry Jo-Anne Gleeson – Non-Executive Director

COMPANY SECRETARY

Anand Sundaraj

Brett Anthony Coventry

cosec@chrysos.com.au

AUDITORS

KPMG
ABN 51 194 660 183

151 Pirie Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Chrysos Corporation Ltd
ABN 76 613 131 141

Level 5, 19 Gouger Street
Adelaide SA 5000
Australia

PRINCIPAL PLACE OF BUSINESS

Gate 4, Waite Road
Urrbrae SA 5064
Australia

+ 61 (0) 8 8338 5384

INVESTOR RELATIONS

investors@chrysos.com.au

+61 (0) 427 155 728

WEBSITE

chrysos.com.au

SHARE REGISTRY

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

+61 (0) 2 8280 7100

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

SECURITIES EXCHANGE LISTING

The Group's shares are listed on the Australian Securities Exchange (ticker: C79), and were listed from 6 May 2022.

BANK INSTITUTIONS

Commonwealth Bank of Australia

www.colliercreative.com.au #CHR0006

Chrysos Corporation Ltd
ASX: C79

CHRYSOS
CORPORATION
Assays at the speed of light

Chrysos Corporation combines science and software to create technology solutions for the global mining industry.

chrysos.com.au