

25 October 2022

Quarterly Activities Report and Appendix 4C Q1 FY23

Chrysos Corporation Ltd (ASX:C79) (“Chrysos” or the “Company”) is pleased to provide its Quarterly Cash Report and summary of its activities for the Quarter ended 30 September 2022 (Q1 FY23).

- Unaudited Total Revenue of \$5.1m in Q1 FY23, reflecting 9% growth Quarter-on-Quarter (QoQ) compared to Q4 FY22
- Operating Cash Flow positive, with a strong cash balance of \$82.1m as at 30 September 2022
- Record ten new PhotonAssay™ unit lease agreements signed during the Quarter, with an additional unit contracted to global laboratory business ALS post-quarter, bringing total contracted and deployed PhotonAssay™ units to 49
- Total Contract Value (TCV) increased by 26% QoQ to \$703m
- Two new PhotonAssay™ units deployed in Q1, with one additional installation in October bringing the deployed unit base to 13 PhotonAssay™ units
- Sample volumes increased 14% QoQ to 740k, reflecting a deployed PhotonAssay™ unit utilisation rate of 59%

Chrysos Managing Director and CEO Dirk Treasure commented: “Chrysos saw strong and sustainable growth across the business including a quarterly record of 10 lease agreements signed, and a 14% QoQ increase in sample volumes. Our global deployment capacity enables installations to occur across three locations simultaneously; supporting our target of 21 deployed PhotonAssay units by the end of FY23. Our balance sheet and cash position both remain strong, with cash at \$82m, supporting the Company’s accelerating rollout of PhotonAssay units around the world. We continue to progress discussions with debt financiers to provide future funding capacity for further international growth into FY24.”

Key Performance Metrics

	Q1 FY23	YoY comparison to Q1 FY22	QoQ Comparison to Q4 FY22
Deployed units	12	+6	+2
<i>current</i>	13		
PhotonAssay™ Lease Agreements	48	+32	+10
<i>current</i>	49		
Unaudited Total Revenue¹	\$5.1m	+112% \$2.4m	+9% \$4.7m
Total Contract Value (TCV)	\$703m	+477% \$121.9m	+26% \$558.5m
Samples Processed	740k	+49% 498k	+14% 651k
Minimum Monthly Assay Payments (MMAP)	\$3.8m	+103% \$1.9m	+12% \$3.4m
Additional Assay Charges (AAC)	\$1.0m	+87% \$0.54m	+5% \$0.97m

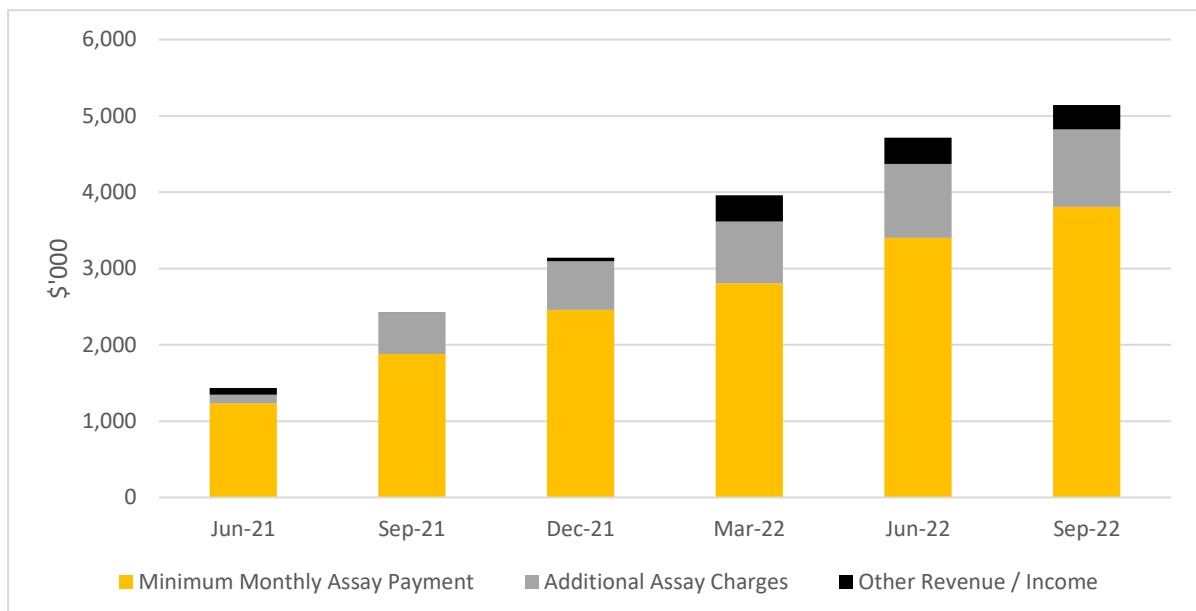
¹ Revenue is unaudited and includes operating lease and other income



Operational Highlights Q1 FY23

- Chrysos’ global deployment team installed two new PhotonAssay™ units during the Quarter:
 1. MSALABS’s Morila facility in Mali; Chrysos’ second African unit deployment
 2. Ravenswood Gold’s facility in Queensland, Australia
- Post Quarter, one additional unit was deployed in Perth, Australia, for ALS, bringing the total current number of deployed units to 13
- Ten new PhotonAssay™ lease agreements signed during the Quarter with existing customer Britannia Mining Solutions, as announced in August 2022
- Post Quarter, a new lease agreement was signed with existing customer ALS for deployment in Canada during the second half of 2023.
- Total Contract Value (TCV) was \$703m^{2,3} at the close of the Quarter. TCV reflects contracted revenue netted off against income which converted to invoiced unaudited Revenue during the Quarter.

Chart 1: Quarterly Growth in MMAP, Additional Assay Charges & Other Income



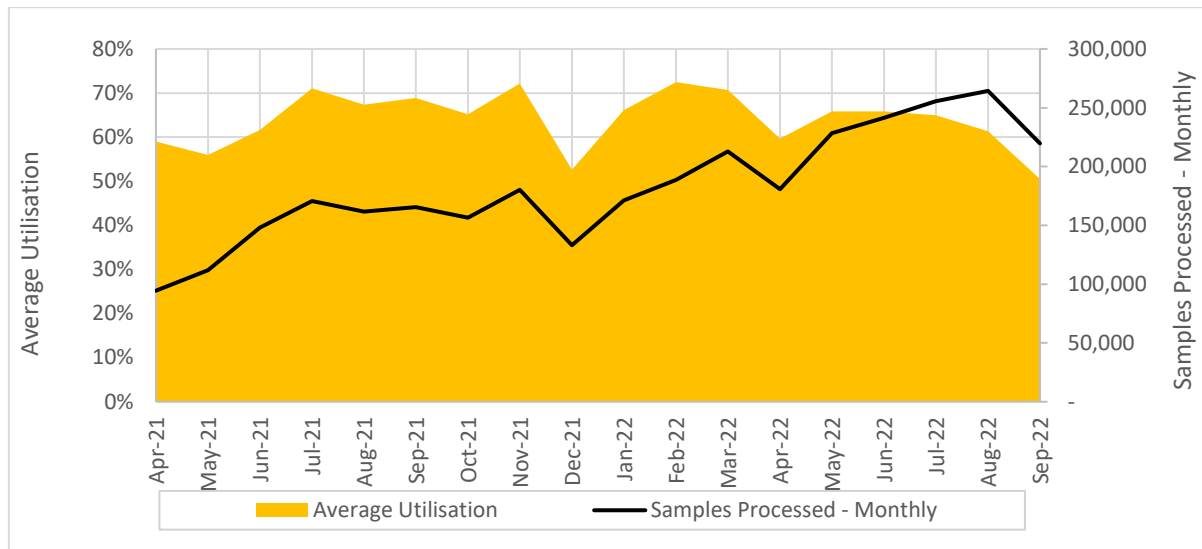
Both MMAP revenue and AAC revenue continue to increase in line with Chrysos’ growing deployed unit base, providing strong reliable cashflows to the Company from deployed units. Other income reflects the provision of sample jars and lids to customers.

² 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 .

³ 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 Company’s contractual performance obligations and where the Directors consider reasonable certainty exists, may include values associated with exercise of option periods.



Chart 2: Deployed Unit Utilisation & Samples Processed



Revenue growth was driven by new unit deployments and the strong and sustained utilisation of previously deployed PhotonAssay™ units (Chart 2). 740k samples were processed during the Quarter, reflecting QoQ growth of 14% and YoY growth of 49%. The Q1 FY23 deployed unit utilisation rate was 59% in comparison to the FY23 Prospectus forecast of 55%. Newly deployed PhotonAssay™ units ramp-up to steady-state over time and as new units become operational, average utilisation sees some softening even while Quarterly sample volumes increase. We anticipate sample volumes increasing in alignment with our expanding deployed unit-base.

Cash Flow Summary

During Q1 FY23, the Company recorded cash receipts from customers of \$6.2m, compared to \$3.8m in Q4 FY22 reflecting the timing in collection of funds, combined with continued increase in MMAP and collection cycles.

Chrysos was operationally cash flow positive during the Quarter with net operating cash inflows of \$0.8m, compared to net outflows \$0.9m in Q4 FY22. Product operating costs remain stable at \$1.3m, although these costs are expected to increase aligned with the growing deployed unit base.

Staff costs increased to \$2.6m from \$1.8m in Q4 FY22, in line with the Company’s strategy to increase headcount in maintenance and deployment roles. The net cash used in administration and corporate activities in the Quarter was \$1.0m compared \$1.2m in Q4 FY22, with this decrease related to operational timing.

In accordance with ASX Listing Rule 4.7C, Chrysos advises payments to related parties and their associates for Q1 FY23 were \$160k. These payments were related to Director fees and expenses paid to Directors and their associates, as well as rent to CSIRO which is a significant shareholder of Chrysos Corporation.

Chrysos Corporation ended the Quarter with \$82.1m cash in the bank, as at 30 September 2022.

A copy of the Appendix 4C - Quarterly Cash Flow Report for the Quarter is appended.

ENDS



Investor Webcast

Dirk Treasure, Managing Director and CEO of Chrysos Corporation, and CFO Brett Coventry, will host a webcast and conference call facility for analysts and investors at 10.30am AEDT today.

The links for pre-registration are available below:

Conference call: <https://s1.c-conf.com/diamondpass/10026095-9si4ha.html>

Webcast: <https://webcast.openbriefing.com/9228/>

About Chrysos Corporation

Headquartered in Adelaide, with operations spanning Australia, Canada and Africa, Chrysos Corporation combines science and software to create technology solutions for the global mining industry. The Company's flagship product PhotonAssay™ delivers faster, safer, more accurate and environmentally-friendly analysis of gold, silver, copper and other elements. For more information about Chrysos or its PhotonAssay™ technology, visit www.chrysoscorp.com.

For enquiries, please contact:

Catherine Strong	Citadel-MAGNUS	+61 406 759 268	cstrong@citadelmagnus.com
Maddie Seacombe	Citadel-MAGNUS	+61 402 999 291	mseacombe@citadelmagnus.com
Chrysos Investor Relations		+61 8 7078 4571	investors@chrysoscorp.com

This announcement was authorised for release by the Board of Chrysos Corporation Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Chrysos Corporation Limited

ABN

76 613 131 141

Quarter ended ("current quarter")

September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,230	6,230
1.2 Payments for		
(a) research and development	(57)	(57)
(b) product manufacturing and operating costs	(1,300)	(1,300)
(c) advertising and marketing	(9)	(9)
(d) leased assets	(159)	(159)
(e) staff costs	(2,582)	(2,582)
(f) administration and corporate costs	(1,318)	(1,318)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	160	160
1.5 Interest and other costs of finance paid	(215)	(215)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	755	755
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9,674)	(9,674)
(d) investments	-	-
(e) intellectual property	(272)	(272)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9,946)	(9,946)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10	10
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) (Repayment of Customer Debt)	-	-
3.10	Net cash from / (used in) financing activities	10	10

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	92,051	92,051
4.2	Net cash from / (used in) operating activities (item 1.9 above)	755	755
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,946)	(9,946)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10	10
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	82,869	82,869

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	40,217	40,217
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	42,652	42,652
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	82,869	82,869

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	160
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Includes directors fees and rent paid to CSIRO for the quarter.</p>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	7,500	4,900
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	7,500	4,900
7.5 Unused financing facilities available at quarter end		2,600
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Loan facilities are with the Commonwealth Bank, covenants are to be reported quarterly and is secured by a general security interest over the assets of the Company.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	755
8.2 Cash and cash equivalents at quarter end (item 4.6)	82,869
8.3 Unused finance facilities available at quarter end (item 7.5)	2,600
8.4 Total available funding (item 8.2 + item 8.3)	85,469
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

25 October 2022

Date:

Chrysos Corporation Chair

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.