

24 January 2024

Q2 FY24 Quarterly Activities Report and Appendix 4C

Chrysos Corporation Ltd (ASX:C79) (“Chrysos” or the “Company”) is pleased to announce its Quarterly 4C Report and summary of its activities for the period ended 31 December 2023 (Q2 FY24).

Highlights

- Total Revenue¹ of \$10.1m, reflecting 13% growth Quarter-on-Quarter (QoQ) and 57% growth Year-on-Year (YoY) (63% excluding sample jars)
- Sample volumes increased to 1.0m, reflecting 1% growth QoQ and 29% growth YoY
- 25 PhotonAssay™ units currently deployed; with two new units becoming operational within the Quarter, and one deployed post-Quarter
- Global partnership with Barrick Gold and MSALABS to deploy PhotonAssay™ units to Barrick mine sites across four continents by the end of 2025
- Financial strength to sustain growth through:
 - An additional \$65m loan secured with Commonwealth Bank of Australia (CBA), bringing the total available CBA facilities to \$95m
 - A successful \$75m institutional Placement
- Strong cash position of \$85m as of 31 December 2023, including proceeds from the Placement

Chrysos Managing Director and CEO Dirk Treasure, commented:

“The second Quarter of FY24 was a significant period for Chrysos, marked by the continuing validation of our PhotonAssay technology by one of the world’s largest gold miners, Barrick Gold, as well as our increased funding facility with the CBA, and the successful completion of our \$75m institutional Placement, which received strong support from new and existing investors.”

“Looking ahead, Chrysos is experiencing improved economics from our strategy of clustering units in key global mining hubs. We expect EBITDA for the full-year FY24 to land comfortably in the forecast range of \$7m to \$17m.”

“While manufacturing has continued on-schedule, customer site readiness and contractor availability challenges over the holiday period have led to delays at a number of installations. These delays have introduced a level of risk that our goal of deploying at least 18 PhotonAssay units during FY24 may not be achieved, and some of these deployments may instead be finalised in Q1 FY25. As a result of these deployment delays, Chrysos’ full-year FY24 Revenue is tracking at the lower-end of the forecast range of \$48m to \$58m.”

Table 1 - Q2 FY24 Key Performance Metrics

	Q2 FY24	YoY comparison to Q2 FY23	QoQ Comparison to Q1 FY24
Deployed units <i>current</i>	24 25	14	22
PhotonAssay™ Lease Agreements <i>current</i>	49 49	49	49
Samples Processed	1,023k	796k +29%	1,012k +1%
Unaudited Total Revenue¹	\$10.1m	\$6.4m +57%	\$8.9m +13%

¹ Revenue is unaudited and includes operating lease and other income.

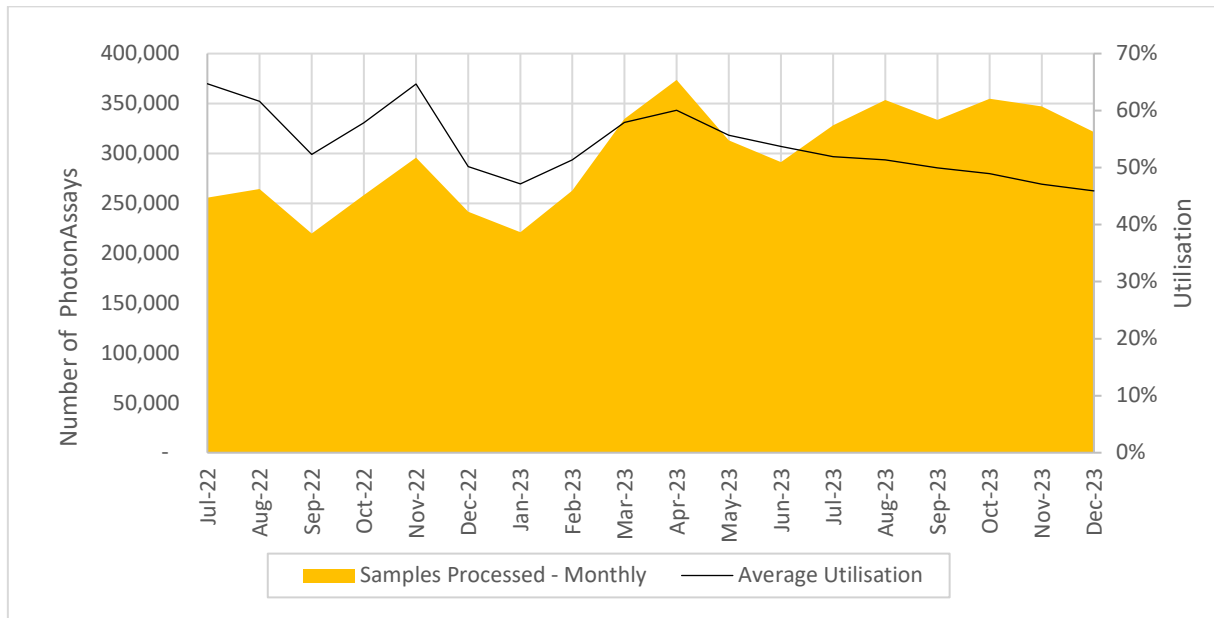


Minimum Monthly Assay Payments (MMAP)	\$8.9m	\$5.0m +77%	\$7.7m +15%
Additional Assay Charges (AAC)	\$1.2m	\$1.1m +3%	\$1.1m +3%

Operational Highlights

- During the Quarter, Chrysos’ global deployment team installed two new PhotonAssay™ units. One unit was deployed in Ghana, and another into Canada. One further unit was deployed post-Quarter into Canada
- A partnership with Barrick Gold and MSALABS to deliver PhotonAssay™ to Barrick mine sites across four continents was announced
- Customer site readiness and contractor availability challenges over the holiday period have led to delays for a number of installations. While Chrysos’ manufacturing remains on track, there is emerging risk the Company’s target of achieving at least 18 PhotonAssay deployments during FY24 may not be realised, and some of these deployments may instead be finalised in Q1 FY25.
- The deployment team is currently installing one unit in Canada and one in England
- Chrysos’ Chief Technology Officer and Company Co-founder, Dr James Tickner, was awarded the 2023 Clunies Ross Technology Innovation Award by the Australian Academy of Technological Sciences and Engineering. The wider PhotonAssay™ team was also acknowledged as the South Australian Innovation Team of the Year at the 2023 South Australian Science (Excellence and Innovation) Awards

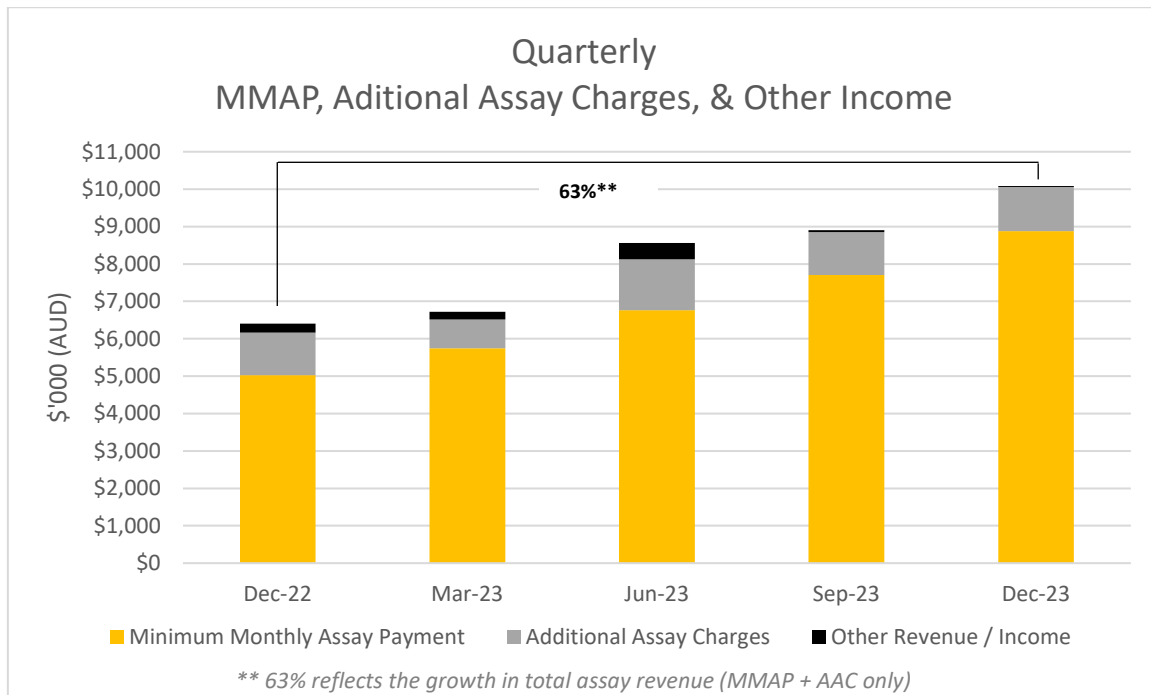
Chart 1: Monthly Deployed Unit Utilisation & Samples Processed



Samples processed increased marginally QoQ; reflecting the overall deployment schedule and expected December seasonality.



Chart 2: Quarterly Growth in MMAP, Additional Assay Charges & Other Income



Unaudited Total Revenue was \$10.1m during the Quarter, an increase of 13% QoQ, whilst total assay revenue (MMAP plus AAC) grew 14% QoQ, or 63% YoY, providing strong reliable cashflows to the Company from deployed units.

Revenue growth was driven by Minimum Monthly Assay Payments (MMAP) which increased 15% QoQ, in line with Chrysos’ growing deployed unit base. Additional Assay Charges (AAC) were \$1.2m for the Quarter, an increase of 3% QoQ.

Cash Flow Summary

During Q2 FY24, Chrysos recorded cash receipts from PhotonAssay™ customers of \$6.9m, compared to \$7.7m in Q1 FY24. Q2 FY24 net operating cash outflows totaled \$871k, compared to cash inflows of \$1.1m in Q1 FY24, however the Company continues to operate cash-flow positive year to date. During the Quarter, with regards to both collections and outgoings, cashflows were in line with expectations. Staff, corporate and administration costs grew in line with Chrysos’ global expansion strategy and the increased operational structure required to deliver additional PhotonAssay™ units.

In accordance with ASX Listing Rule 4.7C, Chrysos advises payments to related parties and their associates for Q2 FY24 were \$145k. These payments were related to Director fees and expenses paid to Directors and their associates, as well as rent to the CSIRO which is a substantial shareholder of Chrysos Corporation. The Company’s lease with CSIRO ended at 31 December 2023.

In November 2023, Chrysos completed an institutional Placement of approximately 11.4m new fully paid ordinary shares raising \$75m (before costs). The new funds will primarily support the deployment of new PhotonAssay™ units.

The Company secured a \$65m loan with the CBA in December 2023, adding to its existing \$30m facility with CBA. The Company has paid down an outstanding balance of approximately \$8m on the original \$30m facility which, together with the new loan, brings the total debt available to the Company to \$95m. This capital will be used predominantly for the production and deployment of new PhotonAssay™ units as the business continues its international expansion.



Chrysos Corporation ended Q2 FY24 with \$85m cash in the bank and undrawn debt facilities of \$95m.

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

Investor Webcast

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

The links for participant registration are available below.

Webcast: <https://s1.c-conf.com/diamondpass/10035761-96u2yi.html>

Conference call: <https://webcast.openbriefing.com/c79-qtr2-2024/>

ENDS

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

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This announcement was authorised for release by the Chair 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")

December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,936	14,638
1.2 Payments for		
(a) research and development	(320)	(383)
(b) product manufacturing and operating costs	(368)	(896)
(c) advertising and marketing	(17)	(76)
(d) leased assets	190	(131)
(e) staff costs	(5,901)	(9,927)
(f) administration and corporate costs	(1,345)	(3,673)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	413	863
1.5 Interest and other costs of finance paid	(484)	(971)
1.6 Income taxes paid		735
1.7 Government grants and tax incentives	25	25
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(871)	204
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(10,002)	(30,821)
(d) investments	-	-
(e) intellectual property	(881)	(1,973)
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(10,883)	(32,794)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	71,408	71,543
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,259	1,259
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(8,243)	(8,454)
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	(64,424)	(64,348)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,967	53,359
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(871)	204
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,883)	(32,794)

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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	64,424	63,348
4.5	Effect of movement in exchange rates on cash held	(955)	(435)
4.6	Cash and cash equivalents at end of period	84,682	84,682

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	13,371	9745
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	71,311	32,222
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	84,682	32,967

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	145
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	95,000	0
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	95,000	0
7.5 Unused financing facilities available at quarter end		95,000
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)	(871)
8.2 Cash and cash equivalents at quarter end (item 4.6)	84,682
8.3 Unused finance facilities available at quarter end (item 7.5)	95,000
8.4 Total available funding (item 8.2 + item 8.3)	179,886
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	206
<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.

Date: 24 January 2024

Authorised by: **Brett Coventry - Chief Financial Officer &
Company Secretary**
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(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.