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Half Year Report

Chalice Mining Limited

31 December 2023

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Directors' Report

For the Half-Year Ended 31 December 2023

Your directors present their report, together with the consolidated financial statements of the Chalice Mining Limited Group, comprising of Chalice Mining Limited ('Chalice' or 'the Company') and its controlled entities (together 'the Group') for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. Directors

The names of directors who held office during the half-year ended 31 December 2023 and up until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Derek N La Ferla	Non-executive Chairman
Alexander C Dorsch	Managing Director and Chief Executive Officer
Morgan S Ball	Non-executive Director
Garret J Dixon	Non-executive Director
Stephen M McIntosh	Non-executive Director
Linda J Kenyon	Non-executive Director
Joanne (Jo) M Gaines	Non-executive Director

On 2 February 2024, Mr Ball announced his intention to resign as a Non-executive Director, effective 31 March 2024.

2. Review of Operations

2.1 Overview

During the half-year, Chalice made good progress on the pathway to developing its flagship Gonneville Ni-Cu-PGE Project (Gonneville or the Project) in Western Australia. A Scoping Study (Study) was released which demonstrated the potential for the Project to become a new long-life, low-cost and low-carbon critical minerals mine in Western Australia (WA).

The Study highlighted the Project's globally competitive position on the cost curve, and its unique advantage as a major potential producer of critical metals located in a tier-1 western jurisdiction.

Following the release of the Study in August 2023, spot palladium and nickel prices have continued to decline to multi-year lows. To suit a lower commodity price environment, re-modeling of the Mineral Resource Estimate (MRE) for higher grade, more selective open/underground mining methods was progressed. In H2FY24 the revised MRE will be used as the basis to assess a higher grade staged open pit / underground starter case which is expected to be more resilient to commodity price cycles. Gonneville remains a rare western investment opportunity in the sector with very few comparable projects in terms of scale, metals mix and optionality.

The process to attract a suitable strategic partner to assist with developing the Project continued during the half-year. Chalice is seeking a top-tier partner with the technical, financial and marketing capability that can help drive the optimal development strategy to maximise shareholder value. Active discussions in relation to the process are continuing.

The successful resource drilling phase at Gonneville was largely completed during the half-year, with sufficient Resources now at the higher confidence Indicated category expected to allow completion of feasibility studies.

The regulatory approvals process progressed to schedule with referral of the Project to WA and Federal Governments anticipated in H2FY24. Further to this, all approvals were received to allow commencement of the next phase of exploration drilling across the broader Julimar Complex. Regional exploration drilling across the Julimar Complex commenced and is expected to continue through to the end of FY24.

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The Company has a near term focus on copper and precious metal targets following definition of 40+ Cu-Au-Ag and Ni-Cu-PGE targets across the West Yilgarn Province from large-scale reconnaissance work.

An initial program of seven RC drill holes at the Barrabarra Project was largely completed with assays still awaiting results. At the Northam JV project, specialised litho-geochemical studies (petrography, petrology) on untested ultramafic-mafic intrusives confirmed Gonneville-type parental signatures along two major trends. Exploration work is continuing with a focus on defining and refining drill targets.

Following the completion of the Gonneville Resource drilling and other reductions in corporate costs, Group expenditure is expected to reduce by ~40% in CY24 relative to CY23. The reduction in expenditure will not impact the targeted completion of the Gonneville PFS in mid-2025 and the timing of the expected Final Investment Decision (FID) in late 2026. Chalice remains well funded to deliver on its strategic objectives.

2.2 Environment, Social and Governance

Strong environment, social and governance performance is an integral part of Chalice's business. In essence, we seek to minimise our environmental footprint through strong environmental stewardship, ensure we maintain strong heritage practices, provide a safe and healthy workplace for our employees and contractors, create value for our stakeholders, and play our part in managing climate change risk.

Chalice qualified as a member of the Dow Jones Sustainability Index Australia during the half-year, an index that is composed of sustainability leaders identified by S&P Global through the Corporate Sustainability Assessment.

2.2.1 Environment

There were no significant environmental incidents during the reporting period.

The Company substantially progressed the development of applications to support formal referral of the Gonneville Project to WA and Commonwealth Governments in late H2FY24.

During the reporting period, Chalice received approvals from the Government of Western Australia for exploration drilling activities on existing recreational access tracks across the ~15km long Baudin-Jansz-Torres target areas within the northern portion of the Julimar Exploration Project.

2.2.2 Cultural Heritage

Whadjuk Traditional Owners commenced ethnographic and archaeological cultural heritage surveys across the Gonneville Project site during the half-year. Whadjuk survey participants have been nominated by the Whadjuk Aboriginal Corporation Cultural Advice Committee. Cultural heritage surveys are scheduled to be completed H2FY24.

2.2.3 Health and Safety

There were no significant safety incidents during the period. The Company also had zero Lost Time Injuries across all operations.

2.3 Exploration and Evaluation

2.3.1 Gonneville Nickel-Copper-PGE Project, Western Australia (100% owned)

2.3.1.1 Gonneville Project Scoping Study

The Project is located on Chalice-owned farmland, 70km north-east of Perth. In August 2023, Chalice completed a Scoping Study (Study) for the Gonneville Project which assessed two indicative staged bulk open-pit development options – 15Mtpa and 30Mtpa.

The Study outlined cases for a tier-1 scale development project in a world-class jurisdiction with the following production parameters:

Case	3E (Pd+Pt+Au) (kozpa)	Ni (ktpa)	Cu (ktpa)	Co (ktpa)	Modelled life (yrs)
15Mtpa	~280	~9	~10	~0.8	~19
30Mtpa	~470	~16	~16	~1.4	~18

Both cases incorporate a staged development approach, which reduces overall execution risk and allows for the efficient deployment of capital. Importantly, given the scale and nature of the Gonneville Resource, the ability to expand the scale of the operation and drop the cut-off grade in future years is retained, providing exceptional optionality and leverage to future metal prices. An additional "starter case" involving higher grade, more selective mining and lower capital costs is targeted for completion in H2FY24.

The flowsheet entails the common technologies of conventional sulphide sequential flotation into copper and nickel concentrates followed by a hydrometallurgical enrichment. Test work completed to date indicates that the two concentrates are highly marketable for western smelters with very little deleterious elements.

The Study highlighted a potentially very competitive project, with cash costs estimated to be located in the 2nd quartile of the PGM cost curve after by-product credits (Figure 1). Long life operations on the lower end of the cost curve are highly attractive as they are most resilient to all commodity price cycles.

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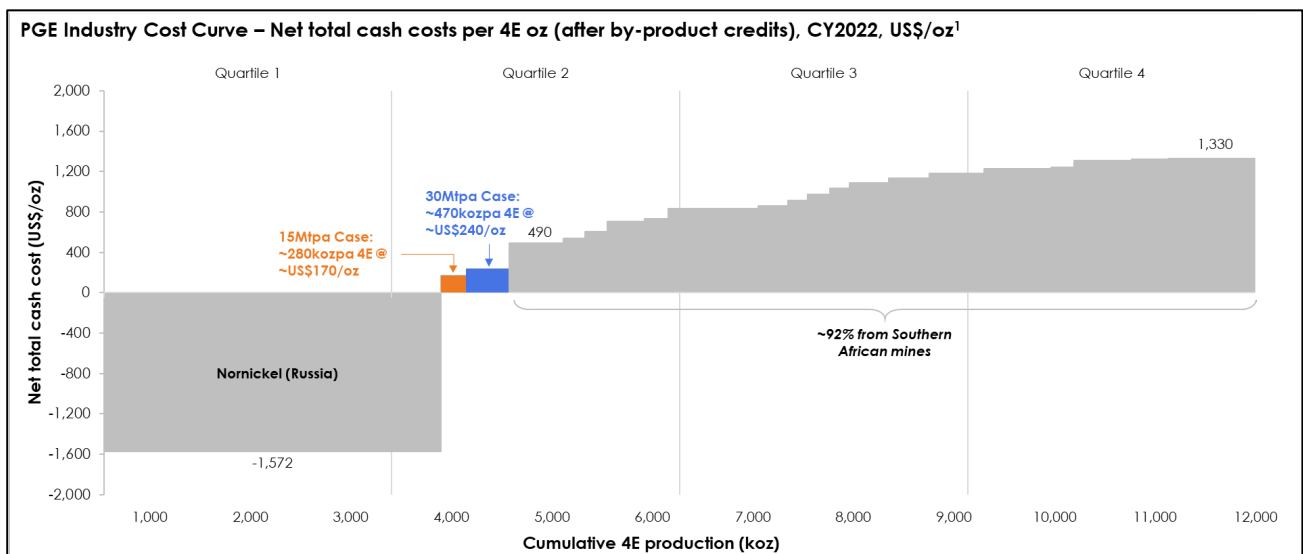


Figure 1. Platinum Group Element industry cost curve according to SFA

Following release of the Study, Chalice commenced key workstreams for the next phase of development, the Pre-Feasibility Study (PFS). Near term priorities are to advance the PFS, with a focus on scoping the higher-grade starter mine, progressing regulatory approvals and securing a strategic partner(s) that brings technical, financial and/or marketing capabilities.

¹ Source: 2022 SFA (Oxford) Ltd collated costs and production used for 4E cost curve data. 4E cost curve positioning assumes average 2022 by-product commodity prices of: Copper US\$10,105/t, Nickel US\$25,000/t, Iridium US\$4,400/oz, Ruthenium US\$550/oz, Chrome 42% CIF US\$300/t. AME forecast Cobalt price of US\$46,407/t has been assumed given not disclosed in SFA data. Above cash costs will differ to that presented elsewhere given the difference in commodity prices assumed for by-products calculation.

2.3.1.2 Gonneville Project Pre-Feasibility Study (PFS)

During the reporting period, Chalice commenced the PFS for the Project, targeted for completion in mid-2025. The PFS will assess several development cases, focusing on staged, high-grade starter cases beyond those scoped in the recent Scoping Study. The PFS will examine options using both open pit and underground mining methodologies and include value-adding trade-off studies and engineering optimisations, with the aim of determining the preferred single case to progress to a Feasibility Study (FS) and detailed design.

A key focus of the PFS is to improve on current understanding of the geo-metallurgical characteristics of the deposit, with the aim of improving metallurgical recoveries and concentrate quality. All metallurgical and geo-technical drilling was completed during the half year, and metallurgical test work on an additional 80 samples has commenced.

Work has commenced to re-wireframe and re-model the Gonneville Resource to incorporate recent drill results and investigate use of smaller block sizing, suitable for selective open-pit and underground mining approaches (reducing dilution). The high-grade sulphide Resource update is expected to be completed in H2FY24.

Once the resource update is completed, new high-grade open-pit and/or underground starter development cases will be scoped. Any potential new starter cases will be evaluated in parallel to bulk open-pit cases as part of the PFS. Chalice's key focus is progressing the Gonneville PFS for completion in mid-2025.

Other ongoing and planned activities at Gonneville include:

- « Develop key infrastructure routes for power, water and transport for the project, and complete initial engineering.
- « Continue baseline surveys of ground water, surface water, flora, fauna and dieback, which are underway as part of a long-term baseline and monitoring program to support engineering studies and environmental assessments.
- « Continue the approvals and permitting process for the Project, with referral in H2FY24.

2.3.1.3 Strategic partnering process

Chalice commenced a process in April 2023 to attract a tier-1 strategic partner for Gonneville with the financial, technical, and marketing capabilities to assist Chalice in developing the Project.

Chalice remains in active discussions as part of this partnering process, however there can be no guarantee at this time of a transaction.

2.3.1.4 Gonneville Resource Definition and Extensional Drilling

Resource and step-out drilling continued at Gonneville during the half year. It is expected that there are now sufficient resources at the higher confidence Measured and Indicated levels to allow completion of feasibility studies. The resource drilling phase at Gonneville was completed in February 2024.

Several new high-grade zones have been intersected in recent step-out drilling, with significant results returned largely from the Gonneville 'G4' footwall position within the host intrusion. Typically, these zones have elevated PGE, gold and copper grades, associated with disseminated chalcopyrite.

During the half-year, wide-spaced step-out drilling focused on testing down-dip of high-grade mineralisation at Gonneville. The Resource remains open with only limited drilling beyond a depth of ~600m (Figure 2 and Figure 3).

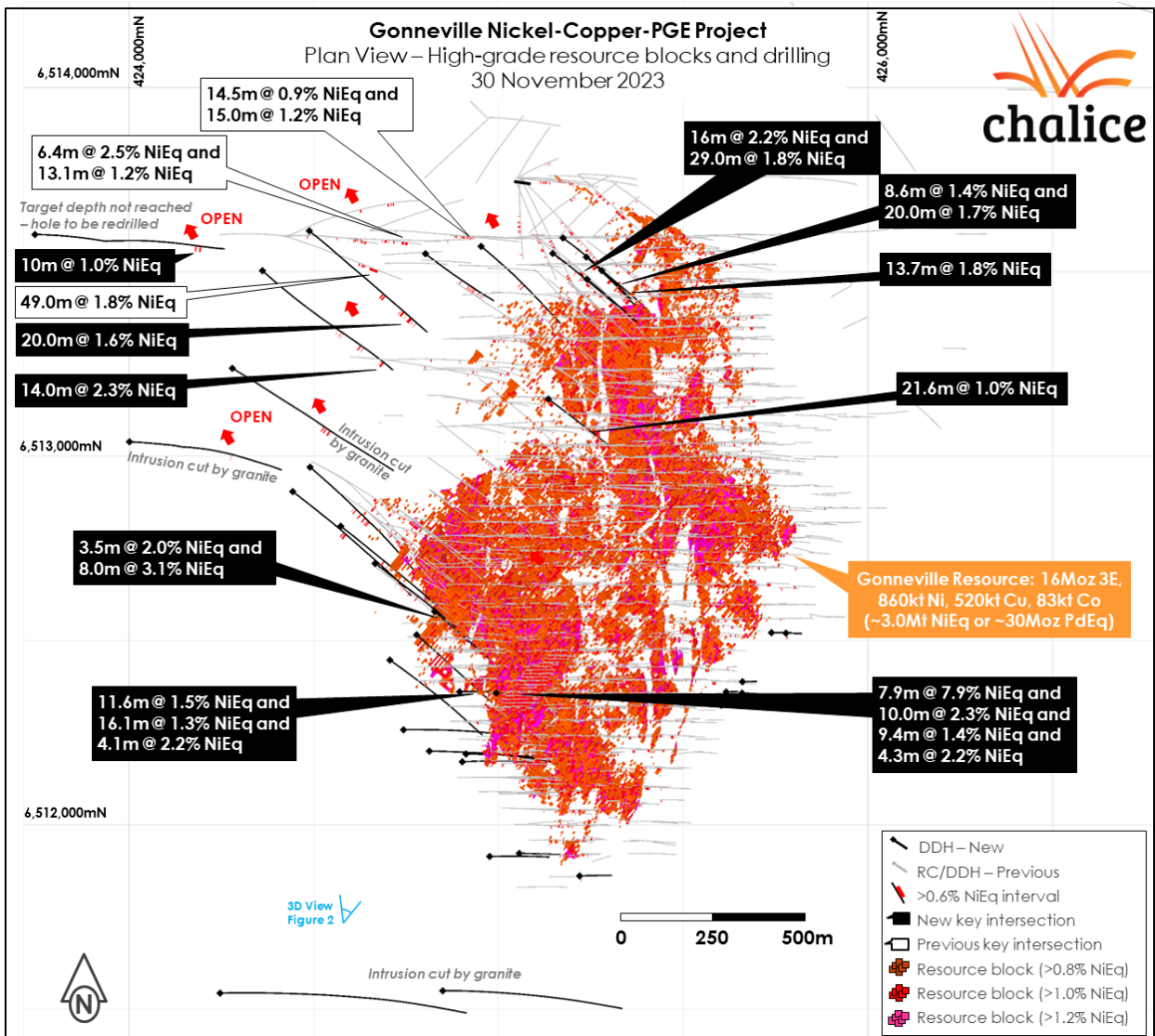


Figure 2. Plan View of Gonneville Project, >0.8% NiEq Resource blocks and drilling.

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2.3.2 West Yilgarn Nickel-Copper-PGE Province, Western Australia (100% owned)

Chalice holds several highly prospective exploration projects covering a >9,600km² tenure holding in the West Yilgarn Ni-Cu-PGE Province (Figure 4). The Western Yilgarn Province is considered one of the most exciting critical minerals provinces globally, given it is largely unexplored but is considered highly prospective for:

- Orthomagmatic Ni-Cu+/-PGE sulphide deposits (i.e. ~30Moz PdEq Gonneville Project);
- Intrusion-related / orogenic gold-copper deposits (i.e. ~40Moz Boddington gold mine); and
- Lithium-Caesium-Tantalum pegmatite deposits (i.e. ~2.5Mt Li Greenbushes lithium mine).



Figure 4. Chalice's project locations

2.3.2.1 Julimar Ni-Cu-PGE Exploration Project (100% owned)

Following receipt of government approvals, Chalice commenced a diamond drilling program testing the ~15km long Baudin-Janz-Torres target areas within the northern portion of the Julimar Exploration Project.

Gonneville-type intrusive geology was intersected at the Torres Target, ~25km north-east of the Gonneville Resource (Figure 5), demonstrating that this northern extension of the Julimar Complex is a continuation of the prospective intrusive geology that hosts the world-class Gonneville Resource. All assays are pending.

Reconnaissance AC drilling commenced subsequent to the end of the reporting period. The AC program will continue through H2FY24 and is designed to cost effectively identify prospective bedrock geology over the entire Project area (covering the >30km long Julimar Complex). This allows targets to be identified and refined for potential follow up diamond drilling.

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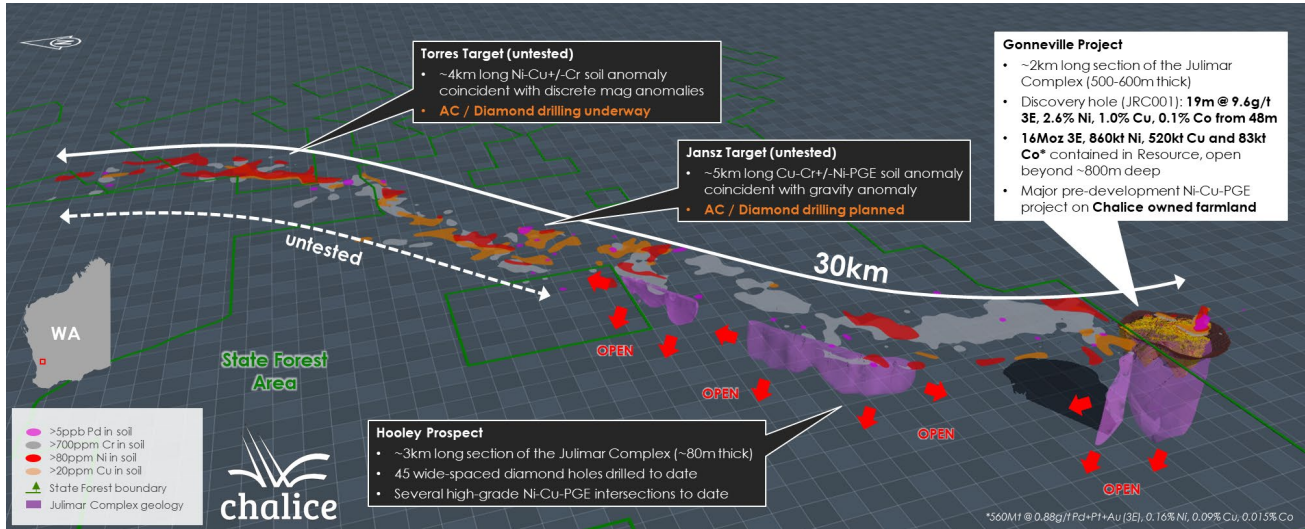


Figure 5. Julimar Complex 3D View (looking SE).

2.3.2.2 Northam Nickel-Copper-PGE Exploration Joint Venture Project (Earn-in to 70%)

An earn-in agreement was executed with Northam Resources whereby Chalice may earn up to a 70% JV interest in Northam's ~1,600km² exploration licence holding, located ~35km east of the Goonville Project (Figure 6).

During the half-year a project-wide ~34,000 line km ultra-detailed airborne magnetic survey was completed to compliment a previous Helitem AEM survey, to better define high priority conductors likely to be associated with intrusive targets.

Initial results from the new survey have identified multiple prospective targets for follow-up ground-based exploration activities. A total of 28 new Ni-Cu-PGE targets have been identified, with field sampling confirming 11 discrete ultramafic to mafic intrusive bodies (Figure 7). Further auger soil geochemical sampling and MLEM surveying is underway to prioritise these targets for follow-up testing.

The Company has undertaken specialised litho-geochemical studies (petrography, petrology) on weakly weathered ultramafic to mafic rock types at Northam to allow a direct comparison with the Goonville intrusion. Initial results show that Goonville-type ultramafic rock types occur along two major trends which is considered an encouraging early-stage result to assist target definition within this poorly explored part of the Yilgarn Craton.

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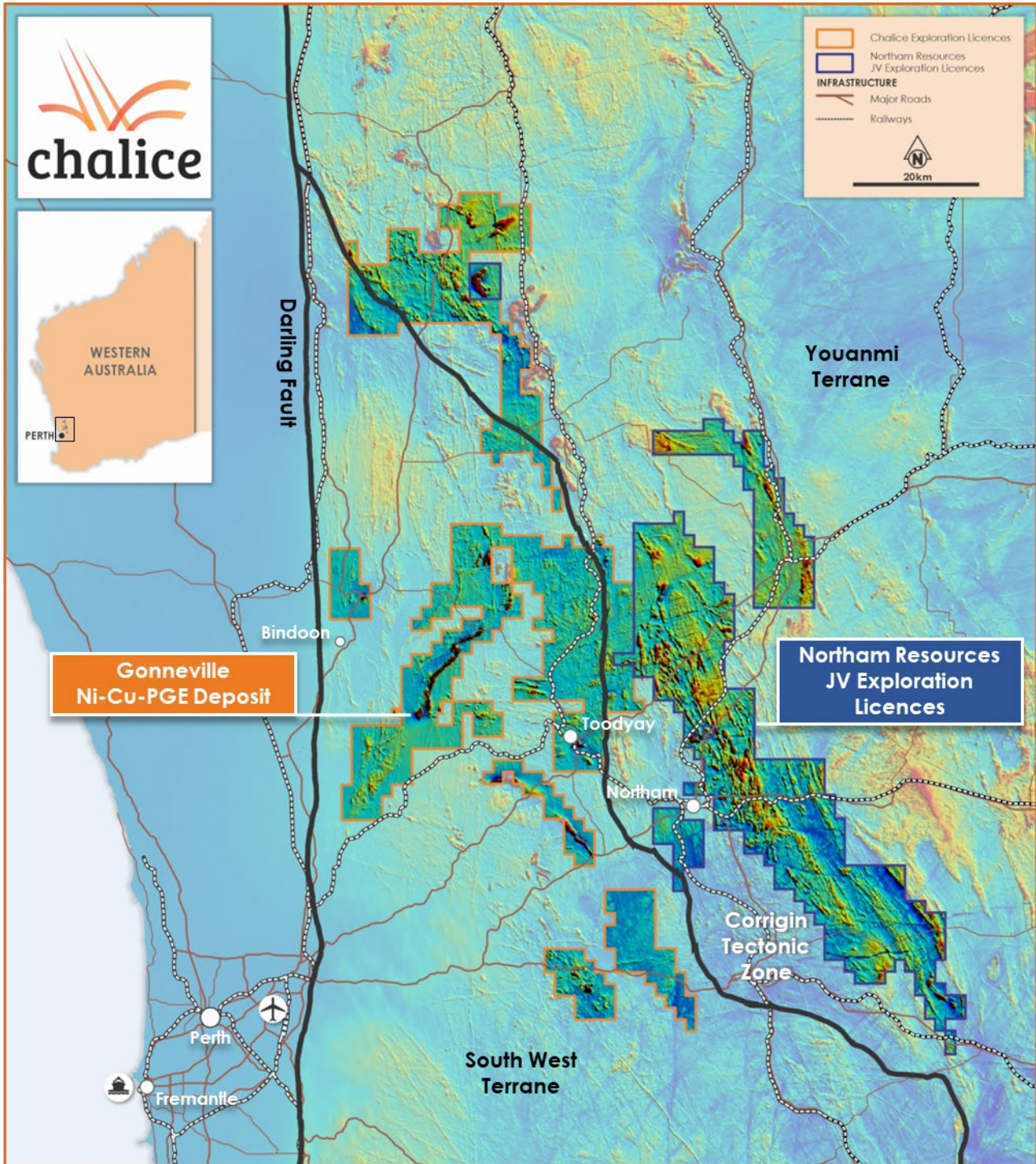


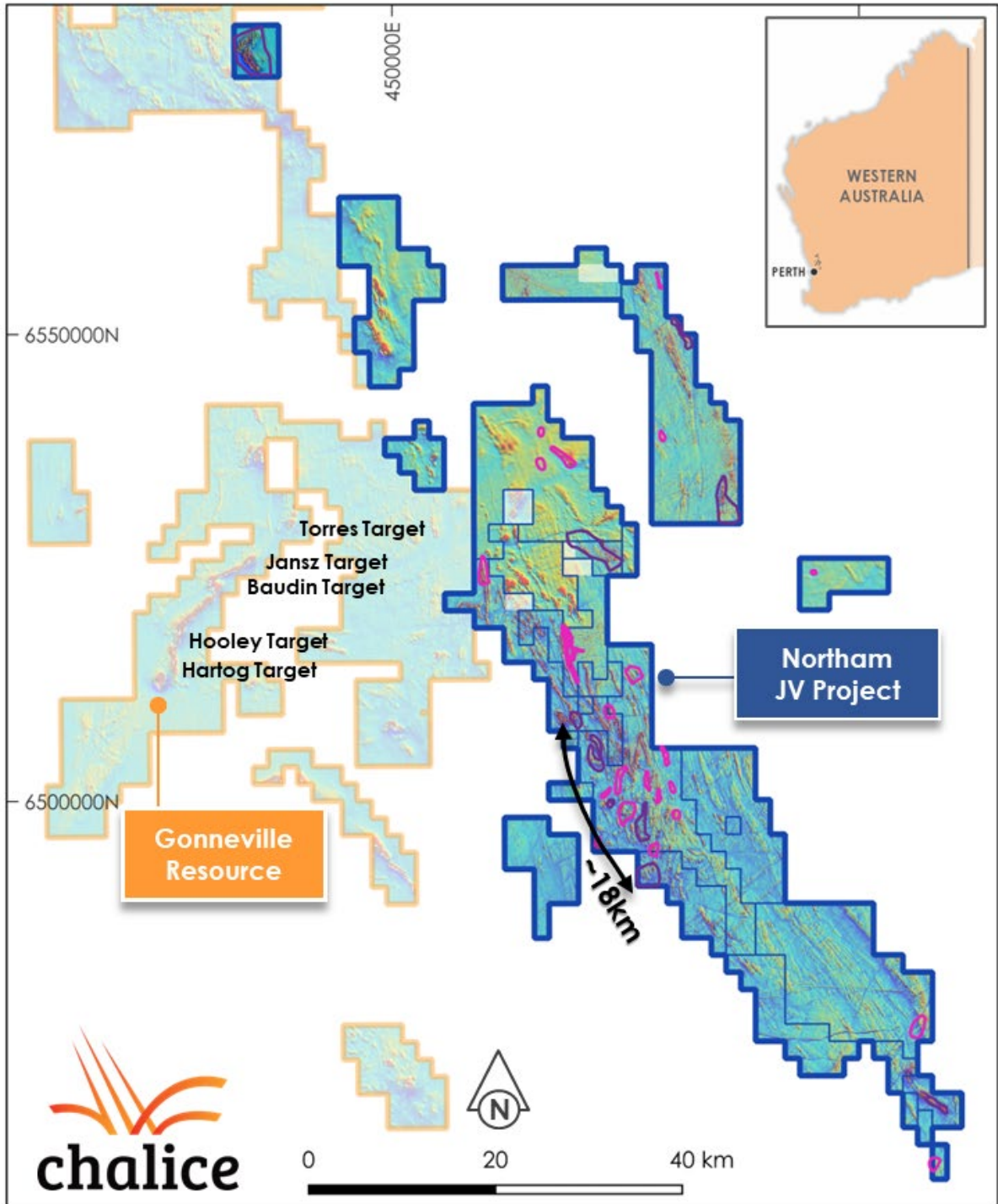
Figure 6. Northam JV licence area over regional aeromagnetics.

2.3.2.3 Kings Nickel-Copper-PGE Exploration Project, WA (100% owned + Bolgart earn-in to 75%)

A 2,200m reconnaissance AC drilling program (200m x 100-50m spaced holes) was completed over the Faroe Cu-Ag-Au target with several holes defining a zone of potentially prospective amphibolite and biotite altered schist geology. All assays are pending.

Reconnaissance field work is continuing across selected areas based on results of recently completed machine learning / artificial intelligence-based targeting.

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Julimar-Kings-Northam JV Project Areas
 Targets over aeromagnetics (1VD-TMI-RTP)
 31 January 2023

- Northam JV Tenure
- Chalice Granted Tenure
- AEM/AMAG targets - confirmed ultramafic
- AEM/AMAG targets - unknown

Figure 7. Julimar-Kings-Northam Project areas map – targets identified from AEM/AMAG and geological reconnaissance over airborne magnetics.

2.3.2.4 Barrabarra Nickel-Copper-PGE Exploration Project, WA (100% owned + Koojan earn-in to 80%)

Exploration activities ramped up during the reporting period with project-wide surveys initiated including the completion of an airborne gravity gradiometer (AGG) survey on 400m lines and an ultra-detailed airborne magnetic survey (50-100m lines) comprising ~69,000 line km.

A second phase of auger soil geochemistry is underway to extend coverage along strike from known surface geochemical anomalism and to test newly defined magnetic and/or gravity anomalies. This program will be further refined at the completion of the airborne magnetic survey to expand coverage elsewhere within the recently completed airborne survey areas for Ni-Cu-PGE and Au-Cu targets.

A 7-hole RC drill program was completed to test high conductance EM targets identified from ground MLEM follow-up of AEM conductors. A total of six holes had been completed (1,118m) as at December 2023 with visual results indicating only minor amounts of chalcopyrite in pyrrhotite-dominant sulphides hosted in mafic (dolerite) rock types. One RC hole intersected a 1m wide zone of semi-massive pyrrhotite-rich sulphides with minor chalcopyrite. A further RC hole will test a shallow high-conductance MLEM conductor. All assays are pending.

A program of MLEM is underway to follow-up on recently identified auger soil geochemical anomalies and/or gravity/magnetic trends associated with outcropping ultramafic intrusive rock types.

2.3.2.5 Narryer Nickel-Copper-PGE Exploration Project, WA (100% owned + Mt Narryer earn-in to 75%)

Project-wide ground gravity surveys (400m centres) were completed during the half-year, over prospective geological domains identified from previous geological mapping and soil geochemical surveys. Initial results highlight trends that are broadly coincident with mapped ultramafic to mafic intrusives with follow-up field work planned to commence in H2FY24.

2.3.2.6 South West Nickel-Copper-PGE Exploration Project, WA (100% owned + Venture earn-in to 70%)

A Lithium-Caesium-Tantalum (LCT) auger geochemical program was undertaken over six targets identified from previous geochemical surveys that were largely focused on Ni-Cu-PGE exploration and therefore were not considered definitive for exploring for lithium pegmatites. Results have been returned for five targets with one target returning highly anomalous lithium results that requires further field investigation. Assays are pending for the one remaining soil sampling grid.

A project-wide laterite geochemical program was undertaken on a ~ 2km x 2km spacing. The results show a low-order coincident Sn and Ta anomaly which requires further field evaluation given the anomalism is located in an area lacking any systematic geochemical sampling.

2.3.3 Non-Operated Exploration Projects

2.3.3.1 Auralia Nickel-Copper-PGE Exploration Project, WA (100% owned)

Final heritage surveys were completed in the half-year for proposed RC drilling of up to 10 holes to test prospective geophysical targets located within the Loonganna mafic-ultramafic intrusion. Subsequent to the end of the half-year, SensOre advised of its withdrawal from the project. The Company is reviewing work completed to date and will determine a forward work program.

2.3.3.2 Nulla South Gold Exploration Project (Ramelius earning 75%)

No activity was undertaken during the period.

3. Corporate

3.1 Investments

Chalice has a number of investments in listed entities with a total value of approximately \$3 million at 31 December 2023. This includes an ~9% interest in ASX listed Caspin Resources ("Caspin", ASX: CPN) with a value of approximately \$1 million at 31 December 2023. Caspin holds a 400km² licence area immediately north of Chalice's Julimar Project.

3.2 Financial Review

At 31 December 2023, the Group had net assets of \$165.6 million (30 June 2023: \$187.1 million) and an excess of current assets over current liabilities of \$112.1 million (30 June 2023: \$141.2 million). At 31 December 2023, the Group's cash at bank totaled \$111.3 million (30 June 2023: \$145.2 million). Property, plant and equipment increased by \$7.8 million due to the acquisition of one private property in close proximity to the Gonneville Project. Other assets (apart from cash at bank) remained broadly consistent with 30 June 2023. Cash at bank decreased by \$33.9 million in line with the continuation of exploration and evaluation activities during the period.

The Group reported a net loss after tax from continuing operations for the period of \$27.8 million (31 December 2022: net loss of \$33.7 million) mainly due to exploration and evaluation expenditure of \$27.6 million and other corporate costs.

The Group's focus during the half-year period was on exploration and evaluation activities at the Company's Gonneville Project, with operating cash outflows decreasing by \$5.1 million predominately due to a reduction in exploration and evaluation expenditure, offset by an increase in interest revenue of \$1.4 million.

Total forecast expenditure in CY 2024 is expected to be ~40% lower than in CY 2023. This reduction reflects the completion of Gonneville resource definition drilling (a \$29 million decrease on CY 2023) and a reduction in corporate overheads by ~\$2 million.

Following a comprehensive review, executive salaries, director fees (reduced by 25%) and other corporate costs (i.e. insurance, advisors, compliance fees) have been materially reduced and several management roles have been rationalised.

4. Events subsequent to reporting date

There are no other matters or circumstances that have arisen since 31 December 2023 that may significantly affect the operations, results or state of affairs of the Group in future financial years.

5. Rounding of amounts

The amounts contained in this financial report have been rounded to the nearest thousand unless otherwise specified under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

6. Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 21 and forms part of this directors' report for the half-year ended 31 December 2023.



Directors' Report

For the Half-Year Ended 31 December 2023

This report is signed in accordance with a resolution of the directors made pursuant to s.306 (3) of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read "Alex Dorsch".

Alex Dorsch
Managing Director and Chief Executive Officer

Dated at Perth this 14th day of March 2024

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Competent Person's Statements and Cautionary Statements

The information in this Half-Year Report that relates to previously reported exploration results for the Gonneville Nickel-Copper-PGE Project is extracted from the following ASX announcements:

- « "High Grade Ni-Cu-Pd Sulphide Intersected at Julimar", 23 March 2020.
- « "Extensive Ni-Cu Soil Anomalism at Julimar", 9 June 2021.
- « "Gonneville Resource Increases by Approx. 50% to ~3Mt NiEq", dated 28 March 2023.
- « "Further Early-Stage Exploration Success North at Gonneville", 3 May 2023.
- « "New Wide High-grade Zones in 900m Step-out Drill Hole", 31 July 2023.
- « "High-Grade Copper-PGE zones extended at Gonneville, 30 November 2023.

The above announcements are available to view on the Company's website at www.chalicemining.com. The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the relevant original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.

The information in this Half-Year Report that relates to Mineral Resources has been extracted from the ASX announcement titled "Gonneville Resource Increases by Approx. 50% to ~3Mt NiEq" dated 28 March 2023. This announcement is available to view on the Company's website at www.chalicemining.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcement. Refer to the Mineral Resource Statement on page 19 for further information on the Mineral Resource Estimate and metal equivalents disclosed in this Half-Year Report.

Production Targets and Forecast Financial Information

The production targets and forecast financial information disclosed in this Half-Year Report is extracted from the Company's ASX announcement "Gonneville Nickel-Copper-PGE Project Scoping Study", dated 29 August 2023.

All material assumptions underpinning the production targets and forecast financial information derived from the production targets in the previous announcement continue to apply and have not materially changed.

Cautionary Statement

This Half-Year Report includes information extracted from the Company's ASX announcement dated 29 August 2023, titled "Gonneville Nickel-Copper-PGE Project Scoping Study".

For the production targets and forecast financial information for the 15Mtpa Case scenario (modelled LOM - 19 years), Inferred Resources comprise 14% of the production schedule over the modelled Life of Mine (LOM). For the 30Mtpa Case scenario (modelled LOM - 18 years), Inferred Resources comprise 37% of the production schedule over the modelled Life of Mine (LOM). Significantly, in both the 15Mtpa Case and 30Mtpa Case scenarios, the Inferred Mineral Resources do not play a prominent role in the initial mine plan. Throughout the first 15 years of production, the Inferred Mineral Resources constitute less than ~20% in both production schedules. Accordingly, Chalice has concluded that it is satisfied that the financial viability of both development cases modelled in the Scoping Study is not dependent on the inclusion of Inferred Resources early in the production schedule given an estimated payback period (from commencement of production) of ~2 years for the 15Mtpa Case and the 30Mtpa Case.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production targets themselves will be realised.

Mineral Resources Reporting Requirements

As an Australian Company with securities listed on the Australian Securities Exchange (ASX), Chalice is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act 2001 and the ASX listing rules. It is a requirement of the ASX listing rules that the reporting of exploration results and mineral resources estimates are in accordance with the 2012 edition of the Australasian Code for Reporting of exploration Results, Minerals Resources and Ore Reserves ("JORC Code").

The requirements of the JORC Code differ in certain material respects from the disclosure requirements of United States securities laws and other reporting regimes. There is no assurance that the Company's mineral resource estimates and related disclosures prepared under the JORC Code would be the same as those prepared under United States securities law and other reporting regimes. The terms used in this announcement are as defined in the JORC Code. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements in the United States and other reporting regimes.

Mineral Resource Estimates that are not Ore Reserves do not have demonstrated technical feasibility and economic viability. Due to lower certainty, the inclusion of Mineral Resource Estimates should not be regarded as a representation by Chalice that such amounts can be economically exploited, and investors are cautioned not to place undue reliance upon such figures. No assurances can be given that the estimates of Mineral Resources presented in this report will be recovered at the tonnages and grades presented, or at all.

Forward Looking Statements

This Half-Year report may contain forward-looking statements and forward information, (collectively, forward-looking statements). These forward-looking statements are made as of the date of this Report and Chalice Mining Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to: the impact of the discovery on the Gonneville Project's capital payback; the Company's planned strategy and corporate objectives; objectives of the strategic partnering process, the realisation of Mineral Resource Estimates; anticipated production; sustainability initiatives; climate change scenarios; the likelihood of further exploration success; the timing of planned exploration and study activities on the Company's projects; mineral processing strategy; access to sites for planned drilling activities; planned production and operating costs profiles; planned capital requirements; the success of future potential mining operations and the timing of the receipt of exploration results.

In certain cases, forward-looking statements can be identified by the use of words such as, "aim", "anticipate" or "anticipated", "commence", "considered", "continue", "estimate", "expected", "for", "forecast", "future", "is", "likely", "may", "open", "plan" or "planned", "potential", "strategy", "target", "will" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; whether geophysical and geochemical anomalies are related to economic mineralisation or some other feature; whether visually identified mineralisation is confirmed by laboratory assays; obtaining appropriate approvals to undertake exploration activities; metal grades being realised; metallurgical recovery rates being realised; results of planned metallurgical test work including results from other zones not tested yet, scaling up to commercial operations; changes in project parameters as plans continue to be refined; changes in exploration programs and budgets based upon the results of exploration; successful completion of the strategic partnering process; changes in commodity prices and economic conditions; political and social risks, accidents, labour disputes and other risks of the mining industry; delays or difficulty in obtaining governmental approvals, necessary licences, permits or financing to undertake future mining development activities; changes to the regulatory framework within which Chalice operates or may in the future; movements in the share price of investments and the timing and proceeds realised on future disposals of investments as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on the ASX at asx.com.au.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated, or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Table 1. Gonneville Mineral Resource Estimate (JORC Code 2012), 28 March 2023.

Domain	Cut-off Grade	Category	Mass	Grade								Contained Metal									
				(Mt)	Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	NIeq (%)	PdEq (g/t)	Pd (Moz)	Pt (Moz)	Au (Moz)	Ni (kt)	Cu (kt)	Co (kt)	NIeq (kt)	PdEq (Moz)	
Oxide	0.9g/t Pd	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Indicated	7.3	1.9	-	0.06	-	-	-	-	-	2.0	0.45	-	0.01	-	-	-	-	-	0.47
		Inferred	0.2	1.9	-	0.07	-	-	-	-	-	2.0	0.01	-	0.00	-	-	-	-	-	0.02
		Subtotal	7.5	1.9	-	0.06	-	-	-	-	-	2.0	0.47	-	0.01	-	-	-	-	-	0.49
Sulphide (Transitional)	0.35% NIeq	Measured	0.38	0.82	0.17	0.03	0.19	0.17	0.020	0.70	2.2	0.01	-	-	0.72	0.63	0.07	2.7	0.03		
		Indicated	14	0.66	0.15	0.03	0.16	0.10	0.018	0.54	1.7	0.30	0.07	0.01	22	14	2.5	77	0.77		
		Inferred	0.27	0.60	0.16	0.03	0.15	0.12	0.015	0.54	1.7	0.01	-	-	0.42	0.32	0.04	1.5	0.01		
		Subtotal	15	0.66	0.15	0.03	0.16	0.10	0.018	0.55	1.7	0.31	0.07	0.01	23	15	2.6	81	0.81		
Sulphide (Fresh)	0.35% NIeq	Measured	2.3	1.1	0.26	0.03	0.24	0.18	0.019	0.87	2.7	0.08	0.02	-	5.4	4.2	0.43	20	0.20		
		Indicated	280	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	6.0	1.3	0.23	440	260	43	1500	15		
		Inferred	200	0.67	0.15	0.03	0.15	0.09	0.015	0.53	1.6	4.4	0.96	0.16	310	180	29	1100	11		
		Subtotal	480	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	10	2.3	0.39	750	440	72	2600	26		
Underground	0.40% NIeq	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Indicated	1.7	0.75	0.21	0.06	0.14	0.08	0.013	0.55	1.7	0.04	0.01	-	2.4	1.4	0.23	9.5	0.10		
		Inferred	52	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.28	0.05	83	56	7.7	310	3.1		
		Subtotal	54	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.29	0.06	86	57	7.9	320	3.2		
All		Measured	2.7	1.1	0.24	0.03	0.23	0.18	0.019	0.85	2.6	0.09	0.02	-	6.2	4.9	0.51	23	0.23		
		Indicated	300	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	6.8	1.4	0.26	460	280	45	1600	16		
		Inferred	250	0.70	0.15	0.03	0.15	0.09	0.015	0.54	1.7	5.7	1.2	0.22	390	230	37	1400	14		
		Total	560	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	13	2.7	0.48	860	520	83	3000	30		

Note some numerical differences may occur due to rounding to 2 significant figures.

PdEq oxide (Palladium Equivalent g/t) = Pd (g/t) + 1.27x Au (g/t)

NIeq sulphide (Nickel Equivalent %) = Ni (%) + 0.32x Pd(g/t) + 0.21x Pt(g/t) + 0.38x Au(g/t) + 0.83x Cu(%) + 3.00x Co(%)

PdEq sulphide (Palladium Equivalent g/t) = Pd (g/t) + 0.67x Pt(g/t) + 1.17 x Au(g/t) + 3.11x Ni(%) + 2.57x Cu(%) + 9.33x Co(%)

Underground resources are outside the pit above a 0.40% NIeq cut-off grade based on sub-level caving mining method

Includes drill holes drilled up to and including 11 December 2022.

Metal equivalents – Gonneville Project

The Mineral Resource Estimate and exploration results for the Gonneville Project are stated in both nickel equivalent (NiEq) and palladium equivalent (PdEq) terms to take into account the contribution of multiple potentially payable metals. The cut-off grade for the sulphide domain was determined using NiEq in preference over PdEq, due to the assumed requirement for sulphide flotation to recover the metals.

PdEq is quoted given the relative importance of palladium by value at the assumed prices. Separate metal equivalent calculations are used for the oxide and transitional/sulphide zones to take into account the differing metallurgical recoveries in each zone.

Oxide Domain

Initial metallurgical testwork indicates that only palladium and gold are likely to be recovered in the oxide domain, therefore no NiEq grade has been quoted for the oxide. The PdEq grade for the oxide has been calculated using the formula:

$$\text{PdEq oxide (g/t)} = \text{Pd (g/t)} + 1.27 \times \text{Au (g/t)}.$$

« Metal recoveries based on limited metallurgical test work completed to date:

« Pd – 75%, Au – 90%.

« Metal prices used are consistent with those used in the Resource pit optimisation:

« US\$1,800/oz Pd, US\$1,800/oz Au

Transitional and Fresh Sulphide Domains

Based on metallurgical testwork completed to date for the sulphide domain, it is the Company's opinion that all the quoted elements included in metal equivalent calculations (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential of being recovered and sold.

Only limited samples have been collected from the transitional zone due to its relatively small volume. Therefore, the metallurgical recovery of all metals in this domain are unknown. However, given the relatively small proportion of the transition zone in the Mineral Resource, the impact on the metal equivalent calculation is not considered to be material.

Metal equivalents for the transitional and sulphide domains are calculated according to the formula below:

$$\text{NiEq}\% = \text{Ni (\%)} + 0.32 \times \text{Pd(g/t)} + 0.21 \times \text{Pt(g/t)} + 0.38 \times \text{Au(g/t)} + 0.83 \times \text{Cu(\%)} + 3.00 \times \text{Co(\%)};$$

$$\text{PdEq(g/t)} = \text{Pd (g/t)} + 0.67 \times \text{Pt(g/t)} + 1.17 \times \text{Au(g/t)} + 3.11 \times \text{Ni(\%)} + 2.57 \times \text{Cu(\%)} + 9.33 \times \text{Co(\%)}$$

Metal recoveries used in the metal equivalent calculations are based on rounded average Resource grades for the sulphide domain (>0.35% NiEq cut-off):

« Pd – 60%, Pt – 60%, Au – 70%, Ni – 45%, Cu – 85%, Co – 45%.

Metal prices used are consistent with those used in the Resource pit optimisation:

« US\$1,800/oz Pd, US\$1,200/oz Pt, US\$1,800/oz Au, US\$24,000/t Ni, US\$10,500/t Cu and US\$72,000/t Co.

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Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Chalice Mining Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2024



B G McVeigh
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed Consolidated Statement of Comprehensive Income

For the Half-Year Ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
Continuing operations			
Revenue	2(a)	50	471
Interest income		2,701	1,308
Finance expense		(67)	(79)
Net gain from sale of subsidiary	4	860	-
Foreign exchange (loss)/gain		(27)	(13)
Corporate administrative expenses	2(b)	(3,244)	(3,075)
Exploration and evaluation expenditure	2(c)	(27,555)	(32,786)
Share-based payments	10	(1,308)	(906)
Loss before tax from continuing operations		(28,590)	(35,080)
Income tax benefit	3	770	1,360
Loss for the period attributable to owners of the parent		(27,820)	(33,720)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Net gain/(loss) on fair value of financial assets, net of tax		(840)	1,187
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(3)	(4)
Other comprehensive income/(loss) for the period		(843)	1,183
Total comprehensive loss for the period		(28,663)	(32,537)
Total comprehensive loss for the period attributable to owners of the parent		(28,663)	(32,537)
Basic loss per share from continuing operations (cents per share)		(7.34)	(8.96)
Diluted loss per share from continuing operations (cents per share)		(7.34)	(8.96)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
Current assets			
Cash and cash equivalents		111,348	145,223
Receivables	6	1,893	2,469
Income tax receivable	5	1,642	872
Financial assets		3,009	2,956
Total current assets		117,892	151,520
Non-current assets			
Financial assets		500	596
Right-of-use assets		1,044	1,161
Property, plant and equipment	7	53,544	45,787
Total non-current assets		55,088	47,544
Total assets		172,980	199,064
Current liabilities			
Trade and other payables	8	3,192	7,951
Grant funding received in advance		1,380	1,266
Lease liabilities		405	363
Employee benefits		845	779
Total current liabilities		5,822	10,359
Non-current liabilities			
Lease liabilities		1,200	1,364
Employee benefits		331	237
Other liabilities		57	54
Total non-current liabilities		1,588	1,655
Total liabilities		7,410	12,014
Net assets		165,570	187,050
Equity			
Issued capital	9	367,042	359,913
Accumulated losses		(204,130)	(176,310)
Reserves		2,658	3,447
Total equity		165,570	187,050

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

Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

	Issued capital \$'000	Accumulated losses \$'000	Share based payments reserve \$'000	Investment revaluation reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000
Balance at 30 June 2023	359,913	(176,310)	3,977	(655)	125	187,050
Loss for the period	-	(27,820)	-	-	-	(27,820)
Other comprehensive income for the period						
Net loss on fair value of financial assets, net of tax	-	-	-	(840)	-	(840)
Exchange differences on translation of foreign operations	-	-	-	-	(3)	(3)
Total comprehensive income/(loss) for the year	-	(27,820)	-	(840)	(3)	(28,663)
Issue of share capital (net of costs)	5,875	-	-	-	-	5,875
Share-based payments	-	-	1,308	-	-	1,308
Transfers between equity items	1,254	-	(1,254)	-	-	-
Balance at 31 December 2023	367,042	(204,130)	4,031	(1,495)	122	165,570

	Issued capital \$'000	Accumulated losses \$'000	Share based payments reserve \$'000	Investment revaluation reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000
Balance at 30 June 2022	285,040	(112,564)	3,235	(45)	665	176,331
Loss for the period	-	(33,720)	-	-	-	(33,720)
Other comprehensive income for the period						
Net gain on fair value of financial assets, net of tax	-	-	-	1,187	-	1,187
Exchange differences on translation of foreign operations	-	-	-	-	(4)	(4)
Total comprehensive income/(loss) for the year	-	(33,720)	-	1,187	(4)	(32,537)
Issue of share capital (net of costs)	293	-	-	-	-	293
Share-based payments	-	-	906	-	-	906
Transfers between equity items	428	951	(836)	-	(543)	-
Balance at 31 December 2022	285,761	(145,333)	3,305	1,142	118	144,993

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

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Cash receipts from operations		61	85
Cash paid to suppliers and employees		(2,389)	(2,516)
Payments for mineral exploration and evaluation		(29,039)	(33,508)
Payroll tax on vested performance rights		(454)	-
Government grants and incentives received		125	600
Interest received		2,693	1,254
Interest paid		(71)	(85)
Transaction costs relating to sale of a subsidiary		(67)	-
Net cash used in operating activities		(29,141)	(34,170)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(41)	(104)
Acquisition of freehold land and buildings		(4,400)	-
Net cash used in investing activities		(4,441)	(104)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(232)	(151)
Refund/(payment) of security deposits		71	51
Proceeds from issue of shares	9	-	329
Share issue costs		(128)	(29)
Net cash (used in)/from financing activities		(289)	200
Net decrease in cash and cash equivalents		(33,871)	(34,074)
Cash and cash equivalents at the beginning of the period		145,223	131,712
Effect of exchange rate fluctuations on cash held		(4)	(5)
Cash and cash equivalents at the end of the financial period		111,348	97,633

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

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Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2023

1. SUMMARY OF SIGNIFICANT POLICIES

(a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Chalice Mining Limited ('Chalice' or 'the Group') and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the rules of the Australian Securities Exchange.

(b) Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and is a for-profit entity. All amounts are presented in Australian dollars, unless otherwise noted. For the purposes of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

All amounts have been rounded to the nearest thousand, unless otherwise stated in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

(c) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

(e) New or amended Accounting Standards

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period and the impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations was not material. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and not expected to have a material effect.

2. REVENUE AND EXPENSES

(a) Revenue

Net gain on sale of exploration assets
Other

31 December 2023 \$'000	31 December 2022 \$'000
-	386
50	85
50	471

(b) Corporate and administrative expenses

Depreciation
Investor relations and marketing
Business development costs
Regulatory and compliance
Personnel expenses
Other corporate and administration costs

31 December 2023 \$'000	31 December 2022 \$'000
216	129
456	335
99	-
523	787
1,864	1,643
86	181
3,244	3,075

(c) Exploration and evaluation expenditure

Gonneville - exploration
Gonneville - development/Studies
West Yilgarn - Exploration⁽¹⁾
Other generative projects - exploration

31 December 2023 \$'000	31 December 2022 \$'000
13,180	26,436
5,521	2,530
8,836	3,648
18	172
27,555	32,786

(1) On 1 September 2023, the Group issued 629,755 fully paid ordinary shares to Northam Resources Limited (Northam) as initial consideration pursuant to an earn-in agreement. Under the earn-in agreement the Group can earn up to a 70% interest in Northam's exploration licences located ~35km east of the Gonneville Project.

3. INCOME TAX

Income tax benefit

Research and development tax incentives
Deferred income tax benefit/(expense) relating to investments held at fair value through other comprehensive income

31 December 2023 \$'000	31 December 2022 \$'000
770	787
-	573
770	1,360

4. GAIN ON SALE OF SUBSIDIARY

On 14 August 2023, the Group sold its wholly owned subsidiary, Northwest Nickel Pty Ltd (Northwest) to Staveley Minerals Limited (ASX: STV) (Staveley). The consideration received was 10,840,608 fully paid ordinary shares in Staveley and \$50,000 in cash. At the date of disposal, the net assets of Northwest was nil.

Consideration:

Cash
Fully paid ordinary shares

Less associated costs:

Legal fees

Gain on sale of subsidiary

31 December 2023 \$'000	31 December 2022 \$'000
50	-
877	-
927	-
(67)	-
(67)	-
860	-

5. OTHER ASSETS

	31 December 2023 \$'000	30 June 2023 \$'000
Research and development tax incentives refundable	1,642	872
	1,642	872

6. TRADE AND OTHER RECEIVABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Current		
Trade and other receivables	261	269
GST receivable	1,150	1,585
Lease receivable	-	14
Prepayments	482	601
	1,893	2,469

7. PROPERTY, PLANT AND EQUIPMENT

	Plant, Equipment & Vehicles \$'000	Office furniture & Computer Equipment \$'000	Freehold land and buildings \$'000	Total \$'000
Cost				
At 1 July 2023	1,570	1,680	43,863	47,113
Additions	13	25	-	38
Acquisition of freehold land and buildings ⁽¹⁾	-	-	7,999	7,999
Disposals/assets written off	(12)	(2)	-	(14)
At 31 December 2023	1,571	1,703	51,862	55,136
Accumulated depreciation and impairment losses				
At 1 July 2023	476	590	260	1,326
Depreciation charge for the period	103	117	55	275
Disposals/assets written off	(8)	(1)	-	(9)
At 31 December 2023	571	706	315	1,592
Net book value at 31 December 2023	1,000	997	51,547	53,544

(1) On 10 August 2023, the Group acquired one private property in close proximity to the Gonneville intrusion at the Julimar Project. The property was acquired for consideration comprising \$4.4 million cash (net of settlement costs) and 611,371 fully paid ordinary shares in the Company.

	Plant, Equipment & Vehicles \$'000	Office furniture & Computer Equipment \$'000	Freehold land and buildings \$'000	Total \$'000
Cost				
At 1 July 2022	1,098	1,698	44,021	46,817
Additions	372	65	8	445
Transfers	145	19	(164)	-
Disposals/write-offs	(45)	(102)	(2)	(149)
At 30 June 2023	1,570	1,680	43,863	47,113
Accumulated depreciation and impairment losses				
At 1 July 2022	297	390	81	768
Depreciation charge for the period	221	284	179	684
Disposals/write-offs	(42)	(84)	-	(126)
At 30 June 2023	476	590	260	1,326
Net book value at 30 June 2023	1,094	1,090	43,603	45,787

8. TRADE AND OTHER PAYABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Trade payables	32	1,704
Other payables	211	50
Accrued expenses	2,949	6,197
	3,192	7,951

9. EQUITY

	31 December 2023		30 June 2023	
	No.	\$'000	No.	\$'000
Issued and fully paid ordinary shares				
Movements in ordinary shares on issue				
At 1 July	386,933,791	359,913	371,740,141	285,040
Shares issued on vesting of performance rights (refer note 10(c)(2))	788,387	1,254	4,557,053	653
Options exercised – directors	-	-	168,449	329
Shares issued to acquire a private property (refer note 7)	611,371	3,600	-	-
Shares issued under a earn-in agreement (refer note 2 (c))	629,755	2,450	-	-
Share placement	-	-	9,589,042	70,000
Share purchase plan	-	-	879,106	6,420
Share issue costs	-	(175)	-	(2,529)
Balance at end of period	388,963,304	367,042	386,933,791	359,913

10. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense

	31 December 2023 \$'000	31 December 2022 \$'000
The share-based payment expense recognised during the period:		
Expense arising from equity settled share-based payment transactions	1,308	906
	1,308	906

(b) Share Options

The following table illustrates the number and movements in unlisted options during the period.

Share Options	31 December 2023	30 June 2023
	No.	No.
At 1 July	-	300,000
Options exercised during the year	-	(300,000)
Outstanding at the end of the period	-	-

(c) Performance Rights

The following table illustrates the number and movements in performance rights during the period.

Performance Rights	31 December 2023	30 June 2023
	No.	No.
At 1 July	2,384,046	6,055,064
Performance rights issued ⁽¹⁾	945,013	1,059,191
Performance rights vested and exercised – equity settled ⁽²⁾	(588,999)	(4,557,053)
Performance rights lapsed	(333,373)	(173,156)
On issue at the end of the period	2,406,687	2,384,046

(1) During the half year ended 31 December 2023, 945,013 performance rights were granted to eligible Key Management Personnel and employees under the Group's Long-Term Incentive, with 17,776 subsequently forfeited by 31 December 2023. The fair value of the remaining performance rights granted during the half year period was determined using the Monte-Carlo simulation model (market-based conditions) and Black-Scholes option valuation methodology (non-market conditions). The fair value of these performance rights is \$2.1 million which will be expensed over the vesting period of the performance rights (~3 years). Refer to section 9.4.9 (g) of the Directors' report within the Company's 2023 Annual Report for details of the performance conditions related to those performance rights granted during the half-year period.

(2) On 12 July 2023, 75% of the FY2020-21 Performance Rights that were issued to KMP and employees in 2020 vested on the achievement of certain performance conditions measured over the three years ended 30 June 2023. On 12 July 2023, the Company issued 788,387 shares to the Company's Employee Share Trust for allocation to the participants upon exercising their Performance Rights. Subsequent to vesting, 588,999 Performance Rights were exercised into an equivalent number of fully paid ordinary shares with 199,388 performance rights vested, not exercised.

(d) Retention Rights

The following table illustrates the number and movements in retention rights during the period.

Retention Rights	31 December 2023	30 June 2023
	No.	No.
At 1 July	736,158	-
Retention rights issued ⁽¹⁾	-	800,499
Retention rights lapsed	(57,883)	(64,341)
On issue at the end of the period	678,275	736,158

(1) No Retention rights were issued during the half year period ended 31 December 2023 as Retention Rights were issued in the prior period as a one-off retention plan to attract and retain Executive KMP and key technical employees.

11. COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements as specified by various governments in order to maintain exploration tenements in good standing. Therefore, amounts stated are based on the minimum commitments known within the next year. The Group may in certain situations apply for exemptions under

relevant mining legislation or enter into joint venture arrangements which significantly reduce the working capital commitments. These obligations are not provided for in the financial report and are payable:

	31 December 2023	30 June 2023
	\$'000	\$'000
Within 1 year	3,937	3,001
Within 2-5 years	3,319	2,410
Later than 5 years	-	-
	7,256	5,411

Other than as disclosed above, there has been no other material changes to commitments since 30 June 2023.

12. EVENTS SUBSEQUENT TO REPORTING DATE

There are no other matters or circumstances that have arisen since 31 December 2023 that may significantly affect the operations, results or state of affairs of the Group in future financial years.

13. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group considers that it only operated in one reportable segment, being mineral exploration and evaluation. The segment financial information is as per the Group's consolidated financial statements.

14. FINANCIAL INSTRUMENTS

The directors consider the carrying value of financial assets and financial liabilities recognised in the consolidated financial statements to approximate their fair values. In particular, listed equity investments designated at fair value through other comprehensive income which comprise of ASX listed entities are measured at fair value using quoted market prices at the reporting date (Level 1 fair value measurement).

The directors have assessed that the fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Directors' Declaration

For the Half-Year Ended 31 December 2023


In the opinion of the directors of Chalice Mining Limited ('the Company'):

1. The financial statements and notes thereto, as set-out on pages 22 to 31 are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been given after receiving the declaration made to the directors for the half-year ended 31 December 2023 in accordance with the fourth edition of the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations.

This declaration is signed in accordance with a resolution of the directors of the Company, made pursuant to s.303(5) of the *Corporations Act 2001*.

Dated this 14th day of March 2024

On behalf of the board



Alex Dorsch
Managing Director and Chief Executive Officer

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Independent Auditor's Review Report



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Chalice Mining Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Chalice Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Chalice Mining Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2024



B G McVeigh
Partner

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