



**Chalice Mining Limited**  
**ACN 116 648 956**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held as follows:**

**Time and date:** 9:00am (AWST) on Thursday, 21 November 2024

**Location:** The Westin Hotel, Cassia Room, Level 1 Function Floor,  
480 Hay Street, Perth, Western Australia

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from a suitably qualified professional advisor prior to voting.

**Should you have any questions regarding this Notice of Annual General Meeting, please contact our Company Secretary on (08) 9322 3960.**

**Chalice Mining Limited**  
**ACN 116 648 956**  
**(Company)**

**Notice of Annual General Meeting**

Notice is hereby given that the annual general meeting of Shareholders of Chalice Mining Limited (**Company**) will be held at The Westin Hotel, Cassia Room, Level 1 Function Floor, 480 Hay Street, Perth, Western Australia, on Thursday, 21 November 2024 at 9:00am (AWST) (**Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (AWST) on Tuesday, 19 November 2024.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in the Schedule.

## **Agenda**

### **1 Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2024, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** there is no requirement for Shareholders to approve the Annual Report.

### **2 Resolutions**

#### **Resolution 1 – Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

*'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'*

**Note:** a vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **Resolution 2 – Re-election of Director – Derek La Ferla**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, Derek La Ferla, who retires in accordance with article 7.2(a) of the Constitution and Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 – Election of Director – Richard Hacker**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, Richard Hacker, being eligible and offering himself for election, is elected as a Director pursuant to article 7.4 of the Constitution, and for all other purposes on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 4 – Approval of issue of Performance Rights to Alex Dorsch**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 696,458 Performance Rights to Alex Dorsch (or his nominee/s) under the Plan, on the terms and conditions in the Explanatory Memorandum.'*

## **3 Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Alex Dorsch and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates, or their nominees.

The above voting exclusions do not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
  - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **4 Voting prohibitions**

**Resolution 1:** In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded

from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 4:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**



**Derek La Ferla**  
Non-Executive Chair  
Chalice Mining Limited

**Dated:** 21 October 2024

**Chalice Mining Limited**  
**ACN 116 648 956**  
**(Company)**

**Explanatory Memorandum**

**1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Westin Hotel, Cassia Room, Level 1 Function Floor, 480 Hay Street, Perth, Western Australia, on Thursday, 21 November 2024 at 9:00am (AWST) (**Meeting**).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Derek La Ferla
Section 6	Resolution 3 – Election of Director – Richard Hacker
Section 7	Resolution 4 – Approval of issue of Performance Rights to Alex Dorsch
Schedule 1	Definitions
Schedule 2	Terms and conditions of the MD Performance Rights
Schedule 3	Valuation of the MD Performance Rights
Schedule 4	Summary of material terms of Plan

A Proxy Form is made available with the Explanatory Memorandum.

**2. Voting and attendance information**

Shareholders should read the Notice, including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Voting on all proposed resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

**2.1 Voting in person**

To vote in person, attend the Meeting on the date and at the place set out above.

## 2.2 Voting by proxy

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Proxy Forms can be lodged:

<b>Online:</b>	<a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
<b>By mail:</b>	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
<b>By fax:</b>	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
<b>By mobile:</b>	Scan the QR Code on your Proxy Form and follow the prompts
<b>Custodian voting:</b>	For Intermediary Online subscribers only (custodians) please visit <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions.

In order for your proxy to be valid, your Proxy Form (and any power of attorney under which it is signed) must be received by **9:00am (AWST) on Tuesday, 19 November 2024**. Proxies received after this time will be invalid.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the Chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **2.3 Voting by a Corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

An "Appointment of Corporate Representative" form can be obtained from Computershare Investor Services Pty Limited or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

### **2.4 Chair's voting intentions**

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1 and Resolution 4, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2024.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at: <https://chalicemining.com/investors/financial-reports>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary either:

- (a) in person at: Level 3, 46 Colin St, West Perth, Western Australia
- (b) by post to: PO Box 428, West Perth, Western Australia 6872, Australia

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

## **4. Resolution 1 – Remuneration Report**

### **4.1 General**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2024 in the 2024 Annual Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2023 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2025 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.



## **4.2 Additional information**

Resolution 1 is an ordinary resolution.

## **4.3 Board recommendation**

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

## **5. Resolution 2 – Re-election of Director – Derek La Ferla**

### **5.1 General**

Article 7.2(a) of the Constitution and Listing Rule 14.4 both provide that a director (excluding the managing director) must not hold office without re-election past the third annual general meeting following that director's appointment, last election or three years, whichever is longer. Article 7.3 of the Constitution provides that a retiring director holds office until the conclusion of the meeting at which that director retires but is eligible for re-election.

Derek La Ferla, Non-Executive Chair, was last elected at the Company's 2021 annual general meeting. Accordingly, Mr La Ferla retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If Resolution 2 is passed, Mr La Ferla will be re-elected as a Director of the Company. If Resolution 2 is not passed, Mr La Ferla will not be re-elected as a Director of the Company.

### **5.2 Derek La Ferla**

Derek La Ferla is a highly regarded ASX200 chair and company director, with an extensive national network in business, capital markets, government, and industry, backed by over 30 years of experience as a corporate lawyer.

Mr La Ferla has a wide range of board experience, including as former Chair of Sandfire Resources Limited (ASX: SFR), where Mr La Ferla was instrumental throughout the feasibility, development and operational phases of the DeGrussa Project. Mr La Ferla is currently the Chair of Green Peak Energy Pty Ltd, Icon Engineering Pty Ltd and Foodbank WA, and was formerly the Chair of Poseidon Nickel Limited (ASX: POS) and on the national board of the Australian Institute of Company Directors.

Mr La Ferla has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director and the Chair of Chalice.

If re-elected, Mr La Ferla is considered by the Board (with Mr La Ferla abstaining) to be an independent Director. Mr La Ferla is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

### **5.3 Board recommendation**

The Board (other than Mr La Ferla who has a personal interest in the outcome of Resolution 2) supports the re-election of Mr La Ferla. Mr La Ferla's leadership, expertise in corporate transactions, commercial acumen, legal skills and strategic capabilities, along with his extensive and wide-ranging board experience across various corporations, including as Chair of a

prominent mid-tier producer, will be invaluable to the Board as the Company advances into its next phase of growth and development.

#### **5.4 Additional information**

Resolution 2 is an ordinary resolution.

### **6. Resolution 3 – Election of Director – Richard Hacker**

#### **6.1 General**

Article 7.4 of the Constitution provides the Company at any general meeting at which any Director retires or otherwise vacates office, may fill the vacated office by electing a person to fill the vacancy.

As announced on 14 October 2024, Mr Stephen McIntosh is retiring as a Director at the conclusion of this Meeting and it is proposed to elect Mr Richard Hacker as a Non-Executive Director.

Accordingly, Mr Hacker, being eligible, seeks election pursuant to Resolution 3.

If Resolution 3 is passed, Mr Hacker will be elected as a Director of the Company. If Resolution 3 is not passed, Mr Hacker will not be elected as a Director of the Company.

#### **6.2 Richard Hacker**

Mr Hacker is a well-regarded and accomplished finance, corporate, and commercial executive with over 25 years of experience in the resources sector in both Australia and the United Kingdom. Since 2005, he has played a key role in the formation and success of several exploration and development companies, including Chalice and Liontown Resources Limited (ASX: LTR).

Mr Hacker served as Chief Financial Officer of Chalice from 2005 until March 2023, and he then continued in the role of General Manager (Strategy and Commercial) of Chalice. Mr Hacker will cease this executive role with the Company upon being elected as a Director.

Additionally, he was the Chief Financial Officer of Liontown Resources Limited from its listing on the ASX in 2007 until June 2020.

From November 2013 to September 2024, Mr Hacker also served as a long standing Non-Executive Director of DevEx Resources Limited (ASX: DEV).

Mr Hacker does not currently hold any other significant directorships.

In addition to his role as Non-Executive Director, Mr Hacker will also be appointed as a member of the Company's Audit Committee, Remuneration and Nomination Committee and Risk and Sustainability Committee.

The Company confirms that it took appropriate checks into Mr Hacker's background and experience and that these checks did not identify any information of concern. Mr Hacker has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

If elected, Mr Hacker is considered by the Board to not be an independent Director because he has within the last three years been employed in an Executive capacity by the Company.

### 6.3 Board recommendation

The Board supports Mr Hacker's election. He is a highly experienced professional with extensive expertise in the mineral exploration industry with a strong background in finance, commercial negotiation, corporate strategy and corporate governance. His skills and extensive knowledge of the Gonneville Project will also be pivotal in driving the Company's future and success.

### 6.4 Additional information

Resolution 3 is an ordinary resolution.

## 7. Resolution 4 – Approval of issue of Performance Rights to Alex Dorsch

### 7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 696,458 Performance Rights under the Plan to Alex Dorsch (or his nominee/s) (**MD Performance Rights**). A summary of the Plan is in Schedule 4.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the MD Performance Rights aims to ensure alignment of the efforts and interests of Mr Dorsch with those of Shareholders. The Board has determined that the remuneration mix for Mr Dorsch should be weighted towards longer term strategic objectives and as such his variable incentive-based remuneration is solely weighted towards long-term incentives in the form of Performance Rights.

For FY2025, no cash based short term incentive has been awarded to Mr Dorsch in favour of increasing the emphasis on long term incentives. This ensures the Company's financial strength is maintained and Mr Dorsch is closely aligned with Shareholders and focussed on long-term strategic priorities.

The proposed grant of the MD Performance Rights under Resolution 4 is a key component of the remuneration arrangements of Mr Dorsch. The remuneration mix of Mr Dorsch's remuneration arrangements for FY2025, are 33% total fixed remuneration and 67% long-term incentives.

The number of MD Performance Rights proposed to be granted is calculated as 200% of Mr Dorsch's fixed annual remuneration of \$504,932, divided by \$1.45, being the volume weighted average price of the Company's Shares on the ASX over the 20 days up to and including 30 June 2024.

The MD Performance Rights provide an entitlement to receive Shares on achieving vesting conditions as determined by the Board. The vesting conditions have been developed to achieve growth in the Company's Share price and promote the creation of long-term Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's cash reserves while retaining Mr Dorsch in a competitive market. If the vesting conditions are not achieved by the measurement date, the MD Performance Rights lapse and no Shares will be issued.

The MD Performance Rights will vest and otherwise be issued on the terms and conditions described in Schedule 2.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.14 for the issue of the MD Performance Rights to Mr Dorsch (or his nominee/s) under the Plan.

**7.2 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the MD Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the MD Performance Rights to Mr Dorsch (or his nominee/s) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 4 will be to allow the Company to issue the MD Performance Rights to Mr Dorsch (or his nominees) under the Plan.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the MD Performance Rights, and the Company will have to consider alternative commercial means to incentivise Mr Dorsch.

**7.3 Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the MD Performance Rights:

- (a) The MD Performance Rights will be issued under the Plan to Mr Dorsch (or his nominee/s).
- (b) Mr Dorsch falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company. If any MD Performance Rights are issued to a nominee of Mr Dorsch, that person(s) will fall into the category stipulated by Listing Rule 10.14.2.
- (c) A maximum of 696,458 MD Performance Rights will be issued to Mr Dorsch (or his nominee/s).
- (d) The current total annual remuneration package for Alex Dorsch as at the date of this Notice is:

Total Fixed Remuneration (cash salary, inclusive of Superannuation and non-monetary benefits) (TFR)	\$504,932
Long term incentive granted as performance rights, to be measured 30 June 2027	Maximum 200% of TFR on a face value basis (i.e. \$1,009,864)

- (e) A total of 154,574 Performance Rights have previously been issued under the Plan to Mr Dorsch, which were approved by Shareholders at the Company's 2023 annual general meeting.
- (f) The MD Performance Rights will be issued on the terms and conditions in Schedule 2.
- (g) The Board considers that Performance Rights, rather than Shares or Options, are an appropriate form of incentive because they aim to align the remuneration of Mr Dorsch with the goal of generating shareholder wealth. The vesting conditions are designed to be consistent with the Company's strategic and business objectives. Mr Dorsch will only be rewarded for the achievement of financial and non-financial business objectives and Mr Dorsch will only obtain the value of the MD Performance Rights upon satisfaction of the relevant milestones.
- (h) The Company's valuation of the MD Performance Rights is \$787,834. Additional information on the valuation methodologies and assumptions are contained in Schedule 3.
- (i) The MD Performance Rights will be issued to Mr Dorsch (or his nominee/s) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The MD Performance Rights will be issued for nil cash consideration and will be provided as an incentive component to Mr Dorsch's remuneration package.
- (k) A summary of the material terms of the Plan is in Schedule 4.
- (l) No loan will be provided to Mr Dorsch in relation to the issue of the MD Performance Rights.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

#### **7.4 Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the MD Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board (with Mr Dorsch abstaining) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the issue of the MD Performance Rights falls within the "reasonable remuneration" exception stipulated by section 211 of the Corporations Act.

#### **7.5 Board recommendation**

The Board (other than Mr Dorsch who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 4.

#### **7.6 Additional information**

Resolution 4 is an ordinary resolution.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian Dollars.
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2024.
<b>ASX</b>	means the ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>AWST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
<b>Company or Chalice</b>	means Chalice Mining Limited (ACN 116 648 956).
<b>Constitution</b>	means the Constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>MD Performance Rights</b>	means the issue of up to 696,458 Performance Rights to Alex Dorsch (or his nominee/s), the subject of Resolution 4.

<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>Plan</b>	means the Employee Securities Incentive Plan of the Company.
<b>Proxy Form</b>	means the proxy form made available with the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options, Share Rights and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
<b>TSR</b>	means total shareholder return.



## Schedule 2 Terms and conditions of the MD Performance Rights

The terms of the MD Performance Rights are as follows:

### 1. Entitlement

The MD Performance Rights entitle the holder (**Holder**) to subscribe for one Share upon the conversion of each MD Performance Right (once vested).

### 2. Consideration

The MD Performance Rights will be granted for nil cash consideration.

### 3. Conversion price

The conversion price of each MD Performance Right is nil.

### 4. Vesting Conditions

The MD Performance Rights are subject to the achievement of the following milestones (**Milestone Conditions**) as measured on 30 June 2027:

No.	Performance Conditions and Weightings
1.	<p><b>Exploration, Project Definition, Pre-development and Strategic Objectives (maximum weighting 40%)</b></p> <p>Generate significant value, on an existing or new asset (either operated or non-operated), through the achievement of several strategic objectives that exceed stretch targets as pre-determined by the Board, including:</p> <ul style="list-style-type: none"> <li>• Make a material new discovery which shows the potential to be economic.</li> <li>• Complete a Feasibility Study for the Gonneville Project.</li> <li>• Obtain all major regulatory approvals required to make a Final Investment Decision on the Gonneville Project.</li> <li>• Sell or divest a material asset (as part of an asset sale, joint venture or corporate transaction).</li> </ul>
2.	<p><b>Absolute TSR measure (maximum weighting 30%)</b></p> <p>A proportional LTI payment shall be made which is directly proportional to the TSR from 1 July 2024 to 30 June 2027. The proportion paid is calculated as:</p> <ul style="list-style-type: none"> <li>• If 3-yr TSR &lt;10% p.a. (equivalent to &lt;33.1% increase in share price in 3 years) – 0%</li> <li>• If 3-yr TSR between 10-30% p.a (equivalent to 33.1-119.7% increase in share price) – weighting pro-rata between 5-30%</li> <li>• If 3-yr TSR &gt;30% p.a (equivalent to &gt;119.7% increase in share price) – weighting 30%</li> </ul>
3.	<p><b>Relative TSR compared to peer group. (maximum weighting 30%)</b></p> <p>A proportional LTI payment shall be made where the TSR exceeds the median TSR of the ASX 300 Metals and Mining Index, between 1 July 2024 and 30 June 2027. The proportion paid is calculated as:</p> <ul style="list-style-type: none"> <li>• If TSR &lt;50th percentile – 0%</li> <li>• If TSR between 50th and 75th percentile - weighting pro-rata between 5-30%</li> <li>• If TSR &gt;75th percentile – weighting 30%</li> </ul> <p>As an illustrative example: If the TSR is at the 65th percentile, 20% of the performance measure would be deemed to have been met – calculated as <math>((65\%-50\%)/(75\%-50\%)) \times (30\%-5\%) + 5\%</math>.</p>
<p><b>Board Discretion</b></p> <p>Where required, the Board may, acting reasonably and in good faith, use its discretion to vary the maximum weightings. For example, where a sale of an asset occurs prior to estimating resources or reserves (i.e. a milestone is unable to be met), the Board may allocate the attributable weighting to other milestones.</p>	

5. **Expiry Date**

The MD Performance Rights will lapse on the earlier to occur of the following:

- (a) any MD Performance Rights that are determined by the Board not to have vested when measured as at 30 June 2027 will lapse upon such determination being made; and
- (b) any MD Performance Rights that have vested but have not been exercised before 5pm (AWST) on 30 June 2030 will immediately lapse. If this falls during a “Blackout Period” as defined in the Company’s securities trading policy, the expiry date will be 5pm (AWST) on the date 10 Business Days after the last day of that Blackout Period.

**(Expiry Date).**

6. **Equity or Cash Settled**

The Board will not have the discretion to determine whether the Company, with respect to each vested Convertible Security being exercised, is equity or cash settled. All vested MD Performance Rights will be equity settled on exercise in accordance with the Plan.

7. **Timing of issue of Shares and quotation of Shares on conversion**

Within 5 Business Days after the valid conversion of a Performance Right by the Holder, the Company will:

- (a) issue, allocate or cause to be transferred to the Holder (or their nominee) the number of Shares to which the Holder is entitled;
- (b) issue a substitute Certificate for any remaining unconverted MD Performance Rights held by the Holder;
- (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of the MD Performance Rights will upon issue rank equally in all respects with the then issued Shares.

8. **Restrictions on transfer of Shares**

If the Company is required to give the ASX a notice that complies with section 708A(5)(e) of the Corporations Act and the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of a Performance Right may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. **Leaver**

Where the Holder (or the person who is entitled to be registered as the holder) of the MD Performance Rights is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unconverted and unvested MD Performance Rights will automatically lapse and be forfeited by the Holder, unless the Board otherwise determines in its discretion.

10. **Participation in new issues**

There are no participation rights or entitlements inherent in the MD Performance Rights and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the MD Performance Rights. However, the Company will give the holder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

11. **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment) no changes will be made to the MD Performance Rights.

12. **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the MD Performance Rights holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. **Quotation of MD Performance Rights**

The MD Performance Rights will be unquoted Performance Rights.

14. **MD Performance Rights non-transferable**

The MD Performance Rights are non-transferable but may be transferrable in special circumstances as set out in the Plan.

15. **Dividend rights**

A Performance Right does not entitle the Holder to any dividends.

16. **Return of capital rights**

The MD Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. **No other rights**

A Performance Right does not give a Holder any rights other than those expressly provided by these terms, the Plan and those provided at law where such rights at law cannot be excluded by these terms.

## Schedule 3 Valuation of the MD Performance Rights

The MD Performance Rights to be issued to Alex Dorsch (or his nominee) pursuant to Resolution 4 have been valued at \$787,834 using the following methodology and assumptions:

### MD Performance Rights Measured Against Non-Market Based Objectives

A Black Scholes option pricing model has been used to value the MD Performance Rights that vest upon achieving the non-market based, strategic objectives set out in Schedule 2. The non-market based vesting conditions consist of Exploration, Project Definition Pre-development and Strategic milestone achievements (together **Strategic Rights**). It has been assumed that the Strategic Rights will vest to the holder. No discount is made to the fundamental value derived from the option valuation model for unlisted rights over listed shares.

### MD Performance Rights Measured Against Absolute Total Shareholder Return Objectives

The MD Performance Rights that vest upon meeting the absolute total shareholder return objectives (**ATSR Rights**) set out in Schedule 2 have been valued using a hybrid multiple barrier option pricing model. The model incorporates a Monte Carlo simulation, which simulates the Company's Share price at the measurement date. The forecast Share price at the measurement date is then used to calculate the value of the ATSR Rights. The value is adjusted based on the vesting percentage, then discounted to its present value. This process is repeated for 50,000 iterations. The average ATSR Right value of the Monte Carlo iterations where the Company's Share price exceeds the barriers, represents the final ATSR Right value. The barriers are assessed with reference to the 20-day VWAP of the Company at the measurement date. No discount is made to the fundamental value derived from the option valuation model for unlisted rights over listed shares.

### MD Performance Rights Measured Against Relative Total Shareholder Return Objectives

The MD Performance Rights that vest upon meeting the relative total shareholder return objectives (**RTSR Rights**) set out in Schedule 2 have been valued using a hybrid employee share option pricing model. The model incorporates a Monte Carlo simulation, which uses a correlated simulation that simultaneously calculates the Company's and the individual constituents of the S&P/ASX 300 Mining and Metals Index (**Peer Group**) total shareholder return (**TSR**), on a risk neutral basis as at the vesting date with regards to the remaining measurement period. The TSR of the Company is ranked against the TSR of each constituent of the Peer Group as at the vesting date and a vesting percentage calculated from the vesting schedule, which is set out in Schedule 2. The forecast Share price at the measurement date is then used to calculate the value of the RTSR Rights. The value is adjusted based on the vesting percentage, then discounted to its present value. This process is repeated for 50,000 iterations. No discount is made to the fundamental value derived from the option valuation model for unlisted rights over listed shares.

Assumptions	Strategic Rights	ATSR Rights	RTSR Rights
Underlying Share price on the valuation date	\$1.445	\$1.445	\$1.445
20-day VWAP at commencement of performance period	\$1.45	\$1.45	\$1.45
Exercise price	Nil	Nil	Nil
Valuation date	26-Sep-24	26-Sep-24	26-Sep-24

<b>Assumptions</b>	<b>Strategic Rights</b>	<b>ATSR Rights</b>	<b>RTSR Rights</b>
Commencement of measurement period	1-Jul-24	1-Jul-24	1-Jul-24
Performance measurement date	30-Jun-27	30-Jun-27	30-Jun-27
Performance period remaining(years)	2.76	2.76	2.76
Expiry date	30-Jun-30	30-Jun-30	30-Jun-30
Expiration period remaining(years)	5.76	5.76	5.76
Expected volatility	70%	70%	70%
Risk free interest rate	3.503%	3.503%	3.503%
Dividend yield	Nil	Nil	Nil
Number of MD Performance Rights	278,584	208,937	208,937
Value of each MD Performance Right	\$1.445	\$0.848	\$0.996
Aggregate value of MD Performance Rights	\$402,554	\$177,179	\$208,101

**Notes:**

1. At the Valuation Date, the estimated volatility of the Share price of the Company and each constituent of its Peer Group was calculated using data obtained from Bloomberg.
2. The Australian Government 3-year bond rate as at the Valuation Date was used.
3. A nil dividend yield is assumed on the basis that the Company is unlikely to pay a dividend during the life of the MD Performance Rights.
4. The Share price used is \$1.445, being the underlying Share price on the valuation date of 26 September 2024.
5. No consideration is to be paid upon exercising the MD Performance Rights.

Under the accounting standard AASB 2 Share Based Payments, the Company will recognise a non-cash expense in the income statement based on the fair value of the MD Performance Rights over the period from the date of issue to the vesting date. The total fair value of the MD Performance Rights will be allocated over the applicable vesting periods.

## Schedule 4 Summary of material terms of Plan

The following is a summary of the material terms and conditions of the Plan:

1. **(Eligible Participant):** A person is eligible to participate in the Plan (**Eligible Participant**) if they have been determined by the Board to be eligible to participate in the Plan from time to time and are an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company.

This relevantly includes, amongst others:

- (a) an employee or director of the Company or an individual who provides services to the Company;
- (b) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
- (c) a prospective person to whom paragraphs (a) or (b) apply;
- (d) a person prescribed by the relevant regulations for such purposes; or
- (e) certain related persons on behalf of the participants described in paragraphs (a) to (d) (inclusive).

2. **(Maximum allocation):**

- (a) The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
  - (i) the total number of Plan Shares (as defined in paragraph 13 below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

3. **(Purpose):** The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

4. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.

5. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

6. **(Grant of Securities)**: The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

7. **(Terms of Convertible Securities)**: Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8. **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

9. **(Exercise of Convertible Securities and cashless exercise)**: To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

10. **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

11. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules: any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

12. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
13. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
14. **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
15. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights

16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
17. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.



No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

18. **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.
19. **(Employee Share Trust)**: The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.

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