

21 August 2020

Board appointment and review of remuneration structure

Chalice Gold Mines Limited ("**Chalice**" or "**the Company**", ASX: CHN | OTCQB: CGMLF) is pleased to announce a number of changes to the Board of Directors and remuneration of Key Management Personnel ("KMP"). The changes reflect the Company's exceptional growth in scale and market capitalisation, following its significant discovery at the Julimar Nickel-Copper-PGE Project in Western Australia.

Appointment of Non-Executive Director

To strengthen the Board's depth and breadth of skills, highly regarded Mining Executive Mr Garret Dixon has been appointed as an independent Non-Executive Director effective immediately. As a result, the Board now comprises three independent Non-Executive Directors.

Mr Dixon has extensive experience in the resources and mining contracting sectors in Australia and overseas. His work in both private and ASX listed companies spans more than three decades, having worked in senior executive roles for major mine owners, mine operators and contractors.

Until recently, Mr Dixon held the position of Executive VP Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation. His career also includes the role of Executive General Manager of civil construction and contract mining group Henry Walker Eltin Ltd and Managing Director of ASX listed Gindalbie Metals Ltd.

Mr Dixon has a Bachelor of Engineering, Civil (Hons) and a Master of Business Administration (MBA), and is a member of the Australian Institute of Company Directors.

Chalice Executive Chairman Tim Goyder said, "I am delighted to welcome Garret to Chalice's Board of Directors. His skills and experience are highly complementary to the existing skill set of the Board, and will prove invaluable as the Company advances its exceptional discovery at Julimar towards the mining feasibility stage."

"Garret has a deep understanding of the mining, engineering and construction industry, as well as proven skills in commercial negotiation, corporate strategy and building high performance teams. His executive experience running Alcoa's extensive mining operations in Western Australia, particularly as they are in close proximity to Perth and its surrounds, will help guide Chalice's strategy at Julimar."

Mr Dixon will also join the Company's Audit & Risk Committee and Remuneration Committee. Mr Dixon as a Non-executive Director will receive directors' fees of \$60,000 per annum (including superannuation), plus \$4,000 p.a. for each of the two Board Committees.

Transition to Non-Executive Chairman

Chalice's Executive Chairman Tim Goyder will transition to Non-Executive Chairman, effective 1 September 2020. The planned transition follows Managing Director Alex Dorsch's appointment to the Board in late 2018 and his proven leadership and management expertise demonstrated in the Company's exceptional recent growth period.

Mr Goyder remains the Company's largest shareholder and will continue to be actively involved with the Chalice Board. Mr Goyder will receive Director fees of \$150,000 p.a. (including superannuation). Previously

Mr Goyder received a salary of \$219,000 p.a. (including superannuation) pursuant to an Executives Services Agreement.

No termination payments (other than payment of annual leave and long service leave balances owing) will be paid to Mr Goyder as a result of terminating the Executive Services Agreement. However, performance rights previously issued to Mr Goyder will be retained, and will be eligible to convert to fully paid ordinary shares upon meeting certain performance hurdles at the relevant testing dates.

Review of Remuneration Structure

As part of the recent rapid growth of the Company, the Board Remuneration Committee has recently undertaken a review of the Company's remuneration structure which included an external benchmarking exercise in relation to Total Fixed Remuneration ("TFR") and incentives.

Full details will be provided in the Company's 2020 Remuneration Report. In summary, the following key changes are proposed:

Short-Term Incentive Plan ("STIP")

- The Company has previously provided employee incentives through a Long-Term Incentive Plan ("LTIP"), by granting performance rights to eligible employees which become convertible into fully paid ordinary shares upon meeting certain Company-wide performance hurdles.
- The foundations of the LTIP will remain in place, however, an STI (cash-based bonus incentive) will now also be implemented given the new time-based milestones and objectives of the business.
- A combined STI/LTI Plan is more closely aligned to comparable companies of similar market capitalisations and scale of activities.
- The payment of the STI will be based on the achievement of Company-wide performance objectives assessed at the end of each financial year.

Changes to Managing Director's Executive Services Agreement

- Managing Director, Alex Dorsch will receive Total Fixed Remuneration of \$355,000 p.a. (including superannuation), effective 1 July 2020.
- Mr Dorsch's "at-risk" remuneration will include an annual STI (cash bonus) of up to 25% of his TFR and an LTI of 75% of his TFR (through the grant of performance rights).
- Mr Dorsch has been awarded 280,081 performance rights under the LTIP for the 2020/21 year. The issue of the Performance Rights will be subject to shareholder approval at the Company's upcoming Annual General Meeting (AGM) in November 2020.
- There have been no other material changes to the terms of Mr Dorsch's Executive Services Agreement.

Non-Executive Director Fees and Issue of Unlisted Options

- Effective 1 July 2020, Non-Executive Directors will receive director fees of \$60,000 p.a., plus \$4,000 p.a. as a member of each Board Committee and \$6,000 p.a. as a Chairman of each Board Committee.
- In addition, subject to shareholder approval at the Company's upcoming AGM, it is proposed that each Non-Executive Director will be issued 150,000 unlisted share options under the terms of the Company's LTIP, with an exercise price of \$2.20 and an expiry date of 30 June 2023.
- As Non-executive Chairman, Mr Goyder will be issued 250,000 unlisted options on the same terms as other Non-Executive Directors.

Authorised for release on behalf of the Company by:



Alex Dorsch
Managing Director

For further information, please visit <http://www.chalicegold.com> to view our latest corporate presentation, or contact:

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