CHESSER RESOURCES

ANNUAL REPORT 2022

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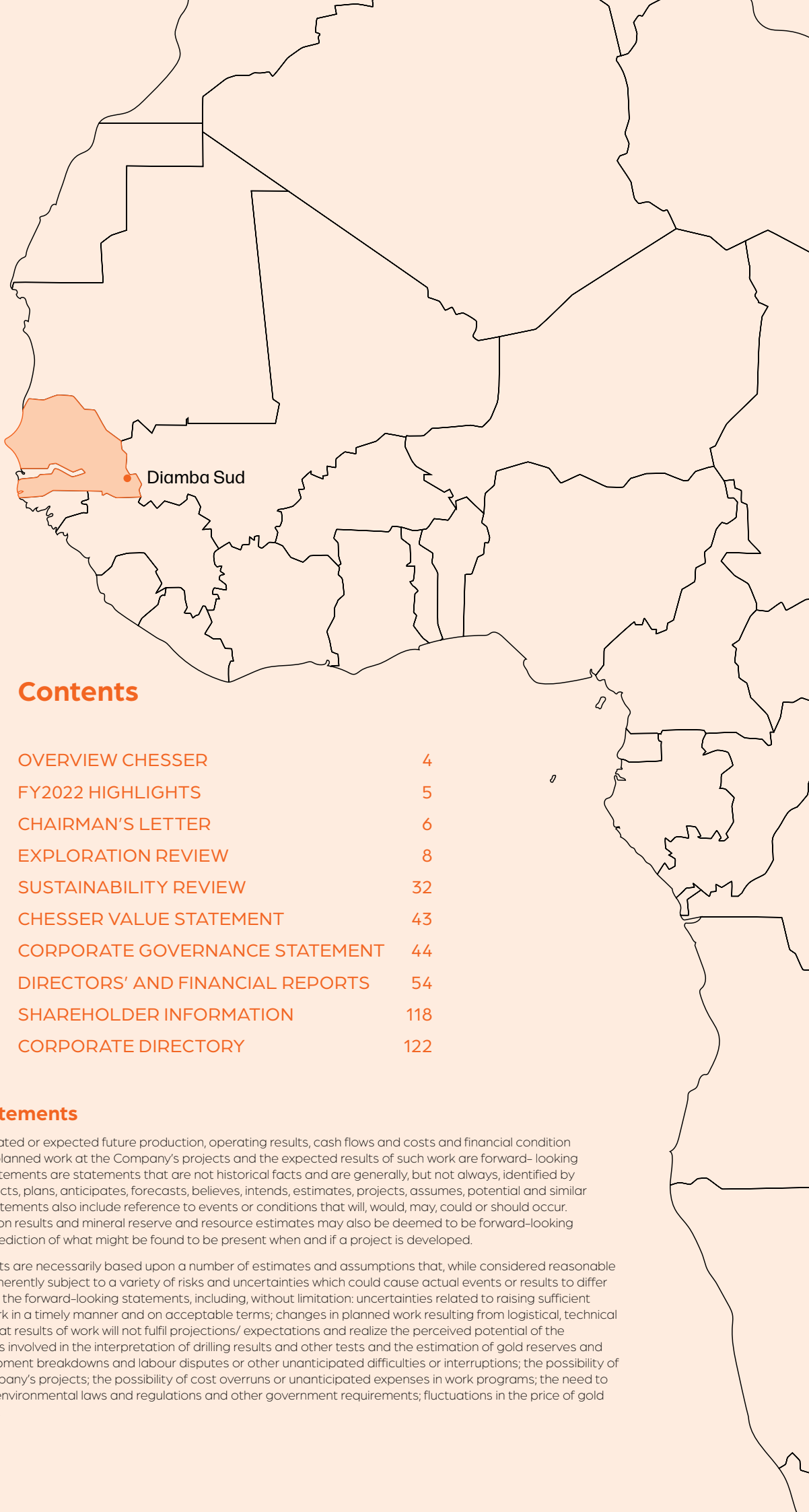

Contents

OVERVIEW CHESSER	4
FY2022 HIGHLIGHTS	5
CHAIRMAN'S LETTER	6
EXPLORATION REVIEW	8
SUSTAINABILITY REVIEW	32
CHESSER VALUE STATEMENT	43
CORPORATE GOVERNANCE STATEMENT	44
DIRECTORS' AND FINANCIAL REPORTS	54
SHAREHOLDER INFORMATION	118
CORPORATE DIRECTORY	122

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Chesser Resources Limited's planned work at the Company's projects and the expected results of such work are forward- looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/ expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

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Our Story

Chesser Resources is an ASX listed (ASX:CHZ) West African focused gold company with projects located in Senegal.

Chesser has discovered two high-grade gold Projects at its flagship Diamba Sud project in eastern Senegal. In November 2021, Chesser was proud to announce a robust Maiden Mineral Resource of 781koz @ 1.6g/t gold including ~500koz @ 3.0g/t gold.

Diamba Sud is located in a highly prospective area that hosts many world class gold mines including the neighbouring Loulo, Gounkoto and Fekola mines just over the border in Mali.

Barrick have defined an emerging highly prospective region within their Bambadji tenement in Senegal. Their key discovery, Kabewest is located ~2km NE of Diamba Sud and along the same mineralised structure that hosts Chesser's Area A and D resources.

The Company currently holds 872km^2 of highly prospective ground in this underexplored world-class gold region. Chesser's Board and Management offers significant technical and financial management experience and a strong track record in discovery, development, operating and M&A in West African gold.

Vision and Values Statement

Chesser aims to deliver long-term stakeholder value through discovery and development of gold projects while operating in a safe and environmentally and socially responsible manner.

Chesser's corporate values are integral to how we operate and to our success.

COMMITMENT

We strive to achieve all our goals

CHARACTER

We do what we say and act with integrity

COMMUNITY

We value all our employees, contractors, shareholders, host communities and government

OVERVIEW CHESSER

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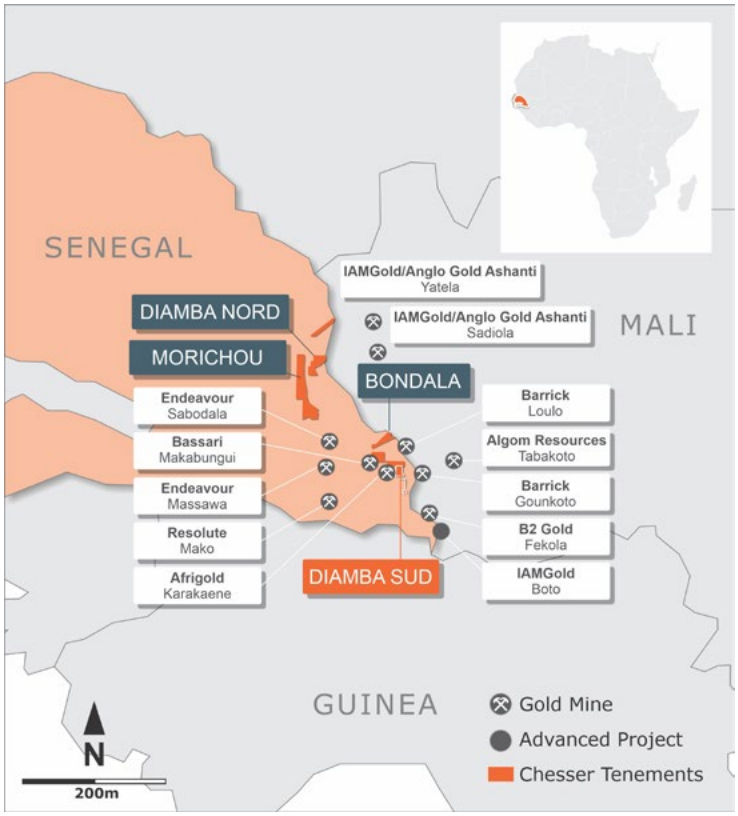
Future Gold Mine Development being defined at Diamba Sud – High Value Low Risk Gold Project



Scoping Study over 781koz Maiden Mineral Resource estimate-defined technically simple, economically robust potential gold mine [1]

Growing Mineral Resource base targeting plus 1Moz in 2022/23 with new discovery at Karakara and numerous gold targets being tested on the Diamba Sud tenement [2]

Timeline to development of 1 – 2 years

Diamba Sud is within an emerging gold belt of under-explored highly prospective Senegal Mali Shear Zone (SMSZ) geological terrain, being, actively explored by Barrick

872km^2 tenement position over prospective geological terrains in Senegal and is adjacent to world class gold mines of Loulo, Gounkoto and Fekola

Experienced Board and Management team with extensive African operating knowledge

[1] Refer ASX announcement dated 15 March 2022. The Company is not aware of any new information or data that materially affects the production targets and financial forecasts derived from the production targets in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning those production targets and financial forecasts continue to apply and have not materially changed.

[2] Refer ASX announcement dated 16 November 2021 for details of the Mineral Resource Estimates for Area A and Area D. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed.

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FY2022 HIGHLIGHTS

Senegal's next Gold Mine being defined

Maiden Mineral Resource estimate over Area A and Area D of 781koz at 1.6g/t gold
Scoping Study defined technically simple high value potential gold project

- 7.5 year mine life producing 704koz gold
- Low strip ratio of 2:8:1
- AISC US$820/oz
- $NPV_{5\%}$ A$418M (US$301M) and IRR 59% at US$1,800/oz gold
- US$159m capital with payback in 15 months
- First 2 years production exceptional strong: 244koz gold production, AISC US$545/oz

- New discovery made at Karakara – Maiden Mineral Resource due in CY2022
- Numerous gold targets being tested on the Diamba Sud tenement
- Targeting resource growth to over 1 million ounces in 2022/23
- Definitive Feasibility Study commenced
- Environmental and Social Impact Assessment studies commenced
- Well supported A$12m equity raise on back of Scoping Study results and growth potential

Sustainability Highlights:

- Group Goals and Values advanced throughout organisation
- Community Engagement formalised and advanced
- Second annual Community Investment agreement
- Community programs including community garden, school infrastructure and all-weather village access upgrade
- 87% Senegalese national employment - over 60 local community members employed during the year
- A$7m contributed to the Senegalese economy in FY22
- A$0.9m taxes paid in Senegal in FY22

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CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present Chesser Resources Limited's (the "Company" or "Chesser") 2022 Annual Report. Our team has had another strong year in demonstrating the development potential of our Diamba Sud gold project in Senegal ("Diamba Sud" or the "Project").

Our exploration activities in the 12 months to 30 June 2022 were successful in making a number of valuable advancements for the Project. In November 2021 we delivered a maiden Mineral Resource Estimate for the Project which formed the basis of a Scoping Study later in the period.

The Mineral Resource covering Area A and D totalled 15.2 million tonnes at a grade of 1.6 grams per tonne gold for 781,000 contained gold ounces at a 0.5g/t cut-off. Importantly, 69% of the resource was in the JORC Indicated category. Within the resource is a significant high-grade component of 692,000oz at 2.0g/t and 493,000oz at 3.0g/t. The total Mineral Resource is constrained within two open pits and we expect resources to grow, both within the immediate Mineral Resource area and the wider Diamba Sud tenement area.

This view was reinforced by the discoveries made at Karakara, 1.2 kilometres southwest of Area D, and Bougouda in the south of the Project area. Shallow, high-grade mineralisation at Karakara has been defined over a strike of ~250 metres and remains open in multiple directions. Karakara is expected to provide a meaningful uplift to the Diamba Sud resource inventory before the end of 2022. After the end of the period in September 2022 we released a modest maiden Mineral Resource for Bougouda of 52,000oz at a high-grade of 4.7g/t.

The maiden 781,000oz resource formed the basis of a Scoping Study (the "Study") released in March 2022. The Study quantified the high-value nature of the shallow, high-grade mineralisation at the Project with a strong set of financial outcomes. This included a post-tax $NPV_{5\%}$ of A$419 million and an IRR of 59% at a US$1,800/oz gold price. The Project would produce 704,000 ounces over an initial 7.5 year mine life including 244,000 ounces in the first two years. All-in Sustaining Costs were estimated at US$820/oz over the life of the project and US$545/oz in the first two years, driving a short payback period of 1.5 years on the US$159 million capital required, inclusive of a US$23 million contingency.

The results of the Study warranted a move immediately into a Definitive Feasibility Study. This includes the commencement of an Environmental and Social Impact Assessment. The Project is favourably located in an area with no competing land use and flat topography with sparse vegetation. We are working within a Sustainability framework established in FY2021 and we continue to work closely with our local communities to grow supportive and co-operative relationships as the Project advances.

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The Project is located in an existing mining region where larger gold companies are having continued exploration success. Within a short distance of our project is the Loulo, Gounkoto and Fekola mines and Barrick is continuing to define mineralisation at the Bambadji joint venture on the eastern border of Diamba Sud. This creates potential for consolidation and future value creation opportunities within the region.

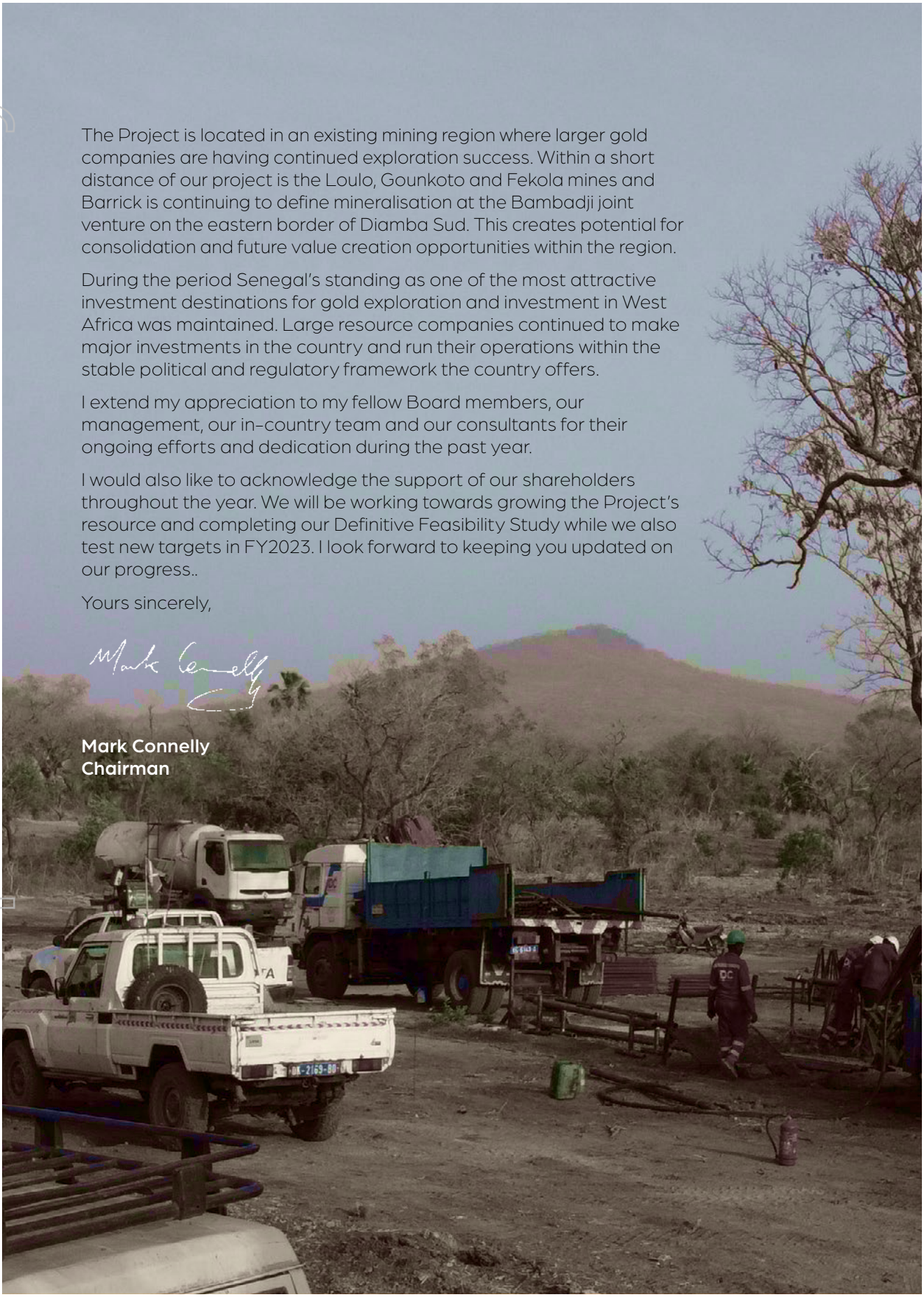
During the period Senegal's standing as one of the most attractive investment destinations for gold exploration and investment in West Africa was maintained. Large resource companies continued to make major investments in the country and run their operations within the stable political and regulatory framework the country offers.

I extend my appreciation to my fellow Board members, our management, our in-country team and our consultants for their ongoing efforts and dedication during the past year.

I would also like to acknowledge the support of our shareholders throughout the year. We will be working towards growing the Project's resource and completing our Definitive Feasibility Study while we also test new targets in FY2023. I look forward to keeping you updated on our progress..

Yours sincerely,

Mark Connelly
Chairman



EXPLORATION REVIEW

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The Company's exploration activities during the year were primarily focused on advancing the Diamba Sud Gold Project in eastern Senegal (Figure 1).

A Maiden Mineral Resource of 781koz gold was declared at Area A and Area D in November 2021 over which a Scoping Study, released in March 2022, defined a technically simple, low risk, high value future mine development would be possible at Diamba Sud.

Subsequent exploration activities defined a new high-grade gold discovery at Karakara, approximately 1km south of Area D, and identified several high probability gold targets within the Diamba Sud tenement, including Kassassoko, Bougouda and Western Splay.

Drilling continues over these targets and at Areas A and D, the results of which are expected to significantly increase the resource inventory and value of the Project.

Definitive Feasibility Studies (DFS), Environmental and Social Impact Assessment (ESIA) and licensing activities have commenced at Diamba Sud to de-risk the project and position the Company to develop a gold mine at Diamba Sud within the next two years.

Two new exploration tenements, Bondala and Morichou, were granted in February 2022, significantly increasing the Company's land position in Senegal to 872km2 (Figure 1).

DIAMBA SUD SUMMARY

The Diamba Sud Project is located in eastern Senegal in an emerging gold belt of under explored highly prospective geological terrain.

Diamba Sud overlies the eastern portion of the Kédougou-Kénieba inlier, the second most richly endowed Paleoproterozoic belt of West Africa (Figure 1). Mineralisation on the belt is generally associated with the crustal scale Senegal Mali Shear Zone ("SMSZ").

The SMSZ hosts over 45 million ounces of gold, including Barrick Gold's 18 million ounce Loulo-Gounkoto mining complex, located just 7-12km to the east of Diamba Sud, and B2Gold's 8 million ounce Fekola gold mine, located ~40km to the south southeast, both located in Mali.

Chesser's exploration success has highlighted the significant prospectivity of the area which has precipitated a renewed focus with extensive exploration activities currently being undertaken on the Senegal side of the border and surrounding the Diamba Sud tenement. Barrick has defined extensive gold mineralisation over their adjacent Bambadji tenement to the east including the discovery of mineralisation at Kabewest, just 2km from Area A (Figure 2). IAMGold is also actively exploring south of Diamba Sud over their Faré discovery.

The phase 6 resource definition drill program was completed in October 2021 over Areas A and D, the data from which was utilised to estimate a maiden Mineral Resource in November 2021 totalling 781,000 ounces gold from 15.2 million tonnes at a grade of 1.6 g/t gold. Importantly the mineralisation has a number of key attributes that would lead to future economic development including a large near surface high-grade component of 493,000 ounces gold at a grade of 3.0 g/t gold.

A Scoping Study was completed in March 2022 over the Area A and D maiden Mineral Resource The study demonstrated a technically simple, low risk, high value future gold mine would be possible at Diamba Sud.

Key study highlights included:

Post-tax $NPV_{5\%}$ A$419 million (US$301 million) and IRR 59% at a US$1,800/oz gold price

- 15 month payback of the US$159 million capital
- 7.5-year Project life producing 704,000 oz gold at an average AISC of US$820/oz
- First two years of gold production totals 244,000 oz at an average AISC of US$545/oz
- Significant Resource upside – targeting plus 1 million ounces in 2022/23
- Approval to commence DFS, ESIA and licensing in preparation of a future mine development at Diamba Sud

The 4,147m Phase 7 drill program, completed in December 2021 targeted three prospective areas (Karakara, Western Splay, Area F) at Diamba Sud (Figure 2) and led to the discovery of new shallow high-grade mineralisation at Karakara, approximately 1km south of Area D. Best Karakara results included:

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- DSR323: **17m @ 9.6 g/t gold** from 82m and **10m at 5.8 g/t gold** from 117m
- DSR341: **9m @ 4.2 g/t gold** from 63m and **12m @ 7.0 g/t gold** from 92m
- DSR345: **3m @ 11.4 g/t gold** from 58m, **8m @ 10.5 g/t gold** from 64m and **15m @ 1.9g/t gold** from 75m

Historical drilling and results from the Phase 7 drill program at **Western Splay** have defined variable shallow mineralisation over at least a 300m strike. The Western Splay area has been subject to further drilling during the Phase 8 drill program with results pending as at 30 June 2022. Best Phase 7 drill results included:

- DSR331: **16m @ 1.9 g/t gold from 42m**
- DSR330: **17m @ 1.4 g/t gold from 35m**
- DSR333: **5m @ 4.4 g/t gold from 26m**

A 20,000m drilling program commenced in February 2022 (Phase 8) targeting resource expansion at Areas A and D, adding the new Karakara discovery into the resource inventory and to test a number of other prospective targets on the Diamba Sud tenement.

Phase 8 drilling at **Karakara** has defined shallow high-grade mineralisation over a strike length of over 200m which remains open to the south. Numerous drill results were pending as at 30 June 2022. A maiden Mineral Resource estimate over Karakara will be undertaken during 2022 and is expected to provide a meaningful uplift to the Mineral Resource inventory and has been included into the DFS currently underway. Best drill results included:

- DSD077: **51m @ 5.1 g/t gold** from 31m
- DSR348: **5m @ 19.0 g/t gold** from 99m
- DSDD074: **26.3m @ 3.5 g/t gold** from 40m
- DSDD073: **12m @ 3.1 g/t gold** from 23m

Fifteen rock chip samples from an active artisanal pit at Kassassoko (Figure 2) returned very significant gold results, **averaging 3.8 g/t gold, maximum result of 10.3 g/t gold**. Kassassoko is located 2.5km south of Karakara and mineralisation is hosted within granites. Two diamond drill holes have been drilled under the pit with results outstanding at the time of this report, however it is likely that this area will develop into a high priority target for future drilling.

At **Bougouda**, located approximately 14km south of the main Diamba Sud tenement, drilling has defined a 600m long mineralised quartz vein. Mineralisation was intersected on each drill traverse with the weighted average intercept reported being 3.8m @ 4.2g/t gold. Further investigation and analysis to determine if potential future economic extraction is possible will be undertaken over the prospect. Best intercepts included:

- DSR388: **2m @ 40.8 g/t gold** from 83m
- DSR392: **21m @ 3.3 g/t gold** from 65m
- DSR398: **10m @ 5.3 g/t gold** from 50m

The exploration success at Diamba Sud has been exceptional with most targets returning mineralisation. However, there remains a significant number of geochemical anomalies with no or very little drilling as exploration to date has targeted the near surface mineralisation expressed by the gold geochemistry. As the understanding of this complex structural/lithological/mineralisation system evolves exploration should also be able to more effectively target mineralisation at depth.

Planned exploration at Diamba Sud for the 2022-2023 year will be focused on delivering resource growth, testing the exploration potential, delivering the DFS and progressing Diamba Sud towards a future successful gold mine development.

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The Company looks forward to keeping shareholders informed on its progress as we enter this exciting period in the development of the Diamba Sud Gold Project.

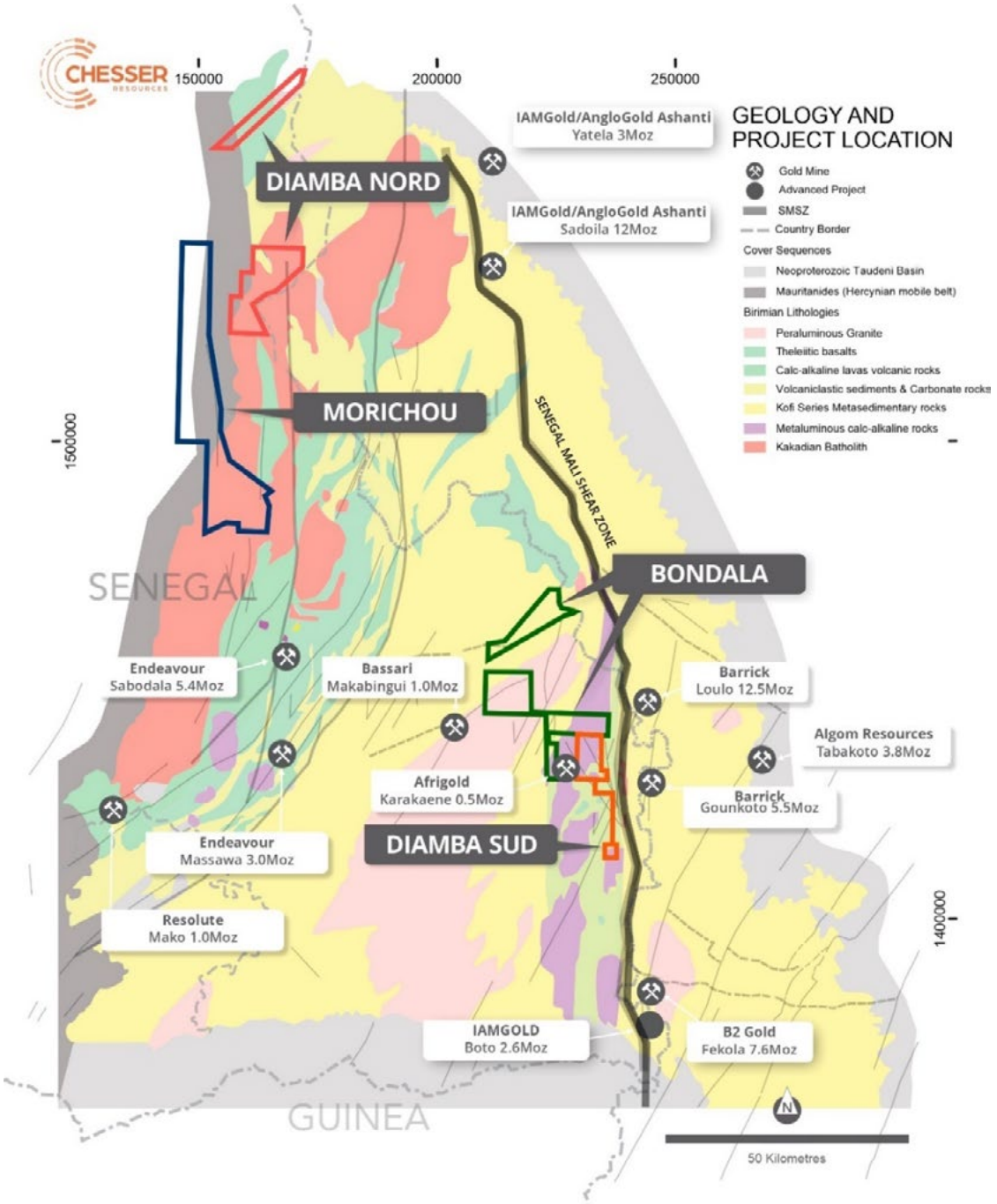

Figure 1: Schematic regional geology of eastern Senegal, showing Chesser's Project locations including the Diamba Sud Project and its proximity to both the SMSZ and the major gold operations and projects.

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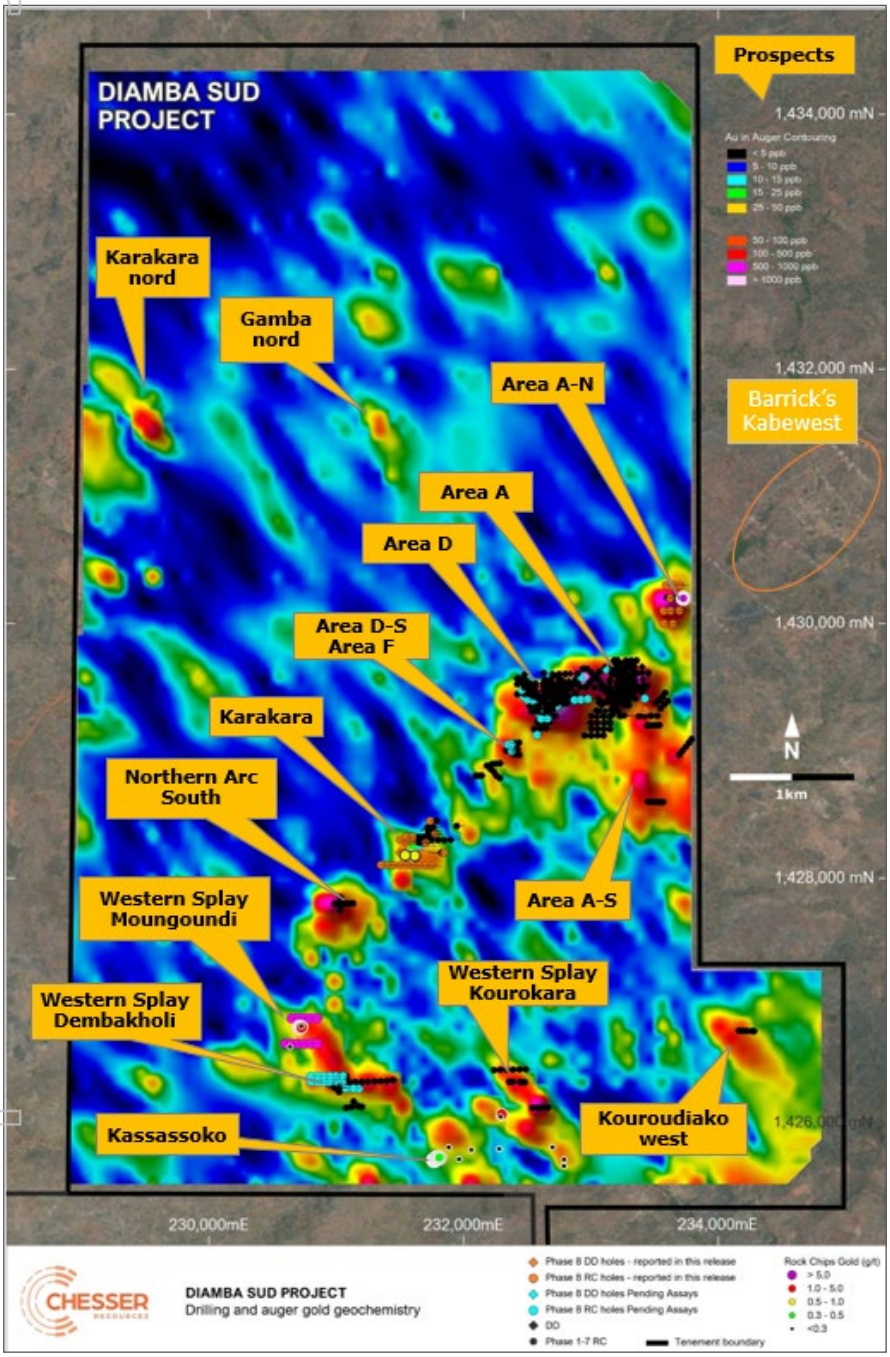

Figure 2: Prospect locations Diamba Sud with drilling locations and auger geochemical results.

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ROBUST MAIDEN MINERAL RESOURCE – DIAMBA SUD

The key attributes of the maiden Mineral Resource are as follows:

- **High-grade ounces**: 493koz @ 3.0 g/t gold at a 1.5 g/t cut-off or 692koz @ 2.0 g/t gold at a 0.8 g/t cut-off (Table 3)
- **Shallow mineralisation**: 95% of the ounces within 135m of the surface and 40% of the ounces occur within the near surface oxide mineralisation (Figure 4)
- **High confidence Resource**: 69% of the ounces falling within the Indicated classification (Table 1)
- **Robust Resources**: 737koz falling within a US$1,500/oz gold price pit shell and 656koz falling within a US$1,350/oz gold price pit shell (Table 4)
- **Significant Resource growth potential**: mineralisation open along strike and at depth plus numerous prospective exploration targets on the tenement including the recent **Karakara discovery**
- **Emerging highly prospective region**: additional discoveries being made in the area including Barrick's Kabewest prospect
- **Excellent metallurgical characteristics**: testwork averaged 96% recoveries with no evidence of deleterious elements, amenable to a simple cyanide leach process flow sheet
- **Shallow open pit**: Resources are constrained within two adjacent pits covering both Area A and Area D with a significant soft oxide component and potentially low strip ratio (Figure 3)
- **Excellent Project infrastructure**: limited competing land use, close to national highway and water, skilled national workforce, and supportive mining jurisdiction
- **Low Discovery cost**: US$11/oz

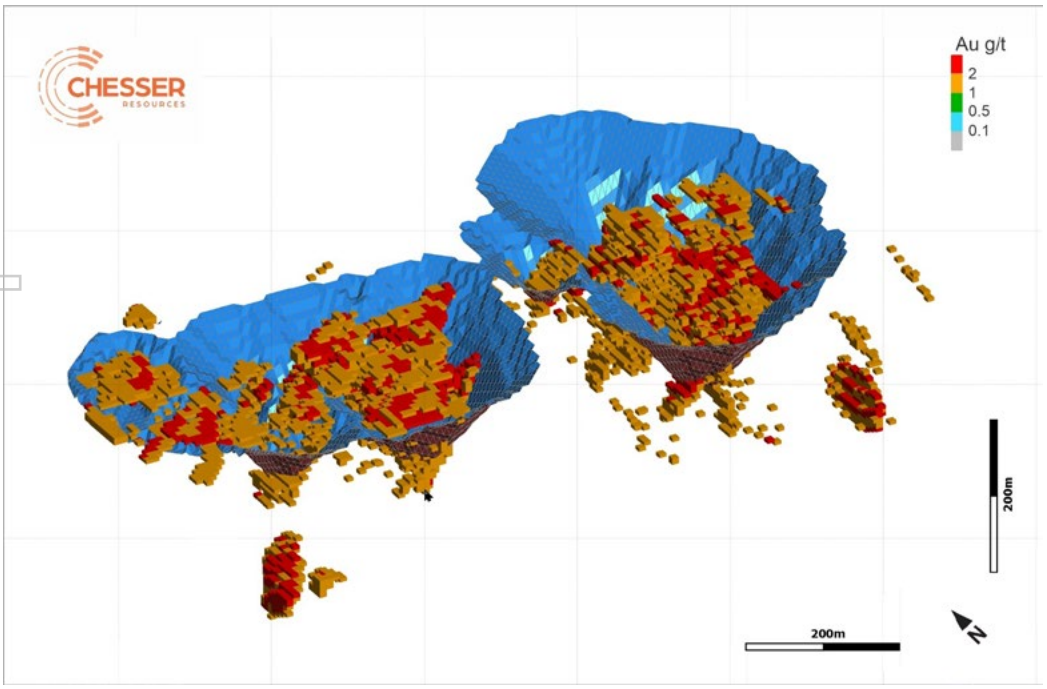

Figure 3: Diamba Sud Mineral Resource 3D image of Resources (blocks greater than 1.0 g/t gold)

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The Resource was undertaken by Dr. John Arthur (CGeol, FGS) and includes all drilling up to and including the 18 October 2021 (including 10,677m of diamond core and 28,159m of RC drilling) utilising an Ordinary Kriging estimation methodology. The Resource has been reported in accordance with the JORC Code (2012) and is effective as at 16 November 2021 and is shown in Table 1 and Table 2.

Table 1: Diamba Sud Mineral Resources

Resources Constrained within US$1,800/oz pit shell by Material Type and Classification – COG 0.5g/t									
Oxidation	Indicated			Inferred			Total		
	Tonnes Mt	Grade g/t	Metal Koz	Tonnes Mt	Grade g/t	Metal Koz	Tonnes Mt	Grade g/t	Metal Koz
Oxide	3.7	2.2	262	1.3	1.2	50	5.0	2.0	312
Fresh	5.1	1.7	276	5.1	1.2	194	10.3	1.4	469
Total	8.8	1.9	538	6.4	1.2	243	15.2	1.6	781

Table 2: Diamba Sud Mineral Resources by Area

Resources Constrained within US$1,800/oz pit shell by Area, Material Type and Classification – COG 0.5g/t										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes Mt	Grade g/t	Metal Koz	Tonnes Mt	Grade g/t	Metal Koz	Tonnes Mt	Grade g/t	Metal Koz
Area D	Oxide	3.1	2.4	234	1.2	1.3	47	4.2	2.1	280
	Fresh	0.3	1.4	14	3.6	1.2	139	3.9	1.2	152
	Total	3.4	2.3	247	4.8	1.2	185	8.2	1.6	432
Area A	Oxide	0.6	1.4	29	0.1	0.9	3	0.7	1.3	32
	Fresh	4.8	1.7	262	1.5	1.1	55	6.3	1.6	317
	Total	5.5	1.7	291	1.6	1.1	58	7.1	1.5	349
Total		8.8	1.9	538	6.4	1.2	243	15.2	1.6	781

Structurally the deposit is complex where intersections of structures and favourable lithologies result in the deposition of significant high-grade gold mineralisation as demonstrated at Area A and Area D and recent drill results at Barrick's neighboring Kabewest prospect.

The mineralisation shares many similar characteristics to a number of the Tier 1 gold deposits on the Senegal Mali Shear Zone ("SMSZ") including Gounkoto (5.5Moz) and Fekola (7.6Moz).

Immediately there are opportunities to extend the 250m long high-grade shoot defined at Area A along strike of the intersecting structures and there are numerous high-grade intercepts in the fresh at Area D that may well develop into high-grade shoots. High-grade oxide intercepts on the southwest and northwest edge of Area D, that were excluded from the optimisation also require additional drilling.

A specialist structural geology team from TECT Geological Consulting, South Africa, has undertaken a full deposit scale and regional structural review and developed a 3D structural model of Areas A and D to assist target generation for future resource expansion drilling.

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Table 3: Diamba Sud Grade/Tonnage within US$1,800/oz pit shell

Grade Tonnage within US$1800/oz gold pit shell				
COG	Tonnes	Grade	Metal	Indicated
g/t gold	Mt	g/t gold	Koz	%
0	60.1	0.5	933	65%
0.3	20.1	1.3	842	67%
0.5	15.2	1.6	781	69%
0.8	10.9	2.0	692	71%
1	8.6	2.3	628	73%
1.5	5.2	3.0	493	80%
2	3.4	3.6	393	84%

Table 4: Diamba Sud Mineral Resources within various US$/oz pit shells at COG 0.5 g/t gold

Resources within Pit Shells at COG 0.5 g/t gold					
Pit	Tonnes	Grade	Metal	Indicated	Strip Ratio
US$/oz	Mt	g/t gold	Koz	%	t:t
$1,350	11.2	1.8	656	75%	2.7
$1,500	13.7	1.7	737	72%	2.9
$1,800	15.2	1.6	781	69%	3.0
$2,000	16.0	1.6	802	67%	3.0

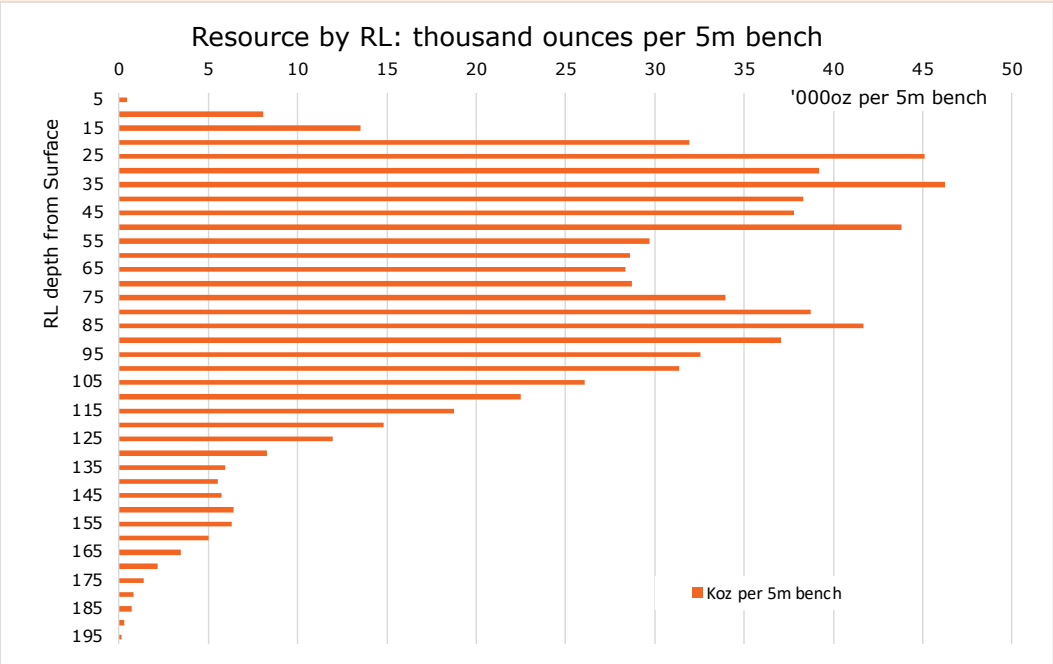

Figure 4: Diamba Sud Resource ounces per vertical metre within US$1,800/oz pit shell at 0.5 g/t gold COG

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Competent Person's Declaration

The information in this report that relates to the Diamba Sud and Diamba Nord exploration results, and Exploration Targets is based on information compiled by Mr. Andrew Grove, BEng (Geology), MAIG, who is employed as Managing Director and Chief Executive Officer of Chesser Resources Ltd. Mr. Grove has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Grove consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

The information in this report that relates to the Area A and Area D Mineral Resources was first reported in the announcement titled 'Robust Maiden Mineral Resource – Diamba Sud' released to the Australian Securities Exchange (ASX) on 16 November 2021 (Original Announcement) and available to view at www.chesserresources.com.au and for which a Competent Persons' consent was obtained. The Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. 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, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Original Announcement 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 Original Announcement.

The Information in this report that relates to Scoping Study was first reported in the announcement titled 'Chesser Scoping Study Confirms Robust, Low-Cost Gold Project' released to the Australian Securities Exchange (ASX) on 15 March 2022 (Original Announcement) and available to view at www.chesserresources.com.au and for which a Competent Persons' consent was obtained. The Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. 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, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Original Announcement 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 Original Announcement.

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SCOPING STUDY CONFIRMS ROBUST LOW-COST GOLD PROJECT – DIAMBA SUD

STUDY HIGHLIGHTS

- Post-tax **$NPV_{5\%}$ A$419M** (US$301M) **and IRR 59%** at a US$1,800/oz gold price
- **Payback 1.25 years** from commercial production
- **7.5 year Project life producing 704koz gold at an average AISC of US$820/oz**
- **First two years of gold production totals 244koz at an average AISC of US$545/oz**
- Total project mining inventory of 14.7Mt at an average grade of 1.6 g/t gold (70% from Indicated Resources) containing 750koz of gold at a strip ratio of 2.8
- Ore mined and processed in first two years of operations at an average grade of 2.0 g/t gold (83% from Indicated Resources) containing 257koz of gold at a strip ratio of 1.9
- Pre-production capital cost of US$159M including US$23M contingency
- Industry standard 2Mtpa CIL processing circuit with average gold recoveries of 94%
- **Significant Resource upside** – Areas A and D remain open and new discovery at Karakara with drilling underway
- ESIA baseline activities have commenced
- Board approval to commence a Definitive Feasibility Study
- Diamba Sud represents a **potential long life, technically simple, low risk and highly profitable mining operation** that will generate significant benefits to all stakeholders

The Scoping Study results clearly demonstrate the very significant potential value from a future mine development at Diamba Sud. Importantly the study does not include any potential Mineral Resources from the new discovery at Karakara or any further resource additions that might result from the Phase 8 20,000m drilling program all of which would further significantly enhance the value of the Diamba Sud Gold Project.

The Scoping Study details the potential for an open pit mining operation and gold processing plant at Chesser's Diamba Sud Gold Project in Eastern Senegal.

The Scoping Study is based on the 781koz gold maiden Mineral Resource inventory covering Area A and Area D, released to the market on the 16 November 2021, summarised above. Resources do not include mineralisation from the new discovery at Karakara, located 1.2km from the Area D pit, Figure 2.

A standard 2Mtpa CIL SAG/Ball circuit gold processing plant was considered to be appropriate for the Scoping Study. Tailings from the CIL will undergo cyanide detox and report to a tailings storage facility. Raw water for processing will be sourced by seasonal pumping from the Falémé River, approximately 7km to the east, to a water storage dam.

Mining from three open pits (Area D, Area A and Area D South) is assumed to be undertaken by a mining contractor utilising standard truck and shovel open pit mining methods.

The project will include an on-site accommodation village housing part of the workforce, with the balance residing in adjacent communities. Power is assumed to be generated on site.

The cash flow and economic analysis has been prepared on a 100% of project, constant first quarter calendar 2022 US dollar basis. Cost estimations are considered to be at a scoping study level of accuracy of +/-35%.

The Scoping Study demonstrated the technically simple and low risk nature of the Project and the very significant potential economic value that would result from a future development at Diamba Sud. There remains significant upside both in exploration to add to the Mineral Resource inventory and from future Project optimisation studies. A summary of the initial physical and financial evaluation of the Project is shown in Table 5.

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Table 5: Scoping Study Results and Key Assumptions

DIAMBA SUD GOLD PROJECT SUMMARY SCOPING STUDY RESULTS		
Physicals and Costs		
Mining Physicals		
Ore Tonnage	Mt	14.7
Grade	g/t Au	1.6
Contained Ounces	koz Au	750
Plant Throughput	Mtpa	2.0
Mine Life	Years	7.5
Strip Ratio	waste:ore	2.8
Process Recovery	%	94
Gold Production	koz Au	704
Capital Costs		
Initial Capital	US$M	142
Pre-production Mining	US$M	17
Sustaining and Closure	US$M	23
Total Capital Cost	US$M	182
Operating Costs		
Mining	US$/t total material	3.9
Mining	US$/t Ore mined	14.7
Processing	US$/t Ore processed	14.1
Maintenance	US$/t Ore processed	1.5
General & Administration	US$/t Ore processed	4.1
Transport, Insurance and Refining	US$/t Ore processed	0.1
Royalties & Statutory Costs	US$/t Ore processed	3.0
Total	US$/t Ore processed	37.6
Financials and Key Assumptions		
Gold Price	US$/oz	1,800
Exchange Rates	AUD:USD	0.72
	XOF:USD	581
Gold Sales Revenue	US$M	1,267
AISC	US$/oz Au	820
AISC – first two years	US$/oz Au	545
Project Net Cash Flow – Pre-tax		
Project Net Cash Flow, pre tax	US$M	531
PVNCF5%	US$M	402
IRR	%	69
Payback Period, pre-tax	Months	15
Project Net Cash Flow – Post-tax, all equity basis		
Income Tax	US$M	132
Project Net Cash Flow,	US$M	399
PVNCF5%	US$M	301
IRR, post-tax	%	59
Payback Period	Months	15

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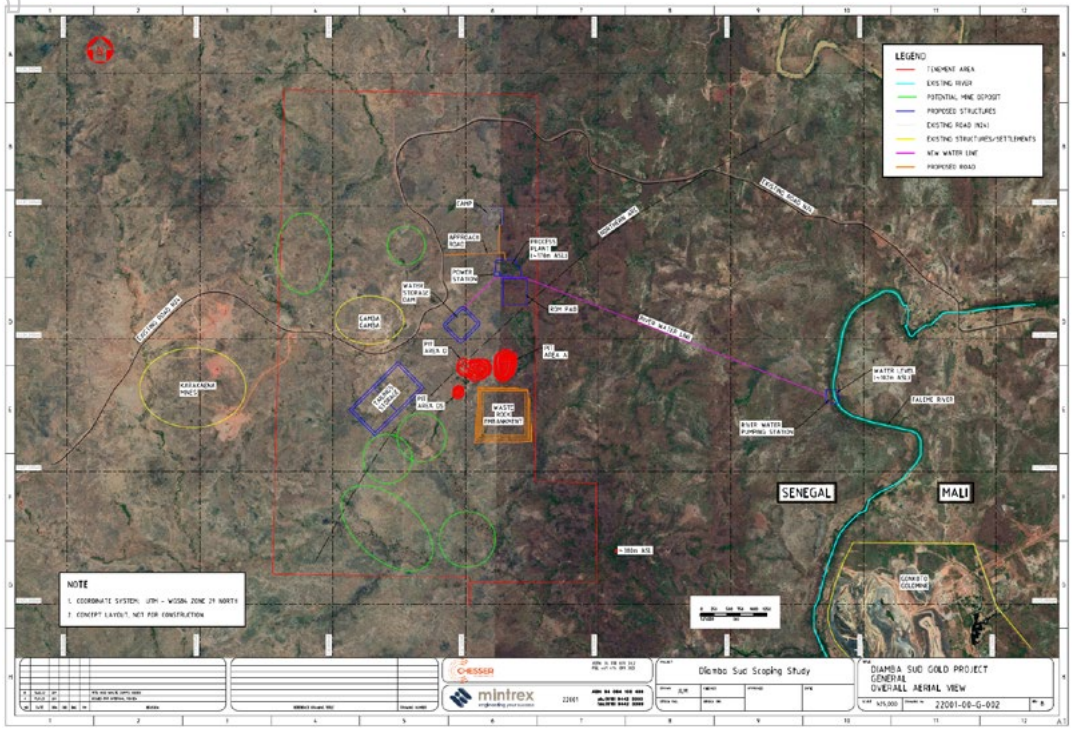

Figure 5: Diamba Sud Gold Project Layout

PRODUCTION PROJECTIONS

The production profile of the Diamba Sud Gold Project demonstrates annual production of up to 136koz in year two, with an average production of 94koz per year over the current 7.5 year Project life. 70% of the gold production is sourced from Indicated Resources and the remainder from Inferred Resources. During the first two years of production which includes the payback period, gold production is sourced 83% from Indicated Resources, mainly from the Area D pit.

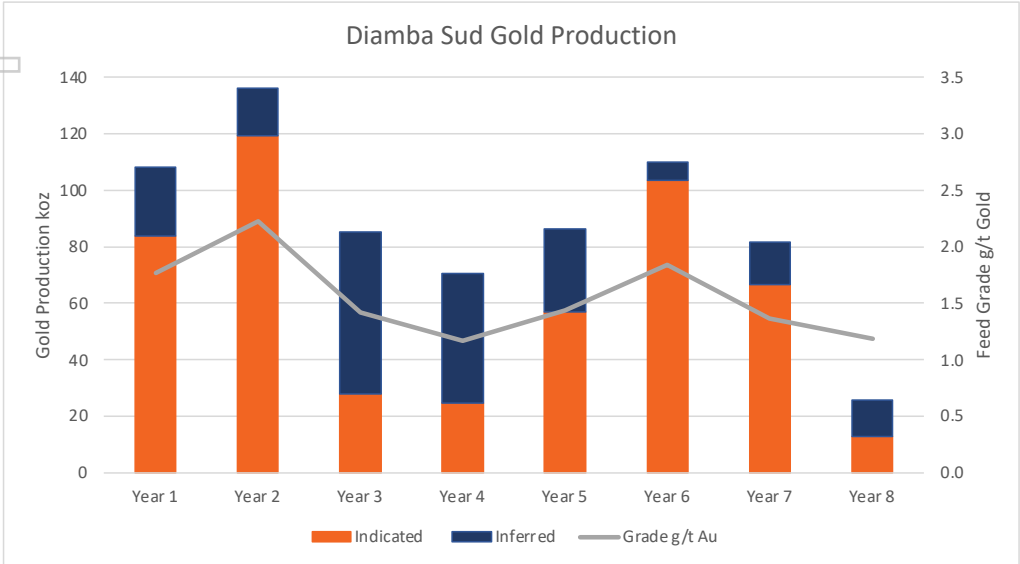

Figure 6: Diamba Sud Annual Production Projection (koz gold)

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SENSITIVITY ANALYSIS

Sensitivity analysis shows the Project to be resilient to changes in both capital and operating costs. Like most mining projects the economics are most sensitive to changes in revenue parameters such as the commodity price.

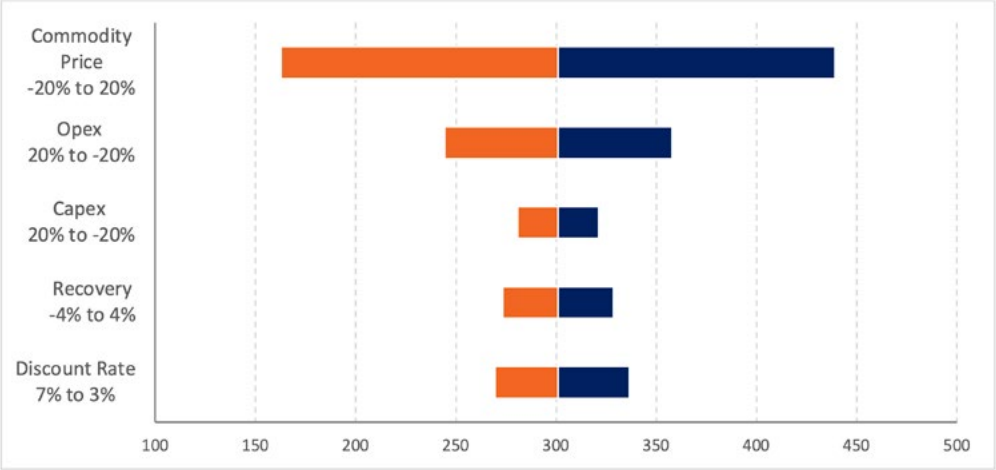

Figure 7: Project NPV (post tax) Sensitivity Analysis (US$M)

CONCLUSION AND RECOMMENDATIONS

The Study indicates that the Diamba Sud Project is a low risk, technically simple and economically robust Project which has significant potential to grow.

Given the low-risk nature of the Project the Board of Chesser approved commencement of a Definitive Feasibility Study.

KARAKARA CONTINUES TO DELIVER HIGH-GRADE RESULTS

Karakara is located 1.2km southwest of Area D (Figure 2) over a geochemical anomaly coincident with the interpreted trend of the Northern Arc structure. Drilling has defined shallow, high-grade mineralisation over an initial 250m of strike.

An extensive drill program has been completed over Karakara to define the strike and depth extents of mineralisation. A total of six DD holes for 1,405m and 30 RC holes for 3,773m (Figure 8) were reported during FY2022.

Mineralisation appears to be predominantly associated with quartz-carbonate-hematite-albite-pyrite alteration within hydrothermally altered sedimentary rocks, however mineralisation in the granites has also been observed. The north-south trending, east dipping sedimentary sequence is bounded by granite to the east and west and cut by dykes. The geometry of the mineralisation is complex but may be associated with folding and an anticlinal structure observed in core and geophysics.

Results confirm the continuity of the main high-grade mineralised structure at Karakara (Figure 8).

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Significant results included:

- DSD077: 7m @ 1.4 g/t Au from 7m, 2.5m @ 2.9 g/t Au from 15m and 51m @ 5.1 g/t Au from 31m
- DSR348: 6m@ 5.0 g/t Au from 66m and 5m @ 19.0 g/t Au from 99m
- DSDD074: 2.5m @ 12.2 g/t from 32.6m and 26.3m @ 3.5 g/t Au from 40.3m
- DSR341: 6m @ 3.5 g/t from 29m, 17m @ 1.1g/y from 39m, 9m @ 4.2 g/t Au from 63m 5m @ 3.0 g/t Au from 81m and 12m @ 7.0 g/t Au from 92m
- DSR345: 3m @ 11.4 g/t Au from 58m, 8m @ 10.5 g/t Au from 64m and 15m @ 1.9g/t Au from 75m
- DSDD073: 10m @ 1.7g/t Au from 8m, 12m @ 3.1 g/t Au from 23m and 3m @ 7.5 g/t from 112m and 2m @ 33.9g/t Au from 173m

Drilling immediately north of the historical artisanal workings intersected numerous zones of strong quartz-carbonate-hematite-albite-pyrite alteration in sedimentary conglomerates, however the assays did not return many significant results. Drill coverage over the artisanal workings is still very sparse with additional drilling required to fully test the area.

Follow up drilling has been completed to define the potential southeast trend of mineralisation intersected east of the artisanal pit in DSDD070 and DSDD074 (Figure 8) and to close off mineralisation to the east in preparation for a resource estimate, which will be completed in the December 2022 quarter.

Karakara is highly likely to add significantly to the Mineral Resource inventory at Diamba Sud. An initial resource estimate for Karakara will be undertaken during CY2022.

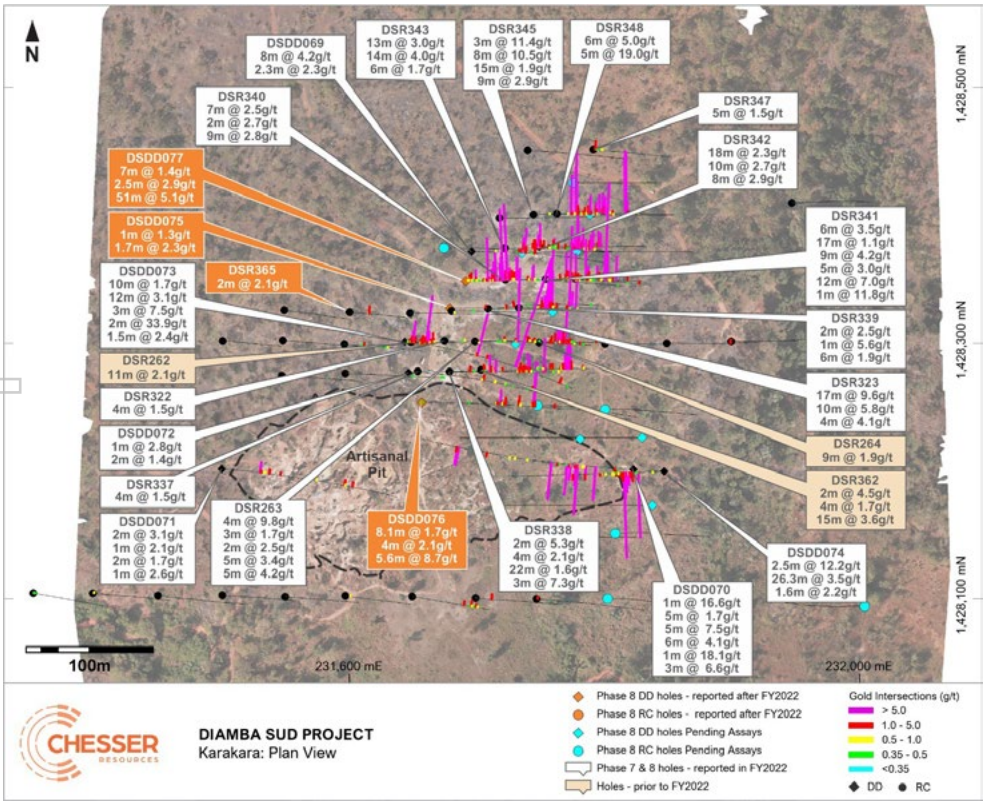

Figure 8: Karakara plan view showing historical drilling and holes reported in FY2022 with selected significant results[3]

[3] Refer to ASX announcements 23 April 21, 22 Dec 21 and 9 May 22 for previously reported drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

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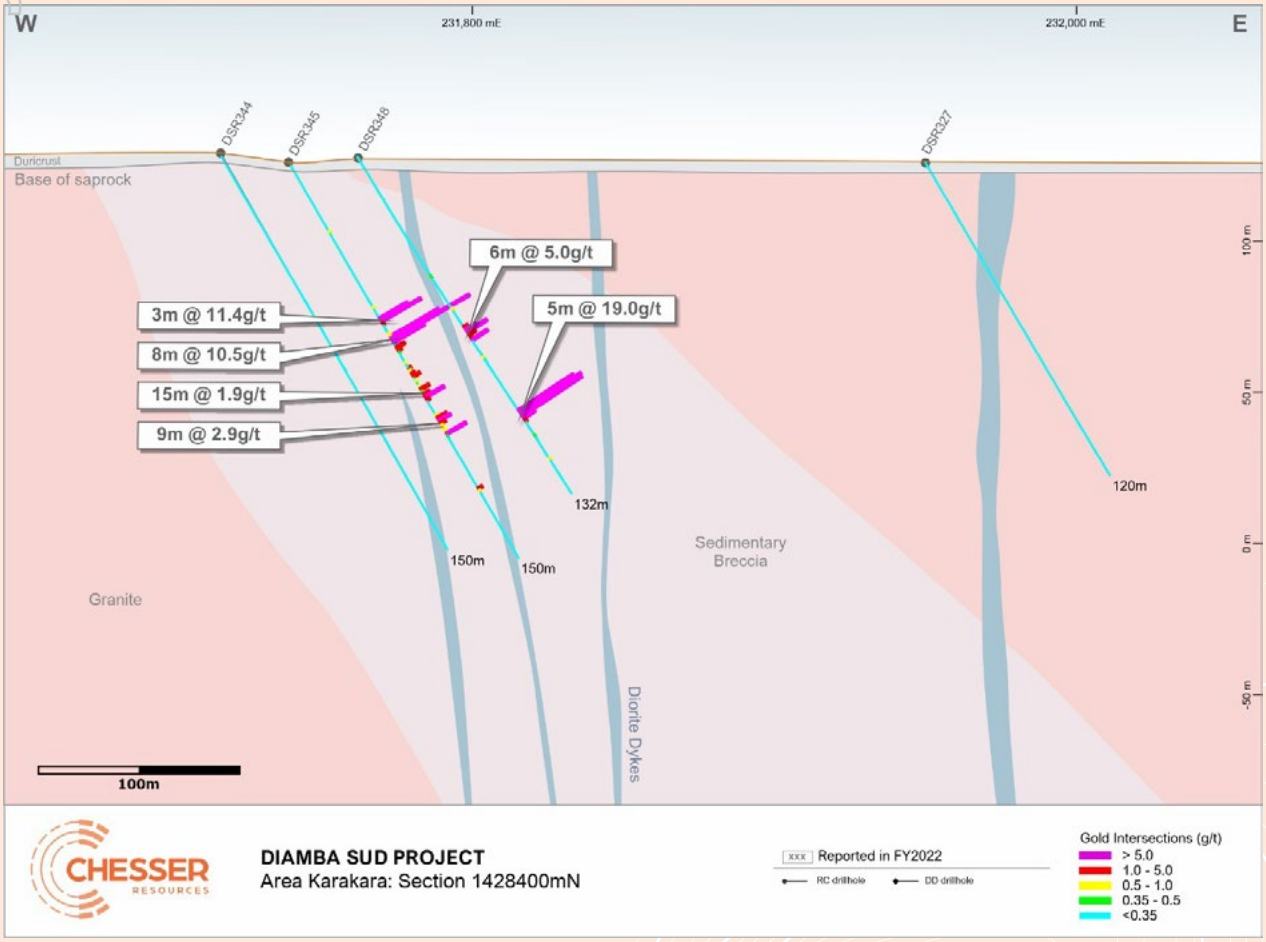

Figure 9: Karakara Section 1428400mN showing historical drilling, holes reported in this release, selected significant results[4] and interpreted geology.

[4] Refer to ASX announcements 23 April 21 and 22 Dec 21 for previously reported drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

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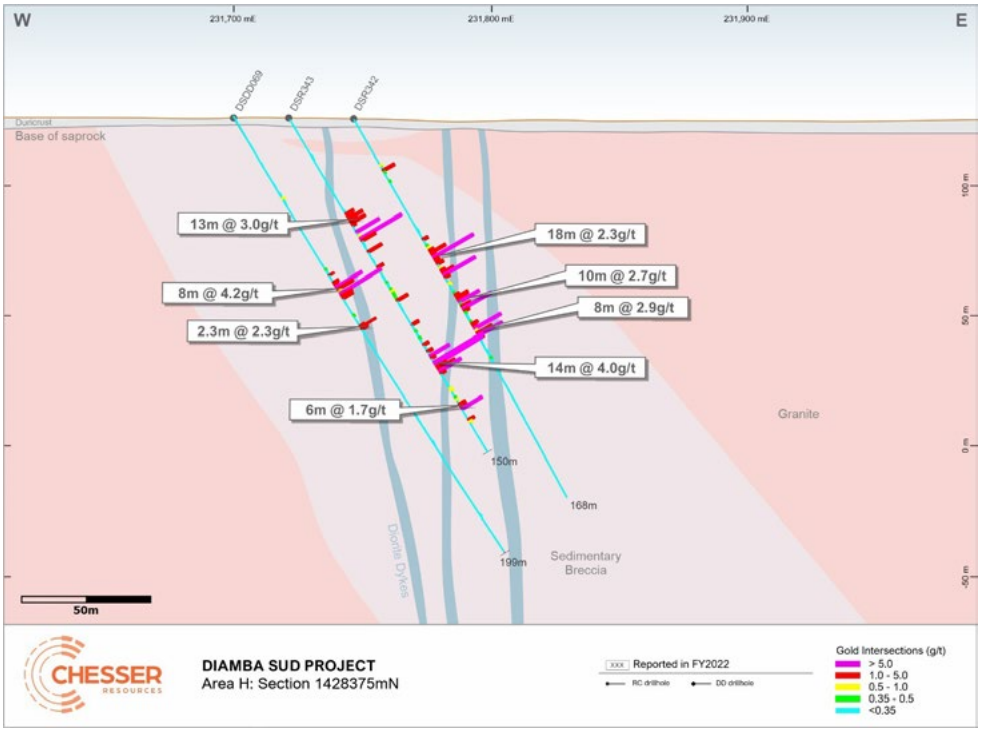

Figure 10: Karakara Section 1428375mN showing historical drilling, holes reported in this release, selected significant results[5] and interpreted geology.

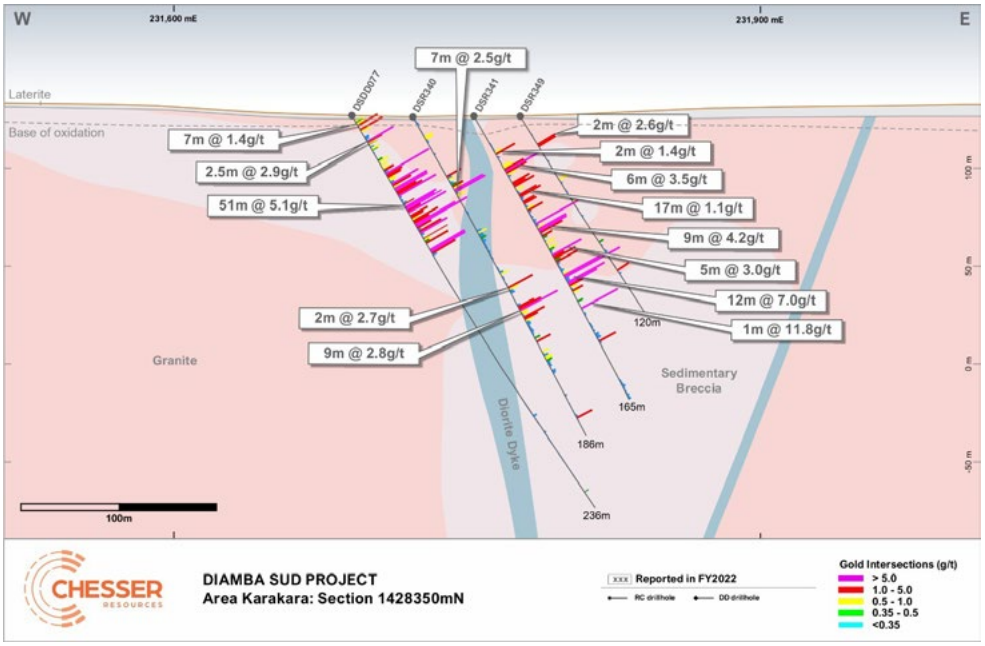

Figure 11: Karakara Section 1428350mN showing historical drilling, holes reported in this release, selected significant results[6] and interpreted geology.

[5] Refer to ASX announcements 23 April 21 and 22 Dec 21 for previously reported drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

[6] Refer to ASX announcements 22 Dec 21 and 7 June 22 for previously reported drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

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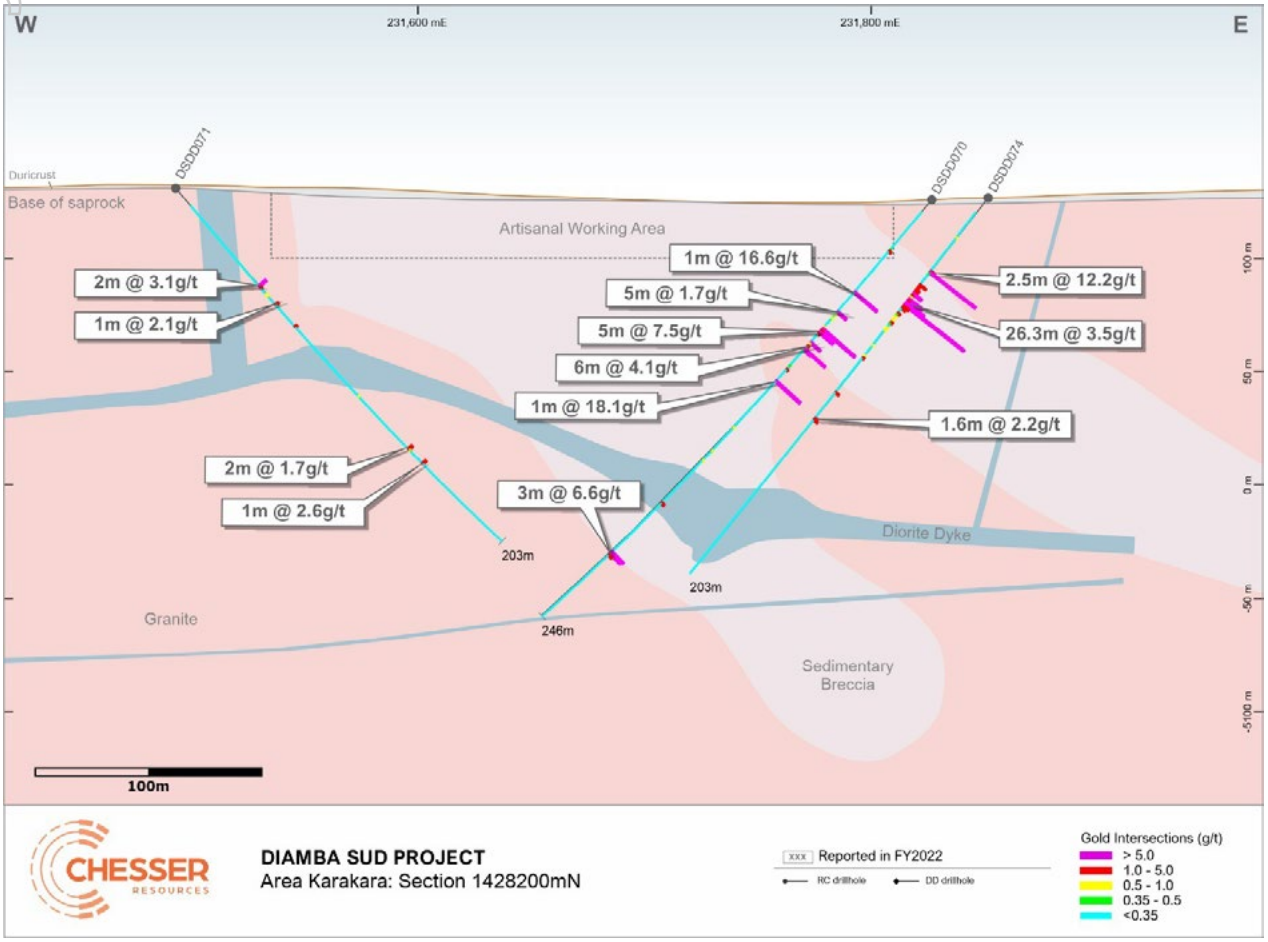

Figure 12: Karakara Section 1428200mN showing historical drilling, holes reported in this release, selected significant results[7] and interpreted geology.

[7] Refer to ASX announcements 9 May 22 for previously reported drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

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WESTERN SPLAY

Western Splay area is defined by a co-incident gold auger geochemical anomaly and a geophysical feature approximately 5km to the southwest of the Area A.

Sixteen RC drill holes have previously been drilled over the area, reported 3 April 2017, 21 July 2020, 28 July 2020, and 23 April 2021. Historical drilling defined a 300m open ended mineralised structure trending northwest-southeast. Results included:

- DSR145: 22m @ 2.1 g/t Au from 36m
- DSR150: 2m @ 19.8 g/t Au from 4m
- DSR152: 6m @ 1.8 g/t Au from 28m and 10m @ 1.1 g/t Au from 111m

Nine RC holes for 990m were drilled during the Phase 7 drill program over the northwest end of the previous previously defined mineralised structure (Figure 13). Section line 1426375mN intersected the mineralised structure in holes DSR330, DSR331 and DSR333. Mineralised intervals were associated with pyrite mineralisation and albite-hematite-carbonate-quartz alteration within brecciated sedimentary units.

The northwest-southeast mineralised trend has been confirmed from the drill results and structure remains open along strike.

Results from the other drill traverses only returned narrow mineralised results, however drilling was located south and off the mineralised trend.

The identified mineralised trend has been subject to further drilling during the Phase 8 drill program (Figure 13) with results outstanding at the end of the FY2022.

Significant results included:

- DSR331: 16m @ 1.9 g/t Au from 42m
- DSR330: 17m @ 1.4 g/t Au from 35m
- DSR333: 5m @ 4.4 g/t Au from 26m and 2m @ 3.5 g/t Au from 117m

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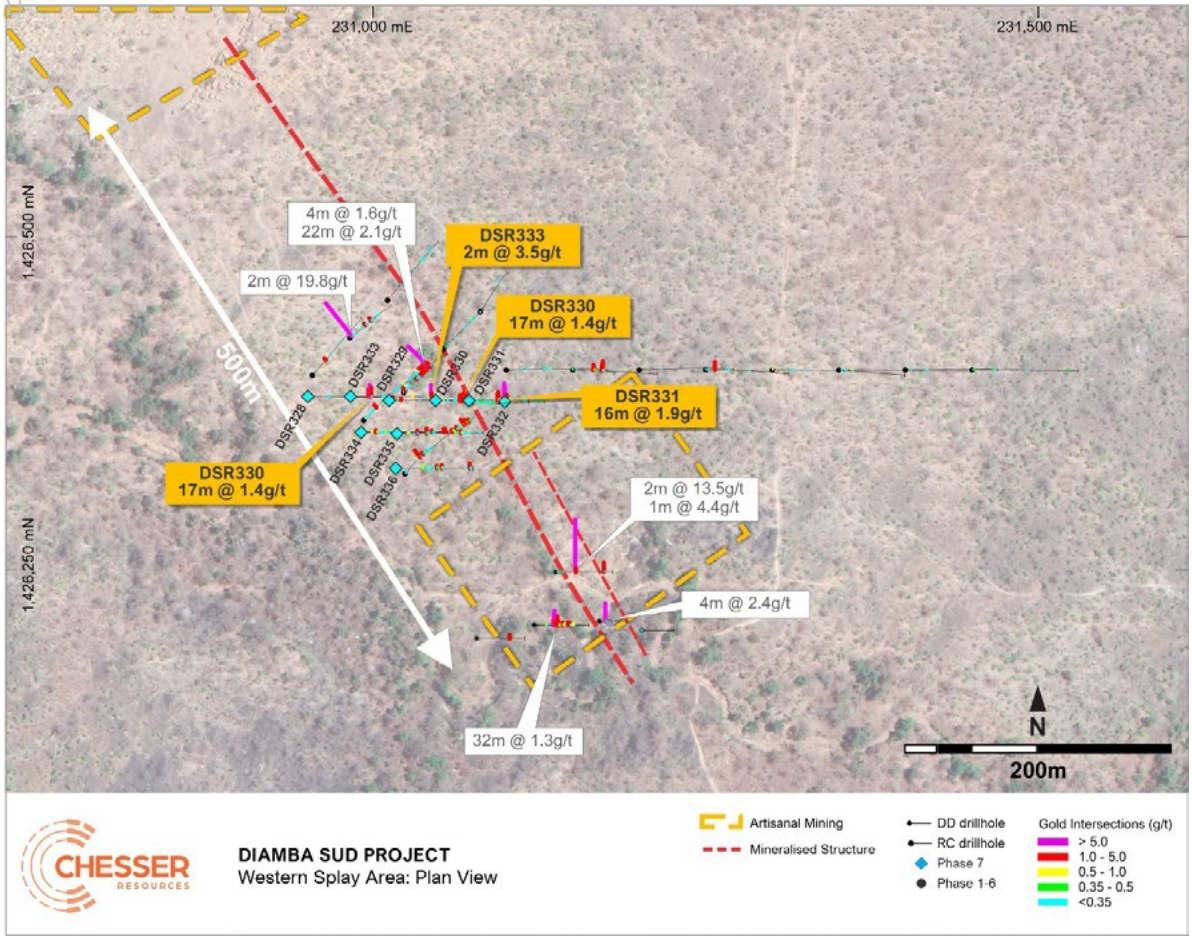

Figure 13: Plan view showing historical drilling and holes reported in FY2022 with selected significant results[8]

[8] Refer to ASX announcements 3 April 2017, 21 July 2020, 28 July 2020, and 23 April 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

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KASSASSOKO PROSPECT

Fifteen rock chip samples were collected from within the Kassassoko artisanal workings which returned very significant high-grade results (Figure 14) averaging 3.8 g/t Au, maximum result of 10.3 g/t Au and all but two samples returned 1.0 g/t Au or greater.

Mineralisation appears to be hosted within an east-west sheared and stockworked granite with associated pyrite alteration which has been exploited in one pit over a length of approximately 80m by the local artisanal miners, however the area of artisanal workings is much more extensive.

Kassassoko is located 2.5km south of Karakara and may form the southeast extension of the Western Splay structure (Figure 2).

The area has been actively exploited by the local artisanal miners over the past 6 months, however their numbers have diminished as digging becomes difficult in the fresh rock which occurs at approximately 10-15m depth.

Initial drill testing has been completed and results were pending at 30 June 2022.

Kassassoko is unique as it is the first-time significant mineralisation has been identified in granite in the area. Granite hosted deposits can develop to a significant scale and Kassassoko is now an additional exploration target for Diamba Sud.

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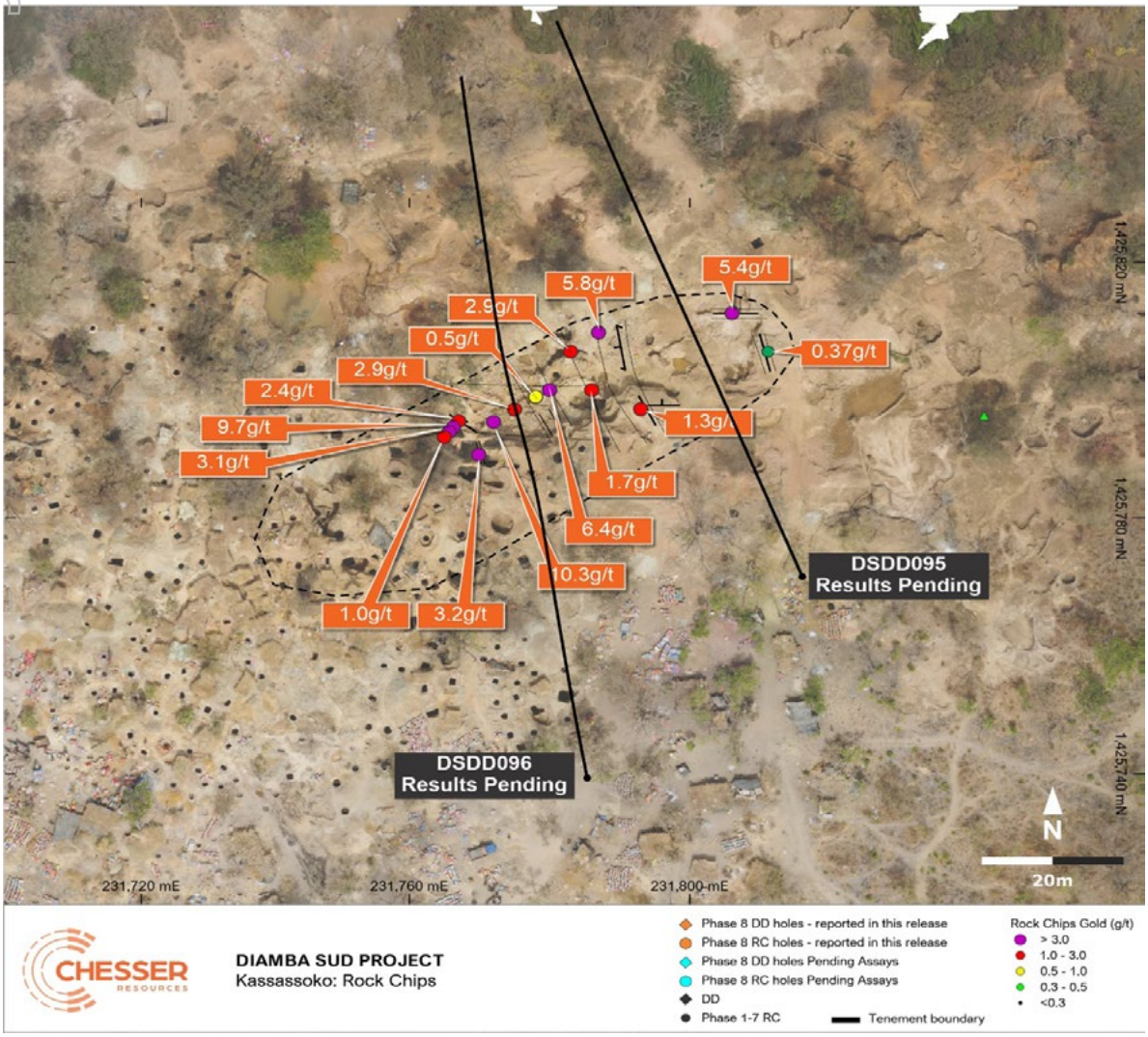

Figure 14: Kassassoko artisanal pit and rock chip sample locations and grades

BOUGOUDA – DIAMBA SUD SOUTH

Seven 100m spaced RC drill traverses, 13 RC holes for 1,274m, (Figure 16), were drilled at Bougouda in the southern Diamba Sud ("DS2") tenement block approximately 14km south of the main tenement area. (Figure 15).

At Bougouda, artisanal miners have been exploiting mineralised quartz veins in diorite over a length of approximately 800m to a depth of approximately 10–15m via small shafts.

Mineralisation was intersected on each drill traverse (Figure 16), with the weighted average intercept reported being 3.8m @ 4.2 g/t gold.

Better intercepts included:

- DSR388: 2m @ 40.8 g/t Au from 83m
- DSR392: 21m @ 3.3 g/t Au from 65m
- DSR398: 10m @ 5.3 g/t Au from 50m
- DSR399: 6m @ 3.7 g/t Au from 168m
- DSR396: 7m @ 3.1 g/t Au from 46m

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True vein widths are approximately half the reported intercept widths.

Mineralisation is consistent over a significant length and the presence of the wider zones as intersected in DSR392, 21m @ 3.3 g/t gold, is worthy of further investigation and analysis to determine if potential future economic extraction is possible.

This new style of mineralisation is further evidence of the significant prospectivity of the area that is evolving from the recent modern exploration efforts. In the past two years, six mineralised areas (Area A, Area D, Karakara, Western Splay, Kassassoko and Bougouda) have been identified on the Diamba Sud tenement alone as well as Kabewest and other prospects on Barrick's adjacent tenements.

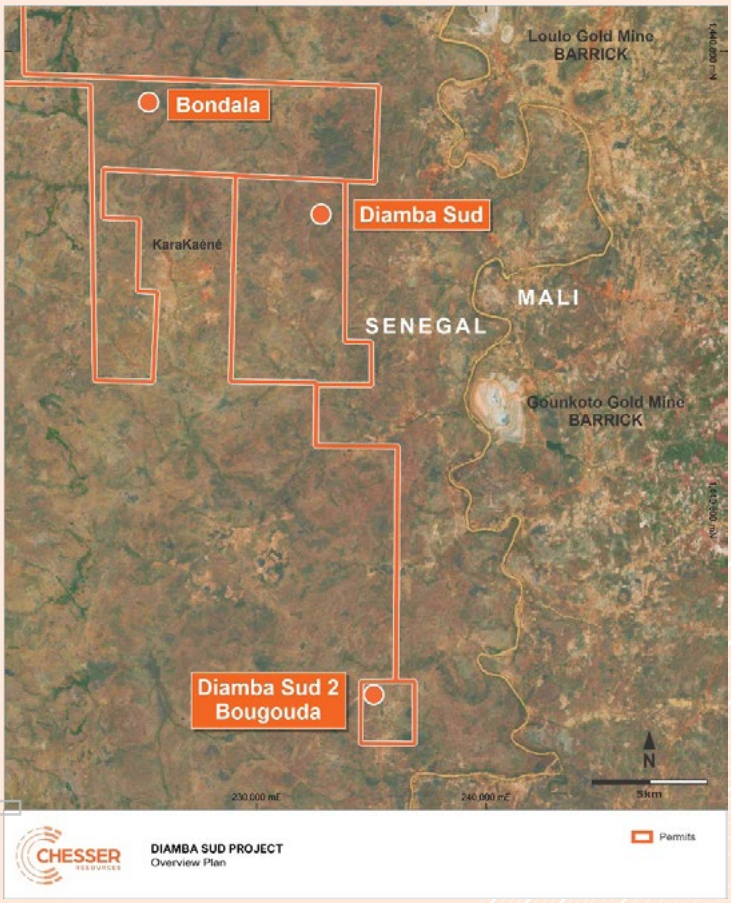

Figure 15: Diamba Sud tenement location plan showing location of DS2 Bougouda prospect

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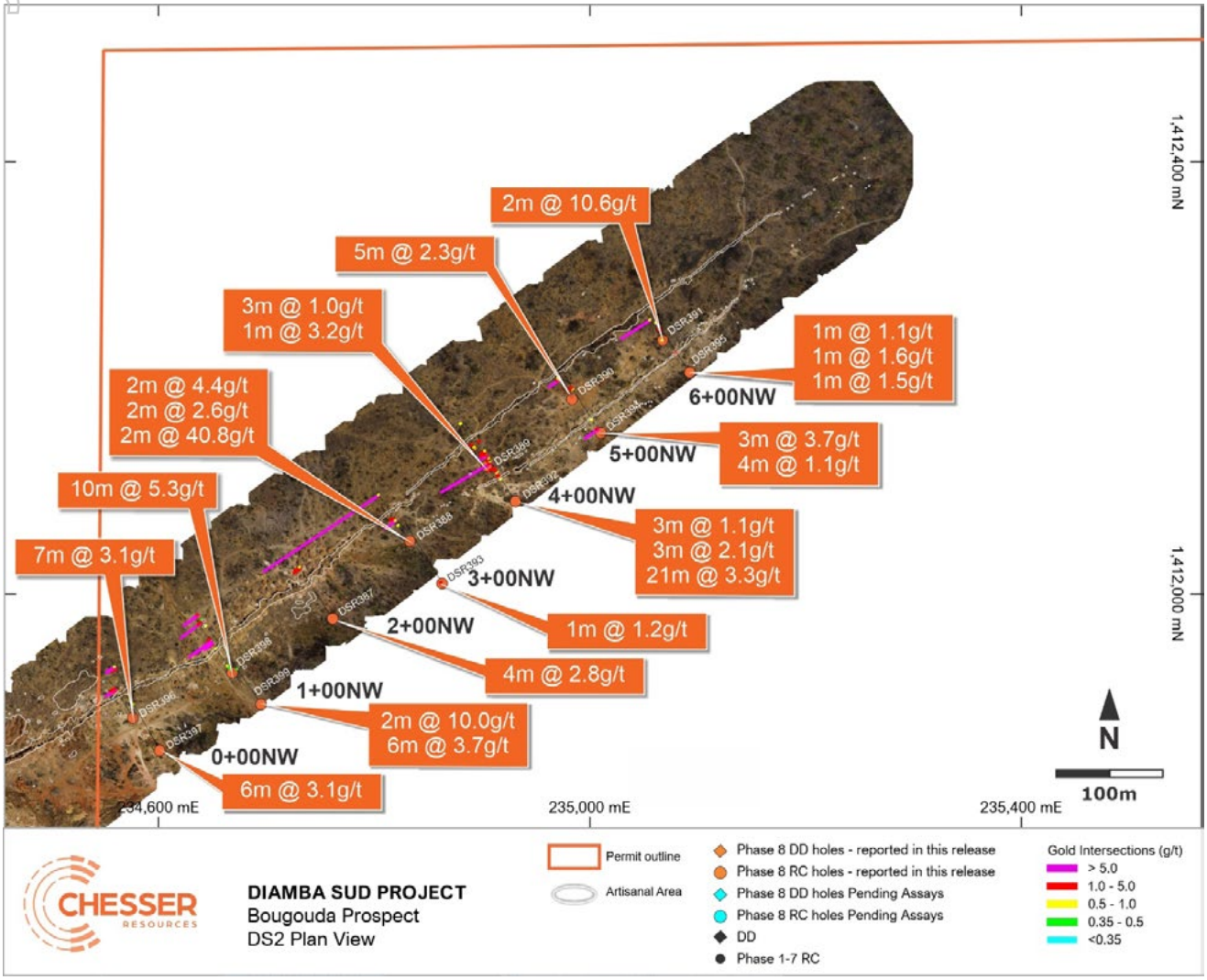

Figure 16: DS2 Bougouda plan view showing drilling reported in FY2022 with selected significant results

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DIAMBA NORD

Exploration undertaken on Diamba Nord in December 2021 included:

- Mapping, rock chip (61 samples) and termite (756 samples) sampling of the southern section of the Diamba Nord southern tenement block. Results were generally low level, however the isolated anomalous results and areas of artisanal activity will be followed up when field activities commence on the nearby Morichou tenement.
- 382 samples from the 2018 (400x50m) auger drilling program were not assayed at the time and were submitted for analysis. Only isolated anomalous results were identified from the area of auger coverage with no evidence of significant mineralised trends.

EXPLORATION TENEMENT APPLICATIONS

Morichou and Bondala license applications were granted in February 2022, significantly increasing the Company's ground holding in Senegal to 872km^2 (Figure 1).

The Bondala license (total area of 207km^2) increased the landholding adjacent to and around the Diamba Sud gold project and is contiguous to the north of the Diamba Sud tenement covering an area of highly prospective Falémé group rocks and surrounds the 0.5Moz Karakaene deposit immediately to the west of Diamba Sud. The Bondala license also covers an area along strike of the 1Moz Makabingui mineralisation.

The Mourichou license (total area of 431km^2) covers an extensive area of Mako series rocks and is located near the Sabodala shear zone and close to Chesser's Diamba Nord Project tenements.

Each tenement is valid for a period of 10 years with an initial term of four years and renewable for a further two periods of three years each. There is a 25% relinquishment requirement at each renewal.

No exploration work was carried out over these areas during the period.

SUSTAINABILITY REVIEW

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This Sustainability review outlines Chesser's developing Sustainability management and reporting framework as the Company grows and advances its Diamba Sud gold project in eastern Senegal. During the year the Company continued to build on our strong community relationships, commenced a detailed Environmental and Social Impact Assessment (ESIA) including collection of baseline environmental data, implemented a groundwater depth monitoring program, installed a weather station to collect weather data and introduced environmental initiatives at BOYA camp and in its exploration areas.

Chesser's sustainability policies, procedures and reporting is evolving with the aim of aligning with an appropriate internationally recognised standard within the next 18 months. In this report we illustrate the start of this journey by aligning some of our activities with five of the United Nations Sustainable Development Goals (SDG) that are providing immediate value to our local community.

Chesser aims to deliver long-term stakeholder value through discovery and development of gold projects while operating in a safe and environmentally and socially responsible manner.

Chesser's corporate values are integral to how we operate and to our success.

Chesser's Goals

Generate value for all stakeholders through excellence in exploration, discovery and development.

Unlocking Senegal's eastern gold province and develop Senegal's next gold mine.

Chesser's Values

Commitment
We strive to achieve all our goals.

Character
We do what we say and act with integrity.

Community
We value all our employees, contractors, shareholders, host communities and government.

Chesser's Sustainability pillars:

People and Culture

Chesser is committed to our people, providing a safe work environment, free from discrimination and to help each individual reach their full potential.

Environment

Chesser is committed to minimising the impacts to the environment resulting for our activities.

Community

Chesser is committed to developing a transparent open and trust-based relationship with our host communities and to having a positive sustainable impact by partnering with them through the journey.

Corporate

Chesser commits to undertake its business ethically with integrity and transparency, respecting the laws and cultures under which we operate and having in place quality corporate governance and risk management standards.

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Chesser's Sustainable Development Goals partnering with our local Community

1. No Poverty

Preferential employment policy for local community members for exploration and camp roles.

Preferential sourcing of local supplies and services, including provision of meals for workforce.

Built bridge to provide safe and easy access to and from the village.

Built wall around school to enable development of a safe education environment

Community Garden being developed with lady's group to provide food and additional income for the community

2. Zero Hunger

Community Garden being developed for future fruit and vegetable market garden in the village

Tree plantation planted at BOYA camp – 5 Guava, 5 Papaya, 3 Lemon, 5 Cinnamon Apple, 2 Orange, 7 Mango.

Plantation will be expanded for plant nursery for rehabilitation purposes

Provision of meals to all workforce Engaging local company to provide meals for workers

6. Clean Water and Sanitisation

Water bore installation – solar powered water bore, increased holding capacity of water tanks and filtration system maintained during the year.

Awareness and removal of stagnant water around camp, work sites and village to avoid mosquito infestations

Using water from Air-conditioning units overflow to water plants and avoid mosquito infestation.

Instigated a community rubbish clean-up program and established waste disposal sites

Commenced ground water monitoring and testing

8. Decent Work and Economic Growth

Employment of local community for exploration and camp roles.

Engaging local company to provide meals for workers

Providing opportunities for the local community to work in the garden, school etc around the village

As Chesser continues to grow, our relationship with our local community at Gamba Gamba gets stronger.

Socio-economic surveys undertaken in the villages / hamlets of Gamba Gamba, Kharakhena, Lingueya, Ousmaneya, Kourdiakhouma and Sontigna

Local content plan to be developed as part of ESIA

15. Life on Land

ESIA Baseline studies identified:

- 158 species of flora and fauna and
- 92 species of mammal, reptile and birds

Awareness of degradation due to over exploitation, bushfires, artisanal mining has enabled planning for rehabilitation of the areas to begin Fruit tree plantation at BOYA camp.

Nursery to be established for rehabilitation purposes.

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FY2021 Highlights:

86%
Senegalese national employment

over 85
local community members employed during the year

$7m
contributed to the Senegalese economy

$930k
Government taxes and charges paid in Senegal

- No lost time injury recorded and no fatalities
- No environmental breaches
- ESIA commenced
- Social investment agreement renewed with local community of Gamba-Gamba
- Construction of bridge, community garden and school wall for local community
- Annual meeting of joint community consultation committee held
- Local business support and development

Chesser's Vision and Values, Sustainability pillars and policies can be found on the company website:

https://www.chesserresources.com.au/visions-and-values/

https://www.chesserresources.com.au/sustainability/

https://www.chesserresources.com.au/corporate-governance/

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People and Culture:

Chesser is committed to developing a work environment where individuals and the team can achieve their full potential while operating safely and being free from discrimination.

Policy development and management systems developed during the previous year have continued to be developed upon and improved.

86% of employees are Senegalese nationals. Chesser has a policy of preferencing local employment and has employed over 60 local community members, predominantly as unskilled casual labour on a rotational system so that a greater number benefit from our activities in the area. Only a small percentage of the workforce (approximately 5%) are currently female, partly due to local cultural traditions, however efforts are being undertaken to increase the female participation in the workforce as well as employing more permanent and skilled employees from the local community.

Employee numbers by category	Numbers	Male	Female	Nationals	Locals	Expats
Board	5	5	0	0	0	5
Executive Management	4	4	0	0	0	4
Senior Management	2	1	1	2	0	0
Cadre	7	5	2	2	0	5
Labours/ Contractors	27	25	2	20	7	0
Casual	55	55	0	0	55	0
Total	100	95	5	24	62	14
% Total	100%	95%	5%	24%	62%	14%

During the year no lost time injury was recorded. No fatalities have ever been recorded. The Company employs a full-time nurse on-site at Diamba Sud. Occupation Health and Safety ("OH&S") systems have been enhanced and a dedicated Health, Safety and Security manager was employed in January 2022.

First Aid training was carried out over three days on site and over two days in the main office in Dakar during October 2021. The third day of training on site at Diamba Sud involved practical examples of incidents that may happen in the field.

An external review of the company's local medical evacuation and management plan was undertaken.

During the year the Company COVID-19 management policies which included testing, sanitary protocols, and provision of vaccines remained in place.

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Health and Safety Table: January to June 2022

Serial	Item	Quantity
01.	HSE Hazards Reported	3
02.	HSE Incidents Reported	5
03.	Workplace HSE Inspections	22
04.	Action Points Raised	9
05.	Action Points Closed out	0
06.	Visitor Inductions Completed	0
07.	HSE Training (Man-Hours)	2
08.	HSE Meetings (Man-Hours)	6
09.	HSE Non-Compliance	1

Medical Treatment Table: January to June 2022

Serial	Item	Quantity
01.	Consultations	120
02.	Resident Malaria	0
03.	Work-related Injuries	3
04.	First Aid Injuries	2
05.	Medical Treatment Injuries	0
06.	Lost Time Injuries	0

Environment:

No environmental incidents were recorded during the year.

A permanent Environment and Community manager was appointed during the year and has made significant improvements to the environmental and social management programmes and policy development.

Significant efforts have been made to ensure working environments were kept clean with clean up campaigns arranged at all drill sites to pick up non-biodegradable waste. Where possible, the team has also reduced the impact on the natural environment by minimising the amount of vegetation needed to be cleared for drill pad preparation.

A community rubbish collection program was also undertaken and a waste disposal sites at Gamba Gamba established.

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ESIA Baseline Studies

Baseline environmental and social studies for the ESIA commenced during the year undertaken by specialised environmental consultants Earth Systems.

The dry season survey was completed and focused on preliminary baseline data for Terrestrial Biodiversity. It included the following key findings:

Fauna: The study focused on large and medium-sized terrestrial fauna (mammals, reptiles and birds) and found a total of 95 species highlighted in the table below.

Overview of the richness of the different classes at Diamba Sud Project Development Area

Classes	Number	
	Families	Species
Mammals	10	11
Reptiles	2	2
Birds	39	78
Total	51	95

All mammal species observed *directly* or indirectly are of only minor concern (LC) according to the International Union for Conservation of Nature (IUCN) Red List. However, according to the Senegalese hunting code, *Orycteropus afer (Aardvark)* is fully protected, i.e. their hunting and capture, including that of the young and the collection of eggs, are formally forbidden. The following mammal species are partially protected; *Tragelaphus scriptus, Ourebia ourebi, Felis silvestris, Mungos mungo, Mellivora capensis* and *Canis adustus*.

Among the bird species observed, only the Savannah Boatman (Terathopius ecaudatus) of the family Accipitridae is considered threatened (EN) on the IUCN Red List.

Orycteropus afer (Aardvark)

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Savannah Boatman

Flora: The characterisation of the reference situation of the Diamba Sud project has identified 158 species. This flora is largely dominated by species from the Fabaceae family (21.5%), Malvaceae (10.1%), Combretaceae (7.6%), Poaceae (6.3%), Anacardiaceae (4.4%) and Rubiaceae (4.4%). These six families together represent more than 50% of the total species richness of the site.

Five species are represented in almost all the sites and are said to be constant. These are the following species: Anogeissus leiocarpa, Terminalia macroptera, Diospyros mespiliformis, Pterocarpus erinaceus and Sarcocephalus latifolius.

The flora degradation factors are natural and anthropogenic. However, anthropogenic activities are the main causes of biodiversity degradation (overexploitation of biological resources, bush fires, artisanal gold mining, etc.).

The results of the survey with local communities showed that Pterocarpus erinaceus is the most widely used species in the area. The wood of this species, called Senegalese rosewood, is one of the best woods in West Africa for cabinet making.

Senegalese Rosewood

Aquatic ecology: The study recorded 14 species of fish and 68 species of aquatic macroinvertebrates in the study area. The species richness remains very low at all the sampled sites. This low species richness could be due to the poor quality of the water, which is linked to the high level of artisanal gold mining activity in the study area. Indeed, the high turbidity of the water combined with the presence of dredging machines in the riverbed would have negative impacts on the aquatic fauna.

The analysis of fish tissues shows the presence of heavy metals with especially high concentrations of mercury and zinc in the species *Schilbe intermedius and Petrocephalus bovei sampled at AQS4 and AQS5. These concentrations are above the FAO/WHO and Canadian (2016) standards for fish consumption.*

Fishing is for the most part considered a secondary activity due to the scarcity of the resource but especially due to the poor quality of the water.

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Community:

From a social perspective, we continuously encourage stakeholder engagement by maintaining an open and frequent dialogue. The company continues to preferentially employ locals and source local supplies and services. Community infrastructure projects have been successful with good feedback from our local communities.

Through the Gamba Gamba Village Community Consultative Committee, Chesser has renewed its commitment to support access to basic community infrastructure and improved livelihoods and to provide its community with a better living conditions.

During the year a bridge over the entrance to the village was completed and the wall surrounding the school was built.

All-weather access to the village

Chesser is keen to promote income-generating activities for women and elderly men in the fields of agriculture and animal breeding. A market garden area is high on the priority list and landscaping work and construction of a fence has begun. The purchase of a three-headed motor mill for processing millet, maize and groundnut crops has been approved. This also includes the construction of a building to contain the mill. The community has appointed a manager for market gardening activities and another for poultry farming activities.

Villagers from the only village within Diamba Nord, Mousala, were met to introduce the field team and talk about the further exploration activities the company wants to carry out in the permit in the near future

Socio-economic surveys have commenced in the villages/hamlets of Gamba Gamba, Kharakhena, Lingueya, Ousmaneya, Kourdiakhouma and Sontigna as part of the ESIA studies.

Village meeting

Diamba Sud – BOYA Camp

During the year, the exploration team moved into new camp facilities at BOYA Camp.

This camp includes air-conditioned rooms, ablution block, core shed and workshop buildings

The fence and entrance gate was completed in June this year. The Camp Manager oversees the rubbish dump and recycling facilities.

BOYA Exploration Camp and Area D

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During the year Chesser contributed A$7m to the Senegalese economy including A$0.9m in local wages, A$0.9m taxes and charges paid to the government and A$68k spent on community projects and donations. These contributions will continue to increase as the Company continues developing at Diamba Sud towards a future gold mine.

Senegal Expenditures in AUD	2018	2019	2020	2021	2022
Local wages and salaries	$ 235,302	$ 296,595	$ 366,235	$ 584,875	$ 927,991
Government fees, taxes & charges	$ 20,244	$ 318,071	$ 171,306	$ 235,055	$ 930,550
Capital purchases	$ 34,007	$ 54,068	$ 34,459	$ 353,054	$ 415,402
Donations and gifts	$ 3,662	$ 1,007	$ 4,962	$ 3,453	$ 22,074
Community water well	$ –	$ –	$ –	$ 32,632	$ –
Clinic	$ –	$ –	$ –	$ 11,962	$ –
Compensation payments	$ –	$ –	$ –	$ –	$ 45,528
Political donations	$ –	$ –	$ –	$ –	$ –
All other Senegal expenditure	$ 151,593	$ 225,638	$ 1,404,675	$ 3,503,478	$ 4,658,542
	$ 444,808	$ 895,379	$ 1,981,637	$ 4,724,509	$ 7,000,087

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Corporate:

The Board has continued to support the suite of charters and key corporate governance documents which articulate the corporate governance policies and procedures adopted by Chesser.

These documents are available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/

A Corporate Governance Statement, current as at 16 September 2022, has been included in this Annual Report.

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Chesser Value statement

Commitment

We strive to achieve all our goals.

Character

We do what we say and act with integrity.

Community

We value all our employees, contractors, shareholders, host communities and government.

CHESSER RESOURCES

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CORPORATE GOVERNANCE STATEMENT

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INTRODUCTION

The Board and management of Chesser Resources Limited (Chesser or Company) recognises that the Company's employees, shareholders, regulators, and other stakeholders expect Chesser to conduct its operations ethically and with integrity. Chesser is committed to maintaining a high standard of corporate governance which reflects Chesser's values and the expectations of its stakeholders.

The Board has adopted a suite of charters and key corporate governance documents which articulate the corporate governance policies and procedures adopted by Chesser.

These documents are available in the Corporate Governance section of the Company's website, www.chesserresources.com.au/corporate-governance.

This Corporate Governance Statement (Statement), which is current as at 16 September 2022 and has been approved by the Company's Board, explains how Chesser complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations

– 4th Edition' published in February 2019 (ASX Principles and Recommendations), in relation to the year ended 30 June 2022.

In addition to the ASX Principles and Recommendations, the Board has considered a number of important factors in determining its corporate governance policies and procedures, including the:

- Relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities.
- Cost versus benefit of additional corporate governance requirements or processes.
- Size of the Board.
- Board's experience in the resources sector.
- Organisational reporting structure, number of reporting functions, operational divisions, and employees.
- Relatively simple financial affairs with limited complexity and quantum.
- Relatively small market capitalisation and economic value of the entity; and
- Direct shareholder feedback.

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Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
Principle 1: Lay Solid Foundations For Management And Oversight		
1.1 Role of Board and management	The Board has established a clear distinction between the functions and responsibilities reserved forthe Board and those delegated to management, which are set out in the Company's Board Charter. A copy of the Board Charter is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes
1.2 Information regarding election and re-election of director candidates	Chesser carefully considers the character, experience, education, and skillset of potential candidates for appointment to the Board and conducts appropriate background checks to verify the suitabilityof the candidate, prior to their election. Based on the Company's level of knowledge of the potential candidate, these may include checks as to the person's character, experience, education, andbankruptcy history, but may not include criminal record checks for potential candidates that are well known to the Board. The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the relevant notice of meeting provided to shareholders. Director profiles are also included on the Company's websiteand in the Directors', Report included in the Company's Annual Report.	No
1.3 Written contracts of appointment	In addition to being set out in the Board Charter, the roles and responsibilities of Directors are formalised in a letter of appointment which each Director receives and commits to on their appointment. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relations to committee work or any other special duties attaching to theposition, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies. Each Key Management Personnel ("KMP") enters into a servicecontract which sets out the material terms of employment, position description, reporting lines, remuneration arrangements and termination rights and entitlements. A summary of the employment contract for each KMP is provided in the Remuneration Report included in the Annual Report.	Yes
1.4 Company Secretary	The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary. In accordance with the Company's Constitution,the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are included on the Company'swebsite and in the Directors' Report of the Company's Annual Report.	Yes

CORPORATE GOVERNANCE STATEMENT

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Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
1.5 Diversity	The Company has adopted a Diversity Policy but did not establish measurable objectives for achieving gender diversity for the 2022 year. The Company's Diversity Policy recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embracesdiversity. However, the Board considers that the Company is not currently of a size to set measurable objectives for achieving gender diversity. The Board will review its position and may develop measurable objectives when the Company's operations increase. At the date of this Statement, the Company has no female directors or senior executives. At the date of this statement, females represented 3% of the Company's employees.	No
1.6 Board reviews	The Board has not conducted a formal performance evaluation. The Company is a junior resourcescompany, and the Board believes that a formal performance evaluation is not required at this pointin time as no efficiencies or other benefits would be gained from a formal performance evaluation.The Chairman is responsible for evaluating the Board and informal discussions are undertaken during the year. As the Company grows and develops, it will continue to consider the efficiencies and merits of a more formal performance evaluation of the Board, its committees, and individual Directors.	No
1.7 Management reviews	Each year the Board evaluates the performance of its KMP against Key Performance Indicators ("KPIs") as set by the Board. Details of the process followed are set out in the Remuneration Report of the Company's Annual Report. For the 2022 year, the Board has implemented a revisedremuneration framework as described in the Annual Report.	Yes
Principle 2: Structure the Board to be effective and add value		
2.1 Nominations committee	The Board has decided not to form a separate Nomination Committee. The Board believes that noefficiencies or other benefits would be gained by establishing a separate Nomination Committee. The Board has adopted a Remuneration and Nomination Committee Charter; however, the full Boardperforms the function of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter sets out the processes the Board employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence, and diversity to enable it to discharge its duties and responsibilities effectively. The Board regularly reviews whether it has the appropriate balance of skills, knowledge,and experience suitable for a Company in the junior resources sector. The Remuneration and Nomination Committee Charter is available in the Corporate Governance section of the Company's website .**https://www.chesserresources.com.au/corporate-governance/**.	Yes

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<table>
<tr><th>Recommendation</th><th>Explanation of Chesser's compliance with the recommendation</th><th>Recommendation complied with ?</th></tr>
<tr><td>2.2 Board skills matrix</td><td>The Board seeks a mix of skills suitable for a junior resources company. A summary of the key boardskills matrix is set out below. Further details regarding the skills and experience of each Director are included in the Directors' Report in the Company's Annual Report.
<table>
<tr><th>Director / Skills</th><th>Capital Markets</th><th>Resources Industry</th><th>Geology / Mining</th><th>Accounting / Finance</th><th>Listed Company</th></tr>
<tr><td>Mark Connelly</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td></tr>
<tr><td>Robert Greenslade</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>Simon O'Loughlin</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>Simon Taylor</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td></tr>
<tr><td>Andrew Grove</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table></td><td>Yes</td></tr>
<tr><td>2.3 Disclose independence and length of service</td><td>The Board has assessed the independence status of each Director as at the date the Company isadmitted to the Official List of the ASX and has determined the following:
<table>
<tr><th>Name</th><th>Position</th><th>Independent</th><th>Length of service</th></tr>
<tr><td>Mark Connelly</td><td>Non-Executive Chairman</td><td>Yes</td><td>Appointed 17 July 2020</td></tr>
<tr><td>Robert Greenslade</td><td>Non-Executive Director</td><td>Yes</td><td>Appointed 8 April 2020</td></tr>
<tr><td>Simon O'Loughlin</td><td>Non-Executive Director</td><td>Yes</td><td>Appointed 2 March 2006</td></tr>
<tr><td>Simon Taylor</td><td>Non-Executive Director</td><td>Yes</td><td>Appointed 29 March 2007</td></tr>
<tr><td>Andrew Grove</td><td>Managing Director</td><td>No</td><td>Appointed 1 May 2021</td></tr>
</table></td><td>Yes</td></tr>
<tr><td>2.4 Majority of directors independent</td><td>A majority of Directors of the Company are independent. as disclosed against Recommendation 2.3.</td><td>Yes</td></tr>
<tr><td>2.5 Chair independent</td><td>The Chairman, Mr Mark Connelly, is an Independent Non-Executive Director. Further details regarding the current directors are included on the Company's website and are set out in the Directors' Report of the Company's Annual Report.</td><td>Yes</td></tr>
<tr><td>2.6 Induction and professional development</td><td>The Board does not have a formal program for inducting new Directors and providing appropriateprofessional development opportunities. The Board has been structured such that its compositionand size will enable it to effectively discharge its responsibilities and duties. Each Director has been appointed because they already possess the relevant industry experience and specific expertise relevant to the Company's business and level of operations and given the activities of the Company and their own experience do not require the Company, given its size, to provide professional development opportunities. However, each new Director receives and commits to a letter of appointment which includes details of the Company's key policies and processes and continuingprofessional development is expected of all Directors. Directors are also entitled to seek independent professional advice at the expense of the Company (subject to approval) as may be reasonably required to assist them to carry out their duties as a director.</td><td>No</td></tr>
</table>

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CORPORATE GOVERNANCE STATEMENT

Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
Principle 3: Instill a culture of acting lawfully, ethically, and responsibly		
3.1 Values and 3.2 Code of Conduct	The Company has established a corporate vision and corporate values which can be viewed at https://www.chesserresources.com.au/visions-and-values/, The Board has established a Code of Conduct for its Directors, executives and employees, a copy of which is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes
3.3 Whistleblower Policy	The Company has adopted a Whistleblower Policy intended to support and protect persons who speak up about any unlawful, unethical or irresponsible behaviour within the organisation, a copy of which is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/ The Board are informed of materialincidents reported under the Company's Whistleblower Policy.	Yes
3.4 Anti-Bribery and Corruption Policy	The Company has adopted an Anti-Bribery and Corruption Policy (ABCP) which links to the Code ofConduct by which the Company expects its operations and business dealings to be managed. The ABCP prohibits the giving of bribes or other improper payments and specifies the controls around the giving of donations and the acceptance of gifts or hospitality by officers of the Company. The ABCP requires the Board to be informed of any material breaches of the ABCP. TheABCP is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes
Principle 4: Safeguard the integrity of corporate reports		
4.1 Audit committee	The Board has decided not to form a separate Audit Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board has adopted an Audit Committee Charter; however, the full Board performs the function of the Audit Committee. The Company: (a) Has relatively simple operations and currently only undertakes mineral exploration anddevelopment activities. (b) Has relatively simple financial affairs with limited complexity and quantum; and (c) Has a relatively small market capitalisation and economic value. As a result, the Board considers that it is more efficient and effective for the corporate reporting process to not have an Audit Committee at this stage. The Board will monitor this position as the Company's circumstances change. The full Board determines when to seek the appointment or removal of the external auditor, and subject to any statutory requirements, the full Board will alsoseek rotation of the	Yes

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Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
	audit partner on an as required basis. Further details on the integrity measuresimplemented for the corporate reporting function are provided in the Audit Committee Charter which is available in the Corporate Governance section of the Company's website at https://www.chesserresources.com.au/corporate-governance/	
4.2 CEO and CFO certification of financial statements	In respect of the full year and half year financial reports, the Board obtains a written declaration fromthe CEO (or equivalent) and CFO (or equivalent) that, in their opinion, the financial records of the Company have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that the opinion is formed on the basis of a sound system of risk management andinternal control that is operating effectively in all material respects in relation to financial reporting and material business risks. However, the Board does not receive declarations from the CEO (or equivalent) and CFO (or equivalent) in respect of the quarterly cash flow reportsprepared and lodged in compliance with Appendix 5B of the Listing Rules as these quarterly cashflow reports are considered by the Board: • not to be a financial report or interim financial report as defined under Australian accounting standards; and / or • not to be capable, as a standalone report, of giving a true and fair view of the financial position and performance of the Company, only its cash flows for the relevant reporting period.	
4.3 Verifying the Integrity of Periodic Corporate Reports	The Company has an effective system of internal control and multiple review and approval stageswhich it applies to public documents that are not reviewed or audited by its external auditor.	Yes
4.4 External auditor at AGM	The Company has engaged a reputable and suitably qualified external auditor to perform the external audit function. At least one senior representative of the auditor attends the Annual GeneralMeeting ("AGM") and is available to answer shareholder questions regarding the audit.	Yes
Principle 5: Make timely and balanced disclosure		
5.1 Disclosure and Communications Policy	The Company has adopted a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under applicable Listing Rules and applicable corporation law (including the Corporations Act). A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes

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CORPORATE GOVERNANCE STATEMENT

Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
5.2 Material Market Announcements	The Company ensures that Directors are provided with a copy of all material market releases eitherprior to, or promptly after, lodgement.	Yes
5.3 Investor or Analyst Presentations	The Company ensures that any new substantive investor or analyst presentation is released on theASX Markets Announcements Platform ahead of being presented, or made available to, investors or analysts.	Yes
Principle 6: Respect the rights of security holders		
6.1 Information on website	The Company keeps investors informed of its corporate governance, financial performance, and prospects via its website. Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statements, investor presentations via the 'Investors' tab and can access general information regarding the Company and the structure of its business underthe 'Projects' tab on the Company's website, **www.chesserresources.com.au**.	Yes
6.2 Investor relations programs	The Company has an investor relations program that is commensurate with the size of the Company and its level of operations. This program involves actively engaging with interested brokers and investors and meeting with interested brokers and investors upon request. The Company responds to enquiries received from brokers and investors from time to time. In addition, access to Directors and KMP is provided at the Company's Annual General Meeting of Shareholders, and Shareholders are always given the opportunity to ask questions of Directors and management, either during orafter meetings. Any presentations prepared by the Company are posted on the Company's website (**www.chesserresources.com.au**), which also provides the opportunity for interested parties to join the mailing list to receive regular updates from the Company. in the Corporate Governance section of the Company's website, **https://www.chesserresources.com.au/corporate-governance/**	Yes
6.3 Facilitate participation at meetings of securityholders	The Board encourages participation of Shareholders at its meetings of shareholders and Shareholders are provided with all notices of meeting prior to meetings, which are set at times andplaces to promote maximum attendance by Shareholders. Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. In addition, the Company's auditor is also made available for questions at the Company's Annual General Meeting of Shareholders ("AGM").	Yes
6.4 Voting by Poll	The Company has adopted the process required by ASX Guidance Note 35 which stipulates that allListing Rule resolutions be decided by poll. The Company has extended the conduct of a poll to all resolutions proposed at shareholder meetings.	Yes
6.5 Facilitate electronic communications	The Company welcomes electronic communication from its Shareholders via its publicised email address (**info@chesserresources.com.au** The Company's website (**www.chesserresources.com.au**) provides	Yes

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Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
	the opportunity for interested parties to join the mailing list to receive regular electronic updates from the Company. The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the share registry to access their personal information andshareholdings via the internet.	
Principle 7: Recognise and manage risk		
7.1 Risk committee	The Board has decided not to form a separate Risk Committee. Due to the size and developmentphase of the Company, the Board believes that no efficiencies or other benefits would be gainedby establishing a separate Risk Committee. The Board as a whole is ultimately responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage those risks. For further details of the responsibilities of the Board,the Chief Executive Officer, the Chief Financial Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes, refer to the Company's Risk Management Policy, which is available in the Corporate Governance section ofthe Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes
7.2 Annual risk review	On at least an annual basis, the Board reviews its material business risks and how its material business risks are being managed. A summary of the Company's material business risks and how it manages those risks is provided in the Directors' Report included in the Annual Report for the year ended 30 June 2022.	Yes
7.3 Internal audit	The Board has not established an internal audit function at this time. The full Board oversees theeffectiveness of risk management and internal control processes. Refer to the Company's Risk Management Policy for responsibilities of the Board, the Chief Executive Officer, the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes. A copy of the Risk Management Policy is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/	Yes
7.4 Sustainability risks	The Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available in the Corporate Governance section of the Company's website, https://www.chesserresources.com.au/corporate-governance/. The material risks faced by theCompany that could have an effect on the Company's future prospects, include: (a) availability offurther funding: (b) exploration and development risks; (c) fluctuations in commodity prices: (d) sovereign risks: (e) Government regulations risks; and (f) global financial conditions.	Yes

CORPORATE GOVERNANCE STATEMENT

Recommendation	Explanation of Chesser's compliance with the recommendation	Recommendation complied with ?
Principle 8: Remunerate fairly and responsibly		
8.1 Remuneration committee	The Board has decided not to form a separate Remuneration Committee. The Board believes thatno efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. The Board has adopted a Remuneration and Nomination Committee Charter; however, the Board as a whole performs the function of the Remuneration and Nomination Committee. TheRemuneration and Nomination Committee Charter sets out the processes the Board employs forsetting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The Remuneration and Nomination Committee Charter is reviewed annually and is available in the Corporate Governance section of the Company's website **https://www.chesserresources.com.au/corporate-governance/.**	Yes
8.2 Disclosure of Executive and Non-Executive Director remuneration policy	The Company seeks to attract and retain high performing Directors and Executives with appropriate skills, qualifications, and experience to add value to the Company and fulfil the roles and responsibilities required. It reviews requirements of additional capabilities at least annually. Executive remuneration is to reflect performance and, accordingly, remuneration is structured with a fixed component and performance-based remuneration component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. Fees paid are composite fee (covering all Board and Committee responsibilities) and any contributions by the Company to a fund for the purposes of superannuation benefits for a director. No other retirement benefit schemes are in place in respect to Non-Executive Directors. Further details regarding theremuneration of the Executive and Non-Executive Directors are set out in the Remuneration Report within the Annual Report.	Yes
8.3 Policy on hedging equity incentive schemes	The Company's Directors and Executives must not enter any hedge arrangements in relation to anyperformance rights or other equity based awards they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights or once exercised, while the securities are subject to a transfer restriction. Further details regarding the Company's hedging policy are set out in the Company's Securities Trading Policy which is available in the Corporate Governance section of the Company's website, **https://www.chesserresources.com.au/corporate-governance/.**	Yes

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DIRECTORS' AND FINANCIAL REPORTS

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

The directors of Chesser Resources Limited (the "Company" or "Chesser") submit herewith the year financial report of the Company and the entities it controlled for the year ended 30 June 2022 (collectively "Group"). To comply with the provisions of the Corporations Act 2001, the directors report as follows.

Directors
The following persons were directors of Chesser Resources Limited during the whole of the year under review and up to the date of this report, unless otherwise stated:

- Mr Mark Connelly, Non-Executive Chairman
- Mr Andrew Grove, Managing Director
- Mr Simon O'Loughlin, Non-Executive Director
- Mr Simon Taylor, Non-Executive Director
- Mr Robert Greenslade, Non-Executive Director

Company secretary
Mr Stephen Kelly was the Company Secretary during the whole of the year under review and up to the date of this report.

Mr Mark Connelly (Non-Executive Chairman)
Mr Connelly has extensive experience and involvement in African gold exploration and development including the merger of Papillon Resources with B2 Gold Corp and the merger of Adamus Resources with Endeavour Mining. He is currently Non-Executive Chairman at Calidus Resources Limited, Omnia Metals Group Limited and BeMetals Corporation and a Non-Executive Director at Renegade Exploration Limited.

Mr Connelly is a member of the Australian Institute of Company Directors, a member of the Australian Institute of Management and a member of the Society of Mining, Metallurgy and Exploration.

Former directorships in last 3 years
In the last 3 years, he has been Chairman of West African Resources Limited, Barton Gold Limited, Emmerson PlcOklo Resources Limited and a Non-Executive Director of Tao Commodities Limited and Primero Group Limited.

Mr Andrew Grove (Managing Director)
Mr. Grove has over 30 years technical, commercial, and financial experience in global resources including 14 years with Macquarie Bank's Mining Finance and Risk Management Group. Mr Grove has significant operational experience gained across all phases of resources projects such as the Sunrise Gold Dam project in Western Australia and has substantial African gold mining experience including his previous role as Group General Manager Business Development and Investor Relations at Perseus Mining Limited.

Mr Grove has a Bachelor of Engineering (Mineral Exploration and Mining Geology) and a master's degree in Mineral and Energy Economics.

Former directorships in last 3 years
Nil.

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

Mr Simon O'Loughlin, BA(Acc) (Non-Executive Director)

Mr O'Loughlin is the founding member of O'Loughlins Lawyers, an Adelaide based medium sized specialist commercial law firm. For many years he has practiced both in Sydney and Adelaide, in the corporate and commercial fields with, in more recent times, a particular focus on the resources sector. He also holds accounting qualifications. Mr O'Loughlin is Non-Executive Chairman of Stellar Resources Limited and a Non-Executive Director of Petratherm Limited.

Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX and National Stock Exchanges. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Former directorships in last 3 years
In the last 3 years, he has been a director of Kibaran Resources Ltd, Odin Mining Ltd, ARC Exploration Limited, Piedmont Lithium Limited, Bod Australia Limited and Oklo Resources Limited.

Mr Simon Taylor, BSc(Geology), MAIG, GCertAppFin (Finsia) (Non-Executive Director)

Mr Taylor is a geologist with 20 years ' experience throughout Australia and overseas having held senior geologist and exploration manager positions for numerous ASX listed resource companies. He has gained considerable experience in exploration, project assessment and joint venture negotiations. His experience includes providing consulting services to resource companies and financial corporations as a resource analyst. Mr Taylor's corporate experience includes project appraisal, advice on placements and fundraising. He is a member of the Australian Institute of Geoscientists and is a Non-Executive Director of Stellar Resources Limited and Black Canyon Limited.

Former directorships in last 3 years
Oklo Resources Limited and Bod Australia Limited.

Mr Robert Greenslade (Non-Executive Director)

Mr Greenslade has extensive experience in investment banking with over 30 years' experience in mergers and acquisitions, capital raisings and strategic advisory predominantly in the resources industry.

Robert is currently a director and co-founder of GP Securities a private investment vehicle focusing on various industries including private equity, resources, manufacturing in the food and retail sectors and technology. Until February 2016, Robert was a Managing Director at Standard Chartered Bank and Head of Australia, Mining and Metals Division, following the Bank's acquisition of Gryphon Partners Advisory, (a boutique corporate advisory firm focusing on the resources sector of which Robert was a co-founder), in 2011.

Prior to Gryphon Partners Advisory, Robert held various senior roles at Normandy Mining Limited, including Head of Corporate Development and at Newmont Mining following Newmont's takeover of Normandy.

Former directorships in last 3 years
Nil

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Directors' report

Company Secretary

Mr Stephen Kelly, B.Bus, ACA (Company Secretary and Chief Financial Officer)
Mr Kelly was appointed as the Company Secretary and Chief Financial Officer of the Company on 15 November 2012. A qualified Australian Chartered Accountant, Mr Kelly has more than 30 years' international experience in the areas of external and internal audit, risk management and compliance, treasury, and corporate finance across a range of industry sectors including mining, infrastructure, property development and banking and finance.

Former directorships in last 3 years
Nil

Interests in the shares and options of the Company
As at the date of this report, the interests of the directors in the shares and options of Chesser Resources Limited were:

	Number of Ordinary Shares #	Number of Options over Ordinary Shares #	Number of rights over Ordinary Shares
Mr Mark Connelly	150,000	1,776,164	-
Mr Andrew Grove	2,350,000	7,226,128	-
Mr Simon O'Loughlin	5,283,334	773,972	82,429
Mr Simon Taylor	7,100,001	773,972	-
Mr Robert Greenslade	24,812,748	773,972	90,260

Includes shares in which the Director has an indirect interest through associated entities.

Meetings of Directors
The number of meetings of the Company's board of directors and each board committee held during the year ended 30 June 2022, and the numbers of meetings attended by each director were as follows:

Number of meetings held	Board Meetings 6	
	Number of meetings eligible to attend	Number of meetings attended
Mr Mark Connelly	*6*	*6*
Mr Andrew Grove	*6*	*6*
Mr Simon O'Loughlin	*6*	*6*
Mr Simon Taylor	*6*	*6*
Mr Robert Greenslade	*6*	*6*

The full Board fulfilled the roles of the Audit, Risk and Compliance Committee and the Remuneration and Nominations Committee during the financial year.

PRINCIPAL ACTIVITIES
The principal activity undertaken by the Company during the year was the exploration for gold on its mineral exploration licences in Senegal with a particular focus on its flagship Diamba Sud Project.

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

REVIEW OF OPERATIONS

Exploration Activities

Diamba Sud Project

The Phase 6 resource definition drill program was completed in October 2021 over Areas A and D, the data from which was utilised to calculate a maiden Mineral Resource in November 2021 totalling 781,000 ounces gold from 15.2 million tonnes at a grade of 1.6 g/t gold. Importantly the mineralisation has a number of key attributes that would lead to future economic development including a large near surface high-grade component of 493,000 ounces gold at a grade of 3.0 g/t gold.

A Scoping Study was completed in March 2022 over the Area A and D maiden Mineral Resources that demonstrated a technically simple, low risk; high value future gold mine development would be possible at Diamba Sud. Key study highlights included:

- Post-tax NPV_5 A$419 million (US$301 million) and IRR 59% at a US$1,800/oz gold price
- Payback 15 months of the US$159 million capital
- 7.5-year Project life producing 704,000 oz gold at an average AISC of US$820/oz
- First two years of gold production totals 244,000 oz at an average AISC of US$545/oz
- Significant Resource upside – targeting plus 1 million ounces in 2022
- Approval to commence DFS, ESIA and licensing in preparation of a future mine development at Diamba Sud

The 4,147m Phase 7 drill program completed in December 2021 targeted three prospective areas (Karakara, Western Splay, Area F) at Diamba Sud and led to the discovery of new shallow high-grade mineralisation at Karakara, approximately 1km south of Area D.

Historical drilling and results from the Phase 7 drill program at Western Splay have defined variable shallow mineralisation over at least a 300m strike. The Western Splay area has been subject to further drilling during the Phase 8 drill program with results outstanding at the time of this report.

A 20,000m drilling program commenced in February 2022 (Phase 8) targeting resource expansion at Areas A and D, adding the new Karakara discovery into the resource inventory and to test a number of other prospective targets on the Diamba Sud tenement.

Phase 8 drilling at Karakara has defined shallow high-grade mineralization over a strike length of over 200m which remains open to the south. Numerous drill results remain outstanding at the time of this report. A maiden Mineral Resource estimate over Karakara will be undertaken during 2022 and is expected to provide a meaningful uplift to the Mineral Resource inventory and has been included into the DFS currently underway.

Fifteen rock chip samples from an active artisanal pit at Kassassoko returned very significant gold results, averaging 3.8 g/t gold, maximum result of 10.3 g/t gold. Kassassoko is located 2.5km south of Karakara and mineralisation is hosted within granites. Two diamond drill holes have been drilled under the pit with results outstanding at the time of this report, however it is likely that this area will develop into a high priority target for future drilling.

Directors' report

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At Bougouda, located approximately 14km south of the main Diamba Sud tenement, drilling has defined a 600m long mineralised quartz vein. Mineralisation was intersected on each drill traverse with the weighted average intercept reported being 3.8m @ 4.2g/t gold. Further investigation and analysis to determine if potential future economic extraction is possible will be undertaken over the prospect. Best intercepts included:

Diamba Nord

Exploration undertaken on Diamba Nord during the reporting period included:

- Mapping, rock chip (61 samples) and termite (756 samples) sampling of the southern section of the Diamba Nord southern tenement block. Results were generally low level; however the isolated anomalous results and areas of artisanal activity will be followed up when field activities commence on the nearby Morichou tenement.
- 382 samples from the 2018 400x50m auger drilling program were not assayed at the time and were submitted for analysis. Only isolated anomalous results were identified from the area of auger coverage with no evidence of significant mineralised trends

Morichou and Bondala tenements

Morichou and Bondala license applications were granted in February 2022, significantly increasing the Company's ground holding in Senegal to 872km2 (Figure 1).

The Bondala license (total area of 207km2) increased the landholding adjacent to and around the Diamba Sud gold project and is contiguous to the north of the Diamba Sud tenement covering an area of highly prospective Falémé group rocks and surrounds the 0.5Moz Karakaene deposit immediately to the west of Diamba Sud. The Bondala license also covers an area along strike of the 1Moz Makabingui mineralization.

The Mourichou license (total area of 431km2) covers an extensive area of Mako series rocks and is located near the Sabodala shear zone and close to Chesser's Diamba Nord Project tenements.

Each tenement is valid for a period of 10 years with an initial term of 4 years and renewable for a further two periods of 3 years each. There is a 25% relinquishment requirement at each renewal.

No exploration work was carried out over these areas during the period.

Further information regarding the Company's Senegal projects and the exploration activities undertaken during the financial year is provided in the Operations Review accompanying this Directors' Report.

Corporate activities

During the year the following significant corporate events occurred:

- On 12 July 2021, 23,809,524 B Class Performance Shares expired without vesting.
- During the year the Company received $954,000 in cash proceeds from the exercise of 15,494,000 options with a further $150,520 in option exercise monies being received prior to 30 June 2021. The Company also issued 1,888,889 shares pursuant to the exercise of 3,000,000 options via a cashless exercise mechanism.

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

- On 16 July 2021, 668,500 options expired without being exercised.
- On 3 November 2021 the Company issued 3,501,516 zero exercise price options (ZEPOs) and on 2 December 2021 issued 3,424,208 ZEPOs with an expiry date of 30 June 2026 to Directors and Executives as Long Term Incentives under the Employee Incentive Plan.
- The Company raised a total of $12,100,000 pursuant to private placements in April 2022 in which approximately 115 million shares were issued. In addition to the Placement, on 26 May 2022, the Company issued a further 3,000,000 shares at the Placement price of $0.105 per share to Directors to raise funds totaling $315,000.

Operating result

The Company reported a loss after tax for the year of $3,597,277 (2021: loss of $2,745,821). The significant items affecting the loss after tax were:

- An increase in share-based payments expense to $1,561,371 (2021: $1,008,931) due to the amortisation over the vesting period of Non-Executive Director Options and Incentive Options issued to Directors and Management under the Employee Incentive Plan.
- An increase in key management personnel and employee remuneration expense to $1,227,394 (2021: $859,112) commensurate with the increase in activity as the Diamba Sud project is progressed.
- An increase in administrative and other expenses reflecting increase in activity as the Diamba Sud project is progressed.
- A decrease in depreciation to $2,821 reflecting the capitalisation of $186,277 as exploration and evaluation expenditure in the current financial year.
- $203,519 in project related expenditure incurred by the parent entity that do not qualify for capitalisation under the relevant accounting standards (2021: $Nil).

Significant changes in the reporting year

Other than the matters noted in this Directors' Report there were no significant changes in the Company's operations in the reporting year.

Dividends

No dividends were paid or declared during the year and no recommendation is made as to payment of dividends.

Impact of COVID-19

The outbreak of the COVID-19 pandemic in early 2020 and the subsequent travel and trade restrictions imposed by the governments of numerous countries including Australia have caused disruption to businesses and economic activity. The Board and Management of the Group have considered the impact of the COVID-19 pandemic on the Group's operations and financial performance and have determined that the Group has not been materially impacted by the COVID-19 pandemic at this stage.

The Group received a $16,206 cash boost grant from the Australian government in the prior year as part of the Australian government's economic response to the COVID-19 pandemic. No grants were received in the current year.

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Directors' report

Events occurring after balance sheet date

No matter or circumstance has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs.

Likely developments and expected results of operations

The exploration success at Diamba Sud has been exceptional with most targets returning mineralisation. However, there remains a significant number of geochemical anomalies with no or very little drilling and exploration to date has only really targeted the near surface mineralisation expressed by the gold geochemistry. As the understanding of this complex structural/lithological/mineralisation system evolves exploration should also be able to more effectively target mineralisation at depth.

Planned exploration at Diamba Sud for the 2022-2023 year will be focused on delivering resource growth, testing the exploration potential, delivering the DFS and moving the Diamba Sud Project towards a future successful gold mine development at Diamba Sud.

Environmental Regulation

The Company was not subject to any significant environmental regulation under a law of the Commonwealth of a State or Territory of Australia.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Shares under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise price of options	Number under options	Issued as remuneration in current or prior period ?
15/03/2019	31/12/2022	$0.05	500,000	Yes
15/03/2019	31/12/2022	$0.05	1,000,000	Yes
18/12/2019	30/11/2022	$0.12	2,000,000	No
08/09/2020	30/11/2023	$0.08	2,000,000	No
08/12/2020	07/12/2025	$0.00	6,400,000	Yes
20/01/2021	19/08/2024	$0.24	200,000	Yes
20/01/2021	19/08/2024	$0.35	200,000	Yes
20/01/2021	19/08/2024	$0.45	200,000	Yes
20/01/2021	07/12/2025	$Nil	4,400,000	Yes
30/04/2021	031/1/2026	$Nil	5,000,000	Yes
29/09/2021	30/06/2026	$Nil	3,501,516	Yes
30/11/2021	30/06/2026	$Nil	3,424,208	Yes
			28,825,724	

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

In addition, at the date of this report the Company had on issue 1,026,685 salary sacrifice rights with an expiry of 7 December 2025 and an exercise price of $NIL.

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

Shares issued as a result of the exercise of options

The Company issued 10,994,000 fully paid ordinary shares at an issue price of $0.08, 4,500,000 fully paid ordinary shares at an issue price of $0.05 and 1,888,889 fully paid ordinary shares pursuant to the exercise of 3,000,000 options via a cashless exercise mechanism during the financial year as a result of the exercise of options.

Total funds received on the exercise of options during the year was $954,000 (2021: $1,168,832) excluding $150,000 in option exercise proceeds received during the prior period for which the resulting shares were issued during the current reporting period.

In the period from 1 July 2021 to the date of this report, the Company has received $Nil cash proceeds from the exercise of Nil options.

Material business risks

Mineral exploration and development, is considered by its nature to be high-risk and is affected by risks and uncertainties, some of which are beyond the Group's reasonable control. The uncertainties arise from a range of factors, including the nature of the mineral exploration industry and changing economic factors. The business risks assessed as having the potential to have a material impact on the business, operating and/or financial results and performance of the Group include:

Exploration Activity Risk

Mineral exploration activity, especially drilling, is considered by its nature to be high-risk and is affected by numerous factors. Drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Hazards incident to the exploration and development of mineral exploration properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and may be encountered by Chesser. Exploration may be unsuccessful and may prove to be more costly than expected or the proposed timing of exploration may not be achieved.

To maximise the possibility of success in its exploration activities, Chesser seeks to employ technical staff of the highest calibre and to engage proven contractors and service providers to plan and implement its exploration and development programs.

Governmental and Regulatory Risk

Chesser's current and future exploration, development and production activities are subject to various laws and statutory regulations governing exploration, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land

Directors' report

claims of local people and other matters, and to obtaining and maintaining the necessary titles, authorisations, permits and licences.

No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on Chesser's financial position and results of operations, or on the success of its exploration and development projects.

Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against Blue, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Continuous monitoring of legislative and regulatory changes and associated risks is undertaken and regular engagement with regulators and governments supports the management of risks arising from these changes.

Native Title and Land Access Risk

In addition, Chesser requires access to traditional, private and public lands which its exploration licences overlay. Exploration activities may be adversely impacted or delayed if Chesser is unable to negotiate access or entry agreements to those lands, or if disputes arise in relation to negotiated land access and entry agreements.

Chesser works closely with local communities, private and public landholders and other stakeholders to develop positive working relationships with those parties and to ensure that they are kept informed of Chesser's proposed and actual activities.

Reserve and Resource Estimates Risk

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice of independent experts. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible quantities of minerals in a prospect may be proved incorrect by future exploration, production, mapping and/or drilling activity. Further, there is no guarantee that estimated reserves and resources can be profitably exploited.

Chesser engages highly reputable and independent international experts to review its resource estimates in accordance with the 2012 JORC code.

Dependence upon key personnel

Chesser's success depends in part on the core competencies of the Directors and management and the ability of the Group to retain key personnel. Loss of key personnel could have an adverse impact on the Group's performance. Chesser has in place employment arrangements designed to secure and retain the services of key personnel.

Health, safety and environment

The nature and complexity of Chesser's operations pose risks in relation to the health and safety of employees

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Directors' report

and contractors, and a range of environmental risks exist when carrying out exploration activities. Environmental incidents, and real or perceived threats to the environment or the amenity of local communities, could result in a loss of Chesser's licence to operate, leading to delays, disruption or the shut-down of exploration and production activities. Chesser's field activities are conducted pursuant to and compliant with applicable legislation and regulations.

Chesser has developed detailed environmental, health and safety management plans to protect the safety and well being of the environment and Chesser's employees, contractors and communities.

Access to capital and liquidity

Chesser's business and, in particular its exploration and development activities, relies on access to equity financing. The ability to secure financing, or financing on acceptable terms, may be adversely affected by volatility in the financial markets. These effects may be global or affecting a particular geographic region, industry or economic sector.

A major focus of Chesser's Board and management is on ongoing cash flow forecasting and management of cash flows to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations.

Climate change risk

Chesser recognises that climate change is a global phenomenon and that global, country and state specific policies in response to a changing climate may affect the Group through increased regulation and costs. Chesser identifies climate change regulation as a strategic risk that ultimately may affect the Group's future operating and financial performance. The regulatory risks and perception of the speed of a changing climate may have direct and indirect adverse impacts on the Group's operations or customer markets, including capital markets.

The Company remains alert to scenarios around domestic and global policy trends caused by a changing climate, and how these might impact the Group's activities.

Schedule of mining tenements
As at 30 June 2022, the Company had interests in the following tenements:

TENEMENT	LOCATION	EXPIRY DATE	INTEREST
Diamba Sud	Senegal	9 June 2024	100%
Diamba Nord	Senegal	8 June 2024	100%
Morichou	Senegal	14 February 2032	100%
Bondala	Senegal	14 February 2032	100%

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Directors' report

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Remuneration Report (Audited)

a) Policy for determining the nature and amount of key management personnel remuneration

The Board of Chesser Resources Limited is responsible for determining and reviewing compensation arrangements for the Non- Executive Directors and the Executive Director. The Board's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high -quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost to the Group. In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of a high calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Remuneration of non-executive directors is determined by the Board, within the maximum amount approved by the shareholders from time to time (currently set at an aggregate of $400,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Group. The Non-Executive Chairman received an annual fee of $60,000 inclusive of statutory superannuation (2021: $40,000 plus statutory superannuation). All other Non-Executive Directors receive an annual fee of $40,000 plus statutory superannuation (2021: $40,000 plus statutory superannuation). Non-Executive Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services. No fees were paid to Non-Executive Directors for additional services during the year ended 30 June 2021 (2021: $Nil).

Non-executive directors may also be granted options from time to time. The options granted are considered by the Board to be an effective means of appropriately compensating Directors whilst preserving the Company's cash reserves and providing an alignment between Director and shareholder interests.

Executive Director and Key Management Personnel Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- To attract and retain quality employees
- To motivate behaviours to align with corporate goals and values
- To develop highly motivated and results focused teams and individuals
- Promote open communication, collaborative and non-discriminatory work culture
- Success shared and valued across the business and with shareholders and stakeholders

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

Structure

In determining the level and make-up of executive remuneration, the Board has had regard to market levels of remuneration for comparable executive roles. It is the Board's policy that employment contracts are entered into with all senior executives.

Executives are currently remunerated by a combination of cash base remuneration, a cash based short term incentive plan and an equity based long term incentive plan.

Base remuneration

Base remuneration for executives comprises salary, superannuation and leave entitlements and is paid in cash. Base remuneration is based on market levels of remuneration for comparable executive roles and the particular skills and experience of the executive.

Variable Remuneration – Short Term Incentive Plan

In the current reporting period, the Company implemented a short term incentive plan (STIP) designed to align individual and team behaviours with company goals and values.

Under the STIP, executives can receive up to 25% of their base remuneration paid as cash based on their achievement of agreed KPI's.

For the Managing Director the agreed KPI's are based on the Group's achievement of objectives relating to workplace health and safety, compliance, exploration success and share price growth. In the current reporting period, the Managing Director was assessed to have achieved eighty percent of the target STIP KPI's (2021: No STIP plan in operation).

For the Chief Financial Officer and Company Secretary, the agreed KPI's are based on a weighting of 80% for on the Group's achievement of objectives relating to workplace health and safety, compliance, exploration success and share price growth and twenty percent on the achievement of agreed personal KPI's. In the current reporting period, the Managing Director was assessed to have achieved eighty percent of the target STIP KPI's (2021: No STIP plan in operation).

The Company did not pay any cash incentives to Non-Executive Directors during the financial year (2021: $Nil).

Variable Remuneration – Long Term Incentive Plan

Long Term Incentive program (LTIP) is designed to attract, retain and align senior management with shareholders in the long term success of the business

Long term incentives granted to senior executives are delivered in the form of options in accordance with an Employee Incentive Plan. As part of the Group's annual strategic planning process, the Board and management agree upon a set of financial and non-financial objectives for the Group. The objectives form the basis of the assessment of management performance and vary but are targeted directly to the Group's business and financial performance and thus to shareholder value.

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Directors' report

During the current reporting period all key management personnel, including Non-Executive Directors received awards under the LTIP as follows:

- The awards were in the form of options with a zero exercise price and an expiry date of 30 June 2026
- The LTIP awards are subject to the following vesting conditions:
  - 75% of the LTIP awards will vest based on the 90-day VWAP as at 30 June 2024 as a percentage of the Grant Date VWAP which was deemed to be $0.146. The table below summarises the vesting schedule for the VWAP Tranche:

	90 day VWAP as at 30 June 2024					
	$ 0.2044	$0.2216	$0.2392	$0.2568	$0.2744	$ 0.2920
30 June 90 day VWAP as a % of Grant Date VWAP	140%	152%	164%	176%	188%	200%
% of VWAP Tranche options that vest	50%	60%	70%	80%	90%	100%

  - 25% of the incentive options to be issued to each Director and 875,380 of the incentive options to be issued to employees and consultants will vest if the Group announces a positive Definitive Feasibility Study on or before 30 June 2024.

b) Remuneration, Group performance and shareholder wealth

The development of remuneration policies and structures is considered in relation to the effect on Group performance and shareholder wealth. They are designed by the Board to align Director and Executive behaviour with improving Group performance and ultimately shareholder wealth. The Board considers that the estimation of a maiden JORC resource for the Diamba Sud project is the performance measure most relevant to generating shareholder value at the current stage of the Company's development.

Executives are currently remunerated by a combination of cash base remuneration and options. The options granted are considered by the Board to provide an alignment between the employees and shareholders interests.

The table below shows for the current financial year and previous four financial years the total remuneration cost of the key management personnel, earnings per ordinary share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

Financial Year	Total Remuneration $	EPS (Cents)	Dividends (Cents)	Share Price (Cents)
2022	1,692,930	(0.73)	-	8.4
2021	1,259,614	(0.65)	-	13.0
2020	515,089	(0.40)	-	9.4
2019	533,391	(0.95)	-	4.4
2018	417,200	(0.49)	-	6.0

Given the stage of the Company's development and the fact that it does not currently have any revenue producing operations, the Board does not consider EPS or dividends paid or declared to be meaningful measures for assessing executive performance.

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

Key management personnel

The following persons were key management personnel of the Group during the financial year (unless noted otherwise the persons listed were key management personnel for the whole of the financial year):

Name	Position Held
Mark Connelly	Non-Executive Chairman
Simon O'Loughlin	Non-Executive Director
Simon Taylor	Non-Executive Director
Robert Greenslade	Non-Executive Director
Andrew Grove	Managing Director and Chief Executive Officer
Stephen Kelly	CFO and Company Secretary

The Company has entered into an employment agreement with Mr Andrew Grove pursuant to which he was appointed the Company's Chief Executive Officer effective 1 February 2021 and Managing Director effective 1 May 2021. The key terms of the agreement are:

- Mr Grove will be paid an annual salary of $325,000 per annum plus superannuation. In addition, Mr Grove will be entitled to participate in incentive or bonus plans as may be introduced by the Company from time to time.
- The Agreement may be terminated by either Mr Grove or the Company by providing six months' notice or payment in lieu of notice. The Company may terminate the agreement without notice in the event of misconduct.
- After completing three month's service, Mr Grove was issued 5,000,000 incentive options with a $nil exercise price and an expiry date of 31 January 2026 and subject to the following vesting conditions:
  - 1,666,667 options vest on announcing a JORC resource of 500,000 ounces Au at a grade not less than 2 g/t
  - 1,666,667 options vest on announcing a JORC resource of 750,000 ounces Au at a grade of not less than 2g/t
  - 1,666,666 options vest on announcing a JORC resource of 1,000,000 ounces Au at a grade of not less than 2g/t

The Company has entered into a Consultancy Agreement with KCG Advisors Pty Ltd pursuant to which Mr Stephen Kelly is engaged to provide Chief Financial Officer and Company Secretarial services to the Company effective from 11 May 2015. The key terms of the Agreement are:

- KCG Advisors Pty Ltd to receive $225 per hour, exclusive of GST, for services provided by Mr Kelly.
- Unless otherwise agreed between the parties, a monthly cap of $10,000 (2020: monthly cap of $10,000), exclusive of GST, will apply to payments to KCG Advisors Pty Ltd; and
- The Agreement may be terminated by either party at any time on the giving of not less than one month's notice in writing.

c) Details of remuneration

Compensation paid, payable or provided by the Group or on behalf of the Group, to key management personnel is set out below. Key management personnel include all Directors of the Group and certain

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Directors' report

executives who, in the opinion of the Board and Managing Director, have authority and responsibility for planning, directing, and controlling the activities of the Group directly or indirectly.

2022	Base fees and remuneration	Super-annuation	Short Term Incentive Bonus	Share Based Payment^	Total remuneration	Proportion of remuneration that is performance based#
	$	$	$	$	$	%
Non-Executive Directors						
Mr Mark Connelly	54,795	5,480	-	138,518	**198,793**	7%
Mr Simon O'Loughlin	40,000	4,000	-	54,266	**98,266**	10%
Mr Simon Taylor	40,000	4,000	-	54,381	**98,381**	11%
Mr Robert Greenslade	40,000	-	-	53,922	**93,922**	11%
Total Non-Executive Directors	**174,795**	**13,480**	**-**	**301,087**	**489,362**	**9%**
Executive Directors						
Mr Andrew Grove@	348,427	21,710	52,975	442,024	**865,136**	**57%**
Total Executive Directors	**348,427**	**21,710**	**52,975**	**442,024**	**865,136**	**57%**
Other Key Management Personnel						
Mr Stephen Kelly	124,545	-	29,340	184,547	**338,432**	**63%**
Total Other Key Management Personnel	**124,545**	**-**	**29,340**	**184,547**	**338,432**	**63%**
Total Key Management Personnel Compensation	**647,767**	**35,190**	**82,315**	**927,658**	**1,692,930**	**45%**

^ Equity-settled share-based payments as per *Corporations Regulation 2M.3.03(1) Item 11.*

Share based payments for Non-Executive Directors comprises a mix of incentives that a performance based and non-performance based.

@Base fees and remuneration for Andrew Grove includes annual leave entitlements accrued during the period.

2021	Base fees and remuneration	Super-annuation	Share Based Payments^	Total remuneration	Proportion of remuneration that is performance based#
	$	$	$	$	%
Non-Executive Directors					
Mr Mark Connelly[a]	54,795	5,205	100,416	**160,416**	-%
Mr Simon O'Loughlin	35,000	3,800	43,512	**82,312**	2%
Mr Simon Taylor	40,000	3,800	39,125	**82,925**	3%
Mr Robert Greenslade	34,525	-	42,149	**76,674**	-%
Total Non-Executive Directors	**164,320**	**12,805**	**225,202**	**402,327**	**1%**

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

2021	Base fees and remuneration	Super-annuation	Share Based Payments^	Total remuneration	Proportion of remuneration that is performance based#
Executive Directors					
Mr Andrew Grove[d]	135,417	9,046	109,048	**253,511**	**43%**
Mr Michael Brown[b]	192,500	-	137,539	**330,039**	**42%**
Total Executive Directors	**327,917**	**9,046**	**246,587**	**583,550**	**42%**
Other Key Management Personnel					
Mr Stephen Kelly[c]	120,000	-	153,737	**273,737**	**56%**
Total Other Key Management Personnel	**120,000**	**-**	**153,737**	**273,737**	**56%**
Total Key Management Personnel Compensation	**612,237**	**21,851**	**625,526**	**1,259,614**	**32%**

[a] Appointed 10 July 2020
[b] Resigned 1 February 2021
[c] Resigned as Executive Director 10 July 2020. Continued in office Company Secretary and Chief Financial Officer for entire period
[d] Appointed Chief Executive Office 1 February 2021; appointed Managing Director 1 May 2021
^ Equity-settled share-based payments as per *Corporations Regulation 2M.3.03(1) Item 11*.
# Share based payments for Non-Executive Directors comprises a mix of incentives that a performance based and non-performance based.

d) Share-based compensation

During the 2022 financial year the following options were issued to key management personnel:

- On 27 September 2021 the Company granted 657,535 zero exercise price options (ZEPOs) and on 30 November 2021 the Company granted 3,424,208 ZEPOs with an expiry date of 30 June 2026 to Directors and Executives under the Employee Incentive Plan.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Date of grant	Vesting date	Expiry date	Exercise price	Fair value per option at grant date	Number granted	Vested
30 November 2020	Vest 8 December 2021	7 December 2025	$Nil	$0.21	966,668	100%
	Vest 8 December 2022				966,668	Nil %
	Vest 8 December 2023				966,664	Nil %

Directors' report

Date of grant	Vesting date	Expiry date	Exercise price	Fair value per option at grant date	Number granted	Vested
30 November 2020^	(a) Subject to achieving JORC Resource of 500,000 ounces Au, average grade not less than 2g/t	7 December 2025	$Nil	$0.21	(a) 666,667	100%
	(b) Subject to achieving JORC Resource of 750,000 ounces Au, average grade not less than 2g/t				(b) 666,667	Nil%
	(c) Subject to achieving JORC Resource of 1,000,000 ounces Au, average grade not less than 2g/t				(c) 666,666	Nil%
30 April 2021	(a) Subject to achieving JORC Resource of 500,000 ounces Au, average grade not less than 2g/t	31 January 2026	$Nil	$0.14	(a) 1,666,667	100%
	(b) Subject to achieving JORC Resource of 750,000 ounces Au, average grade not less than 2g/t				(b) 1,666,667	Nil%
	(c) Subject to achieving JORC Resource of 1,000,000 ounces Au, average grade not less than 2g/t				(c) 1,666,666	Nil%
27 September 2021	(a) Subject to VWAP vesting condition as at 30 June 2024	30 June 2026	$Nil	(a) $0.10	(a) 493,151	Nil %
	(b) Subject to Definitive Feasibility Study vesting condition as at 30 June 2024			(b) $0.135	(b) 164,384	

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

Date of grant	Vesting date	Expiry date	Exercise price	Fair value per option at grant date	Number granted	Vested
30 November 2021	(a) Subject to VWAP vesting condition as at 30 June 2024	30 June 2026	$Nil	(a) $0.10	(a) 2,568,085	Nil %
	(b) Subject to Definitive Feasibility Study vesting condition as at 30 June 2024			(b) $0.135	(b) 856,123	

^Excludes 4,000,000 options granted to the former Managing Director, Mike Brown who resigned on 1 February 2021

The number of options over ordinary shares in the company provided as remuneration to directors and key management personnel is shown in section (e) below. When exercisable, each option is convertible into one ordinary share of Chesser Resources Limited.

Options are granted to attract, retain, and incentivise key management personnel.

The board has rules that contain restrictions on removing the 'at risk' aspect of the options granted to executives. Executives may not enter into any transactions designed to remove the 'at risk' aspect of an instrument before it vests.

In the event of termination (specified circumstances) only vested options are entitled to be exercised. Unvested options are forfeited unless the Board exercises its discretion to allow the holder to retain the options on terms determined by the Board.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

Shares provided on exercise of remuneration options

During the financial year, 5,500,000 (2021: 2,000,000) options previously issued as remuneration were exercised. The fair value of those options at the time of exercise measured as the market value of the shares acquired on exercise of the options was $742.500 (2021: $240,000)

e) Unlisted option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director and each key management person of the Group, including their personally related parties, are set out below:

Directors' report

2022 Name	Balance at start of year	Granted as compensation	Exercised	Held on cessation as key management personnel	Balance at end of year	Vested and exercisable	Unvested
Key Management Personnel of Chesser Resources Limited							
M Connelly	1,400,000	376,164	-	-	1,776,164	466,667	1,309,497
A Grove	5,000,000	2,226,128	-	-	7,226,128	1,666,667	5,559,461
R Greenslade	1,750,000	273,972	(1,250,000)	-	773,972	166,667	607,305
S Taylor	1,500,000	273,972	(1,000,000)	-	773,972	166,667	607,305
S O'Loughlin	1,250,000	273,972	(750,000)	-	773,972	166,667	607,305
S Kelly	2,750,000	657,535	(750,000)	-	2,657,535	666,667	1,990,868
Total	**13,650,000**	**4,081,743**	**(3,750,000)**	**-**	**13,981,743**	**3,300,002**	**10,681,741**

2021 Name	Balance at start of year	Granted as compensation	Exercised	Held on cessation as key management personnel	Balance at end of year	Vested and exercisable	Unvested
Key Management Personnel of Chesser Resources Limited							
M Connelly [a]	-	1,400,000	-	-	1,400,000	-	1,400,000
A Grove [b]	-	5,000,000	-	-	5,000,000	-	5,000,000
R Greenslade	1,250,000	500,000	-	-	1,750,000	1,250,000	500,000
S Taylor	1,800,000	500,000	(800,000)	-	1,500,000	1,000,000	500,000
S O'Loughlin	1,350,000	500,000	(600,000)	-	1,250,000	750,000	500,000
M Brown [c]	3,000,000	4,000,000	-	(7,000,000)	-	-	-
S Kelly	1,350,000	2,000,000	(600,000)	-	2,750,000	750,000	2,000,000
Total	**8,750,000**	**13,900,000**	**(2,000,000)**	**(7,000,000)**	**13,650,000**	**3,750,000**	**9,900,000**

[a] Appointed 10 July 2020
[b] Appointed 1 May 2021
[c] Resigned 1 February 2021

f) Unlisted salary sacrifice rights

During the prior year, the Company issued 844,214 unlisted Salary Sacrifice Rights to directors and key management personnel in lieu cash remuneration totaling $88,450 that was accrued in the 2020 and 2021 financial years. 712,714 unlisted Salary Sacrifice Rights related to remuneration accrued in the 2020 financial year and 131,500 unlisted Salary Sacrifice Rights related to remuneration accrued in the 2021 financial year

The number of salary sacrifice rights over ordinary shares in the Company held during the financial year by each director and each key management person of the Group, including their personally related parties, are set out below:

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

2022	Balance at start of year	Granted as compensation	Exercised	Balance at the end of the year
R Greenslade	90,260	-	-	90,260
S O'Loughlin	82,429	-	-	82,429
S Kelly	176,779	-	-	176,779
	349,468	**-**	**-**	**349,468**

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2021	Balance at start of year	Granted as compensation	Held on cessation as key management personnel	Balance at the end of the year
R Greenslade	-	90,260	-	90,260
S O'Loughlin	-	82,429	-	82,429
M Brown [a]	-	494,746	(494,746)	-
S Kelly	-	176,779	-	176,779
	-	**844,214**	**(494,746)**	**349,468**

[a] Resigned 1 February 2021

g) Share holdings

The number of shares in the Company held during the financial year by each director of Chesser Resources Ltd and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation (2021: nil).

2022	Balance at start of year	Shares held on cessation as key management personnel	Acquired on the exercise of options	Other acquisitions during the year	Balance at the end of the year
M Connelly	150,000	-	-	-	150,000
A Grove	350,000	-	-	2,000,000^	2,350,000
R Greenslade	23,562,748	-	1,250,000	-	24,812,748
S Taylor	5,100,001	-	1,000,000	1,000,000^	7,100,001
S O'Loughlin	4,033,334	-	750,000	500,000#	5,283,334
S Kelly	2,345,000	-	750,000	-	3,095,000
	35,541,083	**-**	**3,750,000**	**3,500,000**	**42,791,083**

^ Participation in private placement
# On-market purchase

Directors' report

2021	Balance at start of year	Shares held on cessation as key management personnel	Acquired on the exercise of options	Other acquisitions during the year^	Balance at the end of the year
M Connelly [a]	-	-	-	150,000	150,000
A Grove [b]	-	-	-	350,000	350,000
R Greenslade	23,562,748	-	-	-	23,562,748
S Taylor	4,300,001	-	800,000	-	5,100,001
S O'Loughlin	3,433,334	-	600,000	-	4,033,334
M Brown [c]	1,458,333	(1,458,333)	-	-	-
S Kelly	1,745,000	-	600,000	-	2,345,000
	34,499,416	**(1,458,333)**	**2,000,000**	**500,000**	**35,541,083**

[a] Appointed 10 July 2020
[b] Appointed 1 May 2021
[c] Resigned 1 February 2021
^ Participation in private placement

h) Use of remuneration consultants

The Company did not engage any remuneration consultants in the financial year 2022.

In financial year 2021, BDO Reward Pty Limited was paid $ 20,500 (excluding GST) for assistance and advice on remuneration structures for executive management and Non-Executive Directors. All reports and advice related to the Managing Director and CEO's remuneration was commissioned and received directly by the Board of Directors. The Board is satisfied that the information provided was free from undue influence from executive management. BDO Reward Pty Limited did not provide any other advice to the Company during the financial year 2021.

i) Loans to key management personnel

There were no loans to key management personnel at any time during the financial year (2021: nil)

j) Other transactions with key management personnel

Except as disclosed in this Remuneration Report and noted below, there were no transactions with key management personnel during the financial year (2021: $12,000).

- During the year, the Company paid KCG Advisors Pty Ltd, a company related to Mr Stephen Kelly who was a member of Key Management Personnel of the Company during the reporting period, a total of $16,000 (2021: $12,000) for the provision of services including office rental for the Company's registered office, internet and communications services and software subscriptions. As at 30 June 2022 no amounts were owing to KCG Advisors Pty Ltd for these services (2021: $6,000).

k) Voting and comments made at the Company's 2021 Annual General Meeting

The Company received more than 98% of "yes" votes on its remuneration report for the financial year ended 30 June 2021. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

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Chesser Resources Limited
Financial Report for the year ended 30 June 2022

Directors' report

Insurance of officers
To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities

Proceedings on behalf of the Group
The Group is not aware that any person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings in which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the court under section 237 of the Corporations Act 2001.

Non-audit Services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Group are important. No non-audit assignments were engaged with the auditor during the year (2021: none)

Details of the amounts paid or payable to the auditor, Pitcher Partners for audit services provided during the year are set out in note 9 to the financial report.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Auditor
Pitcher Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191
The amounts in the Directors' report and in the financial report have been rounded to the nearest dollar. This report is made in accordance with a resolution of directors.

Andrew Grove
Managing Director
Perth, 30 September 2022

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The Directors
Chesser Resources Limited
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BRISBANE QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act* 2001; and
(ii) no contraventions of APES110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Chesser Resources Limited and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
30 September 2022

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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Independent Auditor's Report
To the Members of Chesser Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Chesser Resources Limited, ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 Standard)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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Key audit matter	How our audit addressed the matter
Exploration and evaluation expenditure - Impairment ***Refer to Note 5: Critical accounting estimates and judgements and Note 13: Exploration and Evaluation Expenditure***	
The Group is involved in exploration and evaluation activities with a focus on gold deposits in Senegal. Exploration and evaluation expenditure totalling $19,945,577 as disclosed in Note 13 represents a significant balance recorded in the consolidated Statement of Financial Position. AASB6 Exploration for and Evaluation of Mineral Resources requires the exploration and evaluation assets to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. As described in Note 5 to the financial statements, management performed an impairment assessment at 30 June 2022 in accordance with the accounting policy described in Note 13 which required management to make certain estimates and assumptions as to future events and circumstances surrounding the development and commercial exploitation of their Senegal Projects.	Our procedures included: • Understanding and evaluating the design and implementation of the controls over how exploration and evaluation expenditure is incurred, recorded and assessed for impairment; • Obtaining an understanding of the status of ongoing exploration programs and future intentions for the areas of interest, including future budget spend and related work programs; • Enquiring of management and reviewed ASX announcements and minutes of directors meetings to ensure the group had not decided to discontinue exploration and evaluation at its areas of interest; • Reviewing the director's estimates and assumptions included in their assessment of potential indicators of impairment; • Assessing whether the relevant expenditure meets the asset recognition requirements of AASB6 Exploration for and Evaluation of Mineral Resources; • Verifying that each exploration licence remains valid; and • Assessing the adequacy of the related disclosures made in Note 5 and Note 13 of the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included at pages 65 to 75 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Chesser Resources Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
30 September 2022

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Chesser Resources Limited

Consolidated Income Statement

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue and other income	7	**1,896**	17,566
Auditors' remuneration		**(70,185)**	(63,242)
Depreciation expense	12	**(2,821)**	(116,986)
Project related expenses		**(203,519)**	-
Finance charges		**(2,633)**	(6,343)
General and administrative expenses		**(198,229)**	(139,457)
Key management personnel and employee remuneration		**(1,227,394)**	(859,112)
Other expenses		**(176,231)**	(196,359)
Professional fees		**(37,346)**	(86,825)
Travel expenses		**(77,480)**	(18,237)
Share based payments expense		**(1,561,371)**	(1,008,931)
Share registry and exchange listing fees		**(104,694)**	(148,248)
Foreign exchange gains / (losses)		**62,730**	(119,647)
Loss before income tax expense from continuing operations		**(3,597,277)**	(2,745,821)
Income tax expense	10	**-**	-
Loss for the year after tax		**(3,597,277)**	(2,745,821)
Loss attributable to Owners of Chesser Resources Limited		**(3,597,277)**	(2,745,821)
Basic and diluted loss per share (cents per share)	17	**(0.73)**	(0.65)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Chesser Resources Limited

Consolidated statement of Comprehensive Income

For the year ended 30 June 2022

	2022 $	2021 $
Loss for the year after tax	**(3,597,277)**	(2,745,821)
Other comprehensive income		
Items that may be reclassified to profit or loss	-	-
Other comprehensive income for the year, net of tax	**-**	-
Total comprehensive loss for the year	**(3,597,277)**	(2,745,821)
Comprehensive loss attributable to the owners of Chesser Resources Limited	**(3,597,277)**	(2,745,821)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Chesser Resources Limited

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 $	2021 $
Current assets			
Cash and cash equivalents	21(a)	**11,747,863**	8,091,915
Trade and other receivables	11	**405,104**	43,957
Prepayments		**322,064**	97,631
Total current assets		**12,475,031**	**8,233,503**
Non-current assets			
Property, plant, and equipment	12	**476,150**	483,001
Exploration and evaluation expenditure	13	**19,945,577**	12,136,596
Total non-current assets		**20,421,727**	**12,619,597**
Total assets		**32,896,758**	**20,853,100**
Current liabilities			
Trade and other payables	14	**1,770,265**	536,807
Provisions		**132,473**	26,100
Total current liabilities		**1,902,738**	**562,907**
Total liabilities		**1,902,738**	**562,907**
Net assets		**30,994,020**	**20,290,193**
Equity			
Issued capital	15	**40,962,600**	28,222,867
Reserves	16	**5,028,433**	3,467,062
Accumulated losses		**(14,997,013)**	(11,399,736)
Total equity		**30,994,020**	**20,290,193**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Chesser Resources Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

2022	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2021	**28,222,867**	**3,467,062**	**(11,399,736)**	**20,290,193**
Loss for the year	-	-	(3,597,277)	(3,597,277)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,597,277)	(3,597,277)
Transactions with owners in their capacity as owners:				
Issue of equity securities	13,399,000	-	-	13,399,000
Costs of issuing equity securities	(659,267)	-	-	(659,267)
Share based payments	-	1,561,371	-	1,561,371
Total transactions with owners in their capacity as owners	12,739,733	1,561,371	-	14,301,104
Balance as at 30 June 2022	**40,962,600**	**5,028,433**	**(14,997,013)**	**30,994,020**

2021	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2020	**14,244,737**	**2,098,173**	**(8,653,915)**	**7,688,995**
Loss for the year	-	-	(2,745,821)	(2,745,821)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,745,821)	(2,745,821)
Transactions with owners in their capacity as owners:				
Issue of equity securities	15,168,832	-	-	15,168,832
Costs of issuing equity securities	(1,190,702)	-	-	(1,190,702)
Share based payments	-	1,368,889	-	1,368,889
Total transactions with owners in their capacity as owners	13,978,130	1,368,889	-	15,347,019
Balance as at 30 June 2021	**28,222,867**	**3,467,062**	**(11,399,736)**	**20,290,193**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Chesser Resources Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

		2022 $	2021 $
Cash flow from operating activities			
Interest received		**1,896**	1,360
Other income		**-**	16,206
Interest paid		**(2,633)**	(6,343)
Payments to suppliers and employees		**(2,110,570)**	(1,616,962)
Net cash flows used in operating activities	*21(b)*	**(2,111,308)**	**(1,605,739)**
Cash flow from investing activities			
Payments for property, plant, and equipment		**(182,247)**	(404,911)
Payments for exploration and evaluation expenditure		**(6,805,788)**	(5,419,041)
Net cash used in investing activities		**(6,988,035)**	**(5,823,952)**
Cash flow from financing activities			
Proceeds from share issue		**13,399,000**	15,168,832
Costs of issuing equity securities		**(659,267)**	(906,702)
Net cash provided by financing activities		**12,739,733**	**14,262,130**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		**8,091,915**	1,278,609
Net increase in cash and cash equivalents		**3,640,391**	6,832,439
Foreign exchange difference on cash and cash equivalents		**15,557**	(19,133)
Cash and cash equivalents at 30 June	*21(a)*	**11,747,863**	**8,091,915**
Non-cash financing and investing activities	*21(c)*		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

1. General information

Chesser Resources Limited (the Company) is a listed public company incorporated in Australia. The Company's principal place of business is Unit 12, 295 Rokeby Road, Subiaco WA 6008, and the address of its registered office is Level 14, 167 Eagle Street, Brisbane City QLD 4000.

The entity's principal activity during the financial year was gold exploration in Senegal, West Africa.

2. Application of new and revised Accounting Standards

a) Adoption of New and Revised Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.

b) New accounting standards not yet adopted

The Directors do not consider that the adoption of any new standards and Interpretations in issue but not yet effective at the date of these financial statements will have a material impact on the financial statements of the Group.

3. Significant accounting policies

a) Statement of compliance

The financial statements comprise the consolidated financial statements of the Group consisting of Chesser Resources Limited and its subsidiaries. The Company is a for-profit entity for the purpose of preparing the financial statements.

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards, and Interpretations, and comply with the other requirements of the law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 30 September 2022.

b) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss for the year ended 30 June 2022 of $3,597,277 (2021 loss: $2,745,821), net cash outflows from operating activities of $1,907,788 (2021: $1,605,739 outflows) and net outflows from investing activities of $7,191,554 (2021: $5,823,952 outflows).

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

3. Significant accounting policies (continued)

b) Going concern (continued)

During the year the consolidated entity was successful at raising capital and at 30 June 2022 had cash and cash equivalents of $11,747,863 (30 June 2021: $8,091,915). As at 30 June 2022 the Group had net working capital of $10,572,293 (2021: $7,670,596) and net assets of $30,994,020 (2021: $20,290,193).

The ability of the consolidated entity to continue as a going concern is principally dependent upon the Group managing its cash reserves in order to balance the execution of its exploration and development strategy with maintaining adequate working capital reserves.

Having carefully assessed the consolidated entity's forecasts and its ability to effectively manage expenditures and cash flows from operations, the Directors believe that the Group's existing cash reserves are adequate to fund the Group's committed expenditures for at least 12 months from the date of this report and that there is a reasonable basis to prepare the financial statements on a going concern basis.

c) Basis of preparation

The consolidated general purpose financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies set out in these financial statements. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB2 and measurements that have some similarities to fair value but are not fair value such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

3. Significant accounting policies (continued)

d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Chesser Resources Limited ("Company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Chesser Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operated ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Chesser Resources Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Group companies

The functional currency of each of the Group's entities is Australian dollars.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

4. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The Group does not currently have any projects in production and as such the main purpose of these financial instruments is to provide liquidity to finance the Group's exploration and development activities. It is, and has been throughout the financial year, the Group's policy that no trading in speculative financial instruments shall be undertaken. The main risks arising from the Group's use of financial instruments are liquidity risk, counterparty or credit risk, interest rate risk and foreign currency risk. During the year the Group has had some transactional currency exposures, principally to the US dollar, the Western African Franc, and the Euro. The Group has not entered into forward currency contracts to hedge these exposures due to the short time frame associated with the currency exposure and the relatively modest overall exposure at any one point in time. Primary responsibility for identification and control of financial risk rests with the board of directors. However, the day-to-day management of these risks is under the control of the Managing Directors and Chief Financial Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

The Group holds the following financial instruments all of which are carried at amortised cost.

	2022 **$**	2021 $
Financial Assets		
Cash and cash equivalents	11,747,863	8,091,915
Trade and other receivables	405,104	43,957
	12,152,967	**8,135,872**
Financial Liabilities		
Trade and other payables	1,770,265	536,807
	1,770,265	**536,807**

(i) Foreign exchange risk

The Group is exposed to currency risks on expenditure and cash holdings that are denominated in a currency other than the Company's functional and presentation currency of Australian dollars. The currencies in which transactions are primarily denominated are Australian dollars (AUD), United States dollar (USD), and the West African Franc (CFA).

The following table sets out the Group's exposure to the respective currencies at the reporting date.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

4. Financial risk management (continued)

a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Balances denominated in				
	AUD	**USD**	**CFA**	**Other**	**TOTAL**
30 June 2022					
Cash and cash equivalents	10,908,579	285,123	554,161	-	11,747,863
Trade and other receivables	154,777	-	250,327	-	405,104
Total assets	**11,063,356**	**285,123**	**804,488**	**-**	**12,152,967**
Trade and other payables	(385,922)	(51,774)	(1,319,994)	(12,575)	(1,770,265)
Net exposure	**10,677,434**	**233,349**	**(515,506)**	**(12,575)**	**10,382,702**

	AUD	**USD**	**CFA**	**Other**	**TOTAL**
30 June 2021					
Cash and cash equivalents	7,078,419	685,301	328,195	-	8,091,915
Trade and other receivables	32,929	-	11,028	-	43,957
Total assets	**7,111,348**	**685,301**	**339,223**	**-**	**8,135,872**
Trade and other payables	(204,121)	(25,446}	(307,240)	-	(536,807)
Net exposure	**6,907,227**	**659,855**	**31,983**	**-**	**7,599,065**

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number in the table represents a decrease in the operating profit before tax and reduction in equity where the Australian dollar strengthens against the relevant currency. For a 10% strengthening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be positive.

	2022	2021
	$	$
Profit / (loss) before tax and equity – AUD/USD +10%	**22,077**	65,986
Profit / (loss) before tax and equity – AUD/USD -10%	**(22,077)**	(65,986)
Profit / (loss) before tax and equity – AUD/CFA +10%	**51,551**	3,198
Profit / (loss) before tax and equity – AUD/CFA -10%	**(51,551)**	(3,198)

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

4. Financial risk management (continued)

a) Market risk (continued)

(ii) Interest rate risk

The Group's exposure to interest rate risk arises predominantly from cash and cash equivalents bearing variable interest rates, as the Group intends to hold any fixed rate financial assets to maturity. At the end of the reporting period the Group maintained the following variable rate accounts:

	30 June 2022		30 June 2021	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Cash and cash equivalents	0.05%	**11,747,863**	0.05%	**8,091,915**

At the end of the reporting period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax profit and equity would have been affected as follows:

	After-tax loss higher / (lower)		Equity higher / (lower)	
	2022	2021	2022	2021
	$	$	$	$
+1.0% (10bp)/ (2021: +0.1%)	**117,480**	8,092	**117,480**	8,092
-0.05% (10bp)/ (2021: -0.1%)	**(5,874)**	(8,092)	**(5,874)**	(8,092)

b) Credit risk

Credit risk primarily arises from cash and cash equivalents and term deposits deposited with banks and receivables. Cash and cash equivalents and term deposits are primarily placed with National Australia Bank Limited. The Company has no past due or impaired financial assets in the period covered by these financial statements. The carrying value of financial assets represents the maximum exposure to credit risk.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to meet the Group's forecast requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At reporting date, the Group did not have access to any undrawn borrowing facilities.

Maturity of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

4. Financial risk management (continued)

c) Liquidity risk (continued)

30 June 2022	**Less than 3 months**	**4 to less than 7 months**	**Total contractual cash flows**	**Carrying amount**
	$	**$**	**$**	**$**
Trade and other payables	**1,770,265**	**-**	**1,770,265**	**1,770,265**

30 June 2021	**Less than 3 months**	**4 to less than 7 months**	**Total contractual cash flows**	**Carrying amount**
	$	**$**	**$**	**$**
Trade and other payables	536,807	-	536,807	536,807

d) Fair value estimation

The carrying amount of financial assets (net of any provision for impairment) and financial liabilities as disclosed above is assumed to approximate their fair values primarily due to their short maturities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

5. Critical accounting estimates and judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expense is provided below.

Exploration and evaluation expenditure

As at 30 June 2022 the Group had capitalised exploration and evaluation expenditure of $19,945,577 in relation to the Senegal Projects. The ultimate recoupment of capitalised exploration and development expenditure is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest. The Company's continued development of its mineral property interests is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the financing necessary to maintain operations, successfully complete its exploration and development programs and the attainment of future profitable production. The recognition of this expenditure as an asset requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If after having capitalised expenditure under the accounting policy a judgement is made that recovery of the expenditure is unlikely; the relevant capitalised amount will be expensed in the statement of comprehensive income.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

5. Critical accounting estimates and judgements (continued)

Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Fair value is calculated using an option valuation model, taking into account the terms and conditions upon which the options were granted. The assumptions used in these valuation models is set out in note 16.

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the criteria set out in AASB 112.

6. Segment information

The Group has identified its operating segments based on the internal reports that were reviewed and used by the Managing Director or the Chief Executive Officer (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources during the year.

The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest. Operating segments are therefore determined on the same basis.

Accounting policy

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of gross expenditure that includes both expenditure that is capitalised in these financial statements and expenditure that is expensed in the income statement in these financial statements. The measurement of gross expenditure does not include the impairment of exploration expenditure or non-cash items such as depreciation expense and share based payments expense. Interest revenue is allocated to the corporate segment. Other items of revenue are not allocated to segments.

All operating segments are in the exploration and development phase and did not generate any revenue in the current or prior year.

Assets, liabilities, and cash flows are not allocated to segments in the internal reports that are prepared for the Chief Operating Decision Maker.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

6. Segment information (continued)

Activity by segment

Senegal Projects

The Senegal Projects, which during the financial year consisted of two exploration projects, are located adjacent and to the west of the Senegal Mali Shear Zone in the Kédougou Inlier with a total area of 404kms^2. The projects are: Diamba Sud and Diamba Nord.

Corporate

Expenditure incurred that is not directly allocated to other segments is reported as corporate costs in the internal reports prepared for the chief operating decision maker.

The following tables present revenue and profit information for the Group's operating segments for the year ended 30 June 2022 and 2021, respectively.

(i) Segment performance

Year 30 June 2022	**Diamba Sud**	**Diamba Nord**	**Other**	**Corporate**	**Total**
	$	$	$	**$**	$
Total segment revenue	-	-	-	1,896	1,896
Segment expenditure	(7,727,340)	(63,357)	(18,284)	(2,097,711)	(9,906,692)
Segment result	**(7,727,340)**	**(63,357)**	**(18,284)**	**(2,095,815)**	**(9,904,796)**

Reconciliation of segment result to Group loss before tax	
• Capitalised expenditure	7,808,981
• Depreciation expense	(2,821)
• Share based payments expense	(1,561,371)
• Other income	62,730
Net loss before tax	**(3,597,277)**

Year 30 June 2021	**Diamba Sud**	**Diamba Nord**	**Other**	**Corporate**	**Total**
	$	$	$	$	$
Total segment revenue	-	-	-	17,566	17,566
Segment expenditure	(5,488,641)	(51,337)	(-)	(1,517,823)	(7,057,801)
Segment result	**(5,488,641)**	**(51,337)**	**(-)**	**(1,500,257)**	**(7,040,235)**

Reconciliation of segment result to Group loss before tax	
• Capitalised expenditure	5,539,977
• Depreciation expense	(116,986)
• Share based payments expense	(1,008,931)
• Other expenses	(119,646)
Net loss before tax	**(2,745,821)**

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

6. Segment information (continued)

(i) Segment assets

The following table shows assets by geographical segment.

	Senegal	Australia	Total
	$	$	$
30 June 2022			
Segment assets	**21,227,226**	**11,669,532**	**32,896,758**
30 June 2021			
Segment assets	12,961,155	7,891,945	20,853,100

	2022	2021
7. Revenue and other income	**$**	$
Interest income	**1,896**	1,360
Government grants	**-**	16,206
	1,896	**17,566**

Accounting policy

Interest
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants
Government grant revenue is recognised at fair value when there is reasonable assurance that the grant will be received.

	2022	2021
8. Expenses	**$**	$

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

Short-term lease payments	**49,609**	24,878
Superannuation contributions	**34,446**	15,296

Payments associated with short-term leases of property are recognised on a straight-line basis as an expense in the Income Statement. Short term leases are leases with a lease term of 12 months or less. Lease payments for short-term leases amounting to $49,609 (2021: $24,878) are recognised as expenses in the Income Statement.

All short-term leases are cancellable by the Company by providing 2 months or less notice to the lessor.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

	2022 $	2021 $
9. Remuneration of auditors		
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:		
(i) Audit and assurance services		
Audit and review of financial reports	**70,185**	63,242
Total auditors' remuneration	**70,185**	63,242
10. Income tax		
(a) Income tax benefit		
Current and deferred tax	**-**	-
	-	-
(b) Deferred income tax/(revenue)		
Deferred income tax/(revenue) included in tax expense comprises:		
(Increase)/decrease in deferred tax assets	**-**	-
Increase/(decrease) in deferred tax liabilities	**(-)**	(-)
	-	-
(c) Reconciliation of income tax expense to prima facie income tax		
Loss before income tax from continuing operations	**(3,597,277)**	(2,745,821)
Tax at the Australian tax rate of 30% (2021: 30%)	**(1,079,048)**	(823,746)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	**(-)**	(6,726)
Non-deductible expenses	**526,904**	302,679
Deductible capital raising costs	**(125,028)**	(85,472)
	(677,172)	(613,265)
Deferred tax assets not recognised / (recognised)	**677,172**	613,265
Income tax benefit	**-**	-
(d) Deferred tax assets / liabilities comprise		
Accruals	**103,357**	101,760
Provisions	**39,742**	7,830
Prepayments	**(96,618)**	(29,289)
Tax losses available for offset against future taxable income	**5,040,286**	4,341,858
Net deferred tax assets	**5,086,767**	4,422,159
Deferred tax assets not recognised	**(5,086,767)**	(4,422,159)
	-	-

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

10. Income tax (continued)

	2022 $	2021 $
(e) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Temporary differences and tax losses at 30% (2021: 30%)	**5,086,767**	**4,422,159**

Tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from the deferred tax assets. The benefit of the tax losses will only be available if the Company, or a tax consolidated group of which it is a member, derives future assessable income of a nature and of an amount sufficient to enable the benefit from the tax losses to be realised, has complied, and continues to comply with conditions for deductibility imposed by current tax legislation and there are no adverse changes to such legislation. The conditions for deductibility of the carried forward tax losses (continuity of ownership test and continuity of business test) will need to be considered in light of any changes that may occur in both the ownership of the Company and the nature of the Company's business activities.

Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income, Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amounts and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

10. Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

11. Trade and other receivables	2022 $	2021 $
Current		
Other receivables	**405,104**	43,957

Other receivables represent the Company's GST receivable, and deposits paid in advance of drilling and assaying services. All receivables amounts are expected to be settled within three months.

Accounting Policy

Trade and other receivables are recognised initially at fair value and subsequently at the amount considered recoverable. Trade and other receivables are generally due for settlement within 30 days except for advance payments made on drilling contracts. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is assessed for expected credit losses on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

12. Property, plant, and equipment

	Field Equipment	Motor Vehicles	Office Equipment	Total
Carrying amount at 1 July 2020	**31,345**	**127,979**	**35,752**	**195,076**
Additions	207,247	124,751	72,913	**404,911**
Depreciation	(27,985)	(57,855)	(31,146)	**(116,986)**
Carrying amount at 30 June 2021	**210,607**	**194,875**	**77,519**	**483,001**
Additions	141,834	-	40,411	**182,245**
Depreciation	(64,367)	(86,082)	(38,647)	**(189,096)**
Carrying amount at 30 June 2022	**288,074**	**108,793**	**79,283**	**476,150**

During the current period depreciation expense totalling $186,275 were capitalised as exploration and evaluation expenditure (2021:$Nil).

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

12. Property, plant, and equipment (continued)

Accounting Policy

Property, plant, and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of assets is calculated on the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The depreciation rates used for each class of depreciable asset are:

Classification	*Useful lives*	*Depreciation Basis*
Field equipment	3 – 5 years	Straight Line
Motor vehicles	5 years	Straight Line
Office equipment	3 years	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

13. Exploration and evaluation expenditure

	2022	2021
	$	$
At cost	**19,945,577**	12,136,596

Movements in exploration and evaluation expenditure during the year is summarized as follows:

Carrying amount at beginning of period	**12,136,596**	6,596,618
Exploration expenditure during the period	**7,808,981**	5,539,978
Carrying amount at end of period	**19,945,577**	12,136,596

The ultimate recoupment of capitalised exploration and development expenditure is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest. The Company's continued development of its mineral property interests is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the financing necessary to maintain operations, successfully complete its exploration and development programs and the attainment of future profitable production.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

13. Exploration and evaluation expenditure

Accounting Policy

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest. Once the technical feasibility and commercial viability of an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to property and development assets within property, plant, and equipment.

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration and evaluation phases that give rise to the need for restoration. Accordingly, these costs will be recognised gradually over the life of the project as the phases occur.

14. Trade and other payables	**2022** **$**	2021 $
Trade payables	**1,425,742**	197,608
Accruals	**344,523**	339,199
Total trade and other payables	**1,770,265**	536,807

Accounting Policy

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measure at amortised cost using the effective interest method.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

15. Issued capital

	2022 $	2021 $
Ordinary shares – fully paid	**40,962,600**	28,222,867

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(a) Movements in ordinary shares

	30 June 2022 No.	$
Opening Balance 30 June 2021	452,502,125	28,222,867
Shares issued on the exercise of $0.08 options expiring 16 July 2021	9,112,500	729,000
Shares issued on the exercise of $0.05 options expiring 31 December 2021 ^	6,388,889	225,000
Shares issued pursuant to exercise of options where funds were received in the prior period^^	1,881,500	-
Repayment of loan for share issue to director in a prior period	-	30,000
Private Placement – April 2022	115,238,096	12,100,000
Director subscription – May 2022	3,000,000	315,000
Share issue costs	-	(659,267)
Closing Balance 30 June 2022	**588,123,110**	**40,962,600**

^ Included in the total number of shares issued are 1,888,889 shares issued on the exercise of 3 million options using a cashless exercise mechanism.

^^ Funds were received prior to 30 June 2021 for 1,881,500 options with an exercise price of $0.08 per share. The shares were issued on 2 July 2021.

	30 June 2021 No.	$
Opening Balance 30 June 2020	327,356,271	14,244,737
Private Placement – July 2020 (Tranche 1)	29,339,068	2,347,125
Private Placement – July 2020 (Tranche 2)	45,660,932	3,652,875
Private Placement – December 2020	37,921,238	7,963,460
Director subscription – December 2020	174,000	36,540
Shares issued on the exercise of $0.08 options expiring 16 July 2021	9,337,500	747,000
Shares issued on the exercise of $0.10 options expiring 31 December 2020	2,713,116	271,312
Funds received on exercise of $0.08 options expiring 16 July 2021 for which shares were issued after the year end ^	-	150,520
Share issue costs	-	(1,190,702)
Closing Balance 30 June 2021	**452,502,125**	**28,222,867**

^Funds were received prior to 30 June 2021 for 1,881,500 options with an exercise price of $0.08 per share. The shares were issued on 2 July 2021.

Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

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15. Issued capital (continued)

When managing capital, management's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available to meet the Group's forecast expenditure commitments. In order to maintain or adjust the capital structure, the Group may seek to issue new shares. Total capital is calculated as 'equity' as shown in the statement of financial position.

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15. Issued capital (continued)

(c) *Share options*

At 30 June 2022, the following options for ordinary shares in the Company were on issue:

	$0.05 options expiring 31 Dec 2021	$0.05 options expiring 31 Dec 2022	$0.12 options expiring 30 Nov 2022	$0.08 options expiring 16 July 2021	$0.24 options expiring 19 Aug 2024	$0.35 options expiring 19 Aug 2024	$0.45 options expiring 19 Aug 2024	$0.08 options expiring 30 Nov 2023	$Nil Rights expiring 7 Dec 2025	$Nil Options expiring 7 Dec 2025	$Nil Options expiring 31 Jan 2026	$Nil Options expiring 30 June 2026	Total options on issue
On issue at 1 July 2021	**7,500,000**	**1,500,000**	**2,000,000**	**11,662,500**	**200,000**	**200,000**	**200,000**	**2,000,000**	**1,026,685**	**10,800,000**	**5,000,000**	**-**	**42,089,185**
New issues	-	-	-	-	-	-	-	-	-	-	-	6,925,724	**6,925,724**
Exercised	(7,500,000)	-	-	(10,994,000)	-	-	-	-	-	-	-	-	**(18,494,000)**
Lapsed / cancelled	-	-	-	(668,500)	-	-	-	-	-	-	-	-	**(668,500)**
On issue at 30 June 2022	**-**	**1,500,000**	**2,000,000**	**-**	**200,000**	**200,000**	**200,000**	**2,000,000**	**1,026,685**	**10,800,000**	**5,000,000**	**6,925,724**	**29,852,409**

At 30 June 2021, the following options for ordinary shares in the Company were on issue:

	$0.10 Options expiring 31 Dec 2020	$0.05 options expiring 31 Dec 2021	$0.05 options expiring 31 Dec 2022	$0.12 options expiring 30 Nov 2022	$0.08 options expiring 16 July 2021	$0.24 options expiring 19 Aug 2021	$0.35 options expiring 19 Aug 2022	$0.45 options expiring 19 Aug 2023	$0.08 options expiring 30 Nov 2023	$Nil Rights expiring 7 Dec 2025	$Nil Options expiring 7 Dec 2025	$Nil Options expiring 31 Jan 2026	Total options on issue
On issue at 1 July 2020	4,300,000	7,500,000	1,500,000	2,000,000	-	-	-	-	-	-	-	-	**15,300,000**
New issues	-	-	-	-	21,000,000	200,000	200,000	200,000	2,000,000	1,026,685	14,300,000	5,000,000	**43,926,685**
Exercised	(2,713,116)	-	-	-	(9,337,500)	-	-	-	-	-	-	-	**(12,050,616)**
Lapsed / cancelled	(1,586,884)	-	-	-	-	-	-	-	-	-	(3,500,000)	-	**(5,086,884)**
On issue at 30 June 2021	**-**	**7,500,000**	**1,500,000**	**2,000,000**	**11,662,500**	**200,000**	**200,000**	**200,000**	**2,000,000**	**1,026,685**	**10,800,000**	**5,000,000**	**42,089,185**

The options do not provide the holder with any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up. Refer note 16 for further details regarding the accounting treatment of the options issued during the 2022 financial year.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves

	2022 $	2021 $
Share based payments reserve	**5,028,433**	3,467,062
	5,028,433	**3,467,062**

Movements:

Share based payments reserve		
Balance at 1 July 2021	**3,467,062**	2,098,173
Share based payments expense	**1,561,371**	1,079,492
Capital raising costs	**-**	289,397
Balance at 30 June 2022	**5,028,433**	**3,467,062**

Nature and purpose of reserves

Share based payments reserve
The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

Accounting Policy
Share-based compensation benefits are provided to directors and key management personnel and to external service provides as consideration services provided.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. Volatility is based on the historic volatility of the Company's shares on the Australian Stock Exchange over a period commensurate with the expected life of the awards.

The fair value of options granted as remuneration is recognised as share-based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The following share-based payment transactions were recognised during the year:

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves (continued)

	30 June 2022 $	30 June 2021 $
Options issued as remuneration to Directors, employees, and consultants (ii), (iii), (v) and (vi)	1,561,146	975,559
Options issued to third-party vendors (i)	225	289,397
Salary Sacrifice Rights issued (iv)	-	103,933
Share-based payments expense for the financial year	**1,561,371**	**1,368,889**

(i) On 1 September 2020, the Company issued 2,000,000 options to brokers in consideration for services provided to the Company in relation to capital raisings undertaken by the Company.

The value of the services received has been estimated by reference to the fair value of the options granted as the fair value of the services received cannot be reliably estimated. The fair value of the options at grant date has been determined using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

Grant date	1 September 2020
Expiry date	30 November 2023
Exercise price	$0.08
Expected volatility	90%
Risk-free interest rate	0.27%
Expected life of share options (days)	1,185
Grant date share price	$0.19
Fair value per option	$0.14

(ii) On 30 November 2020, shareholders approved the issue of 2,900,000 unlisted zero exercise price options to Non-Executive Directors under the Employee Incentive Plan with an expiry date of 7 December 2025 subject to the following vesting conditions:

- 966,668 of the incentive options to be issued shall be exercisable at zero price each on or before 7 December 2025, vesting on 8 December 2021
- 966,668 of the incentive options to be issued shall be exercisable at zero price each on or before 7 December 2025, vesting on 8 December 2022.
- 966,664 of the incentive options to be issued shall be exercisable at zero price each on or before 7 December 2025, vesting on 8 December 2023.

The fair value of the options at grant date has been estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves (continued)

Exercise price	$0.00
Expected volatility	96%
Risk-free interest rate	0.30%
Expected life of share options (days)	1,833
Grant date share price	$0.21
Fair value per option	$0.21

(iii) On 1 November 2020, the Company approved the grant of 600,000 unlisted options, in three tranches of 200,000 options, to key management personnel under the Employee Incentive Plan with an expiry date of 19 August 2024. The options were issued on 21 January 2021.

The fair value of the options at grant date has been estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

	Tranche A	Tranche B	Tranche C
Exercise price	$0.24	$0.35	$0.45
Expected volatility	96%	96%	96%
Risk-free interest rate	0.13%	0.13%	0.13%
Expected life of share options (days)	1,387	1,387	1,387
Grant date share price	$0.23	$0.23	$0.23
Fair value per option	$0.15	$0.13	$0.12
Vesting date	19 August 2021	19 August 2022	19 August 2023

(iv) On 8 December 2020, the Company issued 1,026,685 unlisted Salary Sacrifice Rights to directors and key management personnel in lieu of foregone cash remuneration during the June 2020 and September 2020 quarters totaling $103,934. The Salary Sacrifice Rights were issued under the Employee Incentive Plan with an exercise price of $Nil and an expiry date of 7 December 2025.

The number of rights issued was based on the volume weighted average price during the June 2020 and September 2020 quarters.

	Volume weighted average price	No. of Salary Sacrifice Rights	Fair value
June 2020 quarter	$0.085	895,185	$75,958
September 2020 quarter	$0.213	131,500	$27,976
		1,026,685	**$103,934**

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves (continued)

(v) During the prior period, the Company granted 16,400,000 zero exercise price options to Executive Directors and Key Management Personnel under the Employee Incentive Plan subject to the following vesting conditions:

- Tranche A - the Company achieving JORC Resource of 500,000 ounces Au at an average grade of not less than 2g/t
- Tranche B - the Company achieving JORC Resource of 750,000 ounces Au at an average grade of not less than 2g/t
- Tranche C - the Company achieving JORC Resource of 1,000,000 ounces Au at an average grade of not less than 2g/t

The fair value of the options at grant date has been estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

	Grant date - 30 November 2020			Grant date - 16 December 2020			Grant date - 30 April 2021		
		Tranche B	**Tranche C**	**Tranche A**	**Tranche B**	**Tranche C**	**Tranche A**	**Tranche B**	**Tranche C**
Number of Options	2,000,000	2,000,000	1,999,999	1,800,001	1,800,001	1,799,999	1,666,667	1,666,667	1,666,666
Expiry date		7 December 2025			7 December 2025			31 January 2026	
Estimated vesting date	31 October 2021	31 October 2022	31 October 2023	31 October 2021	31 October 2022	31 October 2023	31 October 2021	31 October 2022	31 October 2023
Estimated probability that options will vest	100%	100%	75%	100%	100%	75%	100%	100%	75%
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	96%	96%	96%	96%	96%	96%	95%	95%	95%
Risk-free interest rate	0.30%	0.30%	0.30%	0.37%	0.37%	0.37%	0.70%	0.70%	0.70%
Grant date share price	$0.21	$0.21	$0.21	$0.22	$0.22	$0.22	$0.14	$0.14	$0.14
Fair value per option	$0.21	$0.21	$0.21	$0.22	$0.22	$0.22	$0.14	$0.14	$0.14

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves (continued)

(vi) On 27 September 2021 the Company granted to employees and consultants 3,501,516 unlisted zero exercise price Incentive Options under the Employee Incentive Plan which were issued on 3 November 2021. On 30 November 2021 the Company granted to Directors 3,424,208 unlisted zero exercise price incentive options under the Employee Incentive Plan which were issued on 2 December 2021.

The expiry date of the options is 30 June 2026 subject to the following vesting conditions.

- 2,568,085 of the incentive options issued to each Director and 2,626,136 of the incentive options issued to employees and consultants will vest based on the 90-day VWAP as at 30 June 2024 as a percentage of the Grant Date VWAP which is deemed to be $0.146. The table below summarises the vesting schedule for the VWAP Tranche:

	90 day VWAP as at 30 June 2024					
	$ 0.2044	$0.2216	$0.2392	$0.2568	$0.2744	$ 0.2920
30 June 90 day VWAP as a % of Grant Date VWAP	140%	152%	164%	176%	188%	200%
% of VWAP Tranche options that vest	50%	60%	70%	80%	90%	100%

- 856,126 of the incentive options to be issued to each Director and 875,380 of the incentive options to be issued to employees and consultants will vest if the Group announces a positive Definitive Feasibility Study on or before 30 June 2024.

The fair value of the options at grant date has been estimated as follows:

- The VWAP Tranche Options have been valued using a trinomial option valuation model; and
- The DFS Tranche Options have a non-market-based performance condition. Non-market conditions are considered by adjusting the number of Options included in the measurement of the transaction amount using a probability of vesting assumption so that, ultimately, the amount recognised shall be based on the number of rights that eventually vest.

The following assumptions were used to value the options:

	Director options		Employee options	
	VWAP Tranche	DFS Tranche	VWAP Tranche	DFS Tranche
Exercise price	$0.00	$0.00	$0.00	$0.00
Expected volatility	121%	N/A	118%	%
Risk-free interest rate	1.31%	N/A	0.78%	%
Expected life of share options (days)	1,673	1,673	1,737	1,737
Grant date share price	$0.14	$0.14	$0.14	$0.14
Fair value per option	$0.10	$0.135	$0.10	$0.135
Probability of achieving vesting condition	100%	100%	100%	100%

For personal use only

Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

16. Reserves (continued)

The following is a summary of movements in options on issue during the financial year.

Expiry	Exercise Price	1 July 2021	Issued	Exercised	Lapsed	30 June 2022
31 December 2021	$0.05	7,500,000	-	(7,500,000)	-	-
30 November 2022	$0.12	2,000,000	-	-	-	2,000,000
31 December 2022	$0.05	1,500,000	-	-	-	1,500,000
30 November 2023	$0.08	2,000,000	-	-	-	2,000,000
19 January 2024	$0.24	200,000	-	-	-	200,000
19 January 2024	$0.35	200,000	-	-	-	200,000
19 January 2024	$0.45	200,000	-	-	-	200,000
7 December 2025	-	10,800,000	-	-	-	10,800,000
31 January 2026	-	5,000,000	-	-	-	5,000,000
30 June 2026	-	-	6,925,724			6,925,724
		29,400,000	**6,925,724**	**(7,500,000)**	**-**	**28,825,724**
Weighted average exercise price		$0.04	$-	$0.05	$-	$0.02

Expiry	Exercise Price	1 July 2020	Issued	Exercised	Lapsed	30 June 2021
31 December 2020	$0.10	4,300,000		(2,713,116)	(1,586,884)	-
31 December 2021	$0.05	7,500,000	-	-	-	7,500,000
30 November 2022	$0.12	2,000,000	-	-	-	2,000,000
31 December 2022	$0.05	1,500,000	-	-	-	1,500,000
30 November 2023	$0.08	-	2,000,000	-	-	2,000,000
19 January 2024	$0.24	-	200,000	-	-	200,000
19 January 2024	$0.35	-	200,000	-	-	200,000
19 January 2024	$0.45	-	200,000	-	-	200,000
7 December 2025	-	-	14,300,000	-	(3,500,000)	10,800,000
31 January 2026	-	-	5,000,000	-	-	5,000,000
		15,300,000	**21,900,000**	**(2,713,116)**	**(5,086,884)**	**29,400,000**
Weighted average exercise price		$0.07	$0.02	$0.10	$0.03	$0.04

The weighted average remaining term to expiry of issued options was 3.04 years at 30 June 2022 (2021: 2.98 years).

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

17. Loss per share

The following reflects the operating loss after tax and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

	2022	2021
	$	$
Loss per share (cents per share)	**(0.73)**	(0.65)
Diluted loss per share (cents per share)	**(0.73)**	(0.65)
Loss attributable to Owners of Chesser Resources Limited	**(3,597,277)**	(2,745,821)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**493,651,293**	**421,187,273**

Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

Accounting policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), dividend by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting period. The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

18. Parent entity disclosures

The financial information for the parent entity Chesser Resources Limited has been prepared on the same basis as the consolidated financial statements except as set out below.

Investments in subsidiaries, associates, and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the Company.

As at and throughout the financial year ending 30 June 2022 and 30 June 2021 the parent entity of the

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

Group was Chesser Resources Limited.

18. Parent entity disclosures (continued)

a) Summary financial information

The individual financial statements for the parent entity show the following aggregations.

	2022 $	2021 $
Results		
(Loss) for the year	**(3,627,588)**	(2,584,744)
Total comprehensive loss for the year	**(3,627,588)**	(2,584,744)
Financial Position		
Current assets	**11,637,246**	7,863,347
Non-current assets	**19,806,931**	12,657,725
	31,444,177	20,521,072
Current liabilities	**491,481**	241,892
Net Assets	**30,952,696**	20,279,180
Contributed equity	**40,962,600**	28,222,867
Share-based payments reserve	**5,028,433**	3,467,062
Accumulated losses	**(15,038,337)**	(11,410,749)
	30,952,696	20,279,180

b) Guarantees entered into by the parent entity

Chesser Resources Limited has not entered into any guarantees in the current or previous financial year, in relation to the debt of its subsidiaries

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

d) Contractual commitments for capital expenditure

The parent entity did not have any contractual commitments for capital expenditure as at 30 June 2022 (2021: $nil).

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

19. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in note 3(c).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2022	**2021**
			%	%
Boya Gold Pty Ltd	Australia	Ordinary	**100**	**100**
Boya Minerals Pty Ltd	Australia	Ordinary	**100**	**100**
Boya Senegal SAU	Senegal	Ordinary	**100**	**100**
Erin Mineral Resources Pty Ltd	Australia	Ordinary	**100**	**100**
Erin Minerals Pty Ltd	Australia	Ordinary	**100**	**100**
Erin Senegal SAU^^	Senegal	Ordinary	**-**	**100**
Chesser Senegal SAU	Senegal	Ordinary	**100**	**100**
Bondou SAU	Senegal	Ordinary	**100**	**100**

^^ Erin Senegal SAU was dissolved during the reporting period.

20. Related parties

The following amounts were paid to Key Management Personnel as remuneration:

	2022	2021
	$	$
Base fees and remuneration	**647,767**	612,237
Superannuation	**35,190**	21,851
Short term incentive bonus	**82,315**	-
Share based payments	**927,658**	625,526
	1,692,930	1,259,614

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

- During the year, the Company paid KCG Advisors Pty Ltd, a company related to Mr Stephen Kelly who was a member of Key Management Personnel of the Company during the reporting period, a total of $16,000 (2021: $12,000) for the provision of services including office rental for the Company's registered office, internet and communications services and software subscriptions. As at 30 June 2022 no amounts were owing to KCG Advisors Pty Ltd for these services (2021: $6,000).

There were no other transactions between the Group and other related parties in the current or prior financial year.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

	2022 $	2021 $
21. Cash flow information		
a) Cash and cash equivalents		
Cash at bank and on hand	**11,747,863**	8,091,915
b) Reconciliation of cashflows from operating activities		
Loss before tax	**(3,597,277)**	(2,745,821)
Depreciation and amortisation	**2,821**	116,986
Annual leave provision	**28,821**	12,326
Foreign exchange losses	**(15,559)**	19,133
Exploration costs	**203,519**	-
Share based payments expense	**1,561,371**	1,008,931
Change in operating assets and liabilities (net of disposals):		
(Increase)/decrease in trade or other receivables	**(113,267)**	36,863
(Increase)/decrease in prepayments	**(224,432)**	(45,762)
Increase/(decrease) in trade and other payables	**42,965**	(8,395)
Net cash outflow from operating activities	**(2,111,308)**	(1,605,739)
c) Non-cash investing and financing activities		
Issue of shares in settlement of capital raising costs	-	-
Issue of options in settlement of capital raising costs	-	289,397

Accounting policy

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

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Chesser Resources Limited

Notes to the financial statements

For the year ended 30 June 2022

21. Commitments and contingent liabilities

(a) Commitments

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

	2022 $	2021 $
Within one year	723,141	-
Later than one year but less than five years	7,631,373	5,191,707
	8,354,514	5,191,707

(b) Contingent liabilities

Pursuant to the terms of the agreement for the acquisition of the Senegal exploration tenements, the Group issued the following performance shares on 12 July 2017:

- 23,809,524 Class A performance shares that expired on 12 July 2020 without vesting.
- 23,809,524 Class B performance shares that expired on 12 July 2021 without vesting.

22. Events occurring after the reporting period

No matter or circumstance has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs.

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CHESSER RESOURCES LTD

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

(b) the financial report also complies with International Reporting Standards as disclosed in note 3(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) the Directors' have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.

Andrew Grove
Managing Director
Perth 30 September 2022

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SHAREHOLDER INFORMATION

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SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in the Annual Report.

The shareholder information set out below was applicable as at 16 September 2022.

A. CORPORATE GOVERNANCE STATEMENT

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation in the year ended 30 June 2022.

In accordance with ASX Listing Rule 4.10.3, the Corporate Governance Statement will be available for review on the Company's website www.chesserresources.com.au and is included at pages 44 to 53 of this Annual Report.

B. DISTRIBUTION AND NUMBER OF HOLDERS OF EQUITY SECURITIES

The distribution and number of holders of equity securities on issue in the Company as at 31 August 2021, and the number of holders holding less than a marketable parcel of the company's ordinary shares based on the closing market price as at 16 September 2022 is as follows:

Range	Listed fully paid ordinary shares (ASX: CHZ)	Unlisted $0.12 options expiring 30 November 2022 (ASX: CHZAQ)	Unlisted $0.08 options expiring 30 November 2023 (ASX: CHZAQ)
1 – 1,000	114	–	–
1,001 – 5,000	224	–	–
5,001 – 10,000	213	–	–
10,001 – 100,000	716	–	–
100,001 and over	549	1	1
Total	**1,816**	**1**	**1**

There were 374 holders of less than a marketable parcel of shares as at 16 September 2022.

As at 16 September 2022, there were NIL equity securities which were subject to restrictions.

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C. TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The Company has only one class of quoted equity securities, being fully paid ordinary shares (ASX: CHZ). The names of the twenty largest holders of fully paid ordinary shares, the number of fully paid ordinary shares and the percentage of fully paid ordinary shares on issue as at 16 September 2022 was as follows:

Name	Shares	% of Shares
BNP PARIBAS NOMS PTY LTD <DRP>	60,630,461	10.31
ELLIOTT SERVICES PTY LTD	24,153,122	4.11
CITICORP NOMINEES PTY LIMITED	23,065,649	3.92
GP SECURITIES PTY LTD	15,115,523	2.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,493,518	1.95
ZTHREE PTY LTD	11,000,000	1.87
BPM INVESTMENTS LIMITED	10,000,000	1.70
ORIMCO RESOURCE INVESTMENTS PTY LTD	9,523,810	1.62
JARHAMCHE PTY LTD	9,246,286	1.57
CPO SUPERANNUATION FUND PTY LTD	8,634,452	1.47
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	7,964,890	1.35
CALAMA HOLDINGS PTY LTD	7,896,667	1.34
CITICORP NOMINEES PTY LIMITED <DPSL A/C>	7,056,299	1.20
CORDALE HOLDINGS PTY LTD	6,470,410	1.10
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,040,634	1.03
JIMZBAL PTY LTD	5,300,001	0.90
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING	5,027,114	0.85
AEGP SUPER PTY LTD	5,000,000	0.85
EL-RAGHY KRIEWALDT PTY LTD	5,000,000	0.85
SOUTTAR SUPERANNUATION PTY LTD	4,981,177	0.85
Total top twenty holders	243,600,013	41.42
Balance of register	344,523,097	58.58
Total register	588,123,110	100.00

D. HOLDERS OF MORE THAN TWENTY PERCENT OF EACH CLASS OF UNQUOTED SECURITIES

Each unlisted option and performance shares entitles the holder to acquire one fully paid ordinary shares subject to any vesting conditions being satisfied and in the case of options subject to the holder paying the exercise price

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The names of the holders of more than 20% of each class of options or performance shares, other than under an Employee Incentive Scheme, is set out below:

Holder	Unlisted $0.12 options expiring 30 November 2021		Unlisted $0.08 options expiring 30 November 2023	
	Units	% of units	Units	% of units
Taycol Nominees Pty Ltd	2,000,000	100.00	2,000,000	100.00

E. VOTING RIGHTS

At a general meeting of the Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each ordinary share held.

Options and performance shares do not carry any voting rights.

F. SUBSTANTIAL SHAREHOLDERS

As at 16 September 2022, the names of the substantial shareholders of the Company and the number of equity securities in which those substantial shareholders and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company were as follows:

Name	Number held	% of issued capital
Silvercorp Metals Inc^^	23,658,910	5.35%

^^Based on substantial shareholder notice given to the Company on 1 October 2021

G. ON-MARKEY BUY-BACK

The Company is not currently conduction an on-market buy-back.

H. ON-MARKEY BUY-BACK

The Company did not purchase securities on market during the reporting period.

Corporate Directory

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CORPORATE DIRECTORY

Board of Directors

Mr Mark Connelly	Non-Executive Chairman
Mr Robert Greenslade	Non-Executive Director
Mr Simon O'Loughlin	Non-Executive Director
Mr Simon Taylor	Non-Executive Director
Mr Andrew Grove	Managing Director

Company Secretary

Mr Stephen Kelly

Registered Office

Level 14
167 Eagle Street
Brisbane QLD 4000

Phone number: + 61 7 3854 2387

Principal place of business

Unit 12, 295 Rokeby Road
Subiaco WA 6008

Postal address

PO Box 5807
Brisbane QLD 4000

Website:

www.chesserresources.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 1, 200 Mary Street
Brisbane QLD 4000

Phone number: 1 300 552 270

Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

CHZ

Auditors

Pitcher Partners

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SUBIACO
PERTH WA 6008

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CHESSERRESOURCES.COM.AU