24 January 2023
ASX Announcement

QUARTERLY REPORT - period ending 31 December 2022

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HIGHLIGHTS

DIAMBA SUD SCOPING STUDY UPDATE

- Diamba Sud scoping study updated to include new Mineral Resources at Karakara, Bougouda and updated Mineral Resources at Area D.
- The growth in mining inventory and improved financial outcomes continue to support a low risk, high-value future gold mine development at Diamba Sud.

Scoping Study Highlights:

- Total Project mining inventory of **13.9Mt @ 1.7g/t gold containing 762koz** (76% from Indicated Resources) at a strip ratio of 4.2
- Post-tax **NPV_5 US$296M (A$435M) and IRR 55%** at a US$1,800/oz gold price
- **Net Project Cash Flow US$300M**
- **Payback 17 months** from commercial production
- **7.5-year Project life producing 715koz of recovered gold, averaging ~100kozpa, at an AISC of US$849/oz**
- **First two years of gold production totals 223koz at an average AISC of US$612/oz**
- **Initial capital cost of US$149m**
- Area D and Karakara Mineral Resources remain open and Western Splay is also likely to add to the Mineral Resources in the near term
- Significant untested exploration potential remains on the Diamba Sud and adjacent Bondala tenements

KARAKARA – MAIDEN MINERAL RESOURCE

- **Maiden Mineral Resource at Karakara of 1.7Mt @ 2.1g/t gold for 116koz**

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

- **High-grade ounces:** 116koz @ 2.1g/t gold which is relatively insensitive to cut-off grade
- **High-value ounces:** for future processing plant located on the Diamba Sud tenement, ~1.5km to the northeast
- **Continuous mineralisation:** mineralised structures continuous over +250m strike
- **Exploration upside:** opportunities to extend mineralisation along strike and on margins of defined mineralisation
- **High confidence Resource:** 59% of ounces fall within the Indicated classification

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AREA D AND AREA A MINERALISATION RESOURCE UPDATES

- **Area D** Mineral Resources updated with inclusion of additional drilling totalling **6.9Mt @ 1.7g/t gold for 386koz**
- **Area A** Mineral Resources restated with re-defined constraining pit shell totalling **5.8Mt @ 1.6g/t gold for 306koz**
- **Diamba Sud total Mineral Resources increased to 14.7Mt @ 1.8g/t gold for 860koz**

DFS METALLURGICAL TESTWORK RESULTS CONFIRM HIGH GOLD RECOVERIES

- **High gravity recoveries averaging 20% in oxide and 60% in fresh**
- **High overall gold recovery ~95% in oxide and between 93% and 95% in fresh**
- **Grind size increased to 106 µm from 75 µm** with expected positive implications for processing costs
- Waste rock geochemical characterisation testwork found that the waste rocks were either non-acid forming or acid consuming
- The dry season Environmental and Social Impact Assessment ("ESIA") baseline field surveys found no major risks and the wet season survey has commenced
- Environmentally the Project is shaping up to be low impact which should also provide a significant positive impact to the local communities and to the government of Senegal

CORPORATE

- Cash at the end of the quarter totalled A$6.1million

UPCOMING ACTIVITIES

- Phase 9 drilling campaign has commenced aimed at adding additional resources, testing exploration targets and input into Definitive Feasibility Studies ("DFS") at Diamba Sud
- Baseline environmental and ESIA studies are ongoing over the Project area
- DFS ongoing to support future development and a Final Investment Decision in mid-2024

Chesser Resources Limited ("Chesser" or the "Company", ASX:CHZ) is pleased to present its Quarterly Activities Report for the three months ended 31 December 2022. The Company's primary focus during the reporting period continued to be the advancement of its Diamba Sud gold Project in Senegal.

SCOPING STUDY UPDATE

The Diamba Sud Scoping Study[1] (released 15 March 2022 and revised 27 October 2022) was updated in December 2022 to incorporate the new Mineral Resources at Karakara (released 27 October 2022) and Bougouda (released 8 September 2022) and the updated Area D Mineral Resources (released 12 December 2022).

Input parameters are consistent with the original Scoping Study, other than those discussed below.

Mine optimisation, design and scheduling were undertaken by Kenmore Mine Consulting.

New pit designs were generated for the Area D, Area D South, Karakara and Bougouda resource areas using the slope design parameters in the Scoping Study nominally using the US$1,500/oz optimised pit shells (Figure 1 and Figure 2). The pit design for Area A remained unchanged. Total in-pit Mineral Resources increased 17% to 13.9Mt @ 1.7g/t 762koz, Table 1.

Ore loss of 5% and dilution of 10% was applied to all Mineral Resources within each pit except Bougouda where the resource model was re-blocked to a block size of 2.5x5x5m to simulate a mining unit or selective mining unit ("SMU") due to the narrow nature of the vein-hosted mineralisation. The resultant dilution was 94% and a 5% ore loss was also applied at Bougouda.

In Area A the metal and grade reduced slightly from previously reported due to an incorrect ore loss calculation used by the previous consultant which slightly reduced the in-pit Production Target from 5.2Mt @ 1.7g/t gold for 280koz to 5.2Mt @ 1.6g/t gold for 270koz. This error has also affected the previous Area D reporting.

A mining schedule was generated to maintain a processing rate of 2Mtpa and minimise equipment required which resulted in a pit mining sequence starting at Area D followed by Area A then Area D South, Karakara and Bougouda.

The mining schedule was incorporated into the financial model using Scoping Study costs except for Bougouda where an additional US$0.20/t small pit mining cost and a US$2.55/t haulage cost (17km @ US$0.15/t/km) was applied.

The updated Scoping Study results are presented in Table 2 and compared with the original Scoping Study results.

Key highlights include:

- **Total Project mining inventory increased 17% to 13.9Mt @ 1.7g/t gold containing 762koz** (76% from Indicated Resources) at a strip ratio of 4.2
- **89% resource conversion to mining inventory**

[1] Refer to ASX announcement dated on 15 March 22 for Scoping Study results as amended in the ASX announcements dated 27 October 2022 and 12 December 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 announcements and confirms that all material assumptions and technical parameters underpinning those production targets and financial forecasts continue to apply and have not materially changed from the updated Scoping Study results contained in the ASX announcement dated 12 December 2022.

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- **Sales revenue increases by 16% to US$1,114M**
- **Net Project Cash Flow increases by 12% to US$300M**
- **Post-tax NPV5 increases by 8% to US$218M** (A$321M) with an IRR of 43% at a US$1,600/oz gold price
- **Post-tax NPV5 US$296M (A$435M) and IRR 55%** at a US$1,800/oz gold price
- **Payback 17 months** from commercial production
- **7.5-year Project life producing 715koz gold, averaging 100kozpa, at an AISC of US$849/oz**
- **First two years of gold production totals 223koz at an average AISC of US$612/oz**
- AISC increased 8% largely due to increase in the strip ratio from 3.6 to 4.2
- Lower pre-production material movement was deferred into the early production period increasing the AISC for the first two years of production but lowering initial capital costs
- Lower pre-production mining volumes **reduced initial capital cost by US$11m to US$149m**
- Area D and Karakara Mineral Resources remain open and Western Splay is also likely to add to the Mineral Resources in the near term
- Significant untested exploration potential remains on the Diamba Sud and adjacent Bondala tenements
- There is significant potential for regional consolidation once a mine has been established at Diamba Sud

Table 1: Resources by Classification within Designed Pits

Diamba Sud Mining Inventory – December 2022											
Area	Waste	Strip Ratio	Indicated			Inferred			Total		
			Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
	Mt	w:o	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Area D	11.3	1.7	4.3	1.9	269	2.1	1.1	76	6.4	1.7	344
Area D South	2.2	7.6				0.3	1.1	11	0.3	1.1	11
Area A	26.7	5.1	4.6	1.7	246	0.6	1.2	24	5.2	1.6	270
Karakara	13.1	7.8	0.9	2.4	65	0.8	1.7	43	1.7	2.0	108
Bougouda	4.5	18.1				0.2	3.7	29	0.2	3.7	29
TOTAL	**57.7**	**4.2**	**9.8**	**1.8**	**580**	**4.1**	**1.4**	**182**	**13.9**	**1.7**	**762**

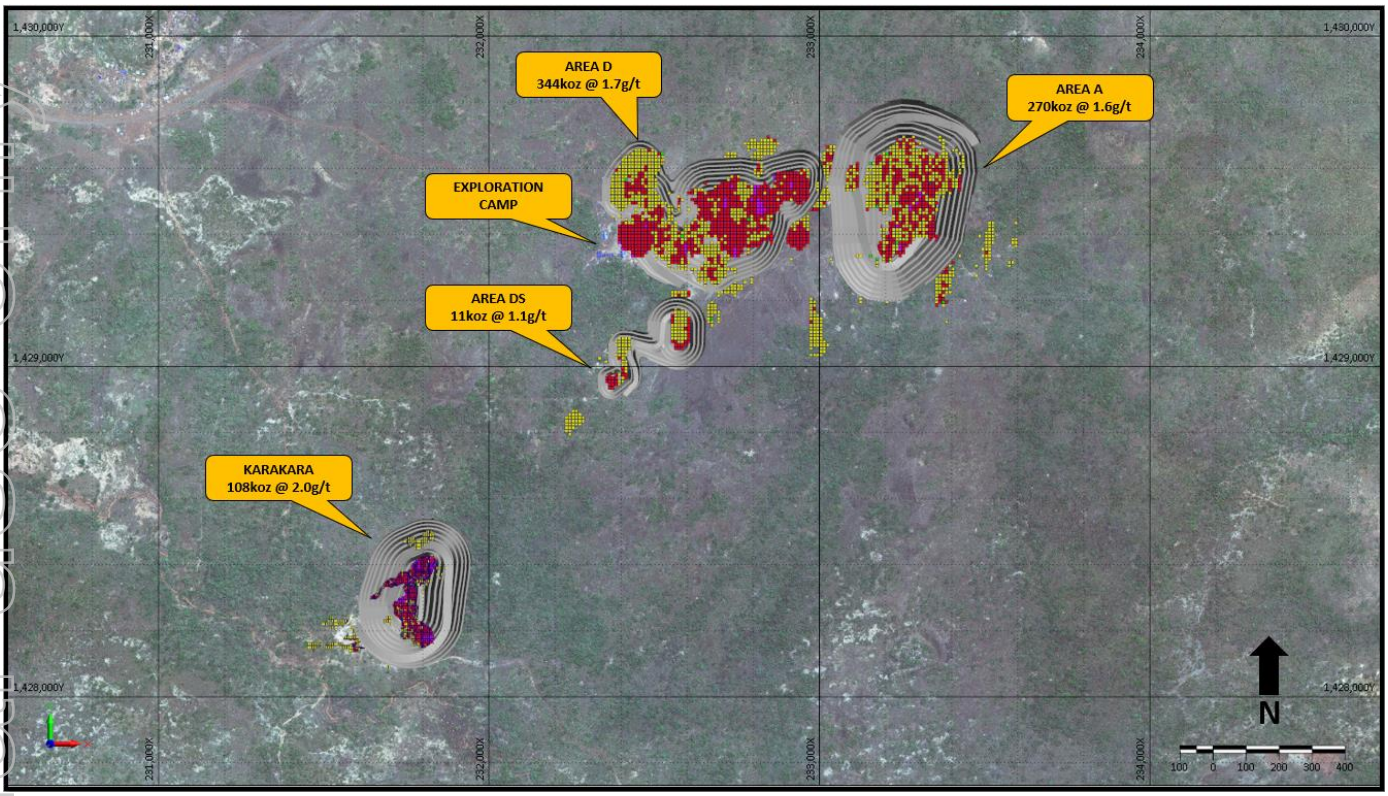

Figure 1: Northern Pit Designs

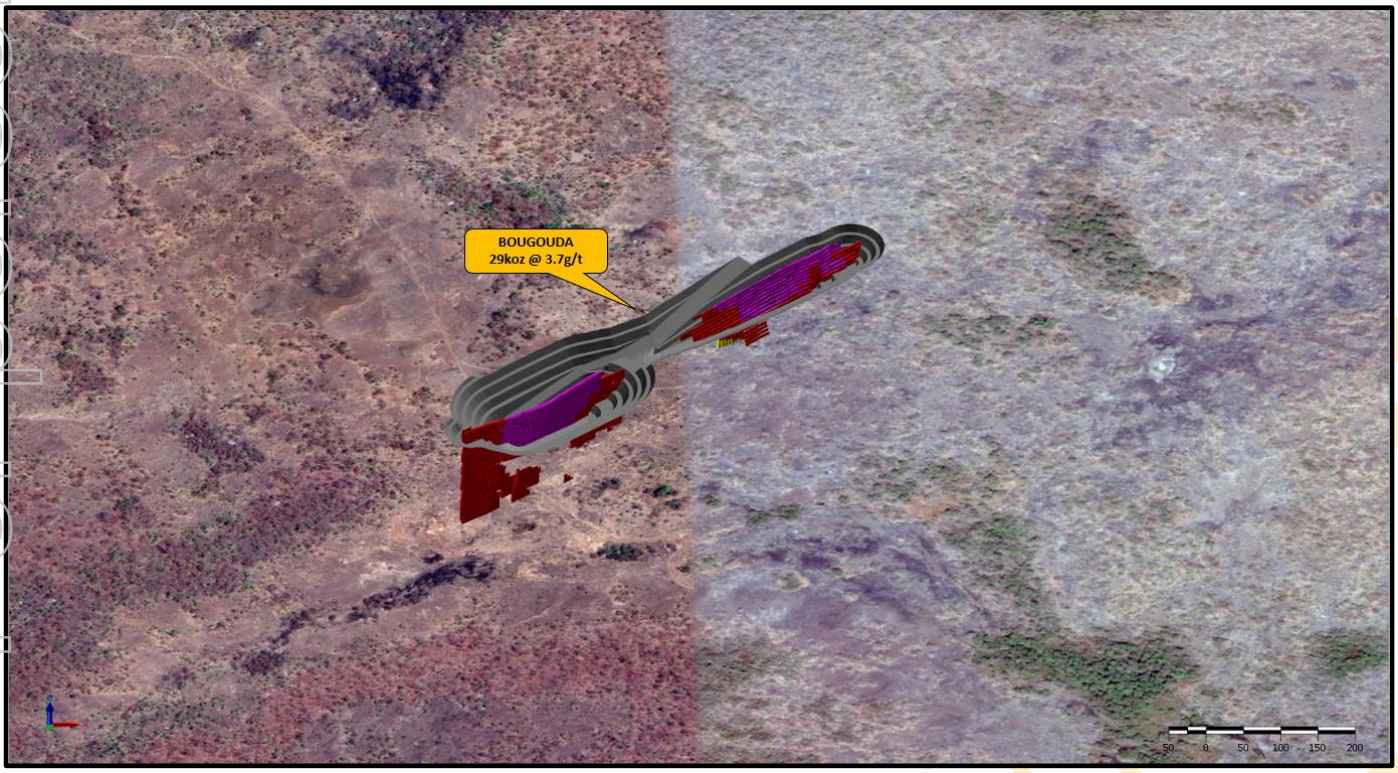

Figure 2: Bougouda Pit Design

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Table 2: Scoping Study Results and Key Assumptions[1] previous versus updated schedule

DIAMBA SUD GOLD PROJECT SUMMARY SCOPING STUDY DECEMBER 2022 UPDATE					
Physicals and Costs		**SS 27-Oct**	**SS 12-Dec**	**Variance**	
Mining Physicals					
Tonnes	Mt	11.7	**13.9**	19%	
Grade	g/t Au	1.7	**1.7**	1%	
Contained Ounces	koz Au	654	**762**	17%	
Plant Throughput	Mtpa	2.0	**2.0**	0%	
Mine Life	Years	6.0	**7.5**	25%	
Strip Ratio	waste:ore	3.6	**4.2**	15%	
Process Recovery	%	94	**94**	0%	
Gold Production	koz Au	614	**715**	16%	
Gold Production - first 2 years	koz Au	243	**223**	-8%	
Capital Costs					
Initial Capital	US$M	142	**142**	0%	
Pre-production Mining	US$M	18	**7**	-64%	
Sustaining and Closure	US$M	23	**22**	-3%	
Total Capital Cost	US$M	183	**170**	-7%	
Operating Costs					
Mining	US$/t total material	3.7	**3.7**	0%	
Mining	US$/t Ore mined	17.1	**19.1**	12%	
Processing	US$/t Ore processed	13.7	**14.2**	4%	
Maintenance	US$/t Ore processed	1.5	**1.6**	4%	
General & Administration	US$/t Ore processed	4.1	**4.2**	2%	
Transport, Insurance and Refining	US$/t Ore processed	0.2	**0.2**	-2%	
Royalties & Statutory Costs	US$/t Ore processed	2.9	**2.9**	-2%	
Total	US$/t Ore processed	39.6	**42.1**	6%	
Financials and Key Assumptions					
		27-Oct	**12-Dec**	**Variance**	**12-Dec**
Gold Price	US$/oz	1,600	**1,600**	0%	**1,800**
Exchange Rates	AUD:USD	0.72	**0.68**	-6%	**0.68**
	XOF:USD	581	**581**	0%	**581**
Gold Sales Revenue	US$M	983	**1,144**	16%	**1,287**
AISC	US$/oz Au	784	**849**	8%	**856**
AISC - first two years	US$/oz Au	547	**612**	12%	**619**
Project Net Cash Flow - Post-tax, all equity basis					
Income Tax	US$M	73	**88**	21%	**130**
Project Net Cash Flow	US$M	269	**300**	12%	**396**
PVNCF5%	US$M	203	**218**	7%	**296**
IRR - post-tax	%	47	**43**	-9%	**55**
Payback Period	Months	17	**17**	0%	**15**

[1] All Scoping Study results are approximate. Cost estimates are subject to Scoping Study level of accuracy of +/- 35%.

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KARAKARA MAIDEN MINERAL RESOURCE

Karakara is located 1.2km southwest of Area D (Figure 4) and over a geochemical anomaly coincident with the interpreted trend of the Northern Arc structure. Drilling has defined shallow, high-grade mineralisation over at least ~250m of strike.

The Karakara maiden Mineral Resource estimate was undertaken by Mr. Brenton McWhirter Member of Australian Institute of Geoscientists ("MAIG") and Mr. Andrew Grove (MAIG) and includes all drilling up to 1 September 2022 using Ordinary Kriging estimation methodology. The Karakara Resource has been reported in accordance with the JORC Code (2012) and is effective as of 26 October 2022 and shown in Table 3.

The Mineral Resources were reported within a pit shell using metal price assumptions of US$1,800/oz gold, input parameters from the updated Scoping Study and were reported above a 0.5g/t gold cut-off grade ("COG") (Figure 3).

Table 3: Karakara Mineral Resources[2]

Karakara Mineral Resources - Diamba Sud										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Karakara	Oxide	11	1.5	0.5	33	2.1	2	43	2.0	3
	Fresh	811	2.6	67	838	1.7	46	1,649	2.1	113
	Total	**822**	**2.6**	**68**	**870**	**1.7**	**48**	**1,692**	**2.1**	**116**

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

- **High-grade ounces:** 116koz @ 2.1g/t gold which is relatively insensitive to changes in COG
- **High-value ounces:** for future processing plant located on the Diamba Sud tenement, ~1.5km to the northeast
- **Continuous mineralisation:** mineralised structures continuous over +250m strike
- **Exploration upside:** opportunities to extend mineralisation along strike and on margins of defined mineralisation
- **High confidence Resource:** 59% of the ounces fall within the Indicated classification (Table 3)

[2] *Refer to ASX announcement dated 27 October2022 for details of the Mineral Resource Estimates for Karakara. 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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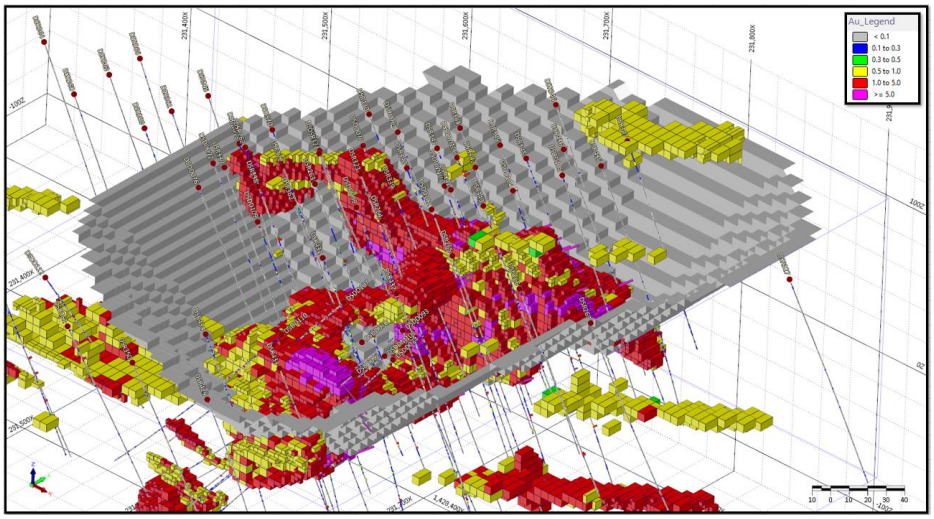

Figure 3: Karakara Mineral Resource 3D image of Resources in the US$1,800/oz gold pit shell

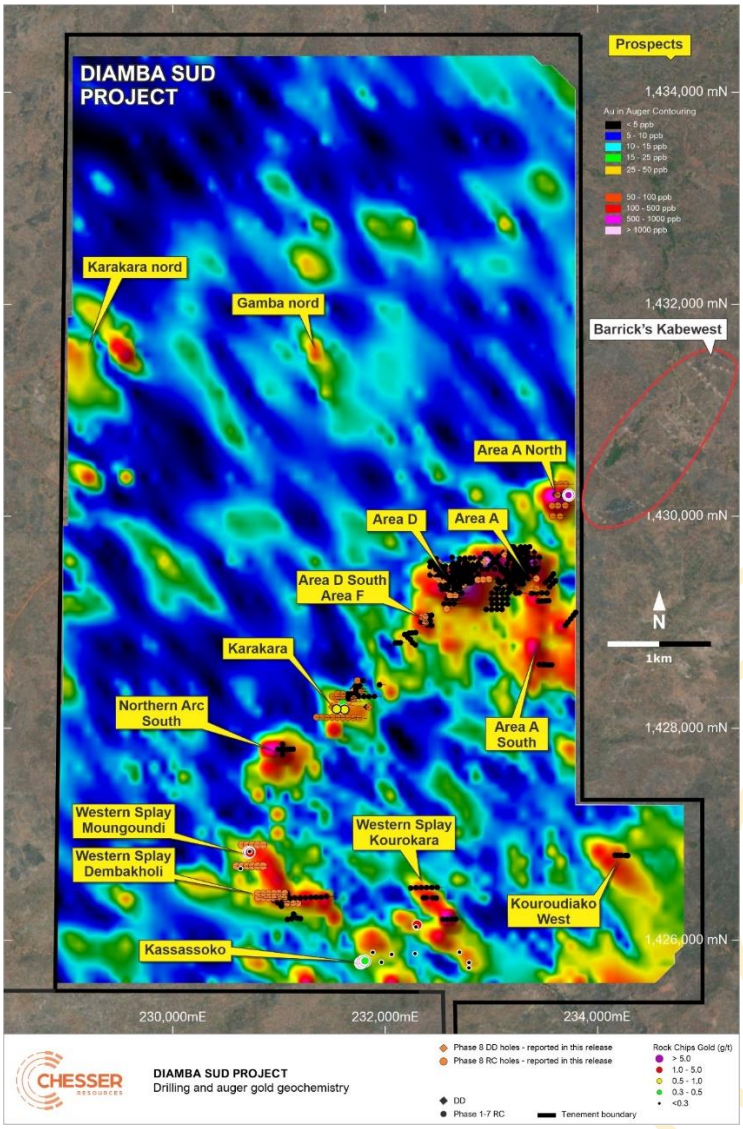

Figure 4: Prospect locations Diamba Sud with drilling locations and auger geochemical anomalies

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AREA D UPDATED MINERAL RESOURCE

Area D is located within the Diamba Sud tenement (Figure 4) and over a geochemical anomaly coincident with the interpreted trend of the Northern Arc structure. Mineralisation in the oxide is associated with thick supergene enrichment and covers an area of approximately 400m x 400m. Mineralisation in the fresh rock below the oxide is best developed where structures intersect the favourable calcareous and arenaceous sedimentary breccia lithological units and develop high-grade shoots. The calcareous sedimentary breccia lithologies also contain lower grade stockwork and breccia mineralisation away from these structures.

The maiden Mineral Resource estimate for Area D was completed 16 November 2021 and this update incorporates the additional drilling completed since that estimate.

The updated Area D Mineral Resource estimate was undertaken by Mr. Brenton McWhirter Member of Australian Institute of Geoscientists ("MAIG") and Mr. Andrew Grove (MAIG) and includes all drilling up to 1 October 2022 using Ordinary Kriging estimation methodology. The Area D Resource has been reported in accordance with the JORC Code (2012) and is effective as of 12 December 2022 and shown in Table 4.

The Mineral Resource was reported within a pit shell using metal price assumptions of US$1,800/oz gold, input parameters from the updated Scoping Study and were reported above a 0.5g/t gold COG (Figure 5).

Table4: Area D Mineral Resources[3]

Area D Mineral Resources - December 2022										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Area D	Oxide	3.1	2.4	238	0.7	1.3	30	3.8	2.2	268
	Fresh	1.2	1.2	48	1.9	1.2	69	3.1	1.2	118
	Total	**4.3**	**2.1**	**286**	**2.6**	**1.2**	**100**	**6.9**	**1.7**	**386**

The key attributes of the updated Mineral Resource at Area D are as follows:

- **High-grade ounces:** 256koz @ 3.1g/t gold at a 1.5g/t cut-off or 352koz @ 2.1g/t gold at a 0.8g/t cut-off
- **High confidence Resource:** 74% of the Mineral Resources are classified at Indicated
- **Robust Resources:** 363koz falling within a US$1,500/oz gold price pit shell and 337koz falling within a US$1,350/oz gold price pit shell
- Locally additional drilling has increased Mineral Resources at Area D by 15% including an 18% increase in Inferred material from within the current constraining pit shell from 5.7Mt @ 1.8g/t for 336koz

[3] *Refer to ASX announcement dated 12 December 2022 for details of the Mineral Resource Estimates for 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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- Increases to the Mineral Resource at Area D were largely achieved from extending the mineralisation to the west which remain open in that direction
- However, the current constraining pit shell used flatter pit slopes (pit slopes used in the SS were generated from a desktop geotechnical review that resulted in flatter slopes in the fresh than were assumed at the time for the maiden resource), which resulted in a 11% reduction in the total Mineral Resources reported at Area D from 432koz
- Drilling is currently underway at Area D to continue to extend mineralisation to the west, northeast and to test the depth potential

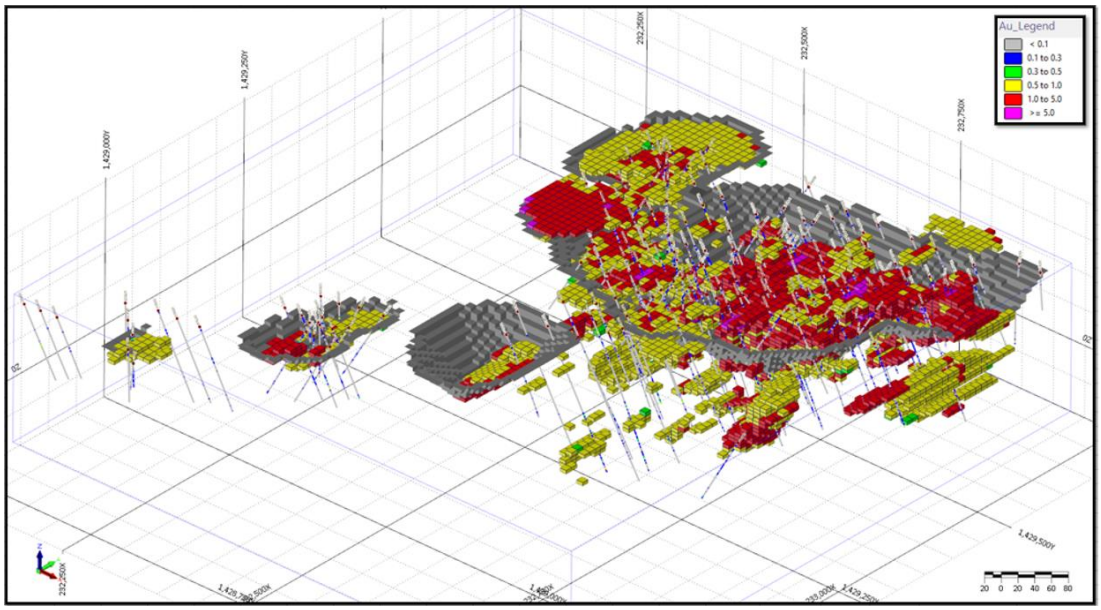

Figure 5: Area D Mineral Resource 3D image of Resources in the US$1,800/oz gold pit shell

RESTATED AREA A MINERAL RESOURCE

Given the change in Mineral Resources at Area D resulting from the updated constraining pit shell parameters, the Mineral Resource at Area A was restated using the updated input parameters. No underlying change to the Mineral Resource estimate has occurred from the maiden Mineral Resource dated 16 November 2021.

The Area A Mineral Resources reported within a pit shell using metal price assumptions of US$1,800/oz gold, input parameters from the updated Scoping Study and were reported above a 0.5g/t gold cut-off grade ("COG"), Table 5.

Table 5: Area A Restated Mineral Resources[4]

Area A Mineral Resources US$1800 Pit Shell Updated - December 2022										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Area A	Oxide	0.5	1.4	25	0.1	0.8	2	0.6	1.3	27
	Fresh	4.3	1.8	246	0.9	1.2	33	5.2	1.7	279
	Total	**4.9**	**1.7**	**271**	**0.9**	**1.2**	**35**	**5.8**	**1.6**	**306**

Table 6: Area A maiden Mineral Resource – 16 November 2021

Area A Maiden Mineral Resources US$1800 Pit Shell - November 2021										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
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**	**1.2**	**58**	**7.1**	**1.6**	**349**

The restated Mineral Resources at Area A using the updated pit slope parameters resulted in a 12% reduction in metal from Mineral Resources previously reported, Table 6

Total Mineral Resources at Diamba Sud now stands at **14.7Mt @ 1.8g/t gold for 860koz** (Table 7).

DEFINITIVE FEASIBILITY TESTWORK RESULTS[5]

The DFS metallurgical testwork is being undertaken by ALS Metallurgy Pty Ltd in Perth, Western Australia under the supervision of Mintrex.

Extensive metallurgical sampling has been undertaken for the full DFS testwork program and includes:

- 61 diamond core sample intervals weighing 1.7 tonnes for DFS design testwork
- 34 diamond core sample intervals weighing 0.8 tonnes for the variability testwork

Samples were collected based on geographic distribution, grade, oxidation state and host rock lithology over the Mineral Resource areas of Areas A, D and D South and Karakara.

Results of the comminution and grind establishment testwork undertaken on the DFS metallurgical design samples were reported during the quarter.

The oxide material (about 34% of the current Scoping Study ore feed and 30% of the Mineral Resources) was found to be very soft and friable compared to the fresh ore and was thus difficult to test for hardness.

[4] *Refer to ASX announcement dated 12 December 2022 for details of the Mineral Resource Estimates for Area A. 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.*

[5] *Refer to ASX announcement dated 8 November 2022 for details of the Metallurgical Test work Results for Diamba Sud. 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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The fresh ore is moderately hard and abrasive (average CWi 4.7kWh/t, BWi 16.3Kwh/t, Ai 0.17), with relatively low energy required for crushing. Fresh ore has been used as the basis for comminution circuit design as it makes up most of the resource and will be treated separately (no blending).

The oxide has an average gravity gold component of ~20%, and an overall recovery of ~95% after a 24-hour leach. The fresh ore has an average gravity gold component of ~60% and an average 93-95% overall recovery dependent on grind size.

An economic analysis was undertaken using the results of this testwork and the comminution modelling and on this basis a grind size of 106 µm was selected for the SABC circuit, coarser than the 75 µm selected during the Scoping Study. This outcome is expected to have a positive impact on costs in the DFS.

Metallurgical testwork is continuing on leaching optimisation, mineralogical analysis, rheology, settling tests and variability testwork.

Waste rock geochemical characterisation testwork undertaken by Knight Piésold (KP) found that the waste rocks were either non-acid forming or acid consuming with very low elemental enrichment and that no special waste rock management systems would be required.

The dry season ESIA baseline field surveys found no major risks and the wet season survey has commenced.

Environmentally the Project is shaping up to be low impact which should also provide a significant positive impact to the local communities and to the government of Senegal.

CORPORATE AND ADMINISTRATION

- Chesser held cash of approximately $6.1 million as at 31 December 2022 ($8.5 million as at 30 September 2022)
- During the quarter the Company made payments totalling $2.4 million (September 2022 quarter $3.2 million) the majority of this expenditure being for the costs of the Phase 8 drilling program which was completed during the quarter. Partial results of the drill program are summarised in this quarterly report.
- Cash outflows from operations of $0.87 million during the quarters included $0.44 million of DFS related expenditure.
- During the quarter, the Company made payments totalling $125,000 to related parties and their associates representing Director and Chief Executive Officer remuneration

MARCH 2023 QUARTER PLANNED ACTIVITY

Phase 9 drilling campaign aimed at adding additional resources, testing exploration targets and providing inputs into DFS at Diamba Sud.

Baseline environmental and ESIA studies will be ongoing over the Project area with the wet season field survey underway.

Definitive Feasibility Studies ongoing to support future development at Diamba Sud.

Initial reconnaissance exploration activities have commenced over Bondala.

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DECEMBER 2022 QUARTER ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results and scoping study results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

- Scoping Study and Resource Update at Diamba Sud — 12 December 2022
- Diamba Sud investor site tour presentations — 28 November 2022
- Metallurgical test results reissued with JORC Table 1 — 8 November 2022
- DFS metallurgical test work returns high gold recoveries — 7 November 2022
- Karakara maiden resource and amended Scoping Study — 27 October 2022

These announcements are available for viewing on the Company's website chesserresources.com.au. Chesser confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

SCHEDULE OF MINING TENEMENTS

As at 31 December 2022, the Company had interests in the following tenements:

TENEMENT	LOCATION	INTEREST
Diamba Sud	Senegal	100%
Diamba Nord	Senegal	100%
Morichou	Senegal	100%
Bondala	Senegal	100%

DIAMBA SUD MINERAL RESOURCES

As at 12 December 2022, the Company had reported the following JORC Mineral Resource estimates for its Diamba Sud gold project:

Table 7: Diamba Sud combined Mineral Resources as at 12 December2022

Diamba Sud Mineral Resources - December 2022										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Area D	Oxide	3.1	2.4	238	0.7	1.3	30	3.8	2.2	268
	Fresh	1.2	1.2	48	1.9	1.2	69	3.1	1.2	118
	Total	**4.3**	**2.1**	**286**	**2.6**	**1.2**	**100**	**6.9**	**1.7**	**386**
Area A	Oxide	0.5	1.4	25	0.1	0.8	2	0.6	1.3	27

Diamba Sud Mineral Resources - December 2022										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
	Fresh	4.3	1.8	246	0.9	1.2	33	5.2	1.7	279
	Total	**4.9**	**1.7**	**271**	**0.9**	**1.2**	**35**	**5.8**	**1.6**	**306**
Karakara	Oxide	0.01	1.5	0.5	0.03	2.1	2	0.04	2.0	3
	Fresh	0.8	2.6	67	0.8	1.7	46	1.6	2.1	113
	Total	**0.8**	**2.6**	**68**	**0.9**	**1.7**	**48**	**1.7**	**2.1**	**116**
Bougouda[6]	Oxide				0.05	4.8	7	0.05	4.8	7
	Fresh				0.1	5.9	25	0.1	5.9	25
	UG/Fresh				0.2	3.6	20	0.2	3.6	20
	Total				**0.3**	**4.7**	**52**	**0.3**	**4.7**	**52**
TOTAL		**10.0**	**1.9**	**625**	**4.7**	**1.5**	**235**	**14.7**	**1.8**	**860**

This release was authorised by the Board of Directors of Chesser Resources Limited.

-END-

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[6] *Refer to ASX announcement dated 8 September 2022 for details of the Mineral Resource Estimate for Bougouda. 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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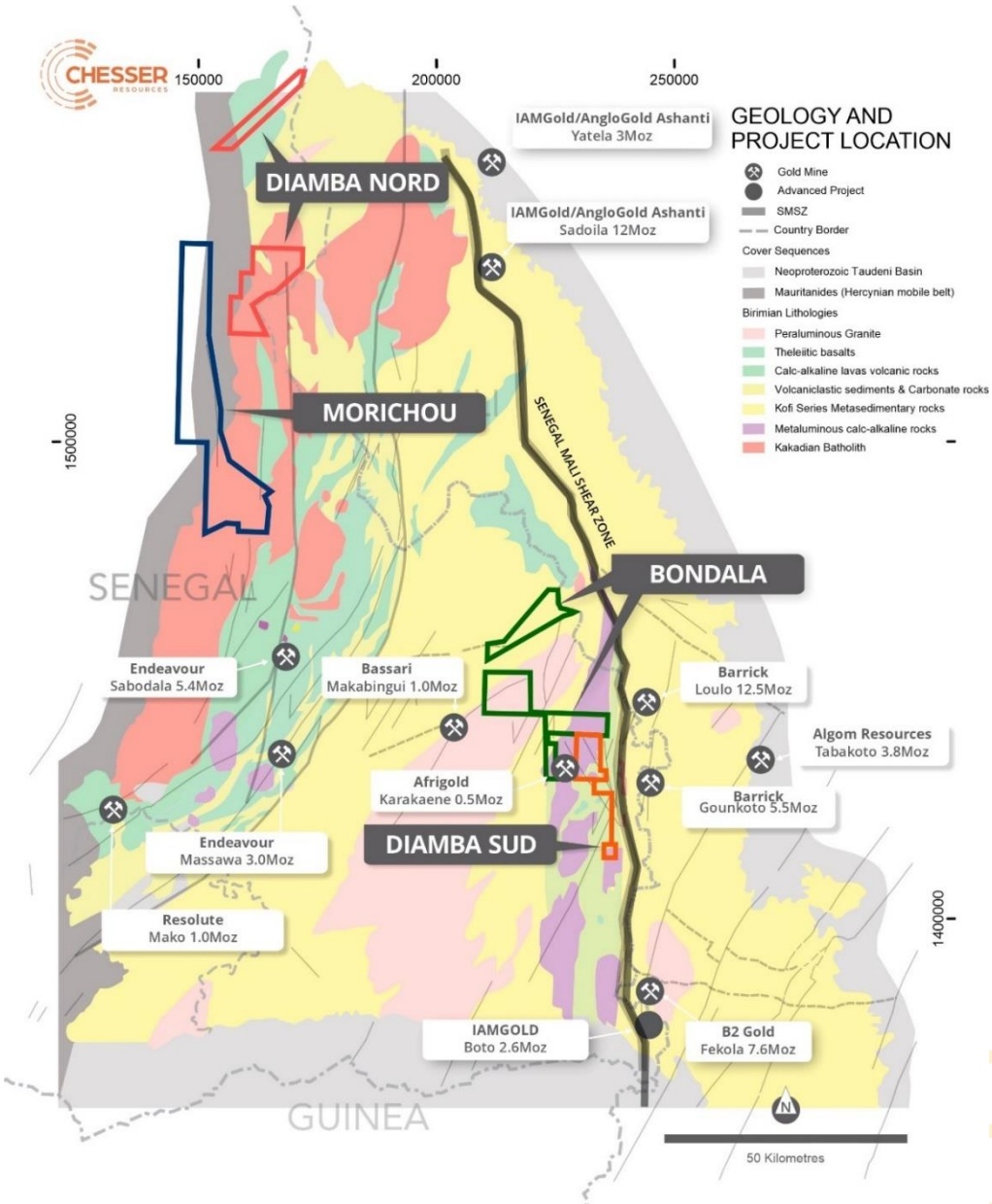

Figure 6: ***Schematic regional geology of eastern Senegal, showing Chesser's Project locations including the Diamba Sud Project and its proximity to both the SMSZ and the major gold operations and projects.***

ABOUT CHESSER RESOURCES

Chesser Resources is an ASX listed gold exploration company with projects located in Senegal, West Africa. Chesser has discovered three high-grade gold Projects (Areas A and D and Karakara) at its flagship Diamba Sud Gold Project. The Company currently holds 872km2 of highly prospective ground in this underexplored world-class gold region. The Company has corporate offices located in Brisbane and Perth, Australia and a corporate and technical team based in Dakar, Senegal.

Diamba Sud, covers an area of 53.2km2 and is located ~2km to the west of the Senegal Mali Shear Zone ("SMSZ"), a major regional structure that host numerous multimillion-ounce world class gold deposits including: B2Gold's 7.6Moz Fekola mine, Barrick's 18Moz Loulo-Gounkoto complex and Allied Gold's Sadiola and Yatela mines. Diamba Sud lies just 7km to the west of Barrick's 5.5Moz Gounkoto mine and to the immediate east of the privately owned 0.5Moz Karakaene mine.

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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.

Competent Person's Declaration

*The information in this report that relates to **Exploration Results** has been extracted from the referenced ASX Announcements filed by Chesser Resources Limited (Exploration Results Announcements) available to view at www.chesserresources.com.au and for which Competent Persons' consent were obtained. The Competent Persons' consents remain 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 Exploration Results Announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Exploration Results Announcements.*

*The Information in this report that relates to the **Area A and Area D Mineral Resources**, the **Bougouda Mineral Resource** and the **Karakara Mineral Resource** has been extracted from the referenced ASX Announcements filed by Chesser Resources Limited (Mineral Resources Announcements) available to view at www.chesserresources .com.au and for which Competent Person's Consents were obtained. The Competent Persons' consents remain 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. Chesser confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources Announcements. All material assumptions and technical parameters underpinning the estimates in the Mineral Resources Announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Mineral Resources Announcements.*

*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 (Scoping Study Announcement), amended on 27 October 2022 and updated on 12 December 2022 and available to view at www.chesserresources.com.au and for which a Competent Persons' consent was obtained. 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 announcements and confirms that all material assumptions and technical parameters underpinning those production targets and financial forecasts continue to apply and have not materially changed.*

Non-IFRS financial information:

We supplement our financial information reporting determined under International Financial Reporting Standards ("IFRS") with certain non-IFRS financial measures, including All-In Sustaining Costs ("AISC"). AISC is based on cash operating costs and adds items relevant to sustaining production. It includes some, but not all, of the components identified in World Gold Council's Guidance Note on Non-GAAP Metrics -All-In Sustaining Costs and All-In Costs (June2013)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

CHESSER RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
14 118 619 042	31 DECEMBER 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(439)	(752)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(329)	(603)
	(e) administration and corporate costs	(116)	(378)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	25
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(869)**	**(1,709)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	
	(b) tenements	-	
	(c) property, plant and equipment	(10)	(59)
	(d) exploration & evaluation	(1,505)	(3,816)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,515)**	**(3,875)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,511	11,748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(869)	(1,709)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,515)	(3,875)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	5	(32)
4.6	**Cash and cash equivalents at end of period**	**6,132**	**6,132**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	6,132	8,511
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,132**	**8,511**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(869)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,505)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,374)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,132
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,132
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.58

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
Not Applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
Not Applicable

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not Applicable	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **24 January 2023**

Authorised by: **By the board of Directors of Chesser Resources Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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