

CHESSER RESOURCES LIMITED
ACN 118 619 042

NOTICE OF EXTRAORDINARY GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

Date of Meeting

13 June 2017

Time of Meeting

11.00 am (Adelaide time)

Place of Meeting

O'Loughlins Lawyers
Level 2
99 Frome Street
ADELAIDE SA 5000

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHESSER RESOURCES LIMITED ACN 118 619 042

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Chesser Resources Limited (**Company**) will be held at 11.00 am (Adelaide time) on 13 June 2017 at O'Loughlins Lawyers, Level 2, 99 Frome Street, Adelaide, South Australia.

RESOLUTION 1 – ISSUE OF NEW CLASS OF SECURITIES (PERFORMANCE SHARES)

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

‘That, subject to the passing of Resolution 2, for the purpose of rule 107.1 of the Constitution and for all other purposes, approval is given for the Company to issue performance shares on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 2 – ISSUE OF CONSIDERATION SECURITIES

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

‘That, subject to the passing of Resolution 1, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 28,571,429 fully paid ordinary shares, 47,619,048 performance shares and 2,000,000 options in consideration for the acquisition of all of the issued share capital of Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 3 – ISSUE OF PLACEMENT SHARES

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

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 12,500,000 fully paid ordinary shares at an issue price of \$0.04 per share to raise \$500,000 on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 4 - ISSUE OF OPTIONS TO SIMON O'LOUGHLIN

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

‘That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue by the Company of 1,200,000 options to Mr Simon O'Loughlin (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 5 - ISSUE OF OPTIONS TO SIMON TAYLOR

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

‘That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue by the Company of 1,600,000 options to Mr Simon Taylor (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 6 - ISSUE OF OPTIONS TO STEPHEN KELLY

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

‘That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue by the Company of 1,200,000 options to Mr Stephen Kelly (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 7 - ISSUE OF OPTIONS TO NICK CASTLEDEN

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

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 1,200,000 options to Mr Nick Castleden (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 8 - ISSUE OF OPTIONS TO SIMON MACDONALD

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

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 2,000,000 options to Mr Simon Macdonald (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 9 - ISSUE OF OPTIONS TO ANDREW BOYD

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

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 600,000 options to Mr Andrew Boyd (or his nominee) on the terms and conditions set out in the Explanatory Statement.’

RESOLUTION 10 – ISSUE OF OPTIONS TO KEY MANAGEMENT PERSONNEL

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

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the issue by the Company of 200,000 options to Key Management Personnel (or their nominees) on the terms and conditions set out in the Explanatory Statement.’

DATED 9 MAY 2017

**BY ORDER OF THE BOARD
CHESSER RESOURCES LIMITED**



**STEPHEN KELLY
COMPANY SECRETARY**

NOTES:

1. Explanatory Statement

The Explanatory Statement accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in both this Notice of Extraordinary General Meeting and the Explanatory Statement.

2. Voting Exclusion Statements

(a) Resolution 2

The Company will disregard any votes cast on Resolution 2 by a person (and their associates) who may participate in the proposed issue and a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(b) Resolution 3

The Company will disregard any votes cast on Resolution 3 by a person (and their associates) who may participate in the proposed issue and a person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 3 is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(c) Resolutions 4 to 6

(i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on any of Resolutions 4 to 6 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or

- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

- (ii) For the purposes of the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 4 to 6 by a person (and their associates) who is to receive securities in relation to the Company if the relevant Resolution is passed.

However, subject always to paragraph 2(c)(i), the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(d) **Resolution 7**

The Company will disregard any votes cast on Resolution 7 by Mr Nick Castleden (and his nominee) and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and associates of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(e) **Resolution 8**

The Company will disregard any votes cast on Resolution 8 by Mr Simon Macdonald (and his nominee) and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and associates of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(f) **Resolution 9**

The Company will disregard any votes cast on Resolution 9 by Mr Andrew Boyd (and his nominee) and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and associates of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

(g) **Resolution 10**

(i) For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if:

- the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

(ii) For the purposes of the ASX Listing Rules, the Company will disregard any votes cast on Resolution 10 by Key Management Personnel (or their nominees) and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and associates of those persons.

However, subject always to paragraph 2(g)(i), the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Proxies

A Shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a Shareholder will need to take the following steps:

- 3.1 cast the Shareholder's vote online by visiting www.investorvote.com.au and entering the Shareholder's Control Number and SRN/HIN, which are shown on the first page of the enclosed Proxy Form; or
- 3.2 complete and lodge the manual Proxy Form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
 - OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- 3.3 for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received no later than 11.00 am (Adelaide time) on 12 June 2017.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on each of Resolutions 4, 5, 6 and 10 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for, against or abstain from voting on Resolutions 4, 5, 6 and 10 by marking the appropriate box on the Proxy Form.

The chair intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the chair may change his or her voting intention on any Resolution, in which case an ASX announcement will be made.

4. ‘Snap Shot’ Time

The Company may specify a time, not more than 48 hours before the Meeting, at which a ‘snap shot’ of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined that all Shares of the Company that are quoted on ASX as at 7.00 pm (Adelaide time) on 11 June 2017 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

5. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of a Notice convening an Extraordinary General Meeting of Shareholders of Chesser Resources Limited to be held on 13 June 2017. This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Statement, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider Resolutions 1 to 10 (inclusive).

1. BACKGROUND

As announced to ASX on 3 April 2017, on 30 March 2017 the Company entered into a legally binding Term Sheet to acquire all the issued share capital of Boya and Erin in consideration for the issue of 28,571,429 Shares, 47,619,048 Performance Shares and 2,000,000 Options.

Settlement of the Acquisition will deliver to the Company interests in five gold exploration projects located in Senegal, western Africa. Details of the projects are contained in the Company's announcement to ASX on 3 April 2017, a copy of which is contained in Annexure A to this Explanatory Statement.

Upon completion of the Acquisition, Mr Nick Castleden will, subject to him consenting in writing to act, be appointed as a non-executive director of the Company.

The conditions precedent to completion of the Acquisition are:

- (a) each of Boya, Erin and the Company obtaining all required regulatory and shareholder approvals for the acquisition;
- (b) the vendors of Boya procuring that the remaining shareholders of Boya who are not parties to the Term Sheet enter into short form sale agreements with the Company for the sale of their shares in Boya to the Company;
- (c) the Company completing due diligence to its satisfaction of all legal, financial and technical aspects of Erin, Boya and their projects; and
- (d) the vendors of Boya and Erin completing due diligence to their satisfaction of all legal, financial and technical aspects of the Company.

As at the date of lodgement of this Notice with ASX, none of these conditions precedent have been satisfied. However, one of the purposes of the Meeting is to seek Shareholder approval for the issue of the Consideration Securities in order for the Company to satisfy paragraph (a) above.

Upon completion of the Acquisition, the Company will undertake a placement of 12,500,000 Shares at \$0.04 per Share to raise \$500,000 before costs. Another purpose of the Meeting is to seek Shareholder approval for the issue of the placement Shares.

The Board has, subject to obtaining Shareholder approval, agreed to issue Options to the Company's Directors, Mr Castleden as a proposed Company Director and

certain other persons. One of the purposes of the Meeting is to seek Shareholder approval for the issue of these Options.

2. **RESOLUTION 1 – ISSUE OF NEW CLASS OF SECURITIES (PERFORMANCE SHARES)**

As referred to above, on 30 March 2017 the Company entered into a legally binding Term Sheet to acquire all the issued share capital of Boya and Erin in consideration for the issue of 28,571,429 Shares, 47,619,048 Performance Shares and 2,000,000 Options.

Section 246C(5) of the Corporations Act provides that if a company with one class of shares issues new shares, the issue is taken to vary the rights attached to the shares already on issue if the rights attaching to the new shares are not the same as the rights attached to shares already issued and those rights are not provided for in the company's constitution or a notice, document or resolution that is lodged with ASIC.

Section 246B(1) of the Corporations Act relevantly provides that if a company has a constitution that sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure.

In this regard, rule 107.1 of the Constitution provides that the rights attached to shares in a class of shares may be varied only:

1. by special resolution of the Company; and
2. either:
 - (a) by special resolution passed at a meeting of the members holding shares in the class; or
 - (b) with the written consent of members with at least 75% of the votes in the class.

The rights attaching to the Performance Shares differ from those attaching to already issued Shares, and are set out in Annexure B to this Explanatory Statement. The purpose of Resolution 1 is to seek approval from Shareholders for the issue of the Performance Shares, being a new class of securities having different rights to existing Shares.

Resolution 1 is a **special resolution**.

The Directors recommend that Shareholders vote in favour of Resolution 1.

The chair intends to vote undirected proxies in favour of Resolution 1.

The passing of Resolution 1 is conditional upon, and subject to, Resolution 2 being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 1, you should also vote in favour of Resolution 2.

3. **RESOLUTION 2 – ISSUE OF CONSIDERATION SECURITIES**

As referred to above, on 30 March 2017 the Company entered into a legally binding Term Sheet to acquire all the issued share capital of Boya and Erin in

consideration for the issue of 28,571,429 Shares, 47,619,048 Performance Shares and 2,000,000 Options.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolution 2 seeks approval by Shareholders for the issue of Consideration Securities in consideration for the acquisition of all of the issued share capital of Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd for the purpose of ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- The Company will issue 28,571,429 Shares, 47,619,048 Performance Shares and 2,000,000 Options.
- The Consideration Securities will be issued no later than three months after the date of this Meeting or such later date as permitted by ASX. It is intended that all Consideration Securities will be issued on the same date.
- The Consideration Securities will not be issued for cash consideration.
- The Consideration Securities which are Shares and Options will be issued to the vendor of Boya (or its nominee), the vendors of Erin (or their nominees) and third party facilitators.

The Consideration Securities which are Performance Shares will be issued to the vendor of Boya and the vendors of Erin.

- The Consideration Securities which are Shares will be issued on the same terms as the Company's existing issued Shares.

Full terms of the Consideration Securities which are Performance Shares are set out in Annexure B to this Explanatory Statement.

Full terms of 1,000,000 of the Consideration Securities which are Options are set out in Annexure C to this Explanatory Statement. Full terms of the other 1,000,000 of the Consideration Securities which are Options are set out in Annexure D to this Explanatory Statement.

- No funds will be raised from the issue of the Consideration Securities.

Resolution 2 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 2.

The chair intends to vote undirected proxies in favour of Resolution 2.

The passing of Resolution 2 is conditional upon, and subject to, Resolution 1 being approved by Shareholders. Accordingly if you intend to vote in favour of Resolution 2, you should also vote in favour of Resolution 1.

4. **RESOLUTION 3 – ISSUE OF PLACEMENT SHARES**

As noted above, upon completion of the Acquisition the Company will undertake a placement of 12,500,000 Shares (**Placement Shares**) at \$0.04 per Share to raise \$500,000 before costs.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue made with the approval of holders of ordinary securities will not count towards this limit.

Resolution 3 seeks approval by Shareholders for the issue of the Placement Shares for the purpose of ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- The Company will issue a maximum of 12,500,000 Placement Shares.
- The Placement Shares will be issued no later than three months after the date of this Meeting or such later date as permitted by ASX. It is intended that all Placement Shares will be issued on the same date.
- The issue price of the Placement Shares will be \$0.04 per Placement Share.
- The Placement Shares will be issued to applicants for Placement Shares as determined by the Board, none of whom will be related parties of the Company.
- The Placement Shares will be issued on the same terms as the Company's existing issued Shares.
- Funds raised from the issue of the Placement Shares will be used to advance the projects in Senegal, western Africa which will be acquired by the Company as a result of the Acquisition, and for general working capital.

Resolution 3 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 3.

The chair intends to vote undirected proxies in favour of Resolution 3.

5. **RESOLUTIONS 4, 5 AND 6 – ISSUE OF OPTIONS TO DIRECTORS**

5.1 **General**

The Company has agreed, subject to obtaining Shareholder approval, to issue its Directors a total of 4,000,000 Options (**Related Party Options**) as an incentive based remuneration package and, in the case of portion of the Related Party Options to be issued to Mr Simon Taylor, as part of his remuneration for work performed in respect of the Acquisition. Resolutions 4, 5 and 6 seek Shareholder approval for the issue of the Related Party Options to the following Directors (or their nominees):

- (a) Mr Simon O'Loughlin: 1,200,000 Options;
- (b) Mr Simon Taylor: 1,600,000 Options; and
- (c) Mr Stephen Kelly: 1,200,000 Options.

5.2 **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of Related Party Options constitutes giving a financial benefit and Messrs O'Loughlin, Taylor and Kelly are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the issue of the Related Party Options is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.3 **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Related Party Options involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to Messrs O'Loughlin, Taylor and Kelly (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5.4 **Technical information required by ASX Listing Rule 10.13**

The following additional information is provided pursuant to the requirements of ASX Listing Rule 10.13:

- (a) The Related Party Options will be issued to Messrs O'Loughlin, Taylor and Kelly, or their nominees.

- (b) The number of Related Party Options to be issued is as follows:
- (i) Mr O'Loughlin: 1,200,000 Options;
 - (ii) Mr Taylor: 1,600,000 Options; and
 - (iii) Mr Kelly: 1,200,000 Options.
- (c) The Related Party Options will be issued no later than one month after the date of the Meeting or such later date as permitted by ASX. It is intended that all Related Party Options will be issued on the same date.
- (d) The Related Party Options will not be issued for cash consideration.
- (e) The terms and conditions of the Related Party Options are:

| Related Party | No of Options | Terms and Conditions |
|---------------|---------------|--|
| Mr O'Loughlin | 600,000 | Annexure C to this Explanatory Statement |
| | 600,000 | Annexure D to this Explanatory Statement |
| Mr Taylor | 800,000 | Annexure C to this Explanatory Statement |
| | 800,000 | Annexure D to this Explanatory Statement |
| Mr Kelly | 600,000 | Annexure C to this Explanatory Statement |
| | 600,000 | Annexure D to this Explanatory Statement |

- (f) No funds will be raised from the issue of the Related Party Options.

Each of Resolutions 4 to 6 is an ordinary resolution.

As the Directors have an interest in Resolutions 4 to 6, they do not wish to make a recommendation as to how Shareholders ought to vote on Resolutions 4 to 6.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on each of Resolutions 4 to 6 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the

chair to vote for or against or abstain from voting on Resolutions 4 to 6 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolutions 4 to 6.

6. **RESOLUTION 7 – ISSUE OF OPTIONS TO PROPOSED DIRECTOR**

6.1 **General**

As referred to above, upon completion of the Acquisition Mr Nick Castleden will, subject to him consenting in writing to act, be appointed as a non-executive director of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue Mr Castleden 1,200,000 Options as an incentive based remuneration package. Resolution 7 seeks Shareholder approval for the issue of these Options to Mr Castleden (or his nominee) for the purpose of ASX Listing Rule 7.1.

6.2 **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

Mr Castleden is a related party of the Company by virtue of being a proposed Director, and the issue of Options to him constitutes giving a financial benefit.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the issue of the Options to Mr Castleden is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Options to Mr Castleden involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that Exception 6 in ASX Listing Rule 10.12 applies in the circumstances.

6.4 **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue made with the approval of holders of ordinary securities will not count towards this limit.

Resolution 7 seeks approval by Shareholders for the issue of the Options for the purpose of ASX Listing Rule 7.1.

6.5 **Technical information required by ASX Listing Rule 7.3**

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.1:

- The Company will issue 1,200,000 Options.
- The Options will be issued no later than three months after the date of this Meeting or such later date as permitted by ASX. It is intended that all of the Options will be issued on the same date.
- The Options will not be issued for cash consideration.
- The Options will be issued to Mr Castleden (or his nominee).
- The terms and conditions of 600,000 Options are set out in Annexure C to this Explanatory Statement. The terms and conditions of the other 600,000 Options are set out in Annexure D to this Explanatory Statement.
- No funds will be raised from the issue of the Options.

Resolution 7 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 7.

The chair intends to vote undirected proxies in favour of Resolution 7.

7. **RESOLUTION 8 - ISSUE OF OPTIONS TO SIMON MACDONALD**

In addition to the Options to be issued pursuant to Resolutions 4 to 7, the Company also proposes to issue Mr Simon Macdonald (or his nominee) 2,000,000 Options as remuneration for work performed in respect of the Acquisition.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue made with the approval of holders of ordinary securities will not count towards this limit.

Resolution 8 seeks approval by Shareholders for the issue of the Options for the purpose of ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.1:

- The Company will issue 2,000,000 Options.

- The Options will be issued no later than three months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Options will be issued on the same date.
 - The Options will not be issued for cash consideration.
 - The Options will be issued to Mr Macdonald (or his nominee), who is not a related party of the Company.
 - 600,000 Options will vest on completion of the Acquisition and 400,000 Options will vest on the first anniversary of completion of the Acquisition. The terms and conditions of these Options are set out in Annexure C to this Explanatory Statement.
- 1,000,000 Options will vest on the second anniversary of completion of the Acquisition. The terms and conditions of these Options are set out in Annexure D to this Explanatory Statement.
- No funds will be raised from the issue of the Options.

Resolution 8 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 8.

The chair intends to vote undirected proxies in favour of Resolution 8.

8. **RESOLUTION 9 - ISSUE OF OPTIONS TO ANDREW BOYD**

In addition to the Options to be issued pursuant to Resolutions 4 to 8, the Company also proposes to issue Mr Andrew Boyd (or his nominee) 600,000 Options as remuneration for work performed in respect of the Acquisition.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue made with the approval of holders of ordinary securities will not count towards this limit.

Resolution 9 seeks approval by Shareholders for the issue of the Options for the purpose of ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.1:

- The Company will issue 600,000 Options.
- The Options will be issued no later than three months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Options will be issued on the same date.
- The Options will not be issued for cash consideration.
- The Options will be issued to Mr Boyd (or his nominee), who is not a related party of the Company.

- The terms and conditions of 300,000 Options are set out in Annexure C to this Explanatory Statement. The terms and conditions of the other 300,000 Options are set out in Annexure D to this Explanatory Statement.
- No funds will be raised from the issue of the Options.

Resolution 9 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 9.

The chair intends to vote undirected proxies in favour of Resolution 9.

9. **RESOLUTION 10 - ISSUE OF OPTIONS TO KEY MANAGEMENT PERSONNEL**

In addition to the Options to be issued pursuant to Resolutions 4 to 9, the Company also proposes to issue Key Management Personnel (or their nominees) 200,000 Options as an incentive based remuneration package.

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing equity securities in any 12 month period which amount to more than 15% of its ordinary securities. However, an issue made with the approval of holders of ordinary securities will not count towards this limit.

Resolution 10 seeks approval by Shareholders for the issue of the Options for the purpose of ASX Listing Rule 7.1.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.1:

- The Company will issue 200,000 Options.
- The Options will be issued no later than three months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Options will be issued on the same date.
- The Options will not be issued for cash consideration.
- The Options will be issued to Key Management Personnel (or their nominees), who are not related parties of the Company.
- The terms and conditions of 100,000 Options are set out in Annexure C to this Explanatory Statement. The terms and conditions of the other 100,000 Options are set out in Annexure D to this Explanatory Statement.
- No funds will be raised from the issue of the Options.

Resolution 10 is an ordinary resolution.

The Directors recommend that Shareholders vote in favour of Resolution 10.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 10 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or

against or abstain from voting on Resolution 10 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 10.

10. GLOSSARY

In this Explanatory Statement and Notice of Extraordinary General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

\$ means Australian dollars.

Acquisition means the acquisition by the Company of all of the issued shares in each of Boya and Erin.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Boya means Boya Gold Pty Ltd ACN 602 425 981.

Closely Related Party of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed as such by the *Corporations Regulations 2001* (Cth).

Company means Chesser Resources Limited ACN 118 619 042.

Consideration Securities means 28,571,429 Shares, 47,619,048 Performance Shares and 2,000,000 Options.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Erin means Erin Mineral Resources Pty Ltd ACN 128 093 354.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or Meeting means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company).

Notice or Notice of Extraordinary General Meeting or Notice of General Meeting means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Performance Share means a right to be issued for no consideration a Share upon the satisfaction of specified performance conditions with the terms set out in Annexure B to this Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

ANNEXURE A

ASX ANNOUNCEMENT 3 APRIL 2017



ASX Announcement

3 April 2017

CHESSER EXECUTES BINDING TERM SHEET TO ACQUIRE HIGHLY PROSPECTIVE GOLD EXPLORATION PROJECTS IN SENEGAL

DIRECTORS

Simon O'Loughlin
Non-Executive Chairman

Stephen Kelly
Executive Director and
Company Secretary

Simon Taylor
Non-Executive Director

SHARE INFORMATION

ASX Code: CHZ

Issued Capital:

119,333,598 Fully Paid Shares

CONTACT INFORMATION

Registered Office:
Suite 1, 47 Park Road
Milton QLD 4064

T: + 61 (0)415 719 695
E:
info@chesserresources.com.au

Chesser Resources Limited:
ACN: 118 619 042

Highlights

- Chesser Resources Limited ("CHZ") will acquire five gold exploration projects located in Birimian-age greenstone belts in Senegal.
- Highly prospective area totalling 624 Km², located along and to the west of the Senegal-Mali Shear Zone in the Kédougou Inlier in which over 45Moz gold has been discovered to date.
- The projects (3 owned 100% and 2 owned 80% in JV) are located close to significant operating and emerging gold mines including: Yatela, Sadiola, Sabodala, Loulo, Goukoto and Fekola.
- CHZ will inherit a highly experienced in-country technical and corporate team and an office in Dakar.
- Diamba Sud (100%) is a priority project with drill ready targets. Previous RC drilling intercepts include:
 - 32m @1.29 g/t gold from 29m in the SE Zone
 - 14m @2.85 g/t gold from 2m in the RH Zone
- Woye (80%) has similar geology to the nearby 580Koz Tombo deposit (Randgold) with recent RAB drilling results including:
 - 22m @0.44 g/t gold from surface

Chesser Resources Limited (ASX: CHZ) is pleased to advise that it has executed a Binding Agreement ("Agreement") to acquire 100% of the issued capital of each of Boya Gold Pty Ltd ("Boya") and Erin Mineral Resources Pty Ltd ("Erin") ("the Transaction"). Boya is a privately owned Australian minerals exploration company. Erin is a wholly owned subsidiary of ASX listed company MGC Pharmaceuticals Ltd (ASX: MXC).

Boya and Erin own interests in five exploration projects in Senegal with a total area of 624 Km², as summarised in Table 1.

^{1,2} Table 1 Projects being acquired by CHZ pursuant to the Transaction

| Project | Ownership | Interest | Project Area |
|------------------|-----------|----------|-----------------------|
| Diamba Sud | Boya | 100% | 71.3 km ² |
| Diamba Nord | Boya | 100% | 332.5 km ² |
| Youboubou | Erin | 100% | 113.0 km ² |
| Woye | Erin | 80% | 70.9 km ² |
| Garabouyea South | Erin | 80% | 36.6 km ² |

All of the projects are located within the Birimian-age greenstone belts comprising the Kédougou Inlier, from which more than 45 million ounces of gold has been discovered to date. The projects are located along or nearby the Senegal-Mali Shear Zone, a major structural boundary that hosts the major gold projects shown below. The projects are located close to significant operating gold mines: Yatela (3Moz), Sadiola (15Moz), Sabodala (10Moz), Loulo (12.7Moz), Gounkoto (5.5Moz) (Figure 1).

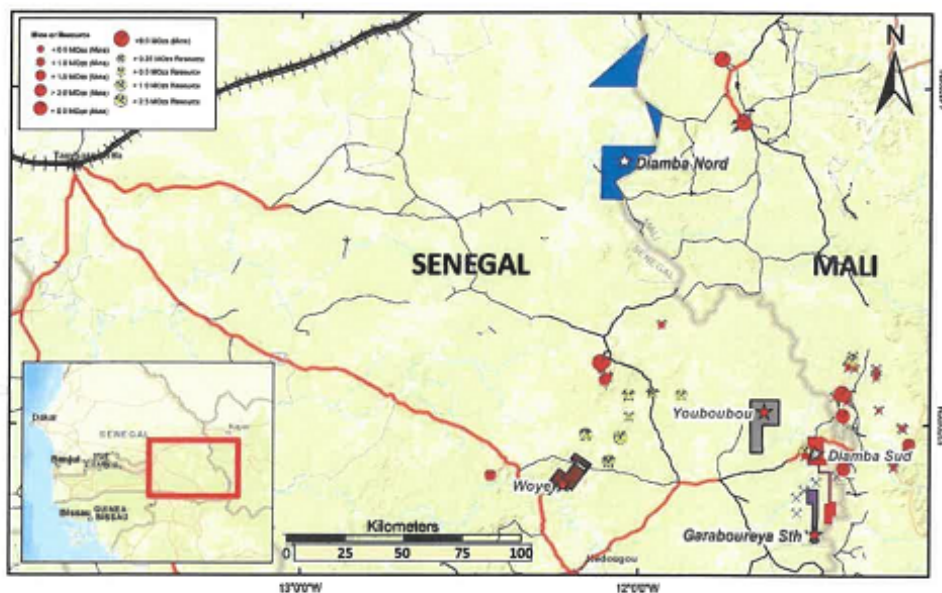


Figure 1: Location of Chesser properties in Senegal; major gold projects along the Senegal-Mali Shear Zone

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SENEGAL PROPERTIES

Diamba Sud (100%)

The Diamba Sud licence (Figure 2) comprises some 71.3 km² and is in a prime structural setting close to the Fatémé River and along interpreted dilatational fault splays off the Senegal-Mali Shear Zone. It is the most advanced project in the portfolio; second phase RC drilling of aeromagnetic anomalies in 2016 (see Attachment 1) returned highly encouraging results including:

- 32m @1.29 g/t gold from 29m in the SE Zone
- 14m @2.85 g/t gold from 2m in the RH Zone

Diamba Sud has drill-ready follow-up targets in an extensive area of intense lode-style alteration. The proposed program would include continued shallow air core and RAB drilling over soil anomalies, RC drilling and a high resolution ground magnetic survey over the RH and SE zones. Mineralisation and gold-in-soil anomalism extends over 2 km between the drilled areas. CHZ will assess potential "Carlin Style" carbonate-hosted mineralisation.

There are numerous gold mineralised quartz veins identified in the undrilled southern part of the licence. Fekola Gold Mine in Mali (5.2M oz) is located along structural trend, some 20km to the south, with the 5.5Moz Goukoto mine some 5 km along a NE structural lineament.

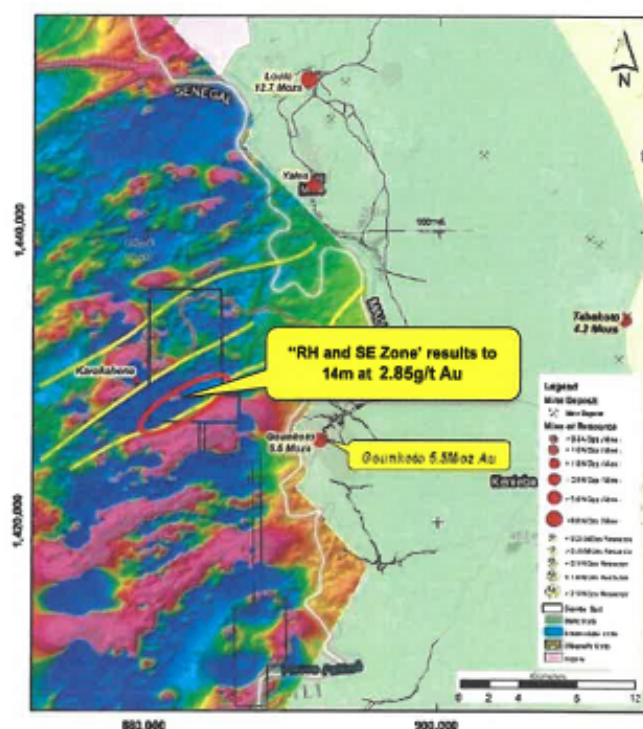


Figure 2: Diamba Sud Licence over aeromag background, showing interpreted splay faults proximity to large gold deposits

Garaboureyia South (80%)

The Garaboureyia South licence comprises some 36.6 km² and has been operated by Erin (80%) under a joint Venture agreement with Mining Research Company SL ("MRC"). Garaboureyia South is located approximately 2.5km west of the southern portion of Diamba Sud. Aeromagnetics shows a similar response in both blocks which are cut by an interpreted series of dilational splay off the main Senegal-Mali Shear. The 5.5Moz Goukoto mine is located some 10 km along a NE structural lineament.

- Previous soil sampling in Garaboureyia South have indicated several areas with strong gold-in soil anomalism, most appearing to be spatially related to splay faulting. Gold-in-soil anomalism over 50ppb indicates a greater than 5km long target trend. Shallow trenching within laterite and weathered saprock has identified wide anomalous zones in strongly carbonate-altered mafic rocks.

First phase aircore drilling of soil and aeromagnetic anomalies comprised two shallow holes which included the highly encouraging result:

➤ **26m @ 0.46 g/t gold from 17m¹**

Garaboureyia South has walk-up, drill-ready follow-up targets and proposed exploration will include infill soil sampling, shallow aircore and RAB drilling over soil anomalies.

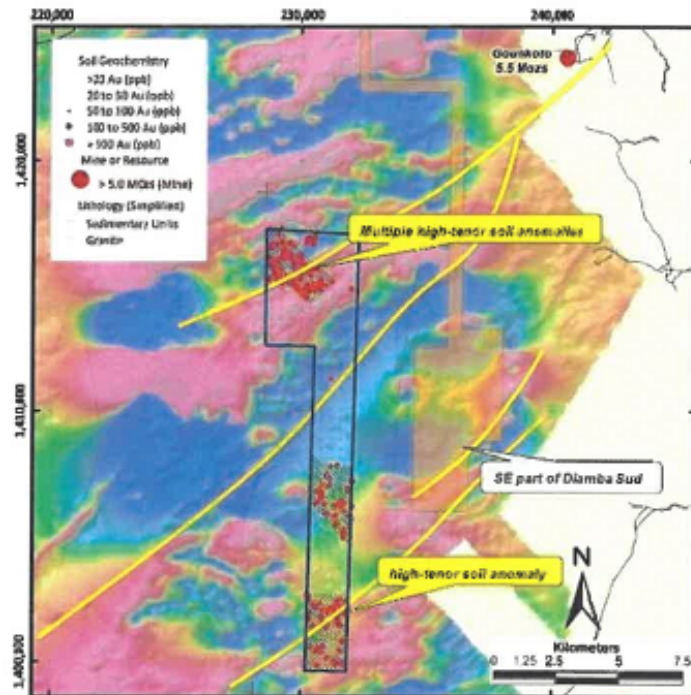


Figure 3: Garaboureyia Sud Licence over aeromag background, showing interpreted splay faults and extensive gold in soil anomalism

¹ This result was reported to ASX on October 2, 2012 by Erin Resources (ASX:ERI subsequently changed to MGC Pharmaceuticals Ltd (ASX: MXC))

Woye (80%)

The Woye licence comprises some 70.9 km² and has been operated by Erin (80%) under a joint Venture agreement with MRC. Woye is located some 70km west of Garabourea South (Figure 4).

The permit is in a highly prospective greenstone belt and is flanked by multimillion ounce Randgold deposits, including Massawa (4.6Moz) some 15km NE along strike.

Previous soil sampling programs in Woye have shown widespread gold-in soil anomalism, and has several areas of artisanal mining. Gold-in-soil anomalism over 50ppb was identified over a 2.8km strike length. Shallow trenching within laterite and weathered saprock has identified wide anomalous zones in strongly carbonate-altered mafic rocks

Previous Rotary Airblast ("RAB") drilling of an existing soil anomaly encountered altered and weathered granite that assayed **22m @ 0.44 g/t gold from 15m²**. A high resolution ground-magnetic survey is planned to progress this priority target.

Woye has walk up, drill-ready targets and proposed exploration will include infill soil sampling, shallow aircore and RAB drilling over soil anomalies. It is believed there is strong potential for an intrusive-related gold system, with similar geology to the nearby Tombo deposit (580Koz).

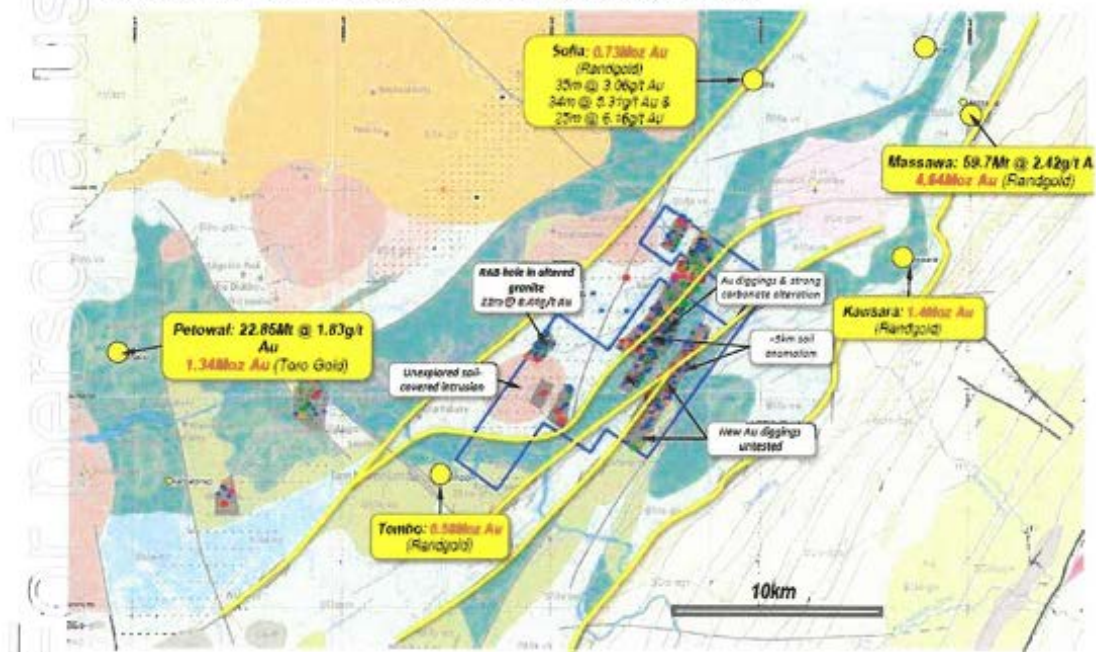


Figure 4: Woye Licence over geology background, showing proximity to large gold deposits and extensive gold in soil anomalism

² This result was reported to ASX on October 2, 2012 by Erin Resources (ASX:ERI subsequently changed to MGC Pharmaceuticals Ltd (ASX:MXC)). Note: originally reported as 24m @ 0.41 g/t gold and subsequently amended

Diamba Nord (100%)

The Diamba Nord licence comprises some 332.5 km² in three discrete blocks. It is located along the Falémé River some 80km NNW of Diamba Sud. Diamba Nord covers the north-western corner of the granite and greenstone belt that hosts Yatela (3Moz) and Sadiola (15Moz) in Mali and Gora (0.4Moz) and Sabodala (9.9 Moz) in Senegal (Figure 5).

It is at an early stage of exploration and has only recently had aeromagnetics acquired and interpreted. The relationship of Diamba Nord to the structural and mineralising effects Senegal-Mali Shear Zone is, as yet, unknown.

Any proposed work program on Diamba Nord will comprise an initial soil sampling survey run over areas indicated as prospective by interpretation of aeromagnetic data, and compilation of exploration on adjoining properties

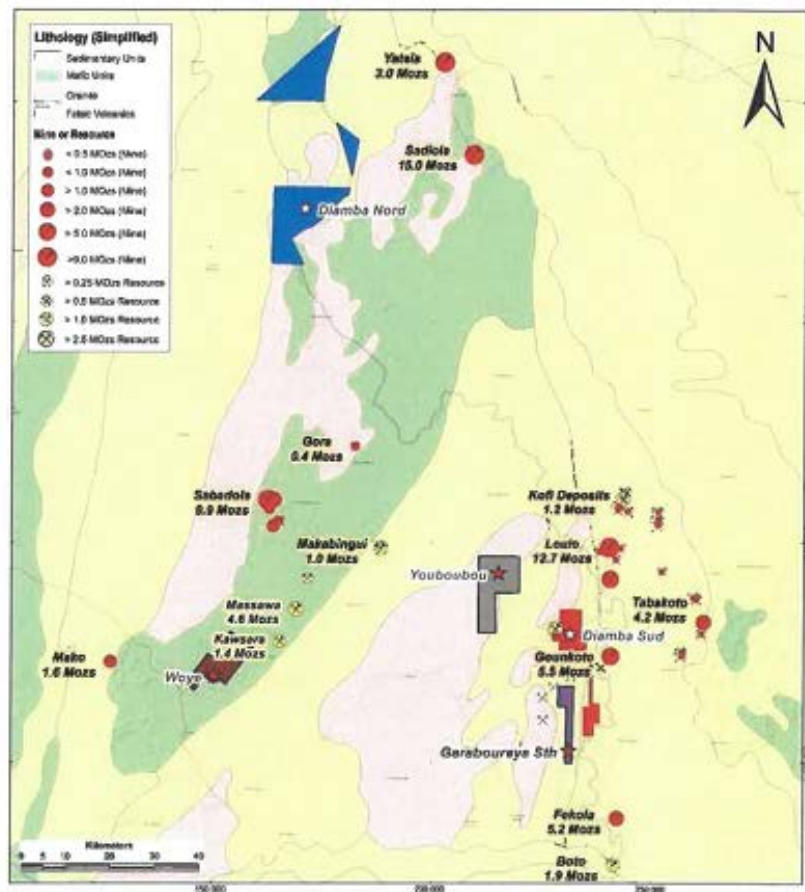


Figure 5: Location of Diamba Nord and proximity to major gold mines and deposit

Youboubou (100%)

The Youboubou licence is some 113 km² and covers a granite belt and adjacent volcano-sedimentary rocks. The permit covers a ~2km strike extension of the Lingokoto prospect corridor, and another segment of the same structure to the SW (Figure 6).

It is at an early stage of exploration and has only recently had aeromagnetics acquired and interpreted. There are 6 lines of soil sampling on a 400m x 50m grid SW of Lingokoto area, otherwise no prior work³.

A proposed work program on Youboubou will comprise an initial soil sampling survey run over areas indicated as prospective by aeromag data.

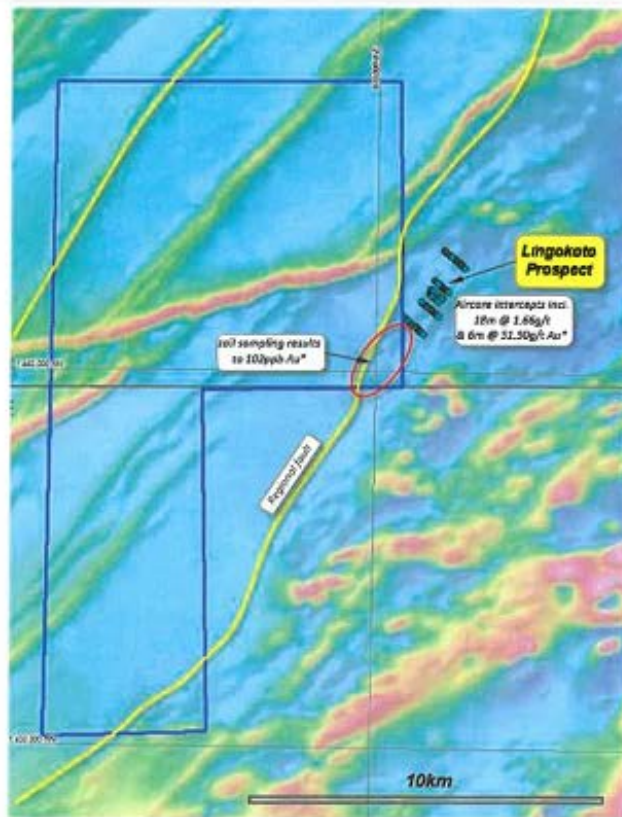


Figure 6: Youboubou Licence over aeromag background, showing interpreted regional faults and limited soil sampling.

³ Lingokoto results were reported to ASX January 29th 2014 and July 1st 2014 by Erin Resources (ASX:ERI subsequently changed to MGC Pharmaceuticals Ltd (ASX: MGC))

ACQUISITION CONSIDERATION

Subject to the satisfaction of the conditions precedent referred to below, CHZ will acquire a 100% interest in each of Erin and Boya. CHZ shall, on the Completion Date, issue the following CHZ securities to the Vendors and third party facilitators or their nominees:

1. 28,571,429 fully paid ordinary shares ("FPOS") in CHZ ("Settlement Shares"). Other than 2,380,952 Settlement Shares to be issued to which shall not be subject to an escrow period unless required by the ASX, the Settlement Shares shall be subject to an escrow period of 12 months from date of issue (or such longer escrow period that may be required by the ASX).
2. The following unlisted options ("Settlement Options"):
 - (a) 1,000,000 unlisted options each with an exercise price of 6 cents per share and an expiry date of 31 December 2019; and
 - (b) 1,000,000 unlisted options each with an exercise price of 10 cents per share and an expiry date of 31 December 2020.
3. The following performance shares ("Performance Shares"):
 - (a) 23,809,524 Class A performance shares which will convert into FPOS upon certification by an independent Competent Person of a JORC Mineral Resource of 0.5Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects; and
 - (b) 23,809,524 Class B performance shares which will convert into FPOS upon certification by an independent Competent Person of a total JORC Mineral Resource of 1.0Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects.

The conversion of all or part of the Performance Shares into fully paid ordinary shares is subject to CHZ obtaining all necessary regulatory and shareholders approvals required by the Corporations Act 2001 (Cth) and the ASX Listing Rules which may then be required at the time of conversion.

MGC Pharmaceuticals Ltd (ASX: MXC) will receive 2,724,286 CHZ ordinary shares, 95,000 6 cent options, 95,000 10 cent options, 2,261,905 class A performance shares, and 2,261,905 class B performance shares as consideration for the sale of its 100% interest in Erin.

CONDITIONS PRECEDENT

Completion of the Transaction is subject to the satisfaction or waiver (in writing and agreed by all parties) of the following conditions precedent:

1. on or before 28 June 2017, each of Boya, Erin and CHZ obtaining all required regulatory and shareholder approvals for the Transaction;
2. on or before 28 June 2017, the Vendors of Boya procuring that the other remaining shareholders of Boya who are not parties to the Agreement ("Minority Boya Vendors") enter short form share sale agreements with CHZ ("Short Form Sale Agreements") for the sale of their shares in Boya to CHZ;
3. on or before 29 April 2017, CHZ completing due diligence to its satisfaction of all legal, financial and technical aspects of Erin, Boya and the Projects; and
4. on or before 29 April 2017, the Vendors completing due diligence to their satisfaction of all legal, financial and technical aspects of CHZ.

PLACEMENT AND RIGHTS ISSUE

On the Completion Date CHZ shall undertake a Placement of 12,500,000 CHZ shares for a cash consideration of \$0.04 per Share ("Placement") to raise a total of \$500,000 before costs. The Vendors

and/or their nominees shall subscribe for a total of 6,250,000 CHZ shares for cash consideration of \$0.04 per share in the Placement.

Prior to Completion, CHZ will also undertake a non-renounceable rights issue ("**Rights Issue**") of Shares at the same price as the Placement on the basis of one (1) Share for every three (3) Shares held to raise \$1,591,115 before costs.

Taylor Collison will act as lead broker to the Placement and Right Issue.

Chieftain Securities Pty Ltd is the corporate advisor to Boya on this transaction and will lead manage the Vendor's participation in the Placement.

BOARD CHANGES

On Completion, Mr. Nick Castleden shall, subject to him consenting in writing to act, be appointed as a Non-Executive Director of CHZ.

APPLICATION OF CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

CHZ has received advice from the ASX that the Transaction will not require CHZ to re-comply with chapters 1 and 2 of the ASX Listing Rules, nor will shareholder approval be required under ASX Listing Rule 11.1.2.

The issue by CHZ of the agreed equity securities as consideration for the Transaction will, however, require Shareholder approval pursuant to Chapter 7 of the ASX Listing Rules.

INDICATIVE TIMETABLE

The indicative timetable for completion of the Transaction is outlined below:

| ACTIVITY | DATE |
|---|---------------|
| Announcement of Transaction | 3 April 2017 |
| Completion of due diligence | 29 April 2017 |
| Notice of Meeting and Explanatory Memorandum dispatched to CHZ shareholders (to approve equity securities to be issued pursuant to the Transaction) | 5 May 2017 |
| Shareholder meeting | 7 June 2017 |
| Commencement of Rights Issue | 8 June 2017 |
| Completion of Placement | 16 June 2017 |
| Completion of Transaction | 16 June 2017 |

The above dates are indicative only and are subject to change. CHZ will keep shareholders updated on the timing of the implementation of the Transaction as it progresses.

For further information please contact:

Stephen Kelly – Company Secretary
Phone 0415 719 695

Email: skelly@chesserresources.com.au

Attachment 1 -Table of Drill Results (Diamba Sud)

| Project | Hole Id | Drill Type | Depth (m) | Dip / Azim | UTM Grid WGS84 Z29N | | | Significant Intercepts | | | | Remarks |
|------------|----------|------------|-----------|------------|---------------------|-----------|-----|------------------------|----|----------|----------|-----------------------|
| | | | | | East | North | RL | From | To | Interval | Au (ppm) | |
| Diamba Sud | D50001RC | RC | 40 | -60 / 090 | 231,170 | 1,426,211 | 114 | 8 | 12 | 4 | 2.36 | |
| | D50002RC | RC | 83 | -60 / 090 | 231,121 | 1,426,208 | 116 | 18 | 20 | 2 | 0.83 | |
| | | | | | | | | 29 | 62 | 32 | 1.29 | |
| | | | | | | | | 29 | 38 | 9 | 2.99 | Incl. |
| | D50003RC | RC | 72 | -60 / 090 | 231,078 | 1,426,198 | 114 | 49 | 51 | 2 | 1.54 | |
| | D50004RC | RC | 48 | -60 / 090 | 231,202 | 1,426,204 | 116 | | | | | No Significant Assays |
| | D50005RC | RC | 86 | -60 / 090 | 231,137 | 1,426,248 | 120 | 30 | 32 | 2 | 13.47 | |
| | | | | | | | | 73 | 74 | 1 | 4.43 | |
| | D50006RC | RC | 80 | -60 / 090 | 232,663 | 1,426,200 | 123 | 10 | 14 | 4 | 0.81 | |
| | D50007RC | RC | 80 | -60 / 090 | 232,622 | 1,426,199 | 120 | 2 | 16 | 14 | 2.85 | |
| | | | | | | | | 29 | 30 | 1 | 1.45 | |
| | D50008RC | RC | 80 | -60 / 090 | 232,582 | 1,426,198 | 118 | 2 | 3 | 1 | 0.87 | |
| | | | | | | | | 17 | 18 | 1 | 8.17 | |
| | | | | | | | | 48 | 54 | 6 | 0.61 | |
| | D50009RC | RC | 81 | -60 / 090 | 232,542 | 1,426,198 | 117 | 62 | 69 | 7 | 1.26 | |
| | | | | | | | | 73 | 74 | 1 | 1.15 | |

ATTACHMENT 2

JORC Code, 2012 Edition – Table 1 (Diamba Sud)

Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|-----------------------|--|---|
| Sampling techniques | <ul style="list-style-type: none"> Nature and quality of sampling, measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> All Reverse Circulation (RC) drill holes have been routinely sampled at 1m intervals downhole. 1 metre samples are preserved for future assay as required. Samples were collected in situ at the drill site and are split collecting 2 to 3 kg per sample. Certified reference material and sample duplicates were inserted at regular intervals. All samples were submitted to internationally accredited SGS Laboratories in Bamako Mali for 50g Fire Assay gold analysis |
| Drilling techniques | <ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | <ul style="list-style-type: none"> RC drilling was carried out by Minerex Drilling using a Universal Drill Rig 650 |
| Drill sample recovery | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | <ul style="list-style-type: none"> An initial visual estimate of sample recovery was undertaken at the drill rig for each sample metre collected. Collected samples were weighed to ensure consistency of sample size and monitor sample recoveries. Sample recovery and condition was recorded at the drill site No sampling issue, recovery issue or bias was picked up and it is therefore considered that both sample recovery and quality is adequate for the drilling technique employed. |
| Logging | <ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> All drill samples were geologically logged by Boya Resources subsidiary Boya S.A. geologists. Geological logging used a standardised logging system recording mineral and rock types and their abundance, as well as alteration, silicification and level of weathering. A small representative sample was retained in a plastic chip tray for each drill metre for future reference and logging checks. |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. | <ul style="list-style-type: none"> • All samples were split at the drill rig utilizing a 3 tier riffle splitter with no sample compositing being undertaken of the 1 metre samples. • Four-Metre composite samples were collected from the split bulk samples for initial analysis. With the split one metre samples being submitted for further analysis on return of anomalous results. These samples have been retained in the database, but have not been used to calculate the reported drill intervals • Duplicates were taken to evaluate representativeness • Further sample preparation was undertaken at the SGS laboratories by SGS laboratory staff • At the laboratory, samples were weighed, dried and crushed to 75% <2mm (jaw crusher), pulverized and split to 85 % < 75 um. Gold is assayed by fire assay (50g charge) with an AAS Finish. • The crushed sample was split and 1.5kg sample was collected using a single stage riffle splitter • The 1.5kg split samples were pulverised in a LM2 to 95% passing 200 meshes • Barren sand wash was required at the start of each batch and between samples • Sample pulps are retained at the SGS laboratory under secure "chain of custody" procedure for possible future analysis. • Sample sizes and laboratory preparation techniques are considered to be appropriate for this early stage exploration and the commodity being targeted. |
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | <ul style="list-style-type: none"> • Analysis for gold is undertaken at SGS Mall by 50g Fire Assay with an AAS finish to a lower detection limit of 0.01ppm Au. • The fire assay method used has an upper limit of 100g/t, some samples received are above this threshold. • Fire assay is considered a "total" assay technique. • No field non assay analysis instruments were used in the analyses reported. • A review of certified reference material and sample blanks inserted by the Company indicated no significant analytical bias or preparation errors in the reported analyses. • Results of analyses for field sample duplicates are consistent with the style of mineralisation evaluated and considered to be representative of the geological zones which were sampled. • Internal laboratory QAQC checks are reported by the laboratory and a review of the QAQC reports suggests the laboratory is performing within acceptable limits |
| <i>Verification of sampling and assaying</i> | <ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, | <ul style="list-style-type: none"> • All drill hole data is paper logged at the drill site and then digitally entered by Company geologists at the site office. • All digital data is verified and validated by the Company's database consultant in Paris before loading into the drillhole database. |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <i>data storage (physical and electronic) protocols.</i> <ul style="list-style-type: none"> Discuss any adjustment to assay data. | <ul style="list-style-type: none"> No twinning of holes was undertaken in this program which is early stage exploration in nature. Reported drill results were compiled by the company's geologists, verified by the Company's database administrator and exploration manager. No adjustments to assay data were made. |
| Location of data points | <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. | <ul style="list-style-type: none"> Drillhole collars were located using GPS averaging. Accuracy of the averaging of the GPS < +/- 2m and is considered appropriate for this level of early exploration The grid system is UTM Zone 29N |
| Data spacing and distribution | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. | <ul style="list-style-type: none"> RC holes were located on an irregularly spaced pattern with between 20 and 50m between various collars along the line. Drilling reported in this program is of an early exploration nature has not been used to estimate any mineral resources or reserves. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <ul style="list-style-type: none"> Exploration is at an early stage and, as such, knowledge on exact location of mineralisation and its relation to lithological and structural boundaries is not accurately known. However, the current drillhole orientation is considered appropriate for the program to reasonably assess the prospectivity of known structures interpreted from other data sources. |
| Sample security | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> RC samples were collected and taken to the SGS laboratory in Mali under secure "chain of custody" procedure by SGS Mali staff. Sample pulps remain at the SGS laboratory under secure "chain of custody" The RC samples remaining were removed from the site and destroyed by Boya due to a current lack of secure long term storage at the project |
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> There has been no external audit or review of the Company's sampling techniques or data at this early exploration stage. |

Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, | <ul style="list-style-type: none"> The results reported in this report are all contained within The Diamba Sud permit which is held 100% by Boya S.A., a wholly owned subsidiary of Boya Gold Pty Ltd. |

| Criteria | JORC Code explanation | Commentary |
|-----------------------------------|--|--|
| | <p>wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | <ul style="list-style-type: none"> The Diamba Sud permit is in good standing, with an expiry date of 10/6/2018. |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <ul style="list-style-type: none"> The area that is presently covered by the Diamba Sud was explored intermittently by several companies prior to 2015. Exploration consisted of a government backed regional aeromagnetic survey, gridding, soil sampling and minor auger and exploration drilling. IAM Gold undertook minor RAB and Auger drilling at the project (Bembala Prospect) during 2012. The results of which are not known by Boya S.A |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <ul style="list-style-type: none"> The deposit style targeted for exploration is orogenic lode gold. This style of mineralisation can occur as veins or disseminations in altered (often silicified) host rock or as pervasive alteration over a broad zone. Deposits are often found in close proximity to linear geological structures (faults & shears) often associated with deep-seated structures. Lateritic weathering is common within the project area. The depth to fresh rock is variable and may extend up to 50m below surface. |
| Drill hole Information | <ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth drillhole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | <ul style="list-style-type: none"> Reported results are summarised in Figure 2 and within the main body of the announcement Drill collar elevation is defined as height above sea level in metres (RL). RC holes were drilled at an angle deemed appropriate to the local structure as understood at the time of drilling. Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace |
| Data aggregation methods | <ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used | <ul style="list-style-type: none"> Intervals are reported using a threshold where the interval has a 1.00 g/t Au average or greater over the sample interval and selects all material greater than 0.30 g/t Au allowing for 1 sample of included dilution. No grade top cut off has been applied to full results presented in Attachment 1.. No metal equivalent reporting is used or applied |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. | |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | <ul style="list-style-type: none"> The results reported in this announcement are considered to be of an early stage in the exploration of the project. Mineralisation geometry is not accurately known as the exact orientation and extent of known mineralised structures are not yet determined. Mineralisation results are reported as "downhole" widths as true widths are not yet known |
| Diagrams | <ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | <ul style="list-style-type: none"> Drill hole location plans are provided in Figure 2 |
| Balanced reporting | <ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | <ul style="list-style-type: none"> All drill holes have been reported in this announcement -refer Attachment 1. No holes are omitted for which complete results have been received. |
| Other substantive exploration data | <ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | <ul style="list-style-type: none"> No other exploration data that is considered meaningful and material has been omitted from this report |
| Further work | <ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> RC and possible diamond drilling is planned to follow up the results reported in this announcement. |

COMPETENT PERSON STATEMENT

The information in this report that relates to the Diamba Sud and Diamba Nord exploration results, Mineral Resources and Exploration Targets is based on information compiled by Mr Kell Nielsen, BSc (Geol.), MSc (Mineral Econ.) who is a Member of the Australian Institute of Mining and Metallurgy and who is employed as a consultant to Boya Gold Pty Ltd (ACN 602 425 981). Mr Nielsen 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 Nielsen 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 other projects (held by Erin Mineral Resources Pty Ltd), Mineral Resources and Exploration Targets is based on information compiled by Dr Simon McDonald, BSc (Hons, Geol), PhD who is a Member of the Australian Institute of Geoscientists and Fellow of the Geological Society (FGS) and is a consultant to Chesser Resources Limited. Dr McDonald 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.' Dr McDonald consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

ANNEXURE B

TERMS OF PERFORMANCE SHARES

1. Terms of Performance Shares

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of Chesser Resources Limited (**Company**).
- (b) **(General Meetings):** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company's shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No Voting Rights):** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act 2001 (Cth) (**Corporations Act**) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The Performance Shares do not entitle the Holder to any dividends (cumulative, preferential or otherwise).
- (e) **(No Rights on Winding Up):** The Performance Shares do not confer on the Holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.
- (f) **(No Rights to Return of Capital):** The Performance Shares do not confer on the Holder any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (g) **(Transfer of Performance Shares):** The Performance Shares are not transferable.
- (h) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (i) **(Application to ASX):** The Performance Shares will not be quoted on ASX. If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Company shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Company shares arising from the conversion.
- (j) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (h) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Company's shares such as bonus issues and entitlement issues.

- (k) **(Amendments required by ASX):** The terms of the Performance Shares may be amended as necessary by the Company's board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No Other Rights):** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. **Conversion of the Performance Shares**

- (a) **(Milestones):** The Performance Shares will convert upon satisfaction of any one of the following milestones:
 - (i) 23,809,524 Performance Shares shall convert upon certification by an independent Competent Person of a JORC Mineral Resource of 500,000 oz Au with an average grade of at least 2.0 grams / tonne gold in relation to the Company's gold projects located in Senegal **(Projects) (Tranche 1 Performance Shares)**; and
 - (ii) 23,809,524 Performance Shares shall convert upon certification by an independent Competent Person of a total JORC Mineral Resource of 1,000,000 oz Au with an average grade of at least 2.0 grams / tonne gold in relation to the Projects **(Tranche 2 Performance Shares)**,

(each referred to as a **Milestone**).
- (b) **(Expiry Date):** Any Performance Shares not converted into a Company share will expire on or before 5.00pm (Western Australian time) on:
 - (i) in respect of Tranche 1 Performance Shares, the date three years after the date of issue of the Tranche 1 Performance Shares; and
 - (ii) in respect of the Tranche 2 Performance Shares, the date four years after the date of issue of the Tranche 1 Performance Shares,

(each referred to as an **Expiry Date**).
- (c) **(Conversion of Performance Shares):** Subject to paragraph (d) below, in the event a Milestone is satisfied, all of the Performance Shares held by the Holder will convert into an equal number of fully paid ordinary Company shares.
- (d) **(No Conversion if Corporations Act Contravention):** In the event that:
 - (i) the conversion of the Performance Shares into Company shares would result in the Holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Shares that would cause the

contravention will be deferred until such time or times thereafter the conversion would not result in such a breach; and

- (ii) the above paragraph (d)(i) applies, the Holder may, by notice in writing, require the Company to call a meeting of its shareholders for the purposes of seeking approval under item 7, section 611 of the Corporations Act for the conversion of the Performance Shares, in which case the Company must as soon as practicable, and in any event no later than 60 days of the Holder providing such notice to the Company, call a meeting of its shareholders for the purposes of seeking approval under item 7, section 611 of the Corporations Act for the conversion of the Performance Shares into Shares.
- (e) **(No Conversion if Milestone not achieved):** In respect of any Performance Shares not converted into a Company share on or before 5pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Performance Shares held by each Holder into one fully paid ordinary Company share.
- (f) **(After Conversion):** The Company shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Company shares then on issue and, if the Company is listed on ASX at the time, application will be made by the Company to ASX for official quotation of the Company shares issued upon conversion.
- (g) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Company shares as soon as practicable following the conversion of the Performance Shares into Company shares.
- (h) **(Ranking of Shares)** The Company shares into which the Performance Shares will convert will rank pari passu in all respects with the Company's shares on issue at the date of conversion.

ANNEXURE C

TERMS OF \$0.06 OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each option will be exercisable at \$0.06 and be exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on 31 December 2019.
3. Options not exercised before the expiry of the exercise period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the optionholder dies, the legal personal representative of the deceased optionholder may:
 - (i) elect to be registered as the new holder of the options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
8. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

ANNEXURE D

TERMS OF \$0.10 OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each option will be exercisable at \$0.10 and be exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on 31 December 2020.
3. Options not exercised before the expiry of the exercise period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the optionholder dies, the legal personal representative of the deceased optionholder may:
 - (i) elect to be registered as the new holder of the options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
8. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the option;
- O = the old exercise price of the option;
- E = the number of underlying ordinary shares into which one option is exercisable;
- P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.



Lodge your vote:



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www.investorvote.com.au



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Victoria 3001 Australia

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(outside Australia) +61 3 9415 4000

CHZ

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00am (Adelaide Time) Monday 12 June 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Chesser Resources Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Chesser Resources Limited to be held at O'Loughlins Lawyers, Level 2, 99 Frome Street, ADELAIDE SA 5000 on Tuesday 13 June 2017 at 11:00am (Adelaide time) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|----|---|--------------------------|--------------------------|--------------------------|
| 1 | Issue of New Class of Securities (Performance Shares) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Issue of Consideration Securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Issue of Placement Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Issue of Options to Simon O'Loughlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | Issue of Options to Simon Taylor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | Issue of Options to Stephen Kelly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Issue of Options to Nick Castleden | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | Issue of Options to Simon Macdonald | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | Issue of Options to Andrew Boyd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 | Issue of Options to Key Management Personnel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date