CHESSER RESOURCES

ANNUAL REPORT 2018

ABN 14 118 619 042

Contents

Chairman's Letter	1
Director's Report	2
Auditor's Independence Declaration	19
Independent Auditor's Report	20
Consolidated Income Statement	24
Consolidated Statement of Comprehensive Income	25
Consolidated Statement of Financial Position	26
Consolidated Statement of Changes in Equity	27
Consolidated Statement of Cash Flows	28
Notes to the Financial Statements	29
Directors' Declaration	54
Shareholder Information	55
Corporate Directory	56

Chairman's Letter

Dear Fellow Shareholders,

It gives me great pleasure to present Chesser Resources Limited's (Chesser or the Company, **ASX: CHZ**) 2018 Annual Report.

Since the acquisition of our Senegal assets completed in July 2017, Chesser has become well established in Senegal. The in-country technical team acquired with the projects is well settled and is already demonstrating deep geological expertise within the Kedougou-Kenieba inlier that is our focus. We are indeed fortunate to have such local expertise helping with the planning and supervision of exploration, as well as the analysis of exploration results.

Chesser is also becoming a force in Senegal, with management recently meeting with H.E. Dr. Aissatou Gladima, Minister for Mines and Geology, Republic of Senegal. Your Company's systematic exploration of its tenement holdings during the year represents a level of activity that stands in stark contrast to activity levels on the tenements prior to our acquisition. Anecdotely, Chesser appeared to be the most active exploration company in Senegal during the fiscal year. With nearly 7,500 drill holes undertaken for a total of approximately 54,000m of drilling, and with a further 800 or so soil samples also taken, Chesser has certainly come out of the blocks sprinting.

With nearly 7,500 drill holes undertaken for a total of approximately 54,000m of drilling, and with a further 800 or so soil samples also taken, Chesser has certainly come out of the blocks sprinting.

Your Board is of the view that the Kedougou-Kenieba inlier is a uniquely prospective region for gold exploration. Given that view, we had an expectation that the systematic exploration of Chesser's large landholding in Senegal would deliver results. The definition of a significant gold anomaly at Diamba Sud, backed by an emerging geological understanding of its presence, vindicates your Company's confidence.

In less than a year, Chessser has integrated a technical team, planned and instigated a systematic program of reconnaissance exploration and identified a very significant auger gold anomaly at Diamba Sud. All this within a single field season. It is a level of activity, and a result, of which all involved should be justifiably proud. With the current wet season expected to draw to a close shortly, we look forward to the imminent deeper follow up drilling at Diamba Sud.

Yours sincerely,

Simon O'Loughlin
Chairman

Directors' Report

The directors of Chesser Resources Limited (the "Company" or "Chesser") submit herewith the year financial report of the Company and the entities it controlled for the year ended 30 June 2018 (collectively "Group"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

Directors

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

- Mr Simon O'Loughlin, Non-Executive Chairman
- Mr Simon Taylor, Non-Executive Director
- Mr Stephen Kelly, Executive Director

Company Secretary

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

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

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

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

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

Former directorships in last 3 years
TW Holdings Limited, King Solomon Mines Limited and Aguia Resources Limited

Mr Stephen Kelly, B.Bus, ACA (Executive Director, Company Secretary and Chief Financial Officer)
Mr Kelly was appointed as the Company Secretary and Chief Financial Officer of the Company on 15 November 2012. A qualified Australian Chartered Accountant, Mr Kelly was previously Chief Financial Officer at Allied Gold Mining PLC. He has more than 25 years' international experience in the areas of external and internal audit, risk management and compliance, treasury and corporate finance across a range of industry sectors including mining, infrastructure, property development and banking and finance.

Former directorships in last 3 years
Nil

Interests in the shares and options of the Company

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

	Number of Ordinary Shares #	Number of Options over Ordinary Shares #
Mr Simon O'Loughlin	1,833,334	1,200,000
Mr Simon Taylor	2,500,001	1,600,000
Mr Stephen Kelly	500,000	1,200,000

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

Meetings of Directors

The number of meetings of the Company's board of directors and each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were as follows:

Number of meetings held	**Board Meetings 7**	
	Number of meetings eligible to attend	**Number of meetings attended**
Mr Simon O'Loughlin	7	7
Mr Simon Taylor	7	7
Mr Stephen Kelly	7	7

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

Principal activities

The principal activities undertaken by the Company during the year are summarised as follows:

Acquisition of the Senegal Projects

On 12 July 2017 the Company acquired 100% of the issued capital of each Boya Gold Pty Ltd ("Boya") and Erin Mineral Resources Pty Ltd ("Erin"), who together own five exploration projects in Senegal. As consideration for the acquisition, Chesser issued the following CHZ securities to the vendors and third-party facilitators or their nominees:

- 27,071,419 fully paid ordinary shares in Chesser. 26,767,848 shares were issued on 12 July 2017 and 303,571 shares were issued on 11 September 2017;
- The following unlisted options:
  i. 1,000,000unlisted options with an exercise price of $0.06 and an expiry date of 31 December 2019
  ii. 1,000,000 unlisted options with an exercise price of $0.10 and an expiry date of 31 December 2020.
- The following performance shares:
  i. 23,809,524 Class A performance shares which will convert into fully paid ordinary shares 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
  ii. 23,809,524 Class B performance shares which will convert into fully paid ordinary shares 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 Senegal projects are located within the Birimian-age greenstone belts of the Kédougou- Kéniaba 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 structure that hosts numerous major gold projects. The projects are located close to significant operating gold mines: Yatela (3Moz), Sadiola (15Moz), Sabodala (10Moz), Loulo (12.7Moz) and Gounkoto (5.5Moz) (refer **Figure 1**).

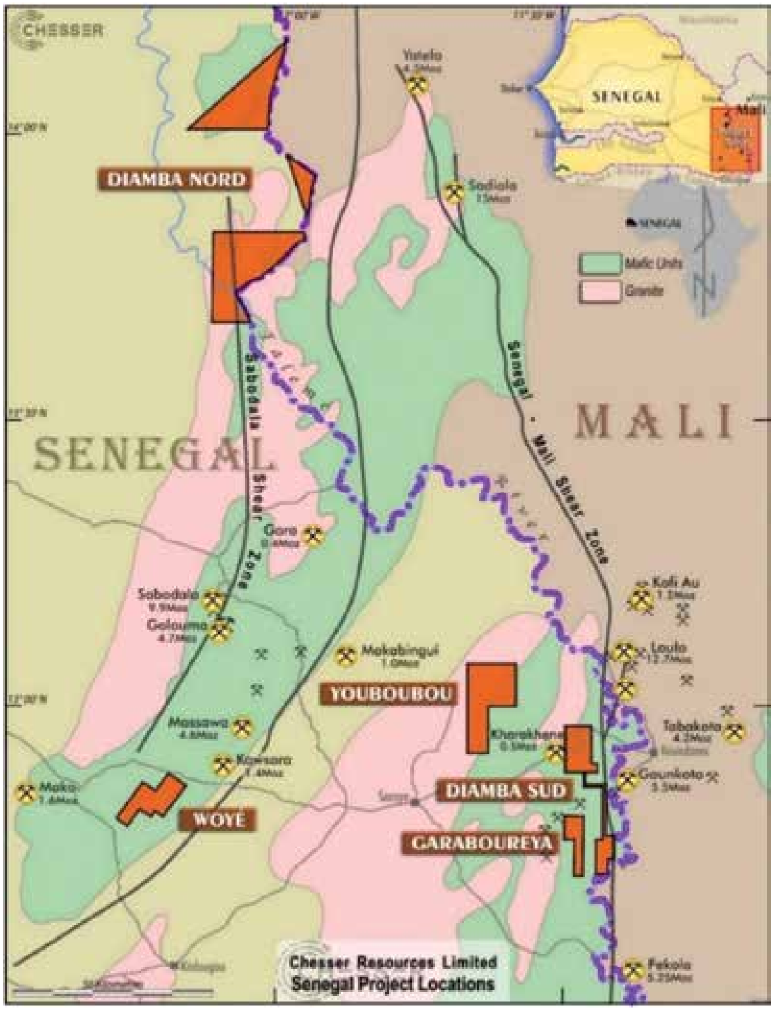

Figure 1: Chesser tenements and nearby gold mines, eastern Senegal.

Exploration Activities

The Company's exploration activities during the year were focussed on the Senegal projects that were acquired by the Company in July 2017. Limited exploration work undertaken by previous owners of those projects had identified gold anomalism through initial soil and rock chip sampling and limited drilling.

In November 2017, Chesser initiated a planned 4,000-hole, 40,000 metre shallow geochemical auger drilling program to be conducted across the Diamba Sud, Garaboureya and Woye projects. This program was subsequently expanded to include the Diamba Nord Project and a follow-up infill auger drilling program at the Diamba Sud Project.

The program was concluded in the June 2018 quarter following the onset of the wet season, with approximately 53,942 metres of auger drilling in 7,443 holes being completed. The 2017-2018 multi-licence auger program has provided geochemical access to prospective zones that were blind to soil sampling and in areas of hard laterite cover and has systematically defined the gold mineralisation potential of the Company's Senegal projects.

DIAMBA SUD

Diamba Sud comprises two rectangular blocks joined by a corridor to create a contiguous tenement (**Figure 2**). The northern segment of Diamba Sud (termed DS-1) has an open pit gold mine (Kharakhane) operated by Afrigold along its western margin and has had previous programs of soil geochemistry, rock chip sampling and drilling.

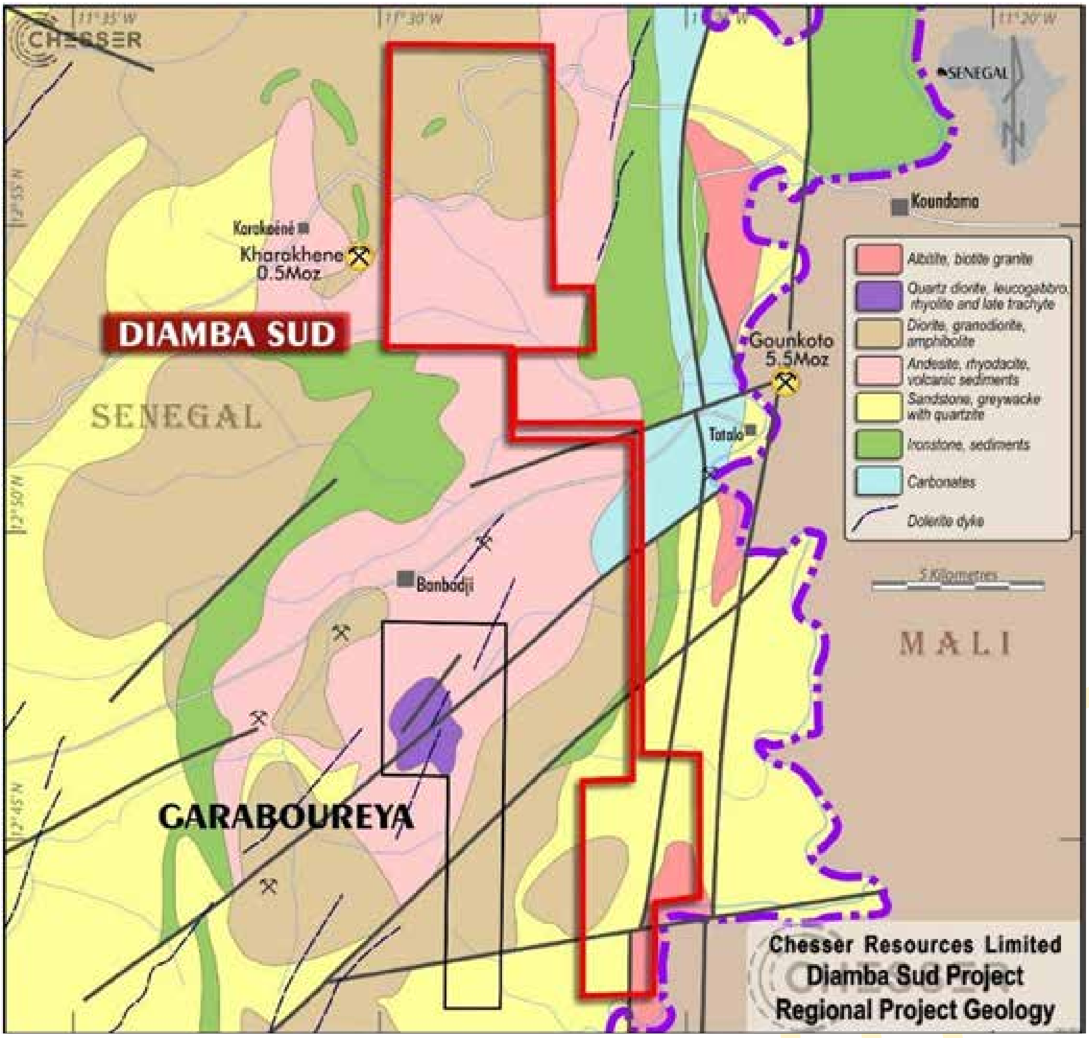

Figure 2: Location of Diamba Sud project

Auger Sampling

Semi-regional first-pass auger drilling was undertaken over all of Diamba Sud. At the end of the first-pass program, 1,651 auger holes had been completed on the licence for a total of 14,308 metres at an average hole depth of 8.7m. First-pass assay results indicated a coherent anomalous zone in the northern part of Diamba Sud block (DS-1) with numerous results over 0.3g/t gold and a maximum assay of 4.9g/t gold[1]. Within the anomalous gold zone (>500ppb gold), drilling identified ten mineralised envelopes each up to 1.4km long and up to 400m wide.

An infill auger program comprising a further 12,646 metres from 1,466 holes at a nominal 200m by 50m spacing was completed during the June quarter. First-pass holes with an assay of over 500ppb (0.5 g/t gold) had additional infill holes drilled 25m either side.

The objective of the infill program was to define gold anomalism within the existing wide-spaced sampling in DS-1. Assay results from 2,960 samples were announced to ASX on May 28 2018[2] with 50 samples reporting over 500ppb (0.5g/t) gold and 26 samples reporting over 1,000ppb (1.0g/t) gold, forming a coherent mineralised trend that extends 5km in length and up to 2km in width (**Figure 3**). The infill geochemical auger drilling program confirmed a large, significant gold anomalous trend extending over 5km in length and up to 2km in width. Assays from 26 auger holes, all ending in mineralisation, returned greater than 1g/t gold, including:

3 metres at 8.11 g/t gold
2 metres at 6.82 g/t gold
2 metres at 6.12 g/t gold
3 metres at 5.37 g/t gold
3 metres at 5.13 g/t gold

There are several high tenor gold zones within the mineralised trend which are obvious priority targets for deeper drill testing (**Figure 4**). During the program, auger holes were routinely stopped three metres into the saprolite, so mineralisation is effectively open and untested at depth.

Rock Channel Sampling

Rock channel samples were collected from an area of artisanal workings along a proposed drill traverse (1426200N) which proved inaccessible to the auger rigs. The rock channel samples, as proxies for auger holes in those locations, were collected as continuous channel samples down the walls of abandoned workings and assayed as composites.

Significant high-grade gold assays obtained from **rock channel** samples within the trend including:

4 metres at 10.80 g/t gold
1 metre at 7.28 g/t gold
1 metre at 4.95 g/t gold

1 *Refer ASX Announcement dated 22 February 2018. The Company is not aware of any new information or data that materially affects the information contained in that announcement.*

2 *Refer ASX Announcement dated 28 May 2018 for a full listing of all significant intercepts. The Company is not aware of any new information or data that materially affects the information contained in that announcement.*

Rock Chip Sampling

Rock chip samples were acquired from an area of artisanal workings adjacent to the auger traverse line 1,426,600N. Fifty-eight rock chip samples were collected from a 200m x 150m area of which twenty-three samples assayed over 1g/t gold with the highest assay of 12.5g/t gold.

Proposed Future Activity

The Company is, as a priority, collating and interpreting all current and previous exploration results. The aim is to define a drilling program that will best define both the shallow (saprolite) and deeper (hard rock) gold mineralisation within DS-1.

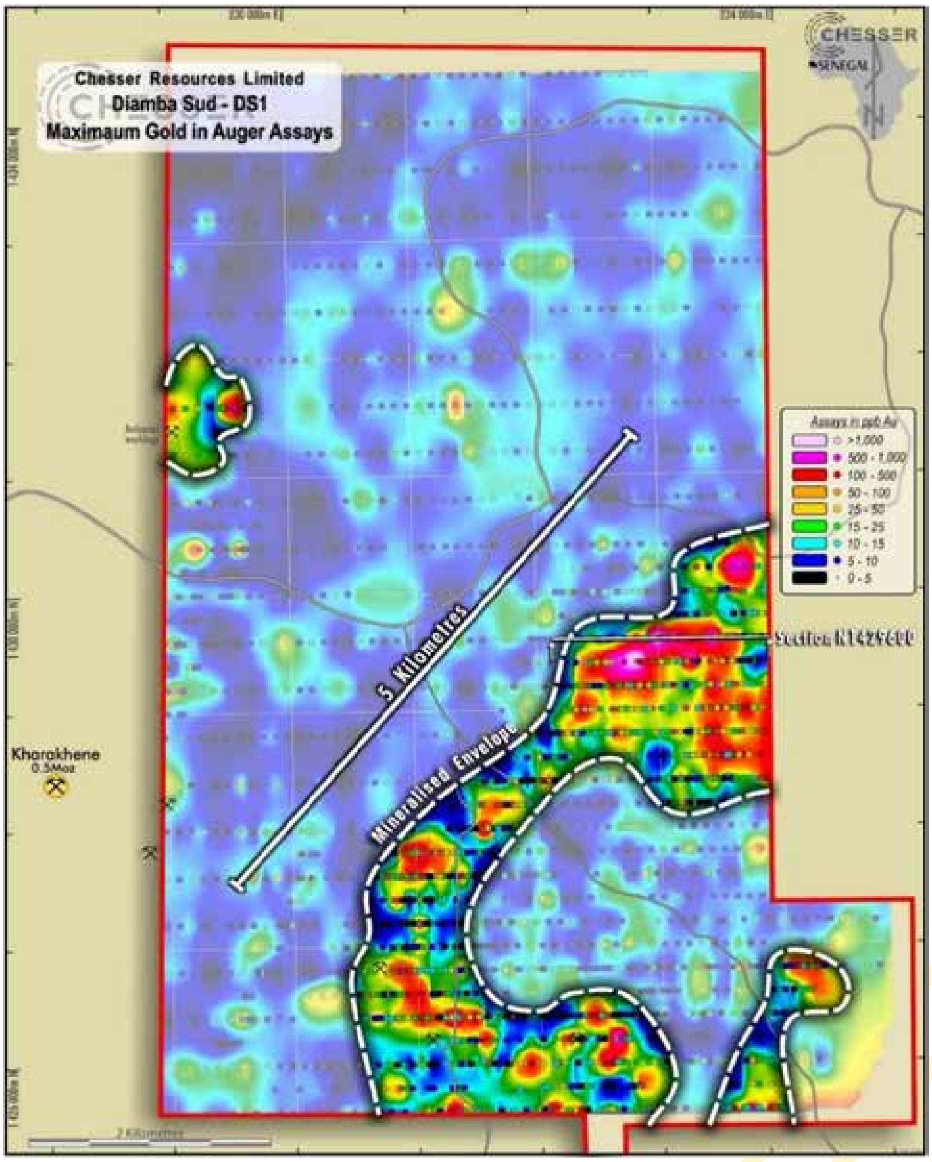

Figure 3: Anomalous gold-in-soil auger assay results DS-1 block

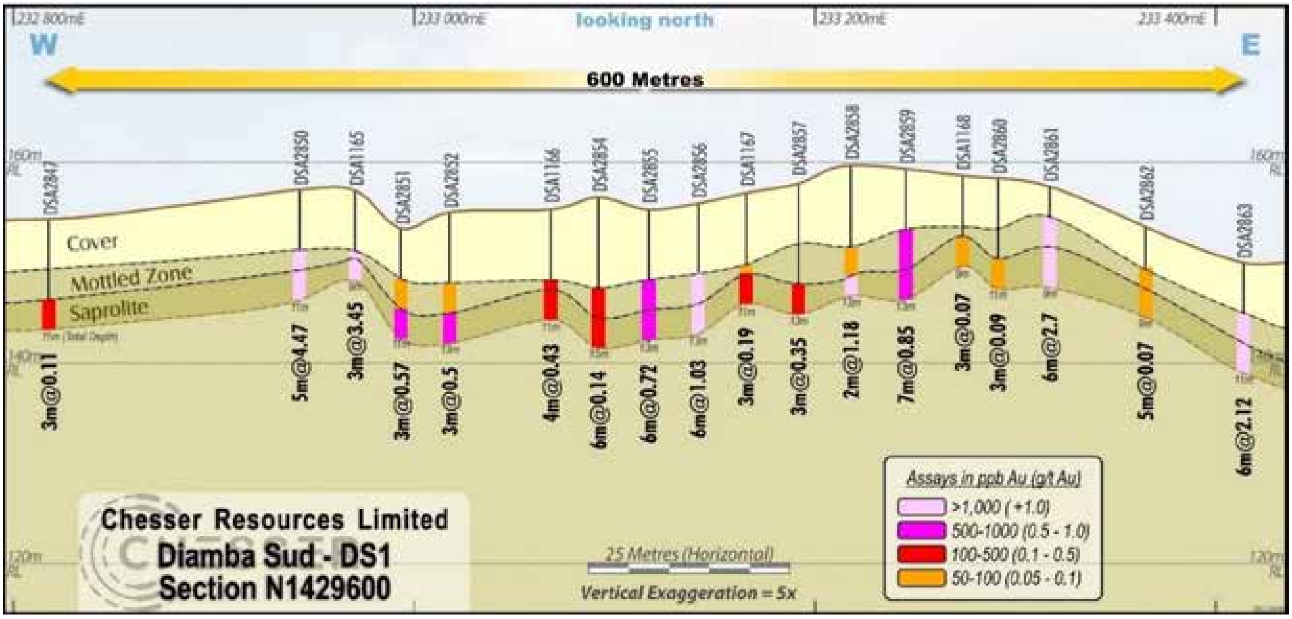

Figure 4: Cross-section of auger assays and intersected intervals along traverse N1429600

DIAMBA NORD

The planned semi-regional soil sampling work in Diamba Nord licence (in three parts called DN-1, DN-2, DN-3) was replaced by a semi-regional auger program. The thick transported soil cover was not amenable to soil sampling and proved impenetrable by hand augers. The auger program commenced on April 14 and continued until June 28 when the onset of rains made the area inaccessible. All of DN-1 & DN-2 and 25% of DN-3 was completed by auger drilling totalling 13,459 metres from 1,682 holes with an average hole dept of 8m.

During the June quarter all three of the DN blocks were mapped north of the Faleme River (running through the lower third of DN-3 block), including a sampling program of rock chips and termite mounds.

As at 30 June 2018, the Company was awaiting complete assays for the auger, rock chip and termite mound samples. These will be interpreted as a high priority.

GARABOUREYA

First pass auger drilling was undertaken at Garaboureya with 656 holes drilled for a cumulative 6,210m at an average hole depth of 9.5 metres. Assay results were pending as at 30 June 2018.

WOYE

First pass auger drilling was undertaken at Woye with 1,045 holes drilled for a cumulative 6,928m at an average hole depth of 6.6 metres. Assay results were pending as at 30 June 2018.

Rough and inaccessible terrain precluded the complete auger sampling program as planned and those locations missed by auger are planned to be tested with deep soil sampling and hand augers in the September quarter.

YOUBOUBOU

The soil sampling program over Youboubou comprised 1,600 soil samples collected in a semi-regional grid. This project has a lower priority and results were pending as at 30 June 2018.

FARM IN AGREEMENT FOR THE KURNALPI NICKEL PROJECT

On 14 June 2018, Chesser announced that it had formally notified Mithril Resources Limited of Chesser's intention to withdraw from the Kurnalpi Farm-In Agreement. The effective date for the termination of the Farm-In Agreement was 11 July 2018.

Corporate activities

During the year the Company:

- Completed a 1 for 3 rights issue announced on 22 June 2017 raising $1.59 million (before costs). The rights issue was fully underwritten by Taylor Collison Limited. It closed on 13 July 2017 and the shortfall was placed by the Underwriter on 21 July 2017.

- Completed a private placement on 12 September 2017 to raise $500,000 (before costs) through the issue of 12,500,000 fully paid ordinary shares at an issue price of $0.04 per share.

Operating result

The Company reported a loss after tax for the year of $957,352 (2017: loss of $693,976). The significant items affecting the loss after tax were:

a) Options issued to Directors and third-party consultants were recognised in accordance with the requirements of AASB 2 Share Based Payments, totaling $76,000 (2017: $Nil).
b) Professional fees, administrative and operating expenses reflecting the increase in the nature and scope of the Company's activities following the acquisition of the Senegal exploration tenements and the related equity raising.
c) An increase in director and key management personnel remuneration expense to $380,180 (2017: $ 211,768) as a consequence of the appointment of Dr Simon McDonald as the Company's Chief Executive Officer and an increase in other remuneration consistent with the increase in the Company's activities following the acquisition of the Senegal projects.

Significant changes in the reporting year

The financial position and performance of the group was particularly affected by the following events and transactions during the year-ended 30 June 2018:

- Acquisition on 12 July 2017 of 100% of the issued capital of each of Boya Gold Pty Ltd ("Boya") and Erin Mineral Resources Pty Ltd ("Erin"), who together own five exploration projects in Senegal. As consideration for the acquisition issued various equity instruments as set out on page 13 of this report.

- On 12 July 2017, Chesser issued 39,778,164 fully paid ordinary shares to raise $1,591,126 before transaction costs pursuant to a 1 for 3 entitlement issue announced on 21 June 2017

- The following unlisted options were issued on 12 July 2017 to Directors:

  - 2,300,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
  - 2,300,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

- Issue of 12,500,000 fully paid ordinary shares on 12 September 2017 at $0.04 per share to raise $500,000 before costs. The issue was undertaken as a private placement in accordance with shareholder approval.

- Issue of unlisted options to Dr Simon McDonald, the Company's Chief Executive Officer on the following terms:
    - 1,000,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
    - 1,000,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

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

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

Likely developments and expected results of operations
Following the completion of the Group's acquisition of the Senegal Projects it is anticipated that the short-term focus of the Group will continue to be the exploration of these projects.

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

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

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

Grant Date	Vest Date	Expiry Date	Exercise price of options	Number under options
12/07/2017	12/07/2017	31/12/2019	$0.06	3,300,000
12/07/2017	12/07/2017	31/12/2020	$0.10	3,300,000
11/09/2017	11/09/2017	31/12/2019	$0.06	1,000,000
11/09/2017	11/09/2017	31/12/2020	$0.10	1,000,000
				8,600,000

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

Shares issued as a result of the exercise of options
No shares were issued during the financial year as a result of the exercise of options.

Remuneration Report

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

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

I. Non-Executive Director Remuneration

Objective

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

Structure

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

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

Each non-executive director receives a fee for being a director of the Group. Non-Executive Directors receive an annual fee of $40,000.

Non-Executive Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services. No fees were paid to Non- Executive Directors for additional services during the year ended 30 June 2018 (2017: additional fees totaling $54,000 were paid to Mr Simon Taylor for services provided in relation to management of the Company's participation in the Kurnalpi Joint Venture, services provided in relation to the assessment of investment opportunities in the resources sector including the Senegal exploration properties that were acquired in July 2017).

Executive Director and Key Management Personnel Remuneration

Objective

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

- Reward executives for Group and individual performance against agreed targets;
- Align the interest of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

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

Variable Remuneration - Short and Long-Term Incentives

Objective
The objectives of the incentives plan are to:

- Recognise the ability and efforts of the employees of the Group who have contributed to the success of the Group and to provide them with rewards where deemed appropriate;
- Provide an incentive to the employees to achieve the long-term objectives of the Group and improve the performance of the Group; and
- Attract persons of experience and ability to employment with the Group and foster and promote loyalty between the Group and its employees.

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

b) Remuneration, Group performance and shareholder wealth

The development of remuneration policies and structures is considered in relation to the effect on Group performance and shareholder wealth. They are designed by the Board to align Director and Executive behaviour with improving Group performance and ultimately shareholder wealth. The Board considers at this stage in the Group's development, that share price growth itself is an adequate measure of total shareholder return.

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

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

Financial Year	Total Remuneration $	EPS (Cents)	Dividends (Cents)	Share Price (Cents)
2018	417,200	(0.49)	-	6.0
2017	215,700	(0.58)	-	4.5
2016	202,546	(0.31)	-	3.2
2015	1,282,075	8.59	-	3.4
2014	1,182,962	(3.27)	-	12

 # The share price at December 2014 does not include the effect of a 15 cent per share return of capital made by the Company in November 2017.

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

Key management personnel

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

Name	*Position Held*
Simon O'Loughlin	Non-Executive Director
Simon Taylor	Non-Executive Director
Stephen Kelly	Executive Director, CFO and Company Secretary
Simon McDonald	Chief Executive Officer

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

- KCG Advisors Pty Ltd to receive $225 per hour, exclusive of GST, for services provided by Mr Kelly.
- Unless otherwise agreed between the parties, a monthly cap of $10,000 (2017: monthly cap of $6,500), exclusive of GST, will apply to payments to KCG Advisors Pty Ltd; and
- The Agreement may be terminated by either party at any time on the giving of not less than one month's notice in writing.

The Company has entered into a Consultancy Agreement with Kurranulla Pty Ltd pursuant to which Dr McDonald was engaged to provide Chief Executive Officer services to the Company effective from 1 October 2017. The key terms of the Agreement are:

- Kurranulla Pty Ltd to receive $16,000, exclusive of GST, for services provided by Dr McDonald.
- Dr McDonald to be issued 2,000,000 options in the Company on the following terms:
  - 1,000,000 options exerciseable at $0.06 expiring on 31 December 2019 with 600,000 of those options vesting immediately and 400,000 of those options vesting on the first anniversary of completion of the acquisition of the Senegal Properties; and
  - 1,000,000 options exerciseable at $0.10 expiring on 31 December 2020 vesting on the second anniversary of completion of the acquisition of the Senegal Properties.
- The Agreement may be terminated by either party at any time on the giving of not less than one month's notice in writing.

c) Details of remuneration

Compensation paid, payable or provided by the Group or on behalf of the Group, to key management personnel is set out below. Key management personnel include all Directors of the Group and certain executives who, in the opinion of the Board and Managing Director, have authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

2018	Cash and salary fees	Super-annuation	Options^	Total remuneration	Proportion of remuneration that is performance based
	$	$	$	$	%
Non-Executive Directors					
Mr Simon O'Loughlin	40,000	3,800	10,800	**54,600**	-
Mr Simon Taylor	40,000	1,900	14,400	**56,300**	-
Total Non-Executive Directors	**80,000**	**5,700**	**25,200**	**110,900**	**-**
Executive Directors					
Mr Stephen Kelly*	139,500	-	10,800	**150,300**	**-**
Total Executive Directors	**139,500**	**-**	**10,800**	**150,300**	**-**
Key Management Personnel					
Mr Simon McDonald	192,000	-	35,000	**227,000**	**-**
Total Key Management Personnel	192,000	-	35,000	**227,000**	-
Total Director and KMP Compensation	**411,500**	**5,700**	**71,000**	**488,200**	**-**

^ Equity-settled share-based payments as per *Corporations Regulation 2M.3.03(1) Item 11.*
** During the 2018 financial year Mr Kelly received additional fees totalling $19,500 for services provided in relation to the management of the Company's acquisition of the Senegal exploration projects and related equity raising activities..*

2017	Cash and salary fees	Super -annuation	Options	Total remuneration	Proportion of remuneration that is performance based
	$	$		$	%
Non-Executive Directors					
Mr Simon O'Loughlin	40,000	3,700	-	**43,700**	-
Mr Simon Taylor#	94,000	-	-	**94,000**	-
Total Non-Executive Directors	**134,000**	**3,700**	**-**	**137,700**	-
Executive Directors					
Mr Stephen Kelly	78,000	-	**-**	**78,000**	-
Total Executive Directors	**78,000**	**-**	**-**	**78,000**	-
Total Director and KMP Compensation	**212,000**	**3,700**		**215,700**	-

\# *During the 2017 financial year Mr Simon Taylor received additional fees totalling $54,000 for services provided in relation to the management of the Company's participation in the Kurnalpi Joint Venture, services provided in relation to the assessment of investment opportunities in the resources sector and services in relation to the acquisition of the Senegal exploration projects that was completed in July 2017.*

d) Share-based compensation

The following unlisted options were issued on 12 July 2017 to Directors:

- 2,300,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
- 2,300,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

The following unlisted options were issued on 12 September 2017 to Dr Simon McDonald, the Company's Chief Executive Officer:

- 1,000,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
- 1,000,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

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

Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	Vested
12/07/2017	12/07/2017	31/12/2019	$0.06	$0.010	100%
12/07/2017	12/07/2017	31/12/2020	$0.10	$0.008	100%
11/09/2017	11/09/2017	31/12/2019	$0.06	$0.016	100%
11/09/2017	11/09/2017	31/12/2020	$0.10	$0.019	100%

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

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

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

There are no performance hurdles attaching to the options granted other than service vesting conditions. In the event of termination (specified circumstances) only vested options are entitled to be exercised. Unvested options are forfeited.

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

Shares provided on exercise of remuneration options

No shares were issued as a result of the exercise of options during the year.

e) Unlisted option holdings

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

2018 Name	Balance at start of year	Granted as compensation	Exercised	Lapsed	Balance at end of year	Vested and exercisable	Unvested
Directors of Chesser Resources Limited							
S Taylor	-	1,800,000	-	-	1,800,000	1,800,000	-
S O'Loughlin	-	1,200,000	-	-	1,200,000	1,200,000	-
S Kelly	-	1,200,000	-	-	1,200,000	1,200,000	-
S McDonald	-	2,000,000	-	-	2,000,000	400,000	1,600,000
Total	-	6,200,000	-	-	6,200,000	4,600,000	1,600,000

2017 Name	Balance at start of year	Granted as compensation	Exercised	Lapsed	Balance at end of year	Vested and exercisable	Unvested
Directors of Chesser Resources Limited							
S Taylor	-	-	-	-	-	-	-
S O'Loughlin	-	-	-	-	-	-	-
S Kelly	600,000	-	-	(600,000)	-	-	-
	600,000	-	-	(600,000)	-	-	-

f) Share holdings

The number of shares in the Company held during the financial year by each director of Chesser Resources Ltd and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation (2017: nil).

2018	Balance at start of year	**Shares held on appointment as key management personnel**	**Purchases / (disposals) during the year**	**Shares held on ceasing to be key management personnel**	**Balance at the end of the year**
Directors of Chesser Resources Limited Ordinary shares					
S Taylor	1,500,000	-	1,000,001	-	2,500,001
S O'Loughlin	812,500	-	1,020,834	-	1,833,334
S Kelly	-	-	500,000	-	500,000
S McDonald	-	-	-	-	-
	2,312,500	-	2,520,835	-	4,833,335

2017	Balance at start of year	Shares held on appointment as key management personnel	Purchases / (disposals) during the year	Shares held on ceasing to be key management personnel	Balance at the end of the year
Directors of Chesser Resources Limited Ordinary shares					
S Taylor	1,500,000	-	-	-	1,500,000
S O'Loughlin	812,500	-	-	-	812,500
S Kelly	-	-	-	-	-
	2,312,500	-	-	-	2,312,500

No shares were received by key management personnel on the exercise of options during the year.

g) Loans to key management personnel

There were no loans to key management personnel at any time during the financial year.

h) Other transactions with key management personnel

During the year ended 30 June 2018, O'Loughlins Lawyers, a legal firm in which the Company's Chairman Mr Simon O'Loughlin is a partner, provided legal services to the Company. As at 30 June 2018 the total amount payable to O'Loughlins Lawyers was $nil (2017: $22,703). The total fees paid to O'Loughlins Lawyers during the year was $34,668 (2017: $31,692).

i) Voting and comments made at the Company's 2017 Annual General Meeting

The Company received more than 98% of "yes" votes on its remuneration report for the financial year ended 30 June 2017. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

Insurance of officers

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

Proceedings on behalf of the Group

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

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

Non-audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Group are important. No non-audit assignments were engaged with the auditor during the year (2017: none)

Details of the amounts paid or payable to the auditor, Pitcher Partners for audit services provided during the year are set out in note 17 to the financial report.

Auditor's Independence Declaration

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

Auditor

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

Rounding of amounts in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191

The amounts in the Directors' report and in the financial report have been rounded to the nearest dollar. This report is made in accordance with a resolution of directors.

Stephen Kelly
Executive Director

Brisbane, 28 September 2018

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, Queensland 4000

Postal Address
GPO Box 1144
Brisbane, Queensland 4001

Tel +61 7 3222 8444
Fax +61 7 3221 7779
www.pitcher.com.au
info@pitcherpartners.com.au

The Directors
Chesser Resources Limited
Suite 3, Level 7
100 Edward Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

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

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 September 2018

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, Queensland 4000

Postal Address
GPO Box 1144
Brisbane, Queensland 4001

Tel +61 7 3222 8444
Fax +61 7 3221 7779
www.pitcher.com.au
info@pitcherpartners.com.au

Independent Auditor's Report to the Members of Chesser Resources Limited
Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Chesser Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
Exploration and evaluation expenditure - Impairment ***Refer to Note 5: Critical accounting estimates and judgements***	
The group have capitalised exploration and evaluation expenditure in relation to the Senegalese exploration projects acquired during the year. The risk is that the carrying value of this asset is overstated.	Our testing included: • understanding the control environment through which exploration and evaluation expenditure is incurred and recorded; • assessing whether the relevant expenditure meets the asset recognition requirements of AASB6 Exploration for and Evaluation of Mineral Resources; and • reviewing the group's forecasts and expectations of successful development and exploitation of the projects.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 17 of the directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Chesser Resources Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Responsibilities

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

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 September 2018

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June

	Notes	2018 $	2017 $
Revenue and other income	7	3,803	3,662
Auditors' remuneration		(40,000)	(22,000)
Director and key management personnel remuneration		(380,180)	(211,768)
Depreciation expense	12	(22,151)	-
Finance charges		(6,008)	-
General and administrative expenses		(115,339)	(131,264)
Impairment of capitalised exploration expenditure	13	(7,591)	(77,040)
Other expenses		(51,038)	(73,166)
Professional fees		(72,497)	(54,373)
Travel expenses		(94,297)	-
Business development costs		(32,302)	(72,822)
Share based payments expense		(76,000)	-
Share registry and exchange listing fees		(50,975)	(55,583)
Foreign exchange (losses) / gains		(12,696)	378
Loss before income tax expense from continuing operations		(957,352)	(693,976)
Taxation	10	-	-
Loss for the year from continuing operations		(957,352)	(693,976)
Loss attributable to Owners of Chesser Resources Limited		(957,352)	(693,976)
Basic and diluted loss per share (cents per share)	17	(0.49)	(0.58)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June

	2018 $	2017 $
Loss for the year from continuing operations	**(957,352)**	(693,976)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	93	(83)
Income tax relating to these items	-	-
Other comprehensive income for the year, net of tax	**-**	(83)
Total comprehensive loss for the year	**(957,259)**	(694,059)
Comprehensive loss attributable to the owners of Chesser Resources Limited	**(957,259)**	(694,059)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June

	Notes	2018 $	2017 $
Current assets			
Cash and cash equivalents	21(a)	2,385,360	3,312,011
Trade and other receivables	11	17,565	21,623
Prepayments		45,194	13,620
Total current assets		2,448,119	3,347,254
Non-current assets			
Property, plant and equipment	12	164,879	-
Exploration and evaluation expenditure	13	3,193,146	-
Total non-current assets		3,358,025	-
Total assets		5,806,144	3,347,254
Current liabilities			
Trade and other payables	14	457,542	137,487
Total current liabilities		457,542	137,487
Total liabilities		457,542	137,487
Net assets		5,348,602	3,209,767
Equity			
Issued capital	15	8,840,512	5,838,418
Reserves	16	2,007,869	1,913,776
Accumulated losses		(5,499,779)	(4,542,427)
Total equity		5,348,602	3,209,767

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

2018	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2017	5,838,418	1,913,776	(4,542,427)	3,209,767
Loss for the year	-	-	(957,352)	(957,352)
Other comprehensive income	-	93	-	93
Total comprehensive loss for the year	-	93	(957,352)	(957,259)
Transactions with owners in their capacity as owners:				
Issue of equity securities	3,173,983	-	-	3,173,983
Costs of issuing equity securities	(171,889)	-	-	(171,889)
Share based payments	-	94,000	-	94,000
Total transactions with owners in their capacity as owners	3,002,094	94,000	-	3,096,094
Balance as at 30 June 2018	8,840,512	2,007,869	(5,499,779)	5,348,602

2017	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2016	5,838,418	1,913,859	(3,848,451)	3,903,826
Loss for the year	-	-	(693,976)	(693,976)
Other comprehensive income	-	(83)	-	(83)
Total comprehensive loss for the year	-	(83)	(693,976)	(694,059)
Transactions with owners in their capacity as owners	-	-	-	-
Balance as at 30 June 2017	5,838,418	1,913,776	(4,542,427)	3,209,767

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June

		2018 *$*	*2017* *$*
Cash flow from operating activities			
Interest received		3,803	3,662
Interest paid		(6,088)	-
Payments to suppliers and employees		(929,583)	(604,696)
Net cash flows used in operating activities	21(b)	(931,868)	(601,034)
Cash flow from investing activities			
Payments for property, plant and equipment		(187,030)	-
Payments for exploration and evaluation expenditure		(1,728,452)	(38,220)
Net cash used in investing activities		(1,915,482)	(38,220)
Cash flow from financing activities			
Proceeds from share issue		2,091,126	-
Costs of issuing equity securities		(171,888)	(13,620)
Net cash provided by financing activities		1,919,238	(13,620)
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		3,312,011	3,964,589
Net decrease in cash and cash equivalents		(928,112)	(652,874)
Foreign exchange difference on cash and cash equivalents		1,461	296
Cash and cash equivalents at 30 June	*21(a)*	2,385,360	3,312,011
Non-cash financing and investing activities	*21(c)*		

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

1. General information

Chesser Resources Limited (the Company) is a listed public company incorporated in Australia. The address of its registered office and principal place of business is Suite 3, Level 7, 100 Edward Street, Brisbane City OLD 4000.

The entity's principal activity during the financial year was the acquisition of a number of greenfield gold exploration projects in Senegal and undertaking exploration an auger geochemical drilling campaign across those projects.

2. Application of new and revised Accounting Standards

Adoption of New and Revised Standards

The Company was required to change some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 January 2017. The affected policies and standards are:

- AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Early adopted standards

(i) AASB 9 Financial Instruments (effective from 1 January 2018)

The Group has elected to apply AASB 9 Financial Instruments as issued in December 2014, from 1 July 2017. In accordance with the transitional provisions in AASB 9 (7.2.15), comparative figures have not been restated.

The adoption of AASB 9 did not result in a change to the recognition or measurement of financial instruments for the Group as presented in the financial report. The Group will continue to recognise and measure financial instruments at amortised cost.

As a result of adopting AASB 9, no changes have been made to the Group's accounting policies.

New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 15 Revenue from contracts with customers (effective from 1 January 2018)

AASB 15 Revenue from contracts with customers will replace AASB 118 Revenue and introduces a new framework for revenue recognition. The new framework is based on a five-step process where revenue is recognised for each distinct performance obligation, at the point control of the good or service passes to the customer. This replaces the previously applied risks and rewards approach under AASB 15.

Chesser Resources Limited is an exploration entity and does not currently produce any saleable product. The entity has assessed that the initial application of this standard will have no impact on the Company.

(ii) AASB 16 Leases (effective from 1 January 2019) (effective 1 January 2019)

AASB 16 Leases will replace AASB 117 Leases and removes the distinction between operating and financing leases and introduces a single framework which results in the lessee being required to recognise all leases with a term longer than 12 months on the balance sheet. This is presented in the balance sheet as a right to use asset being the leased item, and financial liability being the lease payments over the term of the lease. For operating leases, the cost of these leases will then be presented as amortisation of the leased asset and interest expense as the discount rate on the liabilities unwind, rather than operating cash costs as the current approach under AASB 117.

As at 30 June 2018 the Group has the entered into lease arrangements for office premises in Australia and Senegal that meet the definition of a lease under the new standard. Currently the Group accounts for these lease arrangements as operating leases and records rental payments under the lease as an expense when incurred; no lease asset or lease liability is recognised by the Group.

Under the new standard the leases will be accounted for as finance leases. In the Statement of Financial Position, the Company will recognise a right-of-use asset and a lease liability (calculated as the present value of the future rentals, discounted using an applicable rate). As at 30 June 2018, the Group estimates that a lease asset of approximately $94,569 and a lease liability of approximately $80,745 would have been recognised had the new standard been early adopted by the Group.

Subsequent to initial measurement, the Company will depreciate the right-of-use asset in accordance with the depreciation requirements in AASB 116 whilst the lease liability will be increased to reflect the interest on the liability and reduced by the fixed lease payments.

AASB 16’s scope states that leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources are excluded from the standard. The Group’s mineral exploration licences are therefore outside of the scope of the standard and will continue to be accounted for under AASB 6 Exploration for and Evaluation of Mineral Resources.

(iii) AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018)

The amendments made to AASB 2 clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. They also introduce an exception to the classification principles in AASB 2. Where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

The Group has various share-based payment arrangements. All arrangements are recognised and accounted for as equity-settled share-based payment transactions. The Group does not have any cash-settled shared-based payments nor does it have equity-settled awards that include net settlement features relating to tax obligations. The amendments to AASB 2 therefore are not expected to impact the Group.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant accounting policies

a) Statement of compliance

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

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

The financial standards were authorized for issue by the Directors on 28 September 2018.

b) Basis of preparation

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

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

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

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

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

The principal accounting policies are set out below.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Chesser Resources Limited ("Company" or "parent entity") as at 30 June 2017 and the results of all subsidiaries for the year then ended. Chesser Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 3(g).

lntercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

d) Foreign currency translation

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

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

Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of comprehensive income are translated at average exchange rates

(unless this is not a recognizable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions), and

- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassed to profit or loss, as part of the gain or loss on sale where applicable.

4. Financial risk management

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

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

	2018	*2017*
	$	*$*
Financial Assets		
Cash and cash equivalents	2,385,360	3,312,011
Trade and other receivables	17,565	21,623
	2,402,925	3,333,634
Financial Liabilities		
Trade and other payables	400,752	137,487
	400,752	137,487

a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the Group's functional currency (which is the Australian dollar).

The Group manages foreign exchange risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Group's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

30 June 2018	AUD Denominated Balances	USD Denominated Balances	CFA Denominated Balances	TOTAL 30 June 2018
Cash and cash equivalents	2,230,729	3,882	150,749	2,385,360
Trade and other receivables	17,565	-	-	17,565
Total assets	**2,248,294**	**3,882**	**150,749**	**2,402,925**
Trade and other payables	81,581	229,369	89,802	400,752
Net exposure	**2,166,714**	**(225,487)**	**60,947**	**2,002,173**

30 June 2017	AUD Denominated Balances	USD Denominated Balances	CFA Denominated Balances	TOTAL 30 June 2017
Cash and cash equivalents	3,308,271	3,740	-	3,312,011
Trade and other receivables	21,623	-		21,623
Total assets	**3,329,894**	**3,740**		**3,333,634**
Trade and other payables	122,487	-	-	122,487
Net exposure	3,207,407	3,740	-	3,211,147

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

	2018 ***$***	*2017* *$*
Profit / (loss) before tax and equity – 10% increase	**16,454**	374
Profit / (loss) before tax and equity – 10% decrease	**(16,454)**	(374)

(ii) Interest rate risk

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

	30 June 2018		30 June 2017	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Cash and cash equivalents	0.5%	**2,385,360**	0.5%	**3,312,011**

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

	After-tax loss higher / (lower)		Equity higher / (lower)	
	2018	2017	2018	2017
	$	$	$	$
+1% (100bp)	23,854	33,120	23,854	33,120
-1% (100bp)	(23,854)	(33,120)	(23,854)	(33,120)

b) Credit risk

Credit risk primarily arises from cash and cash equivalents and term deposits deposited with banks and receivables. Cash and cash equivalents and term deposits are primarily placed with National Australia Bank Limited and AMP Bank Limited, which has an independently rated credit rating of A1+. The Company has no past due or impaired financial assets in the period covered by these financial statements. Due to their short-term nature, the carrying value of financial assets represents the maximum exposure to credit risk.

c) Liquidity risk

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

Maturity of financial liabilities

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

30 June 2018	Less than 3 months $	Total contractual cash flows $	Carrying amount $
Trade and other payables	400,752	400,752	400,752

30 June 2017	Less than 3 months $	Total contractual cash flows $	Carrying amount $
Trade and other payables	122,487	122,487	122,487

d) Fair value estimation

Financial assets at fair value through profit or loss are carried at their fair value as determined by reference to quoted bid prices in an active, liquid market (Level 1). The carrying amount of other financial assets (net of any provision for impairment) and financial liabilities as disclosed above is assumed to approximate their fair values primarily due to their short maturities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

5. Critical accounting estimates and judgements

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

Exploration and evaluation expenditure
As at 30 June 2018 the Group had capitalised exploration and evaluation expenditure of $3,193,146 in relation to the Senegal Projects. The ultimate recoupment of capitalised exploration and development expenditure is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest. The Company's continued development of its mineral property interests is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the financing necessary to maintain operations, successfully complete its exploration and development programs and the attainment of future profitable production. The recognition of this expenditure as an asset requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If after having capitalised expenditure under the accounting policy a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of comprehensive income.

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

Acquisition of the Senegal Projects
On 12 July 2017 Chesser completed the acquisition of 100% of the issued capital from each of Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd to acquire interests in five gold exploration projects in Senegal. As part consideration the Group issued settlement options which were recognized using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The assumptions used in this valuation model is set out in note 16.

The directors have determined that at the time of the acquisition, the Senegal Projects owned by Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd lacked the necessary inputs and processes required to generate outputs that have the ability to provide a return on investment to the owner. Consequently, the Senegal Projects did not meet the criteria of a business and were outside the scope of AASB3: Business Combinations. The acquisition of the shares in Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd have been determined by the directors to be assets acquired by an equity-settled share-based payment under AASB 2: Share Based Payments. As a fair value of neither the shares in Boya Gold Pty Ltd and Erin Mineral Resources Pty Ltd nor the Senegal Projects could be estimated reliably, the fair value recognised for the acquisition has been measured largely by reference to the fair value of the equity instruments issued by Chesser Resources Limited as the major part of the consideration provided for the acquisition.

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

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the criteria set out in paragraph 35 of AASB 112 that.

6. Segment information

The Group has identified its operating segments based on the internal reports that were reviewed and used by the Chief Executive Officer (chief operating decision maker) in assessing performance and determining the allocation of resources during the year.

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

Accounting policy

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

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

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

Activity by segment

Kurnalpi Project

The Kurnalpi Project is situated at Kurnalpi approximately 60 kilometres north east of Kalgoorlie. On 15 October 2016, the Company entered into an earn in joint venture agreement with Mithril Resources Limited to earn up to an 80% interest in the tenements comprising the project. No work was undertaken on the Mithril Project during the year as Chesser was focussed on the Senegal exploration projects.

Effective 11 July 2018, formal notification was given to Mithril to withdraw from the Farm-In-Agreement. Expenditure incurred during the year related to tenement rentals. All associated costs were impaired at year-end.

Senegal Projects

The Group has acquired a number of new operating segment in July 2017. The Senegal Projects, which consist of five exploration projects, are located adjacent and to the west of the Senegal Mali Shear Zone in the Kédougou Inlier with a total area of 624kms2. The projects are: Diamba Sud, Diamba Nord, Woye, Youboubou and Garaboureya.

Corporate

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

The following tables present revenue and profit information for the Group's operating segments for the year ended 30 June 2018 and 2017, respectively.

(i) Segment performance

Year 30 June 2018	Kurnalpi Nickel Project $	Diamba Sud $	Diamba Nord $	**Woye** $	**Youboubou** $	**Garabou reya** $	Corporate $	Total $
Total segment revenue	-	-	-	-	-	-	3,803	3,803
Segment expenditure	(7,591)	(1,126,126)	(547,075)	(225,206)	(33,105)	(148,069)	(855,412)	(2,942,584)
Segment result	(7,591)	(1,126,126)	(547,075)	(225,206)	(33,105)	(148,069)	(851,609)	(2,938,781)
Reconciliation of segment result to Group loss before tax								
• Capitalised expenditure								2,087,171
• Impairment of exploration and evaluation expenditure								(7,591)
• Depreciation expense								(22,151)
• Share based payments expense								(76,000)
• Other income								-
Net loss before tax								(957,352)

Year 30 June 2017	Kurnalpi Nickel Project $	Diamba Sud $	Diamba Nord $	**Woye** $	**Youboubou** $	**Garabou raya** $	Corporate $	Total $
Total segment revenue	-						3,662	3.662
Segment expenditure	(38,220)						(620,598)	(658,818)
Segment result	(38,220)						(616,936)	(655,156)
Reconciliation of segment result to Group loss before tax								
• Capitalised expenditure								38,220
• Impairment of exploration and evaluation expenditure								(77,040)
Net loss before tax								(693,976)

(ii) Segment assets

The following table present assets information for the Group's operating segments for the year ended 30 June 2018 and 2017, respectively.

The following table shows assets by geographical segment.

	Senegal $	Australia $	Total $
30 June 2018			
Segment assets	3,508,773	2,297,371	5,806,144
30 June 2017			
Segment assets	-	3,347,254	3,347,254

7. Revenue and other income	*2018* *$*	*2017* *$*
Interest income	3,803	3,662
	3,803	3,662

Accounting policy

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

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

8. Expenses

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

Operating lease rentals	36,152	-
Superannuation contributions	3,850	3,700
Business development costs	32,302	72,822
Share based payment expense	76,000	-

Business development costs includes costs for preliminary assessment of potential mineral resources, including an internal cost allocation for management's fees.

Refer Note 16 for details of share-based payment transactions.

	2018 $	2017 $

9. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

Pitcher Partners Brisbane

	2018 $	2017 $
(i) Audit and assurance services		
Audit and review of financial reports	40,000	22,000
Total auditors' remuneration	40,000	22,000

10. Income tax

	2018 $	2017 $
(a) Income tax benefit		
Current and deferred tax	-	-
	-	-
(b) Deferred income tax/(revenue)		
Deferred income tax/(revenue) included in tax expense comprises:		
(Increase)/decrease in deferred tax assets	113,995	(219,307)
Increase/(decrease) in deferred tax liabilities	(113,995)	219,307
	-	-
(c) Reconciliation of income tax expense to prima facie income tax		
Loss before income tax from continuing operations	(957,352)	(693,976)
Tax at the Australian tax rate of 27.5% (2017: 30%)	(263,271)	(208,192)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of change in tax rates	258,806	-
Different tax rates in other jurisdictions	2,490	-
Non deductible expenses	130,616	-
Deductible capital raising costs	(43,319)	(42,533)
	85,322	(250,725)
Deferred tax assets not recognised / (recognised)	(85,322)	250,725
Income tax benefit	-	-
(d) Deferred tax assets / liabilities comprise		
Accruals	7,288	7,500
Provisions	13,746	-
S 40-880 capital raising expenses and legal fees	-	36,944
Prepayments	(12,428)	(4,086)
Tax losses available for offset against future taxable income	2,983,075	3,065,318
Net deferred tax assets	2,991,681	3,105,676
Deferred tax assets not recognised	(2,991,681)	(3,105,676)
	-	-

	2018 $	2017 $
(e) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Temporary differences and tax losses at 27.5% (2017: 30%)	**2,991,681**	3,105,676

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

Accounting policy

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

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

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

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

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

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

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

11. Trade and other receivables	*2018* *$*	*2017* *$*
Current		
Other receivables	**17,565**	21,623

Other receivables represent the Company's GST receivable.

Accounting Policy

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

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

12. Property, plant and equipment

	Field Equipment	Motor Vehicles	Office Equipment	TOTAL
Carrying amount at 1 July 2017				
Additions			19,312	**19,312**
Disposals	-	-	-	**-**
Depreciation			(19,312)	**(19,312)**
Carrying amount at 30 June 2017	**-**	**-**	-	**-**
Additions	62,638	121,330	3,062	**187,030**
Disposals	-	-	-	**-**
Depreciation	(5,791)	(16,089)	(271)	**(22,151)**
Carrying amount at 30 June 2018	56,847	105,241	2,791	**164,879**

Accounting Policy

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 3(h)).
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

13. Exploration and evaluation expenditure

	2018	*2017*
	$	*$*
At cost	**3,136,356**	38,820

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

Carrying amount at beginning of period	-	-
Acquisition cost (i)	**1,113,565**	-
Exploration expenditure during the period	**2,030,380**	38,220
Impairment of exploration and evaluation expenditure (ii)	**(7,591)**	(77,040)
Carrying amount at end of period	**3,136,356**	-

i. Acquisition of Senegal Projects

In the year the Company acquired 100% of the issued capital of each of Boya Gold ("Boya") and Erin Mineral Resources ("Erin"), to acquire interests in five gold exploration projects in Senegal.

- As consideration for the acquisition, Chesser issued the following CHZ securities to the vendors and third-party facilitators or their nominees:
  - 27,071,419 fully paid ordinary shares in Chesser. 26,767,848 shares were issued on 12 July 2017 and 303,571 shares were issued on 11 September 2017;
  - The following unlisted options:
    - i. 1,000,000 unlisted options with an exercise price of $0.06 and an expiry date of 31 December 2019
    - ii. 1,000,000 unlisted options with an exercise price of $0.10 and an expiry date of 31 December 2020.
  - The following performance shares:
    - iii. 23,809,524 Class A performance shares which will convert into fully paid ordinary shares 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
    - iv. 23,809,524 Class B performance shares which will convert into fully paid ordinary shares 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 performance shares have been accounted for as contingent consideration (refer Note 22). The total acquisition cost has been measured at the fair value of the equity instruments granted as compensation for the acquisition, in accordance with AASB 2 Share-based payments (refer note 8 Share-based payments).

v. Impairment of exploration expenditure

During the year ended 30 June 2018 the Group impaired $7,591 (June 2017: $77,040) of expenditure related to the Kurnalpi gold project in Western Australia. On 14 June 2018 the Board announced that the Company had provided formal notification to Mithril of Chesser's intention to withdraw from the Farm-In-Agreement. The effective date for the termination is 11 July 2018.

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

Accounting Policy

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

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

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

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

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

14. Trade and other payables	*2018* *$*	*2017* *$*
Trade payables	143,574	122,487
Accruals	313,968	15,000
Total trade and other payables	457,542	137,487

Trade payables and accruals are unsecured, non-interest bearing and due 30 days from the date of recognition.

Accounting Policy

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

15. Issued capital	2018 $	2017 $
Ordinary shares – fully paid	8,840,512	5,838,418

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

(a) Movements in ordinary shares

	30 June 2018	
	No.	$
Opening Balance 30 June	119,333,598	5,838,418
Share issue on 12 July 2017 (a)	39,778,164	1,591,126
Share issue on 12 September 2017 (b)	12,500,000	500,000
Shares issued on 12 July 2017 as partial consideration for acquisition of mineral tenements (c)	26,767,848	1,070,714
Shares issued on 11 September 2017 as partial consideration for acquisition of mineral tenements (c)	303,571	12,142
Share issue costs	-	(171,888)
Closing Balance 30 June	198,683,181	8,840,512

The following movements have occurred against Share Capital during the year:

a) On 12 July 2017, Chesser issued 39,778,164 fully paid ordinary shares at $0.04 per share pursuant to a 1 for 3 entitlement issue;

b) On 12 September 2017 Chesser issued 12,500,000 fully paid ordinary shares at $0.04 per share. The issue was undertaken as a private placement in accordance with shareholder approval;

c) In accordance with the acquisition of Boya Gold and Erin, on 12 July 2017 Chesser issued 27,071,419 fully paid ordinary shares to the vendors.

(b) Capital management

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

(c) Share options

At 30 June 2018, the following options for ordinary shares in the Company were on issue:

	30 June 2018		
	Options with a $0.06 exercise price expiring 31 December 2019	Options with a $0.10 exercise price expiring 31 December 2020	30 June 2018 Number
On issue at 1 July	-	-	-
Options issued to Directors and key management personnel	3,300,000	3,300,000	6,600,000
Options issues as partial consideration for acquisition of Senegal Projects	1,000,000	1,000,000	2,000,000
On issue at 30 June	**4,300,000**	**4,300,000**	**8,600,000**

The options do not provide the holder with any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up.

Refer note 14 for further details regarding the accounting treatment of the options issued during the year.

16. Reserves

	2018 $	2017 $
Share based payments reserve	**2,008,271**	1,914,271
Foreign currency translation reserve	**(402)**	(495)
	2,007,869	**1,913,776**

Movements:

Foreign currency translation reserve		
Balance at 1 July 2017	**(495)**	(412)
Currency translation difference for the year	**93**	(83)
Balance at 30 June 2018	**(402)**	**(495)**
Share based payments reserve		
Balance at 1 July 2017	**1,914,271**	1,914,271
Options issued	**94,000**	-
Balance at 30 June 2018	**2,008,271**	**1,914,271**

Nature and purpose of reserves

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign controlled subsidiaries.

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

Accounting Policy

Share-based compensation benefits are provided to directors and key management personnel.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

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

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

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

	30 June 2018 $
Options issued to directors (i)	41,000
Options issued to third-party vendors (ii)	18,000
Options issued to key management personnel (iii)	35,000
Total share-based payments for the year	94,000
Share based payments capitalised to exploration and evaluation asset (refer note 12)	(18,000)
Share-based payments expense	**76,000**

(i) On 12 July 2017 the Group issued to Directors the following unlisted options over ordinary shares:
- 2,300,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
- 2,300,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

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

	Tranche 1 Expiring 31/12/2019	Tranche 2 Expiring 31/12/2020
Exercise price	$0.06	$0.10
Expected volatility	61.44%	61.44%
Risk-free interest rate	1.782%	1.961%
Expected life of share options (days)	902	1,268
Grant date share price	$0.04	$0.04
Fair value per option	$0.010	$0.008

(ii) As part consideration for the acquisition of Boya Gold and Erin, the Company issued the following settlement options on 12 July 2017:

- 1,000,000 unlisted options with an exercise price of $0.06 and an expiry date of 31 December 2019
- 1,000,000 unlisted options with an exercise price of $0.10 and an expiry date of 31 December 2020.

The options were issued on the same date and with the same terms as the options issued to directors (see above). The fair value of the options granted was therefore estimated using the same assumptions and fair value per option is $0.010 and $0.008.

(iii) On 12 September 2017 the Company issued to key management personnel the following unlisted options over ordinary shares:

- 1,000,000 options with an exercise price of $0.06 and an expiry date of 31 December 2019
- 1,000,000 options with an exercise price of $0.10 and an expiry date of 31 December 2020

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

	Tranche 1 Expiring 31/12/2019	Tranche 2 Expiring 31/12/2020
Exercise price	$0.06	$0.10
Expected volatility	61.44%	61.44%
Risk-free interest rate	1.84%	1.98%
Expected life of share options (days)	840	1,206
Grant date share price	$0.045	$0.045
Fair value per option	$0.016	$0.019

17. Loss per share

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

	2018 $	2017 $
Loss per share (cents per share)	(0.49)	(0.58)
Diluted loss per share (cents per share)	(0.49)	(0.58)
Loss attributable to Owners of Chesser Resources Limited	(957,352)	(693,976)

	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic loss per share	193,900,406	119,333,598
Weighted average number of ordinary shares used in the calculation of diluted loss per share	193,900,406	119,333,598

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

Accounting policy

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

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

18. Parent entity disclosures

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

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the Company. Dividends received from associates are recognized in the parent entity's profit or loss when its right to receive the dividend is established.

Financial guarantees

Where the Company has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

As at and throughout the financial year ending 30 June 2018 and 30 June 2017 the parent entity of the Group was Chesser Resources Limited.

a) Summary financial information

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

	2018	*2017*
	$	*$*
	Chesser Resources Limited	
Results		
Profit/(loss) for the year	(874,009)	(655,566)
Total comprehensive income for the year	(874,009)	(655,566)
Financial Position		
Current assets	2,297,472	3,390,586
Non-current assets	3,281,904	-
	5,579,377	3,390,586
Current liabilities	81,581	128,494
	81,581	128,494
Net Assets	5,497,797	3,262,092
Contributed equity	8,840,512	5,838,418
Share-based payments reserve	2,008,271	1,914,271
Accumulated losses	(5,350,987)	(4,476,977)
	5,497,797	3,262,092

b) Guarantees entered into by the parent entity

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

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

d) Contractual commitments for capital expenditure

The parent entity did not have any contractual commitments for capital expenditure as at 30 June 2018 (2017: $nil).

19. Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2018	2017
			%	%
Chesser Resources Holding Cooperatief U.A	Netherlands	Membership	100	100
Dharana B.V.	Netherlands	Ordinary	100	100
Boya Gold Pty Ltd	Australia	Ordinary	100	-
Boya Minerals Pty Ltd	Australia	Ordinary	100	-
Boya Senegal SAU	Senegal	Ordinary	100	-
Erin Mineral Resources Pty Ltd	Australia	Ordinary	100	-
Erin Minerals Pty Ltd	Australia	Ordinary	100	-
Erin Senegal SAU	Senegal	Ordinary	100	-
Chesser Senegal SAU	Senegal	Ordinary	100	-

20. Related parties

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

During the year ended 30 June 2018, O'Loughlins Lawyers, a legal firm in which the Company's Chairman Mr Simon O'Loughlin is a partner, provided legal services to the Company. As at 30 June 2018 the total amount owing to O'Loughlins Lawyers was $nil (2017: $22,703). The total fees paid to O'Loughlins Lawyers during the year was $34,668 (2017: $31,692).

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

21. Cash flow information

	2018	*2017*
	$	*$*
a) Cash and cash equivalents		
Cash at bank and on hand	2,385,360	3,312,011

	2018 $	2017 $
b) Reconciliation of cashflows from operating activities		
Profit/(loss) before tax	(957,352)	(693,976)
Depreciation and amortisation	22,151	-
Impairment of capitalised exploration expenditure	7,591	77,040
Foreign exchange (losses) / gains	12,696	(379)
Share based payments expense	76,000	-
Change in operating assets and liabilities (net of disposals):		
(Increase)/decrease in trade or other receivables	(27,518)	(9,317)
Increase/(decrease) in trade and other payables	(65,435)	25,598
Net cash outflow from operating activities	(931,867)	(601,034)
c) Non-cash investing and financing activities		
Acquisition of Senegal projects by means of share options (note 16(ii))	18,000	-
Acquisition of Senegal projects by means of share issue (note 15(c))	1,082,856	-

22. Commitments and contingent liabilities

(a) Commitments

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2018 *$*	*2017* *$*
Within one year	23,962	-
Later than one year but not later than five years	71,222	-
	95,184	-

Tenement expenditure commitments

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

	2018 *$*	*2017* *$*
Within one year	552,594	22,000
Later than five years	4,090,188	-
	4,642,782	22,000

(b) Contingent liabilities

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

- 23,809,524 Class A performance shares, expiring 12 July 2020
- 23,809,524 Class B performance shares, expiring 12 July 2021

The performance shares will convert into fully paid ordinary shares on the following conditions:

- Class A - 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
- Class B - 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

23. Events occurring after the reporting period

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

CHESSER RESOURCES LTD

DIRECTORS' DECLARATION

In the directors' opinion:

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

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
(ii) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

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

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

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

Stephen Kelly
Director
Brisbane, 28 September 2018

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 19 October 2018.

A. Distribution of securities

Analysis of the number of equity securities by size of holding:

		Number of holders	
Holding	Listed Shares	Unlisted $0.06 options expiring 31 December 2019	Unlisted $0.10 options expiring 31 December 2020
1 to 1,000	84	-	-
1,001 to 5,000	136	1	1
5,001 to 10,000	101	10	10
10,001 to 100,000	245	11	11
100,001 and over	205	9	9
	771	**31**	**31**

There were 266 holders of less than a marketable parcel of listed shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of equity securities are listed below:

Name	Units	% of Units
CPO Superannuation Fund Pty Ltd	8,634,452	4.35
GP Securities Pty Ltd	6,265,523	3.15
Calama Holdings Pty Ltd	6,166,667	3.10
Darroch Family Pty Ltd	5,000,000	2.52
Souttar Superannuation Pty Ltd	4,981,177	2.51
AWJ Family Pty Ltd	4,796,940	2.41
Mase Global Investments Limited	4,510,819	2.27
Octifil Pty Ltd	4,504,451	2.27
Hoeksteen Investments Limited	4,279,803	2.15
Mr Nicholas Dermott Mc Donald	4,177,452	2.10
Gulridje Pty Ltd	3,872,712	1.95
Chieftain Securities Pty Ltd	3,666,666	1.85
Mr Angus William Johnson + Mrs Lindy Johnson	3,636,667	1.83
Greenslade Holdings Pty Ltd	3,561,692	1.79
Corporate Property Services Pty Ltd	3,467,954	1.75
Mr Nicholas Dermott Mc Donald	3,000,000	1.51
Jetosea Pty Ltd	2,697,168	1.36
Mrs Susan Maree Whiting	2,625,000	1.32
Jimzbal Pty Ltd	2,500,001	1.26
Australian Executor Trustees Limited	2 500,000	1.26
	84,845,144	**42.70**

CORPORATE DIRECTORY

Unquoted equity securities

Security	Number on issue	Number of holders
Unlisted options with an exercise price of $0.06 expiring 31 December 2019	4,300,000	31
Unlisted options with an exercise price of $0.10 expiring 31 December 2020	4,300,000	31
Unlisted Class A Performance Shares	23,809,524	25
Unlisted Class B Performance Shares	23,809,524	25

Unlisted options represent options to acquire ordinary shares. Each option entitles the holder to acquire one ordinary share. The names of the holders of more than 20% the unlisted options are:

	Unlisted $0.06 options expiring 31 December 2019		Unlisted $0.10 options expiring 31 December 2020	
Option holder	**Options**	**% of total options on issue**	**Options**	**% of total options on issue**
Ismacate Pty Ltd	1,000,000	23.28%	1,000,000	23.28%
	1,000,000	**23.28%**	**1,000,000**	**23.28%**

Unlisted performance shares convert to the equivalent number of ordinary shares on the achievement specified milestones. The names of the holders of more than 20% the unlisted performance shares are:

	Class A Performance Shares		Class B Performance Shares	
Holder	**Number held**	**% of total Class A Performance Shares on issue**	**Number held**	**% of total Class A Performance Shares on issue**
MGC Pharmaceuticals Ltd	5,714,286	24.00%	5,714,286	24.00%
	5,714,286	**24.00%**	**5,714,286**	**24.00%**

C. Substantial shareholders

The Company has not received any current notices from Substantial shareholders in the Company.

D. Listed shares subject to voluntary escrow

There are no restricted securities as at 22 October 2018.

E. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CORPORATE DIRECTORY

Board of Directors

Mr Simon O'Loughlin	Non-Executive Chairman
Mr Simon Taylor	Non-Executive Director
Mr Stephen Kelly	Executive Director

Company Secretary
Mr Stephen Kelly

Registered Office and Principal Place of Business
Suite3, Level 7
100 Edward Street
Brisbane QLD 4000

Postal address
PO Box 5807
Brisbane QLD 4000

Website:
www.chesserresources.com.au

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

Phone number: 1 300 552 270

Stock Exchange
Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code
CHZ

Auditors
Pitcher Partners

CHESSER RESOURCES

Suite3, Level 7
100 Edward Street
Brisbane QLD 4000

chesserresources.com.au