

CHESSER RESOURCES LIMITED

ACN 118 619 042

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Tuesday, 26 February 2019

Time of Meeting

12.00pm (Australian Eastern Daylight Savings time)

Place of Meeting

**Level 5, 56 Pitt Street
Sydney NSW 2000**

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (**Meeting**) of the Shareholders of Chesser Resources Limited ACN 118 619 042 (**Company**) will be held on Tuesday, 26 February 2019 commencing at 12.00pm (Australian Eastern Daylight Savings time) at **Level 5, 56 Pitt Street NSW 2000**. Registration will commence immediately prior to the Meeting.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

ORDINARY BUSINESS

Resolutions

1. Ratification of prior issue of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,780,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Ratification of prior issue of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,246,800 Shares to Taylor Collison Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Taylor Collison Pty Ltd (or their nominees) or any associates of Taylor Collison Pty Ltd (or their nominees). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Ratification of prior issue of Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Options to Taylor Collison Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Taylor Collison Pty Ltd (or their nominees) or any associates of Taylor Collison Pty Ltd (or their nominees). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form,

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

4. Approval to issue Shares to Director – Mr Simon O’Loughlin

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Shares to Mr Simon O’Loughlin and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr O’Loughlin (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Approval to issue of Shares to Director – Mr Simon Taylor

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Shares to Mr Simon Taylor and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Taylor (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Approval to issue Shares to Director – Mr Michael Brown

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 525,000 Shares to Mr Michael Brown and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brown (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Approval to issue Shares to Director – Mr Stephen Kelly

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 395,000 Shares to Mr Stephen Kelly and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Kelly (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Approval to issue Options to Director – Mr Simon O’Loughlin

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Simon O’Loughlin and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Approval to issue Options to Director – Mr Simon Taylor

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Mr Simon Taylor and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this resolution, it is cast by the person

chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Approval to issue Options to Director – Mr Michael Brown

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Michael Brown and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. Approval to issue Options to Director – Mr Stephen Kelly

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

ordinary resolution:

"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 750,000 Options to Mr Stephen Kelly and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. Approval to issue Loan Funded Shares to Director – Mr Michael Brown

To consider and, if thought fit, pass the following **ordinary resolution**:

"That, for the purpose of section 195(4) of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue up to a maximum of 600,000 Loan Funded Shares to Mr Michael Brown (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brown (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - i. a member of the Key Management Personnel; or
 - ii. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, this prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorizes the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

ATTENDANCE AND VOTING AT THE MEETING

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company's share register at 7.00pm (Australian Eastern Daylight Savings time) on Sunday, 24 February 2019 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. No special resolutions have been proposed for this Meeting.

The passing of each Resolution arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, corporate representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, corporate representative or attorney, will have one vote for each Share held by that person.

Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 12.00pm (Australian Eastern Daylight Savings time) on Monday, 25 February 2019, being 24 hours prior to the commencement of the Meeting.

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

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

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
 - OR
 - (ii) by facsimile on 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia);
- (c) enter www.investorvote.com.au directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner

application for your smart phone; or

- (d) for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting www.intermediaryonline.com.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolutions 8 to 12 inclusive may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolutions 8 to 12 inclusive even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R (5) of the Corporations Act you must direct your proxy how to vote on Resolutions 8 to 12 inclusive, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Voting by corporate representative

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

DATED 21 January 2019

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

**STEPHEN KELLY
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the General Meeting of Shareholders of Chesser Resources Limited to be held on 26 February 2019 at 12.00pm (Australian Eastern Daylight Savings time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 21 January 2019.

BACKGROUND TO THE RESOLUTIONS

ORDINARY BUSINESS

1.	Resolutions 1 to 12 – Resolutions relating to share capital
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All of the Resolutions to be put to the General Meeting being Resolutions 1 to 12 (inclusive) are Resolutions relating to the Company's share capital.

Table 1 below sets out the potential dilutionary impact of Resolutions 1 to 12 (inclusive) on the Share capital of the Company.

Table 1 – Potential Dilutionary Effect of Resolutions 1 to 12

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options and Performance Shares (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
1,2,3	Current issued capital (including Shares and Options to be ratified pursuant to Resolutions 1,2 and 3)	220,709,981	220,709,981	100%	98%	58,219,048	58,219,048	100%	21%	278,929,029	278,929,029
4	Approval to issue Shares to Director - Simon O'Loughlin	1,000,000	221,709,981	0%	99%	-	58,219,048	0%	21%	1,000,000	279,929,029
5	Approval to issue Shares to Director - Simon Taylor	1,000,000	222,709,981	0%	99%	-	58,219,048	0%	21%	1,000,000	280,929,029
6	Approval to issue Shares to Director - Michael Brown	525,000	223,234,981	0%	100%	-	58,219,048	0%	21%	525,000	281,454,029
7	Approval to issue Shares to Director - Stephen Kelly	395,000	223,629,981	0%	100%	-	58,219,048	0%	21%	395,000	281,849,029
8	Approval to issue Options to Director - Simon O'Loughlin	-	223,629,981	0%	100%	750,000	58,969,048	1%	21%	750,000	282,599,029
9	Approval to issue Options to Director - Simon Taylor	-	223,629,981	0%	100%	1,000,000	59,969,048	2%	21%	1,000,000	283,599,029
10	Approval to issue Options to Director - Michael Brown	-	223,629,981	0%	100%	3,000,000	62,969,048	5%	22%	3,000,000	286,599,029
11	Approval to issue Options to Director - Stephen Kelly	-	223,629,981	0%	100%	750,000	63,719,048	1%	22%	750,000	287,349,029
12	Approval to issue Loan Funded Shares to Director - Michael Brown	600,000	224,229,981	0%	100%	-	63,719,048	0%	22%	600,000	287,949,029

The above tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Please refer to the explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

2. Resolution 1 – Ratification of prior issue of Shares

2.1 Background

On 3 January 2019, the Company completed a placement 20,780,000 Shares at an issue price of \$0.038 per Share to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act (**Capital Raising**). The allottees were professional and sophisticated applicants, as determined by the Board and broking firms who assisted in the Capital Raising, none of whom are related parties of the Company. 20,780,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1. The Shares were issued to eight investors as set out in Annexure C.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.3 Technical information

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 20,780,000 Shares were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.038 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act. The Shares were issued to eight investors as set out in Annexure C. None of these investors are related parties of the Company; and
- (e) \$789,640 was raised under the Capital Raising, the funds raised will be used by the Company for an RC exploration drilling program at the Diamba Sud project in Senegal and for general working capital purposes.

2.4 Board Recommendation

The Board recommends that Shareholders vote FOR Resolution 1.

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

3 Resolution 2 – Ratification of Prior Issue of Shares

3.1 Background

On 17 January 2019, the Company issued 1,246,800 Shares at an issue price of \$0.038 per Share to Taylor Collison Pty Ltd as full settlement of the brokerage fee of 6% of the funds raised pursuant to the Capital Raising referred to in Resolution 1 or \$47,378.40.

1,246,800 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

3.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 Technical information

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 1,246,800 Shares were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.038 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Taylor Collison Pty Ltd for brokerage services in relation to the Capital Raising completed on 3 January 2019 as described in Section 2.1 of this Explanatory Memorandum. Taylor Collison Pty Ltd are not a related party of the Company; and
- (e) the shares were issued in full settlement of a brokerage fee totaling \$47,378.40 due to Taylor Collison Pty Ltd in relation to the Capital Raising referred to in Resolution 1.

3.4 Directors Recommendation

The Board recommends that Shareholders vote **FOR** Resolution 2.

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

4 Resolution 3 – Ratification of Prior Issue of Options to Taylor Collison Pty Ltd

4.1 Background

On 3 January 2019, the Company issued 2,000,000 Options with an exercise price of \$0.05 and an expiry date of 30 November 2021 (subject to vesting conditions as set out in Annexure A) to Taylor Collison Pty Ltd for the provision of corporate broking services to the Company.

2,000,000 Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Technical information

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 2,000,000 Options were issued pursuant to ASX Listing Rule 7.1;
- (b) the terms of the Options are set out in Annexure A;
- (c) the Options were issued to Taylor Collison Pty Ltd for brokerage services in relation to the Capital Raising completed on 3 January 2019 (as described in Section 2.1 of this Explanatory Memorandum) and for general corporate broking services. Taylor Collison Pty Ltd are not a related party of the Company; and
- (d) no funds were raised as a result of the issue of the Options.

4.4 Directors Recommendation

The Board recommends that Shareholders vote **FOR** Resolution 3.

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

5 Resolutions 4 to 7 – Approval to issue Shares to Directors

5.1 Background

On 19 December 2018, the Company entered into agreements with its Directors whereby the Directors agreed to subscribe for Shares in the Company at a price of \$0.038 per Share, being the same price at which the placement of 20,780,000 Shares was made to non-related sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act as described in Section 2.1 of this Explanatory Memorandum.

A summary of the agreements entered into with Directors is presented below:

Director	Number of shares to be issued	Price per share	Funds to be paid by the Director
Simon O'Loughlin	1,000,000	\$0.038	\$38,000
Simon Taylor	1,000,000	\$0.038	\$38,000
Michael Brown	525,000	\$0.038	\$19,950
Stephen Kelly	395,000	\$0.038	\$15,010
	2,920,000		\$110,960

The completion of the agreements and issuance of the Shares is subject to Shareholder approval.

5.2 General

Pursuant to Resolutions 4-7 the Company is seeking Shareholder approval for the issue of up to 2,920,000 Shares to Directors at an issue price of \$0.038 per Share to raise up to \$110,960 (**Director Placement**).

Messrs O'Loughlin, Taylor, Brown and Kelly wish to participate in the Director Placement.

Resolutions 4-7 seek Shareholder approval for the issue of up to 2,920,000 Shares to Messrs O'Loughlin, Taylor, Brown and Kelly (or their nominees) arising from the participation by Messrs O'Loughlin, Taylor, Brown and Kelly in the Director Placement.

5.3 Chapter 2E of the Corporations Act

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

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

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

The issue of the Shares constitutes the giving of a financial benefit and each of the Directors to whom the Shares are proposed to be issued, is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Shares the subject of Resolutions 4 to 7 inclusive, because the proposed issue of Shares is on the same terms and conditions as Shares that were issued to non-related sophisticated investors at the same time that the agreements were entered into with the Directors and can therefore be considered to be on an arm's length basis.

5.4 ASX Listing Rule 10.11

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

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

5.5 Technical information

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Directors and / or their nominees pursuant to Resolutions 4 to 7 inclusive:

- (a) The names of the Directors to whom the Shares are to be issued are Mr Simon O'Loughlin, Mr Simon Taylor, Mr Michael Brown and Mr Stephen Kelly and /or their nominees;
- (b) the maximum number of Shares to be issued is 2,920,000 (being the nature of the financial benefit being provided) as set out in the table in section 5.1 of this Explanatory Memorandum;
- (c) the Shares will be issued at an issue price of \$0.038 and will raise \$110,960. The funds raised will be used by the Company for an RC exploration drilling program at the Diamba Sud Project in Senegal and for general working capital purposes;
- (d) the Shares will rank equally in all respects with existing the Company's existing fully paid ordinary Shares; and
- (e) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shares to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5.6 Directors Recommendation

The Board (with Mr O'Loughlin abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Board (with Mr Taylor abstaining) recommends that Shareholders vote **FOR** Resolution 5.

The Board (with Mr Brown abstaining) recommends that Shareholders vote **FOR** Resolution 6.

The Board (with Mr Kelly abstaining) recommends that Shareholders vote **FOR** Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolutions 4 to 7.

6 Resolutions 8 to 11 – Approval to issue Options to Directors

6.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue Incentive Options to the Directors (or their nominees). The Incentive Options, which will be subject to vesting conditions, will have an exercise price of \$0.05 and an expiry date of 30 November 2021. The terms of the Incentive Options are set out in the Chesser Resources Limited New Employee Option Plan (“**Employee Option Plan**”). Refer Annexure B for a summary of the key terms of the Employee Option Plan.

A summary of the Incentive Options proposed to be issued to Directors is set out below:

Options with an exercise price of \$0.05 and an expiry date of 30 November 2021 subject to the following vesting conditions	Simon O’Loughlin	Simon Taylor	Michael Brown	Stephen Kelly	Total
Immediately vesting	125,000	166,667	500,000	125,000	916,667
Vesting on 5 November 2019	125,000	166,667	500,000	125,000	916,667
Vest on achieving a 10-day VWAP of \$0.075 prior to 31 May 2020.	250,000	333,333	1,000,000	250,000	1,833,333
Vest on achieving a 10-day VWAP of \$0.10 prior to 31 May 2020.	250,000	333,333	1,000,000	250,000	1,833,333
	750,000	1,000,000	3,000,000	750,000	5,500,000

6.2 Chapter 2E of the Corporations Act

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

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

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

The issue of the Incentive Options constitutes the giving of a financial benefit and each of Messrs O’Loughlin, Taylor, Brown and Kelly, (the **Related Parties**) is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Incentive Options because the proposed issues are considered reasonable remuneration in the circumstances.

6.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

6.4 Technical information

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) Each of Messrs O'Loughlin, Taylor, Brown and Kelly are a related party of the Company by virtue of being a Director of the Company;
- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be issued is 5,500,000 as set out in the table in Section 6.1 of this Explanatory Memorandum.
- (c) the Incentive Options will be issued for nil cash consideration; accordingly, no funds will be raised;
- (d) the Employee Option Plan was approved by Shareholders on 28 November 2017. No Incentive Options have been issued under the Employee Option Plan to persons referred to in ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (e) as at the date of this Notice, the Related Parties are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Incentive Options under the Employee Option Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) no loans are being provided in connection with the issue of the Incentive Options;
- (g) the Incentive Options will be issued on the terms and conditions of the Employee Option Plan as summarised in Annexure B and subject to the vesting conditions set out in the table in Section 6.1 of this Explanatory Memorandum; and
- (h) the Incentive Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentive Options will be issued on one date.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Incentive Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Incentive Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6.5 Directors Recommendation

As Resolutions 8 to 11 are related to the remuneration of the key management personnel of the Company, the Directors make no voting recommendation regarding those resolutions.

The Chair intends to vote undirected proxies in favour of Resolutions 8 to 11.

7.1 General

On 5 November 2018, the Company announced that it had engaged the services of Mr Michael Brown as the Company's Managing Director. Pursuant to the terms of his appointment, Mr Brown is entitled acquire loan funded Shares to a value of \$30,000 at a price of \$0.05 per Share, being the market value of the Company's shares at the time of Mr Brown's appointment (**Loan Funded Shares**).

Pursuant to the terms of his appointment, Mr Brown will be provided an interest free limited recourse loan to assist in the purchase of the Loan Funded Shares. The loan will be limited recourse so that at any time (subject to any restrictions) Mr Brown may divest his Loan Funded Shares in full satisfaction of the loan balance.

The loan is repayable by Mr Brown as follows:

- (a) If Mr Brown disposes of any Loan Funded Shares, he shall make a principal repayment equal to the lesser of the proceeds received on disposal of the Loan Funded Shares and the number of Loan Funded Shares disposed of multiplied by \$0.05; or
- (b) If Mr Brown ceases to provide services to the Company, he shall repay the loan within one month of ceasing to provide services to the Company; or
- (c) On 30 November 2021.

In the event that repayment of the loan occurs pursuant to (b) or (c) above, the amount to be paid by Mr Brown in full settlement of the loan is the lesser of the outstanding principal amount of the loan or the market value of the Loan Funded Shares held by Mr Brown at the time that repayment is due.

7.2 Chapter 2E of the Corporations Act

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

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

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

The issue of the Loan Funded Shares constitutes the giving of a financial benefit and Mr Brown, is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Brown) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Loan Funded Shares because the proposed issue to Mr Brown is considered reasonable remuneration in the circumstances and was agreed as part of his remuneration package which was negotiated on an arm's length basis.

7.3 ASX Listing Rule 10.11

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

As the issue of the Loan Funded Shares involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 *Technical information*

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Loan Funded Shares to Mr Brown pursuant to Resolution 12:

- (a) Mr Brown will be issued 600,000 Loan Funded Shares at an issue price of \$0.05 per share. The Company will provide Mr Brown an interest-free non-recourse loan of \$30,000 for the sole purpose of acquiring the Loan Funded Shares.
- (b) The price the Loan Funded Shares will be issued at is \$0.05 per Share being the market value of the Company's shares as at 5 November 2018 being the date of Mr Brown's appointment.
- (c) As Mr Brown is being provided a loan for the sole purpose of acquiring the Loan Funded Shares, no funds will be raised by the Company at the time that the Loan Funded Shares are issued.
- (d) The Loan Funded Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing fully paid ordinary Shares.
- (e) Mr Brown will be provided an interest free limited recourse loan to assist in the purchase of Loan Funded Shares. The loan will be limited recourse so that at any time (subject to any restrictions) Mr Brown may divest his Shares in full satisfaction of the loan balance. A summary of the repayment terms of the loan is set out in section 7.1 of this Explanatory Memorandum.
- (f) The Loan Funded Shares will be issued to Mr Brown no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Loan Funded Shares will be issued on one date.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Loan Funded Shares to Mr Brown as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Loan Funded Shares to Mr Brown will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7.5 *Directors Recommendation*

The Board (with Mr Brown abstaining) recommends that Shareholders vote **FOR** Resolution 12.

The Chair intends to vote undirected proxies in favour of Resolution 12.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

AUD, \$, AU\$ are references to the Australian Dollar;

General Meeting or **Meeting** means the general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

Associate(s) has the meaning given in the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

Board means the board of Directors of the Company at the date of this Notice;

Capital Raising means the issue of 20,780,000 Shares to Sophisticated and Exempt Investors at \$0.038 per Share to raise \$789,640 as described in Section 2.1

Chair means the chair of the Meeting;

Company means Chesser Resources Limited ACN 118 619 042;

Constitution means the constitution of the Company in effect at the time of the Meeting;

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

Directors means the directors of the Company as at the date of this Notice of Meeting, being Simon O'Loughlin, Simon Taylor, Michael Brown and Stephen Kelly;

Director Options or Incentive Options means the options proposed to be issued to the Directors and / or their nominees pursuant to Resolutions 8 to 11 subject to the terms of the Employee Option Scheme as summarised in Annexure B.

Director Placement means the Shares proposed to be issued to the Directors and / or their nominees pursuant to Resolutions 4 to 7 on the terms and conditions set out in Section 5.1.

Employee Option Plan means the Chesser Resources Limited New Employee Option Plan approved by shareholders on 28 November 2017.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Exempt Investors means an investor to whom securities can be issued without a disclosure document.

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Listing Rules means the official Listing Rules of ASX;

Loan Funded Shares means the Loan Funded Shares to be issued to Mr Michael Brown pursuant to Resolution 12;

Notice of Meeting means the notice of general meeting dated 21 January 2019 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means a valid proxy form for this General Meeting (unless the context otherwise requires);

Resolution or Resolutions means the resolutions referred to in the Notice of Meeting;

Share means a fully paid ordinary share in the Company;

Shareholder means a holder of Shares.

ANNEXURE A - TERMS OF OPTIONS ISSUED TO TAYLOR COLLISON PTY LTD

Each option entitles the holder to one ordinary share in the Company.

1. The following Options shall be issued as follow the following tranches:
 - a) 16.666% of the incentive options to be issued shall be exercisable at A\$0.05 each on or before 30 November 2021, vesting immediately
 - b) 16.666% of the incentive options to be issued shall be exercisable at A\$0.05 each on or before 30 November 2021, vesting on 5 November 2019.
 - c) 33.334% of the incentive options to be issued shall be exercisable at A\$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of \$0.075 prior to 31 May 2020
 - d) 33.334% of the incentive options to be issued shall be exercisable at A\$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of \$0.10 prior to 31 May 2021
2. Options not exercised before the expiry of the exercise period will lapse.
3. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
4. The Company will not apply to ASX for official quotation of the options.
5. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the option holder dies, the legal personal representative of the deceased option holder may:
 - (i) elect to be registered as the new holder of the options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

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

Where:

A = the new exercise price of the option;

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

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

ANNEXURE B - SUMMARY OF KEY TERMS OF EMPLOYEE OPTION PLAN

The key terms of the Employee Option Plan are set out below:

<i>Eligibility</i>	The Board may offer options under the Employee Option Plan to full-time or part-time employees, directors, consultants and/or contractors of any member of the Company's group (being the Company and its subsidiaries) (a holder of options under the Employee Option Plan, being a Participant).
<i>Nature of option</i>	Each option represents a conditional right (see below <i>Vesting</i>) to be issued or transferred one (1) Share.
<i>Issue Price</i>	There is no fee payable by the Participant on the grant of the options.
<i>Vesting</i>	An option may only be exercised when the vesting conditions attaching to that option have been satisfied or waived.
<i>Option Exercise Price</i>	The option exercise price will be determined by the Board at the time it resolves to grant options under the Employee Option Plan, having regard to such matters that the Board considers appropriate.
<i>Cashless Exercise Mechanism</i>	A participant may, at their election, exercise their vested options by choosing to receive (in Shares) only the positive difference between the exercise price and the Company's share price at exercise, determined by using a volume weighted average price over the 5 trading days immediately preceding the Exercise Date. This mechanism will not change the fundamental entitlement of participants nor does it result in a more favourable economic outcome than if the participant were to pay the exercise price in respect of all their options.
<i>Expiry Date</i>	A participant's options will expire on the expiry date determined by the Board which shall be no later than the 6 th anniversary of their grant date.
<i>Transfer</i>	Options cannot be transferred except with the written consent of the Board.
<i>Quotation</i>	<p>Options will not be quoted on the ASX. The Company will make an application to the ASX for official quotation of the Shares (if any) issued to a participant on the exercise of the options.</p> <p>A copy of the Employee Option Plan's governing rules is available for review by Shareholders at the registered office of the Company. A copy of the rules can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries.</p>

ANNEXURE C – SCHEDULE OF INVESTORS IN CAPITAL RAISING

Registered Shareholder	Number of Shares
Torres Investments Pty Ltd	1,500,000
Craig Parry	525,000
GAC McLelland Pty Ltd	525,000
Antman Holdings Pty Ltd	525,000
SvR Capital GmbH	525,000
TAYCOL Nominees Pty Ltd	15,639,211
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,290,789
RAM PLATINUM PTY LTD	250,000
	20,780,000



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

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the Notice of Meeting online

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

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

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



For your vote to be effective it must be received by 12:00pm (AEDST) Monday, 25 February 2019

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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



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



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

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

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Chesser Resources Limited to be held at **Level 5, 56 Pitt Street, Sydney NSW 2000 on Tuesday, 26 February 2019 at 12:00pm (AEDST)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 8, 9, 10, 11 & 12** (except where I/we have indicated a different voting intention below) even though **Items 8, 9, 10, 11 & 12** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 8, 9, 10, 11 & 12** by marking the appropriate box in step 2 below.

STEP 2

Items of Business



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

ORDINARY BUSINESS		For	Against	Abstain			For	Against	Abstain
1	Ratification of prior issue of 20,780,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval to issue Options to Director – Mr Michael Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of prior issue of 1,246,800 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval to issue Options to Director – Mr Stephen Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of prior issue of 2,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval to issue Loan Funded Shares to Director – Mr Michael Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to issue Shares to Director – Mr Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Approval to issue of Shares to Director – Mr Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Approval to issue Shares to Director – Mr Michael Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval to issue Shares to Director – Mr Stephen Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Approval to issue Options to Director – Mr Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Approval to issue Options to Director – Mr Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

CHZ

1 2 3 4 5 6 A

Computershare +