

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 31 MARCH 2019

Chesser Resources Limited ("Chesser" or the "Company") is pleased to present its Quarterly Activities Report for the three months ended 31 March 2019. The Company's primary focus during the reporting period continued to be on the advancement of its Diamba Sud gold Project in Senegal.

HIGHLIGHTS

- Commenced and completed the first phase ("Phase 1") of a planned two-phase Reverse Circulation (RC) drill program at Diamba Sud, testing high-grade gold auger anomalies.
- Phase 1 comprised 4,671 metres (70 RC holes) of drilling - completed at the end of March.
- Assays from the first 12 holes from Phase 1 drilling were announced during the quarter, confirming the presence of shallow, high-grade gold in oxide material and mineralised fresh rock, with best intersections including:
 - **18m at 5.61g/t gold** from 6m, including **8m at 11.84g/t gold** from 14m (*oxides*),
 - **10m at 2.72g/t gold** from 19m, including **1m at 16.30g/t gold** from 23m (*oxides*),
 - **8m at 3.48g/t gold** from 34m, (*in fresh rock*)
 - **11m at 1.16 g/t gold** from 19m (*oxides*).
- The high-grade mineralisation intersected in Hole DSR018 (**8m at 3.48g/t gold** from 34m) transitioned into fresh rock before being terminated due to excess water, ending in mineralisation. The excess water, and nearby holes also being terminated prior to target depth, likely indicates proximity to a large structure.

JUNE QUARTER 2019 – PLANNED ACTIVITY

- The Company expects a steady stream of results from Phase 1 of its drilling program with assays pending.
- An induced polarisation (IP) geophysical survey over the Northern Arc target is planned for commencement by the end of April to assist with the interpretation of the results and search for possible host structures.
- Following completion of the compilation and interpretation of drill results and geophysics, the second stage of RC drilling ("Phase 2") is expected to commence.

CORPORATE

- All resolutions put to shareholders at the Company's General Meeting on 26 February 2019 were carried.
- Upon approval of shareholders, the Company issued 2.92 million shares to Directors, raising funds of \$110,960.
- Chesser held cash of \$1.163 million at 31 March 2019.

DIAMBA SUD – PHASE 1 DRILLING PROGRAM

The Company has two phases of RC drilling planned at Diamba Sud, intended to test previously identified high-grade gold auger anomalies and to better understand the style, nature, potential host and controls on mineralisation.

Phase 1 of the drilling program (70 holes for 4,671m) was completed during the Quarter and was focused on the northern block of Diamba Sud (DS1) which hosts a broad 4.5km by 4km ring-like gold auger geochemical anomaly (Figure 1). The anomaly is interpreted as containing at least three principal trends which are high-priority targets for the drilling program.

Phase 1 began in late January 2019 and drilling was completed at the end of March with 4,671 metres drilled.

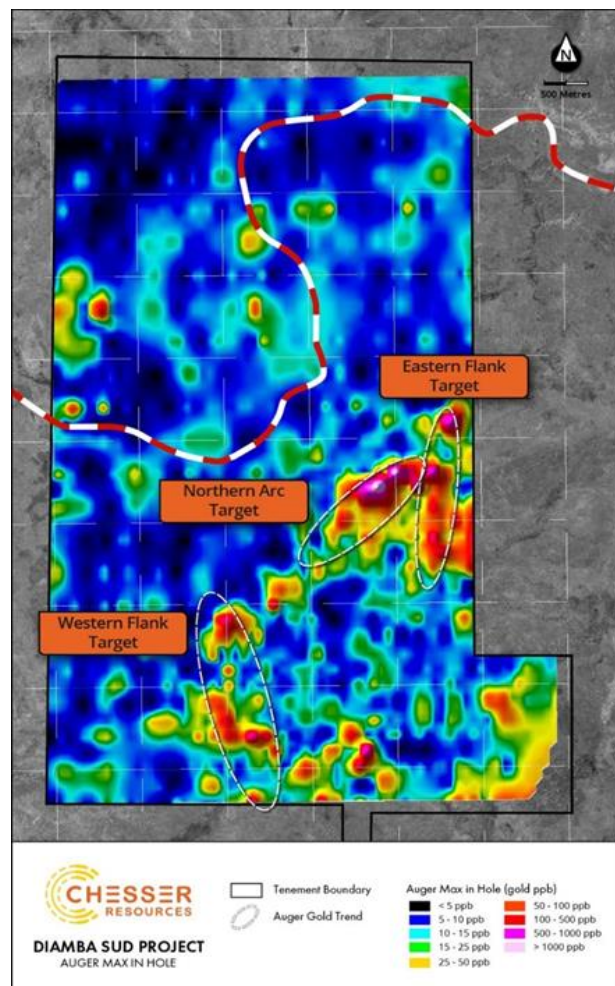


Figure 1: Diamba Sud Project, showing location of priority targets for Phase 1 drilling over maximum gold in saprolite values.¹

¹ Refer to ASX announcements dated 22 February 2018, 28 May 2018 and 27 August 2018 for details of exploration results for the Diamba Sud Project reported in Figures 1 and 2. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

DIAMBA SUD – DRILLING RESULTS (DETAILED)

During the period, results from the first 12 holes were announced with assays from the remaining 58 holes pending at quarter end. A summary of significant results is presented in Table 1².

Assays were announced from the first drill traverse (Line D - Figure 2) across the NE trending 2.5km by 1km **Northern Arc** target. This target marks the northern part of the ring-like anomaly, possibly related to the contact of an inferred granitoid intrusive and country rocks. Holes were drilled on a SE azimuth, close to perpendicular to the inferred trend.

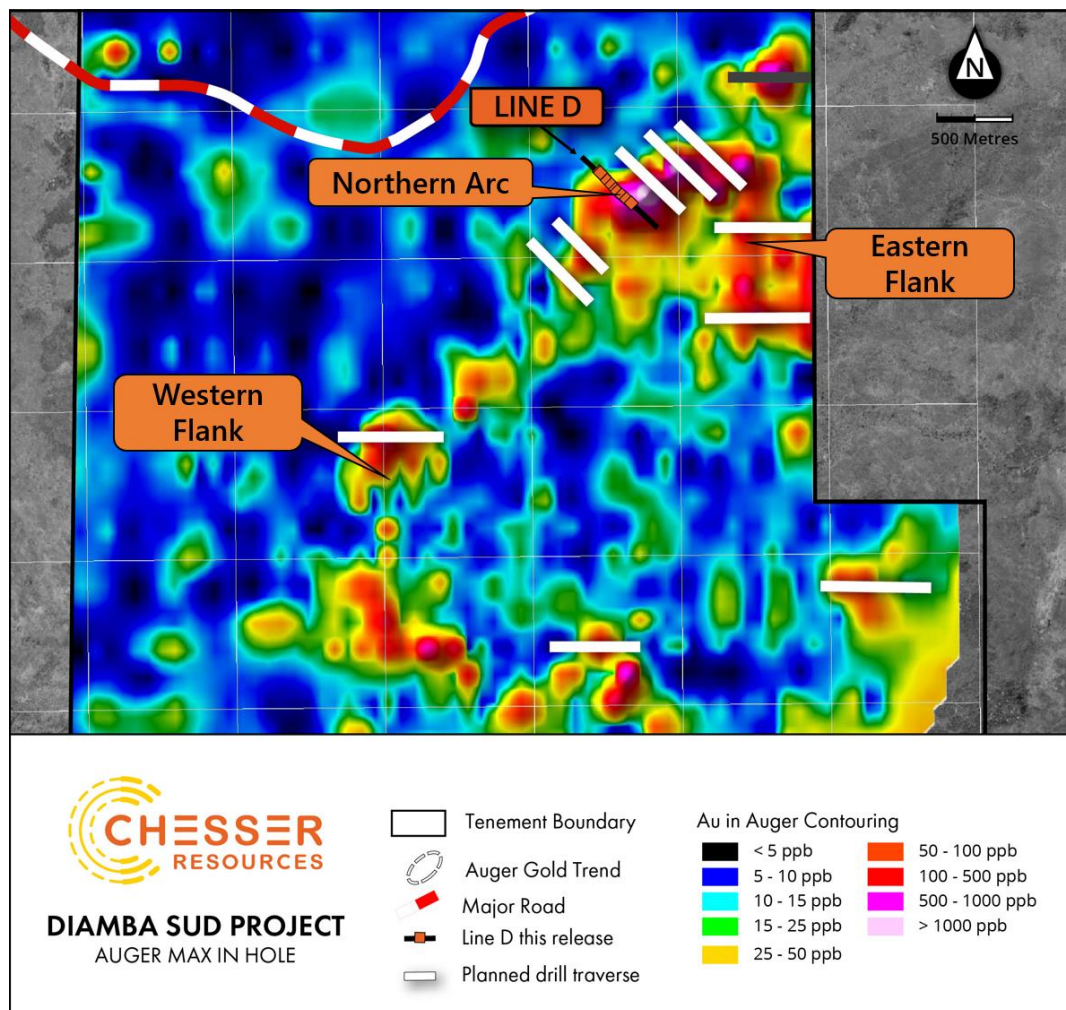


Figure 2: Location of RC holes and planned traverses for Phase 1 drilling program.

The most significant gold intercepts thus far come from saprolitic material at very shallow levels. Mineralisation in fresh rock was intersected in a number of styles; a) one hole intersected high grade gold in both oxide and fresh rock before being stopped due to excess water, b) numerous narrow intersections of reasonable gold grades, and c) several wide zones of low-grade mineralisation (Figure 3).

² Refer to ASX announcement dated 25 March 2019. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

DSRC021 was abandoned due to poor ground at 21m, as such any extension of mineralisation encountered in DSRC22 remains untested. Notably, holes DSRC014-18 were stopped short due to poor ground conditions (excessive clay and water), which may coincide with the presence of a structure.

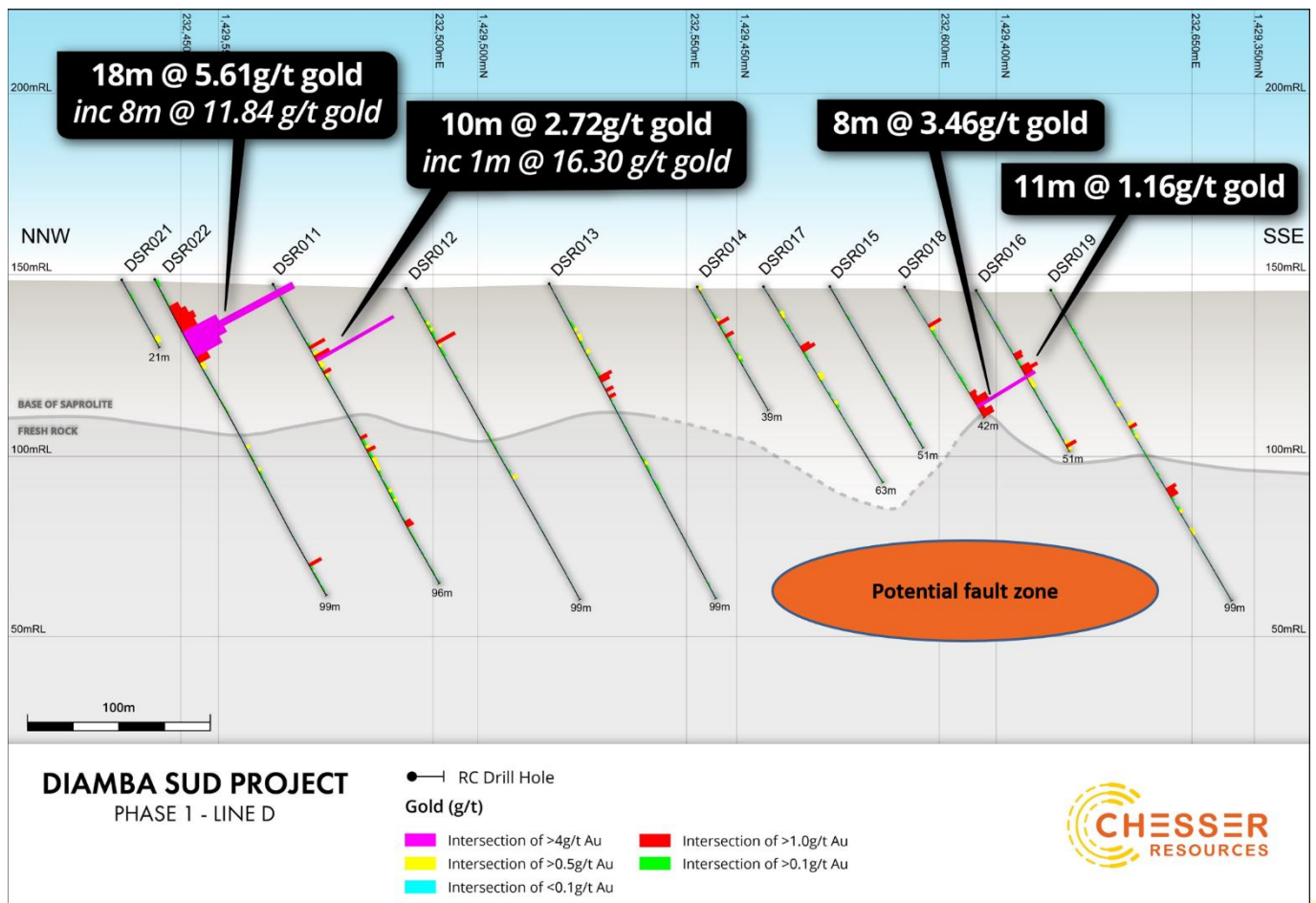


Figure 3: Section of Line D RC Drilling looking to northeast, showing significant intercepts. Solid/dashed line shows saprolite boundary.

TABLE 1: SUMMARY OF SIGNIFICANT MINERALISED INTERSECTIONS FROM DIAMBA SUD

Hole ID	From	To	Interval (m)	Gold (g/t)
DSR011	19	29	10	2.72
<i>Including</i>	23	24	1	16.3
	48	49	1	1.28
	51	52	1	1.21
	75	77	2	1.25
DSR012	16	18	2	2.19
DSR013	28	35	7	1.59
DSR014	10	11	1	2.15
	14	15	1	1.57
DSR016	19	30	11	1.16
	47	50	3	1.11
DSR017	18	20	2	2.21
DSR018	12	14	2	1.8
	34	42	8	3.48*
DSR019	41	43	2	1.18
	62	64	2	1.68
DSR020	22	24	2	1.00
	36	38	2	1.18
DSR022	6	24	18	5.61
<i>Including</i>	14	22	8	11.84
<i>Including</i>	16	18	2	22.1

Intervals are reported using a threshold of 1 g/t or greater average over the interval and selecting all material greater than 0.5 g/t. No interpretation can be made regarding true widths of the interval.

**hole ended in mineralisation.*

DRILLING PROGRESS - NEXT STEPS

A large volume of assays are yet to be received and interpreted, with results to be announced when available. Following interpretation of all results from the Phase 1 program and completion of the proposed IP program, a follow-up phase of RC drilling is being planned (Phase 2), to further test any zones of interest from Phase 1 and other targets, subject to the onset of the wet season.

GENERAL MEETING

Chesser held its General Meeting on 26 February 2019 with all resolutions passed on a show of hands. Shareholders approved the issuance of 2,920,000 shares to be taken up by Directors, raising \$110,960 (Table 2).

TABLE 2 –DIRECTORS SHARE ISSUANCE (AS APPROVED BY SHAREHOLDERS)

Director	Number of shares to be issued	Price per share	Funds to be received by the Company
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

MARKETING ACTIVITY

During the quarter, an updated Company website was deployed as well as the development of the first corporate presentation since the acquisition of the Company's Senegal assets. This new collateral will assist with the marketing of the Company and is especially important with the upcoming results newsflow. The Company attended the 121Mining Investors Conference in Cape Town and PDAC in Toronto.

CORPORATE ACTIVITIES

Chesser held cash of circa \$1.163 million at 31 March 2019.

MARCH 2019 QUARTER ASX ANNOUNCEMENTS

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

- | | |
|---|------------------|
| • Drilling Underway at Diamba Sud Project | 31 January 2019 |
| • Corporate Presentation | 4 February 2019 |
| • Results of Meeting | 26 February 2019 |
| • Diamba Sud drilling delivers high-grade gold mineralisation | 25 March 2019 |

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

SCHEDULE OF MINING TENEMENTS

As at 31 March 2019, the Company had interest in the following tenements:

TENEMENT	LOCATION	INTEREST
Diamba Sud	Senegal	100%
Diamba Nord	Senegal	100%
Youboubou	Senegal	100%

-ENDS-

FOR FURTHER INFORMATION PLEASE CONTACT:**Mike Brown**

Managing Director

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Stephen Kelly

Company Secretary

Email: Stephenk@chesserresources.com.au

PH: 0415 719 695



COMPETENT PERSON STATEMENT

The information in this presentation that relates to Exploration Results is based on information compiled by geologists employed by Boya SAU (a wholly owned subsidiary of Chesser Resources) and reviewed by Mr Michael Brown, who is a member of the Australian Institute of Geoscientists (MAIG). Mr Brown is the Managing Director of Chesser Resources Limited. Mr Brown is considered to have sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration, and to the activity that he is undertaking to qualify as a Competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the 2012 JORC Code). Mr Brown consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. Mr Brown directly holds 1,125,000 fully paid ordinary shares in the Company and has a direct ownership in 3,000,000 unlisted options to acquire ordinary shares in the Company.

FORWARD LOOKING STATEMENTS

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

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

ABOUT CHESSER RESOURCES

Chesser Resources is an ASX listed exploration company with gold projects located in Senegal, West Africa. The Company's focus is its extensive landholding of gold projects within Senegal's most prospective gold belts. The Company has a corporate office located in Brisbane, Australia and a corporate and technical team based in Dakar, Senegal.

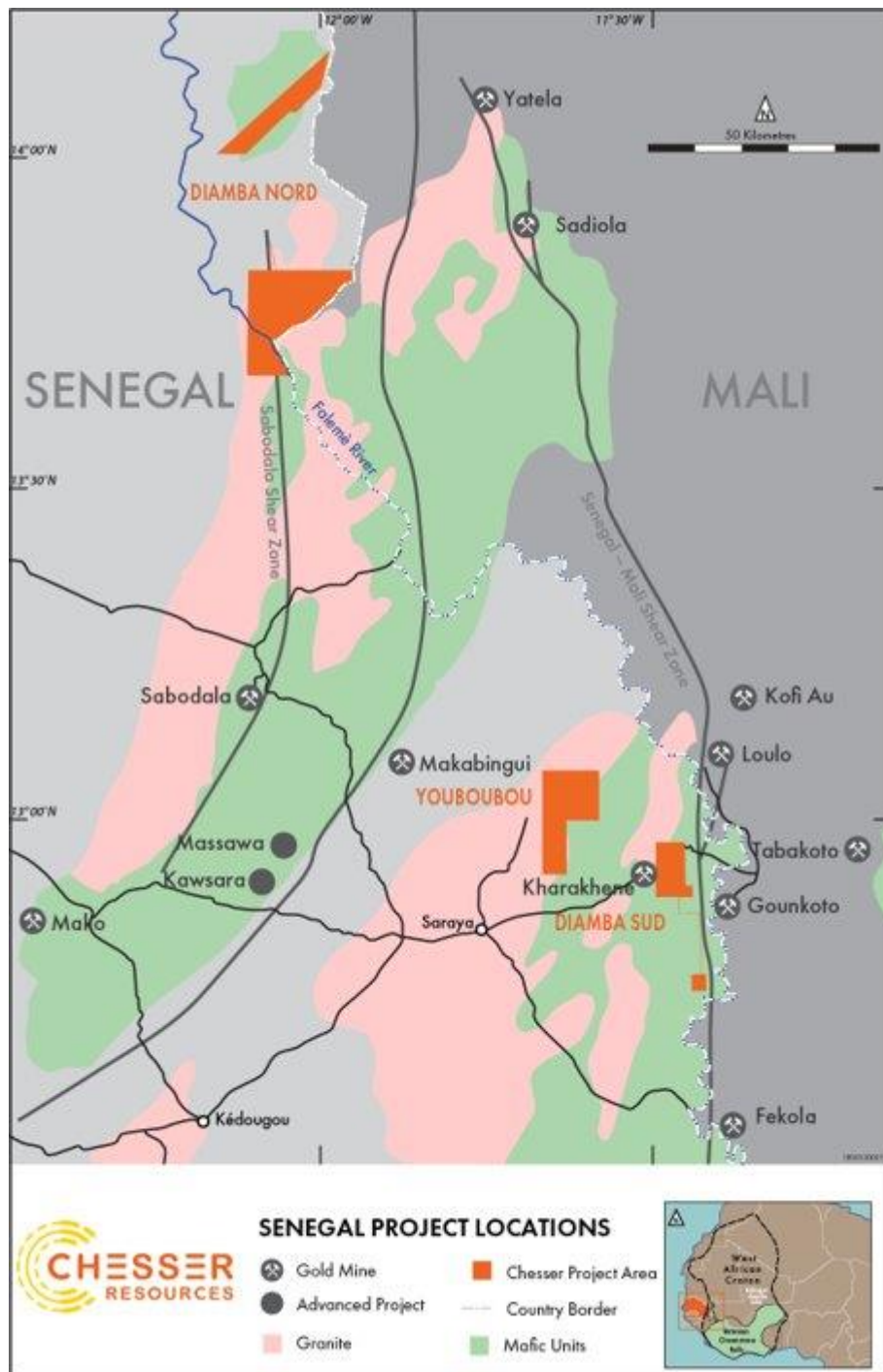


Figure 4 – Chesser Gold Project locations in Senegal

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CHESSER RESOURCES LIMITED

ABN

14 118 619 042

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(473)	(1,260)
(b) development	-	-
(c) production	-	-
(d) staff costs	(138)	(385)
(e) administration and corporate costs	(90)	(374)
1.3 Dividends received (see note 3)		-
1.4 Interest received		-
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(702)	(2,023)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(16)	(64)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(16)	(64)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	764	899
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(14)	(24)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	750	875

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,131	2,386
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(702)	(2,023)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(64)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	750	875
4.5	Effect of movement in exchange rates on cash held	-	(11)
4.6	Cash and cash equivalents at end of period	1,163	1,163

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,163	1,131
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,163	1,131

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	125
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of Non-Executive Directors' fees and remuneration paid to the Executive Directors.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/a

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(225)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(139)
9.5	Administration and corporate costs	(130)
9.6	Other	-
9.7	Total estimated cash outflows	(494)

Note: Expenditure in the March quarter reflected costs related to the Phase 1 RC drill program at Diamba Sud which was completed during the March Quarter. Expenditure in the June and September quarters is forecast to be lower than in the March quarter due to the expected onset of the wet season in July.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/a	N/a	N/a	N/a
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a	N/a	N/a	N/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 30 April 2019

(Director/Company secretary)

Print name: Stephen Kelly

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.