

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 30 JUNE 2020

Chesser Resources Limited ("Chesser" or the "Company", ASX:CHZ) is pleased to present its Quarterly Activities Report for the three months ended 30 June 2020. The Company's primary focus during the reporting period continued to be the advancement of its Diamba Sud gold Project in Senegal.

HIGHLIGHTS

Recent drill program

- The Company undertook a 4,021m reverse circulation (RC) drill program, designed to further test prospective targets identified at Diamba Sud including; extensions of the high-grade structure identified at Area A trending towards Barrick's Bambadji JV tenement boundary, the mineralised structure at Area D that is parallel to the apparent mineralisation trend and the untested Western Splay area.

Area A drill results

- The Company reported first drill assay results (12 RC holes totalling 1,185m) from the Area A discovery within the Northern Arc target.
- **Two high-grade gold structures were identified and confirmed over 250m strike length.** Significant results included:

Eastern Structure:

- **23m at 3.50 g/t gold** from 96m, including
 - **6m at 5.44 g/t gold from 96m, and**
- **6m at 5.60 g/t gold** from 110m

Western Structure:

- **15m at 3.39 g/t gold** from 117m and ending in mineralisation
- **Additional high-grade intercepts from within the existing Area A footprint included:**
 - **8m at 2.90 g/t gold** from 0m (oxide)
 - **12m at 3.86 g/t gold** from 14m (oxide), including
 - **4m at 10.67 g/t gold**
 - **15m at 2.98 g/t gold** from 72m, including
 - **4m at 7.35 g/t gold** from 80m
 - **24m at 3.29 g/t gold** from 94m, including
 - **8m at 6.81 g/t gold** from 95m
- Two drill lines testing the southeast extension of Area A intersected alteration and sulphides in the host structure trending towards Barrick's adjoining Bambadji JV area.

- The discovery exhibits an alteration style that is analogous to other large systems and Tier 1 operations on the Senegal Mali Shear Zone (SMSZ) with **strong indications it is part of, or proximal to, a large hydrothermal system.**

Western Splay area results (reported subsequent to Quarter end)

- Results from 4 initial reverse RC holes at the Western Splay target area successfully intersected a mineralised structure, approximately 5km to the southwest of the discovery at Area A.
- Drilling intersected approximately **11m wide mineralised structure (true width)** with hole DSR145 returning **22m at 2.12 g/t gold** from 36m, including **1m at 13.90 g/t gold** from 54m.
- The structure appears to be sub-parallel to the Western Splay structure, with an indicated strike length of 500m open in both directions.

Drill Results Pending

- Drill assay results are pending from the Western Splay area, Area D, the anomaly located between Area A and D, the additional holes planned at Area A and a line of holes on the southeast extension of Area A near the tenement boundary.

Corporate

- Cash reserves of approximately \$1.3 million at 30 June 2020 to increase following a **strongly supported share placement to sophisticated and institutional investors to raise gross proceeds of \$6.0 million**, undertaken in early July and expected to be completed by 31 August 2020.
- **Well-funded for additional large-scale drilling programs** to advance the high-grade gold discovery at Diamba Sud Gold Project.
- During the Quarter, experienced investment banking professional **Mr. Robert Greenslade was appointed as a Non-Executive Director.**
- Subsequent to the Quarter end, seasoned executive **Mr. Mark Connelly was appointed as a Non-Executive Chairman.** Mr. Connelly has an impressive track record in African gold exploration and development, including the US\$570 million merger of Papillon Resources with B2 Gold Corp in 2014. He was Chairman of privately owned Toro Gold, which operated Senegal's second largest gold mine, until it was acquired by Resolute Mining in 2019.

Regional Activity

- Oriole Resources reported that IAMGOLD had commenced a 10,000m drill program on their Fare prospect on the Senala JV, which lies to the west of Diamba Sud. Results from the program are anticipated in the fourth quarter of this year.

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DIAMBA SUD – EXPLORATION ACTIVITIES

During the June Quarter the Company commenced and completed a circa 4,000m RC drilling program to test the following highly prospective targets:

- Extensions of the interpreted structure hosting the Area A high-grade discovery towards the Bambadji permit boundary (Figure 2);
- South eastern extension of the mineralised host structure identified at Area D; and
- The untested Western Splay target area.

The Northern Arc target within Chesser's flagship Diamba Sud Project is located adjacent to the prolific Senegal-Mali shear zone (SMSZ) and proximal to both Barrick's world class Loulo-Goukoto mine and the Barrick / IAMGOLD Bambadji Joint Venture. (Figure 1).

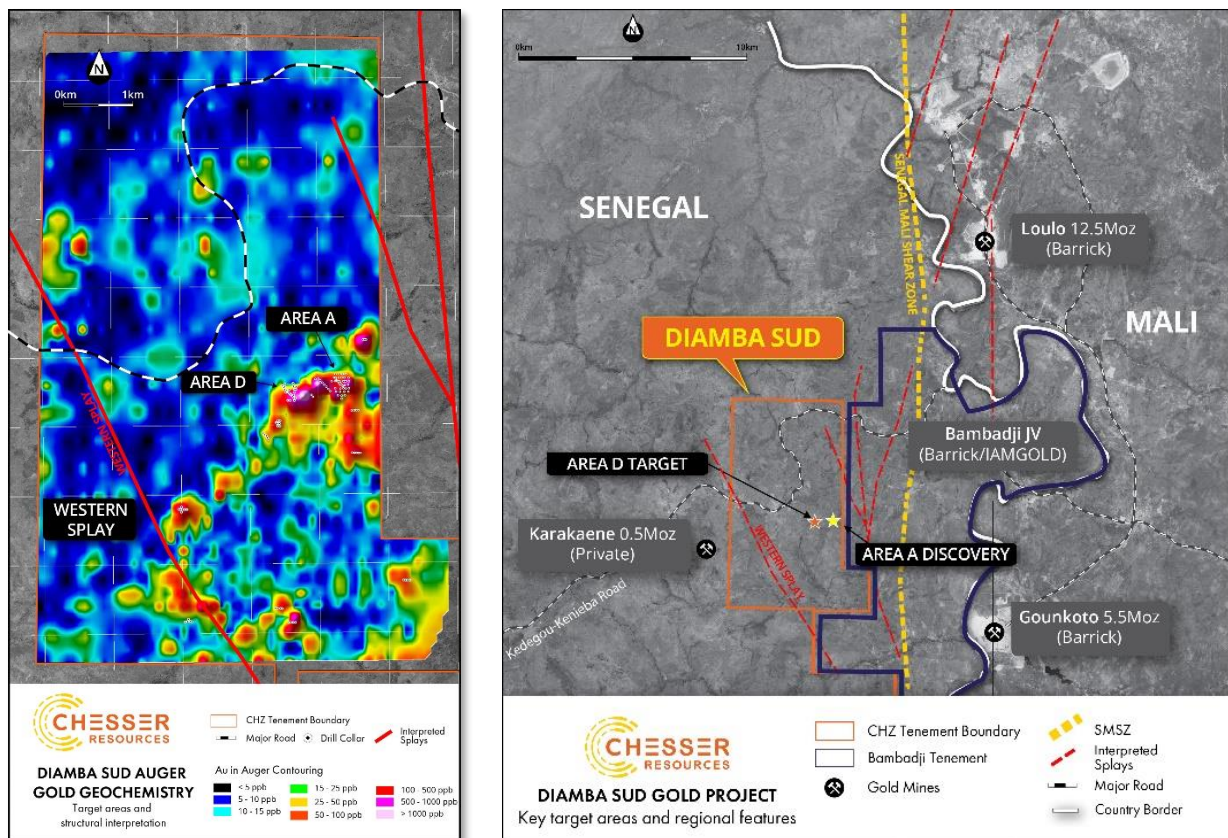


Figure 1: Diamba Sud Gold Project location (RHS), auer geochemical anomalies with respect to significant mining operations, the SMSZ and associated splay structures (LHS)¹

¹ Refer to ASX announcements 22 February 2018, 28 May 2018 and 27 August 2018 and 25 March 2019 for details of exploration results for the Diamba Sud auer drilling program. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

Area A Drilling

Initial results from Area A successfully identified new, potentially significant, extensions to the previously reported gold mineralisation.

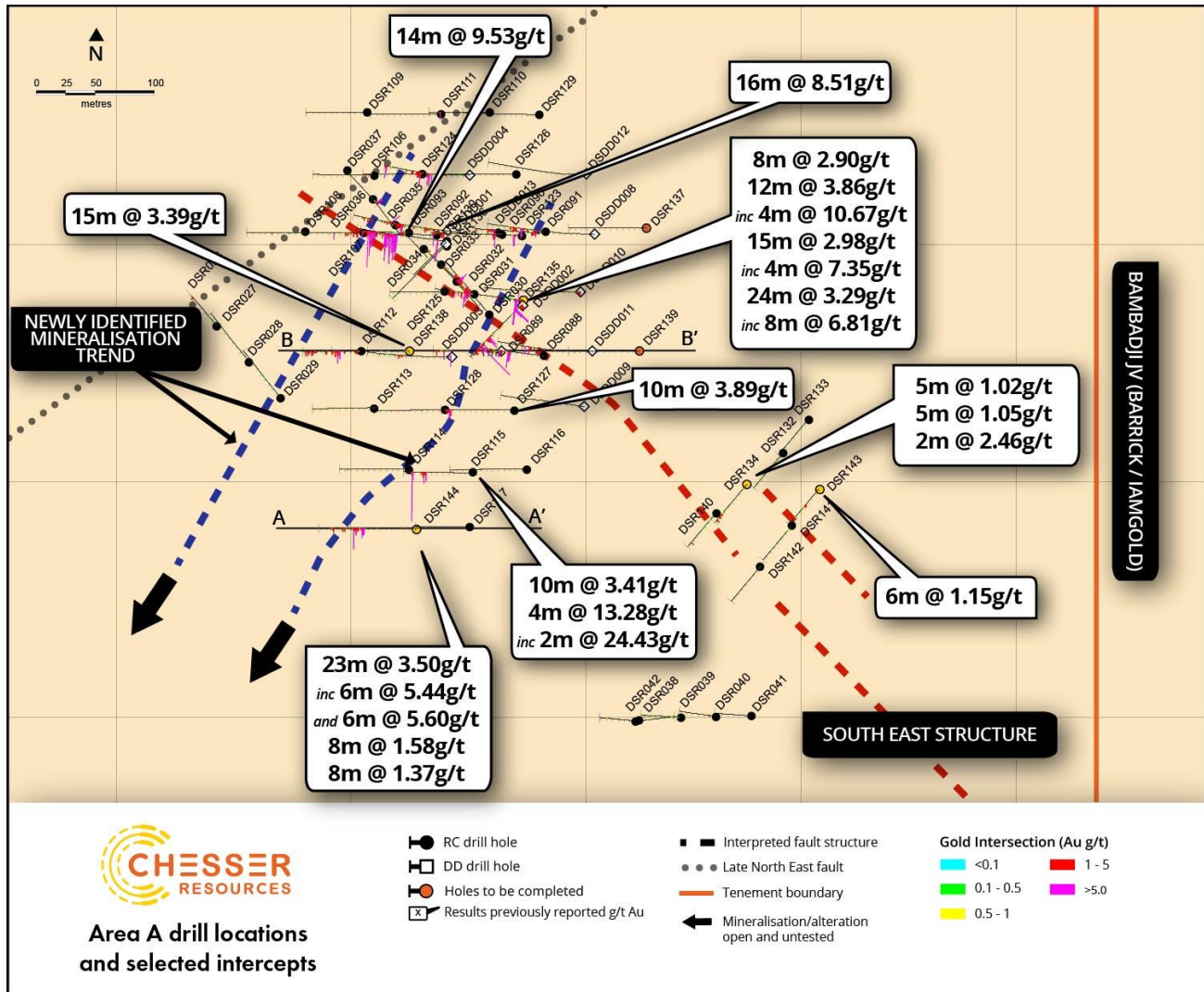


Figure 2: Results from initial Area A drilling, showing selected significant results. Newly interpreted parallel NNE trending structures are hosting mineralisation on the western side and remain open to the SSW. Parallel substructures are interpreted to represent the SE trending structure through the more competent granodiorite on the south eastern extension of Area A and appear to continue towards the Bambadji tenement (Barrick JV).²

New NNE Mineralised Structural Trend

Drilling confirmed the presence of a potentially significant structural trend. Hole DSR144 intersected a wide zone of gold mineralisation along an interpreted north-northeast trend previously reported to the north in holes DSR115 (10m at 3.41 g/t and 4m at 13.28 g/t gold)³ and DSR127 (10m at 3.89 g/t gold)⁴ (Figure 2).

² Refer to ASX announcements 25 March 2019, 10 April 2019, 6 May 2019, 14 May 2019, 26 August 2019, 3 September 2019, 21 January 2020 and 21 March 2020 for details of previously released exploration results for the Diamba Sud project. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

³ Refer to ASX announcement 21 January 2020. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

⁴ Refer to ASX announcement 2 March 2020. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

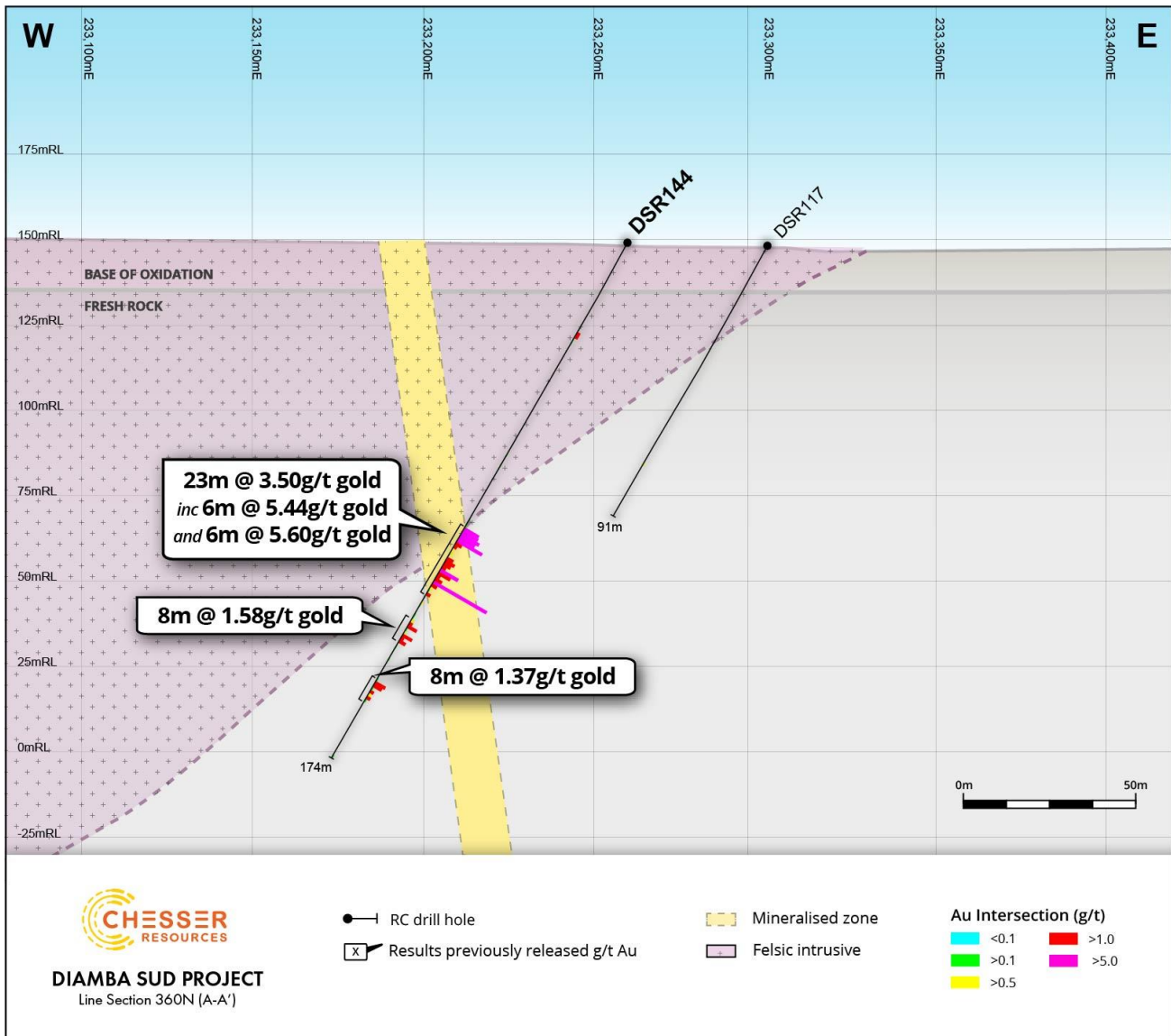


Figure 3: Section 360N looking north, showing mineralised zone (the Eastern NNE structure) within altered sedimentary breccia underlying a felsic intrusive.

Gold mineralisation is hosted within altered sedimentary breccias underlying a felsic intrusive (Figure 3) and is characterised by pyrite mineralisation associated with albite-carbonate-hematite alteration, typical of the assemblages found associated with other tier 1 gold deposits along the SMSZ orogenic gold belt. Significant intersections included:

- **23m at 3.50 g/t gold** from 96m, including
 - **6m at 5.44 g/t gold** from 96m, and
 - **6m at 5.60 g/t gold** from 110m
- **8m at 1.58 g/t gold** from 127m
- **8m at 1.37 g/t gold** from 147m

The host structure and associated gold mineralisation remains open to the south-southwest and is a priority target for follow-up drilling.

Hole DSR138 was drilled under and potentially down-dip of the gold mineralisation previously reported in hole DSR112 (**10m at 1.90 g/t gold from 78m and 9m at 1.84 g/t gold from 90m**)⁵ within the felsic intrusive (Figures 2 and 4). The hole successfully intersected **15m at 3.39 g/t gold** from 117m within an altered sedimentary breccia, *with the hole ending in mineralisation*.

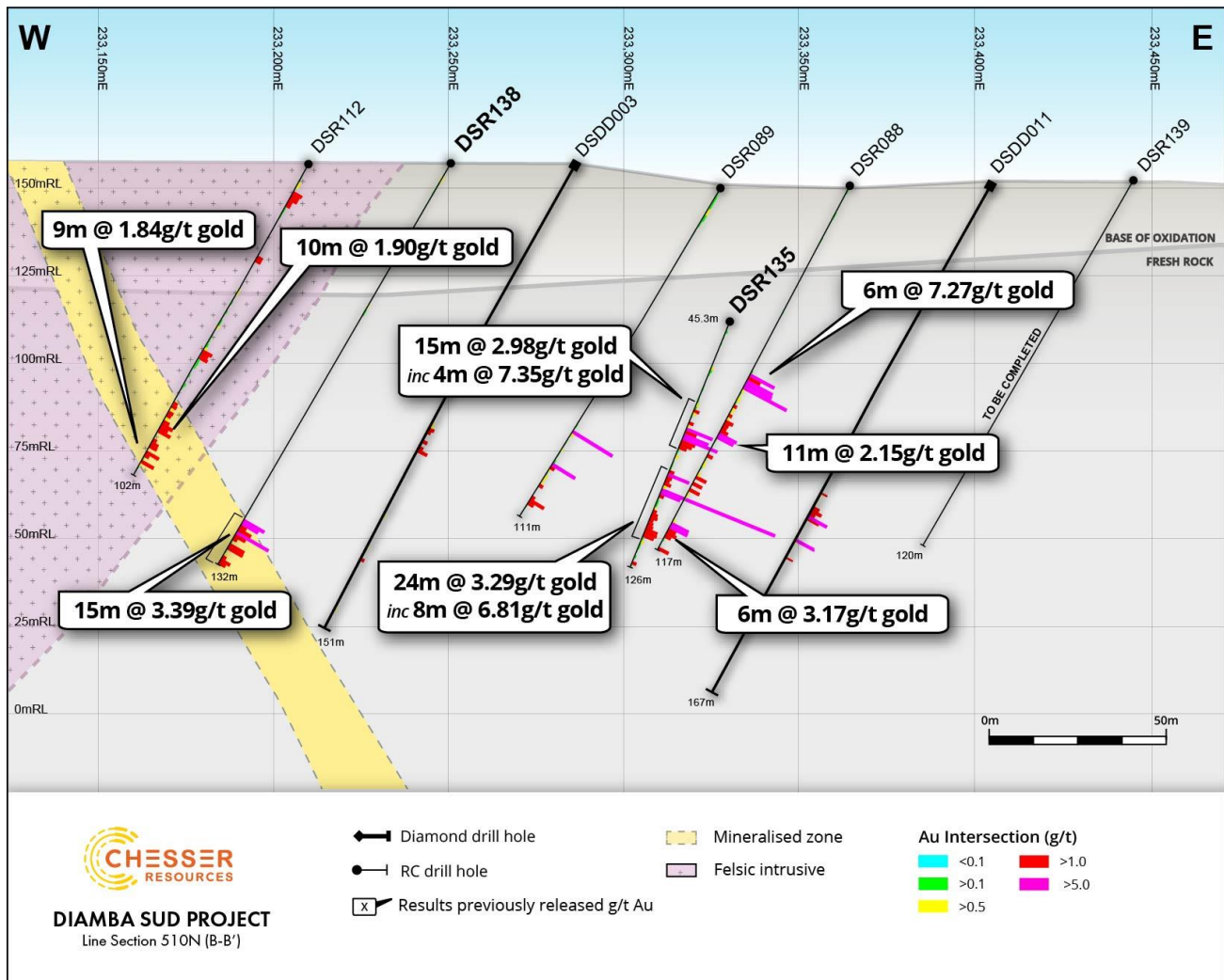


Figure 4: Section 510N, showing mineralised zone representing the western NNE structure intersected in DSR138 (ending in mineralisation). Hole DSR135, drilled to the SW and passing through the section, confirmed the alteration and high-grade mineralisation encountered in previous drilling.⁶

The gold mineralisation appears related to a potential steep, east-dipping structure trending sub-parallel to the interpreted north-northeast structure intersected in holes DSR144, DSR115 and DSR127 to the immediate east. Further drilling is required to confirm the potential of this new mineralised structure.

⁵ Refer to ASX announcement 21 January 2020. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

⁶ Refer to ASX announcements 26 August 2019 and 21 January 2020 for details of previously released exploration results for the Diamba Sud project. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

Area A

Two further holes (DSR135 & 136) were drilled within the existing Area A footprint perpendicular to the interpreted southeast-trending structure hosting the previously reported high-grade mineralisation (Figure 2). Hole DSR135 intersected altered sedimentary breccias and minor carbonates within a wide alteration zone extending from a downhole depth of 70m to 117m (Figure 4). Significant intersections include:

- **8m at 2.90 g/t gold** from 0m (oxide)
- **12m at 3.86 g/t gold** from 14m (oxide), including
 - **4m at 10.67 g/t gold**
- **15m at 2.98 g/t gold** from 72m, including
 - **4m at 7.35 g/t gold from 80m**
- **24m at 3.29 g/t gold** from 94m, including
 - **8m at 6.81 g/t gold** from 95m

Hole DSR136 drilled ~50m along strike to the northwest intersected two alteration zones from downhole depths of 77m to 85m and 109m to 124m hosted in sedimentary breccia. Neither zone returned any significant gold mineralisation with a detailed review of the geology being undertaken to better understand potential controls to the high-grade gold mineralisation.

Southeast Extension Zone

Two lines were completed to the southeast of Area A testing for extensions of the interpreted southeast-trending structure at Area A (Figure 2). A number of altered zones with sulphides (pyrite) were intersected within a granodiorite intrusive confirming the continuation of this mineralised structure. Hole DSR134 intersected a broad zones of moderate pyrite mineralisation, which included:

- **5m at 1.02 g/t gold** from 64m
- **5m at 1.05 g/t gold** from 70m
- **2m at 2.46 g/t gold** from 78m

Hole DSR143 intersected **6m at 1.15 g/t gold** from 34m indicating potential for multiple sub-parallel structures (Figure 2). This trend is interpreted to continue towards and correlate with the structure identified by Barrick with the Bambadji JV to the immediate east of Diamba Sud (Figure 1).

Four additional holes are planned as part of the current drill program, targeting the area between the Southeast Extension Zone and the Area A footprint, to further test the potential of the interpreted southeast-trending structure and the eastern extension of the sedimentary breccias.

Western Splay Drilling

Subsequent to the end of the Quarter, initial results released from the Western Splay target area intersected a mineralised structure, previously intersected 200m to the southeast in historic drilling by the previous owner of the property. Drilling identified a subvertical brecciated structure with mineralisation associated with quartz-carbonate-pyrite infill and strong albite alteration. Host rocks are highly altered granitic rocks juxtaposed with brecciated carbonate units. The true width of the main mineralised structure is approximately 11m (

Figure 6).

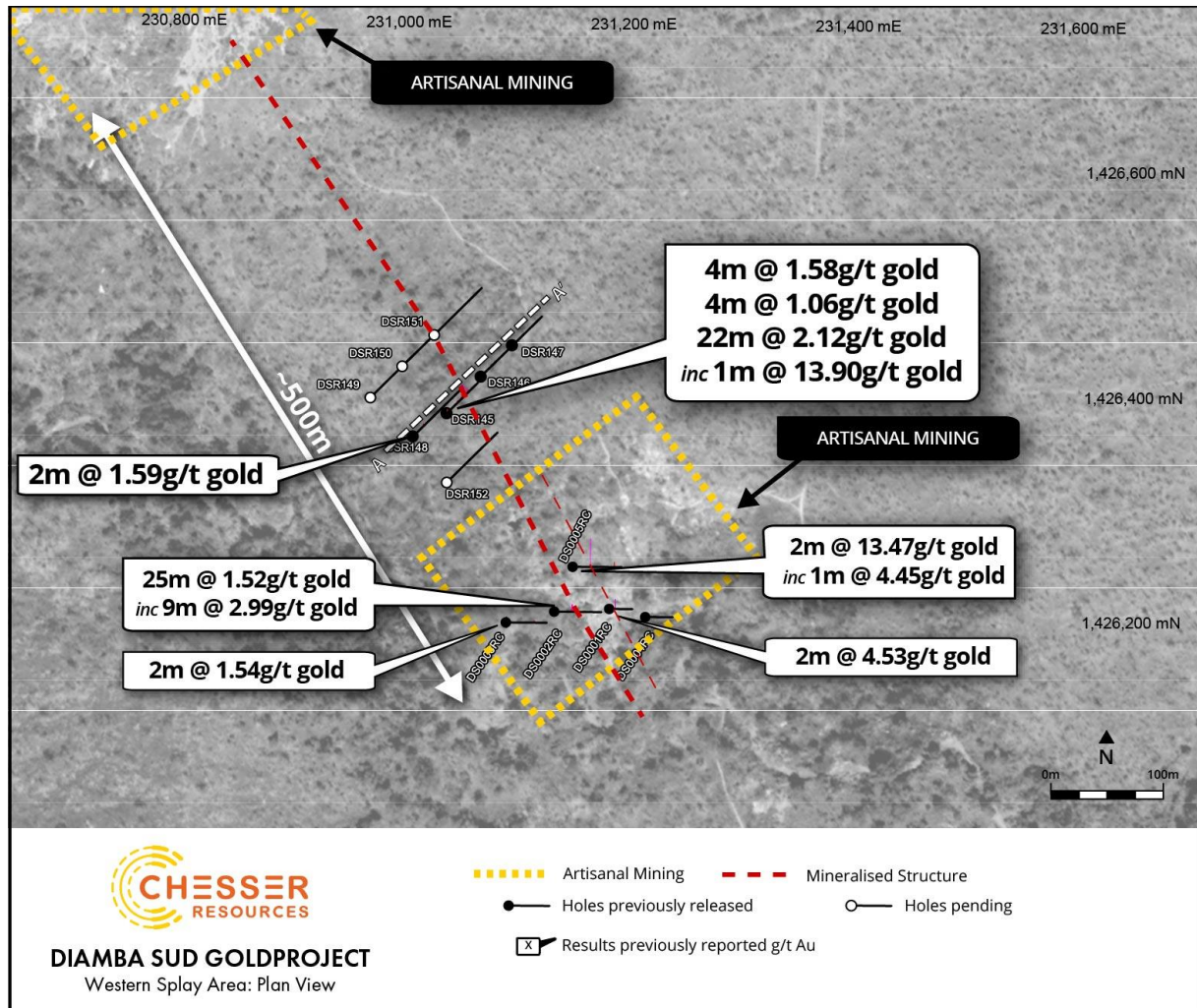


Figure 5: Results from initial Western Splay target area drilling. The structure appears to be a sub-parallel structure to the Western Splay structure based on geophysics. Historic drilling and artisanal activity indicate a potential strike length of 500m, open in both directions.⁷

The Western Splay area is a highly prospective target due to the occurrence of a major northwest – southeast striking structure and associated sub-parallel structures running through the property. Splay structures off the Senegal-Mali-Shear-Zone (SMSZ) are important potential hosts for Tier 1 gold deposits as seen in the region. The nine holes drilled at Western Splay area in the recent drill program were chosen based on geochemical auger anomalies and results from historical drilling that were never followed up.

The Western Splay and its sub-structures appear to be associated with AfriGold's Karakaene mining operation immediately to the west of the Diamba Sud tenement boundary (Figure 7), as well as significant artisanal workings along strike within the tenement boundary (Figure 5).

Importantly, the structure identified by the drilling appears to be a sub-parallel structure to the Western Splay (Figure 7), which is yet to be tested by any drilling, providing a very exciting prospect for further exploration, in addition to the sub-parallel targets.

⁷ Refer to ASX announcements 3 April 2017, for historical drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

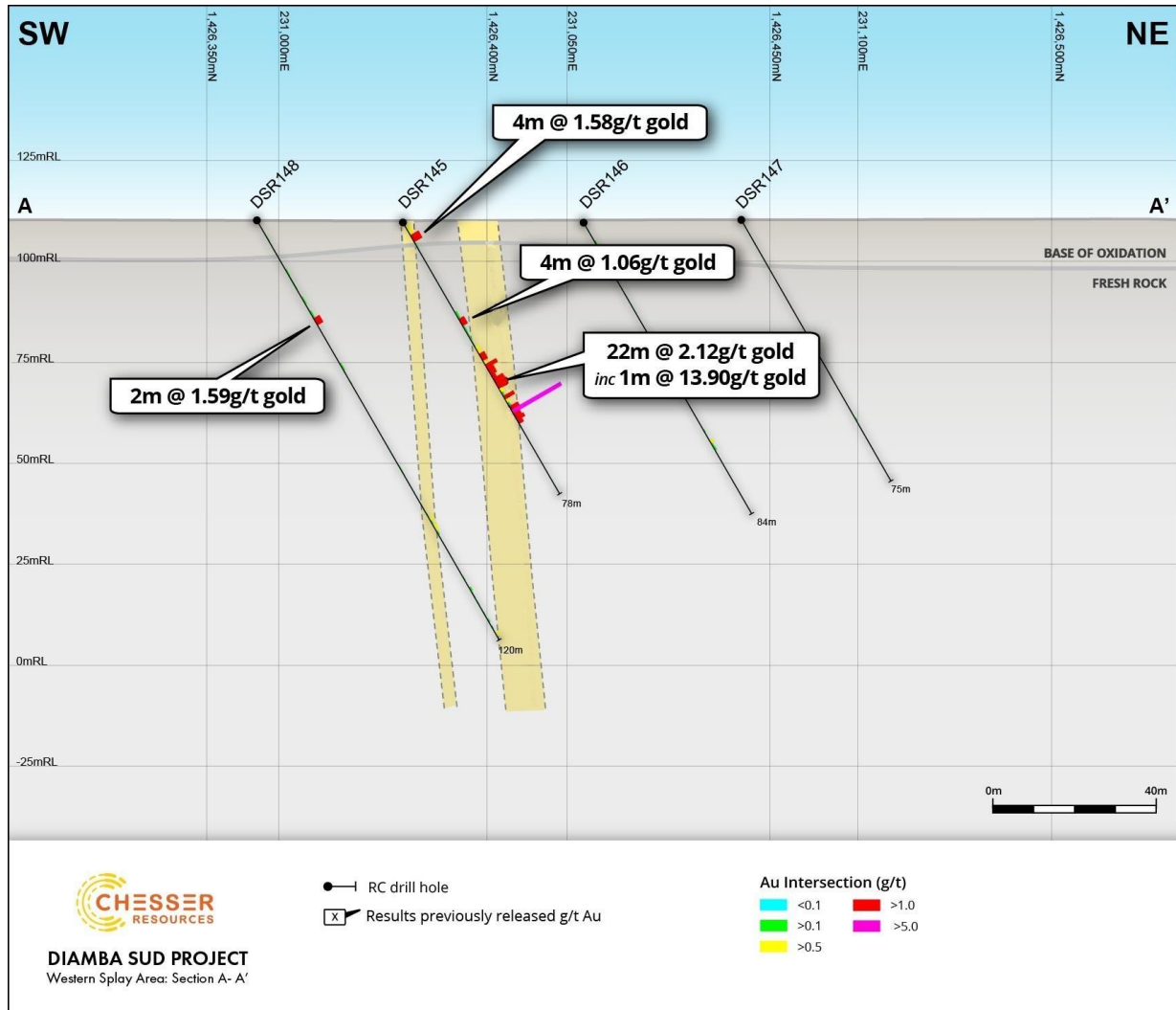


Figure 6: Section A-A' looking northwest, showing approximately 11m true width main mineralised zone with narrow footwall structure. Mineralisation is hosted in brecciated carbonates, with quartz and pyrite infill and strong albite-hematite alteration.

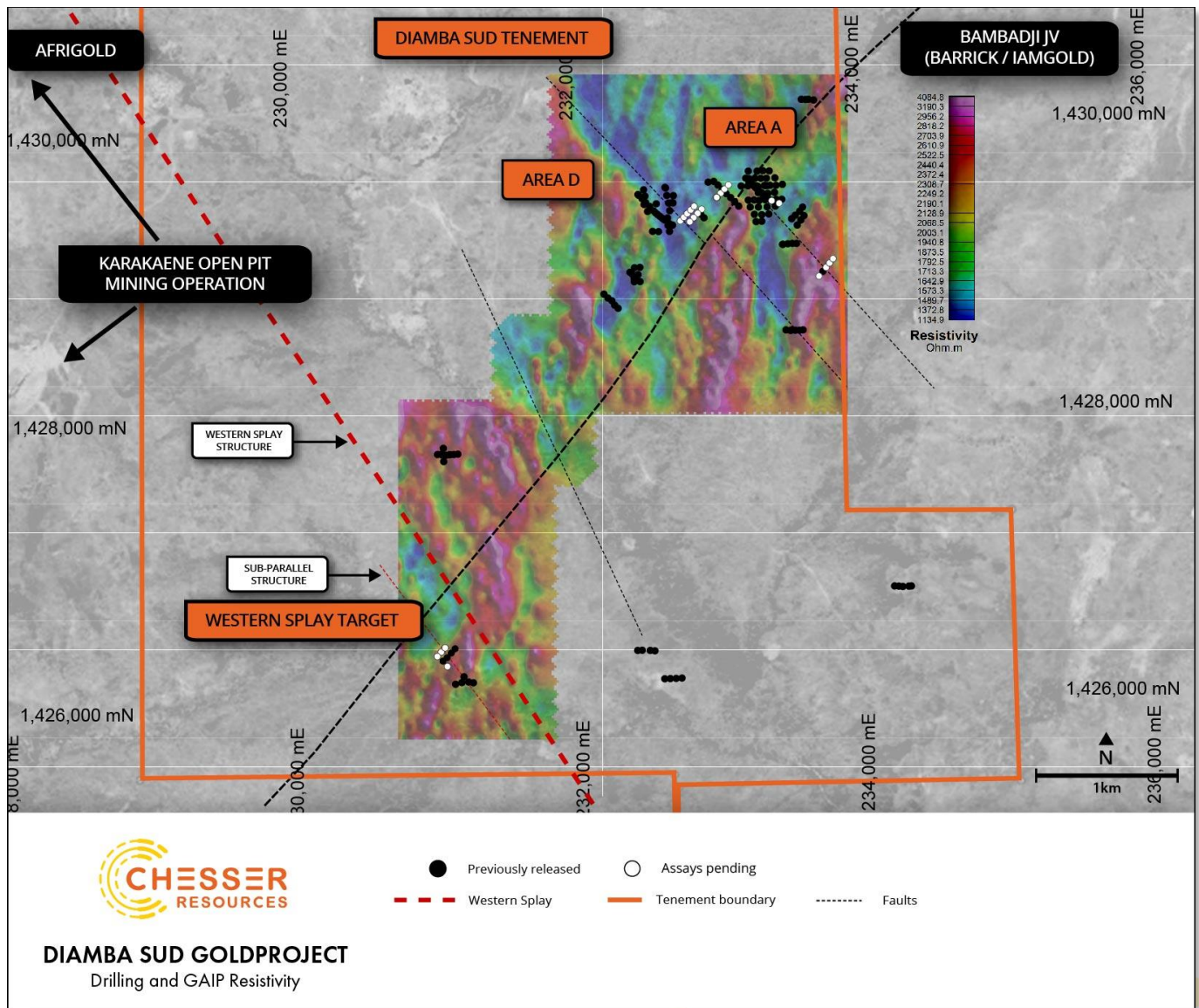


Figure 7: Diamba Sud Gold Project showing location of drilling for previously reported results, assay results pending from recent drill program, resistivity from gradient array geophysics, interpreted structures and drilling targets (Area A, D and Western Splay)⁸.

⁸ Refer to ASX announcements on 3 April 2017, 25 March 2019, 10 April 2019, 6 May 2019 and 14 May 2019, 26 August 2019 and 3 September 2019, 21 January 2020 and 2 March 2020 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in these announcements.

Drill Results Pending

Receipt of assay results is pending from the Western Splay target, Area D, the anomaly located between Area A and D, additional holes at Area A and a line of holes on the southeast extension of Area A near the tenement boundary (Figure 7).

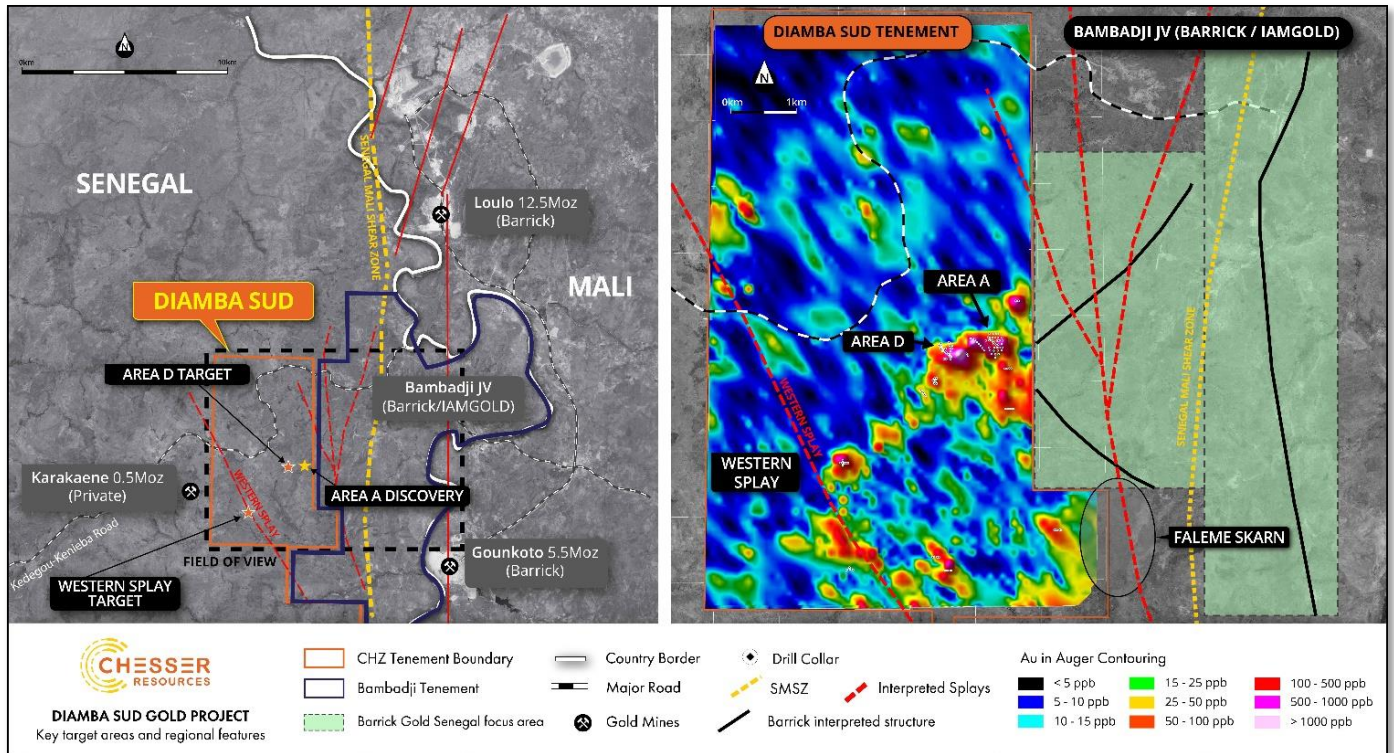


Figure 8: Diamba Sud Gold Project location with respect to significant gold mining operations, the Senegal Mali Shear Zone "SMSZ" and associated splay structures (LHS) and a zoomed image of the auger geochemical gold anomalies and drilling targets (Area A, D and Western Splay) (RHS) ⁹.

REGIONAL EXPLORATION ACTIVITY

Diamba Sud is strategically located adjacent to the SMSZ within the Loulo-Gounkoto belt, which is an intense focus of exploration activity for Barrick¹⁰. The Loulo mine is 12km away and the Gounkoto mine is 7km away. Barrick has a JV with IAMGOLD (Bambadji JV) to the east and south east of Diamba Sud, and also holds the ground to the immediate south.

Oriole Resources (AIM:ORR) reported that IAMGOLD (TSE:IMG) had commenced a 10,000m drill program on their Fare prospect on the Senala JV¹¹, which lies to the west of Diamba Sud. Results from the program are anticipated in the fourth quarter of this year, with a follow up RC drilling programme to be designed contingent on the results.

⁹ Refer to ASX announcements 22 February 2018, 28 May 2018 and 27 August 2018 and 25 March 2019 for details of exploration results for the Diamba Sud auger drilling program. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

¹⁰ Barrick Gold 2019 Annual Report. (<https://www.barrick.com/investors/annual-report/exploration/default.aspx>)

¹¹ Oriole Resource's news release by RNS, the news service of the London Stock Exchange, 29 June 2020. (<https://orioreresources.com/investors/rns/>)

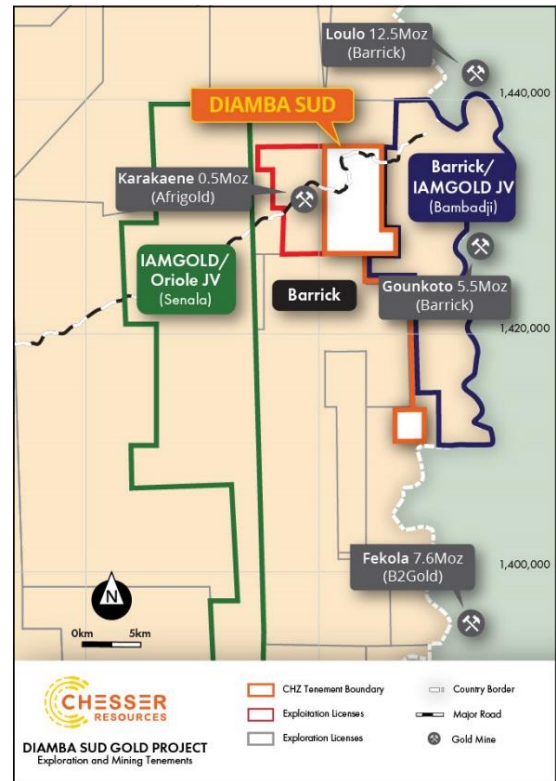
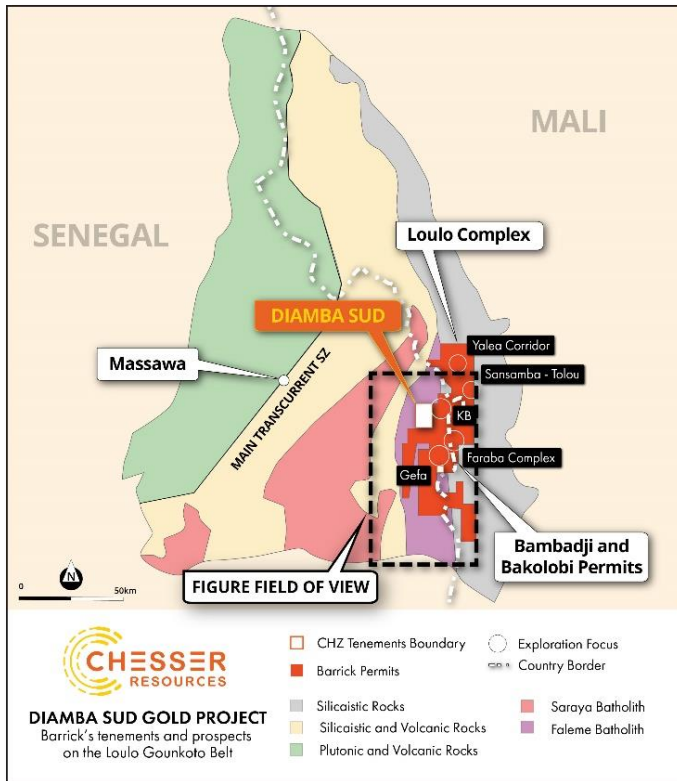


Figure 9: Location of Diamba Sud Gold Project with respect to existing operations (LHS), and in particular the Bambadji and Senala tenements (RHS), which are being actively explored by Barrick and IAMGOLD respectively.

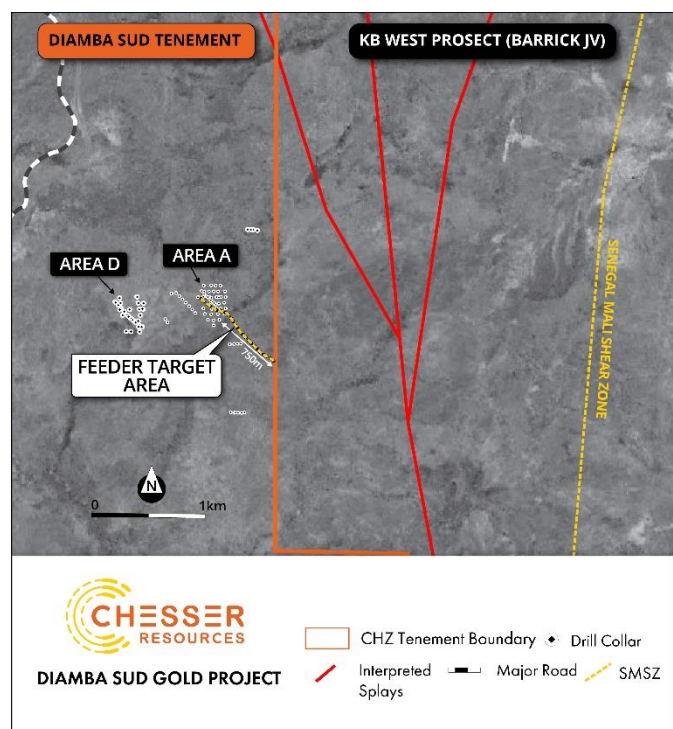
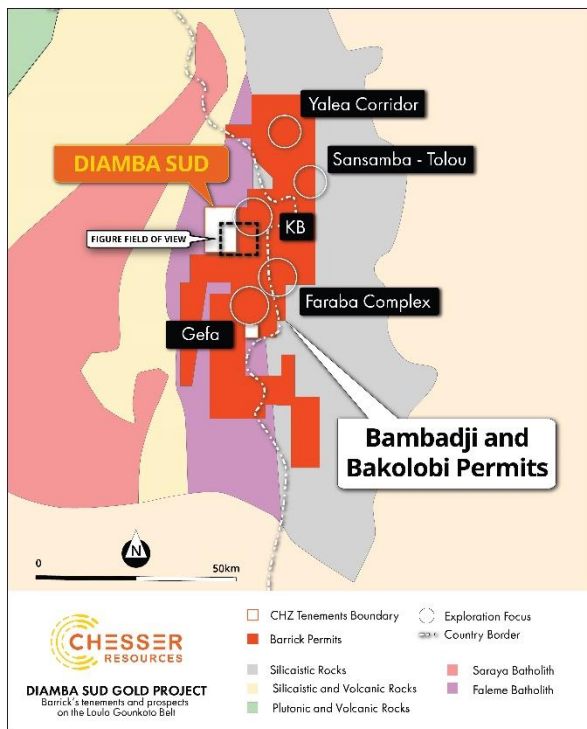


Figure 10: Location of Diamba Sud Gold Project with respect to existing Barrick prospects (LHS) and Northern Arc target area showing gold in auger geochemical anomaly and drilling at the Northern Arc target (RHS). The largely untested feeder structure at Area A is interpreted by the Company to possibly extend into the Bambadji tenement.

CORPORATE AND ADMINISTRATION

- Subsequent to the end of the quarter the Company announced that it had received firm commitments from institutional and sophisticated investors for a placement of 75 million fully paid ordinary shares at an issue price of \$0.08 per share to raise \$6.0 million ("Placement"). The funds raised will be used to undertake large-scale drilling programs at its flagship Diamba Sud Gold Project in Senegal, West Africa.
- Chesser held cash of approximately \$1.28 million at 30 June 2020. The Company's cash reserves increased by approximately \$2.35 million on 17 July 2020 following settlement of approximately 29 million new fully paid ordinary Tranche 1 shares of the Placement.
- The issue of an additional approximately 46 fully paid ordinary Tranche 2 shares in the Placement to raise an addition \$3.65 million is subject to shareholder approval, with the Company intending to conduct an Extraordinary General Meeting of Shareholders to approve the Tranche 2 shares on or about 31 August 2020.
- Subsequent to the end of the quarter, the Company announced the appointment of Mr. Mark Connelly as Non-Executive Chairman. Mr. Connelly is a seasoned executive with an impressive track record in African gold exploration and development, including the US\$570 million merger of Papillon Resources with B2 Gold Corp in 2014 and the US\$600 million merger of Adamus Resources with Endeavour Mining in 2011. More recently Mark was the Chairman of ASX listed West African Resources through the development, construction and commissioning of the Sanbrado mine in Burkina Faso, West Africa's newest gold producer. Mark was also Chairman of Toro Gold, a private gold producer that operated Senegal's second largest gold mine, Mako that was acquired Resolute Mining in 2019. Mark is currently Non-Executive Chairman at Oklo Resources.
- With the appointment of Mr. Connelly, Mr. Simon O'Loughlin will move to a Non-Executive Director role and continue his involvement with the Company. Mr. Stephen Kelly will resign as an Executive Director of the Company but remain as Company Secretary and Chief Financial Officer.
- During the Quarter the Company made payments totalling \$0.05 million to related parties and their associates representing Director remuneration.
- During the Quarter the Company made payments totalling \$0.71 million related to exploration activities with the majority of this expenditure being for the costs of the successful RC drilling program, partial results of which are summarised in this quarterly report.

IMPACT OF COVID-19 PANDEMIC

To date the COVID-19 pandemic has not had any significant impact on the Company's activities.

Chesser's priority is on the health and welfare of all Company employees and stakeholders. Office-based employees remain under a remote working model.

JUNE QUARTER PLANNED ACTIVITY*Further drilling results*

The Company has completed its recent exploration drilling program and expects to receive final assay results over the coming weeks.

The drill program was designed to test the most prospective of targets identified to date; extensions of the structure identified at Area A high-grade discovery towards the Bambadji JV tenement boundary, testing the structure at Area D and the untested Western Splay.

Future Drilling

The Company is well funded to progress exploration activities at Diamba Sub, with planning for a new drill program underway. Upon receipt and interpretation of remaining drill results planning and preparation for a new program to commence by late October is expected be completed.

JUNE 2020 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:

- Chesser commences drilling at Diamba Sud gold project 4 May 2020
- Corporate Presentation 13 May 2020
- Diamba Sud drilling returns wide high-grade gold extensions 17 June 2020

This Quarterly Activities Report also includes results formally reported after the end of the quarter in the following announcements for work completed prior to 30 June 2020:

- Drilling hits new area of mineralisation at Diamba Sud 21 July 2020

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 30 June 2020, the Company had interests in the following tenements:

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

AUTHORISATION

This quarterly activities report was authorised by the Board of Directors of Chesser Resources Limited.

-ENDS-

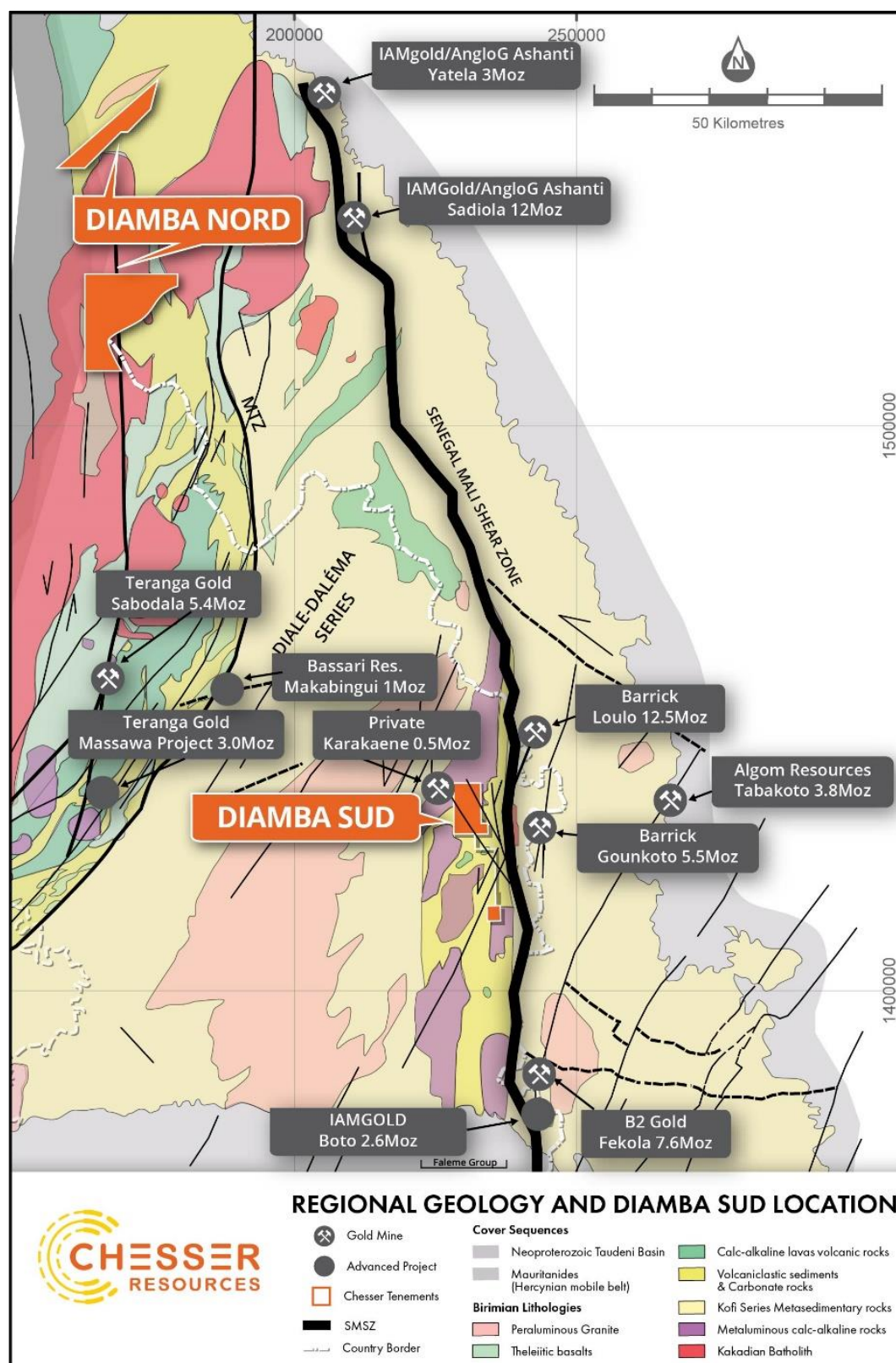


Figure 11: Schematic regional geology of eastern Senegal, showing the Diamba Sud Project and its proximity to both the SMSZ, and the major gold operations and projects on or adjacent to plays off the SMSZ.

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. Chesser has announced a high-grade gold discovery at its Northern Arc target on its flagship Diamba Sud project. The Company currently holds ~300km² of highly prospective ground in this underexplored world-class gold region. The Company has a corporate office located in Brisbane, Australia and a corporate and technical team based in Dakar, Senegal.

Diamba Sud is the Company's flagship project, covering 53.2km² over the gold-bearing Kedougou-Kenieba Inlier, Diamba Sud consists of two blocks referred to as DS1 in the north and DS2 in the south.

The Project is located ~2km to the west of the Senegal Mali Shear Zone (SMSZ), a major regional structure and host to numerous multimillion-ounce gold deposits including; B2Gold's 7.6Moz Fekola mine, Barrick's 18Moz Loulo-Goukoto complex and IAMGOLD/AngloGold Ashantis' Sadiola and Yatela mines. DS1 lies 7km to the west of the 5.5Moz Goukoto mine and to the immediate east of the privately owned 0.5Moz Karakaene mine.

Appendix 5B

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

Name of entity

CHESSER RESOURCES LIMITED

ABN

14 118 619 042

Quarter ended ("current quarter")

30 JUNE 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Twelve months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(61)	(401)
	(e) administration and corporate costs	(156)	(550)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	12	12
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(206)	(942)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(114)
	(d) exploration & evaluation (if capitalised)	(710)	(2,413)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Twelve months) \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(718)	(2,527)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,396	3,605
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	156
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(121)	(266)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,275	3,495

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	927	1,249
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(206)	(942)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(718)	(2,527)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,275	3,495
4.5	Effect of movement in exchange rates on cash held	1	4
4.6	Cash and cash equivalents at end of period	1,279	1,279

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	1,279	927
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)	1,279	927

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

51

-

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

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(206)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(710)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(916)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,279
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,279
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.4

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

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

Answer:

The Company expects that the average quarterly cash expenditure for the next two quarters will be lower than the June quarterly expenditure for the following reasons:

- (a) The June quarter includes a significant proportion of the costs for the Phase 4 exploration program that included approximately 4,000 metres of drilling
- (b) Consistent with the seasonality of the Company's exploration activities, the Company expects to incur reduced exploration expenditure in the months of August to November inclusive which correspond with the wet season in Senegal.

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

Answer:

As outlined in the accompanying Quarterly Activities Report, subsequent to the end of the Quarter the Company received firm commitments for a two tranche placement to raise \$6 million before costs. The first tranche for \$2.35 million settled on 17 July 2020. The second tranche for \$3.65 million is subject to shareholder approval which the Company will seek at an extraordinary general meeting of shareholders planned to be held on or before 31 August 2020.

3. **Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

Answer:

Taking into consideration the above information, the Company considers it has sufficient cash reserves to meet its business objectives for at least the next four quarters.

1.1 Compliance statement

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

Date: **22 July 2020**

Authorised by: **By the Board of Directors of Chesser Resources Limited**

(Name of body or officer authorising release – see note 4)

1.2 Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.