

## QUARTERLY REPORT - period ending 31 December 2021

### HIGHLIGHTS

#### NEW GOLD DISCOVERY AT DIAMBA SUD - AREA H

Shallow, high-grade mineralisation defined over 125m of strike at Area H located ~1.2 km southwest of the Areas A and D deposits.

Mineralisation remains open in all directions with Resource drilling to commence March quarter 2022.

Intercepts include:

- DSR323: **17m at 9.6 g/t** gold from 82m
- DSR341: **12m at 7.0 g/t** gold from 92m
- DSR345: **8m at 10.5 g/t** gold from 64m
- DSR323: **10m at 5.8 g/t** gold from 117m
- DSR343: **14m at 4.0 g/t** gold from 101m
- DSR342: **18m at 2.3 g/t** gold from 53m
- DSR343: **13m at 3.0 g/t** gold from 42m
- DSR341: **9m at 4.2 g/t** gold from 63m
- DSR338: **22m at 1.6 g/t** gold from 106m
- DSR345: **3m at 11.4 g/t** gold from 58m
- DSR345: **15m at 1.9 g/t** gold from 75m
- DSR342: **10m at 2.7 g/t** gold from 77m

#### ROBUST MAIDEN MINERAL RESOURCE DELIVERED - DIAMBA SUD

781koz Maiden Mineral Resource (JORC 2012) for Areas A and D at Diamba Sud:

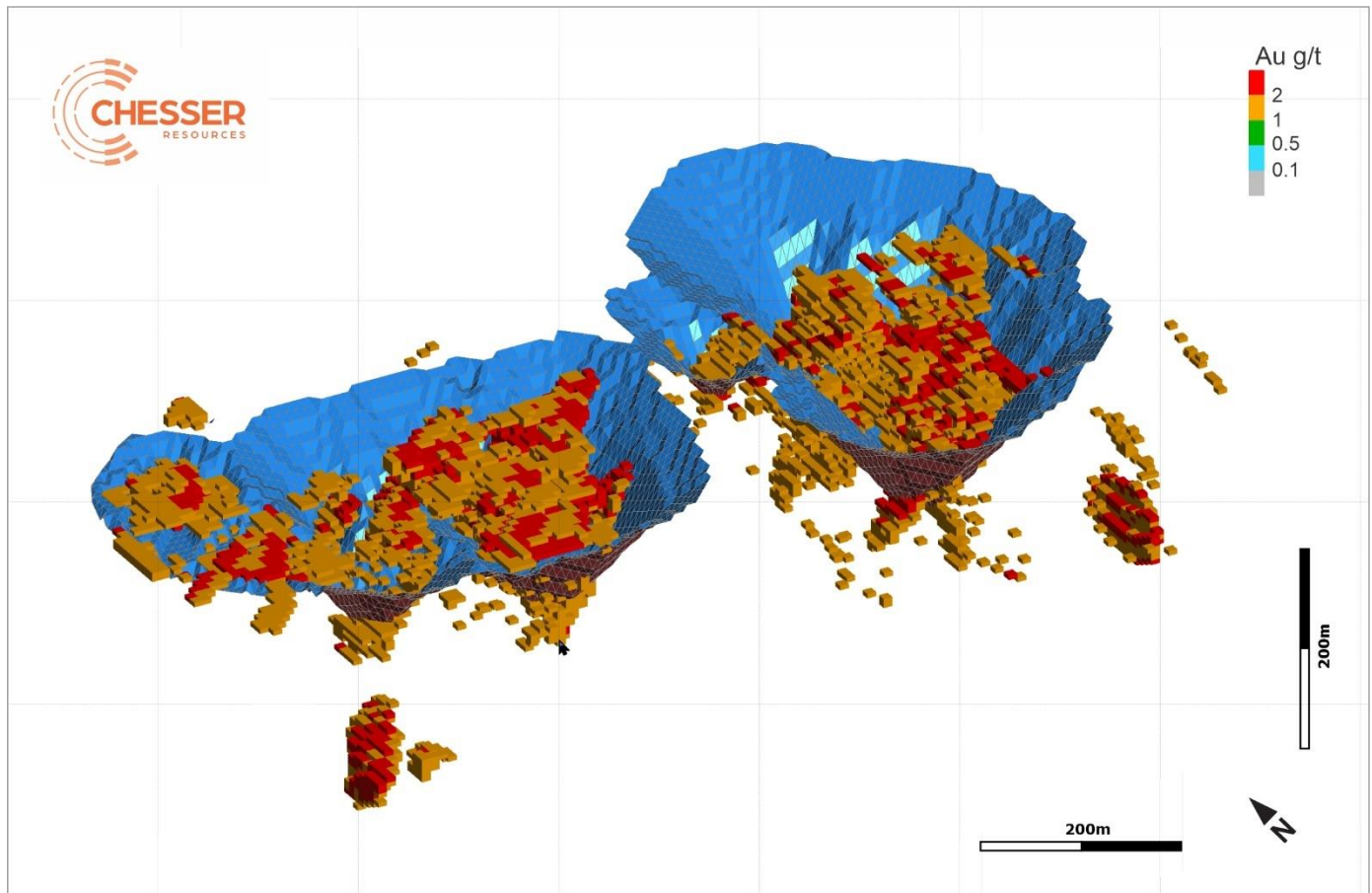
Classification	Tonnes	Grade	Metal	Total
	Mt	g/t Au	Koz	%
Indicated	8.8	1.9	538	69%
Inferred	6.4	1.2	243	31%
<b>TOTAL</b>	<b>15.2</b>	<b>1.6</b>	<b>781</b>	<b>100%</b>

*Resources reported within a US\$1,800/oz gold price pit shell and at a cut-off grade of 0.5g/t gold  
 Figures are rounded and reported to appropriate significant figures to reflect the level of confidence*

Scoping Study commenced over Areas A and D with results expected in the March quarter 2022.

The key attributes of the Mineral Resource are as follows:

- **High-grade ounces: 493koz @ 3.0g/t gold at a 1.5g/t cut-off**
- **Shallow mineralisation:** 95% of the ounces within 135m of the surface and 40% of the ounces occur within the near surface oxide mineralisation
- **High confidence Resource:** 69% of the ounces fall within the Indicated classification
- **Robust Resource:** 737koz falling within a US\$1,500/oz gold price pit shell with low strip ratio
- **Significant Resource growth potential:** mineralisation open along strike and at depth plus numerous prospective exploration targets on the tenement including the recent **Area H discovery**
- **Emerging highly prospective region:** additional discoveries being made in the area including Barrick's Kabewest prospect
- **Excellent metallurgical characteristics:** testwork averaged **96% gold recoveries** with no evidence of deleterious elements, amenable to a simple cyanide leach process flow sheet
- **Low discovery cost:** US\$11/oz



**Figure 1: Diamba Sud Mineral Resource 3D image of Resources (blocks greater than 1.0 g/t gold) within US\$1,800/oz gold pit shell<sup>1</sup>**

## CORPORATE

- Cash at the end of the quarter totalled A\$5.4 million.
- The Company received payments totalling \$0.15 million from the exercise of options.

## UPCOMING ACTIVITIES

- A 15,000 to 20,000m drill program will commence in January 2022 to rapidly test resource expansion at Areas A and D and target Area H mineralisation for inclusion into the Mineral Resource inventory during 2022. Drilling will also explore numerous other prospective targets on the tenement.
- Continuation of a Scoping Study over the Areas A and D Mineral Resources with targeted completion in the March quarter 2022. The Area H discovery will not be included in this initial study but has potential to add significant value to the Project and can be included in future studies.

<sup>1</sup> Refer to ASX announcement dated 16 November 2021 for details of the Mineral Resource Estimates. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed.

**Chesser Resources Limited** ("Chesser" or the "Company", ASX:CHZ) is pleased to present its Quarterly Activities Report for the three months ended 31 December 2021. The Company's primary focus during the reporting period continued to be the advancement of its Diamba Sud gold Project in Senegal.

## PHASE 7 DRILLING – AREA H DISCOVERY

The Company completed the Phase 7 drilling campaign during the quarter consisting of 4,178m of Reverse Circulation ("RC") drilling over three prospects (Area H, Western Splay and Area F) on the Diamba Sud tenement (Figure 2).

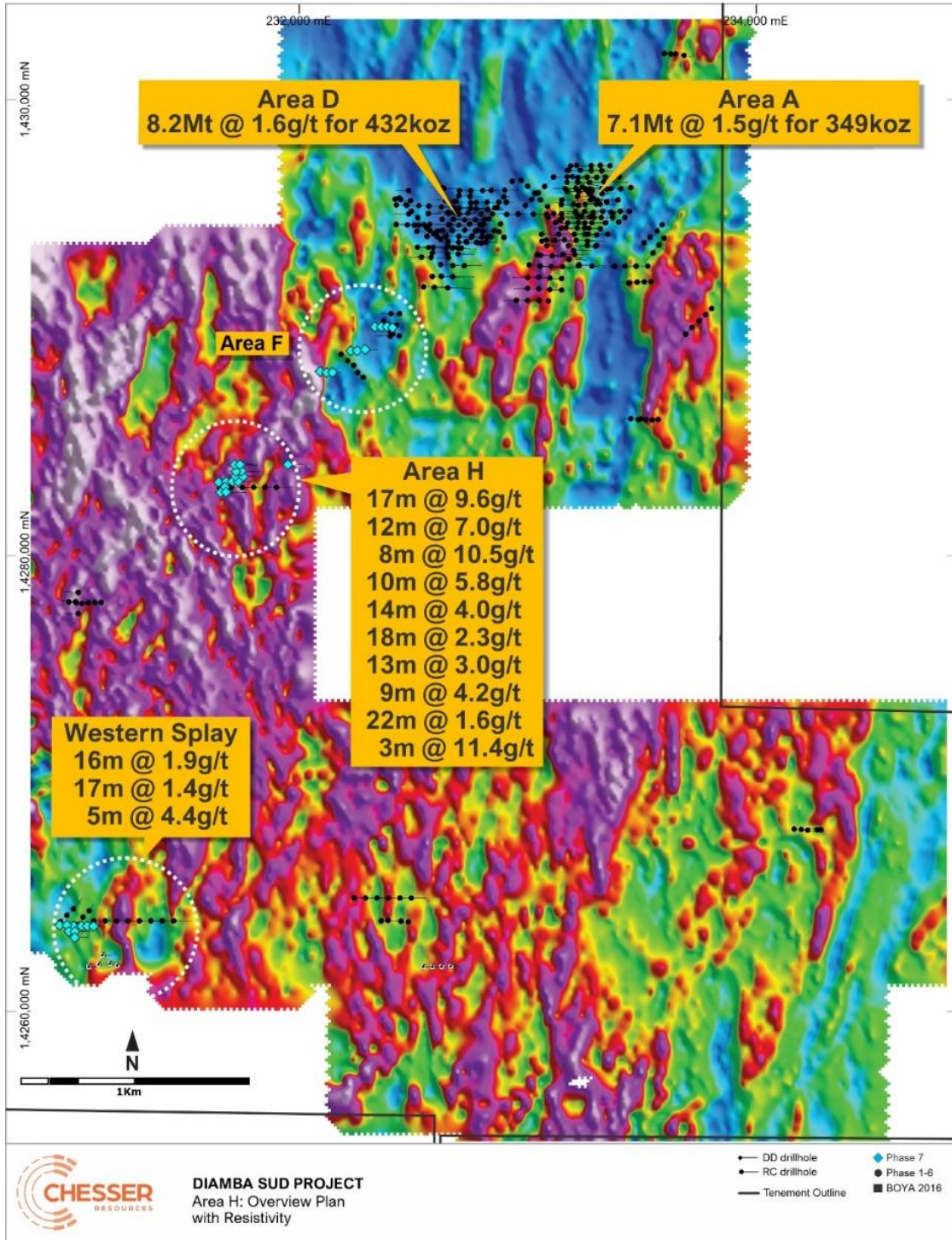
At **AREA H** 14 RC drill holes were drilled on six 25m spaced drill traverses. Significant mineralisation was intercepted on all drill traverses (Figure 3) over the 125m of strike drilled with mineralisation remaining open along strike in both directions and at depth.

Mineralisation appears to be associated with quartz-carbonate-hematite-albite-pyrite alteration within hydrothermally altered brecciated sedimentary rocks. The north-south trending steep dipping sedimentary sequence is bounded by granite to the east and west. The geometry of the mineralisation appears to be moderately west dipping within the steeply dipping sedimentary rock sequence (Figure 4), however more work is required to fully understand the controls and geometry of mineralisation.

Significant results achieved in the recent drill program include:

- **DSR323: 17m at 9.6 g/t gold, 10m at 5.8 g/t gold and 4m at 4.1 g/t gold**
- **DSR341: 6m at 3.5 g/t gold, 17m at 1.1 g/t gold, 9m at 4.2 g/t gold, 5m at 3.0 g/t gold, 12m at 7.0 g/t gold and 1m at 11.8g/t gold**
- **DSR345: 3m at 11.4 g/t gold, 8m at 10.5 g/t gold, 15m at 1.9 g/t gold and 9m at 2.9 g/t gold**
- **DSR342: 4m at 1.2 g/t gold, 18m at 2.3 g/t gold, 10m at 2.7 g/t gold and 8m at 2.9 g/t gold**
- **DSR343: 13m at 3.0 g/t gold, 14m at 4.0 g/t gold and 6m at 1.7 g/t gold**
- **DSR340: 7m at 2.5 g/t gold, 2m at 2.7 g/t gold and 9m at 2.8 g/t gold**

Area H will be subject to additional drilling commencing in January 2022 and it appears highly likely that additional high-grade resources will be defined over this area.



**Figure 2: Plan view showing historical drilling and holes reported in this release with selected significant results<sup>2</sup> and underlying resistivity image.**

<sup>2</sup> Refer to ASX announcements 22 December 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

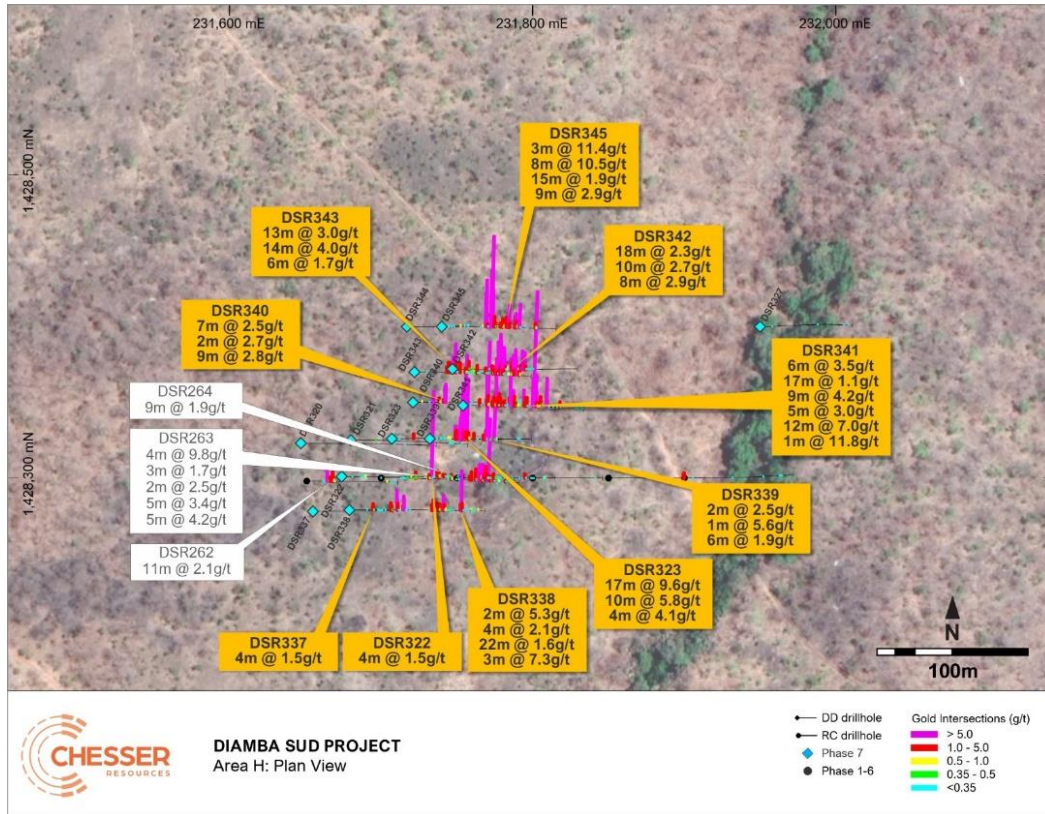


Figure 3: Plan view showing historical drilling and holes reported in this quarter with selected significant results<sup>3</sup>

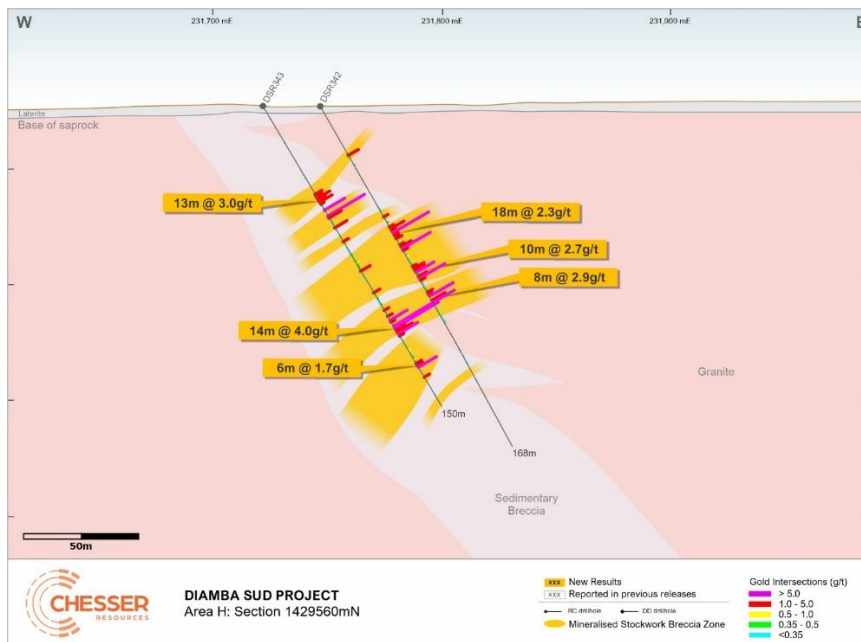


Figure 4: Area H Section 14229560mN showing drilling and selected significant results<sup>4</sup> and interpreted geology.

<sup>3</sup> Refer to ASX announcements 23 April 21 and 22 December 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

<sup>4</sup> Refer to ASX announcements 22 December 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

At **WESTERN SPLAY** nine RC drill holes were drilled over the northwest end of the previous previously defined mineralised structure (Figure 5).

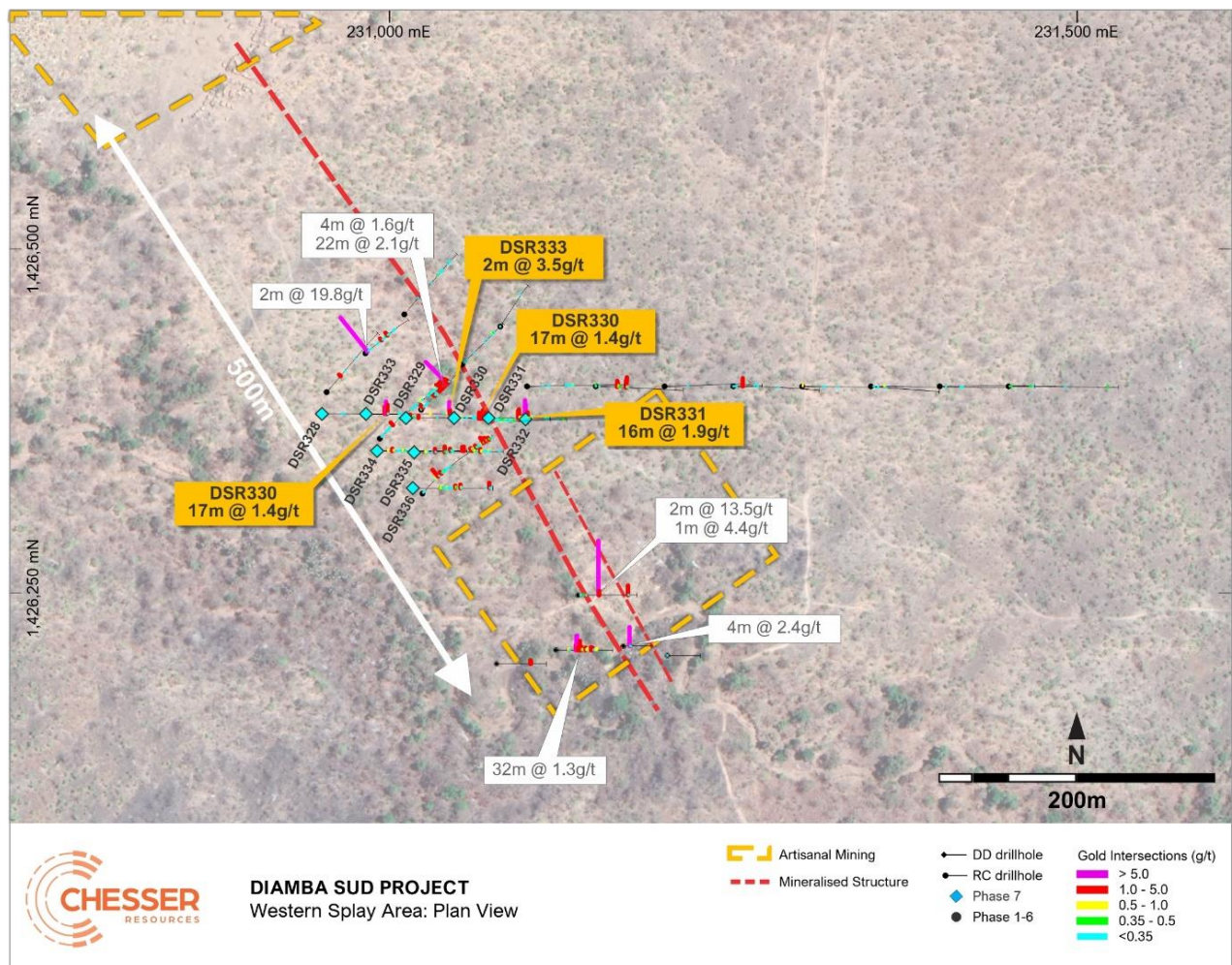
The northwest-southeast mineralised trend has been confirmed from the drill results and the mineralised structure remains open along strike.

The identified mineralised trend will be subject to further drilling in the next drill program.

Significant results including:

- **DSR331: 16m at 1.9 g/t gold**
- **DSR330: 17m at 1.4 g/t gold**
- **DSR333: 5m at 4.4 g/t gold and 2m at 3.5 g/t gold**

At **AREA F** only minor mineralised intercepts were returned from the 10 RC drill holes drilled to follow up historical intercepts at Area F. Further review will be required to understand these results.



**Figure 5: Plan view showing historical drilling and holes reported in this quarter with selected significant results<sup>5</sup>**

<sup>5</sup> Refer to ASX announcements 3 April 2017, 21 July 2020, 28 July 2020, 23 April 2021 and 22 December 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

## ROBUST MAIDEN MINERAL RESOURCE – DIAMBA SUD

The Company completed and reported on its maiden Mineral Resource estimate (“Resource”) over Areas A and D at the Diamba Sud Gold Project in Senegal, West Africa during the quarter.

Reported on during the quarter were the results from the final assays from the 10,000m resource definition drill program totalling 5,620.5m of drilling from Area A and the final metallurgical testwork results from Area D.

## MAIDEN MINERAL RESOURCE

The Resource was undertaken by Dr. John Arthur (CGeol, FGS) and includes all drilling up to and including the 18 October 2021 (including 10,677m of diamond core and 28,159m of RC drilling) utilising an Ordinary Kriging estimation methodology. The Resource has been reported in accordance with the JORC Code (2012) and is effective as at 16 November 2021 and is shown in Table 1 and Table 2.

**Table 1: Diamba Sud Mineral Resources**

Resources Constrained within US\$1,800/oz pit shell by Material Type and Classification – COG 0.5g/t									
Oxidation	Indicated			Inferred			Total		
	Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
	Mt	g/t	Koz	Mt	g/t	Koz	Mt	g/t	Koz
Oxide	3.7	2.2	262	1.3	1.2	50	5.0	2.0	312
Fresh	5.1	1.7	276	5.1	1.2	194	10.3	1.4	469
<b>Total</b>	<b>8.8</b>	<b>1.9</b>	<b>538</b>	<b>6.4</b>	<b>1.2</b>	<b>243</b>	<b>15.2</b>	<b>1.6</b>	<b>781</b>

**Table 2: Diamba Sud Mineral Resources by Area**

Resources Constrained within US\$1,800/oz pit shell by Area, Material Type and Classification – COG 0.5g/t										
Area	Oxidation	Indicated			Inferred			Total		
		Tonnes	Grade	Metal	Tonnes	Grade	Metal	Tonnes	Grade	Metal
		Mt	g/t	Koz	Mt	g/t	Koz	Mt	g/t	Koz
Area D	Oxide	3.1	2.4	234	1.2	1.3	47	4.2	2.1	280
	Fresh	0.3	1.4	14	3.6	1.2	139	3.9	1.2	152
	<b>Total</b>	<b>3.4</b>	<b>2.3</b>	<b>247</b>	<b>4.8</b>	<b>1.2</b>	<b>185</b>	<b>8.2</b>	<b>1.6</b>	<b>432</b>
Area A	Oxide	0.6	1.4	29	0.1	0.9	3	0.7	1.3	32
	Fresh	4.8	1.7	262	1.5	1.1	55	6.3	1.6	317
	<b>Total</b>	<b>5.5</b>	<b>1.7</b>	<b>291</b>	<b>1.6</b>	<b>1.1</b>	<b>58</b>	<b>7.1</b>	<b>1.5</b>	<b>349</b>
<b>TOTAL</b>		<b>8.8</b>	<b>1.9</b>	<b>538</b>	<b>6.4</b>	<b>1.2</b>	<b>243</b>	<b>15.2</b>	<b>1.6</b>	<b>781</b>

**The key attributes of the maiden Mineral Resource are as follows:**

- **High-grade ounces:** 493koz @ 3.0 g/t gold at a 1.5 g/t cut-off or 692koz @ 2.0 g/t gold at a 0.8 g/t cut-off (Table 3, Figure 1)
- **Shallow mineralisation:** 95% of the ounces within 135m of the surface and 40% of the ounces occur within the near surface oxide mineralisation (Figure 6)
- **High confidence Resource:** 69% of the ounces falling within the Indicated classification (Table 1)
- **Robust Resources:** 737koz falling within a US\$1,500/oz gold price pit shell and 656koz falling within a US\$1,350/oz gold price pit shell (Table 4)
- **Significant Resource growth potential:** mineralisation open along strike and at depth plus numerous prospective exploration targets on the tenement including the recent **Area H discovery**
- **Emerging highly prospective region:** additional discoveries being made in the area including Barrick's Kabewest prospect
- **Excellent metallurgical characteristics:** testwork averaged 96% recoveries with no evidence of deleterious elements, amenable to a simple cyanide leach process flow sheet
- **Shallow open pit:** Resources are constrained within two adjacent pits covering both Area A and Area D with a significant soft oxide component and potentially low strip ratio (Figure 1)
- **Excellent Project infrastructure:** limited competing land use, close to national highway and water, skilled national workforce, and supportive mining jurisdiction
- **Low Discovery cost:** US\$11/oz

Structurally the deposit is complex where intersections of structures and favourable lithologies result in the deposition of significant high-grade gold mineralisation as demonstrated at Area A and Area D and recent drill results at Barrick's neighboring Kabewest prospect.

The mineralisation shares many similar characteristics to a number of the Tier 1 gold deposits on the Senegal Mali Shear Zone ("SMSZ") including Goukoto (5.5Moz) and Fekola (7.6Moz).

Immediately there are opportunities to extend the 250m long high-grade shoot defined at Area A along strike of the intersecting structures (Figure 7) and there are numerous high-grade intercepts in the fresh at Area D that may well develop into high-grade shoots. High-grade oxide intercepts on the southwest and northwest edge of Area D, that were excluded from the optimisation also require additional drilling.

A specialist structural geology team from TECT Geological Consulting, South Africa, has undertaken a full deposit scale and regional structural review and developed a 3D structural model of Areas A and D to assist target generation for future resource expansion drilling.

Elsewhere on the Diamba Sud tenement there are extensive areas of anomalous gold and very little drilling. Ten high-priority targets have been defined on the Diamba Sud tenement outside the Resource area. The recent discovery at Area H clearly demonstrates the significant potential for further discoveries.

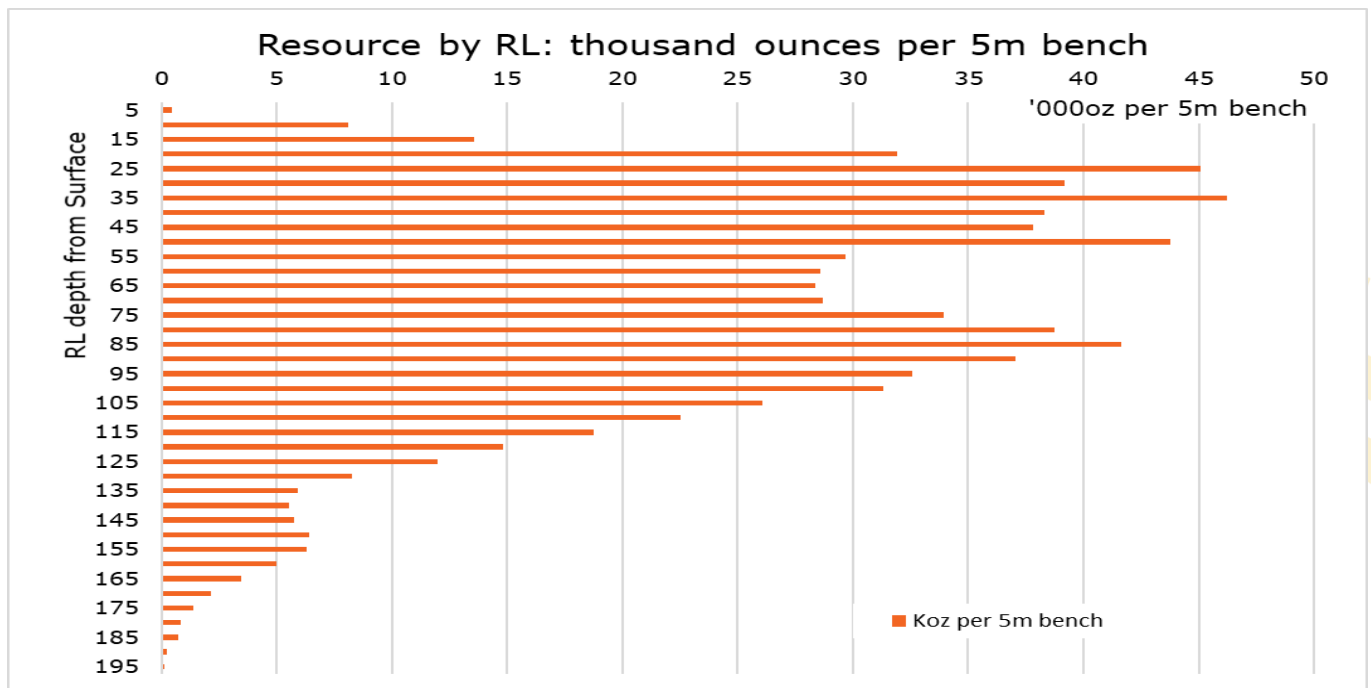


**Table 3: Diamba Sud Grade/Tonnage within US\$1,800/oz pit shell**

Grade Tonnage within US\$1800/oz gold pit shell				
COG	Tonnes	Grade	Metal	Indicated
g/t Au	Mt	g/t Au	Koz	%
0	60.1	0.5	933	65%
0.3	20.1	1.3	842	67%
<b>0.5</b>	<b>15.2</b>	<b>1.6</b>	<b>781</b>	<b>69%</b>
0.8	10.9	2.0	692	71%
1	8.6	2.3	628	73%
1.5	5.2	3.0	493	80%
2	3.4	3.6	393	84%

**Table 4: Diamba Sud Mineral Resources within various US\$/oz pit shells at COG 0.5 g/t gold**

Resources within Pit Shells at COG 0.5 g/t gold					
Pit	Tonnes	Grade	Metal	Indicated	Strip Ratio
US\$/oz	Mt	g/t Au	Koz	%	t:t
\$1,350	11.2	1.8	656	75%	2.7
\$1,500	13.7	1.7	737	72%	2.9
<b>\$1,800</b>	<b>15.2</b>	<b>1.6</b>	<b>781</b>	<b>69%</b>	<b>3.0</b>
\$2,000	16.0	1.6	802	67%	3.0



**Figure 6: Diamba Sud Resource ounces per vertical metre within US\$1,800/oz pit shell at 0.5 g/t gold COG**

## AREA A - FINAL ASSAYS

Drilling defined continuous high-grade gold mineralisation over a strike length of at least 250m at Area A. North of section 1429560mN, mineralisation strikes in a northwest-southeast direction possibly associated with the interpreted dilatational fault (Figure 7) and south of section 1429560mN high-grade mineralisation strikes north-south. Mineralisation appears to be best developed where structures intersect the favourable calcareous sedimentary breccia lithological units.

Mineralisation remains open along the strike of these structures.

High-grade intercepts by drill section returned from this set of drill results include:

Section 1429560mN:

- DSR304: **44m at 5.3 g/t** gold from 10m, **11m at 6.1 g/t** gold from 95m and **5m at 1.3 g/t** gold from 118m
- DSR302: **2m at 6.1 g/t** gold from 49m, **4m at 2.7 g/t** gold from 53m, **4m at 7.1 g/t** gold from 61m and **6m at 2.3 g/t** gold from 96m
- DSDD060: **8.8m at 1.7 g/t** gold from 49m

Section 1429540mN:

- DSR301: **3m at 19.2 g/t** gold from 73m, **16m at 7.3 g/t** gold from 88m, **14m at 3.0 g/t** gold from 108m, **8m at 1.4 g/t** gold from 145m and **8m at 1.6 g/t** gold from 159m
- DSR303: **19m at 5.1 g/t** gold from 79m
- DSR309: **10m at 4.8 g/t** gold from 22m and **10m at 1.8 g/t** gold from 78m

Section 1429510mN:

- DSR300: **4m at 1.0 g/t** gold from 14m, **7m at 3.5 g/t** gold from 80m, **4m at 6.7 g/t** gold from 103m and **7m at 7.7 g/t** gold from 135m

Section 1429380mN:

- DSDD063: **6.6m at 4.3 g/t** gold from 302.5m

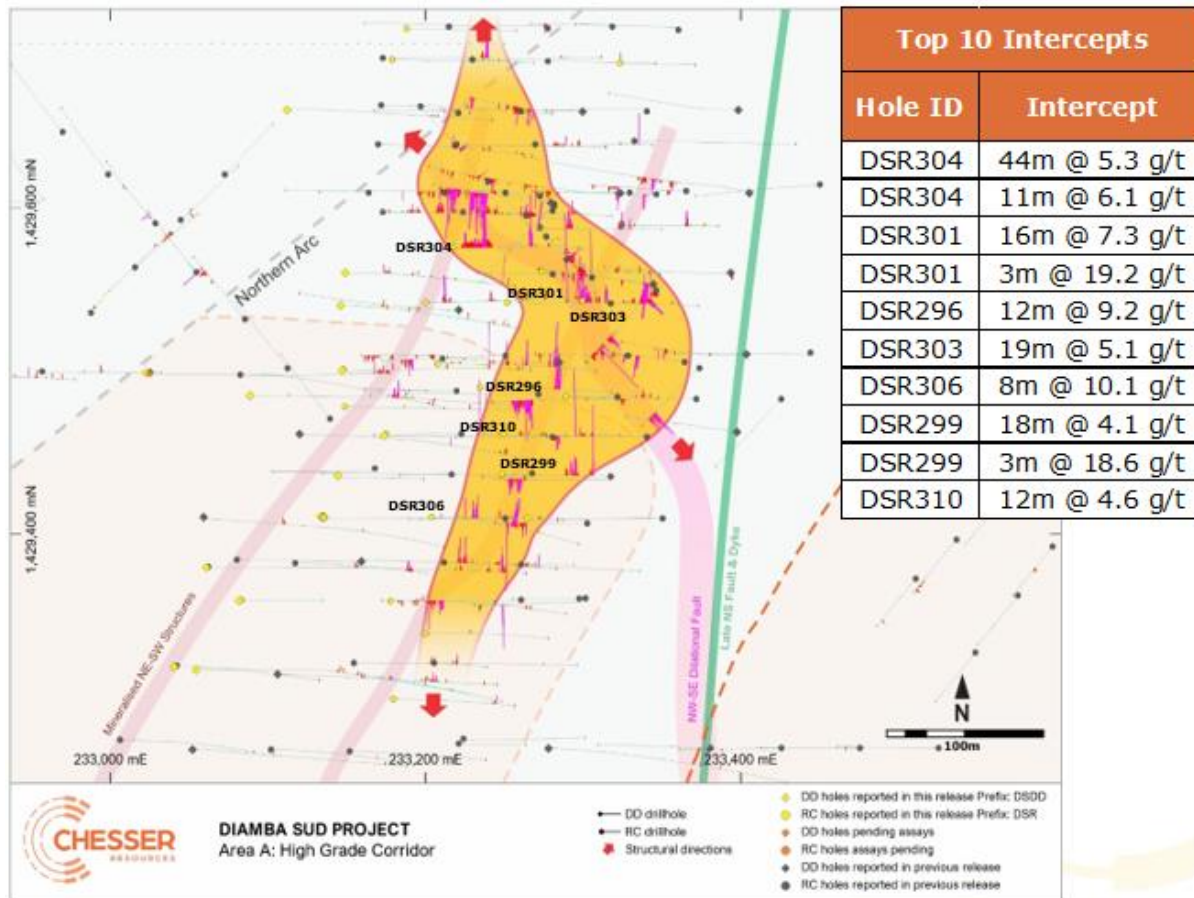


Figure 7: Area A plan view showing drilling and grade histograms highlighting high-grade corridor.

## AREA D METALLURGICAL RESULTS

- Final direct cyanide leaching testwork results from Area D returned an average 96% recovery (Table 5), consistent with the initial results released on the 2 September 2021 and similar to the results returned from Area A.
- Samples exhibited rapid leach kinetics and low consumable consumption.
- The high recoveries from the full testwork program show that the gold is likely to be recoverable via a simple cyanide leach process flow sheet, with no indications of refractory gold.

**Table 5: Direct cyanide bottle roll testwork results – Area D**

Composite	Test #	Grind Size P80 (µm)	Pulp Density (%)	Gold				Consumption	
				Head Assay (g/t)	Leach Feed (g/t)	Leach Recovery (%)	Residue (g/t)	NaCN (kg/t)	Lime (kg/t)
DMET001	CT3301	75µm	30%	7.35 / 6.94	7.91	<b>99.7</b>	0.02	0.16	2.40
DMET002	CT3302	75µm	30%	14.6/ 14.5	15.04	<b>99.4</b>	0.09	0.16	1.82
DMET003	CT3303	75µm	30%	8.65/ 8.82	7.77	<b>97.8</b>	0.17	0.16	2.81
DMET004	CT3304	75µm	30%	3.53/3.10	3.98	<b>98.2</b>	0.07	0.28	3.20
DMET005	CT3305	75µm	30%	3.61/4.60	3.74	<b>98.9</b>	0.04	0.16	3.74
DMET006	CT3306	75µm	30%	6.06/4.88	4.69	<b>99.1</b>	0.04	0.23	2.32
DMET007	CT3307	75µm	40%	0.76 / 0.83	0.72	<b>88.9</b>	0.08	0.32	2.36
DMET008	CT3308	75µm	30%	1.84/1.63	1.83	<b>98.4</b>	0.03	0.28	1.97
DMET009	CT3309	75µm	30%	2.0 / 1.06	1.16	<b>97.4</b>	0.03	0.28	2.59
DMET010	CT3310	75µm	40%	1.59/1.41	1.82	<b>95.1</b>	0.09	0.18	2.23
DMET011	CT3311	75µm	40%	2.15/2.0	2.17	<b>95.4</b>	0.10	0.18	4.57
DMET012	CT3312	75µm	40%	6.48/5.10	4.52	<b>86.0</b>	0.63	0.33	3.53
<b>Average</b>						<b>96.2</b>		0.23	2.80

## CORPORATE AND ADMINISTRATION

- Chesser held cash of approximately \$5.4 million as at 31 December 2021 (\$7.3 million as at 30 September 2021).
- During the quarter the Company made payments totalling \$2.0 million (September 2021 quarter \$1.6 million) the majority of this expenditure being for the costs of the ongoing drilling program, partial results of which are summarised in this quarterly report.
- During the quarter, the Company made payments totalling \$159 thousand to related parties and their associates representing Director and Chief Executive Officer remuneration.
- During the quarter the Company received payments totalling \$155 thousand (September 2021 quarter \$829 thousand) from the exercise of options.

## MARCH 2022 QUARTER PLANNED ACTIVITY

A Scoping Study has commenced over Areas A and D Mineral Resources and should be released during the March quarter 2022. The aim of the study is to demonstrate the expected robust economics of the current resource base. The Area H discovery will not be included in these studies.

15,000 to 20,000m drill program commenced in January will aggressively target resource expansion at Areas A and D and will target Area H mineralisation for inclusion into the Mineral Resource inventory during 2022. Drilling will also explore of the numerous other prospective targets on the tenement.

Results are expected from the initial exploration activities over Diamba Nord.

### DECEMBER 2021 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:

- High-grade mineralisation defined over 250m at Diamba Sud 18 October 2021
- Final metallurgy Area D - Diamba Sud 8 November 2021
- Robust Maiden Mineral Resource - Diamba Sud 16 November 2021
- New High Grade Gold Discovery at Diamba Sud 22 December 2021

These announcements are available for viewing on the Company's website [chesserresources.com.au](http://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 December 2021, the Company had interests in the following tenements:

TENEMENT	LOCATION	INTEREST
Diamba Sud	Senegal	100%
Diamba Nord	Senegal	100%
Morichou	Senegal	Application
Bondala	Senegal	Application

This release was authorised by the Board of Directors of Chesser Resources Limited.

**-END-**

For Further information, please contact:

#### **Andrew Grove**

Managing Director and CEO

[andrewg@chesserresources.com.au](mailto:andrewg@chesserresources.com.au)

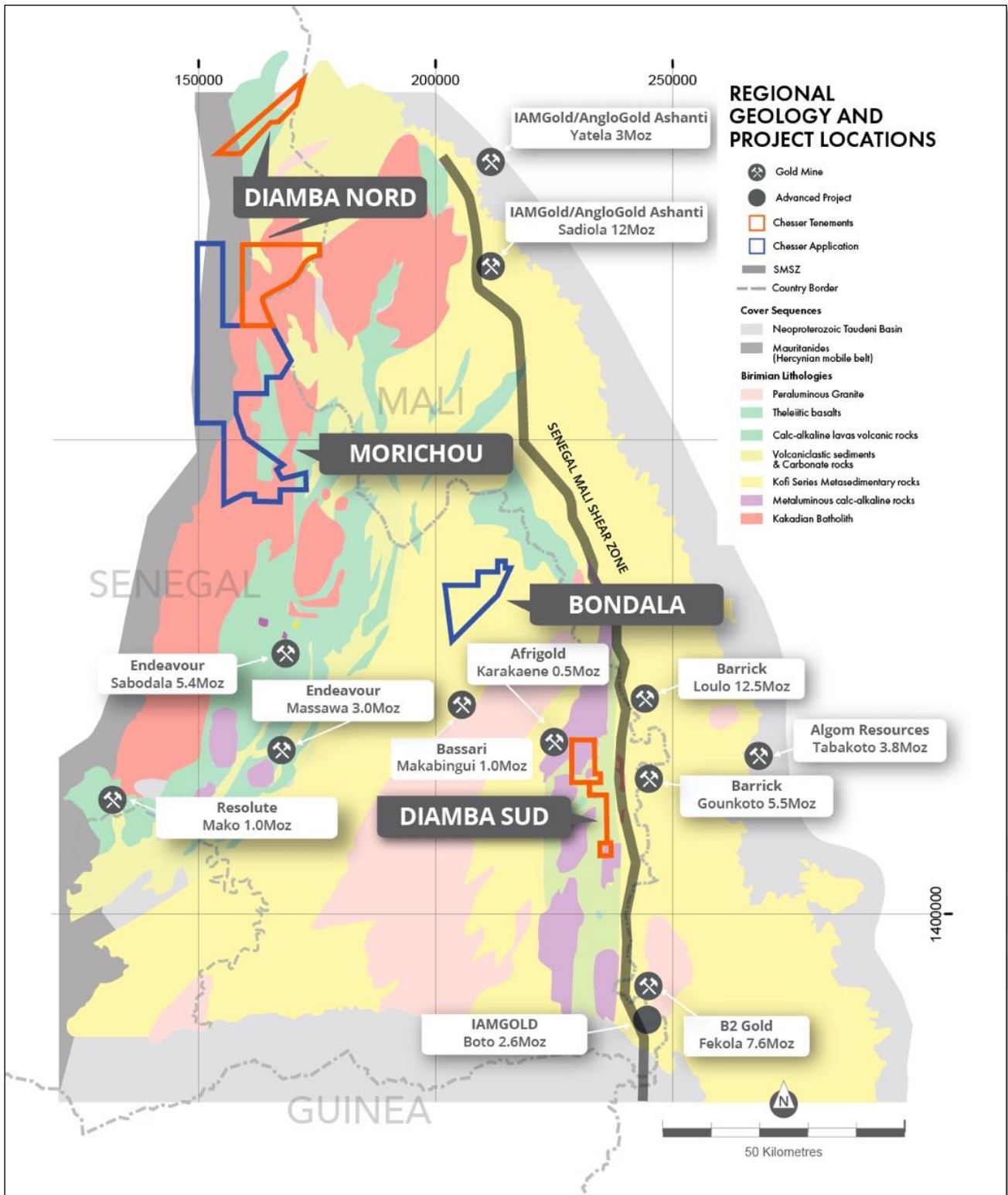
Mobile: +61 414 011 383

#### **Media Inquiries**

Michael Vaughan

Fivemark Partners

Mobile: +61 422 602 720



**Figure 8: Schematic regional geology of eastern Senegal, showing Chesser's Project locations including the Diamba Sud Project and its proximity to both the SMSZ and the major gold operations and projects.**

## ABOUT CHESSER RESOURCES

Chesser Resources is an ASX listed gold exploration company with projects located in Senegal, West Africa. Chesser has discovered two high-grade gold Projects (Area A and Area D) at its flagship Diamba Sud project. A 781koz maiden Mineral Resource Estimate was delivered over Areas A and D in November 2021. The Company currently holds or has under application ~1,000km<sup>2</sup> of highly prospective ground in this underexplored world-class gold region. The Company has corporate offices located in Brisbane and Perth, Australia and a corporate and technical team based in Dakar, Senegal.

Diamba Sud, covers an area of 53.2km<sup>2</sup> and is located ~2km to the west of the Senegal Mali Shear Zone ("SMSZ"), a major regional structure that host numerous multimillion-ounce world class gold deposits including: B2Gold's 7.6Moz Fekola mine, Barrick's 18Moz Loulo-Goukoto complex and Allied Gold's Sadiola and Yatela mines. Diamba Sud lies just 7km to the west of Barrick's 5.5Moz Goukoto mine and to the immediate east of the privately owned 0.5Moz Karakaene mine.

### **Competent Person's Declaration**

*The information in this report that relates to the Diamba Sud **Exploration Results** and Exploration Targets is based on information compiled by Mr. Andrew Grove, BEng (Geology), MAIG, who is employed as Managing Director and Chief Executive Officer of Chesser Resources Ltd. Mr. Grove has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', Mr. Grove consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.*

*The Information in this report that relates to **Mineral Resources** is based on information compiled by Dr. John Arthur (CGeol, FGS), a Competent Person who is a Fellow of the Geological Society of London (membership No. 1005744). Dr Arthur is a full-time Independent Resource Geologist with 25 years experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Arthur consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### **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 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.*

## 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")

**31 DECEMBER 2021**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (Six months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(167)	(345)
(e) administration and corporate costs	(223)	(393)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(390)</b>	<b>(739)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(14)	(34)
(d) exploration & evaluation (if capitalised)	(1,619)	(2,869)
(e) investments	-	-
(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (Six months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,633)</b>	<b>(2,903)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	155	984
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>155</b>	<b>984</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (Six months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,309	8,092
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(390)	(739)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,633)	(2,903)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	155	984
4.5	Effect of movement in exchange rates on cash held	4	11
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,445</b>	<b>5,445</b>

<b>5.</b>	<b>Reconciliation of cash and cash Equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,445	7,309
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,445</b>	<b>7,309</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	159
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
7.5	<b>Unused financing facilities available at quarter end</b>	
		-
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.	
<b>Not applicable</b>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	(390)
8.2	(1,619)
8.3	(2,009)
8.4	5,445
8.5	-
8.6	5,445
8.7	2.71
<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	

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:

Not applicable

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:

Not applicable

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:

Not applicable

## 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: **24 JANUARY 2022**

Authorised by: **By the Board of Directors of Chesser Resources Pty Ltd**  
(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.