CHESSER RESOURCES

ANNUAL REPORT 2019

ABN 14 118 619 042

Contents

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.

References to prior ASX Announcements
This report contains information extracted from previous ASX market announcements reported in accordance with the JORC Code (2012) and available for viewing at www.chesserresources.com.au. Chesser Resources confirms that in respect of these announcements it is not aware of any new information or data that materially affects the information included in any original ASX market announcement. The announcements are as follows:

Diamba Sud Project:
Announcements dated: 3rd April 2017, 22nd February 2018, 28th May 2018, 27th August 2018, 25th March 2019, 10th April 2019, 6th May 2019, 14th May 2019, 26th August 2019 and 3rd September 2019.

Chairman's Letter to Shareholders

Dear Fellow Shareholders,

It gives me great pleasure to present Chesser Resources Limited's (the "Company" or "Chesser") 2019 Annual Report.

Drilling completed in the year to June 2019 led to your Company announcing a high grade gold discovery at Area A within the Northern Arc Target at our Diamba Sud Project. This project lies to the immediate west of the important Senegal-Mali-Shear- Zone that is associated with the prolific Birimian greenstone belt hosting over 45 million ounces of gold. Whilst it is early days, we are in a very exciting stage as we focus on defining and expanding the discovery.

Your Company conducted a highly successful exploration program during the year.

This commenced with positive results from deeper auger drilling that confirmed and delineated a large gold geochemical anomaly on the Diamba Sud project. In January we commenced a Phase 1 drilling program on very wide spaced lines on the Northern Arc Target and three other anomalous zones. Results from this Phase 1 program were extremely encouraging, with widespread high-grade gold mineralization in fresh rock encountered. A second phase of exploration drilling followed, starting in early June and finishing in early July. Post year end your Company received the assays from this Phase 2 program, with spectacular intersections encountered, confirming the discovery, as well as a potentially significant mineralised fault at Area D.

While neighbouring properties hint at the potential, there is still a lot of work to define and understand the geology of the mineralization your Company has discovered to date and explore the rest of the property. Further exploration is required to properly appreciate the scale, structure, grade and potential economics of gold mineralization at Diamba Sud. Clearly, a Phase 3 program is required. In that regard, your Company has an in-country team with deep geological expertise within the Kedougou-Kenieba inlier that is our focus. We are indeed fortunate to have such expertise helping with the planning and supervision of exploration, as well as the analysis of both existing and future exploration results.

Your Board was confident in the Senegal tenement package acquired in July 2017. This confidence was underpinned by the view that the Kedougou-Kenieba inlier is a uniquely prospective region for gold exploration, hosting more than 45 million ounces in operating mines, and the discovery made at Diamba Sud has now vindicated this view.

The exploration success achieved this year has been substantial and did not happen by accident. I would like to take this opportunity to thank my fellow Directors, your Company's Managing Director, Mike Brown, and his technical and in-country personnel for their tireless and professional contributions during the past year. I look forward to continued success as we further prove up the potential of Diamba Sud.

Yours sincerely,

Simon O'Loughlin
Chairman

Directors' Report

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

Directors

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

- Mr Simon O'Loughlin, Non-Executive Chairman
- Mr Simon Taylor, Non-Executive Director
- Mr Michael Brown, Managing Director (appointed 5 November 2018)
- Mr Stephen Kelly, Executive Director

Company Secretary

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

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

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

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

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

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

Mr Michael Brown, BSc (Geology), BA, MBA
Mr Brown has over 25 years' experience in exploration, mining, energy, finance and capital markets. He has held senior executive roles with Kinross Gold and Pacific Hydro and has local and international experience as an exploration and mine geologist. Mr Brown was most recently a member of the executive team at ASX listed Austral Gold (ASX: AGD), a junior producer with mines in Chile and Argentina. Prior to that, he was CEO of Argentex Mining, a TSX Listed precious metals explorer acquired by AGD.

Mr Brown has a MBA from Melbourne Business School, and a double BSc (Honours-Geology), BA from The University of Melbourne. He is a member of Australian Institute of GeoScientists and is fluent in Spanish. He has considerable experience in negotiating with local authorities, government agencies and communities and worked in West Africa in his time with Kinross Gold.

Former directorships in last 3 years
Nil

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

Former directorships in last 3 years
Nil

Interests in the shares and options of the Company

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

	Number of Ordinary Shares #	Number of Options over Ordinary Shares #
Mr Simon O'Loughlin	2,833,334	1,950,000
Mr Simon Taylor	3,500,001	2,600,000
Mr Michael Brown	1,125,00	3,000,000
Mr Stephen Kelly	895,000	1,950,000

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

Meetings of Directors

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

Number of meetings held	Board Meetings (7)	
	Number of meetings eligible to attend	Number of meetings attended
Mr Simon O'Loughlin	7	7
Mr Simon Taylor	7	7
Mr Michael Brown	5	5
Mr Stephen Kelly	7	7

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

Principal Activities

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

Permit Renewals

The Company received official notification of the granting of extension of the Diamba Sud and Diamba Nord exploration permits during the year. These permits, 53.3km^2 and 241.9km^2 respectively, are valid for three years and can be extended for an additional three-year period. A 25% reduction of the original permit areas was required. This provides certainty over the Company's flagship project, Diamba Sud. During the year the Youboubou tenement was dropped based on low exploration potential, and the Woye and Garaboureya joint venture agreements were not renewed based on the lack of encouraging results from auger drilling on these, and the expiry of the underlying tenements.

Exploration Activities

The Company's exploration activities during the year were focussed on the Senegal projects, and the Company's flagship project Diamba Sud in particular.

DIAMBA SUD

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

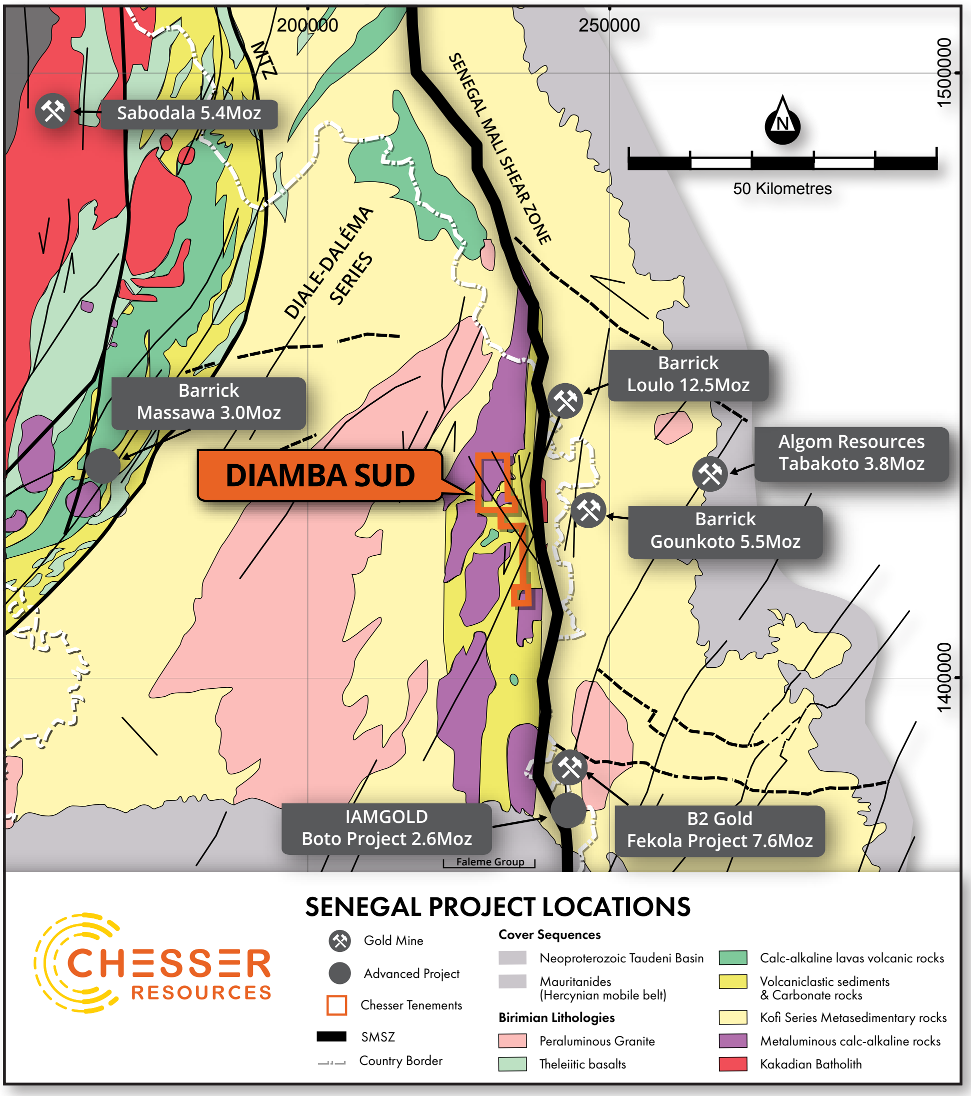

Figure 1: Schematic regional geology of eastern Senegal, showing the Diamba Sud Project and its proximity to both the SMSZ, and the major gold operations and projects on or adjacent to splays off the SMSZ.

Early in the year, excellent assay results were received from a 72-hole saprolite auger drilling program. 59 samples returned assays greater than 1g/t gold, with the highest result being **1m at 21.1 g/t gold.** Significant intercepts included:

> **16m at 2.57 g/t gold** (from 3m in hole DSA2861T) **including 8m at 4.83 g/t gold**
> **9m at 2.87 g/t gold** (from 8m in hole DSA2798W) **including 2m at 4.93 g/t gold**
> **10m at 2.75 g/t gold** (from 11m in hole DSA2798T) **including 3m at 4.03 g/t gold**
> **9m at 2.31g/t gold** (from 9m in hole DSA2796S) **including 5m at 3.95 g/t gold**
> **6m at 2.11 g/t gold** (from 12m in hole DSA2798N) **including 3m at 3.74 g/t gold**

These results confirmed the continuity and extended the depth of the previously identified significant anomalous auger gold trend with many of the intersections ending in mineralisation. The deepest hole was 28m with an average hole depth of 14m. The auger exploration program was highly successful, identifying a significant gold anomalous trend extending over 5km in length and up to 2km in width at the Diamba Sud prospect.

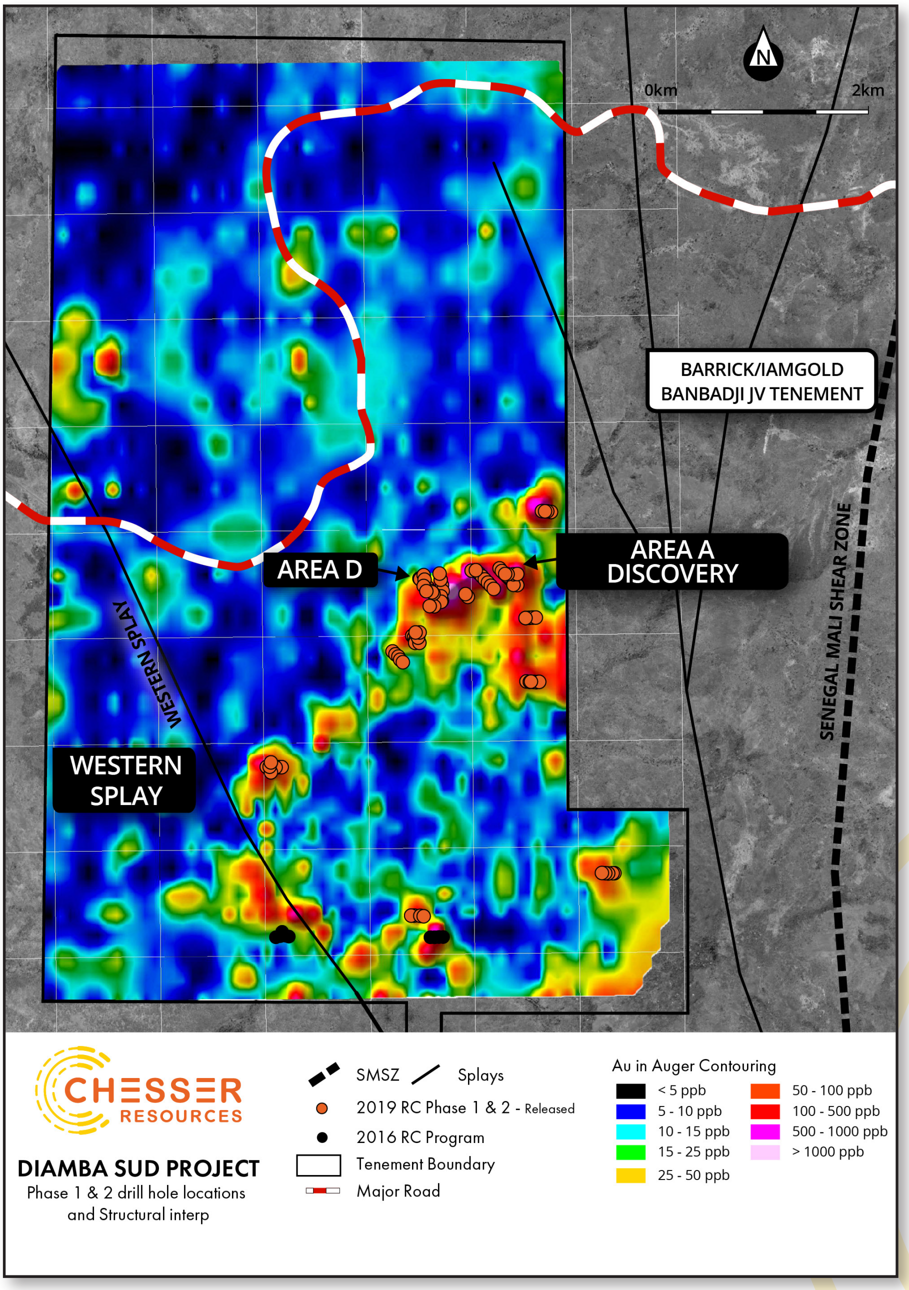

Figure 2: Diamba Sud Project, showing Area A discovery within the large gold geochemical anomaly that comprises the Northern Arc area, the Area D high priority exploration target, location of all drilling to date and the numerous auger anomalies that remain untested.

The success of the auger exploration program led to an initial RC drilling campaign (Phase 1). The Phase 1 reverse circulation (RC) drilling program was focussed on locating the source of the high grade saprolite-hosted gold anomalies in the northern part of a broad ring structure (Figure 2), and understanding the style, nature and potential host of the mineralisation. The northern block of Diamba Sud (DS1) hosts a broad 4.5km by 4km ring-like geochemical anomaly comprised of a number of apparently distinct trends and responses. This anomaly is thought to be related to the contact of an intrusive body, visible in a Government sponsored aeromagnetic survey.

A total of 70 RC holes were drilled for 4,671m (avg depth ~67m). Phase 1 drilling started in late January 2019 with drilling completed in late March 2019. The program encountered widespread gold mineralisation in both oxide and bedrock, with encouraging fresh rock intercepts, **and was therefore followed by a Phase 2 drilling program.**

The Phase 1 program successfully delineated three large gold targets for follow-up drill testing: **Northern Arc, Western Flank and Southern Zone.** Two of these targets were further tested during Phase 2 drilling (26 RC holes for 863m), started during the reporting year and finished subsequent to year end, with a discovery confirmed at the Northern Arc target post year end.

Northern Arc Target

A discovery was announced at Northern Arc at Area A following high-grade intersections in drilling in Phase 1 and discovery of continuous high-grade mineralised zones in Phase 2. A second significant target area is Area D, where drilling has indicated the presence of a potentially significant mineralised fault.

Area A

Area A (Line A) was initially tested with 8 45-75m RC holes in Phase 1 drilling, drilling to the northwest and southeast. Best intersections included:

> **12m at 3.65g/t gold** from 42m, including **8m at 4.47 g/t gold** from 46m with the hole ending in mineralisation,
> **3m at 6.19g/t gold** from 80m, including **1m at 16.1g/t gold** from 81m,
> **11m at 3.54g/t gold** from 38m and **2m at 2.58g/t gold** from 58m with the hole ending in mineralisation,
> **5m at 3.18g/t gold** from 70m,
> **2m at 5.52g/t gold** from 51m,

The follow-up Phase 2 drill program testing tested the high priority Northern Arc and Western Flank targets commenced in early June and was completed post year end (mid-July), with 26 RC holes drilled (for 2,873m). Assay results received post year end confirmed a discovery at Diamba Sud.

Based on the alignment of intersections Phase 2 drilling was undertaken on a western azimuth for potential northerly trending structures. A total of 6 RC holes were drilled, ranging from 81 to 129m depth.

Drilling results received in August confirmed a high-grade gold discovery at Area A within the Northern Arc Target. Multiple zones of significant gold mineralisation were intersected, including:

> **21m at 6.62g/t gold** from 53m, including **1m at 30.60g/t gold** from 69m and **4m at 3.44g/t gold** from 76m in hole DSR093
> **14m at 9.53g/t gold** from 75m, including **2m at 21.85g/t gold** from 78m and **2m at 13.15g/t gold** from 83m in hole DSR092
> **6m at 7.27g/t gold** from 60m; and
> - **11m at 2.15g/t gold** from 70m; and
> - **6m at 3.17g/t gold** from 107m in hole DSR088

This discovery appears to be consistent with pressure-shadow style of mineralisation associated with the northern contact of an intrusive granodioritic body. This body is indicated in the regional geological map and identifiable in the regional aeromagnetic survey. The large ring-like gold geochemical anomaly at Diamba Sud has been interpreted to be associated with this contact area and drilling at Area A appears to support this theory. Barrick's Massawa project, 50km to the west of Diamba Sud is an example of this type of deposit. A technical report released in July 2019 indicates a measured and indicated resource of **3 million ounces at 4g/t gold[1].** Granny Smith mine, West Australia, is another Paleoproterozoic analogue to this type of deposit. Its current reported resource (MII) is approximately **7.8 million ounces at 5.27g/t gold[2].**

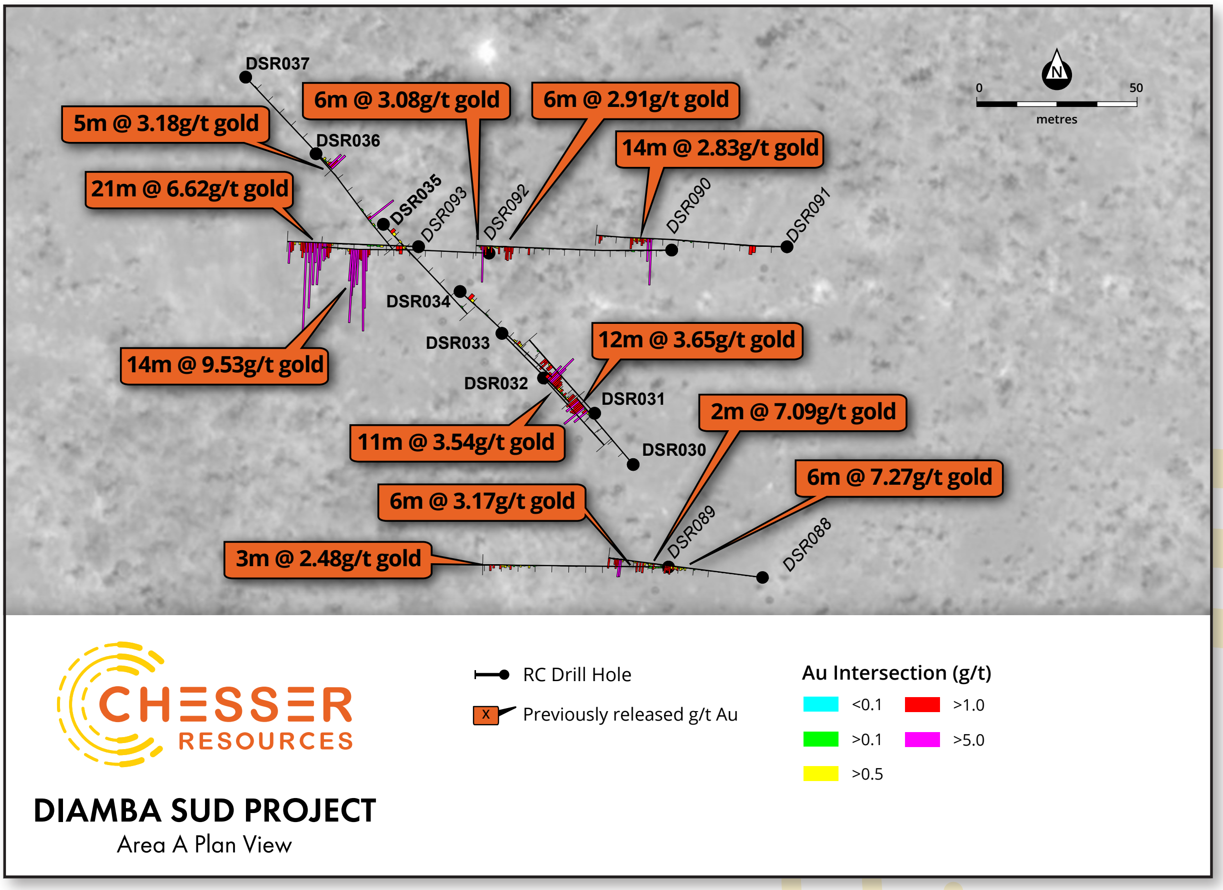

Figure 3: Area A discovery drilling and selected significant intercepts.

1 *Technical Report on the Feasibility Study of the Massawa Gold Project, Senegal, Report for 43-101, July 23, 2019*

2 *Mineral Resources and Mineral Reserves Supplement, 2018. Gold Fields Ltd, p 71*

The mineralised zones appear to dip 35-40 degrees to the east, with a northerly strike. The mineralised zones (>0.5g/t gold) typically lie within broader low-grade mineralised zones of >0.1g/t gold. To date mineralisation has all been encountered in fresh rock, with pyrite and potassic alteration.

Further drilling, and in particular diamond drilling, is required to confirm the nature and orientation of this potentially significant new gold discovery at Area A.

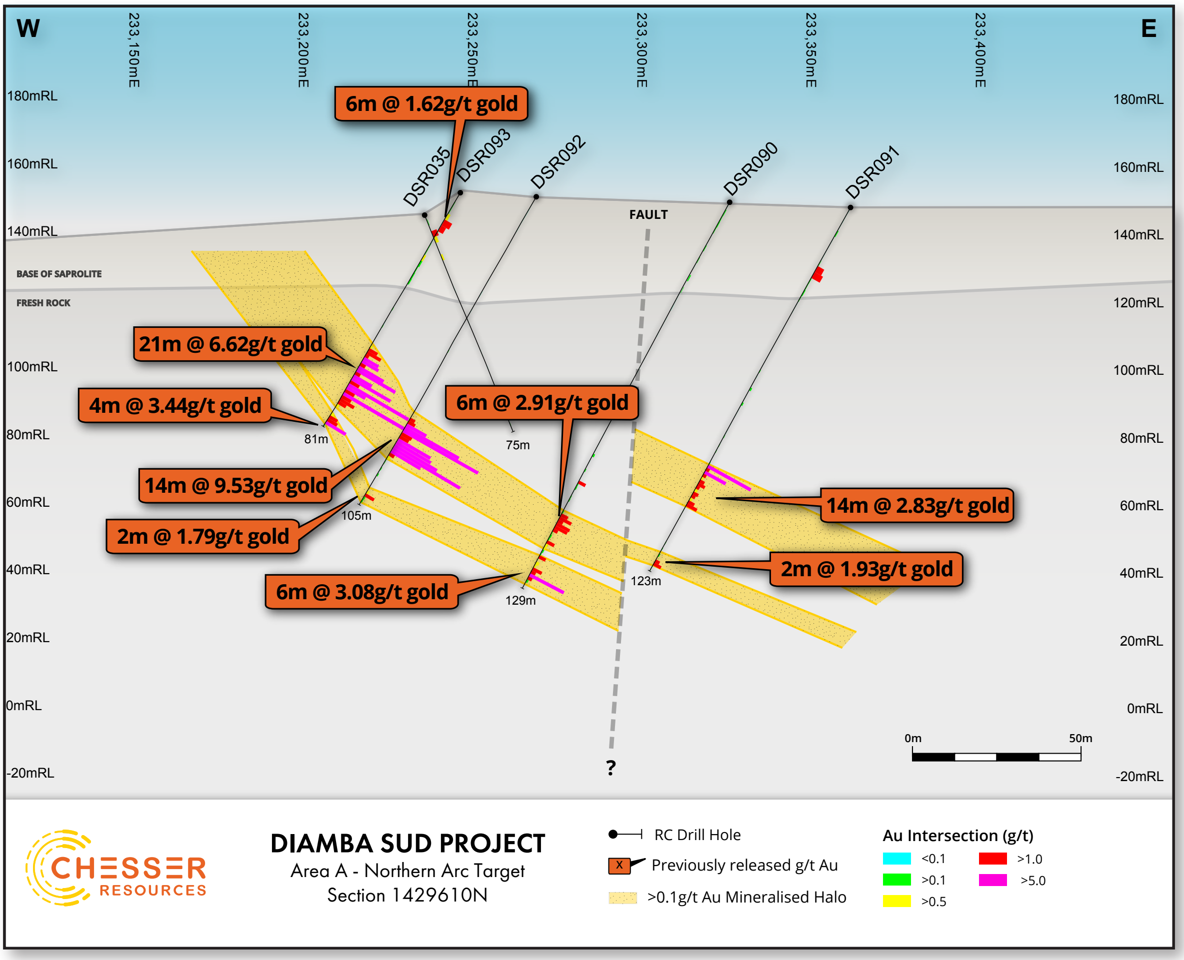

Figure 4: Northern Arc Target: Section 1429610N looking north, showing significant drill intersections.

Area D (Line D)

Phase 1 drilling at Area D commenced in late January, with a total of 11 holes completed, drilling on a northwest and southeast azimuth. Best intersections included **18m at 5.61g/t gold** in hole DSR022 **and 8m at 3.48g/t gold** in hole DSR018, (Figure 3). A number of holes failed to reach target depth, with excess water and clay in the saprolite material causing them to be terminated. This was interpreted to indicate the presence of deeper weathering along a structure.

Significant Intersections included:

18m at 5.61g/t gold from 6m, including **8m at 11.84 g/t gold** from 14m,
10m at 2.72 g/t gold from 19m, including **1m at 16.30g/t gold** from 23m,
8m at 3.48 g/t gold from 34m,
11m at 1.16g/t gold from 19m.

Phase 2 drilling was undertaken on a westerly azimuth to test for potential north and northwest trending host structures extending from the previously reported significant intercepts from the Phase 1 program. A total of 6 holes were drilled on 50m step-outs to the north and south of hole DSR018. Preliminary results from a GAIP survey completed were used in planning these holes, following a conductivity high interpreted as a weathered structure (Figure 6). Hole DSR103 intersected **53m at 2.61g/t gold** from 57m, with a higher-grade zone, of **17m at 4.97g/t gold** from 59m (Figure 5, Table 1). This higher-grade zone is associated with an oxidised fault zone between 55m and 66m, and continues as a mineralised zone, in fresh rock, from 70m down to 110m.

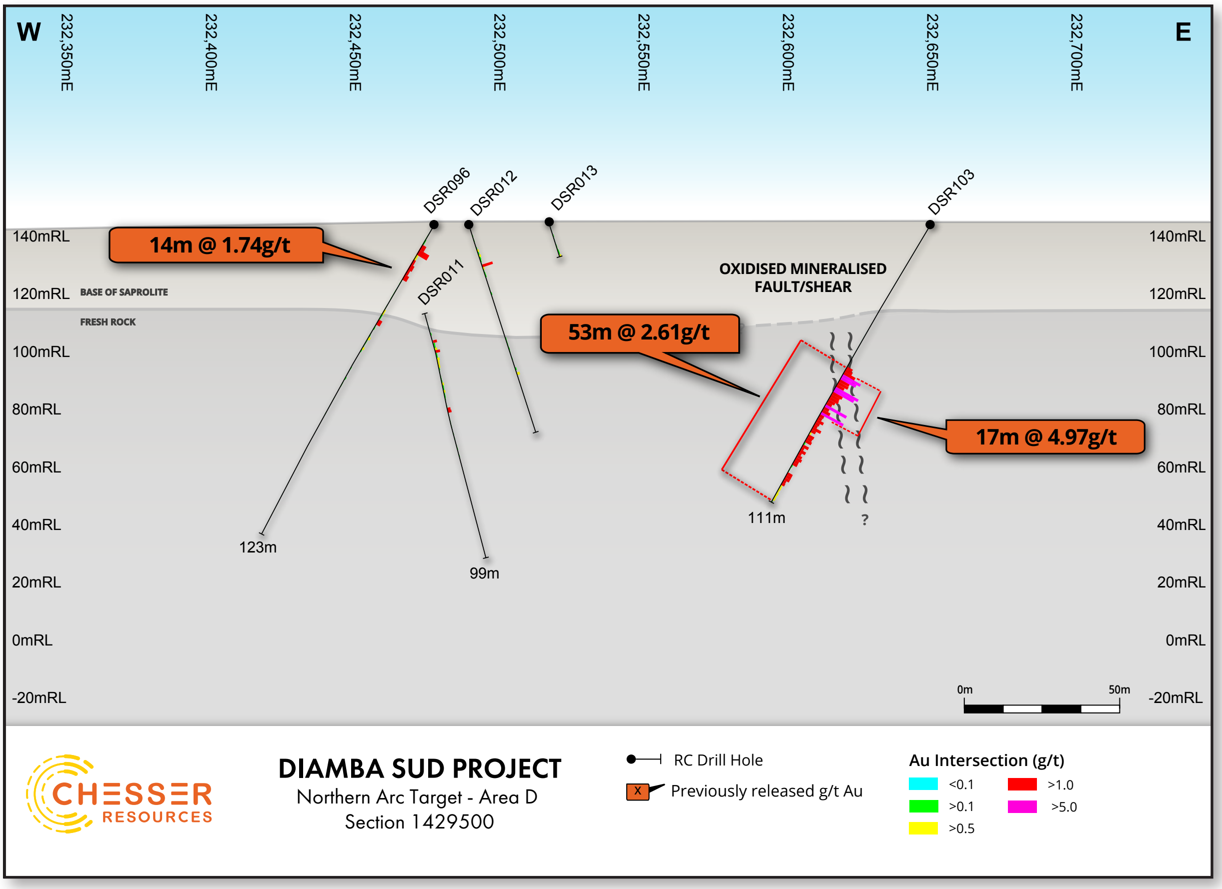

Figure 5: Northern Arc Target Area D, Section 1429500N looking north, showing significant drill intersections reported in this release (dashed line shows estimated saprolite-fresh-rock interface)

Hole DSR097, drilled 50m to the south of DSR103, intersected **4m at 2.23g/t gold** from 93m and **4m at 2.75/t gold** from 99m along the interpreted host structure (Figure 6). These lie within a low-grade halo (>0.1g/t gold) **28m at 0.97g/t gold** from 75m. Hole DRS098, drilled 50m south of DRS097 and adjacent to DSR018, failed to reach the target depth due to excessive water and clay and was abandoned at 22m. The southernmost hole (DSR099) was also abandoned short of its target depth at 77m, however it did intersect **2m at 1.73g/t gold.**

Two holes drilled to the north of DSR103, targeting the IP anomaly and inferred host structure failed to intersect any mineralisation. Follow-up drilling testing for potential northerly extensions to the significant mineralisation encountered in hole DSR103 is planned.

1 *Technical Report on the Feasibility Study of the Massawa Gold Project, Senegal, Report for 43-101, July 23, 2019*

2 *Mineral Resources and Mineral Reserves Supplement, 2018. Gold Fields Ltd, p 71*

The second area tested was to the immediate north and south of the high-grade oxide intersection previously reported from hole DSR022 (**18m at 5.61g/t gold** from 6m). A total of 6 holes were drilled in 50m step-outs along the interpreted north-northwest strike of the host structure. Drilling intersected oxide mineralisation, including **14m at 1.74g/t gold** from 8m in hole DRC096, **2m at 1.47g/t gold** in oxide from 18m in hole DRS095 and **2m at 4.99g/t gold** from 22m in hole DSR100. It would appear that the very limited drilling did not intersect a fresh rock source and closer spaced drilling on fences with wider east-west coverage will need to be drilled to properly test this zone. The oxide intersects do suggest a possible horizontal zone of elevated oxide mineralisation near surface, although not of the size or grade of that encountered in DSR022. More drilling will be needed to better define both the extents and grade of this supergene zone.

Significant Intersections included:

> **53m at 2.61g/t gold** from 57m, including **17m at 4.97g/t gold** from 59m
> **4m at 2.23g/t gold** from 93m, and
> **4m at 2.75g/t gold** from 99m
> **14m at 1.74g/t gold** from 8m
> **2m at 4.99g/t gold** from 22m

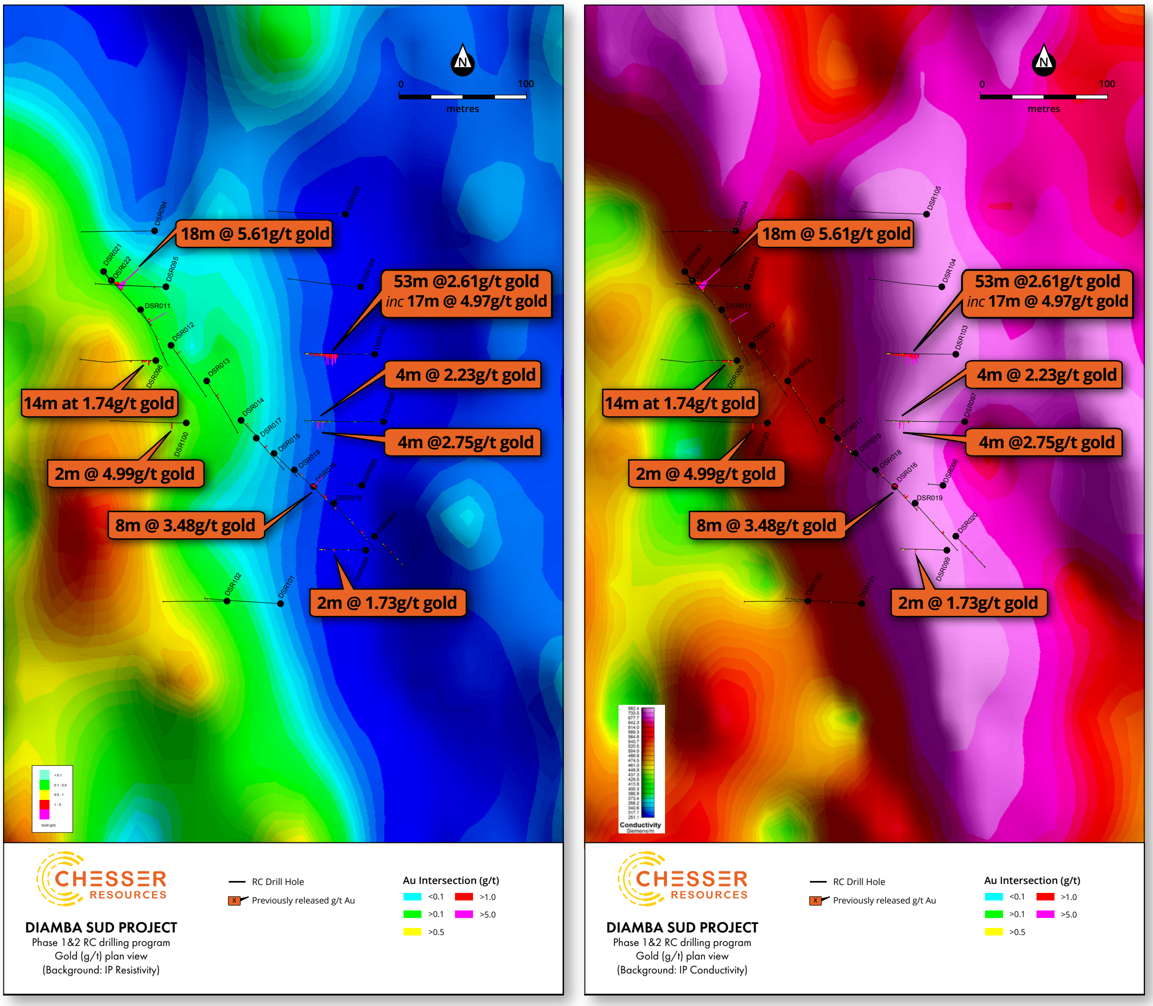

Figure 6: GAIP Chargeability and Conductivity induced polarization surveys undertaken in June, with linear weathered structure in the Conductivity visible and selected significant intersect

Area F

Area F was drilled during Phase 1, covering the south western area within the Northern Arc anomaly. Holes were drilled on a southeast azimuth. Drilling returned two holes with notable gold mineralisation (Figure 3). Hole DSR051 intersected **6m at 4.70g/t gold** in saprolite followed by **19m at 1.49g/t gold** in fresh rock. Hole DSR073 returned a comparable saprolite intersection of **4m at 6.51g/t gold**, with lower grade mineralisation in fresh rock.

Five follow-up holes were drilled in Phase 2, on a westerly azimuth to test for possible northerly trending structures. Whilst results were encouraging further drilling is needed to properly understand the nature and orientation of mineralisation intersected to date.

Significant Intersections:

> **6m at 4.70g/t gold** from 26m and **19m at 1.49g/t gold** from 39m,
> **4m at 6.51g/t gold** from 26m including **2m at 12.00g/t gold,**
> **2m at 4.91g/t gold** from 26m; and **2m at 5.35g/t gold** from 34m,
> **12m at 1.14g/t gold** from 30m.

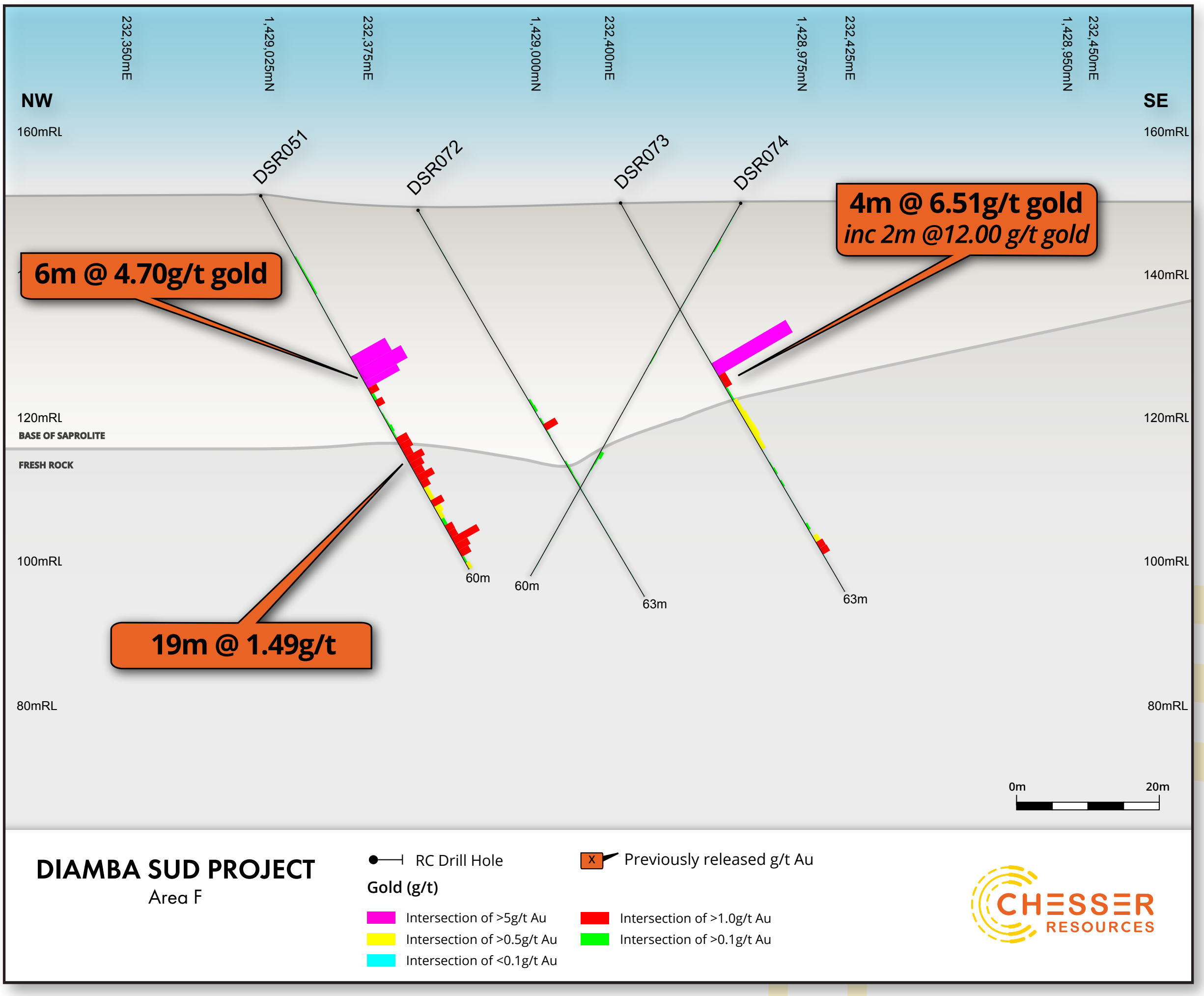

Figure 7: Section of Area F RC holes on Northern Arc Target looking northeast showing significant gold intercepts. Solid/dashed line shows saprolite-fresh rock boundary.

Western Flank target: a potential trend of up to 10km in length, as defined by artisanal workings, an aeromagnetic feature (potential splay off the SMSZ). Phase 1 drilling consisted of 4 RC holes, drilled on an east and west azimuth. The mineralised zone was interpreted to represent a structure trending SSE extending to the 2016 RC drilling conducted by the previous owner. The best intercept was **6m at 7.79g/t gold** from 39m.

Phase 2 drilling consisted of 3 holes to test under and 50m to the north and south of the significant intersection. Although the drilling intersected the targeted structure, with brecciation and pyrite, no significant mineralisation was detected. Review of the preliminary GAIP data shows that the main structure ("the Western Splay") is actually 2km to the west of where the Western Flank drilling was, suggesting the original drilling intersected a sub parallel structure. The potential of the Western Splay is significant, based on splays off the SMSZ hosting all the main deposits on the Mali side of the SMSZ. This structure will be tested in future exploration drilling and has an apparent length of nearly 6km.

Significant Intersections:

> **6m at 7.79g/t gold** from 39m,
> **16m at 1.05/t gold** from 4m, including **4m at 2.98/t gold** from 4m

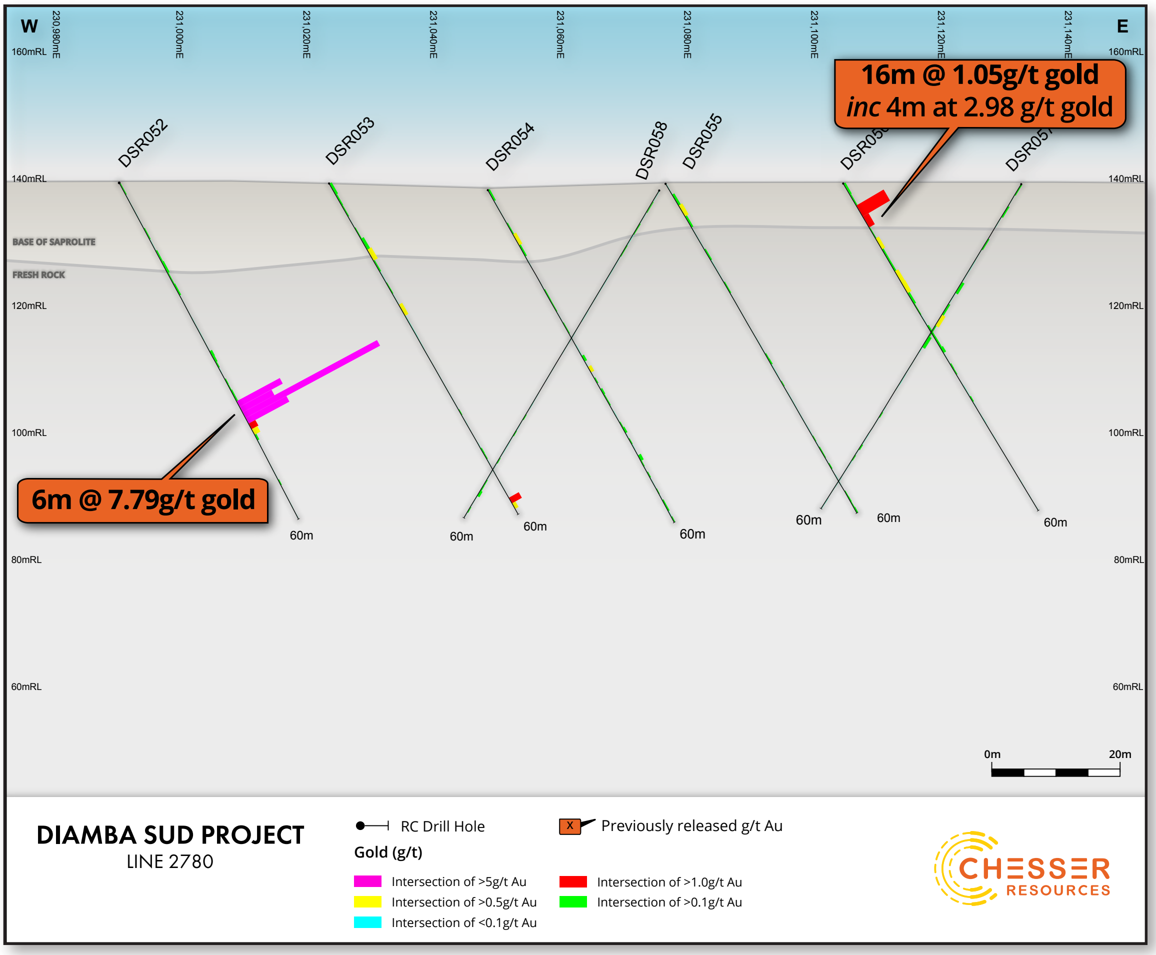

Figure 8: Section of Traverse 2780 RC holes on Western Flank looking north showing significant gold intercepts. Solid/dashed line shows saprolite-fresh rock boundary.

Southern Zone target: numerous widespread drill intersections located 200m to the northwest of significant previous drill results (including **14m at 2.85 g/t gold**, including **4m at 4.43g/t gold**, Figure 3). The Southern Zone was tested in Phase 1, with encouraging results. The area is marked as a cluster of medium to high gold in auger geochemical anomalies at the southern arc of the large circular geochemical anomaly at DS1. This cluster covers an area of 1km by 1km. The area is planned to be tested with future follow-up drilling.

Significant Intersections:

> **4m at 6.85g/t gold** from 20m,
> **4m at 1.12g/t gold** from 2m.

The Southern Zone target has not yet had follow-up drilling post the Phase 1 RC drilling program.

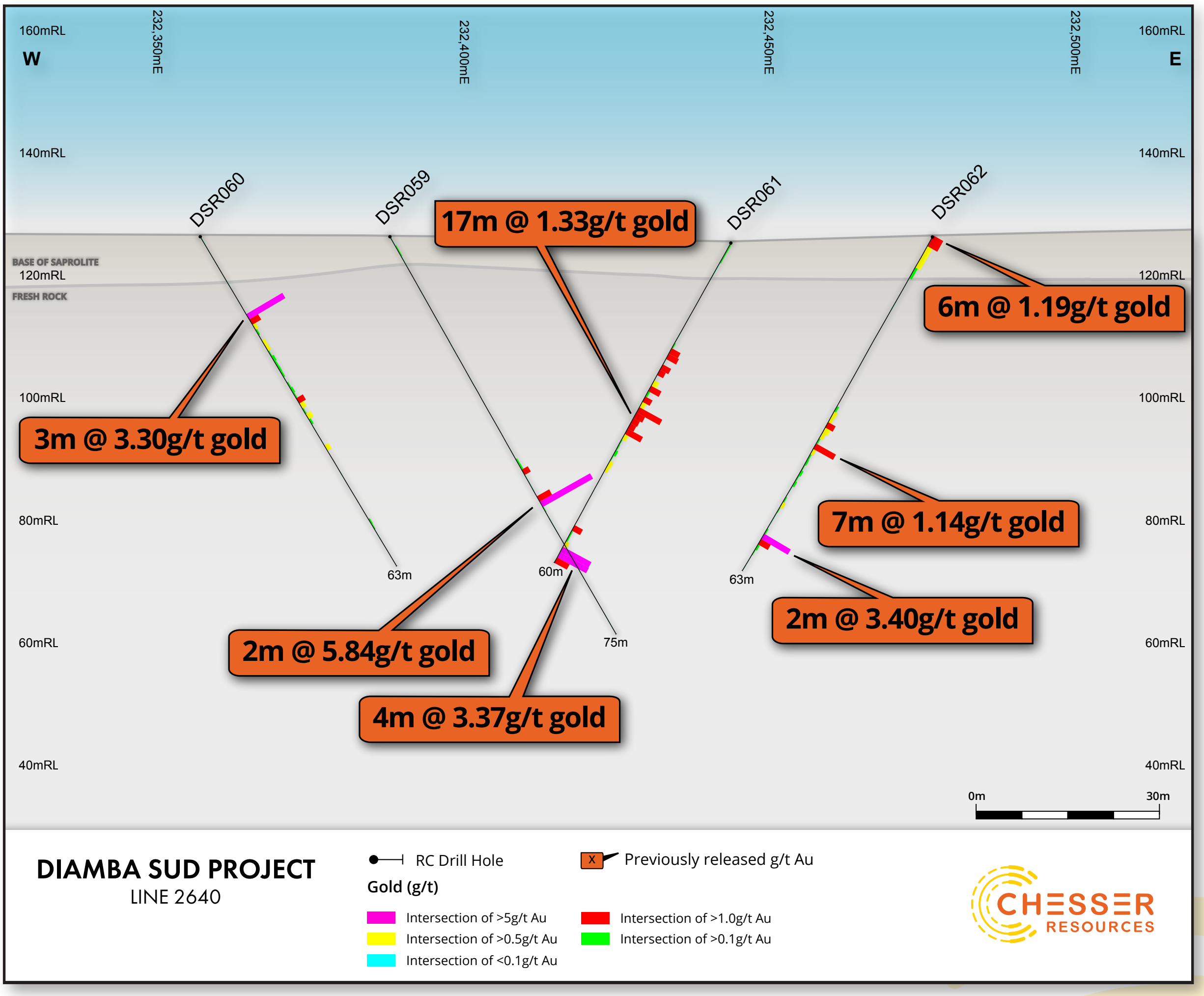

Figure 9: Section of Traverse 2640 RC holes on Southern Zone, looking north showing significant gold intercepts. Solid/dashed line shows saprolite-fresh rock boundary.

The Area A discovery and Area D intersections within the Northern Arc **exhibit the key characteristics of other large gold systems in the region**, including the nearby world-class Gounkoto/Loulo (5.5/12Moz) and Fekola (7.6Moz) deposits:

- Spatially related to splays off the Senegal Mali Shear Zone (SMSZ)
- Northerly trend of mineralisation
- Association of potassic alteration with mineralisation and pyrite with high gold grades

Proposed Future Activity

A full review of all exploration results is underway with drilling activities (diamond drilling) expected to commence in late October, following the wet season in Senegal and subject to access.

Table 1: Significant fold intersections from Diamba Sud Phase 1 RC drilling

Hole ID	From	To	Interval (m)	Gold (g/t)
DSR018	12	14	2	1.8
	34	42	8	3.48*
DSR022	6	24	18	5.61
including	14	22	8	11.84
including	16	18	2	22.1
DSR027	61	63	2	1.76
	71	78	7	2.42
including	75	78	3	3.87
	80	83	3	6.19
including	81	82	1	16.1
DSR030	42	54	12	3.65*
including	46	54	8	4.47*
DSR033	38	49	11	3.54
	51	52	1	1.24
	54	55	1	1.19
	58	60	2	2.58*
DSR036	51	53	2	5.52
DSR037	70	75	5	3.18*
DSR048	20	24	4	6.85
DSR051	26	32	6	4.70
	33	34	1	1.09
	39	58	19	1.49
DSR052	39	45	6	7.79
DSR056	4	20	16	1.05
including	4	8	4	2.98
DSR059	44	45	1	1.11
	49	51	2	5.84
DSR060	15	18	3	3.30
	31	32	1	1.20
DSR061	20	37	17	1.33
	53	54	1	1.48
	56	60	4	3.37
DSR073	26	30	4	6.51
including	26	28	2	12.00
	55	57	2	1.05

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

*hole ended in mineralisation.

**Hole DSR103 is reported using a threshold of 1g/t Au or greater average over the interval and selects all material greater than 0.3g/t Au with a maximum of 2m of internal dilution.

Hole ID	From	To	Interval (m)	Gold (g/t)
		Line A		
DSR088	60	66	6	7.27
	70	81	11	2.15
	86	87	1	1.7
	92	96	4	2.37
	97	100	3	1.41
	107	113	6	3.17
	116	117	1	3.23
DSR089	82	84	2	7.09
including	82	83	1	13.4
	93	95	2	3.19
	100	101	1	1.18
	104	107	3	2.48
DSR090	93	94	1	2.21
	104	110	6	2.91
	113	116	3	1.23
	118	119	1	2.13
	120	126	6	3.08
DSR091	20	24	4	2.46
	87	101	14	2.83
	119	121	2	1.93
DSR092	75	89	14	9.53
including	78	80	2	21.85
Including	83	85	2	13.15
	100	102	2	1.79
DSR093	8	14	6	1.62
	53	74	21	6.62
including	69	70	1	30.6
	76	80	4	3.44
		Line F		
DSR084	26	28	2	4.91
	34	36	2	5.35
DSR085	30	42	12	1.14
DSR086	18	22	4	2.25
DSR087	20	24	4	1.66
	30	34	4	2.05
DSR095	18	20	2	1.47
DSR096	8	22	14	1.74
	38	40	2	1.50
DSR097	87	88	1	1.34
	93	97	4	2.23
	99	103	4	2.75
DSR099	48	50	2	1.73
	63	65	2	1.03
DSR100	22	24	2	4.99
DSR101	112	113	1	1.03
DSR103**	57	110	53	2.61
including	59	76	17	4.97

Corporate activities

During the year the Company:

- Appointed Mr Michael Brown Managing Director on 5th November 2018. In December 2018, the Company appointed highly experienced geologist Gareth O'Donovan (ex-SRK Exploration) as Exploration Manager.

- Completed a placement to sophisticated and institutional investors in January 2019, pursuant to which 20.8 million shares were issued at an issue price of A$0.038 per share to raise $789,640 before costs. In addition, the Company entered into agreements to issue 2.92 million shares to Directors at the Placement price of $0.038 per share to raise funds totaling $110,960. The Director subscription agreements completed in March 2019 after the requisite shareholder approvals were obtained.

- Completed a private placement to sophisticated and institutional investors on 23 May 2019 to raise $975,000 (before costs) through the issue of 24,375,000 fully paid ordinary shares at an issue price of $0.04 per share.

Operating result

The Company reported a loss after tax for the year of $2,018,453 (2018: loss of $957,352). The significant items affecting the loss after tax were:

- Impairment of capitalised exploration and evaluation expenditure totaling $732,955 (2018: $7,591) in relation to the Woye, Youboubou and Garaboureya tenements which the Company determined to relinquish or surrender as the results of exploration activities undertaken on those tenements did not justify further exploration activity being undertaken.

- A general increase in operating expenditure in year ended 30 June 2019 reflecting the first full year of operations following the acquisition of the Senegal subsidiaries (2018: approximately 9 months of operations).

- An increase in key management personnel and employee remuneration expense to $467,368 (2018: $ 380,180) as a consequence of the appointment of Mr Michael Brown as the Company's Managing Director including a transition period during which the services of both Mr Brown and Dr Simon McDonald, the previous Chief Executive Officer of the Company, were retained.

Significant changes in the reporting year

The financial position and performance of the group was particularly affected by the following events and transactions during the year-ended 30 June 2019:

- On 4 January 2019, Chesser issued 20,780,000 fully paid ordinary shares at an issue price of $0.038 to raise $789,640 before transaction costs.

- On 4 January 2019 and 19 January 2019, the Company issued 2,000,000 unlisted options with an exercise price of $0.05 and an expiry date of 30 November 2021 and 1,246,8000 fully paid ordinary shares to Taylor Collison as consideration for corporate advisory and lead manager services provided in relation to the 4 January 2019 capital raising.

- On 15 March 2019 the Company issued the following equity securities:

    i. 2,920,000 fully paid ordinary shares to Directors at an issue price of $0.038 to raise $110,960 before transaction costs.
    ii. 600,000 loan funded shares to Mr Michael Brown at an issue price of $0.05 per share. The non-recourse loan is repayable by Mr Brown from proceeds received by Mr Brown on any sale of the shares.
    iii. 5,500,000 unlisted options with an exercise price of $0.05 and an expiry date of 30 November 2021 issued to Directors.

iv. 1,500,000 unlisted options with an exercise price of $0.05 and an expiry date of 1 December 2022 issued to Mr Gareth O'Donovan, the Company's Exploration Manager.
v. 175,200 fully paid ordinary shares were issued to Taylor Collison in payment of the lead manager fee payable on the 2,920,000 fully paid ordinary shares issued to Directors.

- On 23 May 2019 the Company issued 24,375,000 fully paid ordinary shares at an issue price of $0.04 to raise $975,000 before costs.

Dividends

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

Events occurring after balance sheet date

Except as noted below, no matter or circumstance has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs:

- On 19 September 2019, the Company issued 31,507,295 fully paid ordinary shares at an issue price of $0.06 to raise $1,890,437 before costs.

Likely developments and expected results of operations

Following the highly encouraging exploration results to date which have confirmed a new high-grade gold discovery at the Diamba Sud Project it is anticipated that the short-term focus of the Group will continue to be the exploration of the Diamba Sud Project with additional exploration activity being undertaken at the Diamba Nord Project.

Environmental Regulation

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

Auditor's independence declaration

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

Shares under Option

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

Grant Date	Expiry Date	Exercise price of options	Number under options
12/07/2017	31/12/2019	$0.06	3,300,000
12/07/2017	31/12/2020	$0.10	3,300,000
11/09/2017	31/12/2019	$0.06	1,000,000
11/09/2017	31/12/2020	$0.10	1,000,000
04/01/2019	31/12/2021	$0.05	2,000,000
15/03/2019	31/12/2021	$0.05	500,000
15/03/2019	31/12/2021	$0.05	5,000,000
15/03/2019	31/12/2022	$0.05	500,000
15/03/2019	31/12/2022	$0.05	1,000,000
			17,600,000

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

Shares issued as a result of the exercise of options

No shares were issued during the financial year, and up to the date of this report, as a result of the exercise of options.

Remuneration Report (Audited)

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

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

I. Non-Executive Director Remuneration

Objective

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

Structure

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

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

Each non-executive director receives a fee for being a director of the Group. Non-Executive Directors receive an annual fee of $40,000. Non-Executive Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services. No fees were paid to Non- Executive Directors for additional services during the year ended 30 June 2019(2018: $Nil).

Non-executive directors may also be granted options from time to time. The options granted are considered by the Board to be an effective means of appropriately compensating Directors whilst preserving the Company's cash reserves and providing an alignment between Director and shareholder interests.

Executive Director and Key Management Personnel Remuneration

Objective

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

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

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

Variable Remuneration - Short and Long-Term Incentives

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

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

b) Remuneration, Group performance and shareholder wealth

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

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

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

Financial Year	Total Remuneration $	EPS (Cents)	Dividends (Cents)	Share Price (Cents)
2019	533,391	(0.95)	-	4.4
2018	417,200	(0.49)	-	6.0
2017	215,700	(0.58)	-	4.5
2016	202,546	(0.31)	-	3.2
2015	1,282,075	8.59	-	3.4

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

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

Name	*Position Held*
Simon O'Loughlin	Non-Executive Director
Simon Taylor	Non-Executive Director
Michael Brown	Managing Director (appointed 5 November 2018)
Stephen Kelly	Executive Director, CFO and Company Secretary
Simon McDonald	Chief Executive Officer (resigned 31 January 2019)

The Company has entered into a Consultancy Agreement with MEMM Capital Pty Ltd pursuant to which Mr Michael Brown was engaged to provide Managing Director services to the Company effective from 5 November 2018. The key terms of the Agreement are:

- Mr Brown will be paid $280,000 per annum, inclusive of superannuation.
- Subject to shareholder approval Mr Brown (or his nominee) will be granted the following incentive options:
  - 500,000 incentive options exercisable at A$0.05 each on or before 30 November 2021, vesting immediately
  - 500,000 incentive options exercisable at A$0.05 each on or before 30 November 2021, vesting on 5 November 2019
  - 1,000,000 incentive options exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.075 prior to 31 May 2020
  - 1,000,000 incentive options exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.10 prior to 31 May 2021
- Subject to shareholder approval, the Company shall provide an interest free, non-recourse loan in the amount of $30,000 to be used for the sole purpose of acquiring loan funded shares.
- The Company has agreed to reimburse up to $25,000 in moving expenses incurred in relocating to Australia.
- The Agreement may be terminated by either Mr Brown or the Company by providing three months' notice.

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

- KCG Advisors Pty Ltd to receive $225 per hour, exclusive of GST, for services provided by Mr Kelly.
- Unless otherwise agreed between the parties, a monthly cap of $10,000 (2018: monthly cap of $6,500), exclusive of GST, will apply to payments to KCG Advisors Pty Ltd; and
- The Agreement may be terminated by either party at any time on the giving of not less than one month's notice in writing.

c) Details of remuneration

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

2019	Cash and salary fees	Super-annuation	Share Based Payments^	Total remuneration	Proportion of remuneration that is performance based
	$	$	$	$	%
Non-Executive Directors					
Mr Simon O'Loughlin	40,000	3,800	2,583	**46,383**	6%
Mr Simon Taylor	40,000	3,800	3,444	**47,244**	7%
Total Non-Executive Directors	**80,000**	**7,600**	**6,027**	**93,627**	**6%**
Executive Directors					
Mr Michael Brown[a]	183,556	-	21,625	**205,181**	**11%**
Mr Stephen Kelly	120,000	-	2,583	**122,583**	**2%**
Total Executive Directors	**303,556**	**-**	**24,208**	**327,764**	**11%**
Other Key Management Personnel					
Mr Simon McDonald[b]	112,000	-	-	**112,000**	**-**
Total Key Management Personnel	112,000	-	-	**112,000**	-
Total Director and KMP Compensation	**495,556**	**7,600**	**30,235**	**533,391**	**6%**

[a] Appointed 5 November 2018

[b] Resigned 31 January 2019

^ Equity-settled share-based payments as per *Corporations Regulation 2M.3.03(1) Item 11.*

2018	Cash and salary fees	Super-annuation	Share based payments	Total remuneration	Proportion of remuneration that is performance based
	$	$	$	$	%
Non-Executive Directors					
Mr Simon O'Loughlin	40,000	3,800	10,800	**54,600**	20%
Mr Simon Taylor	40,000	1,900	14,400	**56,300**	26%
Total Non-Executive Directors	**80,000**	**5,700**	**25,200**	**110,900**	**-**
Executive Directors					
Mr Stephen Kelly*	139,500	-	10,800	**150,300**	**7%**
Total Executive Directors	**139,500**	**-**	**10,800**	**150,300**	**-**
Other Key Management Personnel					
Mr Simon McDonald	192,000	-	35,000	**227,000**	**15%**
Total Key Management Personnel	192,000	-	35,000	**227,000**	-
Total Director and KMP Compensation	**411,500**	**5,700**	**71,000**	**488,200**	**15%**

** During the 2018 financial year KCG Advisors Pty Ltd, the Company through which Mr Kelly's services are engaged by the Company received additional fees totalling $19,500 for services provided in relation to the management of the Company's acquisition of the Senegal*

d) Share-based compensation

The following unlisted options were granted to Directors on 26 February 2019:

- 5,500,000 options with an exercise price of $0.05 and an expiry date of 30 November 2021

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

Date of grant	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	Number granted	Vested
26/02/2019	26/02/2019	30/11/2021	$0.05	$0.0105	916,667	100%
26/02/2019	05/11/2019	30/11/2021	$0.05	$0.0105	916,667	0%
26/02/2019	Subject to achieving 10-day VWAP of $0.075	30/11/2021	$0.05	$0.0101	1,833,333	0%
26/02/2019	Subject to achieving 10-day VWAP of $0.10	30/11/2021	$0.05	$0.0085	1,833,333	0%

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

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

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

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

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

Shares provided on exercise of remuneration options
No shares were issued as a result of the exercise of options during the year.

e) Unlisted option holdings

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

2019 Name	Balance at start of year	Granted as compensation	Exercised	Held at time of ceasing to be KMP	Balance at end of year	Vested and exercisable	Unvested
Key Management Personnel of Chesser Resources Limited							
S Taylor	1,600,000	1,000,000	-	-	2,600,000	1,766,667	833,333
S O'Loughlin	1,200,000	750,000	-	-	1,950,000	1,325,000	625,000
M Brown	-	3,000,000	-	-	3,000,000	500,000	2,500,000
S Kelly	1,200,000	750,000	-	-	1,950,000	1,325,000	625,000
S McDonald	2,000,000	-	-	(2,000,000)	-	-	-
Total	6,000,000	5,500,000	-	(2,000,000)	9,500,000	4,916,667	4,583,333

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

f) Share holdings

The number of shares in the Company held during the financial year by each director of Chesser Resources Ltd and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation (2018: nil), however the Company provided Mr Brown a non-recourse loan of $30,000 in relation to his acquisition of 600,000 shares during the financial year.

2019	Balance at start of year	**Shares held on appointment as key management personnel**	**Acquisitions during the year**	**Shares held on ceasing to be key management personnel**	**Balance at the end of the year**
Key Management Personnel of Chesser Resources Limited Ordinary shares					
S Taylor	2,500,001	-	1,000,000[1]	-	3,500,001
S O'Loughlin	1,833,334	-	1,000,000[1]	-	2,833,334
M Brown	-	-	1,125,000[2]	-	1,125,000
S Kelly	500,000	-	395,000[1]	-	895,000
S McDonald	-	-	-	-	-
	4,833,335	-	3,520,000	-	8,353,335

[1] Represents shares subscribed for by the Key Management Personnel pursuant to an issuance of shares by the Company at an issue price of $0.038 per Share.

[2] Comprised 525,000 shares subscribed for by the Key Management Personnel pursuant to an issuance of shares by the Company at an issue price of $0.038 per Share and 600,000 shares issued to Mr Brown as Loan Funded Shares.

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

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

g) Loans to key management personnel

Except as noted below, there were no loans to key management personnel at any time during the financial year:

- The Company provided an interest free, non-recourse loan in the amount of $30,000 to be used for the sole purpose of acquiring loan funded shares. The loan and the issue of the loan funded shares were approved by the Company's shareholders on 26 February 2019.

h) Other transactions with key management personnel

During the year ended 30 June 2018, O'Loughlins Lawyers, a legal firm in which the Company's Chairman Mr Simon O'Loughlin is a partner, provided legal services to the Company. As at 30 June 2019 the total amount payable to O'Loughlins Lawyers was $nil (2018: $Nil). The total fees paid to O'Loughlins Lawyers during the year was $Nil (2018: $34,668).

i) Voting and comments made at the Company's 2018 Annual General Meeting

The Company received more than 98% of "yes" votes on its remuneration report for the financial year ended 30 June 2018. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

Insurance of officers

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

Proceedings on behalf of the Group

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

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

Non-audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Group are important. No non-audit assignments were engaged with the auditor during the year (2018: none)

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

Auditor's Independence Declaration

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

Auditor

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

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

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

Stephen Kelly
Executive Director

Brisbane, 30 September 2019

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Brisbane, QLD 4000

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GPO Box 1144
Brisbane, QLD 4001

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The Directors
Chesser Resources Limited
Level 14
167 Edward Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

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

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

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

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
30 September 2019

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

Opinion

We have audited the financial report of Chesser Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) in the financial report which states that the Group's ability to continue as a going concern is dependent on the Group's ability to raise further funding and the successful exploration and subsequent exploitation of the Group's tenements. The matters set forth in Note 3(b) indicate the existence of a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
Exploration and evaluation expenditure - Impairment ***Refer to Note 5: Critical accounting estimates and judgements and Note 13: Exploration and Evaluation Expenditure***	
The Group is involved in exploration and evaluation activities with a focus on gold deposits in Senegal. Exploration and evaluation expenditure totalling $3,979,825 as disclosed in Note 13 represents a significant balance recorded in the consolidated Statement of Financial Position. AASB6 Exploration for and Evaluation of Mineral Resources requires the exploration and evaluation assets to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. As described in Note 5 to the financial statements, management performed an impairment assessment at 30 June 2019 in accordance with the accounting policy described in Note 13 which required management to make certain estimates and assumptions as to future events and circumstances surrounding the development and commercial exploitation of their Senegal Projects.	Our procedures included: • Understanding the control environment through which exploration and evaluation expenditure is incurred, recorded and assessed for impairment; • Obtaining an understanding of the status of ongoing exploration programs and future intentions for the areas of interest, including future budget spend and related work programs; • Enquiring of management and reviewed ASX announcements and minutes of directors meetings to ensure the group had not decided to discontinue exploration and evaluation at its areas of interest; • Reviewing the director's estimates and assumptions included in their assessment of potential indicators of impairment; • Assessing whether the relevant expenditure meets the asset recognition requirements of AASB6 Exploration for and Evaluation of Mineral Resources; • Verifying that each exploration licence remains valid; and • Assessing the adequacy of the related disclosures made in Note 5 and Note 13 of the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 17 to 23 of the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Chesser Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
30 September 2019

For the year ended 30 June 2019

	Notes	2019 $	2018 $
Revenue and other income	7	1,396	3,803
Auditors' remuneration		(37,500)	(40,000)
Key management personnel and employee remuneration		(467,398)	(380,180)
Depreciation expense	12	(53,379)	(22,151)
Finance charges		(3,994)	(6,088)
General and administrative expenses		(146,706)	(115,339)
Impairment of capitalised exploration expenditure	13	(732,955)	(7,591)
Other expenses		(214,757)	(51,038)
Professional fees		(20,973)	(72,497)
Travel expenses		(177,878)	(94,297)
Business development costs		(32,599)	(32,302)
Share based payments expense		(45,710)	(76,000)
Share registry and exchange listing fees		(86,839)	(50,976)
Foreign exchange (losses) / gains		839	(12,696)
Loss before income tax expense from continuing operations		(2,018,453)	(957,352)
Taxation	10	-	-
Loss for the year after tax		(2,018,453)	(957,352)
Loss attributable to Owners of Chesser Resources Limited		(2,018,453)	(957,352)
Basic and diluted loss per share (cents per share)	17	(0.95)	(0.49)

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

For the year ended 30 June 2019

	2019 *$*	*2018* *$*
Loss for the year after tax	**(2,018,453)**	(957,352)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	402	93
Income tax relating to these items	-	-
Other comprehensive income for the year, net of tax	**402**	93
Total comprehensive loss for the year	**(2,018,051)**	(957,259)
Comprehensive loss attributable to the owners of Chesser Resources Limited	**(2,018,051)**	(957,259)

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

As at 30 June 2019

	Notes	2019 $	2018 $
Current assets			
Cash and cash equivalents	21(a)	1,243,371	2,385,360
Trade and other receivables	11	58,819	17,565
Prepayments		28,099	45,194
Total current assets		1,330,289	2,448,119
Non-current assets			
Property, plant and equipment	12	177,040	164,879
Exploration and evaluation expenditure	13	3,979,825	3,193,146
Total non-current assets		4,156,865	3,358,025
Total assets		5,487,154	5,806,144
Current liabilities			
Trade and other payables	14	315,100	457,542
Total current liabilities		315,100	457,542
Total liabilities		315,100	457,542
Net assets		5,172,054	5,348,602
Equity			
Issued capital	15	10,636,305	8,840,512
Reserves	16	2,053,981	2,007,869
Accumulated losses		(7,518,232)	(5,499,779)
Total equity		5,172,054	5,348,602

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

For the year ended 30 June 2019

2019	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2018	**8,840,512**	**2,007,869**	**(5,499,779)**	**5,348,602**
Loss for the year	-	-	(2,018,453)	(2,018,453)
Other comprehensive income	-	402	-	402
Total comprehensive loss for the year	-	402	(2,018,453)	(2,018,051)
Transactions with owners in their capacity as owners:				
Issue of equity securities	1,929,636	-	-	1,929,636
Costs of issuing equity securities	(133,843)	-	-	(133,843)
Share based payments	-	45,710	-	45,710
Total transactions with owners in their capacity as owners	1,795,793	45,710	-	1,841,503
Balance as at 30 June 2019	**10,636,305**	**2,053,981**	**(7,518,232)**	**5,172,054**

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

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

For the year ended 30 June 2019

	Note	*2019* *$*	*2018* *$*
Cash flow from operating activities			
Interest received		1,396	3,803
Interest paid		(3,994)	(6,088)
Payments to suppliers and employees		(1,191,716)	(929,583)
Net cash flows used in operating activities	21(b)	(1,194,314)	(931,868)
Cash flow from investing activities			
Payments for property, plant and equipment		(65,540)	(187,030)
Payments for exploration and evaluation expenditure		(1,678,329)	(1,728,452)
Net cash used in investing activities		(1,743,869)	(1,915,482)
Cash flow from financing activities			
Proceeds from share issue		1,875,600	2,091,126
Costs of issuing equity securities		(79,807)	(171,888)
Net cash provided by financing activities		1,795,793	1,919,238
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		2,385,360	3,312,011
Net decrease in cash and cash equivalents		(1,142,390)	(928,112)
Foreign exchange difference on cash and cash equivalents		401	1,461
Cash and cash equivalents at 30 June	*21(a)*	1,243,371	2,385,360
Non-cash financing and investing activities	*21(c)*		

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

For the year ended 30 June 2019

1. General information

Chesser Resources Limited (the Company) is a listed public company incorporated in Australia. The address of its registered office and principal place of business is Level 14, 167 Eagle Street, Brisbane City QLD 4000.

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

2. Application of new and revised Accounting Standards

Adoption of New and Revised Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are effective for accounting periods commencing on or after 1 July 2018.

- AASB 15 Revenue from Contracts with Customers and related amending Standards

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

New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Group.

Standards/amendment	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 *Leases*	1 January 2019	30 June 2020
AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*	1 January 2019	30 June 2020
AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business*	1 January 2020	30 June 2020
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	1 January 2020	30 June 2021

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

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

As at 30 June 2019 the Group has the entered into lease arrangements for office premises in Australia and Senegal that meet the definition of a lease under the new standard. Currently the Group accounts for these lease arrangements as operating leases and records rental payments under the lease as an expense when incurred; no lease asset or lease liability is recognised by the Group.

Under the new standard the leases will be accounted for as finance leases. In the Statement of Financial Position, the Company will recognise a right-of-use asset and a lease liability (calculated as the present value of the future rentals, discounted using an applicable rate). As at 30 June 2019, the Group estimates that a lease asset of approximately $94,569 and a lease liability of approximately $80,745 would have been recognised had the new standard been early adopted by the Group.

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

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

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

3. Significant accounting policies

a) Statement of compliance

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

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

The financial standards were authorized for issue by the Directors on 30 September 2019.

b) Going concern

As at 30 June 2019 the Group had cash reserves of $1,243,371, net working capital of $1,015,189 and net assets of $5,172,054. The Group incurred a loss for the year ended 30 June 2019 of $2,018,453 (2018 loss: $957,352), net cash outflows from operating activities of $1,194,314 (2018: $931,868 outflows) and net outflows from investing activities of $1,743,869 (2018: $1,915,482 outflows).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to raise additional funding in the future and the successful exploration and subsequent exploitation of the Group's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Based on the success of previous capital raisings, including the capital raising completed on 19 September 2019 to raise $1,890,437, combined with the potential to attract farm-in partners for projects and the potential sale of the current portfolio of exploration assets held, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2019

The Directors are confident of securing funds as and when necessary to meet the Group's obligations as and when they fall due.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

c) Basis of preparation

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

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

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

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

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

The principal accounting policies are set out below.

d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Chesser Resources Limited ("Company" or "parent entity") as at 30 June 2019 and the results of all subsidiaries for the year then ended. Chesser Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

For the year ended 30 June 2019

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

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

e) Foreign currency translation

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

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

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

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

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a recognizable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

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

For the year ended 30 June 2019

4. Financial risk management

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

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

	2019 $	*2018* $
Financial Assets		
Cash and cash equivalents	1,243,371	2,385,360
Trade and other receivables	58,819	17,565
	1,302,190	2,402,925
Financial Liabilities		
Trade and other payables	309,959	400,752
	309,959	400,752

a) Market risk

30 June 2019	AUD Denominated Balances	USD Denominated Balances	CFA Denominated Balances	TOTAL 30 June 2019
Cash and cash equivalents	1,092,946	4,093	146,332	1,243,371
Trade and other receivables	23,108	28,477	7,234	58,819
Total assets	**1,116,054**	**32,570**	**153,566**	**1,302,190**
Trade and other payables	105,135	120,079	84,745	309,959
Net exposure	**1,010,919**	**(87,509)**	**68,821**	**992,231**

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

For the year ended 30 June 2019

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

	2019	*2018*
	$	*$*
Profit / (loss) before tax and equity – 10% increase	**(1,869)**	16,454
Profit / (loss) before tax and equity – 10% decrease	**1,869**	(16,454)

(i) Interest rate risk

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

	30 June 2019		30 June 2018	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Cash and cash equivalents	0.5%	**1,243,371**	0.5%	**2,385,360**

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

	After-tax loss higher / (lower)		Equity higher / (lower)	
	2019	2018	2019	2018
	$	$	$	$
+1% (100bp)	12,434	23,854	12,434	23,854
-1% (100bp)	(12,434)	(23,854)	(12,434)	(23,854)

b) Credit risk

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

c) Liquidity risk

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

For the year ended 30 June 2019

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

30 June 2019	Less than 3 months $	Total contractual cash flows $	Carrying amount $
Trade and other payables	309,959	309,959	309,959

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

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

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

5. Critical accounting estimates and judgements

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

Exploration and evaluation expenditure
As at 30 June 2019 the Group had capitalised exploration and evaluation expenditure of $3,979,825 in relation to the Senegal Projects. The ultimate recoupment of capitalised exploration and development expenditure is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest. The Company's continued development of its mineral property interests is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the financing necessary to maintain operations, successfully complete its exploration and development programs and the attainment of future profitable production. The recognition of this expenditure as an asset requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If after having capitalised expenditure under the accounting policy a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of comprehensive income.

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

For the year ended 30 June 2019

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

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

6. Segment information

The Group has identified its operating segments based on the internal reports that were reviewed and used by the Managing Director or the Chief Executive Officer (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources during the year.

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

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

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

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

Activity by segment

Kurnalpi Project
The Kurnalpi Project is situated at Kurnalpi approximately 60 kilometres north east of Kalgoorlie. Effective 11 July 2018, formal notification was given to Mithril to withdraw from the Farm-In-Agreement. Expenditure incurred during the year related to tenement rentals. All associated costs were impaired at year-end.
Senegal Projects
The Senegal Projects, which consist of five exploration projects, are located adjacent and to the west of the Senegal Mali Shear Zone in the Kédougou Inlier with a total area of 624kms2. The projects are: Diamba Sud, Diamba Nord, Woye, Youboubou and Garaboureya. During the 2019 financial year, the Company relinquished its interests in the Woye, Youboubou and Garaboureya projects and impaired all capitalised exploration and evaluation expenditure relating to those projects.

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

The following tables present revenue and profit information for the Group's operating segments for the year ended 30 June 2019 and 2018, respectively.

For the year ended 30 June 2019

(i) Segment performance

Year 30 June 2019	Kurnalpi Project	Diamba Sud	Diamba Nord	Woye	Youboubou	Garabou reya	Corporate	Total
	$	$	$	$	$	$	$	$
Total segment revenue	-	-	-	-	-	-	1,396	1,396
Segment expenditure	-	(1,274,921)	(194,470)	(40,927)	(4,254)	(5,062)	(1,188,644)	(2,708,278)
Segment result	-	(1,274,921)	(194,470)	(40,927)	(4,254)	(5,062)	(1,187,248)	(2,706,882)
Reconciliation of segment result to Group loss before tax								
• Capitalised expenditure								1,519,634
• Impairment of exploration and evaluation expenditure								(732,955)
• Depreciation expense								(53,379)
• Share based payments expense								(45,710)
• Other income								839
Net loss before tax								(2,018,453)

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

For the year ended 30 June 2019

(ii) Segment assets

The following table shows assets by geographical segment.

	Senegal $	Australia $	Total $
30 June 2019			
Segment assets	**4,338,655**	**1,148,499**	**5,487,154**
30 June 2018			
Segment assets	3,508,773	2,297,371	5,806,144

7. Revenue and other income	***2019*** ***$***	*2018* *$*
Interest income	**1,396**	3,803
	1,396	**3,803**

Accounting policy

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

8. Expenses

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

	2019 ***$***	*2018* *$*
Operating lease rentals	**45,957**	36,152
Superannuation contributions	**7,600**	3,850
Business development costs	**5,566**	32,302
Share based payment expense	**45,710**	76,000

For the year ended 30 June 2019

	2019 $	2018 $
9. Remuneration of auditors		
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:		
Pitcher Partners Brisbane		
(i) Audit and assurance services		
Audit and review of financial reports	37,500	40,000
Total auditors' remuneration	37,500	40,000
10. Income tax		
(a) Income tax benefit		
Current and deferred tax	-	-
	-	-
(b) Deferred income tax/(revenue)		
Deferred income tax/(revenue) included in tax expense comprises:		
(Increase)/decrease in deferred tax assets	161,713	113,995
Increase/(decrease) in deferred tax liabilities	(161,713)	(113,995)
	-	-
(c) Reconciliation of income tax expense to prima facie income tax		
Loss before income tax from continuing operations	(2,018,453)	(957,352)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	(555,075)	(263,271)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of change in tax rates	-	258,806
Different tax rates in other jurisdictions	(2,791)	2,490
Non deductible expenses	404,303	130,616
Deductible capital raising costs	(13,843)	(43,319)
	(167,406)	(85,322)
Deferred tax assets not recognised / (recognised)	167,406	85,322
Income tax benefit	-	-
(d) Deferred tax assets / liabilities comprise		
Accruals	7,563	7,288
Provisions	16,811	13,746
Prepayments	(7,797)	(12,428)
Impairment of investments in and loans to subsidiaries	89,468	-
Tax losses available for offset against future taxable income	3,060,802	2,983,075
Net deferred tax assets	3,166,847	2,991,681
Deferred tax assets not recognised	(3,166,847)	(2,991,681)
	-	-

	2019	2018
	$	$
(e) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Temporary differences and tax losses at 27.5% (2018: 27.5%)	**3,167,847**	2,991,681

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

Accounting policy

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

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

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

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

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

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

For the year ended 30 June 2019

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

11. Trade and other receivables	*2019* $	*2018* $
Current		
Other receivables	**58,819**	17,565

Other receivables represent the Company's GST receivable.

Accounting Policy

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

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

12. Property, plant and equipment

	Field Equipment	Motor Vehicles	Office Equipment	TOTAL
Carrying amount at 1 July 2017				
Additions	62,638	121,330	3,062	**187,030**
Disposals	-	-	-	**-**
Depreciation	(5,791)	(16,089)	(271)	**(22,151)**
Carrying amount at 30 June 2018	**56,847**	**105,241**	**2,791**	**164,879**
Additions	-	39,467	26,073	**65,540**
Disposals	-	-	-	**-**
Depreciation	(12,751)	(32,159)	(8,469)	**(53,379)**
Carrying amount at 30 June 2019	44,096	112,549	20,395	**177,040**

Accounting Policy

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

13. Exploration and evaluation expenditure

	2019	*2018*
	$	*$*
At cost	**3,979,825**	3,193,146

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

Carrying amount at beginning of period	**3,193,146**	-
Acquisition cost (i)	-	1,113,565
Exploration expenditure during the period	**1,519,634**	2,087,172
Impairment of exploration and evaluation expenditure (ii)	**(732,955)**	(7,591)
Carrying amount at end of period	**3,979,825**	**3,193,146**

i. Acquisition of Senegal Projects

In the financial year ended 30 June 2018, the Company acquired 100% of the issued capital of each of Boya Gold ("Boya") and Erin Mineral Resources ("Erin"), to acquire interests in five gold exploration projects in Senegal.

As consideration for the acquisition, Chesser issued the following equity securities to the vendors and third-party facilitators or their nominees:

(i) 27,071,419 fully paid ordinary shares in Chesser. 26,767,848 shares were issued on 12 July 2017 and 303,571 shares were issued on 11 September 2017;

(ii) The following unlisted options:
- (a) 1,000,000 unlisted options with an exercise price of $0.06 and an expiry date of 31 December 2019
- (b) 1,000,000 unlisted options with an exercise price of $0.10 and an expiry date of 31 December 2020.

(iii) The following performance shares:
- (a) 23,809,524 Class A performance shares which will convert into fully paid ordinary shares upon certification by an independent Competent Person of a JORC Mineral Resource of 0.5Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects; and
- (b) 23,809,524 Class B performance shares which will convert into fully paid ordinary shares upon certification by an independent Competent Person of a total JORC Mineral Resource of 1.0Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects.

For the year ended 30 June 2019

The total acquisition cost has been measured at the fair value of the equity instruments granted as compensation for the acquisition, in accordance with AASB 2 Share-based payments.

i. Impairment of exploration expenditure

During the year ended 30 June 2019 the Group impaired $732,955 (2018: $7,591) of exploration and evaluation expenditure related to the Woye, Youboubou and Garaboureya projects as the exploration activity undertaken by Chesser subsequent to acquiring the projects has not indicated sufficient exploration potential to justify Chesser undertaking further exploration activity and as such Chesser has relinquished or surrendered its interest in those tenements.

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

Accounting Policy

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

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

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

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

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

For the year ended 30 June 2019

14. Trade and other payables	***2019*** *$*	*2018* *$*
Trade payables	**249,728**	143,574
Accruals	**65,372**	313,968
Total trade and other payables	**315,100**	**457,542**

Accounting Policy

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

15. Issued capital	2019 $	2018 $
Ordinary shares – fully paid	**10,636,305**	8,840,512

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

(a) Movements in ordinary shares

	30 June 2019	
	No.	$
Opening Balance 30 June 2018	198,683,181	8,840,512
Share issue on 4 January 2019 (a)	20,780,000	789,640
Share issue on 19 January 2019 (b)	1,246,800	47,378
Shares issued on 15 March 2019(c)	3,695,200	117,618
Shares issued on 23 May 2019(d)	24,375,000	975,000
Share issue costs	-	(133,843)
Closing Balance 30 June 2019	**248,780,181**	**10,636,305**

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

a) On 4 January 2019, Chesser issued 20,780,000 fully paid ordinary shares at $0.038 per share via a private placement;
b) On 19 January 2019 Chesser issued 1,246,800 fully paid ordinary shares at $0.038 per share to Taylor Collison as payment of a capital raising fee;
c) On 15 March 2019 Chesser issued 2,920,000 fully paid ordinary shares at $0.038 per share to Directors pursuant to a subscription, issued 600,000 ordinary shares funded via a loan to Michael Brown and issued 175,200 fully paid ordinary shares at $0.038 per share to Taylor Collison as payment of a capital raising fee;

For the year ended 30 June 2019

d) On 23 May 2019, Chesser issued 24,375,000 fully paid ordinary shares at $0.04 per share via a private placement.

(b) Capital management

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

(c) Share options

At 30 June 2019, the following options for ordinary shares in the Company were on issue:

	Options with a $0.06 exercise price expiring 31 December 2019	Options with a $0.10 exercise price expiring 31 December 2020	Options with a $0.05 exercise price expiring 31 December 2021	Options with a $0.05 exercise price expiring 31 December 2022	Total options on issue
On issue at 1 July 2018	4,300,000	4,300,000	-	-	8,600,000
Options issued to Key Management Personnel and other employees	-	-	5,500,000	1,500,000	7,000,000
Options issued as consideration for capital raising fees	-	-	2,000,000	-	2,000,000
On issue at 30 June 2019	**4,300,000**	**4,300,000**	**7,500,000**	**1,500,000**	**17,600,000**

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

Refer note 16 for further details regarding the accounting treatment of the options issued during the year.

16. Reserves

	2019 $	2018 $
Share based payments reserve	2,053,981	2,008,271
Foreign currency translation reserve	-	(402)
	2,053,981	**2,007,869**

For the year ended 30 June 2019

	2019 $	2018 $
Movements:		
Foreign currency translation reserve		
Balance at 1 July 2018	(402)	(495)
Currency translation difference for the year	402	93
Balance at 30 June 2019	-	(402)
Share based payments reserve		
Balance at 1 July 2018	2,008,271	1,914,271
Options issued	45,710	94,000
Balance at 30 June 2019	2,053,981	2,008,271

Nature and purpose of reserves

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

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

Accounting Policy

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

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

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

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

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

For the year ended 30 June 2019

	30 June 2019 $
Options issued to directors (i)	22,194
Options issued to third-party vendors (ii)	8,695
Options issued to employees (iii)	6,781
Loan funded shares issue to directors (iv)	8,040
Share-based payments expense for the financial year	**45,710**

(i) On 26 February 2019 the shareholders approved the grant to Directors of 5,500,000 unlisted options over ordinary shares with an exercise price of $0.05 and an expiry date of 30 November 2021 subject to the following vesting conditions:

- 916,667 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting immediately
- 916,667 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on 5 November 2019.
- 1,833,333 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.075 prior to 31 May 2020
- 1,833,333 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.10 prior to 31 May 2021

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

	Immediately vesting	Vesting 5 November 2019	10 day VWAP of $0.075 prior to 31 May 2020	10 day VWAP of $0.10 prior to 31 May 2021
Exercise price	$0.05	$0.05	$0.05	$0.05
Expected volatility	50%	50%	50%	50%
Risk-free interest rate	2.07%	2.07%	2.07%	2.07%
Expected life of share options (days)	1,008	1,008	1,008	1,008
Grant date share price	$0.05	$0.05	$0.05	$0.05
Fair value per option	$0.0105	$0.0105	$0.0101	$0.0085

(ii) On 4 January 2019 the Group issued 2,000,000 unlisted options over ordinary shares with an exercise price of $0.05 and an expiry date of 30 November 2021 as partial consideration for corporate advisory and broking services provided to the Company and subject to the following vesting conditions:

- 333,333 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting immediately
- 333,333 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on 5 November 2019.

For the year ended 30 June 2019

- 666,667 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.075 prior to 31 May 2020
- 666,667 of the incentive options to be issued shall be exercisable at A$0.05 each on or before 30 November 2021, vesting on the Company's share price achieving a 10-day VWAP of $0.10 prior to 31 May 2021

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

	Immediately vesting	Vesting 5 November 2019	10 day VWAP of $0.075 prior to 31 May 2020	10 day VWAP of $0.10 prior to 31 May 2021
Exercise price	$0.05	$0.05	$0.05	$0.05
Expected volatility	52%	52%	52%	52%
Risk-free interest rate	1.72%	1.72%	1.72%	1.72%
Expected life of share options (days)	1,062	1,062	1,062	1,062
Grant date share price	$0.04	$0.04	$0.04	$0.04
Fair value per option	$0.0115	$0.0115	$0.011	$0.0095

(iii) On 1 December 2018 the Group granted to employees 1,500,000 unlisted options over ordinary shares on the following conditions:

i. 500,000 Options will have an exercise price of A$0.05, an expiry of 1 December 2022 and will vest on 1 December 2019.

ii. 500,000 Options will have an exercise price of A$0.05, an expiry of 1 December 2022 and will vest on 1 December 2020.

iii. 500,000 Options will have an exercise price of A$0.075, an expiry of 1 December 2022 and will vest on 1 December 2021.

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

	Vesting 1 December 2019	Vesting 1 December 2020	Vesting 1 December 2021
Exercise price	$0.05	$0.05	$0.075
Expected volatility	50%	50%	50%
Risk-free interest rate	1.92%	1.92%	1.92%
Expected life of share options (days)	1,461	1,461	1,461
Grant date share price	$0.04	$0.04	$0.04
Fair value per option	$0.0135	$0.0135	$0.009

(iv) On 15 March 2019 the Group issued 600,000 Loan Funded Shares to a Director. The Director was granted an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time the Director may divest their Shares in full satisfaction of the loan balance.

For the year ended 30 June 2019

In accordance with the requirements of applicable AASB2, the loan funded shares are to be accounted for as an option granted to the employee with an exercise price equal to the market price of the Company's shares at the grant date. Consequently, the loan funded shares have been valued using an option pricing model using the following inputs:

	Loan funded shares
Exercise price	$0.04
Expected volatility	50%
Risk-free interest rate	2.07%
Term	2.78 years
Suboptimal exercise factor	2.50
Grant date share price	$0.04
Fair value per option	$0.01

17. Loss per share

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

	2019 $	2018 $
Loss per share (cents per share)	**(0.95)**	(0.49)
Diluted loss per share (cents per share)	**(0.95)**	(0.49)
Loss attributable to Owners of Chesser Resources Limited	**(2,018,453)**	(957,352)

	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic loss per share	**212,934,354**	193,900,406
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**212,934,354**	193,900,406

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

Accounting policy

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

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

For the year ended 30 June 2019

18. Parent entity disclosures

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

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

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

As at and throughout the financial year ending 30 June 2019 and 30 June 2018 the parent entity of the Group was Chesser Resources Limited.

a) Summary financial information

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

	2019	*2018*
	$	*$*
	Chesser Resources Limited	
Results		
Profit/(loss) for the year	(2,406,802)	(874,009)
Total comprehensive income for the year	(2,406,802)	(874,009)
Financial Position		
Current assets	1,148,498	2,297,472
Non-current assets	3,880,894	3,281,904
	5,029,392	5,579,377
Current liabilities	96,894	81,581
	96,894	81,581
Net Assets	4,932,498	5,497,797
Contributed equity	10,636,305	8,840,512
Share-based payments reserve	2,053,981	2,008,271
Accumulated losses	(7,757,788)	(5,350,986)
	4,932,498	5,497,797

b) Guarantees entered into by the parent entity

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

For the year ended 30 June 2019

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

d) Contractual commitments for capital expenditure

The parent entity did not have any contractual commitments for capital expenditure as at 30 June 2019 (2018: $nil).

19. Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2019	2018
			%	%
Chesser Resources Holding Cooperatief U.A^^	Netherlands	Membership	-	100
Dharana B.V.^^	Netherlands	Ordinary	-	100
Boya Gold Pty Ltd	Australia	Ordinary	100	100
Boya Minerals Pty Ltd	Australia	Ordinary	100	100
Boya Senegal SAU	Senegal	Ordinary	100	100
Erin Mineral Resources Pty Ltd	Australia	Ordinary	100	100
Erin Minerals Pty Ltd	Australia	Ordinary	100	100
Erin Senegal SAU	Senegal	Ordinary	100	100
Chesser Senegal SAU	Senegal	Ordinary	100	100
Bondou SAU@	Senegal	Ordinary	100	-

@ Bondou SAU was incorporated during the financial year with Chesser Resources Limited as the founding and sole shareholder.

^^The Company's Netherlands subsidiaries were wound up during the financial period.

20. Related parties

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

During the year ended 30 June 2018, O'Loughlins Lawyers, a legal firm in which the Company's Chairman Mr Simon O'Loughlin is a partner, provided legal services to the Company on arm's length commercial terms. As at 30 June 2019 the total amount owing to O'Loughlins Lawyers was $nil (2018: $nil). The total fees paid to O'Loughlins Lawyers during the year was $Nil (2018: $34,668).

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

21. Cash flow information

	2019	*2018*
	$	*$*
a) Cash and cash equivalents		
Cash at bank and on hand	1,243,371	2,385,360

For the year ended 30 June 2019

	2019 $	2018 $
b) Reconciliation of cashflows from operating activities		
Loss before tax	(2,018,453)	(957,352)
Depreciation and amortisation	53,379	22,151
Impairment of capitalised exploration expenditure	732,955	7,591
Foreign exchange (losses) / gains	(839)	12,696
Share based payments expense	45,710	76,000
Change in operating assets and liabilities (net of disposals):		
(Increase)/decrease in trade or other receivables	(41,254)	(27,518)
(Increase)/decrease in prepayments	17,096	-
Increase/(decrease) in trade and other payables	17,092	(65,435)
Net cash outflow from operating activities	(1,194,314)	(931,867)
c) Non-cash investing and financing activities		
Acquisition of Senegal projects by means of share options	-	18,000
Acquisition of Senegal projects by means of share issue	-	1,082,856
Issue of shares in settlement of capital raising costs	54,036	-
Issue of loan funded shares	30,000	-

Accounting policy

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For the year ended 30 June 2019

22. Commitments and contingent liabilities

(a) Commitments

Operating leases

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

	2019 $	2018 $
Within one year	25,211	23,962
Later than one year but not later than five years	66,635	71,222
	91,846	95,184

Tenement expenditure commitments

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

	2019 $	*2018 $*
Within one year	-	552,594
Later than one year but less than five years	3,581,586	-
Later than five years	-	4,090,188
	3,581,586	4,642,782

(b) Contingent liabilities

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

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

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

- Class A - Upon certification by an independent Competent Person of a JORC Mineral Resource of 0.5Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects; and
- Class B - Upon certification by an independent Competent Person of a total JORC Mineral Resource of 1.0Moz Au with an average grade of at least 2.0g/t gold in relation to the Projects

23. Events occurring after the reporting period

Except as noted below, no matter or circumstance has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs:

- On 19 September 2019, the Company issued 31,507,295 fully paid ordinary shares at an issue price of $0.06 to raise $1,890,437 before costs.

CHESSER RESOURCES LTD

DIRECTORS' DECLARATION

In the directors' opinion:

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

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
(ii) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

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

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

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

Stephen Kelly
Director
Brisbane, 30 September 2019

The shareholder information set out below was applicable as at 20 September 2019.

A. Distribution of securities

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

	Number of holders				
Holding	Listed Shares	Unlisted $0.06 options expiring 31 December 2019	Unlisted $0.10 options expiring 31 December 2020	Unlisted $0.05 options expiring 30 November 2021	Unlisted $0.05 options expiring 30 November 2022
1 to 1,000	88	-	-	-	-
1,001 to 5,000	132	1	1	-	-
5,001 to 10,000	96	10	10	-	-
10,001 to 100,000	260	11	11	-	-
100,001 and over	260	9	9	5	1
Total holders	**836**	**31**	**31**	**5**	**1**
Total securities	**280,287,476**	**4,300,000**	**4,300,000**	**7,500,000**	**1,500,000**

There were 234 holders of less than a marketable parcel of listed shares.

Holding	Tranche 1 Performance Shares expiring 12 July 2020	Tranche 1 Performance Shares expiring 12 July 2021
1 to 1,000	-	-
1,001 to 5,000	-	-
5,001 to 10,000	-	-
10,001 to 100,000	1	1
100,001 and over	24	24
Total holders	**25**	**25**
Total securities	**23,809,524**	**23,809,524**

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	Units	% of Units
Elliott Services Pty Ltd	13,141,218	4.69
GP Securities Pty Ltd	11,365,523	4.05
CPO Superannuation Fund Pty Ltd	8,634,452	3.08
Calama Holdings Pty Ltd	7,366,667	2.63
Darroch Family Pty Ltd	6,920,000	2.47
Jarhamche Pty Ltd	5,700,000	2.03
Mr Michael Andrew Whiting + Mrs Tracey Anne Whiting	5,027,114	1.79
Souttar Superannuation Pty Ltd	4,981,177	1.78
Octifil Pty Ltd	4,954,451	1.77
AWJ Family Pty Ltd	4,796,940	1.71
Mase Global Investments Limited	4,510,819	1.61
Torres Investments Pty Ltd	4,000,000	1.43
Corporate Property Services Pty Ltd	3,967,954	1.42
Mr Nicholas Dermott Mc Donald	3,877,452	1.38
Mr Angus William Johnson + Mrs Lindy Johnson	3,636,667	1.30
Greenslade Holdings Pty Ltd	3,561,692	1.27
Jimzbal Pty Ltd	3,500,001	1.25
Fountain Oaks Pty Ltd	3,333,333	1.19
Hoeksteen Investments Limited	3,279,803	1.17
Mr Craig Peter Ball + Mrs Suzanne Katherine Ball	3,276,917	1.17
	109,832,180	**39.19**

Unquoted equity securities

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

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

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

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

	Unlisted $0.05 options expiring 30 November 2021		Unlisted $0.05 options expiring 30 November 2022	
Option holder	**Options**	**% of total options on issue**	**Options**	**% of total options on issue**
Gareth O'Donovan	-	-	1,500,000	100%
Taycol Nominees Pty Ltd	2,000,000	26.67%	-	-
Michael Brown	3,000,000	40.00%	-	-
	5,000,000	**66.67%%**	**1,000,000**	**100%**

C. Substantial shareholders

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

D. Listed shares subject to voluntary escrow

There are no restricted securities as at 20 September 2019.

E. Voting rights

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

(a) Ordinary shares

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

(b) Options and Performance Shares

No voting rights.

Board of Directors

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

Company Secretary
Mr Stephen Kelly

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Phone number: 1 300 552 270

Stock Exchange
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ASX Code
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Auditors
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