ANNUAL REPORT 2020

CHESSER RESOURCES

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.

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, 3rd September 2019, 14 October 2019, 21 January 2020, 2 March 2020, 17 June 2020, 21 July 2020, 28 July 2020 and 13 August 2020.

Chairman's Letter to Shareholders

Dear Shareholders,

As your recently appointed Chairman, I am pleased to present Chesser Resources Limited's (the "Company" or "Chesser") 2020 Annual Report. The past year has seen the Company rapidly advance its strategically located Diamba Sud Project in eastern Senegal following the announcement of two high-grade gold discoveries. These discoveries mark a significant step towards achieving the Company's principal objective of unearthing the next major gold deposit in West Africa.

The Diamba Sud Project lies to the immediate west of the regionally significant Senegal Mali Shear Zone ("SMSZ") that transects a prolific Birimian greenstone belt hosting over 45 million ounces of gold, including Barrick Gold's ~18 million ounce Loulo-Gounkoto mining complex.

Drilling completed during the year to June 2020 was focused on the high-grade gold zones at Area A and Area D. These both lie within an extensive gold geochemical auger anomaly referred to as the Northern Arc Target, which trends into Barrick Gold's neighbouring Bambadji tenement to the east.

Through the insights provided by diamond drilling, the Company is developing a better understanding of the primary gold mineralisation and structural controls of the Area A and Area D discoveries. The results from the mostly shallow drilling completed throughout the year have consistently returned highly encouraging widths and grades of gold mineralisation with distinctive alteration that is the hallmark of the many large deposits located along the SMSZ. These characteristics point to the potential of a large hydrothermal system emerging at Diamba Sud.

During the year, the Company also made significant steps in unlocking the potential of the Area D target following transformational high-grade intersection at less than 60m depth. Further spectacular intersections reported post year-end confirmed this discovery, which is a priority target for follow-up drilling in the upcoming field season commencing in October 2020.

I would like to thank my fellow Board members and management as well as our in-country team for their ongoing efforts and positive outcomes during the past year. Chesser's exploration success to date has largely been achieved under the leadership of Mike Brown (Managing Director) working collaboratively with Chesser's in-country team, headed by Gareth O'Donovan (Exploration Manager).

Finally, I thank you for your continuing support and we look forward to updating you on our progress during the forthcoming field season as we move forward in our quest of advancing the discoveries at Diamba Sud.

Yours sincerely,

Mark Connelly

Mark Connelly
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 2020 (collectively "Group"). 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 Mark Connelly, Non-Executive Chairman (appointed 10 July 2020)
- Mr Michael Brown, Managing Director
- Mr Simon O'Loughlin, Non-Executive Director
- Mr Simon Taylor, Non-Executive Director
- Mr Robert Greenslade, Non-Executive Director (appointed 8 April 2020)
- Mr Stephen Kelly, Executive Director (resigned 10 July 2020)

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 Mark Connelly (Non-Executive Chairman)
Mr Connelly has extensive experience and involvement in African gold exploration and development including the merger of Papillon Resources with B2 Gold Corp and the merger of Adamus Resources with Endeavour Mining. He is currently Non-Executive Chairman at Oklo Resources Limited, TAO Commodities Limited, Calidus Resources Limited and Primero Group Limited.

Mr Connelly is a member of the Australian Institute of Company Directors, a member of the Australian Institute of Management and a member of the Society of Mining, Metallurgy and Exploration.

Former directorships in last 3 years:
In the last 3 years, Mr Connelly has been a Director of West African Resources Limited, Ausdrill Ltd, Toro Gold Plc, Tiger Resources Limited, Saracen Mineral Holdings Limited and Cardinal Resources Limited.

Mr Simon O'Loughlin, BA(Acc) (Non-Executive Director)
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 , Stellar Resources 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 Stellar Resources Limited.

Former directorships in last 3 years:
TW Holdings Limited, Bod Australia Limited and ARC Exploration Limited.

Mr Robert Greenslade, BEcon, (Non-Executive Director)
Mr Greenslade has extensive experience in investment banking with over 30 years' experience in mergers and acquisitions, capital raisings and strategic advisory predominantly in the resources industry.

Robert is currently a director and co-founder of GP Securities a private investment vehicle focusing on various industries including private equity, resources, manufacturing in the food and retail sectors and technology. Until February 2016, Robert was a Managing Director at Standard Chartered Bank and Head of Australia, Mining and Metals Division, following the Bank's acquisition of Gryphon Partners Advisory, (a boutique corporate advisory firm focusing on the resources sector of which Robert was a co-founder), in 2011.

Prior to Gryphon Partners Advisory, Robert held various senior roles at Normandy Mining Limited, including Head of Corporate Development and at Newmont Mining following Newmont's takeover of Normandy.

Former directorships in last 3 years: Nil

Mr Michael Brown, BSc (Geology), BA, MBA (Managing Director)
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 an 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 (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 has more than 30 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 Limited were:

	Number of Ordinary Shares #	Number of Options over Ordinary Shares #
Mr Mark Connelly	-	-
Mr Simon O'Loughlin	3,433,334	1,350,000
Mr Simon Taylor	4,300,001	1,800,000
Mr Michael Brown	1,458,000	3,000,000
Mr Robert Greenslade	23,562,748	1,250,000

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 2020, and the numbers of meetings attended by each director were as follows:

Number of meetings held	Board Meetings: 4	
	Number of meetings eligible to attend	Number of meetings attended
Mr Mark Connelly (appointed 10 July 2020)	-	-
Mr Simon O'Loughlin	4	4
Mr Simon Taylor	4	4
Mr Robert Greenslade (appointed 8 April 2020)	2	2
Mr Michael Brown	4	4
Mr Stephen Kelly (resigned 10 July 2020)	4	4

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:

Permits

The Company's 53.3km^2 Diamba Sud and 241.9km^2 Diamba Nord exploration permits are valid for two years and can be extended for an additional three-year period and a subsequent two-year period.

Exploration Activities

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

DIAMBA SUD

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

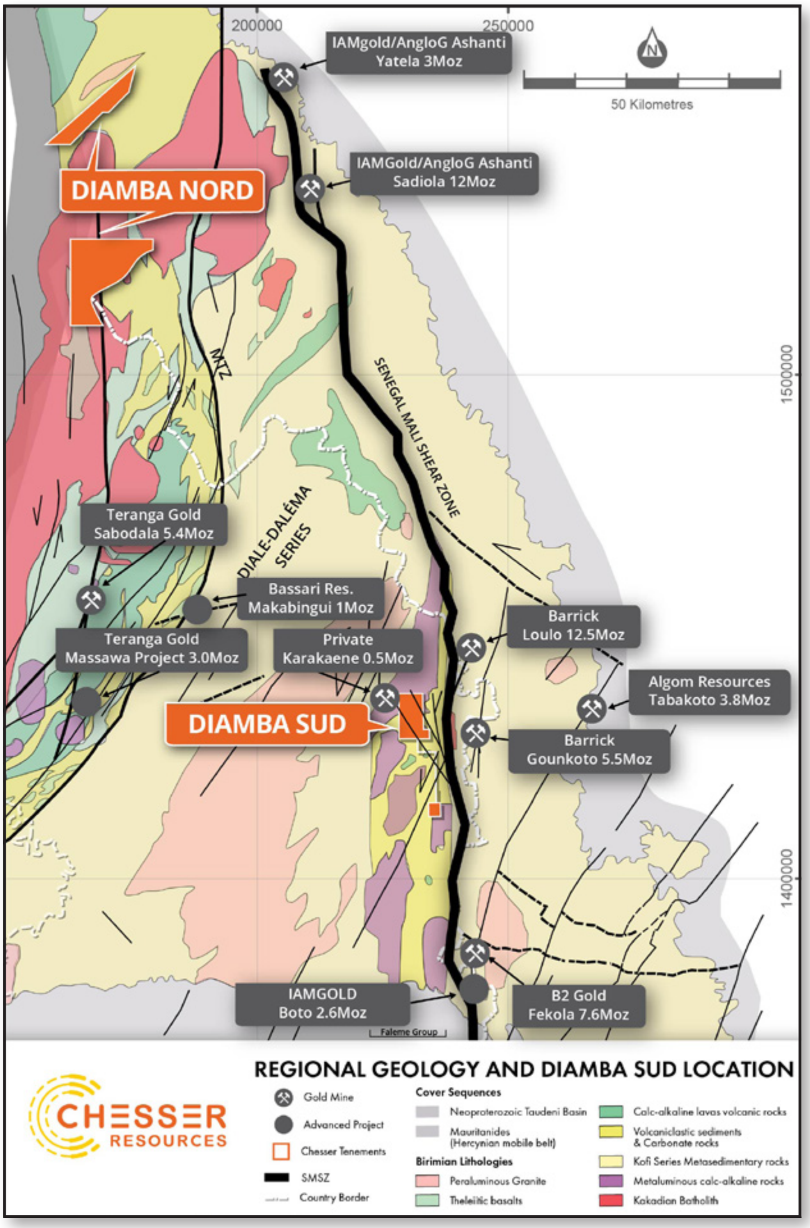

Figure 1: Schematic regional geology of eastern Senegal, showing the Diamba Sud Project and its proximity to both the SMSZ, and the major gold operations and projects on or adjacent to splays off the SMSZ.

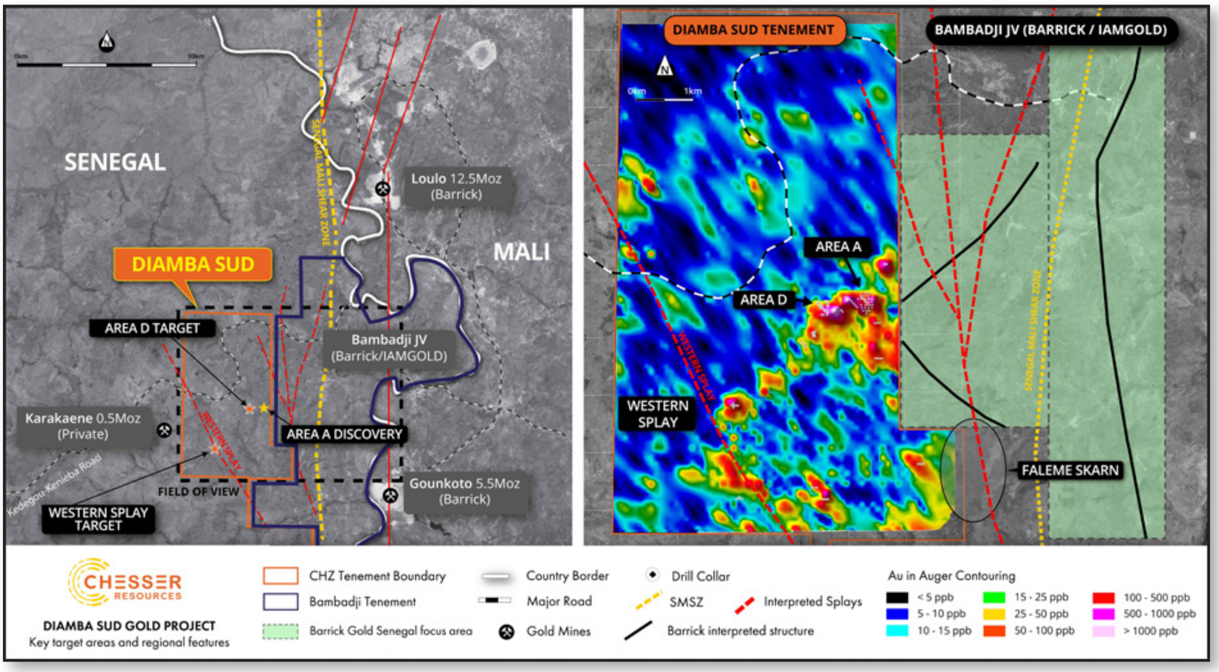

Figure 2: Diamba Sud Gold Project location with respect to significant gold mining operations, the Senegal Mali Shear Zone and associated splay structures (LHS) and a zoomed image of the auger geochemical gold anomalies and drilling targets (Area A, D and Western Splay) (RHS).

Exploration programs previously undertaken by the Company successfully delineated three large gold geochemical anomalies for follow-up drill testing: Northern Arc, Western Flank and Southern Zone.

Three discrete follow-up drilling campaigns were undertaken during the year, focussed on the Northern Arc and Western Flank targets to better understand the style, nature, potential host and controls to the underlying gold mineralisation.

Northern Arc target:

Previous exploration within Northern Arc discovered the presence of high-grade gold mineralisation at Area A and multiple significant intersections at Area D.

Area A

An initial follow-up program at Area A during the September quarter consisted of drilling on a westerly azimuth along two east-west oriented traverses to test the area immediately adjoining the previously reported significant intercepts. Best intersections included:

> **21m at 6.62 g/t gold** from 53m
> **4m at 3.44 g/t gold** from 76m
> **14m at 9.53 g/t gold** from 75m

The high-grade gold mineralisation correlated with a broad chargeability anomaly coincident with an interpreted felsic intrusive (resistivity high) and provided a target for further drilling to test for possible depth and strike extensions.

A further phase of drilling at Area A, including diamond drilling, commenced in the December quarter returning the following significant intersections:

> **16m at 8.51 g/t gold** from 86m, in fresh rock, including
> - **10m at 13.11 g/t gold** from 86m
>
> **4m at 9.36 g/t gold** from 14m, in saprolite, including
> - **2m at 18.20 g/t gold** from 14m
>
> **4m at 13.28 g/t gold** from 103m, including
> - **2m at 24.43 g/t gold** from 103m

The results confirmed a high-grade gold discovery at Diamba Sud, extending Area A at depth and in multiple directions, including confirmation of a northwest-southeast feeder structure interpreted as the principal host of the high-grade mineralisation. The gold mineralisation is principally structurally hosted, with a second style of minerlaisation within altered sedimentary breccias. This is interpreted to have formed by fluids flowing upwards along the structures then moving laterally into the sedimentary breccia, with strong hydrothermal brecciation. Both the structurally hosted and the lithological hosted pyrite mineralisation are associated with intense albite-carbonate-hematite alteration, typical of the assemblages found associated with other Tier 1 gold operations along the SMSZ. These characteristics provide strong indications that Area A is part of, or proximal to, a larger hydrothermal system, with marked similarities to other large systems and Tier 1 operations on the SMSZ.

The final phase of drilling at Area A confirmed the presence of a new potentially significant structural trend, intersecting a wide zone of gold mineralisation along a southwest-northeast trend. Gold mineralisation is hosted within altered sedimentary breccias underlying a felsic intrusive. Significant intersections included:

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

8m at 1.58 g/t gold from 127m
8m at 1.37 g/t gold from 147m

The interpreted host structures and associated gold mineralisation remain open along strike and are priority targets for follow-up drilling.

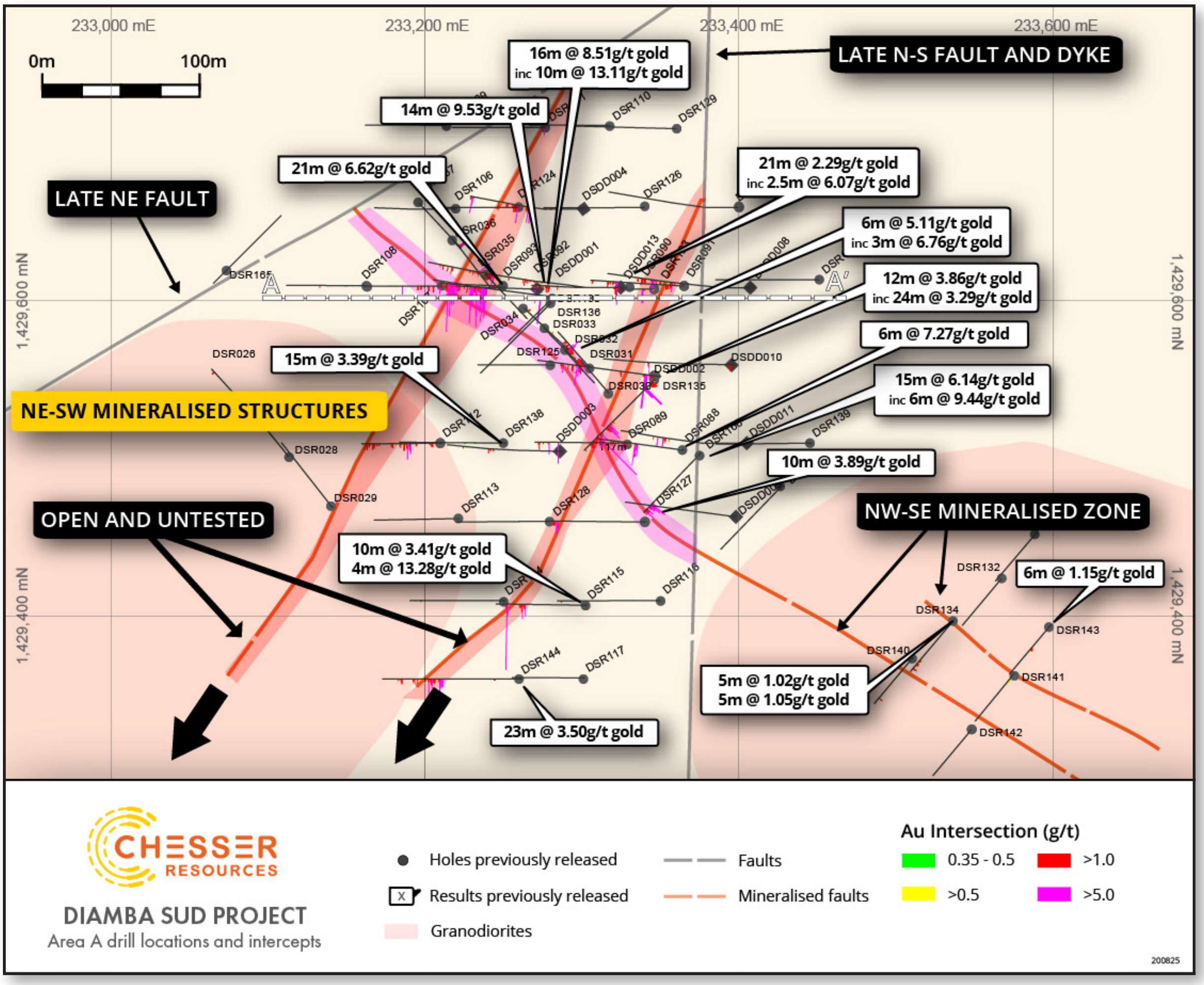

Figure 3: Area A plan view showing drilling locations and results. Conjugate NE-SW and NW-SE trending faults are shown to control mineralisation. A north-south trending fault/dyke runs down the eastern side of Area.

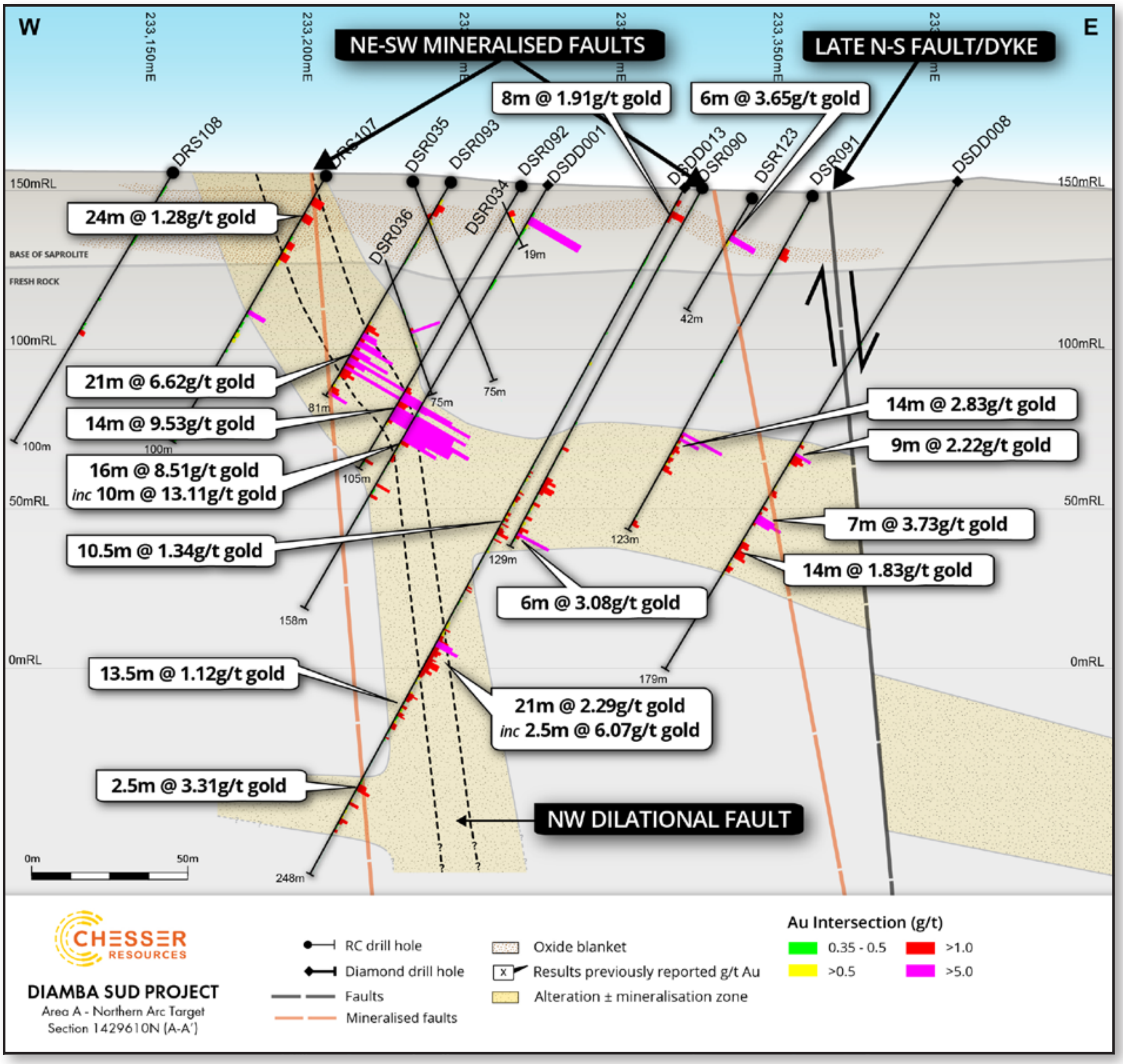

Figure 4: Area A section showing the two controlling structures (NE-SW and NW-SE) hosting the high-grade mineralisation

Area D

An initial follow-up program at Area D during the September quarter was drilled on a westerly azimuth to test for potential north and northwest trending host structures extending from the previously reported significant intercepts. Best intersections included:

> **53m at 2.61 g/t gold** from 57m, including
> - **17m at 4.97 g/t gold** from 59m
>
> **4m at 2.23 g/t gold** from 93m
> **4m at 2.75 g/t gold** from 99m
> **14m at 1.74 g/t gold** from 8m
> **2m at 1.47 g/t gold** from 18m
> **2m at 4.99 g/t gold** from 22m

Further phases of drilling completed at Area D during the December, March and June quarters confirmed the presence of a northwest-southeast striking host structure, particularly in an area within the Northern Arc gold geochemical anomaly which had not previously been fully assessed, with two previous holes not being able to reach the target depth due to excess water and clay.

The RC holes were drilled on a southwest-northeast orientated line and returned significant mineralisation over wide zones, marked by strong limonite staining. Assay results received post year-end highlighted high-grade intervals of up to 67.80 g/t gold within broad continuous zones of mineralisation. Significant intersections included;

48m at 6.70 g/t gold from 24m, including
- **10m at 25.14 g/t gold** from 62m

55m at 4.27 gold from 16m

38m at 4.63 g/t gold from 8m, including
- **18m at 7.04 g/t gold** from 28m, including
- **4m at 18.30 g/t gold** from 30m

36m at 2.93 g/t gold from 6m, including
- **10m at 6.13 g/t gold** from 16m

A second RC line, drilled parallel and 50m to the southeast intersected sedimentary breccias, carbonates and minor felsic intrusives, typical of the rocks observed in Area A. Whilst more drilling is needed in this area to understand the controls to the mineralisation, the Company currently believes a late-stage, northeast trending fault observed at the northern end of Area A may extend between these two lines and truncate the host structure.

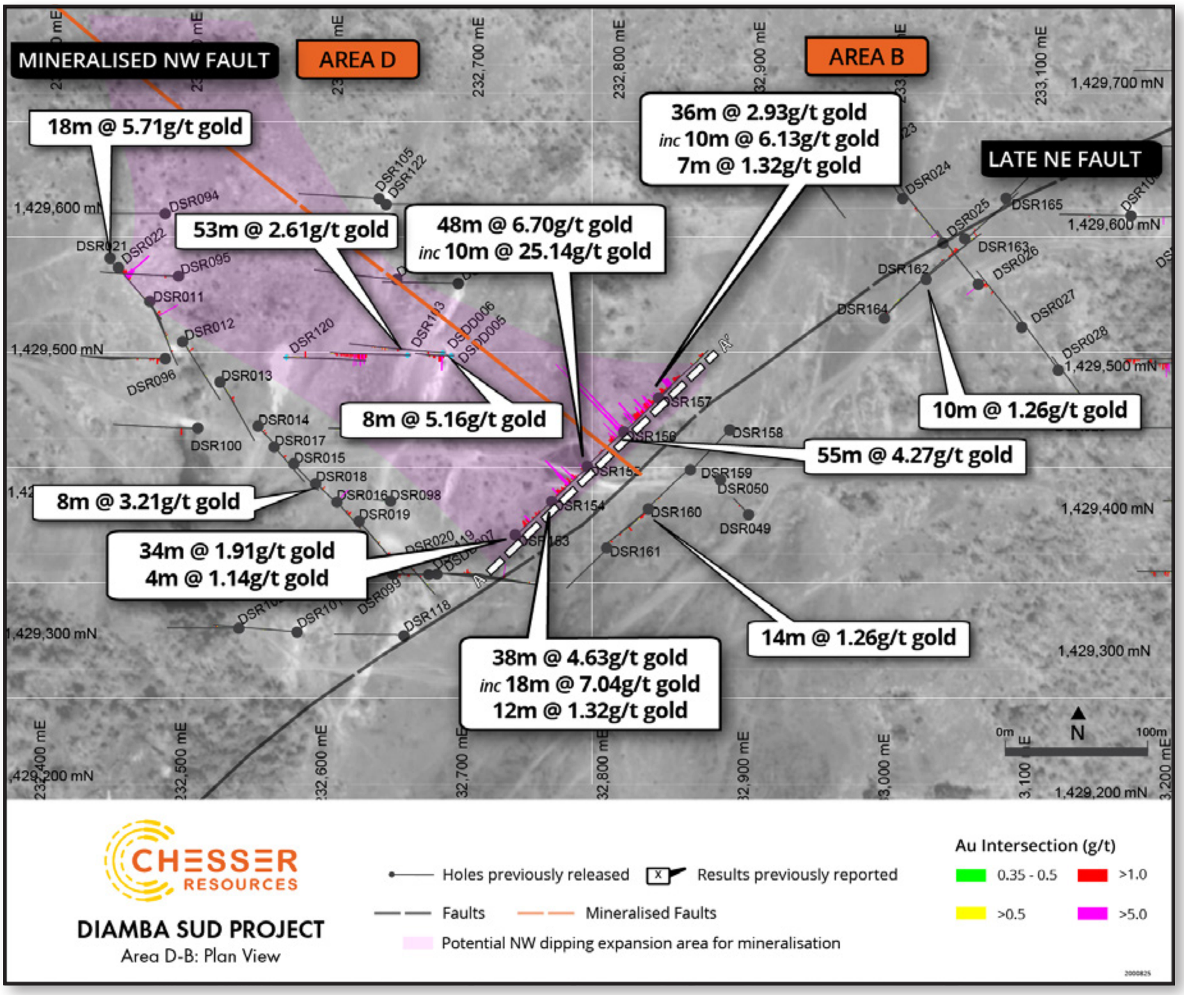

Figure 5: Results from Area D drilling. Late-stage fault appears to offset the geology between the two drill lines.

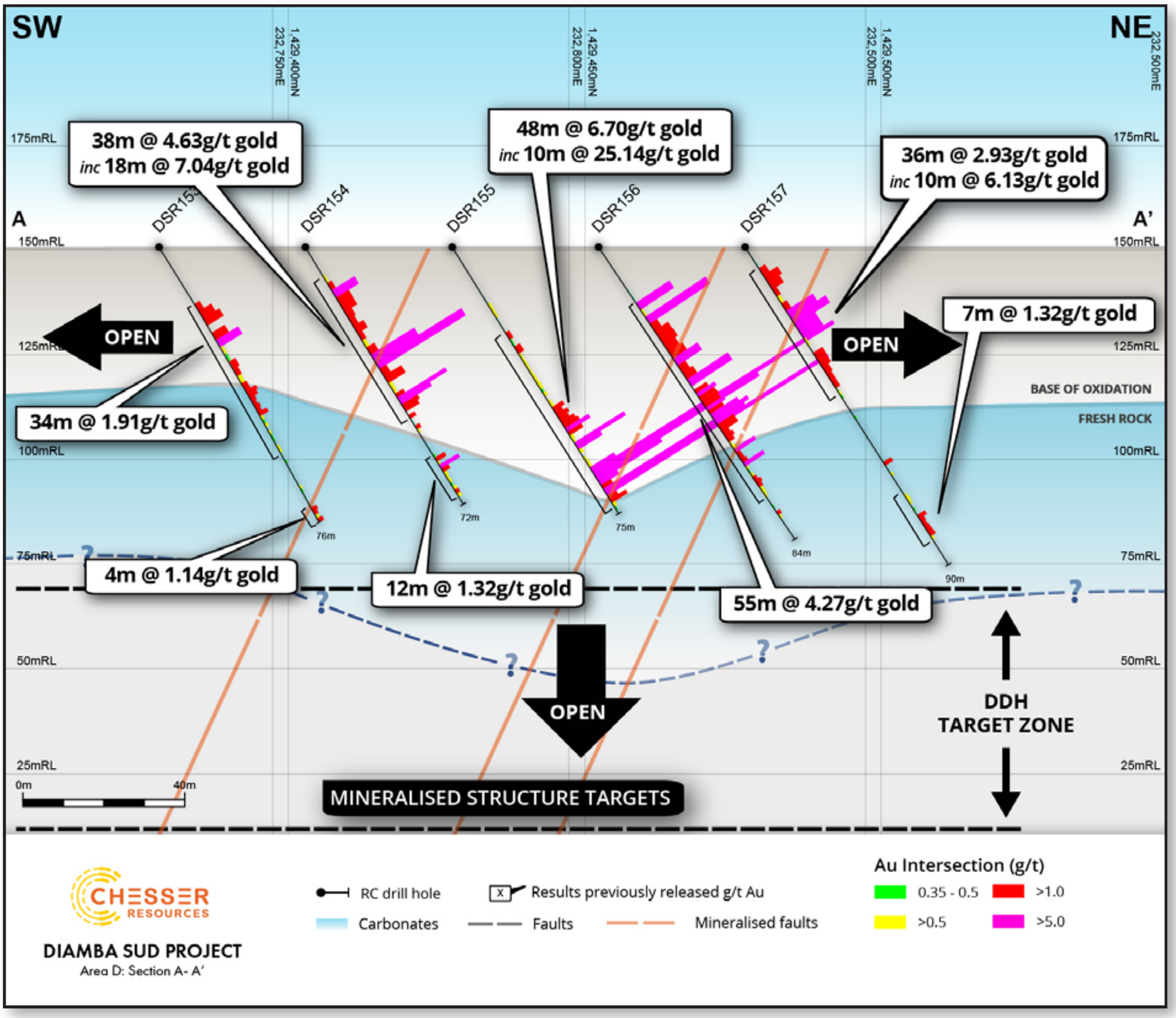

Figure 6: Area D Section looking northwest (A – A').

Western Flank Target:

Western Splay

A gradient array induced polarization (GAIP) geophysical survey undertaken over this area indicated the presence of a major northwest-trending splay structure extending from the SMSZ to the west of the Company's previous drilling. Given the spatial association of all major gold deposits along the SMSZ either on or adjacent to splays extending from the SMSZ (e.g. Boto, Fekola, Gounkoto, Loulo, Yatela and Sadiola), this structure represents a high priority target for future exploration activities.

Results released after year-end from drilling at one of the targets at the Western Splay area successfully intersected a mineralised structure approximately 5km to the southwest of the Area A discovery and immediately west of the main Western Splay structure. The drilling confirmed a mineralised trend over ~300m, which is believed to extend by at least a further ~200m to the artisanal workings located along strike. Best intersections included:

22m at 2.12 g/t gold from 36m, including
- **1m at 13.90 g/t gold** from 54m

2m at 19.80 g/t gold from 4m
6m at 1.79 g/t gold from 28m
10m at 1.10 g/t gold from 111m

This structure and the broader Western Splay area are considered highly prospective with multiple targets expected to be tested in future drilling.

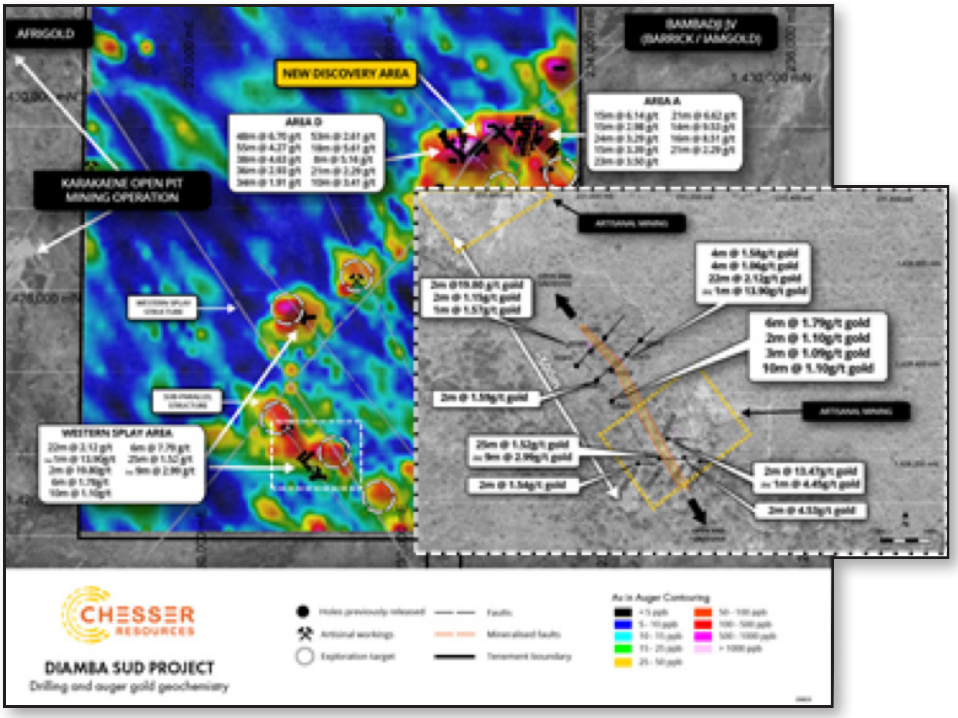

Figure 7: Results from Western Splay target area drilling. The structure appears to be a sub-parallel structure to the main Western Splay structure based on geophysics. Historic drilling and artisanal activity indicate a potential strike length of 500m, open in both directions.

Future Drill Programs

The Company is compiling all information from the most recent drill program and incorporating it into the database for review, analysis and planning of next steps at Diamba Sud.

The highly significant results from Area D, the consistent results from Area A and the multiple, lightly tested targets at Western Splay provide an excellent platform to launch the forthcoming drilling program at Diamba Sud. The Company is expecting to increase its expenditure commitment significantly with a large program, currently estimated at 20,000 m of RC and DD drilling, planned to commence as soon as practical at the expected end of the current wet season in October.

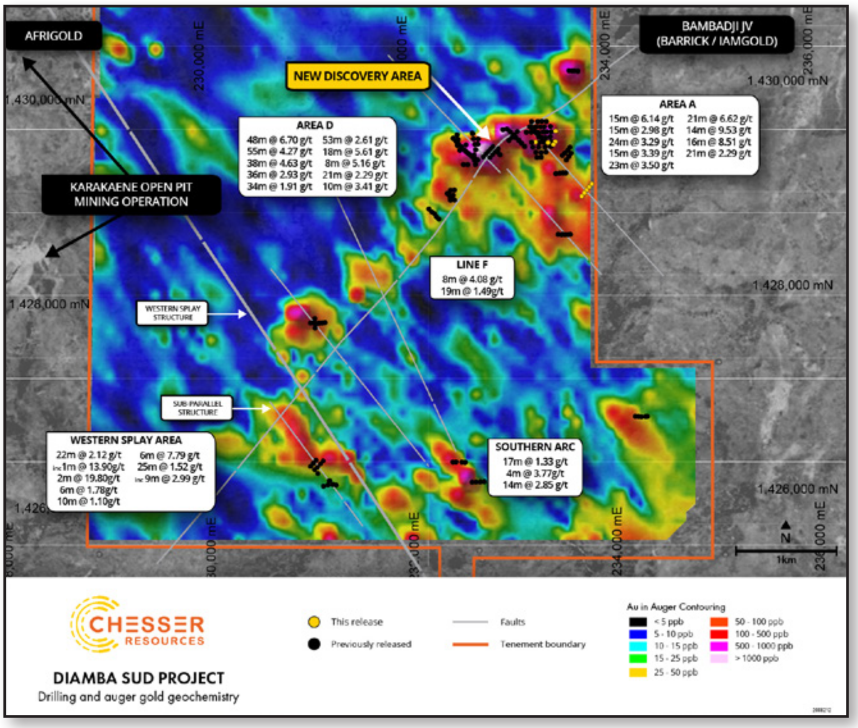

Figure 8: Diamba Sud Gold Project showing location of drilling undertaken during the year, highlights of drilling results, auger geochemical anomalies map, highly prospective NW-SE trends and late NE trending fault

Corporate activities
During the year the Company:

- Completed a private placement to sophisticated and institutional investors on 20 September 2019 to raise $1.89 million (before costs) through the issue of 31,507,295 fully paid ordinary shares at an issue price of $0.06 per share.

- Appointed Mr. Rob Greenslade as a Non-Executive Director of the Company in April 2020. Mr. Greenslade has extensive experience in investment banking with over 30 years' experience in mergers and acquisitions, capital raisings and strategic advisory services predominantly in the resources industry. Mr. Greenslade was previously Managing Director at Standard Chartered Bank and Head of Australia, Metals and Mining Division, following the Bank's acquisition of Gryphon Partners Advisory, a boutique corporate advisory firm focusing on the resources sector of which he was a co-founder. Prior to Gryphon Partners Advisory, Rob held various senior positions at Normandy Mining Limited, including Head of Corporate Development and at Newmont Mining following Newmont's takeover of Normandy.

- Completed a private placement to sophisticated and institutional investors on 6 April 2020 to raise $1.68 million (before costs) through the issue of 42 million 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 $1,135,683 (2019: loss of $2,018,453). The significant items affecting the loss after tax were:

- A decrease in Impairment of capitalised exploration and evaluation expenditure. There was no impairment in the financial year. In the prior period impairment charges totaling $732,955 were recognised in relation to the Woye, Youboubou and Garaboureya tenements which have been relinquished by the Group.

- A decrease in travel expenses to $81,709 (2019: $177,878) reflecting reduced international travel by Group personnel in the financial year as a consequence of COVID-19 related travel restrictions.

In the year ended 30 June 2020, the Group incurred capitalised exploration and evaluation expenditure totaling $2,616,793 (2019: $1,519,643). This expenditure was principally incurred in relation to the Phase 3 and Phase 4 exploration drilling programs undertaken on the Diamba Sud gold project.

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 2020:

- On 20 September 2019, Chesser issued 31,507,295 fully paid ordinary shares at an issue price of $0.06 to raise $1.89 million before transaction costs. In addition to the Placement, on 18th December 2020, the Company issued a further 583,333 shares at the Placement price of $0.06 per share to Directors to raise funds totaling $35,000. A further $155,701 was received from the exercise of options.

- On 18 December 2019, Chesser issued 1,890,438 fully paid ordinary shares to Taylor Collison in payment of the lead manager fee payable in relation to the 20 September 2019 capital raising.

- On 6 April 2020, Chesser issued 42,000,000 fully paid ordinary shares at an issue price of $0.04 to raise $1.68 million before transaction costs.

Dividends

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

Impact of COVID-19

The outbreak of the COVID-19 pandemic in early 2020 and the subsequent travel and trade restrictions imposed by the governments of numerous countries including Australia have caused disruption to businesses and economic activity. The Board and Management of the Group have considered the impact of the COVID-19 pandemic on the Group's operations and financial performance and have determined that the Group has not been materially impacted by the COVID-19 pandemic at this stage.

The Group received a $12,342 cash boost grant from the Australian government during the financial year as part of the Australian government's economic response to the COVID-19.

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:

- Appointed Mr. Mark Connelly as Non-Executive Chairman of the Company in July 2020. Mr. Mark Connelly is a seasoned executive with an impressive track record in African gold exploration and development, including the US$570 million merger of Papillon Resources with B2 Gold Corp in 2014 and the US$600 million merger of Adamus Resources with Endeavour Mining in 2011. More recently Mark was the Chairman of ASX listed West African Resources through the development, construction and commissioning of the Sanbrado mine in Burkina Faso, West Africa's newest gold producer. Mark is currently Non-Executive Chairman at Oklo Resources. Following the appointment, Mr Simon O'Loughlin moved to a Non-Executive Director role.

- Mr Stephen Kelly resigned as Non-Executive Director on 10th July 2020 and will continue to serve as Company Secretary and Chief Financial Officer.

- On 10 July 2020, the Company entered into contractual commitments to issue up to 75,000,000 fully paid ordinary shares at an issue price of $0.08 to raise up to $6 million before costs. The capital raising was settled in two tranches as follows:

  - Tranche 1 comprising the issue of 29,339,068 fully paid ordinary shares settled on 17 July 2020.
  - Tranche 2 comprising the issue of 45,660,932 fully paid ordinary shares settled on 8 September 2020

- On 12 July 2020, 23,809,524 A Class Performance Shares expired without vesting.

- On 17 July 2020, the Company issued 21,000,000 unlisted options at an issue price of $0.08 and an expiry date of 16 July 2021.

- On 8 September the Company issued 2,000,000 unlisted options with an exercise price of $0.08 and an expiry date of 30 November 2023 to Taylor Collison as consideration for corporate advisory and lead manager services.

- In the period from 1 July 2020 to the date of this report, the Company has received $372,374 cash proceeds from the exercise of 4,591,092 options.

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	31/12/2020	$0.10	3,300,000
11/09/2017	31/12/2020	$0.10	727,658
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
18/12/2019	30/11/2021	$0.12	2,000,000
17/7/2020	16/7/2021	$0.08	16,681,250
8/9/2020	30/11/2023	$0.08	2,000,000
			33,708,908

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

The Company issued 2,595,024 fully paid ordinary shares at an issue price of $0.06 during the financial year as a result of the exercise of options.

In the period from 1 July 2020 to the date of this report, the Company has received $372,374 cash proceeds from the exercise of 4,591,092 options.

Schedule of mining tenements

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

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

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.

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 a high 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 plus statutory superannuation. 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 2020 (2019: $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)
2020	515,089	(0.40)	-	9.4
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

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 Chairman
Simon Taylor	Non-Executive Director
Robert Greenslade	Non-Executive Director (appointed 8 April 2020)
Michael Brown	Managing Director
Stephen Kelly	Executive Director, CFO and Company Secretary

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.
- Mr Brown was 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
- 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 Company 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 (2019: monthly cap of $10,000), 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.

2020	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	2,510	**46,310**	5%
Mr Simon Taylor	40,000	3,800	3,346	**47,146**	7%
Mr Robert Greenslade[a]	10,000	-	-	**10,000**	-
Total Non-Executive Directors	**90,000**	**7,600**	**5,856**	**103,456**	**6%**
Executive Directors					
Mr Michael Brown	280,000	-	9,123	**289,123**	**3%**
Mr Stephen Kelly[b]	120,000	-	2,510	**122,510**	**2%**
Total Executive Directors	**400,000**	**-**	**11,633**	**411,633**	**3%**
Total Key Management Personnel Compensation	**490,000**	**7,600**	**17,489**	**515,089**	**3%**

[a] Appointed 8 April 2020
[b] Resigned 10 July 2020
^ Equity-settled share-based payments as per *Corporations Regulation 2M.3.03(1) Item 11.*

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 Other Key Management Personnel	112,000	-	-	**112,000**	-
Total Key Management Personnel 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.*

d) Share-based compensation

During the 2020 financial year the Company did not issue any share-based compensation to key management personnel.

During the 2019 financial year, 5,500,000 options with an exercise price of $0.05 and an expiry date of 30 November 2021 were issued to key management personnel.

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	100%
26/02/2019	Subject to achieving 10-day VWAP of $0.075	30/11/2021	$0.05	$0.0101	1,833,333	100%
26/02/2019	Subject to achieving 10-day VWAP of $0.10	30/11/2021	$0.05	$0.0085	1,833,333	100%

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
During the financial year, 2,000,000 options previously issued as remuneration were exercised. The fair value of those options at the time of exercise was $14,000 (2019: nil options exercised)

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:

2020	Balance at start of year	Granted as compensation	Exercised	Held on appointment as key management personnel	Balance at end of year	Vested and exercisable	Unvested
Key Management Personnel of Chesser Resources Limited							
R Greenslade	-	-	-	1,250,000	1,250,000	1,250,000	-
S Taylor	2,600,000	-	(800,000)	-	1,800,000	1,800,000	-
S O'Loughlin	1,950,000	-	(600,000)	-	1,350,000	1,350,000	-
M Brown	3,000,000	-	-	-	3,000,000	3,000,000	-
S Kelly	1,950,000	-	(600,000)	-	1,350,000	1,350,000	-
Total	**9,500,000**	**-**	**(2,000,000)**	**1,250,000**	**8,750,000**	**8,750,000**	**-**

2019	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	1,000,000	-	-	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[a]	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**

[a] Resigned 31 January 2019

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 (2019: nil). In the prior period the Company provided Mr Brown a non-recourse loan of $30,000 in relation to his acquisition of 600,000 shares.

2020	Balance at start of year	Shares held on appointment as key management personnel	Acquisitions during the year	Balance at the end of the year
R Greenslade	-	23,562,748	-	23,562,748
S Taylor	3,500,001	-	800,000[1]	4,300,001
S O'Loughlin	2,833,334	-	600,000[1]	3,433,334
M Brown	1,125,000	-	333,333[2]	1,458,333
S Kelly	895,000	-	850,000[3]	1,745,000
Total	**8,353,335**	**23,562,748**	**2,583,333**	**34,499,416**

1 Represents shares acquired on the exercise of options.

2 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.

3 Comprised 250,000 shares subscribed for by the Key Management Personnel pursuant to an issuance of shares by the Company and 600,000 shares acquired on the exercise of options.

2019	Balance at start of year	Shares held on appointment as key management personnel	Purchases / (disposals) during the year	Balance at the end of the year
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[a]	-	-	-	-
Total	**4,833,335**	**-**	**3,520,000**	**8,353,335**

[a] Resigned 31 January 2019

[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.

No shares were received by key management personnel on the exercise of options during the 2019 financial 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:

- In the prior financial year, the Company provided the Managing Director 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. As at 30 June 2020 an amount of $3,000 was owing to KCG Advisors Pty Ltd for these services (2019: $Nil).

h) Other transactions with key management personnel

Except as disclosed in this Remuneration Report and noted below, there were no transactions with key management personnel during the financial year (2019:$Nil).

- During the year, the Company paid KCG Advisors Pty Ltd, a company related to Mr Stephen Kelly who was an Executive Director of the Company during the reporting period, a total of $9,000 (2019: $Nil) for the provision of services including office rental for the Company's registered office, internet and communications services and software subscriptions.

i) Voting and comments made at the Company's 2019 Annual General Meeting

The Company received more than 98% of "yes" votes on its remuneration report for the financial year ended 30 June 2019. 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 (2019: 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.

Mike Brown
Managing Director

Brisbane, 30 September 2020

PITCHER PARTNERS

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The Directors
Chesser Resources Limited
Level 14
167 Eagle Street
BRISBANE QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act* 2001; and

(ii) no contraventions of APES110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS

Partner

Brisbane, Queensland
30 September 2020

Pitcher Partners

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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 2020, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 2020 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 (including Independence Standards)* "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.

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 $6,596,618 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 2020 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 2020, 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.

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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 have 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, actions taken to eliminate threats or safeguards applied.

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 in pages 14 to 20 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Chesser Resources Limited, for the year ended 30 June 2020, 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

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
30 September 2020

For the year ended 30 June 2020

	Notes	*2020* *$*	*2019* *$*
Revenue and other income	7	13,402	1,396
Auditors' remuneration		(52,000)	(37,500)
Key management personnel and employee remuneration		(507,041)	(467,398)
Depreciation expense	12	(71,116)	(53,379)
Finance charges		(3,607)	(3,994)
General and administrative expenses		(130,339)	(146,706)
Impairment of capitalised exploration expenditure	13	-	(732,955)
Other expenses		(179,802)	(214,757)
Professional fees		-	(20,973)
Travel expenses		(81,709)	(177,878)
Business development costs		-	(32,599)
Share based payments expense		(32,192)	(45,710)
Share registry and exchange listing fees		(64,828)	(86,839)
Foreign exchange (losses) / gains		(26,451)	839
Loss before income tax expense from continuing operations		(1,135,683)	(2,018,453)
Income tax expense	10	-	-
Loss for the year after tax		(1,135,683)	(2,018,453)
Loss attributable to Owners of Chesser Resources Limited		(1,135,683)	(2,018,453)
Basic and diluted loss per share (cents per share)	17	(0.40)	(0.95)

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

For the year ended 30 June 2020

	2020 $	2019 $
Loss for the year after tax	**(1,135,683)**	(2,018,453)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-	402
Income tax relating to these items	-	-
Other comprehensive income for the year, net of tax	**-**	402
Total comprehensive loss for the year	**(1,135,683)**	(2,018,051)
Comprehensive loss attributable to the owners of Chesser Resources Limited	**(1,135,683)**	(2,018,051)

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

As at 30 June 2020

	Notes	2020 $	2019 $
Current assets			
Cash and cash equivalents	21(a)	1,278,609	1,243,371
Trade and other receivables	11	80,819	58,819
Prepayments		51,869	28,099
Total current assets		1,411,297	1,330,289
Non-current assets			
Property, plant and equipment	12	195,076	177,040
Exploration and evaluation expenditure	13	6,596,618	3,979,825
Total non-current assets		6,791,694	4,156,865
Total assets		8,202,991	5,487,154
Current liabilities			
Trade and other payables	14	513,996	315,100
Total current liabilities		513,996	315,100
Total liabilities		513,996	315,100
Net assets		7,688,995	5,172,054
Equity			
Issued capital	15	14,244,737	10,636,305
Reserves	16	2,098,173	2,053,981
Accumulated losses		(8,653,915)	(7,518,232)
Total equity		7,688,995	5,172,054

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

For the year ended 30 June 2020

2020	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2019	**10,636,305**	**2,053,981**	**(7,518,232)**	**5,172,054**
Loss for the year	-	-	(1,135,683)	(1,135,683)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,135,683)	(1,135,683)
Transactions with owners in their capacity as owners:				
Issue of equity securities	3,874,566	-	-	3,874,566
Costs of issuing equity securities	(266,134)	-	-	(266,134)
Share based payments	-	44,192	-	44,192
Total transactions with owners in their capacity as owners	3,608,432	44,192	-	3,652,624
Balance as at 30 June 2020	**14,244,737**	**2,098,173**	**(8,653,915)**	**7,688,995**

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**

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

For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flow from operating activities			
Interest received		1,060	1,396
Other income		12,342	-
Interest paid		(3,607)	(3,994)
Payments to suppliers and employees		(957,995)	(1,191,716)
Net cash flows used in operating activities	21(b)	(948,200)	(1,194,314)
Cash flow from investing activities			
Payments for property, plant and equipment		(89,152)	(65,540)
Payments for exploration and evaluation expenditure		(2,547,842)	(1,678,329)
Net cash used in investing activities		(2,636,994)	(1,743,869)
Cash flow from financing activities			
Proceeds from share issue		3,761,139	1,875,600
Costs of issuing equity securities		(140,707)	(79,807)
Net cash provided by financing activities		3,620,432	1,795,793
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1,243,371	2,385,360
Net increase (decrease) in cash and cash equivalents		35,238	(1,142,390)
Foreign exchange difference on cash and cash equivalents		-	401
Cash and cash equivalents at 30 June	*21(a)*	1,278,609	1,243,371
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 2020

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 gold exploration in Senegal, West Africa.

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 relevant to its operations and effective for the current year including AASB16 Leases. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.

New accounting standards not yet adopted

The Directors do not consider that the adoption of any new standards and Interpretations in issue but not yet effective at the date of these financial statements will have a material impact on the financial statements of the Group.

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 authorised for issue by the Directors on 30 September 2020.

b) Going concern

As at 30 June 2020 the Group had cash reserves of $1,278,609 (2019: $1,243,371), net working capital of $897,301 (2019 $1,015,189) and net assets of $7,688,995 (2019: $5,172,054). The Group incurred a loss for the year ended 30 June 2020 of $1,135,683 (2019 loss: $2,018,453), net cash outflows from operating activities of $948,200 (2019: $1,194,314 outflows) and net outflows from investing activities of $2,636,994 (2019: $1,743,869 outflows).

As detailed in note 23, subsequent to 1 July 2020 the Company raised $6,000,000 before transaction costs through the issue of 75,000,000 shares at an issue price of $0.08 per share and to the date of these financial statements had received $372,374 on the exercise of options.

Taking into consideration the funds received by the Company subsequent to 30 June 2020, 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 2020

3. Significant accounting policies (continued)

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 2020 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. 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.

For the year ended 30 June 2020

3. Significant accounting policies (continued)

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 2020

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.

	2020	*2019*
	$	*$*
Financial Assets		
Cash and cash equivalents	1,278,609	1,243,371
Trade and other receivables	80,819	58,819
	1,359,428	1,302,190
Financial Liabilities		
Trade and other payables	513,996	309,959
	513,996	309,959

For the year ended 30 June 2020

4. Financial risk management (continued)

a) Market risk

(i) Foreign exchange risk

30 June 2020	AUD Denominated Balances	USD Denominated Balances	CFA Denominated Balances	TOTAL 30 June 2020
Cash and cash equivalents	851,306	168,723	258,580	1,278,609
Trade and other receivables	21,969	-	58,850	80,819
Total assets	**873,275**	**168,723**	**317,430**	**1,359,428**
Trade and other payables	175,348	27,819	310,829	513,996
Net exposure	**697,927**	**140,904**	**6,601**	**845,432**

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**

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.

	2020	*2019*
	$	*$*
Profit / (loss) before tax and equity – 10% increase	**(9,110)**	(1,869)
Profit / (loss) before tax and equity – 10% decrease	**9,110**	1,869

(ii) 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 2020		30 June 2019	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	**$**	**%**	**$**
Cash and cash equivalents	0.1%	**1,278,609**	0.5%	**1,243,371**

For the year ended 30 June 2020

4. Financial risk management (continued)

(ii) Interest rate risk (continued)

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)	
	2020	2019	2020	2019
	$	$	$	$
+.1% (10bp) / (2019: +1%)	1,279	12,434	1,279	12,434
-0.1% (10bp)/ (2019: -1%)	(1,279)	(12,434)	(1,279)	(12,434)

c) 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, 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.

d) 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.

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 2020	Less than 3 months $	4 to less than 7 months $	Total contractual cash flows $	Carrying amount $
Trade and other payables	**499,991**	**14,005**	**513,996**	**512,194**

30 June 2019	Less than 3 months $	4 to less than 7 months $	Total contractual cash flows $	Carrying amount $
Trade and other payables	309,959	-	309,959	309,959

e) 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 2020 the Group had capitalised exploration and evaluation expenditure of $6,596,618 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.

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.

For the year ended 30 June 2020

6. Segment information (continued)

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

Senegal Projects
The Senegal Projects, which during the financial consisted of two exploration projects, are located adjacent and to the west of the Senegal Mali Shear Zone in the Kédougou Inlier with a total area of 295kms^2. The projects are: Diamba Sud and Diamba Nord.

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 2020 and 2019, respectively.

For the year ended 30 June 2020

6. Segment information (continued)

(i) Segment performance

Year 30 June 2020	Diamba Sud	Diamba Nord	Woye	Youboubou	Garabou Reya	Corporate	Total
	$	$	$	$	$	$	$
Total segment revenue	-	-	-	-	-	13,402	13,402
Segment expenditure	(2,586,297)	(30,496)	-	-	-	(1,019,326)	(3,636,119)
Segment result	(2,586,297)	(30,496)	-	-	-	(1,005,924)	(3,622,717)
Reconciliation of segment result to Group loss before tax							
• Capitalised expenditure							2,616,793
• Impairment of exploration and evaluation expenditure							(-)
• Depreciation expense							(71,116)
• Share based payments expense							(32,192)
• Other expenses							(26,451)
Net loss before tax							(1,135,683)

Year 30 June 2019	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)

For the year ended 30 June 2020

6. Segment information (continued)
(i) Segment assets

The following table shows assets by geographical segment.

	Senegal $	Australia $	Total $
30 June 2020			
Segment assets	7,092,527	1,110,464	8,202,991
30 June 2019			
Segment assets	4,338,655	1,148,499	5,487,154

7. Revenue and other income	*2020* $	*2019* $
Interest income	1,060	1,396
Government grants	12,342	-
	13,402	1,396

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.

Government grants
Government grant revenue is recognised at fair value when there is reasonable assurance that the grant will be received.

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.

	2020 $	*2019* $
Short-term lease payments	45,539	-
Operating lease rentals	-	45,957
Superannuation contributions	8,430	7,600

Payments associated with short-term leases of property are recognised on a straight-line basis as an expense in the Income Statement. Short term leases are leases with a lease term of 12 months or less. Lease payments for short-term leases amounting to $45,539 (2019: $45,957) are recognised as expenses in the Income Statement. All short-term leases are cancellable by the Company by providing 2 months or less notice to the lessor.

For the year ended 30 June 2020

	2020 $	2019 $
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:

	2020 $	2019 $
Pitcher Partners Brisbane		
(i) Audit and assurance services		
Audit and review of financial reports	52,000	37,500
Total auditors' remuneration	52,000	37,500

10. Income tax

	2020 $	2019 $
(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	6,466	161,713
Increase/(decrease) in deferred tax liabilities	(6,466)	(161,713)
	-	-
(c) Reconciliation of income tax expense to prima facie income tax		
Loss before income tax from continuing operations	(1,135,683)	(2,018,453)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	(312,313)	(555,075)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Different tax rates in other jurisdictions	(1,644)	(2,791)
Non-deductible expenses	151,306	404,303
Deductible capital raising costs	(13,843)	(13,843)
	(176,494)	(167,406)
Deferred tax assets not recognised / (recognised)	176,494	167,406
Income tax benefit	-	-
(d) Deferred tax assets / liabilities comprise		
Accruals	52,054	7,563
Provisions	-	16,811
Prepayments	(14,263)	(7,797)
Impairment of investments in and loans to subsidiaries	235,868	89,468
Tax losses available for offset against future taxable income	3,208,309	3,060,802
Net deferred tax assets	3,481,968	3,166,847
Deferred tax assets not recognised	(3,481,968)	(3,166,847)
	-	-

For the year ended 30 June 2020

10. Income tax (continued)

	2020 $	2019 $
(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% (2019: 27.5%)	**3,481,968**	3,167,847

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.

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.

For the year ended 30 June 2020

11. Trade and other receivables	*2020* $	*2019* $
Current		
Other receivables	**80,819**	58,819

Other receivables represent the Company's GST receivable and deposits paid in advance of drilling.

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 except for advance payments made on drilling contracts. 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 2018	56,847	105,241	2,791	**164,879**
Additions	-	39,467	26,073	**65,540**
Depreciation	(12,751)	(32,159)	(8,469)	**(53,379)**
Carrying amount at 30 June 2019	44,096	112,549	20,395	**177,040**
Additions	-	55,304	33,848	**89,152**
Depreciation	(12,751)	(39,874)	(18,491)	**(71,116)**
Carrying amount at 30 June 2020	31,345	127,979	35,752	**195,076**

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.

For the year ended 30 June 2020

12. Property, plant and equipment (continued)

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

	2020	*2019*
	$	*$*
At cost	**6,596,618**	3,979,825

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

Carrying amount at beginning of period	**3,979,825**	3,193,146
Exploration expenditure during the period	**2,616,793**	1,519,634
Impairment of exploration and evaluation expenditure (i)	-	(732,955)
Carrying amount at end of period	**6,596,618**	3,979,825

i. Impairment of exploration expenditure

During the year ended 30 June 2019 the Group impaired 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

For the year ended 30 June 2020

13. Exploration and evaluation expenditure (continued)

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.

14. Trade and other payables	*2020* $	*2019* $
Trade payables	**311,326**	249,728
Accruals	**202,670**	65,372
Total trade and other payables	**513,996**	315,100

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	*2020* $	*2019* $
Ordinary shares – fully paid	**14,244,737**	10,636,305

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 2020 No.	30 June 2020 $
Opening Balance 30 June 2019	248,780,181	10,636,305
Share issue on 20 September 2019 (a)	31,507,295	1,890,438
Share issue on 18 November 2019 (b)	211,095	12,666
Shares issued on 18 December 2019(c)	4,557,700	273,462
Shares issued on 8 January 2020(d)	300,000	18,000
Shares issued on 6 April 2020(e)	42,000,000	1,680,000
Share issue costs	-	(266,134)
Closing Balance 30 June 2020	**327,356,271**	**14,244,737**

For the year ended 30 June 2020

15. Issued capital (continued)

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

a) On 20 September 2019, Chesser issued 31,507,295 fully paid ordinary shares at $0.06 per share via a private placement;
b) On 18 November 2019, Chesser issued 211,095 fully paid ordinary shares at $0.06 per share pursuant to exercise of options;
c) On 18 December 2019, Chesser issued 2,083,929 fully paid ordinary shares at $0.06 per share pursuant to exercise of options, 1,890,438 fully paid ordinary shares at $0.06 per share to Taylor Collison as payment of a capital raising fee and 583,333 fully paid shares at $0.06 per share pursuant to Director Subscription;
d) On 8 January 2020 Chesser issued 300,000 fully paid ordinary shares at $0.06 per share pursuant to exercise of options;
e) On 6 April 2020, Chesser issued 42,000,000 fully paid ordinary shares at $0.04 per share via a private placement.

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;
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.

For the year ended 30 June 2020

15. Issued capital (continued)

(c) Share options

At 30 June 2020, the following options for ordinary shares in the Company were on issue:

	Options with a $0.06 exercise price expiring 31 Dec 2019	Options with a $0.10 exercise price expiring 31 Dec 2020	Options with a $0.05 exercise price expiring 31 Dec 2021	Options with a $0.05 exercise price expiring 31 Dec 2022	Options with a $0.12 exercise price expiring 30 Nov 2021	Total options on issue
On issue at 1 July 2019	4,300,000	4,300,000	7,500,000	1,500,000	-	17,600,000
Options exercised	(2,595,024)	-	-	-	-	(2,595,024)
Options lapsed	(1,704,976)	-	-	-	-	(1,704,976)
Options issued as consideration for capital raising fees	-	-	-	-	2,000,000	2,000,000
On issue at 30 June 2020	**-**	**4,300,000**	**7,500,000**	**1,500,000**	**2,000,000**	**15,300,000**

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.

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 Dec 2019	Options with a $0.10 exercise price expiring 31 Dec 2020	Options with a $0.05 exercise price expiring 31 Dec 2021	Options with a $0.05 exercise price expiring 31 Dec 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**

Refer note 16 for further details regarding the accounting treatment of the options issued during the 2019 financial year.

For the year ended 30 June 2020

16. Reserves	2020 $	2019 $
Share based payments reserve	**2,098,173**	2,053,981
Foreign currency translation reserve	-	-
	2,098,173	**2,053,981**
Movements:		
Foreign currency translation reserve		
Balance at 1 July 2019	-	(402)
Currency translation difference for the year	-	402
Balance at 30 June 2020	-	-
Share based payments reserve		
Balance at 1 July 2019	**2,053,981**	2,008,271
Options issued	**44,192**	45,710
Balance at 30 June 2020	**2,098,173**	**2,053,981**

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 and to external service provides as consideration services provided.

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 as remuneration is recognised as share-based payments 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 2020

16. Reserves (continued)

	30 June 2020 $	30 June 2019 $
Options issued to directors (ii)	17,489	22,194
Options issued to third-party vendors (i) and (iii)	19,015	8,695
Options issued to employees (iv)	7,688	6,781
Loan funded shares issue to directors (v)	-	8,040
Share-based payments expense for the financial year	**44,192**	**45,710**

(i) On 9 November 2019 the Company issued 2,000,000 options to the brokers in consideration for services provided to the Company in relation to the September share placement. The options were issued with an exercise price of $0.12 and an expiry date of 30 November 2021. The options vested immediately.

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

Exercise price	$0.12
Expected volatility	52%
Risk-free interest rate	0.80%
Expected life of share options (days)	713
Grant date share price	$0.06
Fair value per option	$0.006

(ii) 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. The vesting condition was satisfied 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 vesting condition was satisfied prior to 30 June 2020.

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:

For the year ended 30 June 2020

16. Reserves (continued)

	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

(iii) 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.
- 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

(iv) 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 vested 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.

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16. Reserves (continued)

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

(v) 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.

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

For the year ended 30 June 2020

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.

	2020 $	2019 $
Loss per share (cents per share)	**(0.40)**	(0.95)
Diluted loss per share (cents per share)	**(0.40)**	(0.95)
Loss attributable to Owners of Chesser Resources Limited	**(1,135,683)**	(2,018,453)

	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic loss per share	**285,689,798**	212,934,354
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**285,689,798**	212,934,354

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.

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.

For the year ended 30 June 2020

18. Parent entity disclosures (continued)

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.

	2020	*2019*
	$	*$*
	Chesser Resources Limited	
Results		
Profit/(loss) for the year	**(1,068,217)**	(2,406,802)
Total comprehensive income for the year	**(1,068,217)**	(2,406,802)
Financial Position		
Current assets	**1,079,261**	1,148,498
Non-current assets	**6,640,809**	3,880,894
	7,720,070	5,029,392
Current liabilities	**203,165**	96,894
	203,165	96,894
Net Assets	**7,516,905**	4,932,498
Contributed equity	**14,244,737**	10,636,305
Share-based payments reserve	**2,098,173**	2,053,981
Accumulated losses	**(8,826,005)**	(7,757,788)
	7,516,905	4,932,498

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

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

d) Contractual commitments for capital expenditure

The parent entity did not have any contractual commitments for capital expenditure as at 30 June 2020 (2019: $nil).

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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	
			2020	2019
			%	%
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	100

[@] Bondou SAU was incorporated during the 2019 financial year with Chesser Resources Limited as the founding and sole shareholder.

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, the Company paid KCG Advisors Pty Ltd, a company related to Mr Stephen Kelly who was an Executive Director of the Company during the reporting period, a total of $9,000 (2019: $Nil) for the provision of services including office rental for the Company's registered office, internet and communications services and software subscriptions.

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

	2020	*2019*
	$	*$*
21. Cash flow information		
a) Cash and cash equivalents		
Cash at bank and on hand	**1,278,609**	1,243,371
b) Reconciliation of cashflows from operating activities		
Loss before tax	**(1,135,683)**	(2,018,453)
Depreciation and amortisation	**71,116**	53,379
Impairment of capitalised exploration expenditure	**-**	732,955
Foreign exchange (losses) / gains	**26,451**	(839)
Share based payments expense	**32,192**	45,710

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21. Cash flow information (continued)

c) Reconciliation of cashflows from operating activities (continued)

	2020	*2019*
	$	*$*
Change in operating assets and liabilities (net of disposals):		
(Increase)/decrease in trade or other receivables	**34,403**	(41,254)
(Increase)/decrease in prepayments	**(23,770)**	17,096
Increase/(decrease) in trade and other payables	**47,091**	17,092
Net cash outflow from operating activities	**(948,200)**	(1,194,314)

d) Non-cash investing and financing activities

Issue of shares in settlement of capital raising costs	113,426	54,036
Issue of options in settlement of capital raising costs	12,000	-
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.

22. Commitments and contingent liabilities

(a) Commitments

Operating leases

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

	2020	2019
	$	$
Within one year	-	4,201
Later than one year but not later than five years	-	-
	-	4,201

Payments associated with short-term leases of property are recognised on a straight-line basis as an expense in the Income Statement. Short term leases are leases with a lease term of 12 months or less.

Tenement expenditure commitments

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

	2020	*2019*
	$	*$*
Within one year	-	-
Later than one year but less than five years	1,160,597	3,581,586
Later than five years	-	-
	1,160,597	**3,581,586**

For the year ended 30 June 2020

22. Commitments and contingent liabilities (continued)

(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 on 12 July 2017:

- 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:

- Appointed Mr Mark Connelly Non-Executive Chairman on 10th July 2020. Mr Simon O'Loughlin moved to a Non-Executive Director role.

- Mr Stephen Kelly resigned as Non-Executive Director on 10th July 2020 and will continue to serve as Company Secretary and Chief Financial Officer.

- On 10 July 2020, the Company entered into contractual commitments to issued up to 75,000,000 fully paid ordinary shares at an issue price of $0.08 to raise up to $6 million before costs. The capital raising was settled in two tranches as follows:

  - Tranche 1 comprising the issue of 29,339,068 fully paid ordinary shares settled on 17 July 2020.
  - Tranche 2 comprising the issue of 45,660,932 fully paid ordinary shares settled on 8 September 2020

- On 12 July 2020, 23,809,524 A Class Performance Shares expired without vesting.

- On 17 July 2020, the Company issued 21,000,000 unlisted options at an issue price of $0.08 and an expiry date of 16 July 2021.

- On 8 September 2020 the Company issued 2,000,000 unlisted options with an exercise price of $0.08 and an expiry date of 30 November 2023 to Taylor Collison as consideration for corporate advisory and lead manager services.

- In the period from 1 July 2020 to the date of this report, the Company has received $372,374 cash proceeds from the exercise of 4,591,092 options.

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 2020 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.

(d) The Directors' have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Mike Brown
Managing Director
Brisbane, 30 September 2020

SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in the Annual Report.

The shareholder information set out below was applicable as at 11 September 2020.

A. CORPORATE GOVERNANCE STATEMENT

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation in the year ended 30 June 2020.

In accordance with ASX Listing Rule 4.10.3, the Corporate Governance Statement will be available for review on the Company's website www.chesserresources.com.au and will be lodged with the ASX at the same time that this Annual Report is lodged with the ASX.

B. DISTRIBUTION AND NUMBER OF HOLDERS OF EQUITY SECURITIES

The distribution and number of holders of equity securities on issue in the Company as at 11 September 2020, and the number of holders holding less than a marketable parcel of the company's ordinary shares based on the closing market price as at 11 September 2020 is as follows:

Range	Listed fully paid ordinary shares (ASX:CHZ)	Unlisted Performance Shares (ASX: CHZAA)	Unlisted Options various exercise dates and prices (ASX:CHZAO)	Unlisted $0.08 options expiring 16 July 2021 (ASX:CHZAP)	Unlisted $0.08 options expiring 30 November 2023 (ASX:CHZAQ)
1 – 1,000	98 *0.01%*	- *0.00%*	- *0.00%*	- *0.00%*	- *0.00%*
1,001 – 5,000	293 *0.23%*	- *0.00%*	1 0.02%	- *0.00%*	- *0.00%*
5,001 – 10,000	204 *0.42%*	- *0.00%*	10 0.69%	-0 *0.00%*	- *0.00%*
10,001 – 100,000	680 *7.22%*	1 *0.32%*	9 1.23%	7 *3.44%*	- *0.00%*
100,001 and over	436 *92.12%*	24 *99.68%*	13 98.05%	34 *96.56%*	1 *100%*
Total	**1,711** **100%**	**25** **100%**	**33** **100%**	**41** **100%**	**1** **100%**

There were 225 holders of less than a marketable parcel of shares as at 11 September 2020.

As at 11 September 2020, there were NIL equity securities which were subject to restrictions.

SHAREHOLDER INFORMATION

C. TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The Company has only one class of quoted equity securities, being fully paid ordinary shares (ASX:CHZ). The names of the twenty largest holders of fully paid ordinary shares, the number of fully paid ordinary shares and the percentage of fully paid ordinary shares on issue as at 11 September 2020 was as follows:

Name	Units	% of Units
HSBC Custody Nominees (Australia) Limited	19,992,119	4.92
Elliot Services Pty Ltd	18,141,218	4.46
GP Securities Pty Ltd	13,865,523	3.41
Citicorp Nominees Pty Ltd	13,726,243	3.38
BNP Paribas Nominees Pty Ltd	10,496,667	2.58
CPO Superannuation Fund	8,634,452	2.12
Jarhamche Pty Ltd	7,615,441	1.87
J P Morgan Nominees Australia Pty Limited	7,565,462	1.86
Calama Holdings Pty Ltd	7,366,667	1.81
AWJ Family Pty Ltd	5,796,940	1.43
Torres Investments Pty Ltd	5,150,000	1.27
Mr Michael Andrew Whiting + Mrs Tracey Anne Whiting	5,027,114	1.24
Souttar Superannuation Pty Ltd	4,981,177	1.23
Mase Global Investments Limited	4,510,819	1.11
BPM Capital Limited	4,410,800	1.09
Kale Capital Corporation Ltd	4,400,000	1.08
Jimzbal Pty Ltd	4,300,001	1.06
National Nominees Limited	4,000,000	0.98
Mr Angus William Johnson + Mrs Lindy Johnson	3,636,667	0.89
Taycol Nominees Pty Ltd	3,582,808	0.88
Total	**157,200,118**	**38.68**
Balance of register	249,227,840	61.32
	406,427,958	**100.00**

D. HOLDERS OF MORE THAN TWENTY PERCENT OF EACH CLASS OF UNQUOTED SECURITIES

Each unlisted option and performance shares entitles to the holder to acquire one fully paid ordinary shares subject to any vesting conditions being satisfied and in the case of options subject to the holder paying the exercise price

The names of the holders of more than 20% of each class of options or performance shares, other than under an Employee Incentive Scheme, is set out below:

	Unlisted Performance Shares (ASX: CHZAA)	
Holder	**Units**	**% of units**
MGC Pharmaceuticals Ltd	5,714,286	24.00

SHAREHOLDER INFORMATION

D. HOLDERS OF MORE THAN TWENTY PERCENT OF EACH CLASS OF UNQUOTED SECURITIES (continued)

Holder	Unlisted $0.08 options expiring 30 November 2023 (ASX:CHZAQ)	
	Units	% of units
Taycol Nominees Pty Ltd	2,000,000	100.00

E. VOTING RIGHTS

At a general meeting of the Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each ordinary share held.

Options and performance shares do not carry any voting rights.

F. SUBSTANTIAL SHAREHOLDERS

As at 16 September 2020, the names of the substantial shareholders of the Company and the number of equity securities in which those substantial shareholders and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company were as follows:

Name	Number held	% of issued capital
Robert Greenslade	23,562,748	5.80%

G. ON-MARKET BUY-BACK

The Company is not currently conduction an on-market buy-back.

H. ON-MARKET BUY-BACK

The Company did not purchase securities on market during the reporting period.

CORPORATE DIRECTORY

Board of Directors

Mr Mark Connelly	Non-Executive Chairman
Mr Robert Greenslade	Non-Executive Director
Mr Simon O'Loughlin	Non-Executive Director
Mr Simon Taylor	Non-Executive Director
Mr Michael Brown	Managing Director

Company Secretary
Mr Stephen Kelly

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