

QUARTERLY REPORT - period ending 30 June 2021

HIGHLIGHTS

20,000 metre drill program completed

The Company completed the 20,000m drill program during the quarter and reported on 6,135m of drilling from Area D and exploration targets on the greater Diamba Sud tenement.

Resource Definition drill program commenced

The company commenced a 10,000m resource definition drill program designed to infill and extend the identified mineralisation, demonstrate the scale of the mineralised systems, and to better understand the controls on mineralisation over both Areas A and D.

It is anticipated that after completion of this program the drill data coverage will be sufficient to undertake a maiden Mineral Resource Estimate over both Area A and Area D.

The first batch of drill results from this program were reported on during the quarter, totalling 449m of drilling. More assay results are expected over the coming months.

High-grade drill results – Area D

Oxide drilling intercepts confirmed the thick, high-grade nature of the oxide mineralisation on the **eastern margin** against the northeast trending Northern Arc structure at Area D. Results included:

- 10.7m at 15.5 g/t gold
- 13m at 5.3 g/t gold
- 11.9m at 3.5 g/t gold
- 5.3m at 7.3 g/t gold
- 4.9m at 5.3 g/t gold
- 7.5m at 2.8 g/t gold
- 4.9m at 2.0 g/t gold
- 2.5m at 3.4 g/t gold

Oxide mineralisation was also defined by drilling on the **western margin** of the Area D oxide area. Results included:

- 11m at 1.0 g/t gold
- 9m at 1.4 g/t gold
- 3m at 2.8 g/t gold
- 2m at 22.6 g/t gold
- 3m at 3.2 g/t gold

Sulphide mineralisation was also identified below the oxide mineralisation on the eastern and western margins of the Area D resource area. Results included:

- 9.5m at 3.6 g/t gold
- 10m at 3.0 g/t gold
- 9m at 2.4 g/t gold
- 9m at 1.3 g/t gold

Drill results – Area A

Only one drill hole was reported on from northern end of Area A during the quarter, results included:

- 2m at 5.2 g/t gold
- 5m at 1.1 g/t gold
- 5m at 1.1 g/t gold

Drill results – Diamba Sud Tenement

Drill testing of exploration targets on the greater Diamba Sud tenement highlighted the significant exploration potential that exists on the tenement. Mineralisation was intersected 1.2km southwest of Area D along the Northern Arc structure on a previously undrilled gold auger geochemical anomaly at **Area H**. Results include:

- **11m at 2.1 g/t gold**
- **4m at 9.6 g/t gold**
- **9m at 1.9 g/t gold**
- **5m at 3.4 g/t gold**
- **3m at 1.7 g/t gold**
- **2m at 2.5 g/t gold**

Drilling on the **Western Splay** anomaly returned results including:

- **3m at 2.8 g/t gold**
- **6m at 1.2 g/t gold**
- **1m at 3.8 g/t gold**

Metallurgical sampling

A series of metallurgical samples from Area D oxide and fresh diamond core has been collected and delivered to ALS in Perth for preliminary metallurgical analysis under the supervision of Lycopodium. It is expected that these results will be available to support the maiden Mineral Resource Estimate and will confirm the previous excellent results returned from Area A, averaging 96% gold recovery from fresh rock samples (refer to ASX announcement "Excellent metallurgical results received from Diamba Sud" dated 10 November 2020).

Corporate

- Cash at the end of the quarter totalled A\$8.1 million
- Renewal of the Diamba Sud tenement for a further three-year term
- Inauguration of the Gamba-Gamba Community Consultation Committee and official opening of the Gamba-Gamba medical clinic and solar-powered water well, constructed under the social investment agreement
- Andrew Grove was appointed as Managing Director, effective 1 May 2021
- A database of all publicly released drill intercepts was made available on the company website

Next steps

- Completion of the resource definition drilling program, expected in July 2021
- Maiden Mineral Resource estimation will be undertaken after all the resource definition drilling assays have been returned during the September quarter

Chesser Resources Limited ("Chesser" or the "Company", ASX:CHZ) is pleased to present its Quarterly Activities Report for the three months ended 30 June 2021. The Company's primary focus during the reporting period continued to be the advancement of its Diamba Sud gold Project in Senegal.

DIAMBA SUD – 20,000M DRILL PROGRAM

During the June quarter the Company completed the last 6,135m of the 20,000m drilling program including four diamond drill holes for 490m and 41 Reverse Circulation ("RC") drill holes for 5,645m. All results reported were either from Area D or the exploration traverses described below.

The program was focused on further exploration of the shallow, high-grade Area D discovery at depth and along strike, plus extensions at Area A where the alteration and mineralisation indicate a large hydrothermal system.

The Company also conducted three exploration drill traverses on Area H, the Western Splay, and the Southern Arc prospects within the greater Diamba Sud tenement. These are a small number of the many greenfield targets that display strong geochemical and geophysical anomalies within the tenement outside of Areas A and D.

DIAMBA SUD – 10,000M RESOURCE DEFINITION DRILL PROGRAM

During the June quarter the Company reported on 449m of the 10,000m resource definition drilling program including five diamond drill holes for 249m (Area D) and one RC drill hole for 200m (Area A). Approximately 90% of the drill program had been completed by the end of the quarter but only one batch of assays received during the period.

The RC and diamond drill program is designed to infill and extend the identified mineralisation, demonstrate the scale of the mineralised systems, and to better understand the controls on mineralisation over both Areas A and D. The program is aimed to be completed within this current field season, ending July.

It is anticipated that after completion of this current phase of drilling the drill data coverage will be sufficient to undertake a Maiden Mineral Resource Estimate over Area A and Area D.

AREA D DRILL RESULTS

The Area D drilling was designed to target and define the extent of the high-grade flat lying oxide zone and test the underlying fresh rock sulphide mineralisation in Area D. Mineralisation in both the oxide and the underlying fresh rock appears to trend in a northwest and northeast direction controlled by faulting. Mineralisation in the oxide tends to be thicker and higher grade to the east against the northeast trending Northern Arc structure. Mineralisation in the fresh rock is associated with hydrothermal breccias and stockworks in the carbonate rich lithologies.

AREA D East

Diamond drill hole **DSDD033** was drilled to test the southeastern extent of Area D oxide and fresh mineralisation. It intersected numerous high-grade intercepts both in the oxide, including **11.9m at 3.5 g/t gold, 2.5m at 3.4 g/t gold and 4.9m at 5.3 g/t gold** and in the fresh, including **9.5m at 3.6 g/t gold** (Figure 1 and Figure 2). Fresh mineralisation was hosted in hydrothermally brecciated calcareous sediments immediately below the oxide boundary. Near surface mineralisation in this area remains open locally to the north and south.

This initial batch of resource definition assay results received were from the first five diamond drill holes drilled over the north-eastern corner of Area D, between sections 1429475mN and 1429575mN. Drilling

targeted the near-surface extensions of previously defined oxide mineralisation. The results confirmed the continuity and high-grade nature of the mineralisation in this area (Figure 1, Figure 3, and Figure 4) with better results including:

- **DSDD035: 10.7m at 15.5 g/t gold and 13m at 5.3 g/t gold**
- **DSDD036: 5.3m at 7.3 g/t gold**
- **DSDD038: 7.5m at 2.8 g/t gold**
- **DSDD039: 4.9m at 2.0 g/t gold**

AREA D West

Oxide drill results from the western margin of Area D confirmed previous drill data and returned numerous mineralised intervals within the oxide regolith. Mineralisation in the oxide tends to be lower grade and less well developed the greater the distance from the northeast trending Northern Arc structure. Results include (Figure 1 and Figure 5):

- **DSR244: 11m at 1.0 g/t gold**
- **DSR245: 9m at 1.4 g/t gold**
- **DSR252: 3m at 2.8 g/t gold**
- **DSR254: 2m at 22.6 g/t gold**
- **DSDD032: 3m at 3.2 g/t gold**

Mineralised intercepts in the fresh rock below the oxide in the western area included: **DSR251: 9m at 1.3 g/t gold, DSR252: 9m at 2.4 g/t gold** and **DSR254: 10m at 3.0 g/t gold** (Figure 1). Mineralisation was associated with brecciated and stockworked calcareous sediments and warrant further drilling to define the trend of this shallow mineralisation, especially around section 1429350mN (Figure 5).

AREA D South

Drilling on the southwest extension of Area D along the interpreted trace of the northeast boundary fault only returned low level results and has effectively closed off near-surface mineralisation in that direction.

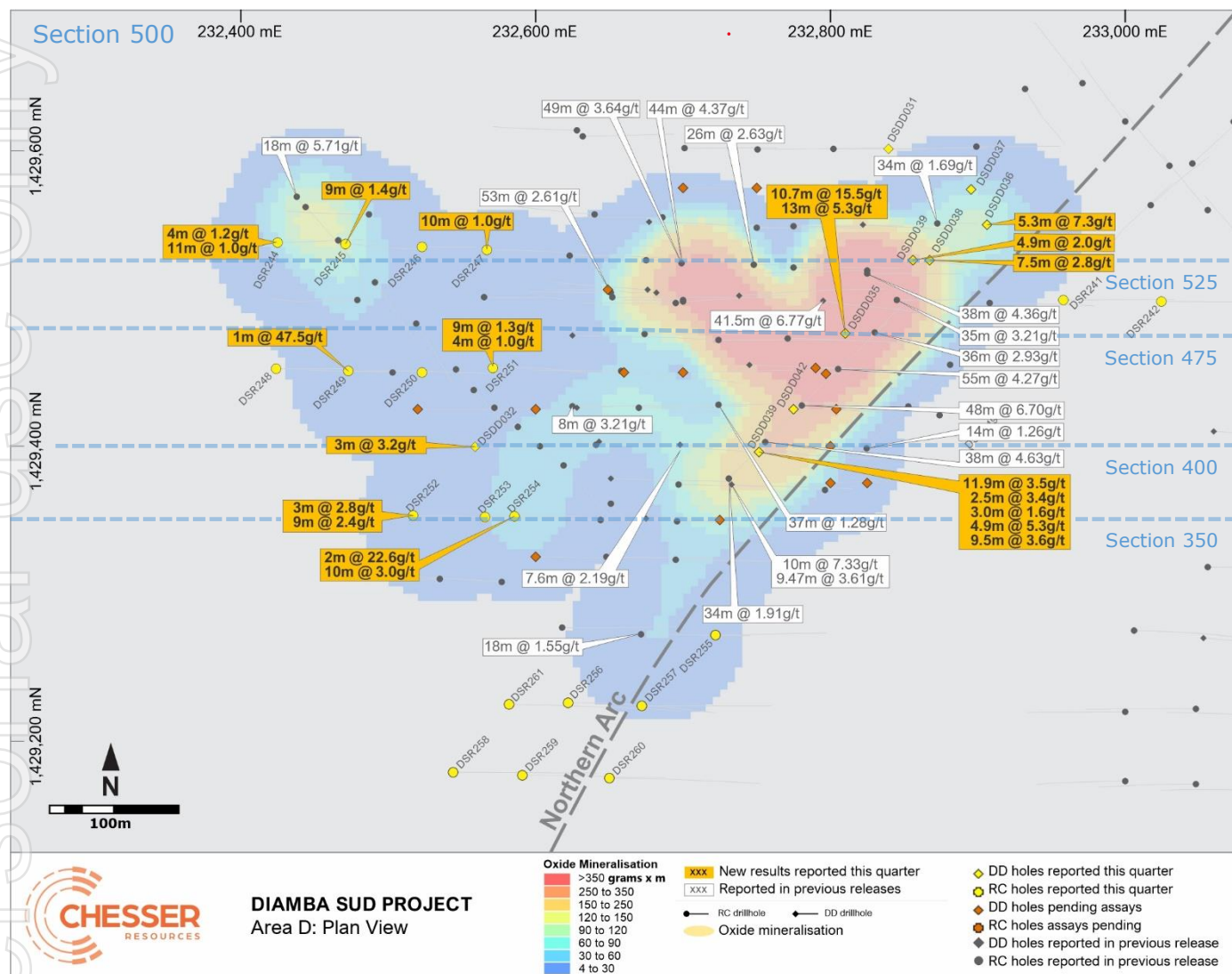


Figure 1: Area D plan view showing historical drilling and holes reported during the quarter with selected significant results¹ and oxide grade thickness contours.

¹ Refer to ASX announcements on 25 March 2019, 10 April 2019, 6 May 2019, 14 May 2019, 26 August 2019, 3 September 2019, 21 January 2020, 21 March 2020, 17 June 2020, 28 July 2020, 13 August 2020, 24 November 2020, 16 December 2020, 19 January 2021, 3 February 2021, 6 April 2021, and 31 May 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

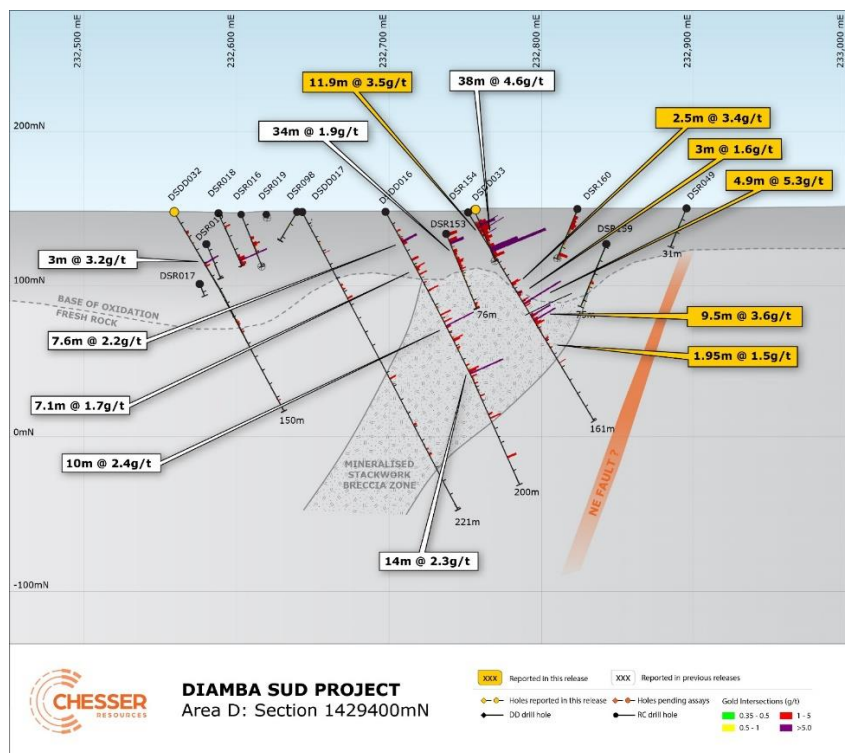


Figure 2: Section 1429400mN showing holes reported during the quarter and selected significant results ². Drilling has confirmed the high-grade oxide mineralisation and underlying fresh mineralised breccias and stockworks.

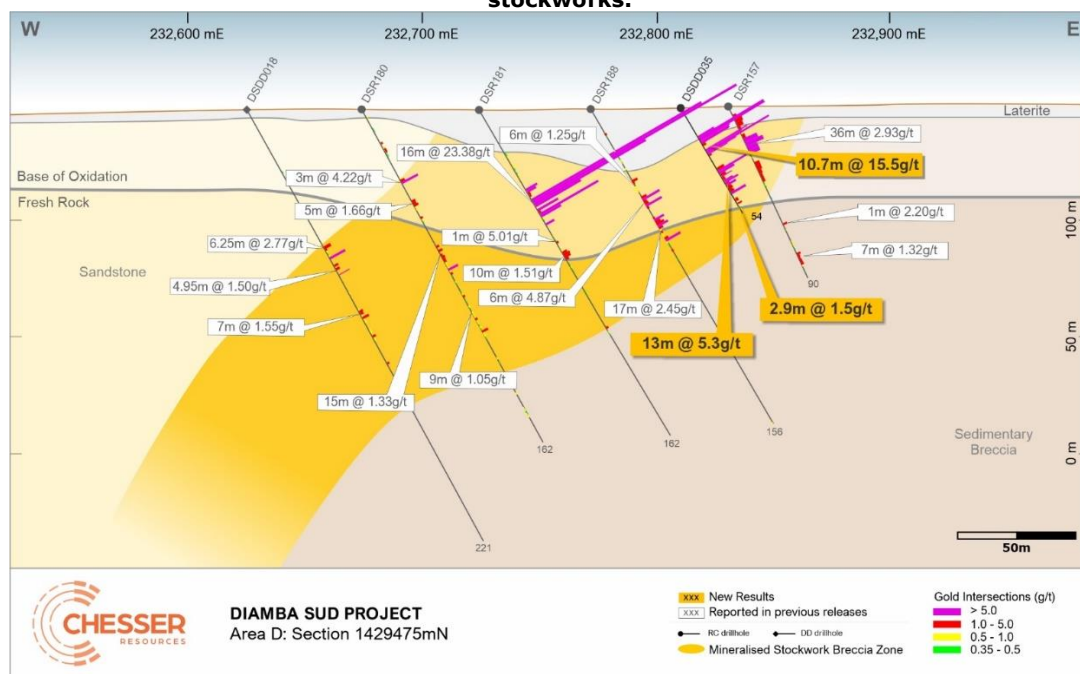


Figure 3: Section 1429475mN showing historical drilling, holes reported during the quarter, selected significant results³ and interpreted geology.

² Refer to ASX announcements on 25 March 2019, 10 April 2019, 6 May 2019, 28 July 2020, 24 November 2020, 16 December 2020, and 6 April 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

³ Refer to ASX announcements 28 July 2020, 16 December 2020, and 31 May 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

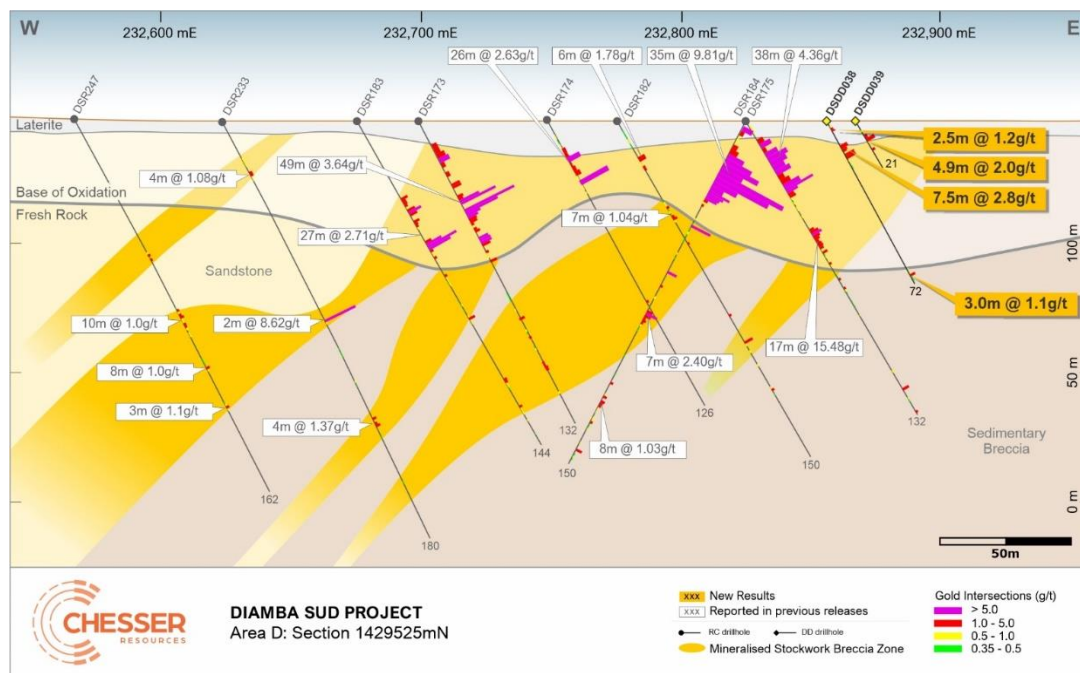


Figure 4: Section 1429525mN showing historical drilling, holes reported during the quarter, selected significant results ⁴ and interpreted geology.

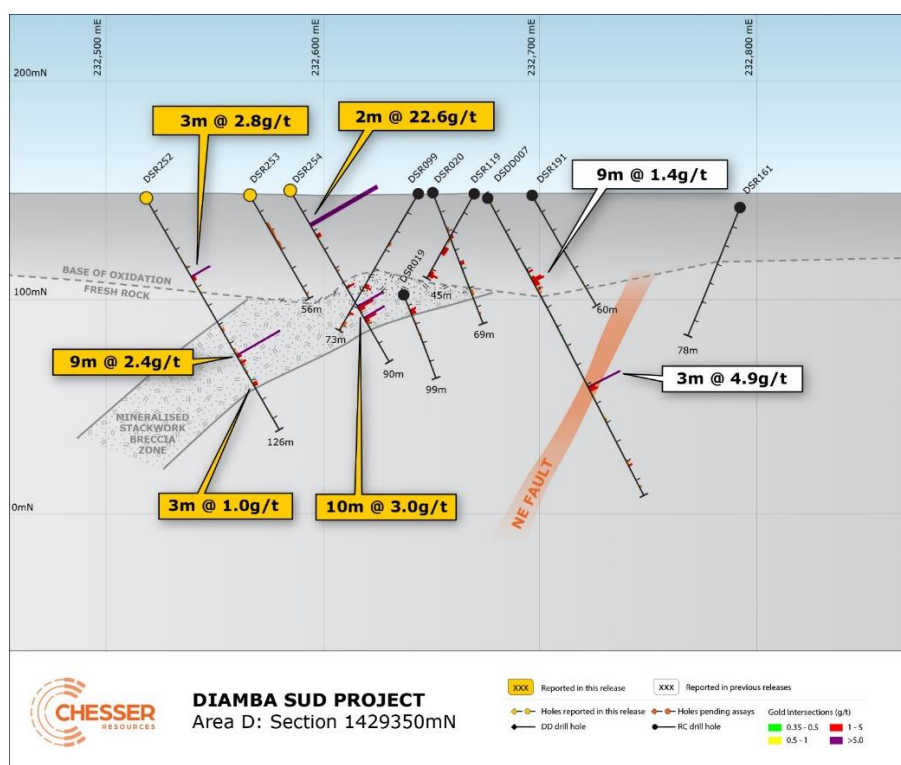


Figure 5: Section 1429350mN showing holes reported during the quarter and selected significant results ⁵. Drilling has confirmed oxide mineralisation, with underlying breccias and stockworks and NE-SW trending fault.

⁴ Refer to ASX announcements on 24 November 2020, 16 December 2020, 2 March 2021, 6 April 2021, and 31 May 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

⁵ Refer to ASX announcements on 25 March 2019, 10 April 2019, 3 September 2019, 2 March 2020, 28 July 2020, 16 December 2020, and 6 April 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

AREA A DRILL RESULTS

DSR282 was the first drill hole completed at Area A of the Resource Definition drilling program and was drilled on the eastern end of a new drill traverse along section 1429640mN. All Area A drill results from the 20,000m drill program have been reported in prior quarters. Mineralisation was intersected in numerous intervals down hole corresponding to calcareous sedimentary rock units. Assay results included:

- **2m at 5.2 g/t gold**
- **5m at 1.1 g/t gold**
- **5m at 1.1 g/t gold**

Additional drill results will be required to fully interpret these results.

DIAMBA SUD TENEMENT DRILL RESULTS

Three RC drill traverses were undertaken over geochemical anomalies and interpreted structures south of Area A and Area D.

Area H drill line 1428300mN

The drill traverse at Area H was designed to test a previously undrilled geochemical anomaly coincident with the interpreted trend of the Northern Arc structure, 1.2km south-west of Area D. Line 1428300mN was also located approximately 100m north of a large artisanal pit measuring approximately 100x100m in size. The Northern Arc structure is interpreted to be a splay off the Senegal Mali Shear Zone and is evident on the existing Induced Polarisation ("IP") geophysics and by an alignment of strong gold auger geochemical anomalism (Figure 6).

The lithologies encountered in line 1428300mN consist of granite and sedimentary country rocks, a similar setting to the central and southern portions of Area A. The country rocks comprise of sedimentary breccia, volcanoclastic sediments, metasediment, and calcareous sediments. All lithologies are intruded by late stage diorite dykes. Mineralised intervals are within fresh rock and are hosted within sub-vertical structures associated with quartz-carbonate-hematite-albite-pyrite alteration within hydrothermally altered sedimentary breccia and porphyritic granite.

Steep dipping mineralisation intersected by drill holes **DSR264: 9m at 1.9 g/t gold** and **DSR263: 3m at 1.7 g/t gold, 2m @ 2.5 g/t gold, 5m at 3.4g/t gold** and **5m at 4.2g/t gold**. Mineralisation is structurally controlled and hosted within sedimentary breccia and granite and associated with strong quartz-carbonate-albite-pyrite alteration (Figure 7).

Other mineralised intervals on the drill traverse are associated with strong albite-hematite alteration within the granite and sediments including, **DSR262: 11m at 2.1 g/t gold** and **DSR263: 4m at 9.6 g/t gold** (Figure 7).

Western Splay Area drill line 1426400mN

The drill traverse at the Western Splay Area extended existing drill coverage to the east and was aimed to intersect the interpreted Western Splay Structure defined by co-incident gold geochemical anomalism and an IP feature.

The geology of the section is characterised by granite basement to the east, sedimentary breccia, and hydrothermally brecciated carbonate to the west. The brecciated carbonate are similar to the sulphide mineralisation seen in Area D. The basement and sedimentary rocks are intruded across section by several diorite dykes. Mineralisation is associated with juxtaposed highly altered granite and brecciated carbonate including **DSR272: 1m at 3.8 g/t gold and DSR274: 6m at 1.2 g/t gold and 3m at 2.8 g/t gold.**

It appears that the drilling did not intersect the targeted Western Splay Structure. The detailed IP survey currently being undertaken may assist future targeting of these structures.

Southern Arc drill line 1426500mN

The Southern Arc drill traverse targeted the northerly extension of a gold auger geochemical anomaly and interpreted structures on which previous RC drilling to the south returned significant results including; 17m at 1.33 g/t gold, 4m at 3.77 g/t and 14m at 2.85g/t. Drilling on this traverse did not return any significant results. There is no existing IP geophysics covering this area and the new survey may assist with better targeting of future drilling.

The geology of line 1426500mN consists mainly of granite intruded by a range of late-stage diorite dykes. Sulphide minerals were observed, but not with any typical gold bearing alteration.

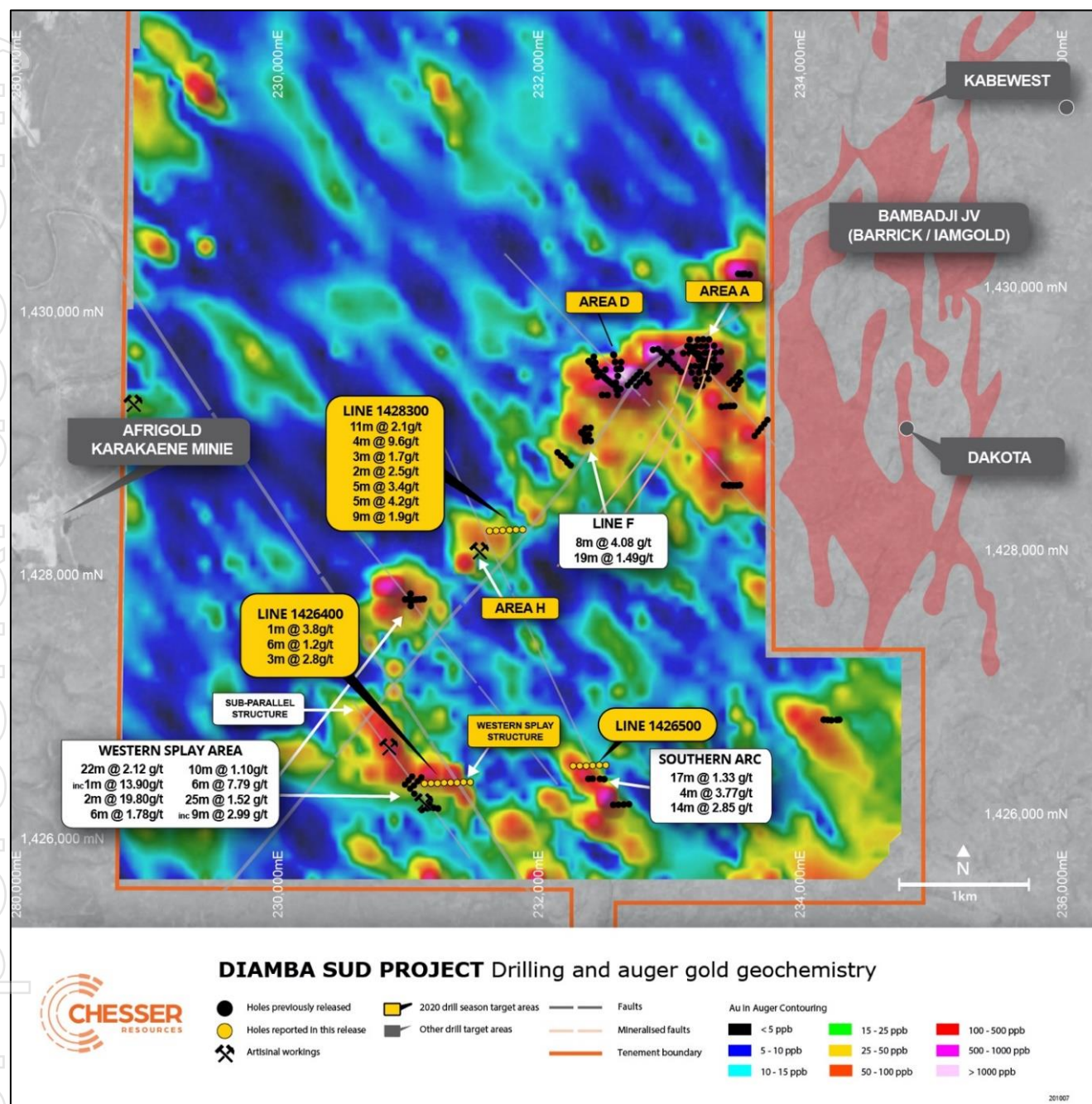


Figure 6: Diamba Sud plan showing historical drilling and holes reported in this release with selected significant results⁶, gold auger geochemistry and interpreted structural features.

⁶ Refer to ASX announcements on 25 March 2019, 10 April 2019, 6 May 2019, 14 May 2019, 26 August 2019, 3 September 2019, 21 January 2020, 21 March 2020, 17 June 2020, 28 July 2020, 13 August 2020, 24 November 2020, 16 December 2020, 19 January 2021, 3 February 2021, 2 March 2021, and 23 April 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

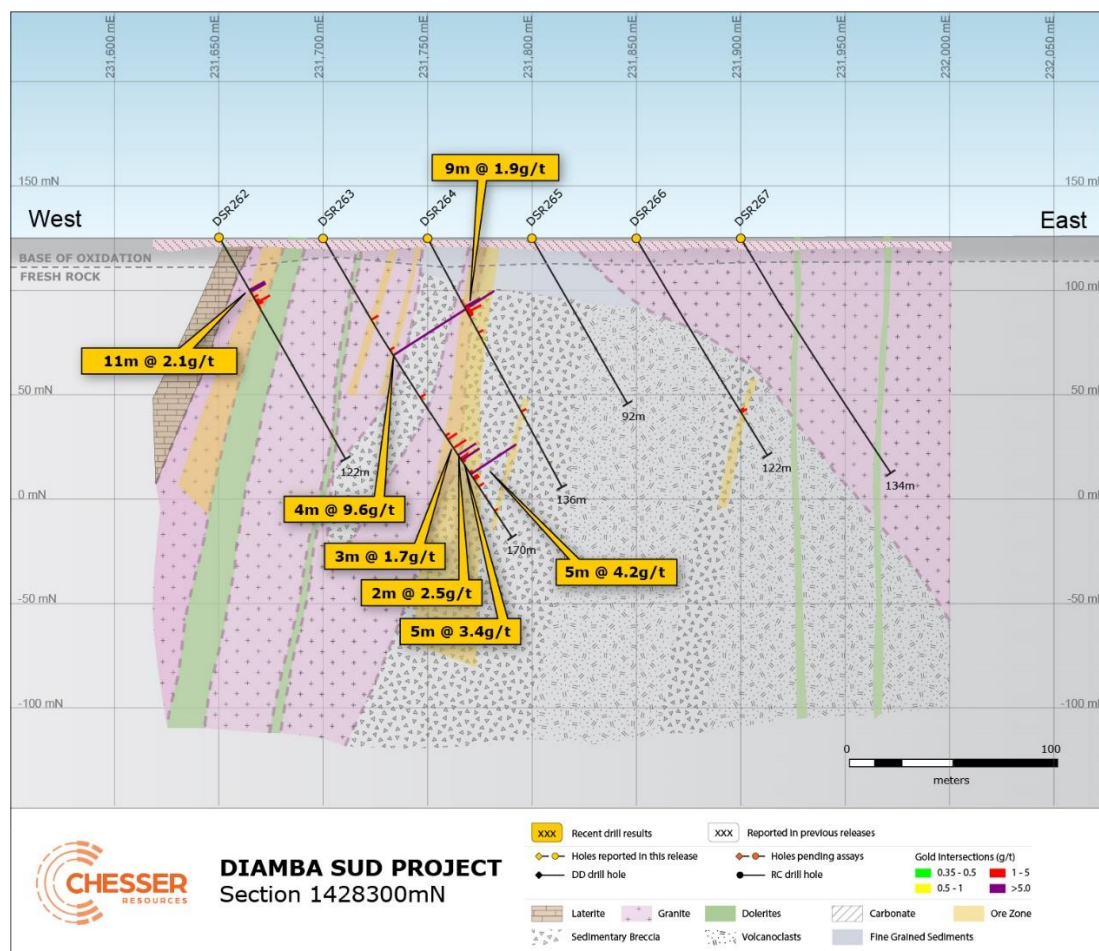


Figure 7: Section 1428300mN showing holes reported during the quarter⁷ and interpreted geology and mineralisation.

OTHER EXPLORATION

The IP geophysical survey covering the whole of the Diamba Sud tenement was ongoing throughout the quarter, with the aim of improving the resolution of the existing data and extending the Ground Array Induced Polarisation ("GAIP") cover over the Diamba Sud tenement. GAIP has been proven effective for identifying structures and certain lithological units, such as granitoids.

CORPORATE AND ADMINISTRATION

- Chesser held cash of approximately \$8.1 million as of 30 June 2021 (\$10.6 million as at 31 March 2021).
- During the quarter the Company made payments totalling \$2.8 million (March 2021 quarter \$2.4 million) the majority of this expenditure being for the costs of the ongoing drilling program, partial results of which are summarised in this quarterly report.

⁷ Refer to ASX announcements on 23 April 2021 for drilling results. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

- During the quarter the Company made payments totalling \$176,000 to related parties and their associates representing Director and Chief Executive Officer remuneration.
- During the quarter the Company received payments totalling \$231,000 (March 2021 quarter \$129,000) from the exercise of options.
- The Diamba Sud tenement was renewed for a further three-year term by the Senegalese Ministry of Mines on 30 June 2021.
- The official opening ceremony for the Gamba-Gamba medical clinic and solar-powered water well was undertaken during the quarter. These facilities were constructed under the social investment agreement between the community of Gamba-Gamba and the Company. The Company continues to receive strong support from the local community strengthened by the commitment shown by the Company to the local community through these types of investments, community employment initiatives and creating local business opportunities.
- The Community Consultation Committee ("CCC") comprising representatives of the local community and interest groups and the Company was inaugurated in June. The CCC aims to facilitate frequent open and transparent communication between the community and the Company.
- In an effort to improve transparency and shareholder access a database of all the publicly released drill intercepts was made available on the company website:
www.chesserresources.com.au/projects/diamba-sud-100/.

SEPTEMBER QUARTER PLANNED ACTIVITY

The Company is well funded to progress its planned exploration activities at Diamba Sub.

The 10,000m, Resource Definition drilling program over Area A and Area D that commenced on the 8 April will be completed in July. The resource definition drilling program is designed to infill and extend the identified mineralisation, demonstrate the scale of the mineralised systems, and to better understand the controls on mineralisation.

Analytical results from the resource definition drill samples will progressively be received and reported on throughout the September quarter.

It is anticipated that after the resource definition drilling program has been completed and all assays received, the drill data coverage will be sufficient to undertake a maiden Mineral Resource Estimate over both Area A and Area D.

Analysis of the metallurgical samples from Area D oxide and fresh diamond core currently at ALS in Perth should be completed during the quarter under the supervision of Lycopodium.

Continuation of the IP geophysical survey over the greater Diamba Sud tenement area.

Continuing the agreed social investment activities and strengthening cooperation with the Gamba-Gamba community.

JUNE 2021 QUARTER ASX ANNOUNCEMENTS

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

- Final Area D results from 20,000m drill program 6 April 2021
- Drilling highlights prospectivity of Diamba Sud project area 23 April 2021
- Andrew Grove appointed as Managing Director 30 April 2021
- High-grade resource definition drill results from Diamba Sud 31 May 2021

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

SCHEDULE OF MINING TENEMENTS

As at 30 June 2021, the Company had interests in the following tenements:

| TENEMENT | LOCATION | INTEREST |
|-------------|----------|-------------------|
| Diamba Sud | Senegal | 100% |
| Diamba Nord | Senegal | 100% ¹ |
| Morichou | Senegal | Application |
| Bondala | Senegal | Application |

¹ Diamba Nord is under renewal application.

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

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For Further information, please contact:

Andrew Grove, Managing Director and CEO

andrewg@chesserresources.com.au

Mobile: +61 414 011 383

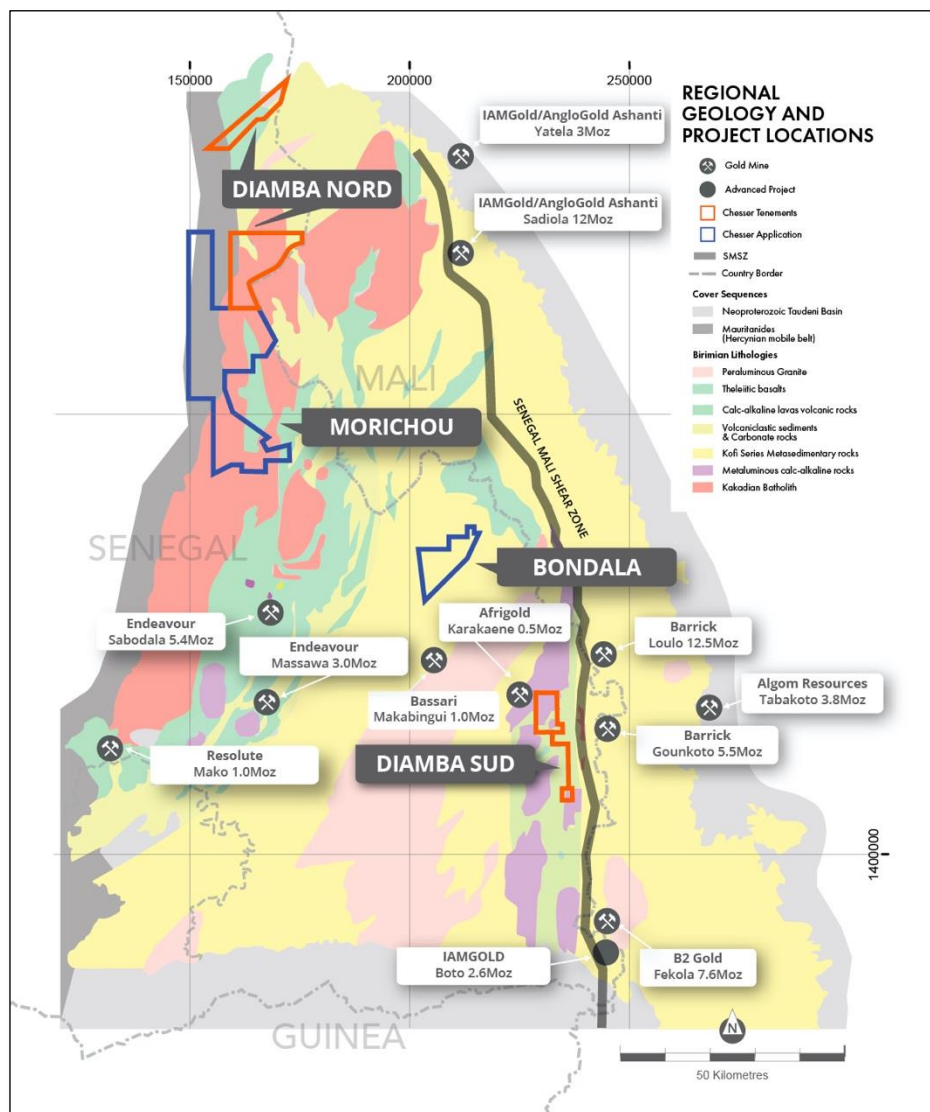


Figure 8: Schematic regional geology of eastern Senegal, showing Chesser's Project locations including the Diamba Sud Project and its proximity to both the SMSZ and the major gold operations and projects.

ABOUT CHESSER RESOURCES

Chesser Resources is an ASX listed gold exploration company with projects located in Senegal, West Africa. Chesser has discovered two high-grade gold Projects (Area A and Area D) at its flagship Diamba Sud project. The Company currently holds or has under application ~1,000km² of highly prospective ground in this underexplored world-class gold region. The Company has corporate offices located in Brisbane and Perth, Australia and a corporate and technical team based in Dakar, Senegal.

Diamba Sud, covers an area of 53.2km² and is located ~2km to the west of the Senegal Mali Shear Zone ("SMSZ"), a major regional structure that host numerous multimillion-ounce world class gold deposits including: B2Gold's 7.6Moz Fekola mine, Barrick's 18Moz Loulo-Gounkoto complex and Allied Gold's Sadiola and Yatela mines. Diamba Sud lies just 7km to the west of Barrick's 5.5Moz Gounkoto mine and to the immediate east of the privately owned 0.5Moz Karakaene mine.

Competent Person's Declaration

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

Forward looking statements

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

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

APPENDIX 5B

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

Name of entity

CHESSER RESOURCES LIMITED

ABN

14 118 619 042

Quarter ended ("current quarter")

30 JUNE 2021

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (Twelve months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (185) | (564) |
| | (e) administration and corporate costs | (270) | (822) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (1) | (5) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 16 |
| 1.8 | Other (provide details if material) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (456) | (1,375) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant, and equipment | (85) | (360) |
| | (d) exploration & evaluation (if capitalised) | (2,217) | (5,529) |
| | (e) investments | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (Twelve months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant, and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (2,302) | (5,889) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 14,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 231 | 1,170 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (965) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 231 | 14,205 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 10,567 | 1,279 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (456) | (1,375) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (Twelve months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (2,302) | (5,889) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 231 | 14,205 |
| 4.5 | Effect of movement in exchange rates on cash held | 33 | (147) |
| 4.6 | Cash and cash equivalents at end of period | 8,073 | 8,073 |

| 5. | Reconciliation of cash and cash Equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances | 8,073 | 10,567 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 8,073 | 10,567 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----|--|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 176 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---------------------------------|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |

7.5 Unused financing facilities available at quarter end

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-----|--|---------|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (456) |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | (2,217) |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | (2,673) |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 8,073 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 8,073 |
| 8.7 | Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 3 |

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

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

Answer:

Not applicable

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

Answer:

Not applicable

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

Answer:

Not applicable

1.1 Compliance statement

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

Date: **26 July 2021**

Authorised by: **By the Board of Directors of Chesser Resources Pty Ltd**
(Name of body or officer authorising release – see note 4)

1.2 Notes

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