

GOLD TREND IDENTIFIED BY AUGER DRILLING AT DIAMBA SUD

HIGHLIGHTS

- The Company's 40,000m shallow auger geochemical drilling program is well advanced at the Diamba Sud, Woye and Garabourea Projects.
- First assay results received from 1,651 auger holes (14,308 metres) completed at the Diamba Sud tenement.
- Results outline an anomalous gold zone within Diamba Sud trending NNE for over 5km with numerous results over 0.3g/t gold and up to 4.9g/t gold.
- Within the anomalous gold zone (>100ppb gold), drilling has identified eight mineralised envelopes each up to 1.4km long and up to 400m wide.
- The Company will undertake an infill auger program to more tightly constrain gold anomalism within the existing wide-spaced sampling.
- The proposed infill program comprises approximately 1,160 holes drilled at a nominal 200m by 50m spacing, for total of 11,600m is planned to commence in March 2018.
- The Company looks forward to reporting further results as they become available.
- The current drilling activities are fully funded from existing cash reserves.

Chesser Resources Limited ("Chesser" or "the Company"; ASX: CHZ) is pleased to announce that first assays have been received from the shallow auger geochemical drilling program at its Diamba Sud prospect in Eastern Senegal.

The Company is encouraged by the initial results from the Diamba Sud auger program. The assays have identified multiple mineralised envelopes within a 5 kilometre anomalous trend and will provide the focus for a proposed infill program to be undertaken at Diamba Sud in March 2018.

The Diamba Sud program is the first phase of a 40,000 metre program designed to systematically and rigorously define the gold mineralisation potential of the Company's Diamba Sud, Woye and Garabourea licences in Eastern Senegal (Figure 1). The company is also undertaking a regional soil sampling program over its Youboubou and Diamba Nord projects, also located in Eastern Senegal.

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The Diamba Sud, Garaboureira and Woye permits are located within the Birimian-age Kedougou-Kenieba Inlier close to the Senegal-Mali border in a richly auriferous district.

Diamba Sud and Garaboureira are located adjacent to the Senegal-Mali Shear zone, in close proximity to the 5.4 Moz Gounkoto mine, 12.5Moz Loulo mine and north of 5.15Moz Fekola mine. Woye and Youboubou are within the Woye-Sabodala trend that hosts near several mines including the 4.6Moz Massawa mine, 1.4Moz Kawsara mine and 0.5 Moz Tombo mine.

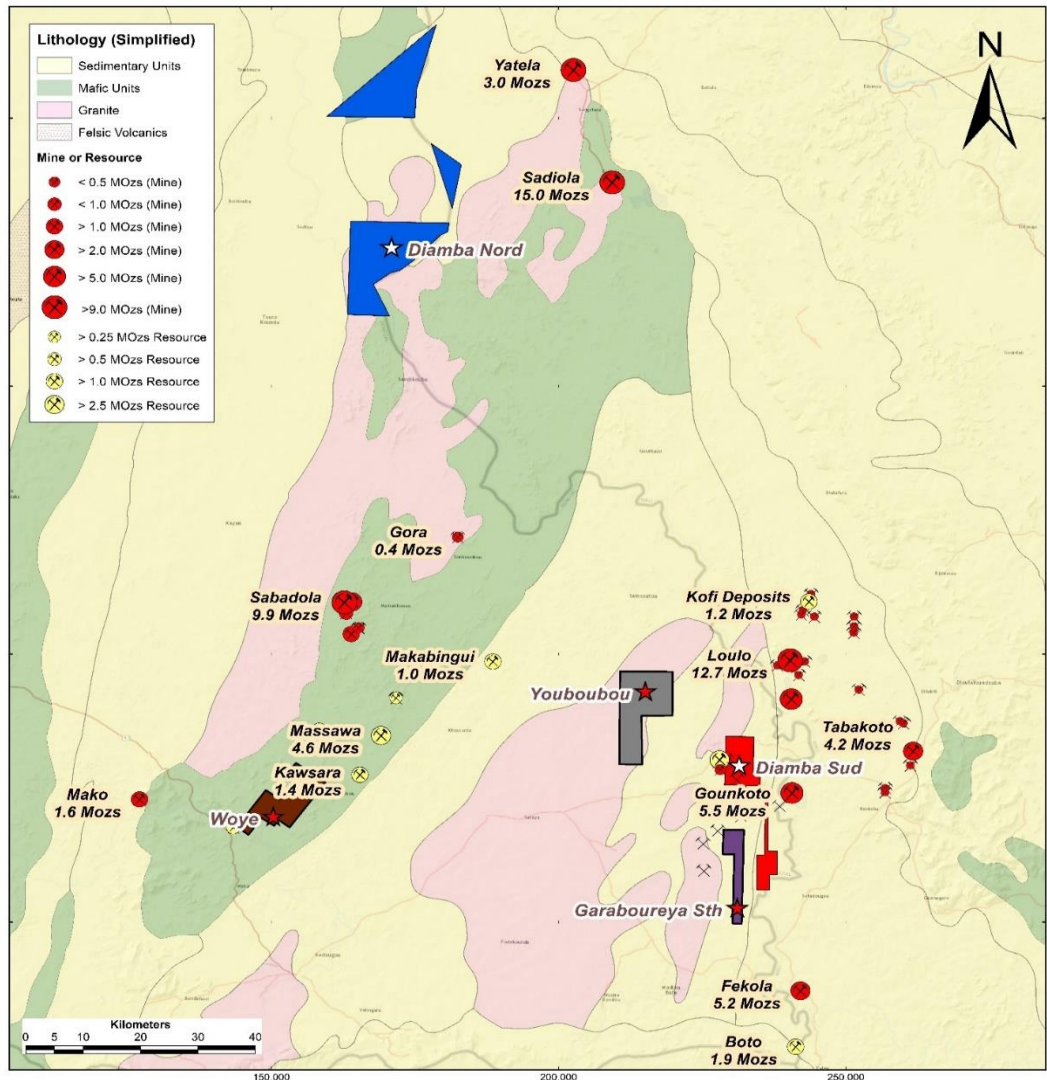


Figure 1: Chesser tenements and nearby gold mines, eastern Senegal.

As part of the current exploration program, first-pass shallow auger geochemical drilling was conducted over the Diamba Sud Licence commencing November 30, 2017 and concluding on January 5, 2018. The licence was pattern-drilled with auger lines oriented roughly east-west and spaced 400m apart, with holes spaced 100m apart along each line (first pass spacing).

Diamba Sud comprises two roughly rectangular blocks joined by a narrow strip that creates a contiguous tenement (see Figure 1). The northern segment of Diamba Sud (DS-1) has an open pit gold mine (Kharahene) operated by Afrigold located along its western margin and has had soil geochemistry, rock chip sampling and limited aircore and reverse circulation drilling (AC and RC) holes undertaken by previous owners, Boya SAU.

The assay results returned for DS-1 have been plotted and the bulk of anomalous gold assays are contained within the southern half of DS-1 in a zone trending roughly NNE to SSW (Figure 2).

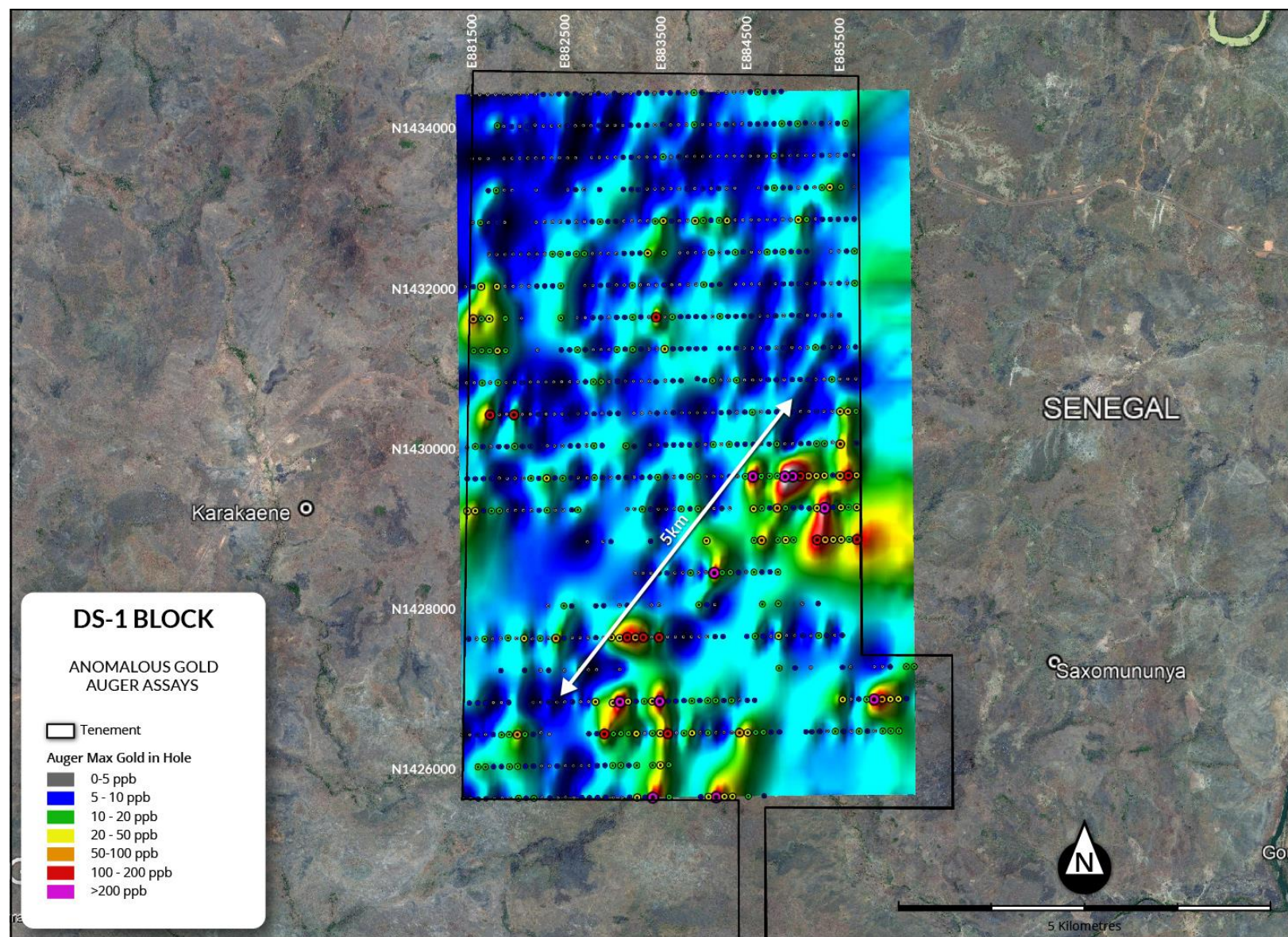


Figure 2: Location of auger drill holes and max gold in hole assay results plotted on google earth at DS-1

Results from the first pass auger spacing (400m) at DS-1 warrants infill drilling to better define and constrain the significant NNE trending gold anomalism. Auger infill spacing will be conducted with lines spaced 200m (parallel to and located between the first pass lines) and with hole-spacing of 50m along the lines within the anomalous swath zone.

AUGER DRILLHOLES – ASSAY SAMPLE RESULTS

Auger hole Numbers	Northing (WGS84- 31N)	Easting (WGS84 – 31N)	RL	Hole dips	Azimuth	Hole Depth	From	Interval	Au (ppb)
DSA 0570 to DSA1760	Refer to Figure 2 for location of auger holes and assays	Refer to Figure 2 for location of auger holes and assays	See Notes	All holes drilled vertical	All holes drilled vertical	Average hole depth was 9.4m. Minimum hole depth was 5m, Maximum hole depth was 15m	See Notes	Anomalous assays from the mottled and saprolite zones are marked on Figure 2	See notes and Figure 2

Notes:

- i. Auger drilling is a reconnaissance exploration technique.
- ii. A composite sample is typically collected from the interface (mottled) zone and a second composite sample collected from the underlying saprolite zone
- iii. The gold domaining shown in Figure 2 are for the maximum gold assay value returned from that hole
- iv. Individual auger hole intersections are not reported in this announcement.
- v. The average RL over the grid is 146m. The DS-1 is mostly flat with very little variation between adjacent holes; individual RLs are not reported in this announcement because they are not relevant to interpreting geochemical data of this type.

CHZ plans to undertake the infill drilling program immediately following completion of the regional auger program in the Garabourey and Woye blocks. Timing for completion of that work is before the end of February 2018.

- END -

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ABOUT CHESSER RESOURCES

Chesser Resources is an ASX listed exploration company with gold, projects located in Senegal, West Africa.

The Company's focus is its landholding of five gold projects covering 586km² within Senegal's most prospective gold belts. The Company has a corporate office located in Brisbane, Australia and a corporate and technical team based in Dakar Senegal.

COMPETENT PERSON'S DECLARATION

The information in this announcement 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 Dr Simon McDonald, who is a fellow of the Geological Society of London (FGS) and member of the Australian Institute of Geoscientists (MAIG). Dr McDonald is the Chief Executive Officer of Chesser Resources Limited. Dr McDonald 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). Dr McDonald consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling, measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All auger holes have been routinely sampled for gold with 2 composite samples per drill hole being representative of the lower lateritic (mottled) and saprolite zones. Composite samples may vary in width depending on the length of geological unit within the hole with a 1m minimum length of sample being taken. Sub samples are also collected for later analysis with a hand-held XRF. Samples were collected in situ at the drill site and composited and then split on a riffle splitter to provide a 2-2.5kg composite sample. Certified reference material and sample duplicates were inserted at regular intervals. All samples were submitted to internationally accredited SGS Laboratories in Bamako Mali for 30g Fire Assay gold analysis with a 5ppb Au detection level (SGS Method FAA-313).
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Auger drilling was carried out by Sahara Mining Services using four Toyota Landcruiser-mounted auger rigs.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample is collected as lifted from the auger flights. Care is taken to ensure that initially lifted material does not contaminate lower material by falling into the hole. It is recognized that auger drilling provides a low quality of sample and may suffer from smearing of sample. This is minimized by use of composite samples over the regolith units.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill samples were geologically logged by Sahara Mining geologists, supervised by Boya SAU (Local Chesser subsidiary) geologists. Geological logging used a standardised logging system recording.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, 	<ul style="list-style-type: none"> Holes were sampled by taking 2 composite samples representative of the lower mottled laterite and saprock lithological zones. Duplicates were taken every 40 samples Further sample preparation was undertaken at the SGS laboratories by SGS laboratory staff: For fire assay (SGS Laboratories Bamako, Method FAA-313) A 1kg sample is crushed to 70% <2mm (jaw crusher), pulverized and split to 85 % < 75 um. Gold is assayed by fire assay (30g charge) with an AAS Finish to provide a 5ppb detection level.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	<ul style="list-style-type: none"> including for instance results for field duplicate/second < half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample pulps will be returned from the SGS laboratory under secure "chain of custody" procedure by Boya SAU staff and will be stored in a secure location for possible future analysis. Sample sizes and laboratory preparation techniques are considered to be appropriate for this early stage exploration and the commodity being targeted.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Analysis for gold undertaken at SGS Bamako is by 30g Fire Assay with an AAS finish to a lower detection limit of 5ppb Au. Fire assay is considered a "total" assay technique. A review of certified reference material and sample blanks inserted by the Company indicated no significant analytical bias or preparation errors in the reported analyses. Results of analyses for field sample duplicates are considered consistent with the type of exploration sample being collected. Internal laboratory QAQC checks are reported by the laboratory and a review of the QAQC reports suggests the laboratory is performing within acceptable limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> All drill hole data is paper logged at the drill site by Sahara geologists and then digitally entered by Company geologists at the field office. All digital data is verified and validated by the Company's database consultant in Sydney before loading into the drill hole database. No twinning of holes was undertaken in this program which is early stage exploration in nature. Reported drill results were compiled by the company's geologists, and verified by the Company's database administrator and senior geologist. No adjustments to assay data were made.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Auger hole collars were positioned using non-differential GPS. Accuracy of the GPS < +/- 5m and is considered appropriate for this level of early exploration The grid system is UTM Zone 29N
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Auger holes were located on a nominal 400x100m spaced pattern. Drilling reported in this program is of an early exploration nature has not been used to estimate any mineral resources or reserves.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Exploration is at an early stage and, as such, knowledge on exact location of mineralisation and its relation to lithological and structural boundaries is not accurately known. However, the current auger-hole orientations are considered appropriate for the program to reasonably assess the prospectivity of known structures interpreted from other data sources.

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Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Auger samples were taken to the SGS laboratory in Bamako under secure "chain of custody" procedure by SGS staff. Samples are picked up to order on the regular collection run from Senegal operations to Bamako laboratory. Sample pulps will be returned from the SGS laboratory under the secure "chain of custody" procedure by SGS staff and will be stored in a secure location leased by Boya SAU.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> There have been no external audit or review of the Company's sampling techniques or data at this early exploration stage.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The results reported in this report are all contained within The Diamba Sud Exploration which is held 100% by Boya SAU, a wholly owned subsidiary of Chesser Resources Limited. The Diamba Sud permit was granted to Boya on June 19, 2015 and is in good standing. It has a renewal date of June 18, 2018.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The area that is presently covered by the Diamba Sud permit was explored intermittently by a private company Boya SA between 2015 and August 2017, when Boya was acquired by Chesser Resources Exploration comprised acquisition and interpretation of regional aeromagnetic data, gridding, regional soil sampling, rock chip sampling and limited aircore (AC) and reverse circulation (RC) drilling.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit style targeted for exploration is orogenic lode gold. This style of mineralisation can occur as veins or disseminations in altered (often silicified) host rock or as pervasive alteration over a broad zone. Deposit are often found in close proximity to linear geological structures (faults & shears) often associated with deep-seated structures. Lateritic weathering is common within the project area. The weathering depth to fresh rock is variable and may be as deep as 30m below surface.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> Results for all holes with a gold-in-hole result greater than 50ppb are posted on plans within the main body of this announcement. Given the reconnaissance nature of the auger drilling for the purpose of enhancing the geochemical understanding of the projects and large number of samples, plan presentation as provided in the body provides a fair understanding of the results and not listing all results does not detract from the understanding of the report.

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	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Grade of composite intervals are reported. Results are summarised by showing the best gold value within the hole. No metal equivalent reporting is used or applied
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The results reported in this announcement are considered to be of an early stage reconnaissance nature in the exploration of the project.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Auger hole location plans are provided in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Best gold in hole within the area of anomalism are shown for all holes with ≥ 75ppb Au.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No other exploration data that is considered meaningful and material has been omitted from this report
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further auger infill drilling is planned to follow up the results reported in this announcement.