

# FOCUS INTENSIFIES ON DIAMBA SUD FOLLOWING KEY APPOINTMENT

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## HIGHLIGHTS

- Appointment of highly experienced geologist Gareth O'Donovan (ex-SRK Exploration) as Exploration Manager.
- Senegal trip to finalise the Phase 1 drilling program over the exciting Diamba Sud gold anomaly completed.
- Diamba Sud drilling scheduled to commence early in the new year.
- New strategically located applications made to enhance the quality of Chesser's portfolio in Senegal.

Managing Director, Mike Brown commented, *"It is a testament to the quality of the Diamba Sud anomaly and the discovery potential in Senegal that we were able to attract a candidate of Gareth's calibre. We are now entering a very exciting period of focussed exploration with drilling at Diamba Sud the first priority. I am confident that under Gareth's guidance and mentoring we can assemble a world-class team of geoscientists focussed on unlocking value from our projects and ultimately deliver significant exploration success."*

**Chesser Resources Limited** ("Chesser" or "the Company"; ASX: CHZ) is pleased to announce the appointment of Gareth O'Donovan as Exploration Manager.

Mr O'Donovan, MSc, FGS, FIOM, CEng, has a wealth of experience in West Africa including a direct involvement in Senegal and regionally on West African Birimian terranes and is a fluent French speaker. Gareth joined SRK Consulting in 1997 and founded SRK's exploration consulting business in 2003. Gareth was Managing Director of SRK Exploration until 2018 when he was appointed as Chairman. Prior to that he led exploration efforts for a number of junior explorers in West Africa following more than 10 years with Anglo American Gold working in various regions in Africa, including Senegal.

Gareth's knowledge and experience will be of significant benefit to Chesser as the Company seeks to progress its strategic portfolio with an immediate focus on the very strong gold anomaly recently outlined at Diamba Sud. His oversight should ensure that the Company is optimally placed to gain maximum benefit from Diamba Sud, and via discovery elsewhere within our current portfolio and through other opportunities in Senegal.

**Upcoming Drilling at Diamba Sud**

Diamba Sud is a significant geochemical gold anomaly coinciding with limited artisanal mine workings and no deep drilling in the strongest northern part of the anomaly, beyond a few historical aircore holes testing the top of saprolite. Due to transported cover in the northern portion of the ring-like anomaly, there are no artisanal workings (Figure 1).

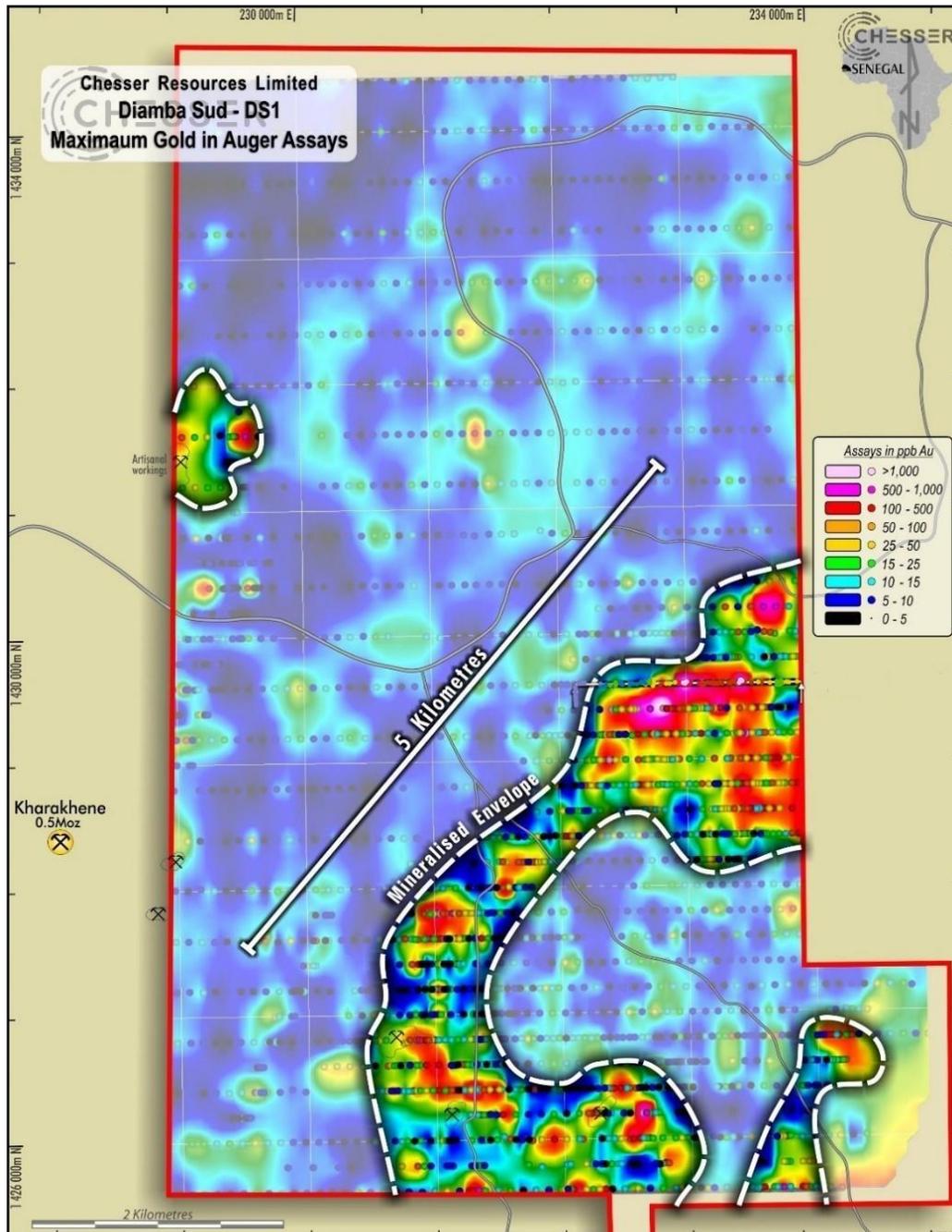


Figure 1: Diamba Sud auger gold anomaly

The anomaly is significant both in its scale (4km x 4.5km ring-like anomaly) and strength, with intercepts of up to 8.1g/t Au from auger geochemistry and up to 10.8g/t Au from rock channel sampling of artisanal workings on the southwestern flanks of the ring<sup>1</sup>. Historic RC drilling in the southern portion of the anomaly (along the ~1426200N northing, Figure 1) returned 32m at 1.29 g/t Au from 29m, including 9m at 2.99 g/t Au from 29m, and 14m at 2.85g/t Au from 2m, including 4m at 4.43 g/t Au from 5m<sup>2</sup>.



*Figure 2: Photo looking SE across northern >100ppb Au saprolite anomaly from auger drilling. Note transported cover*

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<sup>1</sup> Refer ASX announcements dated 22 February 2018, 28 May 2018 and 27 August 2018. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

<sup>2</sup> Refer ASX announcement dated 3 April 2017. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

In advance of the upcoming drilling program, Gareth has completed an initial trip to meet the Company's in-country team and review the projects including Diamba Sud. Finalisation of the Phase 1 drilling program for Diamba Sud was the primary objective of this trip.

At this stage it is expected that the Phase 1 program at Diamba Sud will consist of approximately 5,000m of RC drilling, targeting a nominal average depth of 100m. This initial drilling will focus on locating the source of the saprolite-hosted gold anomaly and understanding the style, nature and potential host of the mineralisation. Following interpretation of the results from the Phase 1 program, a second follow-up phase estimated at 5,000m is proposed prior to the start of the wet season. The second phase will focus on testing the extent of any bedrock gold mineralisation encountered in the Phase 1 program and continue testing the gold auger anomalies.

With final sign-off of the Phase 1 program in coming weeks, the Company expects drilling to commence at Diamba Sud early in the new year.

#### **Portfolio optimisation**

Following the receipt of indifferent reconnaissance exploration results, Chesser is planning to relinquish its Youboubou tenement and has withdrawn from the joint venture vehicle holding the Woye tenement (which expires early in 2019).

The Company has also made application for two strategically located tenements, Bondala and Morichou, in the northern part of the Birimian Kedougou-Kenieba inlier. The Kedougou-Kenieba inlier is host to several multi-million ounce gold deposits, with first commercial production commencing in 2009. There is currently no certainty that these exploration tenements will ultimately be granted to the Company.

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**ABOUT DIAMBA SUD**

Diamba Sud comprises two blocks joined by a narrow strip, located near the Mali-Senegal shear zone and proximal to numerous existing gold mines and deposits (Figure 3). The northern segment of Diamba Sud (termed DS-1) immediately adjoins an open pit gold mine (Kharakhene) operated by Afrigold to the west.

Soil geochemistry, rock chip sampling and limited aircore and reverse circulation drilling were undertaken in Diamba Sud by previous tenement holders prior to Chesser’s involvement. Significantly, IAMGOLD has recently increased the resource at its nearby Boto project to 2.6Moz. Boto is interpreted to sit in the same western corridor of the Senegal-Mali shear zone that Diamba Sud tenement covers.

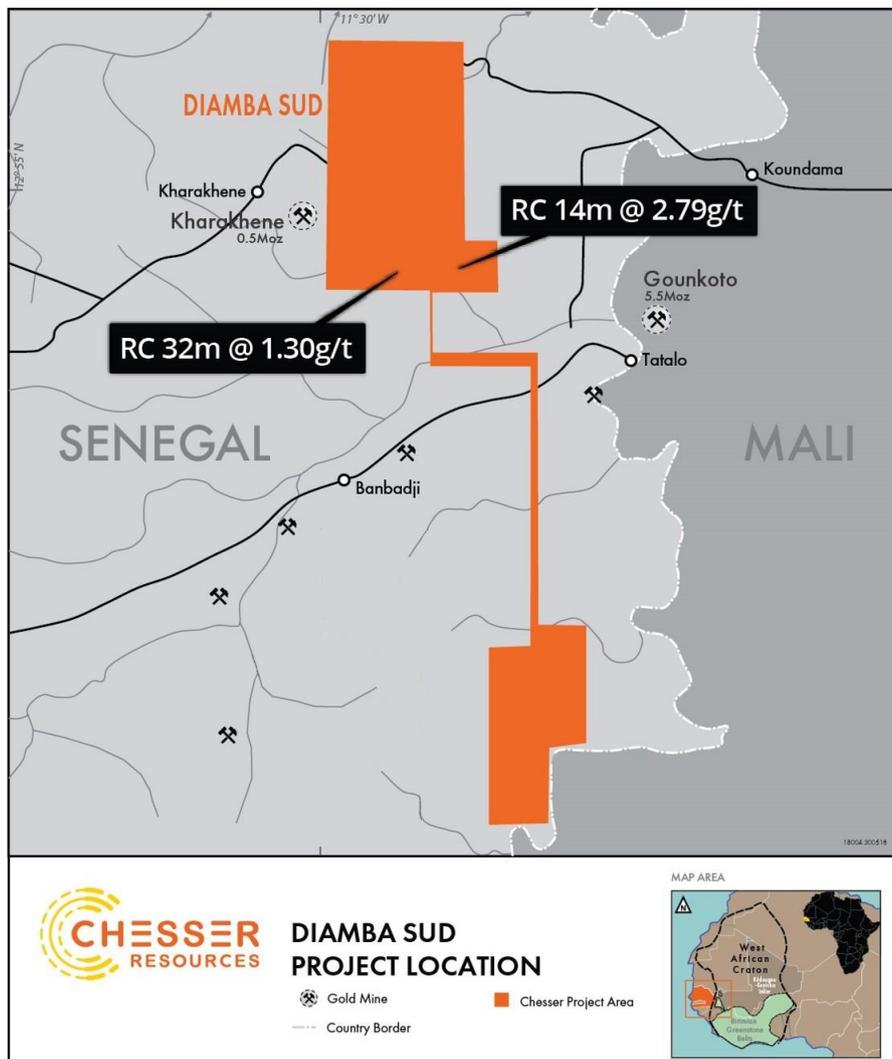


Figure 3: Regional setting of Diamba Sud tenement.

**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 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.*

#### **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 actually 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.*