

20 December 2018

CHESSER COMPLETES PLACEMENT

HIGHLIGHTS

- Firm commitments received for a share placement to raise gross proceeds of approximately \$790,000
- The Directors have committed to investing additional funds totalling \$110,960 (Subject to shareholder approval)
- Funds raised will be used for a drilling campaign at the Company's flagship Diamba Sud Project
- Drilling of the very significant 4 km by 4.5 km ring like gold geochemical anomaly, identified by previous auger programs, is expected to commence in January 2019
- Taylor Collison acted as Lead Manager for the capital raising

Chesser Resources Limited (ASX: CHZ) (the **Company** or **Chesser**) is pleased to announce that it has received firm acceptances for the placement of approximately 20.8 million shares at an issue price of A\$0.038 per share to raise approximately \$790,000 before costs (**Placement Shares**). Net proceeds from the placement will be used for the Diamba Sud RC drilling program, expected to commence in January 2019.

The raising was completed with strong demand from sophisticated investors including the principals of major global resource institutions and private equity resource funds. The new shares will rank equally with existing fully paid ordinary shares, increasing the total number of shares on issue to approximately 219.5 million.

"This is an excellent result for Chesser, we are delighted with the strong support the Company has received from investors. Proceeds from the raising will be used to fund our maiden RC drilling program at Diamba Sud. The program will be conducted in two phases with each phase comprising approximately 5,000 metres of RC drilling. Phase 1 will commence in January next year and will focus on the northern section of the 4.5 km by 4km ring like anomaly, where the tenor and size of the anomaly is the most significant. Drilling will seek to identify the source of the saprolite-hosted gold anomaly and increase our geological understanding of the style, nature and potential host of the mineralisation. Phase 2 is expected to be completed prior to the arrival of the wet season following analysis of the Phase 1 results." - **commented Chesser Managing Director Mike Brown.**

The Placement, managed by Taylor Collison, was offered to investors satisfying the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act, and will be issued using the Company's placement capacity under ASX Listing Rule 7.1. Settlement of the Placement Shares is expected to occur on 2 January 2019. Taylor Collison, or their nominees, will receive a placement fee of 6% of the funds raised and 2 million unlisted options on the terms set out in Annexure 1.

In addition to the Placement described above, the Company has entered into agreements to issue 2.92 million shares at the Placement price of \$0.038 per share with Directors (or their nominees) of the Company subject to shareholder approval in general meeting:

Director	Number of shares to be issued	Price per share	Funds to be received by the Company
Simon O'Loughlin	1,000,000	\$0.038	\$38,000
Simon Taylor	1,000,000	\$0.038	\$38,000
Michael Brown	525,000	\$0.038	\$19,950
Stephen Kelly	395,000	\$0.038	\$15,010
	2,920,000		\$110,960

Chesser anticipates that it will convene a general meeting of shareholders in early February 2019 to seek shareholder approval to issue the \$110,960 in shares subscribed for by the Directors.

For Further information, please contact:

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-ENDS-

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 extensive landholding of gold projects 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.

ANNEXURE 1 – TERM OF OPTIONS TO BE ISSUED TO TAYLOR COLLISON

1. Each option entitles the holder to one ordinary share in the Company.
2. The following Options are to be issued:
 - a) 333,333 incentive options exercisable at A\$0.05 each on or before 30 November 2021, vesting immediately
 - b) 333,333 incentive options exercisable at A\$0.05 each on or before 30 November 2021, vesting on 5 November 2019.
 - c) 666,667 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
 - d) 666,667 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
3. Options not exercised before the expiry of the exercise period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the option holder dies, the legal personal representative of the deceased option holder may:
 - (i) elect to be registered as the new holder of the options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and

- (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
8. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the option;
- O = the old exercise price of the option;
- E = the number of underlying ordinary shares into which one option is exercisable;
- P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex-rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
11. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.