

DRILLING UNDERWAY AT DIAMBA SUD PROJECT

HIGHLIGHTS

- 5,000m of a planned 10,000m RC drilling program, testing high-grade auger anomalies, is underway at the Company's Flagship Diamba Sud Project, located in Senegal
- Phase 1 of the drilling is focussed on two saprolite-hosted auger geochemical gold anomalies:
 1. A northeast striking approximately 2.5km-long by up to 500m-wide zone of gold greater than 0.1g/t gold, with grades consistently grading higher than 1 g/t gold and up to 21g/t gold.
 2. A north-south striking linear high-grade gold anomaly, approximately 2.5km long and up to 200m wide.
- Phase 1 of the drilling program is expected to be completed end of Q1 2019
- Diamba Sud and Diamba Nord exploration permits renewed for an additional 3 years

Chesser Resources Limited (ASX: CHZ) (the "Company" or "Chesser") is pleased to announce that drilling has commenced at its Flagship Diamba Sud Project, located in Senegal. Diamba Sud is located just 7km to the west of Barrick's Goukoto mine, part of the world-class Goukoto-Loulo complex (~18Moz, including past production) in Mali, with limited exploration undertaken across the Senegal Birimian greenstone belt.

"Commencement of drilling is an important milestone in Chesser's goal of making a significant discovery in Senegal. There are numerous anomalies on the property and as results start to flow in the next month, we hope to identify the source of these long, high-grade gold anomalies with initial drilling to focus on the two strongest anomalies in the northern portion of the anomaly, which lies in the northern block of the exploration permit. With limited exploration completed on the project and the wider Senegal Birimian greenstone belt, the area remains both highly-prospective and underexplored" - **Commented Managing Director, Mike Brown.**

PHASE 1 DRILLING PROGRAM

Phase 1 of the program at Diamba Sud will consist of approximately 5,000m of RC drilling, targeting a nominal average depth of 87m. The initial drilling is focussed on locating the source of the high grade saprolite-hosted gold anomalies in the northern part of a broad ring structure (Figure 1), and understanding the style, nature and potential host of the mineralisation. The northern block of Diamba

Sud (DS1) hosts a broad 4.5km by 4km ring-like geochemical anomaly comprised of a number of apparently distinct trends and responses¹.

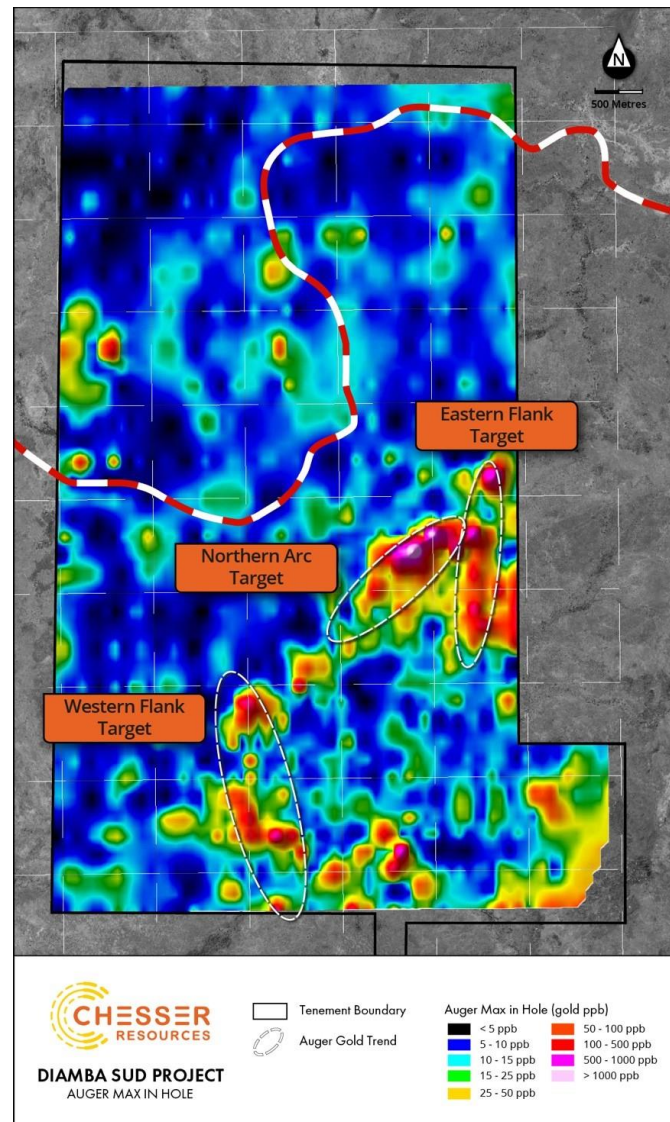


Figure 1 Diamba Sud Project, showing three proposed target areas of drilling campaign and max gold in saprolite values.

The Company interprets these to represent controls on mineralisation from a combination of structural control and the contact of a buried granitoid (Figure 2), which are typical features of mineralised systems.

¹ Unless stated otherwise, please refer to ASX announcements 22 February 2018, 28 May 2018 and 27 August 2018 for details of exploration results for the Diamba Sud Project included in this announcement. The Company is not aware of any new information or data that materially affects the information contained in those announcements.

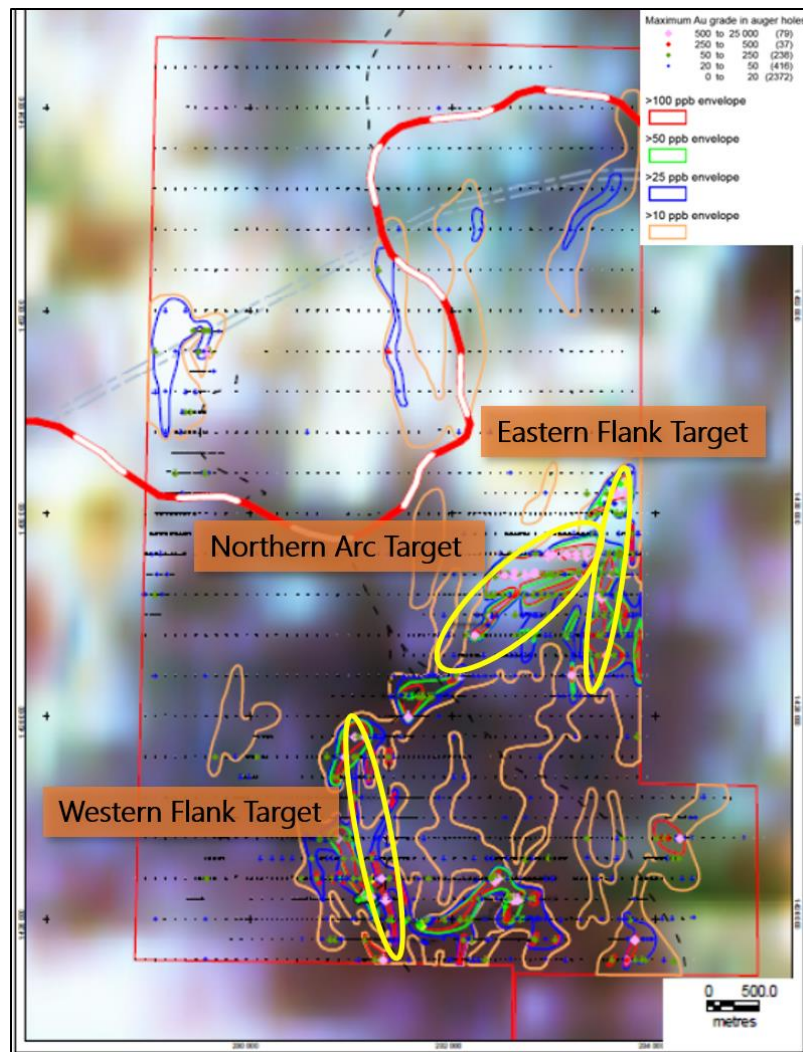


Figure 2 Airborne EM resistivity survey showing inferred buried granitoid (purple area of low resistivity) and broad ring-like anomalous gold zones overlying this, with higher grades coinciding with inferred contacts.

Following interpretation of results from the Phase 1 program, a second follow-up phase of approximately 5,000m is planned prior to the start of the wet season. Numerous targets have been identified from the geochemistry, with Phase 1 focussed on the two most significant anomalies (Figure 2):

1. The NE trending 2.5km by 500m anomaly marking the northern arc of the ring-like anomaly, possibly related to the contact of an inferred granitoid intrusive and country rocks (the **Northern Arc** target). Holes will be drilled on a NW-SE azimuth, close to perpendicular to the inferred trend, but accounting for the possibility of northerly trending structures.
2. The NS trending 2.5km by 250m linear feature marking the eastern edge of the ring-like anomaly (the **Eastern Flank** target), which appears to intersect the Northern Arc anomaly. Holes will be drilled on an east-west azimuth.

Phase 2 of the drilling will focus on testing the extent of potential bedrock gold mineralisation encountered in the Phase 1 program and further testing of other gold auger anomalies identified at Diamba Sud.

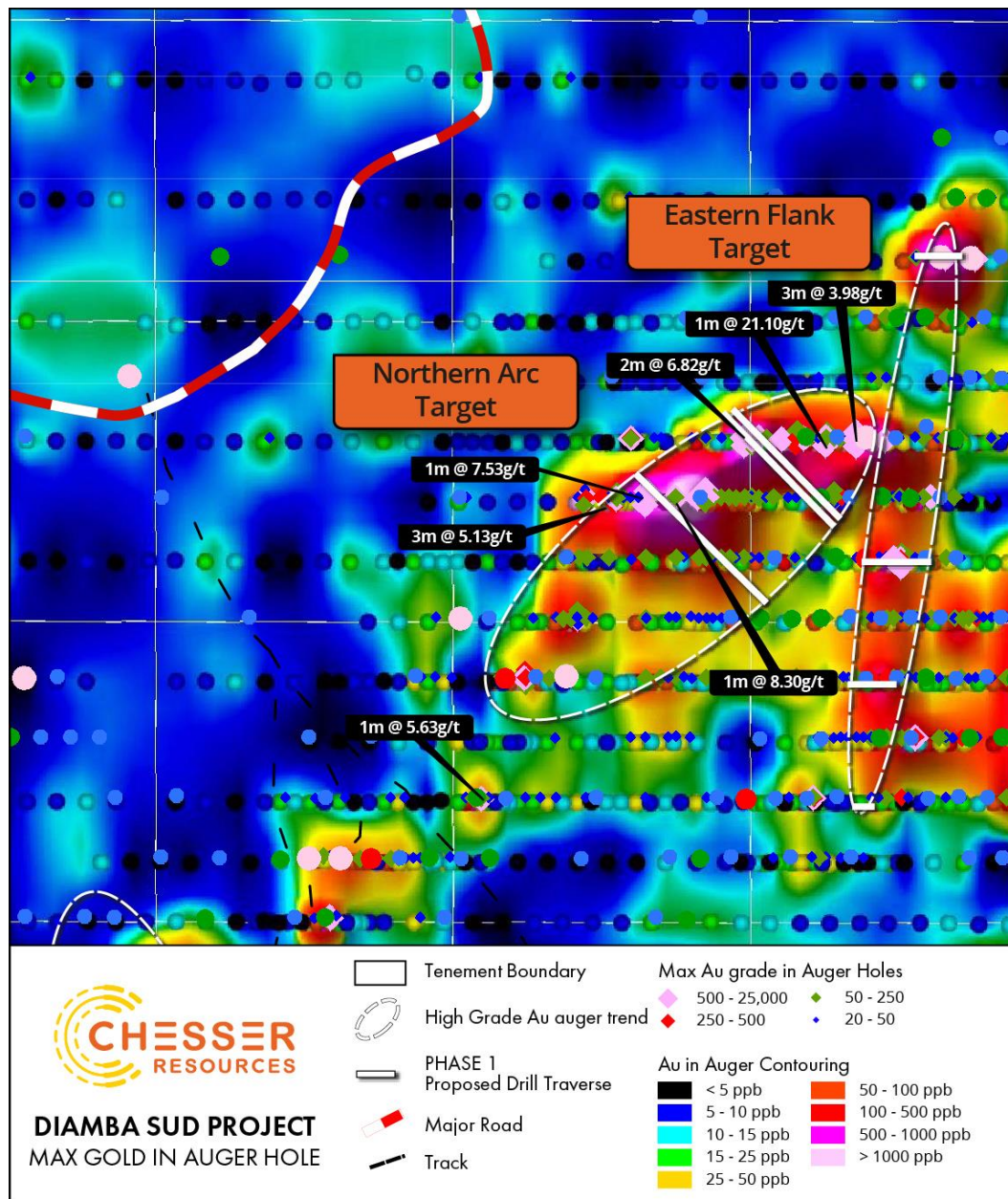


Figure 3 Diamba Sud Project showing Phase 1 drill locations, location of auger drill holes, maximum gold in saprolite values and contours, with samples >3g/t gold labelled.

PREVIOUS EXPLORATION

The high-grade gold in auger anomalies at DS1 were previously covered by soil sampling and shallow aircore drilling, testing just the top of the saprolite. Due to the cover, these methods did not consistently detect the current anomaly. No follow up deep drilling was ever undertaken.

Historic RC drilling² in the southern portion of the anomaly returned best intercepts:

- **32m at 1.29 g/t gold** from 29m, including **9m at 2.99 g/t gold** from 29m
- **14m at 2.85g/t gold** from 2m, including **4m at 4.43 g/t gold** from 5m

The property remains both highly-prospective and largely underexplored, especially in the stronger northern portion of the anomaly which has yet to be tested by deeper drilling. Apart from the three high grade areas seen in Figure 1 there are numerous additional anomalies on DS1 for further exploration. Transported cover in the northern portion of the ring structure appears to be responsible for the lack of artisanal workings.

PERMIT RENEWALS

Chesser has received official notification of the granting of extension of the Diamba Sud and Diamba Nord exploration permits. These permits, 53.3km² and 241.9km² respectively, are valid for 3 years, and can be extended for an additional 3 year period. A 25% reduction of the original permits was required. This provides certainty over the Company's flagship project, allowing the step up of activities to drilling key targets at Diamba Sud.

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² 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.

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 4). The northern segment of Diamba Sud, DS1, 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.

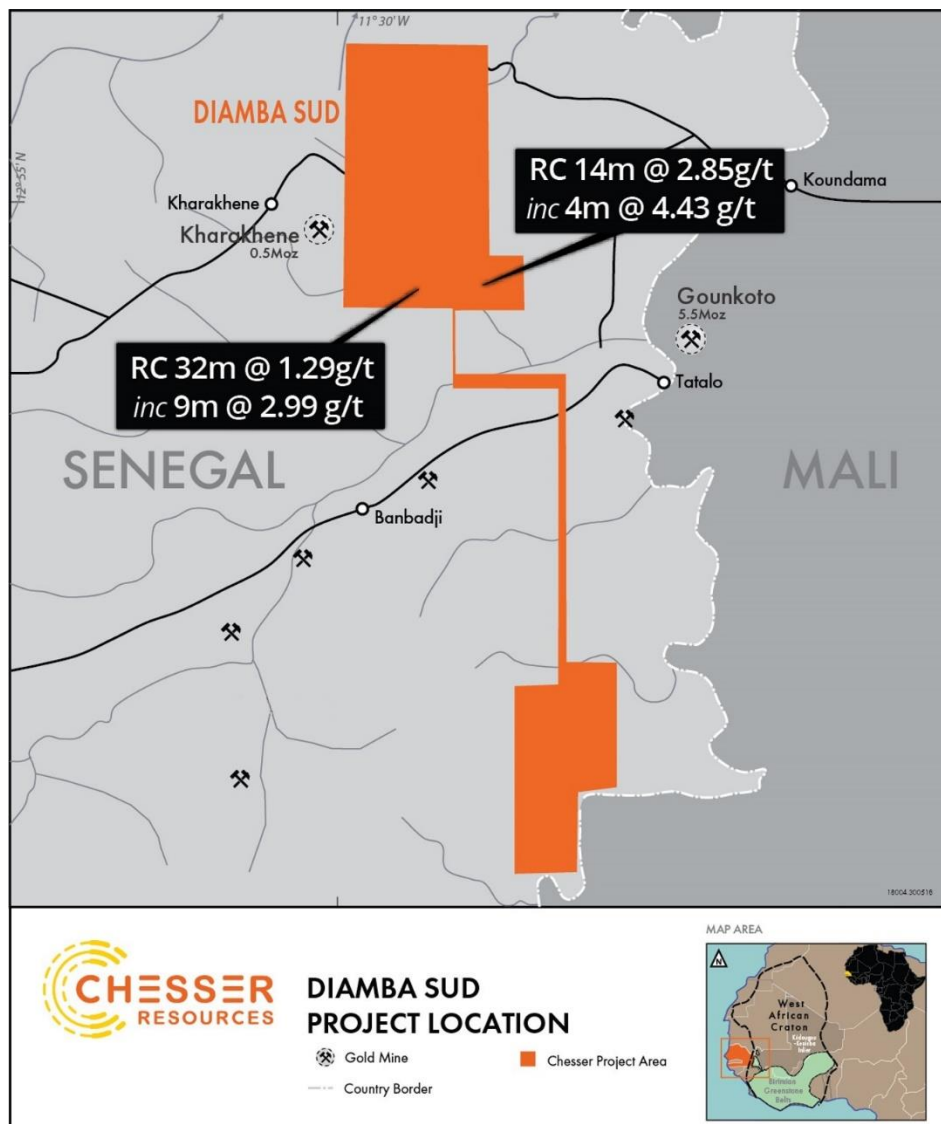


Figure 4 Regional setting of Diamba Sud tenement, showing highlights of historical drilling.

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.