

CHESSER COMPLETES PLACEMENT

HIGHLIGHTS

- Firm commitments received for a share placement to raise gross proceeds of approximately \$1.9 million
- Funds raised will be used for drilling campaigns at the Company's flagship Diamba Sud Project to follow up the recent discovery and other excellent results from Phase 2 drilling. Diamond drilling is expected to commence as soon as the area is accessible following wet season, potentially as early as October 2019
- Discovery intercepts from Line A included;
 - **21m at 6.62g/t gold** from 53m, and
 - **14m at 9.53g/t gold** from 75m¹
- Most recent intercept from Line D Area;
 - **53m at 2.61g/t gold** from 57m, including **17m at 4.97g/t gold** from 59m²
- Taylor Collison acted as Lead Manager for the capital raising

"This is an excellent result for Chesser. We are delighted with the strong support the Company has received from investors and we're looking forward to following up the Diamba Sud discovery, as well as the other exceptional results received from the recent RC drilling program within the next couple of months." - **commented Mike Brown, Managing Director and CEO of Chesser Resources**

Chesser Resources Limited (ASX: CHZ) (the **Company** or **Chesser**) is pleased to announce that it has received firm acceptances for the placement of approximately 31.5 million shares at an issue price of A\$0.06 per share to raise approximately \$1.89 million before costs (**Placement Shares**). Post the raising the Company's cash balance is approximately \$2.4 million.

Net proceeds from the placement will be used for drilling programs at the Diamba Sud project, expected to commence with diamond drilling by the end of October 2019, weather conditions permitting. Drilling is planned to test the high-grade continuity and geological model at Line A and Line D. A 5,000m RC drilling campaign is planned to follow the diamond drilling program early in the new year.

¹ See ASX Announcement 26 August 2019 "High Grade Gold Discovery Confirmed at Diamba Sud". The Company is not aware of any new information or data that materially affects this announcement.

² See ASX Announcement 3 September 2019. The Company is not aware of any new information or data that materially affects this announcement.

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 280.3 million.

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. 9,084,297 shares will be issued using the Company's placement capacity under ASX Listing Rule 7.1 and 22,422,998 shares will be issued using the Company's placement capacity under Listing Rule 7.1A.

Pursuant to ASX Listing Rule 3.10.5A, the Company states that:

- A. The dilutive effect of the Shares on existing shareholders as a result of the Private Placement is approximately 11.24%, of which 3.24% is as a result of the shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1, and 8% as a result of the shares issued under ASX Listing Rule 7.1A. Following completion of the Placement, pre-Placement security holders will hold approximately 88.76% of fully paid ordinary shares on issue;
- B. The Company considered the Placement as the most strategic, efficient and expedient method for raising these funds;
- C. Fees and costs incurred in connection with the placement include:
 - i. Lead Manager Fees of 6% of the Placement amount payable to Taylor Collison. This includes any sub-broker arrangements that Taylor Collison may have.
 - ii. In addition, Taylor Collison (or its nominees) shall, subject to shareholder approval, be issued with 2,000,000 Lead Manager Options on the terms set out in Annexure 1.
 - iii. Approximately \$3,000 in the aggregate for ASX listing fees and share registry fees.

In addition to the Placement Shares described above, the Company has entered into agreements to issue 416,666 shares at the Placement price of \$0.06 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
Michael Brown	166,666	\$0.06	\$10,000
Stephen Kelly	250,000	\$0.06	\$15,000
	416,666		\$25,000

Chesser anticipates that it will seek shareholder approval to issue the \$25,000 in shares subscribed for by the Directors at its Annual General Meeting which is planned to be held prior to 15 November 2019.



12 September 2019

ASX Announcement

For Further information, please contact:

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ABOUT CHESSE RESOURCES

Chesser Resources is an ASX listed exploration company with gold projects located in Senegal, West Africa. The Company's focus is its recent discovery on its Diamba Sud project, located adjacent to the prodigiously endowed Senegal-Mali shear zone. The Company's landholdings are located 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) 2,000,000 incentive options exercisable at A\$0.12 each on or before 30 November 2021, vesting immediately
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, 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.