



ASX Announcement & Media Release

31 JANUARY 2017

Quarterly Activities Report Quarter Ended 31 December 2016

DIRECTORS

Simon O'Loughlin
Non-Executive Chairman

Simon Taylor
Non-Executive Director

Stephen Kelly
Executive Director and Company Secretary

SHARE INFORMATION

ASX Code: CHZ

Issued Capital:

119,333,598 Fully Paid Shares

1,100,000 Unlisted Options

CONTACT INFORMATION

Registered Office:
Suite 1,
47 Park Road
Milton QLD 4064

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Chesser Resources Limited:
ACN: 118 619 042

Highlights

- Analysis of the data from a program of auger geochemical sampling and EM geophysics was undertaken.
- Program results identifying targets potentially indicative of bedrock gold mineralisation were released to ASX on 31 January 2017.

Farm In Agreement for the Kurnalpi Nickel Project

Chesser Resources Limited ("Chesser" – **ASX: CHZ**) is entitled to earn up to an 80% interest in two tenements (EL28/2506 and PL28/1271) located at Kurnalpi (*located 60 kilometres north east of Kalgoorlie, WA - Figure 1*) by reimbursing Mithril's tenement acquisition costs and completing exploration expenditure of \$250,000 over 4 years.

The Kurnalpi Project tenements are both wholly-owned by Mithril and cover Archaen ultramafic / mafic sequences which are prospective for both nickel sulphide and lode gold mineralisation.

During the Quarter, Chesser conducted a small program of auger geochemical sampling over a gold target that had been identified from a review of historical exploration data. Analysis of data obtained from the auger geochemical sampling program and EM geophysics conducted in the September quarter was also undertaken. The results of the analysis that identified new auger anomalies potentially indicative of bedrock gold mineralisation were released to the ASX on 31 January 2017.

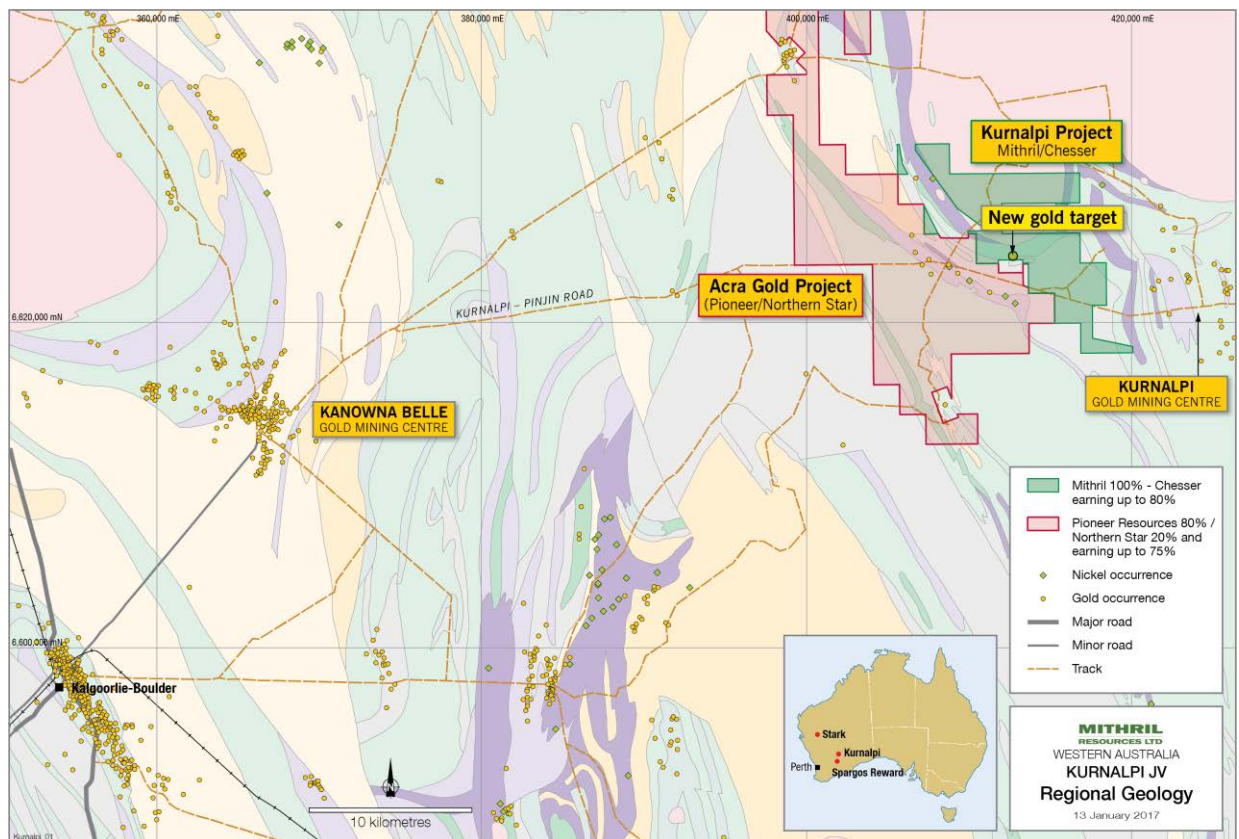


Figure 1 : Kurnalpi Project Location showing location of the new gold target announced in the Company's ASX release dated 31 January 2017

Future Strategy

Chesser plans to carry out a program of geological mapping during the March 2017 Quarter to better understand the significance of the targets identified from the recently completed program of auger geochemical sampling and EM geophysics announced in the Company's release to the ASX on 31 January 2017. The new auger anomalies are potentially indicative of bedrock gold mineralisation and will be followed-up as a matter of priority. The Company looks forward to updating the market on the progress of this work.

SCHEDULE OF MINING TENEMENTS

As at 31 December 2016, the Company did not have an interest in any mining tenements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity **CHESSER RESOURCES LIMITED**

ABN 14 118 619 042

Quarter ended ("current quarter")

31 DECEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(41)	(67)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(93)
(e) administration and corporate costs	(81)	(139)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(152)	(270)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,846	3,964
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(152)	(270)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,694	3,694

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,694	3,846
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,694	3,846

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

43

-

Payment of Director's fees and consulting fees for additional services provided to Non-Executive Directors and salaries and contracting fees paid to the Executive Director who is also the Company's Company Secretary and Chief Financial Officer

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/a

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/a

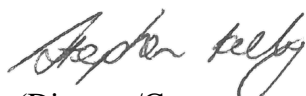
9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(250)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(39)
9.5	Administration and corporate costs	(43)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(332)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/a			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 31 January 2017

Print name: Stephen Kelly

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.