

## ASX Announcement & Media Release

27 October 2014



### Chesser Resources closes Kestanelik sale.

- **Chesser Resources has completed the sale of the Kestanelik project.**
- **Cash payment of US\$40 million has been received.**
- **Chesser to seek shareholder approval for a capital return to shareholders of A\$0.15 per share**
- **Payment of Return of Capital anticipated to occur on December 12, 2014**
- **Company is well positioned to advance its existing projects and pursue new growth opportunities.**

Chesser Resources Ltd (**ASX:CHZ**) has completed the sale of the Kestanelik project in north-west Turkey, receiving proceeds of \$US40 million overnight.

After transaction costs and currency translation, net proceeds in Australian dollars total approximately A\$42.05<sup>1</sup> million.

Having successfully finalised the sale, Chesser Directors will seek shareholder approval for a capital return of A\$0.15 per share, with shareholders to vote on the proposal at the forthcoming Annual General Meeting ("AGM") in Brisbane on November 20.

If the capital return is approved, Chesser will retain approximately A\$8.9<sup>1</sup> million in cash, to be used for working capital and to continue development of the company's two remaining gold projects in Turkey, at Sisorta and Catak.

Meanwhile, the company is actively reviewing opportunities to add growth projects to its portfolio, with a focus on precious metals exploration and development in favourable jurisdictions where Directors and senior management can apply their skills and experience to create value for shareholders.

Chesser Managing Director Rick Valenta said the Company was at an exciting point in its development.

"We have been able to generate excellent returns for shareholders through the cash sale of the Kestanelik project at a healthy premium to the prevailing share market valuation of the company, and Directors believe it is appropriate to reward shareholders with the planned capital return.

"We are also able to differentiate ourselves from many junior resources companies in the market today, because we are now in the enviable position of having sufficient cash reserves to take advantage of opportunities in the market. While we are excited at the prospects emerging, we are determined to apply a rigorous and disciplined approach in our evaluation of any potential expansions," he said.

<sup>1</sup> Assuming transaction costs of US\$3 million and an A\$:US\$ exchange rate of 0.88

**Indicative Timetable** (subject to final confirmation)

<b>Item</b>	<b>Date</b>
Annual General Meeting including shareholder approval of proposed return to shareholders	20 November 2014
Payment of return to shareholders	12 December 2014

- *All dates and times are indicative. The Company reserves the right to vary these dates and times, and will advise the ASX accordingly.*

As disclosed in the AGM Notice of Meeting, Chesser is seeking a ruling from the Australian Taxation Office confirming that the return to shareholders will be treated as a capital return for taxation purposes.

## About Chesser Resources Limited



Chesser Resources is an Australian-based ASX-listed exploration company exploring for gold and base metals in Turkey. The Company has two current projects, one at Catak and one at Sisorta. At Sisorta, the company has declared a 303,000 oz gold resource (91,000 oz Indicated and 212,000 oz Inferred) and has been granted an operating licence for an open pit heap leach gold project. Exploration drilling is ongoing at the project, with a resource update planned for the first half of 2015. Chesser has vested a 51% interest in the project with Turkish company Eurasian. The Catak project is in the Eastern Pontides 70km west-north-west of Sisorta. Catak is a well-preserved epithermal vein system in Andesites, with good indications of high-grade potential and mineable widths of veins. A program of mapping, surface sampling and geophysics is to be conducted at Catak in the first half of 2015. The Board and management of Chesser are committed to unlocking value from these projects while actively reviewing opportunities to add growth projects to its portfolio, with a focus on precious metals exploration and development in jurisdictions where Directors and senior management can apply their skills and experience to create value for shareholders.

Company Directors & Management		Company Information	Top Shareholders
Rob Reynolds	Chairman	<b>ABN:</b> 14 118 619 042  <b>Address:</b> 96 Stephens Road South Brisbane Qld 4101 Australia  <b>Telephone:</b> +61 7 3844 0613  <b>Contact:</b> <a href="mailto:info@chesserresources.com.au">info@chesserresources.com.au</a>  <b>Chesser Website:</b> <a href="http://www.chesserresources.com.au">www.chesserresources.com.au</a>	Management
Rick Valenta	Managing Director		Macquarie MEC
Simon O'Loughlin	Non-Executive Director		Acorn Capital
Simon Taylor	Non-Executive Director		Institutions – 30%
Peter Lester	Non-Executive Director		Top 40 ≈ 62%
Morrice Cordiner	Non-Executive Director		
Stephen Kelly	CFO/Company Secretary		
Cem Yuceer	Exploration Manager		

*The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a Fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Sisorta in-situ Mineral Resources is based on information compiled by Mr. Gary Giroux of Giroux Consultants Ltd. Mr. Giroux is the competent person for the Sisorta resource estimate and takes overall responsibility for it. He is a Member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (a "Recognised Overseas Professional Organisation" under the JORC code) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) and has the appropriate relevant qualifications, experience and independence to qualify as a "Qualified Person" under National Instrument 43-101 - "Standards of Disclosure for Mineral Projects" (NI 43-101). Mr. Giroux consents to the inclusion of such information in this Report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

Further information is available at: [www.chesserresources.com.au](http://www.chesserresources.com.au) or by calling:

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**Stephen Kelly, Company Secretary**  
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