

ASX Announcement & Media Release

7 January 2015



COMPANY UPDATE

Chesser Resources Ltd (ASX: CHZ) would like update shareholders regarding the Company's current strategy and future activities.

As previously stated in presentations and ASX announcements post the recent sale of the Company's Kestanelik gold project in Turkey, the Company's future strategy, formulated on the basis of extensive discussions with shareholders, was to:

1. complete a substantial capital return, comprising approx. A\$33m out of net sale proceeds of \$USD 37.5m after costs;
2. take measures to significantly reduce the Company's running costs;
3. retain sufficient funds to cover all possible costs of the sale and to strategically position the company to take advantage of the current market in which there are numerous high quality project acquisition opportunities available at attractive valuations; and
4. consider, within a reasonable time frame, a further return of capital in the event that a suitable project was not identified which met the stringent acquisition criteria set by the Board.

Since the articulation of this strategy, the company has completed the capital return, made substantial cuts to its ongoing cost structure including numerous redundancies, sharing of office space, and is well advanced in its preparations for the closure of its Turkish office. The Company has also, in a relatively short period of time since the sale of its Kestanelik project, identified a number of high priority potential acquisition targets which are currently the subject of ongoing review and negotiation with vendors.

Since this strategy was adopted, there have been considerable changes in the makeup of the top 20 shareholders of the company. This has seen the exit from the register of some longstanding institutional Resources funds who have been replaced by financial management firms and other investor groups whose interests are keenly focused on a more immediate return of funds in preference to further re-investment in the Resource sector. Furthermore, in the week before Christmas, the Company also received unsolicited feedback from a number of other new and existing top 20 shareholders questioning the Company's future capital management strategy and its plans to re-invest a high proportion of its current treasury in the Resources sector.

One of the new investors, Sandon Capital Ltd, has recently requisitioned a meeting of shareholders and is seeking to remove a majority of the Board's independent Directors and replace them with one of its employees.

Chesser is surprised and disappointed to receive this Notice, given that the stated strategy of the requisitioner to reduce costs, assess future opportunities for growth and consider possible further capital returns is essentially the same as that articulated by the Chesser board in previous public announcements.

The board of Chesser continues to carry out a full review of its options in light of these developments, as quickly as possible given the coincidence of the notice with a traditional holiday period. The Directors of Chesser other than Simon O'Loughlin and Simon Taylor are strongly of the view that it is in the best interests of ALL Chesser shareholders to complete this review and that it would be inappropriate for the representative of a single shareholder to move to considerable influence on the Company's activities and its free cash balance of approx. \$8.9m before all shareholders are advised of the review outcome.

The board expects to take significant steps as a result of this review, and will announce these changes as soon as practicable.

Further information is available at: www.chesserresources.com.au or by calling:

Rick Valenta, Managing Director +61 448 110 765

Stephen Kelly, Company Secretary

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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
Rob Reynolds	Chairman	ABN: 14 118 619 042
Rick Valenta	Managing Director	Address: 96 Stephens Road South Brisbane Qld 4101 Australia
Simon O'Loughlin	Non-Executive Director	Telephone: +61 7 3844 0613
Simon Taylor	Non-Executive Director	Contact: info@chesserresources.com.au
Peter Lester	Non-Executive Director	Chesser Website: www.chesserresources.com.au
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.