

ASX Announcement & Media Release

13 February 2015



BOARD CHANGES

Chesser Resources Ltd (ASX: CHZ) shareholders will be aware of significant developments that have occurred with respect to the Company in recent weeks that have previously been outlined in various stock exchange announcements. The key developments are as follows:

- A number of new substantial shareholders have appeared on the share register, including Sandon Capital Investments Ltd (19.9%), Chifley Portfolios (6.3%) and Novabank (5.09%).
- Sandon Capital Partners has requisitioned a general meeting of shareholders to be held on 26 February 2015 to seek the removal of three of Chesser's five existing Non-Executive Directors - Chairman Mr Rob Reynolds and independent directors Mr Peter Lester and Mr Morrice Cordiner (the Majority Directors). Sandon also is seeking the appointment of one of its employees, Mr Gabriel Radzynski, as a Director of Chesser.
- The Company has convened an Extraordinary General Meeting of shareholders to be held on 12 March 2015 to consider a further return of capital of 2.75 cents per share be paid to all shareholders (Further Capital Return). The Further Capital Return was supported by a majority of Directors comprising Mr Robert Reynolds, Mr Peter Lester and Mr Morrice Cordiner. Two of Chesser's existing directors, Mr Simon O'Loughlin and Mr Simon Taylor (Minority Directors) have indicated they do not support the Further Capital Return in the form currently proposed but would support a similar return of capital if it were to be proposed after 26 February 2015.
- On 11 February 2015, Novabank Pty Ltd requested that the Company convene a general meeting of shareholders to consider the removal of Mr O'Loughlin and Mr Taylor as Directors. Novabank is also seeking the appointment of one of its Directors, Mr Frank Terranova as a Director of Chesser.

In light of these various developments, the Majority Directors have formed the view that it is not in the interests of shareholders for the uncertainty regarding the future composition of the Board, and the ensuing uncertainty surrounding the proposed capital return, to persist. The Majority Directors have therefore taken the following steps:

- 1) Mr Frank Terranova, a director of substantial shareholder Novabank has been appointed to the Board of Directors, effective immediately. Mr Terranova has significant experience as a Director and Executive in the resources sector. Mr Terranova supports the proposed Further Capital Return.
- 2) Mr Philip Amery, who is associated with shareholder Amery Partners, has been appointed to the Board of Directors, effective immediately. Mr Amery is an experienced capital markets advisor and private banker. Mr Amery has advised that he supports the proposed Further Capital Return, or any superior and equally expeditious proposal for further capital return capable of board and shareholder support.
- 3) Mr Stephen Kelly, who has served as Chesser Chief Financial Officer and Company Secretary for the past two years, has been appointed to the Board of Directors, effective immediately. Mr Kelly supports the proposed Further Capital Return.

- 4) Mr Terranova was appointed Chairman of the Board. Mr O'Loughlin continues to serve as the Deputy Chairman of the Board.
- 5) Following these appointments, Mr Robert Reynolds, Mr Peter Lester and Mr Morrice Cordiner have resigned from the Board.

Mr O'Loughlin and Mr Taylor do not support the appointment of Mr Terranova, Mr Amery or Mr Kelly to the Board, or the appointment of Mr Terranova as Chairman of the Board.

Consequently, the resolutions regarding the proposed removal of Mr Reynolds, Mr Cordiner and Mr Lester, set down for the general meeting of shareholders to be held on February 26, will not be considered. The only item of business to be considered at the meeting to be held on February 26 will be the resolution proposing the appointment of Mr Gabriel Radzynski as a director of the Company.

Retiring Chairman Robert Reynolds said that he and his fellow retiring directors believed that their resignations were appropriate under the circumstances.

"We are strongly of the view that the proposed Further Capital Return is in the interests of all shareholders, and the Board changes being made will help to ensure that shareholders can exercise their rights to vote on the proposal.

"We thank all shareholders for the opportunity to serve as directors of Chesser Resources over recent years. The Company achieved a number of impressive milestones, particularly with the development and successful sale of the Kestanelik project. I am grateful for the opportunity to have worked with so many dedicated and talented people at the Company, and I wish them and all shareholders best wishes for the future," he said.

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

**Stephen Kelly, Company Secretary
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About Chesser Resources Limited

Company Directors & Management		Company Information
Frank Terranova	Non-Executive Chairman	ABN: 14 118 619 042 Address: 96 Stephens Road South Brisbane Qld 4101 Telephone: +61 7 3844 0613: Contact: info@chesserresources.com.au Chesser Website: www.chesserresources.com.au
Simon O'Loughlin	Non-Executive Director	
Simon Taylor	Non-Executive Director	
Philip Amery	Non-Executive Director	
Stephen Kelly	Executive Director/Company Secretary	