

## ASX Announcement & Media Release

30 April 2015



# Quarterly Activities Report Quarter Ended 31 March 2015

## HIGHLIGHTS

- Announcement of proposed equal access buy-back at \$0.0353 per share
- Sale of 51% interest in Sisorta Project
- Termination of Catak operations
- Closure of Turkish corporate offices

## PROJECT UPDATES

### *Sale of the Sisorta Project*

On 30 March 2015, the Company completed the sale of its 51% interest in the Sisorta Project in Turkey for cash consideration of \$162,023 before transaction costs.

### *Termination of Catak Option Agreement*

In the March 2015 Quarter, the Company exercised its right to terminate the Catak Option Agreement.

## CORPORATE

### *Closure of corporate offices in Turkey*

During the March quarter the employment of all remaining Turkish personnel was terminated and the Company's corporate offices in Turkey were closed.

The Group is in the process of winding up its remaining international subsidiaries and anticipates that this process will be completed in the June quarter.

### *Changes in Board and Executive Management*

During the March Quarter there were a number of changes in the composition of the Board of Directors as follows:

- On 30 January 2015 Dr Valenta's employment as Managing Director was terminated by the Company.
- On 12 February 2015 Messrs Reynolds, Cordiner and Lester resigned as Non- Executive Directors of the Company. Messrs Terranova and Amery were appointed as Non-Executive Directors and Mr Kelly was appointed as an Executive Director. Mr Terranova was appointed as Chairman of the Board.
- On 18 February 2015, Mr Radzyminski was appointed as a Non – Executive Director.

## FUTURE ACTIVITIES

### *Proposed Equal Access Buy-Back*

On 6 March 2015, the Company announced that the Directors had unanimously endorsed a proposed Equal Access Buyback of the Company's shares (Shares) at a buyback price of 3.53 cents per share (EAB) subject to the Company obtaining the opinion of an Independent Expert and receiving any required regulatory approvals.

The final timetable of the company's planned EABB is dependent on a range of factors, including the opinion of the Independent Expert, receipt of the required regulatory approvals, status of the company's restricted cash position and the timing of its release. The board will proceed with any buyback or capital management strategy in a manner consistent with the ongoing financial viability of Chesser.

### *Future Strategy*

On 2 March 2015, the Company announced that the Board of Directors had resolved to suspend further consideration of investment opportunities in the resources sector until the newly constituted Board had completed a review of the Company's strategic and capital management opportunities.

The Company has until 10 September 2015 to satisfy the ASX that its business operations are at a level that warrants the continued quotation of Shares and its continued listing on the ASX.

## SCHEDULE OF MINING TENEMENTS

As at 31 March 2015, the Group did not have an interest in any mining tenements. During the March quarter, the Group had an interest in the following tenements, all of which are located in Turkey:

Project <sup>1</sup>	Licence Number	Area (ha)	Expiry
Catak <sup>1</sup>	2520562	3,410	19 January 2022
Catak <sup>1</sup>	2395163	1,400	19 January 2022
Sisorta <sup>2</sup>	2199971	2,669	8 September 2019

<sup>1</sup> The Group had the option to earn up to a 100% interest in the Catak Project. In the March 2015 Quarter, the Company provided the owner of the Catak property a notice of termination in relation to the Catak Option Agreement.

<sup>2</sup> The Group held a 51% interest in the Sisorta Project. The Group disposed of its 51% interest in the Sisorta Project on 30 March 2015.

## About Chesser Resources Limited



Company Directors & Management		Company Information	Top Shareholders
Frank Terranova	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>	Sandon Capital Pty Ltd Chifley Portfolios Pty Ltd
Simon O'Loughlin	Non-Executive Director		
Simon Taylor	Non-Executive Director		
Philip Amery	Non-Executive Director		
Gabriel Radzynski	Non-Executive Director		
Stephen Kelly	Executive Director / CFO /Company Secretary		

*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:**

**Stephen Kelly, Company Secretary**

**+61 7 3844 0613**

# Appendix 5B

## Mining 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

Name of entity

Chesser Resources Limited

ABN

ACN 118 619 042

Quarter ended ("current quarter")

31 March 2015

## Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(144)	(1,246)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(940)	(2,815)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	105	224
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(979)</b>	<b>(3,837)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	162	43,388
	(b) equity investments	-	384
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>162</b>	<b>43,772</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(817)</b>	<b>39,935</b>

		Current quarter \$A'000	Year to date \$A'000
1.13	Total operating and investing cash flows (brought forward)	(817)	39,935
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Return of capital to shareholders	-	(33,151)
	<b>Net financing cash flows</b>	-	(33,151)
	<b>Net increase (decrease) in cash held</b>	(817)	6,784
1.20	Cash at beginning of quarter/year to date	8,931	1,189
1.21	Exchange rate adjustments to item 1.20	181	322
1.22	<b>Cash at end of quarter</b>	8,295	8,295

*Notes:*

1. Cash at the end of quarter includes restricted cash (refer item 5.4).
2. In the current quarter Turkish employee costs totalling approximately \$240 thousand (including redundancy costs) have been reported as Administrative expenses, previously these costs were classified as exploration expenditure.
3. Exploration costs for the quarter represent accrued liabilities at 31 December 2014 paid during the March quarter. This expenditure was incurred to meet the Company's minimum expenditure obligations under the Catak Option Agreement.
4. Included in the March quarter expenditure is an amount of \$160 thousand paid in relation to the termination of the Managing Director's employment.

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	295
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Payment of Director's fees to Non-Executive Directors and salaries and other payments made to the Managing Director. The amount of aggregate payments for the current quarter Includes

- (i) termination payments made to the Dr Valenta as a consequence of the termination of his employment as Managing Director on 30 January 2015 (excluding PAYG withholding paid in the June quarter.
- (ii) salaries paid to Mr Kelly from 12 February 2015, being the date of his appointment as an Executive Director of the Company.

## Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As reported in the financial statements for the half year ended 31 December 2015, the Company recorded impairment losses of \$5.1 million in relation to the Sisorta and Catak Projects. There were no impairment charges recorded in the current quarter.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the March quarter Eurasian Minerals Inc paid the Company \$162,023 to acquire the Company's 51% interest in the Sisorta Project. Eurasian Minerals Inc previously owned 49% of the Sisorta Project.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	80
<b>Total</b>	<b>80</b>

Notes:

- Included in the above outflows is approximately \$150,000 for PAYG withholding taxes in relation to termination payments paid to the former Managing Director.
- The above estimated cash out flows include an estimate of \$100,000 for costs related to the proposed Equal Access Share Buy-Back, but do not include any amounts in relation to payments that may be made to shareholders pursuant to the Equal Access Share Buy-Back.
- Administration costs are shown net of a \$213,000 Research and Development tax offset that the Company anticipates receiving in the June quarter.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,488	7,305
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – restricted cash	1,807	1,626
<b>Total: cash at end of quarter</b> (item 1.22)	<b>8,295</b>	<b>8,931</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	2199971	Partial ownership interest in the Turkish company that was the registered owner of tenements comprising the Sisorta Project Turkey	51%	0%
	2520562 2395163	Option to earn up to a 100% interest in the tenements comprising the Catak Gold Project in Turkey.	Option to earn up to 100%	0%
6.2 Interests in mining tenements acquired or increased	NIL	NIL		

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security) (cents)
7.1 <b>Preference</b> <sup>+</sup> <b>securities</b> (description)	NIL	NIL	NIL	NIL
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL	NIL	NIL

		Total number	Number quoted	Issue price per security	Amount paid up per security) (cents)
7.3	<b>*Ordinary securities</b>	221,007,161	221,007,161		Fully paid
7.4	Changes during quarter				
	(a) Increases through issues	NIL	NIL	NIL	NIL
	(b) Decreases through returns of capital, buy-backs	NIL	NIL	NIL	NIL
7.5	<b>*Convertible debt securities (description)</b>	NIL	NIL	NIL	NIL
7.6	Changes during quarter				
	(a) Increases through issues	NIL	NIL	NIL	NIL
	(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL
7.7	<b>Options (description and conversion factor)</b>			<i>Exercise price</i>	<i>Expiry date</i>
		500,000		\$0.35	13/12/2016
		1,000,000		\$0.40	13/12/2016
		1,500,000		\$0.45	13/12/2016
		1,000,000		\$0.50	13/12/2016
		1,000,000		\$0.55	13/12/2016
		1,000,000		\$0.60	13/12/2016
		200,000		\$0.20	31/01/2017
		200,000		\$0.25	31/01/2017
		200,000		\$0.30	31/01/2017
		500,000		\$0.11	31/12/2016
7.8	Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.9	Exercised during quarter	NIL	NIL	NIL	NIL
7.10	Expired during quarter			<i>Exercise price</i>	<i>Expiry date</i>
		105,000		\$0.03	2/03/2015
7.11	<b>Debentures (totals only)</b>	NIL	NIL		
7.12	<b>Unsecured notes (totals only)</b>	NIL	NIL		



**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
Secretary

Date: 30 April 2015

Print name: Stephen Kelly