

## ASX Announcement & Media Release

31 July 2015



# Quarterly Activities Report Quarter Ended 30 June 2015

## HIGHLIGHTS

- Proposed Equal Access Buy Back price finalised at \$0.0343 per share
- Extraordinary General Meeting scheduled to be held on 4 September 2015
- Equal Access Buy Back scheduled to be completed and payment made to participating Shareholders by 15 October 2015

### *Proposed Equal Access Buy-Back*

During the June quarter, the Company completed the steps necessary to finalise the terms of the proposed Equal Access Buy Back (EABB) including negotiating the expedited release of restricted cash balances, commissioning an Independent Expert Report, preparation of the Notice of Meeting and applying for the necessary regulatory approvals and waivers.

On 29 July the Company announced to that it had received the required regulatory waivers and approvals to convene an Extraordinary General Meeting of Shareholders (EGM) to consider the EABB on 4 September 2015.

The key terms of the EABB are:

Proposed buy back price	\$0.0343 per share
Maximum number of shares to be bought by the Company	220,636,100 shares
Maximum cash to be returned to shareholders	\$7.57 million
Forecast cash balance after EABB if all shareholders participate fully	\$0.3 million

The indicative timetable for the EGM and, if approved at the EGM, the Equal Access Buy Back is:

Time and date	
2015	Event
<b>Dates for EGM</b>	
3 August 2015	Despatch of Notice of Meeting to shareholders.
4 September 2015	Date of EGM – date on which Shareholders vote on the Buy Back Resolution.

Time and date	
2015	Event
<b>If the Buy Back Resolution is approved</b>	
10 September 2015	Ex-entitlement date for the Buy Back
14 September 2015	Buy Back Record Date (date for determining entitlement to participate in the Buy Back)
17 September 2015	Despatch of Buy Back Acceptance Forms
17 September 2015	Buy Back Offer Period opens.
6 October 2015	Buy Back Offer Period closes
15 October 2015	Buy Back Consideration distributed to participating Shareholders.

All dates and times are indicative only and may be revised as determined by the Company in accordance with the Corporations Act and the ASX Listing Rules. Any changes to the above timetable will be announced to the ASX.

#### *Corporate operations and expenditure*

During the Quarter the Company continued to reduce its corporate infrastructure and costs commensurate with the reduced scope of the Company's operations pending completion of the EABB and a review of the Company's future strategy. Measures taken included:

- The Company's remaining employee in the Brisbane corporate office ceased full time employment with Company and is now employed on a part time basis. The Company does not currently have any other employees.
- The Company wound up its remaining interests in Turkey and progressed the winding up of its remaining overseas subsidiaries.

#### *Future Strategy*

The Company announced in the prior quarter that the Board of Directors had resolved to suspend further consideration of investment opportunities in the resources sector until Board has completed a review of the Company's strategic and capital management opportunities.

Following completion of the EABB (or, if Shareholders do not approve the EABB, following the Extraordinary General Meeting scheduled for 4 September 2015), Chesser will recommence a strategic review of the options and investment opportunities available to it. The strategic review will take into consideration the Company's cash reserves after the Buy Back is completed and the level of concentration of ownership of Shares following implementation of the Buy Back.

Subsequent to the disposal of the Sisorta Project in the March Quarter, the ASX requested that the Company demonstrate that its business operations are at a level that warrants the continued quotation of Shares and its continued listing on the ASX in satisfaction of Listing Rule 12.1. If the Company does not demonstrate the required level of operations prior to completion of the EABB, the ASX will suspend the Company's securities from official quotation following completion of the EABB until such time as the Company can demonstrate it satisfies Listing Rule 12.1.

Further details of the Company's future strategy are set out in the Shareholder Booklet for the Extraordinary General Meeting to consider the EABB to be despatched to Shareholders on 3 September 2015.

## **SCHEDULE OF MINING TENEMENTS**

As at 30 June 2015, the Company did not have an interest in any mining tenements.

## **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
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		

**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")

30 June 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	-	(1,246)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(357)	(3,172)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	43	267
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	213	213
	<b>Net Operating Cash Flows</b>	<b>(101)</b>	<b>(3,938)</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	(321)	43,067
	(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>(321)</b>	<b>43,451</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(422)</b>	<b>39,513</b>

		Current quarter \$A'000	Year to date \$A'000
1.13	Total operating and investing cash flows (brought forward)	(422)	39,513
	<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>	(422)	6,362
1.20	Cash at beginning of quarter/year to date	8,295	1,189
1.21	Exchange rate adjustments to item 1.20	15	337
1.22	<b>Cash at end of quarter</b>	<b>7,888</b>	<b>7,888</b>

Notes:

- Included in the June quarter Administration expenditure were:
  - \$157 thousand being PAYG paid in relation to the termination of the Managing Director's employment in the prior quarter
  - \$55 thousand in costs related to the proposed Equal Access Buy Back
  - \$45 thousand in cost incurred in relation to winding up the Company's overseas operations
- In the June quarter the \$321 thousand adjustment to consideration received from the sale of a prospect reflect the discount required to be paid to accelerate the release of the restricted cash from the sale of the Kestanelik Project.

## 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	48
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 Executive Director who is also the Company's Company Secretary and Chief Financial Officer.

## 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

Nil

## 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	72
<b>Total</b>	<b>72</b>

Notes:

## 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	7,888	6,488
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – restricted cash	-	1,807
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,888</b>	<b>8,295</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	NIL		
6.2	Interests in mining tenements acquired or increased	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	NIL	NIL	NIL	NIL
7.2	NIL	NIL	NIL	NIL

	Total number	Number quoted	Issue price per security	Amount paid up per security) (cents)
7.3	221,007,161	221,007,161		Fully paid
7.4	NIL	NIL	NIL	NIL
7.5	NIL	NIL	NIL	NIL
7.6	NIL	NIL	NIL	NIL

7.7	<b>Options</b> <i>(description and conversion factor)</i>			<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	NIL		<i>Exercise price</i>	<i>Expiry date</i>
				NIL	
7.11	<b>Debentures</b> <i>(totals only)</i>	NIL	NIL		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	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: 31 July 2015

Print name: Stephen Kelly