



ASX Announcement & Media Release

15 October 2015

CHESSER EXECUTES FARM IN AGREEMENT FOR THE KURNALPI NICKEL GOLD PROJECT

DIRECTORS

Gabriel Radzynski
Non Executive Chairman

Simon O'Loughlin
Non-Executive Director

Simon Taylor
Non-Executive Director

Stephen Kelly
Executive Director and Company Secretary

SHARE INFORMATION

ASX Code: CHZ

Issued Capital:

119,333,598 Fully Paid Shares

7,100,000 Unlisted Options

CONTACT INFORMATION

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Chesser Resources Limited:
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Highlights

- **Chesser can earn up to 80% of Mithril Resources Ltd's (ASX:MTH) Kurnalpi Project by reimbursing Mithril's tenement acquisition costs and completing exploration expenditure of \$250,000 over 4 years.**
- **The Kurnalpi project consists of two recently granted tenements and is prospective for both nickel sulphide and lode gold mineralisation.**
- **Chesser is continuing to a strategic review of the investment opportunities available to the Company taking into consideration the Company's cash reserves totalling approximately \$4.25 million.**

Chesser Resources Limited (**ASX:CHZ**) is pleased to advise that it has executed a Binding Agreement Letter (**Agreement**) with Mithril Resources Ltd (**ASX: MTH**) to earn up to an 80% interest in two tenements EL28/2506 and PL28/1271) located at Kurnalpi (approximately 60 kilometres north east of Kalgoorlie, WA - Figure 1).

The Kurnalpi Project tenements are both wholly-owned by Mithril and cover Archean ultramafic / mafic sequences which are prospective for both nickel sulphide and lode gold mineralisation.

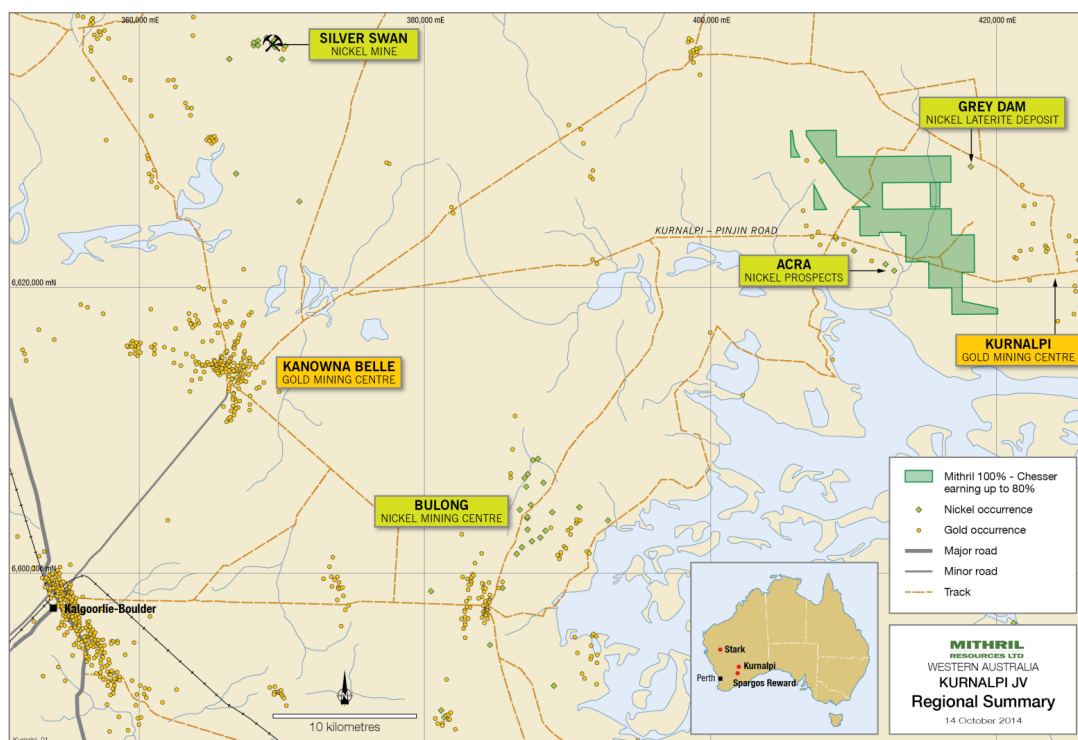


Figure 1: Kurnalpi Project Location Plan

The terms of the farm-in agreement are as follows:

- The Agreement is subject to Chesser obtaining Ministerial Consent within 30 days of executing the Letter Agreement (Condition Precedent).
- Chesser will reimburse Mithril its tenement acquisition costs amounting to \$17,389 within 7 days of the Agreement becoming effective.
- Chesser can earn an initial 51% interest in EL28/2506 and PL28/1271 by completing expenditure of \$150,000 over 2 years.
- Chesser can elect to earn an additional 29% interest through further expenditure of \$100,000 over a further 2 years (in total 80% by spending \$250,000 over 4 years).
- Once Chesser has earned its 80% interest, Mithril has the right to contribute on a pro rata basis or dilute as per industry standard formula. If Mithril's interest dilutes below 10% it will be deemed to have withdrawn and will be entitled to receive a 1.5% Net Smelter Royalty on all minerals.
- Chesser is required to keep the tenements in good standing at all times and can withdraw from the Agreement with 30 days' notice provided the tenements are in good standing.

The Chesser Board is continuing to a strategic review of the investment opportunities available to the Company taking into consideration the Company's cash reserves totalling approximately \$4.25 million.

For further information please contact:

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