

ASX Announcement & Media Release

25 July 2014



PROPOSED SALE OF THE KESTANELIK PROJECT FOR USD40 MILLION

The Board of Chesser Resources Limited ("Chesser") has executed a conditional, non-binding Letter of Intent ("LOI") with leading Turkish company, Nurol Holdings, for the sale of Chesser's Kestanelik Gold Project in North Western Turkey.

The LOI proposes the sale by Chesser of its 100% owned Turkish subsidiary, Bati Anadolu Madencilik Sanayi Ve Ticaret A.S. that holds the mining licences, ancillary permits and other assets related to the Kestanelik Project. Chesser's ownership interests in the Sisorta Project and the Catak Project will not be included in the proposed sale.

Under the terms of the LOI Chesser would receive cash of USD40 million or approximately AUD42.25 million¹ on closing of the transaction which is equivalent to 19.12 cents per share.

The Board of Chesser cautions that the LOI is non-binding on both Chesser and Nurol and is subject to the completion of final due diligence by the purchaser and the finalisation of definitive legal agreements, both of which are now well advanced following further productive negotiations and receipt of important government approvals in Turkey.

In addition, the proposed sale would require the approval of Chesser shareholders in accordance with ASX Listing Rule 11.2, and would be conditional on Nurol receiving routine approval from the Turkish Competition Board. There is, however, no guarantee that an agreement capable of being put to Chesser shareholders will eventuate.

Shareholders do not need to take any action in relation to the LOI.

Nurol Holdings is an industrial conglomerate in Turkey operating in the construction, defence manufacturing, energy, investment banking, mining and tourism industries.

Chesser will continue to update the market with any material developments in relation to the proposed transaction as they occur.

For further information on this release and Chesser Limited, please contact:

Richard Valenta, Managing Director or **Stephen Kelly**, Company Secretary
Ph: +61 7 3844 0613

¹ Calculated using an AUD/USD exchange rate of 0.9467 as at 24 July 2014

About Chesser Resources Limited



Chesser is an Australian-based ASX-listed exploration company (ASX: CHZ), exploring for gold and base metals in Turkey. The Company is currently conducting an aggressive, but focused, exploration program on its Kestanelik epithermal gold project. The Company's flagship project, Kestanelik, is situated in western Turkey, some 10 kilometres southeast of the Dardanelles, and enjoys good access together with excellent infrastructure. It hosts low sulphidation epithermal quartz veining with identified high-grade gold mineralisation and bonanza grades. Kestanelik has an indicated resource of 183,000 ounces of gold at a grade of 3.53 g/t Au, and total resource of 703,000 ounces of gold at 2.15 g/t Au, 65% of which lies within 50 metres of the surface at an average grade of 2.54 g/t Au. The Company has declared a 303,000 oz gold resource (91,000 oz Indicated and 212,000 oz Inferred) on its Sisorta project in north-eastern Turkey. The Board and management of Chesser, backed by the Company's major shareholders, are committed to unlocking value from this highly prospective portfolio of projects and the Company is committed to advancing its existing portfolio while continuing to seek new advanced opportunities.

Company Directors & Management		Company Information	Top Shareholders
Rob Reynolds	Chairman	ABN: 14 118 619 042 Address: 96 Stephens Road South Brisbane Qld 4101 Australia Telephone: +61 7 3844 0613 Contact: info@chesserresources.com.au Chesser Website: www.chesserresources.com.au	Management
Rick Valenta	Managing Director		Macquarie MEC
Simon O'Loughlin	Non-Executive Director		Acorn Capital
Simon Taylor	Non-Executive Director		Baker Steel
Peter Lester	Non-Executive Director		Institutions – 30%
Morrice Cordiner	Non-Executive Director		Top 40 ≈ 62%
Stephen Kelly	CFO/Company Secretary		
Nigel Ricketts	Project Director Kestanelik		
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 Kestanelik in-situ Mineral Resources is based on information compiled by Mr. Ian Taylor of Mining Associates Ltd. Mr. Taylor is the competent person for the Kestanelik resource estimate and takes overall responsibility for it. He is a of the Australian Institute of Geoscientists and a Chartered Professional of the Australasian Institute of Mining and Metallurgy 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Taylor consents to the inclusion of such information in this Report 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.