



30 April 2009

## March 2009 Quarterly Report

### Highlights

- Chesser continues to focus on the gold sector
- LOI for staged earn-in of up to 100% in two gold properties in NW Turkey
- Both properties have existing positive drill intersections
- The Kestanelik property hosts low sulphidation epithermal quartz veining with existing high-grade gold mineralization.
- The Karaayi property hosts a porphyry-style stockwork system prospective for gold-copper mineralization.
- Kestanelik – programs of geophysics and drilling are scheduled for 2009
- Karaayi – target refinement in 2009, drilling contingent on results
- At Sisorta, work continued on the calculation of a maiden JORC compliant resource, as the first step toward a preliminary scoping study. A priority of this study will be to investigate the possibility of commencing small scale mining and gold recovery on the near-surface, high grade east zone.
- Drilling at Sisorta is expected to recommence in June 2009 to expand the deposit into the roughly 80% of the target area which is yet to be tested by drilling.
- The Company continues to assess advanced project opportunities to add to its Turkish gold portfolio.
- Subsequent to Quarter end, announcement of \$1.20m placement at \$0.08 per share and the intention to undertake a Share Purchase Plan (SPP) that has been underwritten to \$800k. Total funds raised from placement and underwritten portion of SPP \$2.0m

Chesser Resources Limited (“Chesser”) (ASX Code: CHZ) is pleased to report on its activities for the quarter ended March 31, 2009. In early March the company signed a letter of intent with a Turkish company to acquire a 100% interest in two gold properties in NW Turkey. Both properties are located in the Biga Peninsula region of NW Turkey, an area of current exploration focus and a host to a number of existing multi-million ounce gold deposits. The company also made significant advances in its efforts to secure funding for its 2009 program, which will comprise drilling at Sisorta and Kestanelik, along with continued exploration work aimed at identifying and acquiring high quality advanced gold projects.



Figure 1. Shaded Topographic map of Turkey showing the location of Chesser's Turkish projects, along with the locations of a number of other significant Turkish mines and prospects

## Projects

### Sisorta, Turkey

**Gold**

*(Chesser earning up to 70%, Eurasian 100%)*

Chesser continues to make progress toward delivering a maiden JORC resource in the June quarter of 2009. This resource will form the basis of additional scoping studies aimed at exploring the viability of early production on the Sisorta East Zone, where gold mineralization is outcropping at surface and is found in material which should be easily mined and would be likely to require minimal treatment prior to leaching.

In addition, the company intends to carry out a drill program to continue to expand the deposit into the roughly 80% of the target area which is yet to be tested by drilling. Drilling is expected to begin in June, and a drill program of approximately 1500 metres is planned. The company will also carry out additional metallurgical studies, as well as continuing baseline environmental studies.

During the quarter, a VAT refund of approximately A\$350,000 was received from the Turkish government. In addition, Chesser was informed by its partner of a surplus of A\$150,000 remaining from the 2008 exploration program. These funds are available for reimbursement of Chesser expenses after taking over as operator in October 2008, option payments to Eurasian minerals, and expenditure on the 2009 Sisorta exploration program

### Kestanelik, Turkey

**Gold**

*(Chesser earning up to 100%, Turkish Partner 100%)*

The Kestanelik property consists of a series of epithermal quartz veins of up to 10 metres thickness, outcropping over an aggregate strike length of approximately 2550 metres. The host sequence is partially covered by a post-mineral sequence of sediments, volcanics and alluvium.

The company has previously reported a number of high-grade historical gold intercepts from surface sampling and drilling, the details of which are contained in previous press releases (dated 2 March 2009 and 27 March 2009)

Chesser can earn a 51% interest in the Kestanelik property by spending \$USD1.3 million on exploration over three years and issuing 500,000 shares to the property owner. Chesser can earn a further 24% by spending an additional \$USD750,000 and issuing 250,000 additional shares in year 4, and can reach 100% by spending an additional \$USD750,000 and issuing 250,000 additional shares in year 5, at which point the property owner will retain a 2.5% Net Smelter Return royalty. Chesser's minimum expenditure before withdrawal is \$USD250,000.

### **Karaayi, Turkey**

### **Gold/Copper**

*(Chesser earning up to 100%, Turkish Partner 100%)*

The Karaayi prospect is a porphyry-related gold-copper target hosted in altered Lower Miocene volcanics that are underlain by medium to high level Mesozoic granodiorite intrusions.

Mineralisation in the area is characterized by disseminated or fracture-controlled pyrite, variable amounts of silicification, hematite/pyrite matrix breccias produced by intense fracturing of siliceous rocks and moderate to weak saccharoidal to crystalline quartz stringer stockwork veining in small breccia pipes.

The company has previously reported a number of wide, low-grade historical gold intercepts from the property, the details of which are contained in previous press releases (dated 2 March 2009 and 27 March 2009). Recent soil surveys have highlighted a new area of strong gold anomalism untested by previous exploration, and this will be the focus of further exploration.

Chesser can earn a 51% interest in the Karaayi property by spending \$USD1.0 million on exploration over three years and issuing 300,000 shares to the property owner. Chesser can earn a further 24% by spending an additional \$USD750,000 and issuing 250,000 additional shares in year 4, and can reach 100% by spending an additional \$USD750,000 and issuing 250,000 additional shares in year 5, at which point the property owner will retain a 2.5% Net Smelter Return royalty. Chesser's minimum expenditure before withdrawal is \$USD150,000.

### **Turkey Regional**

### **Copper- Gold**

*(Chesser 100%)*

Chesser has recently signed an agreement to carry out a six month due diligence program over the Sariyar project, a large porphyry gold-copper system in the Pontide region to the NW of Sisorta. Should the initial investigations support the potential of the property, Chesser can earn 100% of the property by making a series of staged payments totaling \$USD250, 000 over the subsequent three year period, subject to a 1% NSR which can be bought by Chesser for an additional \$USD300, 000.

Field visits were carried out to a number of projects made available to the company for option and/or joint venture. In addition, a number of projects are currently at advanced negotiation stage.

Chesser Resources Ltd is an ASX-listed Exploration company with a focus on the acquisition and exploration of discovery-stage gold projects. The company is committed to advancing its existing portfolio while continuing to seek new advanced opportunities.

### **Corporate**

Subsequent to the end of the quarter, Chesser entered into an agreement to place 15,000,000 shares at \$0.08 per share to raise \$1.20 million and announced its intention to undertake a SPP.

#### **PLACEMENT**

The Placement has been made to a number of sophisticated investors pursuant to Section 708A of the Corporations Act 2001 and will be undertaken in two tranches:

**Tranche 1** – comprising 4,962,500 ordinary fully paid shares, raising \$397,000.

**Tranche 2** – comprising a further 10,037,500 ordinary fully paid shares raising a further \$803,000, subject to shareholder approval.

The Directors will participate in the shares allocated in Tranche 2 which are subject to shareholder approval at a general meeting to be held in early June 2009.

Taylor Collison has acted as Lead Manager to the placement.

#### **SHARE PURCHASE PLAN**

Chesser intends to undertake an SPP following completion of the Placement (Tranche 1). The Company has additionally entered into an agreement with Taylor Collison to place any shortfall from the SPP (up to \$800k). This agreement is subject to shareholder approval.

#### **CHESSER RESOURCES LTD**

All queries to be directed to

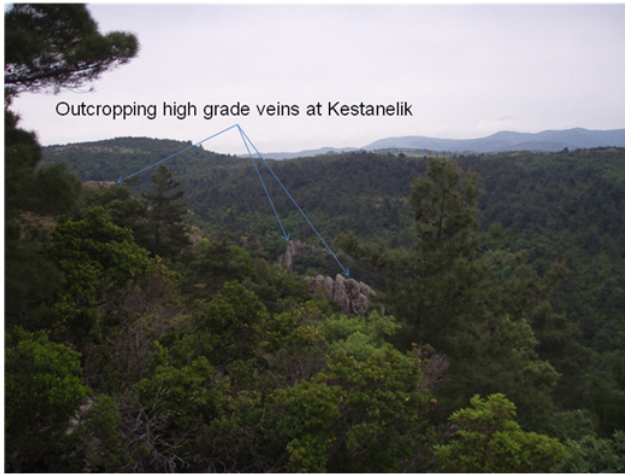
Dr Rick Valenta

(07) 3369 4000

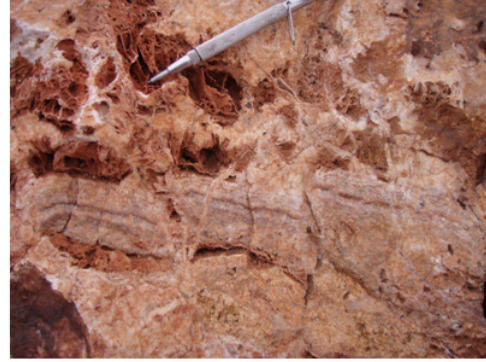
[info@chesserresources.com.au](mailto:info@chesserresources.com.au)

[www.chesserresources.com.au](http://www.chesserresources.com.au)

*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 2004 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.*



Outcropping high grade veins at Kestanelik



Epithermal vein textures - [Kestanelik](#)

**APPENDIX 5B**  
**Mining exploration entity quarterly report**

**CHESSER RESOURCES LIMITED**

**ACN 118 619 042**

Quarter ended

31-Mar-09

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(139)	(2,103)
(b) development	-	-
(c) production	-	-
(d) administration	(70)	(549)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	45
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Management & JV reimbursement	108	108
1.7 Other - Refund of GST	-	-
<b>Net Operating Cash Flows</b>	<b>(98)</b>	<b>(2,499)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(15)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Cash assets of acquired entity	-	-
<b>Net Investing cash flows</b>	<b>0</b>	<b>(15)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(98)</b>	<b>(2,514)</b>

1.13 Total operating and investing cash flows (brought forward)	(98)	(2,514)
<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 (Share issue costs)	-	-
<b>Net financing cash flows</b>	0	0
<b>Net increase (decrease) in cash held</b>	(98)	(2,514)
1.20 Cash at beginning of quarter / year to date	590	2,896
1.21 Exchange rate adjustments to item 1.20	(16)	94
1.22 <b>Cash at end of quarter</b>	477	477

- NB:
- Chesser Resources announced on 9 April 2009 a capital raising by way of a Placement and Share Purchase Plan to raise a total of \$2M before issue costs. \$397,000 has already been raised of the \$2M, through an intital placement to investors under Part 6D.2 of the Corporations Act 2001.
  - Chesser Resources has contributed surplus funds to the Joint Venture with Eurasian Minerals Inc at the Sisorta gold project in Turkey. The Company expects that no further contribuitions will be required until June 2009.

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

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

1.23 Aggregate amount of payments to the parties included in item 1.2

1.24 Aggregate amount of loans to the parties included in item 1.17

Current quarter \$A'000
48
-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and payments to entities the directors are associated with.

**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

NIL

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**

3.1 Loan facilities

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

**Estimated cash outflows for next quarter**

4.1 Exploration and evaluation

4.2 Development

4.3 Administration

Total

\$A'000
80
-
71
151

**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.

5.1 Cash on hand and at bank

5.2 Deposits at call

5.3 Bank overdraft

5.4 Other (provide details) - 30 and 60 day term deposits

**Total: cash at end of quarter (item 1.22)**

Current quarter \$A'000	Previous quarter \$A'000
165	231
312	359
-	-
-	-
477	590

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	3159754	Tenement surrendered by subsidiary, Chesser Arama ve Madencilik.	100%	0%
	3159756	Tenement surrendered by subsidiary, Chesser Arama ve Madencilik.	100%	0%
	3166330	Tenement surrendered by subsidiary, Chesser Arama ve Madencilik.	100%	0%
	3150993	Tenement surrendered by subsidiary, Chesser Arama ve Madencilik.	100%	0%
	3150969	Tenement surrendered by subsidiary, Chesser Arama ve Madencilik.	100%	0%
6.2 Interests in exploration licenses acquired or increased				

**Issued and quoted securities at end of current quarter**

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>Ordinary securities</b>	36,150,000	36,150,000		Fully paid
<b>Ordinary securities</b>	2,600,000	-		Fully paid
<b>Ordinary securities</b>	500,000	500,000		Fully paid
<b>Ordinary securities</b>	50,000	-		Fully paid
<b>Ordinary securities</b>	2,100,000	2,080,000		Fully paid
<b>Ordinary securities</b>	500,000	500,000		Fully paid
7.4 Changes during quarter (a) Increases through issues Release of shares from escrow				
7.5 <b>Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2,000,000		<u>Exercise price</u> 0.35	<u>Expiry date</u> 28/05/2011
	3,000,000		0.25	30/05/2011
	1,500,000		0.25	19/09/2011
	500,000		0.30	19/09/2011
	500,000		0.35	19/09/2011
	292,500		0.40	21/02/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				

7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

### Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.



Sign here.....  
Company Secretary

Date: 30/04/2009

DONALD STEPHENS

Print name: .....

### Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.