

# ASX Announcement & Media Release

27<sup>th</sup> January 2011



chesser  
resources limited

ASX Code: CHZ

## Company Information

Capital Structure	Jan 2011
Shares on Issue	111.0 M
Options (unlisted)	10.1 M
Fully Diluted	118.4 M
Market Cap.	\$106M
Cash	\$7 M
Debt	Nil
Enterprise Value	\$99 M

## Company Directors & Management

Stephen Evans	Chairman
Rick Valenta	Managing Director
Simon O'Loughlin	Non-Exec Director
Simon Taylor	Non-Exec Director
Creagh O'Connor	Non-Exec Director
Kerry Angel	Company Secretary
Cem Yuceer	Exploration Manager

## Top Shareholders

Management  
Gryphon Partners  
Geologic Resource Partners  
Baker Steel  
Top 40 ≈ 52%

## Company Highlights

Chesser is an Australian-based exploration company, exploring for gold and base metals in Turkey. The Kestanelik epithermal gold project, 10 km from the Dardanelles in NW Turkey, has high-grade gold mineralisation. Karaayi is being explored for a porphyry-style gold-copper mineralisation. Sisorta in NE Turkey has 303Koz Au resource (91Koz Indicated & 212K oz Inferred).



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## Continued Excellent Drilling Results Kestanelik Gold Project, Turkey

High-Grade results from known veins include:

### K1 Vein

- 5 metres @ 26.5 g/t gold from 68 metres includes
- 3 metres @ 43.0 g/t gold and
- 1 metre @ 99.3 g/t gold

### K3 Vein

- 6.6 metres @ 11.5 g/t gold from 101 metres includes
- 2.1 metres @ 13.7 g/t gold and
- 3.5 metres @ 13.4 g/t gold

Broader near-surface stockwork gold returned from a number of significant intercepts away from identified vein zones including:

- 12.8 metres at 9.3 g/t gold from surface
- 40.9 metres at 1.4 g/t gold from 16.5 metres
- 33.3 metres at 1.1 g/t gold from 10 metres
- Results now received from a further 11 diamond drill holes and 9 reverse circulation drill holes.

Chesser Resources Limited (**ASX:CHZ**) (**Chesser**) is also pleased to announce the receipt of further positive assay results from its Phase 3 drill program (10,000 metre) at the Kestanelik Project, in NW Turkey.

“We are very encouraged by the new high grade result on the K1 vein.” said Rick Valenta, Managing Director of Chesser. “This opens a new front in our campaign of identifying and drilling out high grade shoots on the Kestanelik project. We now have open high-grade shoots on both the K1 and K3 veins. In addition, we are continuing to return significant stockwork intersections, sometimes with very high gold grades, away from identified vein zones. The property is still producing pleasant surprises, and our intention is to keep drilling while we continue to expand our high grade zones and identify new ones.”

## Exploration Drilling Program

Diamond drilling has continued to focus on the K3 vein, whilst RC drilling has also been carried out on the K1 vein and previously untested scout targets; comprising both geophysical and gold-in-soil geochemical targets.

The Company has now received results from a further eleven diamond holes and nine reverse circulation holes that have further tested the K3 and K1 veins, as well as early stage scout geophysical and geochemical targets.

The standout results have been a high grade intercept on the K1 vein, a number of high grade intercepts on the K3 vein, and several broader near-surface gold intercepts in stockwork, including one high grade intercept.

### K1 Vein

A series of six RC holes were completed on the K1 vein, with the objective of testing the vein along strike in previously inaccessible areas. While the vein was intersected in most holes, the standout result from these holes was in KERC-66, which was drilled downdip from three RC holes completed in early 2010 and intersected 35 metres at 4.3 g/t gold from 58 metres including 5 metres at 26.5 g/t gold from 68 metres. The intercept was in a zone of veining and stockwork, which appears to lie in the footwall of the K1 vein. KERC-66 tested a zone which is closer to the strong northeast-trending resistivity anomaly identified in 2010 geophysical surveying, which may explain the greater amount of stockwork in this hole compared to holes drilled updip. The zone remains open along strike and to depth.

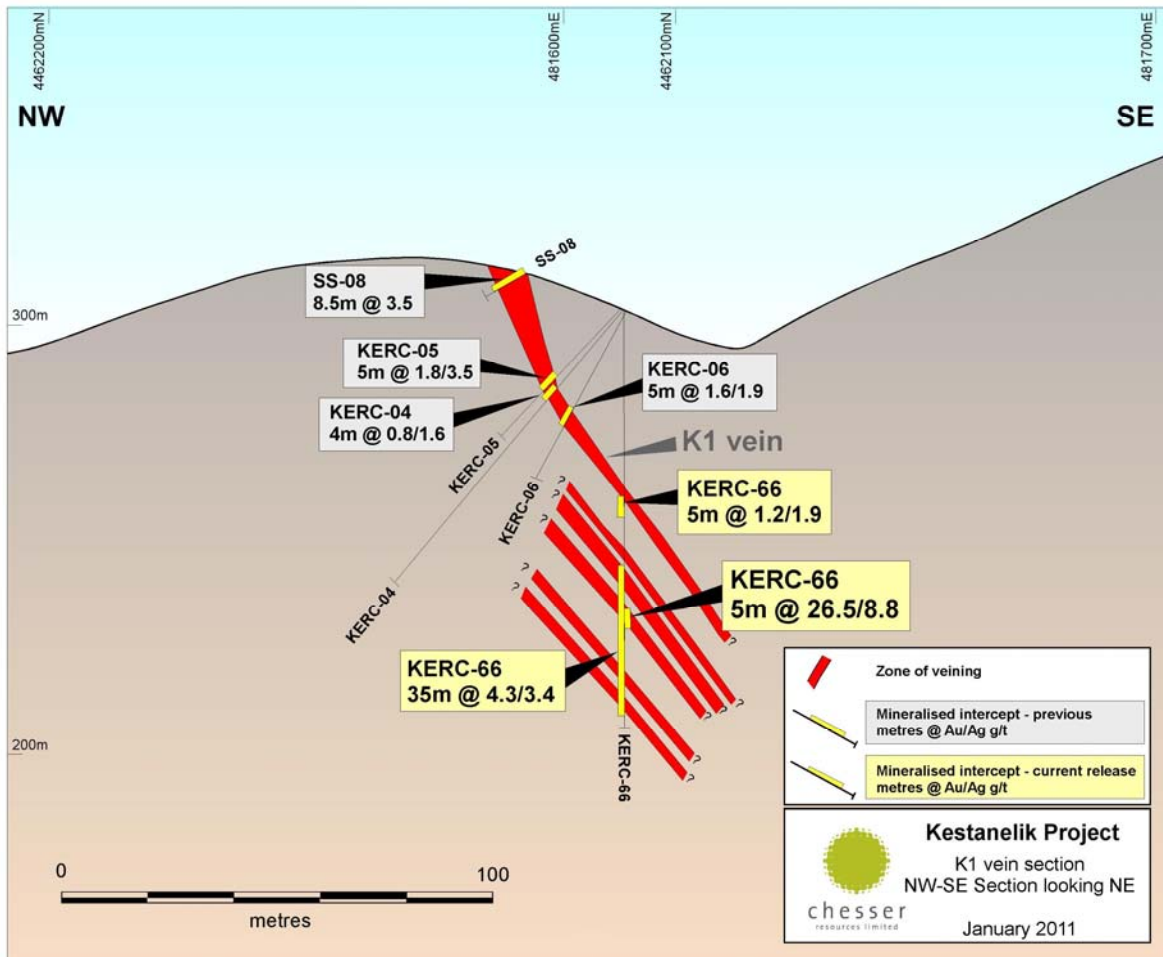


Figure 1. NW-SE Cross section through K1 vein. See Figure 3 for section location.

### **K3 Vein**

On the K3 vein, twelve additional holes have been drilled to test the likely directions of the previously identified high grade shoot. This has allowed a more detailed analysis of the grade-thickness zoning of the shoot, resulting in the identification of two high-grade shoots, which remain open along their length (Figure 2). Additional holes are planned to test the extension of these shoots. While significant results were received in a number of holes, KED-35 produced a strong intercept of 6.6 metres at 11.5 g/t gold from 101 metres depth. In addition, a number of holes returned significant intercepts from zones of veining and stockwork in the hangingwall of the K3 vein. These include:

- 12.8 metres at 9.3 g/t gold from surface in KED-34;
- 40.9 metres at 1.4 g/t gold from 16.5 metres in KED-35; and
- 33.3 metres at 1.1 g/t gold from 10 metres in KED-32

### **Scout RC Drilling**

A minor amount of scout drilling continued, which was focused on previously untested geophysical anomalies. Veining and anomalous gold were intersected in a number of the RC holes, providing encouragement for a more systematic drill program which is being planned for 2011.

Significant results for the drillholes using a lower cut off of weighted average 1g/t gold are shown in Tables 1a and 1b. The locations of drillholes completed to date are shown in Figure 3.

### **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 Kestanelik property 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. The Company is also pursuing exploration programs at the Karaayi property on a porphyry-style stockwork system prospective for gold-copper mineralisation and 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.*

*Further information is available at: [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.*

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Hole	from	to	width	Au	Ag	Max_Au	m-g	Location ref fig 3	Vein
KED-27	51.00	60.30	9.30	1.3	0.8	3.5	12.2	C-2	K1
Including	51.00	52.50	1.50	2.1	0.5	2.1	3.2		
Including	54.00	58.50	4.50	1.8	1.3	3.5	8.1		
KED-28	21.40	43.30	21.90	1.4	1.0	7.1	30.7	D-4	K3
Including	33.20	41.50	8.30	2.9	2.1	7.1	24.4		
Including	38.10	41.50	3.40	6.4	4.6	7.1	21.6		
KED-29	6.00	10.00	4.00	2.0	0.6	2.8	7.8	C-4	K3
Including	6.00	7.00	1.00	2.8	1.4	2.8	2.8		
AND	45.00	46.50	1.50	1.0	0.8	1.0	1.5		
AND	85.00	85.70	0.70	1.3	0.6	1.3	0.9		
Including	87.10	91.00	3.90	2.1	3.7	3.2	8.3		
Including	88.50	89.90	1.40	3.2	7.1	3.2	4.4		
AND	163.00	165.00	2.00	1.9	2.3	3.6	3.9		
Including	164.00	165.00	1.00	3.6	3.4	3.6	3.6		
KED-30	93.00	103.00	10.00	1.6	1.8	4.5	16.3		
Including	94.90	103.00	8.10	1.9	2.1	4.5	15.6		
Including	96.50	100.00	3.50	2.0	1.1	4.5	7.2		
Including	98.10	99.00	0.90	4.5	0.8	4.5	4.0		
Including	100.90	103.00	2.10	2.8	5.1	3.9	5.9		
KED-31	119.00	120.00	1.00	2.2	1.9	2.2	2.2	C-4	K3
AND	136.20	143.10	6.90	2.5	2.4	10.9	17.2		
Including	136.20	138.50	2.30	6.7	4.2	10.9	15.4		
Including	137.30	138.50	1.20	10.9	6.0	10.9	13.0		
AND	151.50	154.50	3.00	1.8	2.3	3.2	5.4		
Including	151.50	153.00	1.50	3.2	3.6	3.2	4.7		
AND	174.00	178.70	4.70	1.2	4.7	1.5	5.6		
Including	176.70	178.70	2.00	1.4	4.3	1.5	2.8		
KED-32	5.50	7.90	2.40	1.1	0.5	3.3	2.5	C-4	K3
Including	7.50	7.90	0.40	3.3	1.3	3.3	1.3		
AND	10.00	43.30	33.30	1.1	0.5	10.5	36.0		
Including	16.50	17.40	0.90	3.2	0.9	3.2	2.9		
Including	32.50	37.60	5.10	2.4	0.5	10.5	12.0		
Including	34.00	36.20	2.20	4.6	0.7	10.5	10.1		
Including	35.40	36.20	0.80	10.5	0.8	10.5	8.4		
KED-33	No Significant Values							C-4	K3
KED-34	0.00	12.80	12.80	9.3	2.9	43.5	118.7	C-4	K3
Including	0.50	7.50	7.00	14.4	3.9	43.5	100.6		
Including	0.50	4.50	4.00	24.2	5.2	43.5	96.7		
Including	0.50	3.00	2.50	37.4	7.6	43.5	93.6		
Including	10.50	12.80	2.30	6.9	4.0	19.5	15.8		
AND	41.30	51.20	9.90	1.3	1.0	5.2	13.1		
Including	43.00	44.50	1.50	5.2	2.7	5.2	7.8		
KED-35	16.50	57.40	40.90	1.4	0.5	14.5	56.7	C-4	K3
including	26.50	54.20	27.70	1.9	0.7	14.5	52.3		
including	31.65	40.50	8.85	4.5	1.9	14.5	39.8		
including	31.65	33.90	2.25	13.9	7.5	14.5	31.2		
AND	68.70	71.75	3.05	1.0	1.3	1.2	3.0		
including	69.70	71.75	2.05	1.1	1.1	1.2	2.3		
AND	79.50	112.60	33.10	2.8	1.5	30.6	93.9		
including	91.40	107.60	16.20	5.3	2.6	30.6	85.7		
including	101.00	107.60	6.60	11.5	5.2	30.6	76.1		
including	101.00	103.10	2.10	13.7	5.9	30.6	28.8		
including	104.10	107.60	3.50	13.4	5.9	23.8	46.8		
KED-36	Results Pending							D-3	K3
KED-37	Results Pending							D-3	K3

Table 1a. Significant core drilling results from the current release for the 2010 Kestanelik drill program. Location reference refers to grid location on Figure 3. Estimated true widths are approximately 70 - 90% of the drilled interval.

Hole	from	to	width	Au	Ag	Max_Au	m-g	Location ref fig 3	Vein
KEM-01	184.50	185.50	1.00	1.1	3.4	1.1	1.1	D-3	K3
KEM-02	0.00	27.00	27.00	1.7	0.7	13.9	45.6	C-4	K2
including	0.00	11.00	11.00	3.9	1.6	13.9	42.5		
including	2.00	8.00	6.00	6.5	2.4	13.9	38.9		
including	2.00	4.00	2.00	12.5	3.5	13.9	25.1		
KERC-61	No Significant Values							B-3	K1
KERC-62	12.00	13.00	1.00	1.7	0.5	1.7	1.7	B-3	K1
KERC-63	19.00	20.00	1.00	2.3	1.4	2.3	2.3	C-3	K1
AND	38.00	39.00	1.00	3.5	2.2	3.5	3.5		
AND	40.00	43.00	3.00	1.6	2.8	2.4	4.9		
Including	40.00	42.00	2.00	2.3	3.8	2.4	4.5		
KERC-64	11.00	13.00	2.00	1.1	0.6	2.0	2.3	C-3	K1
Including	11.00	12.00	1.00	2.0	0.9	2.0	2.0		
AND	23.00	27.00	4.00	1.1	2.0	1.4	4.4		
KERC-65	9.00	13.00	4.00	1.2	0.8	2.5	5.0	C-3	K1
Including	10.00	12.00	2.00	1.9	1.1	2.5	3.8		
AND	23.00	26.00	3.00	1.0	2.4	1.4	3.1		
AND	45.00	46.00	1.00	4.4	2.3	4.4	4.4		
KERC-66	18.00	93.00	75.00	2.3	2.1	99.3	169.7	C-3	K1
Including	42.00	47.00	5.00	1.2	1.9	1.4	6.0		
Including	44.00	47.00	3.00	1.3	1.7	1.4	4.0		
Including	58.00	93.00	35.00	4.3	3.4	99.3	151.9		
Including	68.00	73.00	5.00	26.5	8.8	99.3	132.6		
Including	68.00	71.00	3.00	43.0	13.9	99.3	128.9		
Including	68.00	69.00	1.00	99.3	30.7	99.3	99.3		
Including	86.00	87.00	1.00	3.8	4.4	3.8	3.8		
KERC-67	No Significant Values							D-3	Scout
KERC-68	No Significant Values							D-2	Scout
KERC-69	No Significant Values							E-2	Scout
KERC-70	No Significant Values							E-2	Scout
KERC-71	70.00	80.00	10.00	0.8	1.5	2.2	8.0	F-3	Scout
Including	73.00	75.00	2.00	2.0	2.2	2.2	4.0		

Table 1b. Significant RC and Multipurpose drilling results from the current release for the 2010 Kestanelik drill program. Location reference refers to grid location on Figure 3. Estimated true widths are approximately 70 - 90% of the drilled interval.

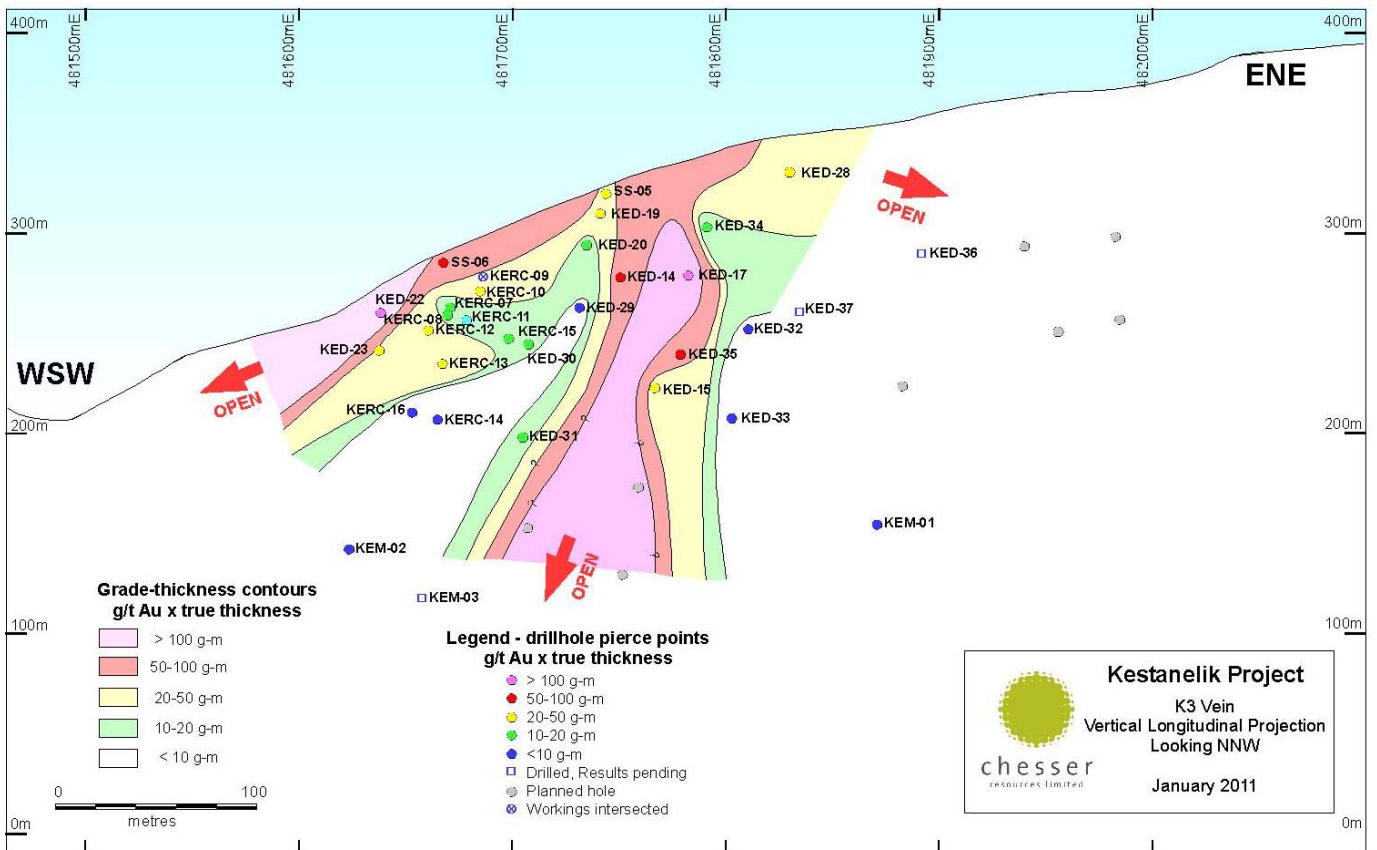


Figure 2. Vertical longitudinal projection along the K3 vein. See Figure 3 for section location.

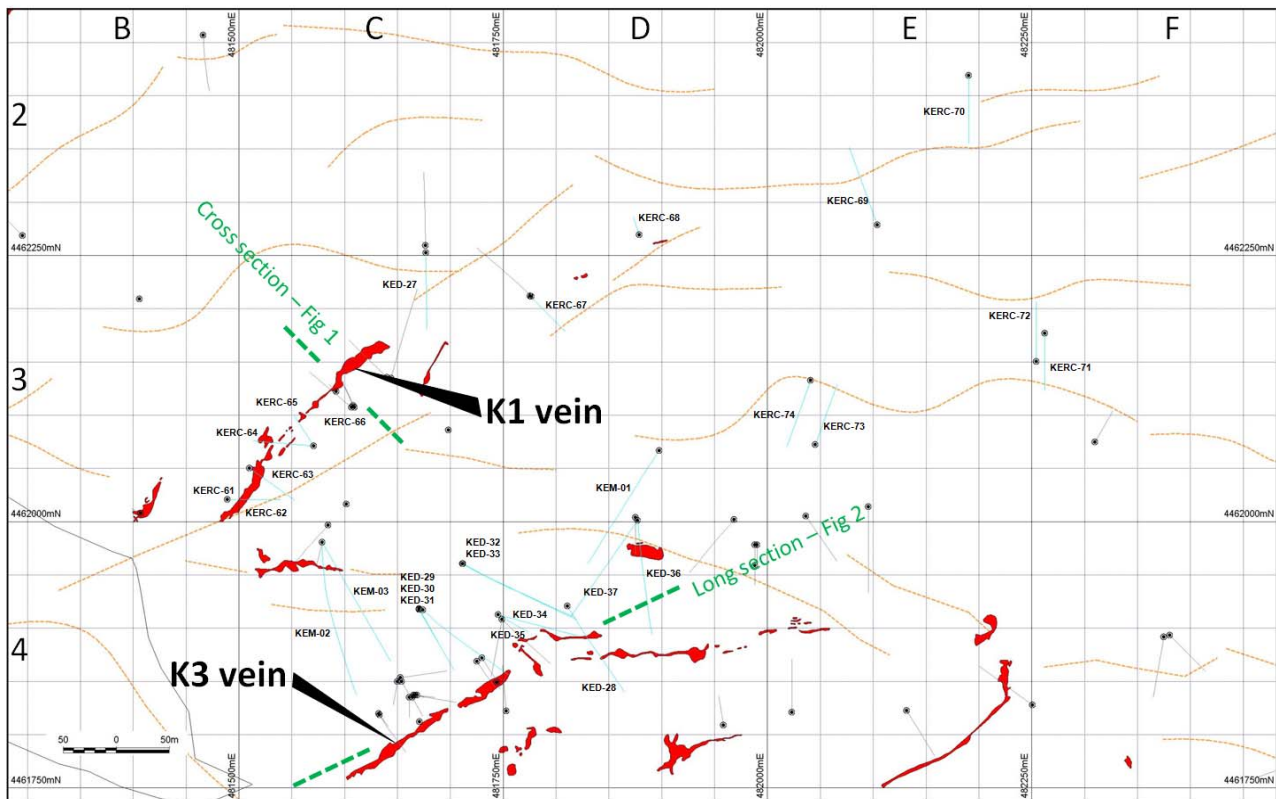


Figure 3. Location map for completed drillholes. Figure 3 also shows locations of sections in Figures 1 and 2.

<b>DRILL_HOLE</b>	<b>EAST</b>	<b>NORTH</b>	<b>RL</b>	<b>AZIMUTH</b>	<b>DIP</b>	<b>Depth</b>
KED-27	481677	4462252	349	180	-60	159
KED-28	481811	4461920	362	150	-50	158
KED-29	481674	4461917	332	135	-50	165
KED-30	481671	4461917	334	150	-65	155
KED-31	481670	4461918	334	150	-80	206
KED-32	481712	4461960	350	120	-45	177
KED-33	481712	4461961	350	120	-60	238
KED-34	481745	4461913	339	105	-45	112
KED-35	481745	4461913	339	120	-77	150
KED-36	481877	4462001	378	175	-45	160
KED-37	481877	4462001	378	215	-50	172
KEM-01	481898	4462067	357	215	-60	278
KEM-02	481579	4461981	299	180	-45	253
KEM-03	481579	4461981	301	150	-60	259
KERC-61	481489	4462021	257	90	-60	80
KERC-62	481489	4462021	257	90	-50	80
KERC-63	481510	4462050	264	125	-55	92
KERC-64	481571	4462071	280	275	-55	100
KERC-65	481571	4462071	280	327	-60	68
KERC-66	481609	4462107	302	0	-90	96
KERC-67	481775	4462212	324	135	-65	112
KERC-68	481879	4462269	320	340	-70	50
KERC-69	482104	4462279	354	340	-50	120
KERC-70	482191	4462419	363	180	-60	128
KERC-71	482262	4462177	382	180	-60	108
KERC-72	482254	4462150	388	360	-60	112
KERC-73	482045	4462072	376	20	-60	120
KERC-74	482041	4462132	357	200	-60	132

Table 2. Drill location data for drillholes reported in this announcement.