23 March 2010 **News Release 0910-06**

ASX ANNOUNCEMENT

High grade gold up to 29 g/t intersected in first phase drilling at the Kestanelik Epithermal Gold Project

Highlights

- First phase drilling now complete at Kestanelik comprising 1040 metres of reverse circulation drilling in 16 holes
- Grades greater than 10 g/t Au intersected in 7 of the 16 holes
- Significant new intersections include:
  - **6 metres at 15.44 g/t Au** from 21m in hole KERC-01, as part of a larger intersection of **30 metres at 4.41 g/t Au** from 3m, including **10 metres at 10.32 g/t Au** from 20m, and a maximum assay of **29 g/t Au** over 1metre.
  - **4 metres at 8.37 g/t Au** from 23m in hole KERC-02, with a maximum assay of **12.9 g/t Au** over 1 metre
  - **2 metres at 14.79 g/t Au** from 26m in hole KERC-03, including a maximum assay of **21.9 g/t Au** over 1 metre
  - **10 metres at 3.05 g/t Au** from 33m in hole KERC-08, including **4 metres at 6.1 g/t Au** from 37m, with a maximum assay of **18.1 g/t Au** over 1 metre
  - **9 metres at 6.27 g/t Au** from 27m in hole KERC-10, including **3 metres at 9.81 g/t Au** from 32m, with a maximum assay of **17.1 g/t Au** over 1 metre
- New drill results confirm validity of existing historical high grade intersections
- Mineralisation on the property is typical of low sulphidation epithermal vein systems
- Geophysical survey continuing, with encouraging initial results confirming continuation of veins under cover
- Planning under way for follow up drill program beginning in June

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Chesser Resources Limited (ASX:CHZ) is pleased to report that drilling has recently completed and assays have been received for the Kestanelik high grade epithermal gold project in Turkey.

"These results are in line with our expectations based on the existing high grade gold results from historical drilling and sampling," said Dr Rick Valenta, Managing Director of Chesser. "They confirm

the potential of the property to host a significant high grade deposit, which we will test more fully in a drill program planned to start in June".

Kestanelik Project

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**, a large proportion of which remains untested by drilling. The host sequence is partially covered by a post-mineral sequence of sediments, volcanics and alluvium. Mineralisation on the property is typical of low sulphidation epithermal vein systems, examples of which include Vera Nancy in Queensland (North Queensland Metals) and the Eureka project in Argentina (Andean Resources).

Drilling Results

The company drilled 16 holes as part of the first phase program, focusing on areas where historical surface chip channel sampling and shallow drilling have returned high gold grades over significant intervals. Highlights from the recent program include:

- **6 metres at 15.44 g/t** Au from 21m (est. true thickness of 5.6m) in hole KERC-01, as part of a larger intersection of **30 metres at 4.41 g/t Au** from 3m (est. true thickness of 28.1m), including **10 metres at 10.32 g/t Au** from 20m
- **4 metres at 8.37 g/t Au** from 23m (est. true thickness of 3.7m) in hole KERC-02, as part of a larger intersection of **22 metres at 3.47 g/t Au** from 7m (est. true thickness of 20.1m) in hole KERC-02, including **7 metres at 5.58 g/t Au** from 22m (est. true thickness of 6.4m)
- **14 metres at 3.46 g/t Au** from 14m (est. true thickness of 11.2m) in hole KERC-03, including **4 metres at 8.6 g/t Au** from 24m (est. true thickness of 3.2m) with a high grade interval of **2 metres at 14.79 g/t** Au from 26m (est. true thickness of 1.6m) in hole KERC-03
- **10 metres at 3.05 g/t Au** from 33m (est. true thickness of 6.4m) in hole KERC-08, including **4 metres at 6.1 g/t** Au from 37m (est. true thickness of 2.6m)
- **9 metres at 6.27 g/t Au** from 27m (est. true thickness of 6.4m) in hole KERC-10, including **3 metres at 9.81 g/t Au** from 32m (est. true thickness of 2.1m)
- **12 metres at 3.49 g/t Au** from 38m (est. true thickness of 7.8m) in hole KERC-12, including **3 metres at 8.23 g/t Au** from 43m (est. true thickness of 2m) in hole KERC-12
- **8 metres at 3.42 g/t Au** from 65m (est. true thickness of 5.2m) in hole KERC-13, including **4 metres at 5.94 g/t Au** from 67m (est. true thickness of 2.6m) in hole KERC-13

The following preliminary observations can be made about the phase one drill program

- Results from the drilling are broadly consistent with the historical drill and sampling results on the property, confirming the potential of the property for high grade gold, and providing justification for the planned larger scale drill program scheduled to begin in June
- The drill results show that high gold grades continue to depths of more than 50 metres, suggesting that the existing high grade results on the property are not the product of supergene enrichment.
- Results of drilling and mapping to date suggest that the mineralized quartz veins are typical of a the upper to mid levels of a low sulphidation epithermal gold system, which reinforces the potential of mineralisation to continue to significant depths on the property
- Drilling on the Karakovan West vein returned intersections of greater width and higher grade than previous drilling, and confirmed the potential of this vein to host significant gold mineralisation.
- Drilling on the K1 vein returned relatively narrow intersections, suggesting that the section drilled based on existing access did not represent the best location to test this vein. The

outcrop pattern of the vein suggests that wider intersections may exist to the northeast and southwest of the drilled section.

- Drilling on the K3 vein returned a number of broad, high grade intersections, confirming the potential of this vein to host significant gold mineralisation.

A program of Gradient Array IP Resistivity surveying is continuing on the Kestanelik property, with the aim of defining the position of covered extensions of the proposed vein system. The survey has proceeded more slowly than expected due to poor weather conditions, but results to date have confirmed the continuation of the vein system under cover, and surveying to date has approximately doubled the interpreted extent of veins on the property.

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.

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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.

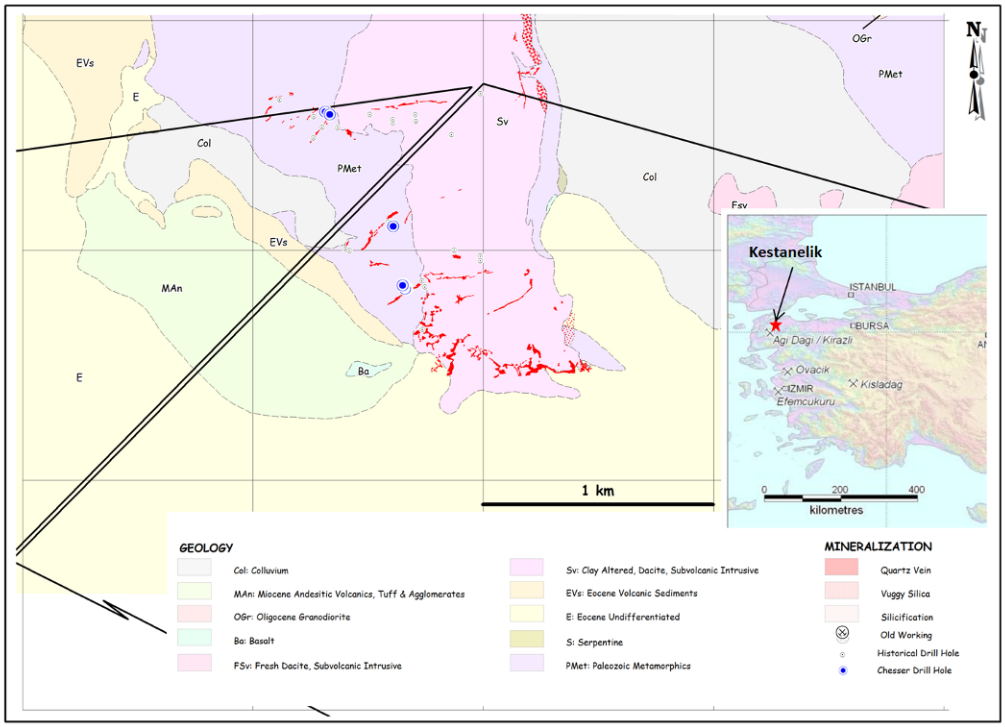

Figure 1 – Kestanelik geology and regional location

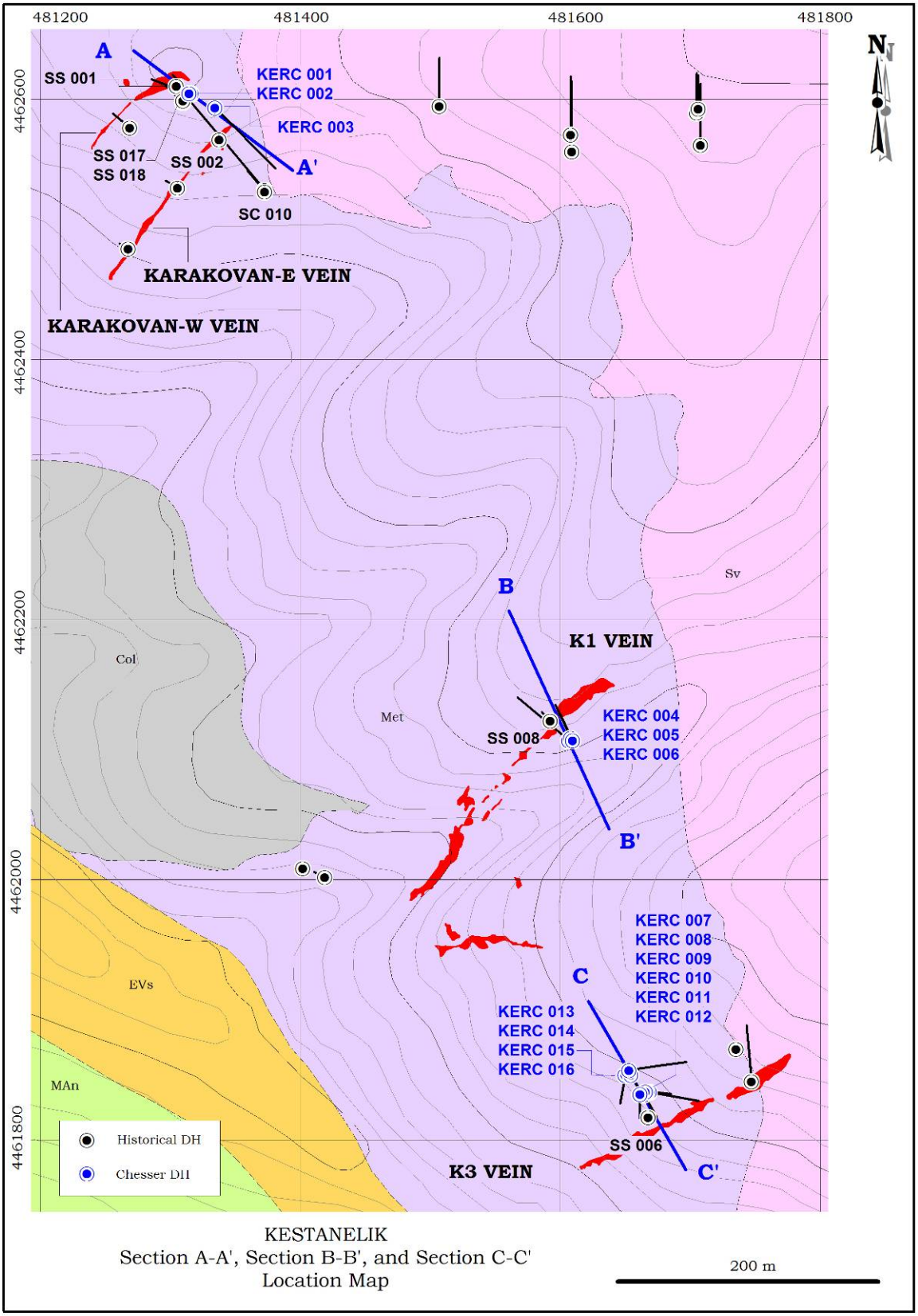

Figure 2 – Locations of drillholes and cross sections in subsequent figures

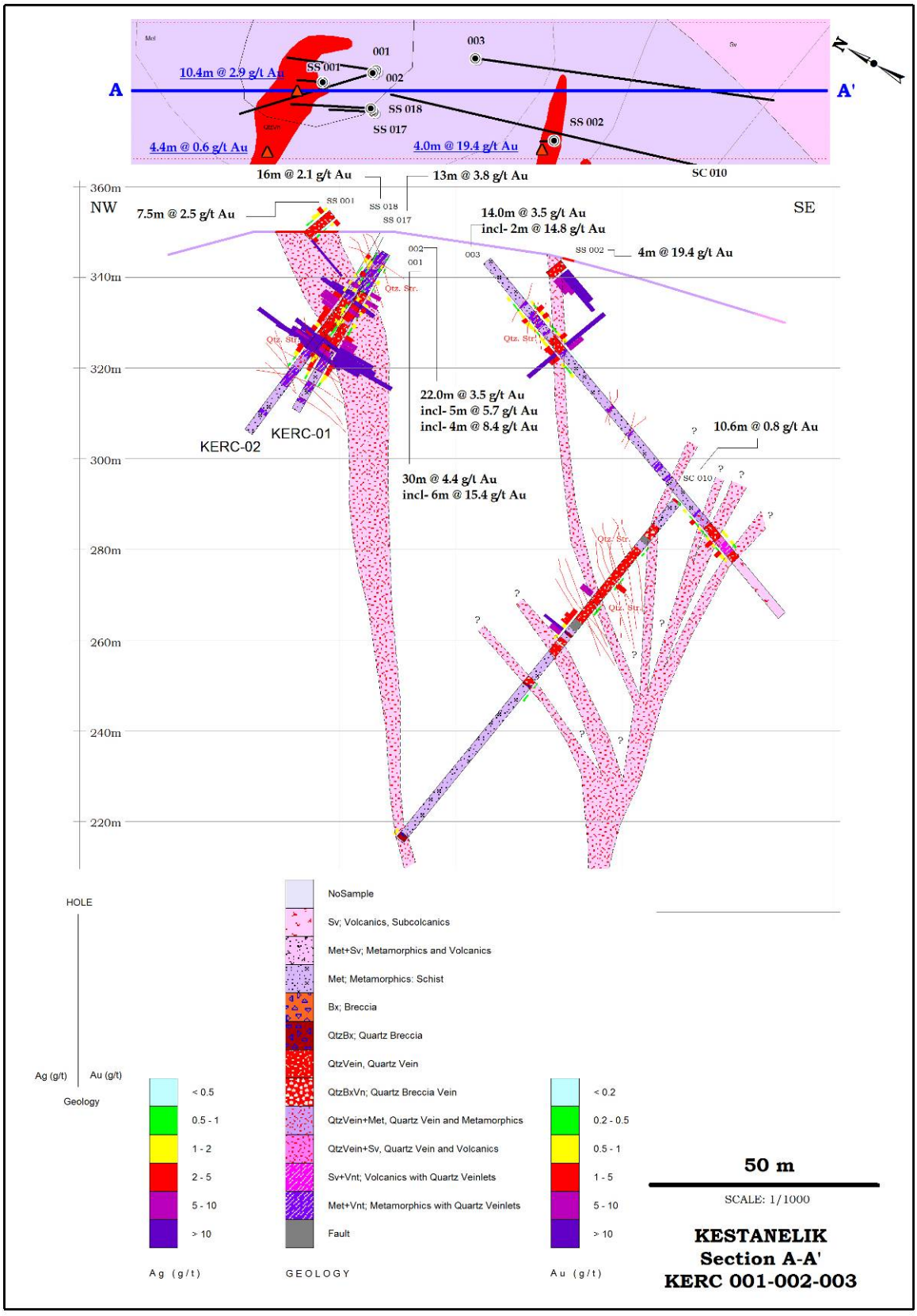

Figure 3 – section showing drillholes intersecting the KARAKOVAN E and W veins

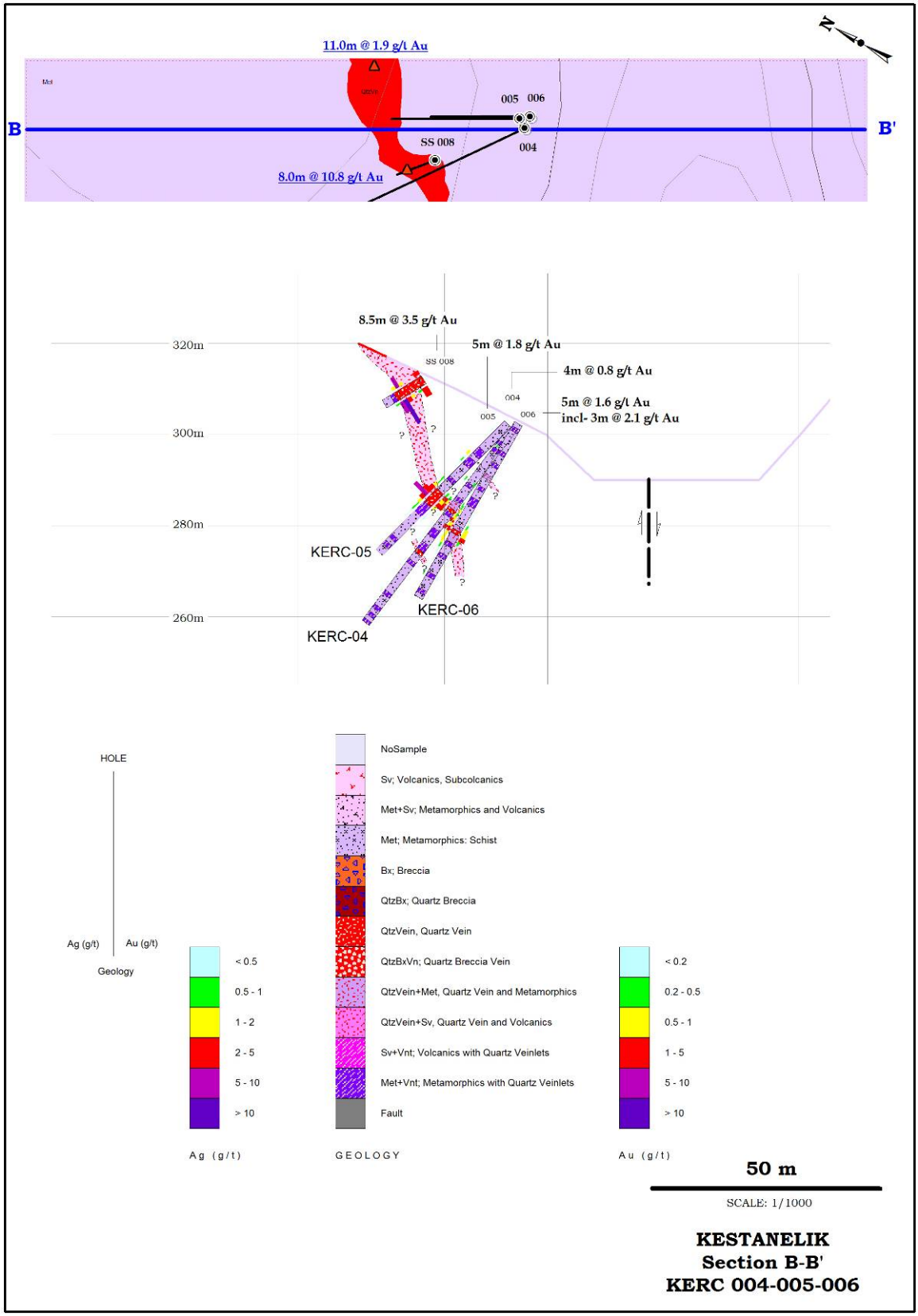

Figure 4 – B-B' section showing drillholes intersecting the K1 vein

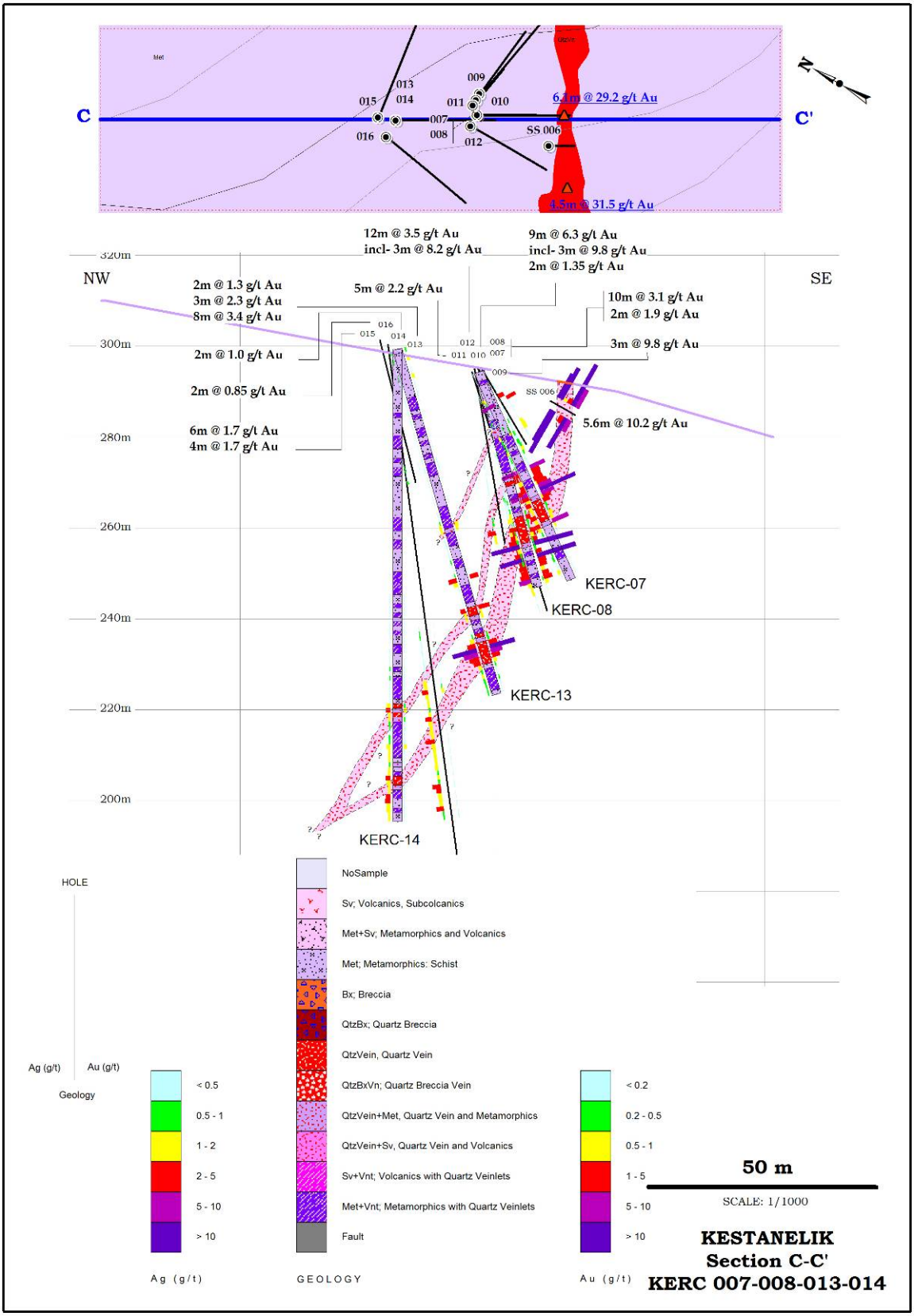

Figure 5 – C-C' section showing drillholes intersecting the K3 vein

DRILL HOLE	NORTH	EAST	RL	AZIMUTH	DIP	DEPTH	Comments
KERC01	4462603.6	481323.2	345.344	315	-60	40	Karakovan 1 vein
KERC02	4462603.6	481321.7	345.344	290	-52	50	Karakovan 1 vein
KERC03	4462592.5	481341.5	344.344	135	-50	103	Karakovan 2 vein
KERC04	4462107.1	481606.6	301.338	310	-50	80	K1 vein
KERC05	4462109	481608	302.338	335	-45	40	K1 vein
KERC06	4462107.1	481609.4	302.338	335	-60	44	K1 vein
KERC07	4461835	481664	294.334	150	-66	50	K1 vein
KERC08	4461835	481664	295.334	150	-75	50	K1 vein
KERC09	4461836.9	481668.3	295.334	96	-45	24	Hole abandoned - intersected underground working
KERC10	4461836.9	481666.8	295.334	100	-55	70	K3 vein
KERC11	4461836.9	481665.4	295.334	100	-75	40	Hole did not intersect full K3 vein due to lost circulation
KERC12	4461835.1	481661.2	294.334	180	-70	56	K3 vein
KERC13	4461849.9	481654.1	299.334	150	-74	79	K3 vein
KERC14	4461849.9	481654.1	299.334	150	-90	104	K3 vein
KERC15	4461853.6	481652.7	301.334	82	-56	80	K3 vein - new strand
KERC16	4461849.9	481649.9	300.334	190	-80	130	K3 vein

Table 1. 2010 drillhole locations for the Kestanelik project

Drillhole	Vein	From	To	Downhole Width	Estimated True Width	Au g/t	Ag g/t	Max Au g/t
KERC-01	KARAKOVAN-W	3	33	30	28.1	4.41	4.30	29.00
including	KARAKOVAN-W	20	32	12	11.3	8.85	7.48	29.00
including	KARAKOVAN-W	20	30	10	9.4	10.32	8.66	29.00
including	KARAKOVAN-W	21	27	6	5.6	15.44	12.32	29.00
KERC-02	KARAKOVAN-W	7	29	22	20.1	3.47	4.88	12.90
including	KARAKOVAN-W	11	19	8	7.3	4.10	5.50	12.90
including	KARAKOVAN-W	12	17	5	4.6	5.67	3.46	12.90
including	KARAKOVAN-W	22	29	7	6.4	5.58	7.69	12.90
including	KARAKOVAN-W	22	27	5	4.6	7.21	9.80	12.90
including	KARAKOVAN-W	23	27	4	3.7	8.37	11.65	12.90
KERC-03	KARAKOVAN-E	14	28	14	11.2	3.46	2.79	21.90
including	KARAKOVAN-E	23	28	5	4.0	7.11	5.44	21.90
including	KARAKOVAN-E	24	28	4	3.2	8.60	6.48	21.90
including	KARAKOVAN-E	26	28	2	1.6	14.79	10.30	21.90
KERC-04	K1	21	25	4	3.7	0.83	1.60	1.02
KERC-05	K1	20	25	5	4.5	1.82	3.46	3.20
including	K1	21	25	4	3.6	2.06	3.98	3.20
including	K1	21	24	3	2.7	2.40	4.53	3.20
KERC-06	K1	25	30	5	4.1	1.61	1.88	2.64
including	K1	26	29	3	2.4	2.12	2.00	2.64
including	K1	27	29	2	1.6	2.29	2.10	2.64
KERC-07	K3	26	38	12	9.0	1.94	1.53	7.55
including	K3	30	32	2	1.5	2.52	1.85	3.11
including	K3	26	28	2	1.5	2.11	1.00	2.11
including	K3	34	38	4	3.0	2.94	2.25	7.55
including	K3	35	37	2	1.5	4.44	2.35	7.55
KERC-08	K3	33	43	10	6.4	3.05	2.89	18.20
including	K3	37	41	4	2.6	6.10	5.38	18.20
including	K3	34	36	2	1.3	1.55	1.30	2.17
KERC-09	K3	17	20	3	2.1	1.64	0.77	1.90
KERC-10	K3	27	36	9	6.4	6.27	3.60	17.10
including		32	35	3	2.1	9.81	4.73	17.10
KERC-11	K3	35	40	5	2.9	2.21	1.65	4.46
including	K3	37	40	3	1.7	2.58	1.90	4.46
KERC-12	K3	38	50	12	7.8	3.49	3.32	17.85
including	K3	42	50	8	5.2	4.71	4.20	17.85
including	K3	42	46	4	2.6	6.85	5.13	17.85
including	K3	43	46	3	2.0	8.23	5.70	17.85
including	K3	47	49	2	1.3	3.47	4.65	3.93
KERC-13	K3	65	73	8	5.2	3.42	4.05	11.40
including	K3	67	72	5	3.3	5.04	5.72	11.40
including	K3	67	71	4	2.6	5.94	6.38	11.40
including	K3	68	70	2	1.3	8.27	8.70	11.40
KERC-14	K3	78	80	2	0.8	1.00	1.90	1.37
KERC-15	K3	56	62	6	3.5	1.74	1.25	3.98
including	K3	56	61	5	2.9	1.96	1.26	3.98
including	K3	57	59	2	1.2	2.91	1.33	3.98
including	K3	64	68	4	2.3	1.72	1.48	3.06
including	K3	66	68	2	1.2	2.75	1.95	3.06
KERC-16	K3	76	78	2	1.1	0.85	2.05	1.19