

31 July 2009

## June 2009 Quarterly Report

### Highlights

- Chesser continues to focus on the gold sector
- Sisorta maiden Indicated Resource of 3,170,000 tonnes grading 0.9 g/t gold (91,000 ounces) and an Inferred Resource of 11,380,000 tonnes grading 0.6g/t gold (212,000 ounces) for a total of 303,000 ounces at a 0.40 g/t Au Cutoff
  - 223,000oz occurs in oxide material, most of which occurs at a depth of 50m or less. Metallurgical tests suggest that oxide material should have excellent leach recoveries.
  - 83,000oz of Indicated Resource occurs in the East Zone, where mineralization occurs directly at surface.
- A diamond drill program commenced at the Sisorta Gold Project subsequent to quarter end, with the aim of expanding the recently announced 303,000 ounce gold resource for the project
- Drilling will focus on testing open extensions to the East and North zones, as well as testing for underlying porphyry copper-gold mineralisation.
- Slight startup delays experienced at Kestanelik and Karaayi. The Kestanelik project remains a top priority and work is expected to commence in the September Quarter.
- The Company continues to assess advanced project opportunities to add to its Turkish gold portfolio.

Chesser Resources Limited (“Chesser”) (ASX Code: CHZ) is pleased to report on its activities for the quarter ended June 30, 2009. The company announced a maiden gold resource for the Sisorta project, and recommenced drilling at Sisorta subsequent to the end of the quarter.



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%)*

During the quarter the company reported a maiden JORC Code Mineral Resource estimate for the Sisorta Project, comprising an Indicated and Inferred Resource of 14.55Mt at 0.6g/t gold for 303,000oz at a 0.40 g/t Au Cutoff.

The oxide zone at Sisorta contains an Indicated and Inferred Mineral Resource of 10.03Mt at 0.7g/t gold containing 223,000oz of gold, almost all of which occurs at a depth of 50m or less. The reported grade is well within the range of current operating open pit heap leach gold operations.

The Mineral Resource was independently estimated by Giroux Consultants Ltd of Vancouver, BC, Canada, using 72 diamond drillholes.

The Sisorta Resource estimate is quoted for blocks with a grade of greater than 0.4g/t gold. Other key parameters used in its determination were a 0.2g/t gold lower cutoff to define the mineralized domains and a variable capping (between 6.85/t gold and 10.5g/t gold for the bulk of the resource) for domains based on their individual sample populations.

Subsequent to the end of the quarter, the company began a followup drill program on the Sisorta property. The initial minimum 1000 metre program began on the 18th of July 2009, and is aimed at testing open extensions to the East and North zones. Exploration up to the end of 2008 has defined a number of zones with similar characteristics to existing mineralization. The program will also test a number of targets for underlying porphyry copper-gold mineralisation defined by surface stockworks with anomalous copper and gold geochemistry and IP chargeability. The initial drill program is expected to continue until August, and may be extended depending on results.

The company continues to evaluate proposals for scoping of the recently defined 303,000 ounce gold resource, and expects to make significant progress on the study in the third quarter of 2009. The 2009 program at Sisorta will also include additional testing of metallurgical drillholes completed in late 2008, as well as additional environmental baseline studies.

Chesser has an option agreement with Eurasian Minerals Ltd (TSX-V:EMX) to earn up to a 70% interest in the Sisorta Property. Chesser estimates that it will reach the \$USD4 million exploration expenditure threshold required to acquire a 51% ownership in the project in the September Quarter.

### Kestanelik, Turkey

### Gold

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

Progress on Kestanelik was slowed by delays to granting of operating licenses and drill permits in the region. Delays in this area have now been resolved and the company is confident of receiving the required permits to start activities on Kestanelik in the September quarter. The Kestanelik property remains a very high priority for the company.

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%)*

Progress on Karaayi was slowed by delays to granting of operating licenses and drill permits in the region. Delays in this area have now been resolved and the company is confident of receiving the required permits to start activities on Karaayi in the September quarter.

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 future 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**

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.

### **Corporate**

In the June Quarter 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. The total amount of funds raised from the SPP and Placement was \$2,324,700.

## PLACEMENT

The Placement was made to a number of sophisticated investors pursuant to Section 708A of the Corporations Act 2001 and was 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 participated in the issuance of shares allocated in Tranche 2 which gained shareholder approval at a general meeting held on June 2, 2009.

## SHARE PURCHASE PLAN

The Shareholder Purchase Plan (SPP) announced on 6 May 2009, which closed on 28 May 2009, was oversubscribed with shareholders taking up the full allocation allowable by the ASX under the plan. After the scale-back the amount raised was \$1,124,700 at 8 cents per share, before costs.

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.

## CHESSER RESOURCES LTD

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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.*

*The information in this report that relates to 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.*

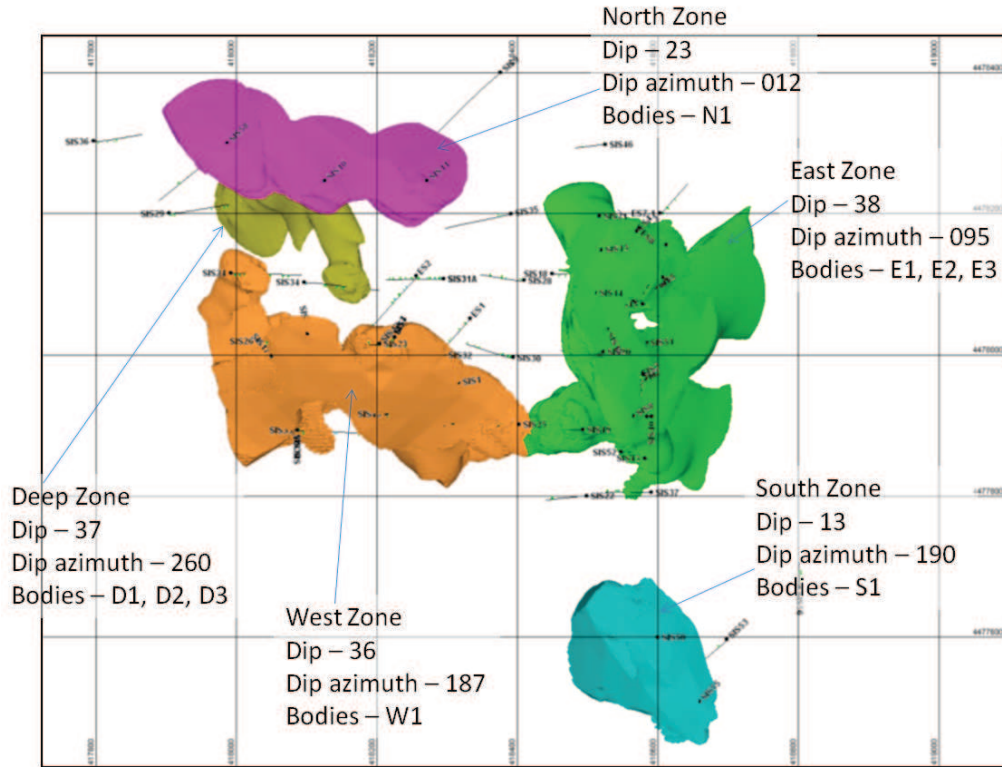
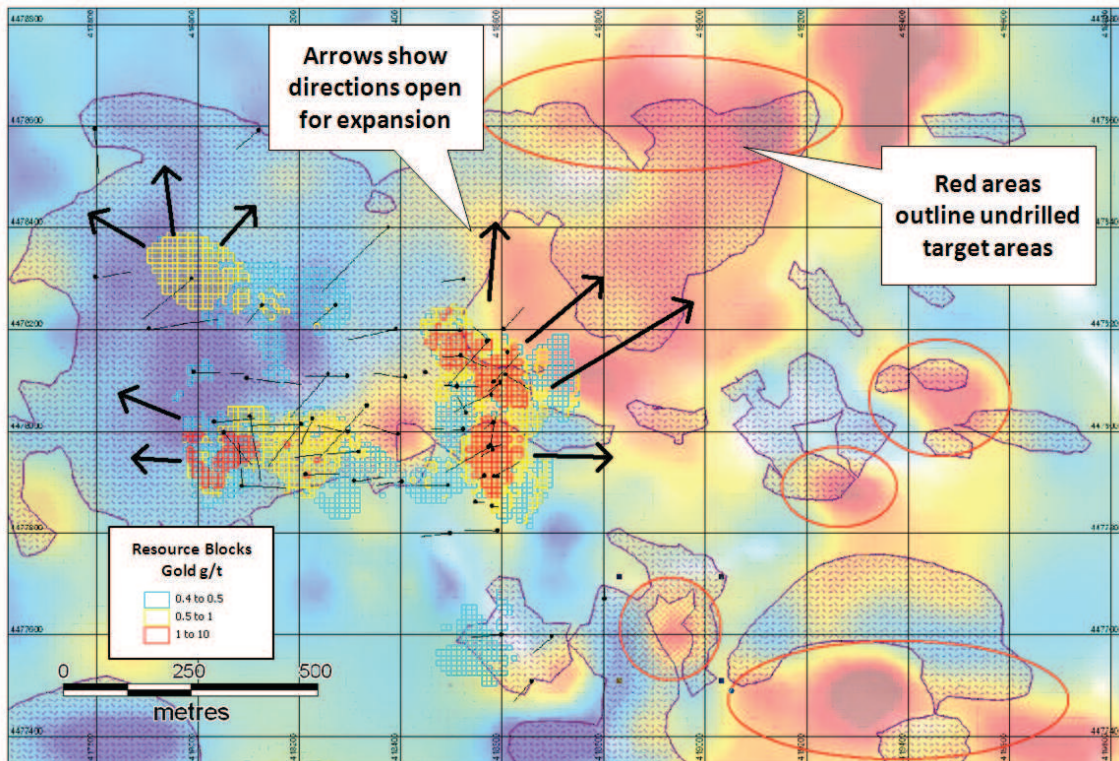


Figure 2. Plan view showing domain solids and constituent wireframe bodies

Class	Metallurgy	Cutoff	Tonnes	Au	Ag	Au_oz	Ag_oz
Indicated	Oxide	0.4	2,280,000	0.9	3.5	69,000	254,000
Indicated	Sulphide	0.4	890,000	0.8	4.2	22,000	120,000
<b>Indicated</b>	<b>Total</b>	<b>0.4</b>	<b>3,170,000</b>	<b>0.9</b>	<b>3.7</b>	<b>91,000</b>	<b>374,000</b>
Inferred	Oxide	0.4	7,750,000	0.6	1.2	154,000	289,000
Inferred	Sulphide	0.4	3,630,000	0.5	2.6	58,000	300,000
<b>Inferred</b>	<b>Total</b>	<b>0.4</b>	<b>11,380,000</b>	<b>0.6</b>	<b>1.6</b>	<b>212,000</b>	<b>589,000</b>
<b>TOTAL OXIDE</b>			<b>10,030,000</b>	<b>0.7</b>	<b>1.7</b>	<b>223,000</b>	<b>543,000</b>
<b>TOTAL OXIDE AND SULPHIDE</b>			<b>14,550,000</b>	<b>0.6</b>	<b>2.1</b>	<b>303,000</b>	<b>963,000</b>

Table 1. Sisorta Resource quoted for blocks with grades greater than 0.4 g/t gold. Differences may occur due to rounding errors. Details of the Sisorta Resource Estimation appear in Appendix 1.



**Figure 3.** Map view showing the surface projection of resource blocks and plan view of drillholes. The hatched outline shows the surface projection of areas of high resistivity interpreted to be bodies of near surface silica alteration, while the colour image shows chargeability at a depth of 50m, with yellow to red areas showing highly chargeable sulphide-rich alteration.

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

**CHESSER RESOURCES LIMITED**

**ACN 118 619 042**

Quarter ended

30-Jun-09

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(233)	(2,335)
(b) development	-	-
(c) production	-	-
(d) administration	(243)	(792)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Management & JV reimbursement	0	108
1.7 Other - Refund of GST	-	-
<b>Net Operating Cash Flows</b>	<b>(472)</b>	<b>(2,970)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(11)	(26)
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>(11)</b>	<b>(26)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(483)</b>	<b>(2,996)</b>

1.13 Total operating and investing cash flows (brought forward)	(483)	(2,996)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc	2,325	2,325
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)	(116)	(116)
<b>Net financing cash flows</b>	2,209	2,209
<b>Net increase (decrease) in cash held</b>	1,726	(787)
1.20 Cash at beginning of quarter / year to date	477	2,896
1.21 Exchange rate adjustments to item 1.20	13	107
1.22 <b>Cash at end of quarter</b>	2,216	2,216

<b>Payments to directors of the entity and associates of the directors</b>	
<b>Payments to related entities of the entity and associates of the related entities</b>	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	58
1.24 Aggregate amount of loans to the parties included in item 1.17	-
1.25 Explanation necessary for an understanding of the transactions	
Directors' fees and payments to entities the directors are associated with.	
<b>Non-cash financing and investing activities</b>	
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
	408
	-
	226
	634

**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
	216	165
	2,000	312
	-	-
	-	-
	2,216	477

**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		
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>	65,208,750	65,208,750		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	4,962,500	4,962,500		Fully paid
	14,058,750	14,058,750		Fully paid
	10,037,500	10,037,500		Fully paid
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: 31/07/2009

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.