



30 October 2009

September 2009 Quarterly Report

Highlights

- Chesser continues to focus on the gold sector
- Operating licenses were received for the Kestanelik high grade epithermal vein project, allowing commencement of exploration activities in the December quarter of 2009.
- A diamond drill program was carried out at the Sisorta Gold Project, with the aim of expanding the recently announced 303,000 ounce gold resource for the project
- Drilling focused on testing open extensions to the East and North zones, as well as testing for underlying porphyry copper-gold mineralisation.
- Drill results from 2009 program confirmed the expansion potential of Sisorta resource
- Chesser vested 51% ownership in Sisorta Gold Project and has received an Operating License from the Turkish Mining Bureau.
- The Operating License was granted for the project based on open pit heap leach gold recovery from reported Sisorta oxide gold JORC resources of 223,000oz gold
- Significant progress on Operating Licenses for the Kestanelik high-grade epithermal gold and and Karaayi copper-gold porphyry propertiesThe 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 September 30, 2009. The company received operating licenses allowing the commencement of exploration at its Kestanelik project, recommenced drilling at Sisorta, and vested 51% ownership in the Sisorta project.

Projects

Kestanelik, Turkey

Gold

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

Operating licenses have now been granted for the Kestanelik project and drill permits are expected to be received in time for a drill program in the 4th quarter of 2009. 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.

Sisorta, Turkey

Gold

(Chesser 51%, Eurasian 49%)

Drill results from 2009 program confirm expansion potential of Sisorta resource

During the quarter the company completed a diamond drill program aimed at testing open extensions to the East and North zones. Exploration up to the end of 2008 had defined a number of zones where drilling, geology, geochemistry and IP geophysics indicated the presence of areas with similar characteristics to existing mineralization. The program also tested a number of targets for underlying porphyry copper-gold mineralisation defined by surface stockworks with anomalous copper and gold geochemistry and IP chargeability.

Assay results have now been received for the 2009 drill program at Sisorta. Six diamond holes were drilled for a total of 945.5 metres. The holes were drilled to test for extensions to the JORC resource area (SIS059 to SIS062), and to test for transitional and porphyry-style gold and copper elsewhere on the property (SIS063 and SIS064).

SIS062 was drilled to test for extensions to the new zone intersected in drillhole SIS058 near the end of the 2008 program. Hole SIS062 intersected a broad zone comprising the two intervals of 11.9 metres at 0.44 g/t Au from 2.2 metres and 30.9 metres at 0.53g/t Au from 19.5 metres, confirming that the zone intersected in SIS058 continues to the north. Holes SIS059 and SIS060 also intersected low grade gold mineralization, with alteration indicating a continuation of the mineralized zone.

Drillhole SIS063 was drilled to test a zone of surface quartz stockwork and anomalous gold with a strong underlying IP Chargeability anomaly. The hole intersected a broad zone of feldspar porphyry with variably developed silica stockwork and widespread traces of chalcopyrite and molybdenite, with no significant intercepts, but with moderately anomalous copper values up to 548ppm. SIS063 also intersected feldspar porphyry with disseminated and veinlet pyrite along with intrusive breccias, with no significant intercepts, but with moderately anomalous copper values up to 704ppm

Chesser vests 51% Ownership in Sisorta

Chesser Resources has recently fulfilled its commitments to earn a 51% interest in the Sisorta property by spending US \$4 million, paying a total of US \$400,000, and issuing to EMX 3 million shares (ASX: CHZ). Following the vesting notice of the 6th of August 2009, Chesser had 90 days in which to decide whether to increase its interest to 70% by sole funding exploration to delivery of a bankable feasibility study over the next five years, with yearly cash payments of US \$100,000, or to move to a co-funded joint venture arrangement with Chesser contributing 51% of expenditures and EMX contributing 49% of expenditures. Chesser has opted to move to a co-funded joint venture arrangement.

Chesser receives Sisorta Operating Permit

Chesser has recently received the Operating License for the Sisorta Project from the Turkish Mining Bureau. The license was based on a detailed project description ("Project") submitted to the Turkish Mining Bureau.

The Project is an initial conceptual analysis designed to provide an order of magnitude estimate of capital and operating costs, financial return and overall economic viability.

The Project was based upon the existing Mineral Resources and assumed an open pit mining operation at approximately 670,000 tonnes ore and 1,950,000 tonnes waste per annum followed by treatment using conventional crushing and heap leach technology. This process would produce gold-silver bullion on site at an annual production rate of 12,115 oz Au and 18,260 oz Ag.

Operating revenue is estimated at US\$18.81 per tonne of ore, based on current gold and silver prices. Operating costs are estimated to be approximately US\$8.74 per tonne of ore. Capital costs for a standard heap leach operation, other surface infrastructure and pre-mining development are estimated to be US\$9 million, based upon similar operations recently constructed in Turkey.

Using just the current Mineral Resource, the Project indicated an NPV of US\$23 million (using an 8% discount rate).

The Project assumed processing tonnages and used preliminary metallurgical data, and as such should be regarded with appropriate caution. This Project is early stage and there is no certainty that the estimates of the Project will be realised in the future.

About Sisorta

The Sisorta property is located in close proximity to the Black Sea coast in northern Turkey. Geologically, Sisorta is a volcanic-hosted high sulphidation epithermal project within the Tethyan Belt that extends from the Balkans in the west to Iran and Pakistan in the east. The Belt hosts a number of significant gold and base metals deposits and has a large endowment of gold and copper including a number of significant recent discoveries.

At Sisorta drilling to date has demonstrated the existence of a significant body of near-surface oxide gold mineralisation. Chesser has recently 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. Worldwide, this style of deposit has hosted multi-million ounce bulk tonnage mining operations. Deposits of this type, while low grade (0.5-2g/t gold), often have excellent economics due to their open-pit geometry and simple metallurgy, examples of which include Rosia Montana, Romania, Agi Dagi/Kirazli, Turkey, and Yanacocha, Peru.

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. Operating licences are expected to be issued in the December 2009 quarter, and a commencement of exploration at Karaayi is now planned for the March quarter of 2010.

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.

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 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

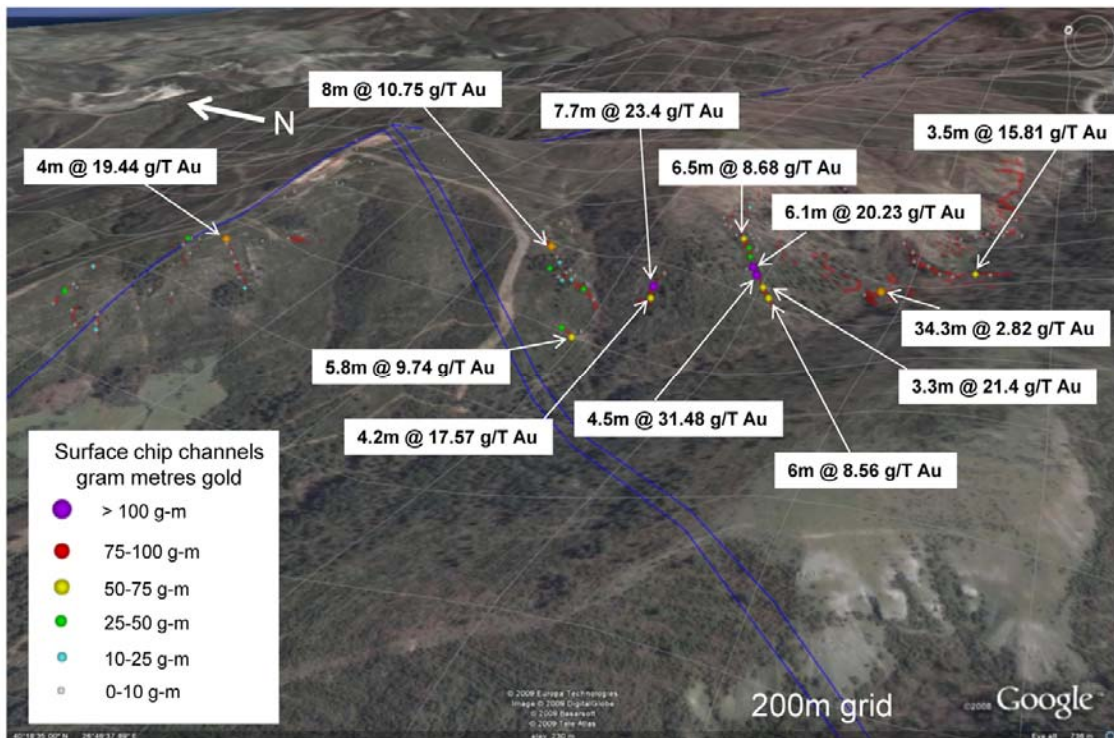


Figure 2. Selected surface chip channel sampling results from the Kestanelik property

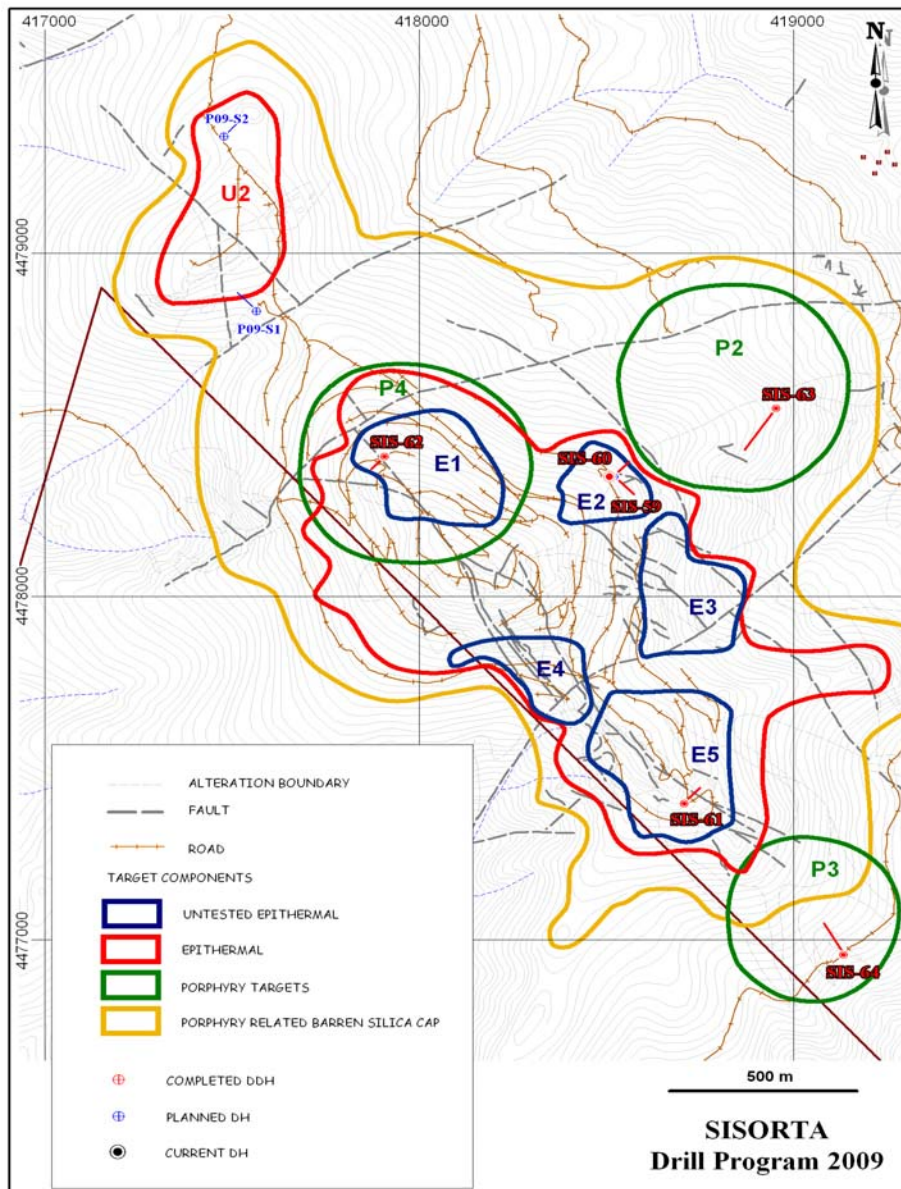


Figure 3. Map showing the completed holes in 2009 Sisorta drill program.

Drill No	Easting	Northing	Azimuth	Dip	T.D. (m)
SIS059	418522	4478350	135	60	120.60
SIS060	418522	4478350	045	70	149.00
SIS061	418710	4477400	045	60	71.80
SIS062	417909	4478410	225	60	101.10
SIS063	418955	4478551	215	60	303.00
SIS064	419135	4476960	330	60	200.00
TOTAL					945.50

Table 1. Summary Drillhole location table of 2009 Sisorta drill campaign

Hole	From	To	Interval	Au	Mineralization	Cutoff
SIS059	89.6	96.1	6.5	0.44	Sulphide	0.25
incl	90.9	96.1	5.2	0.49	Sulphide	0.30
SIS060	30.1	56.9	26.8	0.12	Oxide >> Sulphide	0.10
SIS061	21.6	26.9	5.3	0.27	Oxide >> Sulphide	0.10
SIS062	2.2	14.1	11.9	0.44	Oxide	0.25
SIS062	19.5	50.4	30.9	0.53	Oxide >> Sulphide	0.25
SIS063	No Significant Intervals					
SIS064	No Significant Intervals					

Table 2. Summary of the Assay results of 2009 Drill Program.

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
Indicated	Total	0.4	3,170,000	0.9	3.7	91,000	374,000
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
Inferred	Total	0.4	11,380,000	0.6	1.6	212,000	589,000
TOTAL OXIDE			10,030,000	0.7	1.7	223,000	543,000
TOTAL OXIDE AND SULPHIDE			14,550,000	0.6	2.1	303,000	963,000

Table 3. 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.