

CHRYSA LIS COMMENCES AIRCORE DRILLING AT KABWIMA PROJECT, ZAMBIA

4 August 2014

HIGHLIGHTS

- **Aircore drilling has commenced** at the Kabwima Copper Project in Zambia.
- 4,400m in 100 holes designed to test for economic copper mineralisation within the **5.5km x 1.6km +100ppm** Kimabwe Prospect Cu-in-soil anomaly.
- High grade supergene copper mineralisation is being targeted at depth beneath **soil values up to 485ppm Cu** and **in-pit results up to 626ppm Cu**.
- RC drilling within the **1km wide x 4.5km long +100ppm** Cu-in-soil anomaly Mwako prospect (Bulala Hills Project) due to commence within 2 weeks.

Kabwima Project (99.99% CYS)

Chrysalis Resources Limited is pleased to announce that it has commenced a 4,400m Aircore drilling program on its Kabwima Project within the Domes Region of the Lufilian Arc in north-western Zambia. The drilling is being conducted by Layne Drilling. The program aims to identify the potential for economic copper mineralisation within a 5.5 kilometre long, up to 1.6km wide, continuous +100ppm copper-in-soil anomaly. Drilling is targeting high grade supergene copper mineralisation beneath the higher copper-in-soil values within the central parts of the anomaly where copper-in-soil values are up to 485ppm Cu and in-pit results are up to 626ppm Cu (Figs. 1 & 2).

The current geological model, developed using a combination of mapping, pitting information and the interpretation of airborne magnetic data interpretation focusses on supergene copper enrichment at ~30m below surface at or near the faulted/sheared contact between carbonate and graphitic shale units. Lithologies and potential mineralised structures dip moderately to the NNE.

Bulala Hills Project (99.9% CYS)

A first pass reverse circulation (RC) drill program consisting of 9 holes for 1,500m has been designed to test the Mwako shear zone at depth beneath the best parts of the semi-continuous 1km wide x 4.5km long +100ppm Cu-in-soil anomaly. Drill rig access and drill pad preparation is almost complete. Drilling is expected to commence on or around the 14th August.

Chrysalis Resources Limited	Company Snapshot	Company Structure	Board Management
A.B.N 58 125 931 964 Level 1, Suite 20 7 The Esplanade MT. PLEASANT WA 6153 Phone: 618 6180 9290 Fax: 618 9316 1314 E: info@chrysalisresources.com.au www.chrysalisresources.com.au	Listed on ASX 27 May 2008 ASX Share Code CYS Sector Mining	No of Shares on Issue 228,989,419 (at 30th June 2014) Cash (at 30th June 2014) \$0.69M	Dr Neale Fong – Non-Executive Chairman Mr Jian Hua Sang – Non-Executive Director Mr Michael Griffiths – Non-Executive Director Ms Michelle Wang – Executive Director Mr Leigh Ryan – CEO Mr Kevin Hart – Company Secretary

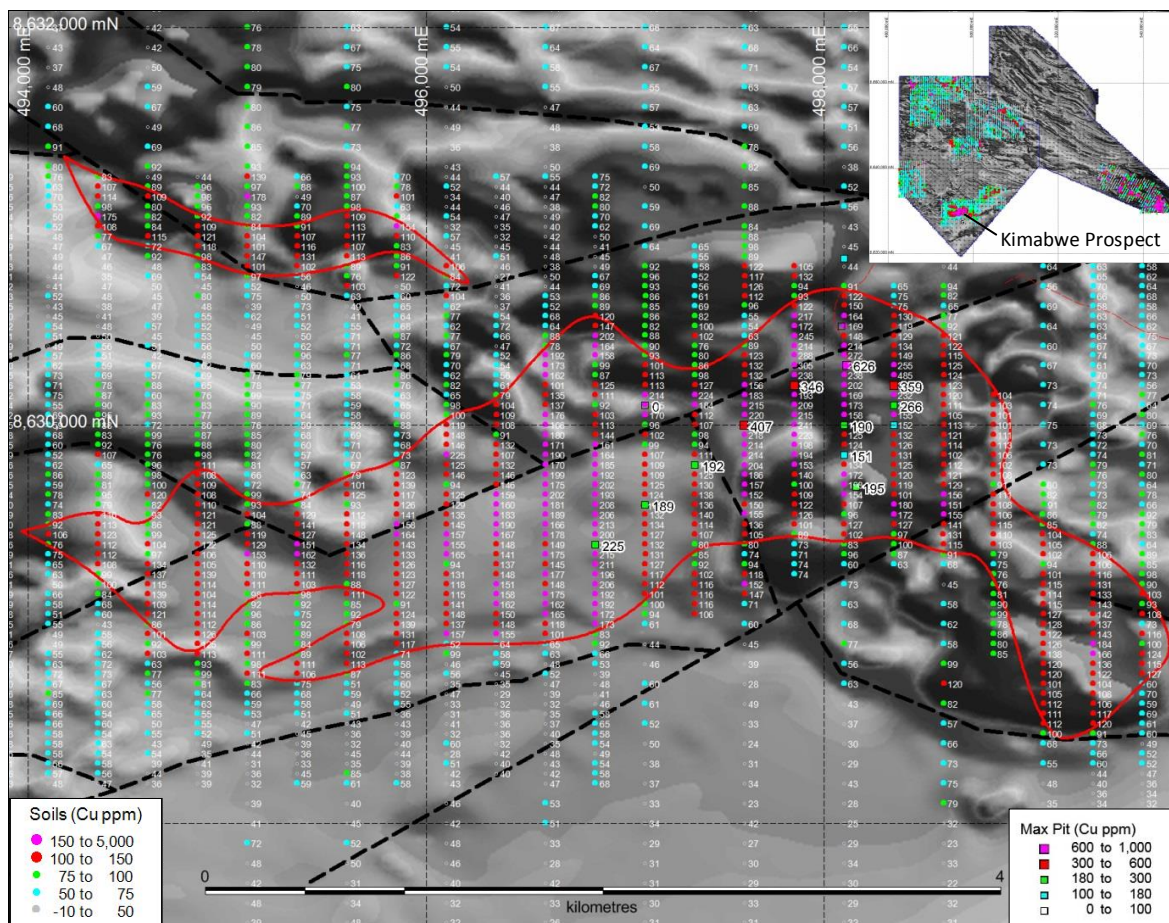


Figure 1: Kimabwe Prospect soil sampling XRF results (Cu ppm) and maximum down-pit copper results labelled and coloured by Cu (ppm) over RTP TMI aeromagnetic image

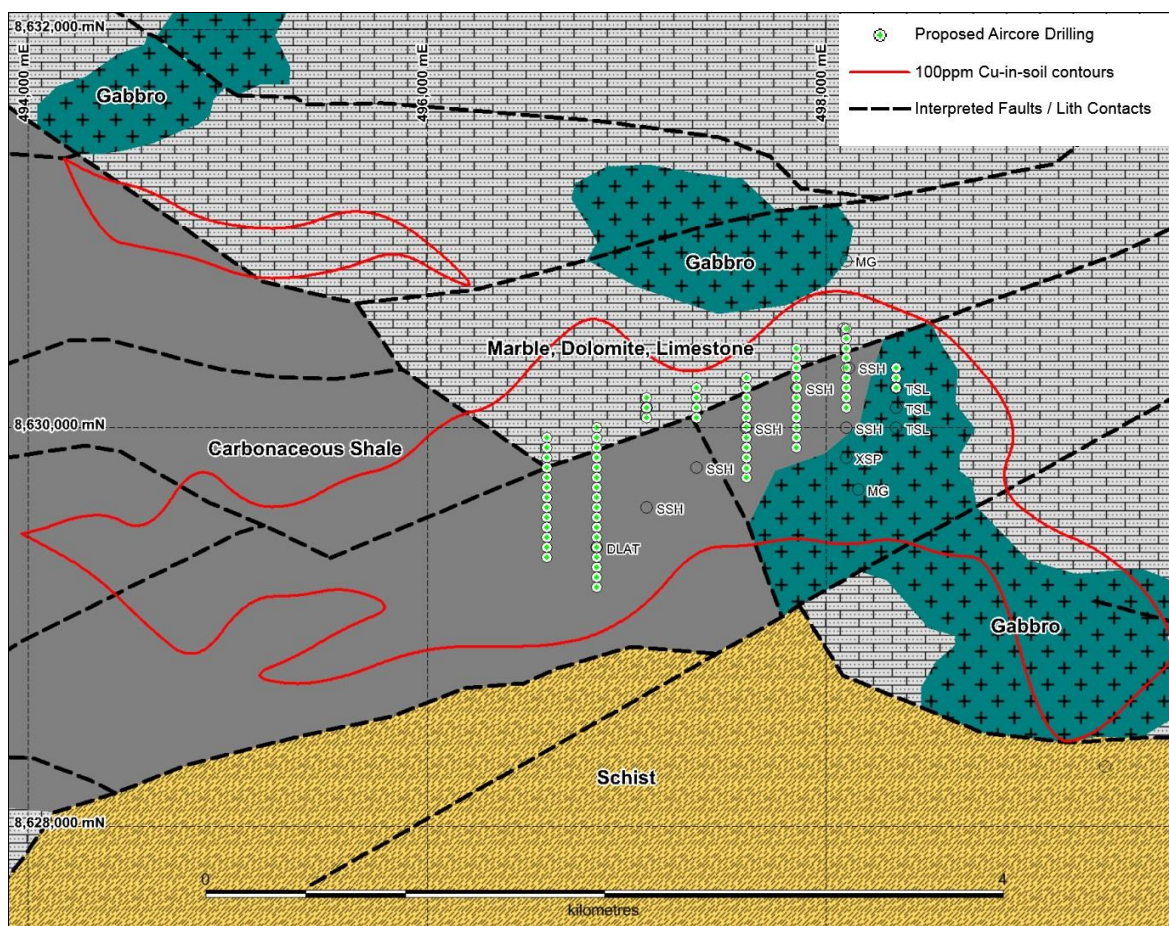


Figure 2: Kimabwe Prospect >100ppm Cu-in-soil contour (red), pit geology and proposed drilling over interpreted geology

CEO, Leigh Ryan said that “both the Kimabwe and Mwako prospects are exceptional sedimentary copper and IOCG targets respectively, and are the result of some good systematic exploration by the Chrysalis team in Zambia. We look forward to the results of both programs and some real exploration success”.

Yours sincerely,



Dr Neale Fong
Non-Executive Chairman

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Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Mr Leigh Ryan, CEO employed by Chrysalis, who is a Member of the Australian Institute of Geoscientists (MAIG). Mr Ryan has sufficient experience 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Ryan consents to the inclusion in the report of the matters based on information in the form and context in which it appears. Mr Ryan participates in the Company's Employee Share Plan.

The company confirms that it is not aware of any new information or data that materially affects the information included in the recent market announcements referred to in the report.