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13th April 2010
ASX Release

DRILLING PROGRAMME DUE TO COMMENCE - 'SHEEZA' PROJECT

Drilling

Chrysalis Resources Limited is pleased to announce that they have secured the services of a suitable drill rig for the maiden programme at Target Area C within the 'Sheeza' Project.

Drilling is anticipated to commence before the end of this month.

This programme will test the 'gold in soil' geochemical anomaly outlined in recent announcements. (*refer ASX announcements 3 March and 17 March 2010.*)



Figure 1.

Project location map.

Target Zone

Drilling will test an approximate 300 metre long corridor within a target horizon that covers a possible alteration (demagnetization) zone within a mafic greenstone sequence (Wongi Basalt). The demagnetized zone is located between two large north-easterly trending faults, interpreted from aeromagnetics, and appears to be localized adjacent to a strong, dilational bend along these faults. Soil sampling has defined a strong gold geochemical anomaly along the south-eastern edge of the interpreted alteration zones, concentrated around the large fault.

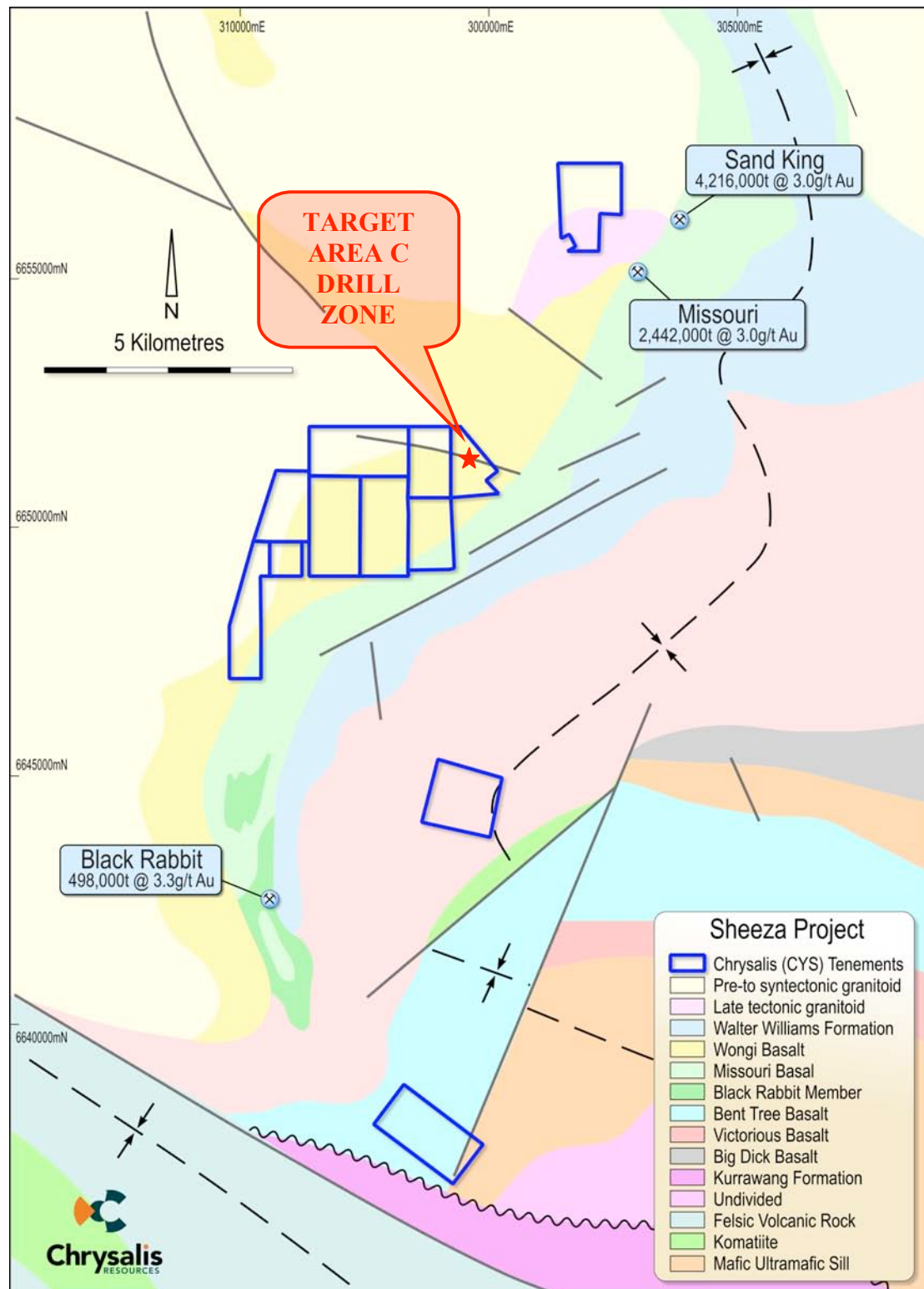


Figure 2. 'Sheeza' Project location map and Target Area C drill target zone.

Gold in soil sample locations and contour map

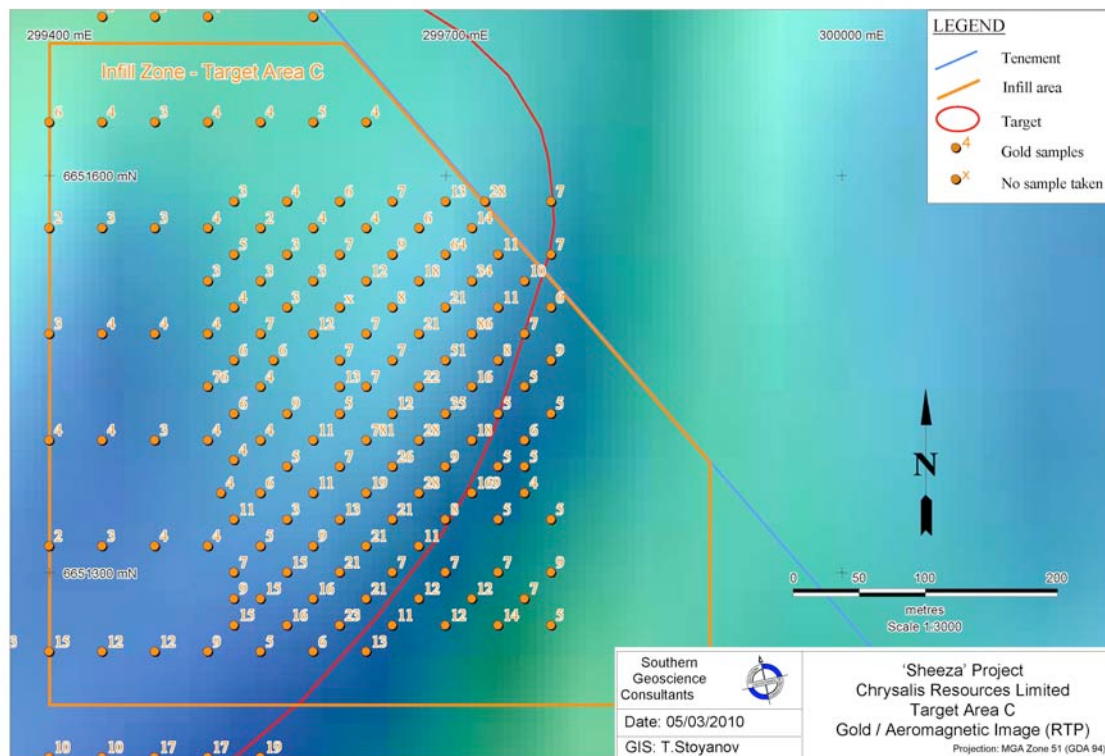


Figure 3.
'Target Area C' gold assay values in ppb (aeromagnetic background).

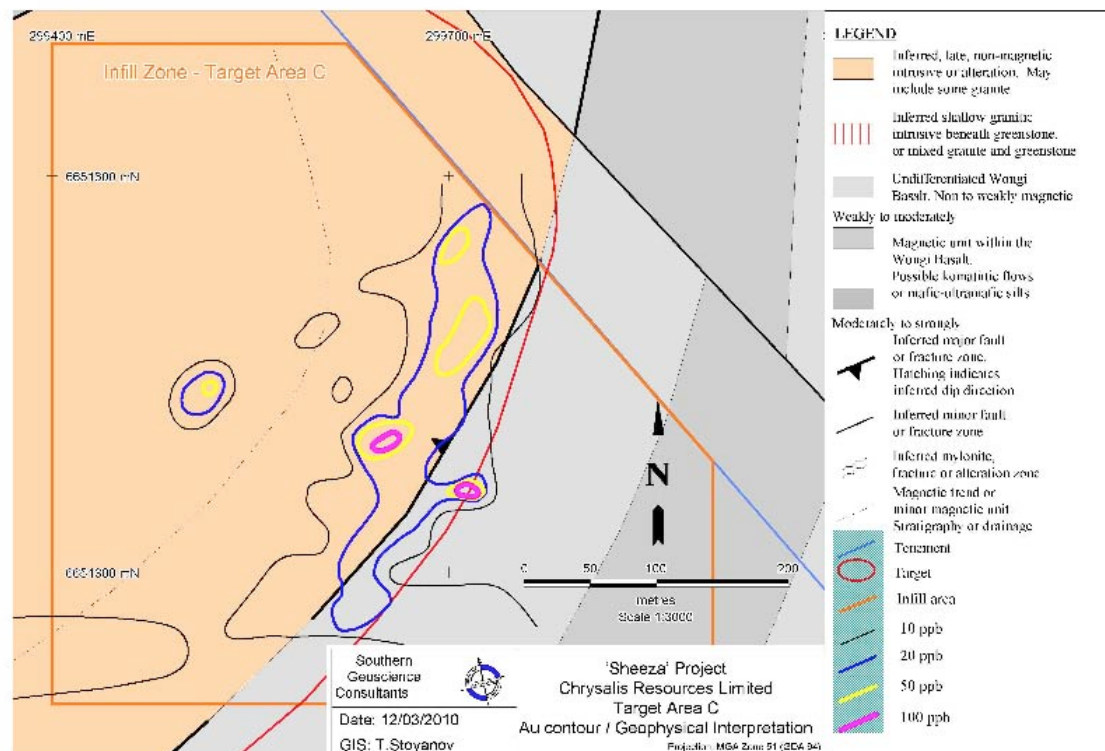


Figure 4.
'Target Area C' gold anomaly contour map (geophysical interpretation background).

Comment

The company has completed two phases of soil sampling at the Target Area C zone within the ‘Sheeza’ Project area, the results of which have led to the definition of a significant gold geochemical anomaly at this location.

As stated previously, drill testing of this anomaly is now required.

The Company is pleased to announce that suitable drilling services have now been secured and that further exploration of this area will soon commence.



Neale Fong
Executive Chairman

Forward looking statements

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Chrysalis Resources Limited's exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Chrysalis Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement

The information in this Announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Bruce Craven (B. App. Sc. (Geophy) Hons.) who was engaged by Chrysalis Resources Limited to evaluate the exploration potential of the ‘Sheeza’ Project. Mr Bruce Craven (together with staff of Southern Geoscience Consultants) has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Accordingly, Mr Bruce Craven qualifies as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.