

# CHRYSALIS RESOURCES LTD NON-RENOUNCEABLE RIGHTS ISSUE – LETTER TO SHAREHOLDERS

10<sup>th</sup> August 2012

Market Announcements Platform  
Australian Securities Exchange

## NON-RENOUNCEABLE RIGHTS ISSUE – LETTER TO SHAREHOLDERS

Please find attached a copy of the letter which has been sent to the Company's shareholders today advising details of the Company's Rights Issue.



**Dr Neale Fong**  
Executive Chairman



**Mel Cotterell**  
Company Secretary

Chrysalis Resources Limited	Company Snapshot	Company Structure	Board Management
A.B.N 56 125 931 964 Level 1 331 Hay Street SUBIACO WA 6008  PO Box 226, Wembley WA 6913  Phone: 618 9380 4430 Fax: 618 9481 5044 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 75,343,702 No of Options on Issue 35,036,327 Cash (as at 30 <sup>th</sup> June 12) \$0.29M	Dr Neale Fong Executive Chairman  Mr Grant Kidner Executive Director  Mr Adrian Paul Non-Executive Director  Mel Cotterell Company Secretary

# CHRYSALIS RESOURCES LTD NON-RENOUNCEABLE RIGHTS ISSUE NOTICE TO SHAREHOLDERS

10th August 2012

Dear Shareholder,

## 4:5 NON RENOUNCEABLE RIGHTS ISSUE OFFER

As announced on 8 August 2012, Chrysalis Resources Limited (“**Chrysalis**”) (ASX: CYS) is undertaking a 4:5 non-renounceable rights issue of ordinary shares. This issue will raise approximately \$3.013 million (**Rights Issue**).

Shareholders are being offered four (4) new ordinary shares in Chrysalis for every five (5) existing shares held at an issue price of \$0.05 per share.

Following completion of the Offer, the Company will have issued approximately 60,274,962 New Shares resulting in total Shares on issue of approximately 135,618,664.

The Rights Issue is not underwritten.

## Use of Proceeds

The purpose of the Rights Issue is to raise funds primarily to:

- Conduct exploration programs on the newly acquired Zambian Copper Project
- Settle the acquisition of the Zambian Copper Project
- Repayment of an unsecured loan for \$500,000 drawn to fund exploration on the Zambian Copper Project and general working capital
- Carry out further exploration programs at Pioneer and West Angelas,
- Fund the costs associated with the Offer; and
- Fund general working capital

Chrysalis’ two major shareholders Mr Adrian Paul and Mr David Nasir Yusoff representing 15.54% of the issued capital of the company have indicated that they intend to subscribe for their full entitlement under the Rights Issue. The other directors, Mr Grant Kidner and Dr Neale Fong, have also agreed to take up their full entitlements which represent 9.86% of the Company’s issued capital.

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## Overview of Rights Issue

Eligible Chrysalis shareholders will be entitled to subscribe for four (4) new Chrysalis fully paid ordinary shares for every five (5) existing Chrysalis ordinary shares held at 5.00pm on 20 August 2012, at a price of 5 cents per share. The offer price of 5 cents per share represents a 33.33% discount to the closing price of Chrysalis ordinary shares on 30<sup>th</sup> July 2012 (the last date of trading in Chrysalis ordinary shares prior to the announcement of the Rights Issue). All new ordinary shares issued will rank equally with existing ordinary Chrysalis shares.

If shareholders do not wish to take up any part of their entitlement they are not required to. If you do not wish to take up any part of your Entitlement you are not required to take any action. Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Offer Document. The issue price for each Share to be issued under the Shortfall Offer shall be 5 cents, being the price at which Shares have been issued under the Offer. The Directors reserve the right to make the Shortfall Offer, and issue the Shortfall Shares, to parties at their absolute discretion, such parties which may include third parties who are not Shareholders.

The Rights Issue is non-renounceable and entitlements will not be tradeable on the ASX or otherwise transferable. Chrysalis shareholders who do not take up their entitlements in full will not receive any value for those entitlements that they do not take up.

An offer document setting out the terms of the Rights Issue was lodged with ASX on 9 August 2012. Eligible shareholders will also be sent a copy of the offer document and entitlement application form on 24 August 2012.

Fractional entitlements of shares are rounded up to the nearest whole number of shares. Your entitlement will be shown on the personalised Entitlement and Acceptance Form accompanying the Rights Issue document.

## Overseas holders

The offer of shares under the Rights Issue is limited to eligible shareholders with registered addresses in Australia and New Zealand. With the exception of New Zealand shareholders, overseas shareholders will not be offered new shares

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**Important dates**

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue and lodgment of Appendix 3B	8 August 2012
The latest of release of Offer Document and Cleansing Statement to ASX	9 August 2012
Notice sent to Security Holders	10 August 2012
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	14 August 2012
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	20 August 2012
Offer Document Despatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	24 August 2012
Company announces that the Offer Document has been dispatched	24 August 2012
Entitlement Issue opens	24 August 2012
Closing Date* 5pm (WST)	7 September 2012
Securities quoted on a deferred settlement basis **	10 September 2012
Company to notify ASX of under subscriptions (if any) **	12 September 2012
Despatch holding statements **	17 September 2012

\* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date of the Rights Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

\*\* These dates are indicative only and are subject to change. Chrysalis reserves the right to amend this indicative timetable without notice.

Yours sincerely,



**Dr Neale Fong**  
Executive Chairman



**Mel Cotterell**  
Company Secretary

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