

CHRYSA LIS COMMENCES RC DRILLING AT SHIKILA PROJECT, ZAMBIA

14 October 2013

HIGHLIGHTS

- Reverse Circulation drilling has commenced at the Shikila Copper Project in Zambia, located 15km along strike to the NW of the world class Kansanshi Copper Mine.
- 2,900m in 31 holes designed to identify the potential for economic copper mineralisation within a linear, 24 kilometre long, semi-continuous >75ppm copper in soil anomaly.
- High grade supergene copper mineralisation is being targeted at 20m to 40m depths beneath seven individual >120ppm copper in soil anomalies.

Shikila Project (99.9% CYS)

Chrysalis Resources Limited is pleased to announce that it has commenced a 31 hole, 2,900m RC drilling program on its Shikila Project within the Domes Region of the Lufilian Belt in north-western Zambia. The drilling is being conducted by Capital Drilling Limited. Over half of the drill holes in the program are located within 15 kilometres of the Kansanshi Copper Mine. The program aims to identify the potential for economic copper mineralisation within a linear, 24 kilometre long, semi-continuous copper in soil anomaly (Figure 1), by targeting high grade supergene copper mineralisation between 20m and 40m beneath seven individual >120ppm copper in soil anomalies.

The current geological model, developed using a combination of the Wangolo resource drilling data, pitting information, geochemical soil sampling, mapping, and the interpretation of airborne and ground magnetic data, suggests that a zone of supergene copper enrichment is present at a depth of ~30m below surface. RC drilling is being conducted in order to more effectively penetrate to these depths while providing fresh drill chips for easier rock type identification, and producing a dry uncontaminated sample that could be used in future resource estimations.

Lower near surface copper grades at Wangolo coincide with limonitic shales interpreted to be the result of surficial copper leaching. This phenomenon is supported in soil geochemistry throughout the project where copper in soil anomalies drop off quite sharply in the vicinity of drainage systems (Figure 1). This variable leaching has led to the discontinuous "bull's eye" pattern of copper in soil anomalies along the 24km strike of copper anomalism.

Elevated copper in soil anomalies (>120ppm Cu) are generally coincident with elongated magnetic lows as seen at Wangolo (Figure 2). This is attributed to the lower magnetic susceptibility of the carbonaceous grey shale unit that hosts the copper mineralisation in the area.

Chrysalis Resources Limited	Company Snapshot	Company Structure	Board Management
A.B.N 58 125 931 964 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 196,899,454 Cash (as at 31 st August 2013) \$1.85	Dr Neale Fong - Executive Chairman Mr Grant Kidner - Executive Director Mr Jian Hua Sang - Executive Director Mr Adrian Paul- Non-Executive Director Mr Trevor Benson - Non-Executive Director Mr Michael Griffiths - Non-Executive Director Ms Mel Cotterell- Company Secretary

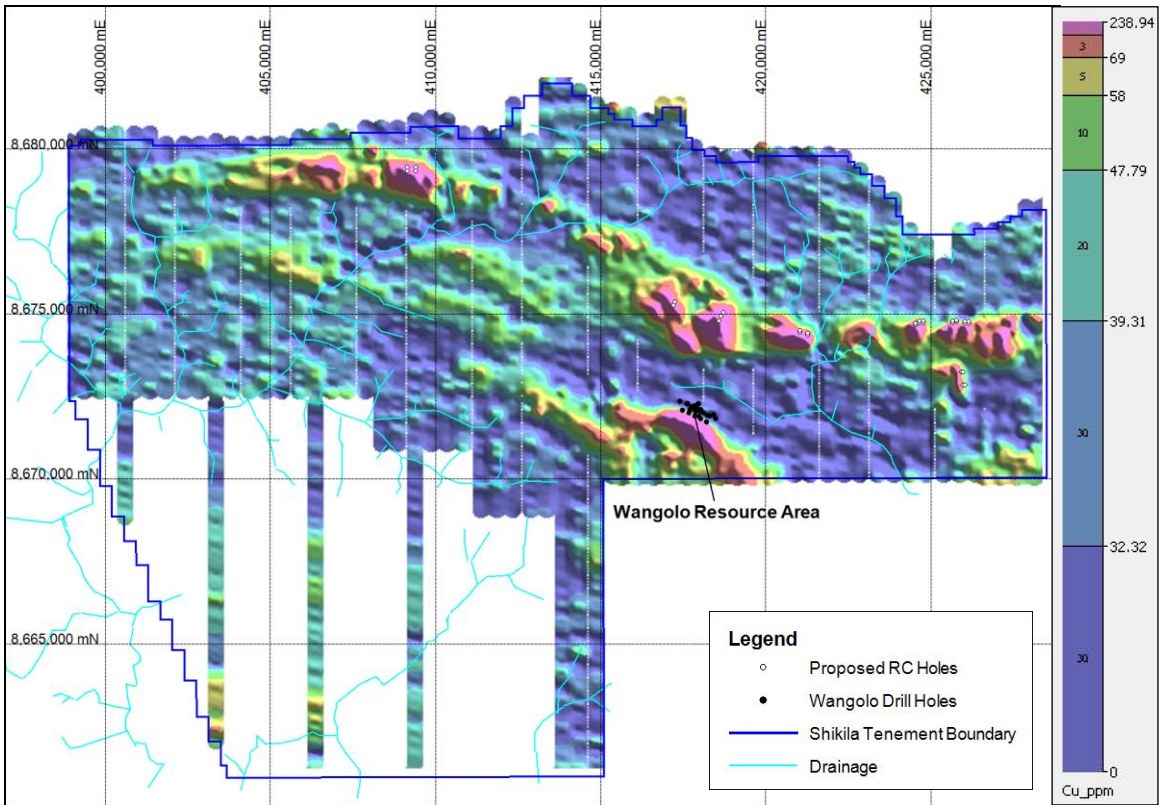


Figure 1: Shikila Project – Proposed Reverse Circulation drilling over copper in soil image

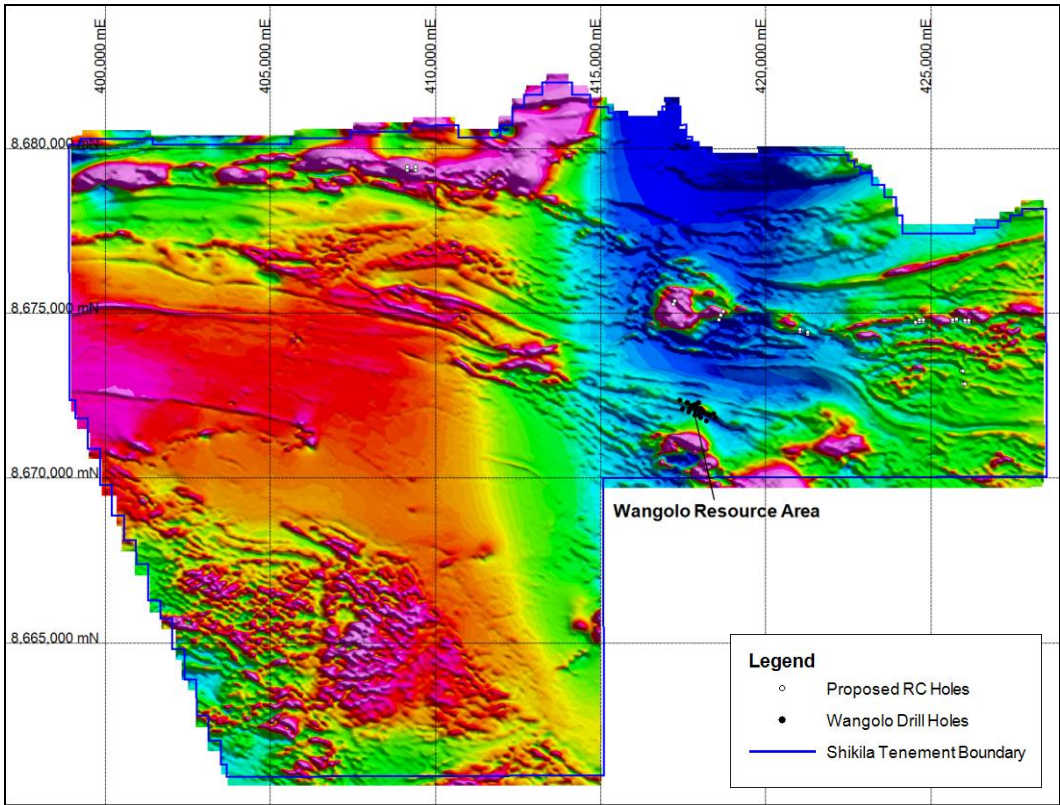


Figure 2: Shikila Project – Proposed Reverse Circulation drilling over aeromagnetic image

Interim CEO, Jian Hua Sang said that “the commencement of RC drilling at Shikila is very exciting for the company and the culmination of some good systematic exploration work and financial support from our major shareholders. We look forward to the results of this drilling program and some further exploration success from the Shikila Project”.

Yours sincerely,



Dr Neale Fong
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, a consultant geologist 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 2004 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.