CHRYSALIS RESOURCES LIMITED

QUARTERLY REPORT FOR THE PERIOD ENDING 31ST DECEMBER 2014

ASX Announcement

29th January 2015

HIGHLIGHTS

Exploration

- Significant drill intercepts received from the 122 hole, 5,234m aircore (AC) drilling program completed across the Kimabwe Prospect in Zambia included:
    - **44m @ 0.7% Cu from 6m to EOH** (KIAC108) incl. **6m @ 2.2% Cu from 44m to EOH**
    - 28m @ 0.26% Cu, 0.034% Co from 12m (KIAC021)
    - 16m @ 0.29% Cu from 25m to EOH (KIAC105) incl. 4m @ 0.43% Cu, 0.033% Co from 33m
- Nine Kimabwe aircore holes ended in Cu mineralisation at <50m (down hole) depth, with saprolitic and gossanous mineralised zones suggesting surficial copper leaching and better copper grades at depth possible. Reverse circulation or diamond drilling warranted beneath and along strike of the better intercepts.
- Laboratory copper and gold assay results for the 9 hole, 1,634m reverse circulation (RC) drilling program completed within the Mwako Prospect's 1km wide x 4.5km long >100ppm Cu-in-soil anomaly of the Bulala Hills Project included:
    - **39m @ 0.28% Cu from 97m** (MKRC003) including **17m @ 0.32% Cu from 114m**
    - 36m @ 0.26% Cu from 150m (MKRC007)
    - 38m @ 0.19% Cu from 174m to EOH (MKRC008)
- Best selected (1 metre) gold results from Mwako included:
    - **1m @ 0.28g/t Au from 104m** (MKRC001)
    - 1m @ 0.24g/t Au from 76m (MKRC004)
    - 1m @ 0.20g/t Au from 184m (MKRC008)
- Additional gold analysis planned for Mwako in order to determine the average width and grade of gold within the zones of Cu mineralisation and enable Copper Equivalent (CuEq) intercepts to be calculated.
- Low level geochemical analysis and downhole and surface electromagnetic (EM) surveying recommended at Mwako to confirm the interpreted sedimentary exhalative style of mineralisation and target higher grades down dip and along strike.

Corporate

- Joint Venture Option Agreement signed with First Quantum on the Shikila and Kabwima Projects.

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Company Snapshot

Listed on ASX	27 May 2008
ASX Share Code	CYS
Sector	Exploration

Company Structure

No of Shares on Issue (at 31st Dec 2014)	345,484,128
Cash (at 31st Dec 2014)	$0.67M

Board & Management

Dr Neale Fong – Non-Executive Chairman
Mr Jian Hua Sang – Non-Executive Director
Mr Leigh Ryan – Managing Director
Mr Kevin Hart – Company Secretary

EXPLORATION

Zambia

Kabwima Project (99.9% CYS)

Kimabwe Prospect - Aircore Drilling

Chrysalis Resources Limited has now received all copper and cobalt assay results from the recently completed 122 hole, 5,234m aircore (AC) drilling program at its Kimabwe Prospect within the Kabwima South licence in the Domes Region of the Lufilian Arc in north-western Zambia (Fig. 1). The program was designed to identify the potential for economic copper mineralisation within the >200ppm areas of the 5.5 kilometre long, up to 1.6km wide, >100ppm Kimabwe copper-in-soil anomaly containing values up to 485ppm Cu and in-pit results up to 626ppm Cu. A total coverage drilling technique was undertaken.

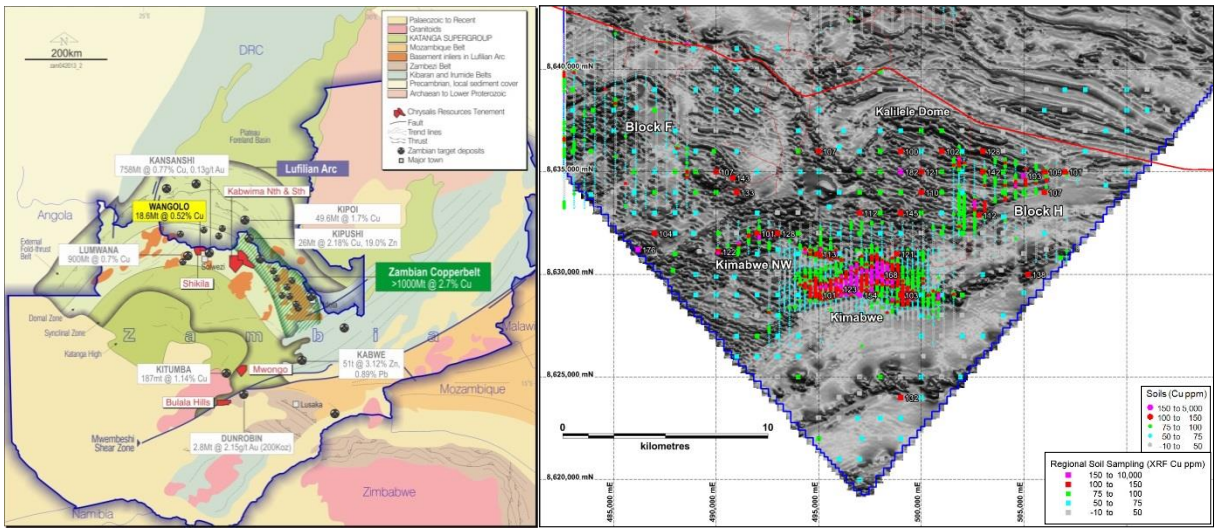

Figure 1: Chrysalis Project location map (left), Kimabwe and regional soil sampling results (right)

Drilling aimed to intercept supergene copper enrichment at ~50m below surface within or near a broad ENE-trending fault/shear zone coincident with the Kimabwe Cu-in-soil anomaly (Figs. 2 & 3). The AC drilling was to blade refusal and a total coverage technique was adopted. The holes intercepted gabbro intrusives at the northern edge of the Cu-in-soil anomaly, and interbedded black shale, grey shale, silicified siltstone and biotite-muscovite-quartz schist to the south. Significant amounts of quartz veining and gossan development was encountered both at the gabbro / sediment and sediment / mica- quartz schist contacts. Lithologies and mineralised structures appear to dip at ~40^0 to the north-northwest and with all holes drilled at -60^0 all intercepts are interpreted to be close to true widths.

Significant intercepts are listed in Table A below and include:

- 44m @ 0.7% Cu from 6m (KIAC108) incl. **6m @ 2.15% Cu, 1.1g/t Ag from 44m**
- 28m @ 0.26% Cu, 0.034% Co from 12m (KIAC021)
- 16m @ 0.29% Cu from 25m to EOH (KIAC105) incl. 4m @ 0.43% Cu, 0.033% Co from 33m
- 24m @ 0.18% Cu from 2m (KIAC107)
- 17m @ 0.20% Cu from 14m (KIWB001)
- 18m @ 0.17% Cu from 25m to EOH (KIAC104)
- 17m @ 0.17% Cu from 6m to EOH (KIAC106)
- 17m @ 0.17% Cu from 8m (KIAC065)
- 15m @ 0.18% Cu from 11m to EOH (KIAC109)
- 14m @ 0.16% Cu from 57m (KIAC029)

The better copper intercepts are associated with silicified siltstone and gossan zones. The best copper intercept (44m @ 0.7% Cu from 6m) in KIAC108 is associated with malachite and iron oxide stained interbedded saprolitic siltstone and grey shale containing trace amounts of azurite (Figs. 3 & 4). The intercept forms part of a 130m wide zone of copper mineralisation that includes other intercepts such as 16m @ 0.29% Cu from 25m in KIAC105, and 24m @ 0.18% Cu from 2m in KIAC107 all associated with iron oxide stained silicified siltstone interbedded with thin grey shale units. Copper intercepts in holes KIAC021 and KIAC047 (28m @ 0.26% Cu, 0.034% Co from 12m, and 2m @ 0.15% Cu from 12m respectively) are located ~275m along strike to the WSW and ENE of KIAC108 and are associated with saprolitic siltstone and gossan zones (Figs. 3 & 5).

Copper intercepts in holes KIAC29, KIAC117 and KIAC055 (14m @ 0.16% Cu from 57m, 7m @ 0.14% Cu from 50m and 7m @ 0.26% Cu from 32m respectively) are associated with a sub-parallel zone of mineralisation associated with an interpreted fault zone located ~150m to the south of the main zone (mentioned above) on the southern contact of an interbedded siltstone / muscovite-biotite-quartz schist and shale units (Fig. 2 & 3). KIAC29 contains 13m of gossanous ironstone.

The two best cobalt intercepts (6m @ 0.06% Co from 14m in KIAC021 and 3m @ 0.06% from 14m in KIWB001) both within Cu intercepts mentioned above are associated with grey shale and gossan within saprolite. Evaluation of XRF results identified moderate correlations between Cu/As, Cu/W, and Cu/U (Pearson correlation coefficients of 0.17, 0.26, and 0.16 respectively). These relationships are being investigated further. Silver analysis, only completed on 8 consecutive 1m samples from hole KIAC108 (42 – 50m), returned 8m @ 1.45g/t Ag including a maximum value of 2.51g/t Ag.

Nine of the twenty four holes listed in the significant intercepts table (Table A) have ended in mineralisation. The vast majority of Cu intercepts are from less than 50m depth (down hole), and are associated with saprolite and/or gossan zones. It is therefore considered possible that surficial leaching of copper may have occurred at these levels and that better copper grades may be encountered at depth. Reverse circulation or diamond drilling is warranted beneath and along strike of the better intercepts.

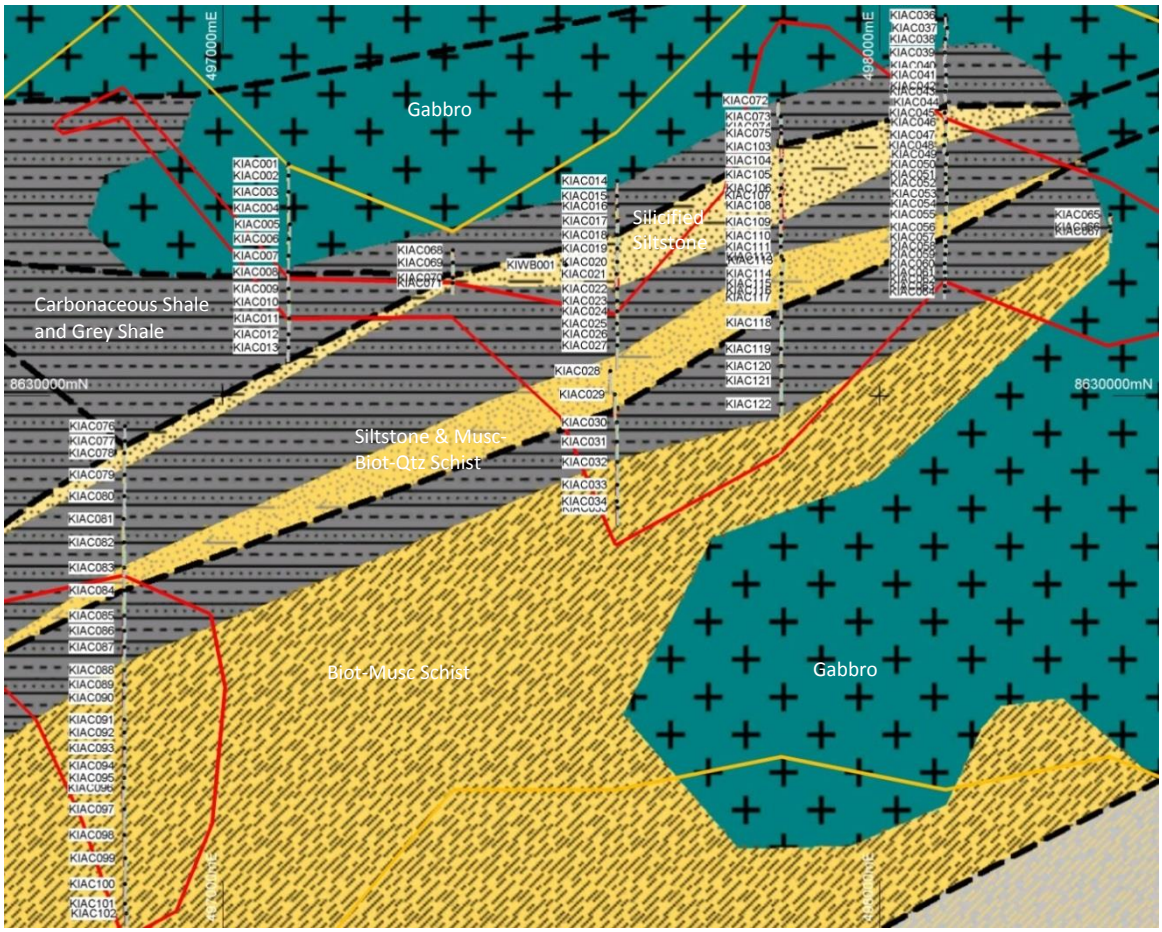

Figure 2: Kimabwe Prospect >100ppm (orange) and >200ppm (red) Cu-in-soil contours, and AC drilling labelled by Hole ID over interpreted geology.

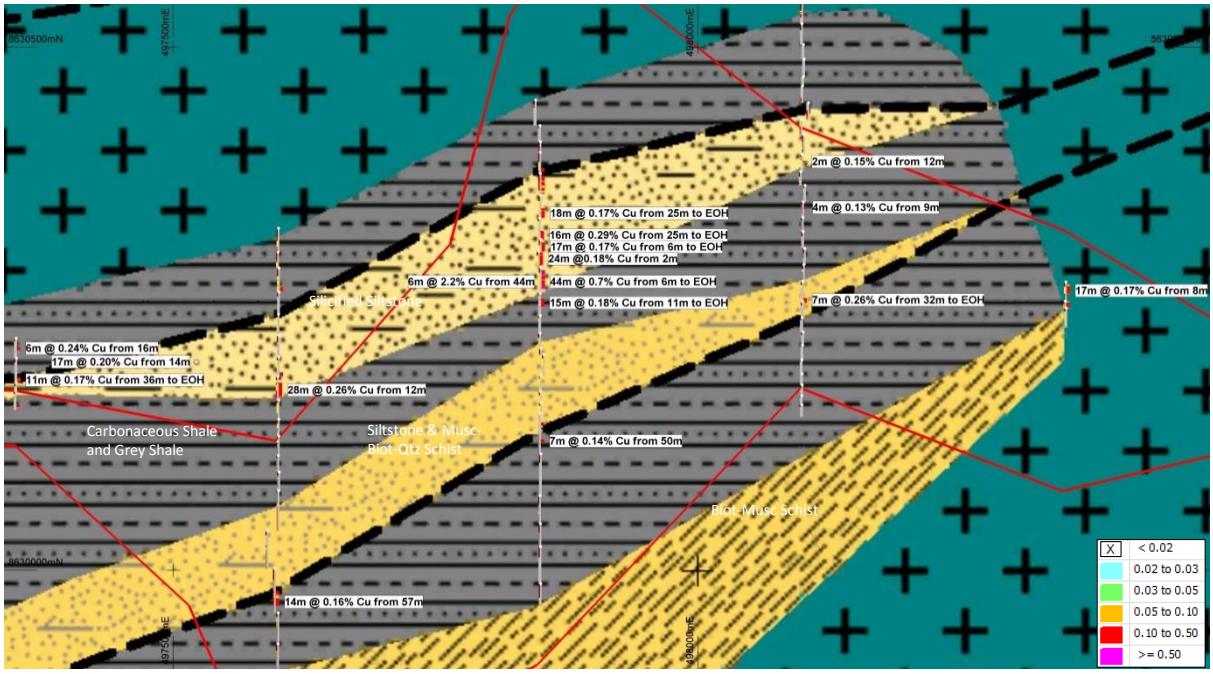

Figure 3: Kimabwe Prospect >100ppm & >200ppm Cu-in-soil contour, pits, Aircore drilling significant intercepts over interpreted geology.

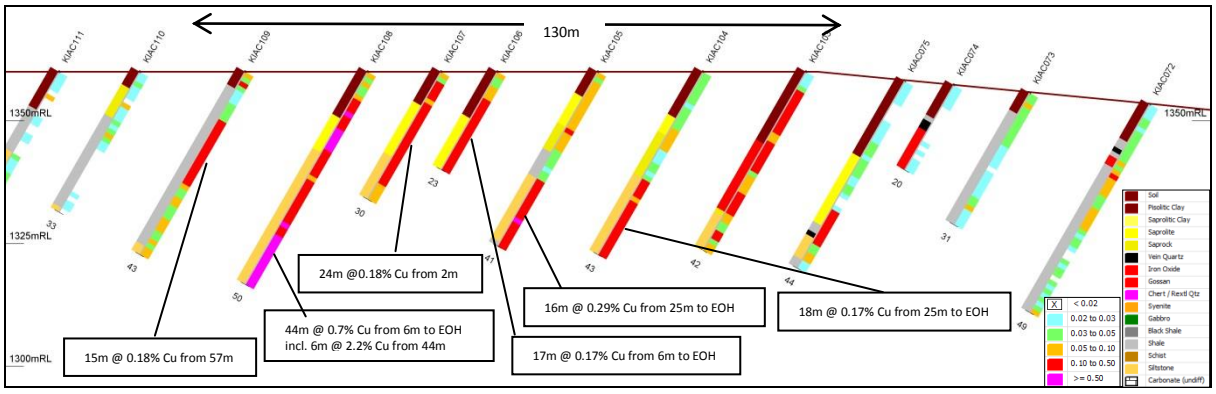

Figure 4: Kimabwe Prospect Aircore drilling cross section – 497850E (+/- 20m). Geology LHS of drill hole trace, Cu% RHS of drill trace.

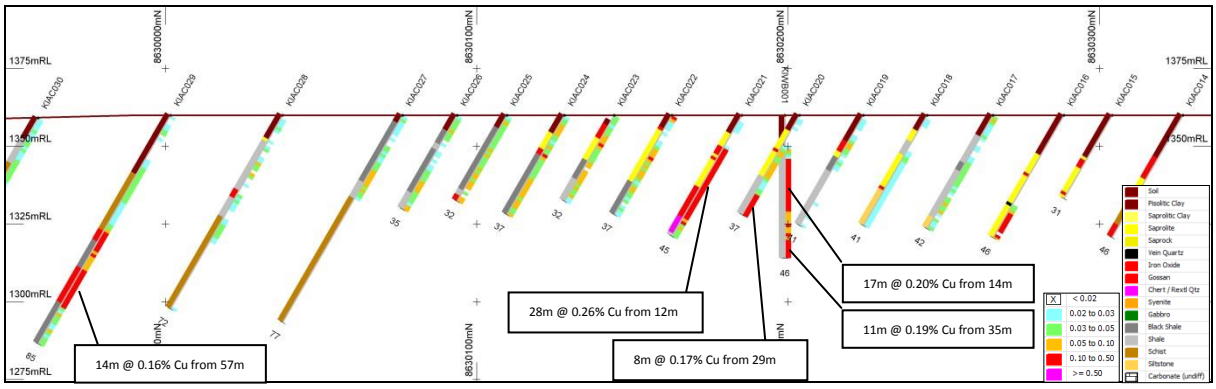

Figure 5: Kimabwe Prospect Aircore drilling cross section – 497600E (+/- 80m). Geology LHS of drill hole trace, Cu% RHS of drill trace.

Table A: Kimabwe Aircore Drilling Results – all copper intercepts reported, SGS Laboratory results only.

Hole ID	*East (m)	*North (m)	RL (m)	Dip°	*Az°	Depth (m)	From	To	Width	Cu %	Co %
KIAC016	497600.8	8630288.6	1360	-60	180	45.5	36	45	**9	0.19	0.043
KIAC020	497599.7	8630185.2	1360	-60	180	37	29	37 EOH	8	0.17	0.006
KIAC021	497600.4	8630162.7	1360	-60	180	45	12	40	**28**	**0.26**	0.034
KIAC029	497596.9	8630001.7	1360	-60	180	85	43	52	9	0.12	0.016
and							57	71	14	0.16	<LOD
KIAC047	498099.8	8630397.1	1353	-60	180	32	12	14	2	0.15	<LOD
KIAC050	498100.5	8630352.1	1353	-60	180	30	9	13	4	0.13	<LOD
KIAC055	498100.0	8630276.1	1353	-60	180	39	32	39 EOH	7	0.26	0.007
KIAC056	498100.0	8630256.6	1353	-60	180	31	0	3	3	0.12	<LOD
KIAC065	498350.9	8630275.5	1350	-60	180	37	8	25	**17**	**0.17**	0.009
KIAC066	498350.4	8630257.0	1350	-60	180	13	2	13 EOH	11	0.19	0.019
KIAC068	497350.2	8630221.6	1360	-60	180	38	16	22	6	0.24	0.006
KIAC069	497350.3	8630202.6	1360	-60	180	47	36	47 EOH	11	0.17	0.009
KIAC071	497349.7	8630171.6	1360	-60	180	37	27	32	5	0.13	<LOD
KIAC075	497849.9	8630399.4	1358	-60	180	44	30	38	8	0.16	<LOD
KIAC083	496850.0	8629738.0	1345	-60	180	69	46	50	4	0.11	<LOD
KIAC103	497850.0	8630379.2	1360	-60	180	42	4	14	10	0.17	<LOD
and							16	23	7	0.17	0.016
and							28	33	5	0.14	0.008
and							37	39	2	0.17	<LOD
KIAC104	497850.1	8630358.2	1360	-60	180	43	25	43 EOH	**18**	**0.17**	0.006
KIAC105	497849.5	8630336.7	1360	-60	180	41	25	41 EOH	**16**	**0.29**	0.013
incl.							33	37	4	0.43	0.033
KIAC106	497850.4	8630316.2	1360	-60	180	23	6	23 EOH	**17**	**0.17**	0.008
KIAC107	497848.4	8630304.7	1360	-60	180	30	2	26	**24**	**0.18**	<LOD
KIAC108	497850.3	8630289.7	1360	-60	180	50	6	50 EOH	**44**	**0.70**	0.011
incl.							44	50 EOH		**2.15**	0.008
KIAC109	497849.8	8630264.7	1360	-60	180	43	11	26	**15**	**0.18**	<LOD
KIAC117	497849.7	8630150.2	1360	-60	180	78	18	24	6	0.13	0.013
and							50	57	7	0.14	<LOD
KIWB001	497522.0	8630199.0	1360	-90	0	46	14	31	**17**	**0.20**	0.017
and							35	46 EOH	11	0.19	0.020
incl.							40	46 EOH	6	0.27	0.032

NB. 0.1% Cu lower cut, maximum 2m internal waste, no upper cut, all Cu intercepts reported
* WGS84 Zone 35S
** no sample return 43-44m

Regional Soil Sampling

An additional 2,274 regional (500m x 500km spaced) soil samples were collected from the southern part of the Kabwima North licence and the Northern part of the Kabwima South licence during the quarter as part of the FQM Joint Venture Option Agreement. The Kabwima Project soil program is comprised of 6,730 samples. All samples will be sieved to a -80# fraction and submitted for low level gold analysis and 4 acid digest (ICP-MS) analysis in order to obtain low detection limits for 48 additional elements. Multi-element analysis is to be used to identify broad pathfinder element alteration haloes associated with large Cu (+/-Au) bearing hydrothermal systems, and for litho-geochemical interpretation to help determine rock types underlying areas of no outcrop.

Bulala Hills Project (99.9% CYS)

Mwako Prospect – Reverse Circulation Drilling

Chrysalis Resources Limited has received all copper and gold assay results from the recently completed 9 hole, 1,634m reverse circulation (RC) drilling program at the Mwako Prospect within the Bulala Hills Project in south-western Zambia. The program aimed to identify the potential for economic copper mineralisation beneath >200ppm copper-in-soil results including 1100ppm Cu, 1066ppm Cu, 971ppm and 818ppm Cu, within a semi-continuous 1km wide x 4.5km long >100ppm Cu anomaly (Fig. 6).

Copper and gold analysis was completed by SGS in Kalulushi, Zambia. Assay results include three broad low grade copper intercepts including **39m @ 0.28% Cu** from 97m (including **17m @ 0.32% Cu** from 114m) in hole MKRC003, **36m @ 0.26% Cu** from 150m in MKRC007, and **38m @ 0.19% Cu** from 174m to EOH in MKRC008, all from the northern zone of copper mineralisation and all associated with an intensely silica altered sedimentary "chert" unit (Figs. 6-7 & Table B). Two of these holes (MKRC007 and MKRC008) ended in copper mineralisation. Disseminated pyrite, minor malachite staining and minor disseminated chalcopyrite was observed within the chert unit. The chert is located immediately above an interpreted structural contact with a strongly altered (argillic) felsic quartz-porphyry unit. The porphyry is interpreted to have intruded into a steep (~80^0) SE-dipping NE-striking shear zone which contains a hematite ironstone breccia unit on its northern contact. Drill holes MKRC001 and MKRC002 intercepted the ironstone breccia to the south of the porphyry unit which suggests that the shear cross-cuts the stratigraphy or that there is isoclinal folding in the area.

Gold analysis was only conducted on samples that looked prospective for gold mineralisation. Of the fifty one 1m samples selected, six returned values >0.1g/t Au to a maximum of **0.28g/t Au** from a hematite ironstone breccia with minor pyrite from 104m to 105m in MKRC001. Other elevated gold values included **0.24g/t Au** in a hematitic chert from 76m to 77m in MKRC004, 0.12g/t Au in magnetic chert from 25m to 26m in MKRC009, and **0.20g/t Au**, 0.16g/t Au and 0.14g/t Au in magnetic chert from 184m to 185m, 206m to 207m, and 209m to 210m respectively in MKRC008 (Table C). With gold mineralisation now confirmed within the drill samples, additional gold analysis is planned in order to determine the average width and grade of gold within the zones of Cu mineralisation. This will enable copper equivalent (CuEq) intercepts to be calculated.

Handheld XRF results (of all 1632 RC samples) identified anomalous As (24 samples >500ppm As up to 1030ppm As), elevated Zn (24 samples >500ppm Zn up to 4037ppm Zn) and elevated Sb (119 samples >100ppm Sb up to 145ppm Sb) all associated with the chert unit. There is a strong correlation between Cu and As (Pearson correlation coefficient = 0.81), a good correlation between Cu and Fe (Pearson correlation coefficient = 0.62) and a good correlation between Cu and Zn (Pearson correlation coefficient = 0.36).

The chert hosted Cu-Au mineralisation at Mwako could be interpreted as a sedimentary exhalative (SedEx) style of mineralisation (cf. Kalyadi Copper Deposit – Southern India), as opposed to the initial epigenetic interpretation. If so, the mineralisation intercepted by Chrysalis to date may be peripheral to the main body of Cu mineralisation. Isoclinal folding will complicate additional exploration efforts and it is recommended that downhole and/or surface electromagnetic (EM) surveying be conducted in order to help target higher grade copper mineralisation down dip or along strike from the current drilling. Low detection limit geochemical analysis of the RC samples may also help classify and confirm the style of mineralisation at Mwako prior to conducting geophysical surveys and additional drilling. A revised geological interpretation of the prospect area including the RC drilling information is underway.

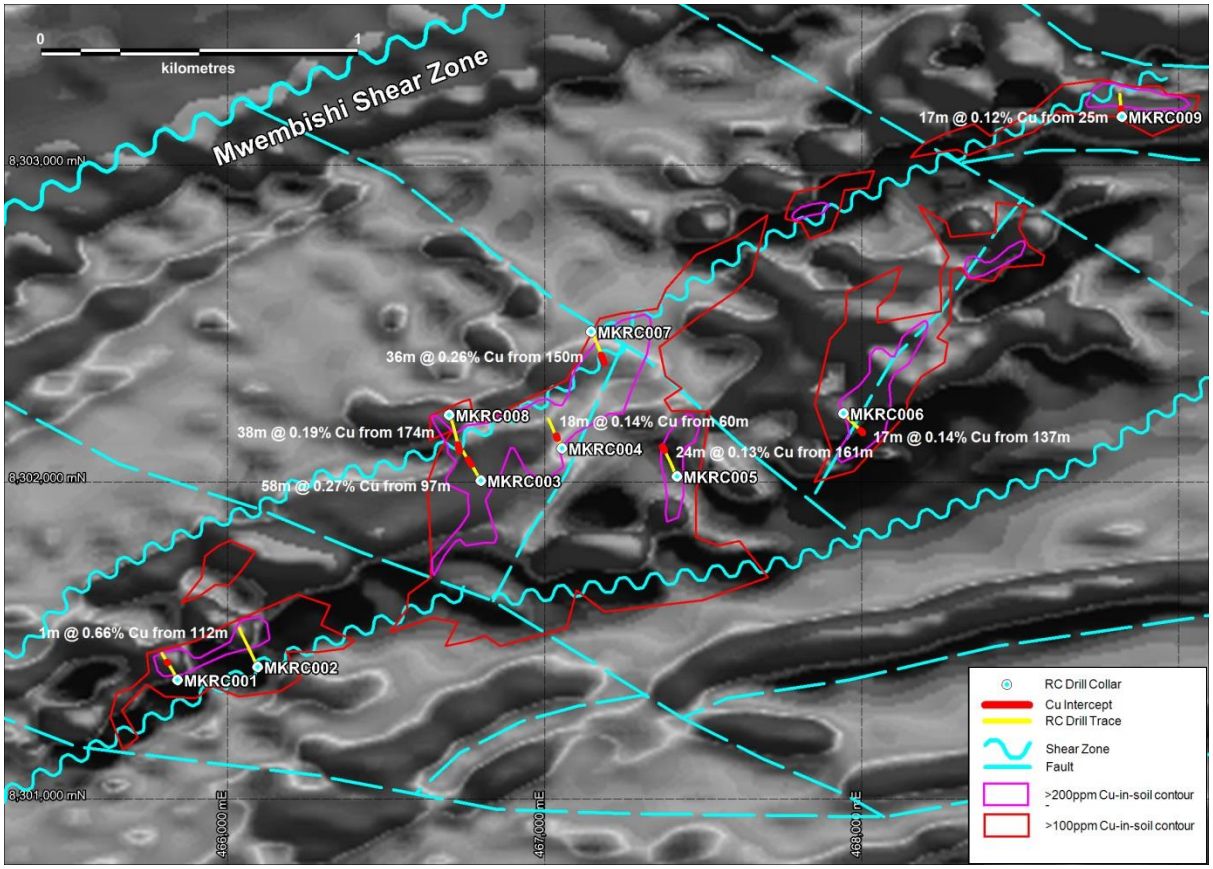

Figure 6: Mwako Prospect RC drilling location plan with copper intercepts, major structures, and >100ppm and >200ppm Cu-in-soil anomaly contours over grey scale 1st Vertical Derivative (1VD) aeromagnetic image.

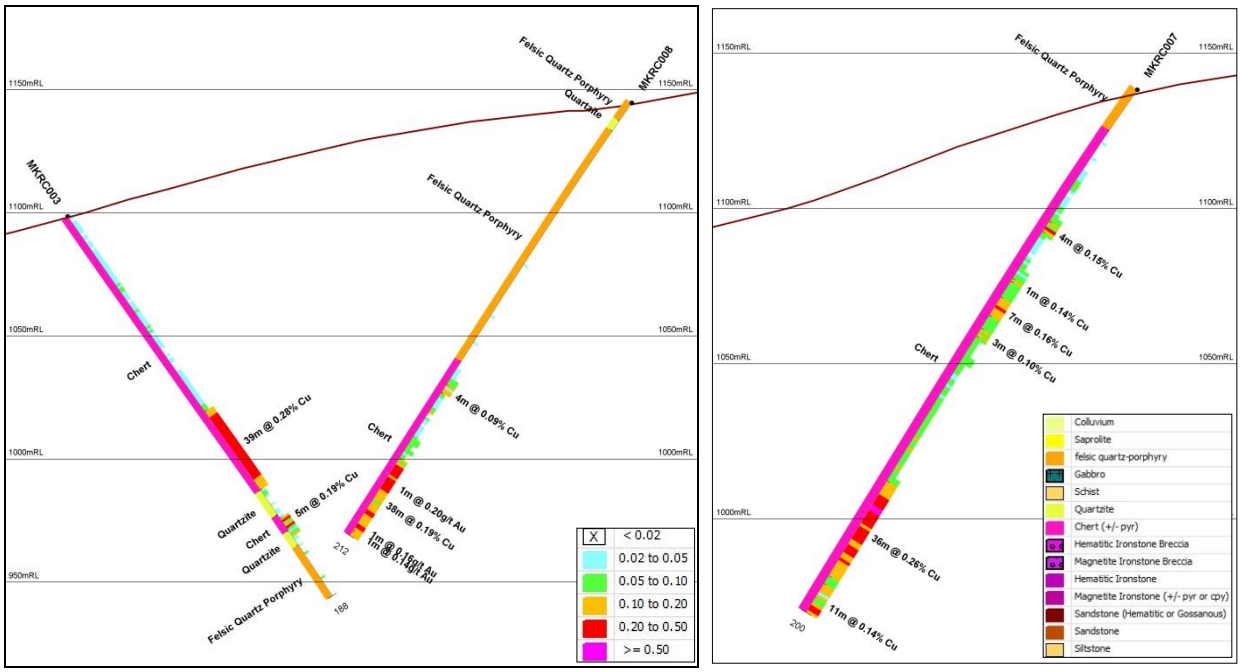

Figure 7: Mwako Prospect RC drilling cross sections coloured by Cu (ppm) and logged lithology, and labelled by Cu, Au, and lithology.

Table B: Mwako Prospect RC Drilling Results – all copper intercepts reported, SGS Laboratory results only.

Hole ID	*East (m)	*North (m)	RL	Dip°	*Az°	Depth (m)	From	To	Width	Cu %	Lithology
MKRC001	465842	8301376	1084	-55	330	167	53	55	2	0.17	Ironst Bx
and							104	105	1	0.19	Ironst Bx
and							112	113	**1**	**0.66**	Chert
and							127	132	5	0.11	Ironst Bx
and							138	140	2	0.11	Chert
MKRC003	466798	8302005	1099	-55	330	188	97	136	**39**	**0.28**	Chert
incl.							104	111	**7**	**0.35**	Chert
Incl.							114	131	**17**	**0.32**	Chert
and							150	155	5	0.19	Chert
and							158	159	1	0.11	Quartzite
MKRC004	467055	8302107	1075	-55	330	191	60	78	**18**	**0.14**	Chert
MKRC005	467417	8302018	1074	-55	330	187	157	158	1	0.17	Chert
and							161	185	**24**	**0.13**	Chert
MKRC006	467943	8302218	1067	-55	130	155	137	154	**17**	**0.14**	Chert
MKRC007	467147	8302475	1138	-55	150	200	51	55	4	0.15	Chert
and							73	74	1	0.14	Chert
and							80	87	7	0.16	Chert
and							92	95	3	0.10	Chert
and							150	186	**36**	**0.26**	Chert
and							189	200 EOH	11	0.14	Chert
MKRC008	466698	8302212	1145	-55	150	212	138	142	4	0.09	Chert
and							174	212 EOH	**38**	**0.19**	Chert
MKRC009	468820	8303153	1035	-55	350	125	25	42	**17**	**0.12**	Chert

NB. 0.1% Cu lower cut, maximum 2m internal waste, no upper cut, all Cu intercepts reported.
*WGS84 Zone 35S

Table C: Mwako Prospect RC Drilling Results – all selected gold assays >0.1g/t and corresponding Au result, SGS Laboratory results only.

Hole ID	*East (m)	*North (m)	RL	Dip°	*Az°	Depth (m)	From	To	Au g/t	Cu %	Lithology
MKRC001	465842	8301376	1084	-55	330	167	104	105	0.28	0.19	Ironst Bx
MKRC004	467055	8302107	1075	-55	330	191	76	77	0.24	0.16	Chert
MKRC008	466698	8302212	1145	-55	150	212	184	185	0.20	0.32	Chert
and							206	207	0.16	0.20	Chert
and							209	210	0.14	0.17	Chert
MKRC009	468820	8303153	1035	-55	350	125	25	26	0.12	0.13	Quartzite

NB. Selected 1m samples only, all >0.1g/t Au assays listed with corresponding Cu % value.
*WGS84 Zone 35S

Mwongo Project (99.9% CYS)

No work was completed on the Shikila Project during the quarter.

Shikila Project (99.9% CYS)

No work was completed on the Shikila Project during the quarter.

Western Australia

Gregory Range (100% CYS)

No field work was completed on this project during the quarter. After another thorough review of the Gregory Range exploration data and as part of the Company's exploration divestment strategy, exploration licences E45/3120, 3E45/3313 and E45/3313 were surrendered.

Exploration Plans for the March 2015 Quarter

- Wide spaced (500m x 500m) regional soil sampling and geological mapping at Kabwima and Shikila Projects (Zambia) as part of the FQM Letter agreement conditions.
- Continue search for Joint Venture partners for Mwongo and Bulala Hills projects (Zambia).
- Continue infill soil sampling at the Mwongo Project (Zambia).

CORPORATE

First Quantum Joint Venture Option Agreement (Zambia)

During the quarter Chrysalis entered a legally binding Letter Agreement with FQM Exploration (Zambia) Limited ("FQM") whereby FQM agrees to fund exploration across Chrysalis' Shikila and Kabwima Projects for a 6 month period prior to earning the right to enter a two stage Earn-in phase, and subsequent Joint Venture, Put/Call and/or Net Smelter Royalty options. The Letter Agreement includes licences 8194-HQ-LPL, 13404-HQ-LPL, and 13405-HQ-LPL) and includes the following terms:

- 6 month "Option Period" whereby FQM shall sole fund regional soil sampling programs across the Shikila and Kabwima Projects with a minimum spend of US$450,000. The 6 months can be shortened by completion of the soil programs and receipt of results, or extended if the wet season delays the completion of soil sampling.
- Chrysalis to manage Option Period exploration program in conjunction with technical input from FQM
- If FQM spends $450,000 or more, and are satisfied with the soil sampling results, FQM can advance to a "First Earn-in" period.
- During the "First Earn-in" period FQM may spend an additional US$5 million within 2 years in order to earn a 51% interest and enter a formal Joint Venture Agreement.
- The Farm-in Manager will be responsible for maintaining the Licenses, including ensuring compliance with all related statutory and compliance obligations
- FQM can then advance to a "Second Earn-in" period to earn a total 80% interest by generating an NI 43-101 compliant resource report (at FQM's cost) for the purpose of making an application for a large scale mining licence under the Zambian Mines Act, and obtaining the successful grant of one or more large scale mining licence(s).
- Chrysalis will be carried through to production with all development costs to be paid back from production cash-flow (at LIBOR+4%)
- Within 30 days of the completion of the Second Earn-in Requirements a Put/Call option will allow FQM to force Chrysalis to sell their Joint Venture interest, or enable Chrysalis to force FQM to buy Chrysalis' Joint Venture interest, at US$0.04c/lb. CuEq multiplied by the amount of Cu in the combined Measured, Indicated & Inferred (MII) Resource multiplied by the Joint Venture percentage of the seller.
- If either party are unable or unwilling to contribute to prorata share of cash requirements then the Joint Venture interest is diluted by an industry standard dilution formula.
- If diluted below 15% the diluting parties interest will be converted to a 1% net smelter royalty subject to a US$20,000,000 cap.
- A first right of refusal will apply to both FQM and Chrysalis.
- The Letter Agreement is subject to a due diligence period expiring December 14, 2014 in order for FQM to complete due diligence on the 3 licences involved.

FQM have the financial backing, technical expertise, logistical capabilities, and the long term support of the Zambian Government to enable them to fast track Chrysalis' two northern Projects from exploration to development and ultimately to the mining stage.

Cash position

The Company had $0.67M in cash as at 31 December 2014.

Yours sincerely,

Dr Neale Fong
Non-Executive Chairman

For further information please contact:

Leigh Ryan **Managing Director** **+61 427 093 043**
Website: **www.chrysalisresources.com.au**

Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Mr Leigh Ryan, Managing Director 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.

Interests in Mining Tenements

Tenement	Location	Held at End of Quarter
West Angelas		
E47/1838	135km west of Newman	100%
P47/1538	135km west of Newman	100%
Zambia Project		
13404-HQ-LPL*	45km east of Kansanshi	99.99%
13405-HQ-LPL*	12km northwest of Kansanshi	99.99%
8194-HQ-LPL*	66km east of Kansanshi	99.99%
8198-HQ-LPL	140km northwest of Lusaka	99.99%
8199-HQ-LPL	150km west of Lusaka	99.99%

NB. For tenement movements in this Quarter please refer to Appendix 5B

* Tenements subject to FQM JV Option Agreement.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Drill samples: Drill samples referred to in this Public Report are Reverse Circulation (RC) and Aircore (AC) drill samples, obtained using an 'industry standard' drill rig, drilling equipment and sampling practices. RC and AC drilling was used to obtain 1m samples collected in polyweave bags from below the cyclone of the drill rig. Each sample was weighed and then split on site using a single tier riffle splitter to produce a 2 - 3 kg sub-sample. The samples obtained are considered to be representative of the material drilled. The RC drilling used a booster compressor when required to help maintain a dry hole, however at certain points in some holes (both RC and AC) wet or damp samples were unavoidable. In these cases the polyweave bags containing the sample was left to dry in the sun prior to riffle splitting. RC and AC sampling was carried out using documented CYS sampling and QAQC procedures (detailed below). Soil Samples: Soil samples referred to in this Public Report are obtained using an 'industry standard' sampling equipment and sampling practices. Each sample site is located using a hand held GPS. The sample location is then adjusted when necessary in order to avoid tracks, alluvium, or other transported material. Metal picks and shovels are used to dig holes at varying depths down to a nominal B-Horizon. Approximately 2 to 3 kg of soil from the B-horizon only is collected in plastic bags and taken back to the base camp for drying and sieving under controlled conditions. Sampling was carried out using documented CYS sampling and QAQC procedures (detailed below).
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	RC drilling was completed using a 5½" diameter face sampling hammer. Hole depths ranged from 125m to 212m. Down hole surveys (using a down hole Reflex camera) were taken every 60m as each hole progressed. AC drilling was completed using a 3" diameter aircore blade bit. Hole depths ranged from 11m to 85m. No down hole surveys were taken.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Each RC and AC polyweave sample bag was weighed, and the estimated dry bulk densities were used to calculate the chip sample

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples. *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	recoveries. No significant recovery issues were encountered except where large volumes of water were encountered. In this case each sample subject to lower than normal recoveries were noted in the sample book. Drillers used appropriate measures to maximise RC and AC sample recovery such as SuperFoam. Drill sample recovery and quality was considered adequate for the drilling technique used. Sample depths were routinely checked against drill rod depths by the drillers and CYS staff at the end of each rod drilled. RC and AC samples were visually checked for moisture and contamination. Moisture and contamination data was entered into a data spreadsheet. No relationship exists between RC and AC sample recovery and grade, and accordingly no bias has occurred as a result of loss/gain of fine/coarse material.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Geological logging was completed on all RC and AC chip samples, with colour, weathering, grain-size, lithology, alteration, mineralogy, veining, and comments on other features of the samples noted. Logging of sulphide mineralisation and veining is quantitative. RC and AC chips were collected in chip trays and photographed as labelled piles on the ground at each drill site. All holes were logged in full. No judgement has yet been made by independent qualified consultants as to whether RC and AC chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Soil Samples: A Geologist or experienced field technician logs each soil sample, noting soil sample hole depth and width, slope and slope direction, vegetation, organic content, soil B-horizon, soil moisture, soil texture, soil colour, soil fragment rock types, and comments.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise*	RC and AC samples were collected on the rig using one polyweave bag for each metre from below the cyclone cone. Of the 1634 RC samples recovered 205 samples were damp or wet (12%). Of the 5,387 AC samples collected, 115 samples were damp or wet (2.1%). For RC drilling CYS inserted 1 commercial laboratory standard or blank laboratory standard, 1 field blank (barren lab grade silica powder) and 1 field duplicate every 30 samples (i.e. 10% QAQC samples). Field duplicates were collected on 1m

Criteria	JORC Code explanation	Commentary
	representivity of samples. *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	samples using a riffle splitter. For AC drilling CYS inserted 1 commercial laboratory standard, 1 field blank (barren fine grained silica) and 1 field duplicate every 50 samples (i.e. 6% QAQC samples). Field duplicates were collected on 1m samples using a riffle splitter. 5% of sample pulp checks are planned but have not yet been sent to an alternate laboratory. Statistical analysis of duplicate sample data for Cu in soil sampling shows a high level of repeatability and a lack of bias between the original and duplicate samples. The sample sizes, sieve mesh size (-80#) and the sampling methodology are considered appropriate for the style of mineralisation, and the analysis value ranges for the primary elements. Statistical analysis of duplicate sample data for Cu shows a high level of repeatability and a lack of bias between the original and duplicate samples. The sample sizes are considered appropriate for the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Each dry soil sample, 1m RC and 1m AC sample is analysed using a Niton hand held XRF instrument. Each sample is analysed for a minimum of 30 seconds, and each sample undergoes 5 such readings. An average of the 5 readings is used for exploration evaluation purposes. The analysis is considered partial only. Analysis is completed using either a Niton XL3t 955 Ultra Analyser, or a Niton XL3t GOLDD+ Series Analyser. The instruments are calibrated using Niton calibration discs twice a day. Selected 1m RC and AC samples (generally blocks of samples >1000ppm Cu in XRF analysis) were sent to the SGS Laboratory in Kalulushi for prep and Cu $\pm$ Au $\pm$ Co analysis. Preparation of RC and AC samples follows industry laboratory best practice in sample preparation involving logging of RC and AC sample weights, drying the entire ~2kg sample in an electric oven set at 105ºC+5ºC for 4 hours (drying time dependent on moisture content), then crushing to 90% passing 2.36mm. A split of 250g – 1kg was taken and then pulverized to 85% passing 75µm using an Essa LM2 grinding mill. A representative sample was split and bagged as the analytical sample. The selected RC samples were analysed using SGS method code AAS-42S for Cu which involves a 4 acid digest (HNO3/HClO4/HCl/HF) on a 0.40g

Criteria	JORC Code explanation	Commentary
		pulp. Digestion temperature range 160 - 200ºC for 1hr. Bulk-up volume is 100ml with AAS finish It is considered a "total" assay technique – considered to extract and measure the entire element contained within the sample. 51 selected 1m RC samples were analysed using SGS method code FAA303 for Au which is a fire assay using 30g pulp, fusion and cupellation at 1100 ºC and 950 ºC respectively with AAS finish, achieving a lower detection limit of 0.01g/t Au and an upper DL of 100g/t Au. It is considered a "total" assay technique considered to extract and measure the entire element contained within the sample. The selected AC samples were analysed using SGS method code AAS-42S for Cu & Co which involves a 4 acid digest (HNO3/HClO4/HCl/HF) on a 0.40g pulp. Digestion temperature range 160 - 200ºC for 1hr. Bulk-up volume is 100ml with AAS finish It is considered a "total" assay technique – considered to extract and measure the entire element contained within the sample. Lab standards AMIS 0162, AMIS 0358 and AMIS 0370 were used for the TCu analysis. CYS did not use any Lab standard for Au analysis. No geophysical tools were used to determine any element concentrations used in this resource estimate. Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates as part of the in house procedures. CYS used commercially available QAQC reference materials, having a good range of values, and were inserted regularly. Results highlight that sample assay values are accurate. Duplicate analysis for samples reveals that precision of samples is within acceptable limits.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Reported drill hole intercepts are compiled by the Company's Managing Director (MD) who is also the competent person. No twinned holes were drilled in the Aug-Sept 2014 RC and AC drilling campaign. RC and AC chips are collected in chip trays as a permanent record of the sample. Drill and soil sampling data is collected by CYS qualified geologists and geo-technicians working under the supervision of a qualified geologist, and entered into Excel spreadsheets. Validation rules are in place to ensure no data entry errors occur. Data is loaded into an Microsoft Access database by a consultant database administrator, and reviewed by the CYS MD, who is a competent person. No assay data adjustments have been made.

Criteria	JORC Code explanation	Commentary
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	A hand-held GPS was used by CYS to locate all collar and soil sample positions, with an expected 3 to 6m horizontal accuracy. The vertical elevation was determined by placing the drill hole collar or soil sample's x, y coordinate on the digital terrain model (DTM) produced by NRG using the Shikila aeromagnetic flight information. The DTM was produced by subtracting the aircraft altitude from the aircrafts DGPS (Novatel 3151R) height. Results were referenced to the EGM96 Geoid. Down hole surveys (using a down hole Reflex camera) were taken every 60m as each RC hole progressed. The grid system used is Universal Transverse Mercator (UTM), Datum WGS84, Zone 35 - Southern Hemisphere. The drill collar and down hole location accuracy is considered appropriate for this stage of exploration.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	The RC drill hole line spacing ranges from 250m to 1280m, and hole spacing on lines from 230m to 530m. The AC drill hole line spacing is 250m. A total coverage drilling technique was used whereby, except for the first hole on each line, every subsequent hole is located directly over the bottom of the previous hole by calculating the end of hole location and using a tape measure to mark this point on the ground as the location of the next drill hole collar. The regional soil sample spacing referred to in this report is 500m x 500m No Mineral Resource or Reserve is being reported for this drilling. No data compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	RC holes were drilled at -55 degree inclination and AC holes were drilled at -60 degree inclination. RC and AC holes were drilled approximately at right angles to the strike of mineralisation. The interpreted dip of mineralisation is ~80 degrees to the SE at Mwako. This represents a 40% expansion to intercepts for holes drilled to the NW at Mwako and a 130% expansion to intercepts for holes drilled to the SE at Mwako. The interpreted dip of mineralisation is ~35 degrees to the NNW at Kimabwe so all intercepts close to true widths. Soil sampling lines run N-S (True) and E-W (True) which is between 60 and 90 degrees to the strike of bedding and possible mineralisation.

Criteria	JORC Code explanation	Commentary
		No orientation based sampling bias has been identified in the data.
Sample security	*The measures taken to ensure sample security.*	Soil samples and bulk RC and AC samples are stored on site and guarded by 24 hour security guards. The samples flagged for analysis are transported to the SGS assay laboratory by CYS vehicles. Sample bags are sealed for storage and during transport. Pulp samples are stored at SGS Kalulushi and guarded by 24 hour security guards until they are re-located to the CYS office in Lusaka.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	An internal review of the RC and AC sampling techniques and sample data considered both to be of sufficient quality to carry out resource estimation. No external audit or review of the sampling techniques or sample data has been conducted to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Type - Large Prospecting Licence. Reference name – Bulala Hills/Mwako, Kabwima/Kimabwe. Reference number – 8199-HQ-LPL, 13404-HQ-LPL respectively. Location–SW Province and NW Province, Republic of Zambia respectively. Ownership – 99.99% Sedgwick Resources Limited, a wholly owned subsidiary of Chrysalis Resources (CYS) Overriding royalties - none The land is held under communal title, i.e. the local chief is the guardian. However, when it comes to change of land use, e.g. to mining, the national government, in consultation and agreement of the chief (representing the local inhabitants) make the final decision No historical sites are known. The eastern tip of the Bulala Hills licence is covered by the Luba Reserve, and the central and eastern part of the Kabwima Project is covered by part of the Kalilele Forest Reserve. Environmental setting – savannah woodland of central Africa
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No known previous exploration has been completed on the Bulala Hills Project. RST completed stream sediment sampling

Criteria	JORC Code explanation	Commentary
		across the Kabwima Project area in the late 1960's – early 1970's.
Geology	*Deposit type, geological setting and style of mineralisation*	Deposit Type – Iron Oxide Copper Gold (IOCG) or Sedimentary Exhalative Copper Gold (SedEx) or Kansanshi Style Cu-Au±Ag mineralisation. Geological setting – Variably folded, weakly metamorphosed metasandstone, siltstone, phyllite, schist, and graphitic shale units of the Katanga Super Group (Lower Kundelungu Series age) intruded by syn- to post-tectonic granitic and gabbroic intrusions. Style of mineralisation: IOCG massive haematite replacement breccia with Cu-Au mineralisation spatially associated with cross-cutting structures. Mineralisation is related to syn- to post-tectonic granitic intrusions (Hook Granitoid Complex) with associated regional iron-oxide alteration Chert hosted SedEx Cu-Au mineralisation related to a fault-controlled (rifted) sedimentary basin. Kansanshi Style lithologically and structurally controlled Cu-Au±Ag mineralisation within quartz veining, or tectonic breccia zones within clastic sediments, brecciation at or near schist / shale contacts overlying variably dolomitised and metamorphosed limestone.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Drill results form the basis of the exploration results and are tabulated within the body of the announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate*	All drill hole intercepts are reported from 1 metre down hole samples. All reported Cu drill hole intercepts include a 0.1% Cu lower cut-off grade, no upper cut off grade, and a maximum 2m of internal waste.

Criteria	JORC Code explanation	Commentary
	short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported Au results are individual 1m samples only with all >0.1g/t Au assays listed. No metal equivalent reporting is used or applied.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	At Mwako the dip of sediment hosted mineralisation is approximately 80 degrees to the SE which is parallel to the observed sedimentary contacts in the area. All holes were drilled at approximately right angles to the strike of bedding / mineralisation, and the drilling was conducted at -55 degrees, therefore the reported intercept widths represent a 40% expansion to intercepts for holes drilled to the NW and a 130% expansion to intercepts for holes drilled to the SE. At Kimabwe the dip and strike of bedding and interpreted mineralisation trends is approximately 40 degrees to the NNW which is parallel to the sedimentary contacts observed in pits and the trench at the prospect. The drilling was conducted at -60 degrees and all holes were drilled at approximately 30 degrees to the strike of bedding/mineralisation, however considering the 40 degrees dip of bedding the reported intercept widths are close to true widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	An appropriate plan and cross section has been included in the text of this announcement.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All Cu drill intercepts containing 1m sample assay grades above the stated lower cut-off limits have been reported. All selected individual 1m Au samples >0.1g/t Au have been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Geological mapping of outcrop in the areas drilled and a geological interpretation including the recent drilling results has been completed. At Mwako and Kimabwe CYS carried out soil sampling regionally on a 500m x 100m grid followed by 250m x 50m and 50m x 50m infill sampling, which confirmed all Cu-in-soil geochemical anomalies. CYS flew a regional aeromagnetic and radiometric survey, which when interpreted shows regional lithological trends, cross-cutting structures and buried intrusives within the licence area.
Further work	*The nature and scale of planned further*	Further drilling is warranted for the Mwako

Criteria	JORC Code explanation	Commentary
	work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Prospect however it is recommended that downhole and/or surface electromagnetic (EM) surveying be conducted in order to help target higher grade copper mineralisation down dip or along strike from the current drilling. Low detection limit geochemical analysis of the RC and AC samples may also help classify and confirm the style of mineralisation at Mwako prior to conducting geophysical surveys and additional drilling. Further drilling for the Kimabwe Prospect to test for down-dip and along strike extensions of the intercepts in this announcement is probable, but the detailed drill program has not yet been designed.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Chrysalis Resources Limited

ABN

56 125 931 964

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(872)	(1,235)
	(b) development		
	(c) production		
	(d) administration	(137)	(370)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	6
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Zambia Exploration Funding by FQM)	331	331
	Net Operating Cash Flows	(674)	(1,268)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects	66	196
	(b) equity investments		
	(c) other fixed assets	-	1
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	66	197
1.13	Total operating and investing cash flows (carried forward)	(608)	(1,071)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(608)	(1,071)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,145
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)	(12)	(108)
	Net financing cash flows	(12)	1,037
	Net increase (decrease) in cash held	(620)	(34)
1.20	Cash at beginning of quarter/year to date	1,283	694
1.21	Exchange rate adjustments to item 1.20	4	7
1.22	**Cash at end of quarter**	667	667

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	92
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors Fees and Remuneration of Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The issue of 1,000,000 ordinary fully paid shares to Mr Leigh Ryan pursuant to the terms of his executive employment contract.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation(1)	360
4.2	Development	
4.3	Production	
4.4	Administration	130
	Total	**490**

(1)Estimated Exploration and evaluation expenditure for next quarter will be funded under the FQM Joint Venture Option Agreement

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	269	1,226
5.2	Deposits at call	398	57
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	667	1,283

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Gregory Range Project: E45/3120 275km southeast of Port Headland E45/3313 250km east southeast of Port Headland E45/3314 250km east southeast of Port Headland		100% 100% 100%	0% 0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	345,484,128	345,484,128		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000,000	1,000,000	N/A	Fully Paid
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .. .. Date: 29 January 2015
(Director/Company secretary)

Print name: Kevin Hart

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or

lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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