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ASX Release

## FURTHER DEFINITION OF GOLD IN SOIL HORIZON - 'SHEEZA' PROJECT

### Overview

Assay results from additional soil samples taken within 'Target Area C' at the 'Sheeza' Project, approximately 75 kilometres northwest of the city of Kalgoorlie-Boulder, have now been received.

These fresh results, together with those obtained in the earlier soil sampling programme (ASX announcement 3 March 2010), support the definition of a coherent gold in soil horizon at this location.

Drill testing of this anomaly is now required.

Approval to conduct drilling has been obtained, with work to commence immediately a suitable drill rig becomes available.



### Assay results

The definition of further high tenure gold in soil values, (ie. gold values with an amount equal to or greater than 10 times normal 'background' levels) were also found during this programme. Total key assay results from both soil programmes include:

#### TARGET AREA C

Sample number	Au assay result	Background	North (GDA)	East (GDA)
639	<b>781</b> ppb	<i>111 x</i>	6651400	299640
887	<b>169</b> ppb	<i>24 x</i>	6651360	299720
618	<b>86</b> ppb	<i>12 x</i>	6651480	299720
861	<b>76</b> ppb	<i>10 x</i>	6651440	299520

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Gold in soil sample locations and contour map

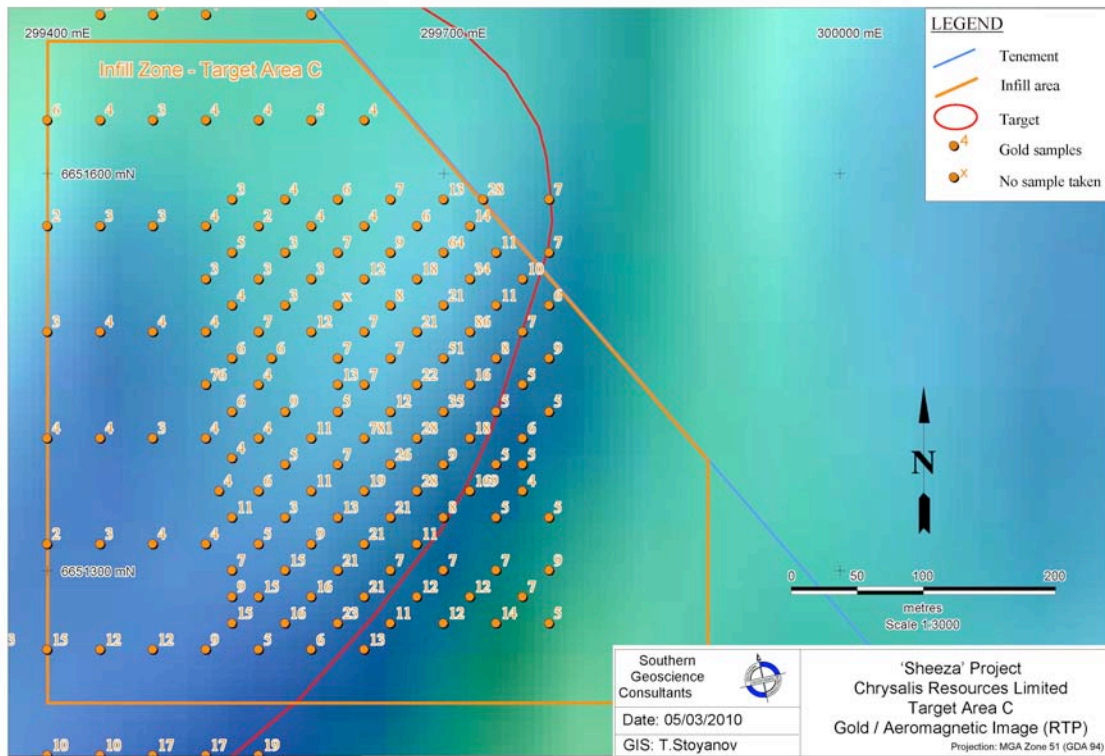


Figure 1. 'Target Area C' gold assay values in ppb (aeromagnetic background).

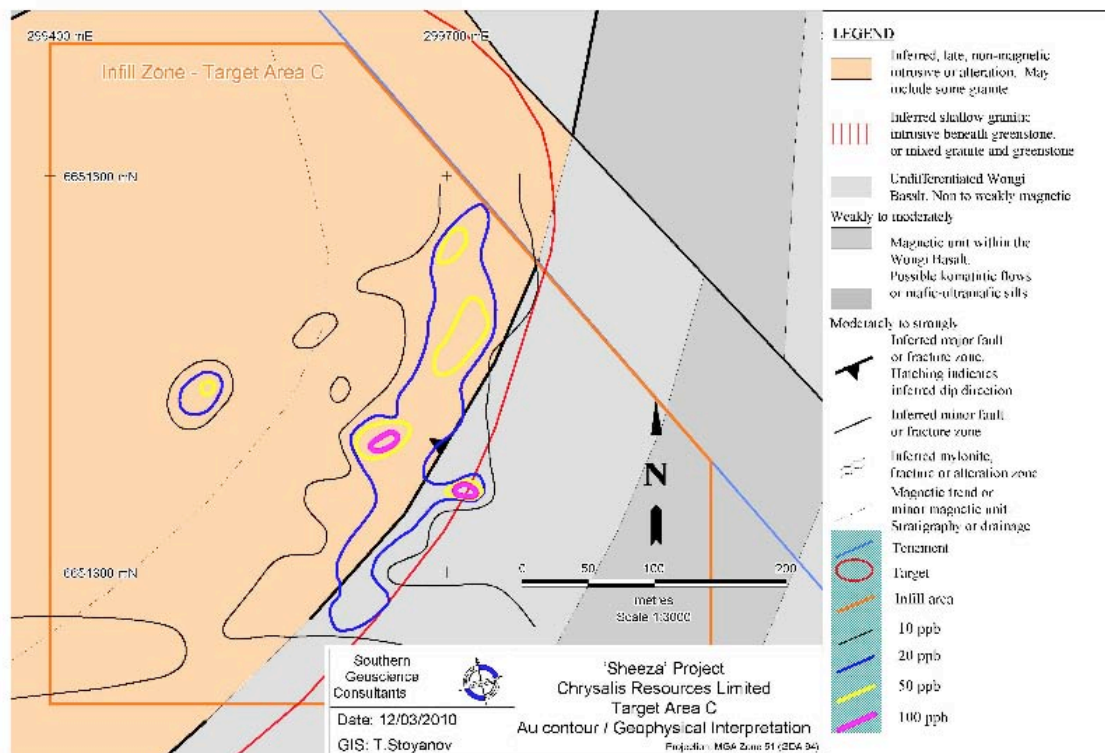


Figure 2. 'Target Area C' gold anomaly contour map (geophysical interpretation background).

### Soil sampling programme details

A total of 90 further soil samples were collected from within 'Target Area C' during this programme. The location of these samples was spaced along a standard grid pattern and provided data covering those areas not tested by the 'first pass' soil sampling programme.

### Further target definition

As part of the ongoing process to adequately investigate the approximately 18 km<sup>2</sup> 'Sheeza' Project area, further target definition was undertaken by the Company. This review resulted in the delineation of two new target zones. They are:

1. Target Area I - a geophysical target location.
2. Target Area J - area of historic mine workings.

Further geophysical investigation will now be undertaken on those tenements recently acquired by the Company. This assessment will seek to define any potential structural and/or geophysical target locations of interest.

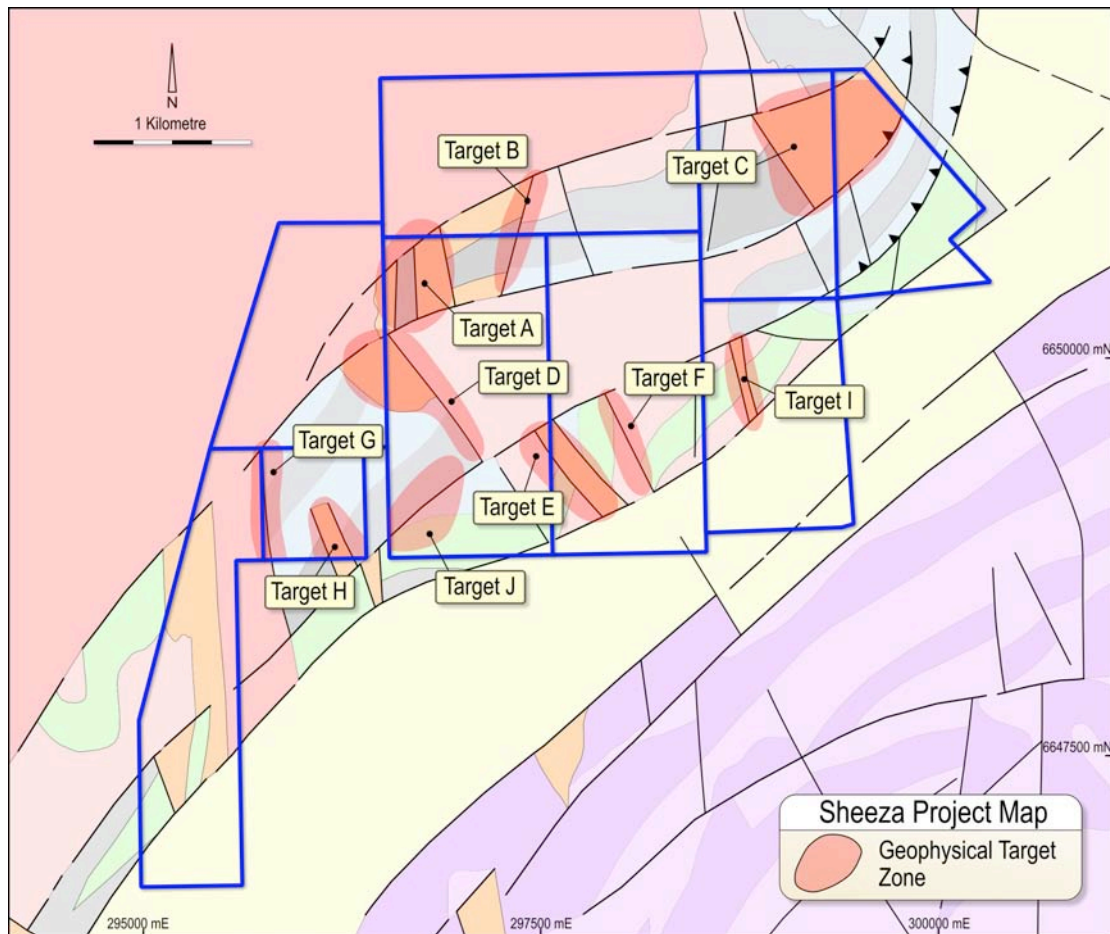


Figure 3.  
Target Area location map (geophysical interpretation background).

## Comment

Assay results obtained during two phases of soil sampling at the 'Target Area C' zone have now defined a gold horizon that requires drill testing.

The discovery of a significant number of high tenor gold values situated over a key geological structure is also considered cause for some optimism. Investigation of bedrock lithologies is now required to determine the extent and nature of any potential sub-surface mineralization that may be present.

Appropriate regulatory approval to enable the Company to drill test this gold anomaly is now to hand, with a drilling campaign to commence immediately a suitable drill rig becomes available.



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.*