

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2011

31st January 2012

Zambia Update

As per our September quarterly report, the issue of the transfer of shares in Sedgwick Resources Ltd to Zambian Copper Pty Ltd, which is currently before the Zambian High Court, is still pending.

Meanwhile the Company has been working to settle the issue as soon as is practicable, with two directors travelling to Zambia during the quarter to meet key government stakeholders and to instruct in person our legal team with progressing towards a resolution.

West Angelas

During the quarter Chrysalis Resources Limited ("Chrysalis") announced our West Angelas Project had been successfully awarded \$150,000 by the Western Australia State Government under the Exploration Initiative Scheme (EIS).

Aboriginal heritage clearance has been completed and Chrysalis is planning to undertake the drilling programme in the second quarter of 2012.

General

During the quarter CSA Global commenced a review and collection of data for all Chrysalis projects and during the next quarter will complete reconnaissance field trips to Horseshoe South and Doolgunna to enable further collection, review and proposals for exploration work.

Non-Renounceable Rights Issue – Allocation of Shortfall

Chrysalis also completed the allotment of 8,386,724 shortfall shares under the Entitlement Offer, raising an additional \$419,336. This completes the Entitlement's Offer, raising approximately \$1,122,395 (before costs) through the issue of 22,447,901 shares.

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 67,343,702 No of Options on Issue 35,036,327 Cash (as at 31 st Dec 11) \$0.95M	Dr Neale Fong Executive Chairman Mr Adrian Paul Non-Executive Director Mr Grant Kidner Non-Executive Director Mel Cotterell Company Secretary

Summary

Eminent WA geologist, Mr John Bunting, has now completed major reviews on the Company’s key projects (Doolgunna, Pioneer, Gregory Range, Horseshoe South and West Angelas).

The Company, under the expert guidance of our consultant geologist, has worked with CSA Global to develop a full year’s exploration programme for 2012.

In 2012 the company expects to complete drilling at West Angelas and Pioneer and fulfil next stage exploration at Doolgunna and Horseshoe South.

Corporate

The Company has \$950,000 in cash as at 31 December 2011.



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 67,343,702 No of Options on Issue 35,036,327 Cash (as at 31 st Dec 11) \$0.95M	Dr Neale Fong Executive Chairman Mr Adrian Paul Non-Executive Director Mr Grant Kidner Non-Executive Director Mel Cotterell Company Secretary