

DRILLING AT HALLOWEEN WEST PROJECT COMMENCES

20th November 2012

Highlights

- A 1,750 metre, 13 drill hole Reverse Circulation (RC) drilling program has commenced
- Key VMS pathfinder elements identified by detailed soil sampling and geological mapping.
- Two discrete conductive targets identified by a Fixed Loop Electromagnetic (FLEM) survey.

Chrysalis Resources Limited is pleased to announce drilling has commenced at our Halloween West (previously known as Doolgunna West) Project. This project is currently under a Farm-In agreement with Talisman Mining Limited (ASX: TLM), which under the terms of the agreement, confers to Talisman the right to earn a 60% undivided joint venture interest in the project, subject to certain conditions (see ASX announcement dated 16 May 2012). Under the terms of the agreement Talisman will manage all exploration activities during the farm-in period.

The Halloween West project area is approximately 150 km north north-east of Meekatharra and consists of one Exploration Licence covering an area of 18.5 km². The tenement is approximately 12 km south-west of the DeGrussa copper-gold massive sulphide deposit which is currently managed by Sandfire Resources Ltd (ASX:SFR).

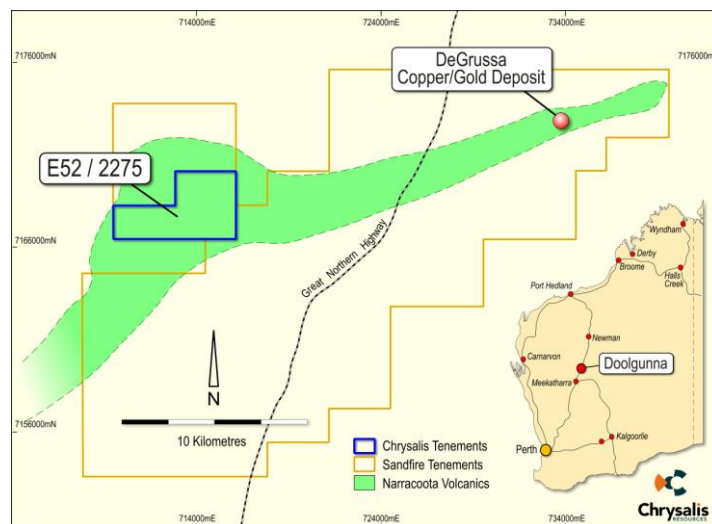


Figure 1: Interpreted Geological Location Plan for the Halloween West Project

Chrysalis Resources Limited	Company Snapshot	Company Structure	Board Management
<p>A.B.N 56 125 931 964 Level 1 331 Hay Street SUBIACO WA 6008</p> <p>PO Box 226, Wembley WA 6913</p> <p>Phone: 618 9380 4430 Fax: 618 9481 5044 E: info@chrysalisresources.com.au www.chrysalisresources.com.au</p>	<p>Listed on ASX 27 May 2008</p> <p>ASX Share Code CYS</p> <p>Sector Mining</p>	<p>No of Shares on Issue 146,761,484</p> <p>No of Options on Issue 35,036,327</p> <p>Cash (as at 30th Sept) \$2.83M</p>	<p>Dr Neale Fong - Executive Chairman</p> <p>Mr Grant Kidner - Executive Director</p> <p>Mr Adrian Paul- Non-Executive Director</p> <p>Mr Brad Marwood - Non-Executive Director</p> <p>Mr Trevor Benson - Non-Executive Director</p> <p>Mei Cotterell- Company Secretary</p>

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A total of 1,455 samples have been collected by Talisman from a recent 100m x 25m soil geochemical sampling program which identified a zone of strong Cu-Au-Zn-Mn-Bi anomalism at the western end of the Halloween horizon. This is associated with strongly sheared volcanic sediments with possible iron oxide development that may potentially reflect sulphide mineralisation at depth. To test this anomaly, a traverse of four RC holes is planned.

A ground fixed-loop EM survey has also been completed by Talisman over the prospective corridor and this work has defined two conductive zones that may be associated with sulphide mineralisation within areas of structural complexity. Two traverses of RC drilling is planned to be drilled to test these EM targets (see Figure 2).

A fourth traverse of RC drilling is also planned to test a prominent magnetic anomaly interpreted to reflect strong hydrothermal alteration at the eastern end of the Halloween West Project tenement area which may be related to mineralising processes along the Halloween horizon (see Figure 2).

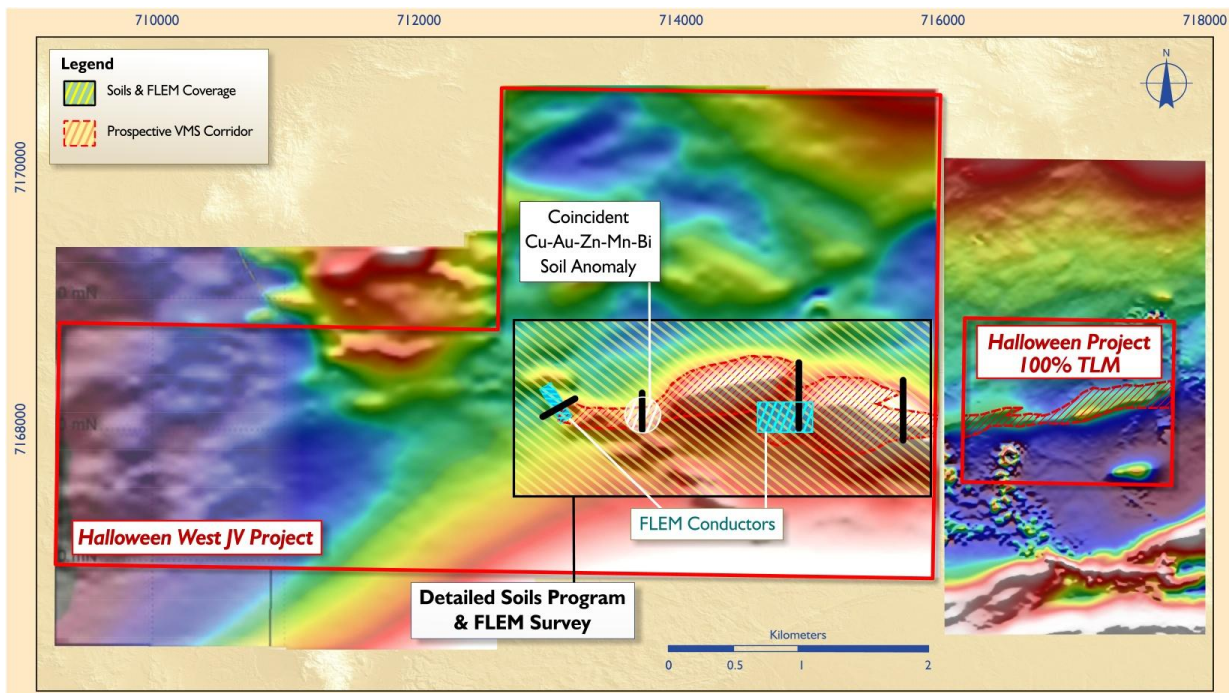


Figure 2 – Halloween West Project showing geochemical and electromagnetic targets and proposed drill traverses along the prospective Halloween VMS Horizon



Dr Neale Fong
Executive Chairman



Mel Cotterell
Company Secretary

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