

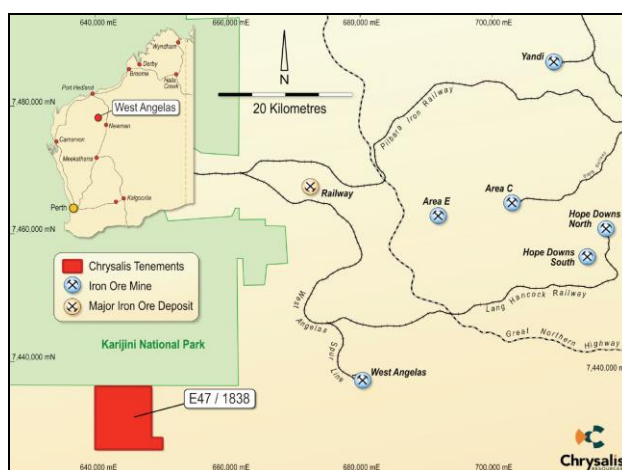
# CHRYSLIS RESOURCES / FORTESCUE METALS GROUP EXCLUSIVE LICENCE AND OPTION AGREEMENT WEST ANGELAS PROJECT, WA

ASX Announcement

8<sup>th</sup> August 2014

## HIGHLIGHTS

- FMG Pilbara Pty Ltd (“Fortescue”) and Chrysalis Resources Ltd (“CYS”) have entered into a legally binding agreement whereby CYS has agreed to grant Fortescue exclusive exploration access to, and an option to purchase, the West Angelas Project Tenements (E47/1838-I and P47/1538).
- In consideration of Chrysalis granting Fortescue the exclusive licence and option, Fortescue agrees to pay Chrysalis:
  - AU\$100,000 within ten (10) business days of the Commencement Date;
  - if not terminated beforehand, the sum of AU\$100,000 on the first anniversary of the Commencement Date; and
  - if not terminated beforehand, the sum of AU\$100,000 on the second anniversary of the Commencement Date.
  - Fortescue must pay these amounts even if Fortescue has exercised the purchase option prior to the due dates.
- If Fortescue exercises the purchase option, Fortescue agrees to pay Chrysalis a Royalty.
- Fortescue will be responsible for managing, administering and keeping the Tenements in good standing throughout the exclusive licence period.



Chrysalis Resources Limited	Company Snapshot	Company Structure	Board & Management
A.B.N 58 125 931 964 Level 1, Suite 20 7 The Esplanade MT. PLEASANT WA 6153  Phone: +618 6180 9290 Fax: +618 9316 1314 E: info@chrysalisresources.com.au www.chrysalisresources.com.au	Listed on ASX 27 May 2008  ASX Share Code CYS  Sector Exploration	No of Shares on Issue 256,190,376 (at 30th June 2014)  Cash (at 30th June 2014) \$0.69M	Dr Neale Fong – Non-Executive Chairman Mr Jian Hua Sang – Non-Executive Director Mr Michael Griffiths – Non-Executive Director Ms Michelle Wang – Executive Director Mr Leigh Ryan – CEO Mr Kevin Hart – Company Secretary

**Chrysalis Resources Limited (ASX: CYS)** is pleased to announce the signing of a legally binding agreement with Fortescue whereby CYS has agreed to grant Fortescue an exclusive licence to explore for any minerals on and within the West Angelas Project Tenements (E47/1838-I and P47/1538) over a 3 year period. The agreement includes an option for Fortescue to purchase the tenements either before or at the end of this exclusive licence period.

In consideration of Chrysalis granting Fortescue the exclusive licence and option, Fortescue agrees to pay Chrysalis AU\$100,000 within ten (10) business days of the Commencement Date; and if not terminated beforehand, the sum of AU\$100,000 on the first anniversary of the Commencement Date; and if not terminated beforehand, the sum of AU\$100,000 on the second anniversary of the Commencement Date. Fortescue must pay these amounts even if Fortescue has exercised the purchase option prior to the due dates.

If Fortescue exercises the purchase option, Fortescue agrees to pay Chrysalis a Royalty.

Fortescue will be responsible for managing, administering and keeping the tenements in good standing throughout the exclusive licence period.

CEO, Leigh Ryan said that “We are extremely pleased to have finalised the Exclusive Licence and Option Agreement with Fortescue. They have the bank balance and exploration experience required to take the Project and its CID target all the way to production, and with \$300,000 cash over a 2 year period followed by the potential of a substantial cash Royalty in the future, Chrysalis is very happy with the deal and will subsequently continue to focus exploration efforts on Copper and Copper-Gold Projects in Zambia”.

For further information please contact:

**Leigh Ryan**      **Chief Executive Officer**      **+61 427 093 043**  
**Website:**      **[www.chrysalisresources.com.au](http://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, CEO 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.