

ASX Announcement

ASX Code: MAR

20 May 2011

## ADDITIONAL MINING LEASES AT LORENA GRANTED

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Malachite Resources Limited (“Malachite” or the “Company”) is pleased to announce that it has today been advised by the Queensland Government that the five mining leases (ML90192, ML90193, ML90194, ML90195 and ML90196) which adjoin and surround the current mining lease ML7147 at the Company’s wholly owned Lorena Gold Project (refer Figure 1) have been granted.

Commenting on the grant of the leases, CEO Geoff Hiller noted:

*“The granting of these new mining leases will have a significant impact on the future prospects of the Lorena Gold Project. Not only do they provide an additional 216 hectares of ground which is essential for further site exploration, but they also provide sufficient surface area for any likely future mine development at the Lorena project”.*

### **MALACHITE CAN NOW CARRY OUT DRILLING TO TEST EXTENSIONS TO THE KNOWN RESOURCE.**

The current resource of 78,000 ounces of gold at an average grade of 8.9g/t Au has been defined within ML7147. The Company is now able to carry out exploration to potentially increase the known resource estimate at Lorena. The resource is open along strike and at depth and up till now testing for extensions has been severely restricted by the limitations imposed by the small size of ML7147, which is only some 8 hectares in area. Those limitations meant that the resource could only be drilled to a depth of some 85 metres, due to the known lodes plunging beyond the southern boundary of ML7147. With the grant of ML90192, the Company can now explore these possible extensions. Drilling for this purpose is expected to commence on ML90192 in late June.

As previously reported, the Queensland Government’s Collaborative Drilling Initiative will provide funding of \$66,000 on a matching dollar for dollar basis for direct drilling costs for two diamond drill holes proposed to test for iron oxide copper-gold (IOCG) type mineralisation at depth below the Lorena gold deposit. The grant of ML90192 allows this drilling to commence.

### **MALACHITE CAN NOW CARRY OUT EXPLORATION TO TEST FOR REPEATS ALONG STRIKE.**

The Company can immediately start work on field mapping and soil sampling on ML90193 to the west of ML7147, where additional targets include outcropping gold-bearing gossans (like those that led to the discovery of Lorena) and geochemically anomalous crackle breccias. It is expected that this field work will provide targets for drilling of possible repeats of Lorena style mineralisation. These targets are spread over 2 kilometres along strike to the west of the Lorena deposit (refer Figure 1).

**MALACHITE NOW HAS SUFFICIENT GROUND TO SUPPORT A MINING OPERATION**

The granting of the five new mining leases provides the Company with sufficient ground for a mining operation at Lorena, with adequate room for the location of a plant, tailings dam and waste rock dump. The grant of ML90192, in particular, enables the Company to consider an open cut operation which is now not constrained by a mining lease boundary.

**MALACHITE NOW HAS ADDITIONAL GROUND FOR NEAR MINE EXPLORATION**

The granting of the five new mining leases, in conjunction with the recently granted exploration permit, EPM18189 (refer Figure 2), and with two EPMs under application (one of which is subject to competing application) provides the Company with substantial additional exploration potential in the immediate vicinity of Lorena. Field work will commence on the EPM(s) later this year, although exploration of ML90192 and ML90913 is the immediate priority.

For further information please telephone Geoff Hiller on (02) 9411 6033 or email the company at [info@malachite.com.au](mailto:info@malachite.com.au) and visit the website: [www.malachite.com.au](http://www.malachite.com.au)



G. HILLER  
Chief Executive Officer  
20 May 2011

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**ABOUT LORENA**

*The Lorena Gold Project is wholly owned by Malachite and is located about 15km east of Cloncurry in northwest Queensland. Malachite is the holder of six MLs, one EPM and two EPMA's (under competing application) at Lorena.*

*Lorena has a mineral resource containing 78,000 ozs of gold. It has a measured resource of 177,880t at 9.8g/t Au containing 56,000 ozs ("A Lode") and an inferred resource of 95,000t at 7.2g/t Au containing 22,000 ozs ("B Lode"). The resource is within a potential open pit mine and is open at depth and along strike. The gold bearing ore is principally of massive and stringer sulphide type and copper-gold mineralisation occurs in conjunction with the gold ore body.*

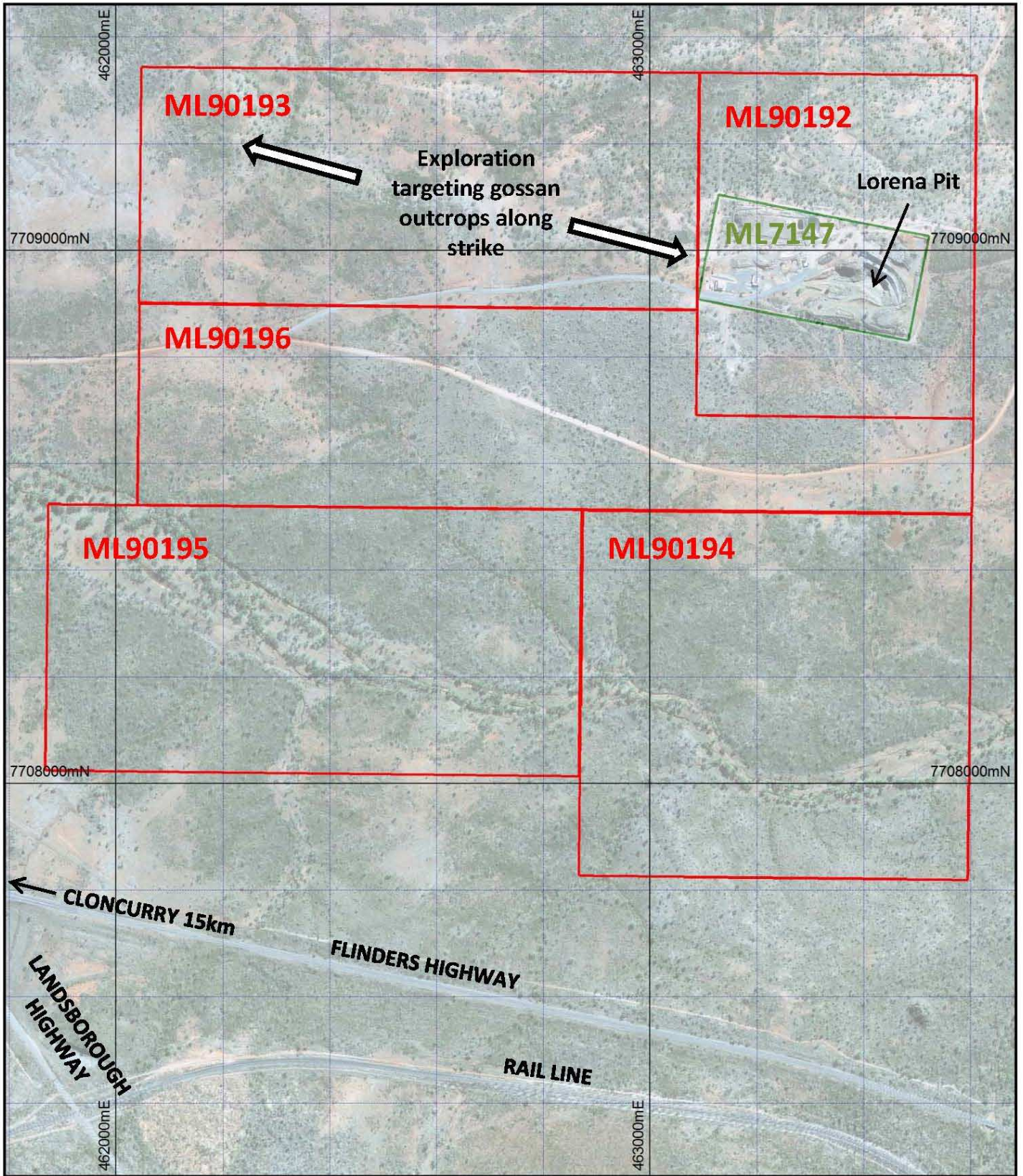
*Malachite intends to develop the Lorena project and future exploration planned for this year will be a factor in determining the size of the operation.*

**COMPETENT PERSON STATEMENT**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Garry Lowder, who is a full time employee of the Company and is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Lowder has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Lowder consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



FIGURE 1





	Scale 1 : 10000	Plot Date 19-May-2011	<b>Figure 1</b>	<b>Malachite Resources Lorena Project</b>
		Plot File: GH_Fig002_20110509		



FIGURE 2

