



**malachite**  
**resources**

**ASX Announcement**

**ASX Code: MAR**

**11 MAY 2015**

## **MALACHITE ENTERS MEMORANDUM OF UNDERSTANDING TO SELL CONRAD SILVER PROJECT**

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Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) advises that it has entered into a Memorandum of Understanding (“MoU”) with Silver Mines Limited (ASX Code: SVL) to sell the Company’s Conrad Silver Project (“Conrad”) near Inverell, NSW.

While Malachite’s remains focussed on the development of the Lorena Gold Project in Queensland, it has resolved to proceed with the sale of Conrad as it considers that further exploration is required at Conrad in order to have more confidence in the silver grade distribution (particularly the high grade areas) within the current resource prior to proceeding with further project feasibility work. Malachite considers that the funds from the sale of Conrad will provide more value to the Company in the near term if deployed to test the underground exploration potential at Lorena. Malachite retains an interest in the Conrad project via a net smelter return royalty.

Under the terms of the MoU Malachite has received an initial option payment of \$50,000 which gives SVL an exclusive one month period to undertake due diligence in respect of Conrad.

Subject to SVL electing to proceed with the purchase MAR will receive the following from SVL as consideration for the sale of Conrad:

- \$200,000 on exercise of the option to acquire Conrad;
- \$200,000 plus SVL shares to the value of \$125,000 within 90 days of formal execution of formal documentation; and
- a 1% Net Smelter Return royalty on all metals.

For further information, please contact Malachite Resources Limited on (02) 9251 0032 or by email at [info@malachite.com.au](mailto:info@malachite.com.au) or visit the company’s website at [www.malachite.com.au](http://www.malachite.com.au)

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