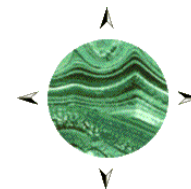


# Malachite Resources Limited

ABN 86 075 613 268



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ASX Announcement

Code: MAR

7 September 2009

## DRILLING TO COMMENCE AT DELUNGRA

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### SUMMARY

**Recent soil geochemical sampling has extended and considerably enhanced the tin-in-soil anomaly at the Standon Tin Prospect, located within Malachite's Delungra exploration licence. Drilling to test this anomaly will commence next week.**

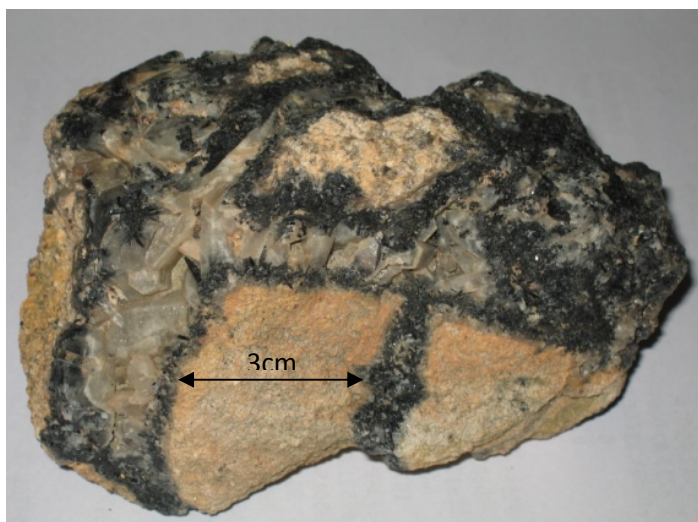
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Malachite Resources Limited (ASX: MAR) advises that, following the success of its recent Share Purchase Plan, which raised \$933,000, a reverse circulation percussion drilling program is scheduled to commence next week at the Standon Tin Prospect, which is located within the Company's Delungra exploration licence (EL7011) in northern NSW (Fig. 1).

Exploration by Malachite at Standon has identified a large and strong tin-in-soil geochemical anomaly, with tin values in the soil up to 0.4% Sn (Fig. 2). Follow up sampling in the past few weeks has extended the anomaly to the northwest and enhanced its intensity. The anomaly covers an area of 1150m x 450m (over 50 ha) and is not fully closed off. The strongest part of it (>250ppm Sn in soil) extends over an area measuring 550m x 375m (21ha, Fig. 2). Younger Tertiary basalt overlies the prospective granitic rocks on the northern side of the anomaly and it is possible that the mineralised system extends further to the north below the Tertiary basalt cover.

There is very little outcrop within the anomalous area but boulders of mineralised rock occur as float within the soil, giving an indication of what may lie beneath. These boulders include greisen and pieces of highly altered and brecciated granite with strongly developed quartz-tourmaline veins, as illustrated in Plate 1. These veins are thought to be the main host for tin mineralisation and the planned drilling will test the extent and grade of such brecciated and veined material.

It is proposed to drill a total of about 1500m in two lines of multiple holes stretched across the main part of the anomaly, testing the bedrock to a depth of 50m. The drilling should take about two weeks and the results are expected to be available by late October.



**PLATE 1:**  
**Stockwork quartz-tourmaline (-tin) veining in an altered and brecciated granitic host rock from Standon**

For further information please visit the Company's website: [www.malachite.com.au](http://www.malachite.com.au)  
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033  
or by email at: [glowder@malachite.com.au](mailto:glowder@malachite.com.au)

**G. G. LOWDER**  
**Managing Director**  
7 September 2009

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**ABOUT MALACHITE** – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for silver, tin, gold, copper and associated base metals in eastern Australia. As of 7 September 2009 the Company has approximately \$1.7 million in cash and no debt. The Company's key assets are:

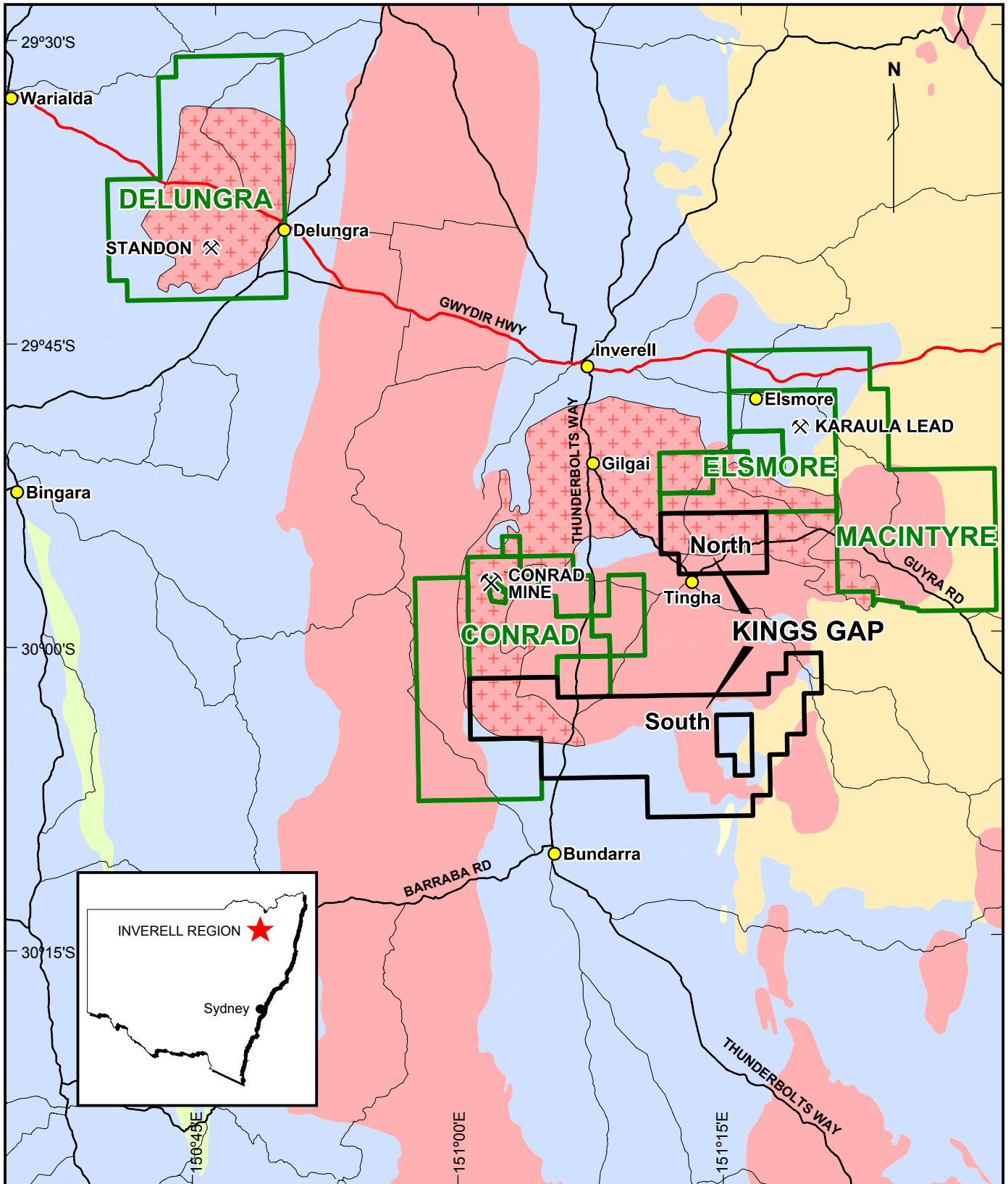
**CONRAD:** The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which has had two previous periods of production but has not operated for over 50 years. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins, like those mined in the past, and wide zones of lower grade, disseminated and stockwork veined, polymetallic mineralisation. At current prices, silver represents 50% of total recoverable metal value in the Conrad ore and tin, copper, lead and zinc make up the balance. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth.

Malachite also has excellent exposure to tin, through its **ELSMORE** Project, located 20km east of Inverell, where the Company is considering the possible development of a paleo-alluvial tin deposit, known as the **Karaula Lead**, at the Newstead Prospect. The Karaula Lead appears to have the potential to support a small surface mining operation, which could be developed with low capital and operating costs and generate useful cash flow for the Company. Work is now underway to better quantify the Karaula Lead deposit, determine an appropriate processing route and assess the economic viability of mining.

Encouraging tin results have also recently emerged from the Standon Tin Prospect at the Company's **DELUNGRA** Project, located west of Inverell.

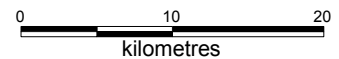
The **TOOLOOM GOLD PROJECT** also in northeast NSW, is based on a forgotten goldfield rediscovered by Malachite. Numerous prospects have been identified, including a significant green fields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential. Drill-ready targets have been identified at four prospects within the Tooloom project area.

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**LEGEND**

- |  |                 |  |                               |
|--|-----------------|--|-------------------------------|
|  | Prospect        |  | Gilgai and Delungra Granites  |
|  | Town or village |  | Other granites                |
|  | Highway         |  | Volcaniclastic sediments      |
|  | Main road       |  | Felsic and basaltic volcanics |
|  | Other road      |  | Serpentinites                 |
|  | EL 7349         |  | Sediments                     |
|  | EL boundary     |  |                               |



**MALACHITE RESOURCES LIMITED**

**INVERELL REGION**  
 Location Plan showing  
 Simplified Regional Geology  
 and Malachite Tenements

Scale: 1:500000

Date: July 2009

Reference #: INV-0002

Figure 1

