

JUNIOR RESOURCES MONITOR

INTERSUISSE

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Summer 2004-05

Malachite Resources NL

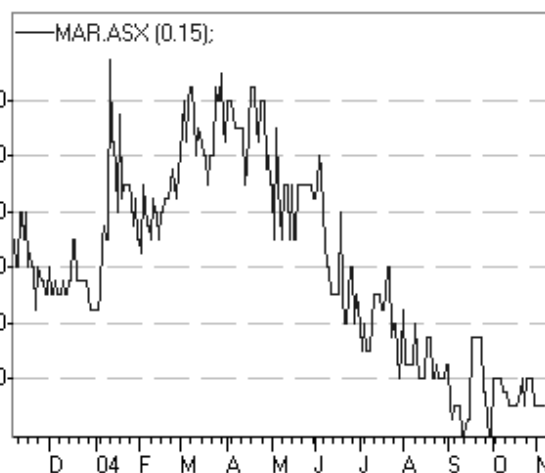
Diversified NSW exploration company

BUY	\$0.15
ASX Share Code	MAR
ASX Option Code	MARO
Issued Capital	44.1 million shares 21.5m 20c Feb '06 options
Market Capitalisation	\$6.6 million
Monthly Share Turnover	0.5 million
12-month High / Low	\$0.28 / \$0.14
Cash Reserves	\$0.8m
Top 20 Shareholders Hold	46%
Major Shareholder	Straits Resources 7.5%

MAR is a well-managed junior exploration company, with a focus on Australia's east coast. The company has a multi-commodity approach, comprising silver, gold and tin in NSW, high-grade gold in Queensland and tin in Tasmania. The company is active on all of these projects and with a market cap of well under \$10m, is highly leveraged to success and represents an attractive exploration exposure for investors.

KEY POINTS

- The **Tooloom Gold Project** (100% stake) is located in the far northeast of NSW, 70 km northwest of Casino. Tooloom represents a historic but forgotten goldfield dating back to 1857. *Work by MAR has identified a very large new gold system at the Phoenix prospect*, where gold mineralisation is hosted within a breccia pipe and within the contact aureole of an as yet unidentified intrusive body. The mineralised system extends over more than 3 sq km and the best grades encountered to date are contained within a discrete breccia pipe that measures 300m x 70m and extends to at least 450m in depth.
- The prospect is also characterised by well-defined geophysical anomalies, including an IP anomaly measuring 1km across by at least 400m deep, underlain by a circular aeromagnetic anomaly 2km in diameter. Drilling by MAR has intersected low grade but significant gold mineralisation over long intervals of the order of 200m. *This could potentially represent a Cadia-like target in terms of its size.* The next phase of field work at Tooloom is underway, concentrating on Phoenix and involving substantial amounts of diamond core drilling aimed at identifying ore grade zones within the breccia pipe and the broader Phoenix gold-bearing system.
- The **Elsmore Tin Project** (100% stake) is located in northern NSW, 16 km east of Inverell and 25km northeast of MAR's Conrad silver project. It consists of a core area of about 245 ha over which MAR has an option to purchase, and a 300 sq km exploration licence (EL 6196, held 100% by MAR) that surrounds the optioned area. Elsmore was the first commercial tin mine in Australia and has produced tin from various alluvial deposits intermittently since 1871. *Significant alluvial resources*



are believed to remain and the site contains a mothballed treatment plant and installed infrastructure, including buildings, water storage, power supply and site access. MAR believes there is excellent scope to reopen the Elsmore mine and resume production of tin-in-concentrates at 500–1,000 tonnes of contained tin p.a.

- On the adjacent leases the most promising area identified so far is Newstead, 4km southeast of Elsmore, where there is a large tin-bearing greisen deposit similar to that at Elsmore itself. Newstead also has a long history of mining in both alluvials and hard rock. *A recent sampling program comprising 40 samples has provided strong encouragement that Newstead offers excellent potential for an economic tin resource.* To the south, near the town of Tingha and the villages of Old Mill and Stannifer, mining of alluvial tin has taken place on a substantial scale in the past. If sufficient total resources can be found it may be feasible to construct a relocatable plant that can process alluvial resources in various locations, reducing the need to find a large resource in any one location.
- The **Conrad Silver Project** (100% stake) is situated 20km south of Inverell in northern NSW and covers an area of 120 sq km. First production period extended from 1898 to 1912, when it closed due to industrial relations problems, and then resumed from 1955 to 1957, but has been essentially idle ever since. *The mineralised structure has been interpreted as extending a further 6 km to the southeast on MAR's ground and drilling by MAR confirmed continuity of the lodes.* More drilling is being planned for 2005.
- The **Mt Ramsay Project** (MAR farming-in) is located 30 km northeast of Zeehan in Tasmania's well-known West Coast mineral belt. It covers a series of newly recognised EM anomalies that are very similar in character to those at the Renison Bell tin mine, 23km to the south. MAR will be Manager of the Mt Ramsay joint venture during the farm in stage and commenced field work in October 2004. This involves geochemical sampling of soils and rocks in the vicinity of the anomalies and a preliminary ground EM survey using portable equipment. Drilling is likely to follow during the 2004-2005 summer.