

## ASX Announcement

30<sup>th</sup> January 2009

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### **MKY Resources Withdraws from Delminco Acquisition**

MKY Resources wishes to inform the market and its shareholders that it has decided not to proceed with the acquisition of Delminco Pty Ltd which was due to be settled at the end of this month. The reason for this is that the Conditions Precedent in the Share Sale Agreement have not been met to MKY's complete satisfaction. This included the due diligence and a specific requirement for certain tenements to be granted.

MKY Resources will keep discussions open with Chinese interests on its wholly owned bauxite projects on Cape York.

### **Management Addresses Legacy Agreements**

MKY Management have been working to address the cash burn rate of the company and have made several changes on this front. The North Queensland representative office has been closed and legacy agreements related to our North Queensland representation, which were drawing heavily on MKY's cash position, have now been run out or terminated. We would expect approximately \$100k in costs associated with these to be paid in January after which the cash burn rate should be substantially improved.