



**MALACHITE REVIEWING ITS POSITION AT LORENA GOLD
PROJECT FOLLOWING APPOINTMENT OF RECEIVER TO BCD**

Malachite Resources Limited (Malachite or the Company) has an agreement with BCD Resources NL (BCD) to develop the Lorena Gold Project.

BCD has now advised Malachite that MKS Precious Metals (formally MKS Capital) has appointed Messrs Chris Palmer and Bryan Collis of O'Brien Palmer as receiver and manager of BCD.

Malachite is currently reviewing its position in light of this recent development and expects to communicate with BCD's appointed receiver and manager. Malachite will also continue to investigate its own funding requirements and options. Malachite will keep the market informed of all material developments at the earliest opportunity.

The Company again confirms the following key points in respect of the Lorena Gold Project:

- Malachite currently holds 100% unencumbered ownership of the Mining Licences relating to the Lorena Gold Project.
- In accordance with the terms of the joint venture agreement between the parties BCD has not yet earned its 50% interest in the project as it has not met its obligation to fund project development through to the completion of construction and commissioning of a plant to produce a gold concentrate.
- BCD had recently requested that the joint venture agreement be restructured and that Malachite offer some or all of its 100% interest in the Mining Licences as security to assist it to raise additional funding. These discussions have not been finalised with BCD.
- The project remains robust with key operating parameters improved from the initial feasibility work. This includes a strong A\$ gold price and a lower diesel price. The Lorena gold project has additional gold resource potential at depth.
- Malachite has not forward sold any gold production.

About the Lorena Project

The Lorena Gold Project is located about 15km east of Cloncurry in northwest Queensland. A flotation production facility at Lorena to process 120,000 tonnes per annum of ore is currently being constructed to produce a gold concentrate. It is expected that in the first year of production the Lorena project will produce around 30,000 ozs of recovered gold from an open cut operation at an all in cash cost of around A\$900/oz. The Lorena gold project has potential for resource extensions at depth which requires confirmation by drilling which is expected to occur as soon as funding allows.

For further information, please contact Malachite Resources Limited on (02) 9251 0032 or by email at info@malachite.com.au or visit the company's website at www.malachite.com.au