



malachite
resources

ASX Announcement

ASX Code: MAR

29 September 2016

SHARE PURCHASE PLAN

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) is pleased to advise that the Board has resolved to proceed with a Share Purchase Plan (“SPP”) to provide the Company with additional working capital.

The Company has experienced an extended period of difficulties in relation to the Lorena Gold Project as a direct result of a previous joint venture partner failing to meet its obligations to develop a treatment plant on site at Lorena. This situation has been extremely frustrating for the Board and management and obviously unsatisfactory from a shareholder point of view.

Earlier this year Malachite announced that it had entered into a heads of agreement with Ore Processing Services Pty Ltd (“OPS”) (“Malachite Heads of Agreement”) to establish and operate a modular mineral processing plant at the Company’s Lorena Gold Project. Under the Malachite Heads of Agreement OPS is responsible for the supply, commissioning and operation of the whole mineral processing plant, which was to have been constructed as modular units.

On 20 September 2016 Malachite announced that OPS had advised that it had entered into a binding Heads of Agreement to acquire the plant and equipment previously constructed on the Lorena Gold Project site (“Lorena Concentrator Plant”). When OPS completes this acquisition it will then be required to both complete the Lorena Concentrator Plant and supply a modular CIL circuit to provide a complete mineral processing plant capable of producing gold dore on site. The terms of the Malachite Heads of Agreement with OPS are essentially unchanged by the OPS arrangement to acquire the Lorena Concentrator Plant.



Lorena Concentrator Plant

Malachite Resources Limited
ABN 86 075 613 268
Suite 2, Level 10, 8-10 Loftus Street, Sydney NSW 2000
P O Box R1295, Royal Exchange NSW 1225
Tel: (02) 9251 0032 Fax: (02) 9475 0439
www.malachite.com.au

Malachite believes that the acquisition of the existing Lorena Concentrator Plant is the best path to achieving the earliest possible and most cost effective gold production from the Lorena project.

This SPP will assist the Company with working capital in the short term while it progresses a finance facility of at least \$2.5 million for preparatory project site works, which is a condition precedent to the Malachite Agreement.

Participation in the SPP will be available exclusively to shareholders who are registered as holders of Malachite fully paid ordinary shares (Shares) at 7pm (AEST) on the Record Date of 28 September 2016 and whose registered address is in Australia, New Zealand or Singapore (Eligible Shareholders).

Pursuant to the SPP, Eligible Shareholders will be able to purchase parcels of Shares valued at \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000, irrespective of the size of their shareholding and without incurring brokerage or transaction costs.

The new Shares to be issued under the SPP will be offered at \$0.0025 per Share, which represents a 16.67% discount to the closing price for the Company's shares of \$0.003 on 28 September 2016 being the date immediately prior to the announcement of the SPP.

Indicative SPP Timetable

<i>SPP Record Date</i>	<i>Wednesday 28 September 2016</i>
<i>Announcement of Share Purchase Plan</i>	<i>Thursday 29 September 2016</i>
<i>Share Purchase Plan Opens</i>	<i>Monday 10 October 2016</i>
<i>Offer Document Dispatched</i>	<i>Monday 10 October 2016</i>
<i>Share Purchase Plan Offer Closes</i>	<i>Monday 31 October 2016</i>
<i>Allotment of Shares</i>	<i>Tuesday 8 November 2016</i>

The funds raised by the SPP will be used by the Company for working capital purposes. Funds raised will not be applied to repay Convertible Notes or to pay accrued Directors Fees.

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