



Lorena Gold Project - Update

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) is pleased to confirm that commissioning of the fixed concentrator plant at the Lorena Gold Project commenced last week focussing on the grinding and flotation circuits.

As previously advised, mining commenced in late October 2017 with the removal of the old waste rock dumps and the excavating of clay for the base of the tailings dam. Drilling and blasting for waste rock removal commenced last week with this material being used in the construction of the walls of the tailings dam.



Construction of the tailings dam

Commissioning of the CIL plant is still scheduled to commence on site around 20 November 2017.

The joint venture partners anticipate that ore processing will commence in early December with first gold production expected around mid-December 2017.

About the Lorena Gold Project

It is expected that the Lorena Gold Project will produce around 30,000 to 35,000 ozs of recovered gold in the eighteen months of production from an open cut operation at a forecast operating cost of around A\$1000 per gold ounce (includes Malachite’s share of plant and preliminary project capital). Malachite will have a 55% joint venture interest in the Lorena Gold Project upon the commissioning of the processing plant.

Malachite believes that the Lorena Gold Project has potential for resource extensions at depth. Proving up these additional resources will require confirmation by drilling which Malachite proposes to undertake at the earliest opportunity subject to sufficient funding being available. Malachite will have a 70% joint venture interest in any resource extensions at depth. The Company also believes that there are considerable regional opportunities which it will be able to pursue once the plant is operating to enhance the commercial return from project.