



malachite  
resources

**ASX Announcement**

**ASX Code: MAR**

**22 December 2017**

## **Lorena Gold Project - Update**

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) confirms that ore processing at the Lorena Gold Project will now commence in January 2018 due to a number of minor delays which have impacted commissioning of the CIL plant. A number of truck deliveries carrying CIL equipment to the site were delayed due to recent wet weather in central Queensland.



*CIL Plant on site*

The joint venture partners resolved to defer ore processing until January 2018 to ensure continuity of production in due course rather than start/stop over the Christmas and New Year period.

There are currently no issues with the commissioning of the concentrator plant or the construction of the tailings dam. Mining is ongoing as initially planned and as a result additional ore will be available at the ROM pad for initial treatment once production commences. The joint venture partners now consider that first gold production will be achievable by the latter part of January 2018.

### **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.