

## Lorena Gold Project – Update

- **Processing of Ore Commenced**
- **Drilling Program Commenced at Lorena to Test for Extensions for Additional Gold Resources Near Surface**

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### Project Update:

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) confirms that processing of low grade ore through the plant at Lorena has commenced with the processing of higher grade ore and first gold pour expected by mid-March once the processing plant has achieved steady state production.



*Lorena Gold Mine – Processing Plant: Lime and acid modules.*

Mining is ongoing in accordance with the mining schedule. Additional ore is now available at the ROM pad and waste ore is being removed from the open cut to allow the future mining of ore to achieve optimal delivery of ore to the processing plant.

## Drilling Program Commenced to Test for Additional Resources Near Surface:

Based on their confidence in the Lorena Gold Project and the successful development of the capacity to mine and process on site at Lorena, the Lorena joint venture partners have commenced an RC drilling program to identify additional gold resources near surface and below the existing pit.

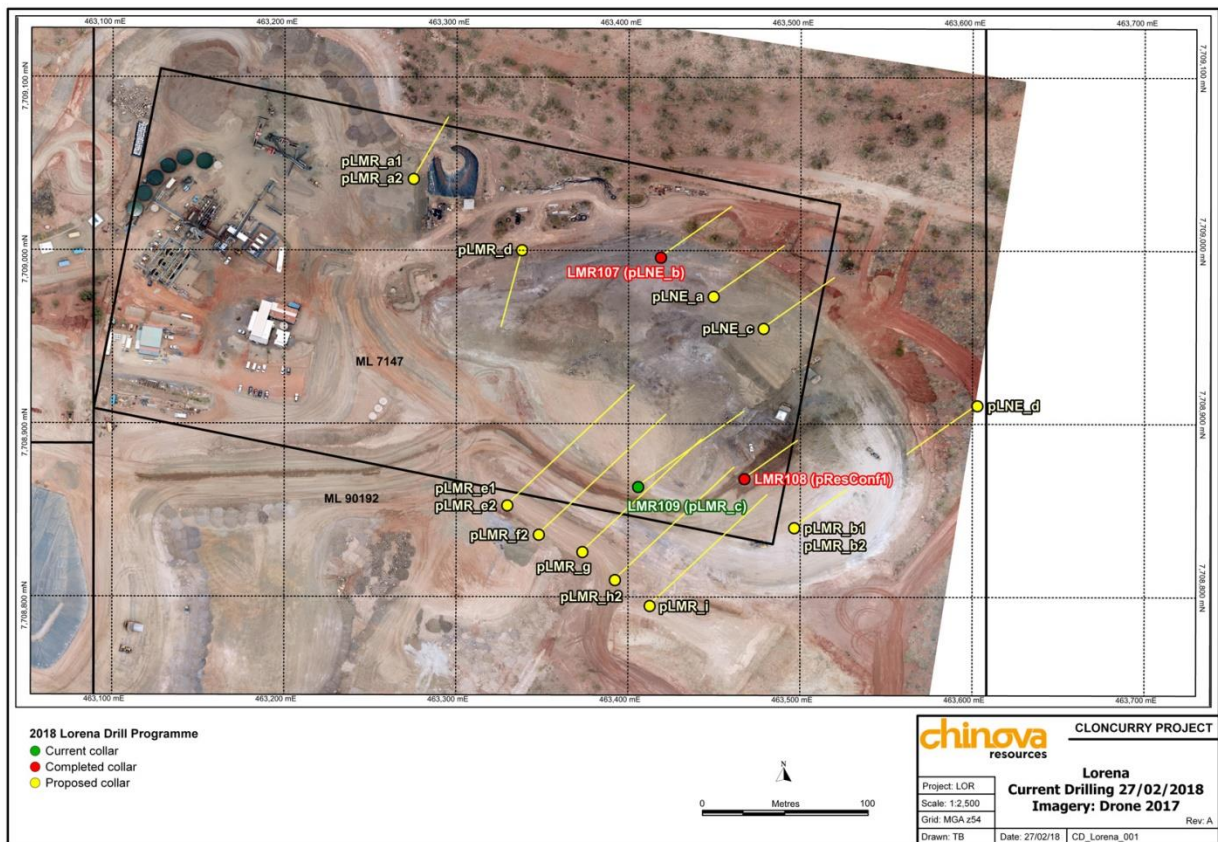
The program includes approximately 2,400m of drilling, which is being undertaken with the objective of identifying additional gold resources that can be mined by extending the existing open cut operation.

This drilling program has been designed to test for:

- i. structural targets that may repeat Lorena style mineralisation in close proximity to the current mine; and
- ii. extensions of the orebody directly below the pit and along strike to the south.

The program will be conducted over 18 holes varying in depth from 60m to 186m targeting in particular:

- NW extension of the Lorena Shear;
- Down plunge of the A Lode;
- Shears parallel to the A Lode; and
- Extensions to the Lorena Shear within the open cut.



*Aerial View of the current mine showing completed and current drill hole locations*

The initial round of drilling is expected to be completed within 12-14 days with assays to follow. It is proposed that the drilling will be carried out on a single shift basis operating at night to ensure that the exploration drilling does not disrupt the current open cut mining operations.

It is anticipated that results from this drilling program may also assist in developing exploration targets to test for resources at depth which may support an underground mining operation at the completion of the current open pit operations. Previous drilling by the Company identified the potential for additional gold resources down plunge from the Lorena A lode which is currently being mined from the current open cut operations.

#### **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.