



malachite
resources

ASX Announcement

ASX Code: MAR

4 April 2018

First Gold Pour Achieved - Lorena Gold Project Project Update

First Gold Pour:

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) is pleased to confirm that first gold pour from the Lorena Gold Mine was completed at the end of March.

Malachite’s Chairman Mr. Terry Cuthbertson said:

“We are delighted to have achieved this significant step in the development of the Lorena Gold project and to have also achieved “Gold Producer Status” for the first time since listing on the ASX”.



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Project Update:

The first gold pour was largely derived from lower grade ore that had been processed in the first instance while plant processes and recoveries were being optimised in order to achieve steady state production. The processing of higher grade ore through the processing plant has now commenced. Gold production is now expected on a regular basis. Further information on production will be provided in the quarterly report.

Mining is continuing in accordance with the mining schedule as the processing of additional ore previously delivered to the ROM pad is ongoing. Recent removal of waste ore from the open cut and the mining of ore in anticipation of the full commissioning of the processing plant will enhance the delivery of ore to the processing plant in the short to medium term.

Mining operating costs to date have been largely in accordance with project forecasts.

Drilling Program to Test for Additional Resources Near Surface:

A 2,400m RC drilling program to identify additional gold resources near surface and below the existing pit to extend the existing open cut operation was commenced in February and has now been completed.

The joint venture partners are awaiting assays from this program which will be reported at the earliest opportunity.

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 has a 55% joint venture interest in the Lorena Gold Project following 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.