



malachite  
resources

**ASX Announcement**

**ASX Code: MAR**

**15 March 2017**

## **LORENA GOLD PROJECT UPDATE – OPS Secures Financing**

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Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) is pleased to provide the following update in respect of the Lorena Gold Project which is located about 15km east of Cloncurry in northwest Queensland.

The Company is proceeding with the development of the Lorena Gold Project on the basis of a non-binding heads of agreement previously entered into with Ore Processing Services Pty Ltd (“OPS”) (the “Heads of Agreement”). As contemplated in the Heads of Agreement, OPS will take responsibility for the supply, commissioning and operation of the whole mineral processing plant to produce gold doré on site.

The non-binding heads of agreement is subject to a number of conditions precedent including:

- Completion of appropriate environmental approvals to allow a Carbon in Leach (CIL) plant on site which allows gold doré to be produced;
- Completion of confirmatory design test work on the CIL circuit;
- Malachite raising working capital for preparatory work to commence mining;
- OPS raising funding for the mineral processing plant; and
- Completion of formal documentation.

The Company has been advised by OPS that it has agreed a financing arrangement that allows OPS to provide the mineral processing plant at Lorena as contemplated by the Heads of Agreement.

As announced earlier this month, Malachite has received an amendment to its Environmental Authority that permits a CIL plant on site, and has also received leach test work results consistent with the expected recovery of gold from the proposed CIL circuit.

Given that both Malachite and OPS have now received financing offers, both parties are currently in the process of finalising documentation to formalise those arrangements and the Heads of Agreement.

As contemplated in the Heads of Agreement, OPS will receive fees for the provision of the mineral processing plant, a management fee in relation to the operation of the ore processing plant and earn a 30% equity interest in the Lorena Gold Project.

Malachite and OPS are aiming to bring Lorena into production around September 2017.

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## 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.

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. 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.

For further information, please contact Malachite Resources Limited on (02) 9251 0032 or by email at [info@malachite.com.au](mailto:info@malachite.com.au) or visit the company's website at [www.malachite.com.au](http://www.malachite.com.au)

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