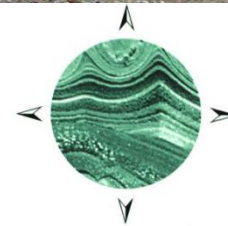


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**ANNUAL GENERAL MEETING  
29 NOVEMBER 2016**

# Lorena Gold Project 2016 AGM



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# Disclaimer and Competent Person Statement

## Disclaimer

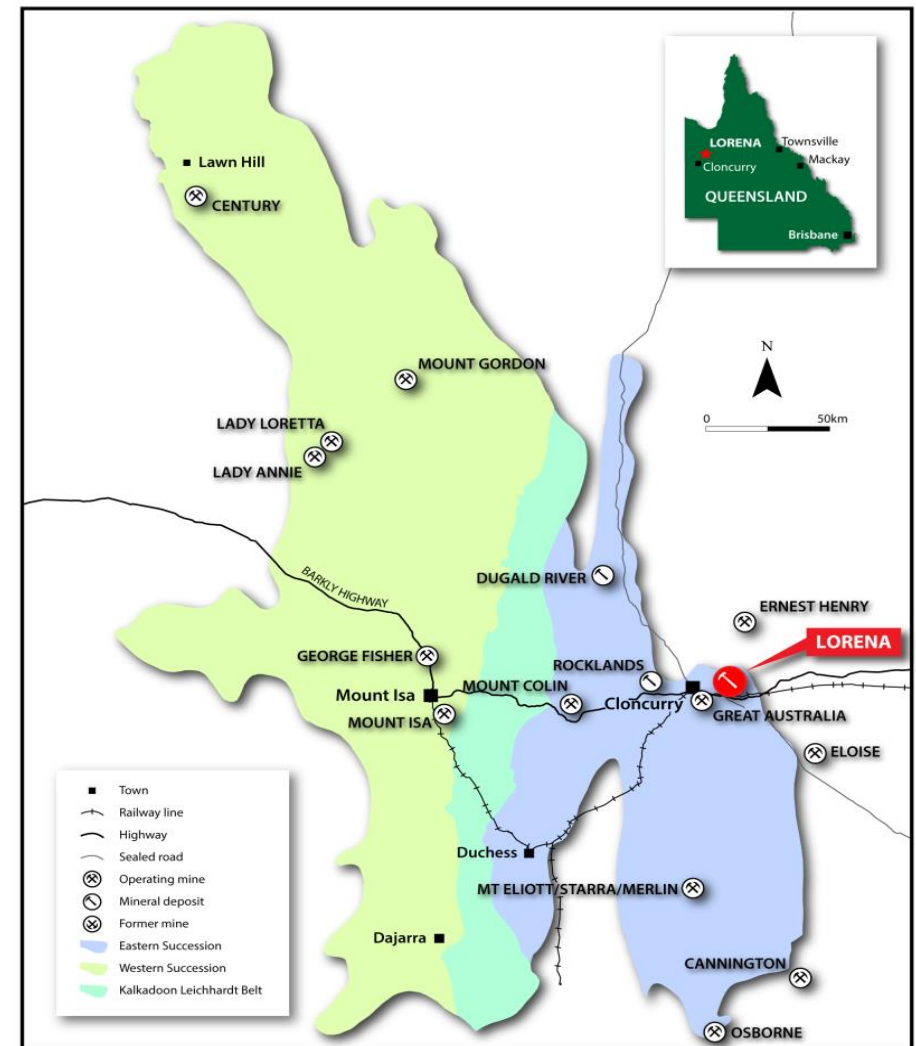
This presentation may contain forward looking statements that are subject to risk factors associated with exploration and mining. It is believed that the expectations reflected in these statements are reasonable but they may be affected by variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. All references to dollars, cents or \$ in this presentation are to Australian currency unless otherwise stated. Such forward-looking statements only speak as to the date of this Presentation and MAR assumes no obligation to update such information.

## Competent Person Statement

The information in this report that relates to the Lorena Gold Project resource is extracted from the report entitled Resource Update at Lorena created and released to the ASX on 27 January 2012 (which contained a separate Competent Person Statement by Geos Mining). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

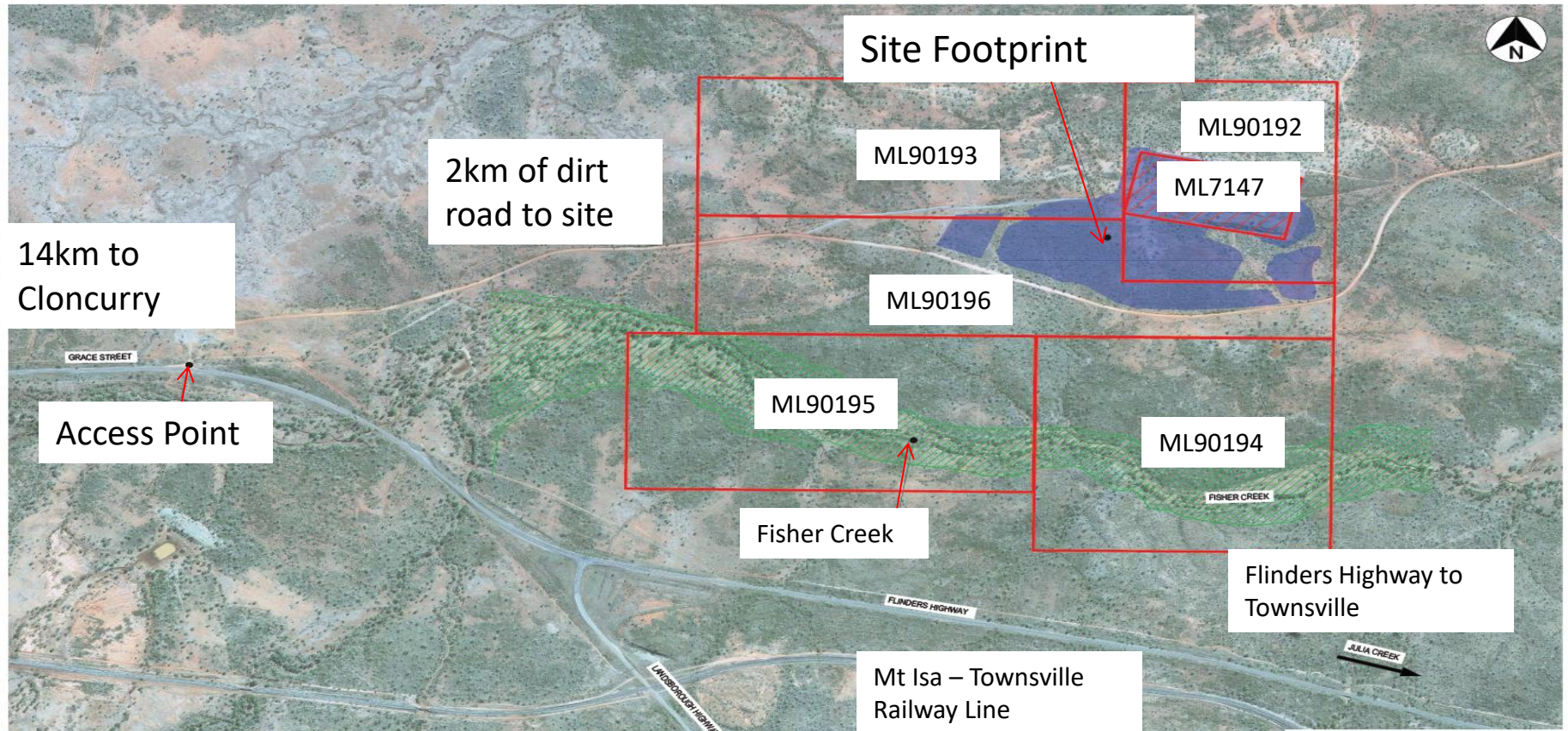
# Lorena Project

- The Lorena Gold project, 15km east of Cloncurry and 135km east of Mt Isa, Qld
- Expected to produce 30,000 to 35,000 ozs of gold over eighteen months from an open cut operation.
- Potential to increase the mine life via an underground operation subject to delineating resources beneath the open cut.
- Located on 6 Mining Leases covering 2.2km<sup>2</sup>
- Close to infrastructure
- Mine camp and hospital in Cloncurry
- Plant and equipment available in Mt Isa
- Fully permitted to produce a gold concentrate





# Lorena Project



# Gold Concentration Plant on site

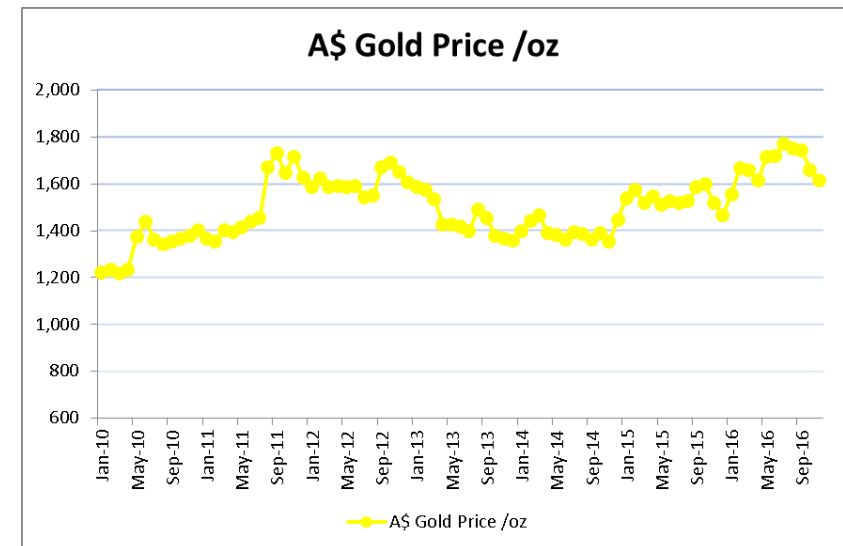
- Malachite entered into a joint venture agreement with BCD Resources for BCD to construct a gold concentration plant on Lorena site
- BCD was to treat the gold concentrate at its CIL plant at Beaconsfield Tasmania.
- BCD commenced construction but went into administration in 2015.
- The concentrate plant is around 60% complete with all equipment on site with mainly electrics and piping to finalise.
- Malachite could not reach agreement with BCD on the plant after numerous proposals and terminated discussions this year.



**Concentrate plant on site – 60% complete.  
All equipment on site.**

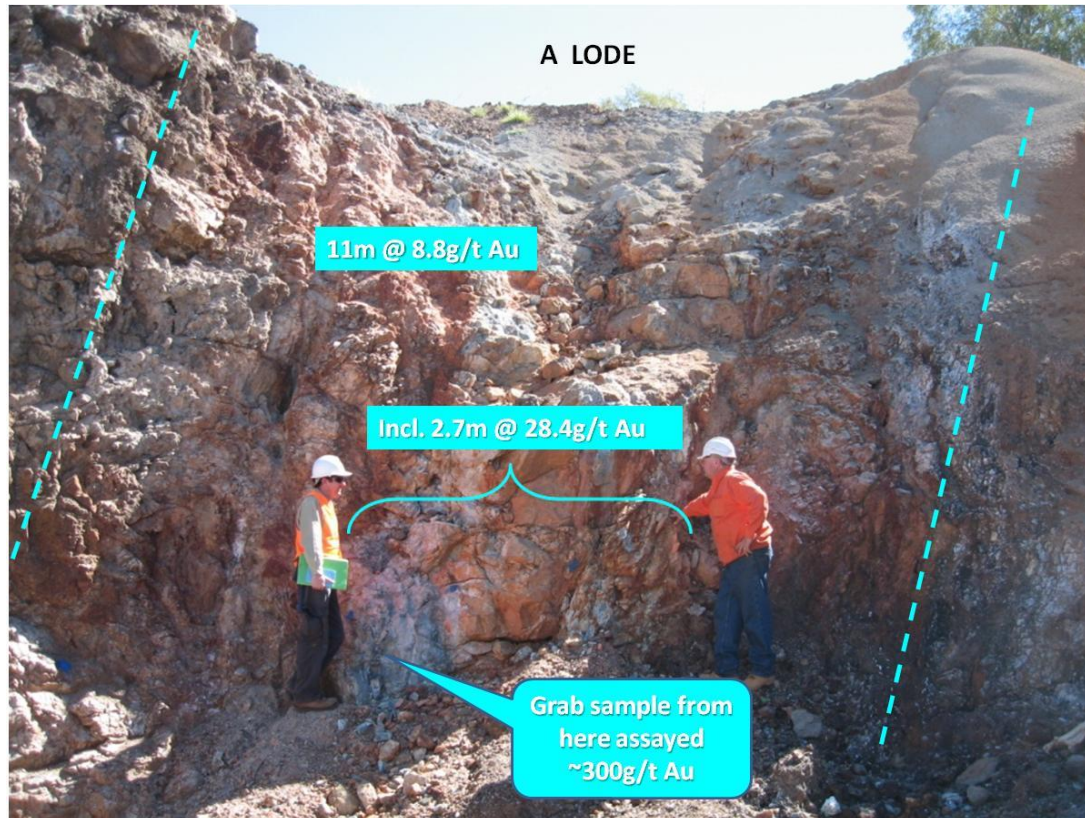
# Malachite Resources – Project Financing

- In 2016 Malachite entered into a agreement for Ore Processing Services (OPS) to fund and construct a modular plant for gold dore to be produced on site.
- OPS will receive lease fees, a management fee and a 30% equity interest in the project.
- In July 2016, OPS reached an agreement with MKS (the secured creditor to BCD) to purchase the gold concentration plant.
- OPS is currently paying for the site and plant supervision.
- Under the Malachite OPS agreement OPS will purchase the concentrate plant, complete the concentrator and provide a modular CIL circuit to produce gold on site.
- Under the agreement Malachite is required to fund the preparatory site works (eg tailings dam, processing ponds, initial mining and bond) forecast at A\$2.5m.
- In October 2016 Malachite entered into a financing terms sheet with ResCap Investments for A\$5m for the preparatory works and working capital.





# Lorena Gold Project

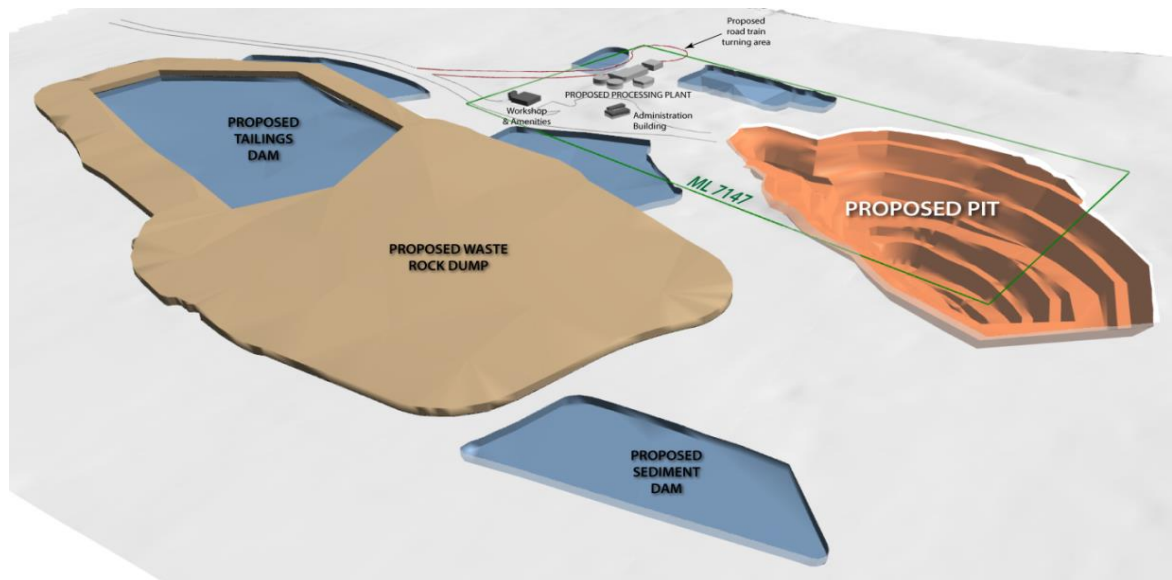


- High grade gold arsenopyrite zones in a shear hosted structure – structurally controlled
- Good continuity
- Significant Drill Hole Results at less than 80m depth include:
  - 15m @ 18.8g/t Au
  - 26m @ 21.1g/t Au
  - 7m @ 20.0g/t Au

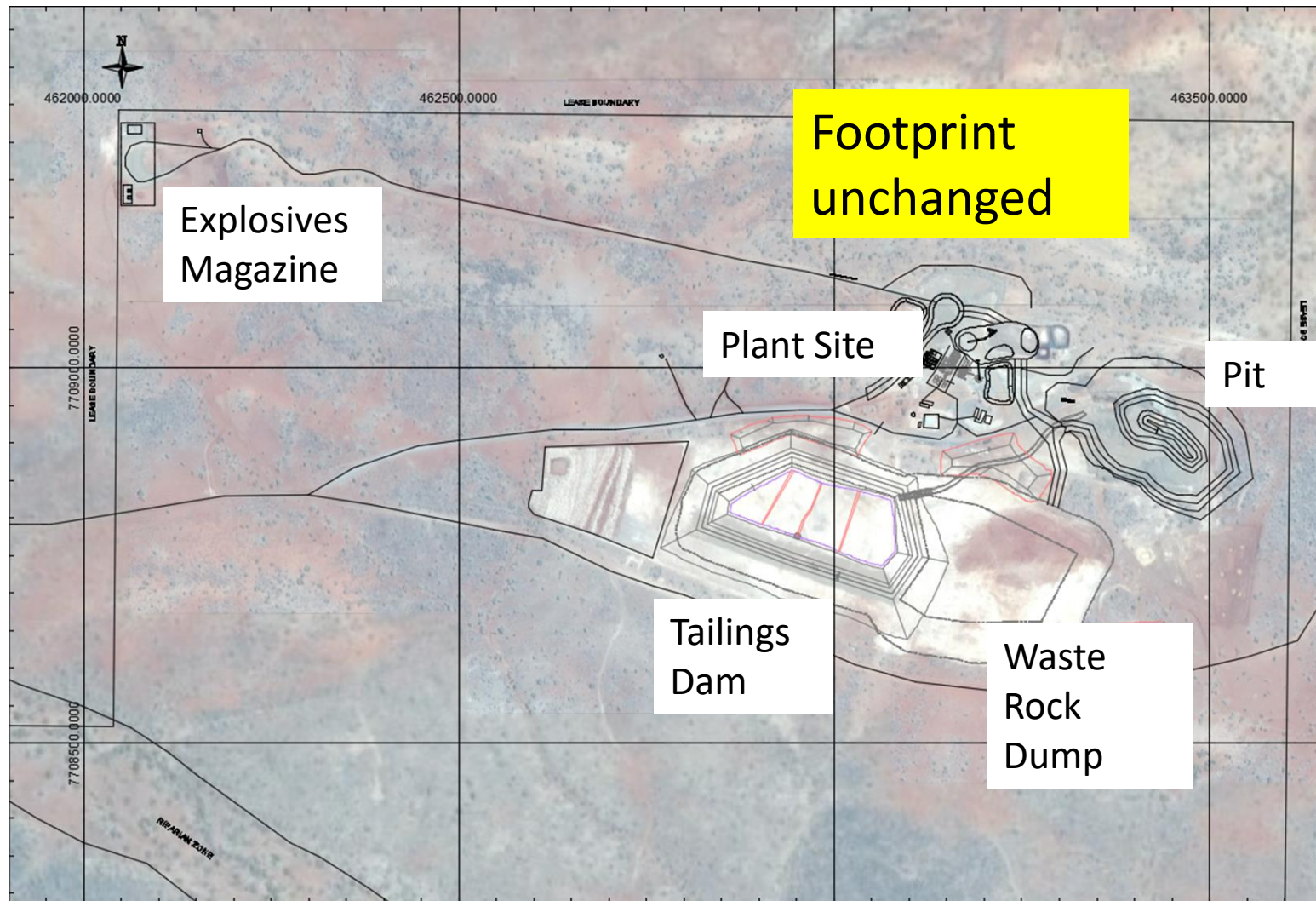


# Lorena Gold Project

- High gold grade mining 165,000t at 8.5g/t from an initial open cut operation (Stage 1).
- Around 30,000 to 35,000 ozs gold to be recovered from the open cut.
- Overall metallurgical recovery of around 75% for sulphides. Recovery of 90% to concentrate and 85% from concentrate to CIL.
- Ore is of medium hardness and non-refractory.
- Processing up to 12,000 tonnes per month.
- Operating costs forecast at A\$850/oz (excludes plant leasing charges of around \$A150/oz)

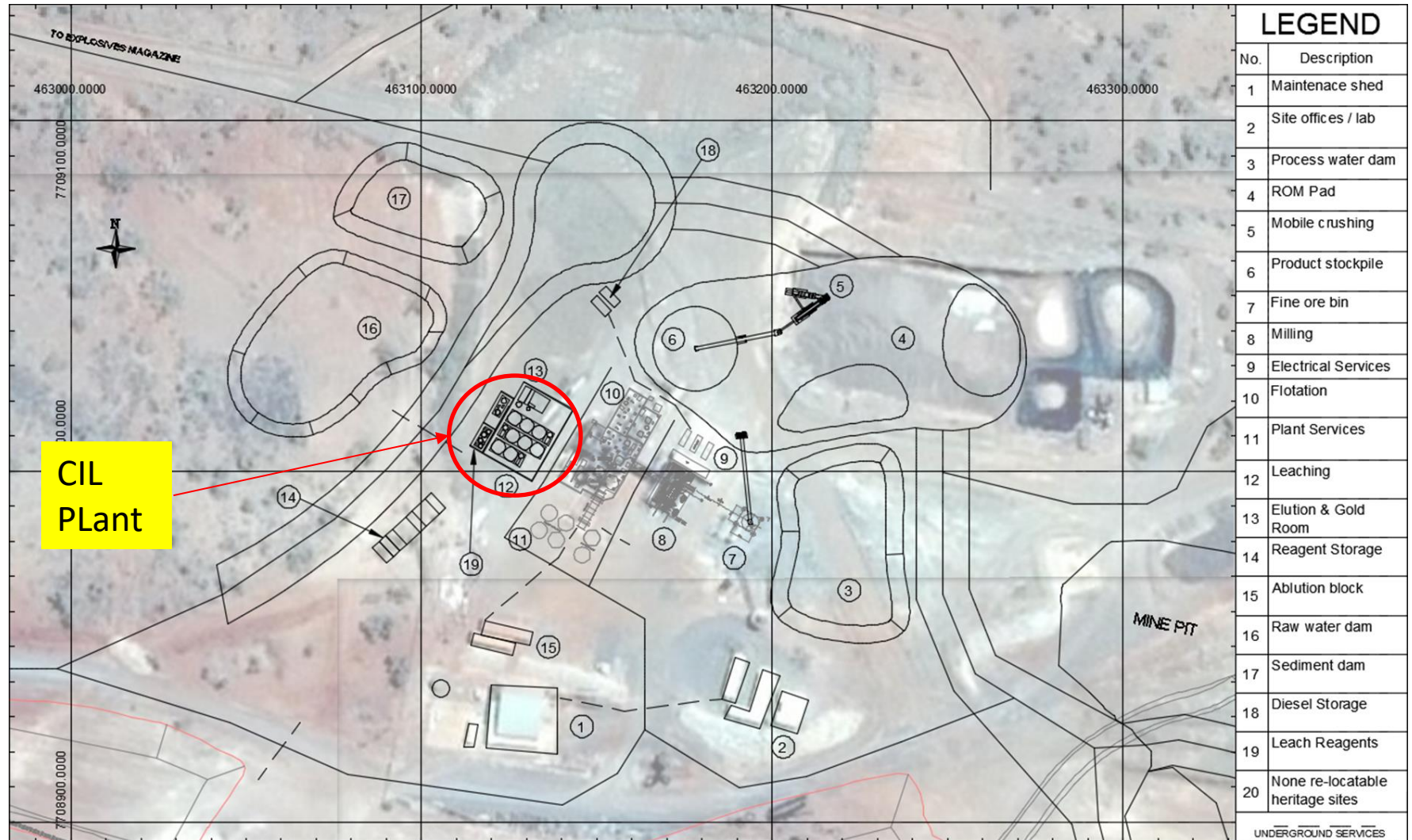


# Lorena Project – Site Layout





# Lorena Project – Plant Layout



# Lorena Gold Project – Indicative Development Timing

December 2016

- Finalise Tranche A financing
- Optimisation metallurgy test work - ongoing
- Environmental Amendment submission

January - February 2017

- Results of met test work
- Finalise engineering of CIL circuit and concentrator

March 2017

- Site preparations
- Finalise Tranche B financing

April – July 2017

- Site preparatory works
- Construction of modules off site
- Completion of concentrator on site

August 2017

- Commissioning

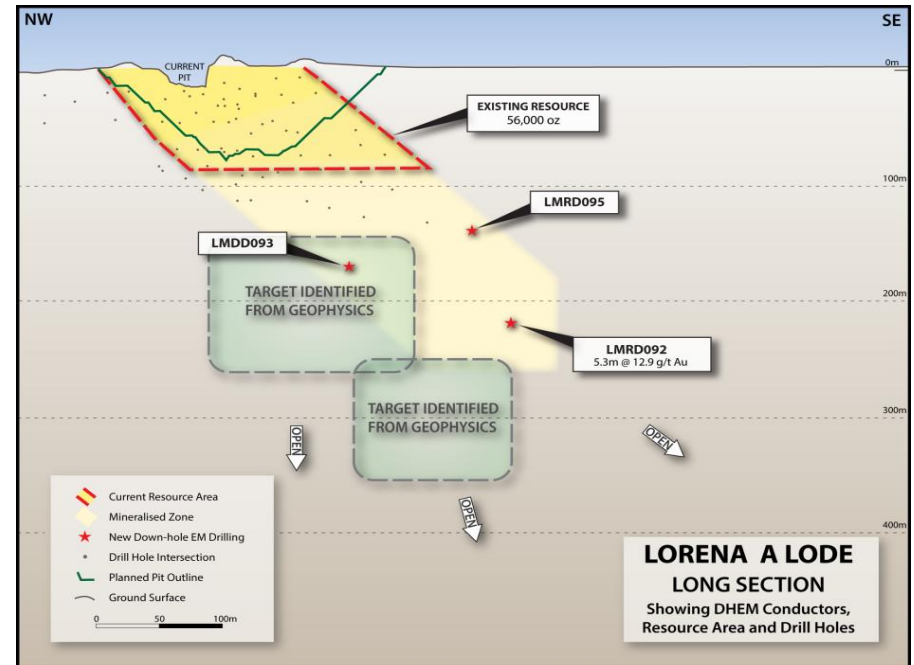
September 2017

- Production



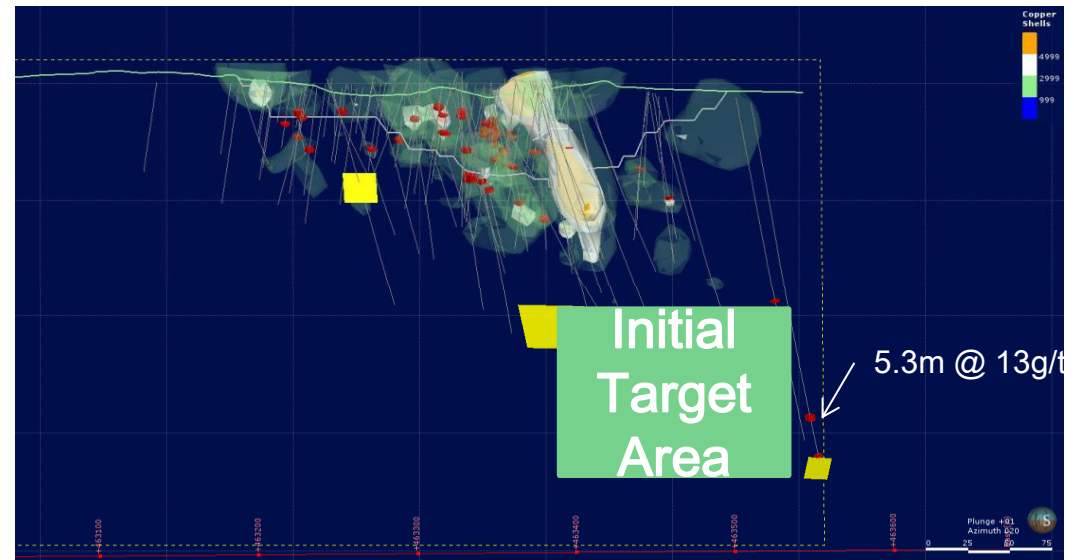
# Lorena Project – Targeting Resources at Depth

- Drilling intersected 5.3m at 13g/t Au at a depth of 200m
- Survey highlighted 2 strong electromagnetic conductors that represent sulphide targets
- Each target is similar in size to the current resource
- Excellent potential for resource additions at depth
- Significant underground mining potential



# Lorena Gold Project – Underground (Stage 2)

- Portal designed to come off near bottom of pit in competent ground
- Conventional underground mining
- 5.3m at 13g/t Au at a depth of 200m is a mineable width for underground
- A study suggests plunge of ore body steeper than previously thought.
- Initial 8-10 holes planned to test underground potential
- Proposed 2,500m drilling program using RC with diamond tail.



**Lorena Long Section - Targeting resources at depth**  
**Review of data suggests steeper plunge of ore body**