



malachite
resources

ASX Announcement

ASX Code: MAR

10 August 2020

Malachite to undertake Placement and SPP

Malachite Resources Limited (ASX Code: MAR) ("Malachite") is pleased to advise that it has received firm commitments from sophisticated and institutional investors qualifying under s708 of the Corporations Act 2001 (Cth) to subscribe for a placement of 20,833,334 fully paid ordinary shares (**Shares**) at \$0.03 to raise \$625,000(**Placement**).

The Placement, which was oversubscribed, is being undertaken in conjunction with a Share Purchase Plan (**SPP**) which will allow existing Eligible Shareholders to purchase parcels of Shares valued at up to \$30,000 at the same issue price of \$0.03.

The Company will also seek to raise up to an additional \$100,000 by a placement of additional Shares at the same issue price of \$0.03 to consultants engaged by the Company. This additional placement will be subject to shareholder approval at a future general meeting of the Company.

The funds raised by these capital raising measures will be used:

- a) to advance the Company's nickel project interests in the Solomon Islands;
- b) to review the Company's Bloodwood copper/gold and Lady Mary gold prospects within EPM 18908 located in northwest Queensland; and
- c) for general working capital and corporate purposes.

Bridge Street Capital Partners acted as Lead Manager of the Placement.

ASX Class Waiver Decision – Temporary Extra Placement Capacity

The Placement is being undertaken in accordance with the ASX Class Waiver Decision – Temporary Extra Placement Capacity dated 9 July 2020. The Class Waiver temporary emergency capital raising measures to help listed entities affected by the COVID-19 pandemic to raise urgently needed capital.

The effect of this Class Waiver is to increase the Company's 15% placement capacity under Listing Rule 7.1 to 25% provided that the Company complies with the conditions of the Class Waiver.

Malachite is now in a position to undertake this Placement and SPP as it has recently:

- a) successfully attended to various negotiations in respect of its interests in the Solomon Islands;
- b) entered into a Deed of Release to resolve the long running dispute in respect of the Lorena Gold Project on commercial terms satisfactory to Malachite; and
- c) restructured the capital base of Company.

Each of the above steps have been material in the context of advancing the Company's operations and enhancing its financial position however these achievements have taken considerably longer to complete than originally anticipated, in part due to the impact of COVID-19. In addition, Malachite has been unable to travel to the Solomon Islands or Queensland due to COVID-19 travel restrictions. This has affected the Company's ability to advance its projects in both the Solomon Islands and Queensland and consequently increased the Company's holding costs. As a result, Malachite has a need to raise new capital to hold its existing assets and fund ongoing operations.

Share Purchase Plan

Participation in the SPP will be available exclusively to shareholders who are registered as holders of Malachite Shares at 7pm (AEST) on the Record Date of 7 August 2020 and whose registered address is in Australia or New Zealand (Eligible Shareholders).

Pursuant to the SPP, Eligible Shareholders will be able to purchase parcels of Shares valued at up to \$30,000 at an issue price of \$0.03. Eligible Shareholders will be able to purchase parcels of Shares valued at \$3,000, \$6,000, \$9,000, \$15,000, \$24,000 or \$30,000 irrespective of the size of their shareholding and without incurring brokerage or transaction costs.

The new Shares to be issued under the SPP will be offered at \$0.03 per Share, which represents a 31.8% discount to the 30 day VWAP for the Company's shares prior to the commencement of the trading halt requested by the Company in relation capital raising measures outlined in the announcement which began on 6 August 2020.

Indicative SPP Timetable

SPP Record Date	Friday 7 August 2020
Announcement of SPP	Monday 10 August 2020
SPP Opens	Monday 17 August 2020
SPP Offer Document Dispatched	Monday 17 August 2020
SPP Offer Closes	Monday 31 August 2020
Announcement of Results of SPP	Thursday 3 September 2020
Last Day to issue Shares purchased under SPP	Monday 7 September 2020

Authorised by the Board.

For further information please contact:

Mr. Geoff Hiller
Executive Director & CEO

Mr. Andrew J. Cooke
Company Secretary
Email: info@malachite.com.au

Please visit the company's website at www.malachite.com.au