

malachite  
resources

**ASX Announcement**

**ASX Code: MAR**

**7 April 2020**

## **NICKEL PROJECT UPDATE – SOLOMON ISLANDS**

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Malachite Resources Limited (ASX: MAR) is pleased to advise this update on activities regarding its nickel investment activities in the Solomon Islands.

### JEJEVO NICKEL PROJECT

In December last year Malachite Resources Limited (Malachite) entered into a Share Subscription Agreement with Sunshine Minerals Limited (Sunshine) to acquire up to a 15% equity interest in Sunshine. Sunshine is a private company incorporated in the Solomon Islands, which owns 80% of Sunshine Nickel which holds PL 01/18 located on the south coast of Santa Isabel Island. The remaining 20% of Sunshine Nickel is owned by local land owners. The Jejevo Nickel Project is located within the PL 01/18 project area.

Malachite has the right to earn the 15% equity interest in Sunshine in two tranches; the first is a 7.5% equity interest by spending A\$100,000 on the project and a further 7.5% equity interest by spending a further A\$125,000 on the project.

Malachite is pleased to announce that it has met its expenditure commitments for the first tranche and has now earned a 7.5% equity interest in Sunshine.

In addition, Malachite is pleased to confirm that it has extended its exclusivity arrangement with Sunshine from 31 March 2020 to 30 September 2020.

The Jejevo Nickel Project is an advanced stage direct shipping ore nickel laterite project with excellent potential for development. The project was previously drilled in 2013 and the initial objective is to carry out sufficient work to confirm a 2012 JORC Resource at the earliest opportunity.

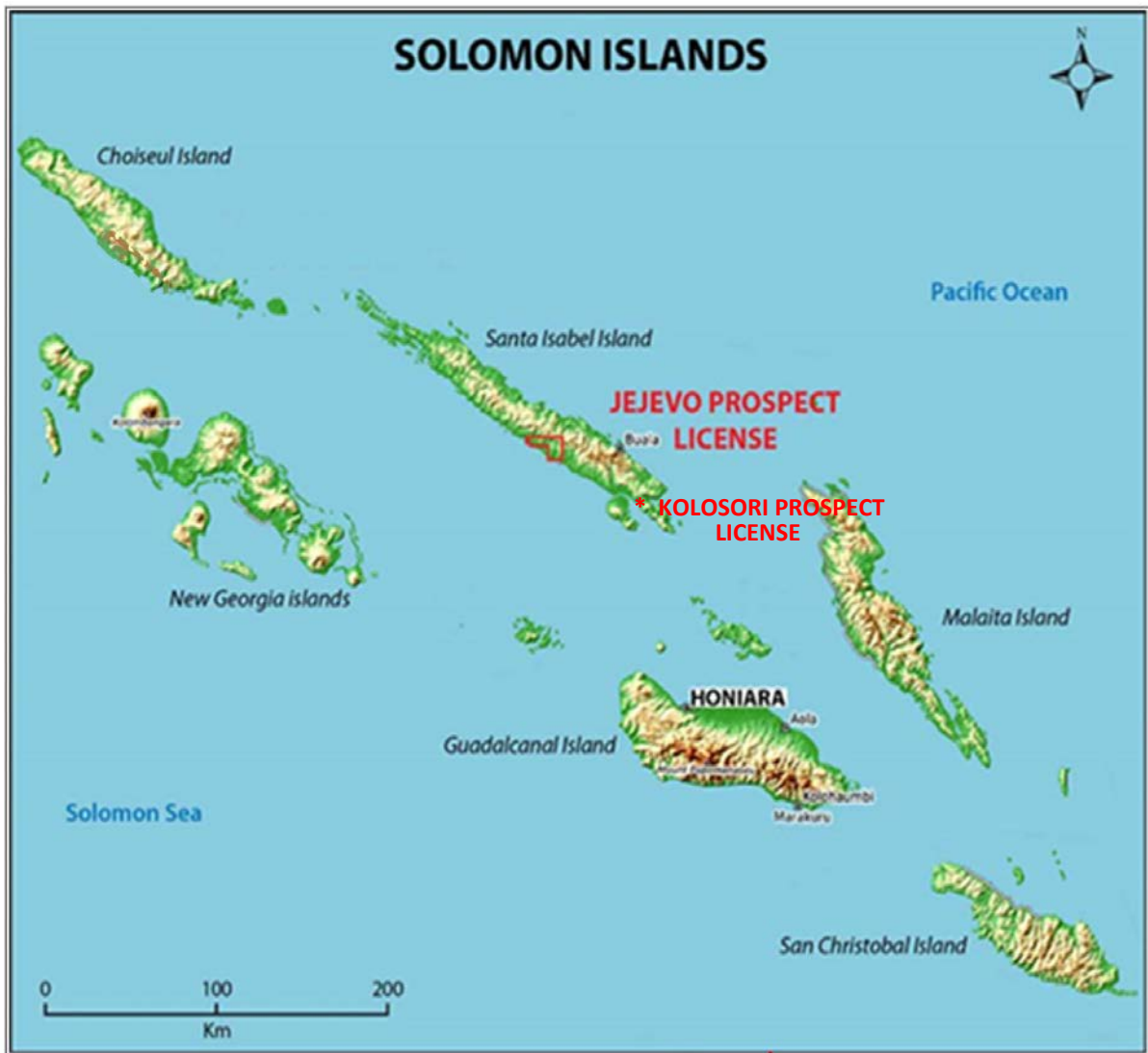
The Jejevo Nickel Project has a number of positive aspects including its close proximity to the coast, no processing requirements, low capital route to direct shipping ore production and local landowner support. It is envisaged that mining of the project could potentially commence within 2 years.

### KOLOSORI NICKEL PROJECT

Earlier this year, Malachite entered into a memorandum of understanding (MOU) with Kolosori Nickel (SI) Limited (KNL). KNL holds PL 05/19, which holds the main part of the Kolosori Nickel Project which is also on Isabel Island in the Solomon Islands. PL 05/19 is to the east of the Jejevo tenement on Isabel Island. Under the MOU, Malachite has exclusivity until 30 June 2020 to carry out due diligence and consider a transaction with KNL. Malachite is undertaking due diligence on this project. The resource at Kolosori is at a similar stage to that at Jejevo and if commercial terms are resolved with KNL the initial objective would be to carry out sufficient work to confirm a 2012 JORC Resource at the earliest opportunity.

## IMPACT OF COVID-19 ON ACTIVITIES

Malachite has also considered the impact of COVID-19 on its activities. Given the restrictions on travel internationally and mindful of the spread of the virus within the local communities, the Company will focus on desk top work in the short term and will consider field activities where prudent. Sunshine has local staff that can carry out certain tasks to keep the Jejevo project going in country and there may be an opportunity for them to carry out some limited work on Isabel Island with regard to surveying and sample collections.



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