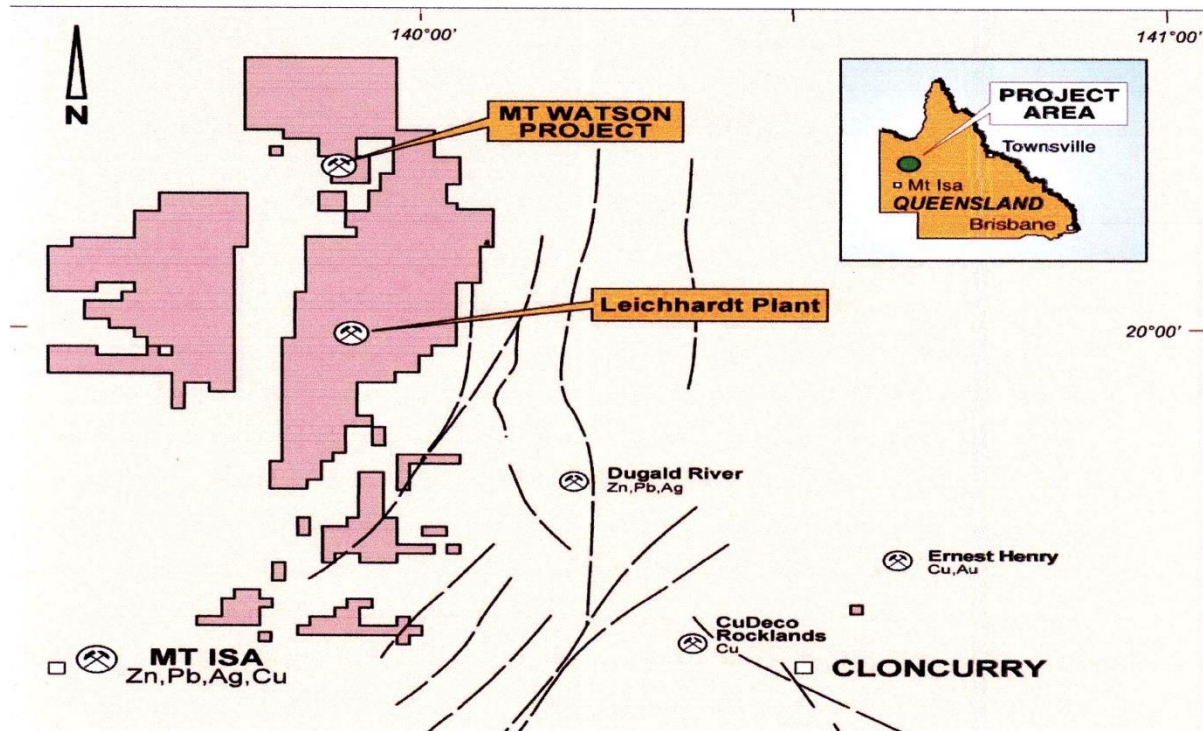


Dato' H K Sia, Managing Director of Malaco Mining SDN BHD is pleased to announce that its subsidiary Malaco Leichardt Pty Ltd, ("Malaco"), has successfully reopened the recently acquired Leichardt Copper Project at Mt Cuthbert in Queensland, Australia.

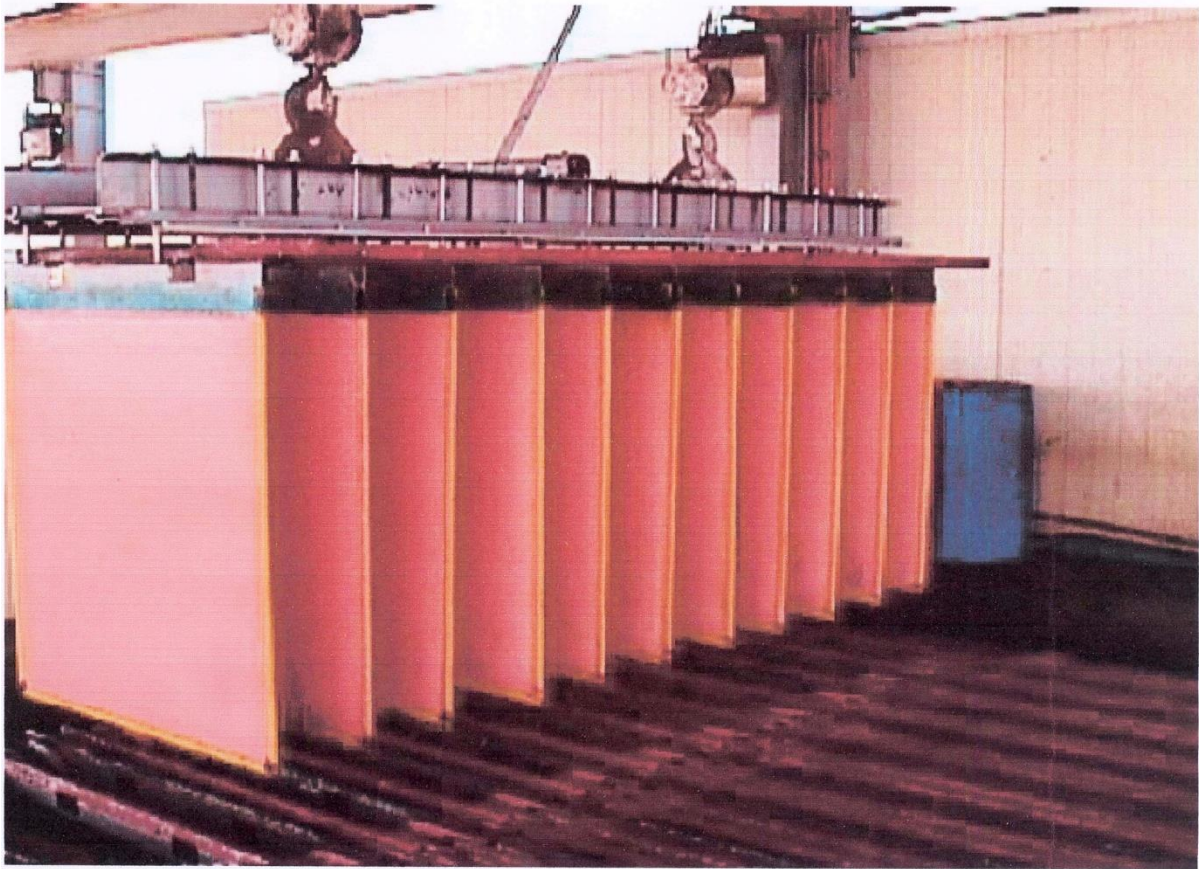
Location map and tenements



Following an intense period of re-commissioning, the first copper cathode was produced from the plant in early February 2014. The project is located 100kms NE from Mt Isa, a major copper and base metal production centre.

The Leichardt copper project is a proven copper producer with an enviable reputation for producing LME grade copper cathode. Under previous ownership the project was a consistent producer of copper and had an offtake agreement with Glencore.

Pre closure - Copper cathode in EW plant (Source Matrix Metals)



This project will make Malaco one of the few companies with a single commodity exposure to copper. A pure copper play.

Malaco entered a transaction for the purchase of the Leichardt Copper project in May 2012. Following a period of due diligence, Malaco Mining SDN BHD acquired the mothballed project from Cape Lambert in 2013 for a consideration of \$14.75m plus costs of maintaining the Leichardt project from 2013 to completion of the sale.

Malaco has immediately started refurbishing the operation which has all essential infrastructure in place:

- The established oxide open pit at Mt Watson, some 30kms N of the Leichardt processing plant

Mt Watson open pit and copper oxide stockpiles (Source Matrix Metals)

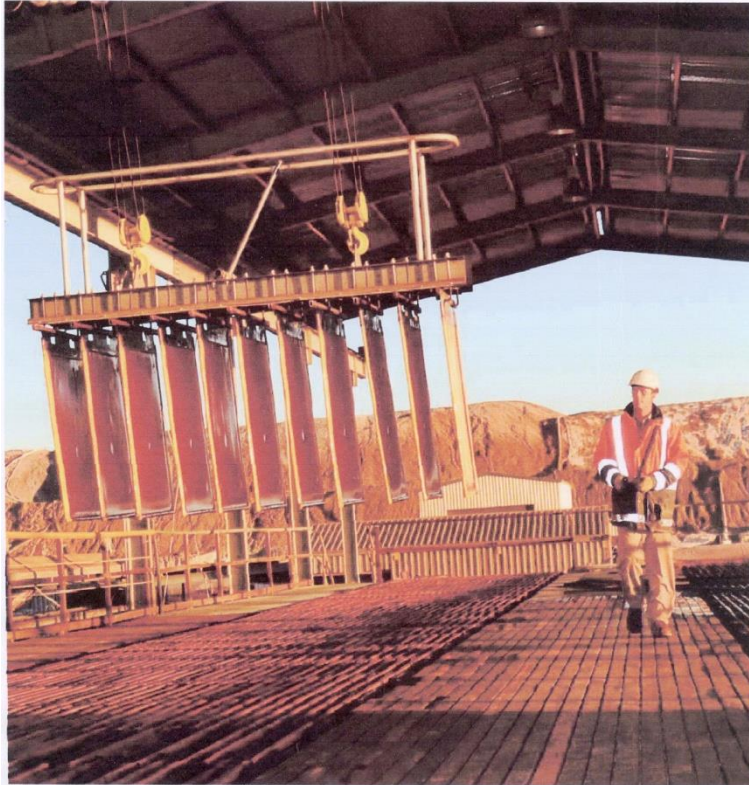


- The Leichardt processing plant at Mt Cuthbert includes a heap leach, solvent extraction and electrowinning (“SX EW”) facility.

Heap leach pads at Mt Cuthbert, SXEW plant in background(Matrix Metals)

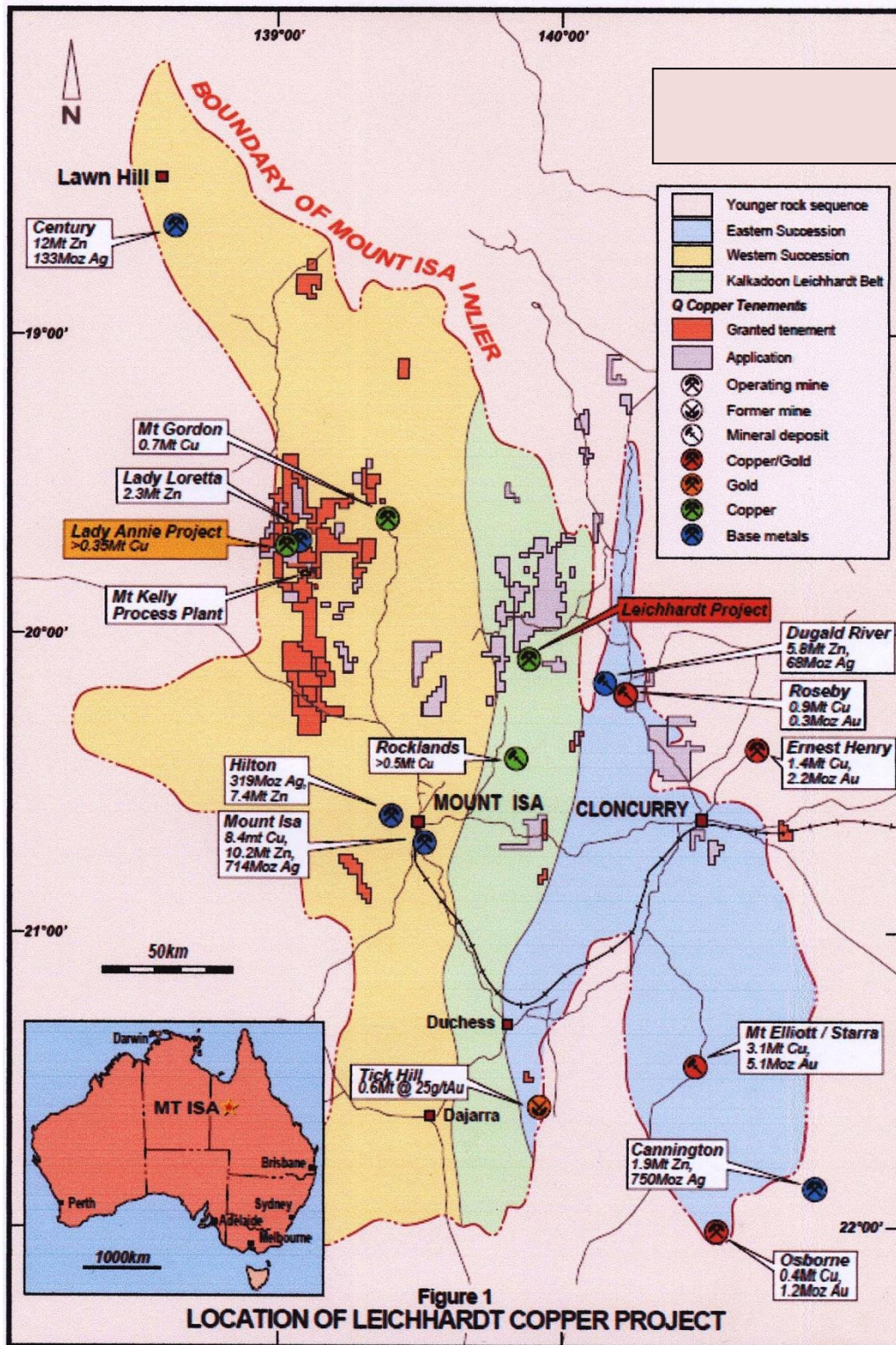


EW tankhouse with copper cathodes at Mt Watson (Source Matrix Metals)



- The recently re-commissioned copper cathode processing plant has a proven capacity of 9,000tpa copper metal, with potential to further increase capacity via modular expansions.
- Granted tenements covering over 800sq kms within the highly prospective Mt Isa Inlier. A systematic evaluation of the existing exploration data with the objective of defining drill targets to increase the copper oxide and sulphide inventory bases is planned.
- The project includes access roads, airstrip, dedicated electrical power, grinding circuits, copper cathode processing plant and administration offices and 110 person site accommodation.

The project came with extensive landholdings with granted tenements with considerable exploration upside within the Mt Isa Inlier, a significant geological province analogous with some of the well known copper rich areas in the world.



According to the original owners, Matrix Metals, prior to closing the in situ resource at Mt Watson as of the end of May 2008 was 8.1 Mt @ 0.88% Cu at a 0.5% Cu cut-off grade, with the resource categories as follows:

Measured 2.6 Mt @ 0.95% Cu

Indicated 2.6 Mt @ 0.83% Cu

Inferred 2.9 Mt @ 0.85% Cu

Cape Lambert subsequently confirmed the JORC resource estimate at 10.5mt at 0.9% copper using a 0.6% copper cut off, for 100,000t contained copper. This gives an estimated tonnage of leachable contained copper metal in the currently sampled oxide ores of 93,000t, which at proposed processing rates indicates an initial 10 year mine life.

There are several large stockpiles of oxide ore at the Mt Watson minesite. These have been sampled by costeans and the ore is being crushed ahead of transport to the Mt Cuthbert heap leach pads.

Crushing of copper oxide ore from stockpiles at Mt Watson, using mobile crusher



The original project capital expenditure was \$27.3m which resulted in a capital intensity of \$3,033 per tonne copper. The plant was processing copper oxide ores with an average grade of 1.08%. Heap leach metallurgical recovery was 93% for Mt Watson oxide ores. After further investigations installed capacity was then increased to 9,000tpa by September 2008.

Copper cathode production from the project initially commenced in June 2007 and by 2008 some 4,656t of LME grade copper cathode had been produced at a cash cost of US\$2,24/lb and sold under contract to Glencore.



The decision by previous owners to close operations resulted from 2008 GFC and collapse in copper price

The collapse in commodity prices brought about by the Global Financial Crisis in late 2008 compounded by the sharp decline in access to equity and capital markets resulted in the project being placed on care and maintenance. Since then the copper price has risen by 122% which offers significant margin to the recommissioned project.

The exploration of the tenements will be focussed on quantifying additional oxide ore resources and fully investigating deeper sulphide ores which were the original ores smelted when the mine was first developed back in 1917.



Original Mt Cuthbert copper smelter around 1918

There are existing underground workings close to the site of the original sulphide smelter operations. The intention will be to conduct reconnaissance

exploration, including geophysics and later drilling to investigate the sulphide deposits, underlying the oxide and transition zones, within the tenement area.

Drilling beneath the Mt Watson open pit was conducted by Cape Lambert in 2011 in order to assess the opportunity of treating underlying transition ore through the existing copper cathode plant. This metallurgical work was originally initiated but not completed by Matrix Metals, and Cape Lambert sought to define additional tonnage of acid soluble, recoverable copper mineralisation from the transition zone, underlying the oxides. Large core diamond drilling was conducted to provide samples suitable for metallurgical testwork.

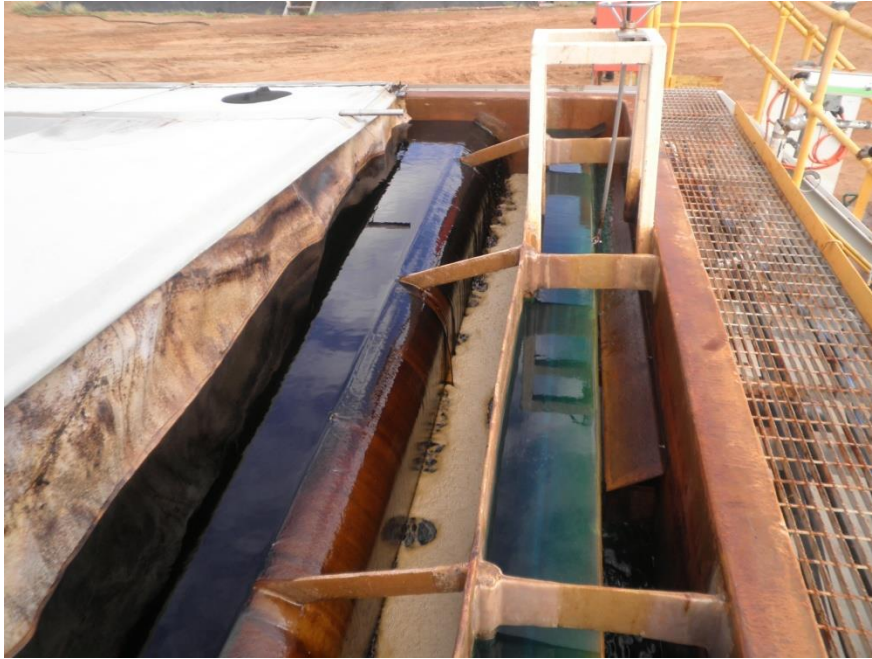
In addition the nine existing heap leach pads at Mt Cuthbert were drill tested using sonic drilling to provide leach pad samples to determine the amount of residual recoverable copper in the leach pads and to determine the economics of re-irrigating the heaps with acid.

Based on this work Malaco has commenced re-irrigating the leach pads and is already generating blue-green copper stained pregnant solutions ready for the SX EW plant.

Copper pregnant solution coming off leach pads January 2014



High grade pregnant copper solution being built up ahead of introduction into electro-winning tanks January 2014



The first copper cathode to be produced from the re-commissioned electro-winning plant was plated in early February 2014.

First copper cathode after re-commissioning plant February 2014



With re-established production capacity and a highly prospective tenement package within a world class base metal province, Malaco believes the Leichardt copper project will return significant value to Malaco Mining.

The acquisition of the Leichardt Copper Project continues Malaco Mining's strategy of investing in undervalued and distressed assets to add value through financial, technical and corporate support in order to turn the project into a cash positive operation.