



malaga

TSX: MLG OTCQX: MLGAF
www.malaga.ca

Factsheet
FEB 2012

Corporate Profile

Malaga owns and operates a mine in Peru and is one of the few producers of tungsten outside of China. Located in the Andes between 3,200 and 4,200 meters above sea level, the Pasto Bueno property encompasses 690 hectares neighboring mining majors such as Barrick, Rio Tinto, BHP Billiton, Xstrata. Some 60% of Peruvian exports are based on the mining industry as Peru is a pro-mining jurisdiction.



- Malaga's current plant production capacity is approximately 500 t/day, extracting from 4 to 7 of 79 known veins. The Company is aiming at increasing its production capacity in the years to come.
- The Pasto Bueno property, 100% owned by Malaga, has significant hydroelectric potential, easy access to water and to roads
- \$3-4 million spent in 2011 in exploration and development with an ongoing diamond drilling campaign to increase resources.



Competitive Advantages and Profitability

- Malaga is profitable since Q4 2010
- Low operational costs at the Pasto Bueno mine due to their own hydroelectric plant and tungsten is recovered by gravity and magnetic separation
- Malaga is currently supplying 10% of tungsten outside of China

Tungsten properties

- Highest melting point of all elements except carbon (3,422 °C, 6,191.6 °F)
- Excellent high temperature mechanical properties and the lowest expansion coefficient of all metals
- Among the heaviest metals, with a density of 19.25 g/cm³
- Features include lowest vapor pressure of all metals, very high module of compression and elasticity, very high thermal creep resistance and high thermal and electrical conductivity



An investment of quality in Tungsten

- Tungsten is a rare and strategic metal in great demand for the industrialization of high-end technology spreading worldwide (carbon tools, circuit boards, nuclear reactors, mining/oil/gas/drills, traditional and modern lighting) and booming in our modern day society (cell phones, plasma screen, cars).
- There is a lack of tungsten production in the Western hemisphere. China produces more than 80% of the world's tungsten production and it strives to secure the long-term needs of its industrial base. British Geological Survey has classified tungsten at the very top of the current supply risk index.
- China has shifted from a tungsten exporter to an importer in response to its increasing industrialization.
- There are very few tungsten producers outside of China. Some projects are at the exploration stage but no upcoming significant production is expected before 2014.
- The tungsten produced from Malaga is sold at a premium price due to its quality and purity.

SHARP INCREASE IN TUNGSTEN PRICE

Tungsten APT - European free market \$ per mtu (2007-2012)

Source: Metal Bulletin © All rights reserved



APT Price (semi-finished product of tungsten)

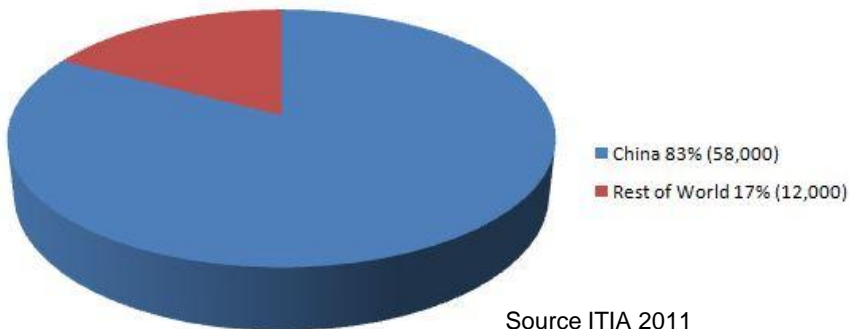
Up to 2003	\$US 50
2005-2008	\$US 250 to 300
2009 (worldwide recession)	Low of \$US 160
Feb. 2012	\$US 430-445

Source: Metal Bulletin – Feb.2012

Malaga's Highlights

- Total M&I Resources of 398,845 Tonnes and increasing through exploration programs
- WO₃ average grade of 0.70%
- Profitable every quarter since Q4 2010
- Supply agreement signed with GTP (Global Tungsten Powders) until 2014 with selling price linked to market

Total Production in 2010-70,000 (t, W)



Source ITIA 2011

Mine production as shown above relies on estimates for production in China and Russia. Production has been supplemented by material released from government stockpiles, especially in the USA and Russia. Mines have closed in recent decades in Australia, Brazil, France, Japan, South Korea, Sweden and the USA.

"That there is plenty of tungsten in the ground is not in doubt but some of the biggest deposits are in areas where access is difficult, or have a low ore grade, making the long-term view of tungsten prices the governing factor in determining their economic viability." Source : ITIA

CAPITAL STRUCTURE

Stock symbol TSX: MLG
 52 week High/low: \$ 0.40 –\$0.08
 Recent Price: \$0.12
 Shares outstanding: \$183.7M
 Market Capitalization : \$22M
 Institutional shareholders: 55% - 60%

MANAGEMENT

PIERRE MONET - President & CEO
 JOEY TROMBINO - VP &CFO
 FERNANDO PAJUELO - GM Peru
 IVÁN QUIROZ – VP R&D Peru
 ALONSO SÁNCHEZ - Chief Geologist

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 R.MARTIN WONG

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FORWARD LOOKING INFORMATION

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