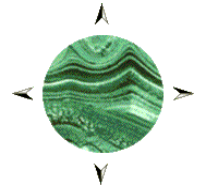


Malachite Resources Limited

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ASX Announcement

Code: MAR

26 May 2010

RESULTS OF EGM AND EXPLORATION UPDATE

SUMMARY

- Both resolutions put to today's Extraordinary General Meeting were passed.
 - Following receipt of funds from Nanyang for the first Convertible Note, drilling is again underway at Conrad.
-

Malachite Resources Limited (ASX: MAR) advises that the results of voting at the Extraordinary General Meeting held at 10.00am today were as follows:

Resolution 1 to **approve the issue of the first Convertible Note to Nanyang Mining Resources Investment Pty Ltd** was **passed** by a show of hands.

Proxy details in respect of this resolution were as follows:

- there were 32,273,417 proxy votes in favour of the resolution;
- there were 115,000 proxy votes against the resolution;
- there were 20,739 proxy votes in respect of which the appointments specified that the proxy abstain on the resolution; and
- there were 1,513,399 proxy votes in respect of which the appointments specified that the proxy may vote at the proxy's discretion;

Resolution 2 to **approve the proposed issue of a second Convertible Note to Nanyang Mining Resources Investment Pty Ltd** was **passed** by a show of hands.

Proxy details in respect of this resolution were as follows:

- there were 32,081,417 proxy votes in favour of the resolution;
- there were 227,000 proxy votes against the resolution;
- there were 100,739 proxy votes in respect of which the appointments specified that the proxy abstain on the resolution;
- there were 1,513,399 proxy votes in respect of which the appointments specified that the proxy may vote at the proxy's discretion;

Exploration Update

Following receipt of funds in the amount \$ 1million from Nanyang, pursuant to the issue of the first Convertible Note, drilling is now underway at the Conrad Silver Project.

The initial drilling is utilising a reverse circulation percussion drill rig which is targeting possible extensions of the Conrad Lode system along strike to the southeast of earlier drilling. A second, diamond only drill rig is due on site in June and will commence infill drilling around high grade intersections achieved in the previous drilling program.

Early stage exploration continues at the Company's Kings Gap Project, to the southeast of Conrad, at Old Mill (part of the Elsmore Tin Project) east of Inverell, and at Pikedale, west of Stanthorpe in southern Queensland.

For further information please telephone Garry Lowder on 02 9411 6033 or email the company at info@malachite.com.au and visit the website: www.malachite.com.au



G. G. LOWDER
Managing Director
26 May 2010

ABOUT MALACHITE – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for gold, silver, tin, copper and associated base metals in eastern Australia. The Company's key assets are:

CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which has had two previous periods of production but has not operated for over 50 years. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins, like those mined in the past, and wide zones of lower grade, disseminated and stockwork veined, polymetallic mineralisation. At current prices, silver represents 50% of total recoverable metal value in the Conrad ore and tin, copper, lead and zinc make up the balance. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth.

Malachite also has excellent exposure to tin, through its **ELSMORE** Project, located 20km east of Inverell, where the Company is considering the possible development of a paleo-alluvial tin deposit, known as the **Karaula Lead**, at the Newstead Prospect. The Karaula Lead appears to have the potential to support a small surface mining operation, which could be developed with low capital and operating costs and generate useful cash flow for the Company. Work is now underway to better quantify the Karaula Lead deposit, determine an appropriate processing route and assess the economic viability of mining. Hard rock tin exploration is being conducted at Newstead and at Old Mill.

The **TOOLOOM GOLD PROJECT** also in northeastern NSW, is based on a forgotten goldfield rediscovered by Malachite. Numerous prospects have been identified, including a significant greenfields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential. Current focus is on the **Joes Gully** prospect, where recent drilling has produced encouraging results, with gold assays up to 28g/t Au within quartz vein stockwork systems that are thought to contain coarse grained free gold.

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder and Mr Russell Meares, who are a Fellows of the Australasian Institute of Mining and Metallurgy. Dr Lowder and Mr Meares are full time employees of Malachite Resources and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Lowder and Mr Meares consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.