

ASX Announcement

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NEW COPPER-GOLD FIND AT LORENA

Recent exploration on Malachite's wholly owned EPM18908, located 5km west of its Lorena Gold Project, has identified an exciting new copper-gold prospect ("Lady Mary") with high copper values and visible gold in surface samples.

Malachite Resources Limited ("Malachite" or "the Company") is pleased to advise that an exciting new copper-gold prospect has been identified as a result of recent exploration at the Lorena Gold Project, near Cloncurry in northwest Queensland ("Lorena"). The new prospect, named "Lady Mary" by the Company, is located on Malachite's wholly owned, newly granted EPM18908 (see Figure 1), about 5km west of the Lorena mine and about 3km from the Company's previously reported Copperhead Prospect (on EPM18189). The Lady Mary Prospect is named after an historical mining lease from the early 1900's in this location. There are numerous old workings on the prospect area comprising small pits and what appears to be the remnants of some small underground workings. The Company is very encouraged by the high copper assays reported from surface sampling of historical dumps and oxidised outcrops (see Figure 2 and Table 1).

The first set of assays from rock chip samples taken at Lady Mary has returned encouraging copper results, some also with significant gold. Fourteen of the samples assayed greater than 2% Cu with the highest being 14.3% Cu (Table 1).

The Company is also excited about visible gold seen in rock chip samples (refer Photo 1 below), which are currently being assayed. The types of rocks that have been observed at Lady Mary appear to be consistent with those of an Iron Oxide Copper Gold (IOCG) system.

Photo 1: Visible gold (circled) in a rock sample from Lady Mary



The Lady Mary prospect is on the contact between the Mt Norna Quartzite and the Toole Creek Volcanics, the same geological setting as that of the Copperhead Prospect, which as previously reported, returned significant assays from rock chip sampling of up to 43% copper and 13 g/t gold. As shown in Figure 1, this rock sequence extends over some 3km between Lady Mary and Copperhead, all on ground held by Malachite.

Further surface and dump samples from Lady Mary have been submitted for assaying. The latest samples are from an area of historical workings which occur over an approximately 450 metre strike length. The rocks associated with these historical workings contain visible gold, along with native copper, chrysocolla, malachite, and haematite. It appears that in this area the early miners were targeting vein or quartz-carbonate-rich rocks, and also native copper, which is more widespread in breccia type material. Gossanous rocks with distinctive box-work textures are commonly seen, implying potential for copper sulphides at depth. The distribution of the historical workings suggests that the mineralization may be part of a zone up to 40m wide and 450m long.

While the work to date at Lady Mary is still only preliminary, the Company is very encouraged by the high copper assays reported, the presence of visible gold and the overall size of the prospect. It is expected that follow up work will involve low cost trenching prior to drilling.

TABLE 1: INITIAL SIGNIFICANT ASSAY RESULTS FROM MINERALISED SAMPLES COLLECTED DURING SURFACE PROSPECTING ON EPM18908

Sample Number	Cu (%)	Au (g/t)	Sample Description
162701	14.3	-	Grab sample from dump
162702	1.8	-	Grab sample from dump
162703	8.6	-	Grab sample from dump
162704	3.9	-	Grab sample from dump
162705	1.9	-	Outcrop
162706	4.1	-	Grab sample from dump
162707	6.1	-	Grab sample from dump
162708	0.9	-	Grab sample from dump
162709	2.0	-	Grab sample from dump
162710	2.2	-	Grab sample from dump
162711	5.1	-	Outcrop
162712	0.5	-	Grab sample from dump
162713	9.3	-	Grab sample from dump
162714	7.8	-	Outcrop
162716	2.5	-	Grab sample from dump
162718	6.5	1.0	Grab sample from dump
162720	1.2	0.2	Grab sample from dump
162721	4.3	0.9	Grab sample from dump
162724	4.7	0.3	Outcrop

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder, who is non-executive Chairman of the Company and a former full time employee. Dr Lowder is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Lowder consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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

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FIGURE 1: LORENA GOLD PROJECT – Regional Geology and Malachite Tenement Map

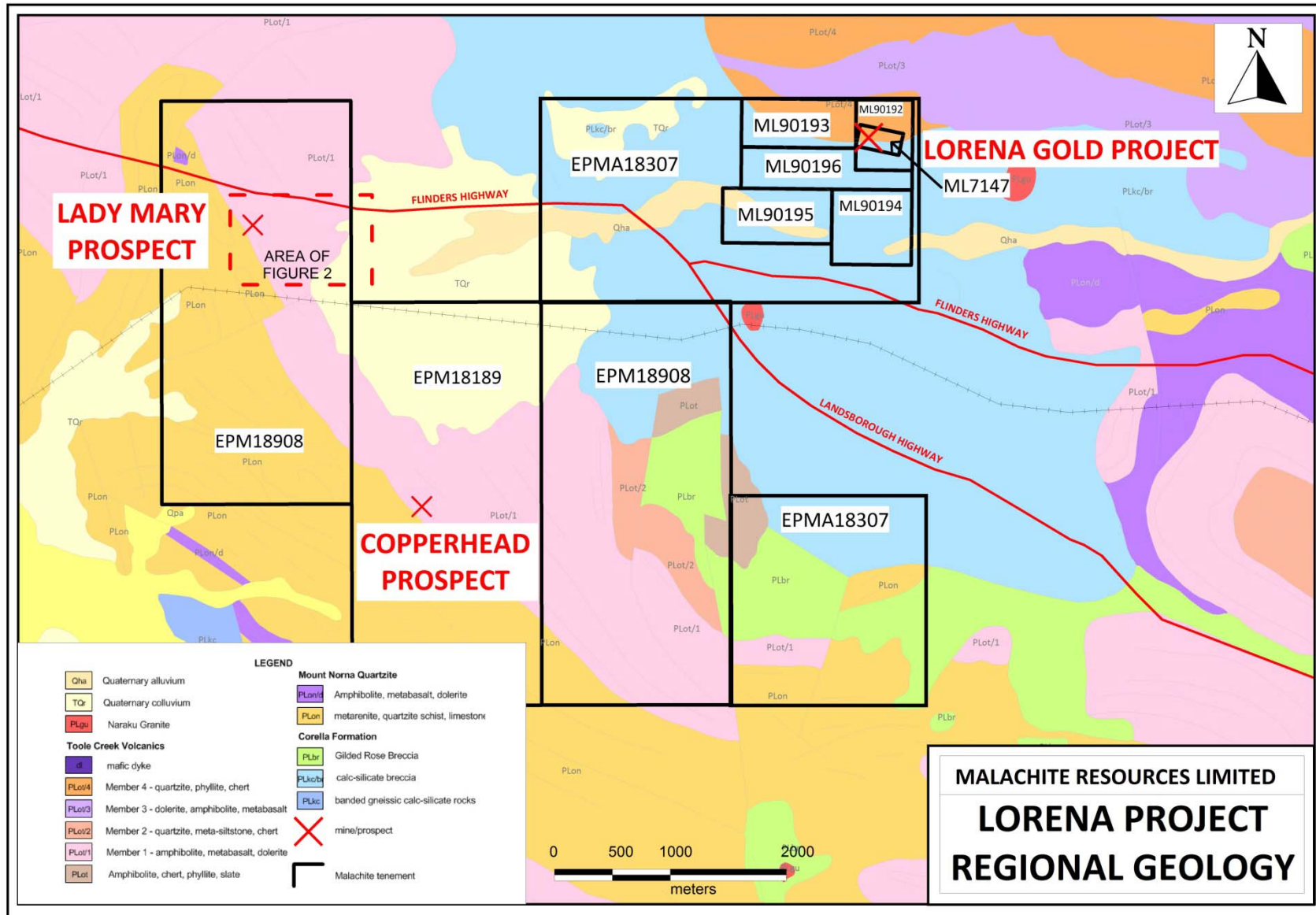


FIGURE 2: LADY MARY PROSPECT – Geology and Sample Locations

