

ASX Announcement

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OUTSTANDING NEW GOLD RESULTS AT LADY MARY, LORENA GOLD PROJECT

Follow up assays of samples from the Lady Mary prospect at Lorena have confirmed that this is a very promising new, gold-rich, copper-gold find, with some very high gold assays in surface samples, including one of 102g/t Au and another of 38.9g/t Au.

On 4 September, 2012, Malachite Resources Limited (“Malachite” or “the Company”) advised that a new copper-gold prospect, called Lady Mary, had been identified at the Lorena Gold Project (“Lorena”), near Cloncurry in northwest Queensland (Figure 1). At that time, assay results for an initial batch of surface samples were reported, with high copper values and some encouraging gold results. The presence of visible gold in a second batch of surface samples for which assays were then pending was also noted (Photo 1).

Assay results for that second batch of samples, from Lady Mary (Figure 2), have now been received and the gold results are quite outstanding. As shown in Table 1, most of the follow up samples contain gold, with the highest assays being **102g/t Au and 38.9g/t Au**, while copper values are also high.

As Chief Executive, Geoff Hiller, noted:

“Lady Mary is shaping up to be a very important new find for us. The discovery of a second mineral deposit within five kilometres of our Lorena deposit would have strongly positive implications for the development and longevity of Lorena. The very high gold values, accompanied by high copper assays, and their distribution over a substantial area, emphasise the potential at this prospect. We particularly like the visible free gold, which should be easy to recover when it comes to mining.”

Photo 1: Visible gold (circled) in a rock sample from Lady Mary; this sample assayed 102g/t Au and 5% Cu.



The Lady Mary Prospect is located on Malachite's wholly owned EPM18908 (see Figure 1), about 5km west of the Lorena mine. There are numerous old workings from early last century on the prospect area, comprising small pits and what appears to be the remnants of some small underground workings. The distribution of the historical workings suggests that the mineralization may be part of a zone up to 40m wide and 450m long.

The prospect occurs on the contact between the Mt Norna Quartzite and the Toole Creek Volcanics, the same geological setting as that of Malachite's Copperhead Prospect (on EPM18189), 3 km to the south. This contact seems to exercise an important geological control on mineralisation and the Company has now begun prospecting the balance of the 7km of strike length of this contact on tenements held by Malachite. In doing so, already a third, as yet unnamed, copper prospect has emerged.

The Company's geologists have noted an association of the oxide copper and gold mineralisation seen on surface at Lady Mary with box-work gossan textures (thought to be indicative of primary chalcopyrite at depth) and hematite (iron oxide). Such an association implies analogy with the Iron Oxide Copper Gold (IOCG) style of ore deposit, which is already well represented elsewhere in the Cloncurry region.

The next phase of field work will map out the prospective Mt Norna Quartzite/Toole Creek Volcanics contact on the Company's tenements and provide further sampling and assays of the mineralisation observed along it. The most promising targets, including Lady Mary, will then see trenching (for better exposure and more quantitative sampling), followed by drilling.

TABLE 1: SIGNIFICANT ASSAY RESULTS FROM SAMPLES COLLECTED AT LADY MARY

Sample Number	Au (g/t)	Cu (%)	Sample Description
162737	1.7	11.5	Outcrop
162741	5.8	11.1	Grab sample from dump
162742	38.9	1.2	Grab sample from dump
162743	0.7	1.7	Grab sample from dump
162745	5.5	0.9	Grab sample from dump
162746	0.5	5.1	Grab sample from dump
162748	1.5	5.2	Grab sample from dump
162749	0.5	1.8	Grab sample from dump
162750	5.3	3.2	Grab sample from dump
162751	102.0	5.0	Grab sample from dump
162752	0.2	2.8	Grab sample from dump
162753	1.4	6.1	Grab sample from dump
162754	9.4	3.9	Grab sample from dump
162755	3.2	4.5	Grab sample from dump
162757	5.8	5.5	Grab sample from dump
162758	0.8	2.5	Outcrop
162761	2.7	3.8	Grab sample from dump
162762	21.6	9.8	Grab sample from dump

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

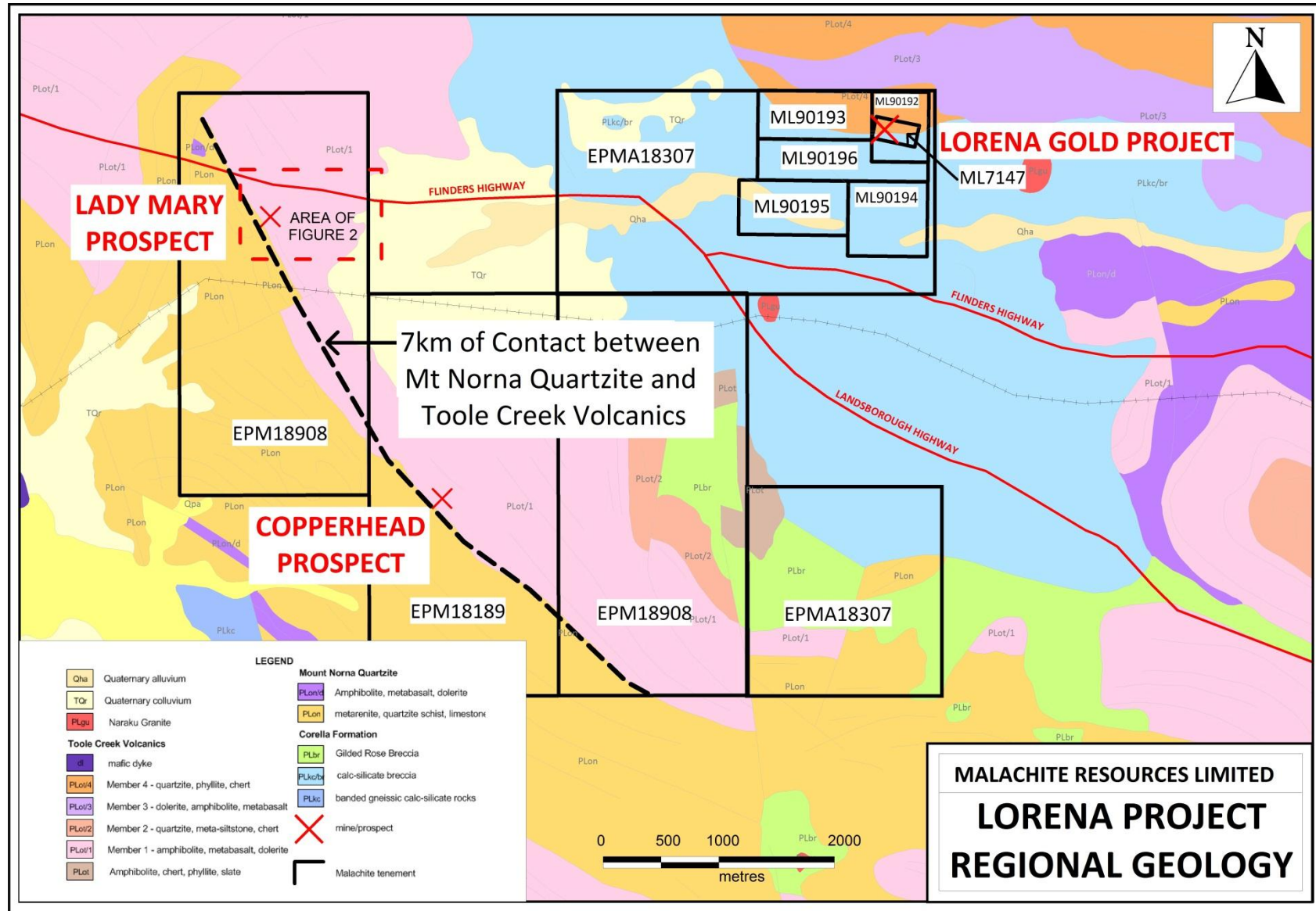


FIGURE 2: LADY MARY PROSPECT – Geology and Sample Locations

