



ASX Announcement

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30th November 2012

DRILLING COMMENCES AT PIKEDALE SILVER-BASE METALS PROJECT, QUEENSLAND

Malachite Resources Limited (“Malachite” or “the Company”) is pleased to advise that drilling has commenced at the Company’s Pikedale Project (“Pikedale”), located 30km west of Stanthorpe in south-eastern Queensland. The project consists of an Exploration Permit for Minerals (EPM18166) comprising 50 sub-blocks, centred on the Pikedale locality and held 100% by Malachite (Figure 1).

Within EPM18166, exploration by the Company in an area known as the Pikeridge Prospect (previously referred to as the Lickhole Prospect), has identified previously unrecorded ironstone outcrops over a strike length of about 1.6km. The ironstones are hosted by the Pikedale Beds, a sequence of interbedded sandstones and siltstones of Permian age. Rock chip grab sampling of ironstone outcrops has returned highly anomalous silver and base metal assay results, with metal values (in separate samples) ranging up to 71g/t Ag, 7.93% Cu and 6.28% Zn. Small scale old workings (Photo 1) are associated with the ironstones, and oxide copper mineralisation is locally prominent.

Photo 1. Landowners and Dan West (Malachite, on right) inspecting old shaft at Pikeridge Prospect



Encouraged by the discovery of the mineralised ironstone outcrops, Malachite conducted a geophysical survey (using the induced polarisation, or ‘IP’ technique) over the Pikeridge area. The IP survey has shown that the ironstone outcrops are broadly coincident with a series of well defined chargeability IP anomalies that extend for more than 1km along strike and are up to 350m across strike. The sizes and shapes of the IP anomalies vary with depth but are strongest between 100m and 250m below surface.

Interpretation of the IP results suggests that the surface ironstones are underlain by substantial bodies of rock containing disseminated sulphide minerals. As such, the Pikeridge Prospect presents itself as a very attractive drill target, with strongly anomalous silver, copper and zinc values confirmed at surface, and large, well developed IP anomalies at depth.

Malachite has commenced testing the Pikeridge Prospect with an initial reverse circulation percussion drilling program of up to 1,100m, with holes planned to a maximum depth of 250m.

Malachite wishes to acknowledge the funding of \$53,500 provided by the Queensland Government Department of Natural Resources and Mines' Collaborative Drilling Initiative which is being used to assist with drilling costs in the current program.

For further information please telephone the Company on 02 9251 0032 or email the company at info@malachite.com.au and visit the website: www.malachite.com.au

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Mr Russell Meares, who is a non-executive Director of the Company and a former full time employee. Mr Meares 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.' Mr Meares holds shares and options in the Company. Mr Meares consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Figure 1. Geological Plan showing location of Pikeridge Prospect

