

ASX Announcement

ASX Code: MAR

3rd April 2013

SOIL SAMPLING UPGRADES GOLD PROSPECTIVITY AT LADY MARY FOR THE LORENA GOLD PROJECT

- **Strong gold-copper soil anomaly defined over the Lady Mary prospect**
 - **Further positive rock chip sampling results at Bloodwood prospect.**
-

Malachite Resources Limited (“Malachite” or “the Company”) is pleased to report results from a soil sampling program over the Lady Mary prospect, as well as results of further rock chip sampling and geological mapping at the Bloodwood prospect. Lady Mary is located 6km west of Malachite’s Lorena gold mine in northwest Queensland, and Bloodwood is about 6km south-southwest of Lorena (Figure 1). Both prospects are on Malachite’s 100%-owned EPM 18908.

LADY MARY SOIL SAMPLING RESULTS

Previous work at Lady Mary by Malachite outlined high gold and copper contents in rock chip samples over a 450m strike length. These rock chip assays were announced to the Australian Stock Exchange (ASX) on 12 September 2012 and included a dump sample from an historical small pit that contained 102g/t Au and 5% Cu. Other particularly anomalous dump samples returned results of 38.9g/t Au and 21.6g/t Au.

Copper-gold mineralisation appears to be in quartz veins hosted by dolerite and basalt of the Toole Creek Volcanics less than 50 metres from the contact with mica schist of the Mount Norna Quartzite. Historical small pits have been sunk on the mineralised veins.

Soil sampling was conducted at Lady Mary to map out the gold-copper distribution over the prospect. Samples were collected on eight 100m-spaced lines at 20m sample spacing that was reduced to 10m (and to 5m in places) in the immediate vicinity of the prospecting pits and anomalous rock chip samples. An extra infill line reduced line spacing to 50m towards the northern end of the prospect. A total of 117 samples (including 4 duplicates) were assayed by SGS Townsville for Au and Cu.

Using minimum cut-off values of 100 parts per billion Au (0.1g/t) and 400 parts per million Cu in the soil samples, a 500m long anomalous zone was defined parallel to the contact between the Toole Creek Volcanics and the Mt Norna Quartzite (Figure 2). Towards the northern end of the prospect, the width of soil anomalism is 30-50m over a strike length of at least 100m. Of the 113 samples (i.e. excluding the duplicates), 16 samples reported gold assays of greater than 100ppb, with a maximum gold assay of 573ppb (0.573g/t).

Malachite regards the tenor, width and continuity of gold and copper values in the soils at Lady Mary as extremely positive. The soil program and previous rock chip sampling have outlined a robust gold-copper drill target.

The discovery of a resource at Lady Mary could potentially supply additional ore to a mill at Lorena (currently at a feasibility stage of development), only 6km away.

BLOODWOOD EXPLORATION RESULTS

Malachite identified the Bloodwood copper-gold prospect in 2012 by stream sediment sampling and follow-up prospecting and rock chip sampling. Initial results were reported in ASX announcements dated 29 October and 14 November 2012. Subsequent geological mapping and rock chip sampling have extended the length of the original Bloodwood 1 zone and identified the parallel Bloodwood 2 and 3 zones (Figure 3). A total of 91 rock chip samples have been collected and assayed from Bloodwood. Figure 3 shows sample locations with gold assays plotted within specified ranges. Rock chips with high gold (and copper) values are selective samples of vein material within the dolerite and basalt host rocks.

The main mineralised zone (Bloodwood 1) is a 30-40m wide zone of epidote-scapolite altered dolerite, unaltered basalt and calcite-quartz veins mapped over a 400m strike length. The veins contain malachite, chrysocolla, chalcopyrite and pyrite. Recent rock chip sampling shows copper-gold bearing veins are present for a further 130m to the southeast beyond the previous limit of sampling, but veins are rare in this extension. The maximum gold assay from eight samples was 4.29 g/t Au. Within the Bloodwood 1 zone, there is a 120m long area on, or close to, the ridge crest with more common calcite and quartz veins with copper-gold mineralisation. This appears to be the most prospective part of the Bloodwood 1 zone.

The Bloodwood 3 zone is 170m southwest of Bloodwood 1 and is interpreted as two thin (<1m wide) calcite-malachite-goethite-quartz veins within unaltered dolerite. Bloodwood 3 has been identified over a 170m length. Selective sampling of the mineralised vein material at Bloodwood 3 returned assay results of up to 5.93g/t Au and 14.2% Cu from eight rock chip samples. Bloodwood 2 appears to be a discontinuous zone of thin veins in dolerite.

Detailed soil geochemical sampling is planned over the Bloodwood prospect to systematically map out the surface distribution of copper and gold. Soil geochemistry results will be used to assist with planning of trenching and/or drilling.

REGIONAL STRATEGY

Malachite's exploration of EPMs 18908 and 18189 seeks to discover gold or copper-gold resources that can provide additional feed to the nearby Lorena gold mine which the company aims to develop in joint venture with BCD Resources NL.

Malachite is encouraged by the positive results from work completed at Lady Mary and Bloodwood where gold-copper targets are being defined for testing by trenching and/or drilling.

Surface geochemical sampling (rocks, soils and stream sediments) and geological mapping will continue to be focussed along the prospective Mount Norna Quartzite – Toole Creek Volcanics contact which extends for 7km within EPMs 18908 and 18189.

About Lorena:

The Lorena Gold Project is wholly owned by Malachite and is located about 15km east of Cloncurry in northwest Queensland. Malachite is the holder of six mining leases (ML7147, MLs 90192-90196), two exploration permits (EPM18189 and EPM18908) and one EPM application at Lorena. The mining leases are the subject of a Heads of Agreement with BCD Resources NL to jointly develop the Lorena gold mine.

Lorena has a total JORC Mineral Resource in the Measured and Indicated categories containing approximately 56,000ozs of gold at a 2g/t cut-off grade. This is made up by a resource of 179,500t at 8.8g/t Au containing 50,700ozs of gold in the A Lode, and a resource of 23,700t at 7.8g/t Au containing 5,900ozs of gold in the B Lode. These resources are within a potential open pit mine and are open at depth. The gold-bearing ore is principally of massive and stringer sulphide type and copper-gold mineralisation occurs in conjunction with the gold ore body. Recent drill intersections including 5.9m @ 12.9g/t Au (located 100m down-plunge from the defined resources) demonstrate the potential for significantly increasing the Lorena resource Inventory.

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Donnelly, who is a full time employee of the Company. Mr Donnelly is a Member 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 Donnelly 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 contact the Company on (02) 9251 0032 or by email at info@malachite.com.au or visit the Company's website at www.malachite.com.au

Figure 1: Lorena Gold Project – Regional Geology, Prospects and Malachite Tenement Plan

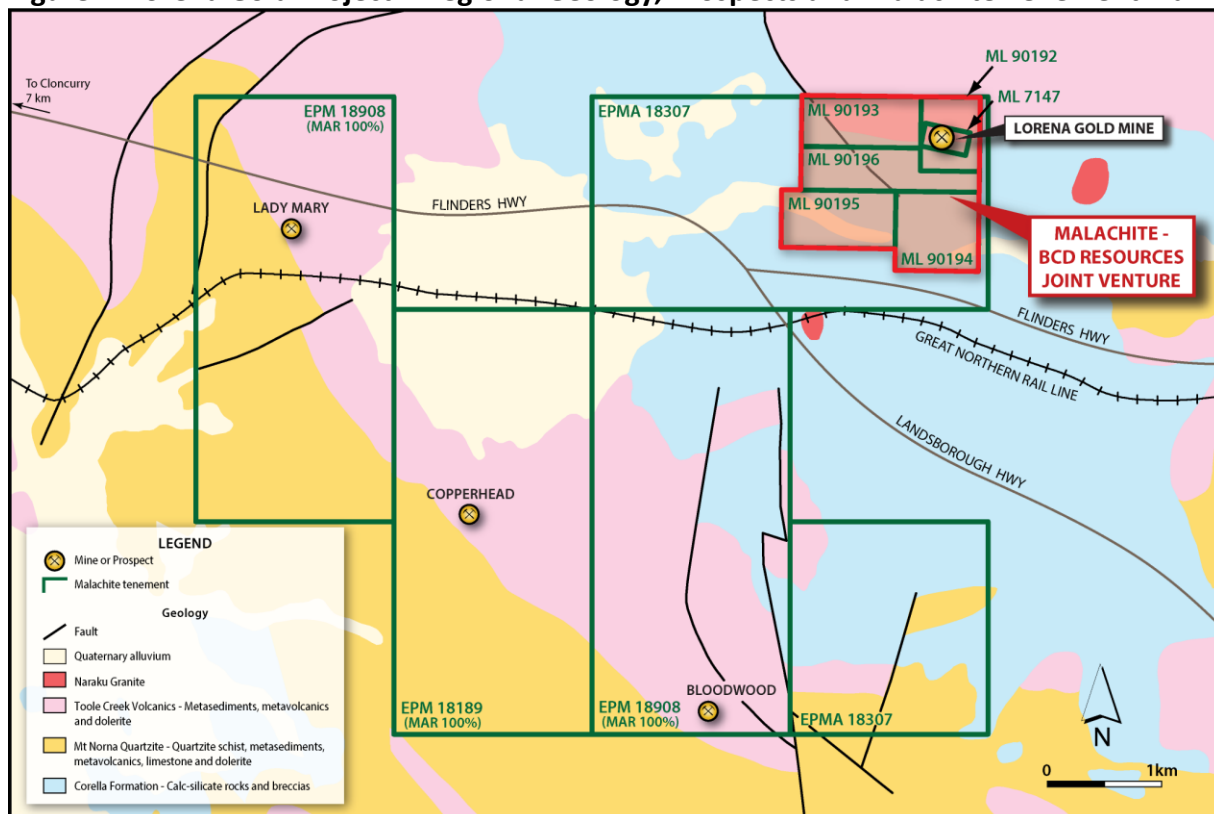


Figure 2: Lady Mary Prospect – Soil Geochemistry Plan for Gold

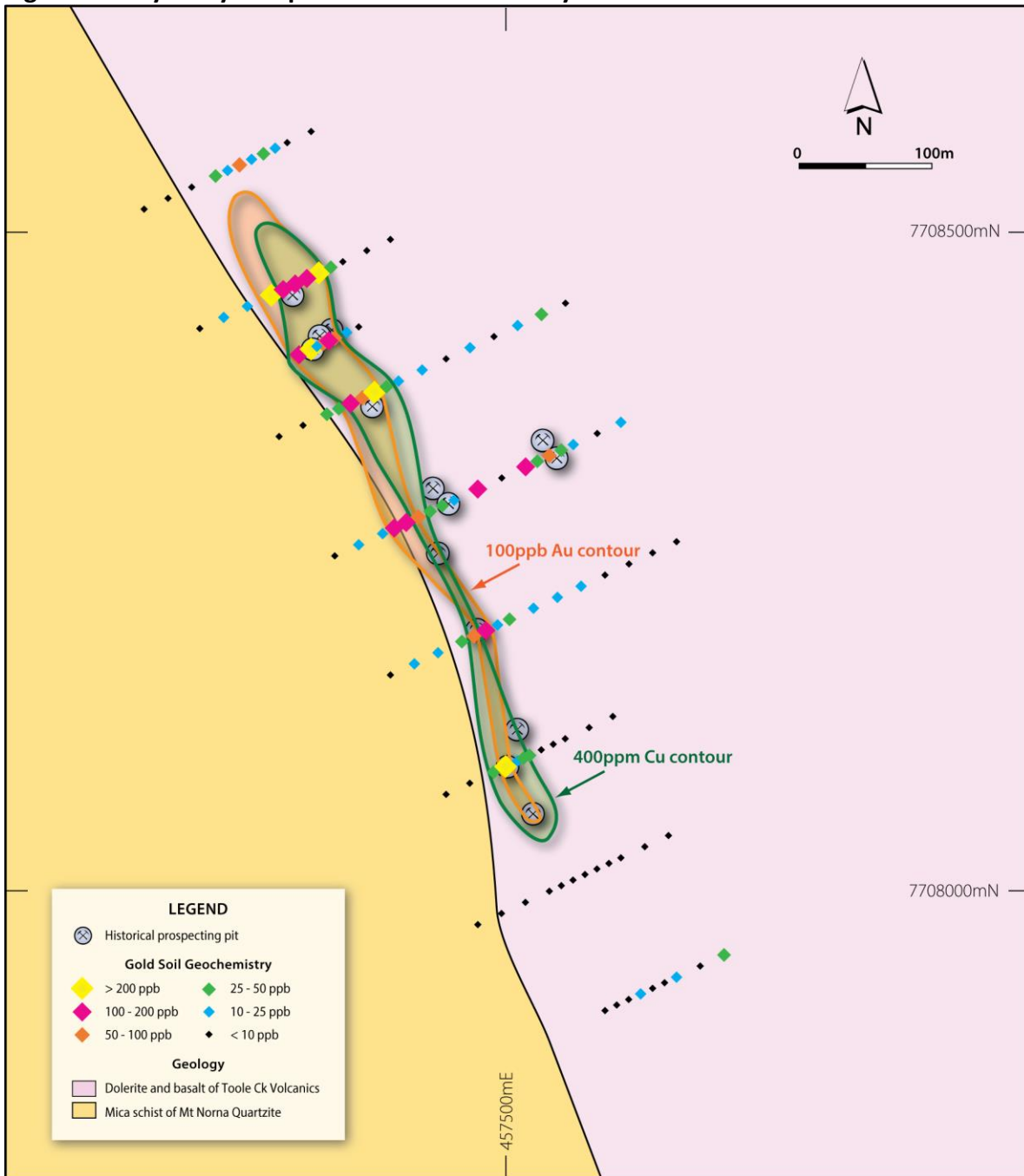


Figure 3: Bloodwood Prospect – Plan of Geology and Gold Rock Chip Geochemistry

