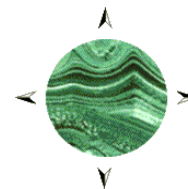


Malachite Resources Limited

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ASX Announcement

Code: MAR

5 November 2010

ATTRACTIVE DRILL TARGETS CONFIRMED AT PIKEDALE PROJECT

SUMMARY

- Rock chip sampling of ironstone outcrops at the Lickhole Prospect, Pikedale Project, has shown them to be anomalous in silver, copper and zinc over a wide area.
 - Values up to 71g/t Ag, 7.93% Cu and 6.28% Zn (in separate samples) have been obtained.
 - A recent survey has identified well developed IP anomalies beneath the ironstone outcrops.
 - Malachite proposes to drill these attractive targets early in 2011 and will apply for funding assistance available from the Queensland Government to do so.
-

Malachite Resources Limited (ASX: MAR) advises that a recent geophysical survey at its wholly owned **PIKEDALE PROJECT** has confirmed that the Lickhole Prospect at Pikedale represents a promising new target for future drilling.

Pikedale is located 30km west of Stanthorpe in southern Queensland (Fig. 1) and comprises an Exploration Permit for Minerals (EPM18166), of 100 sub-blocks, centred on the Pikedale locality and held 100% by Malachite. Within this EPM, exploration by the Company, in an area known as the Lickhole Prospect, has identified previously unrecorded ironstone outcrops over a strike length of about 1.6km (Fig. 2). The ironstone is contained within 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/base metal assay results, with metal values (in separate samples) ranging up to 71g/t Ag, 7.93% Cu and 6.28% Zn (see Fig. 2). Very minor and small scale old workings are associated with the ironstone and oxide copper mineralisation is locally prominent (Fig. 3).

Encouraged by the discovery of the mineralised ironstone, Malachite recently conducted a geophysical survey (using the induced polarisation, or 'IP' technique) over the Lickhole area. The IP survey has shown that the ironstone outcrops are broadly coincident with a series of well defined chargeability anomalies that extend for more than 1km along strike and up to about 350m across strike. The sizes and shapes of the IP anomalies vary with depth but are best expressed between 100m and 250m below surface. Figure 2 shows the interpreted IP anomalies (red 'bullseye' zones) at a depth of 150m.

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

anomalies at depth. Malachite proposes to test the Lickhole Prospect with a 2,000m reverse circulation percussion drilling program early in 2011, once appropriate land access agreements have been signed and site preparation completed for the areas where drilling is expected.

As a previously undrilled and potentially significant new base metal target, the Lickhole Prospect would appear to fit the requirements for drilling assistance available from the Queensland Government under its Collaborative Drilling Initiative of the Greenfields 2020 program. Up to \$150,000 in Government funding may be available to Malachite, on a dollar for dollar matching basis, for direct drilling costs incurred in testing the Lickhole target. An application for such funding will be lodged in the next few days.

While Malachite remains very focussed on the Lorena Gold Project acquisition in the short term, and expects Lorena to be its major program in 2011, Pikedale, and especially Lickhole, represents a very attractive asset to have in the pipeline for a more substantial role in future years.

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
5 November 2010

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder and Mr Michael Donnelly, who are full time employees of the Company and are respectively a Fellow and a Member of the Australasian Institute of Mining and Metallurgy. Dr Lowder and Mr Donnelly have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities 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 Donnelly consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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, copper and tin in eastern Australia. The Company's key assets are:

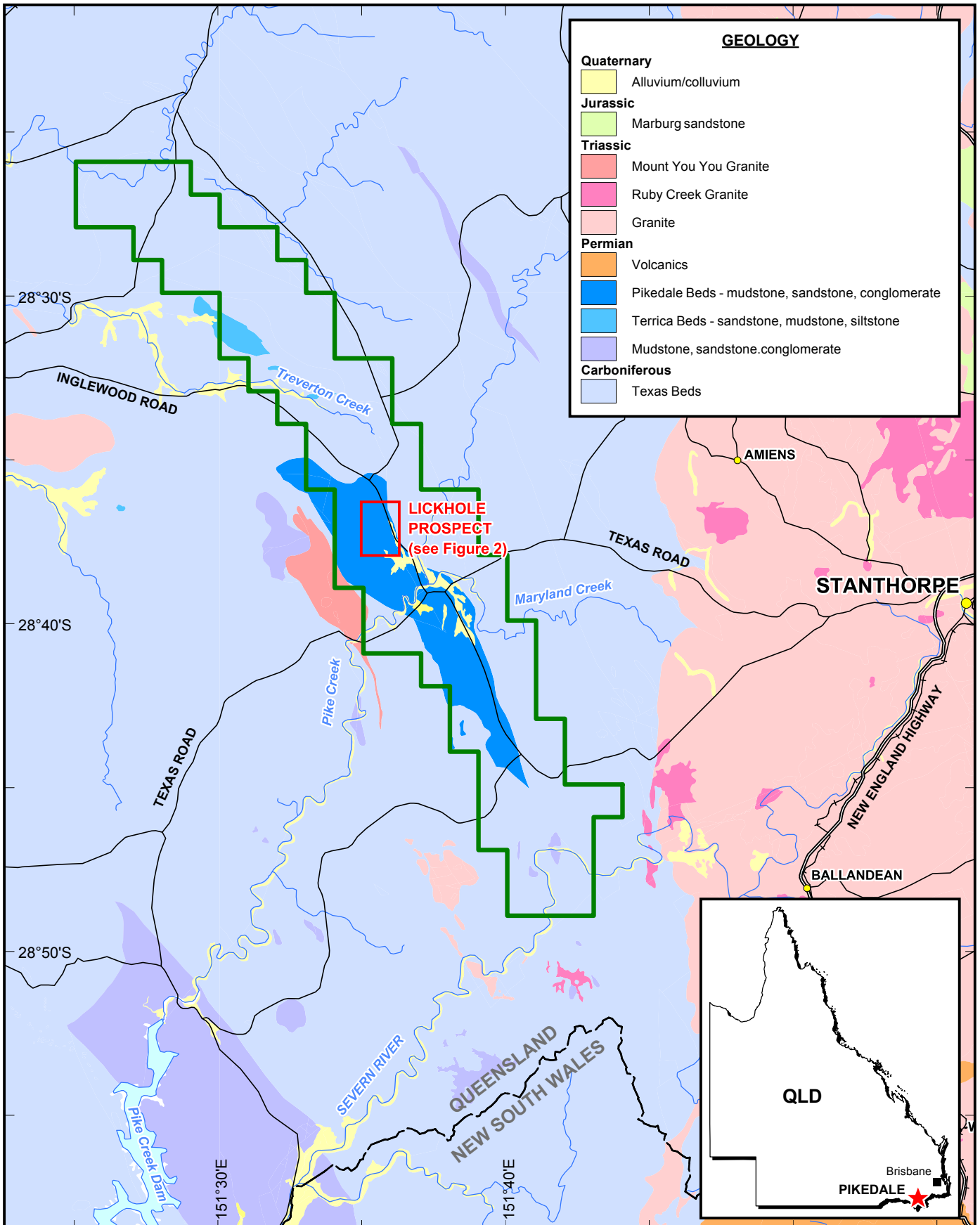
CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which has had two previous periods of production but has not operated for over 50 years. Drilling at Conrad by Malachite has intersected narrow high 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 **Joos Gully** prospect, where drilling in 2010 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.

Malachite has also signed a conditional Share Sale Agreement with Volga Elderberry Pty Limited ("VEPL"), pursuant to which Malachite can acquire all of the issued capital of VEPL and thereby obtain 100% ownership of the **LORENA GOLD PROJECT**, located near Cloncurry in northwest Queensland. Acquisition of VEPL and Lorena is subject to a number of Conditions Precedent, including the approval of Malachite's shareholders, which will be sought at the Company's AGM, scheduled for 23 November 2010.

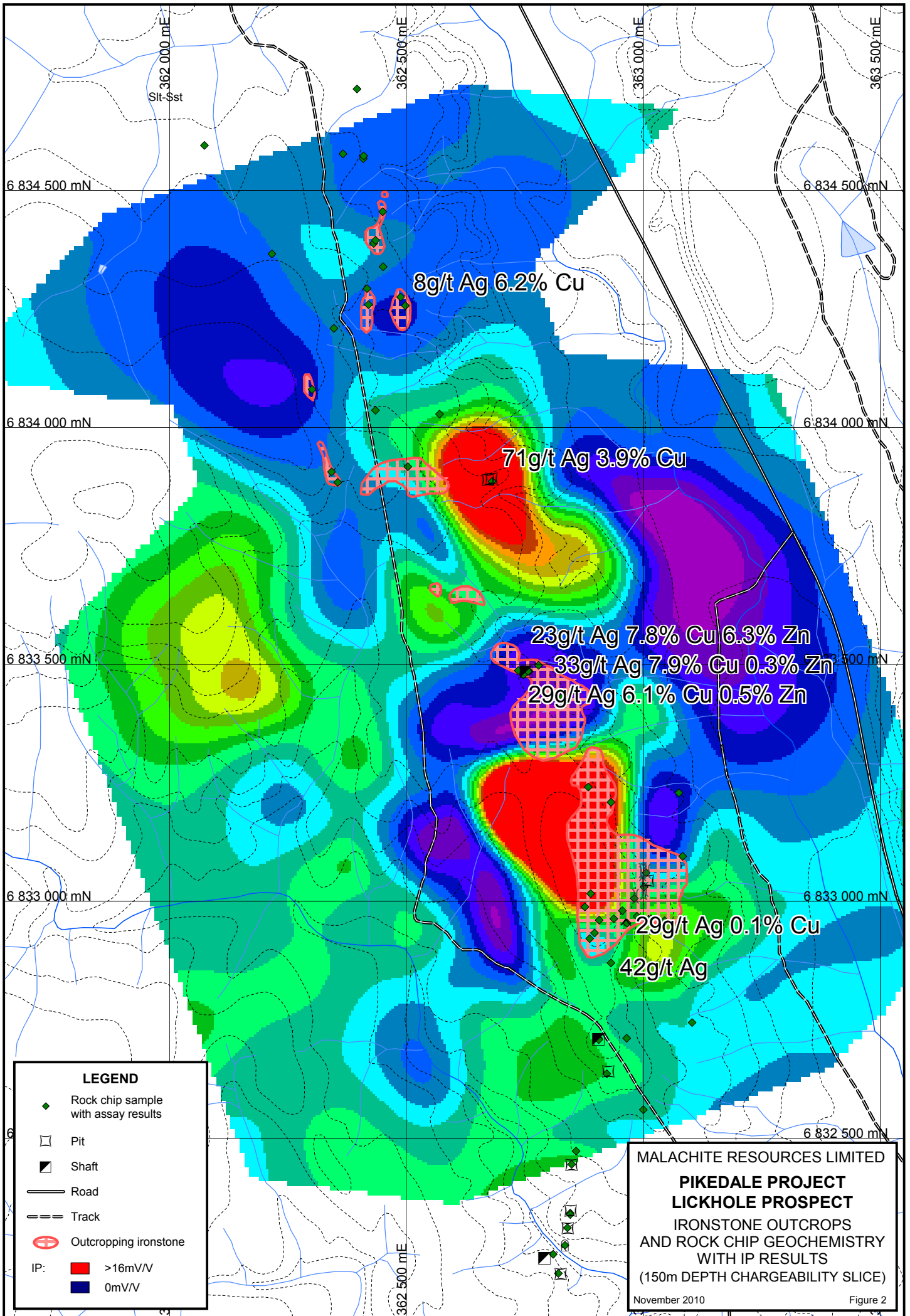


GEOLOGY	
Quaternary	Alluvium/colluvium
Jurassic	Marburg sandstone
Triassic	Mount You You Granite
	Ruby Creek Granite
	Granite
Permian	Volcanics
	Pikedale Beds - mudstone, sandstone, conglomerate
	Terrica Beds - sandstone, mudstone, siltstone
	Mudstone, sandstone, conglomerate
Carboniferous	Texas Beds

LEGEND	
	Town - large, small
	Highway
	Main road
	River
	EPM 18166

0 5 10
kilometres

MALACHITE RESOURCES LIMITED	
PIKEDALE PROJECT, QLD	
Geology Plan and Tenement Location	
Scale: 1:300,000	Date: November 2010
Grid: GDA94/MGA55	Figure 1



LEGEND

- Rock chip sample with assay results
- Pit
- Shaft
- Road
- Track
- Outcropping ironstone
- IP: >16mV/V
- IP: 0mV/V

MALACHITE RESOURCES LIMITED
PIKEDALE PROJECT
LICKHOLE PROSPECT
 IRONSTONE OUTCROPPINGS
 AND ROCK CHIP GEOCHEMISTRY
 WITH IP RESULTS
 (150m DEPTH CHARGEABILITY SLICE)

Figure 3: The Lickhole Prospect at Pikedale:

Ironstone outcrops



Old working



Oxide copper mineralisation

