

ASX Announcement

ASX Code: MAR

19 May 2011

ASSAY RESULTS FROM RECENT DRILLING AT LORENA REINFORCE HIGH GRADE

Malachite Resources Limited (“Malachite” or “the Company”) is pleased to advise that it has received initial assay results from the April 2011 drilling program at the Company’s Lorena Gold Project (“Lorena”) which reinforce the high grade core of the ore body. The current high grade core extends from 20 metres (bottom of the existing open cut) to some 85 metres in depth (the maximum depth of current drilling) and is able to be mined via an open pit.

Key new drilling results include:

<u>HOLE No.</u>	<u>GOLD ASSAY</u>
LMRC059:	1m @ 10.3g/t Au
LMRC061:	13m @ 7.9g/t Au
LMRC062:	1m @ 8.7g/t Au
LMRC065:	2m @ 6.0g/t Au
LMRC067:	6m @ 22.6g/t Au
LMRC070:	6m @ 2.7g/t Au

The new assays represent interim results from the first phase of a drilling program planned to extend and upgrade the existing Lorena mineral resource. A total of 1,936m of reverse circulation percussion (“RC”) drilling was completed in this first phase of the program. Details of the results are set out in Tables 1 and 2 below.

Previous drilling has defined the resource in two lodes, the A lode and B lode, with the high grade core appearing to be at the intersection of the two lodes. The recent drilling has provided valuable information in defining the shape and plunge of this high grade core.

The next phase of drilling will be the key to unlocking the potential at Lorena. However, this cannot be carried out until the surrounding mining lease applications are granted. Once these mining leases are granted the company has access to tenure over adjoining ground which enables the deposit to be drilled to test extensions at depth and along strike (refer Figure 1). We understand that grant of those new mining leases is imminent.

Commenting on the new results, CEO Geoff Hiller noted:

“Some of the new holes produced very good gold intersections, allowing us to get a better handle on the size, shape and plunge of the A Lode and especially its high grade core. The next phase of drilling will follow that high grade zone to greater depth.”

Drilling is expected to resume in June (dependent on mining leases being granted), when deeper parts of A Lode will be tested by collaring holes on the newly granted tenements adjacent to the existing ML7147. Once this exploration has been carried out the Company will be in a position to update the resource estimate.

Potential extensions along strike where the A Lode trend runs off ML7147 will be targeted as well as potential repetitions to the west of ML7147. These additional targets include outcropping gold-bearing gossans (like those that led to the discovery of Lorena) and geochemically anomalous crackle breccias.

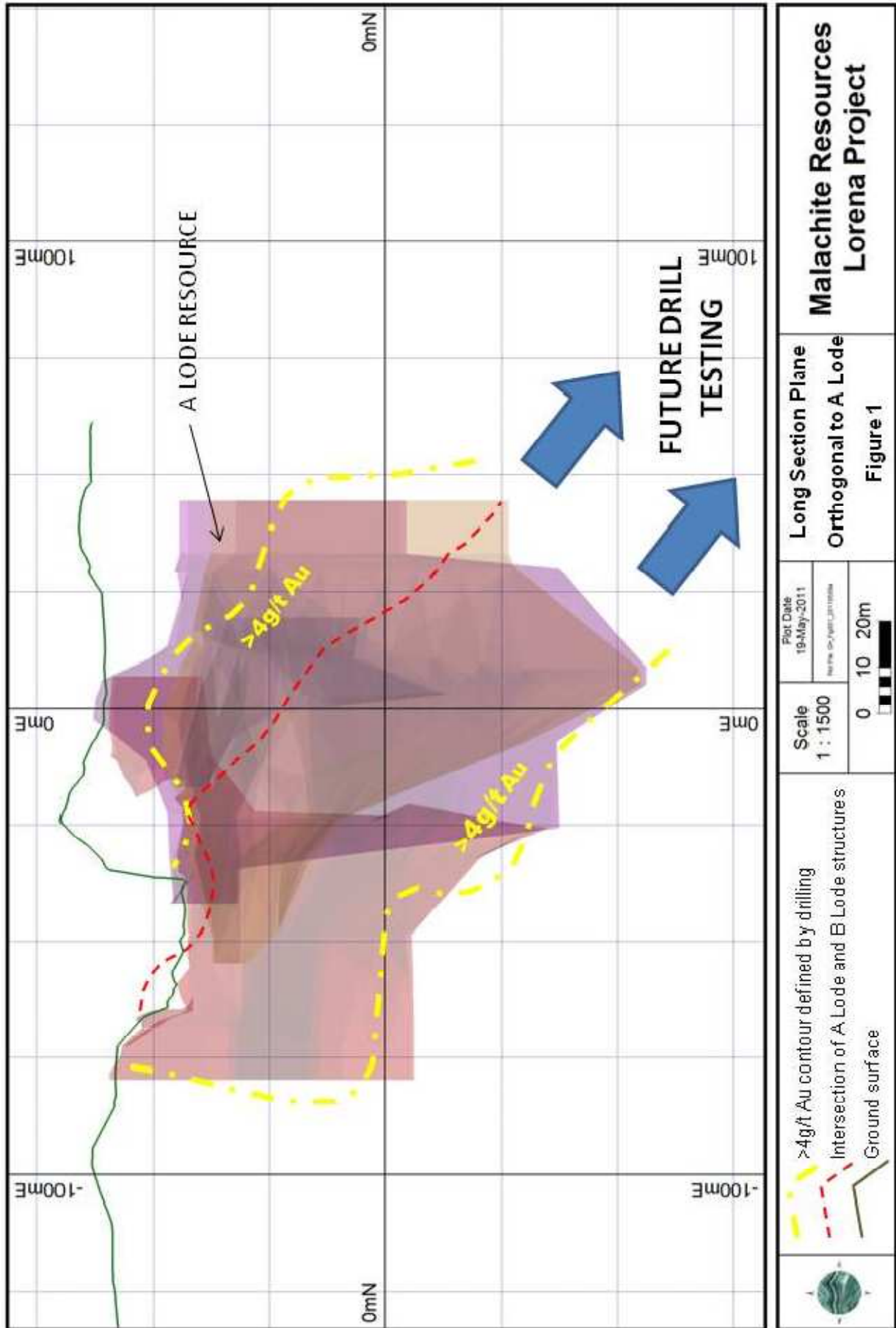
TABLE 1: ASSAY RESULTS

Hole No	From (m)	To (m)	Intercept Length (m)	Approx. True Width (m)	Au g/t	Cu %	Comments
LMRC057	42	43	1	1	0.3	0.4	B Lode position below fault (at 35m)
	80	83	3	3	1.0	0.1	
LMRC058	156	158	2	2	6.3	0.0	Fault intersected at 62m
LMRC059	53	56	3	3	0.5	0.1	B Lode position
	75	76	1	1	10.3	0.2	A Lode
LMRC060	49	50	1	1	2.5	0.1	Possible B Lode and 1m @0.64g/t Au at 71m, A Lode
LMRC061	65	78	13	11	7.9	0.3	A Lode
LMRC062	88	89	1	1	8.7	0.2	A Lode
LMRC063	98	100	2	2	1.9	0.1	A Lode
LMRC064	92	93	1	1	1.2	0.0	A Lode
	98	99	1	1	1.2	0.2	A Lode
LMRC065	96	98	2	2	6.0	0.2	A Lode
LMRC066	106	107	1	1	1.2	0.1	A Lode
LMRC067	62	68	6	4	22.6	0.1	A Lode (plus 3m at 1.3g/t Au, 0.7% Cu from 52m)
LMRC068	-	-	-	-	-	-	Abandoned - loose collar (dump material)
LMRC069	23	24	1	1	0.3	0.0	A Lode position
LMRC070	3	9	6	4	2.7	0.1	Including 3m @ 4.1g/t Au, 0.1% Cu
	27	28	1	1	0.7	0.3	A Lode position
LMRC071	-	-	-	-	-	-	No intersection
LMRC072	-	-	-	-	-	-	No intersection
LMRC073	-	-	-	-	-	-	No intersection
LMRC074	84	86	2	2	0.6	0.1	B Lode
LMRC075	64	68	4	4	1.0	0.1	B Lode

TABLE 2: DRILL HOLE LOCATION DETAILS

Hole No	Collar Coordinates MGA (UTM Zone 54)		Azimuth (deg MGA)	Collar Dip (deg)	Depth (m)
	East (m)	North (m)			
LMRC057	463336	7708920	47	-60	115
LMRC058	463321	7708906	47	-60	175
LMRC059	463380	7708910	47	-60	121
LMRC060	463380	7708910	9	-60	97
LMRC061	463402	7708896	46	-65	127
LMRC062	463366	7708897	47	-60	109
LMRC063	463366	7708897	47	-70	121
LMRC064	463342	7708892	47	-60	133
LMRC065	463388	7708885	48	-64	139
LMRC066	463390	7708881	40.5	-77	155
LMRC067	463439	7708877	43	-77	103
LMRC068	463433	7708874	47.5	-64.5	13
LMRC069	463472	7708889	82.5	-63	67
LMRC070	463466	7708893	62.5	-67.5	60
LMRC071	463296	7709003	47	-60	67
LMRC072	463328	7709000	54	-72.5	55
LMRC073	463347	7708983	47	-60	79
LMRC074	463313	7708894	362	-68.5	103
LMRC075	463307	7708897	348.5	-60	97

FIGURE 1



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 an existing mining lease (ML7147), five mining lease applications, one EPM and two EPMA's at Lorena.

Lorena has a mineral resource containing 78,000 ozs of gold. It has a measured resource of 177,880t at 9.8g/t Au containing 56,000 ozs ("A Lode") and an inferred resource of 95,000t at 7.2g/t Au containing 22,000 ozs ("B Lode"). The resource is within a potential open pit mine and is open at depth and along strike. The gold bearing ore is principally of massive and stringer sulphide type and copper-gold mineralisation occurs in conjunction with the gold ore body.

Malachite intends to develop the Lorena project and future exploration planned for this year will be a factor in determining the size of the operation.

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



G. HILLER
Chief Executive Officer
19 May 2011

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Garry Lowder, who is a full time employee of the Company and is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Lowder 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.