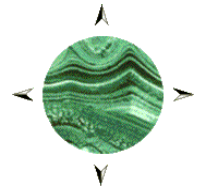


Malachite Resources Limited

ABN 86 075 613 268



Suite 1502, Tower B, 799 Pacific Highway, Chatswood NSW 2067
P O Box 5218, West Chatswood NSW 1515
Tel. (02) 9411 6033 Fax (02) 9411 6066

ASX Announcement

ASX Code: MAR

31 March 2011

DRILLING UNDERWAY AT THE LORENA GOLD PROJECT

Malachite Resources Limited ("Malachite" or "the Company") is pleased to advise that drilling has commenced at the Company's newly acquired Lorena Gold Project ("Lorena"), located near Cloncurry in northwest Queensland.

Lorena was purchased by Malachite in February this year when the Company issued 350,000,000 MAR shares to acquire all of the issued capital of Volga Elderberry Pty. Limited ("VEPL"), holder of an existing mining lease (ML7147) and several mining lease applications ("MLAs") at Lorena. The drilling program now underway is aimed at extending the existing mineral resource down dip and along strike, within ML7147. Later in the year drilling is expected to move outside ML7147 onto ground the subject of the MLAs, whose grant to VEPL (now a wholly owned subsidiary of Malachite), is expected in April.

Key features of Lorena include:

- Lorena has a mineral resource containing 78,000 ozs of gold at a grade of approximately 10g/t Au
- As such, it is an unusually high grade deposit, especially for a potential open pit mine
- The existing mineral resource is open at depth and along strike
- The ore is principally of massive and stringer sulphide type
- Copper-gold mineralisation occurs in conjunction with the gold ore body
- The Company hopes to develop a mine producing 50,000ozs gold p.a. by 2013

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

A handwritten signature in blue ink, appearing to read 'G. G. Lowder', is written over a light blue horizontal line.

G. G. LOWDER
Chairman
31 March 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.