



Malachite Resources NL

ABN 86 075 613 268

Malachite raises \$758,500 by Placement of Shares

Following shareholder approval at the Company's Annual General Meeting held on 23 November 2005, Malachite Resources NL ("MAR") is pleased to announce a placement of 7,585,000 ordinary fully paid shares at 10.0 cents to raise \$758,500.

This placement is comprised of the second tranche of 4,471,000 shares of a Placement of 10,000,000 ordinary shares at an issue price of \$0.10 per share and 10,000,000 options approved by shareholders at the AGM under ASX Listing Rule 7.1, together with an issue of 3,114,000 shares effected by the Directors pursuant to their capacity under ASX Listing Rule 7.1.

The allottees were institutional, professional, sophisticated, foreign investors or clients of a financial services licensee under Section 708(10) of the Corporations Act identified by the Directors of the Company.

The shares allotted are ordinary fully paid shares ranking *pari passu* with all of the Company's existing ordinary fully paid up shares.

An equal number (7,585,000) of attaching options have also been issued for no additional consideration. These options have an exercise price of 20 cents, exercisable on or before 31 August 2008 and are governed by the same terms and conditions applying to the existing options issued by the Company and trading on the ASX having an expiry date of 31 August 2008.

The amount raised from the issue of shares represents the balance of the shortfall in funds derived from the Company's Rights Issue which closed on 30 September 2005 together with a limited amount of additional funding.

Funds raised from the issue of the shares will be used to advance the Company's various exploration projects. This may include establishment of a joint venture at the Company's Tooloom Gold Project in north eastern NSW, further drilling at Cheviot Hills in the southern part of the Tooloom region, bulk sampling at the Sheep Station Hill tin/tungsten project at Elsmore, near Inverell in northern NSW and evaluation of new exploration opportunities identified by the Company, including tenements applied for at Oberon and Abington in NSW. Some funding may also be allocated to Mt Ramsay in Tasmania, Lynd River in north Queensland, the generation of new projects and the provision of working capital.

The Company has made application to the ASX for quotation of the shares and options to be issued. The options will be in the same class as the existing August 2008 options already on issue (MAROA).

The number and class of all securities quoted on the ASX (*including* the shares and options referred to in this announcement) are:

Number	Class
74,833,065	Ordinary Fully Paid Shares
28,830,095	Options Ex Price 20 cents Exp 28-Feb 2006
20,754,585	Options Ex Price 20 cents Exp 31-Aug 2008

The Company seeks to rely on Section 708A(5) of the Corporations Act (“the Act”) in respect of the issue of these shares.

In accordance with Section 708A(5)(e) of the Act, the Company gives notice that:

- The Company has issued these shares without disclosure to the places under Part 6D.2 of the Act;
- As at the date of this notice, the Company has complied with:
 - the provisions of Chapter 2M of the Act as they apply to the Company;
 - Section 674 of the Act
- As at the date of this notice there is no excluded information (as defined in Section 708A (7) of the Act) which is required to be disclosed by the Company.

Yours faithfully



Andrew J Cooke
Company Secretary
3 February 2006