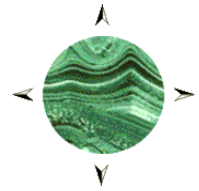


Malachite Resources Limited

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ASX Announcement

Code: MAR

1 February 2011

LORENA GOLD PROJECT: ACQUISITION TO PROCEED IMMEDIATELY

Malachite Resources Limited (“Malachite”; ASX: MAR) is pleased to advise that the Company is to proceed with completion of the Lorena Gold Project (“Lorena”) acquisition. After due consideration, the Board of Malachite has decided that it is in the best interests of the Company to waive the Condition Precedent that requires the grant of five additional mining leases (“MLs”) adjoining the existing mining lease at Lorena. Such a waiver will allow the acquisition by Malachite of Volga Elderberry Pty. Limited (“VEPL”), which wholly owns Lorena, to proceed immediately and work to begin on the existing lease while waiting for grant of the additional MLs.

There are two main reasons for waiving the Condition Precedent involving grant of the MLs, as follows:

1. ***Grant may be delayed due to changed administrative procedures*** – All requirements for the grant of the five new mining leases at Lorena have been met and the Company and Vendors are firmly of the view that there is now no impediment to the grant of the leases. On 2 July 2010 the Land Court of Queensland recommended to the Minister that grant should proceed and, following the signing, stamping and lodgement of a road access agreement with Cloncurry Shire Council, the Land Court has confirmed in writing that its involvement in the matter has been completed. The final step in the grant process is the approval of the Queensland Governor-in-Council (“GIC”), which will act on a submission recommending grant from the Mount Isa Mining Registrar. Malachite understands that, due to a change in administrative procedures, the Mining Registrar’s submission to the GIC may be delayed for a short period.
 2. ***Shareholder approval for the Lorena consideration expires on 23 February 2011*** – Approval by Malachite shareholders for the acquisition of Lorena was given at the Company’s Annual General Meeting on 23 November 2010. Pursuant to Listing Rule 7.3.2, the issue of shares as consideration for the Lorena transaction must take place within three months of the approval given by shareholders, or the approval lapses. Given that the risk of the MLs not being granted is now so low and in view of the significant costs and inconvenience that seeking renewed shareholder approval would involve, the Malachite Board believes it is in the best interests of the Company to now proceed with completion of the transaction.
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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
1 February 2011

Background Information – On 29 September 2010 Malachite Resources Limited (“Malachite”) signed an agreement with Volga Elderberry Pty. Limited (“VEPL”) pursuant to which Malachite would acquire all of the shares of VEPL, whose principal asset is the Lorena Gold Project, located near Cloncurry in northwest Queensland. Lorena is a partly defined, high grade gold deposit which Malachite believes can be expanded rapidly to a viable mineable resource and fast-tracked to production as a profitable, high margin gold mine, generating strong cash flows. Full details of the Lorena transaction can be found in a MAR ASX release dated 29 September 2010 and in the Notice of Meeting issued for the Annual General Meeting held on 23/11/2010 and lodged with the ASX on 22 October 2010.