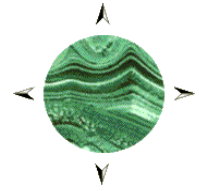


Malachite Resources Limited

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ASX Announcement

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24 January 2011

LORENA GOLD PROJECT: PROGRESS REPORT

Malachite Resources Limited ("Malachite"; ASX: MAR) is pleased to provide the following further progress report on the acquisition by the Company of the Lorena Gold Project ("Lorena").

Lorena Not Affected by Queensland Floods – Shareholders will be very aware of the extensive and tragic flooding which hit many parts of Queensland in late December, 2010 and early January, 2011. Some shareholders have been concerned that Lorena may also have been flooded but Malachite is pleased to advise that the Lorena Gold Project has not been impacted by any of the Queensland flooding. To date the area around Lorena has received only normal 'wet season' rainfall and run-off and employees of Volga Elderberry Pty. Limited ("VEPL") have been on site regularly to monitor the situation and ensure that no adverse events occur. Because Lorena is only 2km from the paved, all-weather Flinders Highway, and there are no major creek or river crossings between the mine site and the town of Cloncurry, some 15km to the west, the potential for weather-induced damage or disruption to access is very low. This is an attractive feature of the project.

Completion of the Acquisition – There are two key Conditions Precedent ("CPs") that must be met before the acquisition of VEPL by Malachite (and thereby the acquisition of Lorena itself) can be completed. The first CP – Malachite shareholder approval – was achieved at the Company's AGM on 23 November 2010.

The other key CP is the grant of five new mining leases ("MLs") over ground adjoining the existing mining lease, ML7147, on which the known gold deposit is located. The new MLs are considered necessary to provide sufficient space to develop the mine properly, as well as additional ground for to explore for extensions and repetitions of the Lorena ore body. All statutory requirements for issue of the new MLs have been met and final grant now awaits only the procedural step of approval at a meeting of the Queensland Governor-in-Council ("GIC"). The first meeting of the GIC is scheduled for this week and, notwithstanding the flood emergency, at this stage neither Malachite nor VEPL has any reason to believe that it will not be 'business as usual' when the GIC meets.

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.

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 positioned above the printed name and title.

G. G. LOWDER
Managing Director
24 January 2010