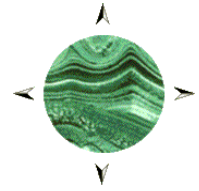


Malachite Resources Limited

ABN 86 075 613 268



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ASX Announcement

Code: MAR

17 December 2010

POLICY ON DEALINGS IN MAR SECURITIES

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or “engage in dealings” of any securities in MAR if;

- a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available; *and*
- b) The person knows, or ought reasonably to know, that:
 - I) The information is not generally available; and
 - II) If it were generally available, it might have a material effect on the price of the securities.

A person does not need to be directly associated with the Company to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies (“Related Third Parties”).

Policy:

1. Directors, officers and employees of MAR and its subsidiary companies **shall not** engage in any dealings in the securities of MAR without giving prior notice as follows:

<i>Party seeking to deal in securities</i>	Prior Notice to be Given to:
Employees of MAR or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of MAR (or their Related Third Parties)	The Company Secretary of MAR
Directors of MAR or subsidiary companies (or their Related Third Parties)	The Company Secretary of MAR who shall provide details to the Chairman of MAR

2. The Board should be advised of all dealings by directors, officers and employees at periodic Board meetings. Details to be advised shall include: Type of dealing, Date of dealing, Number of securities, Seller, Purchaser and Price;

3. Directors, officers and employees **shall not** engage in any dealings in MAR securities during the period:
 - a) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's annual or half year results;
 - b) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's quarterly activities reports;
 - c) notwithstanding a) or b), at any time while in *possession of inside information*.
4. Directors, officers and employees **are prohibited** from trading in financial products issued or created over or in respect of the entity's securities.

For further information please telephone Andrew J. Cooke on 02 9411 6033 or email the company at info@malachite.com.au and visit the website: www.malachite.com.au

ABOUT MALACHITE – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for gold, silver, copper and tin in eastern Australia. The Company's key assets are:

CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which has had two previous periods of production but has not operated for over 50 years. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins, like those mined in the past, and wide zones of lower grade, disseminated and stockwork veined, polymetallic mineralisation. At current prices, silver represents 50% of total recoverable metal value in the Conrad ore and tin makes up about 25%; copper, lead and zinc make up the balance. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth. Further resource drilling is planned for the third Quarter of 2011.

The **TOOLOOM GOLD PROJECT** also in northeastern NSW, is based on a forgotten goldfield rediscovered by Malachite. Numerous prospects have been identified, including a significant greenfields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential. Current focus is on the **Joes Gully** prospect, where drilling in 2010 produced encouraging results, with gold assays up to 28g/t Au within quartz vein stockwork systems that are thought to contain coarse grained free gold.

At **PIKEDALE** in southern Queensland, Malachite has identified an attractive base metal target, defined by highly anomalous surface rock chip geochemistry and a strong sub-surface IP chargeability anomaly. Drilling is planned for the first Quarter of 2011.

Malachite has also signed a conditional Share Sale Agreement with Volga Elderberry Pty Limited ("VEPL"), pursuant to which Malachite can acquire all of the issued capital of VEPL and thereby obtain 100% ownership of the **LORENA GOLD PROJECT**, located near Cloncurry in northwest Queensland. Acquisition of VEPL and Lorena is subject to a number of Conditions Precedent, including the approval of Malachite's shareholders, which was given at the Company's AGM on 23 November 2010, and the grant of key additional mining lease applications. Grant of those applications is imminent.