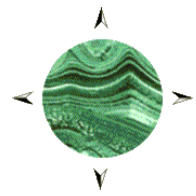


Malachite Resources Limited

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

Code: MAR

20 December 2010

Share Purchase Plan raises \$343,125

Malachite Resources Limited is pleased to advise that its **Share Purchase Plan** ("SPP") has closed raising \$343,125.

The Company has allotted 4,575,000 shares which will be applied to SPP applicants' holdings today.

The Company's Managing Director – Dr. Garry Lowder said:

"Malachite greatly appreciates the support shown by its shareholders. The funds raised from this SPP will be applied to support/initiate the following activities in the coming months:

- i) *Drilling to convert the known resource at Lorena to a mineable reserve and explore the prospective ground adjacent to the existing Lorena pit;*
- ii) *Infill drilling of the Princess Shoot at Conrad; and*
- iii) *Reconnaissance drilling program at the Lickhole prospect, within the Pikedale EPM.*

For further information please visit the Company's website: www.malachite.com.au
or contact: **Andrew Cooke, Company Secretary** at (02) 9411 6033
or by email at: acooke@malachite.com.au

Andrew J. Cooke
Company Secretary

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 **Joels 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.