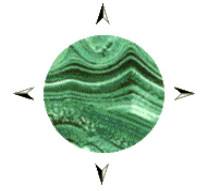


Malachite Resources Limited

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ASX Announcement

Code: MAR

24 December 2010

LORENA GOLD PROJECT: FURTHER UPDATE

Malachite Resources Limited (ASX: MAR) is pleased to provide a further update on progress with Completion of the acquisition of Volga Elderberry Pty. Limited ("VEPL").

VEPL is the holder of mining lease ML7147, which contains the Lorena gold deposit, located 15km east of Cloncurry in northwest Queensland. Malachite has agreed to acquire VEPL (and thereby acquire the Lorena Gold Project) upon satisfaction of several Conditions Precedent, the key outstanding one being grant of five additional mining lease applications ("MLAs") that adjoin ML7147. Grant of those leases will provide both additional ground for mine site infrastructure and further exploration potential for expansion of the Lorena gold resource.

All documents required for grant of the MLAs have now been lodged with the Queensland Department of Employment, Economic Development and Innovation, Mines and Energy Division. Due to the imminent holiday period, during which the granting authority will be closed, it is now expected that grant of the five outstanding mining lease applications will take place in the second half of January, 2011.

As the existing Share Sale Agreement ("SSA") between Malachite Resources Limited and VEPL envisaged Completion before 31 December 2010, an Amendment Deed has been prepared and signed by the parties to the SSA to allow for the later than expected Completion date. While Completion is expected in January, the Amendment Deed allows for Completion at any time up till 31 March 2011.

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 written over a light blue horizontal line.

G. G. LOWDER
Managing Director
24 December 2010