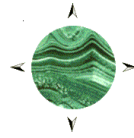


Malachite Resources Limited

ABN 86 075 613 268



ASX Announcement

ASX Code: MAR

2 September 2011

RIGHTS ISSUE TO RAISE \$3.5M

Malachite Resources Limited ("Malachite" or "the Company") is pleased to announce that it is proceeding with a fully underwritten renounceable Rights Issue to raise approximately \$3.5M.

Eligible shareholders will be entitled to apply for new shares at an issue price of 2.5 cents on the basis of 1 new share for every 4 shares held.

Participants in the Rights Issue will also receive 1 New Option for every new share applied for. These New Options will have an exercise price of 5.0 cents and may be exercised at any time prior to 15 June 2012.

For every New Option that is exercised the holder will also receive (in addition to 1 new fully paid share) a further free attaching option to subscribe for 1 fully paid share at 10.0 cent on or before 31 December 2014.

The Rights Issue is to be fully underwritten by Patersons Securities Limited. In addition to receiving an underwriting fee Patersons will also be issued with up to 114,969,739 New Options pursuant to the Prospectus.

The Rights Issue is being offered to shareholders whose registered address is in Australia, New Zealand or Singapore on the Record Date of 14 September 2011.

This Rights Issue is being undertaken principally to fund further exploration and evaluation of the Company's key projects, with first priority to be given to the Lorena Gold Project. As recently announced drilling has resumed at Lorena. This drill program is aimed at extending the existing mineral gold resource down plunge. The drill program is approximately 2,500 metres of reverse circulation percussion drilling and is expected to be completed by the end of September, with results available about four weeks later.

It is anticipated that a Prospectus will be lodged with both ASIC and ASX on Tuesday 6 September 2011 and that the Record Date will be Wednesday 14 September 2011. It is envisaged that the Rights Issue will close Wednesday 5 October 2011.

For further information please telephone Geoff Hiller on (02) 9411 6033 or email the company at info@malachite.com.au and visit the website: www.malachite.com.au

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