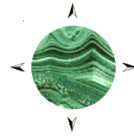


Malachite Resources Limited

ABN 86 075 613 268



ASX Announcement

ASX Code: MAR

14 October 2011

RIGHTS ISSUE SUCCESSFULLY CONCLUDED

Malachite Resources Limited ("Malachite" or "the Company") is pleased to announce that its Rights Issue has today been successfully concluded, significantly enhancing both the Company's financial position and the advancement of development at the Lorena Gold Project.

The Rights Issue was fully subscribed with total new funds received from shareholders and the Underwriter, Patersons Securities Limited, amounting to \$2,749,243 (before costs of the issue).

Total Director and CEO loans converted into equity in accordance with the terms of the Rights Issue Prospectus amounted to \$745,190.

The Company acknowledges the strong support of existing shareholders and Patersons Securities Limited.

As a result the Company has today allotted the following securities:

139,777,340 Ordinary Fully Paid Shares; and
139,777,340 MARO Options.

The MARO Options have an exercise price of 5.0 cents and may be exercised at any time prior to 15 June 2012. For every MARO Option exercised the holder will also receive (in addition to a fully paid share) a further free attaching option to subscribe for 1 share at 10.0 cents on or before 31 December 2014.

At Lorena, the Company is currently progressing a program of soil sampling and geological mapping on two of the new mining leases (ML 90192 and ML 90193) which were granted in May of this year.

The Company also expects to be in a position to release results in the next few weeks from the second phase of resource drilling recently completed at Lorena.

With the success of the Rights Issue, the Company is now in a position to pursue value adding activities at Lorena, including ongoing exploration and the commencement of project evaluation work.

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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