



Malachite Resources NL

ABN 86 075 613 268

Directors Options to be Amended

At the Company's Annual General Meeting held on Tuesday 25 November 2008 shareholders approved a series of resolutions granting a total of 5,900,000 Options to Directors.

The Notice convening the Annual General Meeting set out the basis for determining the Exercise Price for these Options as a price equal to 25% above the Volume Weighted Average Price ("VWAP") of shares in the Company traded on the ASX in the 5 trading days prior to shareholder approval. At the time the Notice of Meeting was dispatched to shareholders an assumption was made that the Exercise Price would be of the order of 17.5 cents. However, by the time the Annual General Meeting was held the strong decline in world equity markets, which affected the Malachite share price in line with most other listed companies, meant that the Exercise Price became 8.8 cents. This figure is well below the Company's expectations at the time the resolutions were prepared for the Notice of Meeting.

The Directors recognise that many shareholders recently supported the Company through the exercise of MAROA Options at 20 cents and accordingly have resolved to amend the terms of the 5,900,000 Options issued following the Annual General Meeting by increasing the Exercise Price from 8.8 cents to 20.0 cents. The higher figure is closer to the Directors' original intentions and will better achieve the goal of aligning the interests of Directors with those of the Company's shareholders.

ASX Listing Rule 6.23.5 requires that an amendment to increase the Exercise Price can only be made with the approval of shareholders and accordingly this amendment will be submitted to the next General Meeting of shareholders and in any event prior to the first option vesting date of 25 November 2009.

Yours sincerely

Andrew J Cooke
Company Secretary
28 November 2008