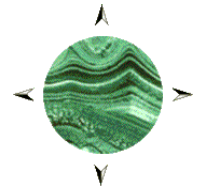


Malachite Resources NL

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ASX Announcement

Code: MAR

5 September 2008

\$1.75 M raised through exercise of MAROA Options

Malachite Resources NL (ASX: MAR) advises that a total of 8.765 million of its MAROA options have been exercised, raising \$1.75 million in new equity; the balance of the MAROA options lapsed on the expiry date of 31 August 2008. Malachite now has a total of 133,406,128 shares on issue.

The additional capital places Malachite in a sound financial position in otherwise very uncertain times. The Company will use the new funding to continue its program of resource definition drilling at its flagship Conrad Silver Project and to advance the potential for tin mining at its Elsmore Tin Project. Both projects are situated near Inverell in northern NSW and are owned 100% by Malachite.

Managing Director, Garry Lowder commented:

“This is a very pleasing outcome given the current state of the equity market and we are very grateful for the support shown by our shareholders and optionholders. We are now highly focused on further upgrading the Conrad mineral resource by late this year and seeking to generate a cash flow from mining tin in the Karaula deposit at Elsmore by late next year.”

For further information please visit the Company's website: www.malachite.com.au
or contact: **Garry Lowder, Managing Director** glowder@malachite.com.au
or **Andrew J. Cooke, Company Secretary** acooke@malachite.com.au

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 and base metals in eastern Australia. At the beginning of July, 2008 the Company had over \$3.4 million in cash and no debt. The Company's key assets are:

The **CONRAD SILVER PROJECT** located in northern NSW, where the Company is evaluating the scope to reopen the old **Conrad Silver Mine** near Inverell. Conrad 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 40-50% of total recoverable metal value in the Conrad ore. Preliminary economic modelling suggests that a high grade mineral resource containing 8-10 million ounces of silver plus base metals would be sufficient to support reopening of the Conrad Mine. Drilling to establish that resource continues.

Malachite also has excellent exposure to tin, through its **ELSMORE** Project, near Inverell in northern NSW, where the Company is considering the possible development of a palaeo-alluvial tin deposit, known as the Karaula Lead, at the Newstead Prospect. The Karaula Lead appears to have the potential to support a small surface mining operation, which could be developed with low capital and operating costs and generate useful cash flow for the Company. Work is now underway to better quantify the Karaula Lead deposit and assess its economics.

The **VOLGA COPPER PROJECT** in northwest Queensland, east and northeast of Mt Isa, where the Company is exploring for copper-gold at the **Mt Lidster** and **Volga Elderberry** properties. Previous drilling at Mt Lidster and Volga has produced some encouraging high grade copper intersections. Follow up drilling was recently conducted.

The **TOOLOOM GOLD PROJECT** also in northeast NSW. Tooloom is a forgotten goldfield rediscovered by Malachite where 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. Further drilling at Phoenix and elsewhere at Tooloom was completed recently and more will follow in the coming months.
