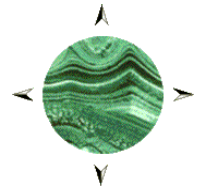


Malachite Resources NL

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ASX Announcement

Code: MAR

8 December 2008

EXPLORATION UPDATE

Malachite Resources NL (ASX: MAR) is pleased to provide the following update on two of its key exploration activities as the 2008 year draws to a close.

CONRAD – All assays from the 2008 resource drilling program at the Conrad Silver Mine have been received and reported to the market. The Company's mineral resource consultants are nearing completion of their work on a new resource estimate for the project and the results of their study will be reported within the next two weeks.

ELSMORE – The bulk sampling program being conducted on the Karaula tin deposit at Elsmore has now been completed. In all, about 80 pits were excavated to a maximum depth of around 6m, using a 30t excavator (Fig. 1). A 25kg sample of the material extracted from each metre of depth in each pit was collected (Fig. 2) and each pit was then filled back in and the surface rehabilitated (Fig. 3).

A 2.5kg split from each sample will be sent for tin assay, a second 2.5kg split will be retained for reference, and the remaining 20kg of each sample will be tested for recoverable tin using a hired cone concentrator (Fig. 4). The cone concentrator mimics actual production by using gravity to produce a heavy mineral concentrate which is then analysed for tin content. The head grade of recoverable tin in the original sample can then be calculated. The cone concentrator is currently being used by another company but will be available to Malachite at the end of this month, when it will be relocated to Malachite's Jadree property, adjacent to Conrad. Sample processing will take place over the first few weeks of January, 2009.

During the bulk sampling work some of the samples of Karaula alluvium were panned to assess tin content and in many cases encouraging amounts of tin as cassiterite were observed.

For further information please visit the Company's website: www.malachite.com.au

or contact: **Garry Lowder, Managing Director** at (02) 9411 6033

or by email at: glowder@malachite.com.au

A handwritten signature in blue ink, appearing to read 'Garry Lowder', with a stylized flourish at the end.

G. G. LOWDER
Managing Director
8 December 2008

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Lowder is a full time employee of Malachite Resources and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Lowder consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

ABOUT MALACHITE – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for silver, tin, gold, copper and associated base metals in eastern Australia. At the beginning of October, 2008 the Company had approximately \$2.5 million in cash and no debt. The Company's key assets are:

The **CONRAD SILVER PROJECT**, which is located 25km south of Inverell, 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 and tin accounts for about 25% of the value. An interim mineral resource containing 8.8Moz of silver, or 17.7Moz of silver equivalent, has been delineated at Conrad and drilling to add to and upgrade that resource was completed at the end of September, 2008. A new resource estimate will be produced by the end of the December Quarter, 2008.

Malachite also has excellent exposure to tin, through its **ELSMORE Project**, located 20km east of Inverell, 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**, located 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.

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.



Figure 1: Excavating a bulk sample pit into the Karaula Lead alluvial tin deposit at Elsmore using a 30t excavator

Figure 2: Collecting bulk samples of the Karaula Lead to test for recoverable tin



Figure 3: Infilling sampled pits using a small, 4.5t excavator prior to rehabilitation of the surface



Figure 4: The cone concentrator to be used by Malachite to test the Karaula Lead bulk samples for recoverable tin