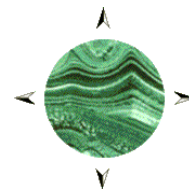


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ASX Announcement

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UPDATE ON CONRAD, ELSMORE AND DELUNGRA EXPLORATION PROJECTS

Malachite Resources Limited (ASX: MAR) is pleased to provide the following update on recent exploration activities and work planned for the coming months at its three key projects in the Inverell district of NSW (Fig. 1).

CONRAD SILVER PROJECT – Malachite is planning to introduce a joint venture partner for Conrad to fund further resource definition and project evaluation, leading on to a feasibility study and, if appropriate, development and operation of a new mine. To this end, an Information Memorandum has been prepared and distributed to more than 20 interested parties. Several of those parties, including both local and overseas groups, have now signed a Confidentiality Agreement and are reviewing Conrad data in detail, while others are yet to indicate their intentions and a few have declined the opportunity. The first site visits will take place in early March.

ELSMORE TIN PROJECT – The bulk samples collected at the Karaula paleo-alluvial tin deposit at Elsmore have now been processed through the cone concentrator (Fig. 2). As expected, the tin contents of these samples vary widely and a selected subset of the concentrates produced will be sent for assay. This will provide a good indication of recoverable tin grades in the Karaula Lead and allow future work to focus on those parts of the Karaula deposit that have the best potential for high grade. Significantly, tin (i.e. cassiterite) grains up to 13mm in size were recovered, confirming that testing larger samples is very desirable to reduce the “nugget effect” of such large grains.

A further bulk sample of approximately 250kg has also been prepared for despatch to the University of Aachen in Germany, where an interesting new dry processing technology is being developed. Malachite’s sample will be tested to assess the potential for this technology to open up a fast, low cost route to production at Elsmore.

DELUNGRA TIN PROJECT – As reported in the December 2008, Quarterly Report, which can be viewed at: [<http://www.malachite.com.au/pdf/quarterly/MAR%20-%20Quarterly%20Activity%20Report%20December%2008%20150108.pdf>], Malachite has identified a promising new tin prospect at Swinton, within the Delungra exploration licence, west of Inverell. An initial soil geochemical program at Swinton delineated an area measuring roughly 400m x 200m (Fig. 3) where tin in soil values are highly anomalous, comparable with, if not greater than, typical soil values of the Karaula deposit at Elsmore. The highest soil tin assay result so far at Swinton is 1,700ppm Sn (or roughly 3-3.5kg of Sn per cubic metre, which is a very good grade for unconsolidated material) and the tin anomaly is open to the northwest and to the southwest (Fig. 3). A new soil sampling program has commenced, aimed at extending and better delineating this very encouraging anomaly.

The Company plans to apply the cone concentrator that it used on the Karaula Lead samples (Fig. 2) to assess very quickly whether there is scope to recover payable tin from surface materials at Swinton.

As there is no significant outcrop in the anomalous area at Swinton, it is expected that trenching of the most promising parts of the anomaly will take place in the near future, allowing evaluation of the underlying bedrock, which is the assumed source of the anomalous tin. Depending on the results from the additional soil geochemistry and trenching, reconnaissance drilling could take place around the middle of the year.

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



G. G. LOWDER
Managing Director
17 February 2009

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 January, 2009 the Company had approximately \$1.5 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 50% of total recoverable metal value in the Conrad ore and tin accounts for about 25% of the value. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth. The Company is now seeking a joint venture partner to fund the project through to feasibility and a development decision.

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 paleo-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.

Encouraging tin results have also recently emerged from the Company's **DELUNGRA** Project, located west of Inverell.

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 green fields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential.

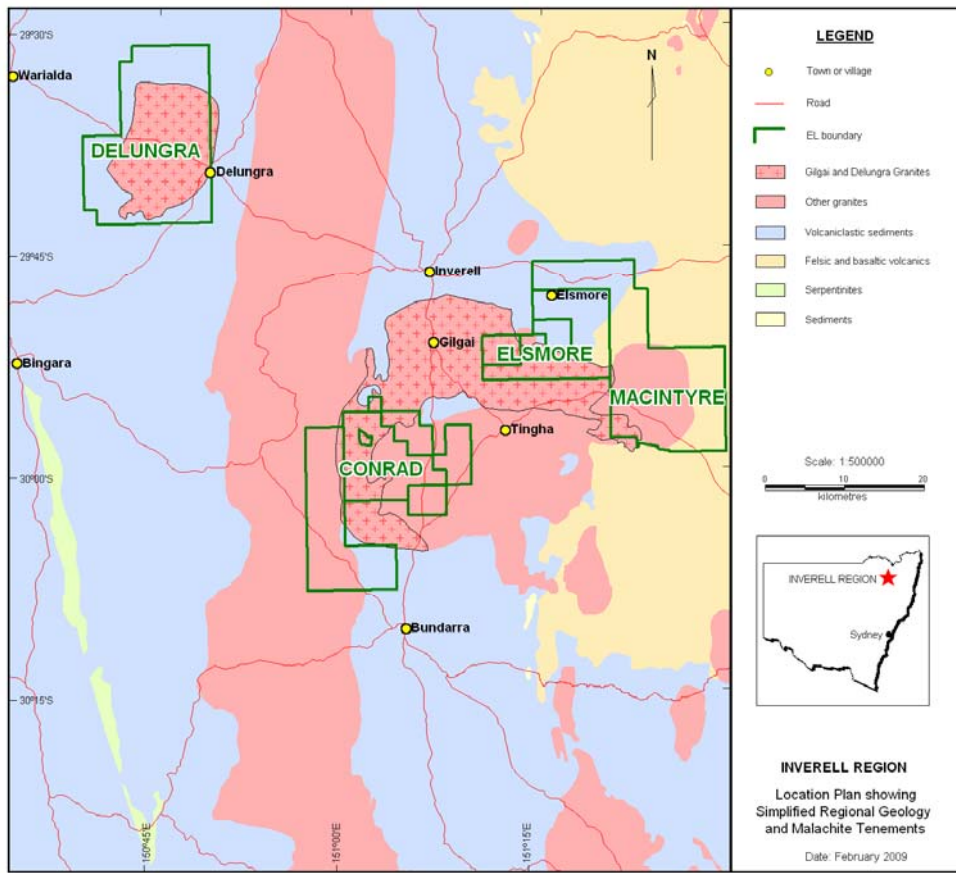


Figure 1: Geological map showing Malachite's projects in the Inverell district



Figure 2: Testing Karaula Lead alluvial samples in the cone concentrator:

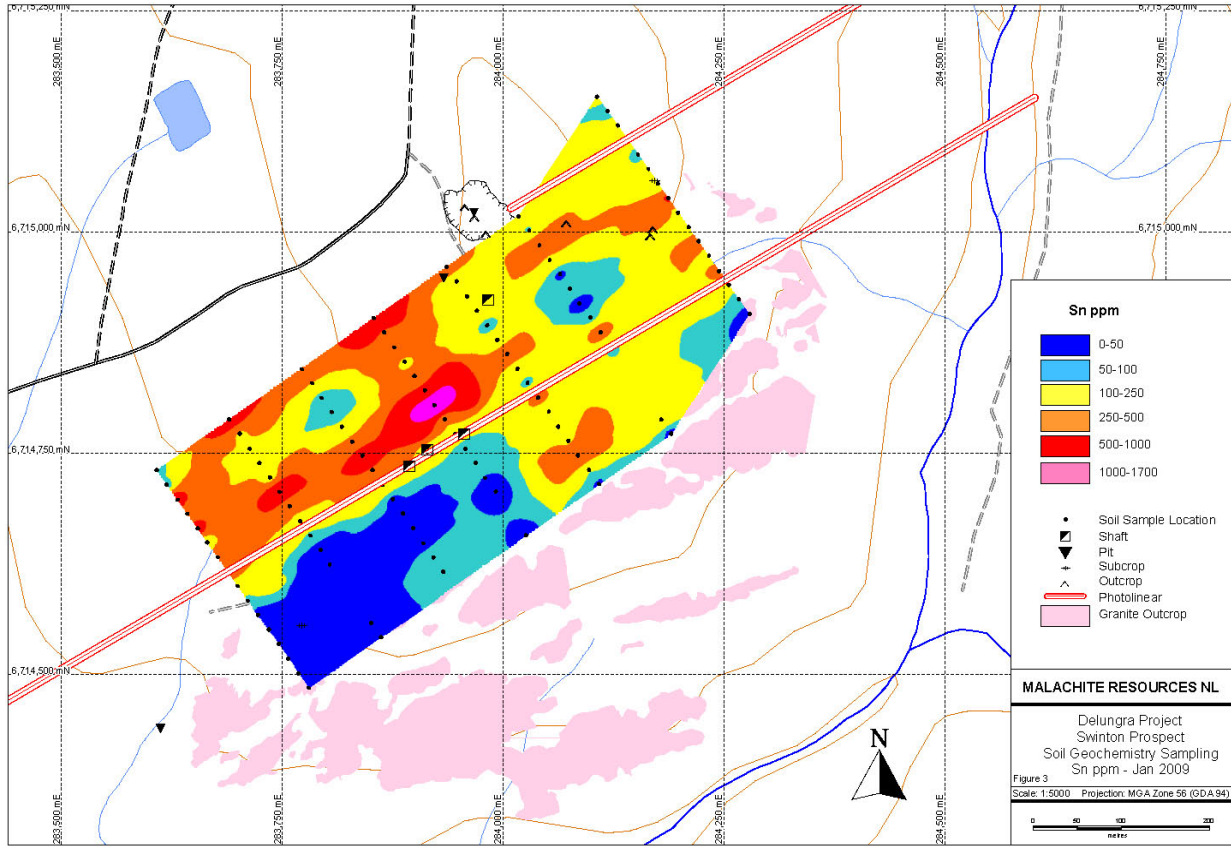


Figure 3: Geochemical map showing distribution of tin in soil at the Swinton Prospect