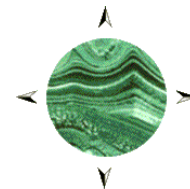


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ASX Announcement

Code: MAR

24 August 2009

UPDATE ON CONRAD JOINT VENTURE PLANS

SUMMARY

Malachite's plans for funding future exploration, evaluation and pre-feasibility work at Conrad by means of a joint venture are on track, following a successful series of presentations to potential partners in China over the past few weeks. A further round of presentations in China is scheduled for early September.

Malachite Resources Limited (ASX: MAR) is pleased to provide the following update to shareholders on progress with the Company's plans to form a joint venture at Conrad.

Over the past few weeks the Company's Chinese Australian agent has made presentations on Malachite's behalf to investors in several Chinese cities. The audience has included state-owned mining companies, privately owned mining companies and high net worth individuals. Presentations were made both on a one-to-one basis and at specially arranged seminars, where from 10 to 100 people attended to hear the presentation and learn about the Conrad joint venture opportunity. At each presentation a short video on Conrad (with Chinese narration) has been shown, followed where appropriate by a slide show with Chinese text describing the Conrad opportunity in more detail. (N.B. An English language version of the Conrad video can be viewed on the Malachite website: www.malachite.com.au)

The presentations have been well received, reflecting a keen appetite within China for investment in Australian resources. The strongest interest so far has been shown by one of China's largest state-owned mining groups, which already has interests in Australia. They have signed a confidentiality agreement and have been provided with technical data on the Conrad Project for review. Subject to that review, a Conrad site visit by some of their technical people is expected to occur next month.

Specific interest has also been shown by several private investors who have a mining background in China. Visas are now being arranged to allow site visits to Conrad by these potential joint venturers/investors in the near future.

A second round of project presentations by our agent will commence in China at the end of August.

For further information please visit the Company's website: www.malachite.com.au
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033
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G. G. LOWDER
Managing Director
24 August 2009

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 end of June, 2009 the Company had approximately \$1 million in cash and no debt. The Company's key assets are:

CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which 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, copper, lead and zinc make up the balance. 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.

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, determine an appropriate processing route and assess the economic viability of mining.

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

The **TOOLOOM GOLD PROJECT** also in northeast NSW, is based on a forgotten goldfield rediscovered by Malachite. 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. Drill-ready targets have been identified at four prospects within the Tooloom project area.
