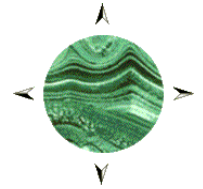


Malachite Resources Limited

ABN 86 075 613 268



Suite 1502, Tower B, 799 Pacific Highway, Chatswood NSW 2067
P O Box 5218, West Chatswood NSW 1515
Tel. (02) 9411 6033 Fax (02) 9411 6066

ASX Announcement

Code: MAR

29 October 2009

MALACHITE COMPLETES PLACEMENT RAISING \$1,282,500

Malachite is pleased to advise that it has completed a Placement of 15 million ordinary fully paid shares to Nanyang Mining Resources Investment Pty. Limited ("Nanyang") at an issue price of 8.55 cents raising new capital of \$1,282,500.

The Placement was effected in accordance with the terms of a new strategic alliance with Nanyang, announced by the Company on 15 October 2009, that will underpin the Company's future by providing both short term capital and long term financial support for the Company as it grows through further equity investments and project joint ventures.

Subject to shareholder approval at the Company's Annual General Meeting, Nanyang will also receive 7.5 million options (for no additional consideration) to purchase additional shares at a price of \$0.111 each at any time over the next three years.

The Placement was effected within the Company's 15% placement capacity and made to Nanyang pursuant to Section 708 of the Corporations Act 2001. All of the shares issued under the placement will rank *pari passu* with existing ordinary shares.

In accordance with Section 708A (5)(e) of the Act, the Company gives notice that:

- The Company has issued these shares without disclosure to Nanyang under Part 6D.2 of the Act;
- As at the date of this notice, the Company has complied with:
 - the provisions of Chapter 2M of the Act as they apply to the Company;
 - Section 674 of the Act

As at the date of this notice there is no excluded information (as defined in Section 708A (7) of the Act) which is required to be disclosed by the Company.

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

Garry Lowder
Managing Director
glowder@malachite.com.au
Tel: (02) 9411 6033

Andrew Cooke
Company Secretary
acooke@malachite.com.au
Tel: (02) 9411 6033

ABOUT NANYANG – Nanyang Mining Resources Investment Pty Limited is a private Australian company whose major shareholder is Mr Y.K. Wong, who was born in Guangdong, China but migrated to Australia in 1995. Mr Wong has extensive property development interests in Guangdong and other businesses in China, Hong Kong and Australia. He is a former Vice-Chairman of China Investment Holdings Limited, a company listed on the Hong Kong Stock Exchange, and retains a significant stake in that company. He is also Vice President of the Guangdong Real Estate Association and a Fellow of the Guangdong Foreign Investment Enterprise Association and the Guangdong Business Association.

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. As of 7 September 2009 the Company has approximately \$1.7 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, where an initial drilling program has just been completed.

The **TOOLOOM GOLD PROJECT** also in northeastern NSW, is based on a forgotten goldfield rediscovered by Malachite. 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. Drill-ready targets have been identified at four prospects within the Tooloom project area and a new diamond drilling program will commence shortly.