

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Exploration Review

Quarterly

December 2006

Oil is still cheaper by the litre than Coca Cola

Contents

This is an extract from the December 2006 Quarterly Exploration Review.

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Malachite Resources NL

ASX Code: MAR

Core Commodities	Gold, Silver, Copper
Price (as at 04-Dec-06)	\$0.23
Market Cap	\$18.9M
Cash (as at 30 Nov 06)	\$5.0M
Cash / Share	\$0.06
Shares Traded (pa)	\$9.1M

Status:



Summary activity for the current quarter	Quantity	Budget
Soil/Rock Chipping		
RAB		
RC/Diamond	1,000m at Conrad;	1,000m at Mt Lidster
Assays		
Geophysics	Heli-mag at Tooloom in December	
Other		
Total Expenditure		\$0.75M

Top Shareholders

Straits Resources Ltd	6.0%
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Tooloom Gold Project

Location	NE NSW	Newmont is earning a 51% interest at the Tooloom Gold Project (currently 100% MAR) by funding \$5M of exploration over five years. Field work to compile data sets for the whole property will be completed soon, with drilling to start early in 2007. A significant grassroots gold discovery has been made at Phoenix, having strong affinities with Alaskan intrusion-related gold deposits. At least four other gold-bearing intrusive centres have been identified at Tooloom.
Commodity	Gold	
Style	Intrusion Related	
Best Intersection	48m @ 2.21g/t Au and 0.19% Sb	

Conrad Silver Project

Location	Northern NSW	Malachite has discovered high-grade, silver-rich polymetallic mnzl at Conrad (100% MAR) with significant values of silver, copper, lead, zinc, tin and indium. Lower grade, bulk tonnage type mnzl has also been discovered and there is scope for repetition of the Conrad/King Conrad lodes in parallel structures nearby. MAR is targeting a resource of 25Moz of silver or 50Moz of silver-equivalent by the end of 2007. A new drilling program started in late November.
Commodity	Silver / Copper	
Style	Vein/Shear	
Best Intersection	4m @ 278g/t Ag, or 850g/t AgEq	

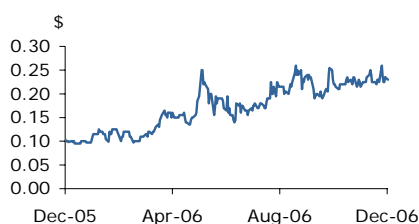
Mt Lidster

Location	Near Mt Isa, NW Qld.	Mt Lidster is located near the old Mary Kathleen uranium mine, 60km east of Mt Isa. The company has an option to purchase a 100% interest in the property. Initial drilling by Malachite intersected 6m @ 4.19% Cu and 4m @ 5.29% Cu, with minor gold and cobalt. The company hopes to outline a small high-grade copper resource quite rapidly, with a view to early development and toll treatment nearby to generate cash flow. Malachite plans to increase its exposure to copper at Mt Isa substantially in the near future.
Commodity	Copper / Gold	
Style	Shear Hosted / Structurally Controlled	
Best Intersection	6m @ 4.19% Cu, 0.37g/t Au, 0.10% Co.	

Aegis Equities Comments

- Projects:** Tooloom with 3 major Au targets is still the best potential value driver for shareholders. Drilling will re-start in 1Q '07 -- Newmont is funding project development. Exploration at Conrad is focused on extending ore grade mineralisation – geophysics suggests that this will be successful. A Deed under the Native Title Act will allow drilling extensions of Conrad lodes. A shallow drill program began at the Lidster Cu project in QLD, where MAR can earn 100% – good initial results.
- Potential:** Tooloom is a medium to long-term exploration project. More exciting in the short-term is potential for developing early cash flow from Lidster that has a history of mining oxide ore treated at Mt Isa. Lidster has copper grading +4% plus Au and Co credits. The concept is contract mining, delivering ore for toll treatment, or perhaps sale of ore. MAR might be expected to sell 4% Cu ore for over \$150/t – revenue of >\$5M pa is reasonable.
- Overall:** MAR has raised \$4M in new capital to ensure funding through 2007. MAR looks set to achieve revenue from a small project within the timeframe that management said it would. Mid-2007 will be an exciting period when it is expected that drill results will flow from Tooloom that if positive, might make MAR a mid-size Au company. Tooloom has potential to add significantly to shareholder wealth.

Share price performance



Source: IRESS



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