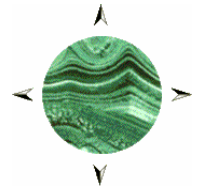


# Malachite Resources NL

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**ASX Announcement**

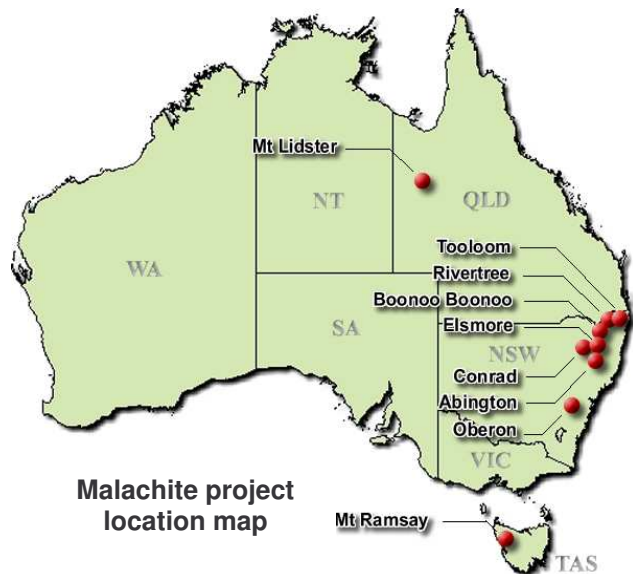
**Code: MAR**

**20 December 2006**

## **UPDATE ON RECENT DRILLING FOR SILVER AT CONRAD AND FOR COPPER MT LIDSTER**

**Malachite has recently completed drilling programs at both its Conrad Silver and Mt Lidster Copper Projects, with visually encouraging results. Assays are awaited.**

Malachite Resources NL (ASX: MAR) advises that it has recently completed reverse circulation percussion drilling programs at both its Conrad Silver Project near Inverell in northern NSW and Mt Lidster Copper Project near Mt Isa in northwest Queensland. In each case several drill holes intersected strong mineralisation. Assays of these zones are awaited but, due to heavy work loads at the assay laboratories, assay results are not expected until some time in January. In the interim, the Company can provide the following information:



**Malachite project  
location map**

**Conrad** – A total of 675m of drilling was undertaken, in 7 holes, testing mainly the northwestern extensions of the King Conrad lode, where access has recently been gained following successful resolution of native title issues at Conrad. Most holes intersected the targeted lode, which generally appears narrow but of high grade, with significant massive sulphide mineralisation. Several holes also intersected the broad mineralised greisen zone previously encountered only in CMRD15, suggesting that this is a substantial target in its own right, with open pit or bulk tonnage potential. The Company also completed surface and down-hole electrical geophysical surveys in the King Conrad area as a guide for future drilling.

**Mt Lidster** – A total of 959m of drilling was conducted, in 12 holes, further testing the mineralised structure that yielded some high grade copper intersections in Malachite's initial drilling (see MAR ASX Release dated 28/9/2006). Each of the new holes intersected the Mt Lidster structure, which varies at depth from sulphide-dominated, with minor quartz, to quartz-dominated, with minor sulphide. True widths vary from about 3m to 10m. Some excellent copper assays are anticipated when results are received in January.

Drilling will resume at Conrad early in 2007, when detailed diamond drilling will be aimed at delineation of a significant silver-base metal resource. Further drilling at Mt Lidster is expected to take place later in 2007, after the northern wet season.

**Malachite Resources NL – Update on Recent Drilling**  
**20 December 2006**

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**About Malachite** – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for gold, silver and base metals in Eastern Australia. The Company has made a significant green fields gold discovery, called Phoenix, at **Tooloom**, in northeast NSW and has entered into a farm in agreement with Newmont Australia Ltd., whereby Newmont may earn a 51% interest in the project by spending \$5 million on exploration over the next five years. Target definition field work at Tooloom is progressing well and drilling is expected early in 2007.

Elsewhere in northern NSW the Company is evaluating the scope to reopen the old **Conrad** silver mine near Inverell. Recent drilling at Conrad by Malachite intersected high grade silver-base metal mineralisation over true widths of 2 – 5m and the outlook for the project is very promising. The Company also has several other properties in the New England region of NSW that offer excellent potential for the discovery of economic gold, silver, copper, tin, tungsten and antimony deposits, with most prospects being polymetallic in nature.

In northwest Queensland the Company is exploring the **Mt Lidster** copper prospect, where initial drilling by Malachite intersected high grade primary copper mineralisation over widths of several metres. Follow up drilling at Mt Lidster has recently been completed.

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For further information please visit the Company's website: [www.malachite.com.au](http://www.malachite.com.au)  
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033 or by email at:  
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20 December 2006