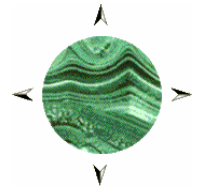


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MALACHITE'S GROWTH STRATEGY ON TRACK

Malachite Resources NL today released its latest Quarterly Activities Report, which shows that the Company's growth strategy is firmly on track.

Malachite is a Sydney-based junior resource company with a focus on exploration for gold, silver and copper in eastern Australia. The release today of the Company's Report on Activities for the September 2006 Quarter shows that Malachite's growth strategy is well on track and that within the next twelve months or so it should be ready to take the next step towards its own development and mining operations.

Commenting on the report, managing director, Garry Lowder, noted:

"We now have very promising projects in all three of our core commodities.

In the case of GOLD, we are concentrating on Tooloom, in northeastern NSW, where Newmont is farming in and is providing all funding for a substantial exploration programme that is targeting major gold deposits of the intrusion-related type.

For SILVER we are very focussed on Conrad, in northern NSW, where our recent drilling has shown that the old Conrad silver mine has excellent scope to live again as a modern, high grade polymetallic mine, rich in silver but with significant associated copper, lead, zinc and tin.

Our newest target is COPPER at Mt Lidster, in northwest Queensland, where a small but rich copper resource is our objective for the coming months and will be seen as a first step into the highly productive Mt Isa region."

Dr Lowder added:

"Tooloom is probably the ultimate company-maker, but while we wait for that to happen, it will be an interesting tussle between Conrad and Mt Lidster to see which of these two exciting projects can become our first mine."

The Company is planning to raise at least \$4 million in November to fund the intensive drilling programmes anticipated at Conrad and Mt Lidster over the next 12 months and to provide working capital to proceed immediately to feasibility once a resource is defined.

For further information please contact Garry Lowder on (02) 9411 6033 or by email at glowder@malachite.com.au

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 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.