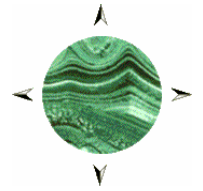


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Announcement

ASX: MAR

20 June 2006

NEWMONT FARMS IN TO TOOLOOM GOLD PROJECT

- **Newmont Australia Ltd. has agreed to farm in to Malachite's Tooloom Gold Project in northeastern NSW.**
- **Newmont can earn an initial 51% interest at Tooloom by spending \$5 million on exploration within five years from 1 July 2006, with minimum expenditure in the first year of \$1 million.**
- **Newmont can earn an additional 24% interest by electing to sole fund exploration to completion of a Bankable Feasibility Study.**
- **Malachite's PHOENIX gold discovery will be a key focus, with Newmont also keen to pursue other targets within the large and highly prospective Tooloom Goldfield.**

Malachite Resources NL (ASX: MAR) advises that Newmont Australia Ltd ("Newmont") has agreed to farm in to Malachite's wholly owned Tooloom Gold Project, located in northeastern NSW about 70km northeast of Tenterfield (Fig. 1).

"We are delighted to welcome Newmont as our farm in partner at Tooloom. Newmont shares our view that Tooloom could host a large gold deposit and we look forward to adding their technology and expertise to our own experience and on-ground knowledge of the area," commented Malachite managing director, Garry Lowder



**Figure 1:
Tooloom Gold Project
location map**

Farm in Arrangements –

- Newmont can earn a 51% interest in the Tooloom Gold Project by funding \$5 million in exploration expenditure within the next five years.
- Newmont must spend at least \$1 million by 30 June 2007 and cannot withdraw until that has been achieved.
- Malachite will be the Operator initially and will continue to operate until Newmont elects to assume that role.

Once Newmont has earned its 51% interest a Joint Venture will be formed and each party will contribute to expenditure *pro rata*, unless Newmont elects to continue sole funding.

- If Newmont elects to continue sole funding at the Joint Venture stage it may increase its interest to 75% by providing all expenditure required for further exploration and the completion of a Bankable Feasibility Study.

- If, following completion of a Bankable Feasibility Study, the Joint Venture makes a decision to proceed with mining Malachite may
 - i) Elect to participate in the mining venture by funding its 25% interest *pro rata*; or
 - ii) Dilute its interest via straight line dilution; or
 - iii) Divest its interest in the Joint Venture.
- If Malachite elects to participate in mining it may require Newmont to arrange third party finance at market rates for Malachite's share of costs, in return for which Malachite would transfer an additional 5% interest in the Joint Venture to Newmont.
- If either party's interest falls by dilution to less than 10% it will convert to a 2% net smelter return royalty on minerals produced from the Joint Venture area.

Initial Programme – Malachite and Newmont will meet in July to discuss and agree on an exploration programme for the period to 31 December, 2006. It is expected that this programme will involve application of geophysical techniques for target definition, including Newmont's proprietary airborne EM system.

Cheviot Hills – The Cheviot Hills area, at the southern end of the Tooloom exploration licence, will not be part of the joint venture as Malachite wishes to continue evaluating the gold-antimony lodes in that area. These lodes are narrow and unlikely to be of interest to Newmont but could have potential to generate cash flow for Malachite from a small mining operation and toll processing at Hillgrove.

About Tooloom – The Tooloom Goldfield was first discovered in 1857 and within a few years up to 10,000 miners were seeking the coarse grained alluvial gold that characterises the area. Very little attention was paid to the adjacent hard rock sources of the gold at that time and the area was largely abandoned and forgotten once gold was discovered at Gympie, some 270km to the north. Malachite began exploring for gold in the Tooloom area in 1997 and since then has identified numerous prospects within both the Emu Creek Formation sedimentary rock sequence and the dioritic to granitic rocks that intrude them. The Phoenix intrusive centre is currently regarded as the most promising gold target and has received most of the drilling conducted at Tooloom to date. The strongest mineralisation so far intersected at Phoenix lies within a breccia pipe, where gold occurs in association with antimony, copper and silver and the best drill hole intersection is 48m @ 2.21g/t Au, 5g/t Ag, 0.07% Cu and 0.19% Sb. Gold mineralisation at Phoenix and probably throughout the Tooloom Goldfield is believed to be of the intrusion-related type, as exemplified by a series of major gold deposits in the Tintana Belt of the Alaska-Yukon region in North America.

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 very significant green fields gold discovery, called **Phoenix**, at Tooloom, in northeast NSW, where the new joint venture with Newmont will begin renewed exploration in July. Elsewhere in New England Malachite is currently drilling at its wholly owned Conrad Silver Project, located 20km south of Inverell. Conrad last operated as a high grade, underground silver-base metals mine in 1957 and the Company believes it has an excellent chance of delineating a substantial silver and base metal resource at Conrad that could lead to reopening the mine. Malachite 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. Malachite is also active in north Queensland and in western Tasmania.

About Newmont – Newmont Australia is a subsidiary of Newmont Mining Corporation is a leading gold producer with operations on five continents. The company is headquartered in Denver, Colorado and employs approximately 14,000 people, the majority of whom work at Newmont's mines sites in the United States, Australia, Peru, Indonesia, Canada, Uzbekistan, Bolivia, New Zealand and Mexico. Newmont is also advancing two development projects in Ghana which will become the company's next core operating district. Newmont is also engaged in the exploration for and acquisition of gold properties in some of the world's best gold districts.

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

or contact:

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G.G. LOWDER
Managing Director
20 June 2006

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.