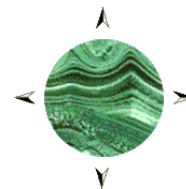


Malachite Resources NL

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Announcement

ASX: MAR

27 April 2006

SILVER DRILLING AT CONRAD HIGHLY SUCCESSFUL: EXCITING NEW SILVER VENTURE EMERGING

- **Drilling at Conrad a success as the silver price surges;**
- **Multiple, high grade, polymetallic silver lodes intersected;**
- **High grade core zones enhanced by unexpected mineralised haloes;**
- **True widths up to 4.8m, or up to 8.5m by combining adjacent lodes;**
- **Core zones grade 8 to 11 oz/t Ag, or 17 to 28 oz/t Ag equivalent¹;**
- **Exploration to be accelerated with follow up drilling in June;**
- **Conrad emerging as one of Australia's most promising silver ventures.**

Malachite Resources NL (ASX: MAR) advises that recent drilling at the Company's Conrad Silver Project (MAR 100%) has been highly successful at a time when the price of silver has risen to near record levels and the future outlook for the white metal looks very positive.

Multiple lodes with excellent silver and base metal grades were intersected. Overall mineralisation widths are greater than historic records indicate due to unexpected halo mineralisation adjoining the high grade core zones of most lodes. Exploration at the project will now be accelerated with a view to defining a significant silver and base metal resource within the Conrad multi-lode system over the next 12 months.

"We anticipated the narrow high grade cores to the lodes but the associated well mineralised haloes were quite unexpected and are a real bonus,"

commented Managing Director, Garry Lowder, who added:

"Results like these make Conrad an exciting silver play, especially when the silver is accompanied by copper, lead, zinc and tin in amounts that double or even treble the value of the intersections achieved."

Key Results

The recent drilling comprised about 700m of both reverse circulation percussion and diamond core drilling in four holes, all aimed at targets near the old King Conrad mine. Full results of drilling are set out in the Appendix and are illustrated in Figures 3 and 4.

The best results overall were achieved in CMRD08, which hit two closely spaced lodes within the King Conrad structure, where grades of 11oz/t Ag (or 21oz/t Ag_{eq}¹ when base metal values are added) and 7.5oz/t Ag (17oz/t Ag_{eq}) were encountered in the 0.3m wide core zones. Adding in the halo mineralisation gives grades of the order of 3-4oz/t Ag, or 8-9 oz/t Ag_{eq}, across true widths of about 3m. Putting these two lodes together with the intervening 2.6m of weakly mineralised rock gives a zone 8.5m in true width assaying around 6oz/t Ag_{eq}.

Drill hole CMRD07A intersected three lodes within the King Conrad structure, the best assaying 9.4oz/t Ag (or 23oz/t Ag_{eq}) over a 0.6m core within a 4.8m true width lode. CMRD10 intersected the main Conrad lode over about 2m width, with an 11oz/t Ag (27oz/t Ag_{eq}) 0.4m core zone. A further six weakly mineralised but promising lodes were intersected deeper in CMRD10.

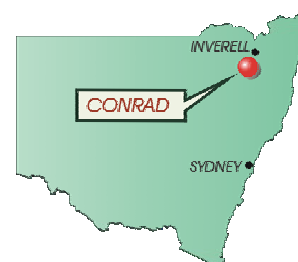


Figure 1: Map of NSW showing location of Conrad Silver Project

¹ For the numerical basis of silver equivalent grade calculations please see the Appendix.

About Conrad

The Conrad project is located in northern NSW, about 20km south of Inverell (Fig. 1) and is centred on the old Conrad mine at Howell, which last operated in 1957 and historically was the largest silver producer in New England, with 4 million ounces of recorded silver production. There are four principal old shafts at Conrad, spread over about 1.5km of strike extent of the Conrad lode; from northwest to southeast they are respectively the King Conrad, Conrad, Moore and Davis shafts (Fig. 2). The mine first opened in the 1880's and operated until 1912 (see Figs. 5 and 6) and then reopened after World War II. Malachite has an option to purchase a 100% interest in several small mining leases over the Conrad mine and holds a 100% interest in the surrounding EL5977.

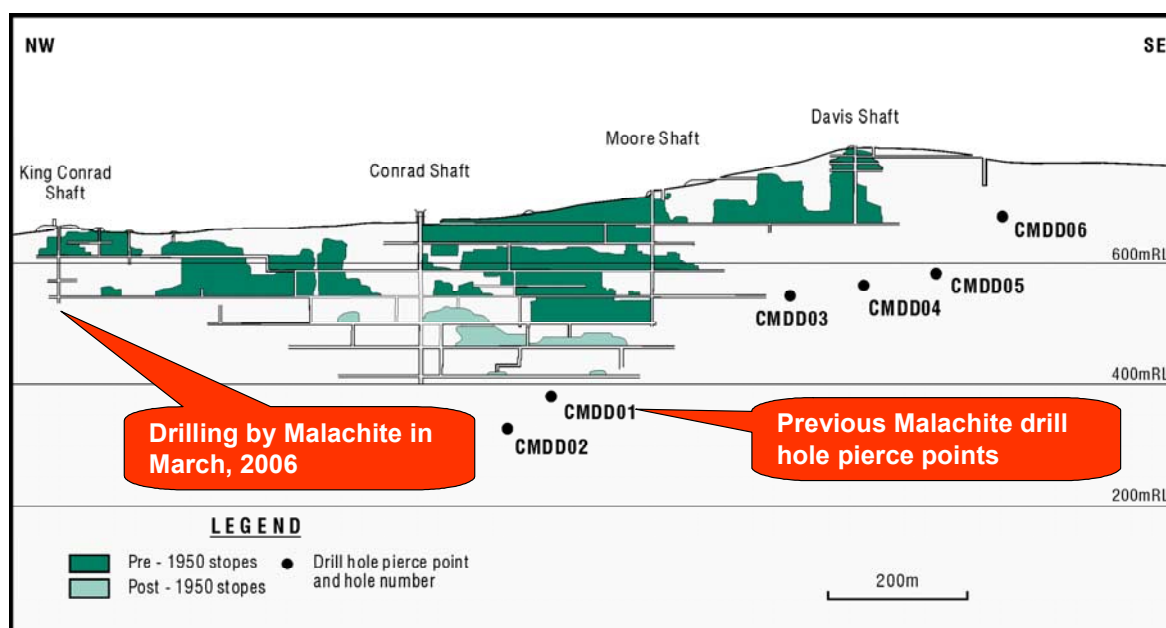


Figure 2: Longitudinal section of Conrad main lode, showing previous drilling by Malachite (CMDD01, etc.) and location of new drilling in March, 2006.

The Conrad ore body mined historically was polymetallic in nature, containing silver, copper, lead, zinc and tin in payable quantities. At different times in its history it was known as a silver mine, or a tin mine, or a lead mine and its final closure in 1957, when owned by Broken Hill South Ltd., was brought about by a collapse in the lead price; it was not because the ore body had been mined out. The lode was narrow, of the order of 0.6-1m wide, but the grade was high, averaging 20oz/t Ag, 1.5% Cu, 8% Pb, 4% Zn and 1.5% Sn.

Earlier drilling by Malachite, conducted in 2003, commenced in the main Conrad shaft area, where two holes intersected the Conrad lode over narrow widths at considerable depth, with no significant halo mineralisation (Fig. 2). Four further holes intersected the Conrad lode at shallower depths in the Davis shaft area, including CMDD03 which hit several parallel splits of the lode over 4.1m (true width) grading 98g/t Ag, 0.58% Cu and 0.55% Sn, or 10.4 oz/t Ag_{eq}.

Research undertaken by Malachite since that drilling has located old mine plans (in a University of Melbourne archive), showing clearly that the main Conrad shoot plunges to the southeast, beneath Moore shaft and between Malachite's CMDD01 and CMDD03 (see Fig. 2), an area that could not be drilled in 2003 for access reasons. The old literature also revealed that the previously undrilled King Conrad mine was systematically sampled underground in 1904-05, with high grade results over narrow widths. Table 1 below reproduces some of those old results, where the assays for the Alwell's lode are of particular interest due to the very high grades recorded (up to 88oz/t Ag, or a spectacular 190oz/t Ag_{eq} over 0.3m).

TABLE 1: UNDERGROUND SAMPLING AT THE KING CONRAD MINE IN 1904-05

Lode Name	Width of Lode	Ag Oz/t	Cu %	Pb %	Zn %	Sn %
Alwell's	32cm @ and 80cm @	88	6.2	26	N/R	6.1
		24	trace	17	3.2	N/R
North	40cm @	17	0.4	12	2.7	0.4
North East	30cm @	24	0.5	10	N/R	1.1
Main	73cm @	17.5	0.4	14	N/R	0.3

Note: N/R indicates not reported.

Looking Ahead

The rig utilised at Conrad in March is scheduled to return and resume drilling for Malachite around the beginning of June. Testing the historically very rich Alwell's lode (Table 2) will be a high priority for the next phase of drilling. The strike projections of the lodes at King Conrad, which are open both to the north west and to the south east, as well as down-dip, will also be targeted, as will the 4.1m of 10.4 oz/t Ag_{eq} in CMDD03 near Davis shaft. The down-plunge extension of the main Conrad shoot, beneath Moore shaft, should also be able to be included in the next programme as the Company is now close to resolving the native title issues that have delayed progress there for three years.

The Conrad structure can be traced for a further 6km to the southeast of Davis shaft, on ground held by Malachite, and several old workings are scattered along this trend. The Borah Extended mine, 2km southeast of Davis shaft, appears to have been the best of them and Malachite's surface exploration work in its vicinity indicates that reconnaissance drilling is justified in this area.

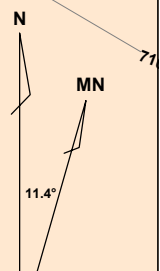
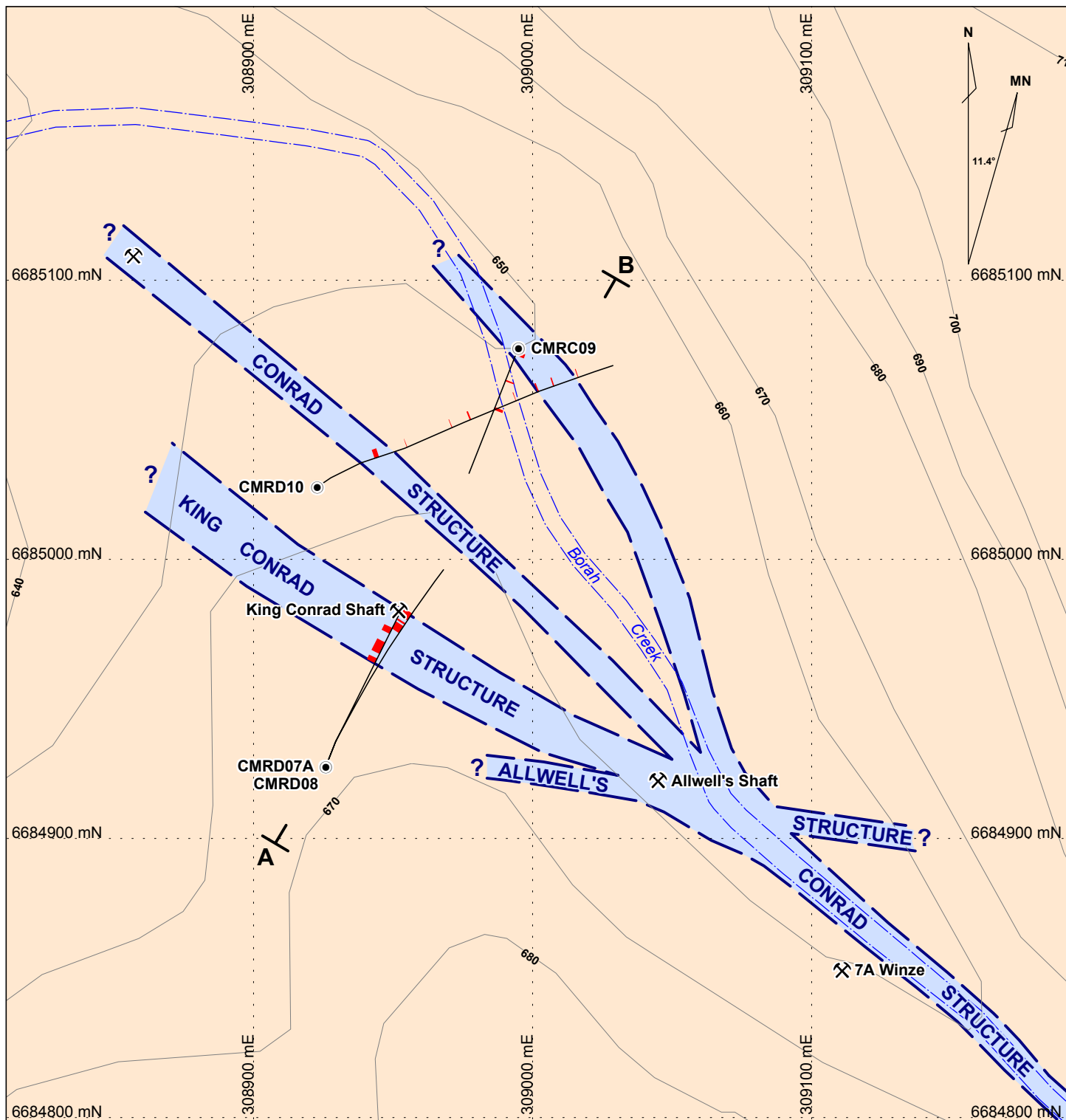
Malachite's recent drilling represents an initial test of the high grade lodes at King Conrad and follows an earlier preliminary programme in the vicinity of the main Conrad mine. Given the success in both areas to date, there is ample scope for many more good results, especially once a track has been constructed to allow drill access to Alwell's lode. Taken as a whole, Conrad, King Conrad and their associated lodes clearly have excellent potential to live again as a modern, underground silver and base metal mine.

As noted by Dr Lowder:

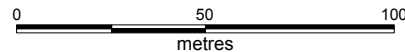
“Twice before the Conrad mine has opened, only to close due to external circumstances. We believe it will be third time lucky as Malachite applies a modern approach in the context of strong base metal prices and a very positive outlook for silver in the longer term.”








About Malachite Resources

Malachite Resources NL is a Sydney-based junior resource company that listed on the ASX in November 2002. The Company is actively exploring for gold, silver and associated base metals in Eastern Australia. In addition to Conrad, Malachite has exposure to silver exploration at Rivertree and Boonoo Boonoo in northeastern NSW. The Company's flagship gold project is Tooloom, also in northeastern NSW, where the exciting new green fields Phoenix gold discovery is currently being considered for joint venture by several of Australia's best known names in gold mining.



LEGEND

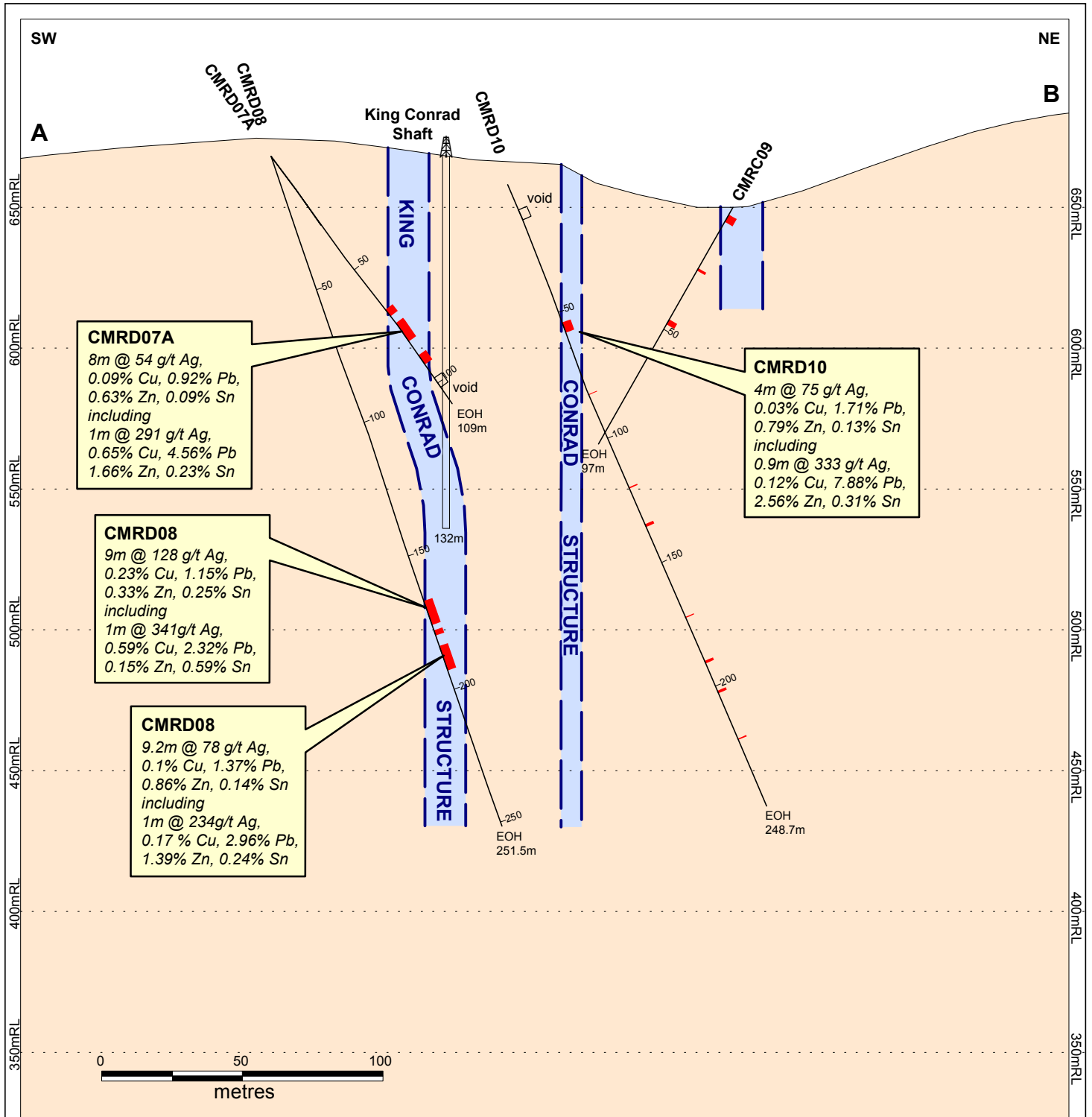


-  Shaft, winze
-  Drill hole showing hole trace and lode intersection
-  Creek
-  Topographic contour
-  Cross section line
-  Interpreted mineralised structure
-  Gilgai Granite





 **MALACHITE RESOURCES NL**

**CONRAD PROJECT
KING CONRAD AREA
Drill Hole Location Plan**

Scale: 1:2000	Date: April 2006
Proj/Grid: GDA94/MGA56	Figure 3



LEGEND

-  Lode intersected in drill hole
-  Mining void intersected in drill hole
-  Interpreted mineralised structure
-  Gilgai Granite

 MALACHITE RESOURCES NL

CONRAD PROJECT
 KING CONRAD AREA
 Composite Drill Hole Section

Scale: 1:2000

Date: April 2006

Proj/Grid: GDA94/MGA56

Figure 4



Figure 5:
The 200-strong workforce at the Conrad mine in 1902.



Figure 6:
The King Conrad mine in 1907, looking south west.

The mine head frame is located next to the King Conrad lode, while Alwell's lode is at the base of the slope below it and the main Conrad lode is near the camera in the foreground.

For further information please visit the Company's website or contact:

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G.G. LOWDER
Managing Director
27 April 2006

www.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.

APPENDIX

RESULTS OF MALACHITE DRILLING AT KING CONRAD MINE, MARCH 2006

HOLE No. (Intercept No.)	FROM (m)	TO (m)	TRUE WIDTH (m)	SILVER Oz/t Ag (g/t Ag)	COPPER %	LEAD %	ZINC %	TIN %	SILVER EQUIV- ALENT* Oz/t Ag (g/t Ag)
CMRD07a (1)	68.0	71.0	1.8	0.77 (24)	0.01	0.45	0.46	0.09	3.1 (95)
CMRD07a (2)	74.0	82.0	4.8	1.74 (54)	0.09	0.92	0.63	0.09	5.4 (168)
Including	79.0	80.0	0.6	9.36 (291)	0.65	4.56	1.66	0.23	23.3 (724)
CMRD07a (3)	88.0	92.0	2.4	0.51 (16)	0.01	0.26	0.37	0.04	2.0 (63)
CMRD08 (1)	166.9	175.9	2.9	4.11 (128)	0.23	1.15	0.33	0.25	9.2 (285)
Including	167.7	172.2	1.5	7.1 (221)	0.38	1.61	0.10	0.40	13.9 (433)
Including	170.2	171.2	0.3	10.96 (341)	0.59	2.32	0.15	0.59	21.1 (657)
CMRD08 (2)	183.8	193.0	3.0	2.51 (78)	0.1	1.37	0.86	0.14	7.6 (237)
Including	186.0	193.0	2.3	3.09 (96)	0.12	1.69	1.03	0.17	9.3 (289)
Including	190.0	191.0	0.3	7.52 (234)	0.17	2.96	1.39	0.24	16.6 (517)
CMRC09 (1)	46.0	48.0	1.0	0.39 (12)	0.005	0.29	0.27	0.11	2.2 (67)
CMRD10 (1)	54.0	58.0	1.7	2.41 (75)	0.03	1.71	0.79	0.13	7.0 (219)
Including	56.0	56.9	0.4	10.71 (333)	0.12	7.88	2.56	0.31	27.4 (862)

* Silver equivalent values are calculated on the basis of the following metal prices and exchange rate:

Ag = \$US12.76/oz, Cu = \$US7,147/t, Pb = \$US1,185/t, Zn = \$US3,360/t and Sn = \$US9,325/t and \$A1 = \$US0.7459