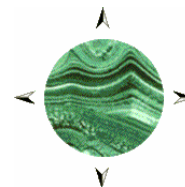


Malachite Resources NL

ABN 86 075 613 268

Suite 1502, Tower B, 799 Pacific Highway, Chatswood NSW 2067
P O Box 5218, West Chatswood NSW 1515
Tel. (02) 9411 6033 Fax (02) 9411 6066



ASX Announcement

Code: MAR

24 January 2007

RESOURCE DRILLING TO COMMENCE AT CONRAD AS NEW DRILL RESULTS EXTEND SILVER LODES

Drilling at Malachite's Conrad Silver Project in late 2006 has intersected additional high grade silver and base metals along strike to the northwest from earlier drilling, substantially extending the known mineralisation. Detailed drilling for resource estimation will commence next week.

Malachite Resources NL (ASX: MAR) advises that assay results have now been received for samples from drilling conducted at the Conrad Silver Project late in 2006. Multiple intersections were obtained in holes located along strike to the northwest of the King Conrad mine, where high grade silver and base metal mineralisation is known from earlier drilling by the Company. Importantly, the wide low grade mineralised zone previously known only in CMRD15 was intersected in several of the new holes. Drill hole details are set out in Table 1 and assays of the main mineralised intersections are listed in Table 2. Selected examples for the King Conrad lode follow:



**Conrad Silver Project
location map**

CMRC23: 1m @ 272g/t Ag, 0.10% Cu, 5.11% Pb, 1.20% Zn and 0.46% Sn; or 727g/t Ag_{eq}

CMRC25: 1m @ 160g/t Ag, 0.06% Cu, 2.57% Pb, 2.23% Zn and 0.29% Sn; or 550g/t Ag_{eq}

Altogether seven holes were drilled late in 2006, for a cumulative total of 675m. Figure 1 contains a map showing the locations of the drill holes. All of the recent drilling was relatively shallow, utilising a reverse circulation percussion rig. The main aim, successfully achieved, was to trace the King Conrad lode to the northwest on ground previously not accessible due to native title constraints (which were resolved late in 2006 – see MAR ASX Release dated 1 December 2006).

The recent drilling also successfully demonstrated that the wide low grade zone of disseminated silver-base metal mineralisation previously intersected in CMRD15 extends to the northwest. The greisen zone in CMRD15 was hit in several more holes, with CMRC24 showing better grades than in CMRD15, i.e.:

CMRC24: 41m @ 44g/t Ag, <0.01% Cu, 0.65% Pb, 0.43% Zn and 0.15% Sn; or 151g/t Ag_{eq}

Prior to the recent drilling the Company conducted an electrical geophysical survey along the interpreted northwestern strike extent of the King Conrad lode, identifying significant anomalies, which, the new drilling has shown, relate to high grade silver-base metal mineralisation. Additional anomalies remain to be tested and the Company anticipates using geophysics elsewhere at Conrad to enhance drill target definition.

The most recent results add to the strong encouragement already obtained in drilling at Conrad and increase the likelihood of an economic resource being identified at the project. Such a resource now seems likely to include both narrow, high grade lode mineralisation and bulk tonnage disseminated mineralisation with open pit potential.

Malachite Resources NL – Conrad Drilling Results – January 2007

Malachite will commence a new, detailed drilling program at Conrad next week, utilising a multi-purpose rig capable of both RC percussion and diamond core drilling. This will be the next step in delineating a polymetallic, silver-rich resource at Conrad. A second, diamond core only rig is expected on site in April. A program of at least 6,000m is envisaged, with the objective of making an initial resource estimation in the third quarter of 2007.

Table 1: Drill Hole Details for holes drilled at Conrad in late 2006

Hole No.	Collar Details				Main Lode Targeted	Final Hole Depth
	Northing GDA94	Easting GDA94	Magnetic Azimuth	Inclination		
CMRC20	6685026	308916	256 ⁰	-56 ⁰	King Conrad NW extension	78.0m
CMRC21	6685069	308930	210 ⁰	-50 ⁰	King Conrad NW extension & greisen zone	129.0m
CMRC22	6685091	308731	023 ⁰	-50 ⁰	King Conrad NW extension	99.0m
CMRC23	6685105	308815	206 ⁰	-57 ⁰	King Conrad NW extension	105.0m
CMRC24	6685080	308869	205 ⁰	-51 ⁰	King Conrad NW extension & greisen zone	81.0m
CMRC25	6685118	308902	205 ⁰	-51 ⁰	Greisen zone	96.0m
CMRC26	6685031	308926	012 ⁰	-50 ⁰	Conrad NW extension	87.0m

Table 2: Assay Results for holes drilled at Conrad in late 2006

HOLE NO.	FROM (m)	TO (m)	APPROX TRUE WIDTH (m)	SILVER g/t Ag	COPPER % Cu	LEAD % Pb	ZINC % Zn	TIN % Sn	SILVER EQUIVALENTg/t Ag _{eq} (Note 1)
CMRC20 Including	63	65	1.1	89	0.08	2.41	0.54	0.13	281
	63.5	64.5	0.6	129	0.11	3.53	0.71	0.18	399
CMRC21 Including And And Also Including	42	85	Note 3	23	<0.01	0.41	0.35	0.10	99
	56	57	Note 3	124	0.01	1.30	1.24	0.35	387
	63	64	Note 3	96	0.01	2.29	0.89	0.39	379
	68	69	Note 3	87	0.02	1.89	1.19	0.38	379
	96	99	1.9	42	0.05	1.01	0.63	0.06	162
96	97	0.6	98	0.12	2.45	1.39	0.13	372	
CMRC22 And	38	39	0.6	91	<0.01	1.05	0.6	0.25	257
	69	70	0.6	26	<0.01	0.22	0.47	0.03	85
CMRC23 Including	45	49	2.2	105	0.03	1.74	0.7	0.25	312
	46	47	0.5	272	0.1	5.11	1.2	0.46	727
CMRC24 Including And And And Also	5	46	Note 3	44	<0.01	0.65	0.43	0.15	151
	7	8	Note 3	211	0.03	2.48	1.48	0.52	593
	20	21	Note 3	250	0.02	4.6	1.20	0.66	730
	29	30	Note 3	115	0.02	2.47	1.11	0.38	423
	34	35	Note 3	181	0.03	3.82	1.80	0.73	705
	66	67	0.6	49	0.01	2.36	0.36	0.05	195
CMRC25 And	45	46	0.6	160	0.06	2.57	2.23	0.29	550
	60	61	Note 3	41	0.02	1.17	0.87	0.18	219
CMRC26	48	49	Note 3	42	<0.01	0.52	0.65	0.14	160

Notes:

1: Silver equivalent grades are calculated on the basis of the following metal prices: Ag: \$US0.41/g; Cu: \$US5,541/t; Pb: \$US1,635/t; Zn: \$US3,621/t and Sn: \$US11,700/t. Silver equivalent values will change as any one or more of these metal prices changes with time.

2: Assays for the lode intersections listed above are calculated with a 40g/t Ag_{eq} cut-off. Assays for the broad intersections in holes CMRC21 and CMRC24 have been calculated as a weighted average for the entire zone, without applying a cut-off, as mineralisation is fairly uniform throughout the zone.

3: True widths of the intersections in the greisen zone are not listed because the orientation of this mineralized body is uncertain.

Malachite Resources NL – Conrad Drilling Results – January 2007

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 greenfields gold discovery, called **Phoenix**, at Tooloom, in northeast NSW and in mid 2006 entered into a farm in agreement with Newmont Australia Ltd., whereby Newmont may earn a 51% interest in the Tooloom Gold Project by spending \$5 million on exploration over five years.

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 has intersected high grade, polymetallic silver-base metal mineralisation and the outlook for the project is very promising. Several other properties in the New England region of NSW offer excellent potential for the discovery of economic gold, silver, copper, tin, tungsten and antimony deposits.

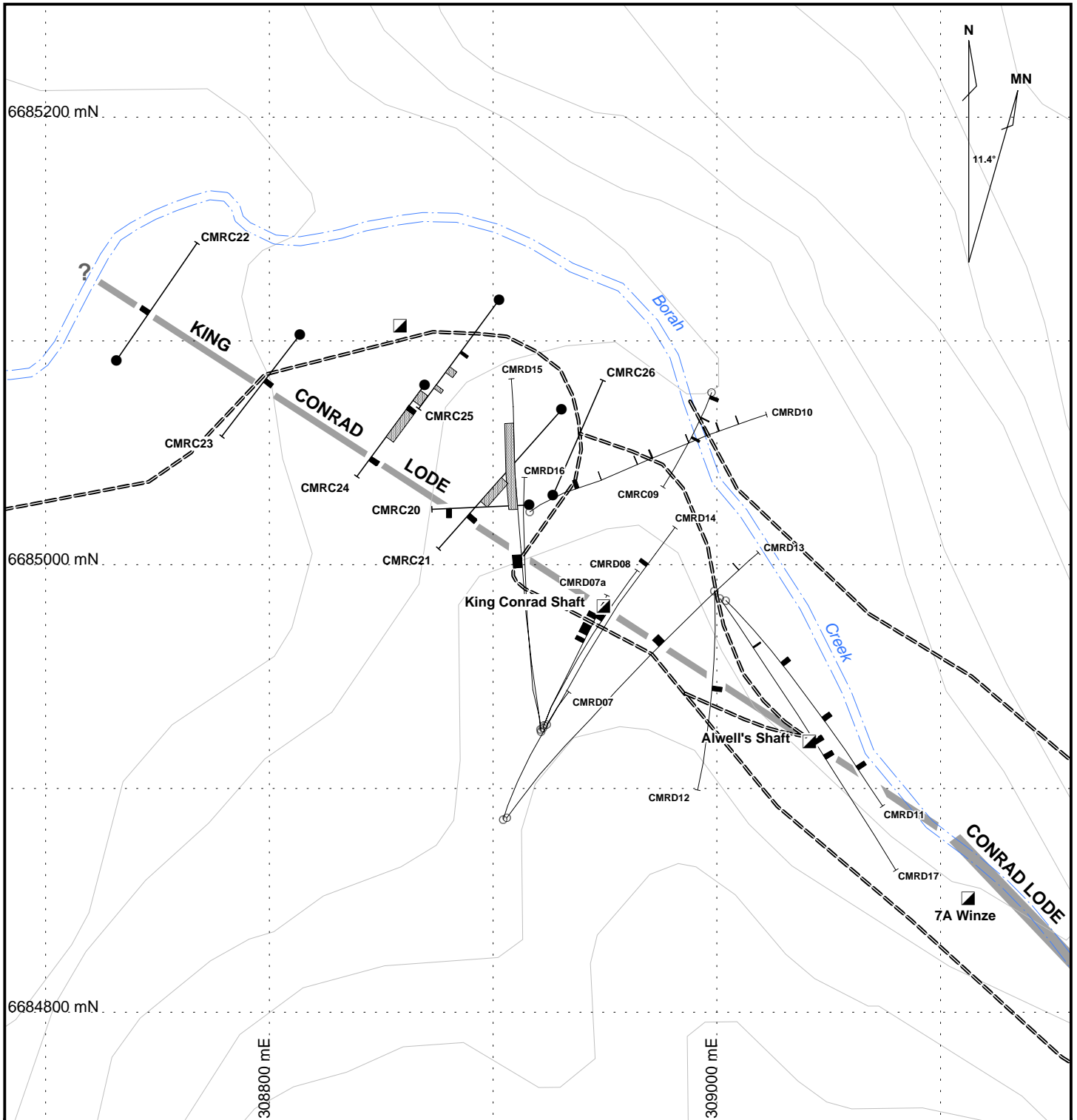
The Company also has significant exposure to high grade copper mineralisation in the Mt Isa region of northwest Queensland, through its new **Mt Lidster** copper project.

For further information please visit the Company's website: www.malachite.com.au
or contact: **Russell Meares, Exploration Manager** at (02) 9411 6033 or by email at:
rmeares@malachite.com.au



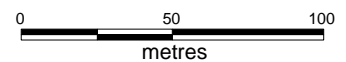
G.G. LOWDER
Managing Director
24 January 2007

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.



LEGEND

- Shaft, winze
- December 2006 drill hole showing projected hole trace, massive and disseminated sulphide intercepts
- Previous drill hole showing projected hole trace, massive and disseminated sulphide intercepts
- Creek
- Track
- Topographic contour (10m interval)
- Interpreted position of main lodes



MALACHITE RESOURCES NL	
CONRAD PROJECT KING CONRAD AREA Drillhole Plan	
Scale: 1:2500	Date: January 2007
Proj/Grid: GDA94/MGA56	Figure 1