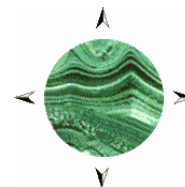


Malachite Resources NL

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

1 June 2007

CONRAD SILVER PROJECT – MORE GOOD RESULTS AS DRILLING CONTINUES

Malachite Resources NL (ASX: MAR) advises that assay results for a further five drill holes (CMDD34 to CMDD38) in the current drilling program at the Conrad Silver Project have been received and collated. The results are consistent with those from earlier holes and will contribute to the continuing delineation of the silver-rich, polymetallic base mineralisation at Conrad as 2007 progresses. All of the new results are for holes in the King Conrad part of the system and include both lode- and greisen-hosted intersections.



**Conrad Silver
Project
Location Map**

Drill hole location data and key assay results for CMDD33 to CMDD38 are set out in the Appendix below. Table 1 lists collar coordinate information and Table 2 sets out the results for the principal intersections in these holes. Two earlier holes (CMRD09 and CMRD14) were also recently deepened and results for the extensions to those holes are included in Tables 1 and 2. Figure 1 below shows the locations of holes drilled so far in the King Conrad area.

The Company continues to be very encouraged by the results of drilling at Conrad. Both the narrow, high grade lode, and the broad, low grade greisen-hosted styles of mineralisation have been intersected consistently, with most of the greisen-hosted material situated adjacent to the King Conrad Lode (Figure 1). The greisen mineralisation seems to be plunging to the southeast beneath CMRD14 and may be breaking up into multiple zones in that direction. CMDD38, drilled near the northwestern end of the system, intersected three high grade lodes, the deepest of which is thought to be the King Conrad Lode, which has narrowed down at this point. The affinities of the other two lodes are uncertain but their presence within greisen-hosted mineralisation enhances the potential of this material for bulk mining.

Drilling is continuing, with the rig now located further to the southeast in order to test the area around the confluence of the King Conrad / Conrad / Alwell's Lodes and then to test the Conrad Lode beneath areas of old stoping (i.e. beneath previously mined zones). Five further holes have been completed (CMDD39 to CMDD43) and assays for those holes are awaited.

For further information please visit the Company's website: www.malachite.com.au
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033
or by email at: glowder@malachite.com.au

A handwritten signature in blue ink, appearing to read 'G.G. Lowder'.

G.G. LOWDER
Managing Director
1 June 2007

APPENDIX

Table 1: Drill Location Hole Details

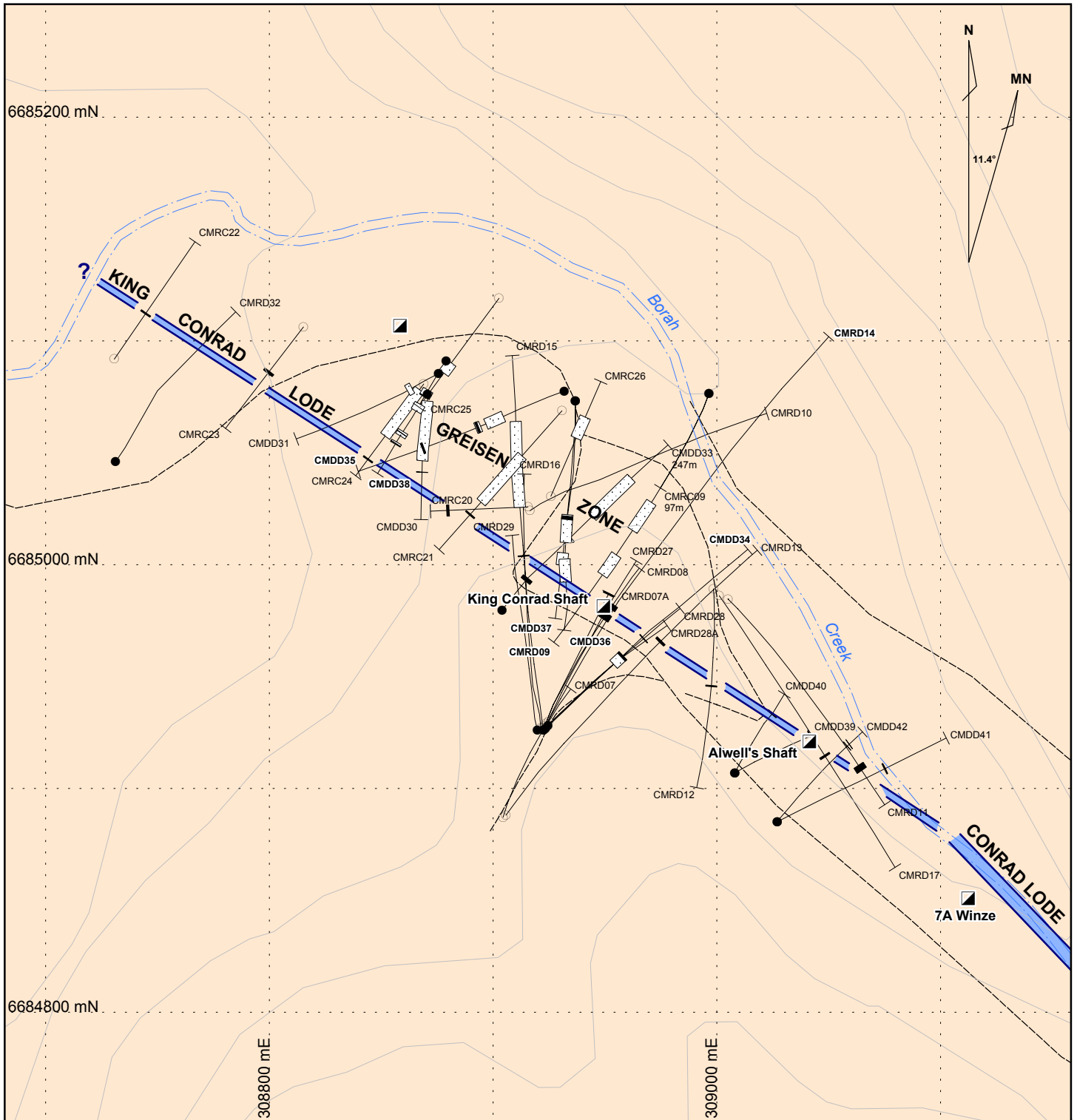
Hole No.	Collar Details				Lodes Targeted	Final Hole Depth
	Northing GDA94	Easting GDA94	Magnetic Azimuth	Inclination		
CMRD09 (Extended)	6685077	308998	190	-60	Greisen Zone & King Conrad Lode	243.7
CMRD14 (Extended)	6684886	308905	006	-65	DHEM conductor off end of CMRD14	501.9
CMRD34	6684929	308924	035	-55	King Conrad	201.5
CMRD35	6685069	308931	238	-65	Greisen Zone	229.6
CMRD36	6685069	308931	168	-50	Greisen Zone	153.6
CMDD37	6685070	308931	168	-60	Greisen Zone	189.8
CMDD38	6685091	308879	202	-68	Greisen Zone & King Conrad Lode	152

Table 2: Assay Results for CMDD34 to CMDD38 and Deepened Parts of CMRD09 and CMRD14

HOLE NO.	FROM (m)	TO (m)	DOWN-HOLE LENGTH (m)	SILVER g/t Ag	COPPER % Cu	LEAD % Pb	ZINC % Zn	TIN % Sn	SILVER EQUIVALENT g/t Ag _{EQ} (Note 1)	MINERALISATION TYPE	
CMRD09 (Extended) <i>And</i>	110.5	136.8	26.3	17	<0.1	0.5	0.5	0.1	121	Greisen Zone	
	159.7	178.8	19.1	36	<0.1	0.8	0.8	0.1	182	Greisen Zone	
CMRD14 (Extended)	No significant intersections										
CMDD34 <i>Including</i>	68.9	78.5	9.6	42	<0.1	1.0	0.5	0.1	173	Vein Zone & King Conrad Lode	
	76.9	78.5	1.6	114	0.2	3.3	0.5	0.2	438		
CMDD35 <i>And</i> <i>Including</i> <i>And</i>	68.0	87.8	19.8	29	<0.1	0.7	0.8	0.1	170	Greisen Zones Lode	
	93.8	99.4	5.6	96	0.1	3.1	1.6	0.2	487		
	96.0	98.3	2.3	152	0.1	5.0	2.0	0.3	714		
	158.0	160.0	2	66	<0.1	1.7	0.9	0.1	269	Vein Zone	
CMDD36 <i>Including</i> <i>And</i>	77.4	96.0	18.6	31	<0.1	0.9	0.6	0.10	165	Greisen Zones & Vein	
	78.4	80.6	2.2	147	0.1	4.5	1.6	0.2	614		
	107.0	122.1	12.1	25	<0.1	0.5	0.4	0.1	120	Greisen	
CMDD37	133	143.7	10.7	44	<0.1	1.1	0.4	0.1	172	Greisen Zone	
CMDD38 <i>Including</i> <i>And</i> <i>And</i> <i>Including</i> <i>And</i> <i>Including</i>	40.8	50.0	9.2	45	<0.1	1.0	0.5	0.1	176	Greisen Lode	
	49.0	49.3	0.3	853	0.4	23.8	2.9	1.2	2,867		
	59.7	69.0	9.3	24	<0.1	0.8	0.7	0.1	161		Greisen
	97.0	103.0	6.0	47	<0.1	0.4	0.6	0.1	154		Greisen Lode
	99.4	99.6	0.2	656	0.4	24.7	4.0	0.9	2,713		
	111.0	114.0	3.0	77	<0.1	1.5	0.2	<0.1	176	Greisen	
	112.8	113.1	0.3	479	0.3	9.8	5.0	0.5	1,662	King Conrad Lode	

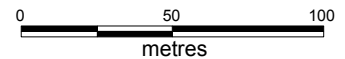
Notes:

- Silver equivalent grades are calculated on the basis of the following metal prices: Ag: \$US0.42/g; Cu: \$US7,255/t; Pb: \$US2,280/t; Zn: \$US3,620/t and Sn: \$US14,100/t. Silver equivalent values will change as any one or more of these metal prices changes with time.
- Only weak disseminated mineralisation was intersected in the deepened part of CMRD14.
- Some holes (e.g. CMDD38) have intersected higher grade veins within zones of mineralised greisen; the affinities of these veins are uncertain.
- The true widths of the above intersections are not listed because the orientation of the mineralized lodes is uncertain until further drilling and modeling is completed.
- Mineralised grades are calculated based on length weighted intervals. No cut off grade criteria have been applied to the intersections contained in this report, as the intersections have been defined so as to encompass the entire geological domain of the mineralization type logged in each hole.



LEGEND

- February-May 2007 drill hole showing projected hole trace, massive and disseminated sulphide (greisen) intercepts
- Previous drill hole showing projected hole trace, massive and disseminated sulphide (greisen) intercepts
- Interpreted position of main massive sulphide lode
- Gilgai Granite
- Shaft, winze
- Creek
- Track
- Contour (10m interval)



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

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. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins and wide zones of lower grade, disseminated, polymetallic mineralisation, with open pit potential. The outlook for the project is very promising and detailed drilling for resource estimation purposes is underway.

In northwest Queensland the Company is exploring for copper at **Mt Lidster** and **Volga Elderberry**, located about 60km east and northeast of Mt Isa respectively. Drilling by Malachite at Mt Lidster and by the current holders at Volga has produced some superb high grade copper intersections and detailed follow up work is now underway.

Malachite also has excellent exposure to tin, through its **Elsmore** Project, near Inverell in northern NSW. The Company is considering the possible development of a small open pit tin/tungsten mine at Sheep Station Hill, where bulk sampling was recently carried out.

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.