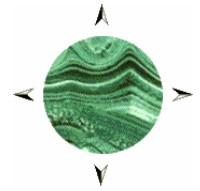


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CONRAD SILVER PROJECT: DRILLING AT KING CONRAD TO BE EXTENDED AS LODE INTERSECTIONS CONTINUE

HIGHLIGHTS

- **Drilling at King Conrad continues to intersect high grade lode material.**
- **Resource drilling at King Conrad to be extended to mid September.**
- **Engineering and metallurgical studies commenced.**

Malachite Resources NL (ASX: MAR) advises that drilling at the Conrad Silver Project continues to intersect well developed, coarse grained sulphide lodes and the Company is very encouraged by the intersections achieved recently, such as that illustrated below. No new assays are available at this time but further high grade values are expected when assays for recent drilling are received.

With good intersections continuing to come from drilling near the King Conrad Shaft the Company has decided to extend the program in that area, rather than move now to the Davis Shaft area as previously planned. Drill hole CMDD51 has just been completed and a further four or five diamond drill holes will be drilled at King Conrad between now and mid September. These remaining holes will test both the Conrad and King Conrad Lodes.

This extension of the drilling program at King Conrad will mean that the initial estimation of resources in this part of the Conrad mine (originally scheduled for September) will be delayed until around the end of October. After a short break from mid September, drilling is scheduled to resume by November 1st, when the Davis Shaft part of the Conrad Lode will be targeted initially. Detailed infill resource drilling at King Conrad will follow, including wedging off existing holes and motor drilling to control the location of lode intersections more accurately.

As the Conrad Project is moving ahead so positively it is appropriate to commence engineering and metallurgical studies that will help map out a preferred course to feasibility and development for this exciting silver-rich polymetallic base metal deposit. A consulting mining engineer has been engaged to undertake a conceptual economic modelling study, with the objectives of:

- i) determining the minimum resource/reserve base required to support a viable mine,
- ii) estimating possible operating and capital costs, and
- iii) providing an indicative picture of potential project economics.

Metallurgical studies of lode material in drill core are being undertaken in parallel by another consultant, with the aim of assessing the likely metal recoveries and concentrate characteristics.

For further information please visit the Company's website: www.malachite.com.au
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033 or 0417 212 099,
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G.G. LOWDER
Managing Director
13 August 2007

CONRAD SILVER PROJECT: Two views of part of the high grade intersection in drill hole CMDD50, showing massive galena, sphalerite and chalcopyrite mineralisation in the King Conrad Lode. Assays for this intersection are awaited.



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's key assets are:

The **CONRAD SILVER PROJECT** located in northern NSW, where 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. The outlook for the project is very promising and detailed drilling for resource estimation purposes is underway.

The **VOLGA COPPER PROJECT** in northwest Queensland, east and northeast of Mt Isa, where the Company is exploring for copper-gold at the **Mt Lidster** and **Volga Elderberry** properties. 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 exploration is underway.

The **TOOLOOM GOLD PROJECT** also in northeast NSW. Tooloom is a forgotten goldfield rediscovered by Malachite where numerous prospects have been identified, including a significant greenfields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential.

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 one or more of several prospects known in the district.

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.