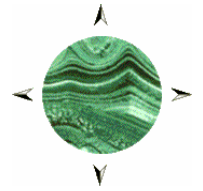


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ASX Announcement

Code: MAR

23 April 2007

CONRAD SILVER PROJECT – VERY ENCOURAGING FIRST RESULTS FROM DELINEATION DRILLING PROGRAM

HIGHLIGHTS:

Recent drilling has identified:

- Continuity of the high grade massive sulphide King Conrad Lode intersected in CMRD27 being: 0.5m* @ 419g/t Ag, 0.5% Cu, 13.0% Pb, 1.6% Zn and 0.4% Sn (or 1,365g/t Ag_{Eq}).
- Wide body of greisen-hosted mineralisation intersected in CMDD30 being: 64.5m* @ 25g/t Ag, <0.1% Cu, 0.5% Pb, 0.6% Zn and 0.1% Sn (or 131g/t Ag_{Eq}).

All bodies of mineralisation are open along strike and at depth.

*m = metres downhole.

Malachite Resources NL (ASX: MAR) advises that assay results for the first five new drill holes (CMRD27 to CMDD31) in the current infill delineation drilling at the Conrad Silver Project have been received. The results are very encouraging and provide strong support for continuing the delineation drilling of the polymetallic, silver – base mineralisation through 2007. To date a total of 12 drill holes have been completed in the current program.



All of the initial holes are in the King Conrad part of the system, where high grade silver and base metal lodes are known from past production records and previous drilling by the Company.

Table 1 below lists collar coordinate information for the assayed holes and **Table 2** details the assay results received to date. Note that indium values have not yet been determined. **Figure 1** shows drill hole distribution near the King Conrad shaft and **Figure 2** is an example cross section.

The Company is very encouraged by these initial results, for three key reasons. Firstly, the high grade King Conrad lode has been intersected as expected, with additional lode positions identified in some holes. The high grade, massive sulphide part of the King Conrad lode is generally narrow, but commonly enveloped by lower grade veining style mineralization. Furthermore, the drilling has shown that there are many more narrow, high grade lodes than were known and mined historically.

The second reason why the Company is so encouraged by these initial results relates to the intersection of wide zones of greisen-hosted, disseminated, stockwork and stringer style vein mineralisation in many holes, generally located between the King Conrad and Conrad

structures. This bulk tonnage style of mineralisation, tentatively called the “Greisen Zone”, commonly includes zones of higher grade massive or semi-massive sulphides that may be cross-cutting lodes or local zones of sulphide enrichment. The higher grade massive or semi-massive sulphides, act as significant grade “sweeteners” for this style of mineralisation.

The Greisen Zone has now been traced by drilling for over 200m along strike and to a depth of 170m. Limited drilling to date has intersected greisen-hosted mineralisation that averages about 30m in width, with some suggestion of widening with depth. In a few holes, similar but separate additional zones of greisen-hosted mineralisation were intersected.

The third key reason for enthusiasm about these results is that with multiple massive sulphide lodes and the presence of the greisen-hosted body of mineralisation, the scope for an open pit resource in the vicinity of King Conrad shaft has increased.

The Company is being assisted in this program by independent geological and mining consultants, Cube Consulting Pty. Ltd, of Perth, WA, who have advised Malachite on drill hole spacing and orientation, following preliminary three dimensional modeling of the mineralized zones. The same group has assisted the Company to calculate drill hole intersection grades so that the results can be integrated into any subsequent estimation of a mineral resource in compliance with the requirements of the JORC Code¹.

A “small footprint” diamond drill rig is due to commence drilling on site very soon and will be utilized to drill from locations that, due to topographic constraints, are not suitable for the larger Universal rig utilized so far. The second rig will particularly target the confluence of the Conrad Lode, King Conrad Lode and Alwell’s Lode where well developed mineralisation is expected. It will also target the southeastern extension of the Greisen Zone.

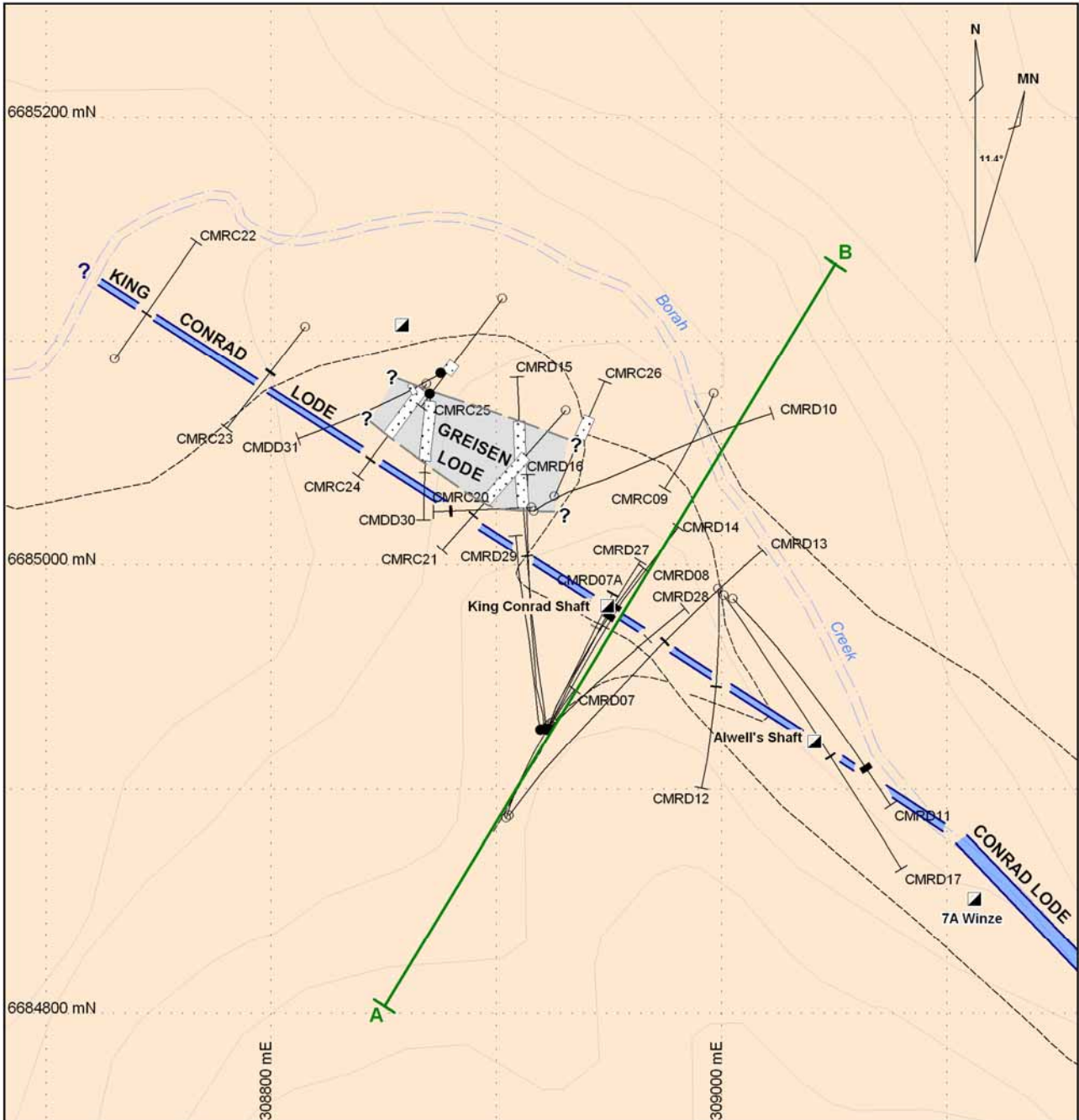
For further information please visit the Company’s website: www.malachite.com.au
or contact: **Russell Meares, Exploration Manager** at (02) 9411 6033
or by email at: rmeares@malachite.com.au



G.G. LOWDER
Managing Director
23 April 2007

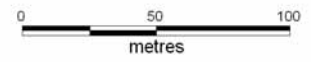
The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Lowder has sufficient experience which is relevant to the style of mineralisation and type of deposit under 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.

¹ JORC Code: The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004. (Joint Ore Reserves Committee).

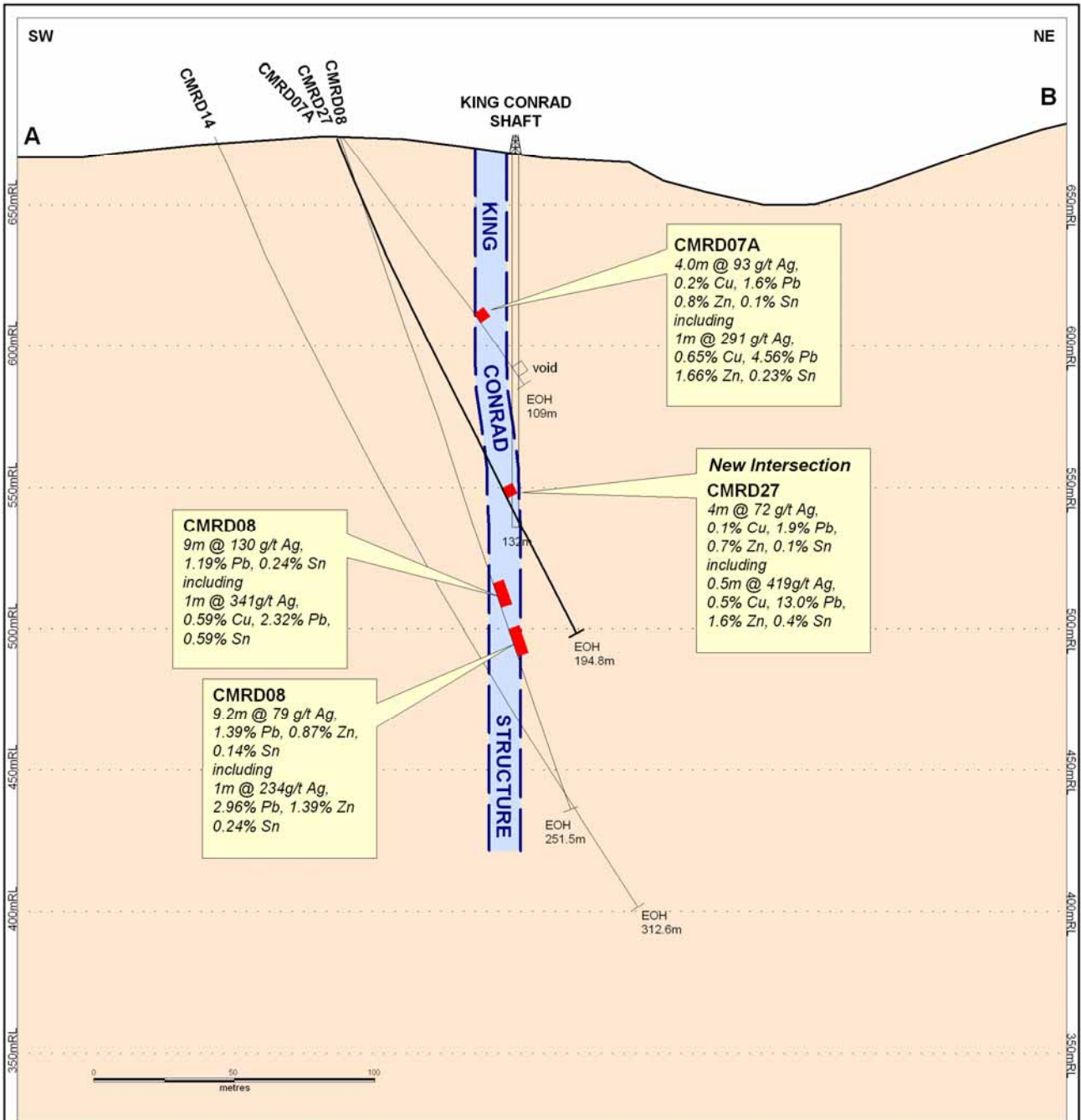


LEGEND





- February-March 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
- Interpreted position of greisen lode
- Gilgai Granite
- Shaft, winze
- Creek
- Track
- Contour (10m interval)
- Cross Section Line



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



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 2007
Proj/Grid: GDA94/MGA56	Figure 2

APPENDIX

Table 1: Drill Hole Details

Hole No.	Collar Details				Lodes Targeted	Final Hole Depth
	Northing GDA94	Easting GDA94	Magnetic Azimuth	Inclination		
CMRD27	6684926	308921	010 ⁰	-68 ⁰	King Conrad	195.2m
CMRD28	6684926	308921	035 ⁰	-68 ⁰	King Conrad	189.6m
CMRD29	6684926	308921	335 ⁰	-70 ⁰	King Conrad	195.6m
CMDD30	6685081	308869	170 ⁰	-68 ⁰	Greisen & King Conrad	144.3m
CMDD31	6685081	308869	231 ⁰	-67 ⁰	Greisen & King Conrad	165.1m

Table 2: Assay Results

HOLE NO.	FROM (m)	TO (m)	DOWNHOLE LENGTH (m)	SILVER g/t Ag	COPPER % Cu	LEAD % Pb	ZINC % Zn	TIN % Sn	SILVER EQUIVALENT g/t Ag _{eq} (Note 1)	MINERALISATION TYPE
CMRD27 <i>Including</i>	137.0	141.0	4.0	72	0.1	1.9	0.7	0.1	268	King Conrad Lode and vein zone King Conrad Lode
	137.6	138.1	0.5	419	0.5	13.0	1.6	0.4	1365	
CMRD28 <i>Including</i>	143.7	148.1	4.4	112	0.2	1.9	1.4	0.1	385	Vein zone (Note 2)
	144.7	146.9	2.2	205	0.4	3.2	2.2	0.2	673	
CMRD29	No significant intersections (Note 3)									
CMDD30 <i>Including</i> <i>Including</i>	25.7	90.2	64.5	25	<0.1	0.5	0.6	0.1	131	Greisen Zone King Conrad Lode
	35.1	57.0	21.9	45	<0.1	1.1	0.9	0.2	236	
	35.1	39.1	4.0	112	<0.1	2.4	1.3	0.5	493	
	90.2	91.4	1.2	184	0.1	6.1	2.3	0.2	737	
CMDD31 <i>Including</i>	33.5	39.4	5.9	88	<0.1	1.1	1.1	0.2	295	Greisen Zone Vein zone King Conrad Lode
	35.6	36.4	0.8	403	0.1	4.9	4.1	0.6	1183	
	92.5	98.0	5.5	32	<0.1	0.7	0.7	0.1	155	
	109.0	111.0	2.0	111	<0.1	1.3	1.1	0.3	360	

Notes:

- Silver equivalent grades are calculated on the basis of the following metal prices: Ag: \$US0.44/g; Cu: \$US8,052/t; Pb: \$US1,995/t; Zn: \$US3,685/t and Sn: \$US14,395/t. Silver equivalent values will change as any one or more of these metal prices changes with time.
- The intersection quoted for hole CMRD28 (143.7-148.1m) is for a zone of sulphide veining immediately down-hole from the King Conrad Lode. Due to poor core recovery through the King Conrad Lode in this hole, this section of the hole has been re-drilled as hole CMRD28A, and assays are awaited.
- Hole CMRD29 intersected the King Conrad structure outside any mineralized shoots and hence there were no significant intersections in this hole.
- 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.

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-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 50km east of Mt Isa. 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 planned to commence next month.

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.

About Cube – Cube Consulting Pty Ltd is an Australian owned company providing geological and engineering consulting services, contract staff placements, and software systems to the resources and industrial sectors. The organisation is well resourced with an established office in Perth, Western Australia and has undertaken work for a number of substantial clients. Cube Consulting comprises a team of technical professionals dedicated to providing excellence of services in their field of expertise.