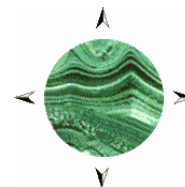


Malachite Resources NL

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 May 2007

EXPLORATION UPDATE ON CONRAD SILVER, TOOLOOM GOLD AND MT ISA REGION COPPER

SUMMARY:

- **SILVER: MORE ENCOURAGING ASSAY RESULTS AT CONRAD**
- **GOLD: DRILLING COMMENCED AT PHOENIX**
- **COPPER: FIELD WORK AT VOLGA ELDERBERRY & MT LIDSTER**

Malachite Resources NL (ASX: MAR) advises that:

1. The next batch of assay results for the current infill delineation drilling program at the Conrad Silver Project has been received;
2. Drilling has commenced at the Company's Tooloom Gold Project, testing several targets at the Phoenix Prospect;
3. Field work is now underway at the Mt Lidster and Volga Elderberry Copper prospects, near Mt Isa.

CONRAD – The latest results are for holes CMRD28A, CMRD32 and CMDD33 and are consistent with results reported recently for the first assay batch. Details of the drilling are set out in Tables 1 and 2 (see Appendix) and Figure 1 below shows the drill hole locations.



The key points are:

CMRD28A: This hole is a re-drill of CMRD28 to provide better core recovery through the King Conrad Lode and intersected

7.5m (138-145.5m) @ 64g/t Ag, 0.1% Cu, 1.4% Pb, 0.6% Zn & 0.1% Sn [230g/t Ag_{Eq}]¹
through the lode and adjacent vein zone, including

0.4m (139.9-140.3m) @ 583g/t Ag, 1.2% Cu, 12.1% Pb, 1.3% Zn & 1.2% Sn [1,849g/t Ag_{Eq}]
through the King Conrad Lode itself.

CMDD32: This hole was drilled to close-off the King Conrad Lode at its northwestern end and returned no significant assays, confirming termination of the lode.

CMDD33: This hole went through a void for 3.3m where the King Conrad Lode has been mined out then intersected

1.8m (42.4-44.2m) @ 115g/t Ag, 0.1% Cu, 3.2% Pb, 0.7% Zn & 0.2% Sn [404g/t Ag_{Eq}]

in the adjacent vein envelope zone. That result is encouraging, given that the best part of the King Conrad Lode has already been mined in this position.

CMDD33 also penetrated the Greisen Zone, resulting in an intersection of
58.7m (138-196.70m) @ 26g/t Ag, <0.1% Cu, 0.7% Pb, 0.8% Zn & 0.1% Sn [158g/t Ag_{Eq}].

The Greisen Zone intersection included

0.4m (141-141.4m) @ 418g/t Ag, 0.4% Cu, 8.2% Pb, 1.0% Zn & 0.7% Sn [1,176g/t Ag_{Eq}] and

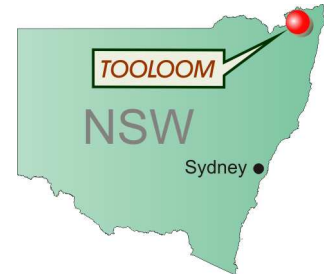
0.3m (146.9-147.2m) @ 1,660g/t Ag, 1.7% Cu, 24.2% Pb, 0.6% Zn & 2.1% Sn [3,800g/t Ag_{Eq}]

in narrow massive sulphide lodes (which are quite separate from the Conrad and King Conrad Lodes) and represent significant grade "sweeteners" within this Zone.

¹ Silver equivalent values quoted [g/t Ag_{Eq}] are calculated according to metal prices listed in Note 1 of Table 2.

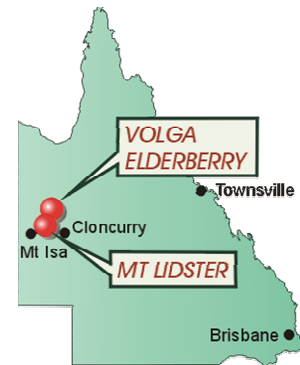
The drilling program at Conrad has undergone a short hiatus while the multi-purpose rig used to date is relocated to Tooloom and the small footprint diamond core only rig, currently at Tooloom, is moved to Conrad. Drilling is expected to resume late this week and the next batch of assay results for Conrad is expected in about two weeks.

TOOLOOM – The first drilling since the inception of the Newmont Farm-In in mid 2006 has commenced at the Phoenix Prospect. An existing hole at Phoenix 1 (PHRD07) is being deepened by diamond core drilling and two or three reverse circulation percussion holes are to be drilled near a previous anomalous hole (PHRC05) in the eastern part of Phoenix 1.



The new program at Tooloom will also include initial reconnaissance drill holes at the promising Phoenix 2 and Phoenix 3 geophysical targets, located under younger rock cover in the central and northern part of the 5 x 4.2km Phoenix Complex.

MT ISA REGION – With the arrival of the dry season field work has now commenced at Malachite's two copper properties located to the east of Mount Isa in tropical northwest Queensland. Access and logistical support are being established prior to undertaking a geophysical survey, utilizing a state-of-the-art electromagnetic technique. This will help define targets for follow up drilling at both Mt Lidster and Volga Elderberry later in the year. Regional geological mapping and reconnaissance geochemistry will also be carried out, particularly in the outlying parts of the large Volga Elderberry property.



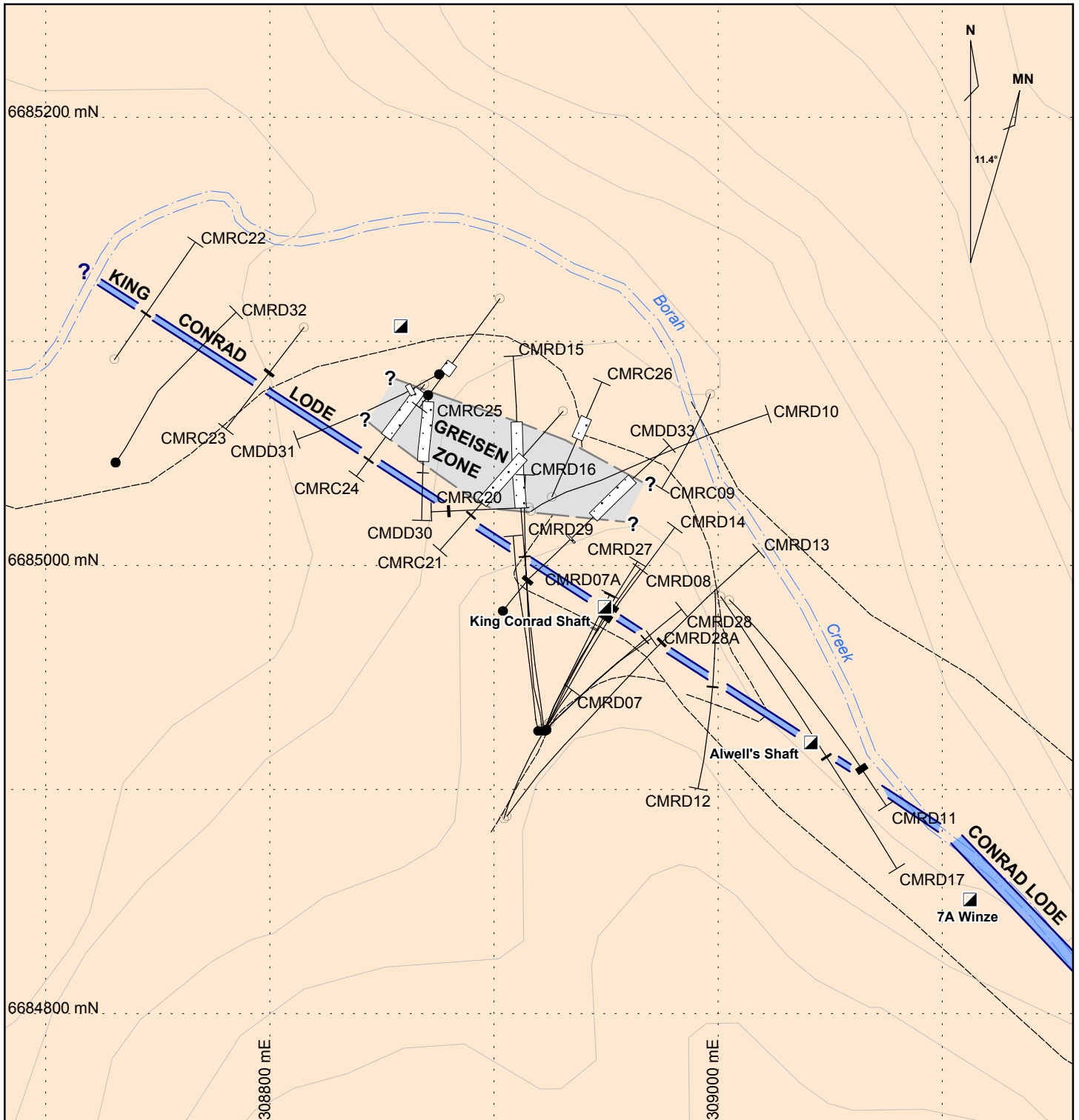
For further information please visit the Company's website:

www.malachite.com.au

or contact: **Garry Lowder** at (02) 9411 6033 or by email at: glowder@malachite.com.au

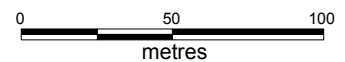
G.G. LOWDER
Managing Director
 1 May 2007

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

- February-April 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 zone
- Gilgai Granite
- Shaft, winze
- Creek
- Track
- Contour (10m interval)



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

APPENDIX

Table 1: Drill Hole Details

Hole No.	Collar Details				Lodes Targeted	Final Hole Depth
	Northing GDA94	Easting GDA94	Magnetic Azimuth	Inclination		
CMRD28A	308921	6684926	043°	-63°	King Conrad	141.6
CMRD32	308726	6685043	023°	-59°	King Conrad	144.5
CMDD33	308905	6684987	026°	-65°	Greisen Zone & King Conrad	247.0

Table 2: Significant Mineralised Intersections

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
CMRD28A	138.0	145.5	7.5	64	0.1	1.4	0.6	0.1	230	Lode and mineralised envelope Main lode zone
	<i>Including</i>	139.9	140.3	0.4	583	1.2	12.1	1.3	1,849	
CMDD32	No significant intersections (Note 2)									
CMDD33	42.4	44.2	1.8	115	0.1	3.2	0.7	0.2	404	Lode envelope
	<i>And</i>	138.0	196.7	58.7	26	<0.1	0.7	0.1	158	Greisen Zone
	<i>Including</i>	141.0	141.4	0.4	418	0.4	8.2	1.0	1,176	Sulphide veins within Greisen Zone
	<i>And including</i>	146.9	147.2	0.3	1,660	1.7	24.2	0.6	3,800	

Notes:

- Silver equivalent grades [g/t Ag_{EQ}] are calculated on the basis of the following metal prices: Ag: \$US0.43/g; Cu: \$US7,745/t; Pb: \$US2,000/t; Zn: \$US3,689/t and Sn: \$US13,450/t. Silver equivalent values will change as any one or more of these metal prices changes with time.
- Hole CMDD32 was intended to close-off the King Conrad Lode structure at its northwestern end; as there were no significant intersections in this hole, that aim was achieved.
- 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.
- All down-hole interval lengths and mineralised grades have been rounded to one (1) decimal point

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.