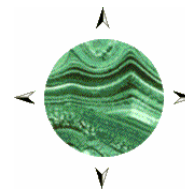


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ASX Announcement

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MORE HIGH GRADE COPPER AT MT LIDSTER

- **Drilling at Mt Lidster in December 2006 has intersected further high grade copper mineralisation;**
- **Best result was in MLRC09: 18m @ 2.4% Cu, including 2m @ 9.8% Cu.**
- **Highest single assay result: 1m @ 15.05% Cu and 1.04g/t Au;**
- **True widths of mineralisation up to 12m.**

Malachite Resources NL (ASX: MAR) advises that assay results have now been received for samples from December 2006 drilling at the Mt Lidster Copper Project, near Mt Isa in northwest Queensland, where Malachite has an option to acquire a 100% interest. The best intersection in the recent drilling was in hole MLRC09, which cut an 18m massive sulphide zone from 76m to 94m (11.6m true width), with an average grade of 2.4% Cu, including 2m of 9.8% Cu.

Several holes intersected massive to semi-massive sulphide mineralisation, with good copper values, mainly expressed as primary chalcopyrite. Other holes intersected the structure where it is dominated by quartz rather than sulphide. Copper grades correlate well with sulphide content and it is apparent from both drilling to date and inspection of the outcrop that mineralisation is concentrated into pods or shoots within the Mt Lidster structure, at least near surface. Copper mineralisation was also intersected in what appear to be parallel or splay structures, some examples of which can be seen at the surface. Significant amounts of gold and cobalt are present as accessory metals.



Mt Lidster Copper Project location map

Twelve shallow, reverse circulation percussion holes were drilled in the latest program, for a total of 959m. Drill hole details are set out in Table 1 and assays of the mineralised intersections are listed in Table 2. The map below shows the Mt Lidster structure and the location of all holes drilled at the project to date.

Malachite is strongly encouraged by these results, for while the drill sample assays to date are mixed, it is clear that this is due to the poddy distribution of mineralisation within the structure. Where good mineralisation is intersected the grades can be spectacular – the best single assay from the recent program was 1m @ 15.05% Cu and 1.04g/t Au. Much of the structure remains to be drill tested and as yet there has been no deep drilling at Mt Lidster at all. It is too soon to draw any conclusions about average grades within the Mt Lidster structure overall, but it is possible that, in a future mining context, the high grade massive sulphide pods may be sufficiently abundant to carry the interspersed lower grade quartz-rich zones. It is also possible that the massive sulphide zones will expand or coalesce at depth, where drilling is yet to occur.

Following the current tropical wet season the Company plans to conduct a geophysical survey, utilising an electromagnetic (“EM”) technique, at Mt Lidster, with the aim of identifying electrical conductors that could represent the best concentrations of massive sulphide mineralisation at depth. These will then be targeted by drilling, including diamond drilling if warranted, during the 2007 field season.

Malachite Resources NL – Conrad Drilling Results – January 2007

Table 1: Drill Hole Details for holes drilled at Mt Lidster in December 2006

Hole No.	Collar Details				Final Hole Depth
	Northing GDA94	Easting GDA94	Magnetic Azimuth	Inclination	
MLRC06	7709959	393653	136 ⁰	-53 ⁰	83m
MLRC07	7709946	393662	185 ⁰	-50 ⁰	22m
MLRC08	7709949	393669	96 ⁰	-50 ⁰	58m
MLRC09	7710009	393849	305 ⁰	-50 ⁰	106m
MLRC10	7710007	393849	280 ⁰	-50 ⁰	136m
MLRC11	7710010	393851	346 ⁰	-50 ⁰	166m
MLRC12	7709773	393532	20 ⁰	-52 ⁰	76m
MLRC13	7709775	393527	315 ⁰	-65 ⁰	40m
MLRC14	7709647	393442	309 ⁰	-50 ⁰	64m
MLRC15	7709664	393449	305 ⁰	-60 ⁰	58m
MLRC16	7709658	393462	305 ⁰	-60 ⁰	82m
MLRC17	7709951	393662	95 ⁰	-61 ⁰	68m

Table 2: Assay Results for holes drilled at Mt Lidster in December 2006

HOLE NO.	FROM (m)	TO (m)	APPROX TRUE WIDTH (m)	COPPER % Cu	Au g/t	Co %	COMMENTS
MLRC06	61	62	0.6	0.25	<0.1	0.04	6m @ 4.2% Cu intersected vertically above in MLRC02
MLRC07	No significant assays. Hole abandoned due to caving ground before reaching target depth.						
MLRC08	24	29	3	0.21	<0.1	0.02	Oblique intersection in oxide zone only
MLRC09	76	94	11.6	2.4	0.21	0.02	Massive sulphide intersection
Including	76	78	1.3	9.81	0.75	0.06	
Including	76	77	0.6	15.05	1.04	0.02	
Also	89	94	3.2	3.81	0.37	0.03	
MLRC10	122	123	0.5	1.14	0.17	0.03	Oblique intersection south of MLRC09
And	54	63	5	0.02	0.34	<0.01	
MLRC11	129	137	4.5	0.25	<0.1	0.01	Oblique intersection to north of MLRC09
MLRC12	43	48	?	0.45	<0.1	0.09	Very oblique intersection
MLRC13	18	21	1.3	0.29	<0.1	<0.01	Intersection in oxide zone only
MLRC14	18	42	15.4	0.28	<0.1	<0.01	This intersection is NW of main structure
Including	18	28	6.4	0.43	<0.1	<0.01	
And	18	21	1.9	0.86	<0.1	<0.01	
Also	55	56	0.6	5.96	0.64	0.01	
MLRC15	30	43	6.5	2.13	0.12	0.03	Includes 1m @ 0.12% Co (36-37m)
Including	34	41	3.5	3.73	0.17	0.05	
Including	34	37	1.5	6.12	0.22	0.06	
MLRC16	67	71	2	0.47	<0.1	0.05	Deeper cut to MLRC15
MLRC17	51	54	1.5	0.22	<0.1	<0.01	Deeper cut to MLRC08

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. Detailed drilling for resource estimation purposes is to commence this week.

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.

Earlier drilling by Malachite at Mt Lidster intersected 6m @ 4.19% Cu in MLRC02 and 4m @ 5.29% Cu in MLRC04 (see MAR ASX Release dated 28 September 2006).

For further information please visit the Company's website: www.malachite.com.au
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G.G. LOWDER
Managing Director
30 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.

