



Malachite Resources NL

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ASX Announcement

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MALACHITE PLACEMENT TO RAISE UP TO \$5.7 MILLION

Malachite Resources NL ("MAR") is pleased to announce that, subject to shareholder approval, it has successfully raised \$5.7 million through a Placement of up to 19 million ordinary fully paid shares at an issue price of 30 cents.

The Placement has been arranged by Cartesian Capital Pty Limited with qualifying investors under Section 708 of the Corporations Act.

Participants in the Placement will also receive one 31 August 2008 Option exercisable at 20 cents (MAROA) for every three shares subscribed for in the Placement.

The Placement requires shareholder approval which is to be considered at an Extraordinary General Meeting ("EGM") to be held later today. Notice of the EGM was despatched to all shareholders of the Company on 16 November 2007.

Subject to shareholder approval at today's meeting, the Placement will be completed and shares and options will be allotted next Tuesday 18 December 2007.

The new capital will be used primarily to fund further resource delineation drilling and economic assessment at the Company's Conrad Silver Project, located near Inverell in northern NSW. Drilling by Malachite at Conrad to date has defined a resource containing 10.4 million silver equivalent ounces, which is about 40% of what the Company believes will be necessary to support reopening of the Conrad Mine: refer ASX Announcement – First Resource Estimate at the Conrad Silver Project released 5 November 2007 which is available on the Company's website: www.malachite.com.au or by the following link <http://www.malachite.com.au/html/asx.htm>

Drilling at Conrad planned for the first half of 2008 is expected to provide the required additional resources and to lead on to feasibility studies and development later in 2008 and into 2009. In parallel with the drilling, the Company will continue and expand its metallurgical and mining scoping studies with a view to accelerating redevelopment of the mine. Funds will also be applied to ongoing exploration of sub-parallel mineralised structures elsewhere on the Conrad tenements.

The Company is very encouraged by the results of recent geological mapping and geochemical sampling along these structures and it believes that some of them are likely to add significantly to the regional Conrad resource inventory in the years ahead.

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. Conrad has had two previous periods of production but has not operated for 50 years. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins, like those mined in the past, and wide zones of lower grade, disseminated and stockwork veined, polymetallic mineralisation. Preliminary economic modelling suggests that a mineral resource containing about 25 million ounces of silver equivalent would be sufficient to support reopening of the Conrad Mine.

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 follow up drilling will resume in 2008.

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.

For further information please visit the Company's website: www.malachite.com.au or contact:

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