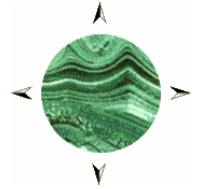


# Malachite Resources NL

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*

16 November 2007

## MALACHITE TO ISSUE UP TO 20 MILLION SHARES IN PLACEMENT

Malachite Resources NL ("MAR") is pleased to announce that, subject to shareholder approval, it proposes to issue up to 20,000,000 ordinary fully paid shares in a Placement to raise funds for the Company's various exploration projects.

An Extraordinary General Meeting ("EGM") will be held on Friday 14 December 2007 to allow shareholders the opportunity to consider, and if thought fit, to approve the Placement.

The Placement will be effected at an issue price which may be at a discount to market. The discount will be no more than 20% to the volume weighted price of the Company's shares for the 5 trading days prior to the date of the meeting. Based on the closing price of the Company's shares on Thursday, 15 November 2007 of 39 cents the Placement will raise in the order of \$6 - 7.5 million.

The allottees will be institutional, professional, sophisticated or foreign investors to be identified by the Directors of the Company in association with Cartesian Capital Pty Limited.

Funds raised from Placement will be used to advance the Company's various exploration projects including:

- further drilling and economic evaluation at the Company's **Conrad Silver Project** in north eastern NSW where the Company recently announced that the first estimate of mineral resources of about 10.4 million ounces of silver equivalent had been completed. Drilling at Conrad is expected to resume in January 2008 and a second diamond drill rig will be added a month or so later. Together these rigs should complete the second phase of resource delineation, involving 6,000-7,000m of drilling, by mid year. Most of the new drilling is expected to be concentrated at the southeastern end of the system, near the Davis Shaft, but a number of holes will be drilled beneath the central part of the old workings to confirm depth continuity for long term mine life. The objective of this additional drilling is to increase the resource base to a level sufficient to support re-opening of the Conrad mine;
- further surface exploration and drilling to be carried out at **Volga Elderberry** and **Mt Lidster Copper Projects** near Mt Isa in Queensland;
- further exploration and evaluation of the Company's other projects, including at **Tooloom Gold** and **Elsmore Tin**, both in northern NSW;
- and to provide working capital.

---

**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 is now 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.

---

For further information please visit the Company's website: [www.malachite.com.au](http://www.malachite.com.au) or contact:

**Garry Lowder**  
**Managing Director**  
[glowder@malachite.com.au](mailto:glowder@malachite.com.au)  
Tel: (02) 9411 6033

**Andrew Cooke**  
**Company Secretary**  
[acooke@malachite.com.au](mailto:acooke@malachite.com.au)  
Tel: (02) 9411 6033

or

**Simon Kidston**  
**Executive Director**  
**Cartesian Capital**  
[skidston@cartesiancapital.com.au](mailto:skidston@cartesiancapital.com.au)  
Tel: (02) 9993 4443