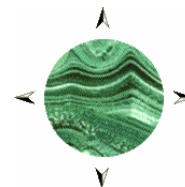


# Malachite Resources NL

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**ASX Announcement**

**Code: MAR**

**18 December 2007**

## VOLGA COPPER PROJECT: FURTHER UPDATE

Malachite Resources NL (ASX: MAR) advises that assay results for recent drilling at the Volga Copper Project have been received. Only four holes were completed in the recent program, which was terminated prematurely because of unsatisfactory performance by the drilling contractor (see ASX Release dated 19 November 2007). Volga is located about 70km northeast of Mount Isa in northwest Queensland.

Three of the four new holes intersected copper mineralisation, with minor associated gold. One of the holes also intersected a narrow interval of significant gold mineralisation, without associated copper. The best results were:

HOLE No.	FROM (m)	TO (m)	ESTIMATED TRUE WIDTH (m)	COPPER % Cu	GOLD g/t Au
VEL 02 (Deepening of a pre-existing hole)	282.75	284.04	0.4	1.74	1.06
	297.30	303.37	1.8	1.40	0.28
	304.50	309.50	1.5	0.51	0.28
	388.95	391.00	0.6	0.48	0.60
	430.75	432.83	0.6	0.57	0.12
	436.85	439.70	0.8	0.69	0.05
VEDD 17	No significant assays				
VEDD 18	37.00	38.00	0.5	1.28	0.28
VEDD 19	35.00	36.00	0.6	<0.01	9.00
	36.00	52.00	3.2	<0.01	0.28
	48.00	49.00	0.6	<0.01	0.83
	54.60	56.65	2.0	<0.01	0.84
	65.15	67.10	1.3	1.69	<0.05
	68.20	71.75	2.3	0.91	<0.05

These results are considered by the Company to be essentially neutral in regard to the exploration potential at Volga, as most of the planned drilling was not completed and key targets remain to be tested. The Company has arranged for a new drilling contractor to resume the program at Volga (and to move on to nearby Mt Lidster) once the northern wet season is over, probably around the end of April, 2008.

For further information please visit the Company's website: [www.malachite.com.au](http://www.malachite.com.au)  
or contact: **Garry Lowder, Managing Director** at (02) 9411 6033 or 0417 212 099,  
or by email at: [glowder@malachite.com.au](mailto:glowder@malachite.com.au)

G.G. LOWDER  
Managing Director  
18 December 2007

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**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 25-30 million ounces of silver equivalent would be sufficient to support reopening of the Conrad Mine. To date a resource containing just over 10 million ounce of silver equivalent has been defined.

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 very encouraging high grade copper intersections.

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.

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#### **COMPETENT PERSON STATEMENT**

*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.*