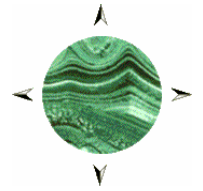


Malachite Resources NL

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ASX Announcement

Code: MAR

8 October 2007

SPECTACULAR NEW RESULTS AT THE CONRAD SILVER PROJECT

HIGHLIGHTS

- **The King Conrad Lode intersected in CMDD50 is of very high grade, i.e.**
- **From 84 to 85.17m: 1.17m @ 1,715g/t Ag, 3.9% Cu, 16.1% Pb, 5.0% Zn, 3.4% Sn and 79g/t In.**
- **Lower grade mineralisation adjoins the high grade lode zone.**
- **CMDD50 is the best hole drilled at Conrad so far, with a silver equivalent¹ grade in the King Conrad Lode of 5,600g/t Ag_{EQ}.**

Malachite Resources NL (ASX: MAR) advises that assay results for a further two holes drilled recently at Conrad have been received. The results for both holes are encouraging, with drill hole CMDD50 in particular providing a spectacular intersection, the best to date at Conrad.

Speaking about the results, Managing Director, Garry Lowder, said:

“These results show just how much metal can be packed into the lodes at Conrad. A cubic metre of ore like the CMDD50 lode intersection would contain nearly \$10,000 worth of metal at today’s prices. It would take a grade of more than 4 ounces of gold per tonne for a cubic metre of gold-bearing quartz reef to hold as much metal value.”

Importantly, the high silver assays are accompanied by excellent base metal and indium results. With lead currently worth more than zinc and the high prices being quoted for copper, tin and indium, the CMDD50 results strongly support the Company’s view that significant amounts of very high grade mineralisation like that mined in the past at the Conrad Mine remain to be extracted in the future.

Dr Lowder added:

“The CMDD50 intersection is shallow and surrounded by existing underground development, so it would be a great place to begin mining. They say grade is king and it looks like ‘King Conrad’ will live up to its name for us.”

Assays for five holes remain outstanding and the Company is on track for release of an initial resource estimate for Conrad in November. The last hole in the Phase 1 program, CMDD56, which intersected mineralisation similar to that in CMDD50, has been preserved whole specifically for metallurgical test work and will not be assayed until that work is carried out.

Full details of the latest results are set out in Tables 1 and 2 below and Figure 1 shows the location of drill holes in the Phase 1 program, including CMDD49 and -50, which are highlighted.

¹ For explanation of the term “silver equivalent” please see the Notes in Table 2 below.

Table 1: Drill Location Hole Details

| Hole No. | Collar Details | | | | Lodes Targeted | Final Hole Depth (m) |
|----------|--------------------|-------------------|------------------|-------------|----------------|----------------------|
| | Northing (m) GDA94 | Easting (m) GDA94 | Magnetic Azimuth | Inclination | | |
| CMDD49 | 6684988 | 308999 | 153 deg | -74 deg | King Conrad | 191.3 |
| CMDD50 | 6684988 | 308999 | 169 deg | -58 deg | King Conrad | 125.4 |

Table 2: Key Assay Results for CMDD46 to CMDD48

| HOLE NO. | FROM (m) | TO (m) | DOWN-HOLE LENGTH [& EST. TRUE WIDTH] (m) | SILVER g/t Ag | COPPER % Cu | LEAD % Pb | ZINC % Zn | TIN % Sn | INDIUM g/t In | SILVER EQUIVALENT g/t Ag _{Eq} (Note 1) | MINERALISATION TYPE |
|---------------|----------|--------|--|---------------|-------------|-----------|-----------|----------|---------------|---|----------------------------|
| CMDD49 | 162.6 | 167.4 | 4.8 [1] | 48 | 0.1 | 1.2 | 0.5 | 0.1 | Note 2 | 243 | King Conrad Lode "package" |
| Including | 163.6 | 164.5 | 0.9 [0.2] | 185 | 0.3 | 4.1 | 1.5 | 0.2 | 15 | 802 | King Conrad Lode |
| CMDD50 | 83 | 85.17 | 2.17 [1] | 993 | 2.2 | 9.7 | 3.0 | 2.0 | 46 | 3,248 | King Conrad Lode "package" |
| Including | 84 | 85.17 | 1.17 [0.5] | 1,715 | 3.9 | 16.1 | 5.0 | 3.4 | 79 | 5,605 | King Conrad Lode |

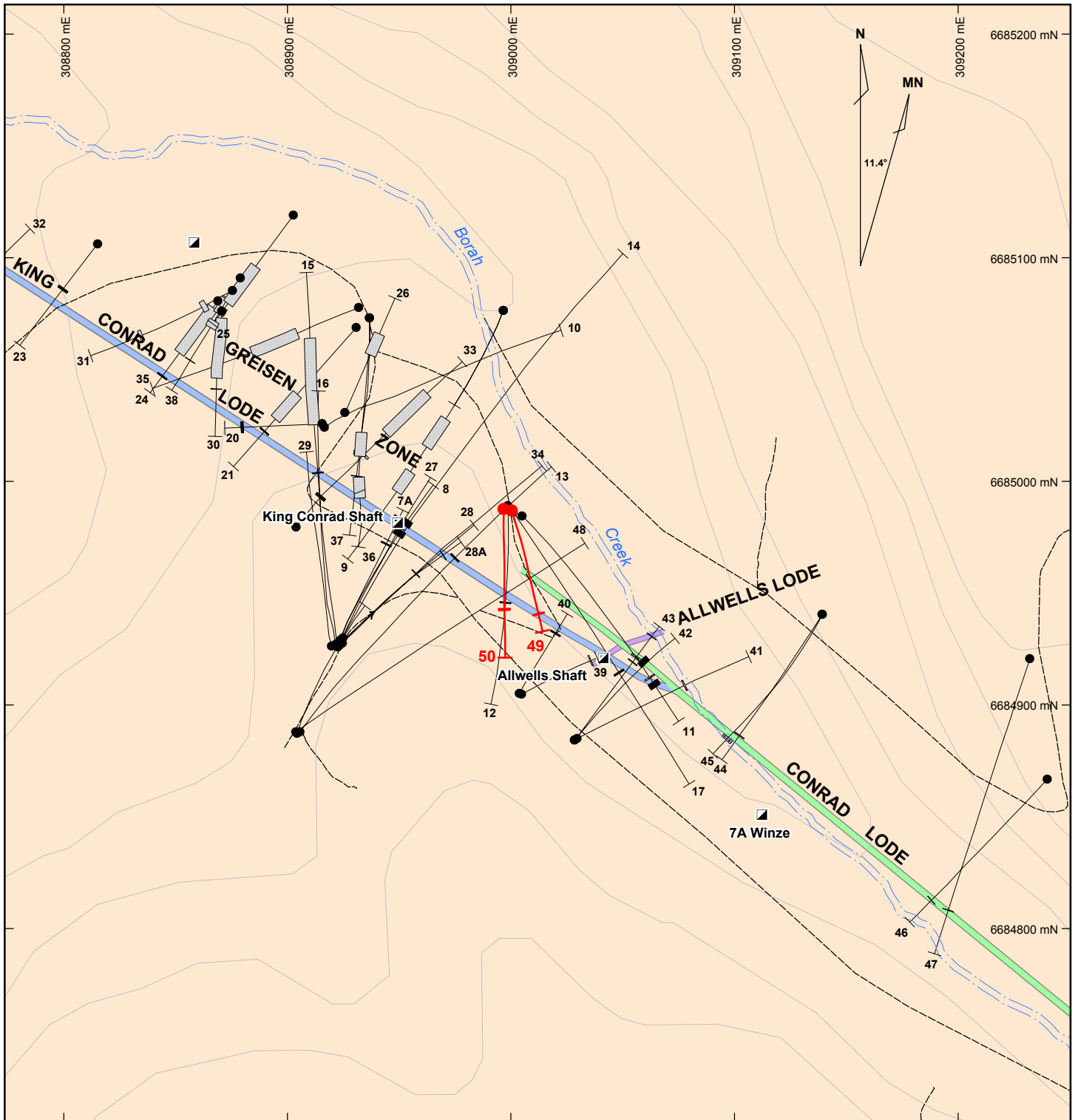
Notes:

1. The term "silver equivalent" is used to provide a basis for comparison with other silver – base metal deposits that contain different ratios of metals. Malachite determines silver equivalents by calculating the equivalent dollar values of base metal and indium assays, using current metal prices, and dividing the sum of those values by the current price of silver to determine the amount of silver which has the same value as the total of the other metals; this amount is then added to the actual silver assayed to produce a total silver equivalent amount. The calculation is made on the basis of 100% metal recoveries for all metals concerned. The silver equivalent values in Table 2 were calculated in this manner using the following metal prices: silver - \$US13.37/oz; copper - \$US8,210/t; lead - \$US3,684/t; zinc - \$US3,080/t; indium - \$US0.75/g. The base metal prices used are official LME 3-months seller prices as of 5 October 2007.
2. Indium was not analysed for all of this interval.

For further information please visit the Company's website: 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

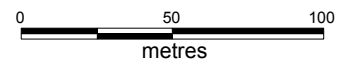


G.G. LOWDER
Managing Director
 8 October 2007



LEGEND

- Drill hole referred to in this ASX release showing projected hole trace and lode intersection
- Previous drill hole showing projected hole trace and lode intersection
- Interpreted position of King Conrad lode
- Interpreted position of Conrad lode
- Interpreted position of Allwells lode
- Greisen Zone intersection
- Shaft, winze
- Creek
- Track
- Contour (10m interval)
- Gilgai Granite



| | |
|---|----------------------|
| MALACHITE RESOURCES NL | |
| CONRAD PROJECT KING CONRAD AREA Drillhole Plan | |
| Scale: 1:2500 | Date: 2 October 2007 |
| Proj/Grid: GDA94/MGA56 | Figure 1 |

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, polymetallic mineralisation. The outlook for the project is very promising and the first phase of detailed drilling for resource estimation purposes has been completed.

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 planned for October-November 2007.

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.

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.