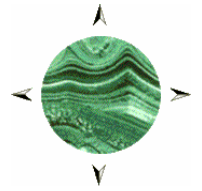


Malachite Resources NL

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ASX Announcement

Code: MAR

28 March 2007

CONRAD SILVER PROJECT – PROGRESS REPORT ON DRILLING

Malachite Resources NL (ASX: MAR) advises that the drilling program currently underway at the Conrad Silver Project is going very well and assay results for the first batch of approximately 300 samples are expected to be available in April.

To date 10 drill holes have been completed in the current program, for a total of 1,750 metres of pre-collared diamond core drilling. All of these holes are in the King Conrad part of the system, where high grade silver and base metal mineralisation is known from past production records and earlier drilling by the Company. The new holes represent the first stage of resource definition drilling for the project.

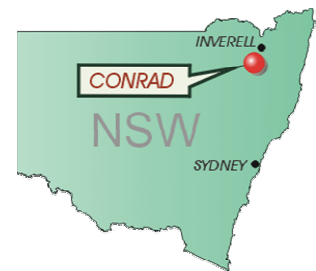
Two main styles of mineralisation continue to be intersected at Conrad, comprising narrow, high grade lodes like those mined historically and wide zones of lower grade, disseminated and stockwork vein mineralisation. The latter style has been the main focus of drilling so far, as it offers much promise for open pit development at the site and considerably enhances the potential of the project.

The Company is being assisted in this program by independent mining consultants, Cube Consulting Pty. Ltd, of Perth, WA, who have advised on drill hole spacing and orientation, following three dimensional modeling of the mineralized bodies. The same group will assist the Company to calculate drill hole intersection grades and cut-offs, so that the results will be able to be integrated into the subsequent estimation of a mineral resource in a manner compliant with the requirements of the JORC Code¹.

A second, "small footprint" diamond drill rig is due on site within a few weeks and will be utilized to drill from locations that, due to topographic constraints, are not suitable for the current rig. The second rig will particularly target the confluence of the Conrad Lode, King Conrad Lode and Alwell's Lode, where some excellent grades are expected.

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

G.G. LOWDER
Managing Director
28 March 2007



**Conrad Silver
Project location**

¹ JORC Code: The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004. (Joint Ore Reserves Committee).

Malachite Resources NL – Conrad Silver Project

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. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-base metal veins and wide zones of lower grade, disseminated, polymetallic mineralisation, with open pit potential. The outlook for the project is very promising and detailed drilling for resource estimation purposes is underway.

In northwest Queensland the Company is exploring for copper at **Mt Lidster** and **Volga Elderberry**, located about 50km east of Mt Isa. Drilling by Malachite at Mt Lidster and by the current holders at Volga has produced some superb high grade copper intersections and detailed follow up work is planned to commence next month.

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 Sheep Station Hill, where bulk sampling was recently carried out.

About Cube – Cube Consulting Pty Ltd is an Australian owned company providing geological and engineering consulting services, contract staff placements, and software systems to the resources and industrial sectors. The organisation is well resourced with an established office in Perth, Western Australia and has undertaken work for a number of substantial clients. Cube Consulting comprises a team of technical professionals dedicated to providing excellence of services in their field of expertise.

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.