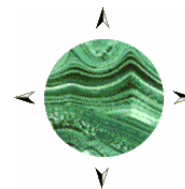


Malachite Resources NL

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ASX Announcement

Code: MAR

17 June 2008

CONRAD SILVER PROJECT: Assay Results for Six More Drill Holes Reported

Malachite Resources (ASX: MAR and MAROA) advises that assay results have been received for an additional six drill holes at the Company's Conrad Silver Project. Conrad is located about 25km south of Inverell in northern NSW and Malachite is well advanced with a 10,000m drilling program aimed at adding substantially to the existing mineral resource at the project. Since this year's drilling began in early February a total of 8,670m has been drilled, in 26 holes, utilizing two drill rigs, and numerous high grade, silver-rich polymetallic intersections have been achieved.



Figure 1:
Conrad Silver Project
Location Plan

Latest Results – The latest results are mostly for intersections in the Conrad Lode, with one in the King Conrad Lode. These results are set out in the Appendix, where Table 1 shows collar details and objectives of the new holes and Table 2 lists the assay results for significant intersections in those holes. Figure 2 is a longitudinal section along the Conrad/King Conrad Lodes, with the new holes identified by number.

Results from existing drilling at Conrad (and evidence from historical mining) make it very clear that the best intersections are concentrated into discrete ore shoots, as is normal for lode deposits like this. Most of the new holes were drilled at wide spacing near the southeastern end of the Conrad Mine workings, with a view to detecting new ore shoots for more detailed follow up drilling. That approach appears to have been only partly successful, with most of this batch yielding lower than the average assays for the Conrad Lode overall. Nevertheless, some encouraging results are reported and evidence is emerging of a new silver-copper-tin ore shoot in the vicinity of holes 68 and 69 (CMRD69 has been reported previously), located on the southeastern-most drilled section (Figure 2).

Resource Upgrade – Malachite's mineral resource consultants are currently working on an interim upgrade to the previously published mineral resource for the project, which was based on last year's drilling. That upgrade will be available by early August and will incorporate drill holes completed by late June (allowing that 4 to 6 weeks after drilling is required for receipt of assays from the laboratory). Drilling will continue until about the end of August and a final resource figure for 2008 will be released some weeks after that.

The existing resource defined at Conrad in 2007 contains 2.6 million ounces of silver, or about 10 million ounces of silver equivalent when the value of the associated base metals is added. The August resource statement will upgrade that figure substantially, with further enhancement a couple of months later. Malachite's economic modelling of the deposit indicates that a resource containing approximately 8-10 million ounces of silver (or 25-30 million ounces of silver equivalent) will be sufficient to support reopening of the mine. The Company believes there is a very good chance of achieving that resource goal this year.

Malachite Resources NL
Conrad Silver Project: 17 June 2008

2

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
17 June 2008

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. At the beginning of June, 2008 the Company had over \$4 million in cash and no debt. 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 over 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. At current prices silver represents 30-40% of total metal value in the Conrad ore. Preliminary economic modelling suggests that a mineral resource containing 8-10 million ounces of silver plus base metals would be sufficient to support reopening of the Conrad Mine. Drilling to establish that resource continues.

Malachite also has excellent exposure to tin, through its **ELSMORE Project**, near Inverell in northern NSW, where the Company is considering the possible development of a palaeo-alluvial tin deposit, known as the Karaula Lead, at the Newstead Prospect. The Karaula Lead appears to have the potential to support a small surface mining operation, which could be developed with low capital and operating costs and generate useful cash flow for the Company. Work is now underway to better quantify the Karaula Lead deposit and assess its economics.

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. Previous drilling at Mt Lidster and Volga has produced some encouraging high grade copper intersections. Follow up drilling is 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. Further drilling at Phoenix is underway and will follow elsewhere at Tooloom in the coming months.

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.

APPENDIX

Table 1: Drill Location Hole Details

Hole No.	Collar Details				Objectives	Final Hole Depth (m)
	Northing (m) GDA94	Easting (m) GDA94	Magnetic Azimuth (Degrees)	Inclination (Degrees)		
CMRD68	6683862	310152	024	-51.5	Test extension Conrad 100m to SE of CMDD6 & CMRD19	150.0
CMDD70	6684146	309640	029	-50	Intersect Conrad 100m NW of CMRD18 at 560mRL.	299.2
CMRD71	6683860	310149	024	-74	Test Conrad 100m vertically below CMDD03 at 560mRL	388.6
CMRD72A	6684091	309762	023	-68.5	Test Conrad lode 100m below CMRD18.	442.9
CMDD73	6684146	309640	029	-63	Test Conrad lode 100m below CMDD70.	403.2
CMDD74	6684146	309640	029	-70	Test Conrad lode 100m below CMDD73	500.6
CMRD75	6685118	308900	235	-74	Test King Conrad Lode 100m NW & 40m above CMRD16 intersection	405.6

Table 2: Assay Results for CMRD68 and CMDD70-CMRD75

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	MINERALISATION ENCOUNTERED
CMRD68	116.8	119.6	2.8 [1.4]	98	0.59	0.66	0.08	0.35	8	Conrad Lode with low grade mineralised envelope
	Including 117.8	118.9	1.1 [0.6]	215	1.37	1.41	0.08	0.77	18	
CMDD70	268.8	270.6	1.8 [1.1]	11	0.02	1.18	0.87	0.14	7	Conrad Lode with low grade mineralised envelope
	Including 269.2	269.6	0.4 [0.2]	21	0.04	2.38	2.05	0.15	17	
CMRD71	363.0	367.3	4.3 [1.0]	11	0.01	0.21	0.10	0.04	<1	Conrad Lode with low grade mineralised envelope
CMRD 72A	403.0	415.0	12.0 [3.4]	31	0.11	0.25	0.12	0.15	3	Conrad Lode with low grade mineralised envelope
	Including 405.0	407.0	2.0 [0.6]	58	0.30	0.30	0.13	0.36	6	
CMDD73	374.7	376.4	1.70 [0.6]	15	0.02	0.25	0.04	0.02	<1	Conrad Lode
	Including 375.5	376.35	0.85 [0.3]	54	0.13	0.99	0.18	0.11	4	

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Conrad Silver Project: 17 June 2008

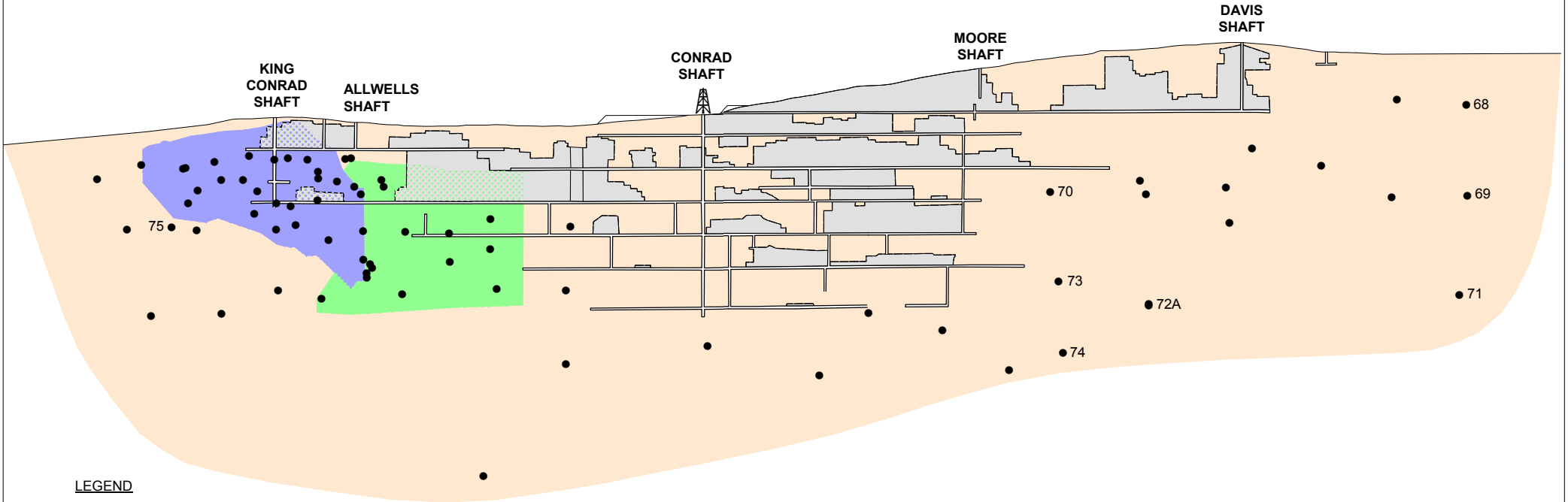
Table 2: Assay Results for CMRD68 and CMDD70-CMRD75 (ctd.)

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	MINERALISATION ENCOUNTERED
CMDD74	441.0	442.0	1.0 [0.2]	278	0.38	0.69	0.14	0.46	*	Mineralised veining and fault pug from 441-442m, & Conrad lode with mineralised envelope from 471.3-472.5m
And	471.3	472.5	1.2 [0.2]	27	0.05	0.50	0.13	0.08	2	
CMRD75	154.0	156.0	2.0 [0.5]	117	0.09	2.29	1.18	0.13	*	King Conrad Lode with mineralised envelope
Including	154.5	154.9	0.4 [0.1]	503	0.38	10.30	3.56	0.37	*	

Note: * indicate that indium has not yet been assayed for this interval

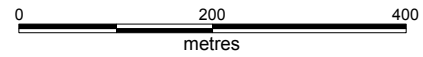
NW

SE



LEGEND

- 70 Drill hole intercept through lode showing selected drill hole numbers
- ⊥ Shaft, drive
- ▒ Stoped
- King Conrad Lode resource block (2007 estimate)
- Conrad Lode resource block (2007 estimate)
- Gilgai Granite



MALACHITE RESOURCES NL
CONRAD SILVER MINE
LONGITUDINAL SECTION

June 2008

Figure 2