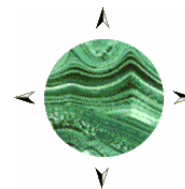


Malachite Resources NL

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ASX Announcement

Code: MAR

3 June 2008

CONRAD SILVER PROJECT: Progress Report and New Assay Results

HIGHLIGHTS

- Assay results received for five more drill holes, including four new holes in the Conrad Lode at the Davis Shaft end of the system
- Further high grade intersections, e.g.:
- CMRD65: 2.0m @ 703g/t Ag, 0.56% Cu, 5.36% Pb, 0.08% Zn, 0.85% Sn & 15g/t In, and
- CMRD69: 2.1m @ 277g/t Ag, 0.93% Cu, 2.47% Pb, 0.09% Zn, 0.86% Sn & 10g/t In
- Tendency for more copper & tin with less lead & zinc in Davis Shaft area
- Deepest Conrad Lode intersection now 500m below surface

Malachite Resources NL (ASX: MAR & MAROA) advises that resource drilling at its 100% owned Conrad Silver Project is continuing very well and the Company is on track to produce a major resource upgrade by August this year. Results have been received for assays of drill samples from hole number 59, drilled into the King Conrad Lode, and hole numbers 65, 66, 67 and 69, drilled into the Conrad Lode (hole 68 is in a separate batch still pending). The new results include the first data for 2008 from the Davis Shaft end of the system, with an apparent trend towards a silver/copper/tin association, rather than a silver/lead/zinc association, in this area.



Figure 1:
Conrad Silver Project
Location Plan

Managing Director, Garry Lowder, commented:

“The latest assay results show the benefit of the in-built diversification that these polymetallic lodes provide. While the new Davis Shaft holes are lower than usual in lead and especially zinc, they are elevated in copper and tin, which largely compensate. All of the new intersections are rich in silver, as we have come to expect.”

Details of drill hole locations, objectives and assay results for the five newly reported drill holes are set out in the Appendix and Figures 2 and 3 show the drilled area at Conrad, including the new holes, in plan and long section, respectively. The Company continues to experience long delays between submission of samples for assay and receipt of results from the laboratory, which is a reflection of competition for services brought about by the “mining boom”. Thus results are reported up to hole 69 (with 68 still pending), while the two drill rigs operating at Conrad have just completed holes 79 and 80.

Commentary – It is usual for lode deposits like Conrad to produce highly variable assay results as, typically, the best grades are concentrated into discrete ore shoots that have finite limits along strike and down dip. It is generally the accumulated tonnage of multiple ore shoots that makes up an “ore body”. In that context, one of the most encouraging aspects of the Conrad drilling is the high proportion of ‘hits’ versus ‘misses’, especially when it is noted that most of the current drilling is in widely spaced holes, nominally 100m apart along strike and down dip. This should prove sufficient for estimation of resources at an inferred level but the best intersections are being followed up with closer spaced drilling to better define the ore shoots that contain them and raise at least some of the resource to the indicated level.

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One feature of note is that although the results reported here for holes in the Davis Shaft area are all low in zinc, the indium values are significant (up to 30g/t In), suggesting that indium at Conrad may have an affinity for tin as well as for zinc.

Malachite's drilling at Conrad now extends over a 1.9km strike length and the mineralisation is still open to both the northwest and southeast. Furthermore, one recent hole (CMRD76, which has not yet been assayed) produced the deepest sulphide lode intersection ever at Conrad, hitting the Conrad Lode 500m below surface. While this is below the likely initial mine life resource, it provides strong support for the Company's view that the Conrad Lode extends to great depth and that a long mine life may be anticipated. It also reinforces the analogy drawn by Malachite between Conrad and the famous silver mines at Coeur d'Alene in Idaho, USA, some of which are currently being mined at depths as much as 2,600m below surface.

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
3 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.

Malachite Resources NL
Conrad Silver Project: Progress Report – 3 June 2008

APPENDIX

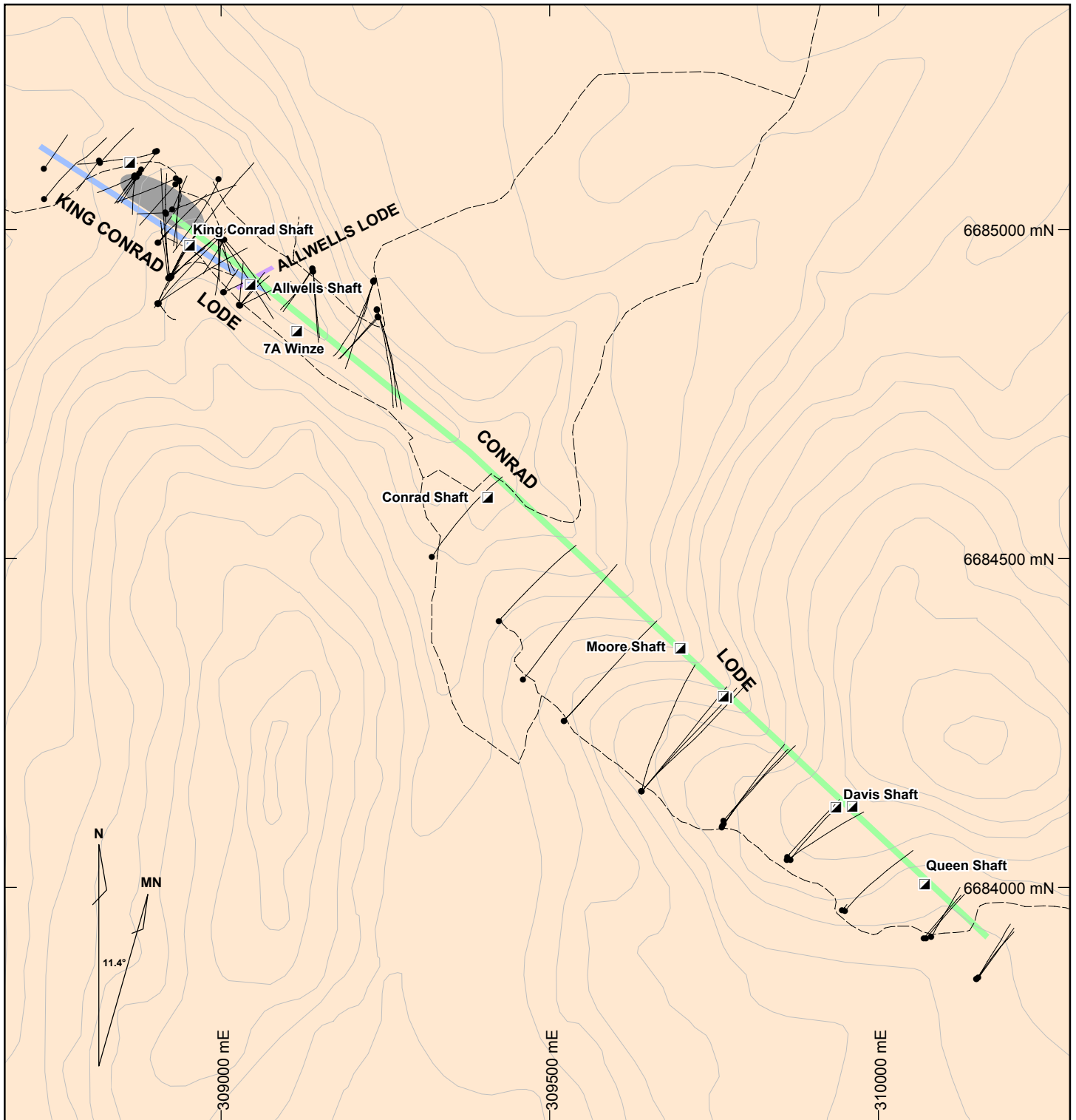
Table 1: Drill Hole Location Details

Hole No.	Collar Details				Objectives	Final Hole Depth (m)
	Northing (m) GDA94	Easting (m) GDA94	Magnetic Azimuth (Degrees)	Inclination (Degrees)		
CMRD59	6684980	308905	027.5	-69	Metallurgical sample of King Conrad lode in vicinity of King Conrad shaft	64.25
CMRD65	6684044	309864	024	-70	Test Conrad lode in vicinity of Davis shaft, 100m below CMDD04 intersection	330.5
CMRD66	6684040	309856	041	-53	Test Conrad lode above CMDD04 intersection	231.0
CMRD67	6683924	310073	015	-72.5	Test Conrad lode 100m below CMDD19 intersection (in vicinity of Queen shaft)	261.0
CMRD69	6683849	310149	024	-69	Test for Conrad lode 100m southeast of existing Malachite drilling	252.2

Table 2: Assay Results for Conrad Drill Holes CMRD59, -65, -66, -67 and -69

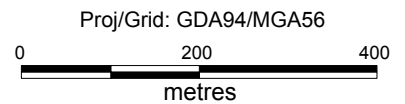
HOLE NO.	FROM (m)	TO (m)	DOWN-HOLE LENGTH [& EST. TRUE WIDTH] (m)	SILVER g/t Ag	COPPER % Cu	LEAD % Pb	ZINC % Zn	TIN % Sn	INDIUM g/t In	MINERALISATION ENCOUNTERED
CMRD59 Including	48.5	56.0	7.5 [1.6]	105	0.15	2.94	1.33	0.20	*	King Conrad Lode with low grade mineralised envelope
	49.1	52.0	2.9 [0.6]	214	0.34	6.20	2.31	0.36	22	
CMRD65 Including	287.0	290.7	3.7 [1.3]	443	0.35	3.50	0.09	0.52	9	Conrad Lode and clay-rich fault pug with mineralised envelope.
	287.6	289.6	2.0 [0.7]	703	0.56	5.36	0.08	0.85	15	
CMRD66 Including	210.0	213.8	3.8 [2.2]	57	0.27	0.39	0.26	0.51	*	Conrad Lode with weakly mineralised envelope.
	210.7	211.95	1.25 [0.7]	156	0.80	0.45	0.16	1.43	30	
CMRD67 Including	232.64	236.0	3.36 [0.9]	106	0.21	1.01	0.12	0.18	4	Conrad Lode with weakly mineralised envelope.
	232.64	234.3	1.66 [0.4]	200	0.41	1.77	0.07	0.30	6	
CMRD69 Including	228.0	235.0	7.0 [2.5]	101	0.35	0.90	0.10	0.32	*	Conrad Lode with low grade mineralised envelope
	231.22	233.30	2.08 [0.7]	277	0.93	2.47	0.09	0.86	10	

Note: * Indicates some data for indium in this interval still pending.



LEGEND

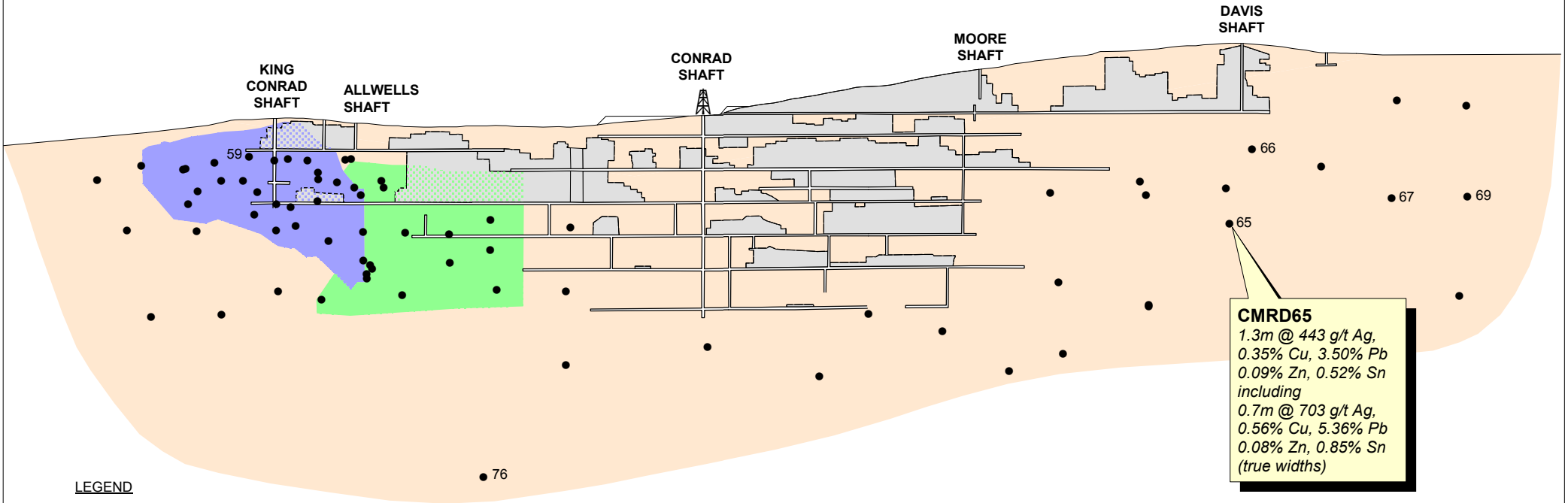
- — Drill hole showing projected hole trace
- Shaft, winze
- Interpreted position of King Conrad Lode
- Track
- Interpreted position of Conrad Lode
- Contour (10m interval)
- Interpreted position of Allwells Lode
- Gilgai Granite
- Interpreted position of Grisen Zone



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CONRAD SILVER MINE DRILL HOLE PLAN	
Scale: 1:8500	Date: 2 June 2008
Reference #: CON-0047	Figure 2

NW

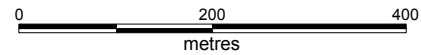
SE



CMRD65
 1.3m @ 443 g/t Ag,
 0.35% Cu, 3.50% Pb
 0.09% Zn, 0.52% Sn
 including
 0.7m @ 703 g/t Ag,
 0.56% Cu, 5.36% Pb
 0.08% Zn, 0.85% Sn
 (true widths)

LEGEND

- 66 Drill hole intercept through lode showing selected drill hole numbers
- ⊥ Shaft, drive
- ▒ Stope
- 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 3