Malachite Resources NL

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NEW TIN DISCOVERY AT ELSMORE PROJECT

HIGHLIGHTS

- **A substantial deposit of tin-bearing, semi-consolidated alluvium has been discovered at the Newstead Prospect, located near Elsmore, NSW.**
- **Mapping and shallow auger drilling have shown that the deposit extends from surface to more than three metres depth and exists over a wide area.**
- **Tin occurs in the alluvium as free grains of cassiterite up to 5mm in size, with grades up to 3.7kg/m^3.**
- **Sapphires also occur within the alluvial deposit.**
- **This discovery offers clear potential for significant cash flow by development of a surface tin – and possibly sapphire – mining operation with low capital and operating costs.**

Malachite Resources (ASX: MAR and MAROA) advises that it has made a significant new tin discovery at its 100% owned Elsmore Tin Project, located about 20km east of Inverell in northern NSW (Fig. 1). The new discovery is at the Newstead Prospect (Fig. 2), which comprises a large tin-bearing greisen system, with associated alluvial and other surface deposits and numerous shallow old tin workings.

Managing Director, Garry Lowder, commented: **"This discovery comes at a time of record tin prices and offers us excellent scope to start a very competitive tin mining operation at low capital cost.**

The deepest we have drilled so far is 3m, but from looking down some of the old shafts and pits in the area, the tin-bearing wash appears to be at least 8m deep in places.

It is too soon to say just how much tin is present at Newstead, but a few thousand tonnes of contained tin looks like a reasonable resource target at this stage."

The new discovery is situated within Malachite's EL6196 on freehold land and consists of semi-consolidated alluvial material that extends from surface to an unknown maximum depth, in excess of 3m. The full areal extent of the alluvial deposit has not yet been determined but individual occurrences mapped so far range from about one hundred metres square to approximately one square kilometre, all within an area of 3.5 x 1.5km. It is not yet known whether the areas mapped separately link up beneath soil cover, but this is thought to be quite likely in some cases.

"The Newstead alluvial deposit also contains sapphires and our rights under EL6196 cover both metallic minerals and gem minerals," Dr Lowder added.

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Malachite has conducted a first pass auger drilling program along several lines within the mineralised area, involving 33 holes to a maximum depth of 3m (the limit of the rig used), with most holes bottoming in alluvium. The assay results for 78 x 2kg sub-samples of the primary auger samples (which generally represent a 1m interval and weigh 100-150kg each) range widely, from below 25ppm Sn up to a maximum of 1055ppm Sn, with many in the 100 to 1000ppm Sn range. Assuming a bulk density of 2 tonnes/m^3, the assayed tin grades would represent approximately 0.05kg/m^3 to 2.1kg/m^3.

Inspection of the *in situ* alluvium and of concentrates produced by panning of auger samples suggests that most of the tin is present as free grains of cassiterite up to 5mm in size (Fig. 3). In view of the coarse grain size of much of the cassiterite and the fact that the assayed samples were small sub-samples of much larger primary samples, the results may understate the tin grades recoverable on a larger scale from an alluvial mining process. Even so, the results are seen as very encouraging, especially as an "outcrop" sample of the alluvial material, collected near but separate from old workings, assayed 1875ppm Sn (or 3.7kg/m^3).

A representative selection of the primary auger samples will now be sent to a laboratory to be processed by a larger scale gravity separation method which should provide a better estimate of recoverable tin grade and a useful comparison with the sub-sample assay results. It may also indicate whether sapphires could be a valuable by-product of tin mining. An average of 0.5kg/m^3 of recoverable tin is targeted as a likely payable grade for modern surface mining and gravity concentration to produce a saleable tin concentrate.

The Company plans to undertake further auger drilling as soon as possible and will introduce air core drilling when a suitable rig becomes available. The air core method should provide better samples (compared with augering) and allow penetration to the bedrock interface of the alluvial material, where tin grades are likely to be highest. Malachite will also set up a small alluvial processing facility in the Inverell district to enable it to test bulk samples for recoverable tin at a pilot scale. Meanwhile, mapping and surface sampling will continue in order to define the limits of the tin-bearing alluvium at Newstead.

Encouraged by the results at Newstead, the Company has extended its holdings of ground prospective for tin in the region by lodging a new tenement application (ELA3459 – "Macintyre"; see Figure 1) that increases the area held 100% by Malachite in the Elsmore district to approximately 410 contiguous square kilometres.

Conrad Resource Drilling Continuing

Elsewhere in the Inverell district Malachite's 10,000 metre, 2008 program of resource delineation drilling at the Conrad Silver Project (Fig. 1) is continuing. Good lode intersections are being achieved and further details will be reported once assay results are received. It is worth noting that the Conrad lodes contain substantial amounts of tin, with average historic production grades of 1.5% Sn and intersections of up to 3.9% Sn in Malachite's drilling to date.

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
1 April 2008

MALACHITE RESOURCES NL – NEWSTEAD TIN DISCOVERY

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 2008 the Company had just over $7 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.

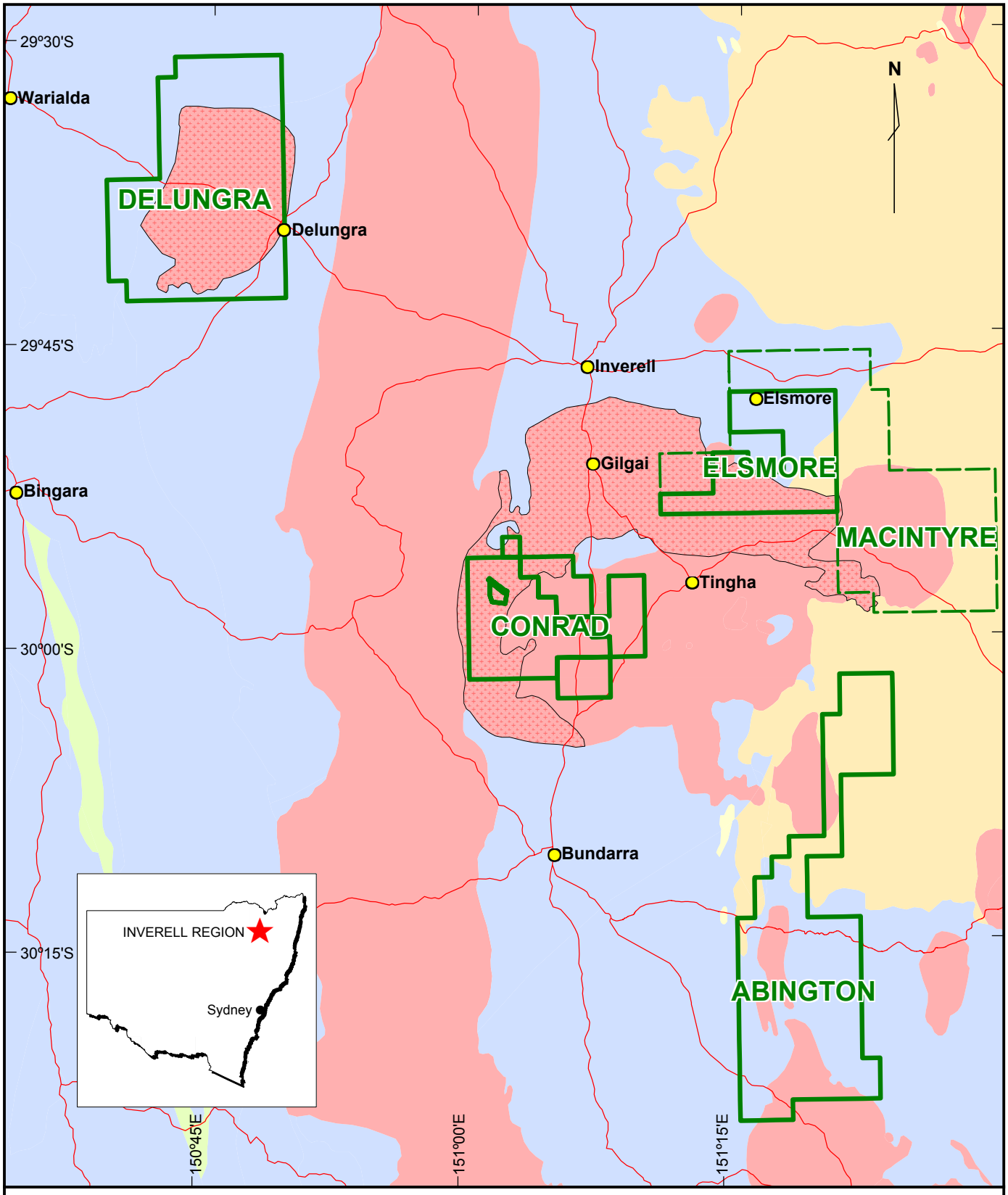
The **VOLGA COPPER PROJECT** in northwest Queensland, east and northeast of Mt Isa, where the Company is exploring for copper-gold at the **Mt Lidster** and **Volga Elderberry** properties. Drilling by Malachite at Mt Lidster and by the current holders at Volga has produced some very encouraging high grade copper intersections. Drilling is scheduled to resume in May, 2008.

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 will take place in April, 2008.

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 newly discovered alluvial tin deposit at the Newstead Prospect.

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.



LEGEND

- Town or village
- Road
- ELA 3459 boundary
- EL boundary
- Gilgai and Delungra Granites
- Other granites
- Volcaniclastic sediments
- Felsic and basaltic volcanics
- Serpentinites
- Sediments

0 10 20
kilometres

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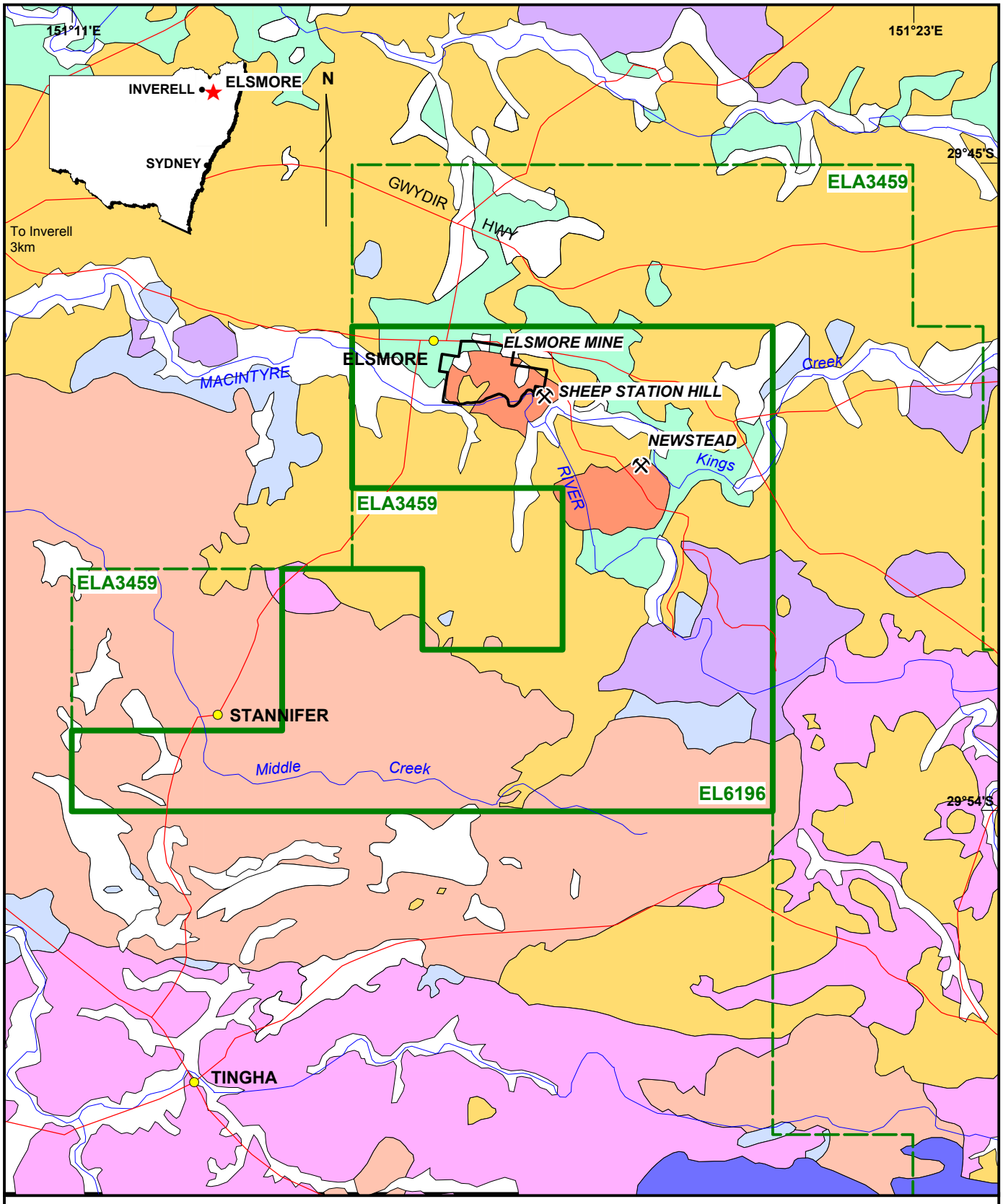
INVERELL REGION

Location Plan showing
Simplified Regional Geology
and Malachite Tenements

Scale: 1:500000	Date: April 2008
Reference #: INV-0002	Figure 1



LEGEND

- Town or village
- Town or village
- Road
- River or creek
- Elsmore Mine (excluded from EL6196)
- ELA3459 boundary
- EL6196 boundary

Tertiary
- Sediments
- Volcanics

Triassic
- Elsmore Granite
- Gilgai Granite

Permo-Carboniferous
- Tingha Adamellite
- Emmaville Volcanics
- Texas Beds
- Sandon Beds
- Wandsworth Volcanics

0 2 4
kilometres

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EL6196
ELSMORE PROJECT
Location Plan showing
Regional Geology and
Malachite Prospects

Scale: 1:125000	Date: April 2008
Reference #: ELS-0003	Figure 2

MALACHITE RESOURCES NL – NEWSTEAD TIN DISCOVERY

FIGURE 3: Semi-consolidated alluvium at Newstead with abundant tin occurring as free grains of cassiterite (black grains in photos).