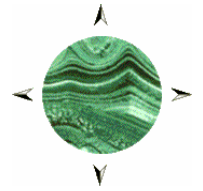


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ASX Announcement

Code: MAR

16 January 2008

CONRAD SILVER PROJECT Recent Prospecting Highlights Exciting Regional Potential

HIGHLIGHTS

- Several promising new prospects have been identified in the Conrad district.
- Attractive silver, lead and zinc grades reported from mine dump sampling.
- Other new prospects report significant molybdenum, bismuth and tin.
- Conrad is now a “district play”, not just a single prospect.
- Resource drilling to resume at the Conrad Mine in two weeks time.

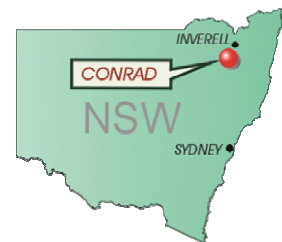
Malachite Resources NL (ASX: MAR & MAROA) is pleased to advise that recent exploration at the Conrad Silver Project has considerably enhanced its size potential by identifying some attractive new targets that could add substantially to the overall resource inventory at Conrad.

The new results from Conrad are particularly encouraging in the context of the currently strong and rising silver prices.

The recent work has included stream sediment sampling, geological mapping and geochemical sampling of mineral occurrences and mine dumps at old workings within Malachite’s Conrad tenement package but separate from the Conrad Mine itself. Some of the old workings and mineral occurrences are associated with magnetic lineaments that are thought to reflect parallel, sub-parallel or cross-cutting structures like the one that hosts the Conrad Lode. Field work is ongoing and more assay results are awaited.

The Company is very encouraged by the excellent metal values reported for many of the regional samples assayed to date. Table 1 below lists assay results for 18 samples from 10 new prospects. These provide an indication of the very significant exploration potential that exists at Conrad, over and above the existing resource and further resource potential of the Conrad Lode system itself. Sample locations for the results reported in Table 1 are shown in Figure 2.

Most of the assay results listed in Table 1 display elevated silver, lead and zinc values and these samples appear to have affinities with the mineralisation found in the Conrad Lode. One sample (Rodda & Winters Prospect; ‘C’) is noteworthy for having high silver without significant associated base metals. Both Litchfields Silver Prospect (‘B’) and MA0090 (‘J’) show elevated tin, while IN0498 (‘D’) is a molybdenum occurrence 180m along strike and 250m southwest of the Conrad Lode; this prospect also contains significant bismuth.



**Figure 1:
Conrad Project
Location Map**

Malachite Resources NL – Conrad District Exploration Results

These new results demonstrate that the Conrad district is highly mineralised, with a variety of high value metals, including silver, tin and molybdenum. Malachite holds contiguous tenements covering approximately 325km² over and around the Conrad Mine and currently holds a further 750km² of prospective tenements in the Inverell region. This puts the Company in a very strong position to add value to Conrad by discovery of additional deposits nearby and the development of satellite operations. Conrad is thus now a “district play” and not just a single prospect.

Resource delineation drilling at the Conrad Mine is scheduled to resume on February 1st and a second drilling rig is expected to arrive on site before the end of next month. The initial holes will target resources in the Davis part of the Conrad system. At a later date, several deep holes will be drilled beneath the central part of the Conrad Mine and some of the new targets referred to above will be drilled at a reconnaissance level before mid-year.

Regional exploration will continue, in parallel with the renewed drilling program.

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
16 January 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. 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 and stockwork veined, polymetallic mineralisation. Preliminary economic modelling suggests that a mineral resource containing 25-30 million ounces of silver equivalent would be sufficient to support reopening of the Conrad Mine. To date a resource containing just over 10 million ounces of silver equivalent has been defined.

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.

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 mine at one or more of several prospects known in the district.

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 District Exploration Results

TABLE 1: ANOMALOUS ROCK CHIP SAMPLES FROM RECENT REGIONAL PROSPECTING AT CONRAD										
Prospect Name	Map Ref.	Sample No.	Ag g/t	Pb %	Zn %	Cu %	Sn %	Mo %	Bi %	Comment
Silver Valley Lode	A	58078	42	3.00	1.58	3.39	0.02	0.00	0.00	Selected high grade dump sample of quartz veined granite with secondary copper minerals
		58079	62	8.73	7.23	0.08	0.02	0.00	0.00	Selected high grade dump sample of quartz-sulphide veins
Litchfields Silver	B	58204	25	0.97	0.48	0.57	0.62	0.00	0.00	Dump sample of chlorite altered granite
Rodda & Winters	C	58107	284	0.07	0.00	0.01	0.00	0.00	0.00	Dump sample of quartz veined granite
IN0498	D	58141	7	0.00	0.00	0.00	0.00	0.60	0.25	Subcrop grab sample of <0.2m thick vein quartz with disseminated molybdenite
		58211	11	0.03	0.01	0.00	0.00	0.27	0.06	Dump sample of quartz veined granite with molybdenite
		58212	10	0.01	0.00	0.00	0.00	0.12	0.11	0.5m wide continuous chip sample of 0.3m thick quartz vein and host granite
Roses	E	58084	65	3.08	3.49	0.00	0.01	0.00	0.01	Dump sample of chlorite-quartz-epidote altered granite with disseminated and vein galena and sphalerite
		58085	64	3.63	4.04	0.01	0.01	0.00	0.01	Dump sample of vein quartz with accessory epidote, chlorite sphalerite and galena
		58086	138	10.35	10.65	0.00	0.01	0.00	0.03	Selected high grade dump sample of semi-massive galena and sphalerite with quartz, epidote and chlorite
Stone Hut	F	58098	98	8.73	7.31	0.01	0.04	0.00	0.02	Selected high grade dump sample of quartz-galena-sphalerite veined granite
		58099	310	3.58	4.81	0.00	0.03	0.00	0.07	Selected high grade dump sample of chlorite altered granite with disseminated sulphides
McDonald & Wattings	G	58100	24	3.73	2.75	0.00	0.01	0.00	0.00	Dump sample of chlorite altered granite with disseminated galena and sphalerite
		58101	23	3.58	2.42	0.01	0.01	0.00	0.00	Dump sample of chlorite altered granite with disseminated galena and sphalerite
Rohrlachs	H	58095	87	1.14	0.04	0.01	0.00	0.00	0.01	Dump sample of vein quartz with minor galena
Kalang 1	I	58096	23	5.05	7.87	0.01	0.00	0.00	0.00	Selected high grade dump sample of quartz-sphalerite-galena veins
		58097	23	5.06	7.12	0.01	0.00	0.00	0.00	Selected high grade dump sample of quartz-sphalerite-galena veined granite
MA0090	J	58091	<1	0.00	0.00	0.01	0.54	0.00	0.00	Dump sample of sericite altered granite

Malachite Resources NL – Conrad District Exploration Results

