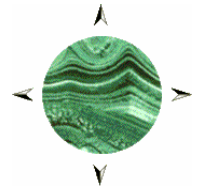


Malachite Resources NL

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ASX Announcement

Code: MAR

12 February 2008

EXPLORATION UPDATE: Conrad, Elsmore, Tooloom and Volga

HIGHLIGHTS

- **At Conrad a major program of resource delineation drilling has resumed.**
- **A substantial eluvial tin occurrence has been identified at Elsmore.**
- **Further drilling for gold is booked to commence at Tooloom in April.**
- **Drilling for copper at Volga and Mt Lidster is booked for May.**

Malachite Resources NL (ASX: MAR & MAROA) is pleased to provide the following update on its key exploration programs:

Conrad Silver Project – Drilling has resumed at the Conrad Silver Project, located 20km south of Inverell in northern NSW. The new drilling represents Phase 2 of a large program of resource delineation at Conrad, involving more than 5,000m of drilling over the next six months or so, initially at King Conrad but after that mainly targeting the Davis part of the system. This follows a similar program in 2007, which focussed on the King Conrad area and defined a resource of more than 10 million ounces of silver equivalent. For details please see an ASX Release dated 5 November 2007, or follow the link below:

<http://www.malachite.com.au/pdf/asx/2007/MAR%20-%20Conrad%20Silver%20Resource%20Statement%2005Nov07.pdf>

One rig is currently on site at King Conrad, where it has completed three new metallurgical holes and successfully deepened two earlier holes that re-interpretation showed were stopped prematurely last year. Assays are pending. A second rig is due on site in early March and the current drilling program aims to at least double the existing resource at Conrad.

Exploration of sub-parallel structures elsewhere within the Conrad tenements is also producing significant encouragement. Additional drill targets are expected to be defined at these locations in the coming months. Mineralogical and metallurgical studies of the Conrad sulphide- and greisen-mineralisation are also ongoing, utilising new sample material from the latest drilling at King Conrad.

The Company is very heartened by the continued strength of base metal prices and especially by the rising silver price, which has risen from around \$US14 per ounce to over \$US17 per ounce since mid December last year. The value of Malachite's discovery at Conrad thus continues to rise.

Elsmore Tin Project – Mapping at the Newstead Prospect, 20km east of Inverell, has outlined a substantial, newly recognised body of semi-consolidated, tin-bearing eluvial material at surface on the northern and eastern side of Bruce's Hill. Panning of several samples of this material has demonstrated that it has a significant recoverable tin content. Thickness of the eluvium varies upwards from about 0.5m and inspection of old pits and shafts suggests that it is up to 8m thick in some places. A program of grid-based power auger drilling of the eluvial body will begin next week.

With the Australian spot tin price being quoted at over \$21,000 per tonne, the newly recognised eluvial tin occurrence at Newstead may prove to have significant value.

Malachite Resources NL
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Tooloom Gold Project – Tooloom is located in far northern NSW, 30km east of Stanthorpe. A 3,000m program of drilling is due to commence at Tooloom in early April, initially targeting untested parts of the Phoenix Prospect, and moving on to test targets at Watson's, Back Creek and Pine Gully. Meanwhile, a soil geochemical survey will be completed at Bill Jeffery's Prospect.

Volga Copper Project – Field work will resume at Volga and Mt Lidster, located respectively about 60km northeast and east of Mount Isa in northwest Queensland, in April (subject to easing of the tropical "wet season" conditions). Initial work will comprise soil geochemistry at Volga itself. Drilling will follow in May, commencing at Mt Lidster and continuing later at Volga.

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
12 February 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 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 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.