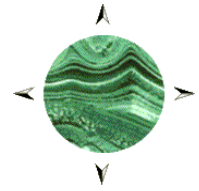


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ASX Announcement

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NEW WORK EXTENDS SILVER MINERALISATION AT CONRAD BY 2KM

SUMMARY OF RESULTS

- A strong silver-copper-tin elemental association has emerged in recent rock chip sampling results from the southeastern extension of the Conrad system, with good to very good grades in all three of these metals, at the expense of lead and zinc. This association is like that intersected in drilling at the southeastern end of the existing Conrad resource and implies that this high value mineralisation type may extend much further southeast than previously thought.
- New soil geochemical results demonstrate that silver/base metal mineralisation extends more or less continuously for at least 2km to the southeast of the current limit of drilling. For much of that length two sub-parallel lodes are indicated by the soil geochemistry, as well as by geological mapping and previous geophysical surveying; the lodes appear especially well developed near the contact between the Gilgai and Tingha Granites.

Malachite Resources Limited (ASX: MAR) advises that recent surface exploration at the Conrad Silver Project has considerably enhanced the appeal of several targets along strike to the southeast of the existing resource and enlarged the overall target size.

Background – The Conrad Silver Project is located in northern NSW, about 25km south of the town of Inverell. It is owned 100% by Conrad Silver Mines Pty. Limited, a wholly owned subsidiary of Malachite Resources Limited.



Figure 1: Conrad Silver Project Location Map

The project consists of three mining leases and a number of exploration tenements that together cover about 550 km² of prospective ground surrounding the old Conrad Silver Mine. Malachite has defined a silver-rich, polymetallic resource at Conrad containing about 10 million ounces of silver, or about 19 million ounces of silver equivalent. This resource is based on a total of 25,000m of drilling along a 2.2km section of the old workings and is open both along strike and at depth. Both the size and quality of the resource are expected to be enhanced once drilling resumes. To that end, negotiations with Chinese investors, who have expressed their intent to provide funding for continuing exploration of the Conrad deposit, are well advanced and should be completed soon.

Exploration Results – While drilling has been suspended, pending new funding, low cost field work has been carried out at Conrad, aimed mainly at better definition of targets to the southeast of the currently drilled area. The results of this work are summarised in Figure 2, which is a map showing the extension of the Conrad Lode and a sub-parallel splay lode over about 2km to the southeast of existing drilling. Also shown are the results of soil geochemistry and selected rock chip sampling, as well as local geology, including the lode positions as inferred from geophysics (VLF-EM conductors), and the contact between the Gilgai and Tingha Granites.

The southeastern-most Malachite drill hole (CMDD106) is shown in the northwestern corner of the map in Figure 2. Four other drill holes, labelled DDH1, DDH2, DDH3 and DDH4, are also shown on the map; these are old shallow and narrow diameter holes, drilled around 1970. The original assays for these holes were not recorded and re-assay of the old core¹ by Malachite gave anomalous but sub-economic results, although these results are of questionable value due to degradation of the sulphide-rich core over the years (the lode intersections had disintegrated to powder by 2002).

Rock Chip Geochemistry – Assay results for selected rock chip samples collected mainly from dumps at old workings within the zone shown in Figure 2 are listed in Table 1 and their locations are shown in Figure 2.

Table 1: Rock chip geochemical sampling results in the Coopers/Prima Donna/Borah Extended area at Conrad

Sample No.	East (m)	North (m)	Ag g/t	Cu %	Sn %	Pb %	Zn %	Au g/t	Comment
45869	311199	6683139	112	0.49	0.26	0.13	0.00	0.14	Composite dump sample from Prima Donna workings of arsenopyrite-rich quartz-sulphide vein material
45870	311197	6683134	193	0.04	1.31	1.40	0.01	<0.01	Composite dump sample from Prima Donna workings of quartz-sulphide vein material
46759	310381	6683774	76	0.04	0.57	0.36	0.01	<0.01	Composite dump sample from small pit of vein quartz with minor iron oxides after sulphide
58195	310812	6683320	147	0.85	1.05	0.14	0.03	0.01	Composite dump sample from Coopers Pit of vein quartz with arsenopyrite and chalcopyrite
58405	310425	6683762	61	0.01	0.37	0.13	0.00	0.01	Grab sample of exposed Conrad Lode vein quartz to southeast of Queen shaft
58494	310951	6683225	72	0.07	0.18	0.82	0.00	0.07	Composite dump sample of muscovite-quartz altered granite with arsenopyrite
58497	310979	6683218	221	3.14	1.92	0.68	0.04	0.02	High grade dump sample of quartz-sulphide (arsenopyrite & chalcopyrite) vein with malachite & azurite
58498	310979	6683218	126	0.89	0.77	0.52	0.01	0.02	Composite dump sample of quartz-arsenopyrite-chalcopyrite veined and sericite altered granite

The main feature of these results is the elevated levels of silver (up to 221g/t Ag), copper (up to 3.14% Cu) and tin (up to 1.92% Sn), against low levels of lead and very low zinc. The silver-copper-tin association evident in these samples is very reminiscent of several intersections in drill holes near the southeastern end of the drilled part of the Conrad Lode, such as CMRD90 and CMRD93, both of which had good grades of silver-copper-tin mineralisation, with low lead and zinc. The splay lode extending northwest for at least 1km

¹ The old core is stored at the Londonderry Core Library, operated by the NSW Dept. of Industry and Investment

from Borah Extended past Prima Donna to Coopers (Fig. 2) now looks particularly attractive as a drill target for this type of high value mineralisation. Drilling in this area could bring about a major boost to both tonnes and grades of the Conrad deposit.

Soil Geochemistry – Previous geological mapping and VLF-EM geophysics have indicated that the mineralised lode system extends more or less continuously for at least 2km to the southeast of existing drilling and the new soil geochemical results shown in Figure 2 clearly support that. For much of this length there is a doubling up of potential targets due to the presence of a sub-parallel splay lode through Coopers prospect. More limited sampling still further to the southeast has shown that the Conrad mineralisation remains open in this direction, beyond the limits of Figure 2.

Of particular interest is the contact zone between the Gilgai Granite and the Tingha Granite, near Prima Donna (Fig. 2), where the soil results suggest both lodes are well developed. This is an attractive drill target for the future due to the proximity of the lodes to each other.

For further information please telephone Garry Lowder on 02 9411 6033 or email the company at info@malachite.com.au and visit the website: www.malachite.com.au



G. G. LOWDER
Managing Director
1 March 2010

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Garry Lowder and Mr Russell Meares, who are a Fellows of the Australasian Institute of Mining and Metallurgy. Dr Lowder and Mr Meares are full time employees of Malachite Resources and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Lowder and Mr Meares consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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, tin, copper and associated base metals in eastern Australia. The Company's key assets are:

CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which 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 50% of total recoverable metal value in the Conrad ore and tin, copper, lead and zinc make up the balance. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth.

Malachite also has excellent exposure to tin, through its **ELSMORE** Project, located 20km east of Inverell, where the Company is considering the possible development of a paleo-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, determine an appropriate processing route and assess the economic viability of mining.

The **TOOLOOM GOLD PROJECT** also in northeastern NSW, is based on a forgotten goldfield rediscovered by Malachite. 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. Current focus is on the **Joels Gully** prospect, where recent drilling has produced encouraging results, with gold assays up to 28g/t Au within quartz vein stockwork systems that are thought to contain coarse grained free gold.

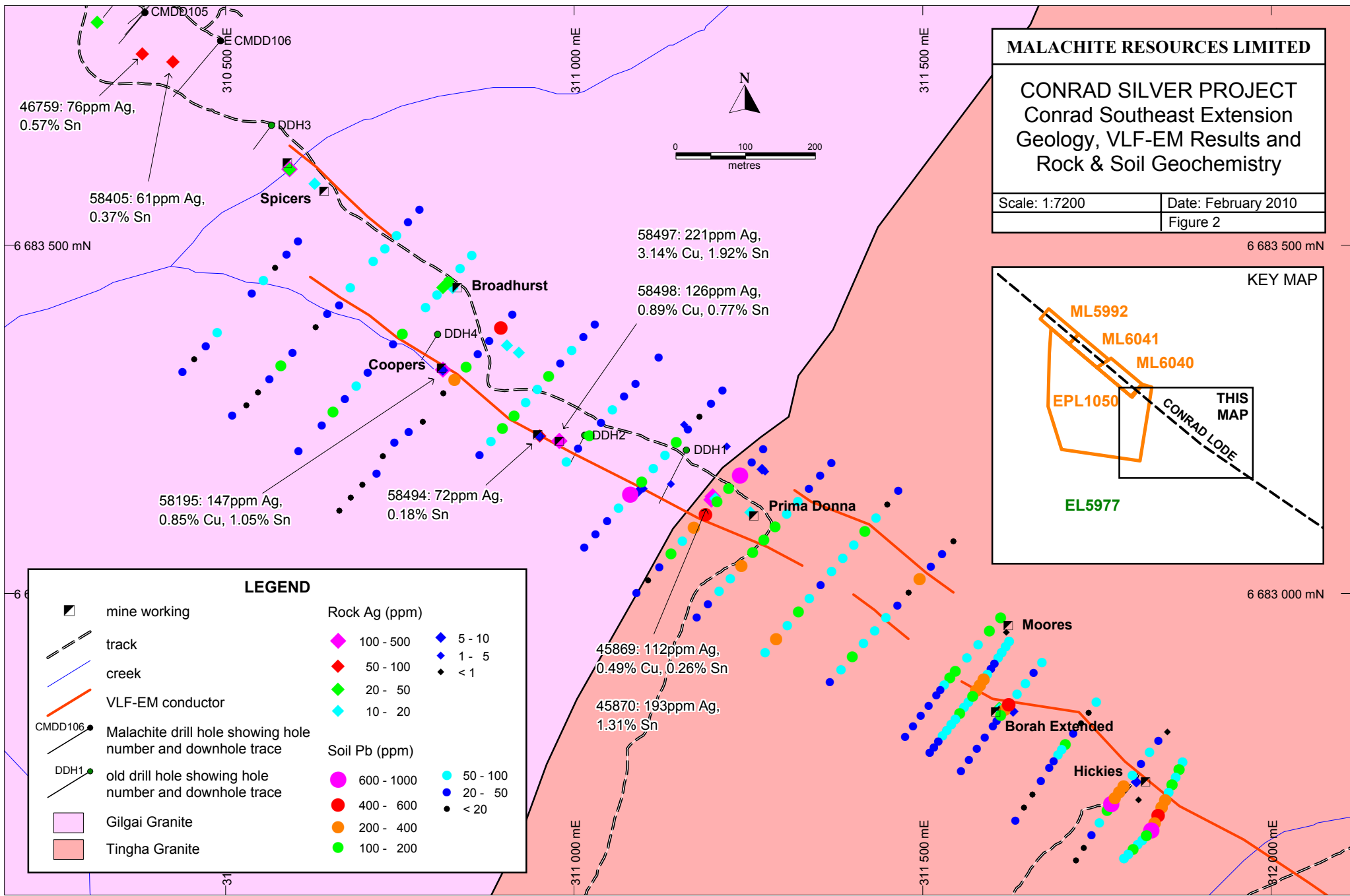
MALACHITE RESOURCES LIMITED

CONRAD SILVER PROJECT
 Conrad Southeast Extension
 Geology, VLF-EM Results and
 Rock & Soil Geochemistry

Scale: 1:7200	Date: February 2010
Figure 2	

KEY MAP

ML5992
 ML6041
 ML6040
 EPL1050
 CONRAD LODGE
 THIS MAP
 EL5977



LEGEND

mine working	Rock Ag (ppm)	5 - 10
track	50 - 100	1 - 5
creek	20 - 50	< 1
VLF-EM conductor	10 - 20	
Malachite drill hole showing hole number and downhole trace	Soil Pb (ppm)	50 - 100
old drill hole showing hole number and downhole trace	400 - 600	20 - 50
Gilgai Granite	200 - 400	< 20
Tingha Granite	100 - 200	