

# MALACHITE RESOURCES NL

What's New at Malachite in October 2007?



**“A silver moon rises over a silver mine.”**

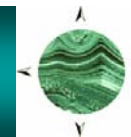
# MALACHITE RESOURCES NL

## What's New at Malachite in October 2007?

1. **CONRAD SILVER MINE EMERGES AS A COMPANY-MAKER FOR MALACHITE**
2. **MT ISA REGION COPPER DRILLING COMMENCED**
3. **TOOLOOM GOLD ON THE BACK BURNER FOR A SHORT WHILE**
4. **TIN MINING AT ELSMORE HIGH ON THE AGENDA**

Dr Garry Lowder  
Chairman & Managing Director  
October 2007

# MALACHITE RESOURCES NL



## Conrad is Malachite's Key Project



### CONRAD

- Historic silver mine
- Last mined in 1957
- 100% Malachite
- Established infrastructure
- Drilling to delineate initial resources
- Targeting ~20Moz of silver equivalent for project start up

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



Largest historic producer of silver in the region

Very high grade, narrow lodes in previous mining

Historic production = 3Moz silver  
(or 10Moz silver equivalent)

Co-product copper, lead, zinc and tin

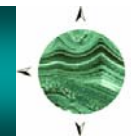
Average historic grade =  
**600g/t (20oz/t) silver, 1.5% copper, 8% lead,  
4% zinc and 1.5% tin**  
(or more than 2,300 g/t silver equivalent)

This is very valuable ore ...  
**\$US1,000/t** in contained metal value  
at today's prices



**VLF-EM SURVEYING**

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Project



Main old workings extend for 1.5km

Mineralised structure extends a further 6km to SE

100% interest in mining leases at Conrad and surrounding ELs covering 170km<sup>2</sup>

About one third of total metal value is due to silver

Also important indium\* credits

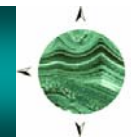
Phase 1 resource drilling completed

\*Indium price >\$US750/kg = 2 x silver price

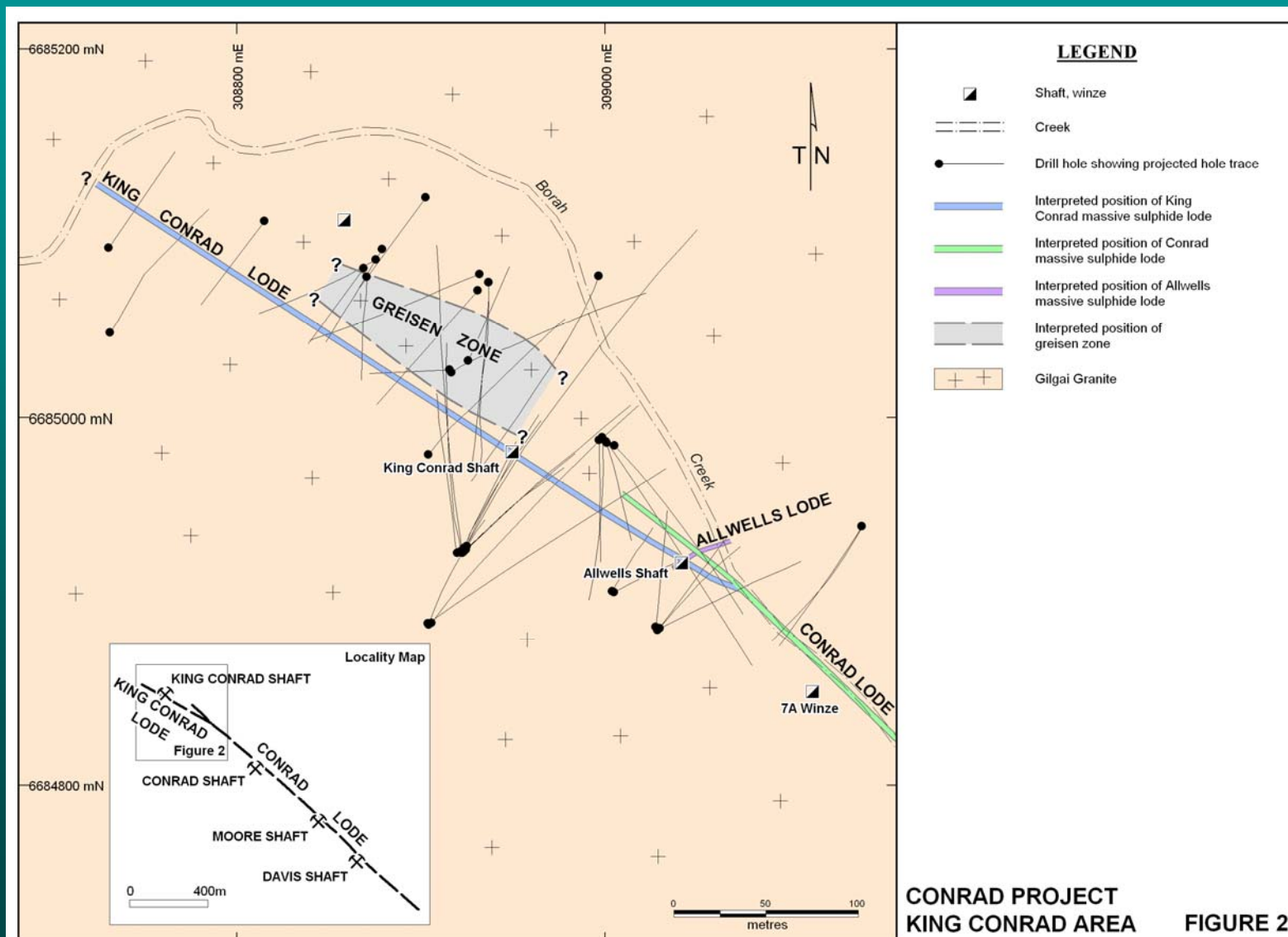


**UNLOADING CORE FROM DRILL STEM**

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



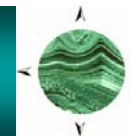
Malachite drilling has intersected silver in high grade lodes up to 1,850g/t Ag

And silver equivalent grades up to 5,000g/t Ag<sub>EQ</sub>

Two main types of ore are recognised in recent drilling:

- 1: LODE ORE TYPE: High grade, narrow lodes, like those mined in the past; and**
- 2: GREISEN ORE TYPE: Disseminated, bulk tonnage style mineralisation**

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



### LODE ORE TYPE:

High grade lodes, like those mined in the past:

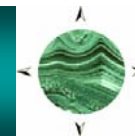
0.5 to 1.0m wide with grades of **300 to 1,850g/t Ag** or **1,000 to 5,000g/t Ag<sub>EQ</sub>**



Examples of high grade ore in lodes at Conrad



# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



### **LODE ORE TYPE:**

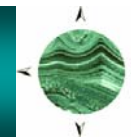
High grade lodes also have a lower grade mineralised envelope 1 to 3m wide

Thus ... potential mining widths of 2 to 3m, and up to 6m



Examples of mineralised envelope to lodes at Conrad

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine

### GREISEN ORE TYPE:

- 30 to 40 m wide
- With grades of 30-50g/t Ag (+Pb, Zn, Sn)
- 100-200g/t Ag<sub>EQ</sub>
- Amenable to low cost, bulk underground mining



### CONRAD PROJECT

DATE: 3-3-07

DRILL HOLE No: CMD030

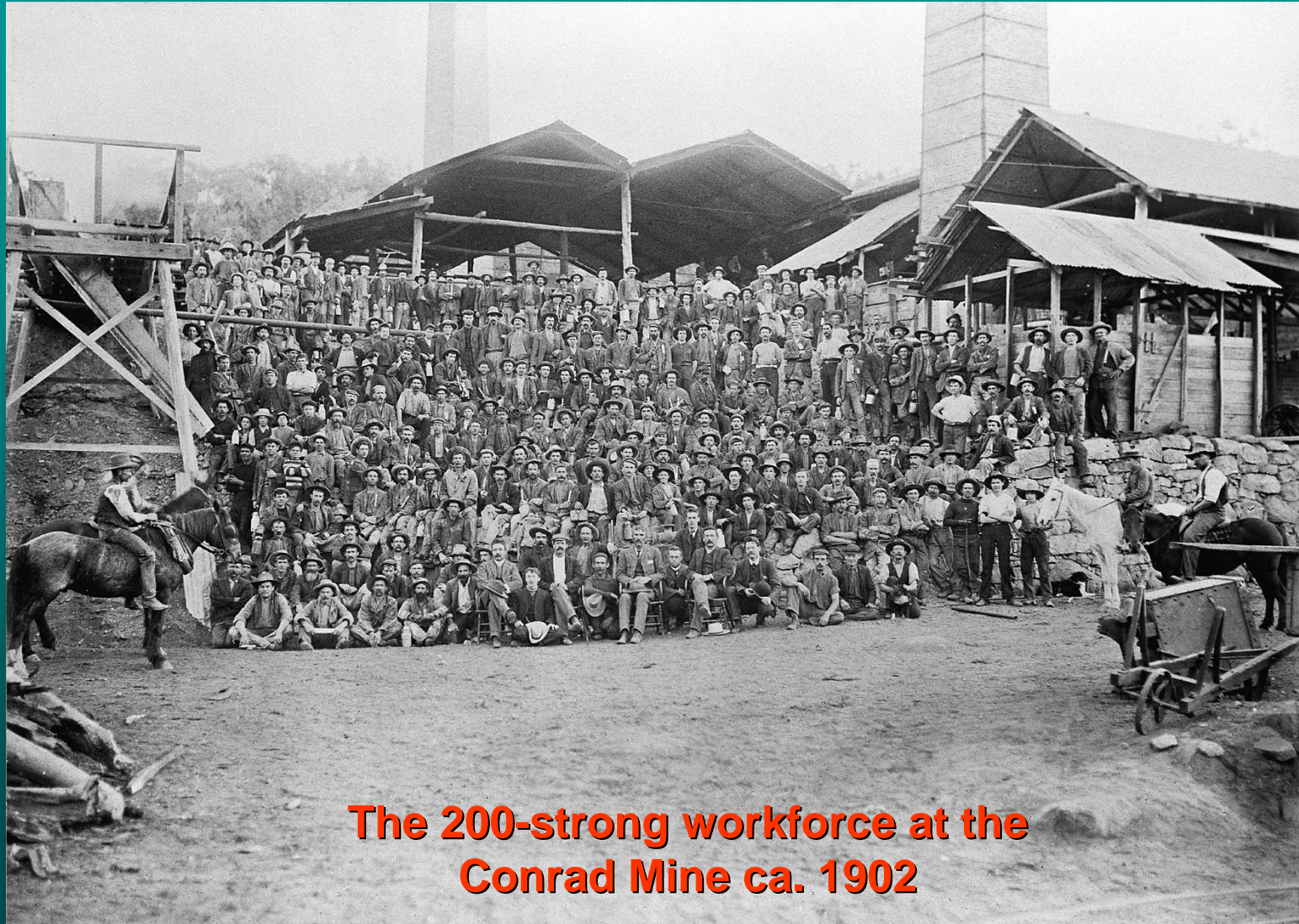
BOX No: 4

INTERVAL: 11.9-15.2

# MALACHITE RESOURCES NL



## Malachite: Conrad Silver Mine



**The 200-strong workforce at the  
Conrad Mine ca. 1902**

# MALACHITE RESOURCES NL

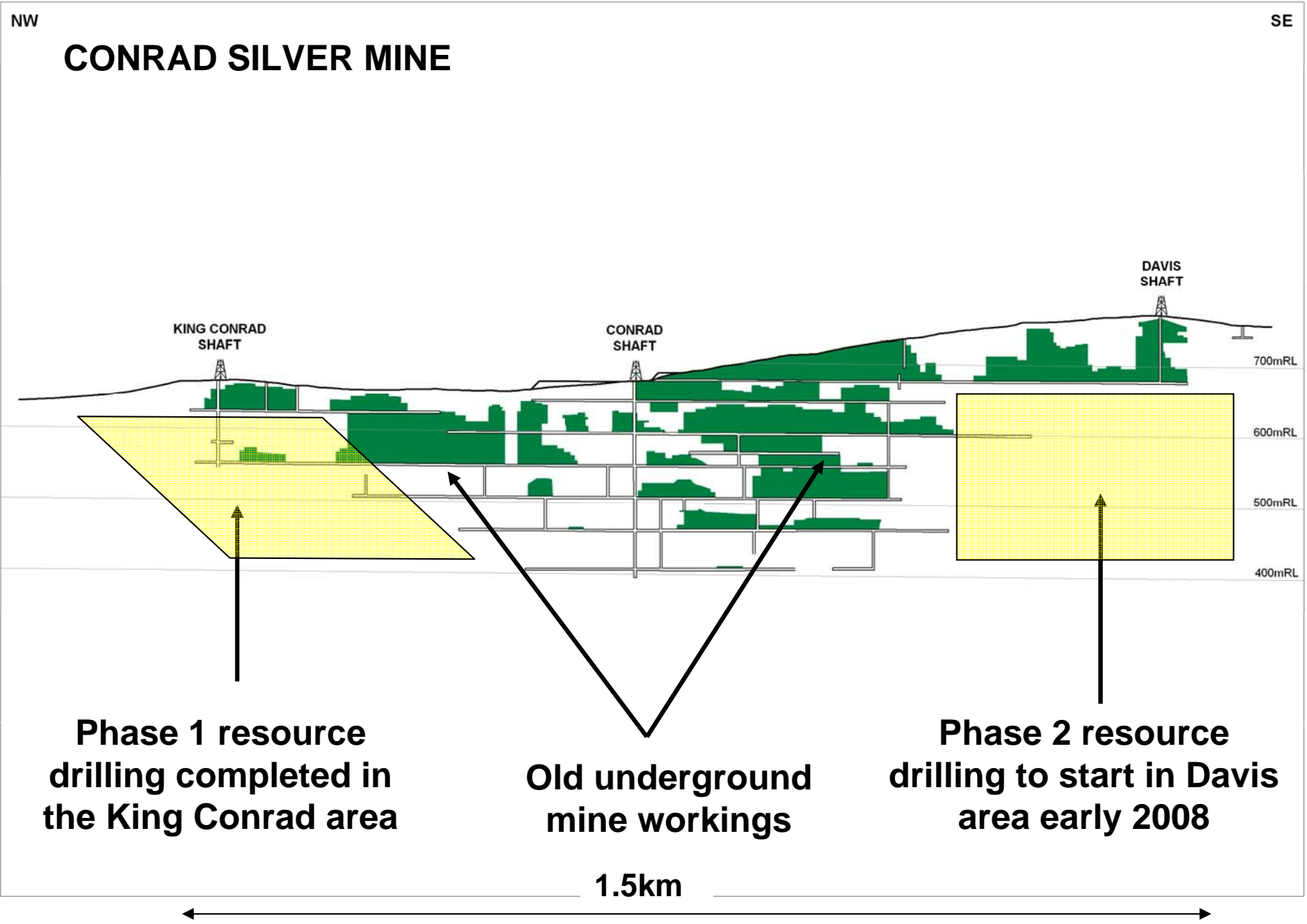


## Malachite: Conrad Silver Mine



The Conrad mine in 1957

For personal use only

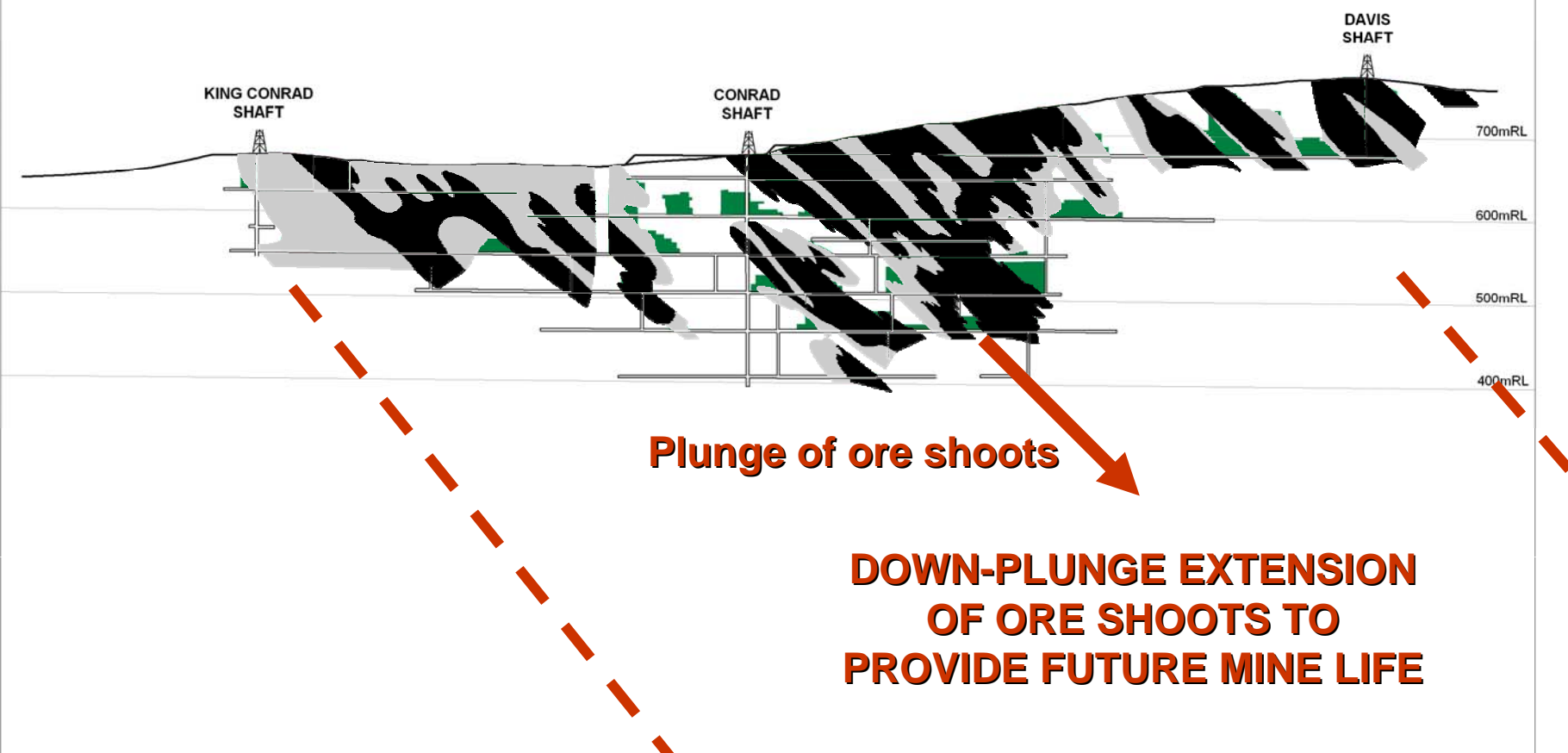


NW

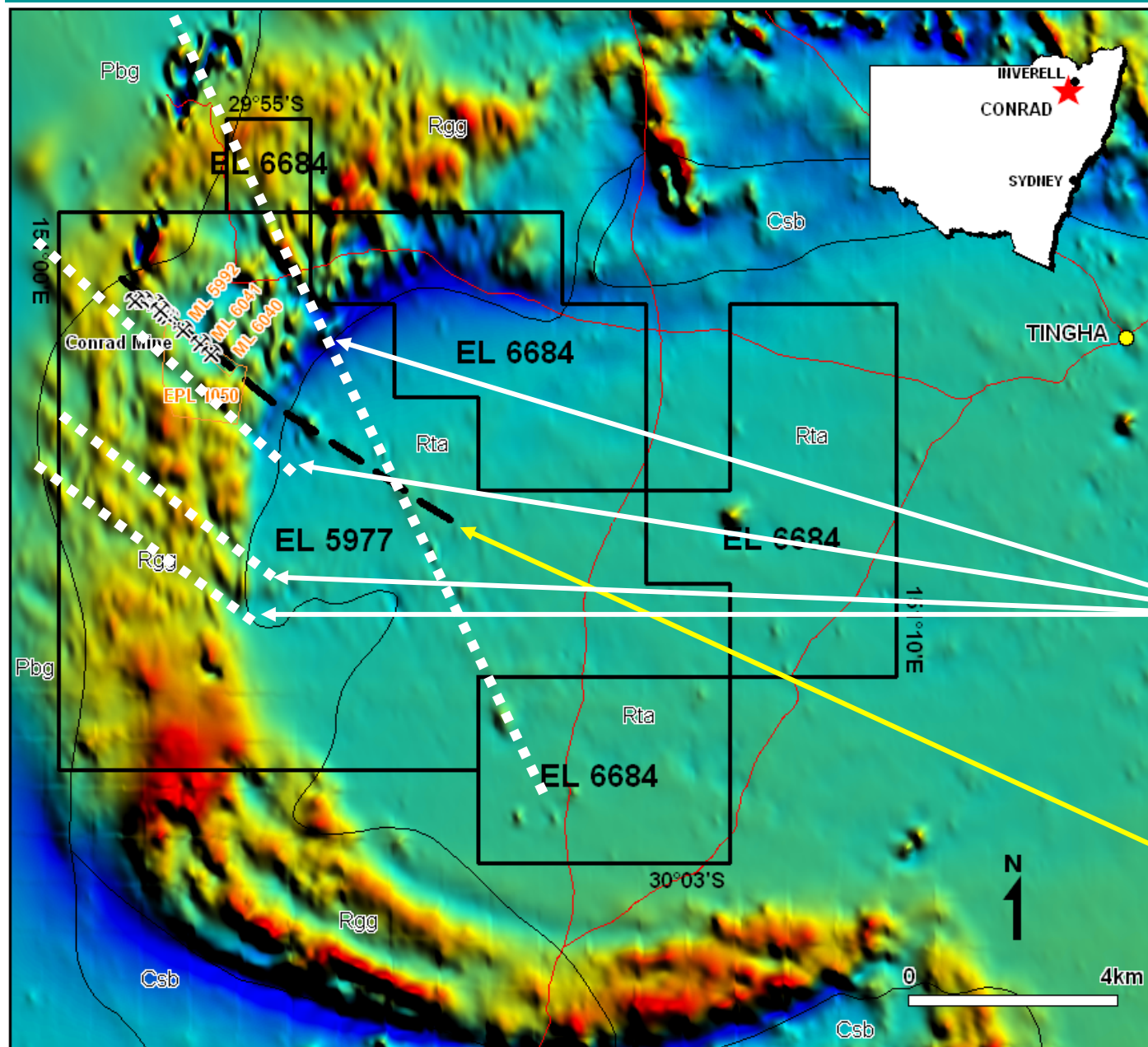
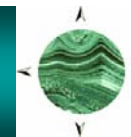
SE

# CONRAD SILVER MINE

**High grade (black) and medium grade (grey) ore shoots defined by underground sampling for lead in the 1950s  
(Note: Lead is a good proxy for silver)**



# MALACHITE RESOURCES NL



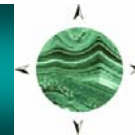
**AEROMAGNETIC  
IMAGE OF THE  
CONRAD SILVER  
PROJECT,  
SHOWING CONRAD  
MAIN LODE AND  
POSSIBLE NEARBY  
REPETITIONS**

Other  
mineralised  
structures

Conrad  
main lode  
structure

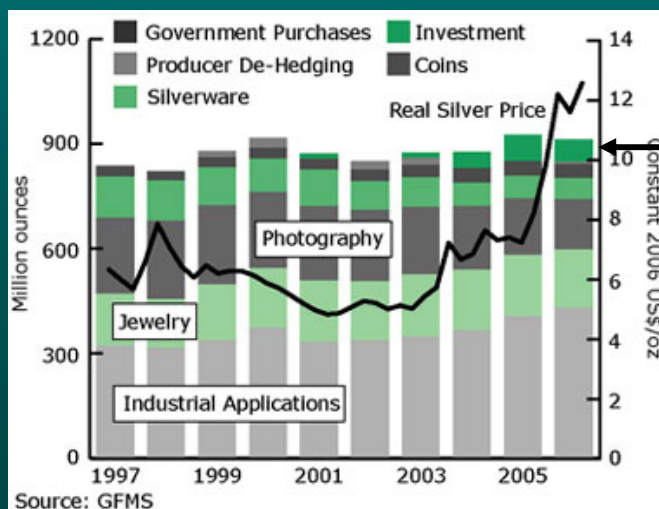
For personal use only

# MALACHITE RESOURCES NL



## WHY SILVER?

- Silver demand substantially exceeds new mine supply
- Unlike gold, silver is physically consumed
- Increasing industrial use compensating for decreased photographic use
- Silver is essential to modern technology ...
  - ... From jet engines to electronics
  - ... From water purification to antiseptics
- And it remains a key store of wealth





# MALACHITE RESOURCES NL



## WHAT NEXT FOR CONRAD?

- Initial resource estimate in November
- Resource drilling to move to Davis Shaft area early in 2008
- Metallurgical test work and mining studies under way
- Conceptual economic model indicates robust project
- Exploration of parallel structures commenced
- Pre-feasibility by end of 2008
- De-watering, full feasibility and construction in 2009
- Targeting 600,000t @ 35oz/t Ag<sub>EQ</sub>\* for start up

\*i.e. half the historic production grade



... " EVERY CLOUD HAS A SILVER LINING! ... "

# MALACHITE RESOURCES NL



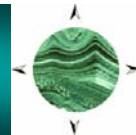
## VOLGA COPPER PROJECT

Malachite is becoming a significant  
new player in the world class  
Mount Isa Copper Province

Two properties: **Volga Elderberry** & **Mt Lidster**



# MALACHITE RESOURCES NL



## VOLGA COPPER PROJECT – 1

### VOLGA ELDERBERRY PROPERTY

- MAR can earn 50% by spending \$3m over 3 years
- Numerous copper prospects spread over 215km<sup>2</sup> of tenements
- Multiple high grade lodes at Volga Prospect
- Iron-oxide copper-gold (“IOCG”) affinity
- Initial drilling at the Volga prospect:
  - VEDD01: 13.8m @ 2.9% Cu + 0.5g/t Au, including 2.5m @ 11.9% Cu + 1.9g/t Au**
- First Malachite drilling just commenced



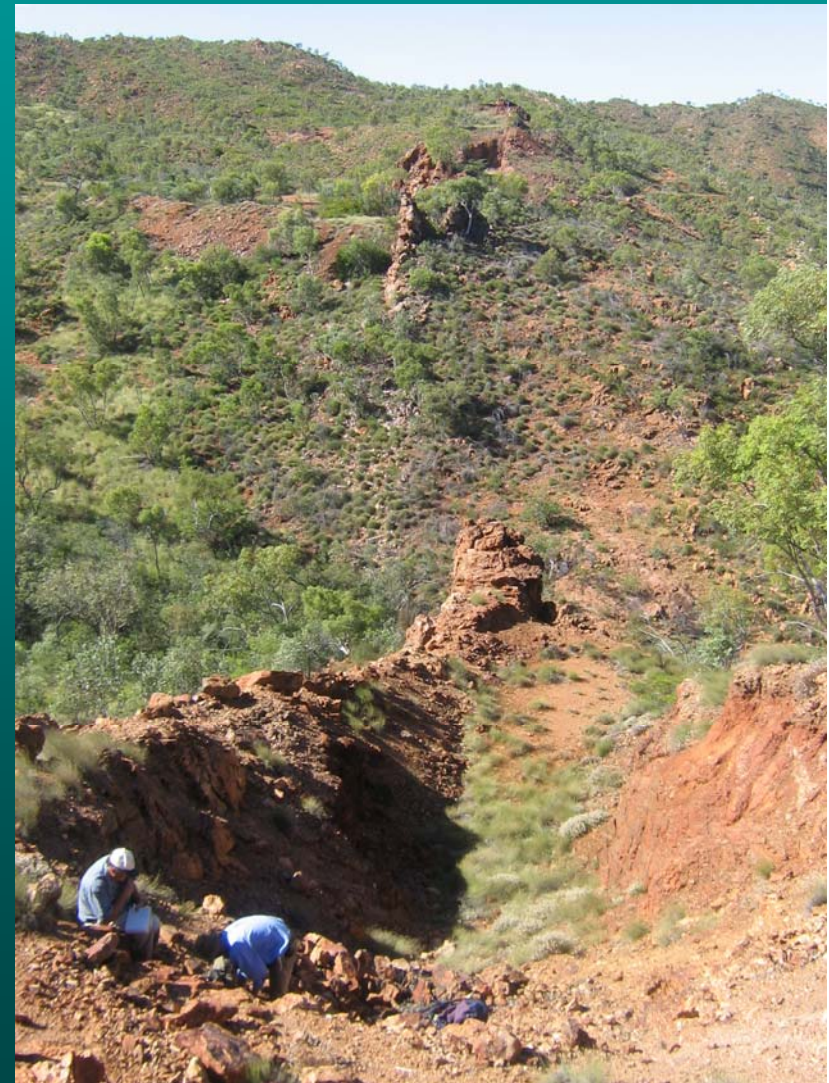
# MALACHITE RESOURCES NL



## VOLGA COPPER PROJECT – 2

### MT LIDSTER PROPERTY

- Outcropping mineralised structure
- MAR has option to purchase 100%
- Encouraging drill intersections
- Malachite's drilling at Mt Lidster:
  - MLRC02: 6m @ 4.2% Cu
  - MLRC04: 4m @ 5.3% Cu
  - MLRC09: 18m @ 2.4% Cu,  
Including 2m @ 9.8% Cu
- Gold credits
- Recent EM survey identified new conductor to the west
- More drilling next month



# MALACHITE RESOURCES NL

## The Tooloom Gold Project

**TOOLOOM IS A MAJOR HISTORIC  
GOLD FIELD REDISCOVERED BY  
MALACHITE**

- 550km<sup>2</sup> tenement area
- 100% owned by MAR
- Several large gold-bearing systems, some with coarse free gold
- Numerous smaller prospects
- Analogy with gold deposits of Alaska / Yukon



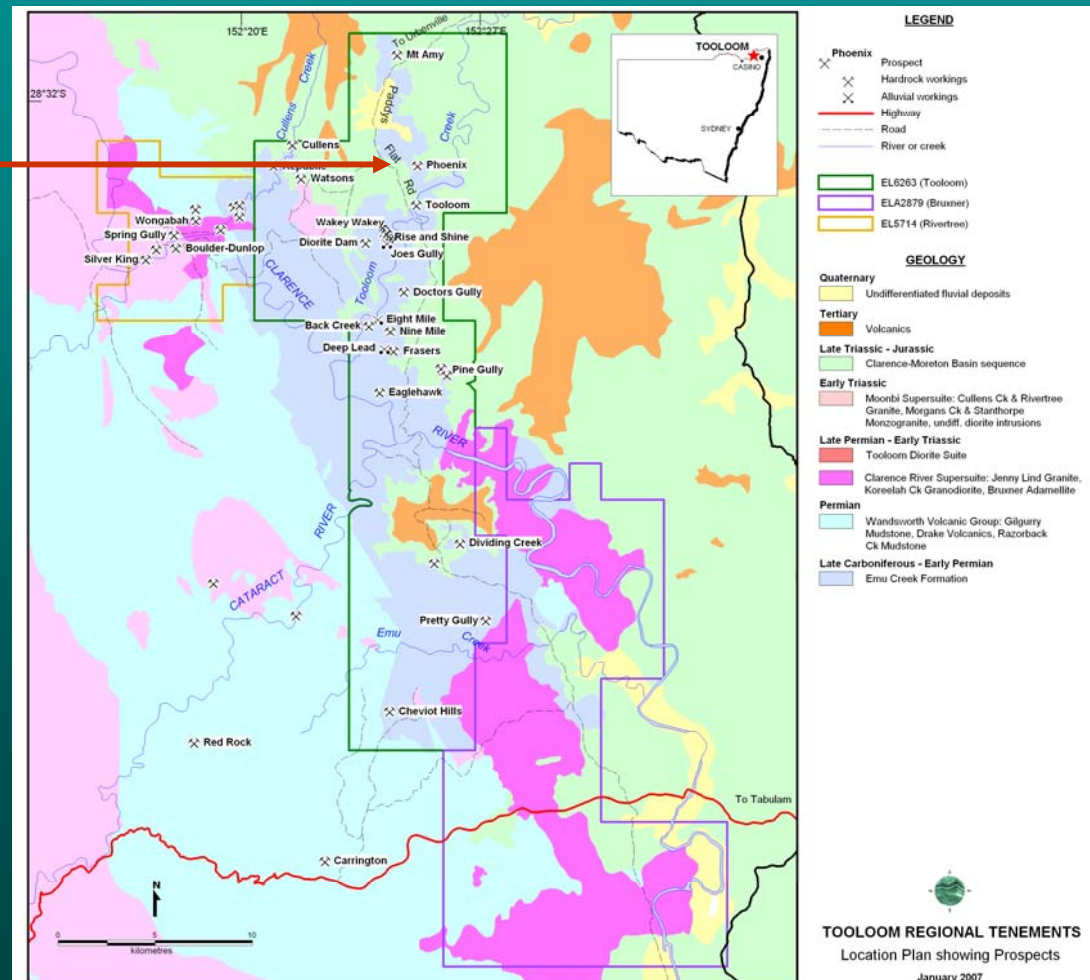
# MALACHITE RESOURCES NL

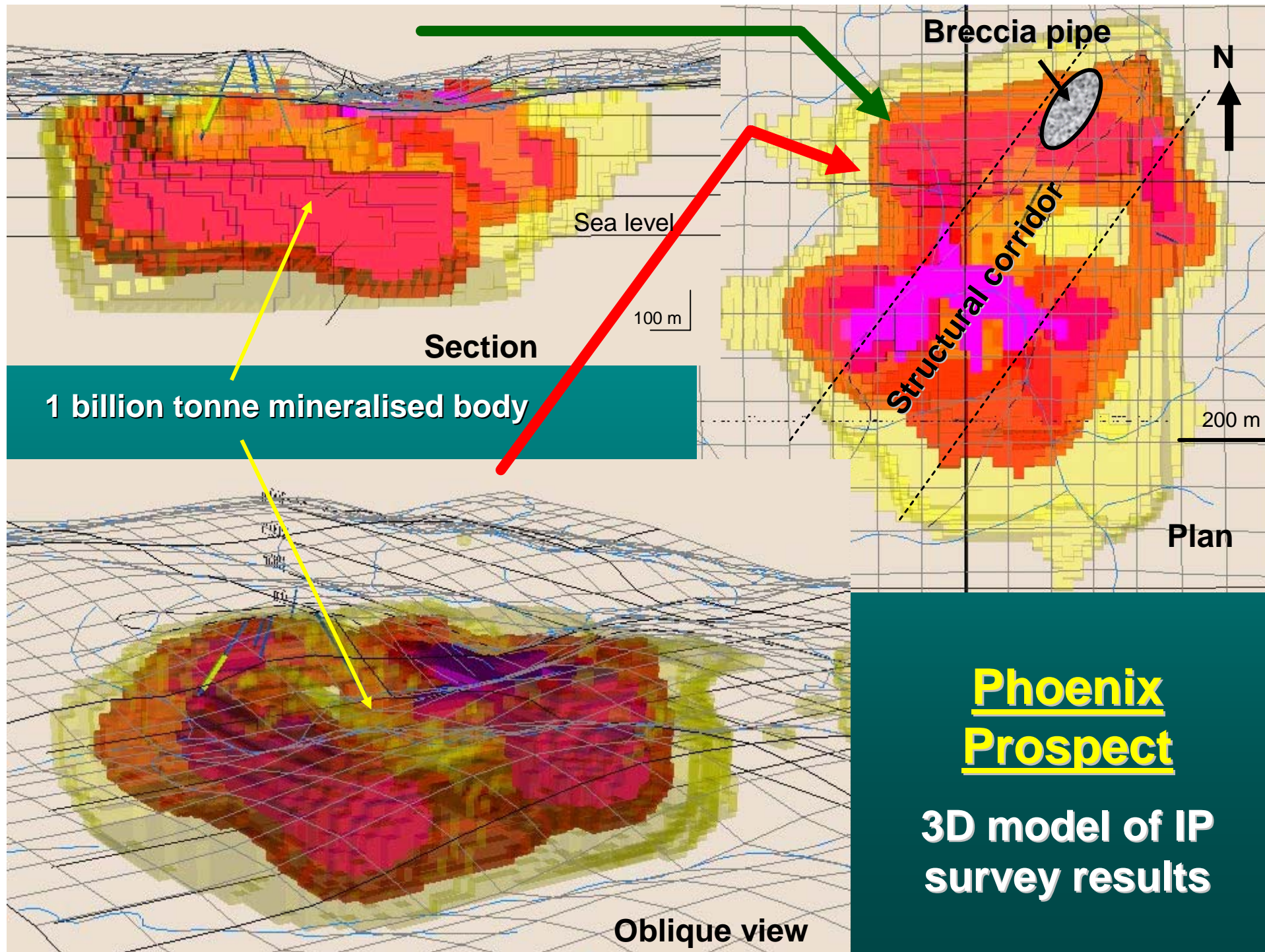


## The Tooloom Region

### PHOENIX IS A “GREEN FIELDS” DISCOVERY MADE BY MALACHITE

- Main target: a new discovery called Phoenix
- > 1 billion tonne mineralised body
- Best grades to date are in a breccia pipe
- Limited drilling elsewhere at Phoenix
- Targeting structures and breccia bodies within the Phoenix mega-system



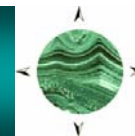


**1 billion tonne mineralised body**

**Phoenix  
Prospect**  
**3D model of IP  
survey results**



# MALACHITE RESOURCES NL



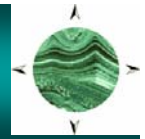
## ELSMORE TIN PROJECT

- Large tin-bearing greisen systems at Elsmore and Newstead
- Strong nugget effect due to coarse grain size
- Bulk sampling at Sheep Station Hill (Elsmore greisen) gave promising results
- Newstead greisen largely untested
- Significant associated tungsten and silver
- Aim to develop low cost, low risk tin mine for cash flow



15 cm

# MALACHITE RESOURCES NL



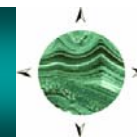
## THE FUTURE

Malachite has been successful as an explorer in eastern Australia and is ready to make the transition to a mining company over the next 12 months or so.

### Key Assets

- ❖ Silver at Conrad: a “treasure chest” of metals and a “company-maker” for Malachite
- ❖ Copper at Volga & Mt Lidster: to become key exploration projects in 2008 ... scope for early cash flow
- ❖ Gold at Tooloom: Untested targets to be drilled in 2008
- ❖ Tin at Elsmore: short term cash flow opportunity

# MALACHITE RESOURCES NL



## Malachite: Corporate Information

### CAPITAL STRUCTURE

**Shares:** 105 million

**Options:** Aug. '08, 20c: 32 million

**Market Cap:** ~\$28M

1150 shareholders

Top 20 hold 44%

Directors & staff hold 7%

**Liquidity:** \$2.5 million

### KEY SHAREHOLDERS

Straits Resources Ltd.	6%
Ledesa Pty. Ltd.	5%
Tooloom Gold Pty. Ltd.	2%
Macmin Silver Ltd.	1.4%

### Auditors

PricewaterhouseCoopers

### Lawyers

Hopkins / Gadens

**SHARE PURCHASE PLAN SUCCESSFULLY COMPLETED  
IN SEPTEMBER, RAISING \$1.2M**

# MALACHITE RESOURCES NL



## Malachite's People

### BOARD

#### **Chairman & Managing Director:**

Garry Lowder

#### **Executive Director & Exploration Manager:**

Russell Meares

#### **Non-Executive Directors:**

Roy Randall, BCom, LLB – senior resources lawyer

Warren Staude, MSc, MAusIMM – fund manager & analyst

Denis O'Neill, BSc – geologist & former CEO of Macmin Silver Ltd.

### STAFF:

5 geologists + technical & administration staff

# MALACHITE RESOURCES NL



## Malachite: The People

### KEY EXECUTIVES

#### **Garry Lowder, PhD, BSc (Hons), FAusIMM, MAICD**

Geologist with 40 years experience across Australia, Indonesia and Papua New Guinea. High level management expertise in both private and public sector. Former Director General of Mines in NSW. Credited with key roles in several major ore deposit discoveries (Northparkes, Cowal, Paddington, etc.)

Graduate of Univ. of Sydney (BSC Hons), Univ. of California, Berkeley (PhD) and Advanced Management Program at the Harvard Business School.

#### **Russell Meares, MSc, FAusIMM, MAIG, GAICD**

Geologist with 35 years experience in mineral exploration and mining in Australia, Asia and the SW Pacific. Key roles in several ore deposit discoveries in Australia, Papua New Guinea and Fiji.

Graduate of Univ. of NSW (BSc Hons), James Cook Univ. (MSc) and Company Directors Course of AICD.

# MALACHITE RESOURCES NL

ABN 86 075 613 268

[www.malachite.com.au](http://www.malachite.com.au)

Office Address:

Suite 1502, Keycorp Tower B  
799 Pacific Highway  
Chatswood NSW 2067 Australia

Postal Address:

P O Box 5218  
West Chatswood NSW 1515 Australia

Tel.: +61 2 9411 6033

Fax: +61 2 9411 6066

*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.*