

CONRAD SILVER MINE

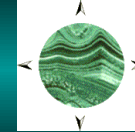
A new dawn for an old mine



Garry Lowder
Russell Meares

Malachite Resources NL

28 September 2006



Malachite: The Company

Our objective:

Discovery of world class ore deposits in eastern Australia, with emphasis on gold, silver and copper, and tin/tungsten for cash flow

Key projects:

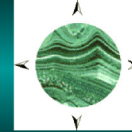
Tooloom – a major gold project where Newmont is farming in, includes the large, grass roots **Phoenix** discovery

Conrad – a new lease on life for the largest historic silver producer in New England: Ag plus Cu, Pb, Zn, Sn and In

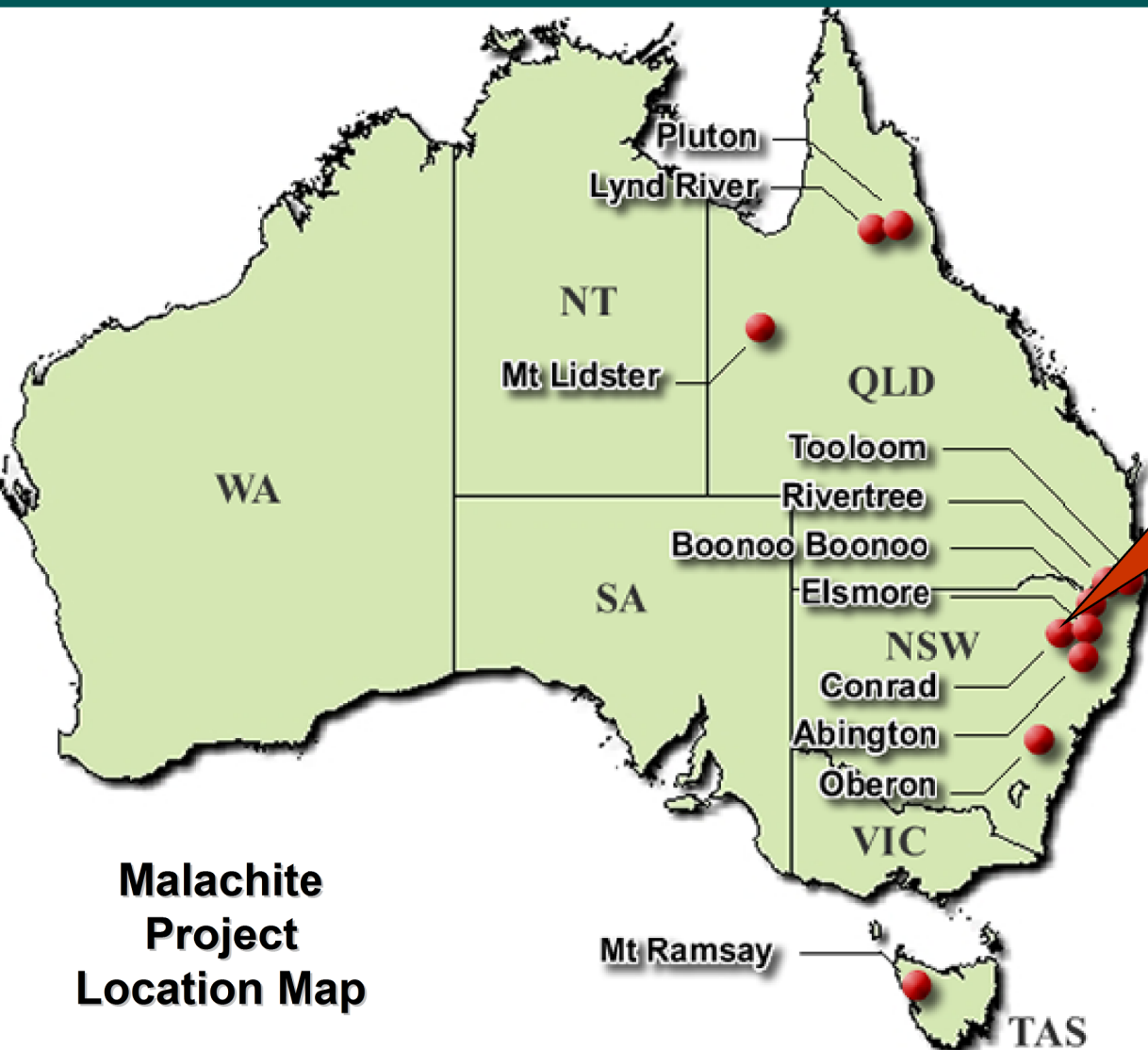
Mt Lidster – high grade copper in the Eastern Succession at Mt Isa:
6m @ 4.19% Cu and 4m @ 5.29% Cu

Elsmore – high grade Sn / W in greisen veins near Inverell:
1m @ 7.2% Sn & 4.0% WO₃

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The Conrad Silver Project

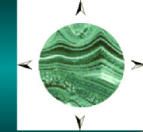


Malachite
Project
Location Map

CONRAD SILVER
Historic high grade
silver mine that
operated 1891 to 1912
and 1947 to 1957

**Third time lucky
for Conrad?**

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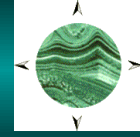


The Conrad Silver Mine

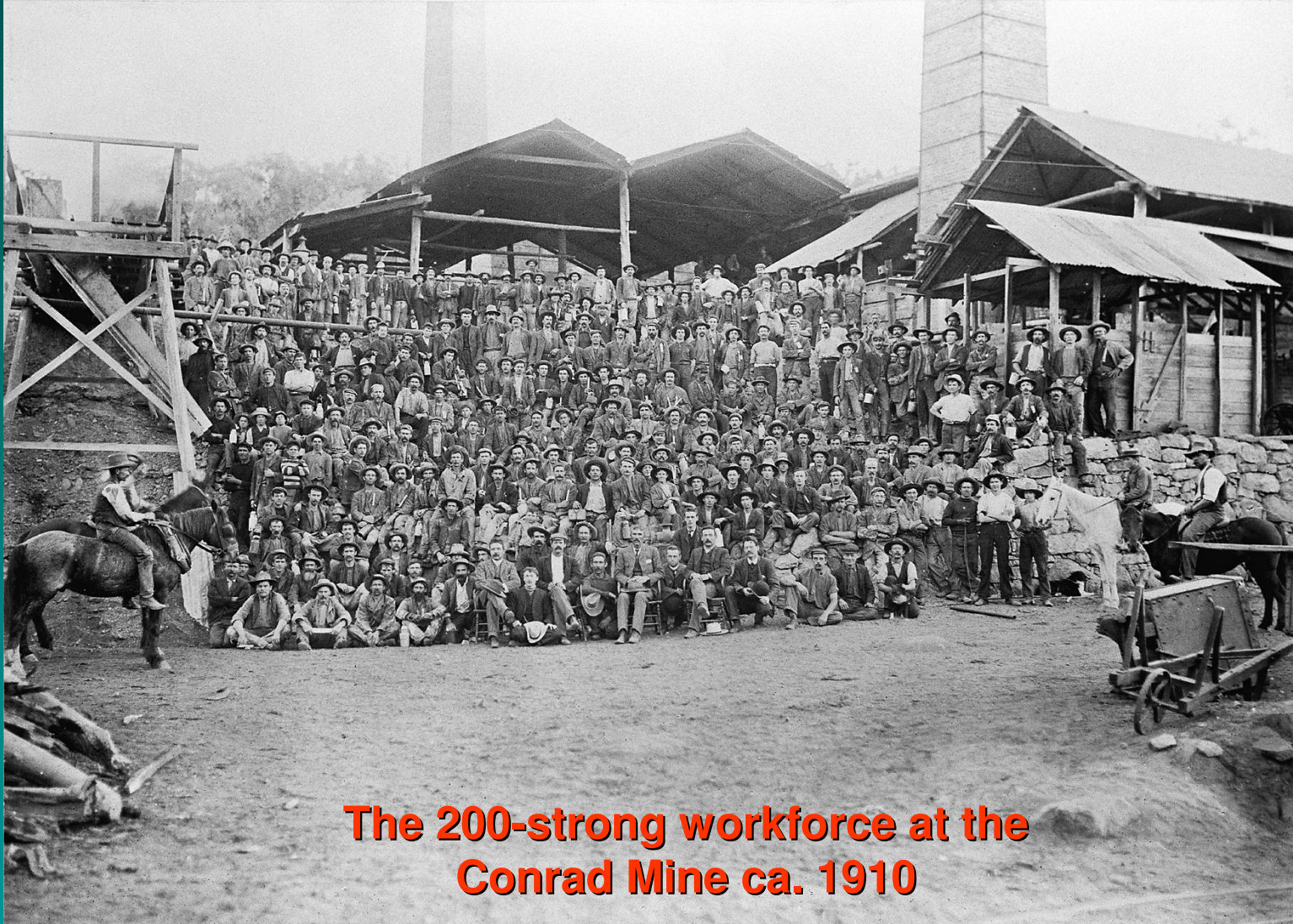


- Largest historic producer of silver in New England
- Over 3.5Moz silver produced
- Narrow high grade lode with by-product copper, lead, zinc and tin
- Historic grade:
600 g/t Ag, 1.5% Cu, 8% Pb, 4% Zn and 1.5% Sn
- Two main mines with four main shafts along 1.5km of lode
- 1. **Conrad mine** with Conrad, Moore and Davis shafts
- 2. **King Conrad** mine at NW end of structure
- MAR holds 100% interest in mining leases over Conrad mine
- And 100% interest in surrounding exploration ground

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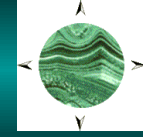


The Conrad Silver Mine

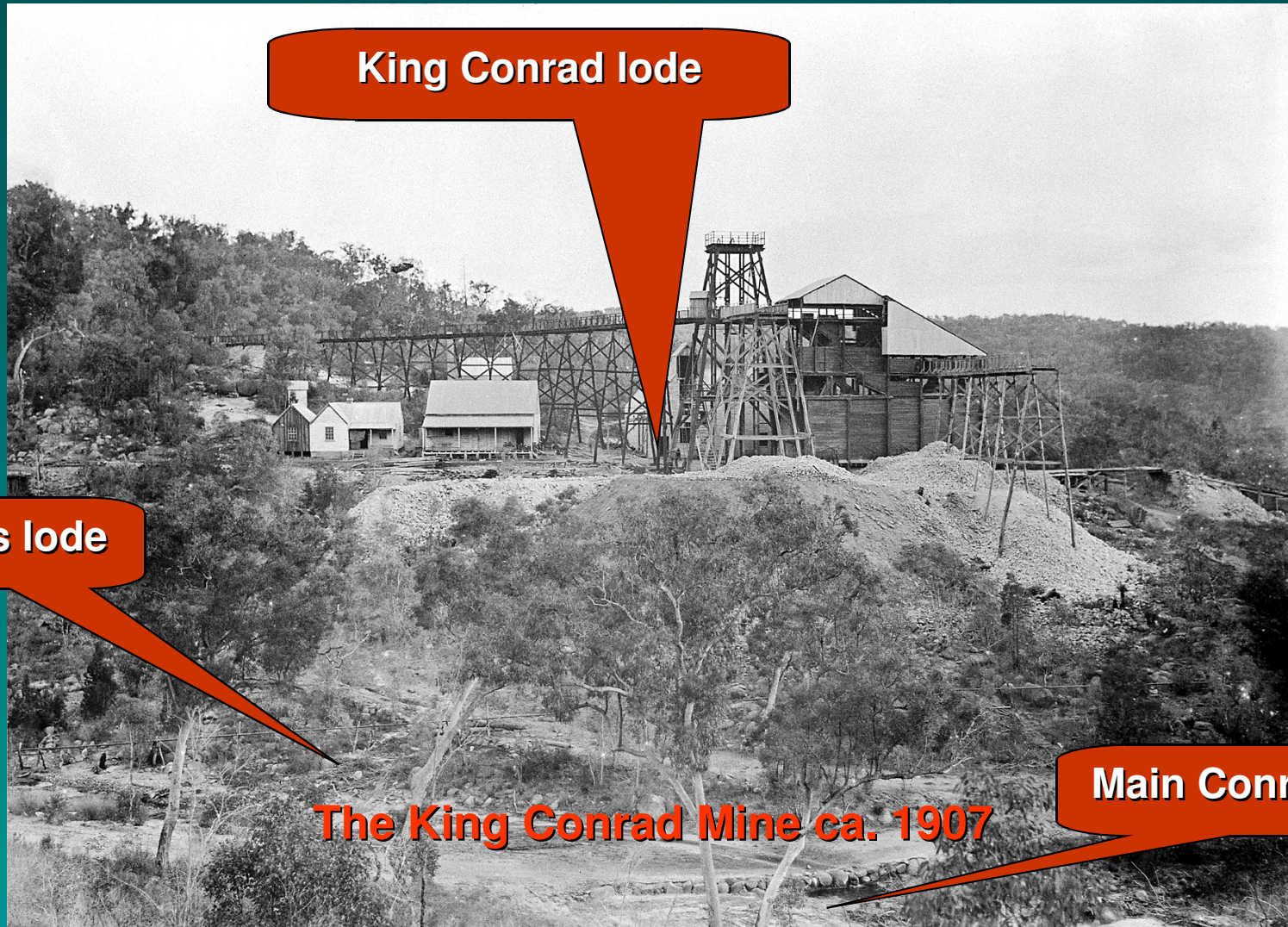


**The 200-strong workforce at the
Conrad Mine ca. 1910**

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The King Conrad Silver Mine



King Conrad lode

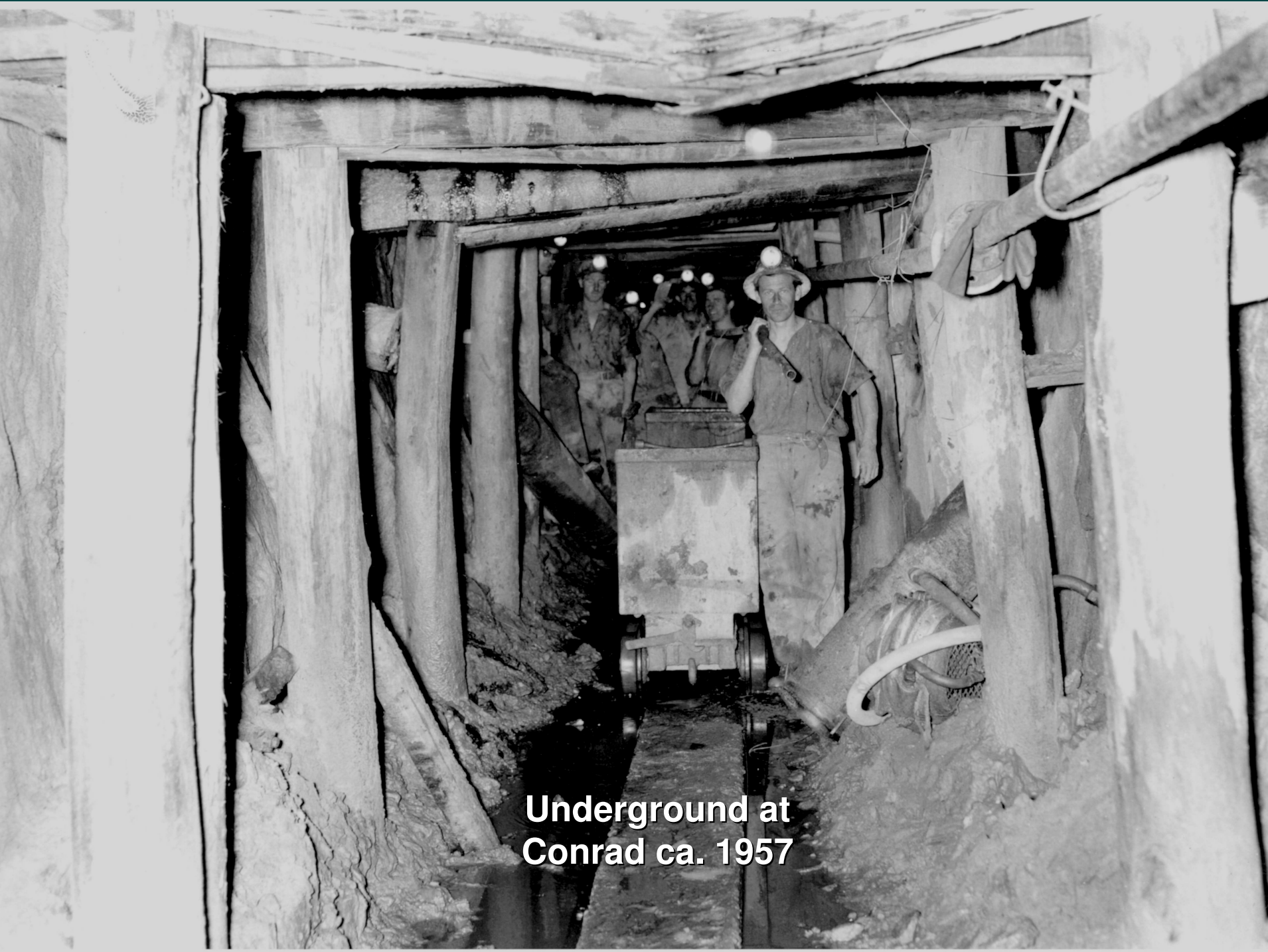
Alwell's lode

The King Conrad Mine ca. 1907

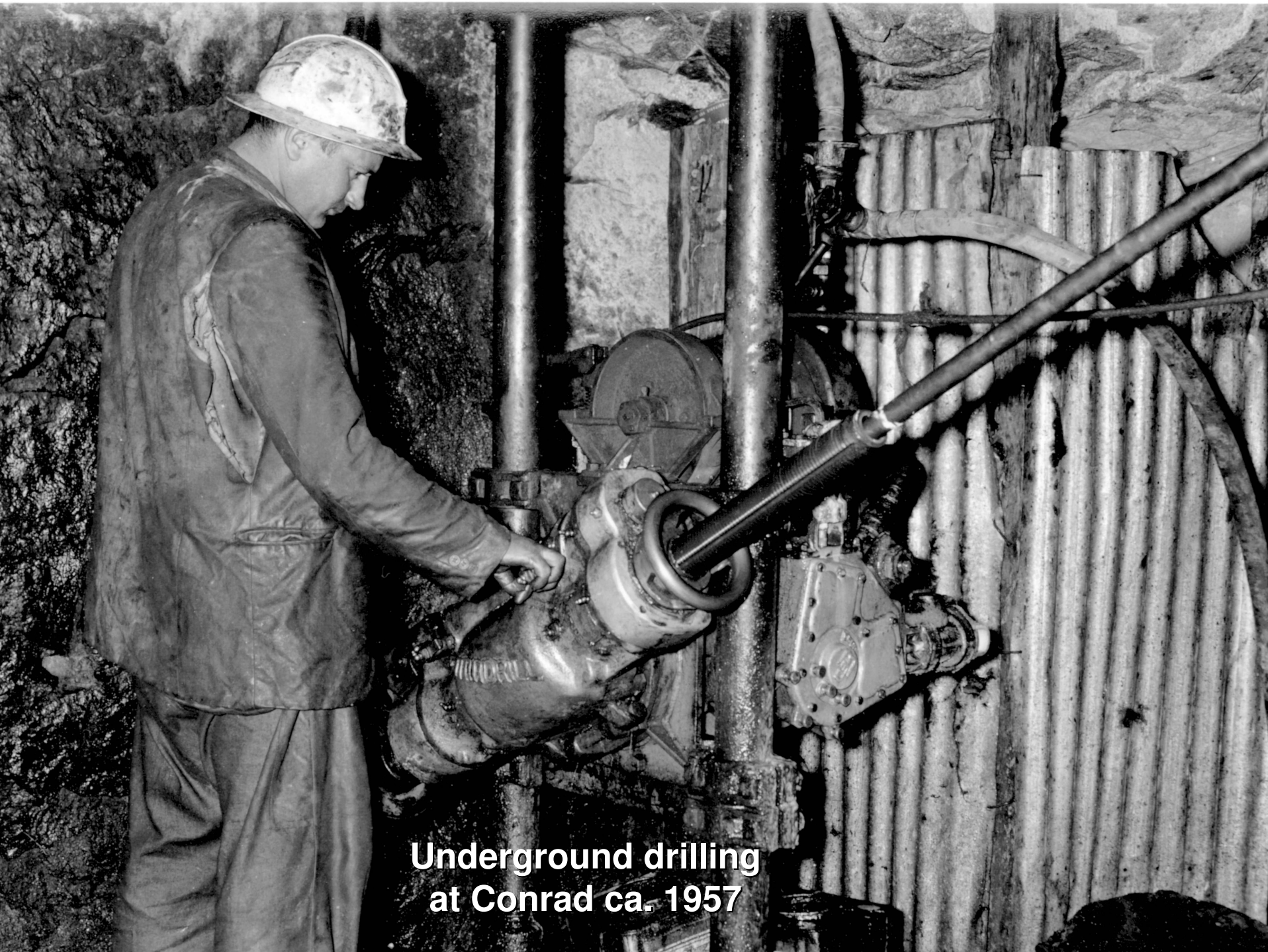
Main Conrad lode

The Conrad mine ca. 1957



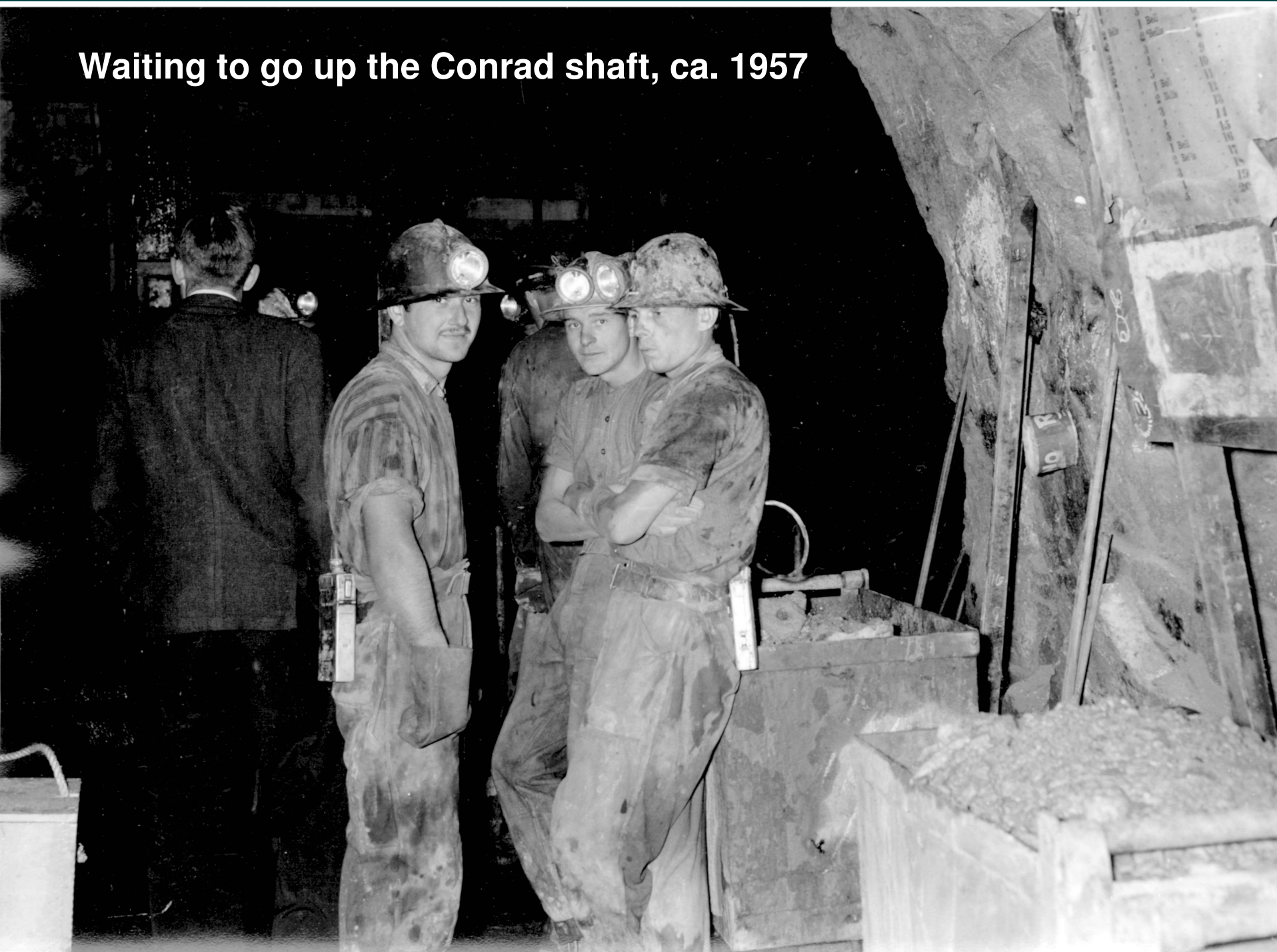


**Underground at
Conrad ca. 1957**

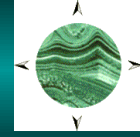


**Underground drilling
at Conrad ca. 1957**

Waiting to go up the Conrad shaft, ca. 1957



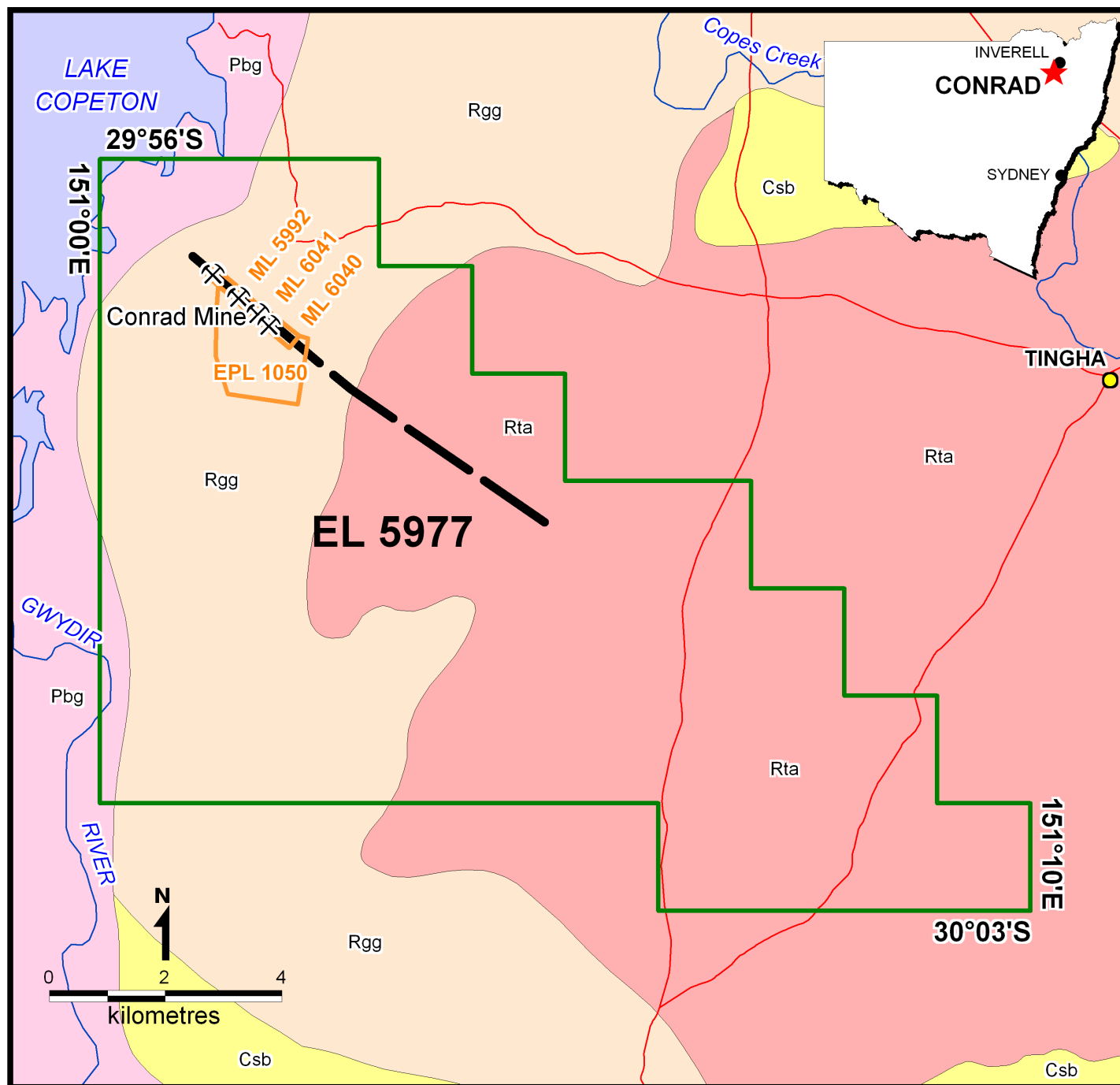
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Head frame from last
production by Broken
Hill South Ltd. in 1957

The Conrad Mine today

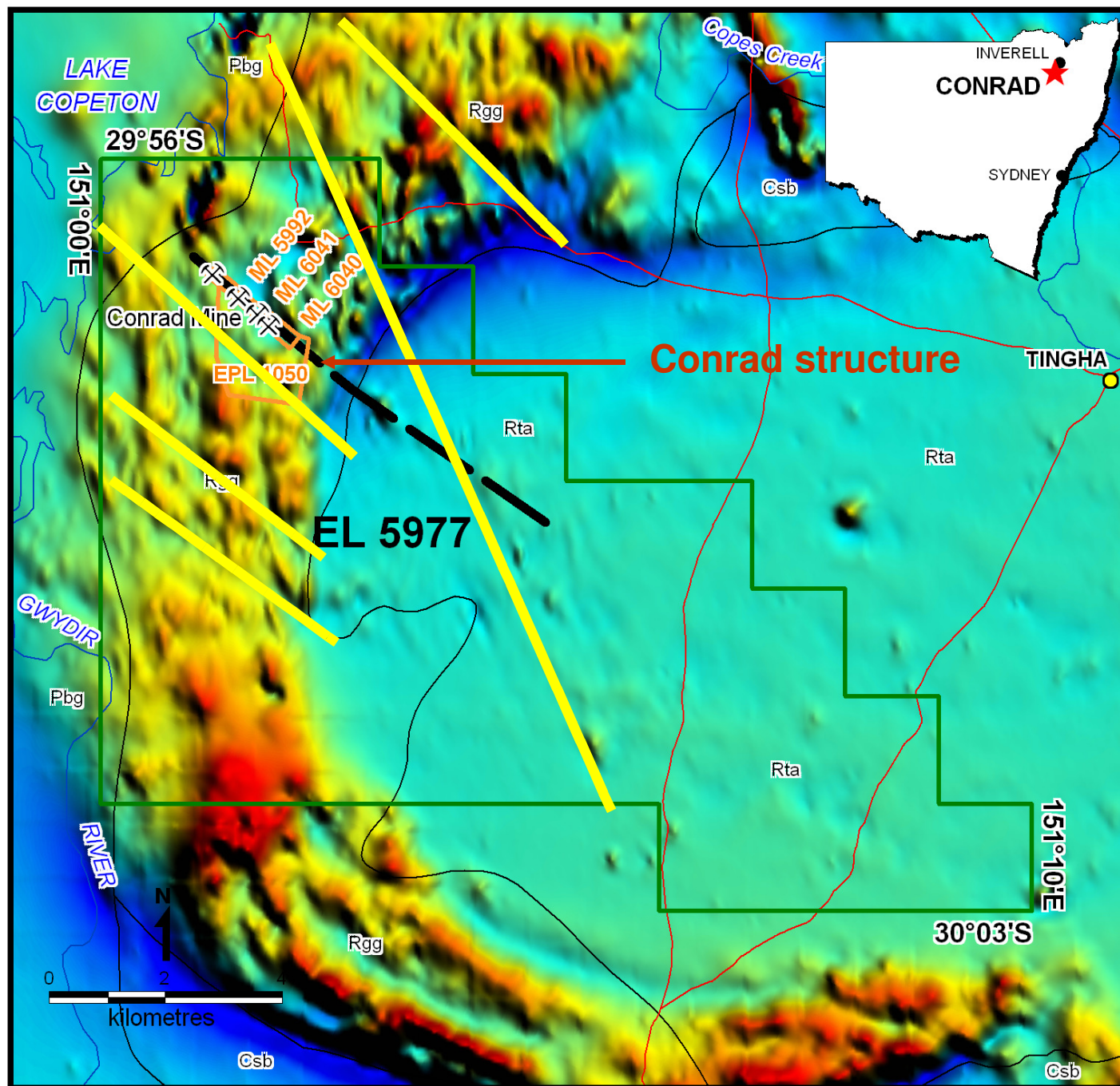




- Town
- ✕ Old mine
- Road
- River or creek
- EL boundary
- ML, EPL boundary
- Conrad mineralised structure
- Triassic**
 - Rgg Gilgai Granite
 - Rta Tingha Adamellite
- Permian**
 - Pbg Bundarra Plutonic Suite
- Carboniferous**
 - Csb Sandon Beds

CONRAD PROJECT

Location and Geology Plan



- Town
- ✂ Old mine
- Road
- River or creek
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Triassic

Rgg Gilgai Granite

Rta Tingha Adamellite

Permian

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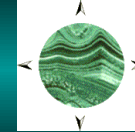
Carboniferous

Csb Sandon Beds

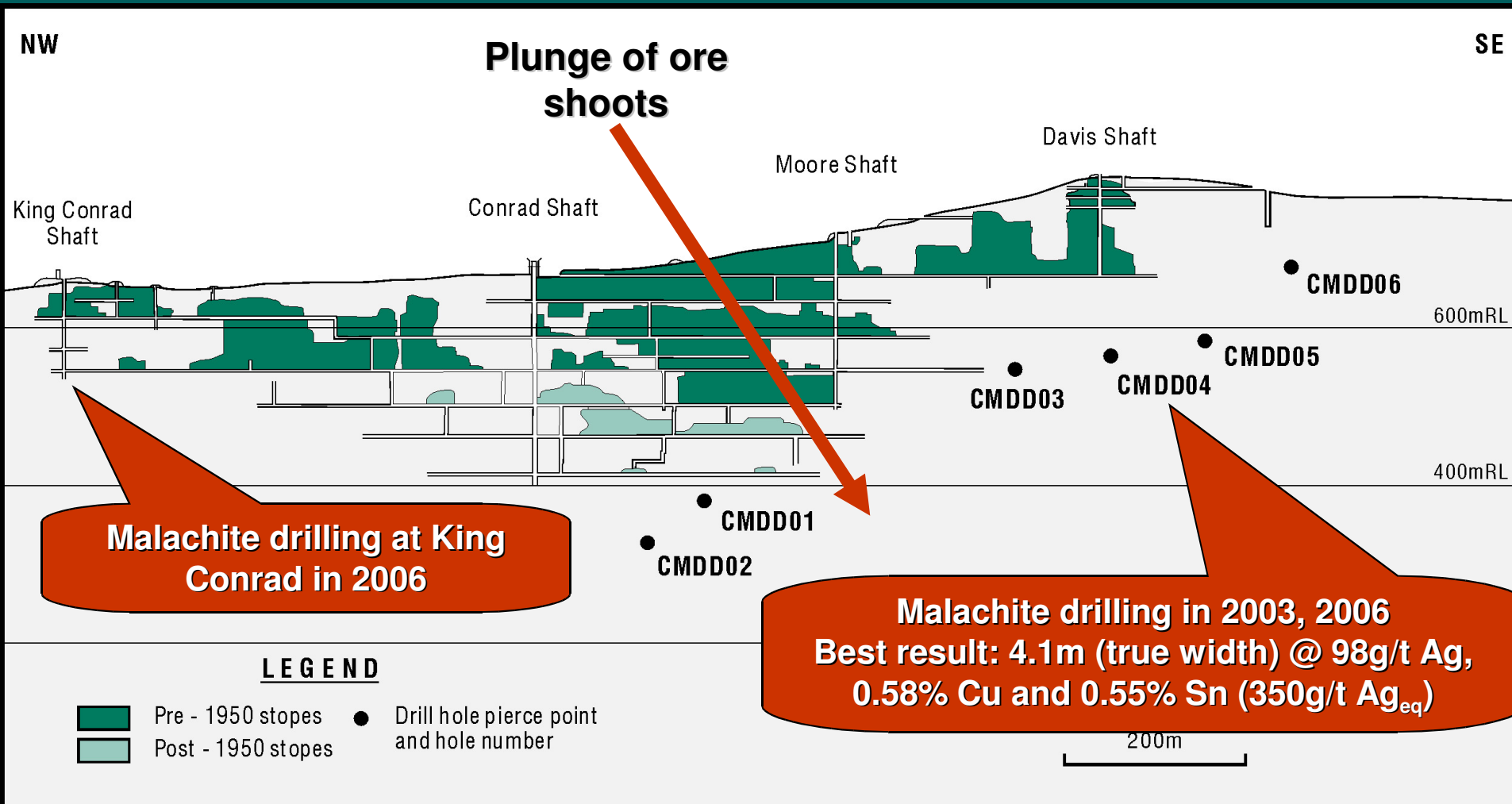
CONRAD PROJECT Aeromagnetic Plan

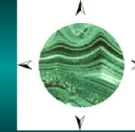


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The Conrad Silver Mine





The Conrad Silver Mine



- Responding to 2006 increase in silver price ...
- New phase of exploration drilling commenced in March, 2006 and resumed in June/July
- Targeting mainly the King Conrad mine
- Drilling highly successful: multiple, high grade lodes intersected, with true widths of 2 – 5m
- Associated copper, lead, zinc and tin double or even treble total value of intersections
- Rare and highly valuable metal **INDIUM** now known to be present as well
- Indium price = \$US1,000/kg or 3 x silver price

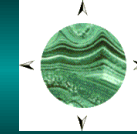


Drilling at Conrad, June 2006

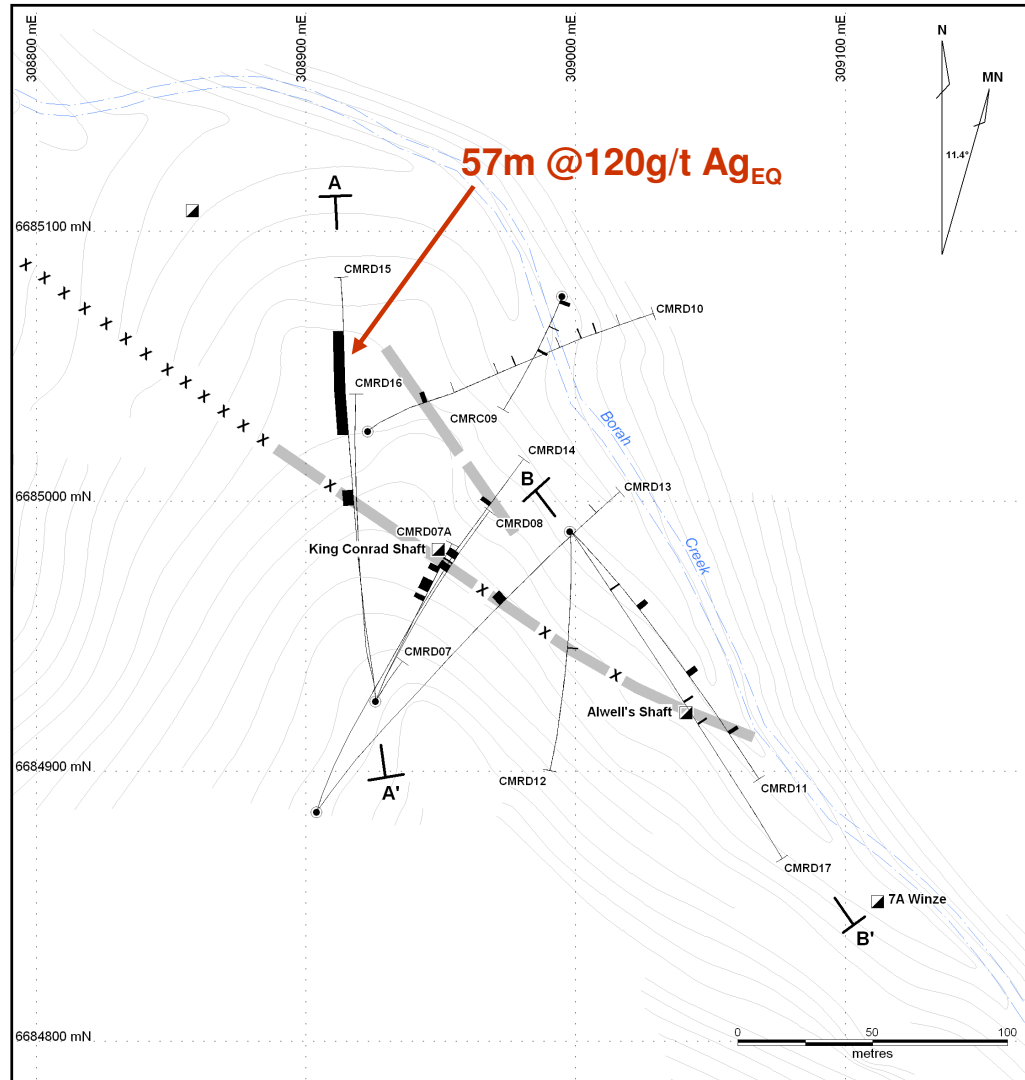


Drilling at King Conrad, June 2006

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King Conrad Mine – Recent Drilling



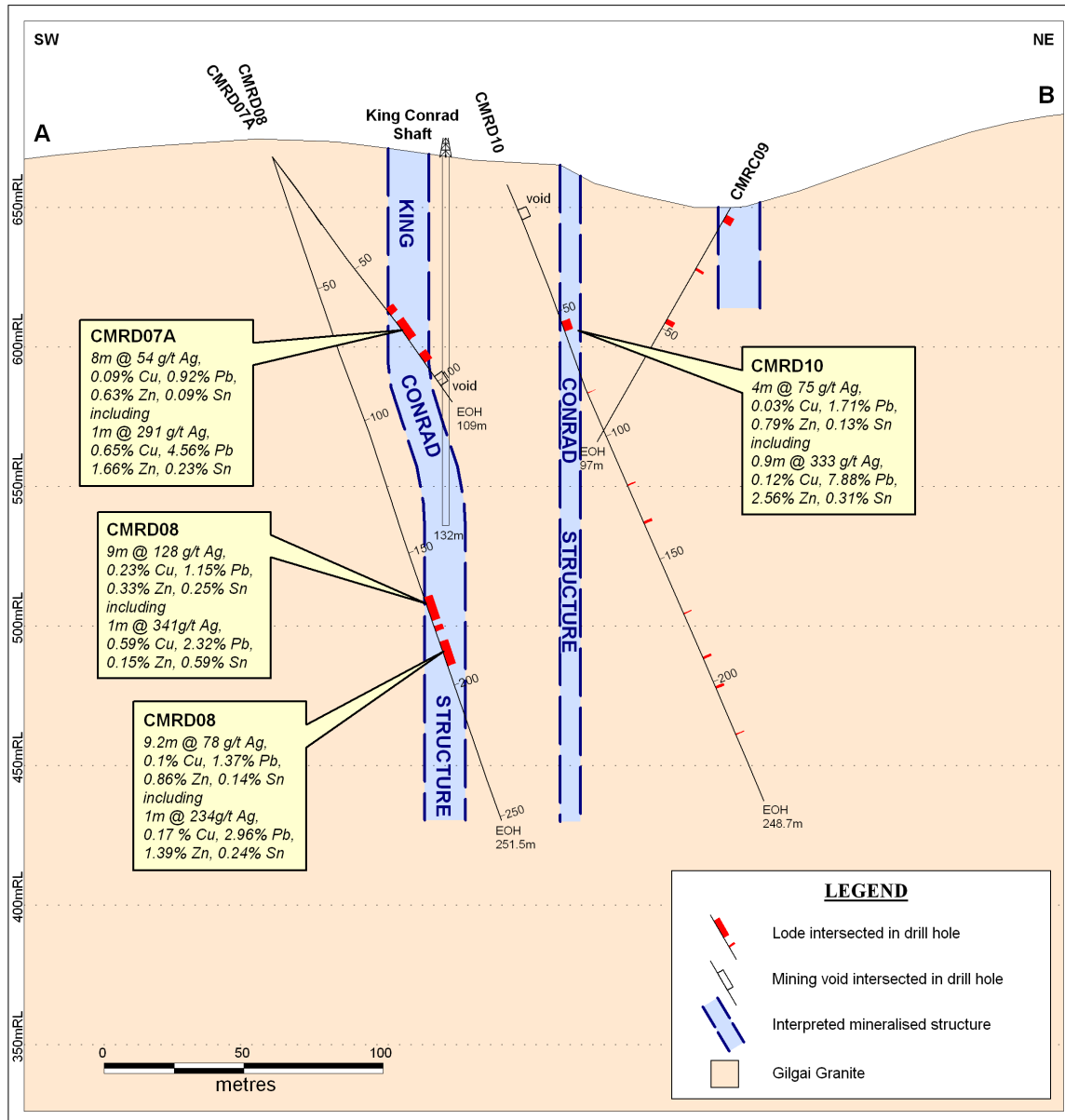
- LEGEND**
- Shaft, winze
 - CMRD08 ● Drill hole showing projected hole trace and main mineralised intercepts
 - Interpreted King Conrad lode position from drill hole intersections
 - X X Position of VLF-EM conductor
 - Creek
 - Topographic contour
 - A—A' Section line (see Figure 3)

CONRAD PROJECT - KING CONRAD AREA
Drill Hole Location Plan Showing Lode Positions

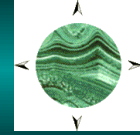
KING CONRAD MINE DRILLING

Cross-section through King Conrad and Conrad lode systems.

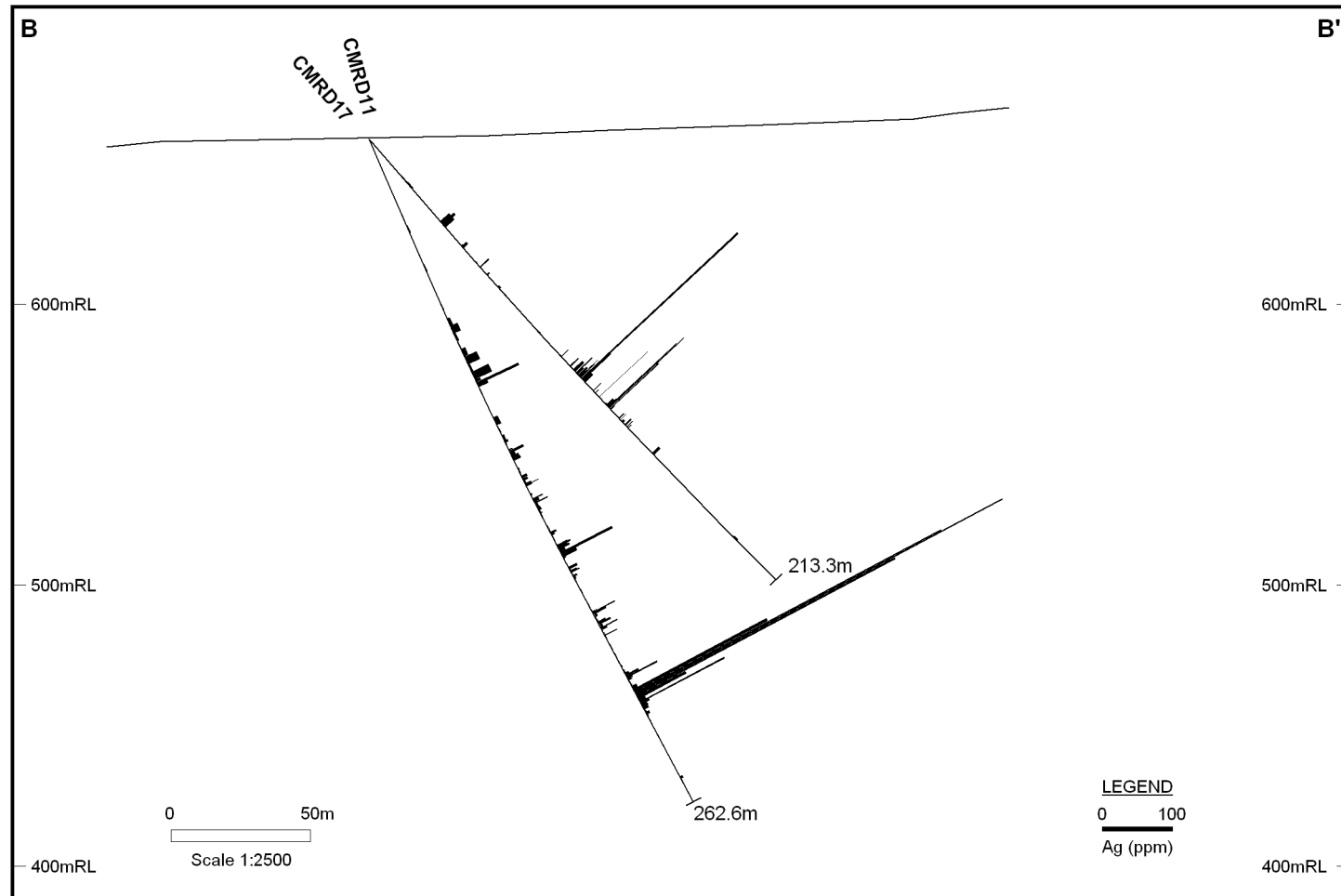
Note multiple mineralised intercepts in King Conrad case.



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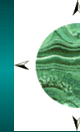


King Conrad Mine – Recent Drilling

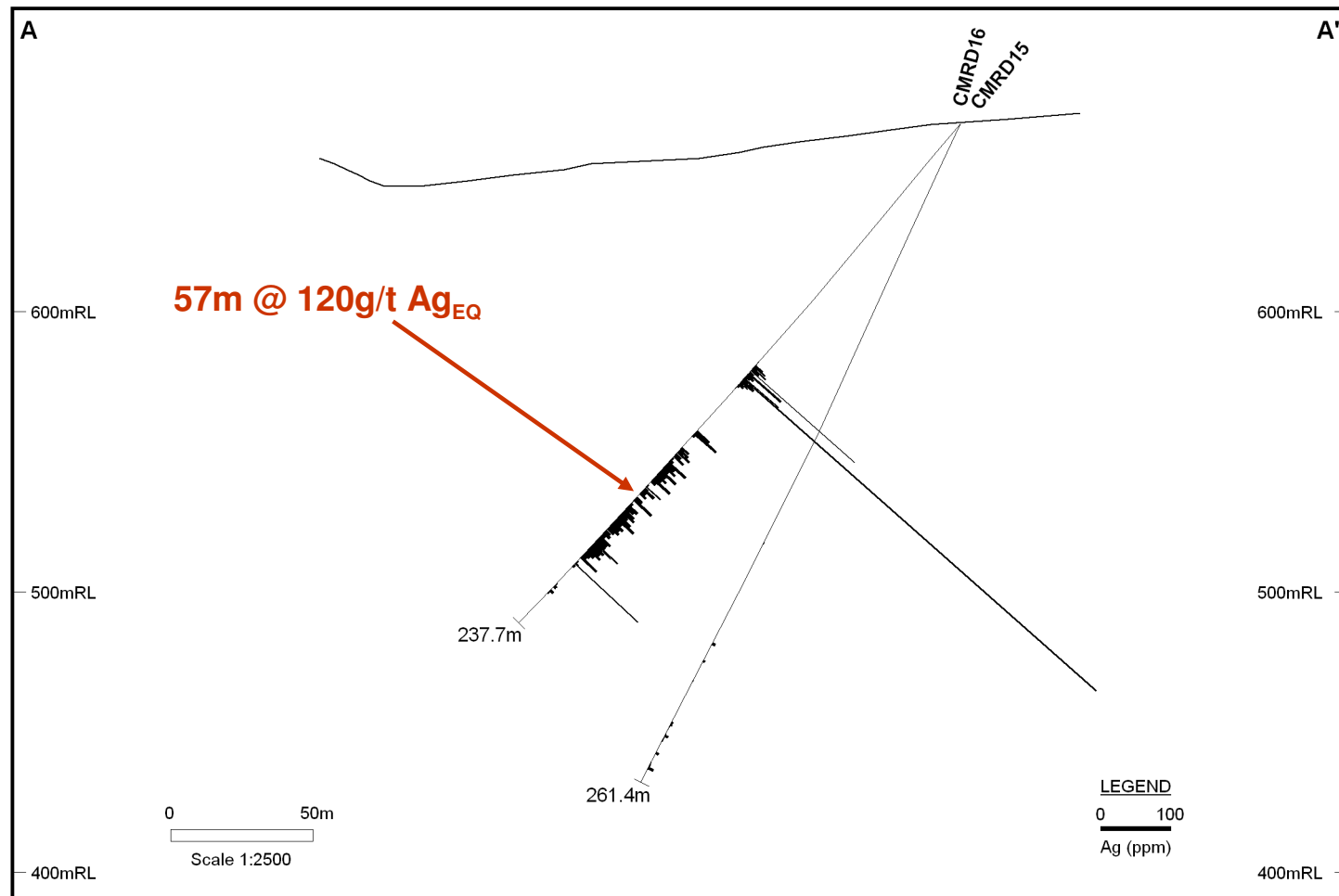


Silver histograms for King Conrad lode intersections

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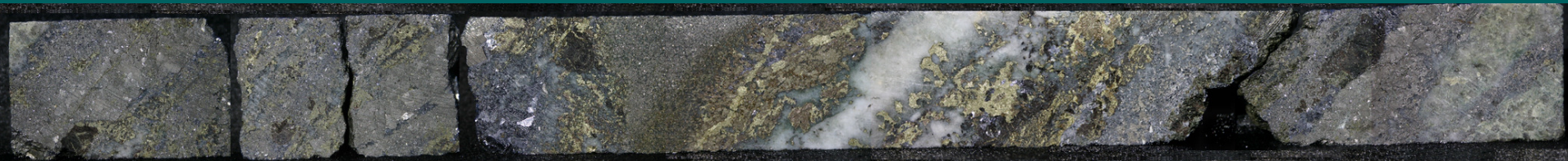
King Conrad Mine – Recent Drilling



Silver histogram for King Conrad lode and “bulk tonnage” intercept

LODE INTERSECTIONS AT KING CONRAD

CMRD13



CMRD15



→ 588203

→ 588204

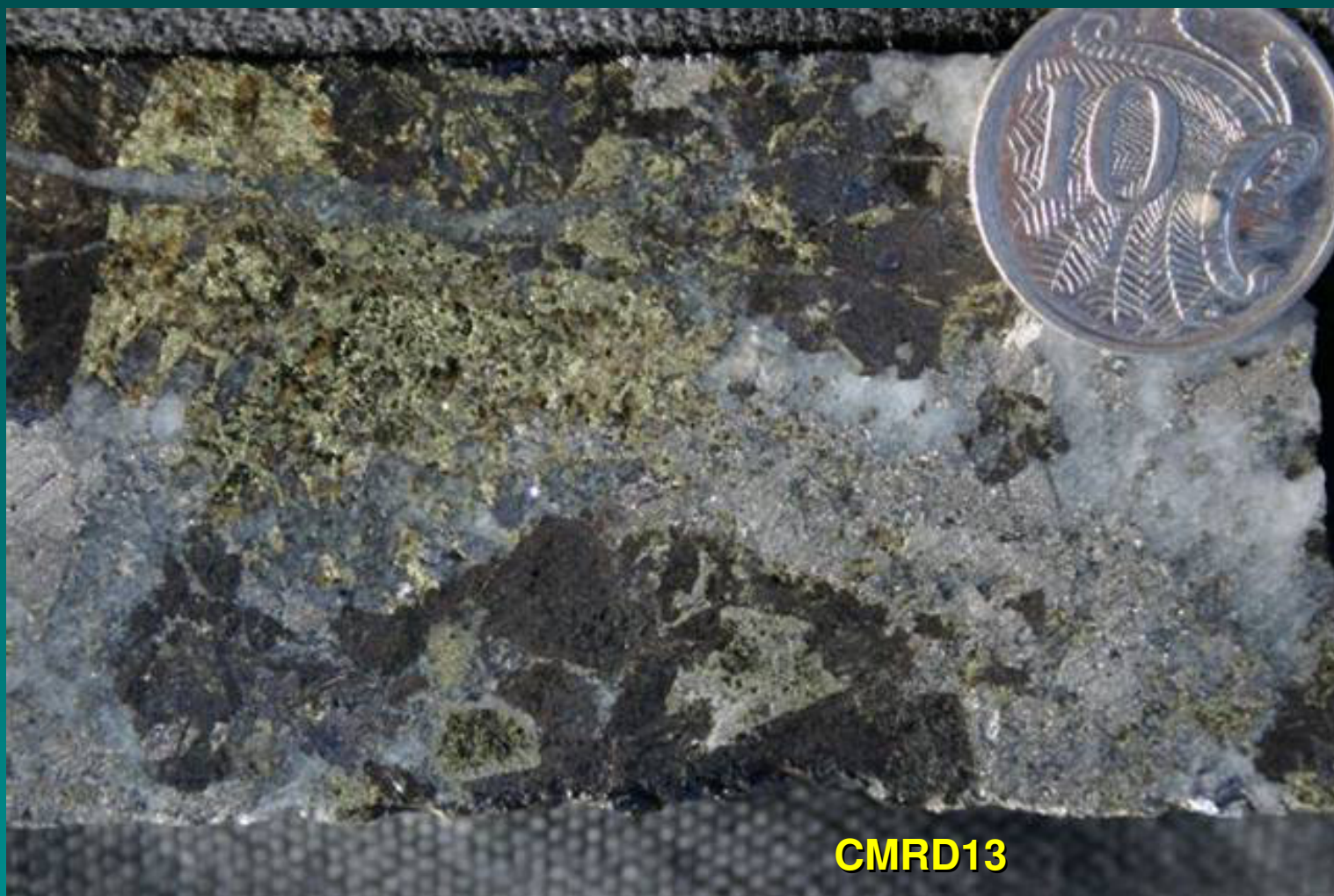
→ 588205

→ 588206

→ 588208

Alwell's lode

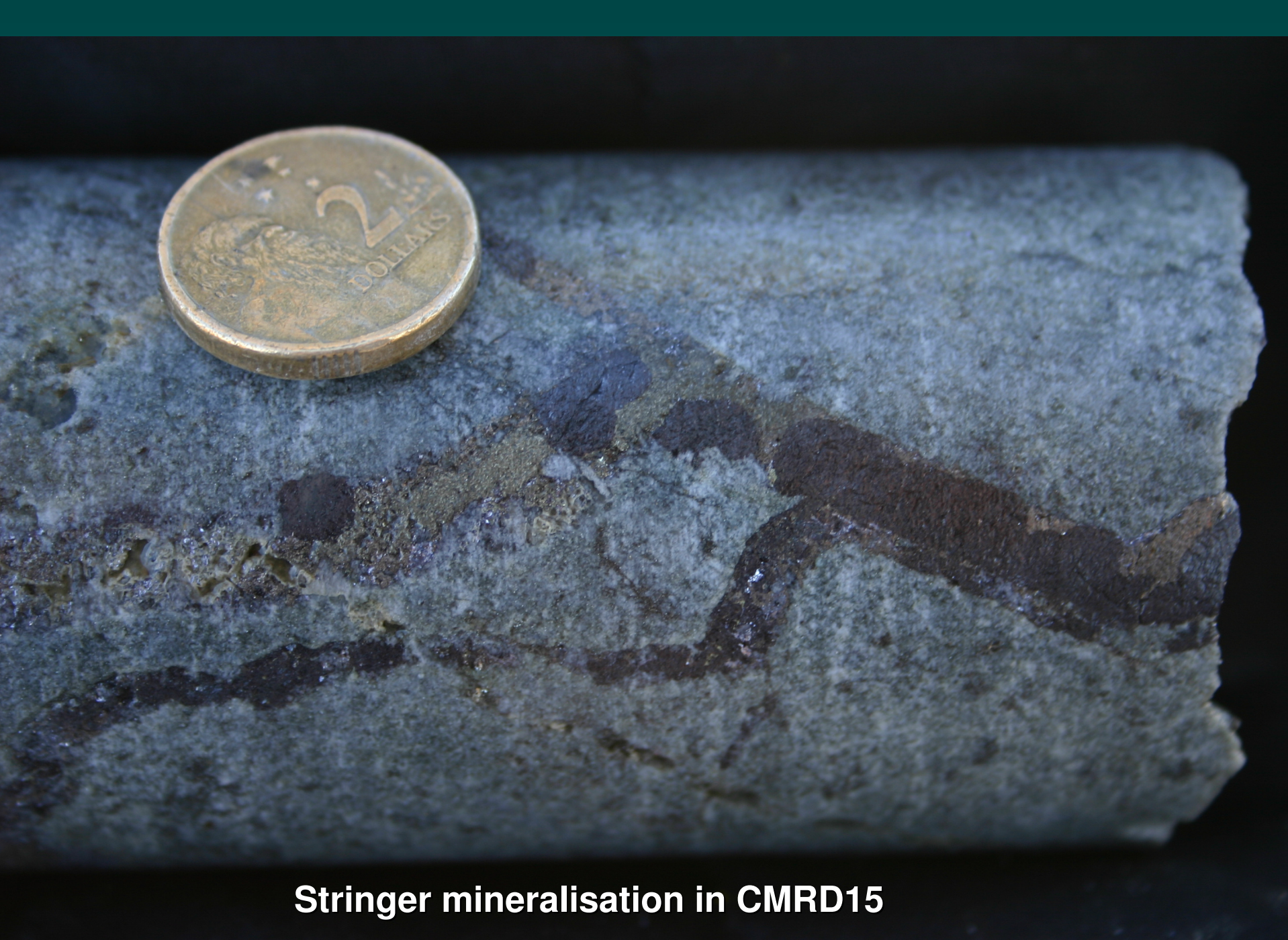




CMRD13

CMRD13



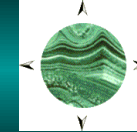


Stringer mineralisation in CMRD15



**Stringer mineralisation in
CMRD15**

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Example Results from 2006 Drilling at King Conrad

Intersections quoted are true widths

CMRD 08:

2.9m @ **128g/t Ag** or **285g/t Ag_{EQ}**

Includes 1.5m @ **221g/t Ag** or **433g/t Ag_{EQ}**

CMRD 12:

1.1m @ **321g/t Ag**, 1.02% Cu, 3.89% Pb, 2.60% Zn, 1.2% Sn & 28g/t In,

or **1,200g/t Ag_{EQ}**

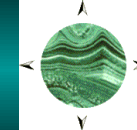
CMRD13:

2.1m @ **278g/t Ag**, 0.72% Cu, 2.61% Pb, 0.99% Zn, 0.68% Sn and 13g/t In,

or **767g/t Ag_{EQ}**

Includes 0.4m @ **1,400g/t Ag** or **3,700g/t Ag_{EQ}**

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Malachite: The Conrad Silver Mine

UNDERGROUND SAMPLING AT THE KING CONRAD MINE IN 1904-05

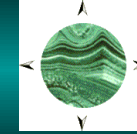
<u>LodeName</u>	<u>Width of Lode</u>	<u>Ag g/t</u>	<u>Cu%</u>	<u>Pb%</u>	<u>Zn%</u>	<u>Sn%</u>	<u>Ag_{eq} g/t</u>
Alwell's	32cm	2740	6.2	26	N/R	6.1	5900
	and 80cm	750	trace	17	3.2	N/R	1490
North	40cm	530	0.4	12	2.7	0.4	1245
North East	30cm	750	0.5	10	N/R	1.1	1370
Main	73cm	545	0.4	14	N/R	0.3	1090

Note: N/R indicates not reported.

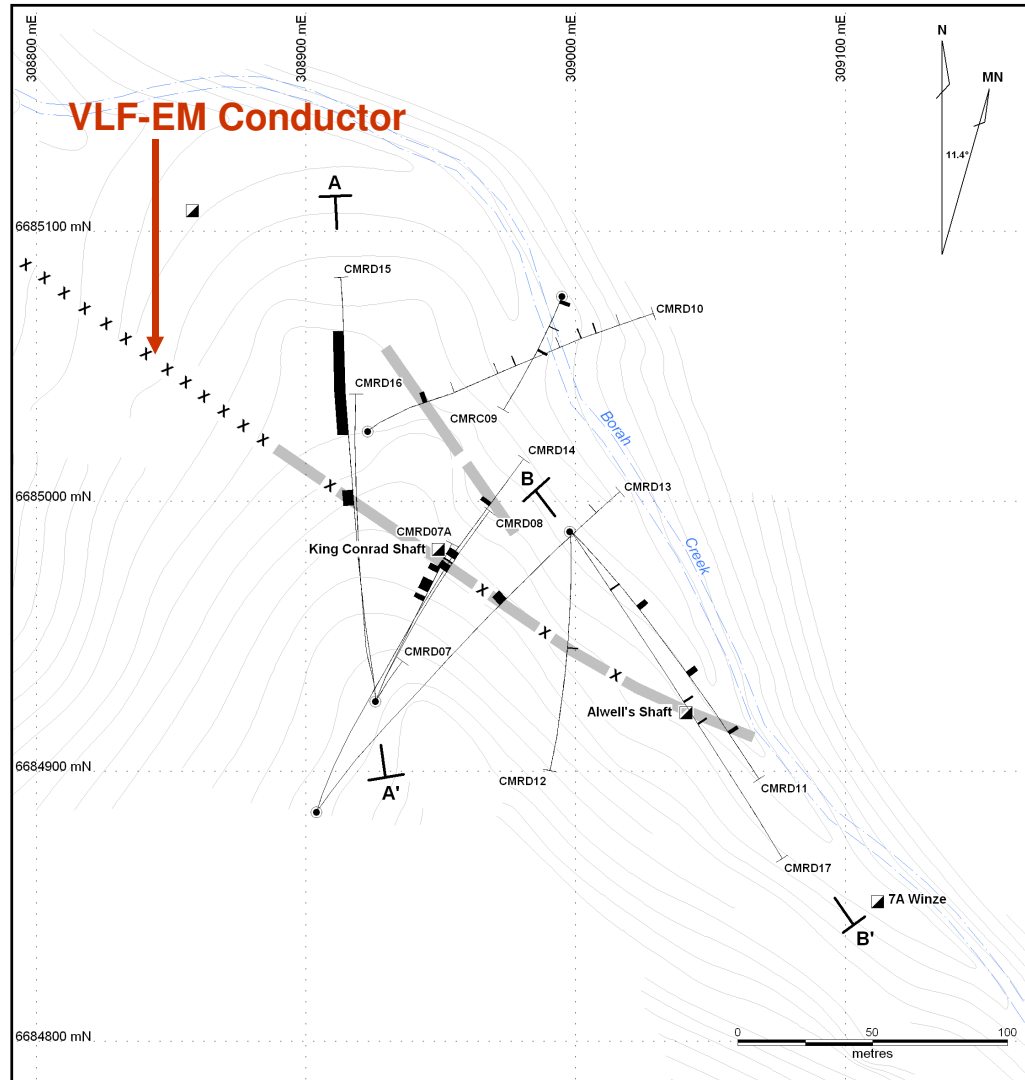


VLF-EM surveying is very effective in detecting lodes

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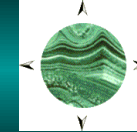
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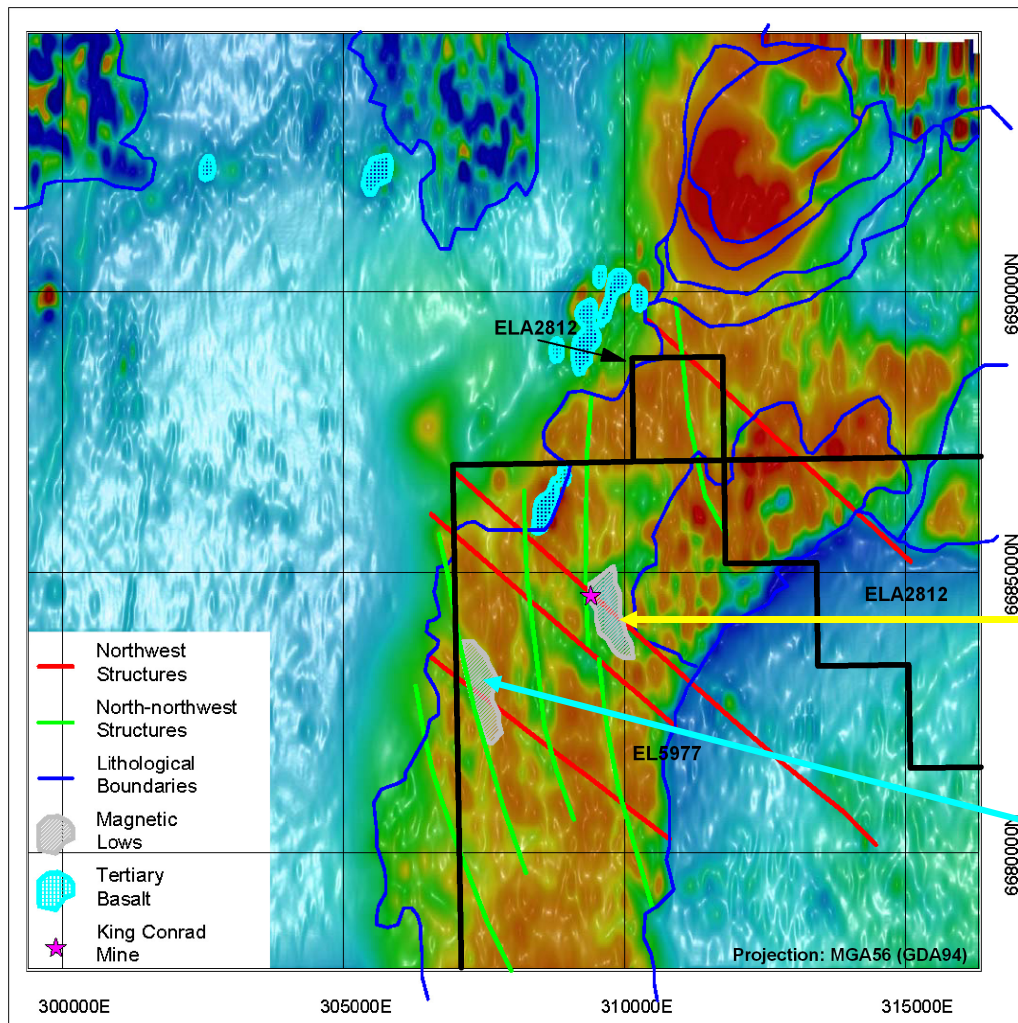
CONRAD PROJECT - KING CONRAD AREA
Drill Hole Location Plan Showing Lode Positions

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Conrad Silver Mine

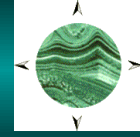
Regional potential



Interpreted
aeromagnetics,
showing NW structures
through and parallel to
Conrad and interpreted
repetition of the Conrad
setting

Conrad and King
Conrad mines

The Steve Collins
ore body!



Malachite: The Conrad Silver Mine

FUTURE PLANS:

- Aiming to resume drilling before the end of 2006
- Resource drilling to continue through 2007
- Targeting 30M oz silver resource by end of 2007
- Plus another 30M oz of silver equivalent in base metals/indium
- 60Moz Ag = 1 Moz Au

Thereafter:

- Joint venture with mining company for development,

Or

- Spin off as new float

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

