

CONRAD SILVER MINE

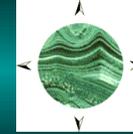
A new dawn for an old mine



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:

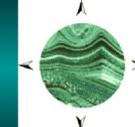
Tooloom – a major gold project where Newmont is farming in, includes the large, grass roots **Phoenix** discovery

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

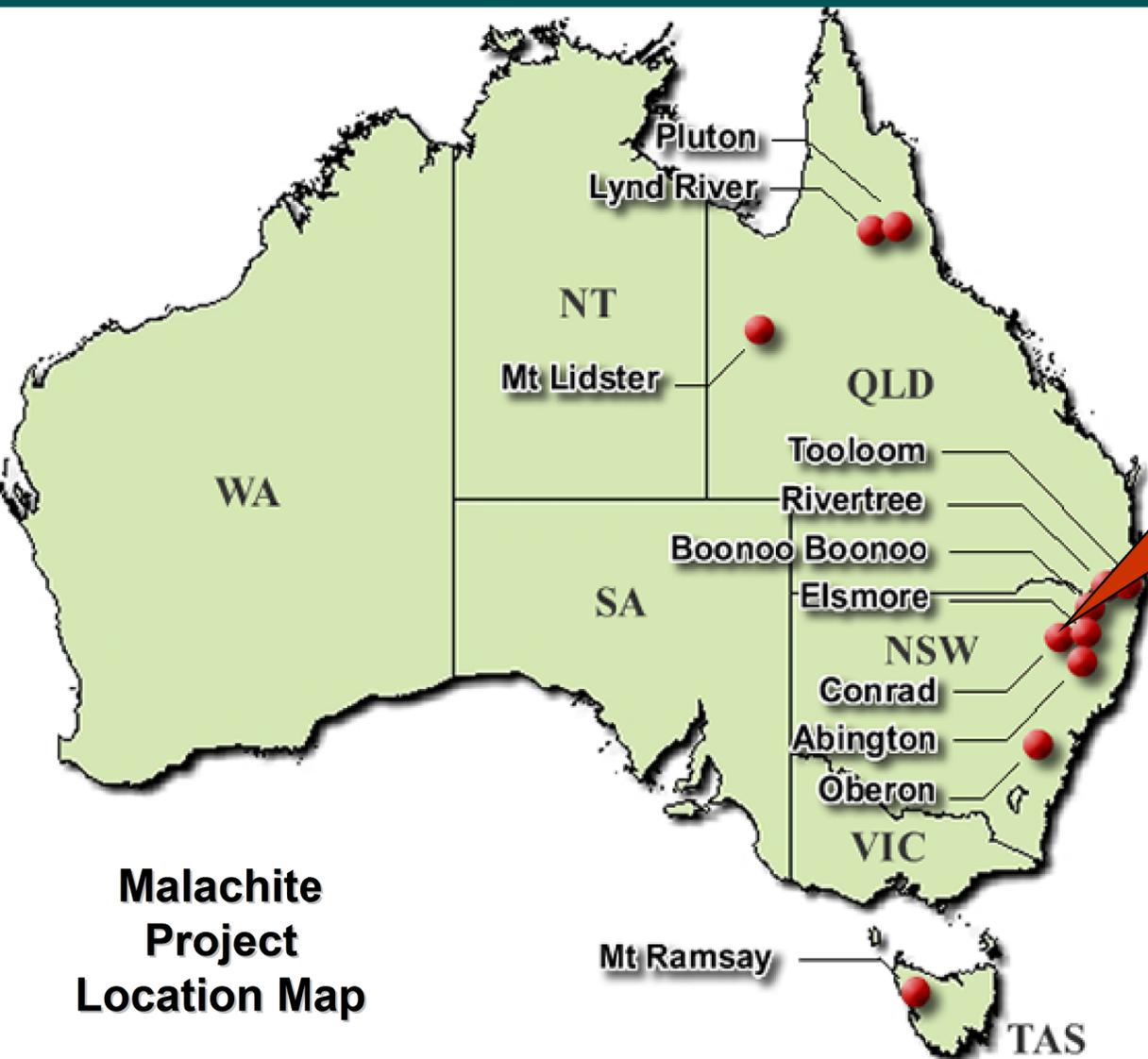
Mt Lidster – high grade copper in the Eastern Succession at Mt Isa:
6m @ 4.19% Cu and 4m @ 5.29% Cu

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

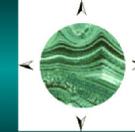


**Malachite
Project
Location Map**

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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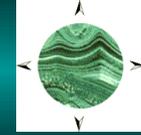


The Conrad Silver Mine

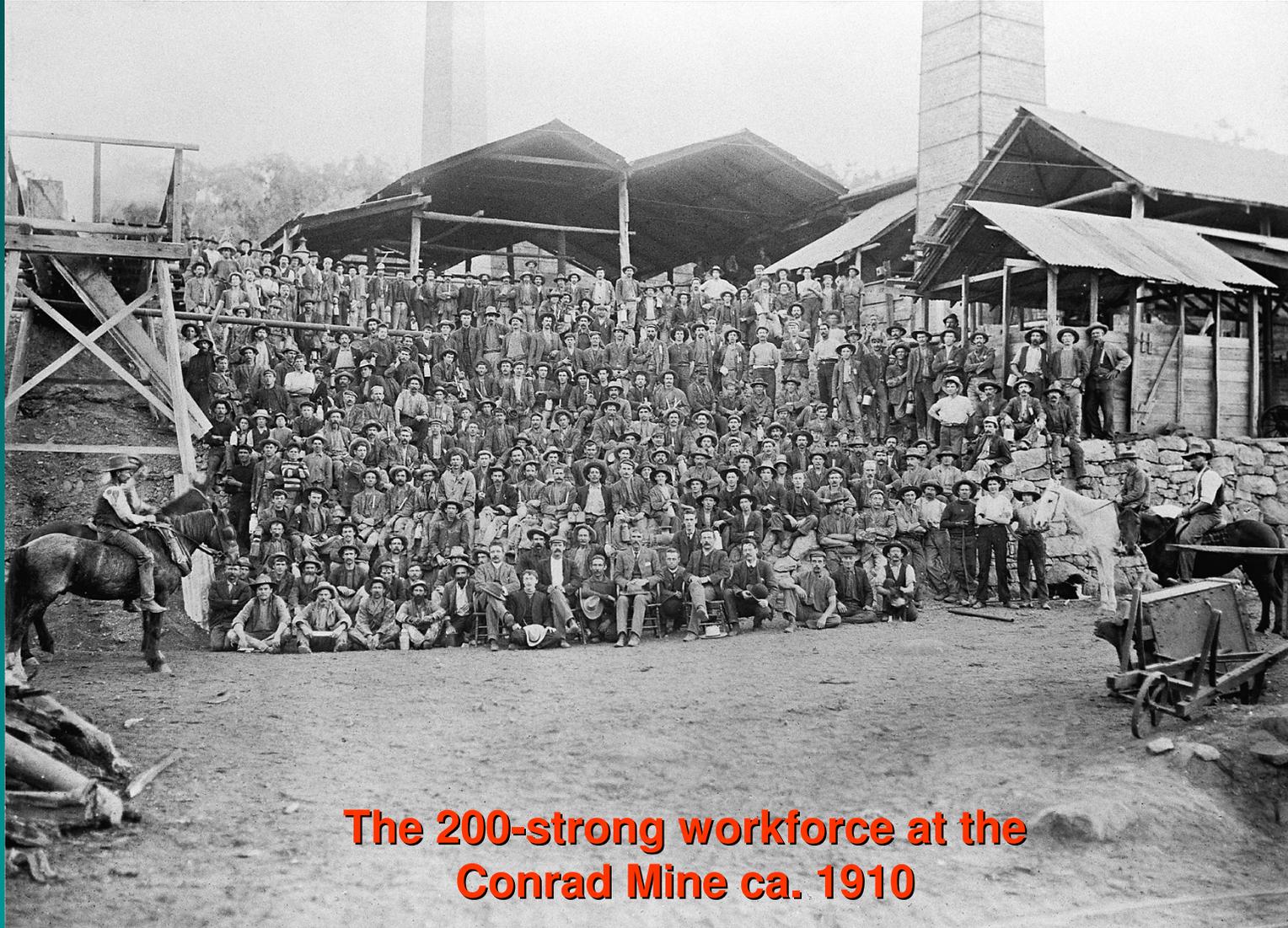


- Largest historic producer of silver in New England
- Over 3.5Moz silver produced
- Narrow high grade lode with by-product copper, lead, zinc and tin
- Historic grade:
600 g/t Ag, 1.5% Cu, 8% Pb, 4% Zn and 1.5% Sn
- Two main mines with four main shafts along 1.5km of lode
- 1. **Conrad mine** with Conrad, 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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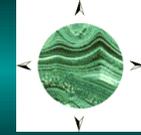


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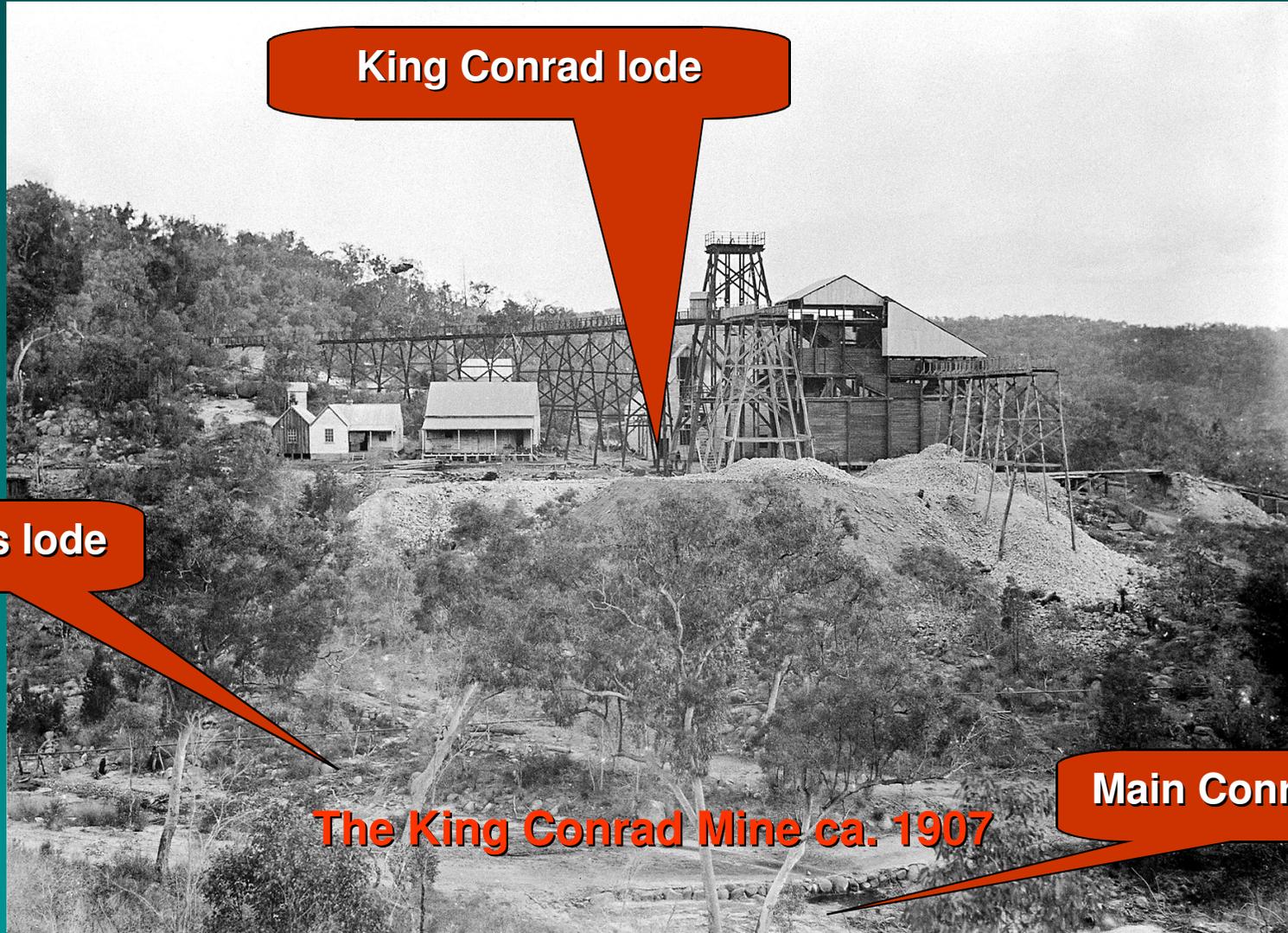


**The 200-strong workforce at the
Conrad Mine ca. 1910**

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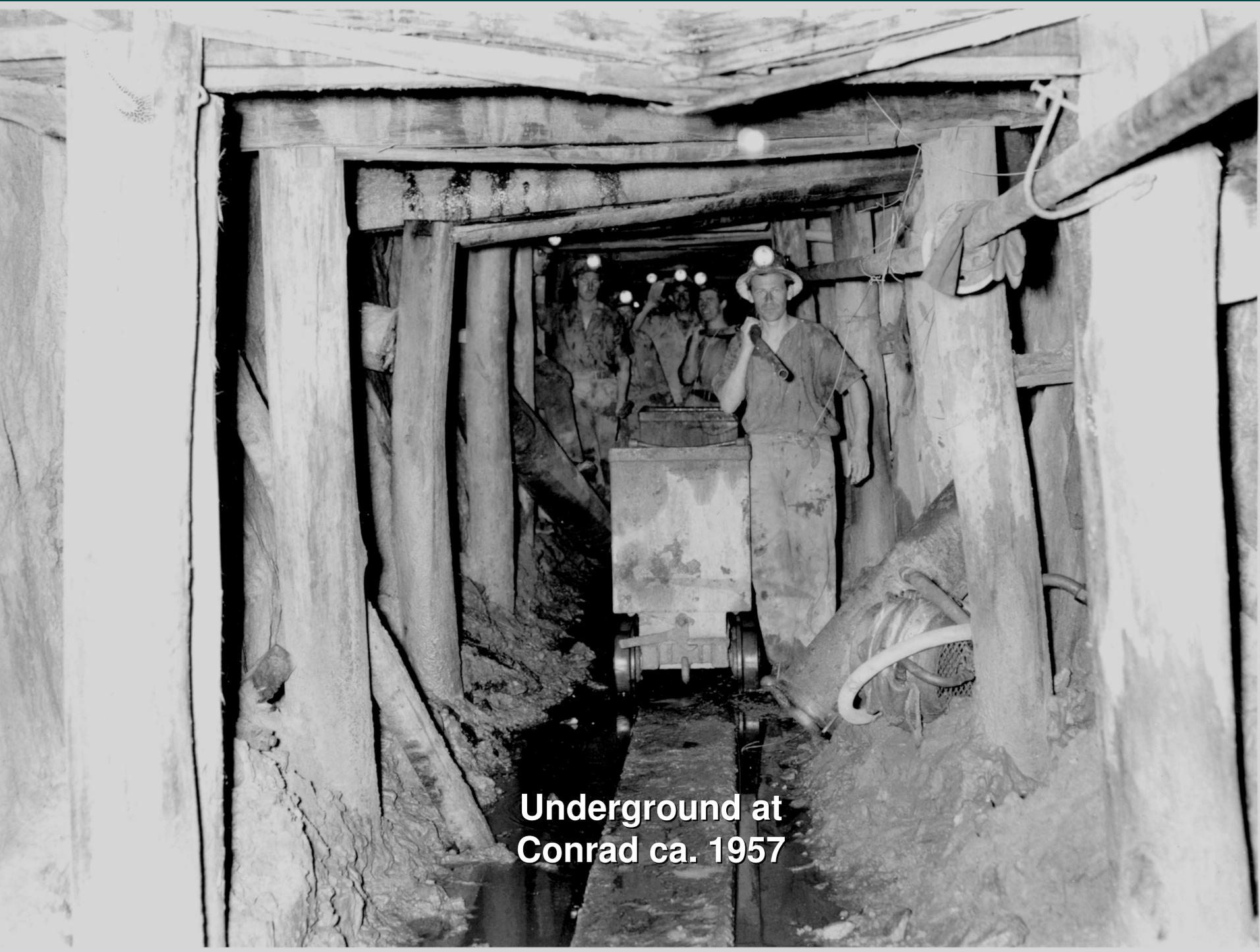


The King Conrad Silver Mine

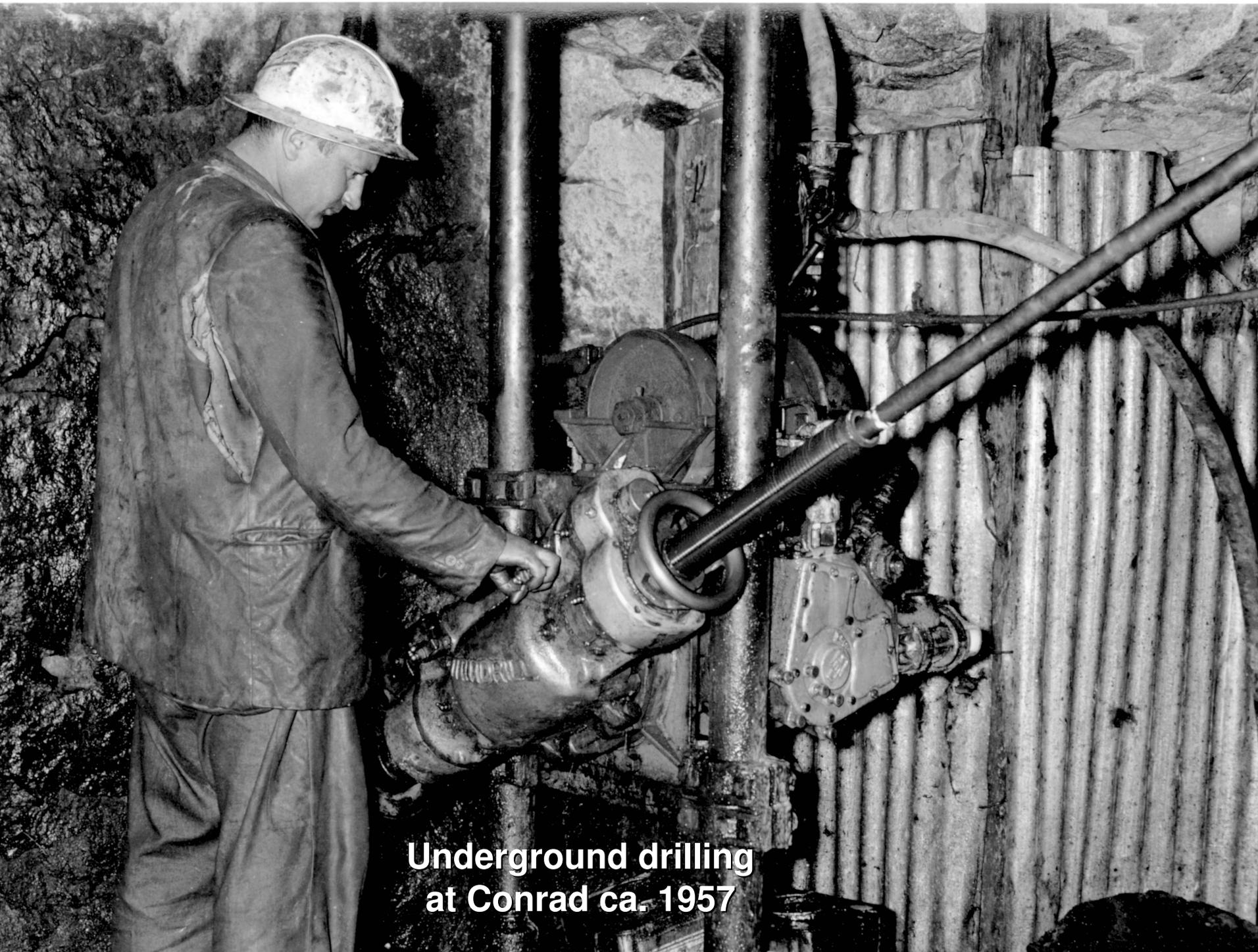


The Conrad mine ca. 1957



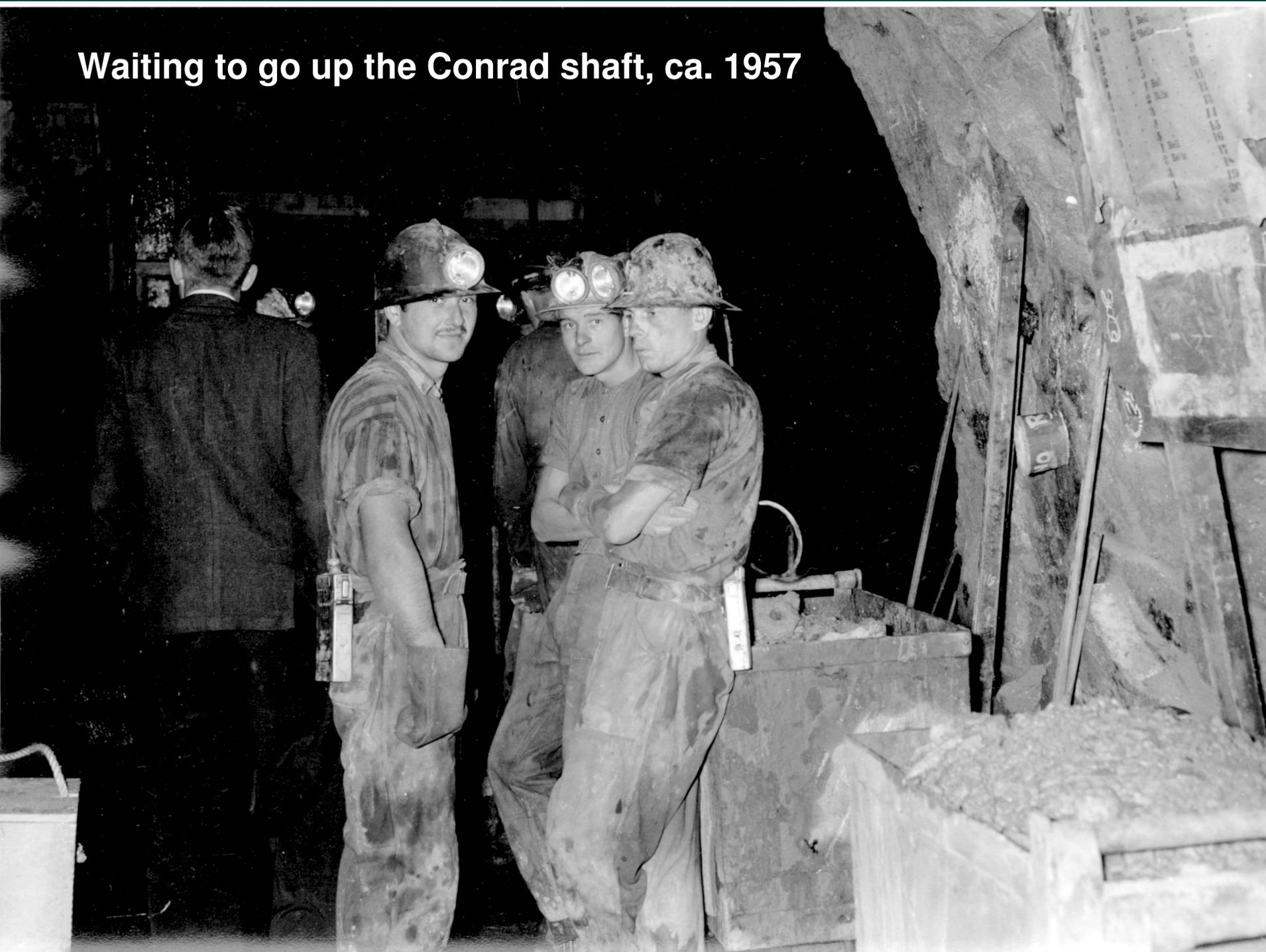


**Underground at
Conrad ca. 1957**

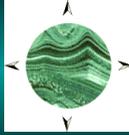


**Underground drilling
at Conrad ca. 1957**

Waiting to go up the Conrad shaft, ca. 1957



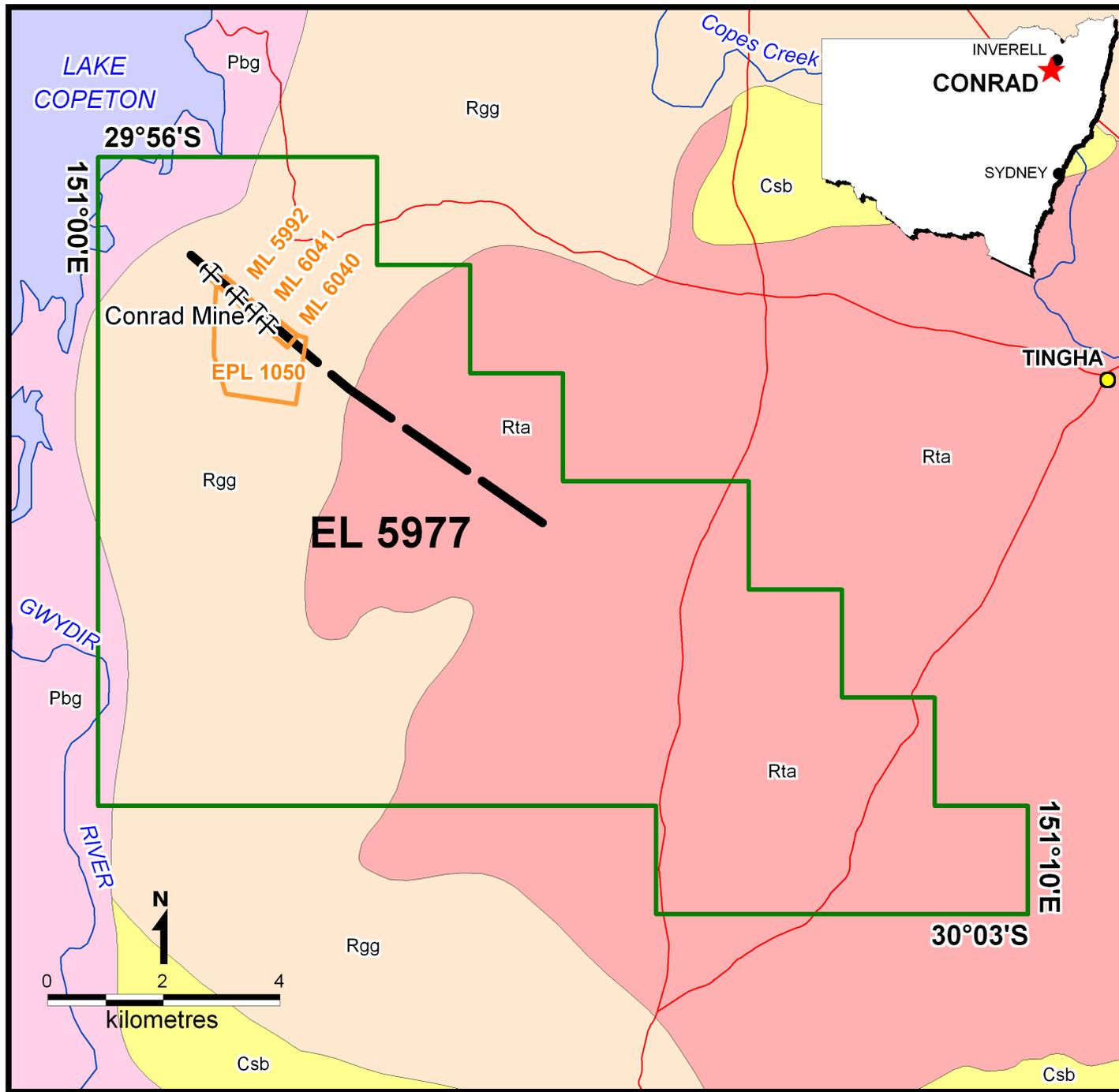
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Head frame from last production by Broken Hill South Ltd. in 1957

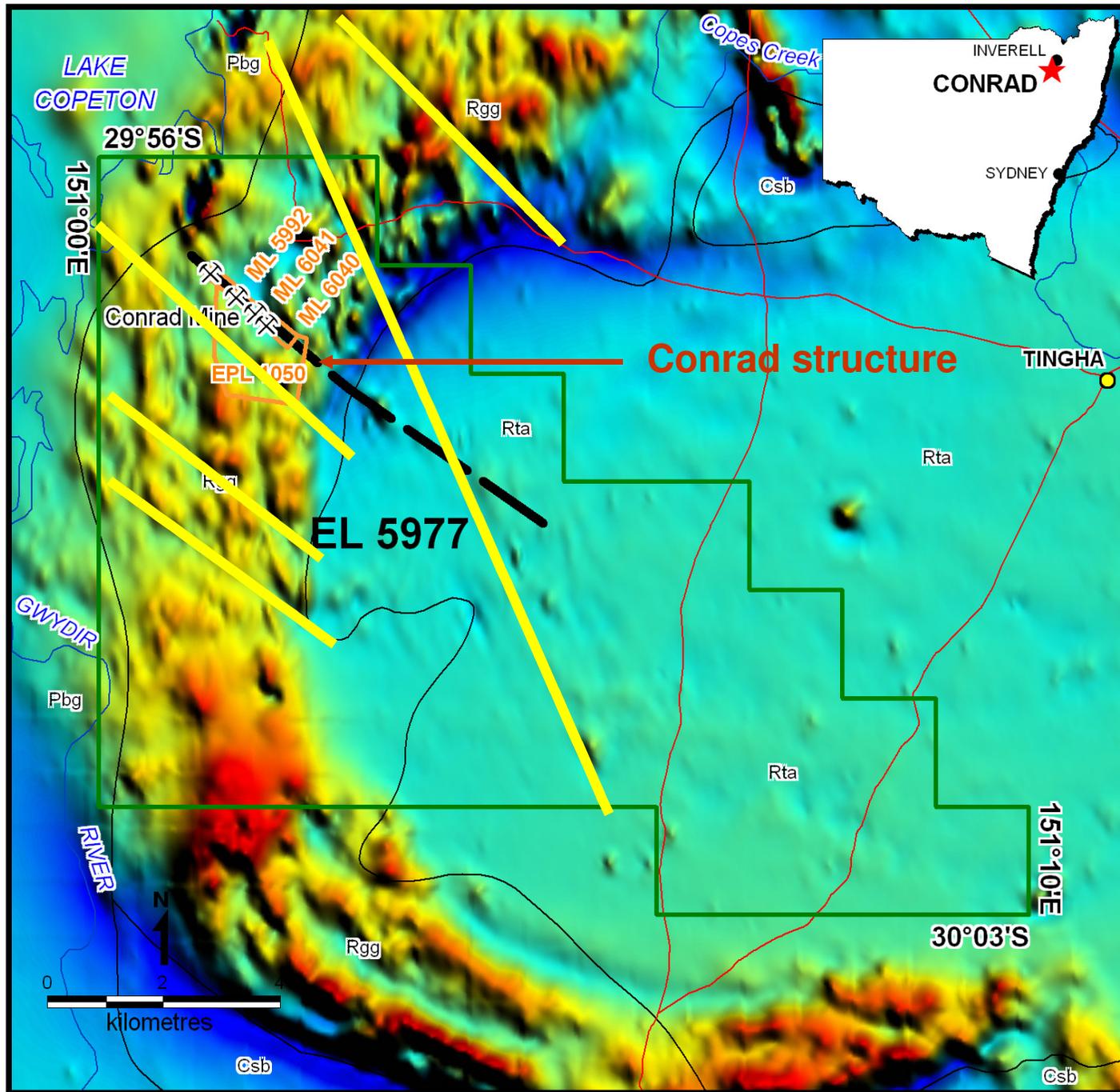
The Conrad Mine today





- 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



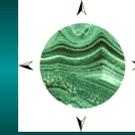
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CONRAD PROJECT
Aeromagnetic
Plan

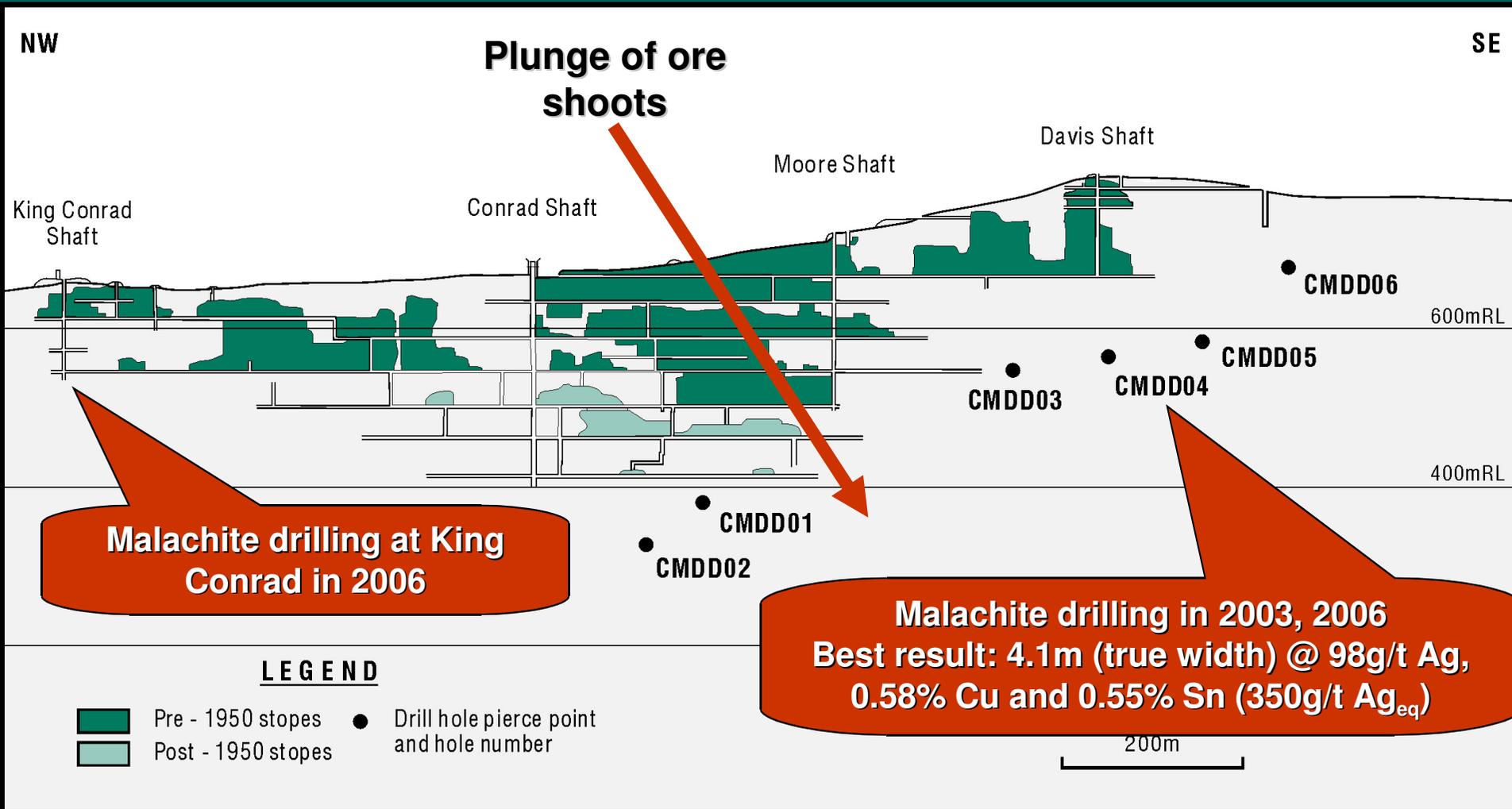


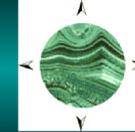
Conrad lode in outcrop in Borah Creek

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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

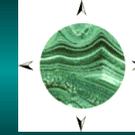


Drilling at Conrad, June 2006

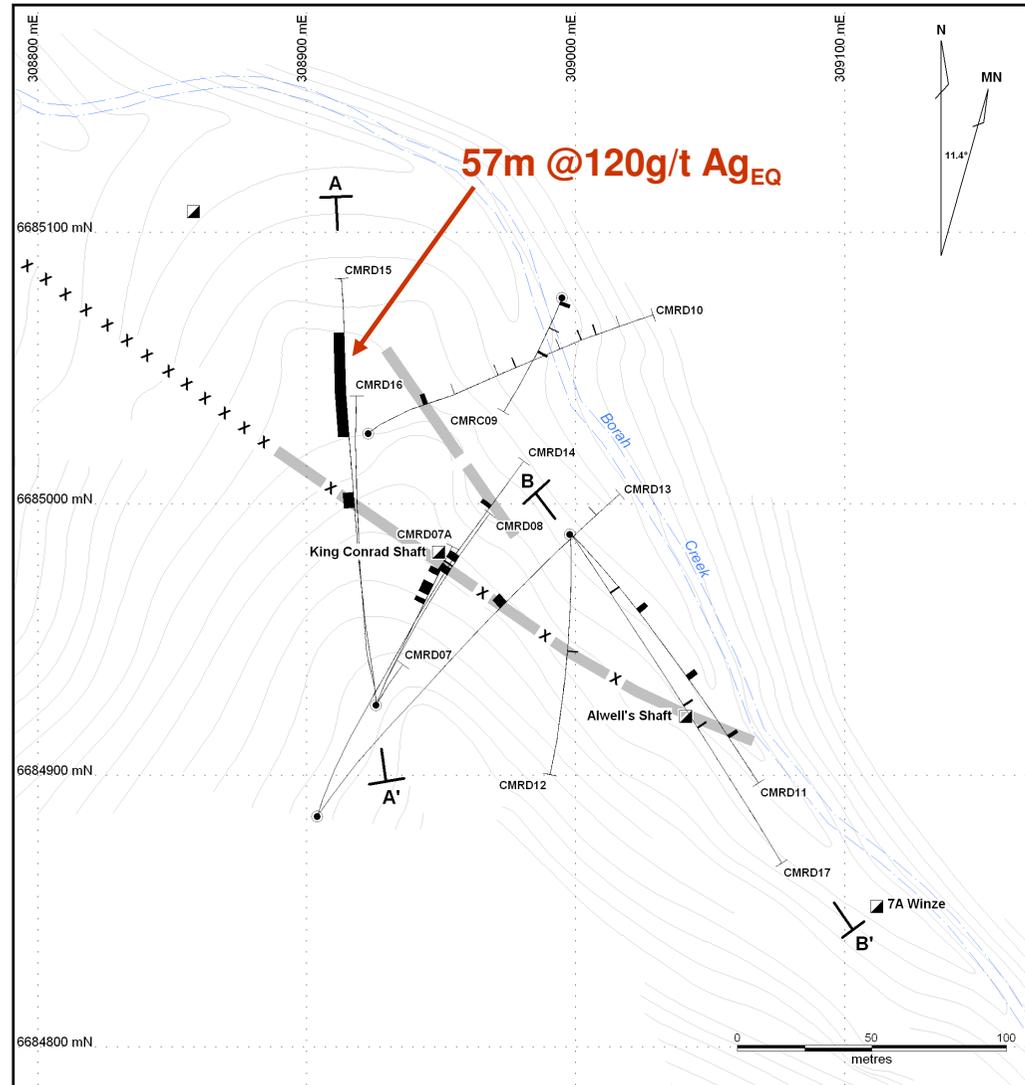


Drilling at King Conrad, June 2006

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King Conrad Mine – Recent Drilling



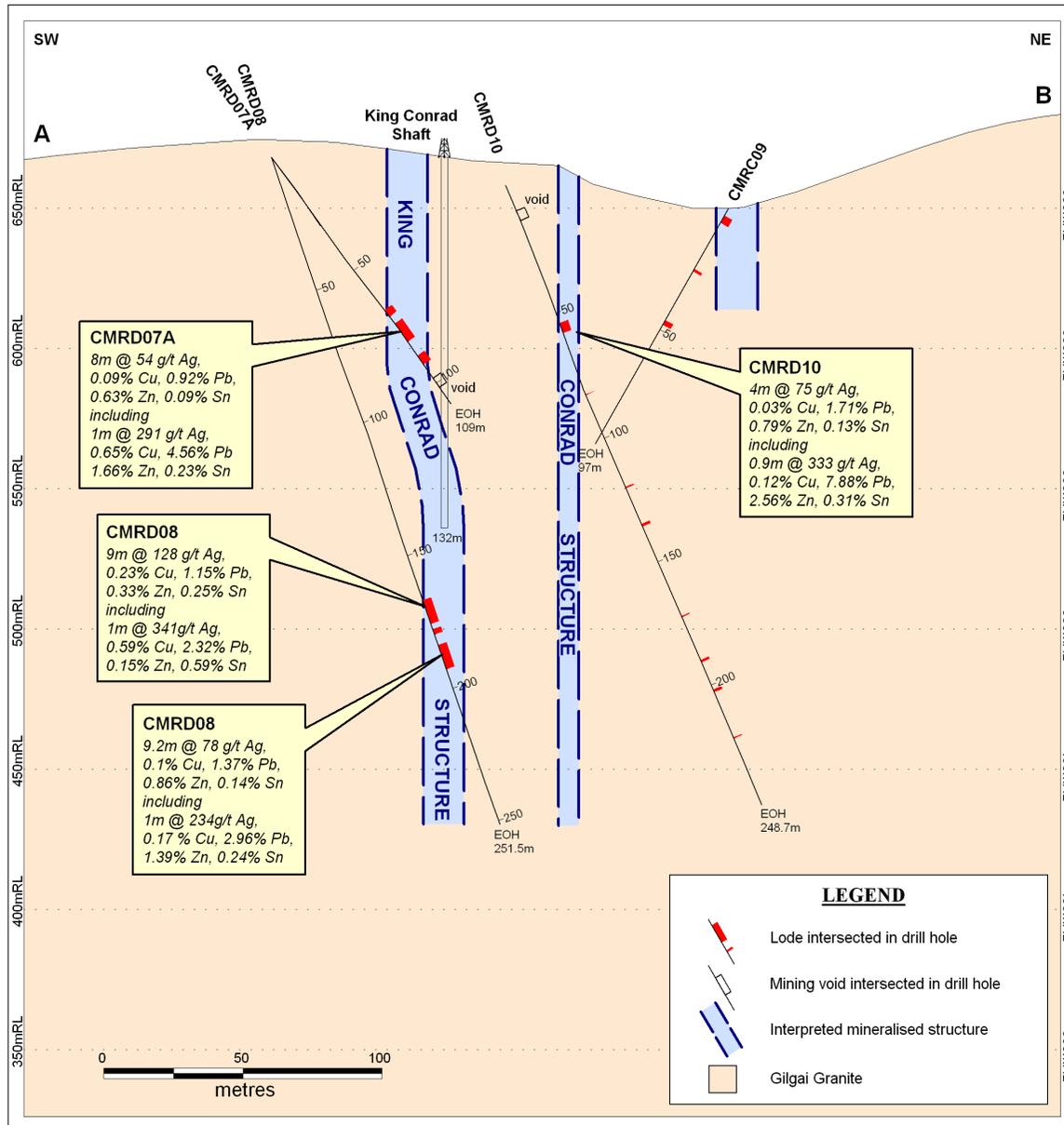
- LEGEND**
- Shaft, winze
 - CMRD08 Drill hole showing projected hole trace and main mineralised intercepts
 - Interpreted King Conrad lode position from drill hole intersections
 - X X Position of VLF-EM conductor
 - Creek
 - Topographic contour
 - A—A' Section line (see Figure 3)

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

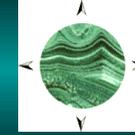
KING CONRAD MINE DRILLING

Cross-section through King Conrad and Conrad lode systems.

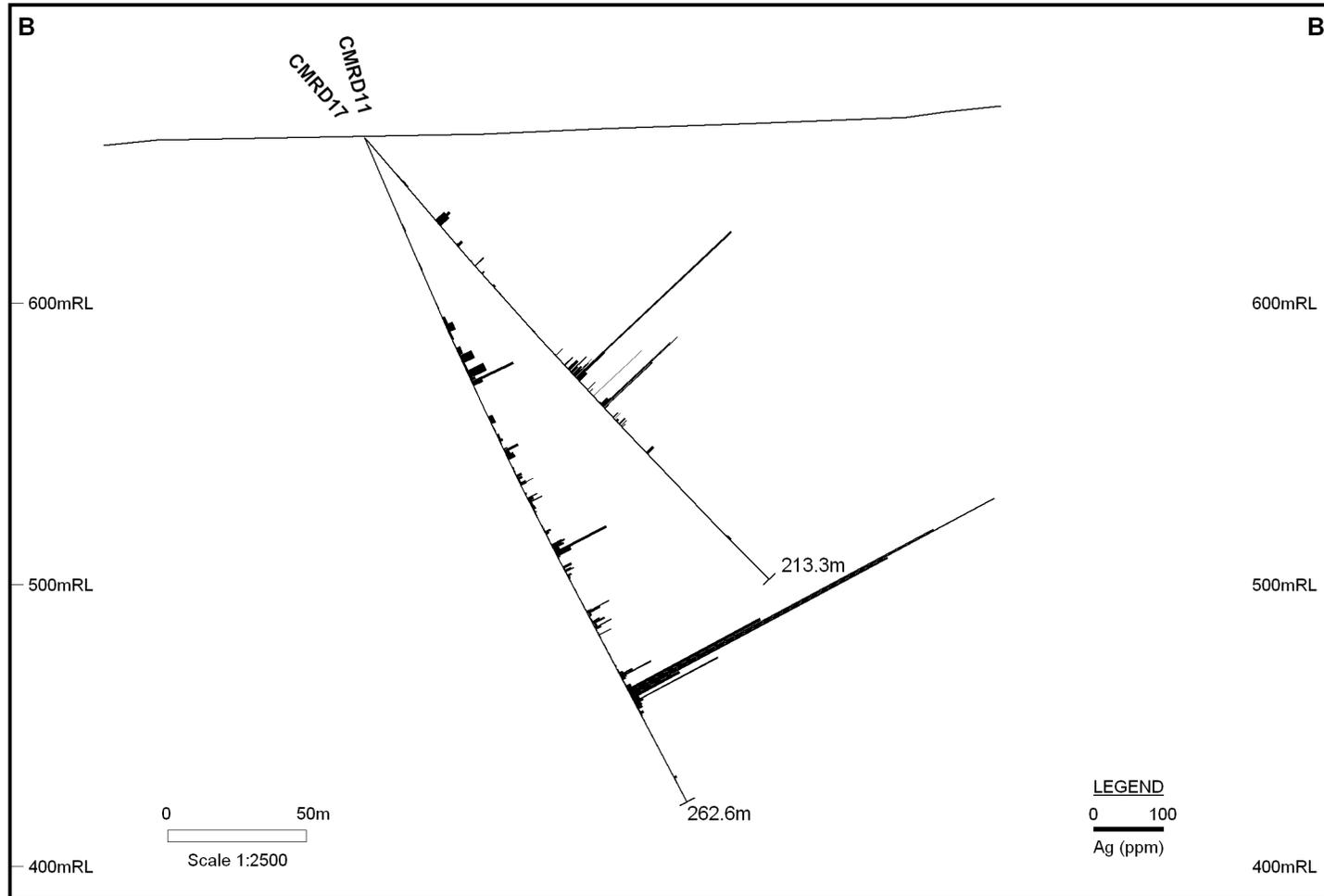
Note multiple mineralised intercepts in King Conrad case.



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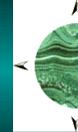


King Conrad Mine – Recent Drilling

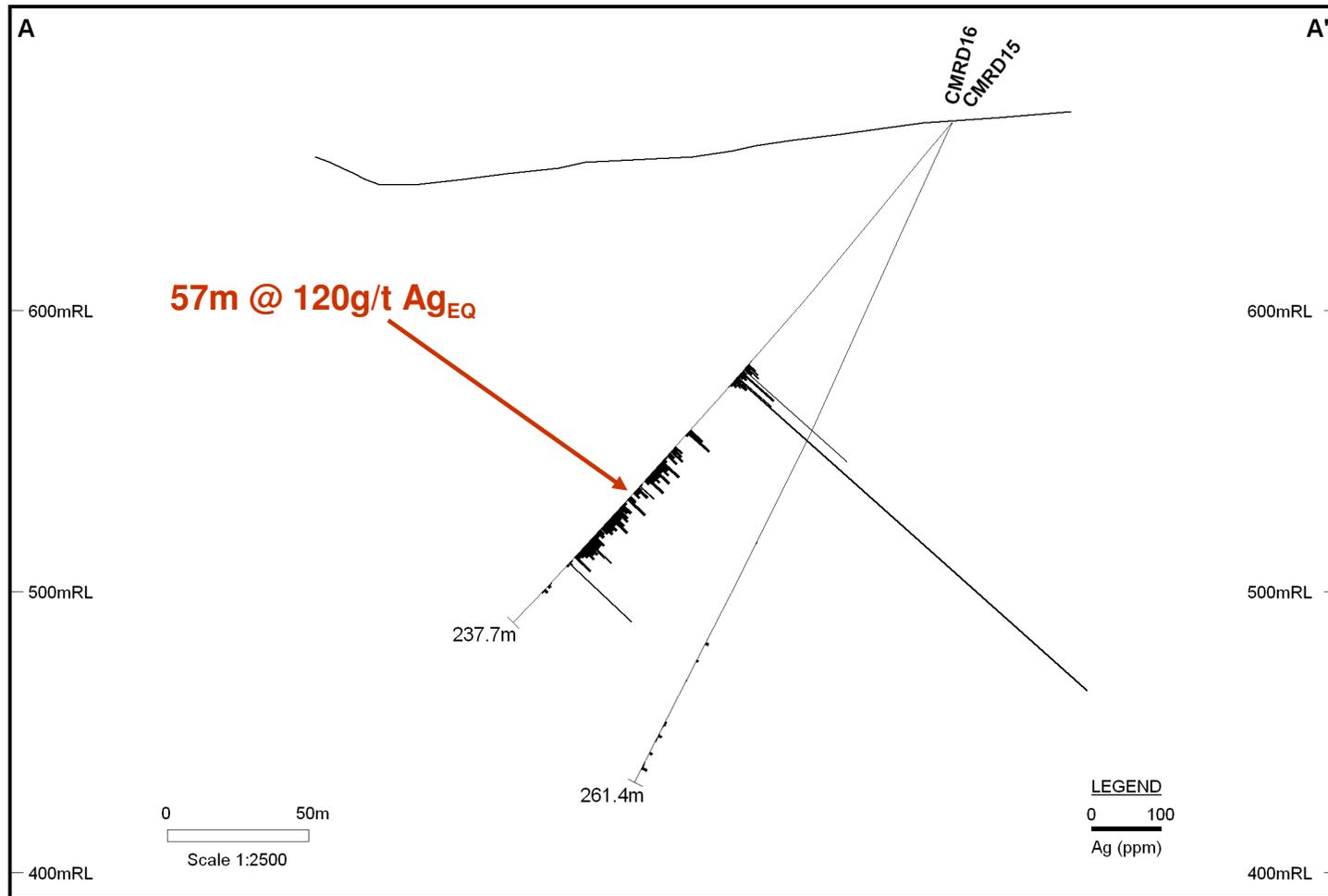


Silver histograms for King Conrad lode intersections

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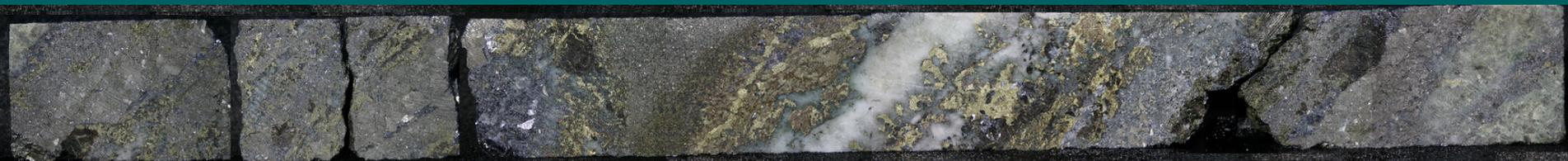
King Conrad Mine – Recent Drilling



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

LODE INTERSECTIONS AT KING CONRAD

CMRD13



CMRD15



588203

588204

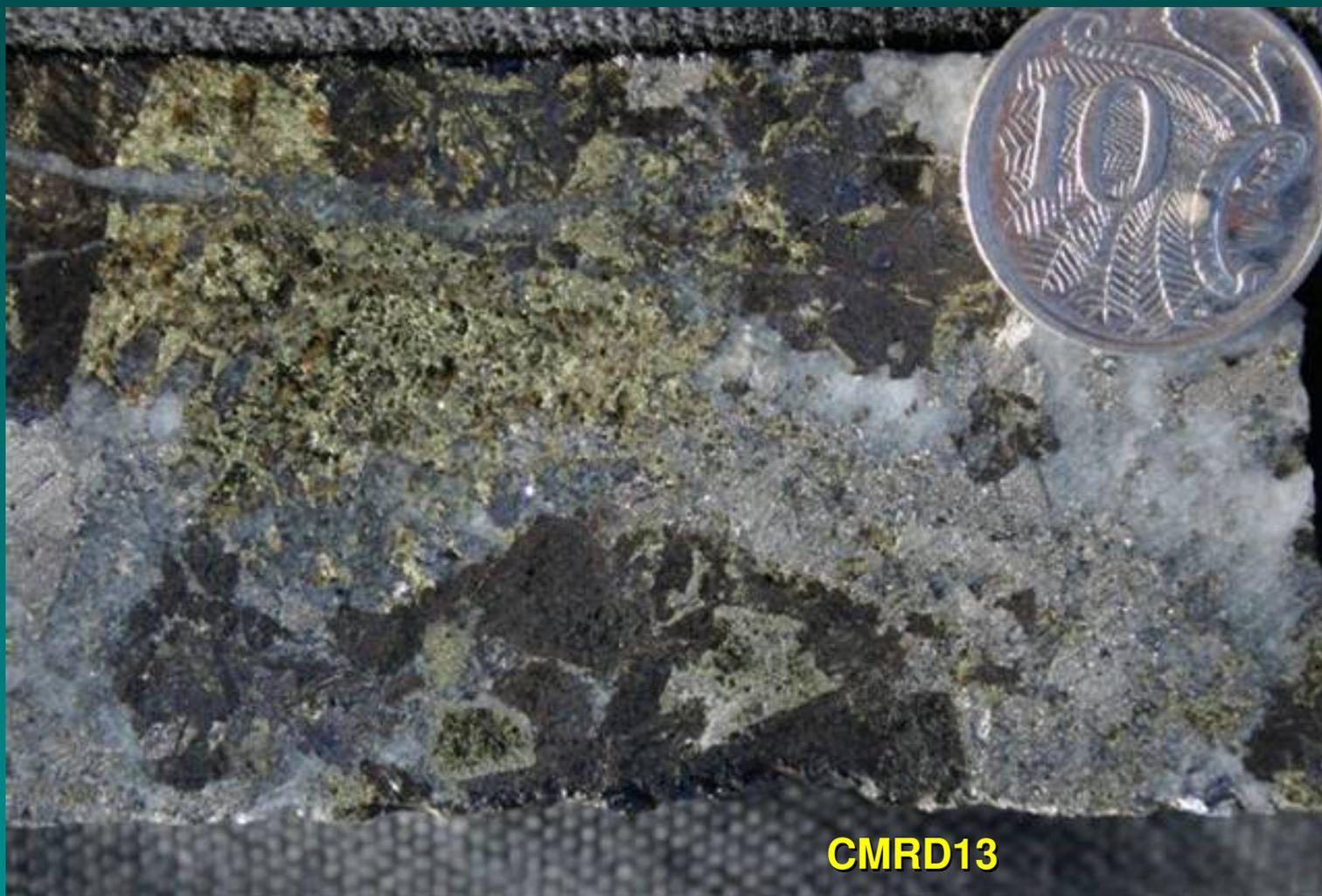
588205

588206

588208

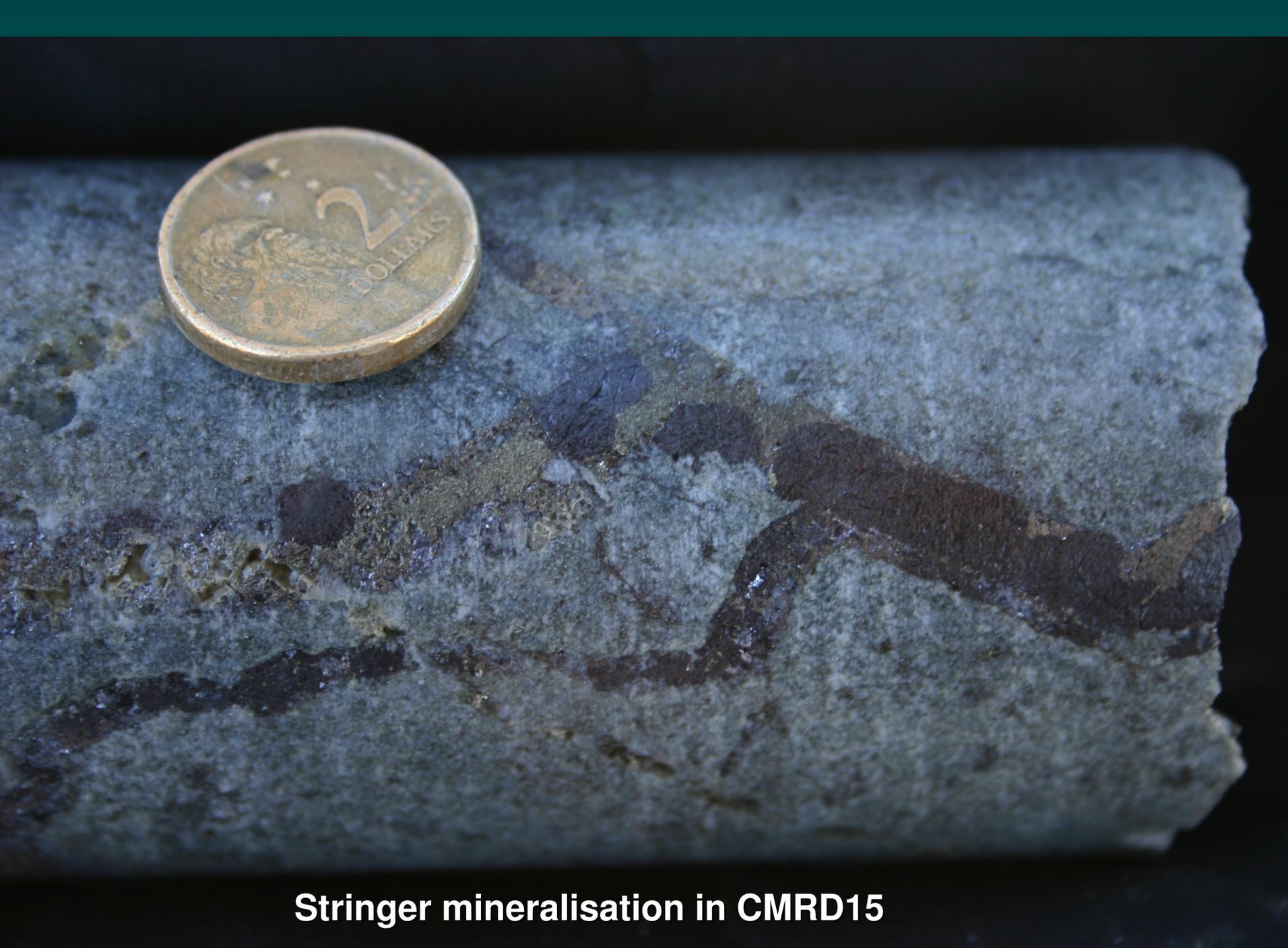
Alwell's lode





CMRD13

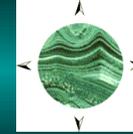




Stringer mineralisation in CMRD15



**Stringer mineralisation in
CMRD15**



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}**

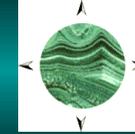
CMRD13:

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

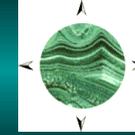
<u>LodeName</u>	<u>Width of Lode</u>	<u>Ag g/t</u>	<u>Cu%</u>	<u>Pb%</u>	<u>Zn%</u>	<u>Sn%</u>	<u>Ag_{eq} g/t</u>
Alwell's	32cm	2740	6.2	26	N/R	6.1	5900
	and 80cm	750	trace	17	3.2	N/R	1490
North	40cm	530	0.4	12	2.7	0.4	1245
North East	30cm	750	0.5	10	N/R	1.1	1370
Main	73cm	545	0.4	14	N/R	0.3	1090

Note: N/R indicates not reported.

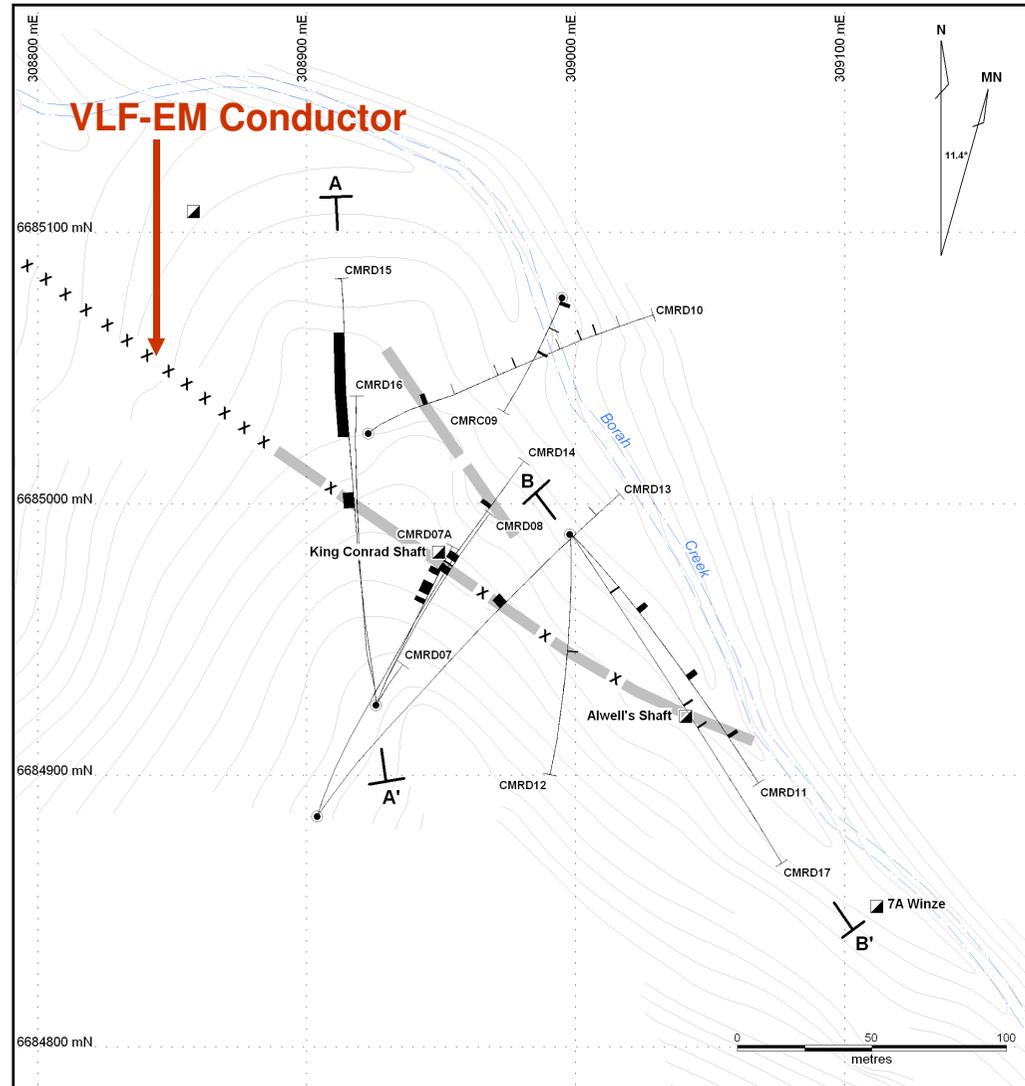


VLF-EM surveying is very effective in detecting lodes

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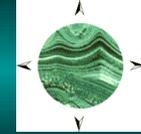
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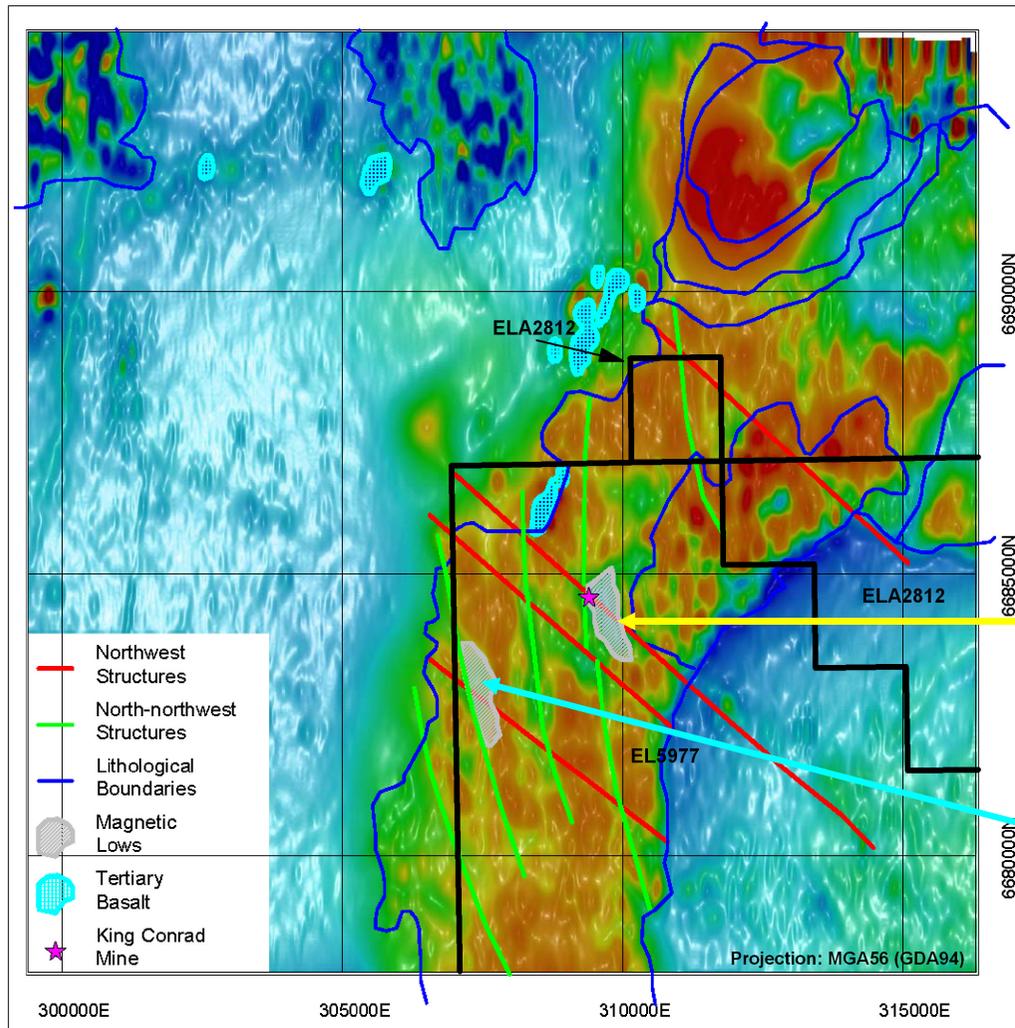
CONRAD PROJECT - KING CONRAD AREA
Drill Hole Location Plan Showing Lode Positions

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Conrad Silver Mine

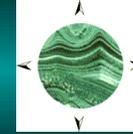
Regional potential



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 ...”

