

Malachite Resources Limited

ABN 86 075 613 268

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7 August 2009

Dear Shareholder

INVITATION TO PARTICIPATE IN THE MAR SHARE PURCHASE PLAN

THIS LETTER IS IMPORTANT: PLEASE READ IT IN ITS ENTIRETY

I am pleased to advise that your Board of Directors has once again decided to invite shareholders to participate in the Company's Share Purchase Plan ("the Plan"). The Plan entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of MAR shares at \$0.055 per share (subject to conditions). This represents a discount of approximately 18% to the weighted average market price of Malachite shares for the 5 days on which the shares were traded up to 6 August 2009. The substantial discount is intended to make the Plan attractive to a broad range of our shareholders, particularly our smaller holders.

You should note that the market price of the Shares may rise or fall between the date of this offer and the date when the shares are allotted. This means that the price you pay per share under this offer may exceed the market price of MAR Shares at the time the shares are allotted to you. Accordingly, you should seek your own financial advice in relation to this offer and your participation under the Plan.

This letter and enclosed Terms and Application Form set out the terms and conditions of the offer under the Plan. By accepting the offer to purchase shares under the Plan, you will have agreed to be bound by those terms and conditions. The last offer made under a similar Share Purchase Plan was made in February 2009.

The maximum allowable subscription under a Share Purchase Plan has recently been increased to \$15,000, pursuant to Australian Securities & Investments Commission ("ASIC") Class Order 09/425. All shareholders with a registered address in Australia, New Zealand or Singapore as at 5.00pm on 5 August 2009 are eligible to participate in the Plan, but those who participated in the Plan earlier this year must ensure that the total of their subscription to this Plan and the amount they subscribed in February, 2009 does not exceed \$15,000 (in accordance with the conditions set out in the enclosed Terms). This is because no shareholder may contribute more than \$15,000 (previously \$5,000, under ASIC Class Order 02/831) under a company's Share Purchase Plan in any 12 month period.

WHY ARE WE OFFERING A NEW SHARE PURCHASE PLAN AT THIS TIME?

All shareholders will be aware of the global financial crisis that has dominated the headlines for much of the past year and of its impact on business and investment, particularly investment in the resources industry. At Malachite we have focussed our efforts during this difficult period on conserving cash and maintaining our tenements in good standing by carrying out constructive but low cost exploration and evaluation work that has significantly enhanced the long term value of our projects.

Those activities have highlighted several opportunities to increase the value of our portfolio substantially for a relatively modest amount of new expenditure. The purpose of this capital raising is specifically to fund those opportunities, as described in more detail below. This will allow the Company to resume its growth path and position itself to benefit from the recovery in commodity prices that has taken place in recent months.

It is worth remembering that it is only the aberrant peaks of 2007-2008 that make today's metal prices look anything but attractive in historic terms.

- Five years ago the copper price was below \$US3,000/t; today it is around \$US6,000/t.
- Five years ago the tin price was around \$US9,000/t; today it is around \$US15,000/t.
- Five years ago silver was around \$US6.50/oz; today it is around \$US14.50/oz.
- Five years ago gold was at \$US400/oz; today it is at \$US960/oz.

In historic terms then, today's prices are very appealing. In order to take advantage of the current upswing in the resources sector we need to get back to our core business of drilling new ore targets and generating results that will capture the market's attention.

WHAT WILL THE NEW FUNDS BE USED FOR?

It is proposed to apply the new funds from this Share Purchase Plan to:

- i) Conduct a limited drilling program at our Tooloom Gold Project;
- ii) Undertake reconnaissance drilling at our Standon tin discovery at Delungra;
- iii) Advance our plans for mining tin at Elsmore; and
- iv) Continue the process of finding a joint venture partner for Conrad.

TOOLOOM – The Company planned to drill at Tooloom last year but postponed that work when the global financial crisis appeared in September. We have four drill-ready targets at Tooloom, including deep drilling at Phoenix and first pass reconnaissance drilling at the Back Creek, Pine Gully and Joes Gully prospects. We now propose to defer the most expensive part of the previously planned Tooloom drilling program, namely the deep drilling at Phoenix, but we would very much like to carry out reconnaissance drilling at the other three prospects, for the reasons noted below.

At **Back Creek** we would be testing for the first time an attractive quartz vein stockwork system that has coarse, visible gold in outcrop, a true rarity in Australia these days. Three diamond core holes are planned.

At **Pine Gully** the target is a Gympie-style vein that yielded excellent gold values when sampled by Malachite in old underground workings. Three holes are planned to intersect the Pine Gully shear beneath the old workings.

The **Joes Gully** drilling aims to uncover the hard rock source of the coarse free gold, with numerous nuggets up to 2 or 3cm in size, that have been produced in alluvial mining just downstream from the target area. The Joes Gully nuggets are clearly very locally derived and consist of intergrown coarse free gold and vein quartz, implying a sheeted or stockwork veined source rock, like that which crops out upstream of the former alluvial mining at Joes Gully and is the initial target for drilling.

We have a very good chance of intersecting some attractive gold mineralisation at Tooloom that could bring significant market recognition in the context of the current buoyancy in the gold sector.



We are planning a \$400,000 drilling program to test the gold targets at Back Creek, Pine Gully and Joes Gully.

DELUNGRA – Our exploration at Delungra is still at a fairly early stage but we have been encouraged by the results so far at the Standon tin prospect, where we have defined a large tin-in-soil geochemical anomaly that includes values up to 0.43% Sn in soil. The anomaly appears to be underlain by granitic rocks containing quartz-tourmaline-cassiterite veins and tin-bearing greisen. While such tin-rich soil may one day be an excellent candidate for the type of dry processing envisaged for Elsmore, our main interest in Standon at this time is to drill test beneath the soil anomaly.

This anomaly is at least 450m x 250m in area, which represents about 30 million tonnes of rock to a depth of 100m below surface. That could make Standon a major hard rock tin project if the tin-bearing vein intensity and/or greisen development within that body of rock are sufficient for it to represent a bulk mining target. As a guide, an average grade of 0.3-4% Sn may well be economic for a hard rock tin deposit of that size.

We plan to drill several lines of short reconnaissance holes across the anomaly at Standon, utilising a reverse circulation percussion rig if available, as a preliminary test of the target.

➡ **We have budgeted \$200,000 to carry out an initial drilling program at Standon.**

ELSMORE – As recently announced, we have been strongly encouraged by the results of innovative metallurgical test work conducted on a bulk sample of alluvial material extracted from the Karaula Lead alluvial deposit at Newstead, within the Elsmore exploration licence (EL6196). The work applied new technology, being developed by a research team at the University of Aachen in Germany, which aims to separate heavy minerals from their lighter host materials in an air medium, rather than in water, as is the conventional method. If this technology can be demonstrated to work at a commercial scale then Malachite would:

- Avoid the very real issue of obtaining sufficient water for full scale wet processing;
- Minimise the problem of disposing of the fine waste that creates the so-called slimes residue;
- Thereby reducing capital and operating costs by eliminating large water storage dams and settling ponds;
- Accelerate the permitting and approvals process because of the much lower environmental impact of dry processing;
- Produce a dry, dust-free (and slime-free) pre-concentrate on site and upgrade that to a commercial product by small scale wet processing, probably at Jadree, next to Conrad.

The Company plans to bring the German dry separator to Australia and run pilot scale testing on site with bulk samples of the Karaula Lead. At the same time, we will continue to evaluate additional alluvial tin occurrences that we have recognised on our large tenement package in the Elsmore area, as well as some very interesting hard rock tin prospects that have been identified recently.

➡ **We expect this work to require about \$300,000 in new funding.**

CONRAD – Conrad is, and will for some time continue to be, our flagship project. We have partly defined a silver-rich, polymetallic resource at Conrad, with 19.2 million ounces, or about 600 tonnes, of contained silver equivalent announced so far. Much of the existing drilling at Conrad is widely spaced, sufficient to outline a “global” resource, but not sufficient to delineate, for resource estimation purposes, all of the known high grade shoots, let alone others yet to be identified. Only one of the known high grade zones, near the King Conrad Shaft, is drilled closely enough to allow estimation of a high grade resource. That zone contains 6 million ounces of silver equivalent and remains open at depth. We believe that there is a great deal more ore potential at Conrad, including a lot more high grade material to be defined as drill spacing is closed up. Probably less than 15% of the ultimate resource potential at Conrad has so far been tested by drilling.

The main objective of last year’s drilling was to broadly delineate the resource immediately below and along strike from the principal old workings at Conrad. That objective was achieved and it was possible also to delineate a high grade resource in the vicinity of the King Conrad shaft, where drill spacing is reasonably close. Other high grade intersections further to the southeast and particularly the high grade silver-copper-tin intersections to the southeast of Davis shaft are very promising but have not been brought into a high grade resource estimate due to the as yet widely spaced drilling. These high grade shoots are likely to be the key to economic development of

Conrad, as they are in many other lode deposits. Accordingly, in-fill drilling around the high grade intersections near Davis shaft is a high priority for the next phase of drilling at Conrad.

The Malachite Board has determined that the most appropriate way forward at Conrad is to bring in a joint venture partner at the project level to fund the future program. We have been actively seeking a suitable partner over the past few months, both within Australia and overseas. We have also recently turned our attention to China, where we think we have a very good chance of finding a partner on terms favourable to Malachite. We have appointed a Chinese Australian business agent with excellent credentials to make specially prepared presentations on our behalf to possible partners in China and the response so far has been very positive.

➔ **We have allocated an amount of \$100,000 in additional working capital to fund the Conrad joint venture process.**

SUMMARY OF PROPOSED EXPLORATION AND EVALUATION PROGRAM AND BUDGET FOR MALACHITE OVER THE NEXT SIX MONTHS

PROJECT	BUDGET (\$)	OBJECTIVES	POSSIBLE OUTCOMES
Tooloom	400,000	Drill test Back Creek, Pine Gully and Joes Gully gold prospects.	Intersection of wide zones of bulk tonnage style gold mineralisation at Back Creek and Joes Gully, and shear-hosted, high grade gold mineralisation at Pine Gully. Good results may lead to future work being funded by way of joint venture, on terms favourable to Malachite.
Delungra	200,000	Reconnaissance drilling at the Standon tin prospect.	Intersection of wide zones of bulk tonnage style hard rock tin mineralisation. Follow up work to be funded by Malachite at least until a resource is defined.
Elsmore	300,000	Pilot scale test of dry gravity processing; identification of additional alluvial and possible hard rock resources.	Recommendation to proceed with a feasibility study for mining of alluvial tin in the Karaula Lead and elsewhere in the district.
Conrad	100,000	Finding a strong partner who can sole fund future work at Conrad up to completion of a bankable feasibility study.	The formation of a joint venture that will provide Malachite with significant financial leverage.
TOTAL	1,000,000		

APPLICATION OF FUNDS

The funds raised through this Share Purchase Plan will be applied to exploration and evaluation of the Tooloom, Delungra and Elsmore Projects, as described above and summarised in the table above. If a sum less than \$1,000,000 is raised by this Share Purchase Plan it is planned to continue with all of the above activities but at a scaled back level, commensurate with available funding. Priority will be given to the drilling proposed for Tooloom and Delungra, as that is where the most significant new results might be expected. If more than \$1,000,000 is raised, the amount above that figure will be retained as working capital for follow up activities later in 2010.

HOW TO PARTICIPATE

If you would like to participate in the Plan, please read the attached Terms and return your completed Application Form, together with your cheque representing the purchase price for the number of shares applied for. Your Form must be received **on or before 5.00 pm on the Closing Date of Friday, 28 August 2009**. Alternatively, payment can be made by **BPay** (in which case you do not need to return the form) by following the instructions on the enclosed application form. If you pay by **BPay** payment must be received by the Company **by 5.00 pm on Friday, 28 August 2009**.

Eligible shareholders may apply for any number of shares up to a **maximum** of 272,727 shares, at a cost of \$15,000, unless they participated in the February, 2009 Share Purchase Plan. In that case the maximum that can be subscribed at this time must be reduced by the amount subscribed at that time.

No stamp duty or brokerage will apply to shares purchased under the Plan on application. If the exact amount of money for the shares applied for is not tendered with the Application Form, MAR reserves the right to disregard your application and not to allot any shares. The Company may conduct a Share Purchase Plan in the future, but is not obliged to do so.

The Company reserves the right to issue fewer Shares than an Eligible Member applied for under the Plan (or none at all) if it believes that the allotment of those Shares would contravene any law or rules of the Australian Stock Exchange, on which the Shares are listed.

Before deciding whether to accept the offer, please consider the price at which the Company's shares have been trading on the stock exchange and read the enclosed Terms carefully, including Clause 3.2.

The Company will apply for quotation of the shares to be issued under the Plan on the Australian Stock Exchange on or within 3 business days of the Closing Date. The shares subscribed for will be allotted within 7 business days of the Closing Date. Shareholders will be issued with a holding statement or confirmation shortly after the allotment of the shares.

It is a tribute to the commitment of the whole Malachite team that they have not allowed the constraints imposed on them by the recent financial crisis to prevent them from continuing to add value to our projects. We have a strong and much valued team at Malachite; keeping that team together, motivated and productive is a high priority. The fact that we have managed to do so means we have an effective team to take the Company forward now that an economic recovery seems to be emerging.

Please act now if you wish to take advantage of this offer and see our web site www.malachite.com.au for further information.

Yours faithfully



Garry G Lowder
Chairman

**PARTICIPATION IN THE PLAN IS ENTIRELY OPTIONAL.
HOWEVER, SHAREHOLDERS ARE ENCOURAGED TO SUPPORT THEIR COMPANY AND
RENEW ITS GROWTH MOMENTUM, AS THE WORLD
EMERGES FROM THE GLOBAL FINANCIAL CRISIS AND RECESSION, BY SUBSCRIBING
FOR NEW SHARES UNDER THIS SHARE PURCHASE PLAN.**

TERMS OF THE MAR SHARE PURCHASE PLAN

1. DEFINITIONS

In this Plan, unless the context otherwise indicates:

ASX means ASX Limited.

Board means the Board of Directors of the Company.

Closing Date means Friday 28 August 2009 or such later date as may be determined by the Board.

Company/MAR means Malachite Resources Limited ABN 86 075 613 268.

Eligible Members means members of the Company eligible to participate in the Offer as determined under Clause 2.

Offer means a non-renounceable offer of ordinary fully paid shares in the Company to Eligible Members under the Plan.

Plan means the MAR Share Purchase Plan approved by the Board from time to time.

Purchase Price means 5.5 cents (\$0.055) per share.

Record Date means 5 August 2009.

Shares means fully paid ordinary shares in the Company.

2. ELIGIBILITY TO PARTICIPATE

2.1 Those members of the Company who will be eligible to apply for Shares under the Offer (“**the Eligible Members**”) are those who:

- Are recorded in the Company’s register of members at 5.00pm on the Record Date; and
- Have an address (as recorded in the Company’s register of members) in Australia, New Zealand or Singapore.

Single Holders – If you are the only registered holder of a holding of fully paid ordinary Company shares, but you receive more than one offer under the Plan, you may only apply for up to a maximum amount of \$15,000 of new Shares.

Joint Holders – If you are a joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purposes of the Plan, and you are entitled to participate in the Plan in respect of that single holding only. If you are a joint holder and you receive more than one Offer under the Plan, you may only apply for up to a maximum amount of \$15,000 of new Shares.

Custodians – Eligible Members who hold shares as a custodian or nominee (“**Custodian**”) on behalf of one or more other persons (“**Beneficiaries**”) may apply for up to a maximum amount of \$15,000 new Shares for each Beneficiary, subject to the following:

The Custodian must:

- (i) hold an Australian financial services licence that covers the provision of a custodial or depository service; or
- (ii) includes a condition requiring the holder to comply with ASIC Class Order 02/294, or is exempt under paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001*, or under ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184, from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service.

2.2 An Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

2.3 The Offer has been made based on ASIC Class Order 09/425. In accordance with the relief Eligible Members may only acquire up to a maximum of fifteen thousand dollars (\$15,000) worth of Shares in any consecutive twelve (12) month period. This maximum amount applies even if an Eligible Member receives more than one Offer or receives the Offer as a joint holder of Shares. If an Offer is received by a member who is expressly noted on the Company’s register of members as a Custodian on account of a Beneficiary, then any Shares issued in relation to that Offer will not be included in calculating the maximum number of Shares that may be applied for by that member, but will be included in calculating the maximum number of Shares that can be applied for by the Beneficiary.

2.4 Offers made under the Plan are not renounceable. This means that members cannot transfer their right to purchase Shares under this Offer to another person.

3 PURCHASE PRICE

3.1 Purchase Price is 5.5 cents (\$0.055) per Share, which represents an approximate discount of 18% to the weighted average market price of Malachite shares for the 5 days on which the shares were traded up to 6 August 2009. This was considered by the directors to be an appropriate discount devised to promote maximum participation by shareholders.

3.2 By accepting an Offer and applying for Shares under the Plan, each Eligible Member acknowledges that the Shares are a speculative investment and the price of the Shares quoted on ASX may change between the date of the Offer and the date of issue of the Shares and that the value of Shares received under the Plan may rise or fall accordingly. Accordingly you should seek your own financial advice in relation to this offer and your participation in the Plan.

4 TERMS OF ISSUE OF SHARES

- 4.1 The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Member or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, the application monies received will be refunded without interest.
- 4.2 Subject to clause 4.1, Shares to be issued under the Plan will be allotted within 7 business days of the Closing Date. Shareholders will be issued with a holding statement or confirmation shortly after the allotment of the shares.
- 4.3 Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of issue.
- 4.4 The Company will apply to ASX for quotation of the Shares issued under the Plan upon allotment.
- 4.5 Taking into account that the Company conducted a share purchase plan in February 2009, ASX Listing Rules 7.2 *Exception 15* and 10.12 *Exception 8* apply such that the total number of shares that may be issued under both this Plan and the February 2009 share purchase plan together must not be greater than 30% of the number of ordinary fully paid shares on issue at the record date of the February 2009 share purchase plan.
- 4.6 Subject to Clause 4.7, Eligible shareholders may choose any level of acceptance up to a maximum of 272,727 shares, at a cost of \$15,000.
- 4.7 Shareholders who participated in the February, 2009 MAR Share Purchase Plan must ensure that the total value of shares issued in February, 2009 and shares applied for under this Plan (whether by you or on your behalf) does not exceed \$15,000.

5. GENERAL

- 5.1 The Plan will be administered by the Board or a committee of the Board that will have absolute discretion to:
- (a) determine appropriate procedures for administration of the Plan consistent with these Terms;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms; and
 - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of their powers or discretions under the Plan or these Terms.
- 5.2 The Plan and these Terms may be suspended, terminated or amended at any time by the Board. In particular the Board may waive compliance with any provision of these terms and conditions, or vary these terms and conditions if required to comply with the ASX Listing Rules;
- 5.3 The Company reserves the right to issue fewer Shares than an Eligible Member applied for under the Plan (or none at all) if it believes that the allotment of those Shares would contravene any law or rules of the stock exchange on which the Shares are listed.
- 5.4 These Terms are governed by and construed in accordance with the laws for the time being in force in the State of New South Wales.
- 5.5 The Directors of the Company are eligible to participate in the Plan and to the extent that they do so, the Company will rely upon the exemption afforded by ASX Listing Rule 10.11 *Exception 8*.

6 DECLARATION AND ACKNOWLEDGEMENT

- 6.1 By forwarding and completing the application form, each member/Custodian;
- (a) acknowledges that they have read and understood the terms and conditions of the Plan and they agree to be bound by those terms and conditions and by the Constitution of the Company;
 - (b) acknowledges that MAR has reserved the right to scale back applications under the Plan and as such the aggregate number of shares which may be allotted to them under the Plan may be fewer shares than the number applied for under the Plan;
 - (c) certifies that (except where Shares are held as a Custodian on account of a Beneficiary which is expressly noted on the Company's register of members) the aggregate of the application price for
 - (i) the Shares or interests the subject of the application; and
 - (ii) any other Shares or interests in the class applied for by, or on your behalf, or on your behalf by a Custodian, the shareholder under the Plan or any similar plan operated by the Company in the 12 months prior to the application, does not exceed A\$15,000; and
 - (d) certifies that where Shares are held as Custodian on account of one or more other Beneficiaries who have instructed you to apply for shares under the Plan, the aggregate of the application price for:
 - (i) the Shares or interests the subject of the application; and
 - (ii) any other Shares or interests in the class applied for by, or on behalf of, the Beneficiary under the Plan or any similar plan operated by the Company in the 12 months prior to the application, does not exceed A\$15,000.

A Custodian should also provide the Company with a list and certify the number, name and address of each Beneficiary and the number of shares held on their behalf and dollar amount for which an application is made together with details of any other Shares or interests applied for by, or on behalf of, the Beneficiary under February 2009 share purchase plan.

Any Custodian forwarding and completing an application form also certifies that it holds an Australian financial services licence that covers the provision of a custodial or depository service, or includes a condition requiring the holder to comply with ASIC Class Order 02/294; or is exempt under paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001*, or under ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184, from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service.

MAR may settle in any manner it thinks fit, any dispute or anomalies which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any applicant or application for shares. The decision of MAR will be conclusive and binding on all persons to whom the determination relates. MAR reserves the right to waive compliance with any provision of the Plan terms and conditions, or to vary those terms and conditions if required to comply with the ASX Listing Rules.

7 TIMETABLE

Event	Date	Description
Record Date	Wednesday 5 August 2009 (5.00pm Sydney time)	Date for determining Eligible Members
SPP Offer Announced	Friday 7 August 2009	ASX Announcement (SPP Letter to Shareholders)
Cleansing Notice	13 August 2009	ASIC Class Order 09/425, paragraph 7(f)(ii)
SPP Offer Opens	13 August 2009	Date SPP Offer despatched to shareholders with Terms and Application Form
Closing Date	28 August 2009 (5:00 pm Sydney time)	Date SPP Offer closes
Issue/Allotment Date	4 September 2009	Dates shares under the SPP are issued/allotted
Quotation Date	7 September 2009	Date shares are expected to be traded on ASX. An Appendix 3B notice will be lodged with the ASX on or about 28 August 2009

The information in this document and the accompanying letter to Shareholders dated 7 August 2009 that relates to Exploration Results and drilling is based on information compiled by Dr Garry Lowder and Mr Russell Meares, who are full time employees of Malachite Resources Limited and are Fellows of the Australasian Institute of Mining and Metallurgy. Dr Lowder and Mr Meares have sufficient experience which is relevant to the style of mineralisation and type of deposits 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 document of the matters based on their information in the form and context in which it appears.



Malachite Resources Limited

ABN 86 075 613 268

Computershare

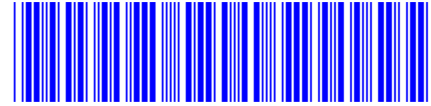
Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 1903 Adelaide
South Australia 5001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com

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SAM



MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

For your security keep your SRN/HIN confidential.
Entitlement Number:
Record Date: 05/08/09
Offer Closes: 5.00pm (Sydney time) 28/08/09
Price per Security: A\$0.055

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Malachite Resources Limited Share Purchase Plan (SPP) contained in the letter to Malachite Resources Limited securityholders dated 7 August 2009, Malachite Resources Limited is offering eligible securityholders the opportunity to purchase shares up to a maximum value of A\$15,000.00 per eligible securityholder.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Malachite Resources Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Malachite Resources Limited to subscribe for Malachite Resources Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed \$15,000.00.

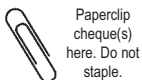
METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Malachite Resources Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Malachite Resources Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Malachite Resources Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Malachite Resources Limited does not notify you of that event.

026682 - V5

▼ PLEASE DETACH HERE ▼



Paperclip
cheque(s)
here. Do not
staple.

Malachite Resources Limited
ABN 86 075 613 268

Please see overleaf for Payment Options



Billers Code: 119966

Ref No: 1234 5678 9012 3456 78

I/We wish to purchase:

20,000 shares or A\$1,100 or 50,000 shares or A\$2,750 or 100,000 shares or A\$5,500 or 272,727 shares or A\$15,000 or _____ shares @ A\$0.055 = A\$ _____

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to Malachite Resources Ltd - SPP Account

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

1234567890123456+1234567890-1234+12

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means. By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Your cheque, bank draft or money order payable to Malachite Resources Ltd - SPP Account in Australian currency and cross it Not Negotiable. Your cheque or bankdraft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5.00pm (Sydney time) on 28 August 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Adelaide by no later than 5.00pm (Sydney time) on 28 August 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 556 161.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 556 161 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

026682 - V2

Payment Options:



Billers Code: 119966
Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Malachite Resources Limited
Computershare Investor
Services Pty Limited
GPO Box 1903
Adelaide, South Australia 5001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000