

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**MALACHITE RESOURCES LIMITED**

ABN

86 075 613 268

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Convertible Notes   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 5   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ul style="list-style-type: none"> <li>• Each Note has a face value of \$100,000;</li> <li>• The Notes will have a conversion price which is the lesser of \$0.05 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion provided that the Company is not obliged to issue securities if the issue as such would mean that the Company is in breach of listing rule 7.1 at any time;</li> <li>• Interest is payable on the notes at a rate of 12% per annum (payable quarterly in arrears on the last day of each quarter); the maturity date of the notes is 12 months from the date of the agreement. The holder is restricted from converting or redeeming the notes within the first 6 months of the agreement (unless there is an event of default or a takeover event);</li> <li>• Each time the holder subscribes for a Note, the Company will issue the holder with 250,000 fully paid ordinary shares. An additional 250,000 fully paid ordinary shares will be issued upon the holder converting the Notes into ordinary shares of the Company.</li> </ul> |

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

No

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

Issued in accordance with terms of Convertible Note Subscription Agreement dated 29 August 2011 upon issue of 5 x Convertible Note Certificates.

6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Issued in accordance with terms of Convertible Note Subscription Agreement dated 29 August 2011 principally to fund further exploration and evaluation of the Company's key projects, with first priority to be given to the Lorena Gold Project.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

1 September 2011

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	557,859,356	Shares

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	240,000	MARAM - ECOP Options granted to Employees & Contractors expiring 30 November 2011 exercisable at 30 cents
		2,500,000	MARAO - Options granted to Directors – approved AGM 23/11/06 expiring 30 November 2011 exercisable at 30 cents
		5,300,000	(MARAS - Options granted to (Directors – approved AGM (22/11/07 expiring 22 November 2012 exercisable at 43.1 cents
		1,160,000	(MARAS - Options granted to (Employees – 31/01/08 expiring (22 November 2012 exercisable (at 43.1 cents
		5,400,000	MARAY - Options granted to Directors – approved AGM 25/11/08 expiring 25 November 2013 exercisable at 20.0 cents
		1,350,000	MARAZ - Options granted to Employees - expiring 25 November 2013 exercisable at 20.0 cents
		7,500,000	MARAI - Options granted to Nanyang – approved AGM 23/11/09 expiring 29 October 2012 exercisable at 11.1 cents
		14	MARAU - Class B Options granted to vendors of Lorena Gold Project expiring 30 November 2012 exercisable at 11.1 cents.
		8,765,000	MARAW - Options expiring 28 February 2013 exercisable at 10.0 cents.
		2,000,000	Options granted to CEO expiring 21 April 2013 exercisable at 10.0 cents.
	10	Convertible Notes: Each note has a face value of \$100,000 convertible at the lesser of \$0.05 or a 20% discount to the 30 day VWAP & interest rate of 12%.	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same	

## Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?
  
- 12 Is the issue renounceable or non-renounceable?
  
- 13 Ratio in which the +securities will be offered
  
- 14 +Class of +securities to which the offer relates
  
- 15 +Record date to determine entitlements
  
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
  
- 17 Policy for deciding entitlements in relation to fractions
  
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
  
- 19 Closing date for receipt of acceptances or renunciations
  
- 20 Names of any underwriters
  
- 21 Amount of any underwriting fee or commission
  
- 22 Names of any brokers to the issue
  
- 23 Fee or commission payable to the broker to the issue
  
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
  
- 25 If the issue is contingent on +security holders' approval, the date of the meeting

- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

##### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000

- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 02/09/11

(Company secretary)

Print name: **Andrew J. Cooke**

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