



**Malachite Resources Limited**  
**Appendix 5B**  
**31 December 2011**

	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.13 Total operating and investing cash flows (brought forward)</b>	(799)	(1,564)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares	2,750	2,750
1.15 Proceeds from sale of forfeited shares		
1.16 Proceeds from borrowings	-	1,050
1.17 Repayment of borrowings	(7)	(14)
1.18 Dividends paid		
1.19 Other (provide details if material)- Capital Raising Costs	(408)	(436)
-Subscriptions in Advance	(328)	-
<b>Net financing cash flows</b>	<b>2,007</b>	<b>3,350</b>
<b>Net increase (decrease) in cash held</b>		
1.20 Cash at beginning of quarter/year to date	742	164
1.21 Exchange rate adjustments to item 1.20		
<b>1.22 Cash at end of quarter</b>	<b>1,950</b>	<b>1,950</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

1.23 Aggregate amount of payments to the parties included in item 1.2	134
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries, Directors fees and consultancy fees at normal commercial rates.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

\$A'000
Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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**Financing facilities available**

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities  
 Convertible Notes - Maturity Dates 5 August and 5 September 2012
- 3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	1,000
-	-

Estimated cash outflows for next quarter *	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	
4.4 Administration	250
<b>Total</b>	<b>600</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,950	742
Deposits at call	-	-
Bank overdraft	-	-
Other - 30 day bank bills	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,950</b>	<b>742</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
<b>7.1 Preference +securities (description)</b>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
<b>7.3 Ordinary securities</b>	699,426,696	699,426,696		
7.4 Changes during quarter				
(a) Increases through issues-				
Rights Issue	140,317,340	140,317,340		
Share Purchase Plan				
Share Placement				
Exercise of Options				
Repayment Convertible note				
Consideration for Convertible Notes				
Gold Project				
(b) Decreases through returns of capital, buy-backs, redemptions				

Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
		\$	\$
7.5 Convertible debt securities (description) Convertible Note each has a face value of \$100,000 convertible at the lessor of \$0.05 or a 20% discount to a 30 day VWAP & interest at 12%	10	-	-
7.6 Changes during quarter			
(a) Increases through issues	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-

## 7.7 Options

Description and conversion factor		Total Number	Number Quoted	Exercise price	Expiry Date
29 October 2012 Options	1 share for 1 option	7,500,000	-	11.1 cents	29-Oct-12
22 November 2012 Options	1 share for 1 option	7,060,000	-	43.1 cents	22-Nov-12
25 November 2013 Options	1 share for 1 option	5,900,000	-	20 cents	25-Nov-13
25 November 2013 Options	1 share for 1 option	1,350,000	-	20 cents	25-Nov-13
30 November 2012 Options	conditional	14	-	11.1 cents	30-Nov-12
28 February 2013 Options	1 share for 1 option	9,305,000	-	10 cents	28-Feb-13
21 April 2013 Options	1 share for 1 option	2,000,000	-	10 cents	21-Apr-13
15 June 2012 Options	1 share for 1 option	254,747,079	-	5 cents	15-Jun-12
25 May 2015 Options	1share for 1 option	5,500,000	-	5 cents	25-May-15
26 May 2015 Options	1share for 1 option	5,500,000	-	7.5 cents	25-May-15
7.8 Issued during quarter					
15 June 2012 Options	1 share plus 1 new option for 1 option	254,747,079	-	5 cents	15-Jun-12
28 February 2013 Options	1 share for 1 option	540,000	-	10 cents	28-Feb-13
25 May 2015 Options	1share for 1 option	5,500,000	-	5 cents	25-May-15
26 May 2015 Options	1share for 1 option	5,500,000	-	7.5 cents	25-May-15
7.9 Exercised during quarter					
7.10 Expired during quarter					
30 November 2011 Options	1 share for 1 option	2,740,000	-	30 cents	30-Nov-11
7.11 Debentures					
7.12 Unsecured notes (totals only)					

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Print name:

Andrew J Cooke

31-Jan-12

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.