

Appendix 5B

Rule 5.3

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

Malachite Resources NL

ACN or ARBN

075 613 268

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	-503	-858
(b) development		
(c) production		
(d) administration	-97	-449
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	22	59
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other income		
Net Operating Cash Flows	-578	-1,248
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments	0	-300
(c) other fixed assets	0	-63
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material) Security deposits	6	16
Net investing cash flows	6	-347
1.13 Total operating and investing cash flows (carried forward)	-572	-1,595

1.13 Total operating and investing cash flows (brought forward)	-572	-1,595
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	0	3,180
1.15 Proceeds from sale of forfeited shares		
1.16 Proceeds from borrowings		
1.17 Repayment of borrowings		
1.18 Dividends paid		
1.19 Other (provide details if material)- Share Issue / IPO Costs	0	-466
Net financing cash flows	0	2,714
Net increase (decrease) in cash held	-572	1,119
1.20 Cash at beginning of quarter/year to date	1,821	130
1.21 Exchange rate adjustments to item 1.20	0	0
1.22 Cash at end of quarter	1,249	1,249

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	85
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

Acquisition of Tooloom Gold interests in Tooloom Joint Venture for 2,000,000 ordinary fully paid shares and 3,000,000 options at an exercise price of 20 cents expiring 28 February 2006. The shares and options are escrowed until 9 April 2004.

- 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

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	245
4.2 Development	-
Total	245

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	4	15
Deposits at call	1,245	1,806
Bank overdraft	-	-
Other - 30 day bank bills	-	-
Total: cash at end of quarter (item 1.22)	1,249	1,821

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Nil		
6.2 Interests in mining tenements acquired or increased	EL5427	Exploration Licence	50%	100%
	ML1237	Mining Lease	50%	100%
	ML1238	Mining Lease	50%	100%
	ML1385	Mining Lease	50%	100%

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 (cents)	Amount paid up per security see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	32,239,065	32,239,065		
Ordinary securities(Escrowed)(1)	2,825,000	Nil		
Ordinary securities(Escrowed)(3)	2,000,000	Nil		
7.4 Changes during quarter				
(a) Increases through issues Shares issued escrowed to 9. 4 .2004	2,000,000	Nil	20 cents	20 cents
(b) Decreases through returns of capital, buy-backs, redemptions				
7.5 Convertible debt securities (description)				
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
31 December 2004 Options (Escrowed)(1)	250,000	Nil	20 cents	31-Dec-04
28 February 2006 Options	7,630,000	7,630,000	20 cents	28-Feb-06
28 February 2006 Options (Escrowed)(1)	3,144,504	Nil	20 cents	28-Feb-06
28 February 2006 Options(Escrowed)(1)	4,150,000	Nil	20 cents	28-Feb-06
28 February 2006 Options (Escrowed)(2)	10,928,091	Nil	20 cents	28-Feb-06
28 February 2006 Options(Escrowed)(3)	3,000,000	Nil	20 cents	28-Feb-06
7.8 Issued during quarter				
28 February 2006 Options(Escrowed)(3)	3,000,000	Nil	20 cents	28-Feb-06
7.9 Exercised during quarter	Nil			
7.1 Expired during quarter	Nil			
7.11 Debentures	Nil			
7.12 Unsecured	Nil			

(Escrowed)(1)

Escrow period expires 24 months from date of listing (26.11.02)

(Escrowed)(2)

Escrow period expires 21 November 2003

(Escrowed)(3)

Escrow period expires 9 April 2004

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: _____ Date: 28 July 2003

Andrew J Cooke
Company Secretary

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.