

# 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   | Class A Options<br>Class B Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 14 Class A Options<br>14 Class B Options  |
| 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) | Class A Options Expire 20 June 2011<br>Terms and Conditions annexed hereto.<br><br>Class B Options Expire 30 November 2012<br>exercisable at 11.1 cents<br>Terms and Conditions annexed hereto. |

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

Consideration for acquisition of Lorena Gold Project

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

Consideration for acquisition of Lorena Gold Project

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

10 February 2011

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	531,438,106	Shares

9 Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	<sup>+</sup> Class
240,000	MARAM - ECOP Options granted to Employees & Contractors expiring 30 November 2011 exercisable at 30 cents
3,000,000	MARAO - Options granted to Directors – approved AGM 23/11/06 expiring 30 November 2011 exercisable at 30 cents
5,900,000	(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
5,900,000	MARAY - Options granted to Directors – approved AGM 25/11/08 expiring 25 November 2013 exercisable at 20.0 cents
1,450,000	MARAZ - Options granted to Employees - expiring 25 November 2013 exercisable at 20.0 cents
1	Convertible Note expiring 17 May 2011 convertible at the lower of 18 cents or 90% of the 30-day VWAP at maturity
7,500,000	Options granted to Nanyang – approved AGM 23/11/09 expiring 29 October 2012 exercisable at 11.1 cents
14	Class A Options granted to vendors of Lorena Gold Project expiring 20 June 2011.
14	Class B Options granted to vendors of Lorena Gold Project expiring 30 November 2012 exercisable at 11.1 cents.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

## 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 +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +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 +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +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)
-

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

**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:   
(Company secretary)

Date: 11/02/11

Print name: **Andrew J. Cooke**

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## TERMS AND CONDITIONS OF OPTION A

### (Relating to Shares which may be issued to Nanyang pursuant to the convertible note issued to it)

The terms and conditions of the Option are as follows:

1. The Option entitles the Holder to subscribe for that number of the Total Shares as represents the Holder's proportionate interest specified in the Schedule, where "**Total Shares**" is that number of fully paid ordinary shares in the capital of the Issuer calculated in accordance with the following formula:

$$\text{Nanyang Shares} \times \frac{350,000,000}{176,196,439}$$

Where: "**Nanyang Shares**" = the number of shares in the capital of the Issuer issued to Nanyang Mining Resources Investment Pty Ltd ACN 079 352 640 (**Nanyang**) or any other person pursuant to the \$1,000,000 convertible note issued to Nanyang (**Nanyang Convertible Note**) on account of the payment of interest or the repayment of the Nanyang Convertible Note.

#### (Option A Shares).

2. The Option shall expire at 5.00pm Australian Eastern Standard Time in accordance with the Standard Time Act 1987 (NSW) on 20 June 2011. (**Expiry Date**).
3. The Option is exercisable progressively only within 30 days after the conversion or repayment of the Nanyang Convertible Note to the extent of such conversion or repayment and on or before the Expiry Date. The Holder may exercise the Option, in whole or in part, in single or multiple tranches in respect of any number of shares up to the total number of Option A Shares.
4. The Option is exercisable at an exercise price per share which is equal to:
  - (a) the issue price of the shares in the Issuer issued in satisfaction of the preceding payment of interest owing under the Nanyang Convertible Note; and
  - (b) the conversion price of shares in the Issuer issued to repay (in whole or in part) the Nanyang Convertible Note,(as relevant) calculated pursuant to and in accordance with the Nanyang Convertible Note.
5. The Option is not transferable except that the Holder may transfer the Option to any related body corporate (as defined in the Corporations Act 2001) of the Holder for the time being.
6. All shares issued pursuant to the exercise of Option will be allotted within 2 business days after the exercise of the Option and will rank pari passu in all respects with the Issuers' then existing ordinary fully paid shares. The Issuer will apply for official quotation by ASX of all shares issued upon exercise of the Option on or before the third business day on which ASX is open after the date of allotment of the shares.
7. There are no participating rights or entitlement inherent in the Option and the Holder in its capacity as such will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Option. However, the Issuer will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give the Holder the opportunity to exercise the Option prior to the date for determining entitlements to participate in any such issue.



8. In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Issuer, the number of shares which is the subject of the Option shall be reorganised (as appropriate) in the manner required by the Listing Rules of the Australian Securities Exchange.
9. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

$O'$  = the new exercise price of the Option

$O$  = the old exercise price of the Option

$E$  = the number of ordinary shares into which the Option is exercisable

$P$  = the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 trading days ending on the day before the ex-rights or ex-entitlements date

$S$  = the subscription price for an ordinary share under the pro-rata issue

$D$  = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro-rata issue)

$N$  = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.

10. If there is a bonus issue to the holders of ordinary shares, the number of securities over which the Option is exercisable will be increased by the number of ordinary shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue.
11. If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules of the Australian Securities Exchange, such rules will prevail in all respects to the extent of the inconsistency.
12. These terms and conditions are governed by the laws of the State of New South Wales and the holder of the Option unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.

## TERMS AND CONDITIONS OF OPTION B

### (Relating to Shares which may be issued to Nanyang pursuant to the options issued to it)

The terms and conditions of the Option are as follows:

1. The Option entitles the Holder to subscribe for that number of the Total Shares as represents the Holder's proportionate interest specified in the Schedule, where "**Total Shares**" is that number of fully paid ordinary shares in the capital of the Issuer calculated in accordance with the following formula:

$$\text{Nanyang Shares} \times \frac{350,000,000}{176,196,439}$$

Where: "**Nanyang Shares**" = the number of shares in the capital of the Issuer issued to Nanyang Mining Resources Investment Pty Ltd ACN 079 352 640 or any other person (**Nanyang**) pursuant to the 7,500,000 options issued to Nanyang (**Nanyang Options**)

(**Option B Shares**).

2. The Option shall expire at 5.00pm Australian Eastern Standard Time in accordance with the Standard Time Act 1987 (NSW) on 30 November 2012 (**Expiry Date**).
3. The Option is exercisable progressively upon the exercise of the Nanyang Options to the extent of such exercise, on or before the Expiry Date. The Holder may exercise the Option, in whole or in part, in single or multiple tranches in respect of any number of shares up to the total number of Option Shares.
4. The Option is exercisable at an exercise price per share equal to the exercise price applicable to the relevant Nanyang Options.
5. The Option is not transferable except that the Holder may transfer the Option to any related body corporate (as defined in the Corporations Act 2001) of the Holder for the time being.
6. All shares issued pursuant to the exercise of Option will be allotted within 2 business days after the exercise of the Option and will rank pari passu in all respects with the Issuers' then existing ordinary fully paid shares. The Issuer will apply for official quotation by ASX of all shares issued upon exercise of the Option on or before the third business day on which ASX is open after the date of allotment of the shares.
7. There are no participating rights or entitlement inherent in the Option and the Holder in its capacity as such will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Option. However, the Issuer will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give the Holder the opportunity to exercise the Option prior to the date for determining entitlements to participate in any such issue.
8. In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Issuer, the number of shares which is the subject of the Option shall be reorganised (as appropriate) in the manner required by the Listing Rules of the Australian Securities Exchange.
9. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

$O'$  = the new exercise price of the Option

$O$  = the old exercise price of the Option

$E$  = the number of ordinary shares into which the Option is exercisable

$P$  = the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 trading days ending on the day before the ex-rights or ex-entitlements date

$S$  = the subscription price for an ordinary share under the pro-rata issue

$D$  = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro-rata issue)

$N$  = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.

10. If there is a bonus issue to the holders of ordinary shares, the number of securities over which the Option is exercisable will be increased by the number of ordinary shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue.
11. If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules of the Australian Securities Exchange, such rules will prevail in all respects to the extent of the inconsistency.
12. These terms and conditions are governed by the laws of the State of New South Wales and the holder of the Option unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.