

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 | Ordinary Fully Paid Shares + 15 June 2012 Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 139,777,339 Ordinary Fully Paid Shares + Up to 139,777,339 15 June 2012 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) | Ordinary Fully Paid Shares + Options expiring 15 June 2012 exercisable at 5.0 cents (for every Option that is exercised the holder will receive 1 new fully paid ordinary share and a further free attaching option to subscribe for 1 fully paid share at 10.0 cents on or before 31 December 2014) |

4 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

Fully Paid Ordinary Shares – Yes

15 June 2012 Options – No:

- The options will not rank equally. When exercised the shares issued will rank equally with existing Fully Paid Ordinary Shares;
- The options will not participate in dividends. The holder would be required to exercise their option in order to participate;
- The options are a new class of security.

5 Issue price or consideration

The issue price for the fully paid ordinary shares will be 2.5 cents per share.

No additional consideration will be payable for the issue of the attaching 15 June 2012 Options.

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

1 for 4 Rights Issue. This Rights Issue is being undertaken 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

14 October 2011

8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)

| Number | +Class |
|-------------------|--|
| Up to 698,886,695 | Shares |
| Up to 139,777,339 | Options expiring 15 June 2012 exercisable at 5.0 cents each. |

| | 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? | No |
| 12 | Is the issue renounceable or non-renounceable? | Renounceable |
| 13 | Ratio in which the +securities will be offered | 1 New Share (with an attaching New Option) for every 4 shares held. |
| 14 | +Class of +securities to which the offer relates | Fully Paid Ordinary Shares |
| 15 | +Record date to determine entitlements | Thursday 15 September 2011 |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No |
| 17 | Policy for deciding entitlements in relation to fractions | Rounded up to the nearest whole number |

| | | |
|------------------|---|---|
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents | <ul style="list-style-type: none"> • South Africa; • Switzerland; • United Kingdom; • Sweden; • United States of America; • Germany; • Denmark; • Hong Kong; • Belgium; • Canada; • Costa Rica; • India; • Ireland; • Iceland; • Malta; • Netherlands; • Norway; • Portugal; • Swaziland; and • Taiwan Province of China. <p>Patersons Securities Limited will be appointed, on normal commercial terms, as Nominee for the inelegible international shareholders to arrange for the sale of the Entitlements which would have been offered to them. The Company will transfer the Entitlements of the International Shareholders to the Nominee who will account to our registry who will then dispatch the funds (if any) to each individual International Shareholder. The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner of any such sale.</p> |
| 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 | Thursday 6 October 2011 |
| 20 | Names of any underwriters | Patersons Securities Limited |
| 21 | Amount of any underwriting fee or commission | The Underwriter will be paid an underwriting commission of 5% of the Underwritten Amount, a management fee of 1% of the Underwritten amount plus \$60,000 and up to 114,969,739 15 June 2012 Options exercisable at 5.0 cents. |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |

| | | |
|----|---|---|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | Wednesday 21 September 2011 |
| 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 | Tuesday 6 September 2011 |
| 28 | Date rights trading will begin (if applicable) | Friday 9 September 2011 |
| 29 | Date rights trading will end (if applicable) | Wednesday 28 September 2011 |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | If you wish to sell your Rights in full on the ASX complete the section marked 'Instructions to your Stockbroker' on the back of the Entitlement and Acceptance Form and lodge the form with your stockbroker as soon as possible. Allow sufficient time for your instructions to be carried out. |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | If you wish to take up part of your Entitlement and sell the balance of your Rights, complete the section on the back of the Entitlement and Acceptance Form marked 'Instructions to your Stockbroker' and lodge the form, together with your cheque, money order or bank draft for the application monies for the New Shares you intend to take up, with your stockbroker as soon as possible. Allow sufficient time for your instructions to be carried out. To take up the remaining part of your Rights, your stockbroker will need to ensure that the completed Entitlement and Acceptance Form, together with your cheque, money order or bank draft for the application monies, reaches the Share Registry by no later than 5.00pm (AEST) on 6 October 2011. |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | If you are an Eligible Shareholder and you wish to transfer all or part of your Rights to another person other than on ASX: |

- Complete the Entitlement and Acceptance Form in accordance with the instructions in the Prospectus;
- Complete a standard renunciation form (obtainable from your stockbroker or the Company) in favour of the transferee; and
- Send or deliver the completed Entitlement and Acceptance Form, the renunciation form and the transferee's payment for the New Shares to the following address by no later than 5.00pm (AEST) on 6 October 2011:

Malachite Resources Limited
 c/- Computershare Investor Services
 Pty Limited
 GPO BOX 2987
 ADELAIDE SA 5001

Cheques should be made payable to "Malachite Resources Limited – Share Purchase Account" and crossed "Not Negotiable".

33 ⁺Despatch date

Thursday 14 October 2011

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)

| | Number | ⁺ Class |
|---|----------------------|----------------------|
| 42 Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38) | <input type="text"/> | <input type="text"/> |

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: 06/09/11

Print name:

Andrew J. Cooke

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