

NOTICE OF ANNUAL GENERAL MEETING

MALACHITE RESOURCES LIMITED
ABN 86 075 613 268

Notice is hereby given of the sixteenth Annual General Meeting of the Company

At: The Pavilion
Ground Floor (Between Tower 1 and Tower 2)
Darling Park
201 Sussex Street
Sydney NSW 2000

On: Wednesday, 28 November 2012 at 10.30am

BUSINESS

1. Financial Report – Year Ended 30 June 2012

To receive and consider the Financial Report of the Company and its controlled entities and the reports of the Directors and the Auditor for the financial year ended 30 June 2012.

2. Remuneration Report

That the Remuneration Report as it appears in the Company's Financial Report for the year ended 30 June 2012 be adopted.

3. Re-election of Mr Russell Meares as a Director

To re-elect, as a Director of the Company, Mr Russell Meares, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election.

4. Election of Mr Terry Cuthbertson as a Director

To elect, as a Director of the Company, Mr Terry Cuthbertson who, having been appointed as a Director since the last Annual General Meeting, retires in accordance with the Constitution of the Company, and being eligible, offers himself for election.

5. Election of Mr Andrew McMillan as a Director

To elect, as a Director of the Company, Mr Andrew McMillan who, having been appointed as a Director since the last Annual General Meeting, retires in accordance with the Constitution of the Company, and being eligible, offers himself for election.

6. Ratification of Variation of Unsecured Convertible Notes (previously approved by shareholders)

To consider, and if thought fit, to pass the following resolution:

'That for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, approval be given in respect of the variation of 5 unsecured convertible notes previously issued to each of Sun Biomedical Limited and Heavy Duty Superannuation Pty Ltd as

trustee for the Heavy Duty Superannuation Fund varied pursuant to a Deed of Extension and Variation entered into with each of these parties on 25 September 2012 together with the issue of shares upon conversion of and in accordance with the terms of these convertible notes and as set out in the Explanatory Notes annexed to and forming part of this Notice of Meeting.

7. Approval of Previous Issue of Shares – Placement Shares

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the issue of shares by the Company to the parties described in section 7 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved"

8. Approve Issue of Options – Placement Options

To consider, and if thought fit, to pass the following resolution:

"That, for the purposes of Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the issue of options by the Company to the parties described in section 8 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved"

9. Approve Issue of Options – Underwriter Options

To consider, and if thought fit, to pass the following resolution:

"That, for the purposes of Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the issue of options by the Company to Patersons Securities Limited or its nominees as specified in section 9 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved"

VOTING EXCLUSIONS

RESOLUTION 2 – Remuneration Report:

The Company will disregard any votes cast on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (KMP) (as defined in Section 9 of the Corporations Act 2001 (Cth)) details of whose remuneration are included in the Remuneration Report;
- by or on behalf of a closely related party (as defined in Section 9 of the Corporations Act 2001 (Cth) such as close family members and any controlled companies) of a member of the KMP; or
- as a proxy by a member of the KMP or a KMP's closely related party,

unless the vote is cast as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form or by the Chairman of the meeting and the appointment of the Chairman does not specify how the Chairman is to vote on Resolution 2 but expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of KMP, which includes the Chairman.

Important Notice for Resolution 2: The Chairman intends to vote in favour of Resolution 2. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

RESOLUTION 6 – Variation of Convertible Notes:

The company will disregard any votes cast on Resolution 6 by:

- Sun Biomedical Limited and Heavy Duty Superannuation Pty Ltd and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – Placement Shares:

The company will disregard any votes cast on Resolution 7 by:

- Participants in the Placement; and
- any associate of each Participant in the Placement.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 8 – Placement Options:

The company will disregard any votes cast on Resolution 8 by:

- Participants in the Placement and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – Underwriter Options:

The company will disregard any votes cast on Resolution 9 by:

- Patersons Securities Limited any sub-underwriter and any other person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ENTITLEMENT TO VOTE

In accordance with the Corporations Act 2001 (Cth) the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the meeting will be the entitlement of that person set out in the Register of Members of the Company at 7.00pm on 26 November 2012. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

VOTING BY PROXY

- A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies to attend and vote instead of the shareholder.
- Where 2 proxies are appointed the Proxy Form should specify the proportion, or the number of votes that the proxy may exercise. If the Proxy Form does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- A proxy need not be a shareholder of the Company. The proxy appointed may be described in the Proxy Form by an office held, e.g. "the Chair of the Meeting".

- Proxy Forms must be signed by a shareholder or the shareholder's attorney or, if the shareholder is a corporation, must be under its common seal, or if it does not have one, by 2 directors or by a director and a company secretary, or if it is a proprietary company that has a sole director who is also the company secretary, by that director, or under hand of its attorney or duly authorised officer. If the Proxy Form is signed by a person who is not the registered holder of shares in the Company (i.e. under power of attorney or other authorisation), then the relevant authority (or a certified copy of such authority) must either have been exhibited previously to the Company or be enclosed with the Proxy Form.

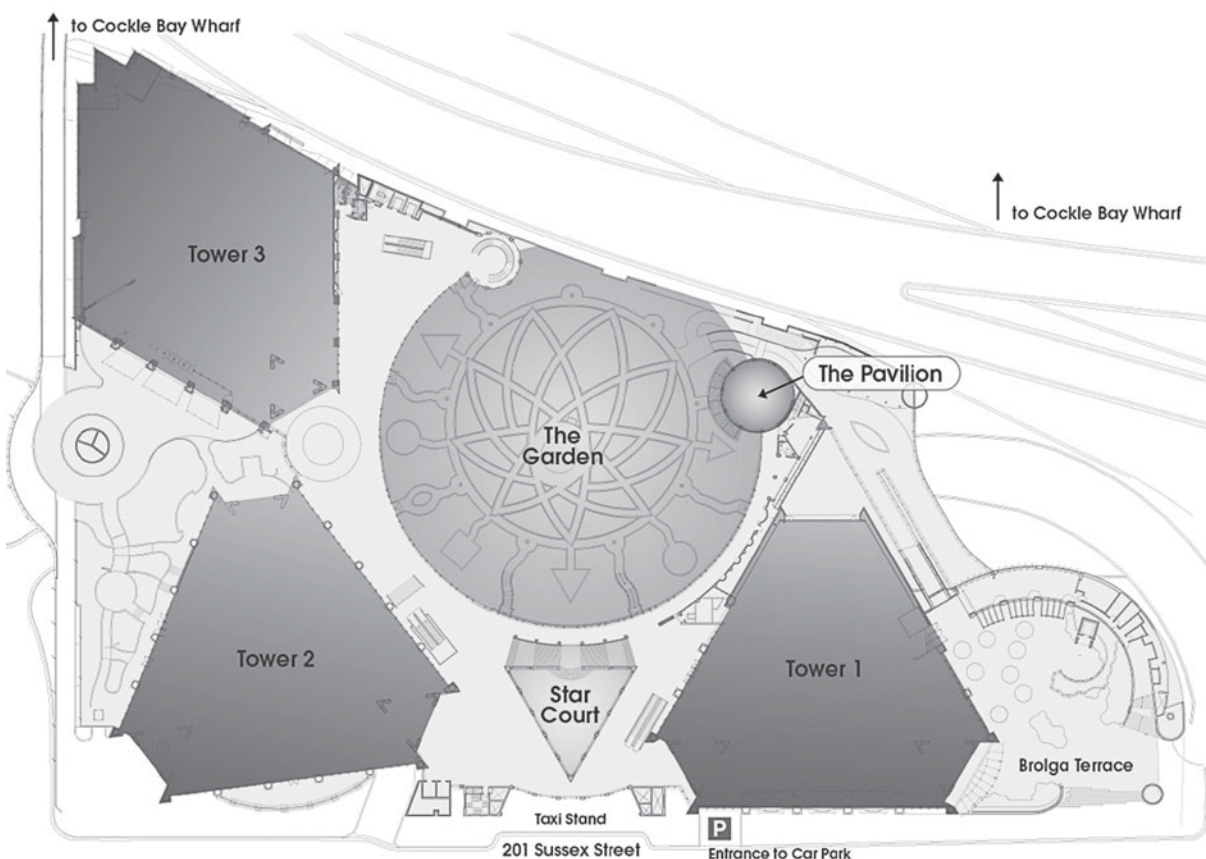
To be effective, duly completed Proxy Forms (duly completed and executed) must be:

- received at: **Malachite Resources Limited**
Suite 1502, Keycorp Tower B
799 Pacific Highway
Chatswood NSW 2067 Australia
- received by mail at: **Malachite Resources Limited**
PO Box 5218,
West Chatswood
NSW 1515 Australia
- sent by fax to fax number: **(02) 9411 6066**
(+61 2 9411 6066 from overseas)

by 10.30am on **26 November 2012**.

Directions: The Pavilion, Ground Floor, Darling Park, 201 Sussex Street, Sydney.

Enter Darling Park via the entrance on 201 Sussex Street. The Pavilion is located between Tower 1 and Tower 2, up the main stairs and to the right – up the ramp circling the garden.



ANNUAL REPORT

Malachite Resources Limited will now make annual reports available online for shareholders. The default option for receiving annual reports is via the Company's website rather than in hard copy. You will not receive a hard copy unless you have requested a printed version.

The Annual Report for the Year Ending 30 June 2012 may be downloaded from the Company's website from the homepage: www.malachite.com.au

or by accessing the following link: <http://www.malachite.com.au/irm/content/annual-reports.aspx?OriginalCategoryId=215>

By order of the Board

Andrew J Cooke
Company Secretary
8 October 2012

EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

RESOLUTION 1.

Financial Report – Year Ended 30 June 2012

The Corporations Act 2001 (Cth) ("Corporations Act") requires the financial report (which includes the financial statements and the Directors' declaration), the Directors' report and the Auditor's report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the Directors' report or the Auditor's report.

This item of business provides shareholders with a reasonable opportunity to ask questions concerning or make comments on the Company's financial statements and reports for the year ended 30 June 2012, the Company's performance generally and the management of the Company.

A representative of the Auditor will be attending the Annual General Meeting.

As a shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than 21 November 2012. All questions must be sent to the Company and may not be sent direct to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will answer written questions submitted prior to the Annual General Meeting.

The Auditor will also answer questions at the meeting from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 2.

Remuneration Report

The Directors' report for the year ended 30 June 2012 contains a Remuneration Report which sets out the policy on remuneration of the Directors of the Company and specified executives of the Company.

The Company's remuneration structure is designed to align executive and shareholder interests, retain personnel and generate long term value creation by providing employees with competitive remuneration and appropriate incentive to achieve project milestones.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act

expressly provides that the vote is advisory and does not bind the Directors of the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the CEO, will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

Members attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

RESOLUTION 3.

Re-election of Mr Russell Meares as a Director

Russell Matthew Devenish Meares, BSc (Hons), MSc, FAusIMM, MAIG, GAICD
Non-Executive Director, Age 65

Geologist with over 35 years experience in mineral exploration and mining. Has worked extensively in both technical and management roles in Australia, Asia and the South West Pacific. Experience ranges from project generation through to ore reserve estimation and economic evaluation. Has played key roles in the discovery of several ore deposits in Australia, Papua New Guinea and Fiji. Was the consolidated entity's exploration manager from 1997 to 2010. Graduate of University of NSW (BSc Hons) and James Cook University of North Queensland (MSc) and Company Directors' course of Australian Institute of Company Directors.

RESOLUTION 4.

Election of Mr Terry Cuthbertson as a Director

Terry Cuthbertson, B Comm (appointed 29 March 2012)
Non-Executive Director, Age 62

Chartered Accountant and holds a Bachelor of Business Degree with extensive corporate finance expertise, having advised several businesses and government organizations in relation to mergers, acquisitions and financing. Formerly a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Chairman of ASX listed My Net Fone Limited, Montec International, Austpac Resources NL, South American Iron and Steel and Sun Biomedical Limited, Mint Wireless Ltd and OMI Ltd. He is also Chairman of s2Net Limited.

RESOLUTION 5.

Election of Mr Andrew McMillan as a Director

Andrew McMillan, B Comm (appointed 14 May 2012)

Non-Executive Director, Age 52

Currently a Director, Corporate Finance at Patersons Securities Limited and has over 25 years corporate advisory experience derived from mergers and acquisitions, equity capital markets and corporate restructuring across industrial and resources sectors. Specialised in equity capital markets transactions at Patersons since March 2003 where he has successfully completed numerous capital raisings.

RESOLUTION 6.

Approve the variation of and issue of shares pursuant to Convertible Notes (Notes) to Sun Biomedical Limited and Heavy Duty Superannuation Pty Ltd

In its announcement to the ASX dated 26 September 2012 the Company advised that it had reached agreement with its Convertible Noteholders to extend the maturity date of the Notes.

5 Notes are held by Sun Biomedical Limited (SBN) and 5 Notes are held by Heavy Duty Superannuation Pty Ltd (HDS) for a total face value of \$1,000,000. The original Notes matured on 5 August 2012 and 6 September 2012 respectively.

Shareholders have previously approved the original issue of these Notes pursuant to ASX Listing Rules 7.1 and 7.4 together with the issue of shares upon conversion of these Notes at a General Meeting of the Company held on 9 November 2011.

On 25 September 2012 the Company entered into a Deed of Extension and Variation to Convertible Note Subscription Agreement (Deed of Extension and Variation) with each of the Noteholders. The key terms of original Notes have now been varied as follows:

- The maturity date of the Notes is extended by 7 months from the original maturity date;
- The Noteholders have an option to further extend the maturity date by two additional period of 3 months each; and
- Interest payable on the notes has been increased from 12% to 15% per annum for the initial 7 month extension and 18% per annum for each of the additional 3 month terms.
- Rollover Fees are also payable to the Noteholders as follows:
 - \$18,750 to each Noteholder on the date being 3 months from the original maturity date; and
 - \$8,750 to each Noteholder each time the Noteholder extends the Notes for an additional 3 months.

The Rollover Fees are to be satisfied by the issue of shares in the Company at a deemed issue price that is the lower of the price at which the private placement is effected or a 20% discount to the volume weighted average price of the Company's shares on the 30 days on which trades occur immediately prior to the issue of the shares.

The table below represents the total number of shares which would be issued in respect of Rollover Fees at the deemed issue prices of \$0.01 and \$0.008:

FORMULA 1

Total Rollover Fees payable to Noteholders	Total Shares to be issued for Rollover Fees at a deemed Issue Price of \$0.01	Total Shares to be issued for Rollover Fees at a lower deemed Issue Price of \$0.008
\$37,500 (2 x \$18,750) on the date being 3 months from the original maturity date	3,750,000	4,687,500
\$17,500 (2 x \$8,750) on the first additional period of 3 months*	1,750,000	2,187,500
\$17,500 (2 x \$8,750) on the second additional period of 3 months*	1,750,000	2,187,500

Note: As the shares to be issued in respect of Rollover Fees for any first or second additional periods will be issued more than three months after the date of the meeting, approval is not now being sought to their issue.

- The Company has a right to redeem any unconverted notes. If any of the Notes have not been redeemed by the Company within 3 months from the original maturity date then the Company will also be required to pay to the Noteholders at the time of redemption a Repayment Fee that is equal to 5% of the Note value and any moneys owing.

The Repayment Fee is to be satisfied by the issue of shares in the Company at a deemed issue price that is the lower of the price at which the private placement is effected or a 20% discount to the volume weighted average price of the Company's shares on the 30 days on which trades occur immediately prior to the issue of the shares.

The table below represents the total number of shares which would be issued in respect of Repayment Fees for a given number of Notes at the deemed issue prices of \$0.01 and \$0.008:

FORMULA 2

Number of Notes	Face Value of Notes	Total Shares to be issued for Repayment Fees at a deemed Issue Price of \$0.01	Total Shares to be issued for Repayment Fees at a lower deemed Issue Price of \$0.008
1	\$100,000	500,000	625,000
2	\$200,000	1,000,000	1,250,000
3	\$300,000	1,500,000	1,875,000
4	\$400,000	2,000,000	2,500,000
5	\$500,000	2,500,000	3,125,000

Note: If shares issued in respect of any Repayment Fee are issued more than three months after the date of the meeting, the approval will not apply to them

- The Noteholders have a right of first refusal to participate (on a priority basis) in any new debt securities or new equity issues that are made by the Company.
- If the Notes are extended for either of the additional 3 month periods the Noteholders have a right to give 3 months prior written notice to require the Company to redeem the Notes.

The remaining key terms of the Notes remain unchanged. The Notes 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.

It is a condition subsequent of each Deed of Extension and Variation that the Company will seek shareholder approval at this Annual General Meeting to the issue of shares upon conversion of the Notes and any other shares that the Company may be required to issue to the Noteholders.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions, including where prior shareholder approval is obtained).

If the issue of the securities has the prior approval of the shareholders in accordance with the proposed resolution, the issue will not be included in the 15% limit on the Company to raise funds without shareholder approval.

ASX Listing Rule 7.4 allows an issue of securities to be subsequently approved by shareholders and treated as having been made with approval of shareholders for the purpose of ASX Listing Rule 7.1.

Approval is now being sought pursuant to ASX Listing Rules 7.1 and 7.4 for the variation of the Notes previously issued to each of Sun Biomedical Limited and Heavy Duty Superannuation Limited as trustee for the Heavy Duty Superannuation Fund together with the issue of shares upon conversion of the Notes and the issue of shares in accordance with the terms of the Notes.

The following information in relation to the original issue of the Notes in 2011 and the subsequent variation on 25 September 2012:

a) Number of securities

The number of securities for which shareholder approval is being sought is 10 Notes, to be converted into ordinary shares as illustrated by Formula 3 or 4 set out below; such number of ordinary shares to be issued in respect of Rollover Fees on the Note (being 3 months from the original maturity date) with as illustrated by Formula 1 above; and such number of ordinary shares to be issued in respect of any Repayment Fee as illustrated by Formula 2 above.

b) Date of Issue

5 Notes were originally issued to Sun Biomedical Limited on 5 August 2011 and 5 Notes were issued to Heavy Duty Superannuation Limited on 1 September 2011. Each of the Notes was varied by Deeds of Variation and Extension entered into with each of the Noteholders on 25 September 2012. Ordinary Shares to be issued in respect of Rollover Fees and any Repayment Fee for which approval is sought will be issued within three months of the meeting.

c) Consideration

The Notes were originally issued at an issue price of \$100,000 each. The consideration for the issue of Ordinary Shares in respect of Rollover Fees and any Repayment Fee will be determined in accordance with Formula 1 and Formula 2 respectively.

d) Original Terms of the Notes

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder.

Each Note has 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.

For each note that is converted, the Noteholder will receive a bonus 250,000 fully paid ordinary shares in the capital of the Company.

e) Use of Funds Raised

There will be no fresh funds raised with respect to the Notes or the issue of ordinary shares in respect of Rollover Fees and any Repayment Fee.

Number of Shares issued at a Conversion Price of \$0.01

The Company's share price has traded in the range of \$0.006 to \$0.023 over the three months prior to the preparation of this notice of meeting. In these circumstances it is not expected that the Notes will be converted at the conversion price of \$0.05 (being at a premium above the prevailing share price at the time when the Notes were originally issued in 2011) but rather, if converted, will be converted at a lower conversion price being calculated as the 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The table below represents the total number of shares which are to be issued on conversion of a Note for a given number of Notes where the conversion price is \$0.01 together with the number of bonus shares that are to be issued upon conversion of each Note:

FORMULA 3

Notes	Total Shares to be issued at a Conversion Price of \$0.01	Number of bonus Shares to be issued
1	10,000,000	250,000
2	20,000,000	500,000
3	30,000,000	750,000
4	40,000,000	1,000,000
5	50,000,000	1,250,000

If all 10 Notes are converted at a Conversion Price of \$0.01 there will be a total of 100,000,000 shares issued to the Noteholders on conversion and an additional 2,500,000 shares issued to the Noteholders as bonus shares.

Example of a lower Conversion Price

In the event the 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion is \$0.008, each Note may be converted into 12,500,000 shares in the Company.

The table below represents the total number of shares which are to be issued on conversion of a Note for a given number of Notes where the conversion price is \$0.008 together with the number of bonus shares that are to be issued upon conversion of each Note:

FORMULA 4

Notes	Total Shares to be issued at a Conversion Price of \$0.008	Number of bonus Shares to be issued
1	12,500,000	250,000
2	25,000,000	500,000
3	37,500,000	750,000
4	50,000,000	1,000,000
5	62,500,000	1,250,000

If all 10 Notes are converted at a lower Conversion Price of \$0.008 there will be a total of 125,000,000 shares issued to the Noteholders on conversion plus 2,500,000 shares issue to the Noteholders as bonus shares.

If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

Names of the Noteholders

The Notes were issued to the entities as set out in the table below:

Name of Noteholder	Number of Notes issued
Sun Biomedical Limited	5
Heavy Duty Superannuation Pty Limited as trustee for the Heavy Duty Superannuation Fund	5
Total Notes issued:	10

Use of Funds Raised

The funds raised from the issue of the Notes were primarily used to explore for gold at the Lorena Gold project near Cloncurry, Queensland and for working capital purposes.

Recommendation

The Board recommends that shareholders approve Resolution 6.

RESOLUTION 7.**Approval of Previous Issue of Shares – Placement**

The Company issued 104,914,004 fully paid ordinary shares at 1.0 cents each on 28 September 2012 in respect of a placement which raised \$1,049,140 ("Placement").

The Shares were issued to sophisticated investors identified by a Director of the Company and to clients of Paterson Securities Limited pursuant to exceptions permitted under Section 708A of the Corporations Act.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions).

ASX Listing Rule 7.4 allows an issue of securities to be subsequently approved by shareholders and treated as having been made with approval of shareholders for the purpose of ASX Listing Rule 7.1. The Company is seeking subsequent shareholder approval for the issue of shares under ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued shares, if required, in the next 12 months without the need to obtain shareholder approval.

All of the shares being the subject of this resolution are ordinary fully paid shares which rank equally with all of the Company's existing ordinary fully paid up shares and are quoted on the ASX.

The use or intended use of the funds raised is primarily to continue with the feasibility studies for the Lorena Project, and to provide general working capital.

Subject to the passing of Resolution 8, each of the Placement participants will also receive one option for every two shares applied for. The options will be exercisable at 1.5 cents at any time until 31 March 2015.

Recommendation

The Board recommends that shareholders approve Resolution 7.

RESOLUTION 8.

Approval of Issue of Placement Options

As noted above, the Company issued 104,914,004 fully paid ordinary shares at 1.0 cents each on 28 September 2012 in respect of a placement which raised \$1,049,140. Subject to shareholder approval, each of the Placement participants will also receive one option for every two shares applied for making a total of 52,457,002 options to be issued. The options will be exercisable at 1.5 cents at any time until 31 March 2015. The term of the options are otherwise in compliance with ASX Listing Notes.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions).

The Company is seeking shareholder approval for the issue of options under ASX Listing Rule 7.1 to maintain the Company's capacity to issue up to 15% of its issued shares, if required, in the next 12 months without the need to obtain shareholder approval.

The options will be allotted and issued and as soon as practicable following the meeting, and in any event not more than three months following the date of the meeting.

The options will be issued for no additional consideration. The funds raised in any exercise of the options will be used for general working capital purposes.

If shareholder approval is obtained the Company will apply to the ASX for quotation of these options on the ASX.

Recommendation

The Board recommends that shareholders approve by Resolution 8.

RESOLUTION 9.

Approval of Issue of Underwriter Options

On 26 September 2012 the Company announced that the Board has resolved to undertake a non-renounceable pro-rata rights issue ("Rights Issue") that structured as follows:

- A non-renounceable rights issue offer to acquire one new share for every nine shares (1 for 9) held in the Company to raise up to \$893,712.
- The new shares will be offered at 1.0 cents per share.
- Shareholders who subscribe for their rights will also be issued one option for every 2 new shares subscribed for. The options are exercisable at 1.5 cents per share at any time until 31 March 2015. These options are to be listed for quotation on the ASX.
- The Rights Issue was to be underwritten by Patersons Securities Limited ("Patersons").
- For each two shares underwritten the Company agreed to issue one option to the Underwriter ("Underwriter Options") as part of the remuneration payable to Patersons for underwriting the Rights Issue at a notional issue price of \$0.0039 per Underwriter Option. These Underwriter Options are to be issued subject to shareholder approval and are also exercisable at 1.5 cents at any time until 31 March 2015. Based on the Company's issued capital of 804,340,700 prior to the Rights Issue the number of options to be issued to Patersons will be 44,685,595

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions). The terms of the Underwriter Options will be otherwise in accordance with ASX Listing Rules.

The Company is seeking shareholder approval for the issue of these Underwriter Options under ASX Listing Rule 7.1 to maintain the Company's capacity to issue up to 15% of its issued shares, if required, in the next 12 months without the need to obtain shareholder approval.

The Underwriter Options will be allotted and issued as soon as practicable following the meeting, and in any event not more than three months following the date of the meeting.

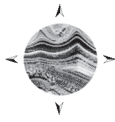
There will be no funds raised from the issue of the Underwriter Options, except that they represent part consideration for Patersons underwriting of the rights issue.

Funds raised from any exercise of the Underwriter Options will be used for general working capital purposes.

If shareholder approval is obtained the Company will also apply to the ASX for quotation of these options on the ASX.

Recommendation

The Board recommends that shareholders approve Resolution 9.



Malachite Resources Limited

ABN 86 075 613 268

Lodge your vote:



By Mail:

Malachite Resources Limited
Suite 1502, Keycorp Tower B
799 Pacific Highway
Chatswood NSW 2067 Australia

Alternatively you can fax your form to
(within Australia) 02 9411 6066
(outside Australia) +61 2 9411 6066

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

— 000001 000 MAR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 10:30am (Sydney time) Monday 26 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Malachite Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Malachite Resources Limited to be held at The Pavilion, Ground Floor (Between Tower 1 and Tower 2) Darling Park, 201 Sussex Street, Sydney NSW 2000 on Wednesday 28 November 2012 at 10:30am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 2** by marking the appropriate box in step 2 below.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr. Russell Meares as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Mr. Terry Cuthbertson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Mr. Andrew McMillan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Variation of Unsecured Convertible Notes (previously approved by shareholders)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Previous Issue of Shares - Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approve Issue of Options – Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approve Issue of Options – Underwriter Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____