



## Malachite Resources Limited

Suite 1502, Tower B, 799 Pacific Highway, Chatswood NSW 2067  
Tel. (02) 9411 6033 Fax (02) 9411 6066 www.malachite.com.au

### Appendix 5B

#### Mining exploration entity quarterly report

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

Rule 5.3

Name of entity

**Malachite Resources Limited**

ACN or ARBN

**075 613 268**

Quarter ended ("current quarter")

**31 December 2012**

#### Consolidated statement of cash flows

##### Cash flows related to operating activities

|  | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors                    |                            |                                       |
| 1.2 Payments for   |                            |                                       |
| (a) exploration and evaluation   | (355)                      | (486)                                 |
| (b) development  |                            |                                       |
| (c) production   |                            |                                       |
| (d) administration   | (367)                      | (509)                                 |
| 1.3 Dividends received   |                            |                                       |
| 1.4 Interest and other items of a similar nature received              | 13                         | 15                                    |
| 1.5 Interest and other costs of finance paid                           | (39)                       | (70)                                  |
| 1.6 Income taxes paid (received)                                       |                            |                                       |
| 1.7 Other income   | -                          |                                       |
| <b>Net Operating Cash Flows</b>  | <b>(748)</b>               | <b>(1,050)</b>                        |
| <b>Cash flows related to investing activities</b>                      |                            |                                       |
| 1.8 Payment for purchases of:  |                            |                                       |
| (a) prospects  |                            |                                       |
| (b) equity investments   |                            |                                       |
| (c) other fixed assets   | -                          |                                       |
| 1.9 Proceeds from sale of:   |                            |                                       |
| (a) prospects  | -                          | 75                                    |
| (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)                               |                            |                                       |
| <b>Net investing cash flows</b>  | <b>-</b>                   | <b>75</b>                             |
| <b>1.13 Total operating and investing cash flows (carried forward)</b> | <b>(748)</b>               | <b>(975)</b>                          |

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|  | Current<br>quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--|-------------------------------|---------------------------------------|
| <b>1.13 Total operating and investing cash flows (brought forward)</b> | (748)                         | (975)                                 |
| <b>Cash flows related to financing activities</b>                      |                               |                                       |
| 1.14 Proceeds from issues of shares                                    | 892                           | 1,941                                 |
| 1.15 Proceeds from sale of forfeited shares                            |                               |                                       |
| 1.16 Proceeds from borrowings  | -                             | -                                     |
| 1.17 Repayment of borrowings   | -                             | (6)                                   |
| 1.18 Dividends paid  |                               |                                       |
| 1.19 Other (provide details if material)- Capital Raising Costs        | (183)                         | (259)                                 |
| <b>Net financing cash flows</b>  | 709                           | 1,676                                 |
| <b>Net increase (decrease) in cash held</b>                            |                               |                                       |
| 1.20 Cash at beginning of quarter/year to date                         | 1,098                         | 358                                   |
| 1.21 Exchange rate adjustments to item 1.20                            |                               |                                       |
| <b>1.22 Cash at end of quarter</b>                                     | 1,059                         | 1,059                                 |

**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      | 120 |
| 1.24 Aggregate amount of loans to the parties included in item 1.10        |     |
| 1.25 <u>Explanation necessary for an understanding of the transactions</u> |     |
| Salaries, Directors fees and consultancy fees at normal commercial rates.  |     |

**Non-cash financing and investing activities**

|  | \$A'000 |
|--|---------|
| 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 | 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     |

**Financing facilities available**

Add notes as necessary for an understanding of the position.

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

| <b>Estimated cash outflows for next quarter *</b> | \$A'000    |
|---|------------|
| 4.1 Exploration and evaluation                    | 250        |
| 4.2 Development                                   | -          |
| 4.3 Production                                    |            |
| 4.4 Administration                                | 200        |
| <b>Total</b>                                      | <b>450</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 1,059                      | 1,098                       |
| Deposits at call                                 | -                          | -                           |
| Bank overdraft                                   | -                          | -                           |
| Other - 30 day bank bills                        | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>1,059</b>               | <b>1,098</b>                |

**Changes in interests in mining tenements**

|   | Tenement reference | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|---|--------------------|--------------------|----------------------------------|----------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | EL 7176            | 100%               | 100%                             | 0%                         |
|   | EL 7177            | 100%               | 100%                             | 0%                         |
|   | EL 6196            | 100%               | 100%                             | 0%                         |
| 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>                  |              |               |   |  |
| <b>7.2 Changes during quarter</b>                                |              |               |   |  |
| (a) Increases through issues                                     |              |               |   |  |
| (b) Decreases through returns of capital, buy-backs, redemptions |              |               |   |  |
| <b>7.3 Ordinary securities</b>                                   | 893,711,889  | 893,711,889   |   |  |
| <b>7.4 Changes during quarter</b>                                |              |               |   |  |
| (a) Increases through issues-                                    |              |               |   |  |
| Rights Issue   | 89,371,189   | 89,371,189    |   |  |
| 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 |              |               |   |  |

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|  | Total number | Number quoted | Issue price per security (see note 3) | Amount paid up per security (see note 3) |
|--|--------------|---------------|---------------------------------------|--|
|  |              |               | \$                                    | \$                                       |
| <b>7.5 Convertible debt securities (description)</b><br>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 15% | 10           | 10            | -                                     | -  |
| <b>7.6 Changes during quarter</b>  |              |               |                                       |  |
| (a) Increases through issues   | -            | -             | -                                     | -  |
| (b) Decreases through returns of capital, buy-backs, redemptions   | -            | -             | -                                     | -  |

| <b>7.7 Options</b>                        |                      | Total Number | Number Quoted | Exercise price | Expiry Date |
|---|----------------------|--------------|---------------|----------------|-------------|
| Description and conversion factor         |                      |              |               |                |             |
| 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 | 850,000      | -             | 20 cents       | 25-Nov-13   |
| 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   |
| 25 May 2015 Options                       | 1share for 1 option  | 5,500,000    |               | 5 cents        | 25-May-15   |
| 25 May 2015 Options                       | 1share for 1 option  | 5,500,000    |               | 7.5 cents      | 25-May-15   |
| 25 May 2015 Options                       | 1share for 1 option  | 8,750,000    |               | 5 cents        | 25-May-15   |
| 25 May 2015 Options                       | 1share for 1 option  | 8,750,000    |               | 7.5 cents      | 25-May-15   |
| 13 March 2015 Options                     | 1share for 1 option  | 141,828,192  | 141,828,192   | 1.5 cents      | 31-Mar-15   |
| <b>7.8 Issued during quarter</b>          |                      |              |               |                |             |
| 13 March 2015 Options                     | 1share for 1 option  | 141,828,192  | 141,828,192   | 1.5 cents      | 31-Mar-15   |
| <b>7.9 Exercised during quarter</b>       |                      |              |               |                |             |
| <b>7.10 Expired during quarter</b>        |                      |              |               |                |             |
| 30 November 2012 Options                  | conditional          | 14           | -             | 11.1 cents     | 30-Nov-12   |
| 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 | 6,660,000    | -             | 43.1 cents     | 22-Nov-12   |
| <b>7.11 Lapsed during quarter</b>         |                      |              |               |                |             |
| <b>7.12 Debentures</b>                    |                      |              |               |                |             |
| <b>7.13 Unsecured notes (totals only)</b> |                      |              |               |                |             |

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-13

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.