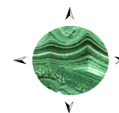


# Malachite Resources Limited

ABN 86 075 613 268



**ASX Announcement**

**ASX Code: MAR**

**5 July 2013**

## **\$1 MILLION OF NEW CONVERTIBLE NOTES RAISED TO RE-FINANCE EXISTING CONVERTIBLE NOTES**

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Malachite Resources Limited (“Malachite” or “the Company”) is pleased to advise that it has entered into Convertible Note Subscription Agreements for a total of \$1,000,000 to re-finance existing Convertible Notes.

A number of new investors have agreed to acquire new Convertible Notes in the amount of \$500,000 to re-finance the existing Convertible Notes currently held by Sun Biomedical Limited.

Heavy Duty Superannuation Pty Ltd has also executed a Convertible Note Subscription Agreement to replace its existing Convertible Notes in the amount of \$500,000.

The terms of the new Convertible Notes (for a total of \$1,000,000) can be summarised as follows:

- Issue Price of each Note - \$50,000;
- Term of Notes – 9 months which may be extended at the election of Noteholders for a further term of 3 months;
- Interest Rate – 15% per annum for initial 9 month term and then 17.5% per annum for any extended 3 month term;
- Conversion – at the election of Noteholders at any time after 6 months; and
- Conversion Price - 20% discount to the 30 Day VWAP at the time of conversion.

Shareholder approval will be sought at the Company’s Annual General Meeting in November 2013 to approve the conversion on these Notes into fully paid ordinary shares should Noteholders elect to exercise their conversion rights.

In addition, shareholder approval will be sought at the same meeting for Mr. Terry Cuthbertson, who is a Director of the Company, to subscribe for one new Convertible Note.

It is anticipated that these new Convertible Notes will be redeemed by the Company (if not previously converted into shares by the Noteholder) from cashflow generated from the Company’s Lorena Gold Project which is currently expected to be developed by year end.

The Company values the continued support of Heavy Duty Superannuation Pty Ltd and the participation of new Noteholders in this refinancing.

For further information, please contact Andrew Cooke, the Company Secretary, on **(02) 9251 0032** or by email at [info@malachite.com.au](mailto:info@malachite.com.au) or visit the Company’s website at [www.malachite.com.au](http://www.malachite.com.au)