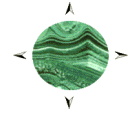


Malachite Resources Limited

ABN 86 075 613 268



ASX Announcement

ASX Code: MAR

31 July 2013

\$300,000 RAISED BY NEW CONVERTIBLE NOTES

Malachite Resources Limited (“Malachite” or “the Company”) advises that it has entered into Convertible Note Subscription Agreements for a total of \$300,000. The funds raised will be used by the Company for working capital purposes.

The terms of the new Convertible Notes (for a total of \$300,000) are identical to those recently issued by the Company on 5 July 2013 (for a total of \$1 million) and 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. Andrew McMillan, 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 cash flow generated from the Company’s Lorena Gold Project which is forecast to be in commercial production during first quarter of 2014.

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