



CONVERTIBLE NOTES

Malachite Resources Limited (ASX code: MAR) is pleased to confirm the following details in respect of Convertible Notes issued by the Company:

Extension of Existing Convertible Notes

The Company has Convertible Notes with a face value of \$1,300,000 on issue to existing Convertible Noteholders. The Company has successfully negotiated with existing Convertible Noteholders to vary a number of key Convertible Note terms. The key terms of these Convertible Notes are summarised as follows:

- The Maturity Date has been extended to 5 April 2015;
- Interest shall accrue daily on each of the Convertible Notes and shall be payable quarterly in arrears at an interest rate of 15% per annum;
- The Conversion Price is the lesser of \$0.015 or a 20% discount to the 30 Day VWAP at the time of conversion;
- The Convertible Noteholder has the right to convert the Convertible Note into Ordinary Shares at any time up to the Maturity Date; and
- The Company will pay each Convertible Noteholder a Rollover Fee of 1.75% of the Issue Price to be satisfied by the issue of Ordinary Shares at a 20% discount to the 30 day VWAP to 5 July 2014.

New Convertible Notes

The Company has received subscription agreements for new Convertible Notes with a face value of \$300,000. The funds raised from the new Convertible Notes will be used for working capital purposes. The terms of the new Convertible Notes are identical to the existing Convertible Notes as summarised above except that no Rollover Fee is payable.

Shareholder approval will be sought at the Company's Annual General Meeting in November 2014 to approve the conversion on these Convertible Notes into fully paid ordinary shares should Convertible Noteholders elect to exercise their conversion rights.

In addition, Mr. Andrew McMillan, who is a Director of the Company, has subscribed for one of the new Convertible notes subject to specific shareholder approval which will also be sought at the upcoming Annual General Meeting. The \$50,000 received from Mr McMillan will be treated as a loan until his Convertible Note has been approved by shareholders.

Subject to shareholder approval the total face value of Convertible Notes on issue will then be \$1,600,000.

For further information, please contact:

Malachite Resources Limited on (02) 9251 0032 or by email at info@malachite.com.au or visit the company's website at www.malachite.com.au