



Issue of New Convertible Notes

Malachite Resources Limited (ASX Code: MAR) (“Malachite” or the “Company”) confirms that it has issued new 18 Convertible Notes with a face value of \$180,000 to sophisticated investors identified by Morgans Limited and the Board.

The new Convertible Notes have the following key terms:

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| Issue Price Per Note | \$10,000 |
| Maturity Date | 31 August 2018 |
| Interest Rate | 15.00% per annum until the Maturity Date payable in arrears on the last day of each quarter. |
| Conversion Price | (i) if 80% of the 30 Day VWAP immediately prior to the Conversion Date is less than \$0.003, then \$0.003; or (ii) if 80% of the 30 Day VWAP immediately prior to the Conversion Date is greater than \$0.003 and less than \$0.006, then 80% of the 30 Day VWAP; or (iii) if 80% of the 30 Day VWAP immediately prior to the Conversion Date is greater than \$0.006, then \$0.006. |
| Convertibility | The Notes may be converted into fully paid ordinary shares in the capital of the Company at any time following the issue of the Notes at the election of the Noteholder subject to all requisite regulatory and shareholder approvals if required. |
| Security | The Notes are unsecured. |

In addition Kore Management Services Pty Ltd <Cuthbertson Super Fund A/c> has applied for 7 Convertible Notes having a face value of \$70,000. Mr Terry Cuthbertson is a Director and Shareholder of Kore Management Services Pty Ltd and a beneficiary/potential beneficiary of the Cuthbertson Super Fund. Accordingly the Company will seek shareholder approval for the issue of Convertible Notes to Kore Management Services Pty Ltd <Cuthbertson Super Fund A/c> under ASX Listing Rule 10.11 as Mr. Cuthbertson is the Non-Executive Chairman of Malachite Resources Limited. The amount subscribed by Kore Management Services Pty Ltd <Cuthbertson Super Fund A/c> will be treated as a loan until the issue of Convertible Notes to Kore Management Services Pty Ltd <Cuthbertson Super Fund A/c> has been approved by shareholders.

Funds raised from the issue of these Convertible Notes will be utilised as ongoing working capital. The terms of these Convertible Notes differ from the terms of Notes previously issued by the Company.

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