

MALACHITE RESOURCES LIMITED

ABN 86 075 613 268

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the twenty first Annual General Meeting of the Company

**At: Computershare Investor Services Pty Limited
 Level 4, 60 Carrington Street, Sydney, NSW, 2000**

On: Wednesday 29 November 2017 at 2.00 pm

BUSINESS

1. Financial Report – Year Ended 30 June 2017

To receive and consider the Financial Report of the Company and its controlled entities and the reports of the Directors and the Auditor for the financial year ended 30 June 2017.

2. Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That the Remuneration Report for the year ended 30 June 2017 be adopted.

3. Re-election of Mr. Terry Cuthbertson as a Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That Mr. Terry Cuthbertson, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.

4. Variation to the terms of Previously Issued Unsecured Convertible Notes

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given in respect of the variation of 31 existing unsecured convertible notes previously issued to the Noteholders in the class of persons identified in the Explanatory Notes together with the issue of shares upon conversion of these convertible notes on the terms and conditions set out in the Explanatory Notes.

5. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Terry Cuthbertson

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given to the variation of 6 existing unsecured convertible notes previously issued to Mr. Terry Cuthbertson or associates of Mr. Terry Cuthbertson as set out in the Explanatory Notes together with the issue of shares upon conversion of the convertible notes on the terms and conditions set out in the Explanatory Notes.

6. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Andrew McMillan

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given to the variation of 4.5 existing unsecured convertible notes previously issued to Mr. Andrew McMillan or associates of Mr. McMillan as set out in the Explanatory Notes together with the issue of shares upon conversion of the convertible notes on the terms and conditions set out in the Explanatory Notes.

7. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. James Dean

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given to the variation of 1.5 existing unsecured convertible notes previously issued to Mr. James Dean or associates of Mr. James Dean as set out in the Explanatory Notes together with the issue of shares upon conversion of the convertible notes on the terms and conditions set out in the Explanatory Notes.

8. Approve Proposed issue of shares – Convertible Note Rollover Fees

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purpose of Listing Rule 7.1 of the Australian Securities Exchange and for all other purposes, the issue of 13,817,496 fully paid ordinary shares by the Company to the parties described in section 8 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved.

9. Approve proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purposes of Listing Rule 10.11 the Australian Securities Exchange and for all other purposes, approval be given in respect of the issue of 2,830,794 fully paid ordinary shares to be issued by the Company to an associate of Mr. Terry Cuthbertson as described in section 9 of the Explanatory Notes annexed to and forming part of this Notice of Meeting.

10. Approve proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 of the Australian Securities Exchange and for all other purposes, approval be given in respect of the issue of 2,118,733 fully paid ordinary shares to be issued by the Company to an associate of Mr. Andrew McMillan as described in section 10 of the Explanatory Notes annexed to and forming part of this Notice of Meeting.

11. Approve proposed issue of shares to Mr. James Dean – Convertible Note Rollover Fees

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 of the Australian Securities Exchange and for all other purposes, approval be given in respect of the issue of 692,709 fully paid ordinary shares to be issued by the Company to an associate of Mr. James Dean as described in section 11 of the Explanatory Notes annexed to and forming part of this Notice of Meeting.

VOTING EXCLUSIONS

RESOLUTION 2 – Remuneration Report:

The Company will disregard any votes cast (in any capacity) on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (KMP) (as defined in Section 9 of the Corporations Act 2001 (Cth)) details of whose remuneration are included in the Remuneration Report; or
- by or on behalf of a closely related party (as defined in Section 9 of the Corporations Act 2001 (Cth) such as close family members and any controlled companies) of a member of the KMP.

However, these restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on Resolution 2;

- if the vote is cast in accordance with a direction on the proxy form specifying how the proxy is to vote on Resolution 2; or
- if the vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy expressly authorises the Chairman to vote as he decides on Resolution 2 (even though Resolution 2 is connected directly or indirectly with the remuneration of members of the Company's key management personnel, including the Chairman).

Important Notice for Resolution 2: If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on Resolution 2, the Chairman will vote, as proxy for that shareholder, in favour of Resolution 2.

RESOLUTION 4 –Variation to the terms of Existing Previously Issued of Convertible Notes:

The company will disregard any votes cast on Resolution 4 by:

- Holders of the 31 Convertible Notes previously issued and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 –Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Terry Cuthbertson:

The company will disregard any votes cast on Resolution 5 by:

- Mr. Terry Cuthbertson; and
- any associate of Mr. Terry Cuthbertson.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 –Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Andrew McMillan:

The company will disregard any votes cast on Resolution 6 by:

- Mr. Andrew McMillan; and
- any associate of Mr. Andrew McMillan.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 –Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. James Dean:

The company will disregard any votes cast on Resolution 7 by:

- Mr. James Dean; and
- any associate of Mr. Dean.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 8 – Proposed issue of Shares – Convertible Note Rollover Fees:

The company will disregard any votes cast on Resolution 8 by:

- Holders of Convertible Notes to whom Rollover Fees are to be paid by the issue of shares and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed ; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – Proposed issue of Shares – Convertible Note Rollover Fees - Mr. Terry Cuthbertson:

The company will disregard any votes cast on Resolution 9 by:

- Mr. Terry Cuthbertson; and
- any associate of Mr. Terry Cuthbertson.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 10 – Proposed issue of Shares – Convertible Note Rollover Fees - Mr. Andrew McMillan:

The company will disregard any votes cast on Resolution 10 by:

- Mr. Andrew McMillan; and
- any associate of Mr. Andrew McMillan.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 11 – Proposed issue of Shares – Convertible Note Rollover Fees - Mr. James Dean:

The company will disregard any votes cast on Resolution 11 by:

- Mr. James Dean; and
- any associate of Mr. James Dean.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Important Notice for Resolutions 3 to 11: The Chairman intends to vote all available proxies in favour of Resolutions 3 to 11. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

ENTITLEMENT TO VOTE

In accordance with the *Corporations Act 2001* (Cth) the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the meeting will be the entitlement of that person set out in the Register of Members of the Company at 7.00pm (Sydney time) on 27 November, 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

VOTING BY PROXY

- A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies to attend and vote instead of the shareholder.
- Where 2 proxies are appointed the Proxy Form should specify the proportion, or the number of votes that the proxy may exercise. If the Proxy Form does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- A proxy need not be a shareholder of the Company. The proxy appointed may be described in the Proxy Form by an office held, e.g. "the Chair of the Meeting".
- Proxy Forms must be signed by a shareholder or the shareholder's attorney or, if the shareholder is a corporation, must be under its common seal, or if it does not have one, by 2 directors or by a director and a company secretary, or if it is a proprietary company that has a sole director who is also the company secretary, by that director, or under hand of its attorney or duly authorised officer. If the Proxy Form is signed by a person who is not the registered holder of shares in the Company (i.e. under power of attorney or other authorisation), then the relevant authority (or a certified copy of such authority) must either have been exhibited previously to the Company or be enclosed with the Proxy Form.

In order to record a valid vote, members will need to take the following steps:

- Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form; or
- Custodian voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions; or
- Complete and lodge the proxy form with the Company at the address or facsimile number specified below, along with any power of attorney or notarially certified copy of a power of attorney (if the proxy form is signed pursuant to a power of attorney), by no later than 48 hours before the Annual General Meeting (i.e. *by no later than 2.00 pm (Sydney time), 27 November 2017*):

Malachite Resources Limited
C/- Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

Or facsimile 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

CORPORATE REPRESENTATIVES

A body corporate that is a member, or that has been appointed as a proxy of a member, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment including the authority under which it is signed.

ANNUAL REPORT

Malachite Resources Limited will now make annual reports available online for shareholders. The default option for receiving annual reports is via the Company's website rather than in hard copy. You will not receive a hard copy unless you have requested a printed version.

The Annual Report for the Year Ending 30 June 2017 may be downloaded from the Company's website from the homepage: www.malachite.com.au

or by accessing the following link:

<http://www.malachite.com.au/irm/content/annual-reports.aspx?OriginalCategoryId=215>

By order of the Board
Andrew J Cooke
Company Secretary
20 October 2017



EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

ITEM 1 - Financial Report – Year Ended 30 June 2017

The *Corporations Act 2001* (Cth) (“Corporations Act”) requires the financial report (which includes the financial statements and the Directors’ declaration), the Directors’ report and the Auditor’s report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the Directors’ report or the Auditor’s report.

This item of business provides shareholders with a reasonable opportunity to ask questions concerning or make comments on the Company’s financial statements and reports for the year ended 30 June 2017, the Company’s performance generally and the management of the Company. A representative of the Auditor will be attending the Annual General Meeting.

As a shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor’s report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than 22 November 2017. All questions must be sent to the Company and may not be sent direct to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will answer written questions submitted prior to the Annual General Meeting.

The Auditor will also answer questions at the meeting from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor’s report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 2 - Remuneration Report

The Directors’ report for the year ended 30 June 2017 contains a Remuneration Report which sets out the policy on remuneration of the Directors of the Company and specified executives of the Company.

The Directors believe that the Company’s remuneration policies and structures as outlined in the Remuneration Report are appropriate for the size of the Company, its business and objectives.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory and does not bind the Directors of the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company’s next Remuneration Report must explain the Board’s proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the managing director, will need to stand for re-election (a “Spill Resolution”). If more than 50% of the votes cast on the resolution are in favour, a separate spill meeting must be held within 90 days.

At the Company’s 2016 annual general meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, a Spill Resolution cannot be put at this meeting.

Members attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

RESOLUTION 3 - Re-election of Mr. Terry Cuthbertson as a Director

Non-executive Chairman, Age 67 – appointed as a Director 29 March 2012.

Mr. Cuthbertson is a Chartered Accountant and holds a Bachelor of Business Degree with extensive corporate finance expertise, having advised several businesses and government organizations in relation to mergers, acquisitions and financing. Formerly a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand. He is the Non-executive Chairman of ASX listed MNF Group Limited, Australian Whisky Holdings Limited, Austpac Resources NL, South American Iron and Steel Corporation Limited and Mint Payments Limited. He is a Non-executive Director of iSentric Limited.

Recommendation

The Board (excluding Mr Cuthbertson) recommends that shareholders vote in favour of the re-election of Mr. Cuthbertson as a Director of the Company.

RESOLUTIONS 4 - 11

Background to the Listing Rules that are the subject of this Notice of Meeting

ASX Listing Rule 7

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 allows for shareholders to retrospectively approve an issue of securities, provided that the issue was not in breach of ASX Listing Rule 7.1.

Resolutions 4 and 8 seek Shareholder approval pursuant to ASX Listing Rule 7.1. Shareholders have previously approved (on 21 November 2013, 28 November 2014 and 30 November 2015) the original issue of the Notes considered by resolution 4 pursuant to ASX Listing Rules 7.1 together with the issue of shares upon conversion of these Notes at previous general meetings of the Company.

ASX Listing Rule 10.11

Shareholder approval pursuant to Listing Rule 10.11 is required for the issue of securities to a related party. An issue of securities that has shareholder approval pursuant to Listing Rule 10.11 is an exception to Listing Rule 7.1. As a result, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Resolutions 5, 6, 7, 9, 10 and 11 seek shareholder approval in accordance with ASX Listing Rule 10.11.

If the securities the subject of Resolutions 4 to 11 are treated as having been issued with shareholder approval pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities is restored.

RESOLUTION 4 - Variation to the terms of 31 Existing Previously Issued Unsecured Convertible Notes

The Company has previously issued 31 Convertible Notes for a total face value of \$1,550,000 to unrelated third parties. These Notes have been varied on a number of occasions and were to mature on 1 July 2017.

In its announcement to the ASX dated 25 July 2017 the Company advised that it had reached agreement with its Convertible Noteholders to vary the terms and conditions of the existing Notes to extend the Maturity Date to 1 October 2018.

As consideration for agreeing to vary the terms of the Notes the Company agreed pay each Noteholder a Rollover Fee of 2.25% of the face value of their Notes to be satisfied by the issue of Ordinary Shares at the 30 day VWAP as at 1 July 2017. 13,817,496 shares are to be issued to Noteholders (excluding Noteholders who may be Directors or associates of Directors) in respect of the Rollover Fees payable pursuant to this provision and are the subject of Resolution 8.

Shareholders have previously approved the original issue of these Notes pursuant to ASX Listing Rules 7.1 and 7.4 together with the issue of shares upon conversion of these Notes at previous general meetings of the Company.

The remaining key terms of the Notes remain unchanged.

Approval is now being sought pursuant to ASX Listing Rules 7.1 for the variation of the 31 Notes previously issued together with the issue of shares upon conversion of the Notes and the issue of shares in accordance with the terms of the Notes.

The following information relates to the original Notes:

a) Number of Securities (Notes and number of shares they may convert into)

The number of securities for which shareholder approval is being sought is 31 Notes.

Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Company's share price has traded in the range of \$0.003 to \$0.006 over the three months prior to the preparation of this notice of meeting. In these circumstances, the Notes may convert at a price lower than \$0.015 being at a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

Accordingly, by way of example, the Notes may be converted into ordinary shares as illustrated below;

Notes	Total Shares to be issued at a Conversion Price of \$0.015	Total Shares to be issued at a Conversion Price of \$0.004 (being a 20% discount to a VWAP of \$0.005)
1	3,333,333	12,500,000
5	16,666,665	62,500,000
10	33,333,330	125,000,000
15	49,999,995	187,500,000
25	83,333,325	312,500,000
31	103,333,323	387,500,000

b) Date of Issue

The Notes were issued over a period commencing 5 July 2013 and ending 8 April 2015.

c) Consideration

The Notes were issued at an issue price of \$50,000 each.

d) Terms of the Notes

Each Note may be converted into ordinary shares in the capital of the Company at any time at the election of the Noteholder. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Maturity Date of the Notes was 1 July 2017 and has been extended to 1 October 2018 subject to the approval of this Resolution 4.

e) Use of Funds Raised

There will be no fresh funds raised arising out of the variation of these existing Notes. The funds raised from the original issue of the Notes have primarily been used for the development of the Lorena Gold project near Cloncurry, Queensland and for working capital purposes.

f) Names of the Noteholders

The Notes were originally issued to sophisticated investors identified by the Board.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 4.

RESOLUTION 5 - Variation to the terms of 6 Existing Previously Issued Unsecured Convertible Notes held by a Director: Mr. Terry Cuthbertson or an associate of his.

Approval is sought pursuant to ASX Listing Rule 10.11 for the variation of 6 existing Unsecured Convertible Notes together with the issue of shares upon conversion of these Notes to Mr. Terry Cuthbertson or an associate of his.

Recommendation

The Board (excluding Mr. Terry Cuthbertson) recommends that shareholders vote in favour of the variation of 6 Existing Notes as proposed by Resolution 5.

RESOLUTION 6 - Variation to the terms of 4.5 Existing Previously Issued Unsecured Convertible Notes held by a Director: Mr. Andrew McMillan or an associate of his.

Approval is sought pursuant to ASX Listing Rule 10.11 for the variation of 4.5 existing Unsecured Convertible Notes together with the issue of shares upon conversion of these Notes to Mr. Andrew McMillan or an associate of his.

Recommendation

The Board (excluding Mr. Andrew McMillan) recommends that shareholders vote in favour of the variation of 4.5 Existing Notes as proposed by Resolution 6.

RESOLUTION 7 - Variation to the terms of 1.5 Existing Previously Issued Unsecured Convertible Notes held by a Director: Mr. James Dean or an associate of his.

Approval is sought pursuant to ASX Listing Rule 10.11 for the variation of 1.5 existing Unsecured Convertible Notes together with the issue of shares upon conversion of these Notes to Mr. James Dean or an associate of his.

Recommendation

The Board (excluding Mr. James Dean) recommends that shareholders vote in favour of the variation of 1.5 Existing Notes as proposed by Resolution 7.

RESOLUTIONS 5, 6 and 7: Variation of Existing Convertible Notes to Related Parties (Directors/associates of Directors)

The following information is provided in accordance with ASX Listing Rule 10.13:

(a) Number of securities to be issued

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

Number of Shares issued at a Conversion Price of \$0.015

Should the conversion price be \$0.015, each Note may be converted into 3,333,333 shares in the Company.

By way of example, should a conversion price of \$0.004 apply (being a 20% discount to a share price of \$0.005), each Note may be converted into 12,500,000 shares in the Company.

The total number of Notes to be varied for which shareholder approval is being sought pursuant to resolutions 5, 6 and 7 is 12 Notes:

Resolution	Related Party	Number of Notes
5	Terry Cuthbertson (Director) or an associate of his	6
6	Andrew McMillan (Director) or an associate of his	4.5
7	James Dean (Director) or an associate of his	1.5
		12.0

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

(b) Date of issue and allotment

Subject to obtaining shareholder approval, the Company will vary the Convertible Notes within one month of the date of this Meeting.

(c) Issue price and terms of issue

The issue price of each Note is \$50,000.

The Maturity Date of the Notes was 1 July 2017 and has been extended to 1 October 2018 subject to the approval of Resolutions 5, 6 and 7.

Any Noteholder may, on giving at least 2 days' notice in writing to the Company, require the Company on or at any time after the Maturity Date to redeem any of the Noteholder's Notes which have not been converted. The Company may at any time following the Maturity Date, elect to repay all or any of the Notes which have not been converted.

Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter.

If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

(d) Intended use of the funds raised

There will be no fresh funds raised arising out of the variation of these existing Notes. The funds raised from the original issue of the Notes have primarily been used for the development of the Lorena Gold project near Cloncurry, Queensland and for working capital purposes.

Chapter 2E of the Corporations Act 2001

The proposed variation of existing Notes previously issued to Directors of the Company (or their associates) pursuant to Resolutions 5, 6 and 7 involves giving a financial benefit to related parties for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Board (excluding the relevant Directors in each case) believe that the issue of these Notes to Directors or their associates is appropriate and reasonable in all circumstances, as they are being varied on the same terms and conditions as those that were issued to third party sophisticated and professional investors. Therefore the Company considers that the grant of these Notes comes within section 210 of the *Corporations Act 2001*, and accordingly that shareholder approval is not required for the purposes of Chapter 2E.

RESOLUTION 8 - Approve Proposed Issue of Shares – Convertible Notes Rollover Fees

The Company proposes to issue 13,817,496 fully paid ordinary shares within 1 month of the date of the meeting (or in any event, not later than 3 months from the date of the meeting) in respect of Rollover Fees payable to the holders of 31 Convertible Notes (excluding Notes held by Directors/associates of Directors).

All of the shares to be issued which are subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and are quoted on the ASX.

The shares will be issued as payment of Rollover Fees to the holders of Convertible Notes who agreed to extend their Convertible Notes to the Extended Maturity Date of 1 October 2018. This Rollover Fee was calculated as 2.25% of the Issue Price of each Note paid by the issue of Ordinary Shares for nil cash consideration at a deemed issue price of \$0.0031 being the VWAP of the Company's share price for the 30 days on which the Company shares traded prior to 1 July 2017.

No new funds will be raised by the issue of these shares.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 8.

RESOLUTION 9 - Proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees

The Company proposes to issue 2,830,794 fully paid ordinary shares in respect of Rollover Fees payable to associates of Mr. Terry Cuthbertson as the holders of 6 Convertible Notes.

The following information is provided in accordance with ASX Listing Rule 10.13:

(a) Name of the person

The shares will be issued to Kore Management Services Pty Ltd <Cuthbertson Super Fund A/C>. Terry Cuthbertson is a Director and Shareholder of Kore Management Services Pty Ltd.

(b) Maximum Number of securities to be issued

The total number of shares to be issued for which shareholder approval is being sought is 2,830,794.

(c) Date of issue and allotment

Subject to obtaining shareholder approval, the Company will issue the shares within one month of the date of this Meeting.

(d) Issue price and terms of issue

The shares are to be issued as payment of a Rollover Fee to associates of Mr. Terry Cuthbertson as the holders of 6 Convertible Notes for agreeing to extend their Convertible Notes to the Extended Maturity Date of 1 October 2018. This Rollover Fee was calculated as 2.25% of the Issue Price of each Note paid by the issue of Ordinary Shares for nil cash consideration at a deemed issue price of \$0.0031 being a 20% discount to the VWAP of the Company's share price for the 30 days on which the Company shares traded prior to 1 July 2017.

All of the shares being the subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and will be quoted on the ASX.

(e) Intended use of the funds raised

No new funds are to be raised by the issue of these shares.

Chapter 2E of the Corporations Act 2001

The proposed issue of shares to associates of Mr. Terry Cuthbertson involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Terry Cuthbertson) believe that the issue of the shares to associates of Mr. Cuthbertson as payment of Rollover Fees is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 8). Therefore the Company considers that the issue of shares comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for the purposes of Chapter 2E.

Recommendation

The Board (excluding Mr. Terry Cuthbertson) recommends that shareholders vote in favour of the proposed issue of 2,830,794 shares as proposed by Resolution 9.

RESOLUTION 10 - Proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees

The Company proposes to issue 2,118,733 fully paid ordinary shares in respect of Rollover Fees payable to an associate of Mr. Andrew McMillan as the holders of 4.5 Convertible Notes.

The following information is provided in accordance with ASX Listing Rule 10.13:

(a) Name of the person

The shares will be issued to Andrew McMillan and Sally McMillan <The McMillan Super Fund>. Sally McMillan is married to Andrew McMillan.

(b) Maximum Number of securities to be issued

The total number of shares to be issued for which shareholder approval is being sought is 2,118,733.

(c) Date of issue and allotment

Subject to obtaining shareholder approval, the Company will issue the shares within one month of the date of this Meeting.

(d) Issue price and terms of issue

The shares are to be issued as payment of a Rollover Fee to associates of Mr. Andrew McMillan as the holders of 4.5 Convertible Notes for agreeing to extend their Convertible Notes to the Extended Maturity Date of 1 October 2018. This Rollover Fee was calculated as 2.25% of the Issue Price of each Note paid by the issue of Ordinary Shares for nil cash consideration at a deemed issue price of \$0.0031 being a 20% discount to the VWAP of the Company's share price for the 30 days on which the Company shares traded prior to 1 July 2017.

All of the shares being the subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and will be quoted on the ASX.

(e) Intended use of the funds raised

No new funds are to be raised by the issue of these shares.

Chapter 2E of the Corporations Act 2001

The proposed issue of shares to an associate of Mr. Andrew McMillan involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Andrew McMillan) believe that the issue of the shares to an associate of Mr. McMillan as payment of Rollover Fees is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 8). Therefore the Company considers that the issue of shares comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for the purposes of Chapter 2E.

Recommendation

The Board (excluding Mr. Andrew McMillan) recommends that shareholders vote in favour of the proposed issue of 2,118,733 shares as proposed by Resolution 10.

RESOLUTION 11 - Proposed issue of shares to Mr. James Dean – Convertible Note Rollover Fees

The Company proposes to issue 692,709 fully paid ordinary shares in respect of Rollover Fees payable to associates of Mr. James Dean as the holder of 1.5 Convertible Notes.

The following information is provided in accordance with ASX Listing Rule 10.13:

(a) Name of the person

The shares will be issued to Construction Equipment Finance Limited and AGIO Capital Corporation Ltd <The Dean Family NZ A/C> James Dean is a Director and Shareholder of both Construction Equipment Finance Limited and AGIO Capital Corporation Ltd.

(b) Maximum Number of securities to be issued

The total number of shares to be issued for which shareholder approval is being sought is 692,709.

(c) Date of issue and allotment

Subject to obtaining shareholder approval, the Company will issue the shares within one month of the date of this Meeting.

(d) Issue price and terms of issue

The shares are to be issued as payment of a Rollover Fee to associates of Mr. James Dean as the holders of 1.5 Convertible Notes for agreeing to extend their Convertible Notes to the Extended Maturity Date of 1 October 2018. This Rollover Fee was calculated as 2.25% of the Issue Price of each Note paid by the issue of Ordinary Shares for nil cash consideration at a deemed issue price of \$0.0031 being a 20% discount to the VWAP of the Company's share price for the 30 days on which the Company shares traded prior to 1 July 2017.

All of the shares being the subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and will be quoted on the ASX.

(e) Intended use of the funds raised

No new funds are to be raised by the issue of these shares.

Chapter 2E of the Corporations Act 2001

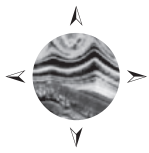
The proposed issue of shares to an associate of Mr. James Dean involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. James Dean) believe that the issue of the shares to an associate of Mr. Dean as payment of a Rollover Fee is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 8). Therefore the Company considers that the issue of shares comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for the purposes of Chapter 2E.

Recommendation



The Board (excluding Mr. James Dean) recommends that shareholders vote in favour of the proposed issue of 692,709 shares as proposed by Resolution 11.




malachite
resources

Malachite Resources Limited
ABN 86 075 613 268

Lodge your vote:

  **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181217

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 2:00 pm (Sydney time) Monday, 27 November 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Malachite Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Malachite Resources Limited to be held at Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney, NSW, 2000 on Wednesday, 29 November 2017, at 2:00pm and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approve proposed issue of shares – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr. Terry Cuthbertson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approve proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Variation to the terms of Previously Issued Unsecured Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approve proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Terry Cuthbertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approve proposed issue of shares to Mr. James Dean – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. Andrew McMillan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7. Variation to the terms of Unsecured Convertible Notes Previously Issued to a Director: Mr. James Dean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /