

Letter to Shareholders

Amended 30th November 2008

Dear Shareholder,

Your board has two immediate and pressing objectives. One is to have the Company's shares listed on a European stock exchange and the second, to fast track the Company's exploration programme. To achieve these objectives it has become clear that the Company needs to raise capital. The board has therefore, decided to make a share placement to raise \$3 million.

The board believes that existing shareholders should be offered a preferential opportunity as an incentive to participate in this placement. The board has agreed that existing shareholders are to be offered one bonus share for every placement share they take up in the placement at \$2.00. That is effectively offering the share at **\$1.00 per share**.

PURPOSE OF THE PLACEMENT

- **Meet cost of stock exchange listing**
- **Meet costs of ongoing exploration programmes**
- **Provide working capital**

List on an EU stock exchange

The costs associated with a stock exchange listing are substantial. As you are aware, your shares are restricted under *Regulation S* of the *US Securities Act 1933*. *Regulation S* shares cannot be traded within the United States of America or to US citizens. Outside the US the restrictions do not apply. By listing on the London AIM, London Plus-Markets or Frankfurt Stock Exchange for example, *Regulation S* shares are as readily tradable as any other listed security. It is essential for the company and our shareholders that this listing be achieved.

Should this placement fail the possibility of listing will be placed in serious doubt.

Fast Track Exploration programmes

The Company needs to move forward with its exploration activities in Africa and Australia. Further to this the company is carrying out feasibility on a small scale artisanal mining operation in Africa which could have the benefit of cash flow in the short to medium term.

TERMS OF THE PLACEMENT

The terms of the placement are set out in detail in the Offer document attached to this letter. To summarise, Shareholders appearing on the Company's shares register as at 31st August 2008 will be entitled to apply for up to two fully paid ordinary (*Regulation S*) shares for every one share held for a purchase price of \$2.00 per share. Free and for no consideration participating shareholders will be issued one fully paid ordinary (*Regulation S*) share for every share purchased in this placement. Effectively the purchase price will be \$1.00 per share. Total placement amount \$3 million. New Shares to be issued, 3 million.

SHAREHOLDER SERVICES AND CALL CENTRE

To assist Eligible Shareholders the Company has engaged a call centre in the UK to act as the Shareholder Services Line. The call centre telephone number is **+44 (0) 207 903 5108**. If you have any queries concerning the placement please email us at info@greenmachinecorp.com or telephone on the aforementioned number and a Company representative will return your call.

By Order of the Board

Shane M Healy

President and CEO

<http://www.greenmachinecorp.com/>

Section One – *Details of the Issue*

1. DETAILS OF THE ISSUE

1.1 The Offer

The Company is making an Offer to Eligible Shareholders of up to 1,500,000 New Fully Paid Ordinary Regulation S Shares to raise \$3 million at an issue price of \$2.00 for each New Share, with one free bonus share of up to 1,500,000 for every share purchased in this Issue. Total new shares issued not to exceed 3,000,000. Effective price to Eligible Shareholders, including bonus share, is \$1.00 per share. The Offer Price is payable in full by Eligible Shareholders on acceptance of the Offer.

Each Eligible Shareholder is entitled to subscribe for 2 New Shares for every 1 Existing Share held on the Record Date (30th August 2008).

There is no minimum subscription under the Offer.

1.2 Eligible Shareholders

To qualify as an Eligible Shareholder for the Issue Offer, a Shareholder must:

- (a) be registered as a Shareholder at the close of business on the 30th August 2008; and
- (b) have an address in the European Union as recorded on the Share Registry as at the Record Date.

1.3 Purpose of the Issue

The purpose of the Issue is to raise up to \$3 million after transaction costs which will be used by the Company to assist in funding the cost of listing on a European stock exchange, fast track the Company's exploration programmes and to provide working capital.

1.4 Underwriting

The Issue is not underwritten and therefore there is no guarantee that all the projected proceeds of the Offer will be raised.

1.5 Major Shareholder

The Company's major shareholder and principal financier, Courteen Consultants Inc is not entitled to participate in the issue. To assist the Company with its cash flow, Courteen has agreed to convert \$5.9 million in loans made to the Company into shares in Green Machine. Courteen has agreed to accept 2,950,000 fully paid (Regulation S) shares at a value of \$2.00 each in consideration.

1.6 Allotment of New Shares

New Regulation S Shares under the Issue are expected to be allotted by 30th March 2009 (subject to variation at the discretion of the Company).

1.7 Foreign Shareholders

The New Shares being offered under this Offer Document are being offered to Eligible Shareholders with registered addresses in the European Union.

The Issue will not be offered to Non-Eligible Foreign Shareholders (i.e. shareholders resident outside the European Union). The Company has determined that it is not economically viable for it to make offers to Non-Eligible Foreign Shareholders due to the cost of meeting compliance requirements with the securities laws in each applicable jurisdiction in which Non-Eligible Foreign Shareholders may reside. The Company reserves the right in its absolute discretion to offer the Issue to a Shareholder with an address in the Company register of Shareholders outside the European Union if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regard as acceptable.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of the European Union countries.

The distribution of this Offer Document outside the European Union countries may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

This Offer Document has not been registered as an Offer Document. Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons residing outside the European Union countries.

1.8 Taxation Implications

Shareholders should be aware that there may be taxation implications of participating in the Offer and subscribing for New Shares. The taxation consequences of participating in the Offer and/or acquiring New Shares may vary depending on the individual circumstances of each Shareholder.

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

1.9 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. The key risk factors have been summarised in section 4.

1.10 Regular Reporting and Disclosure

The Company has disclosure obligations under the Securities Act. These obligations require the Company to notify the market of information about specific events and matters as they arise. In particular, the Company has an obligation (subject to certain limited exceptions) to notify the market once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the Company's website www.greenmachinecorp.com

1.11 Rights and Liabilities Attaching to New Shares

New and Bonus Shares issued pursuant to this Offer Document will be fully paid ordinary *Regulation S* shares in the capital of the Company and will rank equally with all the Existing Shares including for any dividend issued after the date of this Offer Document.

The rights and liabilities attaching to Shares are set out in the Company's Constitution. The Constitution may only be varied by a special resolution passed by at least 75% of Shareholders present (and entitled to vote).

1.12 Disclaimer

No person is authorised to give any information or make any representation in connection with the Issue or Offer described in this Offer Document, which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Issue.

1.13 Financial Amounts

Money as expressed in this Offer Document is in United States dollars, unless otherwise indicated.

Section Two – *Required Actions*

2. REQUIRED ACTIONS

2.1 Eligible Shareholders

If you are an EU resident shareholder you may either:

- take up all or part of your Entitlement in accordance with this Offer Document; or
- decline to exercise any or all of your Entitlement.

If you are a European Union country Shareholder and wish to take up all or part of your Entitlement:

- (a) read this Offer Document in full;
- (b) consider the risks associated with the Issue, as summarised in section 4, in light of your personal circumstances;
- (c) decide whether to participate in the Issue;
- (d) complete the Acceptance Form accompanying this Offer Document in accordance with the instructions set out on the form. If you have not received an Acceptance Form please call the Shareholder Services Line; and return the completed Acceptance Form together with payment in accordance with section 2.2 below, using the enclosed reply paid envelope or to the following address so that it is received by no later than 5.00pm (BST) on 31st March 2009 (or such other date as may be determined by the Company):

By mail – **Mailing House address in the UK**

Green Machine Development Corporation
Suite 404, Albany House
324-326 Regent Street
London **W1B 3HH**

Completed Acceptance Forms and Application Monies will not be accepted at the Company's registered office. **A reply paid envelope is enclosed for your convenience.** If mailed in the United Kingdom, no postage stamp is required. The Company has engaged a mailing house to handle its mail in the UK. If mailed from outside the United Kingdom, correct postage must be affixed. Eligible Shareholders should ensure that their Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address specified above by 5.00pm (BST) on 31st March 2009 (or such other date as may be determined by the Company).

If you have any questions about the Issue, please email on info@greenmachinecorp.com or call the Shareholder Services Line on **+44 (0) 207 903 5108** at any time from 8.30am to 5.00pm (BST) Monday to Friday during the Offer Period (ending 31st March 2009, or any other date as may be determined by the Company).

2.2 Payment

The Offer Price of \$2.00 per New Share is payable in full on exercise of your Entitlement. For all Eligible Shareholders payments must be received no later than 5.00pm (BST) on 31st March 2009 (or such other date as may be determined by the Company).

Payment will only be accepted in **United States** dollars and may be remitted by:

- **PREFERRED METHOD** is through the direct bank transfer in US Dollars to International Mercantile Administrators LLC according to the instructions set out on the Acceptance Form, or
- by cheque, money order or bank draft drawn, made payable in US dollars to International Mercantile Administrators LLC

Cash will not be accepted. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Monies will pay for, or your Application may be rejected.

Your completed Acceptance Form or bank transfer acceptance, once sent to the Company or International Mercantile Administrators LLC, cannot be withdrawn.

2.3 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the offer shares which are unexercised will be offered to other eligible shareholders.

You will receive no payment for placement shares not taken up or sold. If you decide not to participate in the Issue, you do not need to fill out or return the accompanying Acceptance Form. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

Section Three – *Company Operations*

3. COMPANY OPERATIONS

Mission

To explore, measure and develop high value metal resources on the continents of Australia and Africa in a socially responsible manner which will **add value and benefit** the community in which we work, the country in which we operate, the environment from which we source, the employees who give the company life and the shareholders to whom the company owes its existence and reason for being.

Immediate Goals

- List its securities on a European stock exchange
- Acquire a balanced portfolio of metals and sovereign risk
- Quantify and prove-up its reserves of metals and to
- Seek joint ventures with the major metals producers to exploit its proven resources.

Overview

Green Machine Development Corporation (GMDC) is a company incorporated in the United States of America in the state of Florida on 3rd May 1989. The Company undertakes metals exploration projects on the continents of Australia and Africa. Through its wholly owned subsidiary Australian Metal Explorations PL, Green Machine has option over two projects in the north of the Australian state of Western Australia. Through its wholly owned subsidiary Ellwood Overseas Holdings SA, Green Machine has five projects in the Democratic Republic of Congo (DRC) a country located in central African.

Australia

The Australian projects are principally associated with the exploration for silver and lead. The Company's wholly owned subsidiary, Australian Metal Explorations PL has an option to acquire two projects Kooline and Tallawarra. These projects cover an area of approximately 77 sq kilometres.

Africa

The DRC projects are principally associated with the exploration for copper and cobalt. The Company's wholly owned subsidiary Ellwood Overseas Holdings SA, has acquired an 80% interest in two Congolese companies, Andromeda SPRL and Orion SPRL. Both of these companies are incorporated in DRC. Andromeda has three mining concessions and Orion has two, all are in the mineral rich province of Katanga, the world famous copper belt. These projects cover an area of approximately 1,050 sq kilometres.

Outlook

There is an apparent insatiable world wide demand for metals principally driven by the emergence of China and India as market economies. This demand is expected to continue over the next five years. Demand for motor vehicles increases without abatement. The Company's menu of metals is aligned with motor vehicle manufacture. Green Machine intends to take advantage of the demand for copper, cobalt, silver and lead available on its project areas.

Announcements relating to recent acquisitions can be found on the Company's website at www.greenmachinecorp.com

Section Four – *Risk Factors*

4. RISK FACTORS

A decision to invest in the Company is a decision which is subject to the same type of risks which are ordinarily associated with purchasing company shares in any resources company. The brief summary of risk factors set out below is not exhaustive.

Eligible Shareholders should consider these risks carefully and, if they are in any doubt, should consult their stockbroker or other professional adviser.

Economic conditions

The Company may be affected by general economic conditions and the business cycle. Changes in economic conditions in China and India and other markets in which the Company operates may affect demand for base metals.

Product risks

Any substantial collapse in the price of commodities and base metals in particular copper, cobalt, lead and silver.

Industry risk

Both costs and timeframes for exploration projects can be influenced by factors outside of the Company's control. To the extent that this could occur, it would generally arise from decisions of regulatory authorities in the jurisdictions in which the Company operates.

The Issue is substantially undersubscribed

The Issue is not underwritten. As a result, there may be a shortfall in the subscriptions from Shareholders. However, the Company anticipates that the minimum amount raised under the Issue will be approximately \$3.0 million. The Company believes this amount provides sufficient capital to adequately meet the purpose of the Issue. However, to the extent that a shortfall eventuates, the rate at which the Company will be able to implement its objectives will be reduced.

Law, regulatory and policy risk

Changes in government legislation, regulation and policy in jurisdictions in which the Company operates may adversely affect the operations of the Company, future earnings of the Company and asset values of projects held by the Company.

Sovereign Risk

Civil insurrection or unrest may overtake one or more of the countries in which the Company operates namely Australia, the Democratic Republic of Congo and the United States of America.



Application form for Eligible Shareholders regarding the issue of new shares (the "Shares") in Green Machine Development Corporation ("Green Machine")

This form is to be delivered to the Company's London Mailing House at the following address:

**Green Machine Development Corporation
Suite 404, Albany House
324-326 Regent Street
London W1B 3HH**

Application form and payment must be received by the addressee above no later than 30th March 2009. The offering price is US\$2.00 per (*Regulation S*) share with a 1 for 1 bonus share issue for every share subscribed for in this form. No commission will be charged.

The undersigned is aware of, respectively consent that:

- the application is binding and that only one application form per applicant will be considered,
- payment for the Shares must be made no later than 30th March 2009 in accordance with the instructions stated below,
- delivery of the Shares will be made in registered form and will take place after full payment has been made...
- this application will be registered electronically in a register concerning applications for this issue and may be compared to the shareholders' register,
- an incomplete or improperly completed application may be disregarded,
- no changes or additions may be made to the printed text of the application form,

I/we confirm that I/we have taken note of what is stated below under "Important information".

Subscription

I/we hereby apply, in accordance with the conditions and instructions stated in the notice of issue prepared by the Board of Directors of Green Machine on 30th August 2008, for subscription of:

Shares in Green Machine

(Shareholders are entitled to subscribe for 2 Share for each 1 existing shares held in Green Machine as of the record date of 30th August 2008. Each new share applied for in this form will be issued one bonus share).

Payment

Subscription Price US\$.....
 Favour of: Green Machine Development Corporation
 Bank: Wachovia Bank
 5355 Town Center Road, Boca Raton, FL 33486 USA
 ABA: 063 000 021
 Swift Code: PNBPU33
 Account number: 2000 0445 5405 7

Surname & Postcode:

Information about the subscriber: PLEASE PRINT IN BLOCK LETTERS

Last Name / Company Name: _____ First Names: _____

Postal address: _____

Postal Code / City: _____ Email: _____

Signature: _____

Important information: The issue of the Shares is not subject to the preparation of a prospectus. It is not directed to persons, the participation of which requires any prospectuses or requires any registration or other measures than those prescribed. The notice and the application form may not be distributed in any country where the distribution or offer requires other measures or conflict with those prevailing in such country. The issue of Shares is not directed to persons that are not shareholders of Green Machine Development Corporation.



Application to subscribe Shares that is made in conflict with the above may be considered not valid. The undersigned shall carefully review the content of the notice, which is deemed to be an integral part of this application form.