

27 May 2022

Dear Shareholders

2022 EXTRAORDINARY GENERAL MEETING

An extraordinary meeting of the Company's shareholders is scheduled to be held at Level 8, Exchange Tower, 2 The Esplanade, Perth, Western Australia on 29 June 2022 at 11am (AWST) (**Meeting**).

The Company is continuing to monitor the impact of the coronavirus in Western Australia and following guidance from the Federal and State Governments. Having considered the current circumstances, at this stage the Directors have made the decision that a physical meeting will be held. Accordingly, Shareholders will be able to attend the Meeting in person.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting.**

In accordance with new provisions under the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy.

The Notice of Meeting can be viewed and downloaded from www.malleeresources.com.au. Alternatively, a complete copy of the Notice of Meeting has been posted on the Company's ASX market announcements page.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at <https://investor.automic.com.au/#/loginsah> and log in with your unique shareholder identification number and postcode (or country for overseas residents), which you can find on your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access the Notice of Meeting online please contact the Company Secretary, Rowan Caren, on +61 8 6147 8100 or via email at info@malleeresources.com.au.

The Company will notify Shareholders via the Company's website at www.malleeresources.com.au and the Company's ASX Announcement Platform at www.asx.com.au (ASX: MYL) if changing circumstances impact the planning or arrangements for the Meeting.

This announcement is authorised for market release by Rowan Caren, Executive Director and Company Secretary.

Sincerely,



Rowan Caren
Executive Director and Company Secretary



If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Your proxy voting instruction must be received by **11.00am (AWST) on Monday, 27 June 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



MALLEE RESOURCES LIMITED

ACN 124 943 728

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: 29 June 2022

PLACE: Level 8, Exchange Tower, 2 The Esplanade, Perth, Western Australia

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 27 June 2022.

The Independent Expert has determined the issue of the Hartree Shares and Liquidator Effectuation Shares and the resulting increase in the voting power of Hartree in the Company is FAIR AND REASONABLE to the non-associated Shareholders and the issue of the Liquidator Top-Up Shares and the resulting increase in the voting power of the Liquidators in the Company is NOT FAIR BUT REASONABLE to the non-associated Shareholders.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the Acquisition, as described in the Explanatory Statement.”

Short Explanation: The Company has entered into the DOCA pursuant to which the Company will acquire Allegiance. If successful, the Acquisition will result in the Company changing the nature and scale of its activities. Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF HARTREE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue the following Shares to Hartree or its nominee:

- (a) 91,973,769 Hartree Effectuation Shares on the DOCA Effectuation Date; and
- (b) up to:
 - (i) the number of Hartree Shortfall Shares calculated in accordance with the formula set out in the Explanatory Statement on completion of a Shortfall Raising; and/or
 - (ii) an additional 47,300,239 Hartree Top-up Shares on the Hartree Top-up Date; and
- (c) up to such number of Additional Capital Raising Shares to Hartree as will result in it maintain a voting power in the Company equal to its voting power immediately prior to completion of the Capital Raising,

on the terms and conditions set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder

approval required under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

The Independent Expert has determined the issue of the Hartree Shares and the resulting increase in the voting power of Hartree in the Company is **FAIR AND REASONABLE** to the non-associated Shareholders.

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF LIQUIDATOR SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue:

- (a) 19,841,270 Shares on the DOCA Effectuation Date; and
- (b) up to an additional 63,492,063 Shares on the Liquidator Top-up Date,

on the terms and conditions set out in the Explanatory Statement.”

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the issue of the Liquidator Top-up Shares subject of this part (b) of this Resolution to the non-associated Shareholders in the Company.

The Independent Expert has determined the issue of the Liquidator Top-up Shares and the resulting increase in the voting power of the Liquidators in the Company is **NOT FAIR BUT REASONABLE** to the non-associated Shareholders.

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL OF FINANCIAL ASSISTANCE BY MALLEE TAS GROUP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, pursuant to and in accordance with section 260B(2) of the Corporations Act and for all other purposes, approval is given for the giving of financial assistance by the Mallee Tas Group in the manner described in the Explanatory Statement.”

5. RESOLUTION 5 – CAPITAL RAISING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to completion of the Acquisition and conditional upon the passing of all Essential Resolutions, for the purposes of Listing Rule 7.1 and for

all other purposes, approval is given for the Company to issue up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise up to \$70,000,000 on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPOINTMENT OF HARTREE NOMINEE DIRECTOR – STEVE HENDEL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to completion of the Acquisition and conditional upon the passing of all Essential Resolutions, pursuant to and in accordance with the Company's Constitution and for all other purposes, Steve Hendel, having consented to act as a director of the Company, be appointed as a director of the Company with effect on and from completion of the Acquisition."

7. RESOLUTION 7 – RELATED PARTY PARTICIPATION IN CAPITAL RAISING – JOHN LAMB

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 42,857 Shares to John Lamb (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – RELATED PARTY PARTICIPATION IN CAPITAL RAISING – JEFFREY MOORE

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 42,857 Shares to Jeffrey Moore (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 9 – RELATED PARTY PARTICIPATION IN CAPITAL RAISING – ROWAN CAREN

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 42,857 Shares to Rowan Caren (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

10. RESOLUTION 10 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

11. RESOLUTION 11 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$250,000 per annum to \$500,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

12. RESOLUTION 12 – APPROVAL OF ISSUE OF ADDITIONAL ACQUISITION SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 13,095,238 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 27 May 2022

By order of the Board



**Rowan Caren
Company Secretary**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Change to Nature and Scale of Activities – Acquisition	A counterparty to the Acquisition that, of itself or together with one or more transactions, will result in a significant change to the nature and scale of the entity's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company), namely, Hartree, the Liquidators and Dundas, or an associate of those persons.
Resolution 2 – Approval of issue of Securities to Hartree	No votes may be cast in favour of this Resolution by: (a) the person proposing to make the acquisition and their associates; or (b) the persons (if any) from whom the acquisition is to be made and their associates. Accordingly, the Company will disregard any votes cast on this Resolution by Hartree and any of its associates.
Resolution 3 – Approval of issue of Securities to Liquidators	No votes may be cast in favour of this Resolution by: (a) the person proposing to make the acquisition and their associates; or (b) the persons (if any) from whom the acquisition is to be made and their associates. Accordingly, the Company will disregard any votes cast on this Resolution by the Liquidators and any of their associates.
Resolution 5 – Capital Raising	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
Resolution 7 – Related Party Participation in Capital Raising – John Lamb	John Lamb (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 – Related Party Participation in Capital Raising – Jeffrey Moore	Jeffrey Moore (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9 – Related Party Participation in Capital Raising – Rowan Caren	Rowan Caren (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 11 – Increase in Total Aggregate Remuneration for Non-Executive Directors	A Director or an associate of that person or those persons.
Resolution 12 – Approval of issue of Additional Acquisition Shares	The Vendors or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statements

Resolutions 7 to 9 – Related Party Participation in Capital Raising

In accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolutions would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7, 8 or 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolutions and it is not cast on behalf of a Resolution 7, 8 or 9 Excluded Party.

Resolution 11 – Increase in Total Aggregate Remuneration for Non-Executive Directors

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from the Company's share registry will need to verify your identity. You can register on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6147 8100.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

ASX takes no responsibility for the contents of this Notice.

1. BACKGROUND TO THE ACQUISITION

1.1 General Background

The Company was incorporated on 23 May 2007 and is currently listed on the ASX, having commenced quotation on 3 December 2007. Prior to changing its name to Mallee Resources Limited, the Company was focused on the development of mining and processing operations at the Bawdwin Project in Myanmar.

The Company acquired a 51% participating interest in the Bawdwin Project through its wholly owned subsidiary Bright Mountain Resources Myanmar Co., Ltd in 2018. On 1 February 2021, a state of emergency was imposed in Myanmar. The State Administration Council (**SAC**), served as the highest executive and administrative authority in Myanmar from 2 February 2021 until 1 August 2021, when the SAC declared and appointed itself as the "Provisional Government of the Republic of the Union of Myanmar".

In response to the political situation in Myanmar and its potential impact on the Bawdwin Project, the Company entered into voluntary suspension on 1 February 2021. As announced on 21 July 2021, the Board determined that the political situation in Myanmar undermined support for the development of the Bawdwin Project in capital markets. As such, on 17 August 2021, the Company announced it had entered into a binding agreement, whereby it had conditionally agreed to dispose of its entire interest in the Bawdwin Project to its local joint venture partner Win Myint Mo Industries Co. Ltd for total consideration of US\$30 million. Shareholder approval for the disposal was obtained at the general meeting held on 24 September 2021.

The Company has received the full US\$30,000,000 consideration for its disposal of the Bawdwin Project, of which US\$16,975,000 has been repatriated to Australia as at the date of this Notice. US\$955,000 was applied to the settlement of operational expenditure incurred on the Bawdwin Project between April and October 2021. After the deduction of administration costs, the amount of US\$12,064,000 is held by the Company's wholly owned Myanmar subsidiary and repatriation is subject to approval by the Central Bank of Myanmar.

1.2 Acquisition

1.2.1 Background to Acquisition

Dundas Mining Pty Ltd (in liquidation) (ACN 608 839 050) (**Dundas**) is an Australian proprietary company that owns 100% of the shares in Allegiance Mining Pty Ltd (administrators appointed) (subject to deed of company arrangement) (receivers and managers appointed) (ACN 059 676 783) (**Allegiance**). Allegiance is the owner of the Avebury Nickel Mine (**Project**), located on the West Coast of Tasmania, Australia. The Project was placed into care and maintenance in February 2009 during the global financial crisis and has remained in care and maintenance for the duration of Dundas' ownership.

In order to finance the development of the Project, Dundas, Allegiance and their related companies, Winched Investment Pty Ltd, Colour Metal Pty Ltd and AGG Fortune Pty Ltd (together, the **Dundas Group**), entered into a secured loan facility with Hartree Metals LLC (**Hartree**) on or around 20 July 2021 (**Existing Facility Agreement**). The Existing Facility Agreement was secured over all of the property and assets of the Dundas Group, including the Project.

On 21 July 2021, the Dundas Group drew down US\$11 million under tranche A of the Existing Facility Agreement. As at 24 November 2021, the date for drawing tranche B had passed, and Dundas had not met the conditions precedent to drawing tranche B, including procuring any environmental bond required, and accordingly Hartree gave notice of default and demanded payment of US\$11.72 million for amounts owing under the Existing Facility Agreement.

The Dundas Group's failure to comply with the notice of default was the catalyst for Hartree's decision to appoint Nicholas Martin, Andrew Fielding and Duncan Clubb of BDO (Australia) as receivers and managers of the Dundas Group (**Receivers**). Following the appointment of the Receivers, the directors of each of the members of the Dundas Group resolved to appoint Richard Tucker and John Bumbak of KordaMentha as voluntary administrators of the Dundas Group (**Administrators**).

1.2.2 DOCA and Implementation Agreement

The Company and Hartree made a joint proposal to the Administrators on 15 February 2022, under which it was proposed that a deed of company arrangement be entered into in respect of Allegiance and that Dundas be placed in liquidation.

At a creditors meeting held on 22 February 2022:

- (a) the creditors of Allegiance resolved that Allegiance execute a deed of company arrangement with the Company and Hartree; and
- (b) the creditors of each other member of the Dundas Group resolved that each company be placed into liquidation, with Richard Tucker and John Bumbak of KordaMentha appointed as liquidators to those companies (**Liquidators**).

On 7 March 2022, the Company and Hartree (as proponents), Dundas and the Administrators entered into the DOCA, pursuant to which the Company will, on effectuation of the DOCA (**DOCA Effectuation**), acquire 100% of the issued capital in Allegiance through its subsidiary Mallee Tas on the date of DOCA Effectuation (**DOCA Effectuation Date**). Under the DOCA, the Administrators were appointed as deed administrators in respect of Allegiance (**Deed Administrators**).

On entry into the DOCA, the Company also entered into the Implementation Agreement with Hartree, which sets out the terms on which the DOCA will be implemented and a basis for the ongoing commercial arrangements between the Company and Hartree.

The material terms of the DOCA and Implementation Agreement are summarised in Schedule 2.

1.2.3 DOCA Payments

Under the DOCA, the Company will make the following cash payments:

- (a) **Administrator and Deed Administrator:** up to \$2,240,000 will be paid to the Administrators in respect of their incurred liabilities and up to \$1,500,000 will be paid to the Deed Administrators in respect of their incurred liabilities;
- (b) **Pool A** – up to \$930,609.36 will be paid to third party trade creditors of Allegiance;
- (c) **Pool B** – up to \$400,000 will be paid to third party trade creditors of Allegiance in respect of the termination, or breach of their contractual arrangements with Allegiance;
- (d) **Pool C** – up to \$500,000 will be paid to Dundas employees (such amounts to be assumed by Allegiance on the DOCA Effectuation Date rather than being paid out under the DOCA);
- (e) **Pool D** – up to \$3,000,000 will be paid to third party trade creditors of Dundas (such amounts to be assumed by Allegiance on the DOCA Effectuation Date rather than being paid out under the DOCA);
- (f) **Pool E** – \$3,400,000 will be paid to the Liquidators, to be applied by the Liquidators as follows:
 - (i) firstly, to the Liquidators in respect of their costs incurred in pursuit of voidable transaction claims by creditors of Dundas that are related parties of Dundas (**Pool E Creditors**);
 - (ii) secondly, in satisfaction of admitted claims of Pool E Creditors following completion of the investigations referred to above; and
 - (iii) thirdly, as a distribution to the shareholders of Dundas (**Dundas Shareholders**),(together, the **Pool E Parties**); and
- (g) **Existing Facility Agreement:** approximately \$51,880,000 will be paid in repayment of amounts owing under the Existing Facility Agreement, being:
 - (i) a sum of \$22,680,000 owing under the Existing Facility Agreement as finance for operations at the Project as at the date the creditors of Allegiance resolved to enter into the DOCA¹;
 - (ii) a sum of approximately \$23,200,000 to be loaned to the Dundas Group under the Existing Facility Agreement to finance operations at the Project for the period commencing on the date of the DOCA and ending on the DOCA Effectuation Date (including in respect of a \$7,900,000 environmental bond lodged with Mineral Resources Tasmania); and

¹ The amount owing is US\$16,200,000. This has been converted using a conversion rate of AUD:USD 1.4.

- (iii) a sum of approximately \$5,600,000 in respect of the fees payable to the Receivers, legal fees and accrued interest.

The cash payments referenced in paragraphs (a), (b), (c) and (f) above were made by Hartree on execution of the DOCA and will be reimbursed by the Company on the DOCA Effectuation Date, at which time the Existing Facility Agreement will also be repaid and the liabilities referenced in paragraphs (d) and (e) will be assumed by the Company (to the extent they are not paid by Hartree under the Existing Facility Agreement prior to the DOCA Effectuation Date in order to ensure continuity of operations).

In addition to the cash payments referenced above, Hartree and the Liquidators will be issued Shares on the terms set out in Sections 3.5 and 4.4.

1.2.4 Additional Acquisition

As announced on 13 May 2022 (**Additional Acquisition Announcement**), the Company has entered into an agreement, pursuant to which it has agreed to acquire the following assets

- (a) exploration licence EL5/2020 (**Tenement**), together with all associated technical information which relates to the Tenement and any statutory licences, approvals, consents, authorisations, rights or permits relating to the Tenement (together with the Tenement, the **Tenement Assets**);
- (b) an underground mine loader; and
- (c) technical information relating to the Avebury Nickel Project and the Tenement (**Other Mining Information**),

(together, the **Additional Acquisition Assets**).

In consideration for the acquisition of the Additional Acquisition Assets (**Additional Acquisition**), the Company has agreed to issue an aggregate of 13,095,238 Shares (**Additional Acquisition Shares**) to D & B Mining Pty Ltd (ACN 643 948 574) (**D & B Mining**) and Zebs Minerals Pty Ltd (ACN 167 761 113) (**Zebs Minerals**) and to pay an aggregate of \$4 to D&B Mining, Zebs Minerals, Moina Gold Pty Ltd (ACN 607 767 055) (**Moina Gold**) and Mr Geoffrey Summers (together, the **Vendors**). Refer to the Additional Acquisition Announcement for further detail with respect to the Additional Acquisition Assets to be acquired.

A summary of the material terms and conditions of the agreement entered into between the Company and the Vendors (**Additional Acquisition Agreement**) is set in Schedule 2.

1.3 Summary of Resolutions

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions.

A summary of the Resolutions is as follows:

- (a) **Resolution 1:** the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under Listing Rule 11.1.2 (this is an Essential Resolution);

- (b) **Resolution 2:** under the terms of the Implementation Agreement, the Company will have an obligation to issue the Hartree Shares to Hartree or its nominee, for which Shareholder approval is being sought under section 611(7) of the Corporations Act (this is an Essential Resolution);
- (c) **Resolution 3:** under the terms of the DOCA, the Company will have an obligation to issue the Liquidator Shares to the Liquidators, for which Shareholder approval is being sought under section 611(7) of the Corporations Act (this is an Essential Resolution);
- (d) **Resolution 4:** under the Hartree Facility Agreement and Security Documents, the Mallee Tas Group (including Allegiance) will give financial assistance to the Company and Mallee Tas in connection with the Acquisition, for which Shareholder approval is being sought under section 260B(2) of the Corporations Act (this is an Essential Resolution);
- (e) **Resolution 5:** in connection with the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, the Company will complete the Capital Raising, through the issue of up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise up to \$70,000,000 (**Maximum Subscription**), with a minimum subscription of \$20,000,000 (**Minimum Subscription**) (this is an Essential Resolution);
- (f) **Resolution 6:** the appointment of Steve Hendel, Hartree's nominee to be appointed as a Director of the Company in accordance with the terms of the Implementation Agreement;
- (g) **Resolutions 7 to 9:** Directors, John Lamb, Jeffrey Moore and Rowan Caren have indicated that they will participate in the Capital Raising for an investment of up to \$30,000 (up to 42,857 Shares), for which Shareholder approval is required under Listing Rule 10.11 and Chapter 2E of the Corporations Act;
- (h) **Resolution 10:** the replacement of the Company's Constitution;
- (i) **Resolution 11:** the increase of the total aggregate amount of fees payable to non-executive Directors from \$250,000 per annum to \$500,000 per annum; and
- (j) **Resolution 12:** the issue of 13,095,238 Shares to various parties for which Shareholder approval is being sought under Listing Rule 7.1 in consideration for the acquisition of an exploration licence, technical information and an underground mine loader.

Certain Resolutions put to Shareholders at the Meeting are essential to the Acquisition being completed and have been identified above (**Essential Resolutions**).

Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail, and completion of the Acquisition will not occur.

1.4 Key Dependencies of the Business Model

The key dependencies influencing the viability of the Company's proposed business model are:

- (a) completion of the Acquisition;
- (b) the Company retaining title and access to the Project;
- (c) the Company obtaining such regulatory approvals as are required to complete the re-development of the Project and re-start of the mine at the Project;
- (d) the mineralisation at the Project being substantially consistent with those predicted in connection with the Mineral Resource estimate (refer to section 3 of Schedule 1 and the Technical Report annexed to the Independent Expert's Report for further detail of the Mineral Resource estimate at the Project) and the Company having an ability to adjust mining plans for any inconsistency between actual and estimated mineralisation;
- (e) nickel price volatility and US\$:A\$ exchange rate risk;
- (f) the Hartree Facility Agreement and Offtake Agreement being entered into prior to the DOCA Effectuation Date;
- (g) the Company raising sufficient funds to satisfy expenditure requirements and development costs in respect of the Project; and
- (h) minimising environmental impact and complying with health and safety requirements.

1.5 Key Investment Highlights and Advantages of the Acquisition

The Directors are of the view that the key highlights of an investment in the Company and the advantages of the Acquisition that may impact on a Shareholder's decision with respect to how to vote on the Essential Resolutions include:

- (a) the Company obtaining ownership of Allegiance and the Project, through its wholly owned subsidiary Mallee Tas, which:
 - (i) is ideally situated in Tasmania, in a known mining district with excellent infrastructure and logistics options for the transportation of concentrate to the export facility at the Port of Burnie;
 - (ii) hosts a substantial nickel sulphide mineral resources of 29.3 Mt at 0.9% Ni for 264 Kt contained Ni (refer to section 3 of Schedule 1 for further details); and
 - (iii) has experienced significant historic development, including an existing underground mine, processing plant, site infrastructure and tailings storage facility (refer to section 4 of Schedule 1 for further details);
- (b) the Company has an experienced Board and management team that will assist the growth of the Company and development of the Project, including the Company's Managing Director, John Lamb, having an intimate understanding of the Project through his former role as general manager of the Project;
- (c) subsidiaries of the Company will have the Hartree Facility Agreement and Offtake Agreement in place with Hartree, providing the Company with

funding in support of the development of the Project and re-start of the mine, with an offtake partner in place for sale of concentrate produced by the Company;

- (d) the potential increase in market capitalisation of the Company following completion of the Acquisition and Capital Raising may, assuming the Company successfully re-complies with Chapters 1 and 2 of the Listing Rules, lead to access to improved equity capital market opportunities and increased liquidity; and
- (e) the Company intends to re-comply with the Listing Rules following completion of the Acquisition, ensuring its reinstatement to quotation and continued liquidity of its Shares (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the Listing Rules).

1.6 Disadvantages of the Acquisition

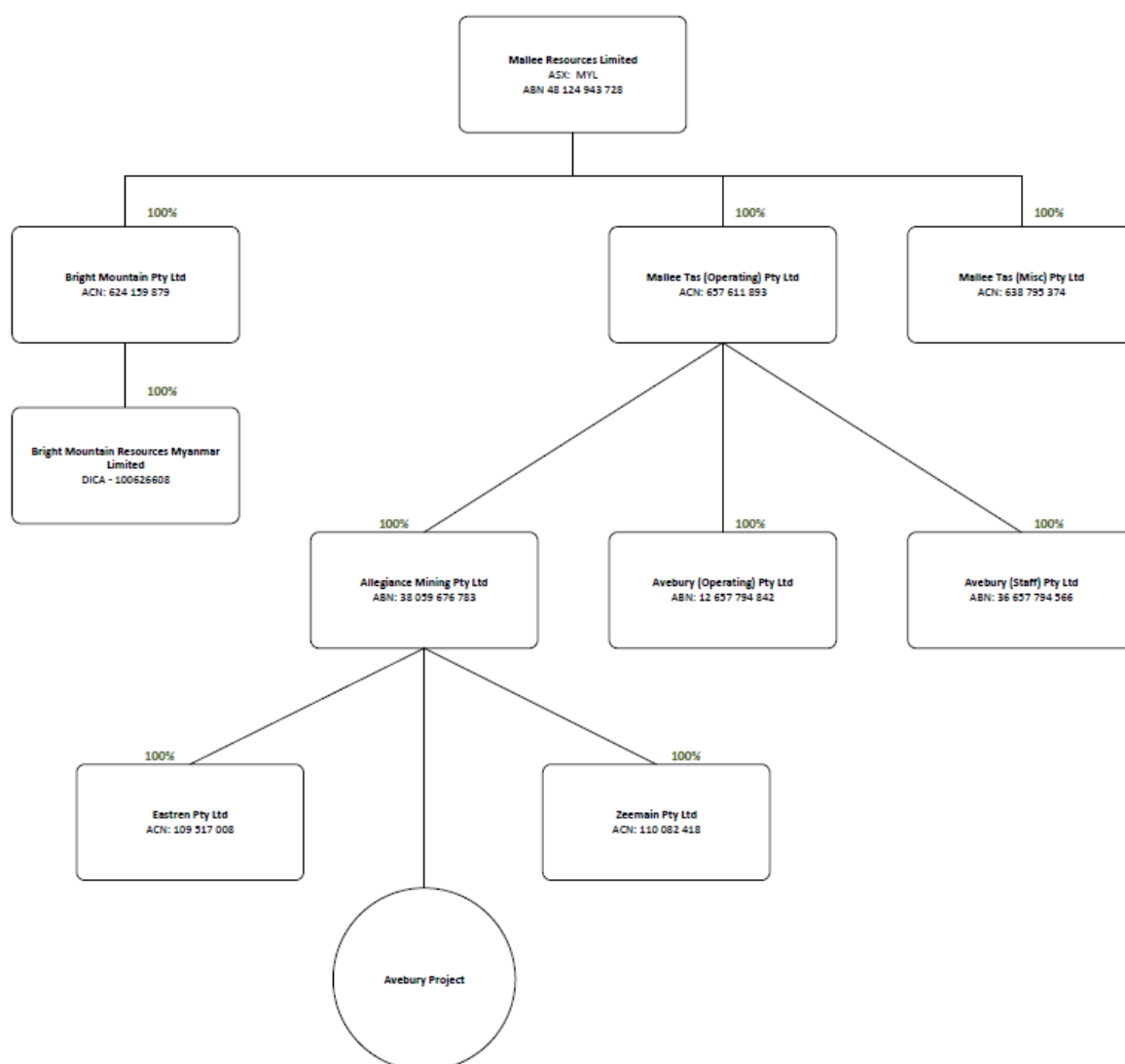
The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Company will be changing the scale of its activities, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition, Capital Raising and associated transactions the subject of this Notice will result in the issue of a significant number of Shares, which will have a dilutionary effect on the holdings of Shareholders;
- (c) there are inherent risks associated with the change in nature of the Company's activities, some of which are summarised in Section 1.19 below; and
- (d) the Company's future capital requirements may require that additional funds are raised through equity, debt or a combination thereof, which could further dilute Shareholders that do not participate in such capital raisings.

1.7 Group Structure

Upon completion of the Acquisition, the corporate structure of the Company is intended to be as follows:

POST COMPLETION OF ACQUISITION



1.8 Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has advised the Company that, as the Acquisition will amount to a significant change in the nature and scale of the Company's activities, the Company is required to obtain Shareholder approval for the Acquisition and must re-comply with Chapters 1 and 2 of the Listing Rules before it can be re-instated to trading on the ASX (including any ASX requirement to treat the Company's Securities as restricted Securities).

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition.

While the Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition, it is not conditional on satisfying the conditions for reinstatement of the Company's Shares to trading on ASX. As such, there is a risk that the Company completes the Acquisition in circumstances where it is not subsequently reinstated to trading.

If any of the Essential Resolutions are not approved at the Meeting, the Acquisition will not be able to proceed, and the Company's Shares will likely remain suspended from trading.

1.9 ASX waivers and confirmations obtained

ASX has provided in-principle advice to the Company that Listing Rule 1.1 (Condition 11) does not apply to the cash payments to be made under the DOCA as summarised in Section 1.2.3 of this Notice. This in-principle advice applies until 14 July 2022 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of the ASX.

ASX has granted the Company a waiver from Listing Rule 1.1 (Condition 12) to permit the Company to have 4,653,175 Performance Rights on issue, which were previously issued to employees and Directors of the Company under an incentive scheme) with nil exercise price on condition that the material terms and conditions of the Performance Rights are clearly disclosed in the Prospectus.

ASX has also granted the Company waiver from Listing Rule 10.13.5 (**Related Party Waiver**) to the extent necessary to permit the Notice not to state that the Related Party Securities (in respect of which Shareholder approval is sought under Resolutions 7 to 9) will be issued no later than one month after the date of the Meeting, on the following conditions:

- (a) the Related Party Securities are issued by no later than the date that the Capital Raising Shares are issued which must be no later than 3 months after the date of the Meeting;
- (b) the Related Party Securities are issued pursuant to the relevant terms and conditions set out in the Notice;
- (c) the circumstances of the Company, as determined by the ASX, do not materially change between the Meeting and the date of issue of the Related Party Securities; and
- (d) the terms of the waiver are clearly disclosed in the Notice and in the Prospectus.

1.10 Indicative timetable

An indicative timetable for completion of the Acquisition and the associated transactions set out in this Notice is set out below:

Event	Date*
Execution of DOCA and Implementation Agreement	7 March 2022
Notice of Meeting for the Acquisition sent to Shareholders	30 May 2022
Lodge Prospectus with ASIC and Capital Raising opens	23 June 2022

Event	Date*
General Meeting to approve Essential Resolutions	29 June 2022
DOCA Effectuation Date	6 July 2022
Closing date of the Capital Raising	15 July 2022
Re-quotation on the ASX (subject to the Company re-complying with Chapters 1 & 2 of the Listing Rules)	29 July 2022

*Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

1.11 Capital Raising

To assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to support its strategy post-completion of the Acquisition, the Company intends, subject to Shareholder approval, to conduct a capital raising by way of a placement of up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise a Maximum Subscription of \$70,000,000 with a Minimum Subscription of \$20,000,000 (**Capital Raising**).

The Capital Raising will be undertaken pursuant to a full-form prospectus prepared in accordance with section 710 of the Corporations Act (**Prospectus**).

Shareholder approval for the Capital Raising is the subject of Resolution 5.

1.12 Lead Manager

The Company has appointed Euroz Hartleys Limited (**Lead Manager**) as corporate advisor in respect of the Acquisition and lead manager to the Capital Raising.

The Lead Manager will receive the following fees in respect of the Capital Raising:

- (a) a management fee equal to 2% of the funds raised under the Capital Raising; and
- (b) an equity raising fee equal to 3% of the funds raised under the Capital Raising.

A summary of the material terms and conditions of the mandate with the Lead Manager is set out in Schedule 2.

1.13 Use of Funds

The Company intends to apply funds raised from the Capital Raising, together with existing cash reserves and funds to be made available under the Hartree Facility Agreement, over the 6 month period following the Company's Shares being reinstated to trading, as follows:

Funds available	Minimum Subscription (\$20,000,000)		Maximum Subscription (\$70,000,000)	
	\$	(%)	\$	(%)
Existing cash reserves in Australia	\$33,000,000	29.46%	\$33,000,000	20.37%

Funds available	Minimum Subscription (\$20,000,000)		Maximum Subscription (\$70,000,000)	
	\$	(%)	\$	(%)
Existing cash reserves in Myanmar ¹	\$17,000,000	15.18%	\$17,000,000	10.49%
Hartree Facility Agreement ²	\$42,000,000	37.50%	\$42,000,000	25.93%
Capital Raising	\$20,000,000	17.86%	\$70,000,000	43.21%
Total	\$112,000,000	100%	\$162,000,000	100%
Allocation of funds – DOCA Effectuation²				
DOCA Effectuation Payments to be refunded to Hartree	\$8,500,000	10.97%	\$8,500,000	10.97%
Repayment of Existing Facility Agreement	\$51,480,000	66.44%	\$51,480,000	66.44%
Avebury site expenditure ³	\$14,000,000	18.07%	\$14,000,000	18.07%
Payment to Pool C and D creditors	\$3,500,000	4.52%	\$3,500,000	4.52%
Sub-Total	\$63,480,000	100%	\$63,480,000	100%
Allocation of funds – Re-compliance				
Avebury site expenditure ³	\$30,000,000	86.91%	\$60,000,000	70.99%
Expenses of the Capital Raising ⁴	\$1,250,000	3.62%	\$3,750,000	4.44%
Administration Costs ⁵	\$1,600,000	4.63%	\$1,600,000	1.89%
Working Capital ⁶	\$1,670,000	4.84%	\$19,170,000	22.68%
Sub-Total	\$48,520,000	100%	\$98,520,000	100%
TOTAL	\$112,000,000	100%	\$162,000,000	100%

Notes:

1. Refer to Sections 1.1 and 1.19 for further details with respect to the funds to be repatriated by the Company from Myanmar.
2. Refer to Schedule 2 for summaries of the material terms and conditions of the DOCA, Implementation Agreement and Hartree Facility Agreement.
3. Refer to section 5 of Schedule 1 for a summary of the Company's development plans in respect of the Project. The Company has been granted a US\$10,000,000 (A\$14,000,000) advance from Hartree under the Hartree Facility Agreement to meet Avebury site expenditure between DOCA Effectuation and completion of the Capital Raising, which is to be repaid out of the Capital Raising funds.
4. Expenses of the Capital Raising include legal fees, ASX fees, advisor fees, investing accountant fees, independent expert's fees, independent geological advisory fees, share registry fees and brokerage costs.
5. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
6. Working capital provides for additional capital to be used for additional development following the planned development program, exploration activities in the area surrounding the existing mine or grant of additional tenements applied for by the Company and investment in new mineral exploration projects not yet identified by the Directors, including due diligence costs incurred in consideration of such projects.

In the event the Company raises more than the Minimum Subscription under the Capital Raising but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Capital Raising, administration costs and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Notice. The Company anticipates that the funds available on the Company's reinstatement to trading will be sufficient to re-commence mining and sale of product at the Project, at which time the Company expects to be receiving revenue from the sale of product under the Offtake Agreement.

As with any budget, intervening events (including Project development success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Acquisition and Capital Raising, the Company will have sufficient working capital to carry out its stated objectives. The Directors further consider that following completion of the Acquisition but prior to completion of the Capital Raising, the Company will have access to sufficient funds, including through repatriation of funds from Myanmar to satisfy its stated objectives.

It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 1.19.

1.14 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition and the Capital Raising is summarised below:

Shares

	Shares		Options	Performance Rights ²
	Minimum Subscription (\$20,000,000)	Maximum Subscription (\$70,000,000)		
Current	190,111,015	190,111,015	5,300,000 ¹	4,653,175
Issue to Liquidators under DOCA ³	19,841,270	19,841,270	-	-
Issue to Hartree under Implementation Agreement ³	91,973,769	91,973,769	-	-
Total – DOCA Effectuation Date	301,926,054	301,926,054	5,300,000	4,653,175
Capital Raising ⁴	28,571,429	100,000,000	-	-
Performance Rights Conversion	4,653,175	4,653,175	-	(4,653,175)
Additional Acquisition ⁵	13,095,238	13,095,238	-	-
Total – Post Additional Acquisition⁵	348,245,896	419,674,467	5,300,000	-

Notes:

- The Company currently has the following options on issue:
 - 4,000,000 Options exercisable at \$0.78 on or before 15 June 2022; and

- (b) 1,300,000 Options exercisable at \$0.65 on or before 7 November 2022.
- 2. The 4,653,175 Performance Rights that are currently on issue are convertible into shares in the event that the Acquisition completes and the Company has a market capitalisation greater than \$60,000,000, which is expected to be the case on the currently contemplated structure.
- 3. Refer to Schedule 2 for summaries of the material terms of the DOCA and Implementation Agreement. Under the terms of the DOCA and Implementation Agreement, the Company may be required to issue additional Shares to Hartree and the Liquidators. Refer to Sections 3.5 and 4.4 for further details.
- 4. Issue of 28,571,429 Shares at an issue price of \$0.70 per Share to raise \$20,000,000 on Minimum Subscription and up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise up to \$70,000,000 on Maximum Subscription.
- 5. The Company has agreed, subject to obtaining Shareholder approval under Resolution 12 to issue 13,095,238 Shares to the Vendors. These Shares will be issued prior to the Company being reinstated to trading on ASX (as summarised in Schedule 2).

1.15 Pro forma balance sheet and financial effect of the Acquisition

The pro-forma balance sheet of the Company following completion of the Acquisition and Capital Raising is set out in Schedule 3. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma balance sheet sets out the principal effect of the Acquisition on the consolidated total assets and total equity interests of the Company. The effect of the Acquisition on the Company's expenditure will be to increase expenditure as contemplated by the use of funds table set out above.

On 26 November 2021, Hartree appointed the Receivers to Allegiance. Subsequently, on 30 November 2021, the directors of Allegiance appointed the Administrators. Following appointment of the Receivers, the powers of Allegiance's officers was suspended, and the Receivers assumed control of Allegiance's business, property and affairs.

The Receivers and Administrators have attempted to obtain financial records of Allegiance from the former directors and advisors to Allegiance. No reliable financial information has been provided in respect of Allegiance.

As a result of the above, the Company's auditors have not been able to prepare audited historical financial information in respect of Allegiance for inclusion in this Notice. Consequently, this Notice does not include historical financial information for Allegiance.

In order to prepare the pro-forma balance sheet of the Company following completion by the Company of its acquisition of Allegiance, the Company has disclosed:

- (a) the fair value of the assets of Allegiance based on independent valuations undertaken in connection with the Acquisition; and
- (b) the liabilities assumed and carried forward following effectuation of the DOCA.

Under the Corporations Act, a deed of company arrangement binds all creditors (other than a secured creditor, unless the secured creditor votes in favour of the deed) of the company to which it relates in respect of claims arising on or before the day on which the administration began. The effect of a deed of company

arrangement is that the company the subject of it is released from debts in so far as the deed provides for the release and the creditor concerned is bound by the deed.

Under the DOCA, all creditors of Allegiance (including Hartree as the sole secured creditor) are bound by the DOCA and their debts will be released on and from effectuation of the DOCA.

1.16 Composition of the Board of Directors

Other than the appointment of Steve Hendel (for which Shareholder approval is being sought under Resolution 6), no changes will be made to the Board in connection with the Acquisition. Refer to Section 7.2 for details with respect to Steve Hendel's experience and expertise.

1.17 Director Interests in Securities

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director.

Details of the Directors' relevant interest in the Securities of the Company upon completion of the Acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules, assuming the Minimum Subscription is raised under the Capital Raising and all Performance Rights convert into Shares, are set out in the table below:

Director	Shares	Percentage (%)
John Lamb	3,240,688	0.97%
Jeffrey Moore	2,043,012	0.61%
Rowan Caren	1,960,914	0.59%
Paul Arndt	Nil	Nil
Steve Hendel ²	Nil	Nil

Notes:

1. Pursuant to Resolutions 7 to 9, the Company is seeking Shareholder approval for Directors, John Lamb, Jeffrey Moore and Rowan Caren to participate in the Capital Raising for an investment of up to \$30,000 each through the issue of up to 42,857 Shares. Should these Directors participate in the Capital Raising, the number of Shares held and percentage interest will increase by a corresponding amount.
2. Steve Hendel will not have a personal interest in any Securities following completion of the Capital Raising or Acquisition. However, Steve Hendel is a Hartree Founding Member and will therefore have a relevant interest in the Shares held by Hartree (refer to Section 3.6(a) for further details).

1.18 Restricted Securities and free float

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and completing the Capital Raising, certain Securities on issue (including the Shares to be issued to Hartree and the Liquidators and the Additional Acquisition Shares) may be classified by ASX as restricted securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation.

The Shares issued pursuant to the Capital Raising, however, will not be classified as restricted securities and will not be required to be held in escrow.

The Company will make submissions to ASX with respect to the application of ASX imposed escrow following lodgement of the Prospectus in respect of the Capital

Raising and expects to announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Assuming completion of the Capital Raising, conversion of the Performance Rights and that the Minimum Subscription is raised, and assuming the Securities referenced above are treated by ASX as restricted securities, the Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 63%, comprising all Shares currently on issue and Shares to be issued pursuant to the Capital Raising (other than Shares held by, or to be issued to, related parties of the Company).

1.19 Risk Factors

Set out below is a non-exhaustive list of the key risks associated with the Acquisition and an investment in the Company:

Acquisition Risks	
Acquisition	<p>The Acquisition will be effected by way of the DOCA. There is a risk that conditions precedent to the effectuation of the DOCA will not be satisfied or waived (if applicable), including entry into the Offtake Agreement and/or the Hartree Facility Agreement, or that there will be a delay in satisfaction of the conditions precedent, and that as a result, completion of the Acquisition may not occur or may be delayed, or the Acquisition may occur in a form different to that originally contemplated in this document. Failure to complete the Acquisition may have an adverse impact on the Company's financial performance, financial position, and Share price.</p> <p>The Deed Administrators have made an application to the Supreme Court of Western Australia (Court) for orders under section 444GA of the Corporations Act for the transfer of 100% of the issued capital in Allegiance to the Company at DOCA Effectuation (444GA Application). As at the date of this Notice, the Company is not aware of any credible objections to the 444GA Application or DOCA. The Court is currently scheduled to consider the 444GA Application by 10 June 2022 and the Company will update the market in respect to the 444GA Application proceedings as the matter progresses.</p> <p>In addition, the DOCA will release and discharge Allegiance from liability for unsecured claims against Allegiance, the circumstances giving rise to which occurred or arose before the time of the placement of Allegiance into voluntary administration. The releases and discharges will only take effect on DOCA Effectuation.</p> <p>As with all deeds of company arrangement, there is a risk that a creditor may dispute that its claim is effectively extinguished by the DOCA. In addition, there is a residual risk that a creditor may seek to terminate or vary the DOCA, however the Company is not currently aware of any basis on which a creditor may successfully do so.</p> <p>Under the terms of the DOCA, the Liquidators will be issued the Liquidator Shares. The Liquidators will have an obligation to realise the Liquidator Shares within 12 months following re-instatement to trading of the Company, provided that any sale must be completed in cooperation with the Company and its brokers. If all of the Liquidator Shares are sold on-market, there is a risk that the offer of such a significant number of Shares for sale could result in a drop in the Company's Share price should investor demand to purchase the Liquidator Shares not be sufficient.</p>

Due Diligence

The Company conducted due diligence investigations in respect of the Acquisition and has relied upon information provided or disclosed by the Administrators and Receivers in conducting its due diligence. There was a significant deficit of financial information available to review and other information in relation to the Project has been prepared by the Company in reliance on information provided or disclosed by the Administrators and Receivers.

As with any due diligence investigation, if any information provided and relied upon by the Company in its due diligence investigations proves to be incorrect, incomplete or misleading, or if the Company was not provided with all relevant information or there were other failings in the due diligence performed by the Company, there is a risk that there could be historical or other issues in relation to the Project or the Acquisition that could affect the success of the Acquisition or otherwise impact on the Company's financial position and performance.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been, or will be, identified (including issues that are material to the decision to undertake the Acquisition) and avoided or managed appropriately. A material adverse issue that is not identified prior to undertaking the Acquisition could have an adverse impact on the financial performance or operations of the Company. There is a risk that issues and risks may arise that will also have a material impact on the Company (for example, the Company may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for the Company). This could adversely affect the operations, financial performance or position of the Company.

Further, the information reviewed by the Company in conducting its due diligence investigations includes forward looking information, which is inherently unreliable and based on assumptions that may change in the future. Therefore, there is a risk that unforeseen issues and risks may arise which may also have a material impact on the Company.

Acquisition Analysis

The Company has undertaken financial, tax, legal and commercial analysis on the Project in order to determine its attractiveness to the Company and whether to acquire it. It is possible that, despite such analysis and the best estimate assumptions made by the Company, the conclusions drawn are inaccurate or that benefits are not realised.

Specifically, the Acquisition, and proposed development steps following it, carry risk, including potential delays and unforeseen costs, and difficulties in optimising various operations. To the extent that the actual results achieved by the Acquisition are different to those indicated by the Company's analysis, there is a risk that the profitability and future earnings of the operations of the Company may be materially different from the profitability and earnings expected.

Capital Raising and Re-Compliance

The Company's Shares have been suspended from trading since 3 February 2021. ASX has confirmed that the Company will be required to re-comply with Chapters 1 and 2 of the Listing Rules before its Shares are reinstated to trading. The Acquisition is not conditional upon the Company completing the Capital Raising or receiving conditional approval from ASX to its Shares being reinstated to trading and there is a risk that the Acquisition completes and the Company is not subsequently reinstated to trading, the Capital Raising not being completed, or that the reinstatement and Capital Raising are delayed.

	<p>As the Company's Shares are suspended, there is currently no public market for Shares. There is no guarantee that an active trading market in the Company's Shares will develop or that prices at which Shares trade will increase following completion of the Acquisition, the Capital Raising and re-compliance with Chapters 1 and 2 of the Listing Rules.</p> <p>Under the DOCA, the Liquidators must sell the Liquidator Shares within 12 months following the Company's reinstatement to trading on ASX (subject to any ASX imposed escrow) and any sale of Liquidator Shares must be undertaken in cooperation with the Company (acting reasonably) and its brokers to avoid price impact from the sale of a large number of Shares on market. As at the date of this Notice, a broker has not yet been engaged with respect to a sale of the Liquidator Shares. However, it is anticipated that a broker will be engaged to manage this process following reinstatement of the Company to trading (if this occurs) and that the broker engaged will facilitate an off-market sale of the Liquidator Shares in order to limit the potential impact of the sale of a large number of Liquidator Shares on-market. If the Company is unable to engage a broker for this process, or the broker engaged is not able to identify an appropriate buyer, there is a risk that a sale of the Liquidator Shares will result in downward pressure to the Company's Share price.</p> <p>The prices at which Shares trade may be above or below the price of the Capital Raising and may fluctuate in response to several factors.</p>
<p>Repatriation of Funds from Myanmar</p>	<p>The Company, through a foreign subsidiary, retains a total of US\$12,064,000 in Myanmar as a result of the divestment of its interests in the Bawdwin Project (Myanmar Funds). Repatriation of these funds to Australia is pending approval from the Central Bank of Myanmar (CBM).</p> <p>CBM has issued a public notice in respect of the conversion of foreign currency balances into local currency and the requirement for approval of the transfer of foreign currency overseas by a new Foreign Exchange Management Committee at a ministerial level.</p> <p>The Company has been advised that the processing of foreign currency transfers has been suspended while local financial institutions understand and implement the policy change. It is likely that further delays will result from this uncertainty within the foreign exchange environment in Myanmar.</p> <p>At this stage, there is understood to be no prohibition on the transfer of foreign currency and the enforced conversion is not expected to apply to the Myanmar Funds. Notwithstanding this, there is no certainty that the Company will be able to repatriate the Myanmar Funds on a timely basis or at all. If the Company is not able to repatriate the funds on a timely basis, it may have to secure alternate financial accommodation in order to effectuate the DOCA prior to completion of the Capital Raising and will be required to issue Hartree Shortfall Shares and/or Hartree Top-up Shares under the terms of the Implementation Agreement.</p> <p>There is no certainty that such financial accommodation will be available on terms acceptable to the Company.</p>
<p>Company Specific Risks</p>	
<p>Care and Maintenance</p>	<p>There is no guarantee that the Company will achieve commercial viability through the Project (assuming the Acquisition is completed). The Company's future development activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental</p>

	<p>accidents, native title process, changing government regulations and many other factors beyond the Company's control.</p> <p>The Company's success may also depend upon (amongst other things) the Company having access to sufficient development capital, being able to maintain title to its tenements, obtaining all required approvals for its activities and recruiting appropriately skilled personnel. Many of these risks are also beyond the control of the Company.</p> <p>The Company's estimated development costs are based on certain assumptions with respect to the method and timing of development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
Mine Re-start	<p>If the Acquisition completes, the Company will take ownership of the Project after the Project has been in care and maintenance for several years.</p> <p>All the risks associated with developing and operating a mine operation are applicable during a production-ramp up and re-start phase. Additionally, the production ramp-up and re-start process may uncover failures or deficiencies in processes, systems, plant and equipment required for the Project, and addressing such failures or deficiencies may result in the Company incurring unexpected costs and production-ramp up delays. Any prolonged outage or shutdown due to technical problems or otherwise could substantially increase production costs or adversely impact the Company's financial performance.</p>
Mineral Resource Estimates	<p>Mineral Resource estimates have been reported in accordance with the JORC Code, 2012 Edition, and are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and other similar examinations. In addition, JORC compliant Mineral Resource estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate or invalid due to the passage of time. Should the Company encounter mineralisation or formations different from those predicted, Mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.</p>
Metallurgy	<p>Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.</p> <p>Mineralisation at the Project contains arsenic and other deleterious elements. Under the Offtake Agreement, the sale price of product produced at the Project may be discounted if high levels of arsenic or other deleterious elements are contained in product delivered to Hartree and can be rejected entirely if certain thresholds are met. As such, there is a risk that the sale price of product will be less than has been assumed in the Company's internal financial models, which would have an adverse impact on the Company.</p>

Contractual Risk	<p>On completion of the Acquisition, subsidiaries of the Company will be party to the Offtake Agreement and Hartree Facility Agreement. In the event of breach of either agreement, there is a risk that the Company could suffer financial loss as a result of a claim for damages or termination of the relevant contract.</p> <p>In the event of termination of the Offtake Agreement, the Company will need to seek alternative offtake arrangements and the Company cannot guarantee that an appropriate offtake partner will be identified or that the terms of any alternative offtake agreement will be on terms as beneficial to the Company as the Offtake Agreement.</p> <p>In the event of termination of the Hartree Facility Agreement, the Company will be required to repay all amounts owing to Hartree as at the date of termination. Should this occur, the Company may be required to raise significant capital for the purpose of repaying the Hartree Facility Agreement. The Company cannot guarantee that sufficient funding for repayment of the Hartree Facility Agreement will be available at all, or on acceptable terms. Any equity capital raising for the purpose of repaying the Hartree Facility Agreement is likely to be highly dilutive and any debt financing is likely to impose significant restrictions on the Company.</p> <p>Further, the obligations of the Company's subsidiaries under the Offtake Agreement and Hartree Facility Agreement are secured against the Company's interest in the Project. In the event either contract is breached, Hartree may exercise its rights under these security arrangements and there is a risk that the Company loses its interest in the Project entirely.</p>
Commodity Price	<p>Under the Offtake Agreement, the purchase price of product is determined based on prevailing nickel prices during specified periods. As such, if the Company achieves success leading to nickel production, the Company's financial performance will be sensitive to nickel price fluctuations. Nickel prices, like all commodity prices, are affected by numerous factors and events that are beyond the Company's control. These factors and events include general economic activity, world demand, forward selling activity, nickel reserve movements at central banks, costs of production by other nickel producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends. If nickel prices should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may have a material adverse effect on the Company's production, earnings and financial position.</p>
Exchange Rate	<p>International prices of nickel are denominated in United States dollars and the functional currency of the Offtake Agreement and Hartree Facility Agreement is United States dollars, whereas the expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
Reliance on Key Personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>

	<p>The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p>
<p>Additional Requirements for Capital</p>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts available under the Hartree Facility Agreement and raised under the Capital Raising.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development plans and exploration programmes.</p> <p>There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p> <p>There is no guarantee that the Company will be able to secure the Capital Raising. If the Company is unable to secure the Capital Raising, it will require an immediate alternate source of finance. Such an alternate source of finance may not be available on terms and conditions acceptable to the Company in accordance with the Company's financial requirements and timelines.</p>
<p>Industry Specific Risks</p>	
<p>Tenure</p>	<p>Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Tenements are subject to the applicable mining acts and regulations of the relevant jurisdiction (including Tasmania). The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal or conversion conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. In Tasmania, tenements may also be forfeited or cancelled during the term pursuant to an application by any party, or by the Department. Irrespective of the Company's compliance with the conditions of the tenements, and applicable mining acts and regulations, there is no guarantee that applications for forfeiture or cancellation will not be made against the tenements. Further, any exemptions from tenement conditions (if available) are subject to the discretion of the Minister and objections by third parties. If any application for forfeiture or objection to the grant of an exemption is lodged, the Company may be required to defend such applications or objections and incur significant costs.</p>
<p>Operating and Development</p>	<p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of nickel mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the Company's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial</p>

	<p>accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine.</p> <p>The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible. These risks also mean that there can be no assurances as to the future development of a mining operation in relation to any of the Company's projects or which the Company may acquire in the future.</p>
Operating	<p>Unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour force disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formations, failures in underground workings, changes in the regulatory environment, contractual disputes with offtakers, removal of access rights to properties and adverse weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.</p>
Exploration	<p>While the Company's focus will be on a re-start of mining at the Project, the Company also intends to conduct further exploration to increase the existing mineral resource at the Project or on other projects identified in the future.</p> <p>Exploration is an inherently speculative and high-risk activity that requires significant amounts of expenditure over extended periods of time to present a reasonable probability of success. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, technical difficulties, lack of sufficient water or power sources, industrial and environmental accident, adverse changes in government policy or legislation, lack of access to sufficient funding, lack of access to sufficient infrastructure, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to all the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. No assurance can be given that during the exploration process mineral resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward. Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of Shares.</p>
Regulatory	<p>The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company also requires permits from regulatory authorities to</p>

	<p>authorise its operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of its tenements.</p>
<p>Environmental</p>	<p>The Company's operations and activities are subject to the environmental laws and regulations of Australia (and Tasmania) and any other places the Company may conduct business. As with most mining and exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced development proceeds at any one of the Company's existing or potential future projects.</p> <p>The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences, or the occurrence of an environmental incident, may lead to penalties or revocation of licences, a delay to the Company's operations or an increase in operating costs, and significant liability could be imposed on the Company for damages, rehabilitation and clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.</p> <p>Additionally, pursuant to the terms of its environmental licences, the Company may be required to pay bonds or guarantees to regulators and state or federal governments. Following closure of operations at any of the Company's mines, the Company will incur costs for rehabilitation of the relevant mine site. The rehabilitation costs that are incurred following closure of a mine may exceed the Company's previous estimates of those rehabilitation costs. Further, the Company is unable to predict the effect of additional or more onerous environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's operations, financial position and performance.</p>
<p>Climate</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible</p>

	<p>restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Decarbonisation	<p>The Company may be required in the future to transition its mining operations to decarbonised mining operations. Such a transition may be required by changing environmental legislation or regulations, changing economic conditions or changing investor or lender sentiment. Decarbonisation may require changes to the Company's actual or planned mining activities and may affect the continuing viability or profitability of those activities.</p>
Native Title	<p>Native title or Aboriginal heritage sites or objects may exist in the areas covered by the Company's tenements. Native title and heritage legislation in the jurisdictions in which the Company operates may affect the Company's ability to gain access to prospective exploration areas or obtain required permits or licences. If native title has been claimed, the Company may seek a native title determination authorising entry onto land where native title has been claimed. If the title grants exclusive possession, the landowner may object to a notice of entry. Entry may only be granted on specific terms and conditions, and the Company may have to pay compensation to the landowner. If there is a determination of native title over an area the subject of the mining, prospecting and exploration tenements held by the Company, the native title holder's consent may be required for exploration and mining to occur. Native title could potentially impact the status, renewal and conversion of existing tenements held by the Company and may impact the future grant of new tenements. Compensation may be required to be provided by the Company to native titleholders in the form of money, transfer of property or provision of goods and services.</p>
General Risks	
COVID-19	<p>The coronavirus disease (COVID-19) is continuing to impact global economic markets. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from the Project and other exploration projects which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and</p>

	<p>financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
Ukraine Conflict	<p>The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Company is continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
Economic	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Project or any other exploration projects that are held by the Company may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.</p>
Competition	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Market Conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>

	<p>Shareholders and investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Refer to Section 1.18 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	<p>The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under the Capital Raising.</p>
Litigation	<p>The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.</p>

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. Prospective investors should consider that an investment in the Company is highly speculative.

1.20 Plans for the Company if completion of the Acquisition does not occur

If any of the Essential Resolutions are not passed and the Acquisition is therefore not able to be complete, the Company will continue to look for alternative potential business acquisitions to enable the Company to seek a re-listing on the ASX and generate value for Shareholders. The time taken to identify and execute

an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition or can otherwise satisfy ASX that the level of its operations are sufficient for the purposes of Listing Rule 12.1.

1.21 Regulatory Matters

The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals. Following completion of the Acquisition, the Company will work toward satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Shares on the ASX (amongst other things).

Trading in the Company's Shares will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules.

The opportunity to acquire the Project marks the successful conclusion of the Company's search for a new project. Over this time the Company's management has run a well-structured project search seeking value accretive projects with a favourable stage of life, commodity type and jurisdiction. The Board considers that the Project excels on these measures.

The Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Allegiance for the Board to be satisfied that the Acquisition is in the best interests of the Company and its Shareholders.

While the Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition, it is not conditional on satisfying the conditions for reinstatement of the Company's Shares to trading on ASX. ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to reinstate the Company's Shares to quotation on the Official List. As such, there is a risk that the Company completes the Acquisition in circumstances where it is not subsequently reinstated to trading.

1.22 Previous Security Issues

Other than the issue of 4,653,175 Performance Rights by the Company to the Directors on 10 December 2021, neither the Company nor Allegiance have issued any securities in the 6 months prior to the date of this Notice.

1.23 Directors' interests in the Acquisition

None of the Directors have any interest in the Acquisition, other than as disclosed in this Notice.

1.24 Interests of Counterparties in the Company

None of the parties to the DOCA or Implementation Agreement (or their associates) are related parties of the Company, nor do they have any interest in the Company, other than as disclosed in this Notice.

No fees are payable by the Company to any person for finding, arranging or facilitating the Acquisition.

1.25 Related Parties

Pursuant to Resolutions 7 to 9, the Company is seeking Shareholder approval to enable Directors, John Lamb, Jeffrey Moore and Rowan Caren to have the opportunity to participate in the Capital Raising for up to \$30,000 each (being up to 42,857 Shares).

1.26 Material Information

The Directors confirm that all accessible and material information available to the Company has been included in this Notice and that the Company is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

1.27 Forward looking statements

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Statement. These risks include but are not limited to, the risks detailed in Section 1.19. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Acquisition.

A detailed description of the Acquisition is outlined in Section 1.2 above and summaries of the material terms and conditions of the DOCA pursuant to which the Acquisition will be completed, and the Implementation Agreement, are set out in Schedule 2.

A detailed overview of the Project is set out in Schedule 1.

2.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Acquisition requires the Company, in

accordance with Listing Rule 11.1.2, to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

2.3 Listing Rule 11.1.2

The Company is proposing to undertake the Acquisition and to re-comply with Chapters 1 and 2 of the Listing Rules.

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to a significant change to the nature or scale of its activities. The Acquisition will involve a significant change to the nature or scale of the Company's activities for these purposes and, as its usual practice, ASX has imposed a requirement under Listing Rule 11.1.2 that the Company obtain shareholder approval to the Acquisition.

Resolution 1 seeks the required Shareholder approval to the Acquisition under and for the purposes of Listing Rule 11.1.2.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 1 and the other Essential Resolutions are passed, the Company will be able to proceed with the Acquisition.

If Resolution 1 is **not** passed, the Company will not be able to proceed with the Acquisition. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

2.5 Suspension until re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing which consequently requires the Company to (in accordance with Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules (including any ASX requirement to treat the Company's Securities as restricted Securities).

The Company's securities have been suspended from quotation since 3 February 2021 and, subject to Shareholder approval being obtained, will remain suspended from quotation until the Company has completed the Acquisition and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

The Company will complete the Acquisition if all Essential Resolutions are passed and all other conditions precedent under the DOCA are satisfied. The Acquisition is not conditional upon the Company re-complying with Chapters 1 and 2 of the Listing Rules and it is possible that the Acquisition completes and the Company is not subsequently re-instated to trading.

If the Capital Raising is not completed, the Company will not be able to re-comply with Chapters 1 and 2 of the Listing Rules on the currently contemplated terms. In such circumstances, the Company will need to re-consider its plans for reinstatement to trading and may require further approvals from Shareholders or ASX.

3. RESOLUTION 2 – APPROVAL OF ISSUE OF HARTREE SHARES

3.1 Background

As set out in Section 1.2 above, the Company has entered into the Implementation Agreement with Hartree in connection with the DOCA, under which the Company and Hartree agreed the process for implementation of the DOCA and how the various obligations under the DOCA would be managed between them.

The material terms and conditions of the DOCA and Implementation Agreement are set out in Schedule 2.

3.2 Hartree Shares

Under the Implementation Agreement, the Company must issue 91,973,769 Shares to Hartree on the DOCA Effectuation Date (**Hartree Effectuation Shares**) in satisfaction of a \$38,600,000 claim made by Hartree under an offtake agreement formerly in place with the Dundas Group.

As at the date of entry into the Implementation Agreement, the Company was awaiting repatriation of US\$12,237,000 from its former investment in Myanmar (**Outstanding Amount**).

If the Company has not repatriated the Outstanding Amount within one month following the DOCA Effectuation Date, the Company will have an obligation to issue Hartree such number of additional Shares as would result in the cash backing of Shares held by Hartree being equal to the cash backing had the Outstanding Amount been repatriated (**Hartree Top-up Shares**), which will result in a maximum of 47,300,239 Hartree Top-up Shares being issued (assuming none of the Outstanding Amount is repatriated on or before the date that is one month following DOCA Effectuation and the USD:AUD exchange rate is USD\$1.4:AUD\$1).

The Company may (at its election) satisfy any shortfall in the Outstanding Amount (**Outstanding Amount Shortfall**) by completing a capital raising (**Shortfall Raising**) of not less than the Outstanding Amount Shortfall and issuing to Hartree such number of Shares, for nil consideration, as would result in Hartree having a voting power in the Company of 30% following completion of the Shortfall Raising, to the extent that funds are raised in respect of the Outstanding Amount Shortfall (**Hartree Shortfall Shares**). If additional funds are raised under the Shortfall Raising in excess of the Outstanding Amount Shortfall, any additional issue of Shares to Hartree to enable Hartree to retain a voting power in the Company of 30% will be issued at the same price that Shares are issued to all other participants in the Shortfall Raising. As at the date of this Notice, the Outstanding Amount Shortfall is US\$12,137,000.

If the Company does not complete the Shortfall Raising within two months following the DOCA Effectuation Date (**Hartree Top-up Date**), the Company may meet the Outstanding Amount Shortfall through an issue of Hartree Top-up Shares. In the event that the Additional Acquisition completes prior to the Hartree Top-up Date, the Company may be required to issue additional Hartree Top-up Shares to Hartree, subject to compliance with the ASX Listing Rules and Corporations Act. As the likelihood of this occurring in circumstances where the Company does not complete a Shortfall Raising is low, Resolution 2 does not seek Shareholder approval for such additional Shares.

Refer to Section 3.5 for worked examples with respect to the number of Hartree Effectuation Shares, Hartree Top-up Shares and Hartree Shortfall Shares (together, **Hartree Shares**) that may be issued.

Any Shares issued in consideration for the Additional Acquisition after the Hartree Top-up Date, will not impact upon the number of Hartree Shares to be issued. Any Shares issued in consideration for the Additional Acquisition before the Hartree Top-up Date, which is not currently contemplated, will increase the number of Hartree Shares to be issued proportionally.

3.3 General

Resolution 2 seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act to allow the Company to issue the Hartree Shares to Hartree or its nominee. The issue of the Hartree Shares will result in Hartree's voting power in the Company increasing from 0% up to a potential maximum of 39.88%.

3.4 Item 7 of Section 611 of the Corporations Act

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) Voting Power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act.

The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) Associates

For the purposes of determining voting power of a person under the Corporations Act, a person (**second person**) is an "associate" of another person (**first person**) if:

- (i) pursuant to section 12(2) of the Corporations Act, the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;

- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%; or
- (ii) a body corporate that the person controls.

(e) **Control**

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- (i) under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company; and
- (ii) under section 9 of the Corporations Act, a relevant agreement includes an agreement, arrangement or understanding whether written or oral, formal or informal and whether or not having legal or equitable force.

(f) **Agreements and options in relation to shares**

Section 608(8) of the Corporations Act states that if at a particular time all the following conditions are satisfied:

- (i) a person has a relevant interest in issued securities;

- (ii) the person (whether before or after acquiring the relevant interest);
 - (A) has entered or enters into an agreement with another person with respect to the securities; or
 - (B) has given or gives another person an enforceable right, or has been or is given an enforceable right by another person, in relation to the securities (whether the right is enforceable presently or in the future and whether or not on the fulfilment of a condition); or
 - (C) has granted or grants an option to, or has been or is granted an option by, another person with respect to the securities; and
- (iii) the other person would have a relevant interest in the securities if the agreement were performed, the right enforced or the option exercised,

the other person is taken to already have a relevant interest in the securities.

(g) **Effect of section 608(8)**

No relevant agreement is in place between Hartree and any other party and as such section 608(8) of the Corporations Act is not applicable to Hartree in respect of the Company's Securities.

3.5 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

(a) **Hartree Effectuation Shares**

Assuming the Liquidator Effectuation Shares (refer to Section 4.4 below) are issued contemporaneous with the Hartree Effectuation Shares, following the issue of the Hartree Effectuation Shares, Hartree will have a relevant interest in 91,973,769 Shares in the Company, representing a 30.46% voting power in the Company.

This assumes that no Shares other than the Liquidator Effectuation Shares are issued and no Options or Performance Rights are exercised or converted.

(b) **Hartree Shortfall Shares**

As set out in Section 1.11 above, the Company intends to complete the Capital Raising in connection with its re-compliance with Chapters 1 and 2 of the Listing Rules.

In the event that there is an Outstanding Amount Shortfall and the Company completes the Capital Raising, the Capital Raising will operate as a Shortfall Raising for the purposes of the Implementation Agreement and, on both a Minimum Subscription and Maximum Subscription, will be for an amount greater than any Outstanding Amount Shortfall. Should

the Capital Raising complete and none of the Outstanding Amount Shortfall is repatriated, the Company will be required to issue 10,403,143 Hartree Shortfall Shares to Hartree on the date the Capital Raising is completed.

An analysis with respect to the number of Hartree Shortfall Shares that could be issued on completion of the Capital Raising is set out below:

Outstanding Amount Shortfall (A\$) ¹	Value of Hartree Shortfall Shares to be issued (A\$) ²	Hartree Shortfall Shares to be issued ²	Total Hartree Shares ³	Total Shares ⁴	Hartree Voting Power ⁴
\$16,991,800	\$7,282,200	10,403,143	102,376,912	345,553,801	29.63%
\$12,743,850	\$5,461,650	7,802,357	99,776,126	342,953,015	29.09%
\$8,495,900	\$3,641,100	5,201,571	97,175,340	340,352,229	28.55%
\$4,247,950	\$1,820,550	2,600,786	94,574,555	337,751,444	28.00%
\$0	-	-	91,973,769	335,150,658	27.44%

Notes:

1. A\$ value converted at US\$1.4:A\$1. As at the date of this Notice, the Outstanding Amount Shortfall is US\$12,137,000, being A\$16,991,800.
2. Refer to Section 3.1 for the terms on which Hartree Shortfall Shares will be issued and Schedule 2 for a summary of the material terms and conditions of the Implementation Agreement.
3. Being the Hartree Effectuation Shares and Hartree Shortfall Shares to be issued.
4. This assumes that the Company raises the Minimum Subscription under the Capital Raising, the Performance Rights currently on issue are converted into Shares and that no Shares are issued to Hartree under the Capital Raising.

As set out in the summary of the Implementation Agreement in Schedule 2, the Company has an obligation to use reasonable endeavours to permit Hartree to participate in any future issues of Shares to enable Hartree to retain its voting power in the Company as it was immediately prior to the issue of Shares. As such, Hartree may participate in the Capital Raising to retain a 30% voting power on completion of the Capital Raising and, to the extent it does so, Shares will be issued to Hartree on the same terms as all other investors (**Additional Capital Raising Shares**).

In the event the Capital Raising is not completed, and the Company raises a lesser sum under another form of Shortfall Raising, the Company will be required to issue such number of Hartree Shortfall Shares as is equal to 30% of the Shares issued under such Shortfall Raising (up to the value of the Outstanding Amount Shortfall) and the Outstanding Amount Shortfall will be reduced by the value of the Hartree Shortfall Shares so issued.

(c) **Hartree Top-up Shares**

In the event the Company does not complete the Capital Raising on or before the Hartree Top-up Date and there is an Outstanding Amount Shortfall, the Company will be required to issue the Hartree Top-up Shares to Hartree or its nominee.

An analysis with respect to the number of Hartree Top-up Shares that the Company could become obligated to issue is set out below:

Outstanding Amount Shortfall (US\$) ¹	Shortfall Ratio ²	Hartree Top-up Shares to be issued ²	Total Hartree Shares ³	Total Shares ⁴	Hartree Voting Power ⁴
\$12,137,000	34%	47,300,239	139,274,008	349,226,293	39.88%
\$9,102,750	25%	31,433,745	123,407,514	333,359,799	37.02%
\$6,068,500	17%	18,812,640	110,786,409	320,738,694	34.54%
\$3,034,250	8%	8,533,576	100,507,345	310,459,630	32.37%
\$0	0%	0	91,973,769	301,926,054	30.46%

Notes:

1. As at the date of this Notice, the Outstanding Amount Shortfall is US\$12,137,000.
2. Being the Outstanding Amount Shortfall divided by US\$35,737,000 (the agreed cash base of the Company). Refer to Section 3.1 for the terms on which Hartree Top-up Shares will be issued and Schedule 2 for a summary of the material terms and conditions of the Implementation Agreement.
3. Being the Hartree Effectuation Shares and Hartree Top-up Shares to be issued.
4. This assumes that the Company does not complete a capital raising and the Performance Rights currently on issue are not converted into Shares. In the event that the Company completes a capital raising on or before the Hartree Top-up Date, the Company will issue Hartree Shortfall Shares to Hartree in the manner contemplated by Section 3.5(b) above and the Outstanding Amount Shortfall will be reduced by a corresponding amount. Should this occur, the Company will issue a lesser number of Hartree Top-up Shares, or no Hartree Top-up Shares in the event the Outstanding Amount Shortfall is reduced to nil.

Accordingly, Resolution 2 seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Hartree Shares to Hartree or its nominee.

3.6 Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by the Independent Expert which is annexed to this Explanatory Statement.

(a) Identity of the Acquirer and its Associates

Hartree was incorporated on 1 November 2019 by Hartree Partners, LP, which has successfully operated in the physical and financial energy and commodities markets since 1997. Hartree currently has two shareholders, being Hartree International Holdings Limited and Pascal Larouche, with Hartree International Holdings Limited being a wholly owned subsidiary of Hartree Partners, LP. Hartree Metals LLC is focused on the purchase, sale and logistics of base and precious metals concentrates, serving most major and mid-tier mining companies globally and smelter-consuming companies across Asia, Europe and the Americas.

Neither Hartree nor its associates have a relevant interest in Shares as at the date of this Notice.

However, as detailed in this Notice, it is proposed that Hartree Metals Investments SARL (being the nominee of Hartree) will be issued the Hartree Shares in accordance with the Implementation Agreement in the manner set out in section 3.1 of this Explanatory Memorandum.

The relevant interest of the Hartree and its associates in voting shares in the capital of the Company following the issue of the securities to be issued pursuant to Resolution 2 are set out below.

Following the issue of the securities to be issued pursuant to Resolution 2:

- (i) Hartree Metals Investments SARL will have a relevant interest in the Hartree Shares pursuant to section 608(1) of the Corporations Act; and
- (ii) Hartree, Hartree International Holdings Limited, Hartree Partners, LP, the Hartree Founding Members and the Oaktree Entities will have a deemed relevant interest in the Hartree Shares pursuant to section 608(3) of the Corporations Act.

(b) **Relevant Interest and Voting Power**

(iii) **Relevant Interest**

The potential relevant interests of Hartree and its associates in the Company's Shares are set out in Section 3.5 above.

The Implementation Agreement and DOCA are the only relevant agreements between the Company and Hartree.

(i) **Voting Power**

The potential voting power of Hartree and its associates in the Company are set out in Section 3.5 above. Further details on the voting power of Hartree and its associates are set out in the Independent Expert's Report prepared by the Independent Expert.

(c) **Summary of increases**

From the tables set out in Section 3.5 above, the maximum relevant interest that Hartree and its associates will hold after the issue of Hartree Shares, assuming the Company does not complete a capital raising, no Options currently on issue are exercised and no Performance Rights convert into Shares is 139,274,008 Shares, and the maximum voting power that Hartree and its associates will hold is 39.88%.

As Hartree and its associates do not currently have a relevant interest in any Shares, this represents a maximum increase in voting power of 39.88%.

(d) **Reasons for the proposed issue of securities**

As set out in Section 3.1, the reason for the issue of the Hartree Shares is to satisfy Hartree's claim under its former offtake agreement with the Dundas Group and to give effect to the Company's obligations under the Implementation Agreement.

(e) **Date of proposed issue of securities**

The Hartree Effectuation Shares will be issued on the DOCA Effectuation Date. To the extent they are to be issued:

- (i) the date of issue of the Hartree Shortfall Shares will be the date that Shares are issued in respect of any capital raising completed by the Company; and
- (ii) the date of issue of the Hartree Top-up Shares will be the Hartree Top-up Date.

(f) **Material terms of proposed issue of securities**

The Hartree Shares will be issued on the same terms as all other Shares currently on issue.

(g) **Hartree's Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Hartree and its associates:

- (i) have no present intention of making any significant changes to the business of the Company;
- (ii) have no present intention to inject further capital into the Company;
- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property between the Company and Hartree or any of its associates;
- (vi) have no intention to change the Company's existing policies in relation to financial matters or dividends; and
- (vii) intends to appoint Steve Hendel to the Board as outlined in Section 3.6(h) below.

These intentions are based on information concerning the Company, its business and the business environment which is known to Hartree and its associates as at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(h) **Identity, associations and qualifications of Nominee Director**

In accordance with the terms of the Implementation Agreement, the Company will appoint Steve Hendel as a non-executive director of the Company with effect from the DOCA Effectuation Date (**Nominee Director**).

The Nominee Director is currently Chairman of the board of Sprague Resources LP. Details of the qualifications and experience of the Nominee Director are set out in Section 7.2.

Neither Steve Hendel nor any of his associates currently holds or has a relevant interest in any Securities.

(i) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of Resolution 2.

All of the Directors are of the opinion that the DOCA and Implementation Agreement are in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2. The Director's recommendations are based on the reasons outlined in Section 1.5.

The Directors are not aware of any other information other than as set out in this Notice that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

(j) **Capital Structure**

The capital structure of the Company on the DOCA Effectuation Date and the anticipated capital structure on the date the Company is reinstated to trading on ASX is set out in Section 1.14.

If Hartree Shortfall Shares or Hartree Top-up Shares are issued, the total Shares on issue will be increased by a corresponding amount.

3.7 Advantages of Acquisition, DOCA and Implementation Agreement

The Directors are of the view that the advantages set out in Section 1.5 may be relevant to a Shareholder's decision on how to vote on Resolution 2.

3.8 Disadvantages of Acquisition, DOCA and Implementation Agreement

The Directors are of the view that the disadvantages set out in Section 1.6 may be relevant to a Shareholder's decision on how to vote on Resolution 2.

3.9 Independent Expert's Report

The Independent Expert's Report prepared by the Independent Expert (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 2 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by Resolution 2 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert notes that the key advantages of the proposal raised in Resolution 2 to the Company and existing Shareholders are as follows:

- (a) the Company will be exposed to a new Australian project with significant Mineral Resources and existing infrastructure. Shareholders will have the

ability to gain exposure to future opportunities in the nickel industry, which is a key component for electric vehicle batteries and electroplating;

- (b) the Proposed Transaction may result in the Company meeting the criteria for re-listing on the ASX, thereby providing a liquid market for Shareholders to crystallise the value of their Shares;
- (c) the Company's Managing Director John Lamb has an intimate understanding of the Project having previously held the position of General Manager of the Project; and
- (d) subsidiaries of the Company will enter into the Hartree Facility Agreement and Offtake Agreement on approval of the proposed transaction, providing funding to support the development of the Project and de-risking the commencement of production with an offtake partner in place for the sale of concentrate product.

The key disadvantages noted by the Independent Expert are as follows:

- (b) the non-associated Shareholders will, collectively, have a fully diluted ownership of 64.1% following the completion of the issue of the Hartree Effectuation Shares and the Liquidator Effectuation Shares but prior to any capital raising (and assuming no top-up shares are issued to Hartree or the Liquidator). This will reduce the non-associated Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets. Should the Share price fall below \$0.63, top-up provisions would apply resulting in Liquidator Top-Up Shares being issued, which would further dilute the ownership of the non-associated Shareholders;
- (c) following the completion of the issue of the Hartree Effectuation Shares, Hartree will have a 30.5% interest in Mallee on an undiluted basis and the ability to influence decisions including the right to appoint one member to the Board. As a Shareholder with more than 25% interest, Hartree would be able to unilaterally block any special resolutions of the Company;
- (d) following the completion of the proposed transaction, there will be a change in the risk profile of Mallee with exposure to a nickel exploration asset in Australia. Nickel has historically been a volatile commodity, and the Avebury Project itself has been through various false starts in its development due to fluctuations in market conditions. This change in risk profile may not meet the investment strategy of some non-associated Shareholders;
- (e) the future capital requirements to complete development and commence production at the Avebury Nickel Mine may result in the requirement to raise additional debt or equity or a combination of both, which could further dilute the interests of the non-associated Shareholders should they not participate in any such capital raisings. In particular, the Capital Raising set out in this Notice could dilute non-associated Shareholders if they do not participate; and
- (f) the Avebury Nickel Mine is not in operation and has been on care and maintenance since 2009. The viability and required costs to commence production at the mine are therefore uncertain and result in project execution risk.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

3.10 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required for the issue of Shares as approval is being obtained for the purposes of Item 7 of section 611 of the Corporations Act, which is an exception to Listing Rule 7.1. Accordingly, the issue of the Hartree Shares will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

3.11 Pro forma balance sheet

A pro forma balance sheet of the Company as at the DOCA Effectuation Date and as at the date of the Company being reinstated to trading on ASX is set out in Schedule 3, with further detail with respect to the pro forma balance sheet set out in Section 1.15.

4. RESOLUTION 3 – APPROVAL OF ISSUE OF LIQUIDATOR SHARES

4.1 Background

As set out in Section 1.2.2, the Company has entered into the DOCA, under which the Company has a conditional right to complete the Acquisition.

Under the DOCA, the Company must issue 19,841,270 Shares to the Liquidators on the DOCA Effectuation Date at a deemed issue price of \$0.63 per Share for an aggregate value of \$12,500,000 (**Liquidator Effectuation Shares**).

On the date that is 30 trading days after the date upon which the Company is reinstated to trading (**Liquidator Top-up Date**), the Company will issue to the Liquidators such number of additional Shares (**Liquidator Top-up Shares**) as would result in the Shares issued to the Liquidators under the DOCA having a value of \$12,500,000 at a deemed issue price equal to the volume weighted average price of Shares over the 5 trading days prior to the Liquidator Top-up Date (**Liquidator Top-up Price**).

The Company may (at its election) satisfy any shortfall in value in the value of the Liquidator Effectuation Shares through:

- (a) the issue of Liquidator Top-up Shares;
- (b) the payment of cash to the Liquidators in an amount equal to the value of the Liquidator Top-up Shares; or
- (c) through a combination of cash and shares.

Under Resolution 3, the Company is seeking Shareholder approval for the issue of up to 63,492,063 Liquidator Top-up Shares to the Liquidators. To the extent that there remains a shortfall in the value of Shares issued to the Liquidators under the DOCA following the issue of Liquidator Top-up Shares, the Company will satisfy such shortfall by way of a cash payment to the Liquidators on the Liquidator Top-up Date.

Funds received by the Liquidators on sale of the Liquidator Shares will be applied by the Liquidators in the same manner as cash paid to the Liquidators in respect of Pool E, as set out in Section 1.2.3.

Under the DOCA, any sale of Shares by the Liquidators must be completed within 12 months following the Company's re-instatement to trading (subject to any ASX imposed escrow) and undertaken in cooperation with the Company (acting reasonably) and its broker to avoid price impact from the sale of a large number of Shares on market. A broker has not been engaged with respect to a sale of Shares by the Liquidators. However, it is anticipated that a broker will be engaged to manage this process following reinstatement of the Company to trading (if this occurs) and that the Shares will be sold off-market or by way of special crossing.

4.2 General

Resolution 3 seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act to allow the Company to issue the Liquidator Effectuation Shares and Liquidator Top-up Shares (**Liquidator Shares**) to the Liquidators in their capacity as liquidators of Dundas. On the DOCA Effectuation Date, the Liquidators will be issued 19,841,270 Shares, resulting in the Liquidators have a voting power of 6.57% on the DOCA Effectuation Date.

In the event the Minimum Subscription is raised under the Capital Raising, the Liquidator Top-up Price is \$0.15 per Share and no additional Shares are issued, an additional 63,492,063 Shares will be issued resulting in the Liquidators holding 83,333,333 Shares and the Liquidators' voting power in the Company increasing from 6.57% on the DOCA Effectuation Date up to a maximum of 21.36%.

4.3 Item 7 of Section 611 of the Corporations Act

Section 3.4 above contains a summary with respect to the Prohibition and the concept of relevant interests, associations, control, relevant agreements and voting power in a company for the purposes of the Corporations Act.

4.4 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

(a) Liquidator Effectuation Shares

Assuming the Liquidator Effectuation Shares are issued contemporaneous with the Hartree Effectuation Shares (refer to Section 3.2 above), following the issue of the Liquidator Effectuation Shares, the Liquidators will have a relevant interest in 19,841,270 Shares in the Company, representing a 6.57% voting power in the Company.

This assumes that no Shares other than the Hartree Effectuation Shares are issued, no Performance Rights are converted and no Options are exercised.

(b) Liquidator Shortfall Shares

In the event the Company raises the Minimum Subscription under the Capital Raising and its Shares are reinstated to trading on the ASX, the Company may be required to issue Liquidator Shortfall Shares to the Liquidators if the Liquidator Top-up Price is less than \$0.63.

An analysis with respect to the number of Liquidator Top-up Shares that could potentially be issued to the Liquidators is set out below:

Adjustment Price ¹	Liquidator Top-up Shares ²	Total Liquidator Shares ³	Total Shares ⁴	Liquidators' Voting Power ⁴
\$0.15	63,492,063	83,333,333	398,642,721	20.90%
\$0.17	53,688,142	73,529,412	388,838,800	18.91%
\$0.20	42,658,730	62,500,000	377,809,388	16.54%
\$0.30	21,825,397	41,666,667	356,976,055	11.67%
\$0.40	11,408,730	31,250,000	346,559,388	9.02%
\$0.50	5,158,730	25,000,000	340,309,388	7.35%
\$0.60	992,063	20,833,333	336,142,721	6.20%
\$0.63	0	19,841,270	335,150,658	5.92%

Notes:

1. The volume weighted average price of Shares over the 5 trading days prior to the Liquidator Top-up Date.
2. Refer to Section 4.1 for the terms on which Liquidator Top-up Shares will be issued and Schedule 2 for a summary of the material terms and conditions of the DOCA. In the event the Liquidator Top-up Price is less than \$0.15, the Company will pay any shortfall in the value of the Liquidator Shares to the Liquidators in cash.
3. Being the Liquidator Effectuation Shares and the Liquidator Top-up Shares to be issued.
4. This assumes that the Company issues the Hartree Effectuation Shares, no Hartree Shortfall Shares or Hartree Top-up Shares are issued, the Company raises the Minimum Subscription under the Capital Raising, the Performance Rights currently on issue are converted into Shares and no other Shares are issued prior to the Liquidator Top-up Date.

Accordingly, Resolution 3 seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Liquidator Shares to the Liquidators.

4.5 Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by the Independent Expert annexed to this Explanatory Statement.

(a) Identity of the Liquidators and their associates

It is proposed that the Liquidators will be issued the Liquidator Shares in accordance with the terms of the DOCA.

The Liquidator Shares are being issued to the Liquidators in their capacities as joint liquidators of Dundas and the Liquidator Shares will be held on trust by the Liquidators for the benefit of the Pool E Parties.

Under the terms of the DOCA, on and from the Liquidator Top-up Date, the Liquidators will have discretion with respect to the Liquidator Shares and the Pool E Parties will have no rights to direct how the Liquidators deal with the Liquidator Shares, provided that the Liquidators must realise the Liquidator Shares within 12 months of the Company's Shares being reinstated to trading on ASX and any sale of the Liquidator Shares shall

be undertaken in co-operation with the Company and its broker to avoid price impact from the sale of a large number of Shares.

Once the Liquidators have completed their investigations and determined definitively the value of the claims of Pool E Creditors, funds from the sale of Liquidator Shares may be allocated amongst the Pool E Creditors as determined by the Liquidators. Following payment of any claims of Pool E Creditors, any surplus funds remaining from the sale of the Liquidator Shares are to be distributed to the Dundas Shareholders in a manner to be determined by the Liquidators.

The trust arrangement in respect of the Liquidator Shares is not considered a relevant agreement for the purposes of the Corporations Act.

For the purposes of the Corporations Act, none of the Pool E Parties:

- (i) will have a relevant interest in the Liquidator Shares;
- (ii) will acquire a voting power in the Company as a result of the Liquidators holding the Liquidator Shares; or
- (iii) are associates of the Liquidators.

(b) **Relevant Interest**

The potential relevant interests of the Liquidators in the Company's Shares are set out in Section 4.4.

The DOCA is the only relevant agreement between the Company and the Liquidators.

(c) **Voting Power**

The potential voting power of the Liquidators in the Company is set out in Section 4.4 above. Further details on the voting power of the Liquidators and its associates are set out in the Independent Expert's Report prepared by the Independent Expert.

(d) **Summary of increases**

From the table set out in Section 3.5 above, the maximum relevant interest that the Liquidators will hold after the issue of the Liquidator Shares 83,333,333 Shares, and the maximum voting power that the Liquidators will hold is 21.36%. This represents a maximum increase in voting power of 21.36%.

(e) **Reasons for the issue of Liquidator Shares**

As set out in Section 3.1, the reason for the issue of the Liquidator Shares is to satisfy the Company's obligations under the DOCA. Funds received by the Liquidators for the sale of the Liquidator Shares will be used to fund the Liquidators investigations in respect of claims of Pool E Creditors, to satisfy the claims of Pool E Creditors in the manner adjudicated by the Liquidators and for distributions to Dundas Shareholders to the extent any funds remain after payment of Pool E Creditors.

(f) **Date of proposed issue of securities**

The Liquidator Effectuation Shares will be issued on the DOCA Effectuation Date. To the extent they are to be issued, the Liquidator Top-up Shares will be issued on the Liquidator Top-up Date.

(g) **Material terms of proposed issue of securities**

The Liquidator Shares will be issued on the same terms as all other Shares currently on issue.

(h) **Liquidators' Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that the Liquidators:

- (i) have no present intention of making any significant changes to the business of the Company;
- (ii) have no present intention to inject further capital into the Company;
- (iii) have no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) do not intend to redeploy any fixed assets of the Company;
- (v) do not intend to transfer any property between the Company and the Liquidators or any of their associates;
- (vi) have no intention to change the Company's existing policies in relation to financial matters or dividends; and
- (vii) do not intend to appoint any directors to the Board of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Liquidators as at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(i) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of Resolution 3.

All of the Directors are of the opinion that the Acquisition and the DOCA are in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3. The Director's recommendations are based on the reasons outlined in Section 1.5 above.

The Directors are not aware of any other information other than as set out in this Notice that would be reasonably required by Shareholders to allow

them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

(j) **Capital Structure**

The capital structure of the Company on the DOCA Effectuation Date and the anticipated capital structure on the date the Company is reinstated to trading on ASX is set out in Section 1.14.

If Liquidator Top-up Shares are issued, the total Shares on issue will be increased by a corresponding amount.

4.6 Advantages of Acquisition, DOCA and Implementation Agreement

The Directors are of the view that the advantages set out in Section 1.5 may be relevant to a Shareholder's decision on how to vote on Resolution 3.

4.7 Disadvantages of Acquisition, DOCA and Implementation Agreement

The Directors are of the view that the disadvantages set out in Section 1.6 may be relevant to a Shareholder's decision on how to vote on Resolution 3.

4.8 Independent Expert's Report

The Independent Expert's Report prepared by the Independent Expert (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 3 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the issue of the Liquidator Top-up Shares as contemplated by Resolution 3 is not fair but reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

4.9 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required for the issue of Liquidator Shares as approval is being obtained for the purposes of Item 7 of section 611 of the Corporations Act, which is an exception to Listing Rule 7.1 Accordingly, the issue of the Liquidator Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

4.10 Pro forma balance sheet

A pro forma balance sheet of the Company as at the DOCA Effectuation Date and as at the date of the Company being reinstated to trading on ASX is set out in Schedule 3.

The notes to the pro forma balance sheet set out the impact of the issue of any Liquidator Top-up Shares or cash payment to the Liquidators on the Company's pro forma balance sheet.

5. RESOLUTION 4 - APPROVAL OF FINANCIAL ASSISTANCE BY MALLEE TAS GROUP

5.1 Background

As set out in Section 1.2.2 above, the Company has entered into the DOCA and the Implementation Agreement. Summaries of the material terms of the DOCA and Implementation Agreement are set out in Schedule 2. On DOCA Effectuation, the Company will acquire Allegiance through its wholly owned subsidiary Mallee Tas.

5.2 Part 2J.3 of the Corporations Act

Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors;
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Under section 260A(2) of the Corporations Act, financial assistance may be given before or after the acquisition of shares.

Under 260B(1) of the Corporations Act, shareholder approval for financial assistance must be given by a special resolution passed at a general meeting of the company that provided the assistance or a resolution agreed to by all ordinary shareholders.

Under section 260B(2) of the Corporations Act, if the company will be a subsidiary of a listed domestic corporation immediately after the acquisition to which the financial assistance relates, the financial assistance must also be approved by a special resolutions passed at a general meeting of that company.

5.3 Reasons for Financial Assistance

As contemplated by the Implementation Agreement, Hartree will enter into the Hartree Facility Agreement with Mallee Tas. It is anticipated that Mallee Tas will on-lend funds borrowed from Hartree under the Hartree Facility Agreement to the Company for the purpose of the Company satisfying its payment obligations on effectuation of the DOCA.

On effectuation of the DOCA, 100% of the issued capital in Allegiance will be transferred to Mallee Tas.

It is a condition to the Hartree Facility Agreement that Mallee Tas and each of its subsidiaries (together, the **Mallee Tas Group**) enters into the Security Documents to secure the obligations of Mallee Tas under the Hartree Facility Agreement. On completion of the Acquisition, Allegiance will become a wholly owned subsidiary of Mallee Tas and will become a party to the Security Documents, which will result in Allegiance granting a security interest in all of its assets and undertakings to Hartree.

The actions of Allegiance and other members of the Mallee Tas Group, by entering into the Security Documents, constitute the giving of financial assistance within the meaning of Part 2J.3 of the Corporations Act.

5.4 Refinancing

Hartree, the Company and the Mallee Tas Group may arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future, from time to time. In order to secure and regulate the obligations of Mallee Tas and any applicable subsidiary or related entity of it in relation to such financing facilities, the Company Mallee Tas and any other member of the Mallee Tas Group (whether as at the date of the Notice or at any later date) may, from time to time:

- (a) execute, or accede to, a Hartree Facility Agreement as an obligor:
 - (i) on substantially the same terms as the Hartree Facility Agreement; or
 - (ii) on terms approved by the board or members (or both) at the relevant time;
- (b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure each obligor's obligations under any new facilities and any related document; and
- (c) execute, or accede to, any document in connection with or ancillary to, any new facilities or guarantee, indemnity or security interest given in connection with any new facilities and any related document,

(together, a **Refinance**).

5.5 Application of Financial Assistance to Company

The provision of the Security Documents by Allegiance and other members of the Mallee Tas Group and any Refinance or any amendment or replacement documents of any of the Hartree Facility Agreement, the Security Documents and any Refinance by Allegiance for the purpose of securing the obligations of Mallee Tas under the Hartree Facility Agreement may amount to financial assistance, in connection with the Acquisition, for the purpose of section 260A of the Corporations Act.

On completion of the Acquisition, Mallee Tas (as the sole shareholder of Allegiance) will resolve that Allegiance be permitted to provide the financial assistance in connection with the acquisition of shares in Allegiance.

In addition, pursuant to s260B(2) of the Corporations Act, as Allegiance will become a subsidiary of the Company on completion of the Acquisition, the members of the Company must pass a special resolution approving the financial assistance to be given by Allegiance.

Resolution 4 seeks Shareholder approval for the giving of financial assistance described above.

5.6 Effect of Financial Assistance

If Mallee Tas does not repay the outstanding moneys granted under the Hartree Facility Agreement in full when due and payable, each security provider under the Security Documents (including Allegiance) will be jointly and severally obliged to meet the liability and the security interest granted by each of them may be enforced by Hartree.

Shareholders should be aware that:

- (a) entry into the Security Documents by the Company or a member of the Mallee Tas Group, including Allegiance, including any Refinance, may, in the future, either limit their ability to secure loan funding from a third party debt provider, or increase the cost of such funding; and
- (b) if a member of the Mallee Tas Group, including Allegiance, was called upon to meet the entire amount of the facility, it is unlikely that it would be able to do so.

5.7 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4 for the following reasons:

- (a) entry into the Security Documents by Allegiance and the other members of the Mallee Tas Group is a condition to the Hartree Facility Agreement;
- (b) the availability of funds under the Hartree Facility Agreement will be used in-part to complete the Acquisition and in connection with the issue of Hartree Shares, which the Directors consider is in the best interests of Shareholders for the reasons set out in Section 1.5; and
- (c) the Directors have no reason at this time to believe that the members of the Mallee Tas Group, including Allegiance, will not be able to pay their debts as and when they fall due.

5.8 Notice to ASIC

A copy of this Notice was lodged with ASIC before being sent to the Shareholders in accordance with section 260B(5) of the Corporations Act.

In the event Shareholder approval is obtained, notification of the passing of Resolution 4 will also be given to ASIC as well as notification of intention to give the financial assistance. In accordance with Section 260B(6) of the Corporations Act, the financial assistance the subject of Resolution 4 will not be given until 14 days after ASIC has been notified.

5.9 Disclosure

The Company considers that this Notice contains all material information known to it that could reasonably be required by a member in deciding how to vote on Resolution 4, other than information that would be unreasonable to require a company to disclose because the company has previously disclosed that information to the member.

6. RESOLUTION 5 – CAPITAL RAISING

6.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise up to \$70,000,000 under the Capital Raising, with a Minimum Subscription of \$20,000,000.

It is noted that the Shares the subject of the Capital Raising will only be issued if:

- (a) all Essential Resolutions are passed at the Meeting;
- (b) the Acquisition has completed; and
- (c) the Company has received conditional approval from ASX for the Company to be reinstated to official quotation on ASX following the Company's compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of Shares does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 5 and the other Essential Resolutions are passed, the Company will be able to proceed with the Acquisition and the Capital Raising. In addition, the issue of Shares under the Capital Raising will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is **not** passed, the Company will not be able to proceed with the Acquisition or the Capital Raising. As a result, the Company will be unable to undertake the change of nature and scale of its activities and will likely remain in suspension until it can satisfy ASX that its level of its operations are sufficient for the purposes of Listing Rule 12.1. The time taken to identify and execute an alternative acquisition is uncertain and there can be no guarantee that the Company will ultimately be successful in executing an alternative acquisition.

Resolution 5 seeks the required Shareholder approval to the issue of Shares under the Capital Raising under and for the purposes of Listing Rule 7.1.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to this Resolution:

- (a) the Shares will be issued to subscribers under the Capital Raising. The Directors, in conjunction with the Lead Manager, will determine to whom the Shares will be issued, on a basis to ensure the Company's re-compliance requirements are met;

- (b) Shareholder approval is being sought for the issue of Shares to related parties of the Company under Resolutions 7 to 9;
- (c) while the Company does not presently intend to issue Shares under the Capital Raising to members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties, the Company may issue Shares to Hartree to enable Hartree to retain its voting power in the Company at the same percentage as it is immediately prior to completion of the Capital Raising, with such Shares to be issued on the same terms as all other investors;
- (d) the maximum number of Shares to be issued is 100,000,000;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (g) the issue price of Shares under the Capital Raising will be \$0.70 per Share. The Company will not receive any other consideration for the issue of the Shares;
- (h) the Company intends to use the funds raised from the Capital Raising as set out in Section 1.13;
- (i) the Shares are not being issued under an agreement;
- (j) the Shares are not being issued under, or to fund, a reverse takeover; and
- (k) a voting exclusion statement is included in Resolution 5 of the Notice.

7. RESOLUTION 6 – APPOINTMENT OF HARTREE NOMINEE DIRECTOR – STEVE HENDEL

7.1 General

The Company's Constitution provides that the Company may elect a person as a director by resolution passed in general meeting.

Steve Hendel, in accordance with the Constitution, seeks election from Shareholders. If Shareholders approval Resolution 6, Steve Hendel will be appointed as a Director with effect on and from completion of the Acquisition.

7.2 Qualifications and other material directorships

Mr. Hendel is currently serving, and has served since March 1997, as a Founding Partner and Managing Director of Hartree, where he is actively involved in the management of the firm. Mr. Hendel is also the Chairman of the board of directors of Sprague Resources LP. Prior to co-founding Hartree, from 1985 to 1996, Mr. Hendel was a partner at Goldman Sachs, where he held various management roles in the J. Aron division including co-head of energy trading and oversight of J. Aron's division of quantitative strategies. From 1994 to 1996, Mr. Hendel shared responsibility for the energy, commodity and currency business for J. Aron. Prior to

joining J. Aron in 1980, he was an associate at Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Hendel is active in a number of artistic not-for-profit foundations.

Mr. Hendel holds a B.A. from Yale University and a J.D. from the University of Connecticut School of Law.

7.3 Independence

If elected, the Board considers that Steve Hendel will not be an independent director, on the basis that Steve Hendel will be appointed as Hartree's nominee.

7.4 Board recommendation

The Board supports the election of Steve Hendel and recommends that Shareholders vote in favour of Resolution 6.

8. RESOLUTIONS 7 TO 9 – RELATED PARTY PARTICIPATION IN CAPITAL RAISING

8.1 General

Pursuant to Resolution 5, the Company is seeking Shareholder approval for the issue of up to 100,000,000 Shares at an issue price of \$0.70 per Share to raise up to \$70,000,000 under the Capital Raising. Directors John Lamb, Jeffrey Moore and Rowan Caren wish to participate in the Capital Raising.

Directors John Lamb, Jeffrey Moore and Rowan Caren have indicated that they may participate in the Capital Raising for an investment of up to \$30,000. Resolutions 7 to 10 seek Shareholder approval for the issue of:

- (a) up to 42,857 Shares to John Lamb (or his nominee) (the subject of Resolution 7);
- (b) up to 42,857 Shares to Jeffrey Moore (or his nominee) (the subject of Resolution 8); and
- (c) up to 42,857 Shares to Rowan Caren (or his nominee) (the subject of Resolution 9),

(together, the **Related Participants**), arising from their respective participation in the Capital Raising (**Participation**).

8.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation constitutes giving a financial benefit and each of the Related Participants is a related party of the Company by virtue of being a Director.

As Shareholder approval is being sought for all Directors other than Paul Arndt to participate in the Capital Raising, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the Participation. As the Board will determine the allocations under the Capital Raising, the Board considers it prudent and best practice to seek Shareholder approval for the Participation in accordance with Chapter 2E of the Corporations Act.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11. Resolutions 7 to 9 seek the required Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

8.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 9 are passed, the Company will be able to proceed with the issue of the Shares under the Participation within three months after the date of the Meeting in accordance with the Related Party Waiver (or such later date as permitted by any further ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 9 are not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and Shares under the Capital Raising will be placed to other investors.

8.5 Technical Information required by Listing Rule 10.13 and Section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 7 to 9:

- (a) the Shares will be issued to the Related Participants (or their nominees), who fall within the category set out in Listing Rule 10.11.1, as the Related Participants are each a related party of the Company by virtue of being Directors;
- (b) the maximum number of Shares to be issued to the Related Participants (or their nominees) is 128,571, being:
 - (i) 42,857 Shares to John Lamb (or his nominee) (the subject of Resolution 7);
 - (ii) 42,857 Shares to Jeffrey Moore (or his nominee) (the subject of Resolution 8); and
 - (iii) 42,857 Shares to Rowan Caren (or his nominee) (the subject of Resolution 9);
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting in accordance with the terms of the Related Party Waiver (or such later date to the extent permitted by any further ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be the same as all other Shares issued under the Capital Raising, being \$0.70 per Share;
- (f) the purpose of the issue of Shares under the Participation is to raise capital, which the Company intends to apply in accordance with the use of funds at Section 1.11 of the Explanatory Statement;
- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (h) the relevant interests of the Related Participants in securities of the Company as at the date of this Notice and following the conversion of the Performance Rights and the Participation are set out below:

Related Participant	Current	Conversion of Performance Rights	Participation ¹	Total	Voting Power ²
John Lamb	1,882,000	1,358,688	42,857	3,283,545	0.98%
Jeffrey Moore	1,260,000	783,012	42,857	2,085,869	0.62%
Rowan Caren	1,225,000	735,914	42,857	2,003,771	0.60%

Notes:

1. This assumes that the Related Participants take up their full Participation and that the Minimum Subscription is raised. However the Company notes there is no obligation or guarantee that this full Participation will be taken by the Related Participants.
- (i) the total remuneration package for each of the Related Participants for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Participant	Current Financial Year	Previous Financial Year
John Lamb	\$461,565 ¹	\$438,344
Jeffrey Moore	\$222,411 ²	\$261,019
Rowan Caren	\$272,731 ³	\$267,766

Notes:

1. Comprising Mr Lamb's salary of \$437,997 and superannuation payment of \$23,568. Additionally, Mr Lamb received Performance Rights with an attributed value of \$359,816.
 2. Comprising Mr Moore's salary of \$197,021 and superannuation payment of \$25,390. Additionally, Mr Moore received Performance Rights with an attributed value of \$207,362.
 3. Comprising Mr Caren's fees and salary of \$255,747 and superannuation payment of \$16,984. Additionally, Mr Caren received Performance Rights with an attributed value of \$194,889.
- (j) Paul Arndt recommends that Shareholders vote in favour of Resolutions 7 to 9 for the reasons set out in Section 8.5(f);
- (k) each of the Directors (other than Paul Arndt) have a material personal interest in the outcome of Resolutions 7 to 10 on the basis that they would each (or their nominees) be permitted to Participate should Resolutions 7 to 10 be passed. For this reason, the Directors (other than Paul Arndt) do not believe that it is appropriate to make a recommendation on Resolutions 7 to 10;
- (l) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 9.
- (m) the Shares are not being issued under an agreement; and
- (n) voting exclusion statements are included for Resolutions 7 to 10.

9. RESOLUTION 10 – AMENDMENT TO CONSTITUTION

9.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 10 is a special resolution which will enable the Company to adopt a new constitution (**Proposed Constitution**). The Proposed Constitution to be adopted is a standard constitution for a public company limited by shares listing on ASX and is substantially the same as the Company's existing Constitution, subject to the changes referenced below and that all references to the Company will be to "Mallee Resources Limited".

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Summary of material proposed changes

Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

Other than as set out in this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10.

10. RESOLUTION 11 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

10.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

The Constitution provides that total aggregate remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$250,000.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$500,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

10.2 Technical information required by Listing Rule 10.17

If Resolution 11 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$250,000 to \$500,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates;
- (c) increase the number of non-executive directors on the Board; and
- (d) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 11 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$250,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past 3 years, the Company has issued no Shares and no Performance Rights to non-executive Directors pursuant to Listing Rules 10.11 and 10.14. However, 800,000 Options were issued to Mr Bruce Goulds, a former Director of the Company during this time.

10.3 Board Recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

11. RESOLUTION 12 – APPROVAL OF ISSUE OF ADDITIONAL ACQUISITION SHARES

11.1 General

The Company has entered into an agreement, pursuant to which it has agreed to acquire the Additional Acquisition Assets from the Vendors in consideration for the issue of the Additional Acquisition Shares pursuant to the Additional Acquisition Agreement. Further details in respect of the Additional Acquisition and the issue of the Additional Acquisition Shares are set out in Section 1.2.4.

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and completing the Capital Raising, certain Securities on issue (including the Additional Acquisition Shares) may be classified by ASX as restricted securities and

will be required to be held in escrow for up to 24 months from the date of Official Quotation.

Resolution 12 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Additional Acquisition Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Additional Acquisition Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

11.2 Technical information required by Listing Rule 14.1A

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Additional Acquisition Shares. In addition, the issue of the Additional Acquisition Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Additional Acquisition Shares and will not be able to complete the Additional Acquisition.

11.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 12:

- (a) the Additional Acquisition Shares will be issued to D&B Mining and Zebs Minerals (or their nominees);
- (b) the maximum number of Additional Acquisition Shares to be issued is 13,095,238. The Additional Acquisition Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Additional Acquisition Shares will be issued at a nil issue price in consideration for the acquisition of the Additional Acquisition Assets;
- (e) the purpose of the issue of the Additional Acquisition Shares is to satisfy the Company's obligations under the Additional Acquisition Agreement, a summary of the material terms and conditions of which are set out in Schedule 2; and
- (f) the Additional Acquisition Shares are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ or A\$ means Australian dollars.

Acquisition means the acquisition of 100% of the issued share capital of Allegiance by Mallee Tas, as nominee of the Company, pursuant to the DOCA.

Additional Acquisition has the meaning set out in Section 1.2.4.

Additional Acquisition Agreement has the meaning set out in Section 1.2.4.

Additional Acquisition Assets has the meaning set out in Section 1.2.4.

Additional Acquisition Shares has the meaning set out in Section 1.2.4.

Administrators has the meaning set out in Section 1.2.1.

Allegiance means Allegiance Mining Pty Ltd (administrators appointed)(subject to deed of company arrangement)(receivers and managers appointed) (ACN 059 676 783).

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Avebury, Avebury Project or **Project** means the Avebury Nickel Project held by Allegiance and to be acquired by the Company pursuant to the Acquisition, details of which are set out in Schedule 1.

Bawdwin Project means the Company's former project in Myanmar, which was disposed of following receipt of Shareholder approval on 24 September 2021.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising has the meaning set out in Section 1.11.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mallee Resources Limited (ACN 124 943 728).

Constitution means the Company's constitution as at the date of the Notice.

Corporations Act means the *Corporations Act 2001* (Cth).

Deed Administrators has the meaning set out in Section 1.2.2.

Directors means the current directors of the Company.

DOCA means the deed of company arrangement entered into on 7 March 2022, the terms of which are summarised in Schedule 2.

DOCA Effectuation has meaning given in Section 1.2.2.

DOCA Effectuation Date has meaning given in Section 1.2.2.

Dundas means Dundas Mining Pty Ltd (in liquidation) (ACN 608 839 050).

Dundas Group has the meaning given in Section 1.2.1.

Dundas Shareholders has the meaning set out in Section 4.1.

Essential Resolution has the meaning given in Section 1.3.

Existing Facility Agreement has the meaning give in Section 1.2.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Hartree means Hartree Metals LLC.

Hartree Effectuation Shares has the meaning set out in Section 3.2.

Hartree Facility Agreement means the facility agreement to be entered into by Mallee Tas and Hartree on or before DOCA Effectuation, the material terms of which are summarised in Schedule 2.

Hartree Founding Members means Mr. Stephen Hendel, Mr. Stephen Semlitz and Mr. Guy Merison.

Hartree Shares has the meaning set out in Section 3.2.

Hartree Shortfall Shares has the meaning set out in Section 3.2.

Hartree Top-up Date has the meaning set out in Section 3.2.

Hartree Top-up Shares has the meaning set out in Section 3.2.

Implementation Agreement means the implementation agreement entered into on 7 March 2022, the material terms of which are summarised in Schedule 2.

Independent Expert means RSM Corporate Australia Pty Limited.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means Euroz Hartleys Limited (ACN 104 195 057) (AFSL 230052).

Liquidator Effectuation Shares has the meaning set out in Section 4.4.

Liquidator Shares has the meaning set out in Section 4.4.

Liquidator Top-up Date has the meaning set out in Section 4.4.

Liquidator Top-up Shares has the meaning set out in Section 4.4.

Liquidators has the meaning set out in Section 1.2.2

Listing Rules means the Listing Rules of ASX.

Mallee Tas means Mallee Tas (Operating) Pty Ltd (ACN 657 611 893), a wholly owned subsidiary of the Company.

Mallee Tas Group has the meaning set out in Section 5.3.

Maximum Subscription has the meaning set out in Section 1.3(e).

Minimum Subscription has the meaning set out in Section 1.3(e).

MMG has the meaning set out in section 2 of Schedule 1.

MMG Report has the meaning set out in section 3 of Schedule 1.

Nominee Director has the meaning set out in Section 3.6(h).

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Oaktree Entities means investment funds managed by Oaktree Capital Management, L.P. and its affiliates and/or holding companies and related entities owned by such funds.

Official List means the official list of the ASX.

Official Quotation means quotation of securities on the Official List.

Offtake Agreement means the offtake agreement to be entered into by a subsidiary of the Company and Hartree on or before DOCA Effectuation, the material terms of which are summarised in Schedule 2.

Option means an option to acquire a Share.

Outstanding Amount has the meaning set out in Section 3.2.

Outstanding Amount Shortfall has the meaning set out in Section 3.2.

Performance Rights means the performance rights convertible into Shares, which were issued on 10 December 2021 and approved by Shareholders at the annual general meeting held on 30 November 2021.

Pool E Creditors has the meaning set out in Section 4.1.

Pool E Parties has the meaning set out in Section 4.1.

Prohibition has the meaning set out in Section 3.4(a)(ii).

Proposed Constitution has the meaning set out in Section 9.1.

Prospectus means the full form prospectus to be issued by the Company in connection with the Capital Raising.

Proxy Form means the proxy form accompanying the Notice.

Re-compliance means the Company re-complying with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

Receivers has the meaning set out in Section 1.2.1.

Refinance has the meaning set out in Section 5.4.

Related Participants has the meaning set out in Section 8.1.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

SAC means the Myanmar State Administrative Council.

Section means a section of the Explanatory Statement.

Securities means the Company's issued securities.

Security Documents has the meaning set out in Schedule 2.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Shortfall Raising has the meaning set out in Section 3.2.

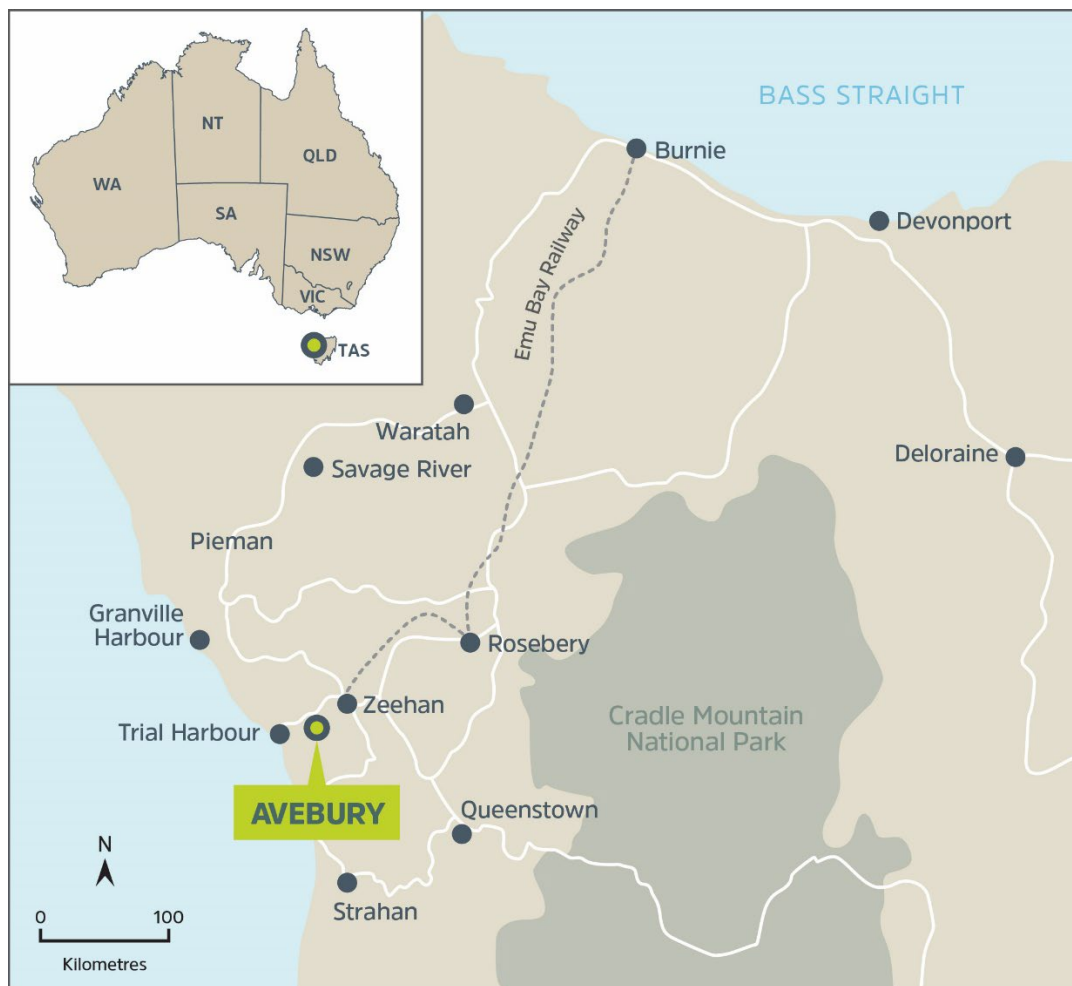
Vendors means the vendors under the Additional Acquisition Agreement, being the persons set out in Section 1.2.4.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – PROJECT OVERVIEW

1. Location

The Project is situated 8 km west of the town of Zeehan on Tasmania's west coast. Access to the Avebury mine site is via a high quality, purpose-built bitumen road. The Emu Bay Railway is in close proximity to the Avebury site and provides an efficient logistics option for the transportation of concentrate to the export facility at the Port of Burnie.



2. History

The Avebury deposit was discovered in 1997 by CRA Exploration. Five years later, under the ownership of Allegiance (formerly a listed non liability company), a maiden Mineral Resource estimate was declared. In 2004 work began on the underground portal and decline and by 2006 underground mining had commenced.

Change of control events occurred in 2008 with Zinifex Limited acquiring Allegiance and later merging with Oxiana Limited to form OZ Minerals Limited, who commissioned the Avebury plant in 2008 and placed the plant on care and maintenance 9 months later during the global financial crisis, when nickel prices were poor.

In 2009, MMG Limited (**MMG**) acquired Allegiance and other assets from OZ Minerals. MMG sold Allegiance to Dundas in 2016 while Avebury remained on care and maintenance.

3. Geology, Mineral Resources and Exploration

The Avebury nickel deposit is hosted in an ultramafic body located within a sedimentary sequence comprising volcanoclastic turbidites. Mineralisation at Avebury is focused along the ultramafic–sedimentary host sequence contact but lenses of mineralized rock are also present within the ultramafic body. The mineralisation at Avebury consists of veins and coarse-grained disseminations of sulphides that can be hosted by both serpentinitised ultramafic rocks and skarn-altered rocks.

Grades of mineralised serpentinite and skarn range from 0.4% to 4% Ni, with an average of about 0.9% Ni at a cut-off grade of 0.4% Ni. This nickel grade was deemed to represent the natural cut-off grade between mineralised and non-mineralised material.

Mineralised zones in the ultramafic body vary in true width from 4 metres to 40 metres and average around 10 metres. Mineralised lenses range from 50 to 600 metres in length and can extend over 400 metres down dip.

CSA Global Pty Ltd (**CSA Global**), an ERM Group company, was engaged by the Company to report the Avebury deposit Mineral Resource estimate in accordance with the JORC Code². The Mineral Resource estimation work was carried out by MMG in 2011 and reported in accordance with the JORC Code in 2013, and no drilling has been undertaken since.

CSA Global has reviewed the work undertaken by MMG, undertaken a review of (and amended) the classification approach, checked the depletion, completed an assessment of reasonable prospects for eventual economic extraction (RPEEE), and re-reported the Mineral Resource in accordance with the JORC Code. The Mineral Resource estimate is shown in Table 1.

Table 1: Avebury Mineral Resource estimate, reported from all blocks within Ni > 0.4 % envelope

JORC classification	Tonnage (Mt)	Ni (%)	Co (ppm)	As (ppm)
Indicated	8.7	1.0	244	378
Inferred	20.7	0.8	223	297
TOTAL	29.3	0.9	229	321

Notes: Due to effects of rounding, the total may not represent the sum of all components. All resources quoted as total nickel, a nickel recovery of 75 to 80% is expected using conventional flotation processes.

The Mineral Resource estimate including JORC Table 1, sections 1, 2 and 3 and the competent persons statement has been previously reported by the Company in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves' (**JORC Code**) on 8 April 2022 and is publicly available at <https://bit.ly/3jifzIM>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Mineral Resource estimate is based on data from 456 diamond drill holes, drilled from surface and underground, for a total of 118,000 drilled metres. An independent unpublished review completed in 2014 reported that drilling data which has been collected represents a high-quality dataset which is suitable to carry forward for Mineral Resource estimation.

A total of 40 nickel domains were created to provide the framework to the Mineral Resource estimate. MMG completed statistical and geostatistical analysis and variography to support the Mineral Resource estimation. Grade estimation was carried out within all nickel domains using ordinary kriging.

Mineral Resources have been classified based primarily on drill spacing, with due consideration of the data quality and style of mineralisation. No Measured Mineral Resources have been reported based on the significant short-range grade and geological variability, and some uncertainty regarding the precision and accuracy of the XRF data. CSA Global considers that underground development within the mineralisation and additional drilling will be required to classify Measured Mineral Resources.

The Avebury nickel deposit is open at depth and along strike. Historical exploration work has identified the potential for a similar style nickel deposit in similar ultramafic rocks to the west of Avebury at Trial Harbour. At Melba Flats, north of Avebury the nickel prospects are associated with gabbro dykes, with anomalous occurrences of nickel, copper and platinum group elements.

4. Underground Mine, Processing Plant and Tailings Storage

Development of the Viking portal and decline commenced in 2004. Underground mining commenced in 2006 utilising a combination of transverse and longitudinal stoping. Mined waste was used in a cemented rock fill to back fill the mined-out stopes. A total of 8,500 metres of underground development was completed up to 2009. The underground workings include ventilation shafts, an escapeway, five levels of development drives and an extension of the decline to the western Viking lode. The underground mine workings have been well maintained while on care and maintenance and the mine is free from flooding.

The Avebury processing plant and site infrastructure was established around 2007. The plant operated for 9 months during 2008 and 2009 and has been on care and maintenance since this time. No mineral processing has occurred since 2009 and the plant and site infrastructure remains in good condition.

The plant has a nameplate processing capacity of 900,000 tonnes of ore per annum and was designed to recover 79% of the nickel in ore to a nickel concentrate, with a nickel grade around 20%. The crushing circuit includes a primary, secondary and tertiary crusher. The grinding circuit has a ball mill, magnetic separator and regrind mill. The plant has conventional flotation cells which report the final wet concentrate product to the dewatering and filtration circuit. The filtered concentrate product is then stockpiled in a storage facility from where it can then be loaded for transportation.

The Avebury site also includes stores, workshops, an administration building, land holdings and accommodation facilities. The tailings storage facility is adjacent to the plant site, is fully permitted and retains storage capacity.

5. Development Plans

The Avebury site infrastructure is in good condition and includes an existing underground mine, an established processing plant, operating site services (power, water and utilities) and good infrastructure. With the foundations for mining and processing operation in place the Company seeks a near term re-start to operations at Avebury.

The starting point to achieve this outcome is a detailed review of existing technical data and plans. The review process is well underway and covers such matters as the Mineral Resource estimate, the Mineral Resource block model, the mining schedule, metallurgical and plant performance and logistics options.

Administration systems and operational assets are also a key part of the review, this includes: information systems, telecommunications, accommodation facilities, human resource management, accounting systems and enterprise resource management systems.

Subject to the Acquisition completing, the Company will seek to operate Avebury on an owner-operated basis. The site workforce will substantially increase as the site moves toward a continuous 24 hour day / 7 day a week operational regime. The current site workforce of 64 personnel (employees and contractors) is expected to grow to around 196.

Short term capital and operational costs required for the re-start program have been reviewed and a budget has been prepared based on both a Minimum Subscription and Maximum Subscription under the Capital Raising.

Avebury Site Expenditure¹

Item	Minimum Subscription	Maximum Subscription
Base Re-Start Capital	10,000,000	10,000,000
Base Operating Costs	20,000,000	20,000,000
Capital Equipment	-	15,000,000
Additional Operating Costs ²	-	5,000,000
Plant Optimisation	-	6,000,000
Additional Exploration ³	-	4,000,000
Total Estimate	30,000,000	60,000,000

Notes:

1. Amounts itemised in the table are budgetary, forward looking estimates and represent the best information the Company has available to date. These estimates are subject to change.
2. Additional Operating Costs refers to operating costs, associated with an accelerated re-start plan, which exceed the Base Operating Costs. Although the Project is expected to generate a profit on operating costs from its first shipment, the Company will incur pre-operating costs and working capital costs from the start of production to the arrival of the first shipment.
3. Additional Exploration refers to amounts spent in exceedence of the expenditure required to hold the tenements in good standing.

The Company will allocate approximately \$10,000,000 toward re-start of the mine over the 6 months following completion of the Capital Raising (**Base Re-Start Capital**). The balance of available funds will be applied toward ongoing operational costs of the mine (**Base Operating Costs**).

Under a Minimum Subscription scenario, the Company will need to rent necessary plant and equipment for the mine re-start and ongoing operation and will need to scale-back the re-start process for a smaller rate of production. The recruitment of additional workers would also be adjusted to suit a scaled-back re-start process.

Under a Maximum Subscription scenario, the Company anticipates that it will expend approximately \$15,000,000 toward purchases of capital equipment and will have the financial capacity to pursue the mine re-start more aggressively with a view to production achieving the full nameplate capacity of the existing processing facility, with a potential for funds received following commencement of production to be applied toward expanding the nameplate capacity of the processing facility.

Under a Maximum Subscription scenario, capital expenditure in the financial year 2021-22 includes completion of Stage 2 of the Company's planned accommodation camp and messing facilities in Zeehan, installation of a paste or similar cemented backfill plant at Avebury, construction of a tailings dam wall raise, construction of expanded concentrate storage and handling facilities at site, a decarbonisation study assessing the benefit of moving away from diesel powered equipment to an all-electric site utilising Tasmania's hydro-electric grid power, further capital equipment purchases late in the year as the starting fleet reaches its 12-month hire anniversary.

A debottlenecking study will be commissioned in the plant once steady-state production has been achieved, with the aim of identifying operating improvements and capital equipment required to achieve and, subsequently, exceed nameplate capacity. Known areas of focus, identified during historical operation of the plant, are the grinding and filtration sections.

The nameplate capacity of the Avebury plant has the potential to be enhanced upon the completion of optimisation studies and further investment in capital equipment (**Plant Optimisation**). Investment in the Plant Optimisation would take place sometime after the plant was commissioned and bottlenecks had been identified.

Under a Minimum Subscription Scenario, the proposed accommodation facility is completed, a smaller paste backfill or similar facility is installed, mobile plant is majority hired or finance-purchased, a return to concentrate production remains planned for August/September 2022, but optimisation studies and expansion plans are deferred until cashflow from operations allows, probably in 2023.

Quantitative information and time-lines relating to mining and processing operations cannot be reliably estimated at this time. As a general and preliminary overview, mining activities are planned to commence early in the re-start program to build stockpiles on the run-of-mine pad.

Commissioning of the plant would take place later with throughput moderated to optimise the plant performance. Subject to plant commissioning being successful a graduated increase of throughput would occur in time to achieve a steady state of concentrate production.

6. Exploration

The Company intends to prioritise the re-start of mining and processing operations at Avebury in the near-term. All expenditure commitments required to keep the tenure in good standing, including exploration expenditure, is planned to be met during this period.

Under a Maximum Subscription scenario, the Company plans to undertake programs of near-mine exploration drilling to upgrade lower confidence mineral resources and define new mineral resources. The Company also plans to investigate new mineralised zones outside the existing mine envelope with geoscience surveys and exploration drilling, in particular at its Melba tenements, to follow up high-grade nickel reported in historical workings and supported by more recent geological surveys.

Under a Minimum Subscription Scenario, exploration expenditure sufficient to meet the minimum commitments required to hold the tenement portfolio in good standing is undertaken. All other exploration expenditure is deferred until cashflow from operations allows work to resume.

Proposed exploration programmes will be developed during the period following completion of the Acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules, with funding allocated toward exploration to be dependent on amounts raised under the Capital Raising and any revenue received following the mine re-start.

SCHEDULE 2 – CONTRACT SUMMARIES

Deed of Company Arrangement

Parties	The Company, Hartree, Allegiance, Dundas, the Deed Administrators and the Liquidators
Date	7 March 2022 (Effective Date)
Term / Termination	<p>The term commenced on the Effective Date and ends on the earlier of the termination date or effectuation of the DOCA (Term).</p> <p>The DOCA terminates upon the happening of any of the following events:</p> <ul style="list-style-type: none">• the Court makes an order terminating the Deed under section 445D of the Corporations Act; or• the creditors of Allegiance pass a resolution terminating the Deed in accordance with sections 445C(b) of the Corporations Act, in the event that any of the conditions precedent are not satisfied (or waived by the Proponents and the Deed Administrators) on or before 30 June 2022.
Conditions Precedent	<p>The DOCA will effectuate 5 business days after all of the following conditions precedent have been satisfied or waived:</p> <ul style="list-style-type: none">• the Deed Administrators obtaining a Section 444GA order from the Court in a form satisfactory to the Company and Hartree (together, the Proponents) for the transfer of 100% of the issued capital in Allegiance to Mallee Tas;• the directors of Allegiance having been changed in accordance with the directions of the Proponents;• the Company not receiving any objections from the Treasurer of the Commonwealth of Australia, and no final order being made, pursuant to the <i>Foreign Acquisitions and Takeovers Act 1975 (Cth)</i>, to the extent required, in respect of its participation in the transactions contemplated by the DOCA; and• Hartree not receiving any objections from the Treasurer of the Commonwealth of Australia, and no final order being made, pursuant to the <i>Foreign Acquisitions and Takeovers Act 1975 (Cth)</i>, in respect of its participation in the transactions contemplated by the DOCA. <p>The conditions precedent may not be waived without the approval of the Deed Proponents and are to be satisfied by 30 June 2022. The satisfaction date may be extended by a period of up to four months by the Deed Administrators at the request of the Deed Proponents.</p>
Shareholder Approval	The Company must obtain Shareholder approval for its role under the DOCA by 30 June 2022 (or such later date as agreed by the Deed Administrators, acting reasonably). If Shareholder approval is not received by this date, Hartree will step in to consummate the transaction in place of the Company and the Company will have no obligations under the DOCA.
Deed Fund	The deed fund payable under the DOCA will be made up of the cash payments set out in Section 1.2.3 and the issue of the Liquidator Shares in the manner described in Section 4.4 (Deed Fund).

Existing Facility Agreement

On DOCA Effectuation, the Company will repay amounts owing under the Existing Facility Agreement to Hartree.

The DOCA otherwise contains terms and conditions that are customary for an agreement of its nature.

Implementation Agreement

Parties	Hartree and the Company
Date of Contract	7 March 2022 (Effective Date)
Conditions Precedent	<p>The Implementation Agreement does not become binding on the parties unless and until the following conditions are satisfied or waived by no later than 30 June 2022 (Conditions Date):</p> <ul style="list-style-type: none">• DOCA: effectuation of the DOCA has occurred;• Regulatory Approvals (ASIC and ASX): ASX and ASIC providing all consents and approvals necessary to complete the transactions contemplated by the Implementation Agreement (not including such approvals as are required by the Company in order to re-comply with Chapter 1 and 2 of the Listing Rules);• Offtake Agreement: the parties have entered into the Offtake Agreement (refer below);• Hartree Facility Agreement and Security Documents: the Hartree Facility Agreement and Security Documents (refer below) having been entered into;• FIRB: either:<ul style="list-style-type: none">○ Hartree not receiving any objections from the Treasurer of the Commonwealth of Australia, and no final order being made, pursuant to the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) with respect to the subscription by Hartree or its nominee for the Hartree Shares and to the application of the moneylending exemption pursuant to the transaction, either unconditionally or on terms that Hartree reasonably considers to be acceptable (including the standard tax conditions or such other conditions that are reasonably acceptable to Hartree);○ Hartree not receiving any objections from the Treasurer of the Commonwealth of Australia, and no final order being made, pursuant to the FATA, to the extent required in relation to the subscription by Hartree or its nominee for the Hartree Shares and to the application of the moneylending exemption pursuant to the transaction; or○ if an interim order is made under FATA in respect of the subscription by Hartree or its nominee for the Hartree Shares and to the application of the moneylending exemption, the subsequent period for making a final order prohibiting the subscription for the Hartree Shares and the application of the moneylending exemption elapses without a final order being made.• Shareholder Approvals: Shareholders approving all resolutions required by the Corporations Act and Listing Rules (or any other applicable law or regulation) as are required to implement the

	transactions contemplated by the DOCA and Implementation Agreement.
Term / Termination	<p>The term of the Implementation Agreement commenced on the Effective Date and ends on the date that it is terminated by either party by written notice to the other party in the following circumstances (Term):</p> <ul style="list-style-type: none"> • if the conditions precedent are not satisfied or waived; • if the DOCA terminates in accordance with its terms; • if either party materially breaches the Implementation Agreement (including in respect of a breach of a warranty); or • if either party enters into a competing proposal in respect of the Avebury Project.
Equity Issuance	<p>On effectuation of the DOCA, Hartree (or its nominee) has agreed to subscribe for such number of Shares as will result in Hartree (or its nominee) holding 30% of the issued capital in the Company (assuming conversion of the Performance Rights currently on issue) following completion of the Share issue, being the Hartree Effectuation Shares. The Hartree Effectuation Shares are being issued at a deemed issue price of \$0.42 per Share in satisfaction of a \$38,600,000 claim made by Hartree under an offtake agreement formerly in place with the Dundas Group.</p> <p>Hartree (or its nominee) will be entitled to an issue of Hartree Shortfall Shares and/or Hartree Top-up Shares in the circumstances set out in Section 3.2.</p>
Subsequent Capital Raisings	<p>If the Company raises additional equity capital at any time during the period of 3 years following the Effective Date, subject to the Corporations Act, Listing Rules and any negative pledge arrangements applicable to the Company, the Company will use its best endeavours to ensure that Hartree is offered the ability to participate in any such offer of securities, provided that such participation is for cash consideration that is no more favourable than cash consideration paid by third parties, in order to maintain Hartree's relevant interest in the Company as at the business day immediately prior to completion of the additional equity capital raising. This right does not create a binding obligation on the Company to make any offer of securities to Hartree.</p>
Hartree Nominee Director	<p>For so long as Hartree holds a relevant interest in the Company of at least 15%, Hartree will have a right to appoint one director to the board of the Company, subject to such nominee being a person of good fame and character and having appropriate qualifications, experience and expertise</p>
Hartree Facility Agreement	<p>Upon effectuation of the DOCA, Hartree will make a debt facility available to a subsidiary of the Company under the Hartree Facility.</p> <p>The Parties are currently working toward finalisation of the Hartree Facility Agreement and a summary of the anticipated terms is set out below. The Hartree Facility Agreement will be signed in advance of the Meeting and to the extent that the final terms differ from the summary below, an addendum to the Notice will be released with sufficient notice in advance of the Meeting to enable Shareholders to consider the revised terms.</p>
Offtake Agreement	<p>Hartree and MYL have agreed that, subject to effectuation of the DOCA, a new offtake agreement will be entered into.</p> <p>The Parties are currently working toward finalisation of the Offtake Agreement and a summary of the anticipated terms is set out below. The</p>

	<p>Offtake Agreement will be signed in advance of the Meeting and to the extent that the final terms differ from the summary below, an addendum to the Notice will be released with sufficient notice in advance of the Meeting to enable Shareholders to consider the revised terms.</p>
Security Documents	<p>The Company and members of the Mallee Tas Group will enter into the following security documents (Security Documents) with the security trustee specified below as security for the obligations of subsidiaries of the Company to Hartree including under the Hartree Facility Agreement and the Offtake Agreement:</p> <ul style="list-style-type: none"> • a specific security deed given by the Company over all of the shares in Mallee Tas (which includes a guarantee from the Company which is limited recourse to the shares in Mallee Tas); • a general security deed granting security over all of the assets of Mallee Tas and certain of its subsidiaries that are responsible for operating the Project and employing Project staff; • following completion of all requisite financial assistance whitewash procedures, a general security deed granting security over all of the assets of Allegiance and each subsidiary of Allegiance; • real property mortgages over all real property of any of the Mallee Tas Group and mortgages over all mining leases owned by the Mallee Tas Group; and • a security trust deed entered into with a security trustee determined by Hartree.

The Implementation Agreement otherwise contains terms and conditions that are customary for an agreement of its nature.

Hartree Facility Agreement

Parties	Mallee Tas and Hartree
Facility	Hartree will subscribe for up to 30,000,000 loan notes, each with a face value of US\$1 (Loan Notes) for a total facility of US\$30,000,000 (Facility), which is to be drawn in a single utilisation on the date that the conditions precedent set out below are satisfied or waived (Financial Close).
Purpose	<p>Mallee Tas will apply the Facility towards:</p> <ul style="list-style-type: none"> • on-lending funds to the Company to enable the Company to contribute the required funds to the Deed Fund under the DOCA; • initial capital and operating costs and the Project; and • financing the payment of fees, costs and expenses associated with the establishment of the Facility.
Conditions Precedent	<p>Drawings under the Facility will be subject to the following conditions precedent having been satisfied or waived, among other customary conditions for provision of debt finance:</p> <ul style="list-style-type: none"> • entry into the Security Documents; • confirmation that the Acquisition will complete on provision of the Facility; and • the Company having sufficient funds to enable it to satisfy its obligations under the DOCA.

Repayment	<p>US\$10,000,000 under the Facility must be repaid within the earlier of 3 Business Days following completion of the Capital Raising and 60 days following Financial Close (Initial Repayment Tranche).</p> <p>The balance of the Facility must be repaid by Mallee Tas in a number of principal instalments and finally repaid on the date that is three (3) years following Financial Close (Repayment Date). The principal instalments commence on the earlier of:</p> <ul style="list-style-type: none"> the last day of the month falling 6 months after completion of the Acquisition; and the last day of the month falling 3 months after the date the Avebury mine produces its first saleable project. <p>(the Repayment Commencement Date).</p> <p>Mallee Tas must pay repayment instalments (Repayment Instalments), as determined by the formula below:</p> $\text{Repayment Instalment} = \frac{\text{Principal Amount}}{\text{Months in Repayment Period}}$
Prepayments	<p>If at any time all or substantially all of the assets of the Mallee Tas Group are sold, Mallee Tas must prepay the Facility, together with accrued interest, in full, together with any applicable Break Fee.</p> <p>If any member of the Mallee Tas Group enters into a transaction or series of transactions to dispose of their assets and which result in them receiving net proceeds in excess of an agreed threshold in any financial year, with such proceeds not reinvested within 6 months of receipt in assets of like type or value or to purchase other capital assets relevant to the Mallee Tas Group, Mallee Tas must prepay the Facility in an amount equal to the unused net proceeds of the sale, together with any applicable Break Fee.</p> <p>Mallee Tas may, by giving Hartree 10 business days' notice, prepay the whole or any of the Facility, together with accrued interest, by a minimum amount of US\$500,000 (or such lesser amount as remains payable under the Facility), together with any applicable Break Fee. Any such prepayment will not affect Mallee Tas' obligations to make Repayment Instalments during the Repayment Period.</p>
Offtake Payments	<p>To the extent Hartree is liable to pay any amount to Mallee Tas or Allegiance under the Offtake Agreement, Hartree shall apply such amount in discharge of the corresponding payment obligations of Mallee Tas in respect of the Facility.</p>
Interest	<p>The Facility will accrue interest at a rate of 10% per annum, calculated on the daily balance of the principal outstanding under the Facility (Interest). Interest will be payable to Hartree on the last day of each calendar month during the Repayment Period.</p> <p>If Mallee Tas fails to pay any amount payable by it in respect of the Facility as and when it falls due, interest will accrue on the overdue amount from the due date until it is paid at a rate of 13% per annum (Default Interest), such amounts to be immediately payable in cash on demand.</p>
Fees	<p>The following break fees will be payable in respect of the Facility (Break Fees) pro rata to the amount of the Facility prepaid:</p> <ul style="list-style-type: none"> on any prepayment that is on or before the date that is 12 months following Financial Close, an amount equal to US\$375,000;

	<ul style="list-style-type: none"> • on any prepayment that is after the date that is 12 months following Financial Close, but is on or before the date that is 24 months following Financial Close, an amount equal to US\$325,000; and • on any prepayment that is 24 months following Financial Close, but is on or before the Repayment Date, an amount equal to US\$275,000, <p>provided that no Break Fees are payable in respect of the Initial Repayment Tranche.</p>
Withholding Tax Gross-up	<p>Mallee Tas must make all payments (including any capitalised interest) to be made by it without any withholding tax deduction, unless deduction is required by law. If a deduction is required by law, Mallee Tas must pay an additional amount together with the payment so that, after making the deduction, Hartree receives an amount equal to the payment which would have been due if no deduction had been required.</p>
Events of Default and Review Events	<p>Mallee Tas will be in default under the Facility if any of the following events, among other customary default events, occur without Hartree's consent:</p> <ul style="list-style-type: none"> • it fails to pay any amount due under the Facility; • it breaches any term of the Facility or the Security Documents; • a representation or warranty proves to be untrue or misleading in any material respect when made; • any member of the Mallee Tas Group fails to repay any material financial indebtedness when it falls due; • an insolvency event occurs in respect of the Company or any member of the Mallee Tas Group; • it becomes unlawful for the Company or any member of the Mallee Tas Group to perform its obligations under the Facility; • a material adverse change occurs; • any member of the Mallee Tas Group ceases to carry on its business; • a judgment is obtained against any member of the Mallee Tas Group for an amount in excess of an agreed threshold; • all or a material part of any member of the Mallee Tas Group's assets are compulsorily acquired by a governmental agency and adequate consideration is not received in respect of such acquisition; or • Mallee Tas reduces its capital or passes a resolution to authorise a share buy-back. <p>A review event will occur if there is a change of control in respect of the Company, following which Hartree may required that the Company enter into good faith negotiations for a period of 15 days to attempt to agree appropriate amendments to the Facility and Security Documents to allow the Facility to continue in place, failing which Hartree may require that the Facility and all outstanding moneys are repaid and cancelled within 30 days.</p>

Offtake Agreement

Parties	Mallee Tas, Allegiance and Hartree
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Offtake	<p>Hartree will be the exclusive purchaser of nickel concentrates containing cobalt (Product) from the existing underground mine at the Avebury Project, which shall include existing identified resources and extensions thereof insofar as they relate to nickel concentrates (Existing Mine).</p> <p>The duration of the offtake will commence on the Effective Date and continue for the life of the Existing Mine (Term).</p>
Product Specifications	<p>Product delivered to Hartree must fall within agreed specifications with respect to nickel percentage, arsenic levels and other customary product specification requirements. Should the Product not meet the agreed specifications, it will be treated as Off-Spec Product and Hartree may reject the Product, in which case the Company will be permitted to sell Off-Spec Product to another purchaser. MYL and Hartree will negotiate the sale of Off-Spec Product and may agree to a discount being applied.</p>
Nickel Price	<p>The price payable by Hartree for nickel concentrate contained in the Product shall be calculated by reference to the "Nickel Cash LME Daily Official \$ per tonne", as published in the Metal Bulletin in US\$ according to month of shipment in accordance with customary nickel concentrate contracts (Nickel Reference Price).</p>
Cobalt Price	<p>The price payable by Hartree for cobalt contained in the Product shall be determined by the arithmetic mean of the lower buy price for "Cobalt Low Grade MB free market US\$/lb", as published in the Metal Bulletin in US\$, over the Quotation Period (Cobalt Reference Price).</p>
Changes to Pricing	<p>The parties will, at the end of 5 years from the DOCA Effectuation Date and every 5th year thereafter, negotiate in good faith any adjustments to the pricing of Product or other terms and conditions for the supply of Product to reflect changes in the nickel concentrate market.</p>
Deductions	<p>Deductions to the price payable for Product shall be determined based on the levels of arsenic and magnesium oxide contained in the Product.</p>
Shipment	<p>Product shall be shipped by Mallee Tas CIF FO Discharge Port (as those terms are defined in Incoterms).</p>
First Right of Refusal	<p>Mallee Tas will grant Hartree a first right of refusal to enter into an offtake agreement in respect of any marketable base or precious metal concentrate other than the Product produced by Mallee Tas from time to time during the Term from mineral ores or other materials recovered from the Project.</p>
Events of Default and Review Events	<p>Each of the following is a termination event under the Offtake Agreement:</p> <ul style="list-style-type: none"> • an insolvency event occurs in respect of a party • a party fails to make any payment or delivery or perform any other material obligations when due and such failure is not cured within 3 business days after notice thereof; • a representation or warranty proves to be untrue or misleading in any material respect when made; • a default occurs under the Hartree Facility Agreement or a Security Document; • a change of control occurs in respect of Mallee Tas;

	<ul style="list-style-type: none"> • any key licences in respect of the Project are revoked, cancelled, suspended or materially varied without Hartree's consent as a direct result of the conduct of Mallee Tas; • any mine operational contract in respect of the Project is revoked, cancelled, suspended or materially varied without Hartree's consent where such change is likely to have a material adverse effect; • there is an unscheduled work or operational stoppage at the Mine, other than for force majeure, which continues for a period of 10 continuous days and such stoppage is likely to have a material adverse effect; • Mallee Tas enters into an offtake agreement for Product at the Mine with a third party or purports to sell Product from the Mine to a third party, other than in respect of Off-Spec Product not purchased by Hartree; or • an event occurs in respect of Mallee Tas that has a material adverse effect.
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Lead Manager Mandate

Parties	The Company and the Lead Manager
Date	26 March 2022
Fees	<p>The Lead Manager will receive the following fees in respect of the Capital Raising:</p> <ul style="list-style-type: none"> • a management fee equal to 2% of the funds raised under the Capital Raising; and • an equity raising fee equal to 3% of the funds raised under the Capital Raising.
Expenses	The Lead Manager is entitled to be reimbursed up to \$5,000 for legal expenses in respect of the Capital Raising and is otherwise entitled to be reimbursed for out-of-pocket expenses and reasonable travel incurred in undertaking its role, provided that written consent of the Company will be obtained prior to incurring any expenses in excess of \$2,000.
Termination	<p>The Engagement will terminate on the earlier of:</p> <ul style="list-style-type: none"> • completion of the Capital Raising; or • either party, at any time, giving written notice to the other Party.
Transactions post-termination	<p>If the Company suspends or terminates the mandate (unless such suspension or termination is proven to be a direct consequence of gross negligence, fraud or wilful misconduct on the part of the Lead Manager):</p> <ul style="list-style-type: none"> • in respect of any aspect of the Capital Raising that involves any equity capital markets component, the Company will, in good faith, offer the Lead Manager a role similar to that contemplated by the mandate, if the Capital Raising (or a transaction substantially comparable to the Capital Raising) is undertaken by the Company at any time within 12 months from the date of suspension or termination of the mandate; and • if the Company does not comply with the above paragraph, the Lead Manager will be entitled to the full fee payable under the mandate if at any time within 12 months from the date of suspension

or termination, the Company completes a transaction (or enters into an agreement which later reaches completion) or is involved in a transaction that has a substantially similar outcome as would the Capital Raising and the fee will be calculated on the assumption that completion of the Capital Raising occurred and the amount raised was \$30,000,000.

The Lead Manager Mandate otherwise contains terms and conditions that are customary for an agreement of its nature.

Additional Acquisition Agreement

Parties	The Company, D&B Mining, Zebs Minerals, Moina Gold Pty Ltd (ACN 607 767 055) (Moina Gold) and Mr Geoffrey Summers
Date	13 May 2022
Acquisition	<p>The Company has agreed to acquire and each of the parties noted below have agreed to sell the following assets</p> <p>(a) D & B Mining has agreed to sell to sell all of its respective rights, title and interest in exploration licence EL5/2020 (Tenement), all associated technical information in its possession or control which relates to the Tenement and any statutory licences, approvals, consents, authorisations, rights or permits relating to the Tenement (together with the Tenement, the Tenement Assets);</p> <p>(b) Zebs Minerals has agreed to sell all of its rights, title and interest in the underground mine loader; and</p> <p>(c) D&B Mining, Zebs Minerals, Moina Gold and Mr Geoffrey Summers (together, the Vendors) have agreed to sell all of their respective rights, title and interests in the technical information in the possession or control of any of the Vendors relating to the Avebury Project and the Tenement (Other Mining Information),</p> <p>(together, the Assets).</p>
Conditions Precedent	<p>Completion of the Additional Acquisition is conditional upon the satisfaction (or waiver by the Company) of the following conditions precedent:</p> <p>(a) the Company receiving conditional approval to be reinstated to trading on the Official List (after the Company re-complies with Chapters 1 and 2 of the Listing Rules);</p> <p>(b) any conditions to the effectuation of the DOCA being satisfied or waived;</p> <p>(c) entry into a geological consulting agreement between the Company and Moina Gold, pursuant to which Moina Gold will provide the services of Mr Grant McDonald to the Company on terms acceptable to the Company;</p> <p>(d) execution of a deed of release with each of Zeb Minerals and Mr Geoffrey Summers, whereby these parties shall agree to settle and release any claims either may have or assert against Allegiance and its related entities on terms acceptable to the Company;</p>

	<p>(e) the Company completing and being satisfied, in its sole discretion, with the outcome of due diligence investigations on the Assets;</p> <p>(f) the parties obtaining all necessary regulatory, shareholder and third-party approvals, consents or waivers that are required to give effect to the terms of the Additional Acquisition;</p> <p>(g) the parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the <i>Mineral Resources Development Act 1995</i> (Tas) (Mining Act) (if required), necessary to lawfully complete the transfer of the Tenement; and</p> <p>(h) there being no event occurring prior to the date of completion which materially and adversely affects the Assets.</p> <p>If the conditions precedent are not satisfied (or waived by the party with the benefit of the condition precedent) on or before 5:00 pm (Perth time) on 31 August 2022 (or such later date as the parties may agree) (End Date), then any party may terminate the Additional Acquisition Agreement by notice in writing to the other parties.</p> <p>The parties will use their best efforts to ensure that the conditions precedent are satisfied before the End Date.</p>
Consideration	<p>The purchase price for the Assets is \$5.5 million, to be satisfied by an issue of 13,095,238 Shares at a deemed issued price of \$0.42 per Share, comprising:</p> <p>(a) 10,714,286 Shares which will be issued in consideration for the acquisition of the Tenement Assets (Tenement Shares); and</p> <p>(b) 2,380,952 Shares which will be issued in consideration for the acquisition of the underground mine loader (UML Shares).</p> <p>The purchase price for the Other Mining Information is \$4 to be satisfied by a cash payment of \$1 to each of the Vendors (Cash Consideration).</p>
Completion	<p>Completion of the Additional Acquisition will occur prior to the Company being reinstated to trading on ASX.</p>
Exclusivity	<p>The Vendors have agreed to terminate all existing discussions in respect of competing transactions and covenanted not to engaged in negotiations or discussions with any other parties in relation to a competing proposal until 31 August 2022.</p>

The Additional Acquisition Agreement otherwise contains terms and conditions that are customary for an agreement of its nature.

SCHEDULE 3 – PRO FORMA BALANCE SHEET

	Notes	Mallee Resources Limited	Allegiance Mining Pty Ltd	Pro Forma Adjustments	Pro Forma Adjustments	Consolidated	Consolidated
		Reviewed	Management	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
		31/12/2021	31/12/2021	Minimum Subscription (\$20,000,000)	Maximum Subscription (\$70,000,000)	31/12/2021	31/12/2021
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
CURRENT ASSETS							
Cash and cash equivalents	1	35,988,663	-	519,414	48,019,414	36,508,077	84,008,077
Trade and other receivables	2	13,780,675	-	(13,749,414)	(13,749,414)	31,261	31,261
Total Current Assets		49,769,338	-	(13,230,000)	34,270,000	36,539,338	84,039,338
NON-CURRENT ASSETS							
Trade and other receivables		-	-	-	-	-	-
Plant and equipment		7,600	20,638,610	1,000,000	1,000,000	21,646,210	21,646,210
Investments		-	-	-	-	-	-
Right of use Asset		143,366	-	-	-	143,366	143,366
Goodwill		-	-	-	-	-	-
Rehabilitation asset		-	10,479,907	-	-	10,479,907	10,479,907
Exploration, evaluation and development assets	5	-	101,000,000	4,500,001	4,500,001	105,500,001	105,500,001
Total Non-current Assets		150,966	132,118,517	5,500,001	5,500,001	137,769,484	137,769,484
TOTAL ASSETS		49,920,304	132,118,517	(7,729,999)	39,770,001	174,308,822	221,808,822
CURRENT LIABILITIES							
Trade and other payables	3	(150,937)	(3,500,000)	(4,494,807)	(4,494,807)	(8,145,744)	(8,145,744)
Lease liability		(52,483)	-	-	-	(52,483)	(52,483)

	Notes	Mallee Resources Limited	Allegiance Mining Pty Ltd	Pro Forma Adjustments	Pro Forma Adjustments	Consolidated	Consolidated
		Reviewed	Management	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
		31/12/2021	31/12/2021	Minimum Subscription (\$20,000,000)	Maximum Subscription (\$70,000,000)	Minimum Subscription (\$20,000,000)	Maximum Subscription (\$70,000,000)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Provisions		(154,748)	-	-	-	(154,748)	(154,748)
Total Current Liabilities		(358,168)	(3,500,000)	(4,494,807)	(4,494,807)	(8,352,975)	(8,352,975)
NON-CURRENT LIABILITIES							
Provisions		-	(10,479,907)	-	-	(10,479,907)	(10,479,907)
Borrowings		-	-	(28,000,000)	(28,000,000)	(28,000,000)	(28,000,000)
Lease liability		(99,280)	-	-	-	(99,280)	(99,280)
Total Non-Current Liabilities		(99,280)	(10,479,907)	(28,000,000)	(28,000,000)	(38,579,187)	(38,579,187)
TOTAL LIABILITIES		(457,448)	(13,979,907)	(32,494,807)	(32,494,807)	(46,932,162)	(46,932,162)
NET ASSETS		49,462,856	118,138,610	(40,224,806)	7,275,194	127,376,660	174,876,660
SHAREHOLDERS' EQUITY							
Share Capital	4, 5	(102,320,558)	(118,138,610)	41,528,560	(5,971,440)	(178,930,608)	(226,430,608)
Other Equity		(777,194)	-	-	-	(777,194)	(777,194)
Reserves		3,478,223	-	45,664	45,664	3,523,887	3,523,887
Retained Losses		50,156,673	-	(1,349,418)	(1,349,418)	48,807,255	48,807,255
TOTAL SHAREHOLDERS' EQUITY		(49,462,856)	(118,138,610)	40,224,806	(7,275,194)	(127,376,660)	(174,876,660)

Notes:**1. Cash and cash equivalents:**

	Minimum Subscription	Maximum Subscription
Current	35,988,663	35,988,663
Hartree Facility Agreement	42,000,000	42,000,000
Funds to be Repatriated	13,749,414	13,749,414
Repayment of Existing Hartree Facility	(51,480,000)	(51,480,000)
DOCA Reimbursements	(8,500,000)	(8,500,000)
Capital Raising (less costs)	18,750,000	66,250,000
Repayment of Initial Repayment Tranche	(14,000,000)	(14,000,000)
TOTAL	36,508,077	84,008,077

2. Trade and other receivables: Representing funds to be repatriated from Myanmar.

3. Trade and other payables: Contingent amounts owing to Hartree and Liquidators pursuant to DOCA and Implementation Agreement: \$4,494,807

3(a) Contingent amounts owing to Hartree:

	Probability	Contingent Value	Weighted average
Myanmar Funds Repatriated	50%	-	-
Hartree Shortfall Shares	47%	7,282,200 ¹	3,422,634
Hartree Top-up Shares	3%	19,866,095 ²	595,983
TOTAL			4,018,617

Notes:

- Hartree Shortfall Shares: up to 10,403,143 Shares at \$0.70 per Share
- Hartree Top-up Shares: up to 47,300,239 Shares at \$0.42 per Share

3(b) Contingent amounts owing to Liquidators: up to 63,492,063 Shares at a minimum issue price of \$0.15 per Share at an expected probability of 5%, valuing \$476,190.

4. Share Capital

	Minimum Subscription	Maximum Subscription
Current	(102,320,558)	(102,320,558)
Hartree Effectuation Shares	(38,628,983)	(38,628,983)
Liquidator Effectuation Shares	(12,500,000)	(12,500,000)
Additional Acquisition Shares	(5,500,001)	(5,500,001)
Capital Raising (less costs)	(18,750,000)	(66,250,000)
Conversion of Performance Rights	(1,231,066)	(1,231,066)
TOTAL	(178,930,608)	(226,430,608)

5. Transaction not currently contemplated

Contingent Share Issues: In the event that Hartree Shortfall Shares, Hartree Top-up Shares or Liquidator Top-up Shares are issued, exploration, evaluation and development assets will increase by a corresponding value and share capital will decrease by a corresponding value.

ANNEXURE A – INDEPENDENT EXPERT’S REPORT



MALLEE RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

May 2022

We have concluded that the Proposed Transaction is Fair and Reasonable

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

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25 May 2022

The Directors
Mallee Resources Limited
Suite 1, 9 Havelock Street
West Perth WA 6005

Dear Shareholders

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Mallee Resources Limited ("Mallee" or "the Company") to be held on or around 29 June 2022, at which shareholder approval will be sought for (among other things) the acquisition of 100% of the issued share capital of Allegiance Mining Pty Ltd (Administrator Appointed) (subject to Deed of Company Arrangement) (Receiver and Manager Appointed) ("Allegiance") from an administration process ("the Proposed Transaction").
- 1.2 Dundas Mining Pty Ltd (in liquidation) ("Dundas") owns 100% of the shares of Allegiance. Allegiance owns the Avebury Nickel Mine in Tasmania which was placed into care and maintenance in February 2009 and has remained in care and maintenance for the duration of Dundas' ownership. Dundas, Allegiance and their related entities (together "the Dundas Group") entered into a secured loan facility with Hartree Metals LLC ("Hartree") on or around 20 July 2021 ("Existing Facility") which was secured over all of the property and assets of the Dundas Group, including the Avebury Nickel Mine owned by Allegiance.
- 1.3 On 21 July 2021 the Dundas Group drew down US\$11 million under the Existing Facility. On 24 November 2021 Hartree gave notice of default and demanded payment of US\$11.72 million for amounts owing under the Existing Facility. The Dundas Group's failure to comply with the notice of default resulted in Hartree appointing Nicholas Martin, Andrew Fielding and Duncan Clubb of BDO (Australia) as Receivers and Managers of the Dundas Group ("Receivers"). Following the appointment of the Receivers, the directors of each of the members of the Dundas Group resolved to appoint Richard Tucker and John Bumbak of KordaMentha as Voluntary Administrators of the Dundas Group ("Administrators").

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

- 1.4 On 15 February 2022, Mallee and Hartree made a joint proposal to the Administrators to enter into a deed of company arrangement (“DOCA”) in respect of Allegiance. At a creditors meeting on 22 February 2022, it was resolved that Allegiance execute the DOCA with Mallee and Hartree. On 7 March 2022 Mallee, Hartree, Dundas and the Administrators entered into the DOCA pursuant to which Mallee will on effectuation of the DOCA, acquire 100% of the issued share capital in Allegiance. Upon entering into the DOCA, Mallee also entered into an Implementation Agreement with Hartree.
- 1.5 Mallee will provide approximately \$85.8 million in consideration for the acquisition of Allegiance, consisting of cash payments of \$31.2 million, \$3.5 million in liabilities assumed and approximately \$51.1 million in Mallee shares.
- 1.6 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd (“RSM”), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction (“Non-Associated Shareholders”).
- 1.7 The request for approval of the Proposed Transaction is included as Resolutions 1 to 5 in the Notice (“the Essential Resolutions”). Resolutions 1, 2, 3, 4 and 5 as extracted from the Notice are included below for reference.

Resolution 1 – Change to Nature and Scale of Activities - Acquisition

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the Acquisition, as described in the Explanatory Statement.”

Resolution 2 – Approval of Issue of Hartree Shares

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of section 611(Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue the following Shares to Hartree or its nominee:

- a) 91,973,769 Hartree Effectuation Shares on the DOCA Effectuation Date; and
- b) up to:
 - i. the number of Hartree Shortfall Shares calculated in accordance with the formula set out in the Explanatory Statement on completion of a Shortfall Raising; and/or
 - ii. an additional 47,300,239 Hartree Top-Up Shares on the Hartree Top-Up Date; and
- c) up to such number of Additional Capital Raising Shares to Hartree as will result in it maintaining a voting power in the Company equal to its voting power immediately prior to completion of the Capital Raising,

on the terms and conditions set out in the Explanatory Statement.”

Resolution 3 – Approval of Issue of Liquidator Shares

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of section 611(Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue:

- a) 19,841,270 Shares on the DOCA Effectuation Date; and
- b) up to an additional 63,492,063 Shares on the Liquidator Top-up Date,

on the terms and conditions set out in the Explanatory Statement.”

Resolution 4 – Approval of Financial Assistance by Mallee Tas Group

“That, subject to and conditional upon the passing of all Essential Resolutions, pursuant to and in accordance with section 260B(2) of the Corporations Act and for all other purposes, approval is given for the giving of financial assistance by Mallee Tas Group in the manner described in the Explanatory Statement.”

Resolution 5 – Capital Raising

“That, subject to completion of the Acquisition and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100,000,000 Shares at an issue price of \$0.70 to raise up to \$70,000,000 on the terms and conditions set out in the Explanatory Statement.”

- 1.8 When considering the Proposed Transaction, we have included any impact Resolutions 1, 2, 3, 4 and 5 will have on fairness and reasonableness. We have considered all of the Essential Resolutions as part of the Proposed Transaction since they are inter-conditional, therefore all five resolutions must be approved by Shareholders for the Proposed Transaction to occur.
- 1.9 Resolution 5 relates to a proposed capital raising of up to \$70 million (“Capital Raise”) in connection with Mallee’s re-compliance with Chapters 1 and 2 of the Listing Rules. Whilst Resolution 5 is an Essential Resolution, the proposed acquisition of Allegiance (“the Acquisition”) is not conditional on the Capital Raise occurring. The Shares the subject of the Capital Raise will only be issued if all the Essential Resolutions are approved by Shareholders, the Acquisition completes, and the Company has received conditional approval from the ASX to be reinstated to official quotation on the ASX.
- 1.10 The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder’s assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Shareholders should read the entirety of this Report and consider the Risk Factors set out in Section 1.19 of the Notice. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and Conclusion

Opinion

2.1 In our opinion, and for the reasons set out in Sections 11 and 12 of this Report, the Proposed Transaction is **fair and reasonable** to the Non-Associated Shareholders of Mallee.

Approach

2.2 In assessing whether the Proposed Transaction is fair and reasonable to the non-associated shareholders, we have considered Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – *Content of Expert Reports* (“RG 111”), which provides specific guidance as to how an expert is to appraise transactions.

2.3 Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued shares of a public company, if the transaction results in that person’s voting interest increasing from below 20% to equal to or above 20%.

2.4 Under item 7 of section 611 of the Act, the prohibition in section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the Company.

2.5 Where an issue of shares by a company otherwise prohibited under section 606 of the Act is approved under item 7 of section 611, and the effect on the company shareholding is comparable to a takeover bid, including for control transactions such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

2.6 Therefore, we have considered whether or not the Proposed Transaction is “fair” to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a share in Mallee on a control basis prior to the Proposed Transaction; with
- The Fair Value of a share in Mallee on a non-control basis immediately post completion of the Proposed Transaction.

and, considered whether the Proposed Transaction is “reasonable” to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

2.7 Further information of the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 8 of this Report.

2.8 In addition, we have also considered the hypothetical situation where the top-up provisions result in the Liquidator Top-Up Shares to be issued exceeding a 20% interest in Mallee adopting the same approach as our assessment of the Proposed Transaction. Our assessment of the proposed issue of Liquidator Top-Up Shares is considered at Appendix F.

Fairness

2.9 Our assessed values of a Mallee share prior to and immediately after the Proposed Transaction, assuming no top-up shares are issued to Hartree or the Liquidators, are summarised in the table and figure below.

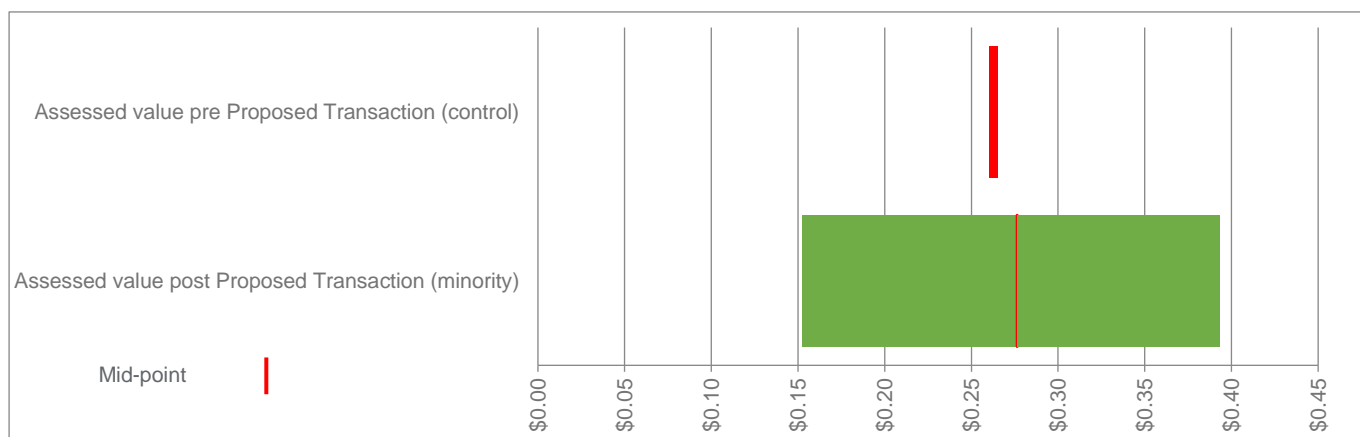
Table 1 Assessed values of a Mallee share pre and post the Proposed Transaction

	Low	High	Preferred
Assessed Fair Value of a Mallee Share prior to the Proposed Transaction (control basis)	0.260	0.260	0.260
Assessed Fair Value of a Mallee Share post the Proposed Transaction (non-controlling basis)	0.153	0.393	0.276

Source: RSM analysis

2.10 The above comparison is depicted graphically in the figure below.

Figure 1 Assessed Value of a Mallee Share graphical representation



Source: RSM analysis

2.11 The assessed value of a Mallee Share prior to the Proposed Transaction sits within the range of values assessed for the value of a Mallee Share post the Proposed Transaction. We consider it relevant to note that the spread in the valuation range post the Proposed Transaction is a result of the assessed values of the Avebury Mine Mineral Resources, with the preferred value representing CSA's opinion on the preferred valuation multiple factor from their research on comparable transactions. We note that the resulting preferred value of a Mallee Share post the Proposed Transaction is greater than the assessed value of a Mallee Share prior to the Proposed Transaction.

2.12 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, we consider the Proposed Transaction to be **fair** to the Non-Associated Shareholders of Mallee as the preferred value of a Mallee Share post the Proposed Transaction is greater than the preferred value of a Mallee Share prior to the Proposed Transaction.

2.13 We consider the proposed issue of Liquidator Top-Up Shares separately in Appendix F.

Reasonableness

2.14 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

2.15 If any of the Essential Resolutions are not approved and the Proposed Transaction is therefore not able to complete, the Board and management of Mallee will continue to look for alternative business acquisitions to enable the Company to seek a re-listing on the ASX and generate value for Shareholders.

2.16 Trading in Mallee Shares is currently suspended and will remain so until the Company re-complies with Chapters 1 and 2 of the Listing Rules. Until that point, Shareholders do not have any opportunity to realise value from their shareholding interests.

2.17 The key advantages of the Proposed transaction are:

Advantage	Details
The Proposed Transaction is fair	The Proposed Transaction is fair to the Non-Associated Shareholders.
Exposure to new Australian project	The Company will be exposed to a new Australian project with significant Mineral Resources and existing infrastructure. Shareholders will have the ability to gain exposure to future opportunities in the nickel industry, which is a key component for electric vehicle batteries and electroplating.
Potential increase in liquidity (subject to ASX approval)	The Proposed Transaction may result in Mallee meeting the criteria for re-listing on the ASX, thereby providing a liquid market for Shareholders to crystallise the value of their shares.
Relevant experience of Board	Mallee's Managing Director John Lamb has an intimate understanding of the Avebury Nickel Project having previously held the position of General Manager of the Project.
Access to funds and Offtake Agreement	Mallee will enter into the Hartree Facility Agreement and Offtake Agreement on approval of the Proposed Transaction, providing funding to support the development of the Project and de-risking the commencement of production with an offtake partner in place for the sale of concentrate product.

2.18 The key disadvantages of the Proposed Transaction are:

Disadvantage	Details
Dilutionary impact	<p>The Non-Associated Shareholders will, collectively, have a fully diluted ownership of 64.1% following the completion of the Proposed Transaction but prior to any capital raising (and assuming no top-up shares are issued to Hartree or the Liquidator). This will reduce the Non-Associated Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets.</p> <p>Should the Mallee share price fall below \$0.63, top-up provisions would apply resulting in Liquidator Top-Up Shares being issued, which would further dilute the ownership of the Non-Associated Shareholders. This scenario is considered separately at Appendix F.</p>
Significant influence of Hartree	Following the completion of the Proposed Transaction, Hartree will have a 30.5% interest in Mallee on an undiluted basis and the ability to influence decisions including the right to appoint one member to the Board. As a shareholder with more than 25% interest, Hartree would be able to unilaterally block any Special Resolutions of the Company.

Disadvantage	Details
Change in risk profile	Following the completion of the Proposed Transaction, there will be a change in the risk profile of Mallee with exposure to a nickel exploration asset in Australia. Nickel has historically been a volatile commodity, and the Avebury Project itself has been through various false starts in its development due to fluctuations in market conditions. This change in risk profile may not meet the investment strategy of some Non-Associated Shareholders.
Future capital requirements	The future capital requirements to complete development and commence production at the Avebury Nickel Mine may result in the requirement to raise additional debt or equity or a combination of both, which could further dilute the interests of the Non-Associated Shareholders should they not participate in any such capital raisings. In particular, we note that the proposed Capital Raise of up to \$70 million could dilute Non-Associated Shareholders if they do not participate.
Project execution risk	The Avebury Nickel Mine is not in operation and has been on care and maintenance since 2009. The viability and required costs to commence production at the mine are therefore uncertain and result in project execution risk. Further details are provided in the Notice on key risk factors of the Project.

Future Prospects of Mallee if the Proposed Transaction is not approved

- 2.19 If the Proposed Transaction is not approved by the Non-Associated Shareholders, Mallee will continue to look for alternative potential project acquisitions to enable the Company to seek a re-listing on the ASX and generate value for Shareholders.
- 2.20 Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition or can otherwise satisfy ASX that its level of its operations is sufficient for the purposes of Listing Rule 12.1.

Conclusion

- 2.21 In our opinion, the position of the Non-Associated Shareholders of Mallee if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Mallee.

3. Summary of Proposed Transaction

Overview

- 3.1 Dundas owns 100% of the shares of Allegiance which wholly owns the Avebury Nickel Mine in Tasmania comprising two mining licences, two exploration licences, a retention licence, underground mine, processing plant and infrastructure (“the Project”). The Project is fully developed but was placed into care and maintenance in 2009 during the global financial crisis and has remained in care and maintenance since acquisition by Dundas in 2017.
- 3.2 Hartree and the Dundas Group entered into the Existing Facility in July 2021, which is secured over all of the property and assets of the Dundas Group, including the Avebury Nickel Mine owned by Allegiance. Hartree became the sole secured creditor of the Dundas Group.
- 3.3 On 21 July 2021 the Dundas Group drew down US\$11 million under the Existing Facility. On 24 November 2021 Hartree gave notice of default and demanded payment of US\$11.72 million for amounts owing under the Existing Facility. The Dundas Group’s failure to comply with the notice of default resulted in Hartree appointing Nicholas Martin, Andrew Fielding and Duncan Clubb of BDO (Australia) as Receivers and Managers of the Dundas Group comprising Dundas, Allegiance and three associated entities (AGG Fortune Pty Ltd, Colour Metal Pty Ltd and Winched Investment Pty Ltd). Following the appointment of the Receivers, the directors of each of the members of the Dundas Group resolved to the appointment of the Administrators.
- 3.4 Hartree also entered into a Sale and Purchase Agreement for future nickel concentrate (“Offtake Agreement”) with Dundas and Allegiance on 20 July 2021. This was terminated on 20 February 2022 and Hartree is seeking damages under the terms of this agreement.
- 3.5 Prior to the appointment of the Receivers, Allegiance was progressing to restart production in 2021.
- 3.6 On 15 February 2022, Mallee and Hartree made a joint proposal to the Administrators to enter into a DOCA in respect of Allegiance. The DOCA contemplates Mallee (or its nominee) acquiring 100% of the issued capital in Allegiance which holds the Avebury mining licences, exploration licences, underground mine and associated plant and equipment.
- 3.7 At a creditors meeting on 22 February 2022, it was resolved that Allegiance execute the DOCA with Mallee and Hartree. On 7 March 2022 Mallee, Hartree, Dundas and the Administrators entered into the DOCA which effectuates the transfer of all outstanding Allegiance shares to a subsidiary of Mallee in return for approximately \$85.8 million in consideration.
- 3.8 As the same meeting, the Administrators were appointed as deed administrators in respect of Allegiance (“Deed Administrators”) and the creditors of each other Dundas Group company Group resolved that they be placed into liquidation, with Richard Tucker and John Bumbak of KordaMentha appointed as liquidators to those companies (“Liquidators”).
- 3.9 The consideration for the acquisition of Allegiance is comprised of the following:
 - a) Hartree will receive:
 - i. US\$16.2 million cash (equivalent to A\$22.68 million at an exchange rate of A\$1.4:US\$1 as at the date of this Report) in repayment of the Existing Facility which was used to fund the Project until the second creditors meeting of Allegiance on 22 February 2022.
 - ii. A\$38.6 million of Mallee Shares for satisfaction of a claim under a previous offtake agreement, which will be satisfied through entry into a new Offtake Agreement with Mallee and issuance of shares to Hartree, equivalent to 30% of the fully diluted shares on issue of Mallee post

transaction excluding options with an exercise price \$0.65 or above, issued at A\$0.42 per share (91,973,769 shares in total).

The number of shares issued may be adjusted if Mallee is unable to repatriate US\$12.1m of funds from Myanmar within one month following the DOCA Effectuation Date. If the full amount is outstanding and Mallee undertakes the minimum Capital Raise of \$20 million within two months of the DOCA Effectuation Date (the “Hartree Top-Up Date”), this would result in 10,403,143 Hartree shortfall shares being issued for nil consideration (“Hartree Shortfall Shares”) on the completion of the Capital Raise.

In the event that Mallee does not complete the Capital Raise or any other capital raising on or before the Hartree Top-Up Date and no Myanmar funds were repatriated within one month of the DOCA Effectuation Date, Mallee would be required to issue a maximum of 47,300,239 top-up shares to Hartree (“Hartree Top-Up Shares”). Resolution 2 also provides for additional capital raising shares to be issued to Hartree, on the same terms as other participants, so that it will maintain a voting power in the Company of up to 30% on completion of the Capital Raise or any Shortfall Raising.

b) Hartree will be refunded:

i. Cash payment of \$8.5 million in satisfaction of Allegiance creditor claims, comprising of:

- \$3.7 million to the Administrators and Deed Administrators of Allegiance for fees and incurred liabilities;
- \$1.33 million to non-related and contractual creditors of Allegiance; and
- \$3.4 million to the Liquidators of Dundas for investigation of voidable transactions, distributions to related party unsecured creditors and for shareholders of Dundas.

c) Approximately \$3.5 million of Allegiance liabilities which will be retained or discharged following effectuation.

d) The Liquidators of the holding company of Allegiance will be paid \$12.5 million via the issue of 19,841,270 Mallee shares at an issue price of \$0.63 per share. Should the value of Mallee Shares issued to the Liquidators amount to less than \$12.5 million 30 trading days after the date upon which Mallee Shares recommence trading on the ASX (“the Liquidator Top-Up Date”), Mallee will issue further shares or pay a cash sum (or combination thereof) to offset any shortfall. The maximum additional shares that may be issued at the Liquidator Top-Up Date is 63,492,063 (“Liquidator Top-Up Shares”) assuming a 5-day VWAP of \$0.15.

3.10 In addition, the DOCA and Implementation Agreement between Mallee and Hartree provides for the following:

- a) Hartree has agreed to provide working capital to fund the Avebury Project during the term of the DOCA together with accrued interest, Receivers fees and legal fees, for which they will be reimbursed by Mallee an estimated \$28.8 million. This includes \$7.9 million in respect to an environmental bond lodged with Mineral Resources Tasmania.
- b) Hartree has agreed to subscribe for US\$30 million of loan notes (“Hartree Facility”) from Mallee with a term of 3 years and interest rate of 10% per annum. The Hartree Facility will have first ranking security over Mallee’s subsidiary, Mallee Tas, which will hold the Allegiance shares. The Company has been granted a US\$10 million advance from Hartree under this facility to meet Avebury site expenditure between the DOCA Effectuation Date and completion of the Capital Raise, which is to be repaid out of the Capital Raise funds. Repayments on the balance of the facility are to commence on the earlier of 6 months following completion of the Proposed Transaction and 3 months following the Avebury Mine producing its first saleable product.

- c) Mallee Shareholder approval is to occur by 30 June 2022, or later with agreement by the parties. If approval does not occur by this date, Hartree will assume responsibility and pay or guarantee the payment of \$12.5 million to the Liquidators.
- 3.11 Subject to the effectuation of the DOCA, Hartree and Mallee will enter into a new offtake agreement on terms broadly consistent with the Offtake Agreement formerly in place between Hartree and Dundas in respect of the Avebury Project, other than to provide for life-of-mine terms and with pricing to be revisited every five years. The detailed terms and conditions of the new offtake agreement will be agreed prior to effectuation of the DOCA.
- 3.12 In addition, the Implementation Agreement between Mallee and Hartree provides for the following
- a) As long as Hartree holds at least 15% of the Mallee shares on issue, Hartree may nominate one director to the Board of Mallee, subject to suitability; and
- b) If Mallee raises additional equity capital in the following three years, it will make its best endeavours to ensure Hartree is offered the ability to participate for cash consideration at no more favourable terms than third parties in order to offset dilution.

Key conditions of the Proposed Transaction

- 3.13 As outlined in the Implementation Agreement, completion of the Proposed Transaction is subject to and conditional upon a number of conditions precedent, including:
- the DOCA being effected;
 - ASIC and ASX providing all consents and approvals required to complete the Proposed Transaction, but not including approvals required in order for Mallee to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
 - Mallee and Hartree entering into the Mallee Offtake Agreement;
 - Mallee and Hartree entering into the Hartree Facility Agreement and Security Documents;
 - Both Mallee and Hartree not receiving any objections from the Treasurer of the Commonwealth of Australia, and no final order being made related to the Foreign Acquisitions and Takeovers Act 1975 (Cth); and
 - Mallee shareholder approval of the Proposed Transaction. If shareholder approval is not received by 30 June 2022 (or such later date approved by the Deed Administrators), Mallee will have no obligations in respect of the DOCA, unless otherwise agreed by the parties to the DOCA.

Rationale for the Proposed Transaction

- 3.14 Since 3 February 2021 the Company has been in voluntary suspension from trading on the ASX when the Company ceased operations and subsequently sold its Bawdwin Silver-Lead-Zinc Project as a result of the Myanmar Military Coup. Mallee is required to obtain a new project to satisfy ASX Listing Rule 12, which it is intended will be fulfilled by acquiring Allegiance and the Project.
- 3.15 The Project provides Mallee with the opportunity to own a nickel sulphide project in Australia with a clear path to near-term production, combined with an established underground mine, processing plant and site infrastructure.

Details of the Project

- 3.16 Allegiance wholly owns the Project which is located 8km west of the town of Zeehan on Tasmania's west coast. Access to the site is via a purpose-built bitumen road. There is an export facility located at the Port of Burnie which is connected to the Emu Bay Railway, the railway is in close proximity to the Avebury Nickel Mine and therefore provides an option for the transportation of concentrate.
- 3.17 The Avebury Deposit was discovered in 1997, five years later a maiden Mineral Resource was declared. In 2004 work began on an underground portal and decline, by 2006 underground mining had commenced. The Avebury Plant was commissioned in 2008 but 9 months later during the global financial crisis the mine was placed into care and maintenance and has remained so since. Nickel prices have recently increased providing an opportunity for Mallee to re-establish Avebury mining operations in the near term.
- 3.18 In 2013 MMG Limited conducted a JORC (2012) compliant Mineral Resource estimate for the Project which shows total resources of 29.3Mt at a grade of 0.9% for Nickel and would produce 7,000 DMT of Nickel in concentrate per year at nameplate capacity.

Impact of the Proposed Transaction on Mallee's Capital Structure

- 3.19 The table below sets out a summary of the capital structure of Mallee prior to and immediately post the Proposed Transaction on a fully diluted basis.
- 3.20 In addition, the fully diluted share capital of Mallee is shown below under the hypothetical scenario that the maximum Liquidator Top-Up shares are issued to ensure the shares issued remain at a value of \$12.5 million.

Table 2 Share Structure of Mallee pre and post Proposed Transaction

	Prior to Proposed Transaction		Immediately Post Proposed Transaction ¹		Post Proposed Transaction (Max Liquidator Top-Up) ²	
Shares on issue						
Non-Associated Shareholders	190,111,015	100.0%	190,111,015	63.0%	190,111,015	52.0%
Hartree Interest	-	-	91,973,769	30.5%	91,973,769	25.2%
Shares Issued to Liquidators of Dundas	-	-	19,841,270	6.6%	83,333,333	22.8%
Total Shares	190,111,015	100%	301,926,054	100%	365,418,117	100%
Options and Performance Rights:						
Non-Associated Shareholder Options	5,300,000	53.2%	5,300,000	53.2%	5,300,000	53.2%
Non-Associated Shareholder Performance Rights	4,653,175	46.8%	4,653,175	46.8%	4,653,175	46.8%
Total Options	9,953,175	100%	9,953,175	100%	9,953,175	100%
Fully Diluted Position:						
Non-Associated Shareholders	200,064,190	100.0%	200,064,190	64.1%	200,064,190	53.3%
Hartree Interest	-	-	91,973,769	29.5%	91,973,769	24.5%
Shares Issued to Liquidators	-	-	19,841,270	6.4%	83,333,333	22.2%
Total Diluted Shares	200,064,190	100%	311,879,229	100%	375,371,292	100%

Source: RSM Analysis

1. Immediately Post Proposed Transaction diluted positions include all shares, options and performance rights on issue.
2. Post Proposed Transaction diluted positions include all shares, options and performance rights on issue as well as the hypothetical maximum top-up shares to be issued to the Liquidator to ensure value of shares issued remains at \$12.5m

- 3.21 Hartree does not currently have an equity interest in Mallee.
- 3.22 Immediately following completion, Hartree will hold an interest in 91,973,769 Mallee Shares. Hartree will have an undiluted interest of 30.5% and a fully diluted interest of 29.5% in Mallee including outstanding Options and Performance Rights.

- 3.23 The number of shares issued to Hartree may be adjusted if Mallee is unable to repatriate US\$12.1 million of funds from Myanmar within one month following the DOCA Effectuation Date and the Capital Raise or a Shortfall Raising is not completed before the Hartree Top-Up Date. If the Capital Raise is completed but the Myanmar funds are not repatriated, up to 10,403,143 Hartree Shortfall Shares would be issued but no Hartree Top-Up Shares.
- 3.24 At completion, 19,841,270 Mallee Shares will be issued to the Liquidators of Dundas at a deemed issue price of \$0.63 to total \$12.5 million (in addition to \$3.4 million in cash) for the investigation of voidable transactions, distributions to related party unsecured creditors and shareholders of Dundas.
- 3.25 The number of shares issued to the Liquidators of Dundas may be adjusted or supplemented in cash if the value of these shares is less than \$12.5 million 30 days after the date of re-commencement of trading in Mallee shares. The total maximum number of top-up shares that can be issued to the Liquidators of Dundas is 63,492,063 which reflects a 5-Day volumed weighted average Mallee share price of \$0.15. The total number of Dundas Liquidator shares that may be issued is therefore 83,333,333. Should the Mallee share price fall below \$0.15, the Company intends to pay any shortfall in cash.
- 3.26 Non-Associated Shareholders fully diluted interest in Mallee will reduce from 100% prior to the Proposed Transaction, to 64.1% immediately following completion and 53.3% under the hypothetical maximum Liquidator Top-Up Shares issue (assuming no shortfall or top-up shares are issued to Hartree).
- 3.27 The analysis above excludes the impact of the proposed Capital Raise noting that it is subject to Shareholder approval of the Essential Resolutions, completion of the Acquisition and the Company receiving conditional approval from the ASX to be reinstated to official quotation. Shareholders should refer to the Notice for detailed workings of the potential shareholding structure under various Capital Raise scenarios. We note that the Company has an obligation to use reasonable endeavours to permit Hartree to participate in the Capital Raise to retain a 30% voting power on completion of the Capital Raise, with Shares issued on the same terms as all other investors.

4. Scope of the Report

Corporations Act

- 4.1 Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%. Completion of the Proposed Transaction will result in Hartree holding an interest in Mallee of 30.5%.
- 4.2 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company.
- 4.3 Accordingly, the Company is seeking approval from the Non-Associated Shareholders for Resolutions 2 and 3 under Item 7 of Section 611 of the Act.
- 4.4 The issue of the Liquidator Top-Up Shares has the potential to also trigger section 606 of the Act should the Mallee share price fall below \$0.16 after re-commencement of trading. The Company is therefore also seeking shareholder approval for the Liquidator Top-Up Shares for the purposes of item 7 of Section 611 of the Act
- 4.5 Section 611(7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Basis of Evaluation

- 4.6 In determining whether providing the Proposed Transaction is "fair" and "reasonable" we have given regard to the views expressed by the ASIC in RG 111.
- 4.7 RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 4.8 RG 111 states that the expert's report should focus on:
- The issues facing the security holders for whom the report is being prepared: and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 4.9 Where an issue of shares by a company otherwise prohibited under section 606 is approved under item 7 of section 611 and the effect on the company's shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.
- 4.10 RG 111 applies the fair and reasonable test as two distinct criteria in the circumstance of a takeover offer, stating:
- A takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
 - A takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be reasonable if the expert believes that there are sufficient reasons for security holders to accept the offer.
- 4.11 Consistent with the guidelines in RG 111, in determining whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis undertaken is as follows:

- A comparison of the fair value of an ordinary Share in Mallee prior to (on a control basis) and immediately following (on a non-control basis) the Proposed Transaction – fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction – reasonableness.

4.12 The other significant factors to be considered include:

- Other prospects of the Company if the Proposed Transaction does not proceed; and
- any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

4.13 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

5. Profile of Mallee Resources Limited

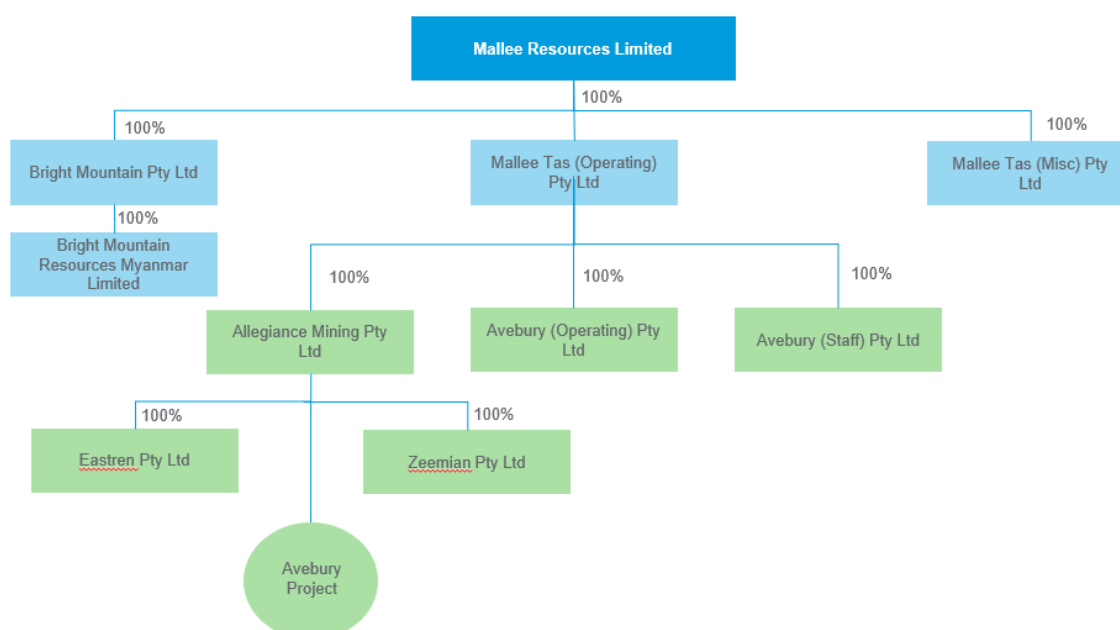
Overview

- 5.1 Mallee, formerly Myanmar Metals Limited, was incorporated on 23 May 2007 and is an Australian public company listed on the ASX and based in West Perth, Western Australia. The Company historically focused on the exploration and evaluation of lead, zinc and silver deposits located in Myanmar, however following the sale of the Bawdwin Project, is pursuing the acquisition of a nickel project located in Tasmania.
- 5.2 Mallee previously held a 51% participating interest in the Bawdwin Project through its wholly owned subsidiary Bright Mountain Resources Myanmar Co Ltd. On 1 February 2021 a state of emergency was imposed in Myanmar following a Military Coup and two days later the Company entered into voluntary suspension from trading on the ASX amid concerns regarding its operations in Myanmar.
- 5.3 On 17 August 2021, the Company announced it had entered into a binding agreement whereby it had conditionally agreed to dispose of its entire interest in the Bawdwin Project to its local joint venture partner Win Myint Mo Industries Co. Ltd for a total consideration of US\$30 million. Shareholder approval for the disposal was obtained at the general meeting held on 24 September 2021.
- 5.4 Following the disposal of the Bawdwin Project, the Board and management of Mallee focused on sourcing a new project for the Company. On 16 February 2022 Mallee announced it had submitted a DOCA to acquire Allegiance which wholly owns the Avebury Nickel Sulphide Project in Tasmania.
- 5.5 On 23 February 2022 Mallee announced that the creditors of Allegiance had approved the execution of the DOCA, and it was formally executed on 7 March 2022.
- 5.6 On 15 March 2022 Mallee completed the Bawdwin Project sale process with all proceeds from the US\$30 million divestment received.

Legal Structure

- 5.7 The corporate structure of Mallee is outlined in the diagram below, the entities in green indicate the proposed corporate structure following the completion of the Proposed Transaction:

Figure 2 Corporate Structure



Source: Company

Directors and management

5.8 The directors and key management of Mallee are summarised in the table below.

Table 3 Mallee Resources Directors

Name	Title	Experience
Mr John Lamb	Managing Director	Mr Lamb has over three decades of experience across Australia and South East Asia operating within the Resources, Property, Forestry, Transport and Civil Construction industries for both listed and unlisted companies. He has an MBA, is a qualified surveyor, a Chartered Professional Fellow of the Australasian Institute of Mining and Metallurgy and an Order of Merit Graduate of the AICD Company Directors course. Mr Lamb was also formerly the General Manager of the Avebury Mine.
Rowan Caren	Chief Financial Officer, Executive Director and Company Secretary	Mr Caren has over twenty years of experience within the minerals exploration and resources industry providing financial and corporate services to several listed and unlisted companies. He is a qualified CA and holds a Bachelor of Commerce from UWA.
Jeffrey Moore	Non-Executive Chairman	Mr Moore is a geologist with significant technical experience having managed and project financed publicly listed companies globally. He is a member of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia.
Paul Arndt	Non-Executive Director	Mr Arndt has experience across the mining sector, strategy, commercialisation and project management. He has a Bachelor and Masters degree in Science as well as a Graduate Diploma in Engineering.

Source: Company

Financial Information of Mallee

- 5.9 The information in the following section provides a summary of the consolidated financial performance of Mallee for the years ended 30 June 2020 and 30 June 2021 extracted from the audited financial statements of the Company, as well as the financial performance for the six months ended 31 December 2021 extracted from the reviewed financial statements for the half-year ended 31 December 2021.
- 5.10 The auditor of Mallee Resources Ltd, Grant Thornton, has issued an unqualified audit opinion on the financial statements for the year ended 30 June 2021 and an unqualified review conclusion on the 31 December 2021 financial statements.

Financial Performance

- 5.11 The following table sets out a summary of the financial performance of Mallee for the years ended 30 June 2020, 30 June 2021, and the half-year ended 31 December 2021.

Table 4 Mallee Resources Financial Performance

\$'000	HY22 Reviewed	FY21 Audited	FY20 Audited
Other income	17	29	255
Total income	17	29	255
Exploration and evaluation expenses	-	(1,747)	(10,349)
Corporate and Administration expenses	(1,552)	(2,677)	(3,531)
Net Foreign exchange gain/(loss)	1,050	(108)	310
Finance expenses	(7)	(11)	(292)
Total expenses	(509)	(4,544)	(13,862)
Profit before tax expense for discontinued operations	-	-	-
Loss before income tax expense	(492)	(4,514)	(13,607)
Income tax expense	-	-	-
Loss after income tax expense from continuing operations	(492)	(4,514)	(13,607)
Profit/(Loss) after income tax expense from discontinued operations	19,948	(4,123)	-
Profit/(Loss) after income tax expense for the year	19,456	(8,637)	(13,607)
Other comprehensive (loss)/Income for the year, net of tax	(5,498)	(241)	57
Total comprehensive profit/(loss) for the year	13,959	(8,877)	(13,549)

Source: Company Financials

- 5.12 Mallee had a loss after income tax of \$13.61 million in FY20 and \$8.64 million in FY21. Following the sale of the Bawdwin Project, Mallee recorded a profit after income tax of \$19.46 million in the six months to 31 December 2021.
- 5.13 In late FY21 operations were suspended at the Bawdwin Project and activities re-classified to discontinued activities. Exploration and evaluation expenses separately disclosed in the Profit and Loss therefore decreased, having a significant impact on total expenses incurred and reducing the overall loss from continuing activities in FY21 compared to FY20.
- 5.14 Profits recognised on the disposal of the Bawdwin Project were recorded in the Half Year reporting period to 31 December 2021.

Dividends

5.15 Mallee has not paid any dividends in the two years and six months to 31 December 2021.

Financial Position

5.16 The table below sets out a summary of the financial position of Mallee as at 30 June 2021 and 31 December 2021.

Table 5 Mallee Resources Historical Financial Position

\$'000	31-Dec-21 Reviewed	30-Jun-21 Audited
Current assets		
Cash and cash equivalents	35,989	10,736
Trade and other receivables	13,781	112
Assets classified as held for sale	-	25,699
Total current assets	49,769	36,547
Non-current assets		
Plant and equipment	8	10
Right of use assets	143	170
Total non-current assets	151	180
Total assets	49,920	36,727
Current liabilities		
Trade and other payables	151	205
Current lease liabilities	52	50
Provisions	155	177
Current liabilities associated with assets classified as held for sale	-	711
Total current liabilities	358	1,143
Non-current liabilities		
Non-current lease liabilities	99	126
Total non-current liabilities	99	126
Total liabilities	457	1,269
Net assets	49,463	35,459
Equity		
Issued Capital	102,321	102,321
Other contributed equity	777	777
Reserves	(3,478)	1,974
Accumulated Losses	(50,157)	(69,613)
Total equity	49,463	35,459

Source: Company Financials

5.17 As at 30 June 2021 Mallee had net assets of \$35.5 million, this increased to \$49.46 million at 31 December 2021 following the disposal of the Bawdwin Project.

5.18 Current assets at 30 June 2021 included \$25.70 million of assets held for sale relating to the Bawdwin Project. Current assets increased further as at 31 December 2021 to \$49.78 million as a result of cash received and

outstanding receivables due from Win Myint Mo Industries Co. Ltd, the purchaser of the 51% interest in the Bawdwin Project. The outstanding consideration was received in March 2022.

- 5.19 Mallee's liabilities predominantly relate to provisions and lease liabilities as at 31 December 2021.
- 5.20 The movement in reserves from 30 June 2021 to 31 December 2021 predominantly related to the foreign currency translation reserve which was (\$52k) at 30 June 2021 and increased to (\$5.55 million) at 31 December 2021. The balance is comprised of a share based payments reserve.

Events after 31 December 2021 reporting date

- 5.21 Following the 31 December 2021 reporting date, the Company entered into a DOCA to acquire 100% of Allegiance. The DOCA and associated Implementation Agreement were executed on 7 March 2022. Mallee completed the Bawdwin sale process on 15 March 2022 following the receipt of all sale proceeds.

Capital Structure

- 5.22 Mallee has 190,111,015 ordinary shares on issue at the date of this Report. The top 20 shareholders of Mallee as at 3 March 2022 are set out below.

Table 6 Mallee Resources Top 20 shareholders

Rank	Name	Number	% of issued shares
1	Perilya Limited	31,971,721	16.82%
2	Yandal Investments Pty Limited	20,308,225	10.68%
3	BNP Paribas Noms Pty Ltd <DRP>	10,066,383	5.30%
4	Citicorp Nominees Pty Limited	7,088,012	3.73%
5	HSBC Custody Nominees (Australia) Limited	2,809,166	1.48%
6	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient Drp>	2,688,977	1.41%
7	Marford Group Pty Ltd	2,147,957	1.13%
8	S A Coupe Pty Limited <The Coupe Super Fund A/C>	2,000,000	1.05%
9	Australian Investors Pty Ltd	1,963,750	1.03%
10	Mr John Stephen Lamb	1,800,000	0.95%
11	Rezann Pty Ltd <Ripka Family A/C>	1,696,165	0.89%
12	Rowan St John Caren	1,200,000	0.63%
12	Mr Jefferey John Moore	1,200,000	0.63%
13	Mr Michael Riley & Ms Alison Meeking	1,170,000	0.62%
14	Mr Anthony Violi	1,132,000	0.60%
15	Mr Brett David Sellars & Mrs Janelle Marie Sellars <B & J Sellars Family A/C>	1,073,835	0.56%
16	Bannaby Investments Pty Ltd <Bannaby Super Fund A/C>	1,071,430	0.56%
17	Gamefest Pty Ltd <Hridayakasha S/F A/C>	1,019,230	0.54%
18	National Nominees Limited <Db A/C>	979,764	0.52%
19	Mr Richard Samuel Horsey	949,800	0.50%
20	Mr David Michael Charnock	781,048	0.41%
Top 20 Shareholders		95,117,463	50.04%
Others		94,993,552	49.96%
Total issued capital		190,111,015	100.00 %

Source: Company

- 5.23 Mallee has 5,300,000 unlisted Options and 4,653,175 Performance Rights to Directors and Management on issue at the date of this report.
- 5.24 4,000,000 of the Options are exercisable at 7.8 cents on or before 5 June 2022 and 1,300,000 are exercisable at 6.5 cents on or before 7 November 2022.
- 5.25 The Performance Rights expire on 10 December 2023 and vest subject to the achievement of various milestones including the acquisition of a new project, Mallee reaching a market capitalisation of \$60 million and continuous service conditions.

Share price performance

- 5.26 Mallee entered into a trading halt in February 2021 following the Myanmar Military Coup, and its shares are currently in suspension. The share price closed at \$0.07 on 1 February 2021, following the 1:10 consolidation of the share capital on 27 September 2021 the share price was adjusted to \$0.70 to reflect the consolidation.

Key Announcements

- 5.27 The table below outlines the relevant ASX announcements regarding the events leading up to the Bawdwin Project disposal and acquisition of Allegiance.

Table 7 ASX Announcements

Date	Headline	Summary
28-Sep-21	Update - Consolidation/split	Announcement of the completion of the 1:10 consolidation of the issued share capital
5-Oct-21	Change of Company Name	Myanmar Metals Limited officially changed its name to Mallee Resources Limited
10-Dec-21	Notification regarding unquoted securities (Appendix 3G)	Mallee Resources issued a total of 4,653,175 performance rights
4-Jan-22	Update on Bawdwin Sale Transaction	Update on the sale of the Bawdwin mine in Myanmar, announcing an allowance of extension of the timeframe for payment of the balance funds to the end of February 2022 due to currency exchange issues.
16-Feb-22	Submission of a Proposed DOCA in relation to Avebury Nickel Sulphide Project	Mallee Resources announces the proposal of a DOCA to acquire 100% of Allegiance Mining Pty Ltd shares, which wholly owns the Avebury Nickel Sulphide Mine in Tasmania.
18-Feb-22	Allegiance DOCA Proposal - Further Information	A brief summary of the proposed DOCA conditions, clearly outlining the creditors involvement and considerations.
23-Feb-22	Avebury DOCA and Board Roles Update	Notice of DOCA proposal approved by creditors, and information regarding board and management changes.
11-Mar-22	Significant Milestone towards Acquisition of Avebury Nickel Sulphide Project	Progress report on the acquisition of Avebury Nickel Sulphide Project, providing an overview of the mine and details of the completed DOCA
15-Mar-22	Bawdwin Sale Process Completes	Notification of completion of sale of the Bawdwin Project, announcing that all consideration monies have been transferred, and outlining the Company's complete detachment from the project.

6. Profile of Allegiance Mining Pty Ltd

Overview

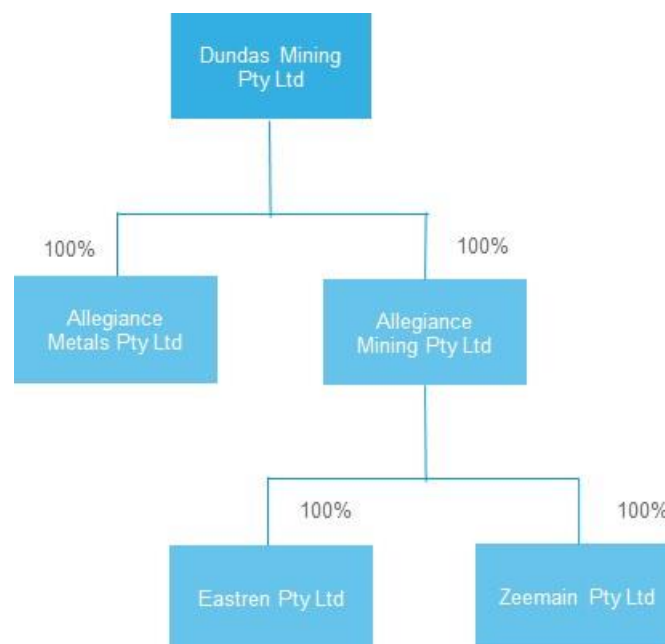
6.1 Dundas Mining Pty Ltd (In Liquidation) owns 100% of the shares in Allegiance Mining Pty Ltd which wholly owns the Avebury Nickel Mine in Tasmania. The Project is fully developed but has been on care and maintenance since 2009.

Legal Structure

6.2 100% of the voting shares of Allegiance are owned by Dundas.

6.3 The corporate structure of Allegiance is outlined in the diagram below:

Figure 3 Allegiance Corporate Structure



Source: Dundas Report to Creditors released 15.02.2022, KordaMentha

Directors

6.4 As outlined in the Dundas Report to Creditors dated 15 February 2022, the Directors of Allegiance at the date of the Administrators appointment were as follows:

- Wenwu Su appointed on 31/08/2020
- Gang Yang appointed on 23/04/2018
- Yong Gao appointed on 11/11/2021

Avebury Project

- 6.5 The Avebury deposit was discovered in 1997 by CRA Exploration. In 2002 the first Mineral Resource estimate was performed under the ownership of Allegiance Mining NL, leading to commencement of work on the underground portal and decline in 2004, and commencement of underground mining operations in 2006. In 2008, Allegiance was acquired by Zinifex Limited which later merged with Oxiana Limited to form OZ Minerals Limited, and the Avebury plant was commissioned in 2008.
- 6.6 As a result of the Global Financial crisis and declining nickel prices, the Avebury Mine was placed into care and maintenance in February 2009. Later in 2009 Allegiance was acquired by MMG Limited, and then sold to Dundas in 2016 with the Project remaining under care and maintenance throughout this time.
- 6.7 In July 2021, the Dundas Group entered into a secured Loan Facility and an Offtake Agreement with Hartree, with a view to restart production at Avebury. Hartree gave notice of default on 24 November 2021 and subsequently appointed Receivers and Managers to Allegiance. Hartree terminated the Offtake Agreement on 20 February 2022 and are seeking damages from the Dundas Group under the terms of this agreement.
- 6.8 The Project remains under care and maintenance and currently has 44 employees.
- 6.9 The Avebury site assets include the underground mine, associated mining licences, exploration licences, retention licence, ROM pad, processing plant, tailings dam, administration complex, various roads, dumps and dams and water extraction licence from Comstock Creek.

Figure 4 Avebury Mine site



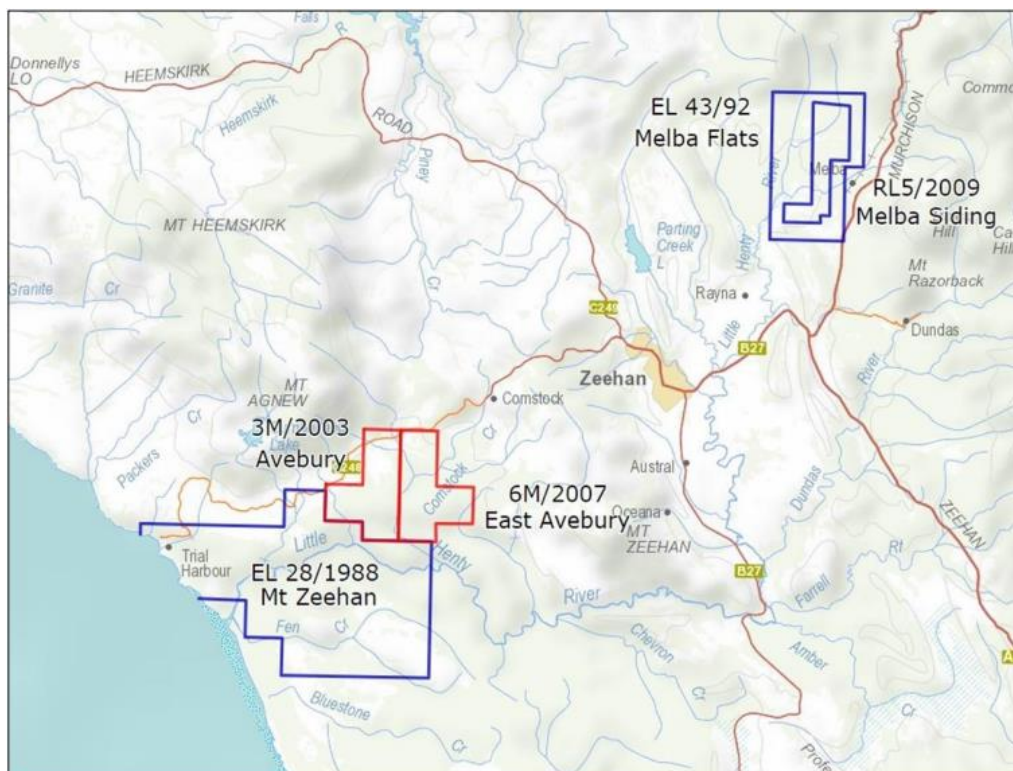
Source: Mallee ASX release 11.03.22, "Significant Milestone towards Transformational Acquisition of Avebury Nickel Sulphide Project"

- 6.10 The Project is located on the west coast of Tasmania, 8km west of the town of Zeehan. It is located near the Emu Bay Railway providing efficient transport to an export facility at the Port of Burnie.
- 6.11 CSA Global have prepared an Independent Technical Specialist's Report ("ITSR") to assess and value the Avebury Nickel Mine to assist with the preparation of this Report. A summary of key information from the ITSR is included below.

Exploration and Mining History

- 6.12 The Avebury deposit on Tasmania's west coast was discovered in 1997, and formally commenced mining operations at the end of 2006 by Allegiance (formerly Allegiance Mining NL) with the first concentrates produced in July 2008.

Figure 5 Avebury Project, Western Tasmania



Source: CSA Global ITSR 2022

- 6.13 Due to the significant fall in nickel prices as a result of the Global Financial Crisis, the mine was placed on care and maintenance in 2009, with mining and milling operations ceased by February 2009. Maintenance continued in 2010, focusing on site infrastructure, followed by further exploration work. The last drilling completed on the site was in June 2011.
- 6.14 A JORC (2012) compliant Mineral Resource estimate for Avebury was completed in 2013 by MMG Limited based on drilling up to June 2011. No further drilling has been completed on the Avebury deposit since that time. The 2013 Mineral Resource estimate shows a total of 29.3Mt of Nickel at a grade of 0.9% as outlined below:

Table 8 Mineral Resources Estimate, 2013

JORC (2012) Classification	Tonnage (Mt)	Ni %	Co ppm	S%	As ppm	MgO %	FeO %	SG g/cm ³
Measured	3.8	1.1	245	1.4	410	28	11.2	3.2
Indicated	4.9	0.9	244	1.4	352	25	11.9	3.2
Inferred	20.7	0.8	223	1	297	29	10.2	3.0
Total	29.3	0.9	229	1.1	321	28	10.6	3.0

Source: CSA Global ITSR 2022

- 6.15 CSA Global's report concludes that the estimation and validation procedures employed by MMG is considered reasonable and suited to the style of mineralisation.

- 6.16 On 8 April 2022, the Company announced that the Measured category of Mineral Resources has been downgraded to Indicated for the Project. The CSA Report states that this downgrade would have no material consequences for the mine plan and would not affect their opinion of value.
- 6.17 Dundas purchased Avebury for \$25 million in July 2017, after the Project was on the market for 3 years. The Project has remained under care and maintenance throughout the period of ownership by Dundas.

Exploration Potential

- 6.18 The deposit remains open at depth in two directions, Avebury East and Viking to the west, and the ITSR also identifies untested areas within the tenement holdings.

Underground Mine, Processing Plant and Tailings Storage

- 6.19 Commencement of work on the Viking portal and decline began in 2004. Underground mining commenced in 2006 using both transverse and longitudinal stoping. A total of 8,500 metres of underground development has been completed. The underground mine workings include ventilation shafts, an escapeway, five levels of development drives and an extension of the decline to the western Viking lode, which all remain well maintained under care and maintenance since 2009.
- 6.20 The Avebury processing plant and site infrastructure was established in 2007. It subsequently only operated for only 9 months, now remaining in good condition since being on care and maintenance since 2009. The plant has a nameplate processing capacity of 900,000 tonnes of ore per annum and was designed to recover 79% of the nickel in ore to a nickel concentrate, with a nickel grade approximately 20%.
- 6.21 The crushing circuit includes a primary, secondary and tertiary crusher. The grinding circuit has a ball mill, magnetic separator and regrind mill. The plant has conventional flotation cells which report the final wet concentrate product to the dewatering and filtration circuit. The filtered concentrate product is then stockpiled in a storage facility from where it can then be loaded for transportation.
- 6.22 On the Avebury site there are also stores, workshops, land holdings, an administration building and accommodation. Adjacent to the plant there is a tailings storage facility which is fully permitted and retains storage capacity.
- 6.23 An independent valuation of mining plant and equipment has been commissioned from Grays.com for the purposes of this Report.

Operations Under Dundas

- 6.24 In March 2017, Dundas entered into a Management Agreement with Lottah Mining Pty Ltd (“Lottah”) to operate the Avebury Project on a care and maintenance basis for a 5-year term. A \$1 million per annum fee was agreed, with reviews every 12 months.
- 6.25 The Administrators Report notes that from July 2017 to February 2021, Lottah appears to have incurred and paid the majority of the costs associated with the Project on behalf of Dundas.
- 6.26 Lottah shares common directors with Dundas in Mr Wenwu Su and Mr Gang Yang.
- 6.27 The Administrators Report further notes that of the US\$11 million received under the Facility Agreement with Hartree, A\$11.5 million was distributed directly to Lottah in July 2021.
- 6.28 Overall, the Administrators have identified \$42.6 million of payments from Dundas to Lottah over the last five years.

Financial Information

- 6.29 Only limited financial information of Allegiance, Dundas and the Group was provided to the Administrators from the past five years.
- 6.30 The Administrators noted that there appears to be material shortcomings in the financial statements prepared by external accountants, leaving them with an inability to place any material reliance on the information provided.
- 6.31 The Administrators further noted that management accounts for Dundas were extracted from Xero however they were unable to identify whether these are consolidated (i.e. the Dundas Group including Allegiance) or for the entity of Dundas only, and were unable to discuss the source and preparation of the Xero information with anyone.
- 6.32 The Profit and Loss for the last three financial years and half-year to 31 December 2021 as extracted from Xero are replicated below from the Dundas Report to Creditors.

Table 9 Dundas Profit and Loss

\$'000	FY19	FY20	FY21	YTD22
	Management	Management	Management	Management
Revenue	-	-	-	-
Cost of Goods Sold	-	-	(276)	(150)
Gross Profit	-	-	(276)	(150)
Operating expenses	(6,568)	(3,753)	(3,559)	(2,094)
Net Profit/(loss)	(6,568)	(3,753)	(3,835)	(2,244)

Source: Dundas Report to Creditors (15 Feb 2022)

- 6.33 The Administrators made the following comments in their report:
- Dundas reported significant losses from FY19 to FY21;
 - Management fees and on-costs to Lottah, the appointed contractor for care and maintenance of the mine, accounted for 1% of operating expenditure in FY21 compared to 66% and 99% in FY20 and FY19 respectively. The Management Agreement between Dundas and Lottah specified a \$1m per annum fee. Lottah continued to receive payments from Dundas until the appointment of Receivers and Managers; and
 - Wages and salaries increased from \$0.11 million in FY20 to \$1.4 million in FY21.
- 6.34 The Balance Sheet for the last three financial years and half-year to 31 December 2021 as extracted from Xero are replicated below from the Dundas Report to Creditors.

Table 10 Dundas Balance Sheet

\$'000	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19
	Management	Management	Management	Management
Current assets	(1,233)	12	833	32
Non-current assets	26,367	26,210	25,000	25,000
Current liabilities	(7,760)	(7,826)	(7,252)	(4,203)
Non-current liabilities	(33,778)	(32,558)	(28,908)	(27,404)
Net Assets	(16,404)	(14,162)	(10,327)	(6,575)

Source: Dundas Report to Creditors (15 Feb 2022)

6.35 The Administrators made the following comments in their report:

- Net assets were materially negative from FY19 to FY21;
- Current liabilities increased from \$4.2 million in 2019 to \$7.8 million in FY21 which is primarily attributable to increases in amounts owing to Lottah and PAYG payable; and
- There were significant related party loans recognised by Dundas.

Agreements

6.36 Around 20 July 2021, Hartree entered into the following agreements with Dundas and other parties:

a) Loan Facility Agreement:

- On or around 20 July 2021 Hartree entered into a secured Loan Facility Agreement with Dundas, Allegiance and the Group to provide funding for development of the Avery Nickel Mine in order to produce Nickel Concentrates (“Product”).
- Tranche A of US\$11 million was drawn on 21 July 2021.
- Tranche B of US\$9 million was to be drawn 90 days subsequently, but conditions were not met and it was not drawn on.

b) Offtake Agreement:

- On 20 July 2021 Hartree executed a Sale and Purchase Agreement with Dundas, Allegiance and the Group, deeming Hartree the exclusive purchaser of Product produced by Dundas.
- Dundas was required to deliver a minimum quantity of 250,000 DMT of Product to Hartree over a 5 year period.

c) General Security Deed:

- The Companies granted a security interest in Dundas and Allegiance, as well as AGG Fortune Pty Ltd, Colour Metal Pty Ltd and Winched Investment Pty Ltd, to secure payment for money owned under both the Loan Facility Agreement and the Offtake Agreement.

d) Specified Security Deed – Mining Tenements:

- Allegiance has granted security interest in all of its rights, title and interest in the related mining tenements for the Avebury mine.
- Allegiance has granted a mortgage to Hartree in respect to two parcels of land in Tasmania.

e) Mortgage:

- Allegiance granted a mortgage to Hartree in respect of two parcels of land in Tasmania.

6.37 On 24 November 2021, Hartree gave notice of default of payment and demanded payment of US\$11.72 million under the Loan Facility Agreement.

6.38 On 20 February 2022, Hartree terminated the Offtake Agreement and is seeking \$38.6 million (\$US 27.6 million) in damages, reflecting the difference in price of nickel concentrate that Hartree could buy from Allegiance and on the open market.

7. Industry Overview

Nickel Mining

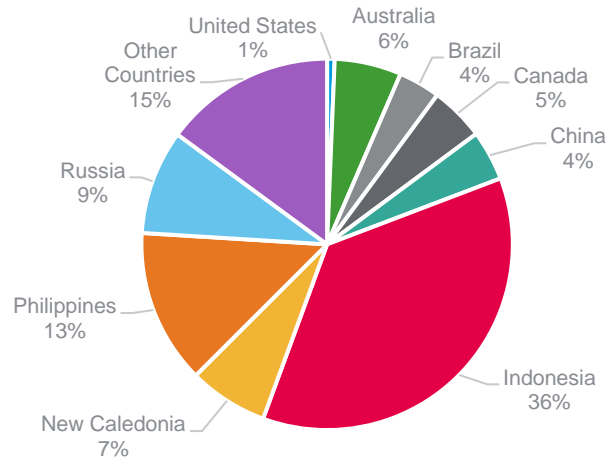
- 7.1 Nickel is a metal primarily used to make stainless steel and other alloys stronger and more heat resistant. Other uses include plating, batteries, mobile phone electrical connections, nickel alloys and compounds. Nickel is a vital part of many rechargeable battery systems, including nickel-metal hybrid (“NiMH”) batteries which were widely used in first generation electric vehicles.
- 7.2 The IBISWorld report B0806 Nickel Ore Mining in Australia released in May 2021 outlines that the Nickel mining industry has faced mixed operating conditions over the past five years as Nickel prices surged in 2017-18 due to strong global demand before dipping slightly in 2019-20 in response to the COVID-19 pandemic, world prices recovered in 2020-21 as demand rose.
- 7.3 Nickel ore production is expected to total 180.2 kilotonnes in 2020-21 with strong growth anticipated in the current year as prices rises. Nickel volumes have been low in Australia in recent years with Panoramic Resources and Mincor Resources placing three nickel ore mines into care and maintenance in 2015-16, and FQM Australia placing its Ravensthorpe nickel mine into care and maintenance in 2017-18. Some of these mines have recommenced operations in 2019-20 and 2020-21 with other nickel mines expecting to recommence in the coming years as Nickel prices continue to rise.
- 7.4 Industry revenues are expected to increase at an annualised 1.7% over the five years through 2020-21, this includes an anticipated 7.2% increase in the current year due to a major increase in nickel ore volumes and prices. The industry revenue is forecast to perform strongly over the next 5 years increasing at an annualised 4.8%. Total industry output is expected to increase as new mines begin production and existing mines recommencing production due to the anticipated rise in nickel prices due to improved economic activity and demand for steel.

U.S. Geological Survey – Mineral Commodity Summaries 2022

- 7.5 The U.S. Geological Survey (“USGS”) publishes an annual Mineral Commodities Summaries paper, with the latest report published in January 2022.
- 7.6 Nickel is primarily used in the production of alloys and steels, electroplating and other uses including catalysts and chemicals. Nickel based alloys and stainless steel savings account for more than 85% of domestic consumption.
- 7.7 Stainless steel and alloyed forms of nickel is relatively easy to recycle, able to melt and be reproduced, hence increasing the likelihood of popularity of nickel based stainless steel and products in the near future.

7.8 The figure below summarises nickel production in 2021, by country:

Figure 6 Nickel Production by Country – 2021

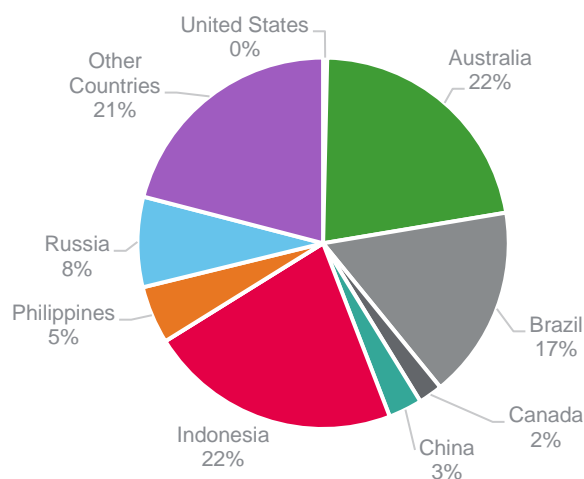


Source: U.S. Geological Survey – Mineral Commodity Summaries 2022

7.9 The USGS estimated 160,000 metric tons of nickel produced in Australia in 2021, a 5.3% decline from production in 2020. Globally, a 7.6% increase in production is estimated as a result of Nickel production in Indonesia increasing from 771,000 metric tons to 1,000,000 metric tons, increasing their market share from 31% in 2020 to 36%.

7.10 The figure below summarises nickel reserves by country – 2021

Figure 7 Nickel Reserves by Country – 2021

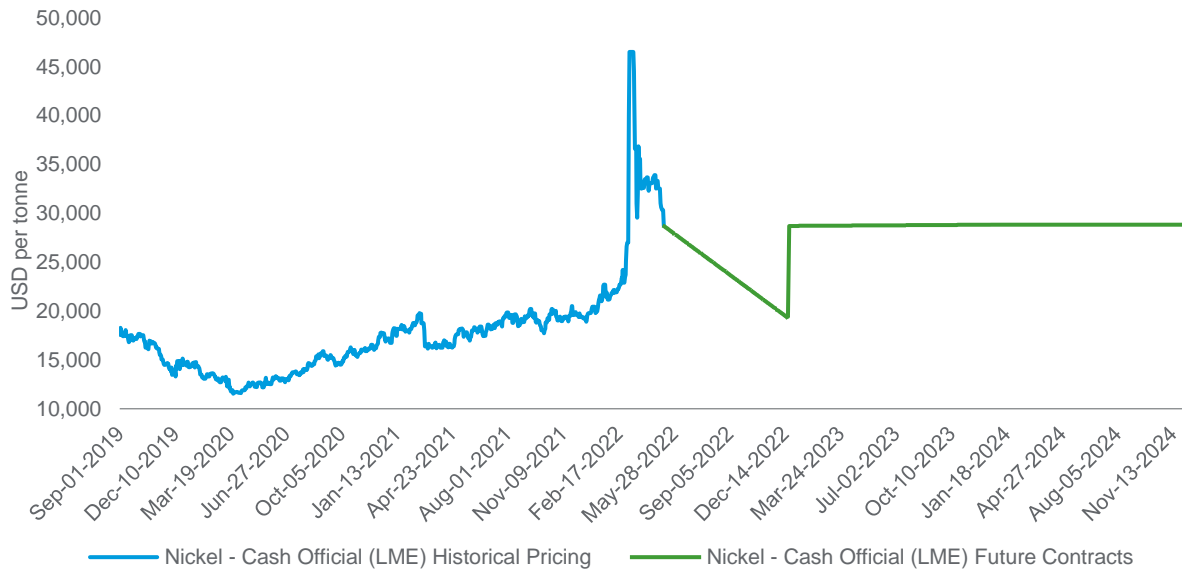


Source: U.S. Geological Survey – Mineral Commodity Summaries 2022

Nickel Prices

7.11 Historical nickel prices from September 2019 are outlined in the graph below along with forecasts to November 2024 based on future contracts.

Figure 8 Nickel Prices – Historical and Forecast



Source: S&P Capital IQ

- 7.12 The increase in nickel prices from February 2020 has been driven by supply shortages with several mines reducing or halting output over the last five years.
- 7.13 Increased supply is forecasted as we progress through 2022 due to new mines commencing exploration and existing mines reopening after COVID-19 related disruptions.
- 7.14 Nickel prices are anticipated to continue rising due to the rising demand for nickel both locally and from China.
- 7.15 The peak in nickel prices through March 2022 was due to global concerns that Russia's invasion of Ukraine could result in sanctions on nickel exports from major primary producer Russia. These concerns stabilised through April and May 2022.
- 7.16 The current nickel price as the date of this Report was US\$27,550/T.

Key External Drivers

7.17 IBISWorld has identified the key external drivers that impact the Nickel Ore mining industry as follows:

- World price of nickel;
- US dollars per Australian dollar:
 - The USD/AUD exchange rate is a crucial factor impacting the Nickel Ore mining industry, as the nickel price is reported in USD, thus the exchange rate determines the return received by Australian producers as well as the price observed by importers.
 - The USD/AUD Exchange rate is expected to appreciate in the next 2 years, favourable to overseas importers as nickel would be relatively cheaper, however unfavourable to Australian producers as return is relatively smaller.
 - The forecasted AUD/USD exchange rate is illustrated in the figure below. As of the date of this Report, the exchange rate is USD\$1: A\$1.40.
- Demand from gold and other non-ferrous metal processing; and
- World price of steel.

7.18 The graph below illustrates the historic and forecast USD/AUD exchange rate:

Figure 9 USD/AUD Exchange Rate – Historical and Forecast



Source: S&P Capital IQ

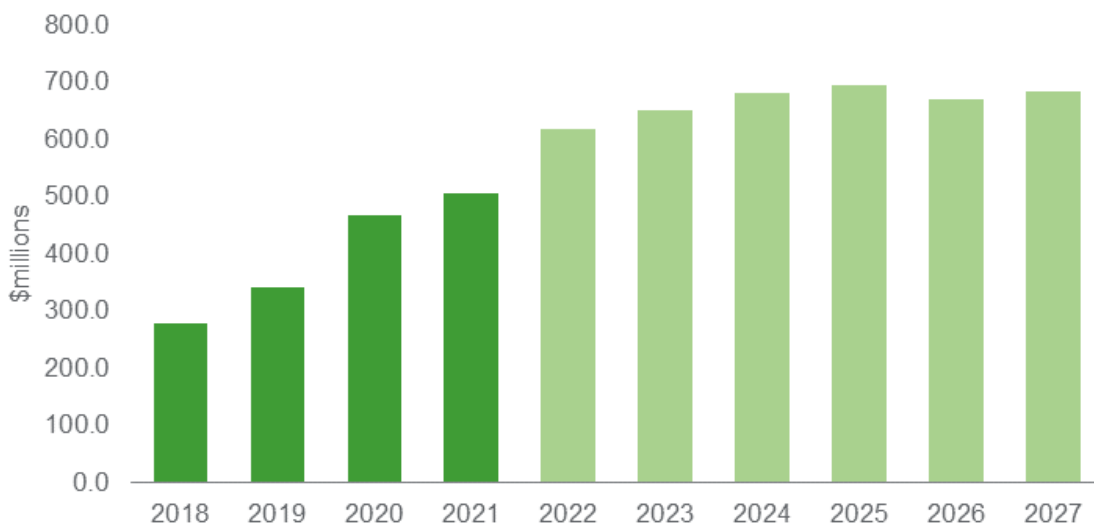
Major Companies

7.19 There are a small group of pure-play nickel sulphide producers in Australia, including Western Areas Limited, Mincor Resources NL, Panoramic Resources Limited and Poseidon Nickel Limited.

Outlook

- 7.20 As illustrated in Figure 8, nickel prices are expected to stabilise in the coming years at around US\$30,000/T.
- 7.21 Forecasted increased supply of nickel due to reopening of existing mines and new mines is expected to put a slight downward pressure on the price initially.
- 7.22 Although China’s demand for nickel for stainless steel production is expected to soften, the increasing popularity of electric cars is driving demand for nickel to push the world price up in the longer term.
- 7.23 The figure below shows the forecast profile of Australian nickel exports from 2022 to 2027.

Figure 10 Australian Nickel Exports – Historical and Forecast



Source: IBISWorld

8. Valuation Approach

Valuation methodologies

- 8.1 In assessing the Fair Value of an ordinary Mallee share prior to and immediately following the Proposed Transaction, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
 - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
 - the amount which would be available for distribution on an orderly realisation of assets;
 - the quoted price for listed securities; and
 - any recent genuine offers received.
- 8.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

- 8.3 Market based methods estimate the Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;
- The quoted price for listed securities; and
 - Industry specific methods.
- 8.4 The recent quoted price for listed securities method provides evidence of the fair market value of a company’s securities where they are publicly traded in an informed and liquid market.
- 8.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

- 8.6 Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:
- Capitalisation of maintainable earnings; and
 - Discounted cash flow methods.
- 8.7 The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.
- 8.8 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

- 8.9 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net assets on a going concern basis.
- 8.10 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 8.11 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame.
- 8.12 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a Mallee share pre the Proposed Transaction (control basis)

- 8.13 In assessing the value of a Mallee share prior to the Proposed Transaction we have utilised the net assets on a going concern valuation methodology.
- 8.14 Mallee does not currently have any operating activities and its main asset is cash received from the sale of the Bawdwin Project. Trading in Mallee Shares has been suspended since February 2021, prior to the sale of its main project. On this basis, earnings valuation methodologies are not appropriate and there has been no recent trading in Mallee Shares on which to form an opinion of the fair value.
- 8.15 The Board and management of Mallee have been actively seeking a new project and therefore we have prepared our valuation on a going concern assumption. Should shareholders seek to realise immediate value from their Mallee Shares, the Company would need to de-list from the ASX and be wound up with all net assets distributed. We have not considered this outcome in our valuation as it is not the stated intention of the Company.

Valuation of a Mallee share post the Proposed Transaction (non-control basis)

- 8.16 In assessing the value of Mallee post the Proposed Transaction, we have adopted a sum of parts methodology by including the pre Proposed Transaction value of Mallee and including the impact of the Proposed Transaction assuming it proceeds. In particular, we have made the following adjustments:
- Inclusion of assessed value of the mineral assets at the Avebury Nickel Mine;
 - Inclusion of assessed value of the plant and equipment at the Avebury Nickel Mine;
 - Payment of cash consideration and other amounts under the terms of the Proposed Transaction;
 - Drawdown of the funding facility with Hartree; and
 - Issue of Mallee Shares under the terms of the Proposed Transaction.

- 8.17 We have instructed CSA Global to act as an independent technical specialist to review and value the mineral assets of the Avebury Nickel Mine.
- 8.18 We have instructed Grays.com to act as an independent valuer for the mining plant, equipment and infrastructure at the Avebury Nickel Mine.
- 8.19 We have considered the impact of the Capital Raise under various scenarios.
- 8.20 We have then assessed the value of a Mallee Share post the Proposed Transaction on a non-controlling basis by adjusting for a minority discount.

9. Valuation of Mallee Prior to the Proposed Transaction

9.1 As stated at paragraph 8.13 we have assessed the value of a Mallee Share prior to the Proposed Transaction on a net assets on a going concern basis, which includes a premium for control.

Net Assets Valuation

9.2 We have assessed the value of a Mallee Share on a control basis to be approximately \$0.260 per share (undiluted) prior to the Proposed Transaction, based on the net assets on a going concern valuation methodology, as summarised in the table below.

Table 11 Assessed Fair Value of a Mallee Share

\$'000s	Low	High	Mid-point
Reported Net Assets of Mallee at 31 December 2021	49,463	49,463	49,463
Less: Right of Use Assets	(143)	(143)	(143)
Add back: Lease Liabilities	152	152	152
Assessed Value of Mallee (controlling basis)	49,471	49,471	49,471
Number of Mallee Shares on issue	190,111,015	190,111,015	190,111,015
Assessed Value of a Mallee Share (controlling basis)	\$ 0.2602	\$ 0.2602	\$ 0.2602

Source: RSM Analysis

9.3 Our assessment has been based on the reported net assets of Mallee at 31 December 2021.

9.4 In order to calculate the current market value of Mallee's Shares, we have made the following adjustments to the carrying values at 31 December 2021:

- a) We have removed the AASB 16 balances as at 31 December 2021, comprising a Right-of-Use asset and lease liabilities, since these are derived from the accounting treatment of the head office lease and are not considered to have a value in their own right.

9.5 The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the net assets on a going concern methodology to already incorporate a premium for control and no further premium is considered necessary to assess the value of a Mallee Share on a controlling basis prior to the Proposed Transaction.

Valuation summary

9.6 Therefore, in our opinion, the fair value of a Mallee Share prior to the Proposed Transaction is \$0.260 on a control basis.

10. Valuation of Mallee Post the Proposed Transaction

- 10.1 We summarise our valuation of a Mallee Share subsequent to the Proposed Transaction, but assuming no top-up or shortfall shares are issued, on a sum of parts basis in this section.
- 10.2 We have also considered the hypothetical situation where the Mallee Share price falls below \$0.63 on recommencement of trading (post completion of the Proposed Transaction) and Liquidator Top-Up Shares are required to be issued to equate to a value of \$12.5 million. This scenario is addressed in Appendix F.
- 10.3 In adopting the sum of the parts methodology, we have aggregated the Fair Value of the following:
- Mineral assets of the Avebury Nickel Mine, as assessed by CSA Global in the CSA Report;
 - Plant and equipment of the Avebury Nickel Mine, as assessed by Grays.com in the Grays Report;
 - Cash consideration payable and liabilities assumed by Mallee;
 - Drawdown of Hartree financing facility; and
 - Costs associated with the Proposed Transaction.

Table 12 Assessed Fair Value of Mallee post the Proposed Transaction

\$'000	Ref	Low	High	Midpoint
Assessed value of Mallee prior to Proposed Transaction		49,471	49,471	49,471
Add:				
Assessed value of Avebury mineral assets		50,400	152,000	101,000
Assessed value of Avebury plant and equipment		20,639	20,639	20,639
Drawdown on Hartree Loan Notes		42,000	42,000	42,000
Deduct:				
DOCA payments to be refunded to Hartree in cash		(8,471)	(8,471)	(8,471)
Hartree Existing Facility to be repaid in cash		(22,680)	(22,680)	(22,680)
Hartree new funding for costs post DOCA and environmental bond to be repaid in cash		(28,800)	(28,800)	(28,800)
Creditor liabilities of Dundas assumed		(3,500)	(3,500)	(3,500)
Costs of transaction (excluding Capital Raising fees)		(250)	(250)	(250)
Hartree Loan Notes liability at fair value		(40,296)	(40,296)	(40,296)
Assessed Value of Mallee post Proposed Transaction		58,514	160,114	109,114
Number of shares on issue post Proposed Transaction but excluding Capital Raise Shares (000's)		301,926	301,926	301,926
Assessed value of a Mallee share (controlling basis)		\$ 0.1938	\$ 0.5303	\$ 0.3614
Less: Minority interest discount		-21%	-26%	-24%
Assessed value of a Mallee share (non-controlling basis)		\$ 0.1526	\$ 0.3928	\$ 0.2761

Source: RSM Analysis

- 10.4 We consider that the minority value of a Mallee Share post the Proposed Transaction is between \$0.1526 and \$0.3928 on an undiluted basis, with a preferred midpoint of \$0.2761.

10.5 We have adjusted the net asset value and shares on issue of Mallee for the following:

Assessed Value of Mineral Assets

10.6 CSA has assessed the Fair Value of Mineral Resources at the Avebury Project to be in the range of \$50.4m to \$152.0m, with a preferred valuation of \$101.0m.

10.7 We set out in the table below a summary of CSA's valuation as extracted from the CSA Report, which is included at Appendix D.

Table 13 Fair Value of Avebury Mineral Resources (Source: CSA Report)

A\$m	Low	High	Preferred
Avebury Resource	50.0	150.0	100.0
Exploration Tenure	0.4	2.0	1.0
Total Assessed Value	50.4	152.0	101.0

10.8 In assessing the Fair Value of the identified mineral resources and the exploration potential of the three additional tenements, CSA has utilised the following methodologies:

- Mineral Resources – Comparable Transactions and the Yardstick Approach; and
- Exploration Potential – Comparable Transactions and Geoscientific Method.

10.9 The most recent Mineral Resources Estimate ("MRE") for the Avebury Project was completed in 2013. CSA reviewed the basis of the estimation and considered it to be reasonable; their assessed value of the Mineral Resources is therefore based on the 2013 MRE. The CSA Report notes that the downgrade to Mineral Resource classification announced by the Company on 8 April 2022 has no impact on their opinion of value.

10.10 CSA primary valuation methodology was comparable transactions, using resource-based transactions for the Mineral Resources, and area-based transactions for the exploration potential. CSA noted the volatility of nickel prices over the last five years and normalised the transactions identified in Australia to a current nickel price of A\$34,361/t (based on 23 February 2022 LME price).

10.11 CSA identified nine pre-development project acquisitions in Australia in the last five years from which to draw their valuation conclusions, of which three were on care and maintenance at the time of acquisition. The preferred valuation factor for the Mineral Resources is based on the weighted average of those projects on care and maintenance, and also the median of all projects identified.

10.12 For the exploration tenure, 30 exploration project acquisitions in Australia were identified by CSA. The preferred value was rounded from the median of all projects, excluding identified outliers.

10.13 CSA note in their report that the assessed values represent an opinion as to likely values, not absolute values, which could only be tested by going to the market.

Assessed Value of Plant and Equipment

10.14 Grays has assessed the market value in continued use of the mining plant and equipment at the Avebury Project to be \$20,638,610 excluding GST as at 23 February 2022.

10.15 The valuation methodologies applied included both Cost and Market Approaches, as defined in the Grays Report at Appendix E. The report notes that the mine site is on care and maintenance; Grays have assumed that the plant will operate at its designed capacity, being 950,000 tonnes per annum.

10.16 The categories of assets valued are detailed below:

Table 14 Fair Value of Avebury Plant and Equipment (Source: Grays Report)

\$'000s	Assessed Value
Mineral processing plant and equipment	17,553.0
Workshop plant and equipment	670.2
Underground services	818.5
Mobile equipment and motor vehicles	995.0
Office and laboratory furniture and equipment	260.9
Consumable stock	341.0
Total Assessed Value	20,638.6

10.17 Although the processing plant was constructed in 2007, it has only one year of 'working life' given the mine was placed into care and maintenance in early 2009. Grays therefore adopted a depreciated replacement cost methodology to reflect the difference in actual age to working life age of the processing plant, with a deemed effective age of 6 years selected by Grays to reflect the environmental effects of time offset by the maintenance work carried out on the plant since construction.

10.18 The Grays valuation did not attribute a value for land and real property (given that the land value is predominantly linked to the value of Mineral Resources contained within the land holdings), roads and hardstands, electrical cabling and pipework to site (given the difficulties in viewing and assessing such assets), fencing, earthworks and general civil works. We note that the replacement value of these assets is likely to be significant given the complexity and size of the project site, but the difficulties in assigning a market value are also significant.

Cash Amounts Payable and Liabilities Assumed

10.19 The following cash amounts will be payable and liabilities will be assumed under the terms of the DOCA:

- a) Cash payments made by Hartree on execution of the DOCA which will be refunded by Mallee (\$8.47m):
- \$2.24 million to the Administrator;
 - \$1.50 million to the Deed Administrator;
 - \$0.93 million to third party creditors of Allegiance (Pool A);
 - \$0.40 million to third party creditors of Allegiance for termination of contractual arrangements (Pool B); and
 - \$3.40 million to the Liquidators to be applied firstly to Liquidator costs incurred in pursuit of voidable transaction claims of Dundas creditors that are related parties (Pool E), secondly in satisfaction of admitted claims of Pool E creditors and thirdly as a distribution to shareholders of Dundas.
- b) Cash payments to be made to Hartree in repayment of existing loan facilities with the Dundas Group:
- \$22.68 million owing under the Existing Hartree Facility as at the date of the creditors meeting when the DOCA was approved; and

- Approximately \$28.80 million to be loaned to the Dundas Group under the Existing Hartree Facility to finance operations at the Project from the date of execution of the DOCA until the DOCA effectuation date (this includes a \$7.9 million environmental bond lodged with Mineral Resources Tasmania).

c) Liabilities to be assumed by Allegiance (and therefore by Mallee) on the DOCA effectuation date (\$3.5m):

- \$0.5 million payable to Dundas employees; and
- \$3.0 million payable to third party creditors of Dundas.

Drawdown of New Hartree Funding Facility

- 10.20 We have included the drawdown of the new Loan Notes facility with Hartree which is the subject of Resolution 4 in the Notice. The agreed amount is US\$30.0 million with interest accruing at 10% per annum and repayable within 3 years. The initial US\$10 million advance will be repaid on completion of the Capital Raise and repayments on the balance of the facility will commence on the earlier of 6 months following completion of the Proposed Transaction and 3 months following the date the Avebury Mine produces its first saleable product.
- 10.21 We have assessed the fair value of the drawdown (based on a USD:AUD exchange rate of 1.40 at the date our valuation calculations were performed) to be A\$42.0 million and the fair value of the future principal and interest payments to be A\$40.30 million.

Costs of Proposed Transaction

- 10.22 The estimated costs of the Proposed Transaction, excluding capital raising fees, are \$0.25 million.

Shares on issue

- 10.23 The undiluted shares on issue post the Proposed Transaction will be 301,926,054 assuming no top-up shares are issued to either Hartree or the Liquidator, and prior to the issue of any Shares under the Capital Raise.
- 10.24 We have considered the effect of the potential Liquidator Top-Up Shares in Appendix F and considered various Capital Raise scenarios at paragraphs 11.5 and 11.6.

Minority interest discount

- 10.25 In selecting a minority discount we have given consideration to the 2021 RSM Control Premium Study. RSM conducted a study of 605 takeovers and schemes of arrangement involving companies listed on the Australian Securities Exchange over the 15.5 years ended 31 December 2020. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 trading days prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, the closing share price of the acquiring company on the day prior to the date of the offer was used.
- 10.26 Our study concluded that, on average, control premiums were paid in the range of 27% to 35%. The corresponding minority discount range based on the average control premium is between 21% and 26%.

Company Options on issue

- 10.27 We have not considered the impact of the existing Company Options on issue following completion of the Proposed Transaction because their exercise prices are in excess of the values calculated above.

11. Is the Proposed Transaction Fair to Mallee Shareholders?

11.1 Our assessed values of a Mallee Share prior to and immediately after the Proposed Transaction, and assuming no shortfall or top-up shares are issued, are summarised in the table and figure below.

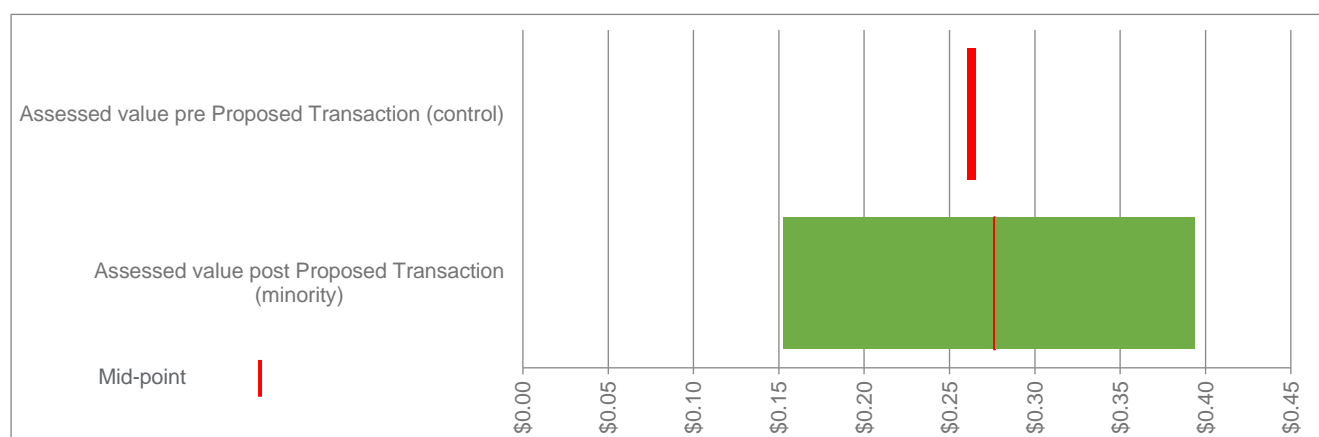
Table 15 Assessed values of a Mallee Share pre and post the Proposed Transaction

Assessment of fairness	Ref	Value per Share		
		Low	High	Preferred
		\$	\$	\$
Fair value of a Mallee Share pre the Proposed Transaction - Control basis		0.260	0.260	0.260
Fair value of a Mallee Share post the Proposed Transaction - Non control basis		0.153	0.393	0.276

Source: RSM analysis

11.2 The above comparison is depicted graphically in the figure below:

Figure 11 Mallee Share valuation graphical representation



Source: RSM Analysis

11.3 The assessed value of a Mallee Share prior to the Proposed Transaction sits within the range of values assessed for the value of a Mallee Share post the Proposed Transaction. We consider it relevant to note that the spread in the valuation range post the Proposed Transaction is a result of the assessed values of the Avebury Mine Mineral Resources, with the preferred value representing CSA's opinion on the preferred valuation multiple factor from their research on comparable transactions. The resulting preferred value of a Mallee Share post the Proposed Transaction is greater than the assessed value of a Mallee Share prior to the Proposed Transaction.

11.4 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, we consider the Proposed Transaction to be **fair** to the Non-Associated Shareholders of Mallee as the preferred value of a Mallee Share post the Proposed Transaction is greater than the preferred value of a Mallee Share prior to the Proposed Transaction.

11.5 In the event that the Myanmar funds of US\$12.1 million are unable to be repatriated within one month following the DOCA Effectuation Date, Hartree will be issued with Hartree Shortfall Shares or Hartree Top-Up Shares. The number of Shares to be issued will be dependent on whether the Capital Raise is completed before the Hartree Top-Up Date and, if so, the number of shares issued under the Capital Raise. If the full amount of the Myanmar funds remains outstanding and the proposed Capital Raise is completed, Hartree will be issued with an additional 10,403,143 Shares (being the Hartree Shortfall Shares). All other things being equal, these

transactions would result in an increase in the assessed value of Mallee (as a result of the receipt of the net proceeds of the Capital Raise) and an increase in the number of Shares on issue. The assessed value per Share will depend on the amount raised (and therefore the number of Shares issued) pursuant to the Capital Raise.

- 11.6 We have considered the range of possible outcomes with respect to the Capital Raise and Hartree Shortfall Shares and consider that the Proposed Transaction remains fair to the Non-Associated Shareholders of Mallee, as the preferred value of a Mallee Share post the Proposed Transaction remains greater than the preferred value of a Mallee Share prior to the Proposed Transaction should the full amount of the Hartree Shortfall Shares be issued.
- 11.7 If the full amount of the Myanmar funds remains outstanding on the date that is one month after the DOCA Effectuation Date and a capital raising is not completed prior to the Hartree Top-Up Date, Hartree will be issued with an additional 47,300,239 Shares (being the Hartree Top-Up Shares). In this case, all other things being equal, there would be no change in the assessed value of Mallee, however the number of Shares on issue would increase, resulting in a reduction in the assessed value of a Share. It is currently the Company's intention to raise up to \$70 million in the Capital Raise at an issue price of \$0.70. . If the Capital Raise is undertaken on this basis, no Hartree Top-Up Shares would be issued however the Company would be required to issue the Hartree Shortfall Shares as detailed above.
- 11.8 Consideration of the potential issue of Liquidator Top-Up Shares is detailed in Appendix F.

12. Is the Proposed Transaction Reasonable to Mallee Shareholders?

12.1 RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Mallee if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Future prospects of Mallee if the Proposed Transaction does not proceed

12.2 If any of the Essential Resolutions are not approved and the Proposed Transaction is therefore not able to complete, the Board and management of Mallee will continue to look for alternative business acquisitions to enable the Company to seek a re-listing on the ASX and generate value for Shareholders.

12.3 Trading in Mallee Shares is currently suspended and will remain so until the Company re-complies with Chapters 1 and 2 of the Listing Rules. Until that point, Shareholders do not have any opportunity to realise value from their shareholding interests.

Alternative Proposal

12.4 We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of Mallee a greater benefit than the Proposed Transaction.

Advantages and disadvantages

12.5 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceed, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Advantage	Details
The Proposed Transaction is fair	The Proposed Transaction is fair to the Non-Associated Shareholders.
Exposure to new Australian project	The Company will be exposed to a new Australian project with significant Mineral Resources and existing infrastructure. Shareholders will have the ability to gain exposure to future opportunities in the nickel industry, which is a key component for electric vehicle batteries and electroplating.
Potential increase in liquidity (subject to ASX approval)	The Proposed Transaction may result in Mallee meeting the criteria for re-listing on the ASX, thereby providing a liquid market for Shareholders to crystallise the value of their shares.
Relevant experience of Board	Mallee's Managing Director John Lamb has an intimate understanding of the Avebury Nickel Project having previously held the position of General Manager of the Project.
Access to funds and Offtake Agreement	Mallee will enter into the Hartree Facility Agreement and Offtake Agreement on approval of the Proposed Transaction, providing funding to support the development of the Project and de-risking the commencement of production with an offtake partner in place for the sale of concentrate product.

Disadvantages of approving the Proposed Transaction

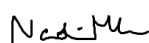
Disadvantage	Details
Dilutionary impact	<p>The Non-Associated Shareholders will, collectively, have a fully diluted ownership of 64.1% following the completion of the Proposed Transaction but prior to any capital raising (and assuming no top-up shares are issued to Hartree or the Liquidator). This will reduce the Non-Associated Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets.</p> <p>Should the Mallee share price fall below \$0.63, top-up provisions would apply resulting in Liquidator Top-Up Shares being issued, which would further dilute the ownership of the Non-Associated Shareholders. This scenario is considered separately at Appendix F.</p>
Significant influence of Hartree	<p>Following the completion of the Proposed Transaction, Hartree will have a 30.5% interest in Mallee on an undiluted basis and the ability to influence decisions including the right to appoint one member to the Board. As a shareholder with more than 25% interest, Hartree would be able to unilaterally block any Special Resolutions of the Company.</p>
Change in risk profile	<p>Following the completion of the Proposed Transaction, there will be a change in the risk profile of Mallee with exposure to a nickel exploration asset in Australia. Nickel has historically been a volatile commodity, and the Avebury Project itself has been through various false starts in its development due to fluctuations in market conditions. This change in risk profile may not meet the investment strategy of some Non-Associated Shareholders.</p>
Future capital requirements	<p>The future capital requirements to complete development and commence production at the Avebury Nickel Mine may result in the requirement to raise additional debt or equity or a combination of both, which could further dilute the interests of the Non-Associated Shareholders should they not participate in any such capital raisings. In particular, we note that the proposed Capital Raise of up to \$70 million could dilute Non-Associated Shareholders if they do not participate</p>
Project execution risk	<p>The Avebury Nickel Mine is not in operation and has been on care and maintenance since 2009. The viability and required costs to commence production at the mine are therefore uncertain and result in project execution risk. Further details are provided in the Notice on key risk factors of the Project.</p>

Conclusion on Reasonableness

- 12.6 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Mallee.
- 12.7 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD



Nadine Marke
Director



Justin Audcent
Director



APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licenced to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM Australia) a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting the Mallee Shareholders in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and management of Mallee and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd is expected to receive a fee of \$35,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether Mallee receives Shareholder approval for the Proposed Transaction, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Notice of Meeting to be issued to Mallee Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Notice of Meeting. Accordingly, we take no responsibility for the content of the Notice of Meeting.

B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- The Notice of Meeting;
- Mallee audited financial statements for the years ended 30 June 2020 and 30 June 2021, and reviewed financial statements for the six months ended 31 December 2021;
- Mallee management accounts;
- Mallee Shareholder Register;
- ASX announcements of Mallee;
- Term Sheet between Hartree and Mallee;
- Implementation Agreement;
- Deed of Company Arrangement;
- Dundas Report to Creditors;
- Supplementary Report to Creditors;
- Second Supplementary Report to Creditors;
- Mallee Board minutes;
- S&P Capital IQ database;
- Information provided to us during correspondence with Directors and management of Mallee; and
- Mallee website.

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
\$	Australian Dollar
Acquisition	The proposed acquisition of Allegiance
Act	Corporations Act 2001 (Cth)
Administrators	Richard Tucker and John Bumbak of KordaMentha
AFCA	Australian Financial Complaints Authority
Allegiance	Allegiance Mining Pty Ltd (Receiver and Manager Appointed) (Administrator Appointed)
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Avebury Nickel Mine	The Avebury nickel mine assets comprising two mining licences, two exploration licences, a retention licence, underground mine, processing plant and infrastructure
Capital Raise	Proposed capital raising of a minimum of \$20 million and maximum of \$70 million
Company	Mallee Resources Limited
Control	The power to direct the management and policies of an entity or business enterprise
Control basis or controlling basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
CSA	CSA Global
CSA Report	CSA's Independent Technical Specialists report
Deed Administrators	Deed administrators of the DOCA
Discounted Cash Flow Method (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
DOCA	Deed of Company Arrangement
DOCA Effectuation Date	Date of effectuation of the DOCA (<i>unknown at this stage</i>)
Dundas	Dundas Mining Pty Ltd (In Liquidation)
Dundas Group	Dundas, Allegiance and their related entities
Equity	The owner's interest in property after deduction of all liabilities
Essential Resolutions	Inter-dependent resolutions in the Notice, being Resolutions 1, 2, 3, 4 and 5
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Existing Facility	Existing secured loan facility between Hartree and Dundas
Fair Value, Fair Market Value or Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FSG	Financial Services Guide
Grays	Grays.com
Grays Report	Grays' Plant and Equipment Valuation Report
Gross Margin	Total sales minus cost of goods sold, divided by total sales revenue, expressed as a percentage
Gross Profit	Total sales minus cost of goods sold
Hartree	Hartree Metals LLC

Term or Abbreviation	Definition
Hartree Facility	New US\$30 million loan notes facility between Mallee and Hartree to provide funding for the development of the Project
Hartree Top-Up Date	Two months following the DOCA Effectuation Date
Hartree Shortfall Shares	Up to 10,403,143 Mallee Shares to be issued if Mallee is unable to repatriate Myanmar funds but completes the Capital Raise before the Hartree Top-Up Date
Hartree Top-Up Shares	Up to 47,300,239 Mallee Shares to be issued if Mallee is unable to repatriate Myanmar funds or complete the Capital Raise before the Hartree Top-Up Date
IER	This Independent Expert's Report
Liquidator	Richard Tucker and John Bumbak of KordaMentha appointed as liquidators of Dundas Group companies excluding Allegiance
Liquidator Top-Up Date	30 trading days after Mallee Shares recommence trading on the ASX
Liquidator Top-Up Shares	Up to 63,492,063 Mallee Shares to be issued to the Liquidators of the holding company of Allegiance if the Mallee 5-day VWAP falls below \$0.63 on recommencement of trading
Mallee or MYL	Mallee Resources Limited
Non-Associated Shareholders	Shareholders of Mallee not associated with the Proposed Transaction
Non-controlling basis	An assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of the entity in which the equity is held
Notice	Notice of Meeting
NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax
Offtake Agreement	Sale and Purchase Agreement with Hartree for future nickel concentrate
Project	The Avebury Nickel Mine
Proposed Transaction	The proposed acquisition of 100% of the issued capital in Allegiance
Report	This Independent Expert's Report prepared by RSM
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RSM	RSM Corporate Australia Pty Ltd
Shortfall Raising	Capital raising to satisfy any shortfall in the repatriation of Myanmar funds
USGS	U.S. Geological Survey
VWAP	Volume weighted average share price
WACC	Weighted Average Cost of Capital

D. INDEPENDENT TECHNICAL SPECIALIST'S REPORT – CSA GLOBAL



CSA Global
Mining Industry Consultants
an ERM Group company

AVEBURY NICKEL MINE

Independent Technical Specialist's Report

REPORT N° R146.2022
29 March 2022



Report prepared for

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Project Name/Job Code	MRLITV01
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Executive Summary

Avebury Nickel Mine Technical Assessment

The most recent Mineral Resource estimate was completed by MMG Limited (MMG) in 2013. No further significant geological investigation was done at Avebury since the 2013 Mineral Resource estimate. Underground development stopped when the mine was placed on care and maintenance by MMG in 2009. There has been no drilling completed since 2011.

Table 1 summarises the classified Mineral Resource estimate.

Table 1: Avebury Mineral Resource as of 30 June 2013, using a cut-off grade of 0.4% Ni

JORC classification	Tonnage (Mt)	Ni (%)	As (ppm)	Co (ppm)	MgO (%)	FeO (%)	S (%)	SG (g/cm ³)
Measured	3.8	1.1	410	245	28	11.2	1.4	3.2
Indicated	4.9	0.9	352	244	25	11.9	1.4	3.2
Inferred	20.7	0.8	297	223	29	10.2	1.0	3.0
Total	29.3	0.9	321	229	28	10.6	1.1	3.0

**All resources are quoted as total nickel; a nickel recovery of 74% was expected using conventional flotation processes.*

In the opinion of CSA Global Pty Ltd (CSA Global), the estimation, validation and classification procedures employed by MMG appear reasonable and suited to the style of mineralisation.

The deposit remains open at depth in at least two directions – down plunge of Avebury East to the east and Viking to the west along the contact with the overlying Crimson Creek Formation. The 2010–2011 drilling in these areas added an additional 4.8 Mt in the East Avebury area and 2.5 Mt in the Avebury and Viking areas (including drilling from 2008 in the Avebury North Extended area). These areas are still open down plunge, and it could be reasonably expected that following these trends may lead to increased Mineral Resource tonnage, if not grade.

Mineralisation in the Avebury ultramafic body was formed by the influence of metasomatism caused by the effect of volatile phases resulting from the intrusion of the Late Devonian Heemskirk Granite which crops out 1–2 km to the north of the Avebury deposit. It is generally believed that the Avebury deposits are hydrothermal in origin, where the nickel was derived from alteration of nickel-bearing silicates during serpentinisation. It has been suggested by some researchers that a possible alternative origin of the nickel is from (unseen) magmatic sulphides at depth, but this model is debatable.

A simple silicate-leach source for the nickel within the Avebury system means that there is no reason why other Avebury style systems could not be present almost anywhere in the ultramafic rocks in the area given the right fluid pathways and tectonostratigraphic traps.

Valuation

CSA Global has considered the potential market value of the assets primarily via the use of Comparative Transactions, using area-based transactions for exploration tenure and resource-based transactions for Mineral Resources. Where possible, CSA Global has considered multiple valuation methods in forming an opinion on the market value.

In CSA Global’s opinion, the Market Value of MYL’s Avebury mineral assets (on a 100% basis), as of 23 February 2022, is summarised in Table 2.

Table 2: CSA Global opinion on likely market value of MYL’s Mineral Assets as of 23 February 2022 (100% basis)

	Ni (t)	Area (km ²)	Value (A\$ million)		
			Low	Preferred	High
Avebury Resource	251,500		50	100	150
Exploration tenure		34	0.4	1	2

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

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1 Introduction

1.1 Context, Scope and Terms of Reference

Mallee Resources Limited (“MYL” or “the Company”) is an Australian Securities Exchange (ASX) listed mining company that seeks to build a portfolio of exciting base and precious metals projects.

CSA Global Pty Ltd (CSA Global), an ERM Group company, understands that MYL intends to acquire the Awebury Nickel Mine in Tasmania as part of a Deed of Company Arrangement (DOCA) proposal with Allegiance Mining Pty Ltd (Allegiance).

If the DOCA proposal is approved by creditors of Allegiance, MYL will seek to acquire 100% of the issued shares of Allegiance. Allegiance owns the Awebury nickel sulphide mine in western Tasmania which is fully developed but has been on care and maintenance since 2009.

MYL has engaged RSM Australia Pty Ltd (RSM) to prepare an Independent Experts Report (IER) on the DOCA for MYL shareholders. RSM in turn will rely on a technical assessment and valuation of the mineral assets, to be prepared by an Independent Technical Specialist.

RSM has in turn engaged CSA Global for the preparation of an independent technical assessment and valuation of the Awebury Nickel Mine (an Independent Technical Specialist’s Report or “ITSR”) for inclusion in RSM’s IER. The ITSr, or a summary of it, is to be appended to the IER, and as such will become a public document.

The ITSr addresses the following scope of work (collectively “the Services”):

- A Technical Assessment of the Awebury Nickel Mine, focussing on the reasonableness of the Mineral Resource estimates (MREs)
- A Technical Assessment of the surrounding exploration tenure
- An independent opinion on the Market Value of the mineral assets.

The Services exclude any work in relation to assessment and valuation of existing plant and infrastructure related to the Awebury mine site.

In preparing the independent technical assessment and valuation, CSA Global has:

- Adhered to the VALMIN¹ and JORC² Codes, including inclusion of appropriate Competent Person’s Statements as required.
- Taken due note of any guidance issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.
- Taken guidance from the Independent Expert on specific requirements it has.
- Required access to all available information relating to the project. CSA Global relies on the accuracy and completeness of the data provided to it by the Company, and that the Company has made CSA Global aware of all material information in relation to the project.
- Required access to an independent tenement report that the Company holds adequate security of tenure for mining operations, exploration, and assessment of the project to proceed.
- Required that the Company provide an indemnity to the effect that the Company will indemnify and compensate CSA Global in respect of preparing the ITSr against any and all losses, claims, damages and

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <<http://www.valmin.org>>

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <<http://www.jorc.org>>

liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITSR to the extent that such loss, claim, damage or liability is a direct result of the Company or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or the Company, or its directors or officers knowingly withholding material information.

- Required an indemnity that the Company will compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions or public hearings arising from the ITSR.
- Reserved the right to refuse to provide an opinion or report where it is impossible or impractical to obtain enough accurate or reliable data or information.
- Kept records of discussions with the Commissioning Entity, a list of all documents referred to in the ITSR, copies of all Material source documents and of our notes.

1.2 Compliance with the VALMIN and JORC Codes

The ITSR has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code and the rules and guidelines issued by such bodies as the ASIC and ASX that pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

This ITSR has been based on information available up to and including 23 February 2022. The information was provided to CSA Global by MYL, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to the Avebury Nickel Mine. Where relevant, consent has been obtained from the relevant author.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this ITSR is based.

A site visit to Avebury was conducted by CSA Global Principal Consultant Tony Donaghy on 16 December 2020, with the Dundas Senior Mine Geologist, Karen Adams. The regional and project geology, mineralisation and Mineral Resource models and regional exploration results were reviewed.

Tenement information on the Avebury Project was provided by independent legal specialist, Tim Cannon, of Groom Kennedy Lawyers and Advisors, Hobart, Tasmania. Details are provided in Section 2.2. CSA Global relies on the independent opinions of Groom Kennedy dated 25 March 2022, with regards to the validity, ownership, and good standing of MYL's tenements in Tasmania. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so

All figures in this ITSR are sourced from reports provided by MYL.

1.4 Authors of the Report – Qualifications, Experience and Competence

This ITSR has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years, with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle, from project generation to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this ITSR that relates to the Technical Assessment of Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Tony Donaghy, a

Competent Person who is a Registered Professional Geoscientist with the association of Professional Geoscientists of Ontario, a Registered Professional Organization. Mr Donaghy is employed by CSA Global. Mr Donaghy has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Donaghy consents to the inclusion in the ITSR of the matters based on his information in the form and context in which it appears.

The information in this ITSR that relates to the Valuation of the Avebury Nickel Mine reflects information compiled and conclusions derived by Mr Trivindren Naidoo who is a Member of the AusIMM. He is employed by CSA Global and is not a related party or employee of MYL. Mr Naidoo has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets”. Mr Naidoo consents to the inclusion in this ITSR of the matters based on his information in the form and context in which it appears.

The information in this ITSR that relates to the Technical Assessment of Mineral Resources was completed by CSA Global Principal Consultant, Ivy Chen, BAppSc (Geology), Postgrad Dip. Nat Res., FAusIMMM, GAICD. Ms Chen is a corporate governance specialist, with over 30 years’ experience in mining and resource estimation. She served as the national geology and mining adviser for the ASIC from 2009 to 2015. Ms Chen’s experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong, and United Kingdom stock exchanges. Ms Chen is a member of the VALMIN Committee. She has the relevant qualifications, experience, competence, and independence to be considered a “Specialist” under the definitions provided in the VALMIN Code and a “Competent Person” as defined in the JORC Code.

The Valuation of MYL’s Mineral Resources and Exploration Tenure was completed by CSA Global Principal Geologist – Valuation, Trivindren Naidoo, MSc (Exploration Geology), Grad.Cert (Mineral Economics), FGSSA, MAusIMM. Mr Naidoo is an exploration geologist with over 20 years’ experience in the minerals industry, including 16 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. Mr Naidoo’s knowledge is broad based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Mr Naidoo is part of CSA Global’s Corporate team and has completed independent evaluations and valuations of numerous mineral assets ranging from early-stage exploration properties to projects with multiple operating mines, across various commodities and jurisdictions.

The reviewer of the ITSR is CSA Global Principal Consultant, Mr Sam Ulrich, BSc (Hons), GDipAppFinInv, MAusIMM, MAIG, and FFin. Mr Ulrich is a consulting geologist with over 23 years’ experience in the minerals industry, including seven years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. Mr Ulrich’s knowledge is broad based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Mr Ulrich has the relevant qualifications, experience, competence, and independence to be considered a “Specialist” under the definitions provided in the VALMIN Code and a “Competent Person” as defined in the JORC Code.

1.5 Prior Association and Independence

In September 2014, CSA Global prepared an Independent Technical Assessment Report on the Avebury Nickel Project to be included in a prospectus for Avebury Nickel Mines Limited, which was to be lodged with the ASIC. In addition, in February 2021 CSA Global undertook a confidential review of the MRE and exploration upside of the Avebury Nickel Mine for an ASX listed company. Tony Donaghy was involved in both these independent technical reviews. In both instances, the transactions did not proceed, and the reports were never publicly released.

The other authors of this ITSR have had no prior association with the Mineral Assets of MYL. Neither CSA Global, nor the authors of this ITSR, have or have had previously, any other material interest in MYL or the mineral properties in which MYL has an interest. CSA Global’s relationship with MYL is solely one of professional association between client and independent consultant.

CSA Global is an independent consultancy. This ITSR is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this ITSR. The fee for the preparation of this ITSR is approximately A\$40,000.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of MYL. No member or employee of CSA Global has, or has had, any material shareholding in MYL. There is no formal agreement between CSA Global and MYL in relation to CSA Global conducting further work for MYL.

1.6 Declarations

The statements and opinions contained in this ITSR are given in good faith and in the belief they are not false or misleading. The ITSR has been compiled based on information available up to and including the date of the ITSR.

The statements and opinions are based on the reference date of 23 February 2022 and could alter over time depending on exploration results, mineral prices, and other relevant market factors. In CSA Global’s opinion, nothing material has occurred up to the date of this ITSR, since the valuation date to affect CSA Global’s technical review and valuation opinion.

The opinions expressed in this ITSR have been based on the information supplied to CSA Global by MYL. The opinions in this ITSR are provided in response to a specific request from RSM to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this ITSR apply to the site conditions and features, as they existed at the time of CSA Global’s investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this ITSR, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global’s valuations are based on information provided by MYL and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

CSA Global considers that its opinion must be considered as a whole and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this ITSR. The timing and context of an independent valuation report is complex and does not lend itself to partial analysis or selective interpretations without consideration of the entire ITSR.

CSA Global has no obligation or undertaking to advise any person of any development in relation to the mineral assets which comes to its attention after the date of this ITSR. CSA Global will not review, revise or



update the ITSR, or provide an opinion in respect of any such development occurring after the date of this ITSR.

No audit of any financial data has been conducted.

The valuations discussed in this ITSR have been prepared at a valuation date of 23 February 2022. It is stressed the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

2 Avebury Nickel Mine

2.1 Location and Access

The Avebury Nickel Project is situated 8 km west of the town of Zeehan on Tasmania’s west coast (Figure 1). Access from mainland Australia is usually via airplane to Burnie which is 140 km from Zeehan on the Murchison Highway via Rosebery. Access to the Avebury mine site is by an excellent quality, purpose-built bitumen road with little other traffic.

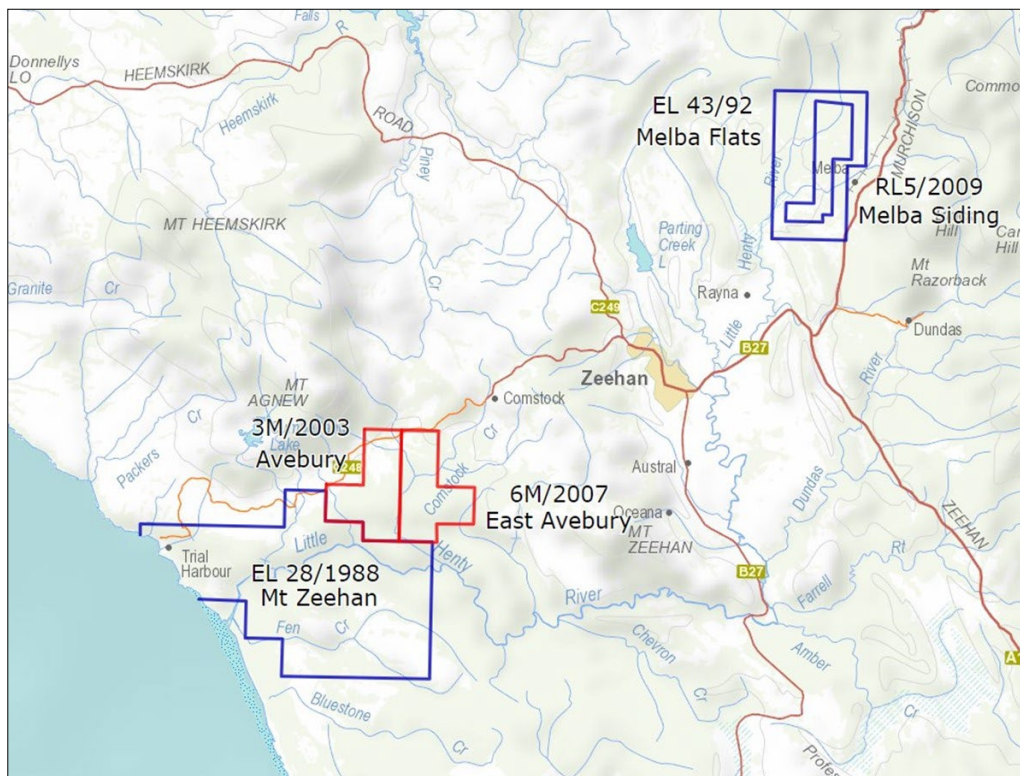


Figure 1: Avebury Project location, western Tasmania

2.2 Ownership and Tenure

The Avebury Project tenure consists of two granted mining licences, two granted exploration licences and one granted retention licence, all currently held by Allegiance (Table 3).

Table 3: Avebury tenure

Lease	Lease type	Expiry date	Holder	Status	Size	Description
Avebury 3M/2003	Mining	16 Oct 2024	Allegiance Mining Pty Ltd	Granted	400 ha	Covers the western portion of the Avebury Mine
Avebury East 6M/2007	Mining	16 Oct 2024	Allegiance Mining Pty Ltd	Granted	400 ha	Covers the eastern portion of the Avebury Mine
Mt Zeehan EL28/1988	Exploration	9 Dec 2022	Allegiance Mining Pty Ltd	Granted [#]	25 km ²	To the west of Avebury – includes Trial Harbour, Burbank and Fen Creek
Melba Flats EL43/1992	Exploration	16 Apr 2022	Allegiance Mining Pty Ltd	Granted	6 km ²	North-northeast of Zeehan – includes Melba Flats
Melba Siding RL5/2009	Retention	1 Dec 2022	Allegiance Mining Pty Ltd	Granted [#]	3 km ²	North-northeast of Zeehan – includes North Cuni/Genets, Nickel Reward, Deveraux

Source: Groom Kennedy (2022)

[#]Renewal and extension of term of EL28/1988 and RL5/2009 was confirmed on 17 January 2022, and the status was amended to granted on 10 March 2022.

Tenement information for the Avebury Project was provided by Groom Kennedy Lawyers and Advisors, Hobart, Tasmania. CSA Global relies on the independent opinions of Groom Kennedy dated 25 March 2022, with regards to the validity, ownership, and good standing of the tenements that MYL is acquiring in Tasmania. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

2.3 Geology

The following sections draw on published sources including Black et al. (2005) and Keays and Jowitt (2012), as well as various internal company reports prepared by MMG Limited (MMG) and Allegiance, as well as their consultants.

2.3.1 Regional Geology

The regional geological setting of the Avebury deposit and the relevant exploration tenements is summarised in Figure 2. The major tectono-stratigraphic unit relevant to Avebury is the Cambrian to Devonian age Dundas Trough. This occupies a broadly north-striking corridor sandwiched between the Precambrian terrains of the Rocky Cape Region to the west and the Tyennan Region to the east. Located within the trough are several Cambrian mafic-ultramafic complexes of which Trial Harbour, Avebury, Mclvor Hill, Dundas, and Serpentine Hill are notable in the vicinity of the Avebury deposit. The Dundas Trough is a richly endowed mineralised belt which includes significant deposits such as Rosebery, Renison Bell, Mount Lyell, Hellyer, and Henty.

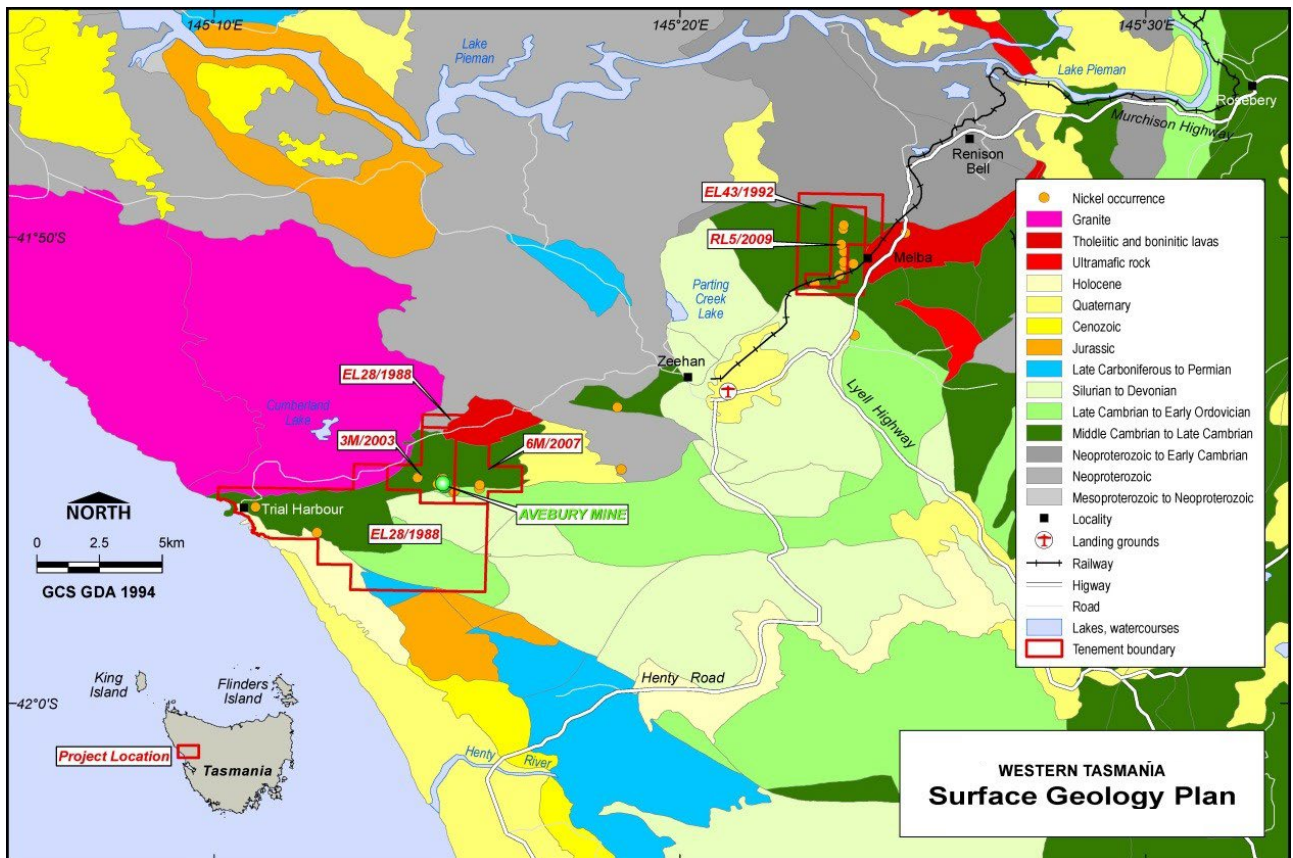


Figure 2: Avebury Project regional geology, western Tasmania

The Tyennan and Rocky Cape regions are the oldest rocks in western Tasmania, comprising shallow marine sequences of cross-bedded quartz arenite, quartz siltstone, shale, and minor carbonate with an inferred Early Neoproterozoic depositional age of c. 1000–750 Ma. Except perhaps for the western part of the Rocky Cape region, these Proterozoic units were disrupted and multiply deformed in the Early–Middle Cambrian Tyennan (Delamerian) Orogeny, although metamorphic grade is only locally above greenschist facies and large areas are essentially unmetamorphosed. During this event, a thrust sheet of boninitic, tholeiitic, ultramafic and

sedimentary rocks, the remnants of an oceanic forearc, was emplaced, probably from the east, during an arc-continent collision. The collision was followed, in the Middle to Late Cambrian, by eruption of the mainly felsic, calc-alkaline Mount Read Volcanics.

From the Late Cambrian to Early Devonian, a thick succession of conglomerate and shallow-marine shelf deposits (the Wurawina Supergroup) was deposited. In the Middle Devonian, polyphase folding was accompanied or followed by widespread intrusion of mid-Palaeozoic granites. These share many characteristics with Lachlan Orogen granites, but in Tasmania there is an unusually high proportion of fractionated granites. The granites are an important source of the mineral wealth of western Tasmania, as fluids derived from them were responsible for major tin, tungsten, and base metal deposits within, adjacent to, and more distal to the intrusions.

2.3.2 Project Geology and Mineralisation

The Avebury nickel deposit is hosted in an ultramafic body (part of the McIvor Hill Mafic-Ultramafic Complex) located within a sedimentary sequence comprising volcanoclastic turbidites (the Crimson Creek Formation) which appears to grade laterally into a complex volcano-sedimentary sequence of polymictic conglomerates and breccias, carbonates, calc-alkaline volcanics and volcanoclastic sediments which may represent the Lower Dundas Group of Cambrian age (Figure 3). The sedimentary sequence is overturned and south facing.

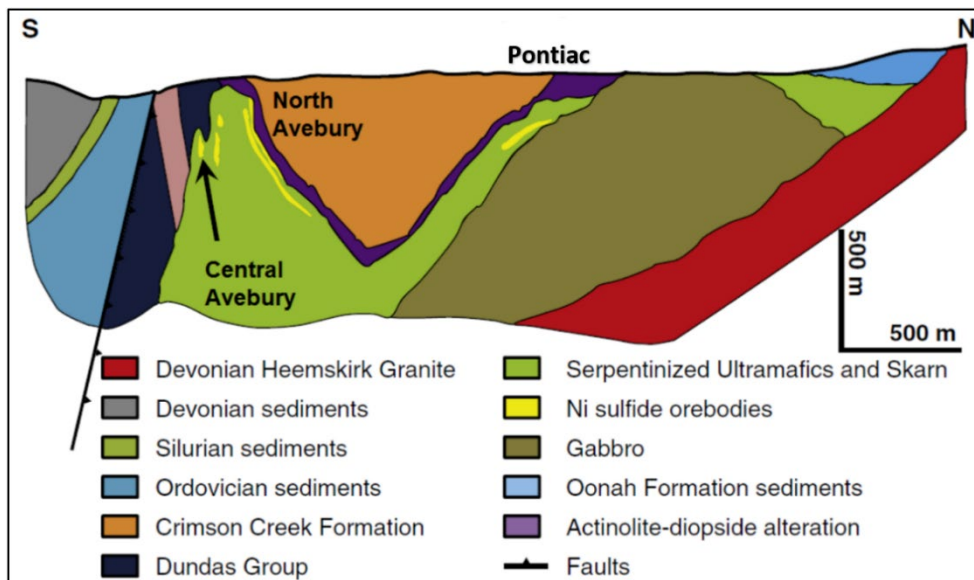


Figure 3: Schematic cross-section through the Avebury mine sequence geology
Source: Modified from Keays and Jowitt (2012)

Near the deposit, the ultramafic body strikes east-west for about 2 km and generally dips steeply to the south. The body shows complex geometry with respect to the host sequence and thickens considerably with depth to a width more than 500 m. The ultramafic unit extends from Trial Harbour on the west coast in a sinuous fashion towards Avebury and then discontinuously towards the north, fragmented by faulting. Because of folding of the host sediments, the ultramafic body does not crop out where fold axes plunge below the surface; its extent can be followed by its magnetic response. Much of the ultramafic body is located 50–100 m below surface in the vicinity of the Avebury mine.

The ultramafic body at Avebury consists of serpentinised and metasomatised peridotite or dunite cumulates, both concordant and discordant to bedding of the enclosing Crimson Creek sediments. Margins of the ultramafic body are frequently brecciated with numerous protrusions extending into the overlying volcano-sedimentary sequence and xenoliths of volcano-sedimentary rocks incorporated into pervasive calc-silicate altered mafic-ultramafic rock on the contact. The calc-silicate altered margin ranges from 1 m to 10 m in width.

The mineralisation is hosted primarily in a carapace in what appears to be a structural doubly plunging folded contact between the ultramafic rocks and overlying Crimson Creek Volcanic sequence. Mineralisation at Averbury was focused along the ultramafic-host sequence contact, but lenses of mineralised rock are also present within the ultramafic body. Ore assemblages are associated with two distinct gangue mineralogies: dark green to black serpentinised ultramafics with minor disseminated chromite and magnetite (mine rock type SERP), and pale green, intensely metasomatised skarn assemblages dominated by amphibole, clinopyroxene and magnetite (mine rock type SKSP – Figure 4). Sixty percent of the 2013 Mineral Resource is hosted in the SERP rock type; 40% of the Mineral Resource is hosted in the SKSP rock type.

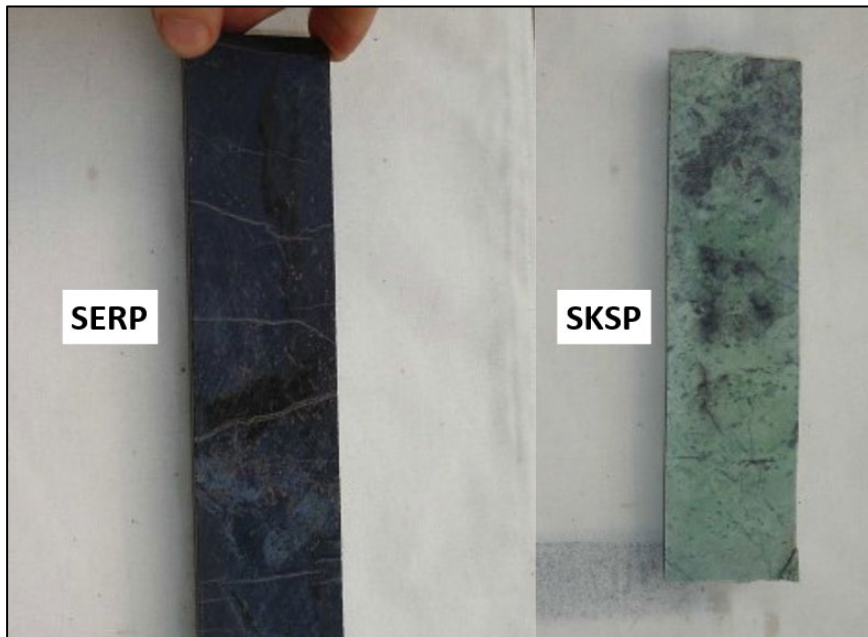


Figure 4: Photographed drill core, characteristic Averbury mafic-ultramafic host lithology types

Mineralisation at Averbury consists of veins and coarse-grained disseminations of sulphides that can be hosted by both SERP and SKSP lithologies. The sulphide assemblage is dominated by pentlandite (Fe,Ni)S with minor pyrrhotite FeS and millerite NiS, and variable amounts of niccolite NiAs, gersdorffite NiAsS and maucherite Ni₁₁As₈. The gangue assemblage is magnetite-rich, with up to 18% magnetite in both SERP and SKSP assemblages.

Grades of mineralised SERP and SKSP range from 0.4% Ni to 4% Ni, with an average of about 1% Ni at a cut-off grade of 0.4% Ni. Arsenic levels within the ore range from 200 ppm to 650 ppm with an average of about 400 ppm. The assay results would report total nickel in the rock, including speciation of nickel that is silicate/oxide hosted and therefore metallurgically non-recoverable. MMG delineated the nickel mineralisation using a cut-off grade of 0.4% Ni following statistical analysis and based on geological observation. This nickel grade was deemed to represent the natural cut-off grade between mineralised (recoverable sulphide nickel dominant) and non-mineralised (non-recoverable silicate-oxide nickel dominant) material. Records indicate that olivine/serpentine in the SERP/SKSP can contain approximately 0.17–0.3% Ni and magnetite 0.15–0.2% Ni. The nickel in magnetite occurs as microscopic pentlandite inclusions. A final small amount of nickel is also locked in the pyrrhotite either as a solid solution interchanged with iron within the pyrrhotite mineral lattice, or as microscopic inclusions of pentlandite enclosed within the pyrrhotite. Solid solution nickel in pyrrhotite will not be recoverable, while micro pentlandite inclusions will require very fine grind to liberate the grains and make them available for flotation.

Therefore, nickel recoveries are moderate compared to most sulphide operations, with up to 20% of the nickel reporting to the tails locked in magnetite alone. Detailed speciation studies (QEMSEM, MLA, etc.) on nickel deportment across the range of host rocks and mineralisation styles as part of a geomet model alongside the Mineral Resource model would dramatically increase confidence in scheduling of mill throughput and the ability to maximise recoveries.

Mineralised zones in the ultramafic body vary in true width from 1 m to 40 m and average around 10 m. Mineralised lenses are generally around 50–600 m in length and can extend over 400 m down dip. Lenses are generally sub-parallel to the contact with the overlying volcanic complex, although there is some suggestion of structural control of internal lenses either on fold axial planar schistosity or within high-strain shear structures. The lenses anastomose and pinch and swell in an irregular and unpredictable manner.

Figure 5 shows a diagrammatic longitudinal section of the defined Mineral Resource before and after a drilling program in 2010 which was designed to extend the resource to guide future development. The total strike length of mineralisation depicted is about 2.5 km. The drilling program was successful in delineating an additional 4.8 Mt of mineralisation in the East Avebury area and 2.5 Mt in the Avebury and Viking areas.

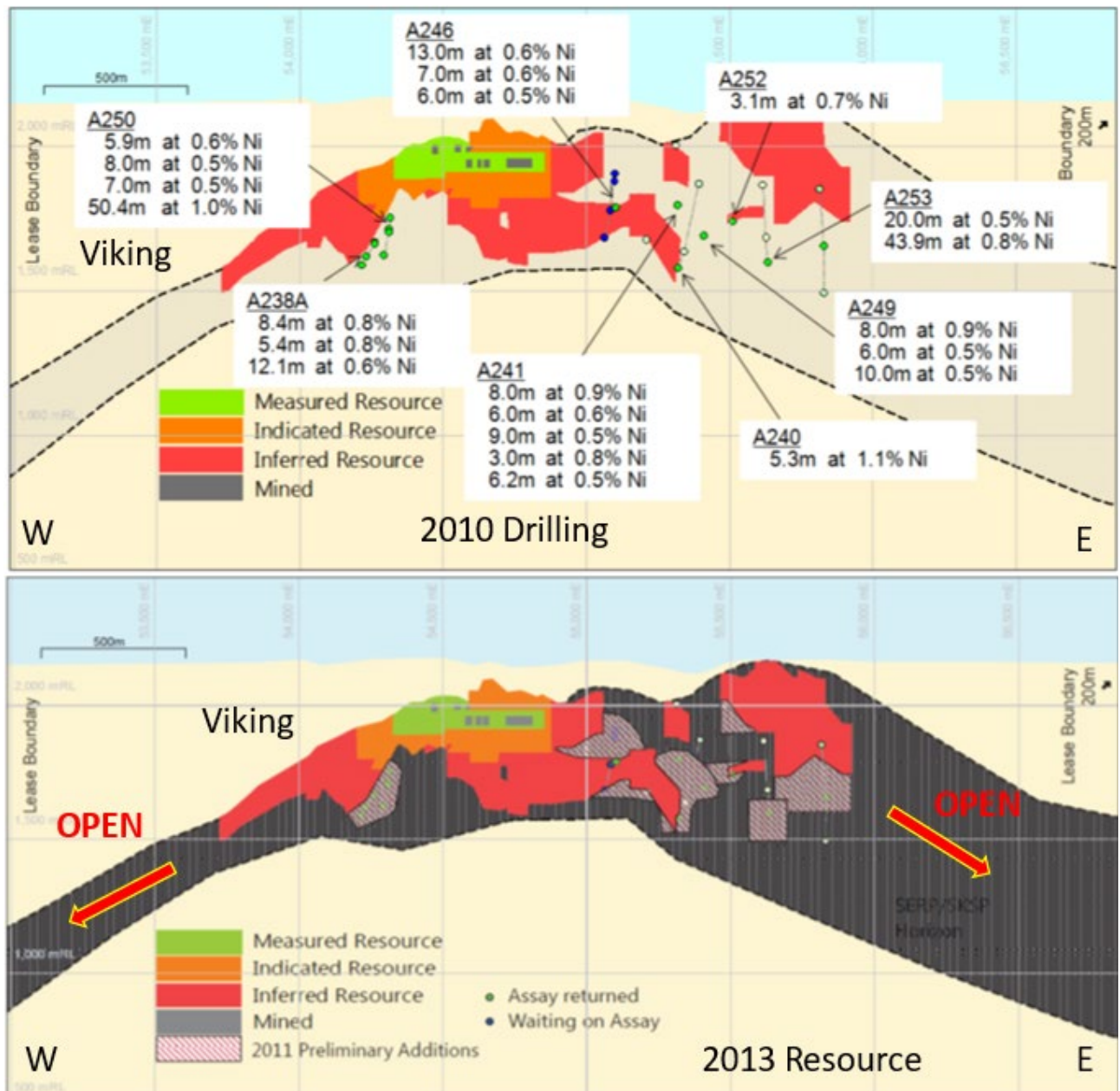


Figure 5: Longitudinal section of Avebury Mineral Resource

2.3.3 Mineral Formation Model

Mineralisation in the Avebury ultramafic body was formed by the influence of metasomatism caused by the effect of volatile phases resulting from the intrusion of the Late Devonian Heemskirk Granite which crops out 1–2 km to the north of the Avebury deposit. It is generally believed that the Avebury deposits are

hydrothermal in origin, where the nickel was derived from alteration of nickel-bearing silicates during serpentinisation. It has been suggested by some researchers that a possible alternative origin of the nickel is from (unseen) magmatic sulphides at depth, but this model is debatable. The simplest model for formation of the sulphides is that tin-arsenic-copper-bismuth-tellurium-zinc rich fluids percolating off the Heemskirk granite and within hydrothermal meteoric water cells around the hot granite filtered through the ultramafic sequence and leached the nickel from the ultramafic olivine-rich silicate rocks. This leachate was then precipitated as nickel-arsenic-sulphur (\pm copper, bismuth, tellurium, tin, zinc, and other non-typical magmatic nickel sulphide elements) at the redox boundary between the ultramafic unit and the overlying Crimson Creek Volcanics as the fluid chemistry was altered in the passage from the ultramafic to the volcanic.

2.4 Exploration and Mining History

Mining for silver-lead started at Zeehan in the 1880s and the town was once Tasmania’s third largest.

The Avebury deposit was discovered in 1997 with a drill core hole returning an intersection of 8 m of 0.6% Ni, including 2.4 m of 1.4% Ni (Allegiance Mining NL Annual Report, December 2001) within an ultramafic body identified by a prominent anomaly in an aeromagnetic survey. The hole was targeted on zinc skarn mineralisation and was drilled by CRA Exploration (CRA) on a tenement held in joint venture with Allegiance Mining NL. Allegiance subsequently acquired CRA’s interest in the tenement. Further drilling by Allegiance identified a resource of 4 Mt at 1.5% Ni by 2002 (Allegiance Mining NL Annual Report, December 2003).

Allegiance completed a Development Proposal and Environmental Management Plan for Avebury in 2003. This allowed initial decline mining to access the central area of the Avebury orebodies in 2004. In early 2006, ore development and trial mining were conducted which produced 6,000 tonnes of ore for testwork.

Formal mining commenced at the end of 2006. Commissioning of the processing plant was achieved in mid-2008 with the first concentrates produced in July.

The acquisition of Allegiance Mining Pty Ltd (formerly Allegiance Mining NL) was completed in 2008 by OZ Minerals Limited which was formed following the merger of Zinifex Limited and Oxiana Limited. Avebury and a number of other assets were then sold to China Minmetals Non-ferrous Metals Co. Limited to form MMG.

Following large falls in the nickel price during the Global Financial Crisis, the mine was placed on care and maintenance in January 2009. Mining ceased in January 2009 and milling ceased in February 2009. Focus during the care and maintenance phase has been on maintaining site infrastructure, including pumping from the main declines and maintenance of the process plant. Further exploration work was undertaken in 2010 to establish more resources.

During the plant’s eight-month operational period, a total of 2,990 tonnes of nickel in concentrate was produced.

Underground development stopped when the mine was placed on care and maintenance by MMG in 2009. There has been no drilling since June 2011, and the last Mineral Resource estimation was carried out by MMG in April 2013 and reported on its website. The Mineral Resource estimate was reported under JORC (2012) guidelines. The state of geological knowledge at Avebury has not advanced since that Mineral Resource estimate in 2013. MMG put the deposit on the market for sale in 2014. Dundas Mining Pty Ltd purchased Avebury from MMG for A\$25 million in July 2017. The project has remained dormant since that time and remains on care and maintenance.

2.5 Exploration Potential

The deposit remains open at depth in at least two directions – down plunge of Avebury East to the east and Viking to the west along the contact with the overlying Crimson Creek Formation. The 2010–2011 drilling in these areas added an additional 4.8 Mt in the East Avebury area and 2.5 Mt in the Avebury and Viking areas (including drilling from 2008 in the Avebury North Extended area). These areas are still open down plunge, and it could be reasonably expected that following these trends may lead to increased Mineral Resource tonnage, if not grade.

A simple silicate-leach source for the nickel within the Avebury system means that there is no reason why other Avebury style systems could not be present almost anywhere in the ultramafic rocks in the area given the right fluid pathways and tectonostratigraphic traps. A pre-existing nickel sulphide orebody source for the nickel at Avebury would limit exploration potential severely, as you would effectively only find Avebury-style deposits near any such pre-existing orebodies – a very limited set of circumstances for Avebury-style deposit formation. There are magmatic sulphides at Melba Flats, but they are severely size limited and seem fairly typical of such small-scale dyke/vein systems associated with boninitic ophiolite sequences in convergent margin settings such as the Dundas Trough in Tasmania. Global examples of such magmatic sulphides associated with boninitic systems are universally small scale (typically <100 kt contained nickel) and low grade.

A model of leaching nickel from the silicates simultaneously best explains the features seen at Avebury and increases the exploration potential for the rest of the property for similar style deposits. There are four versatile time domain electromagnetic (VTEM) anomalies identified in the regional VTEM survey flown by MMG associated with magnetic anomalies indicative of buried ultramafic rocks near the margin of the Heemskirk Batholith and Crimson Creek Volcanics. These represent priority exploration targets for ground electromagnetic surveys and drilling.

MMG intersected Avebury-style SKSP ultramafic alteration and one significant nickel sulphide intersection of 3 m at 0.8% Ni from 61 m to 64 m in diamond drillhole A223 in the Trial Harbour area, in the vicinity of one such VTEM anomaly. This demonstrates similar processes as seen at Avebury have been active elsewhere within the project tenement holding. This intersection remains largely untested, and follow-up is required. A more detailed and modern electromagnetic survey over drillhole A223 and the VTEM target would better maximise the chances of hitting the centre of gravity of any potential target in the area.

2.6 Mineral Resources

The most recent Mineral Resource estimate was completed by MMG in 2013. No additional drilling or further geological investigation was done at Avebury since the 2013 Mineral Resource estimate. Underground development stopped when the mine was placed on care and maintenance by MMG in 2009. There has been no drilling completed since 2011. Table 4 summarises the classified Mineral Resource estimate.

Table 4: Avebury Mineral Resource as of 30 June 2013, using a cut-off grade of 0.4% Ni

JORC classification	Tonnage (Mt)	Ni (%)	As (ppm)	Co (ppm)	MgO (%)	FeO (%)	S (%)	SG (g/cm ³)
Measured	3.8	1.1	410	245	28	11.2	1.4	3.2
Indicated	4.9	0.9	352	244	25	11.9	1.4	3.2
Inferred	20.7	0.8	297	223	29	10.2	1.0	3.0
Total	29.3	0.9	321	229	28	10.6	1.1	3.0

Note: All resources are quoted as total nickel; a nickel recovery of 74% was expected using conventional flotation processes.

In CSA Global’s opinion, the estimation and validation procedures employed by MMG appear reasonable and suited to the style of mineralisation. The approach used to model the nickel and high-grade arsenic mineralisation is reasonable. Modelled wireframes reasonably represent the nickel and high-grade arsenic mineralisation. Wireframes were generally extrapolated 25–50 m. In areas that are less densely drilled, wireframes were extrapolated up to 100 m.

The estimate was classified based primarily on drill spacing, with consideration of the style of mineralisation. Wireframes were modelled to capture the areas with sufficient drilling to be classified as Measured and Indicated Mineral Resources.

The approach used for Mineral Resource classification is considered reasonable. The drilling density of approximately 25 m(E) and less than 40 m(RL) in the central deposit region was used to support the Measured Resource classification. Measured Mineral Resources are also supported by geological mapping completed during mine development.

For purposes of the Mineral Resource classification wireframes, the approximate drill densities were:

- Measured – less than 25 m(E) and less than 40 m(RL)
- Indicated – 25–50 m(E) and less than 60 m(RL)
- Inferred – less than 100 m(E) and less than 100 m(RL).

Underground drillhole paths are subject to some uncertainty. Given the lack of real downhole data, hole paths should be considered approximate.

The nugget effect for nickel in the variography is moderate to high, ranging from 15% to 45%. Significant short-range grade and thickness variability is evident within the nickel mineralisation zones. Significant smoothing is evident when comparing block grades to drillhole grades. The grade and thickness variability were not studied in detail; however, visual inspection of the mineralisation indicates that there is likely to be significant Mineral Resource risk if a dense drill pattern was not achieved prior to mining on zones currently classified as Indicated or Inferred.

The assay results would report total nickel in the rock, including speciation of nickel that is silicate/oxide hosted and therefore non-recoverable. MMG delineated the nickel mineralisation using a 0.4% Ni cut-off grade following statistical analysis and based on geological observation. This nickel grade approximates the natural cut-off grade between mineralised (recoverable sulphide nickel dominant) and non-mineralised (non-recoverable silicate-oxide nickel dominant) material. MMG records indicate that olivine/serpentine in the can contain approximately 0.17–0.3% Ni and magnetite 0.15–0.2% Ni. The nickel in magnetite occurs as microscopic pentlandite inclusions. A final small amount of nickel will be also locked in the pyrrhotite either as a solid solution interchanged with iron within the pyrrhotite mineral lattice, or as microscopic inclusions of pentlandite enclosed within the pyrrhotite. Solid solution nickel in pyrrhotite will not be recoverable, while micro pentlandite inclusions will require very fine grind to liberate the grains and make them available for flotation.

Therefore, nickel recoveries are low compared to most sulphide operations, with up to 20% of the nickel reporting to the tails locked in magnetite alone. Detailed speciation studies (QEMSEM, MLA, etc.) on nickel deportment across the range of host rocks and mineralisation styles as part of a geometallurgical model alongside the Mineral Resource model could increase confidence in scheduling of mill throughput and maximise recoveries.

MMG delineated high-grade arsenic zones using a cut-off grade of 300 ppm. No high-grade cuts were applied to the nickel, cobalt, sulphur, iron oxide, or magnesium oxide data. Arsenic samples outside the high-grade arsenic domains were cut to 5,000 ppm.

Metallurgical testwork was completed for the Measured and Indicated Mineral Resources. Some testwork was also completed on samples within the Inferred Mineral Resource. Standard variability, comminution, grinding and flotation testwork were completed. Testwork was also completed on bulk samples sourced from selected mineralisation types.

An assumption was made in the Mineral Resource estimate that it would be possible to optimise scheduling to blend production so that concentrate arsenic levels will not reach levels that would render the product unsaleable.

Bulk density measurements were made using water displacement methods. The core that was used was not sealed due to the low porosity of the samples. The density measurements were plotted against elemental compositions to determine regression formulae for serpentinised ultramafic (SERP) and ultramafic skarn serpentinite (SKSP) rock types. CSA Global considers that the parametric approach for density is reasonable; however, without the raw density data the formulae cannot be validated.

No assumptions regarding minimum mining width, internal dilution or other mining factors were applied in the Mineral Resource modelling documented by MMG. There was no evidence of underground mapping from development drives used to support the Mineral Resource modelling, or of any reconciliations used to validate the Mineral Resource model. Inspection of the interpreted nickel wireframes indicated a horizontal

width of 4 m was loosely adopted; however, there were some wireframes less than 1 m in thickness. These would have been excluded by the stope optimiser during the mine design phase to generate Ore Reserves.

The current Mineral Resource block model was not reconciled with the 2008–2009 production results.

In the 2008 drilling assay data only, there was a suggested over-estimation of nickel grades by 6% for the >0.2% nickel data and an under-call of arsenic grades by 21% for the >100 ppm arsenic data. This appears to not have been taken into account in the Mineral Resource modelling. A similar albeit less significant bias was apparent in the 2006 and 2007 dataset. Based on the information available, CSA Global considers that the sensitivity of the Mineral Resource estimate to assaying errors for arsenic is likely to be within the error margin of the Mineral Resource modelling since they relate to arsenic grades around the limit of detection (where, by definition, the precision is poorer) for a subset of the data. However, based on the analysis of the 2010 MMG data, CSA Global is of the view that the consequences of assaying errors for arsenic and nickel on the Mineral Resource estimate cannot be determined without further work. The subsampling and assaying quality assurance procedures and the quality control data checks indicate that overall, the data available and procedures used were reasonable for Mineral Resource estimation but that some uncertainty exists as identified in studies done by MMG on the 2010 data.

Consideration was given to whether it was potentially necessary to downgrade the Measured Resource to Indicated in the absence of studies that addressed some assaying quality control issues, explicitly defined mining assumptions, and validation of the estimates using underground mapping and reconciliation. The Indicated and Inferred classifications were considered to be reasonable and well supported. However, on balance CSA Global considered that downgrading the Measured material to Indicated had no material consequences for the mine plan, except to highlight that further work was potentially going to increase confidence in more detailed scheduling of short-term mining production.

CSA Global note that, should the Measured Mineral Resources be downgraded to the Indicated category, there would not be a material change to the opinion on value discussed in Section 3.7 of this report.

In CSA Global's opinion, any future Mineral Resource modelling should include investigation into the assaying accuracy and precision, and a review of the biases observed in the earlier 2008 assays. If the 2008 x-ray fluorescence (XRF) assaying errors cannot be resolved, a sensitivity study may demonstrate the impact of this data on the Mineral Resource and Ore Reserve. CSA Global does not, however, expect this to be material in the context of redeveloping the mine, given various alternative strategies that could be adopted for mining ore and producing concentrate.

3 Valuation

Valuation of Mineral Assets is not an exact science, and a number of approaches are possible – each with varying positives and negatives. While valuation is a subjective exercise, there are several generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Refer to Appendix A for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

3.1 Previous Valuations

CSA Global is not aware nor has it been made aware of any other public valuations having been completed over the Avebury Nickel Project.

3.2 Valuation Approach

CSA Global has considered the potential market value of the assets primarily by the use of Comparative Transactions, using area-based transactions for exploration tenure and resource-based transactions for Mineral Resources (Table 5). Where possible, CSA Global has considered multiple valuation methods in forming an opinion on the market value.

Table 5: Summary of valuation approach and methods considered

Mineral Asset	Development stage	Licences	Area (km ²)	Contained Ni (t)	Valuation basis	Valuation method
Avebury Nickel Resource	Pre-Development	3M/2003; 6M/2007	8	251,500	Mineral Resource	Comparative Transactions; Yardstick
Exploration tenure	Advanced Exploration	EL28/1988; EL43/1992; RL5/2009	34	-	Area	Comparative Transactions; Geoscience Factor

3.3 Commodities Market

The nickel price history in A\$/t for the five years prior to 24 February 2022 is illustrated in Figure 6, with variations in the nickel price from the year 2000 onwards summarised in Figure 7.

The five-year view indicates a generally rising nickel price, climbing from approximately A\$12,000/t in 2017 to nearly A\$36,000/t in February 2022. This highlights the importance of normalising against the nickel price when comparing market transactions that occurred at various times over this period.

It is also worth noting that the Avebury Nickel Mine was developed during the sharp nickel price boom centred on 2007 (Figure 7) and went into care and maintenance when the nickel price normalised after that boom. The nickel price in the last week of February 2022 was at similar levels to the early portion of the 2007 boom.



Figure 6: Five-year nickel price history (A\$)
 Source: S&P Capital IQ

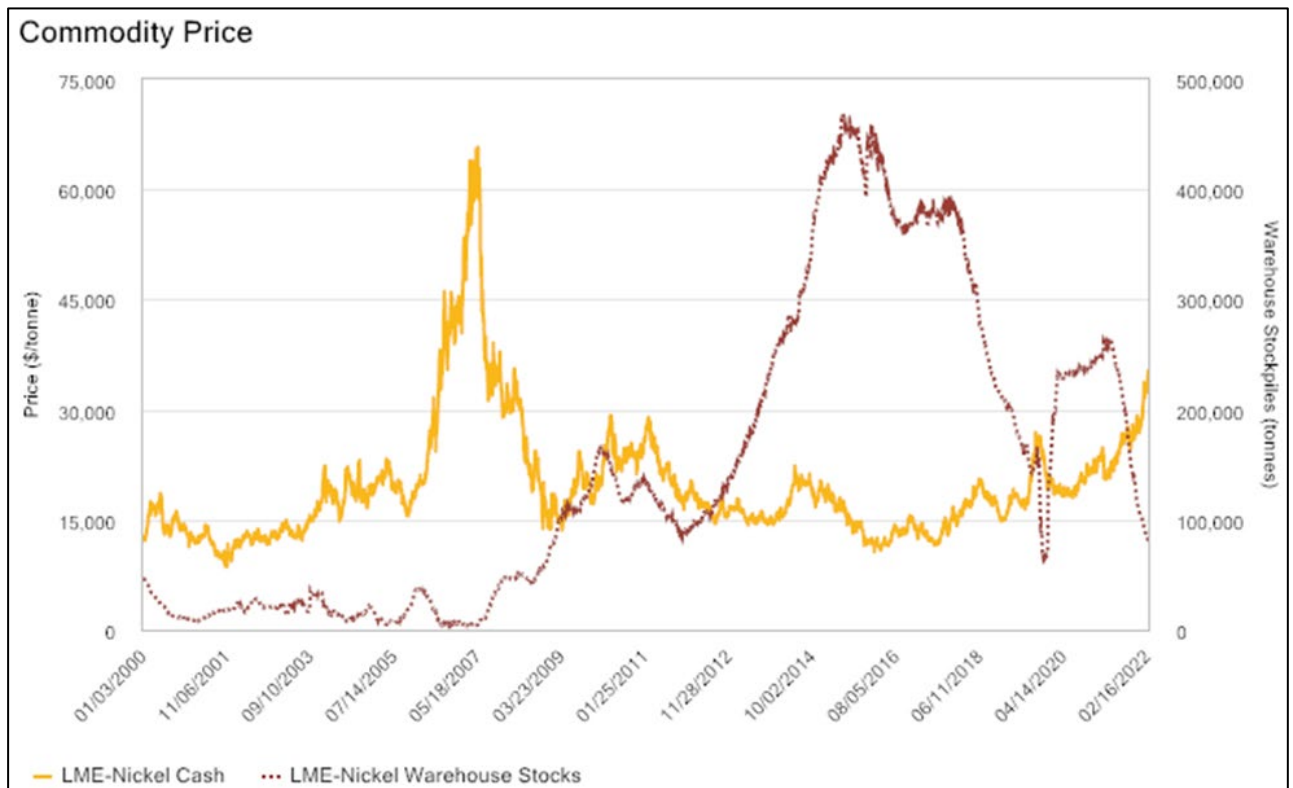


Figure 7: Long-term nickel price history (A\$)
 Source: S&P Capital IQ

On 24 February 2022, Russia began a military invasion of Ukraine, with supply concerns resulting in further lifting of nickel prices, as Russia is a significant producer of high-grade nickel. Economic sanctions against

Russia further constrained supply and resulted in market participants scrambling to cover or close out short positions, which caused sharply rising nickel prices, and short spikes to extreme prices.

On 8 March 2022, the London Metal Exchange (LME) suspended trading in nickel, and reversed the day’s transactions, with trading in nickel expected to be suspended until 16th of March. During the trading suspension, the price of nickel was US\$48,000/t.

These events occurred after the valuation date for this report. Given that the long-term trend prior to these market fluctuations was an increasing nickel price due to supply and demand economics, and long-term fundamentals have not been impacted significantly, CSA Global takes the view that the current market fluctuations are short term, and due to external factors.

3.4 Comparative Transactions

In analysing the transactions, all amounts were converted to A\$ at the relevant exchange rate at the time of the transaction announcement. Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored. Exploration expenditure was discounted at a nominal 10% over the earn-in period. Future payments contingent on a future milestone such as declaration of a Mineral Resource or decision to mine were ignored. Total contained metal within the declared Mineral Resource was considered, and not the classification within the various confidence categories.

3.4.1 Mineral Resources

CSA Global identified nine transactions that were announced over the past five years involving nickel sulphide mineral resource projects in Australia, for which sufficient information was available in the public domain to allow analysis.

These transactions are summarised and analysed in Appendix B. The normalised A\$/t contained nickel values were calculated using the LME nickel price as of 23 February 2022, being A\$34,361/t.

Three of the nine transactions involved previously operating mines that were on care and maintenance at the time that the transaction was announced, with the remaining six transactions involving projects that had not been developed prior to the transaction.

CSA Global analysed the transactions in terms of A\$/t contained nickel, as summarised in Table 6 and illustrated in Figure 8.

Table 6: Analysis of comparative Australian nickel resource transactions

	All		Previously operating		Never developed	
	Implied	Normalised	Implied	Normalised	Implied	Normalised
Count	9	9	3	3	6	6
Minimum (A\$/t Ni)	4.39	8.84	158.19	210.23	4.39	8.84
Maximum (A\$/t Ni)	603.86	810.47	603.86	810.47	307.49	481.97
Mean (A\$/t Ni)	191.99	314.13	354.55	540.56	110.71	200.91
Median (A\$/t Ni)	158.19	271.02	301.59	600.98	84.74	185.76
Weighted average (A\$/t Ni)	155.84	285.51	241.09	365.26	147.87	278.06
Geomean (A\$/t Ni)	87.72	154.17	306.55	467.84	46.92	88.51

One of the three transactions related to previously operating nickel mines that were in care and maintenance at the time of the transaction, the September 2019 acquisition of Sinclair project by Saracen Mineral Holdings Limited (Saracen) was an outlier at a normalised A\$810/t contained nickel. At the time of the transaction, Saracen announced that the extensive surface and underground infrastructure associated with Sinclair, would be used by Saracen for gold exploration and mining on its neighbouring tenements. Therefore, in assessing a reasonable high factor in assessing the current market value of the Averbury nickel resources, this transaction was not considered to be a reasonable comparison, and next highest (Mincor acquisition of Long Complex in May 2019) was considered more suitable.

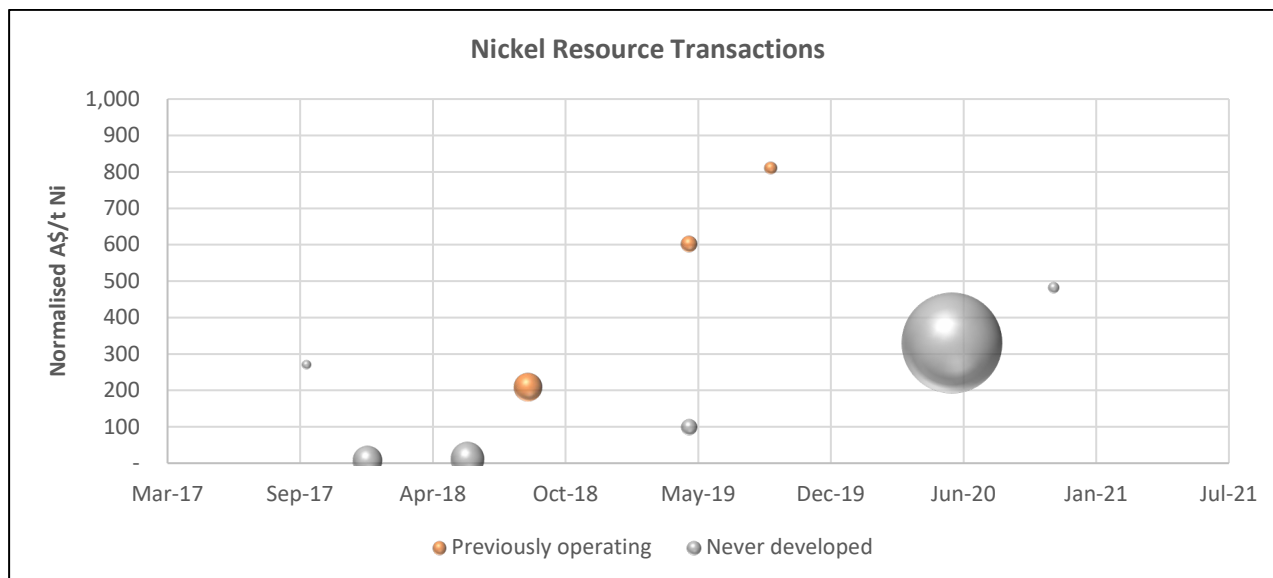


Figure 8: Comparative Australian nickel sulphide resource transactions
 Note: Bubble size proportional to contained nickel in declared mineral resource.

Based on these analyses, CSA Global exercised professional judgement in selecting a preferred valuation factor of A\$400/t nickel, a low valuation factor of A\$200/t nickel and a high valuation factor of A\$600/t nickel.

The low factor is rounded from the lowest transaction value from the three projects in care and maintenance, which is similar to the mean and median of the transactions involving the projects which had not been previously developed.

The high factor is rounded from the higher remaining transaction value from the care and maintenance projects, once the Saracen acquisition of Sinclair is excluded on the basis of the strategic value to Saracen of the surface and underground infrastructure being used to further gold exploration on Saracen’s surrounding tenements.

The preferred factor is rounded from the weighted average of the transactions involving projects in care and maintenance. As the Sinclair resource was the smallest of these three projects, it is not considered to unduly influence the weighted average. The chosen factor is also the median of the selected valuation range.

Applying these factors to the Awebury Nickel Resource results in the valuation summarised in Table 7.

Table 7: Valuation of Awebury Nickel Resource based on Comparative Transactions

Contained Ni (t)	Factor (A\$/t Ni)			Value (A\$ million)		
	Low	Preferred	High	Low	Preferred	High
251,500	200	400	600	50.3	100.6	150.9

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

3.4.2 Exploration Ground

CSA Global identified 30 transactions that were announced over the past five years involving early stage (pre-resource) nickel exploration projects in Australia, for which sufficient information was available in the public domain to allow analysis.

These transactions are summarised and analysed in Appendix B. The normalised A\$/t contained nickel values were calculated using the LME nickel price as of 23 February 2022, being A\$34,361/t.

These transactions are summarised and analysed in Appendix C. The normalised A\$/km² values were calculated using the LME nickel price as of 23 February 2022 being A\$34,361/t. CSA Global analysed these transactions in terms of A\$/km², as summarised in Table 8.

Four of the transactions were considered to be outliers, two at the high end and two at the low end.

Table 8: Analysis of nickel exploration ground transactions

	All		Excluding outliers	
	Implied	Normalised	Implied	Normalised
Count	30	30	26	26
Minimum (A\$/km ²)	192	327	545	1,332
Maximum (A\$/km ²)	54,857	99,970	41,609	69,769
Mean (A\$/km ²)	13,195	23,316	11,439	19,689
Median (A\$/km ²)	4,977	11,565	4,977	11,565
Weighted average (A\$/km ²)	6,741	12,153	7,481	13,397
Geomean (A\$/km ²)	5,161	9,491	5,471	10,154

Based on this analysis, CSA Global exercised professional judgement in selecting a preferred valuation factor of A\$12,000/km², a low factor of A\$1,200/km², and a high factor of A\$70,000/km². These factors were rounded from the median, minimum and maximum, respectively, of the transaction set when the outliers were excluded.

Applying these valuation factors to the Avebury exploration ground results in the valuation summarised in Table 9.

Table 9: Valuation of MYL exploration tenure based on comparative transactions

Licence	Name	Area (km ²)	Factor (A\$/km ²)			Value (A\$ million)		
			Low	Preferred	High	Low	Preferred	High
EL28/1988	Mt Zeehan	25	1,500	12,000	70,000	0.04	0.30	1.75
EL43/1992	Melba Flats	6	1,500	12,000	70,000	0.01	0.07	0.42
RL5/2009	Melba Siding	3	1,500	12,000	70,000	0.00	0.04	0.21
Total		34				0.05	0.41	2.38

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

In addition, CSA Global grouped the transactions, including the outliers, by assumed prospectivity based on the ranked transaction values. The transactions were assigned to high, medium and low prospectivity groups, with the valuation factors for these groups selected by CSA Global summarised in Table 10.

Table 10: Nickel exploration ground valuation factors based on prospectivity

Prospectivity	High	Medium	Low
High factor (A\$/km ²)	100,000	25,000	4,000
Low factor (A\$/km ²)	25,000	4,000	500
Preferred factor (A\$/km ²)	60,000	12,000	2,000

In CSA Global’s professional judgement, EL28/1988 would have a high prospectivity, and EL43/1992 and RL5/2009 would have medium prospectivity.

Applying the prospectivity ratings and the associated valuation factors to the Avebury exploration ground results in the valuation summarised in Table 11.

Table 11: Valuation of MYL exploration tenure based on prospectivity rated comparative transactions

Licence	Name	Area (km ²)	Prospectivity	Factor (A\$/km ²)			Value (A\$ million)		
				Low	Preferred	High	Low	Preferred	High
EL28/1988	Mt Zeehan	25	High	25,000	60,000	100,000	0.63	1.50	2.50
EL43/1992	Melba Flats	6	Medium	4,000	12,000	25,000	0.02	0.07	0.15
RL5/2009	Melba Siding	3	Medium	4,000	12,000	25,000	0.01	0.04	0.08
Total		34					0.66	1.61	2.73

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

3.5 Yardstick Crosscheck

CSA Global used the Yardstick method as an order of magnitude check on the Avebury Mineral Resources valuation completed using comparable transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an “industry-wide” view). It provides a non-corroborative valuation check on the primary comparative transactions’ valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with the preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the spot price for nickel as of 23 February 2022 of A\$34,361.48/t (US\$24,887/t).

In addition, CSA Global utilised the following commonly used Yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price.

The spot price for nickel as of 23 February 2022 used for the Yardstick order of magnitude check was consistent with that used for the evaluation of Comparative Transactions data so that the results could be compared.

Applying these factors to the Avebury Nickel Resource results in the Yardstick order of magnitude crosscheck valuation summarised in Table 12.

Table 12: Yardstick order of magnitude crosscheck

Classification	Contained Ni (t)	Factor (A\$/t Ni)			Value (A\$ million)		
		Low	Preferred	High	Low	Preferred	High
Measured	41,800	2%	3.5%	5%	28.7	50.3	71.8
Indicated	44,100	1%	1.5%	2%	15.2	22.7	30.3
Inferred	165,600	0.5%	0.8%	1%	28.5	42.7	56.9
Total	251,500				72.3	115.7	159.0

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

CSA Global notes that the crosscheck valuation range is of a similar order of magnitude as the primary valuation based on comparative transactions, indicating that the primary valuation range is not unreasonable. This would remain the case if the Measured resources were downgraded to the Indicated level of confidence, with the corresponding crosscheck valuation range being A\$58.0 million to A\$115.9 million, with a preferred value of A\$87.0 million.

3.6 Geoscientific Factor Method

The Geoscientific Factor Method (GFM) valuation method was used as a reasonableness check on the exploration tenure valuations completed using Comparative Transactions.

The GFM requires the consideration of those aspects of a mineral property, which enhance or downgrade the intrinsic value of the property. The first and key aspect of the GFM described by Kilburn (1990) is the derivation of the basic acquisition cost (BAC) that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

The BAC for Tasmanian exploration licences has been estimated using the following data:

- Based on the Government of Tasmania’s mineral tenement database as of 23 February 2022, it is determined that the average age of exploration licences in Tasmania is 6.8 years, and the average size is 82.8 km².
- The application fee for the initial five-year term is 860 fee units, and an extension of term application is 570 fee units. A fee unit in 2022 is A\$1.66.

- Rent for years 1 and 2 is 18.15 fee units per km² per year, with the rent for years 3 to 7 being 36.3 fee units per km² per year.
- Minimum annual expenditure is 200 fee units per km² for year 1, 300 for year 2, 500 for year 3, 700 for year 4, and 1,000 for each subsequent year.
- CSA Global has assumed a cost of A\$10,000 to identify a licence before applying for it, and a further cost of A\$20,000 for landowner notices, negotiations, legal costs, etc.
- CSA Global has also assumed local government rates of A\$2,000 per year.

This results in a BAC of A\$5,617 for Tasmania in February 2022.

Factors indicated in Table A3 (Appendix A) were considered in assessing the Technical Value of the tenements. The ratings for each factor are indicated in Table D1 (Appendix D) on a licence-by-licence basis.

A Market Factor of 30% was applied based on CSA Global’s professional judgement with reference to the valuation factors identified (see Table D1 in Appendix D), to derive a Fair Market Value from the Technical Value. Note the Market Factor is not representative of the current nickel market as the name implies. The 0.3 Market Factor applied to the Geoscientific Valuation method derived average values for the tenement package of approximately A\$30,685/km² for the exploration licence, based on the preferred value, with individual licences ranging from approximately A\$9,500/km² to A\$36,000/km². These values derived are relatively consistent with the market values observed for medium to high prospectivity licences (see Section 3.4.2).

A summary of the secondary valuation method, based on Geoscience Factors, is presented in Table 13.

Table 13: Summary of GFM valuation of exploration ground

Licence	Name	Licence type	Area (km ²)	Value (A\$ million)		
				Low	Preferred	High
EL28/1988	Mt Zeehan	Exploration	25	0.28	0.90	1.52
EL43/1992	Melba Flats	Exploration	6	0.02	0.06	0.09
RL5/2009	Melba Siding	Retention	3	0.05	0.09	0.13
Total			34	0.35	1.04	1.73

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

3.7 Valuation Opinion

CSA Global has valued MYL’s Avebury Nickel Project on the Mineral Resources currently known, and the exploration potential of the exploration tenure, which contains targets prospective for nickel that warrant further exploration.

In CSA Global’s opinion, the Market Value of MYL’s Avebury Mineral Assets (on a 100% basis), as of 23 February 2022, is summarised in Table 14.

Table 14: CSA Global opinion on likely market value of MYL Mineral Assets as of 23 February 2022 (100% basis)

	Ni (t)	Area (km ²)	Value (A\$ million)		
			Low	Preferred	High
Avebury Resource	251,500		50	100	150
Exploration tenure		34	0.4	1	2

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

CSA Global notes that these are opinions represent an opinion as to likely values, not absolute values, which can only be tested by going to the market.

In forming an opinion on the market value of MYL’s Avebury Mineral Resources, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method (Figure 9).

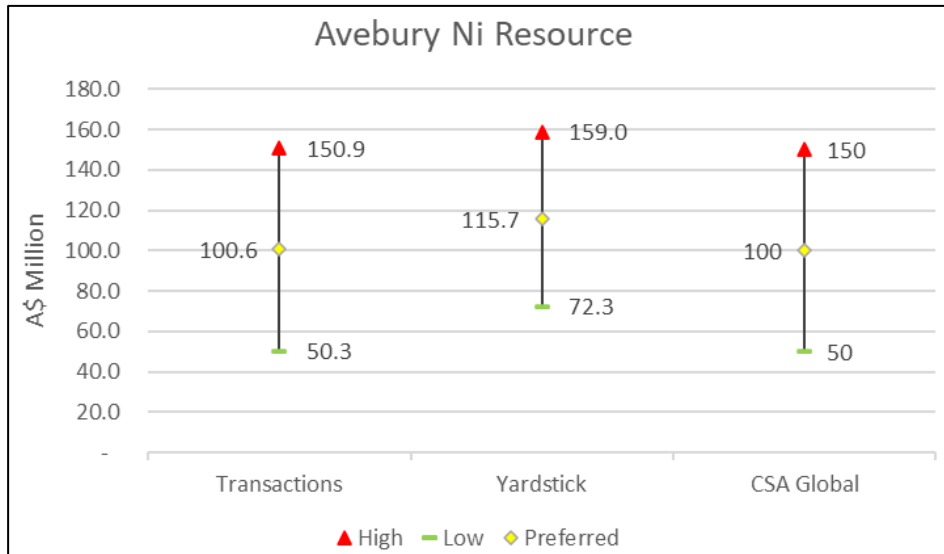


Figure 9: Avebury Nickel Resource value – comparison of valuation techniques

The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method.

Should the Measured resources be downgraded to the Indicated category, it would not affect our primary valuation method, and the effect that it would have on the crosscheck method would not be material enough to affect our valuation opinion, as it would still be of the same order of magnitude as the primary valuation method, and would still significantly overlap the primary valuation range. Therefore it would not affect our valuation opinion, which is based on the primary valuation method.

In forming an opinion on the market value of MYL’s exploration tenure, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and GFM valuation method as a secondary method (Figure 10).

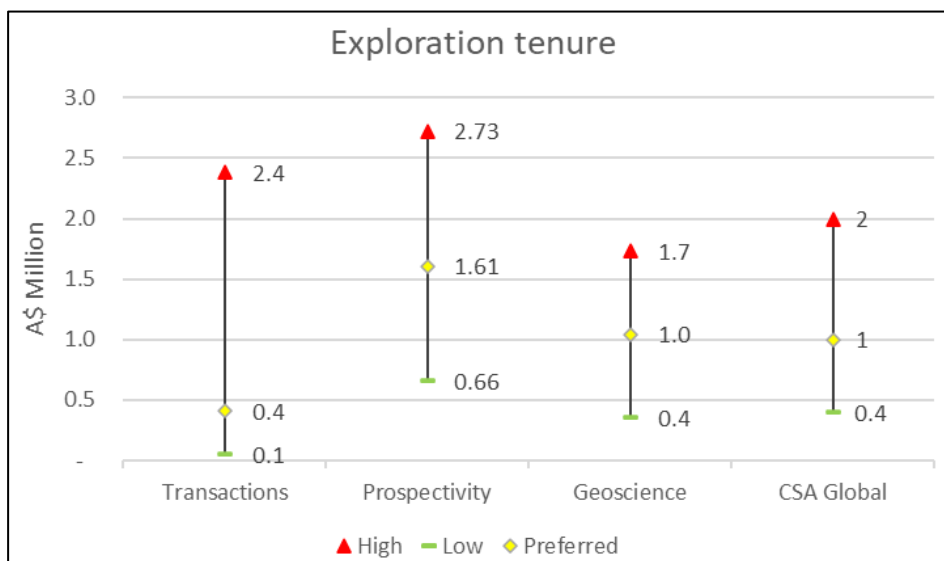


Figure 10: Avebury exploration tenure value – comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transactions to MYL’s exploration tenure. Applying valuation factors based on all comparative transactions resulted in a slightly lower valuation than that derived from applying prospectivity-specific valuation factors. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for indicating



market value, compared to the GFM valuation method. In CSA Global’s opinion, the GFM valuation method corroborates the two Comparative Transactions valuations very well and indicates a reasonable preferred value. The valuation range has been selected to indicate a reasonable range, based on the current exploration stage of these licences.

4 References

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5 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

amphibolite	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
amphibolite facies	The set of metamorphic mineral assemblages (facies) which is typical of regional metamorphism between 450°C and 700°C.
Archaean	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
Batholith	A large, generally discordant plutonic mass that has more than 40 square miles (100 km ²) of surface exposure and no known floor.

6 Abbreviations and Units of Measurement

A\$	Australian dollars
AIG	Australian Institute of Geoscientists
Allegiance	Allegiance Mining Pty Ltd (formerly Allegiance Mining NL)
As	arsenic
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	basic acquisition cost
Co	cobalt
CRA	CRA Exploration
CSA Global	CSA Global Pty Ltd
DOCA	Deed of Company Arrangement
FeO	iron oxide
g/cm ³	grams per cubic centimetre
GFM	Geoscientific Factor Method
ha	hectares
IER	Independent Experts Report
ITSR	Independent Technical Specialist’s Report
km	kilometres
km ²	square kilometres
kt	thousands of tonnes
LME	London Metal Exchange
m	metres
MgO	magnesium oxide
MMG	MMG Limited
Mt	million tonnes
MYL	Mallee Resources Limited
Ni	nickel
ppm	parts per million
RSM	RSM Australia Pty Ltd
SERP	serpentinised ultramafic
S	sulphur
SG	specific gravity
SKSP	skarn serpentinite
t	tonne(s)
US\$	United States dollars
VTEM	versatile time domain electromagnetic (geophysical survey method)
XRF	an analytical chemistry technique

Appendix A Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying strengths and shortcomings. Whilst valuation is a subjective exercise, there are a number of generally accepted methods for ascertaining the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation opinion is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Background

Mineral Assets are defined in the VALMIN Code³ as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as, “The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm’s length.” The accounting criterion for a market valuation is that it is an assessment of “fair value”, which is defined in the accounting standards as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.” The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is “the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most likely value be selected as the most likely figure within a range after considering those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm’s length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to “comparative transactions”. Generally, truly comparative transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for majority of the tenements being valued, there is unlikely to be any “cash equivalent of some other consideration”. Whilst acknowledging these limitations, CSA Global identifies what it considers to be “comparative transactions” (i.e. transactions that are useful to consider) to be used in assessing the values to be attributed to Mineral Assets.

Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

³ *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **“Early-stage Exploration Projects”** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **“Advanced Exploration Projects”** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource (as defined in the JORC⁴ Code) estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **“Pre-Development Projects”** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **“Development Projects”** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **“Production Projects”** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived “market valuation”.

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Income, Market and Cost (Table A1). The Market Value of Development and Production Projects are best assessed using the Market and Income approaches, whereas the Market Value of Exploration Projects are best assessed using the Market and Cost approaches.

Table A1: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Income

Discounted Cash Flow/Net Present Value Method

The Discounted Cash Flow (DCF) valuation method recognises the time value of money, it is most suitable for Development Projects, where detailed studies have been completed to justify input assumptions and Production Projects, where there is actual historical data to justify input assumptions. Less commonly the DCF methodology is applied to Pre-Development Projects.

The DCF valuation method provides a means of relating the magnitude of expected future cash profits to the magnitude of the initial cash investment required to purchase a mineral asset or to develop it for commercial production.

⁴ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

The DCF valuation method determines:

- The net present value (NPV) of a stream of expected future cash revenues and costs
- The internal rate of return (IRR) that the expected cash flows will yield on a given cash investment.

The DCF valuation method is a forward-looking methodology, requiring that forecasts be made of technical and economic conditions which will prevail in the future. All future predictions are inherently uncertain. The level of uncertainty reduces as the quality of the data available to project future rates of production and future costs, increases.

It is important to understand certain fundamental attributes of the mining industry in undertaking a DCF, such as:

- An Ore Reserve and, in some cases, Mineral Resource is the basis of any mineral development.
- Costs are determined by the number of tonnes mined and processed, while revenues are determined by the number of tonnes, pounds or ounces of metal produced. The two are related by the recovered grade of the ore.
- Profit is typically more sensitive to changes in revenue than to changes in costs.
- The commodity price is a principal determinant of revenue but is also the factor with the greatest level of financial risk.

The most significant factors, which must be considered in a DCF valuation of a mineral asset is the reliability of the Mineral Resource and Ore Reserve, particularly with respect to recovered grade, the price at which the product is sold and the risk of not maintaining the projected level of commodity price.

Key inputs into the DCF valuation method for a mineral asset valuation are:

- Life-of-mine planning assumptions.
- Capital cost estimates – can be the initial cost of constructing the project and/or the ongoing cost of sustaining the productive life of the operation.
- Operating cost estimates – costs incurred both on-site in producing the commodity which is shipped from the property, and off site, in the transportation and downstream processing of that commodity into saleable end products.
- Revenue estimates – revenue in the mining context is the product of the following factors:
 - The tonnage of ore mined and processed
 - The grade of the ore
 - The metallurgical recovery
 - The price of the saleable commodity.
- Taxation and royalty payments.
- Discount rate – represents the risk adjusted rate of interest expected to be yielded by an investment in the mineral asset.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where enough reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

Market

Comparative Transaction Method

The Comparative Transactions Method looks at prior transactions for the property and recent arm’s length transactions for comparative properties.

The Comparative Transaction method provides a useful guide where a mineral asset that is generally comparable in location and commodity has in the recent past been the subject of an “arm’s length” transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated in situ resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid vs total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end, CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the landholding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Yardstick

The Rule-of-Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% of the current spot price is used for base metals and platinum group metals, whereas for gold and diamonds a range of 2% to 5% of the current spot price is used, and typically much lower factors are applied for bulk commodities. The method estimates the in situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

Cost

The Appraised Value or Exploration Expenditure method considers the costs and results of historical exploration.

The Appraised Value method is based on the premise that the real value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit (Roscoe, 2002). It utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past relevant and effective expenditure using the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table A2 lists the PEM factors and criteria used in this Report.

Table A2: PEM factors

PEM range	Criteria
0.2 to 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 to 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 to 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 to 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5 to 2.0	Scout drilling (rotary air blast, air-core, reverse circulation percussion) has identified interesting intersections of mineralisation
2.0 to 2.5	Detailed drilling has defined targets with potential economic interest
2.5 to 3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0 to 4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0 to 5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

The Geoscience Factor (or Kilburn) method (GFM), as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources. It seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table A3).

Table A3: Geoscientific Factor ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (rotary air blast/air-core) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early-stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50–60%
2	Several old workings; Significant reverse circulation percussion (RCP) drilling leading to advanced project	Several old workings; Reconnaissance drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced resource definition drilling (early stages)	Several significant sub-economic targets; No indication of “size”	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant workings/mines with significant historical production; Adjacent to known mineralisation at Prefeasibility Study stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant “size”; Early-stage drilling	
4	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at Prefeasibility Study stage	Marginally economic targets of significant “size” advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Marginal economic targets of significant “size” with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

The Geoscience Rating Factor valuation method is a subjective valuation method and different valuation practitioners are likely to derive different on-off-property, anomaly, and geological factors, based on their interpretation and understanding of the project. Different descriptions of the rating factors also exist. However, provided the same rating system of factors and descriptions of their values is used, the results from different practitioners should not be dramatically different.

The Basic Acquisition Cost (BAC) is an important input to the GFM. In essence it is the average cost to acquire and hold an average age tenement in the jurisdiction and it is determined by summing the costs to identify and area of interest, application fees, annual rents and other government costs, work required to facilitate granting (e.g. native title, environmental etc.) and minimum annual statutory expenditures. In other words, the BAC is the total average expenditure per standard unit area (square kilometre, hectare, sub-block, etc.) and captures the identification cost and then the application and retention costs. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn, 1990; Goulevitch and Eupene, 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied

value range from our selected Comparative Transactions to inform the selection of a GFM market factor. Our presumption is that the comparatives are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparatives implied values per unit area. It is CSA Global’s view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is \$100/km² to \$2,000/km², then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer’s judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the Geological Risk Valuation method, as described by Lord et al. (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table A4.

Table A4: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic reverse circulation, diamond drilling)
Stage D	Resource delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a project’s target value. A project’s target value can be based on an expected NPV from a reasonably constrained DCF model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord et al. (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table A5, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table A5: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to mine	0.90

Source: Lord et al. (2001)

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the Valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the “fair market value”.

Table A1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

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Appendix B Nickel Resource Comparative Transactions

Table B1: Summary of comparative nickel resource transactions

Transaction	Date	Project	Stage	Commodity	Ni price	Buyer	Seller	Synopsis	Asset description
Auroch acquisition of Nepean	Nov 2020	Nepean	Advanced Exploration	Ni	21,922	Auroch Minerals Limited, GoldFellas Pty Ltd	Eastern Coolgardie Goldfields Pty Ltd	In November 2020, Auroch announced the acquisition of Nepean, with Auroch acquiring 80% and GoldFellas acquiring 20%. Total consideration was A\$4 million in a combination of cash and shares.	JORC 2004 Inferred Resource of 591,300t at 2.2% Ni.
OZ Minerals acquisition of Cassini	Jun 2020	West Musgrave	Pre-Development	Ni, Cu, Au, Ag, Co, Pd, Pt	18,235	OZ Minerals Limited	Cassini Resources Limited	In June 2020, OZ Minerals announced a bid to acquire all outstanding shares in Cassini for cash and scrip consideration of A\$0.16 per share, with non-core Cassini assets to be spun out into a new listed entity called Caspin.	West Musgrave was in pre-development, with total Reserves and Resources of 550 Mt at a grade of 0.227% Ni, with Cu, Au, Ag, Co, Pd and Pt credits.
Saracen acquisition of Sinclair	Sep 2019	Sinclair	Care and Maintenance	Ni	25,602	Saracen Mineral Holdings Limited	Talisman Mining Limited	In September 2019, Saracen acquired the Sinclair project for A\$10 million in cash and a 2% net smelter return (NSR) royalty for any future metal production from the Sinclair tenements and non-precious metals production from the Saracen-owned Waterloo tenement.	Sinclair had an Indicated and Inferred resource of 720,000 tonnes at 2.3% Ni, extensive infrastructure and plant, and extensive tenure prospective for gold.
Aurochs acquisition of Saints and Leinster	May 2019	Saints, Leinster	Pre-Development	Ni, Cu, Pt	17,461	Auroch Minerals Limited	Minotaur Exploration Limited	In May 2019, Auroch announced the acquisition of the Saints and Leinster projects for A\$1.5 million in cash and shares.	The tenement package covered 121.5 km ² , with Inferred Resources of 1.05 Mt at 2.0% Ni at Saints and 0.6 Mt at 1.39% Ni at Leinster.
Mincor acquisition of Long Complex	May 2019	Long Complex	Operating - Care and Maintenance	Ni	17,243	Mincor Resources NL	Independence Group NL	In May 2019, Mincor announced the acquisition of the Long Complex for an upfront payment of A\$3.5 million in shares, and A\$6 million payable in additional consideration on the achievement of certain production-based milestones.	The Long Operation was in care and maintenance, with an Indicated and Inferred remnant resource of 0.75Mt at 4.2% Ni.

Transaction	Date	Project	Stage	Commodity	Ni price	Buyer	Seller	Synopsis	Asset description
Black Mountain acquisition of Lanfranchi	Sep 2018	Lanfranchi	Operating - Care and Maintenance	Ni, Cu, Co	25,855	Black Mountain Metals LLC	Panoramic Resources Limited	In May 2018, Panoramic announced an agreement to sell Lanfranchi to Black Mountain for a total cash consideration of A\$15.1 million.	Previously operating mine in care and maintenance, with an Indicated and Inferred resource of 5.655 Mt at 1.69% Ni.
Caeneus consolidation of Pardoo	Jun 2018	Pardoo	Advanced Exploration	Ni, Cu, Co	20,458	Caeneus Minerals Limited	Arrow Minerals Limited	In June 2018, Caeneus announced that it had acquired the remaining 20% interest in the Pardoo Project for a total cash payment of A\$200,000.	Pardoo had an Inferred Resource of 44.7 Mt at 0.3% Ni.
Sabre acquisition of Sherlock Bay	Jan 2018	Sherlock Bay	Advanced Exploration	Ni, Cu, Co	17,049	Sabre Resources Limited	Investor group	In January 2018, Sabre announced the acquisition of a 70% interest in the three tenements that comprise the Sherlock Bay Project in exchange for 12 million shares.	The mining licence included in the package had a JORC 2004 Resource of 25.4 Mt at 0.4% Ni.
Estrella acquisition of Carr Boyd	Oct 2017	Carr Boyd	Advanced Exploration	Ni, Cu	15,012	Estrella Resources Limited	Apollo Phoenix Resources Pty Limited	In October 2017, Estrella announced an agreement to acquire the Carr Boyd Nickel Project for a deposit of A\$160,000 and by issuing 42.6 million shares.	The project included a JORC 2004 Resource of 0.618 Mt at 1.4% Ni.

Table B2: Analysis of comparative nickel resource transactions

Transaction	Date	Project	Stage	Commodity	Ni price (A\$/t)	Synopsis	Asset description	A\$/t Ni	Normalised A\$/t Ni	Comment
Auroch acquisition of Nepean	Nov 2020	Nepean	Advanced Exploration	Ni	21,922	In November 2020, Auroch announced the acquisition of Nepean, with Auroch acquiring 80% and GoldFellas acquiring 20%. Total consideration was A\$4 million in a combination of cash and shares.	JORC 2004 Inferred Resource of 591,300 tonnes at 2.2% Ni.	307.49	481.97	Small resource – deal more driven by exploration area.
OZ Minerals acquisition of Cassini	Jun 2020	West Musgrave	Pre-Development	Ni, Cu, Au, Ag, Co, Pd, Pt	18,235	In June 2020, OZ Minerals announced a bid to acquire all outstanding shares in Cassini for cash and scrip consideration of A\$0.16 per share, with non-core Cassini assets to be spun out into a new listed entity called Caspin.	West Musgrave was in pre-development, with total Reserves and Resources of 550 Mt at a grade of 0.227% Ni, with Cu, Au, Ag, Co, Pd and Pt credits.	175.44	330.59	Massive project with current Reserves, in development.
Saracen acquisition of Sinclair	Sep 2019	Sinclair	Care and Maintenance	Ni	25,602	In September 2019, Saracen acquired the Sinclair project for A\$10 million in cash and a 2% NSR royalty for any future metal production from the Sinclair tenements and non-precious metals production from the Saracen-owned Waterloo tenement.	Sinclair had an Indicated and Inferred Resource of 720,000 at 2.3% Ni, extensive infrastructure and plant, and extensive tenure prospective for gold.	603.86	810.47	Includes extensive surface and underground infrastructure, which Saracen plans to use for gold exploration and mining on its neighbouring tenements.
Aurochs acquisition of Saints and Leinster	May 2019	Saints, Leinster	Pre-Development	Ni, Cu, Pt	17,461	In May 2019 Auroch announced the acquisition of the Saints and Leinster projects for A\$1.5 million in cash and shares.	The tenement package covered 121.5 km ² , with Inferred Resources of 1.05 Mt at 2.0% Ni at Saints and 0.6 Mt at 1.39% Ni at Leinster.	51.07	100.50	

Transaction	Date	Project	Stage	Commodity	Ni price (A\$/t)	Synopsis	Asset description	A\$/t Ni	Normalised A\$/t Ni	Comment
Mincor acquisition of Long Complex	May 2019	Long Complex	Operating - Care and Maintenance	Ni	17,243	In May 2019, Mincor announced the acquisition of the Long Complex for an upfront payment of A\$3.5 million in shares, and A\$6 million payable in additional consideration on the achievement of certain production-based milestones.	The Long Operation was in care and maintenance, with an Indicated and Inferred remnant resource of 0.75 Mt at 4.2% Ni.	301.59	600.98	Full operation and infrastructure in care and maintenance.
Black Mountain acquisition of Lanfranchi	Sep 2018	Lanfranchi	Operating - Care and Maintenance	Ni, Cu, Co	25,855	In May 2018, Panoramic announced an agreement to sell Lanfranchi to Black Mountain for a total cash consideration of A\$15.1 million.	Previously operating mine in care and maintenance, with an Indicated and Inferred Resource of 5.655 Mt at 1.69% Ni.	158.19	210.23	Includes associated mining infrastructure in care and maintenance.
Caeneus consolidation of Pardoo	Jun 2018	Pardoo	Advanced Exploration	Ni, Cu, Co	20,458	In June 2018, Caeneus announced that it had acquired the remaining 20% interest in the Pardoo Project for a total cash payment of A\$200,000.	Pardoo had an Inferred Resource of 44.7 Mt at 0.3% Ni.	7.46	12.53	
Sabre acquisition of Sherlock Bay	Jan 2018	Sherlock Bay	Advanced Exploration	Ni, Cu, Co	17,049	In January 2018, Sabre announced the acquisition of a 70% interest in the three tenements that comprise the Sherlock Bay Project in exchange for 12 million shares.	The mining licence included in the package had a JORC 2004 resource of 25.4 Mt at 0.4% Ni.	4.39	8.84	JORC 2004.
Estrella acquisition of Carr Boyd	Oct 2017	Carr Boyd	Advanced Exploration	Ni, Cu	15,012	In October 2017, Estrella announced an agreement to acquire the Carr Boyd nickel project for a deposit of \$160,000 and by issuing 42.6 million shares.	The project included a JORC 2004 Resource of 0.618 Mt at 1.4% Ni.	118.40	271.02	JORC 2004.

Appendix C Nickel Exploration Ground Comparative Transactions

Table C1: Summary and analysis of comparative nickel exploration ground transactions

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Raiden acquisition of Welcome tenements	Sep 2021	Welcome	26801.8443	Raiden Resources Ltd	Welcome Exploration Pty Ltd	In September 2021, Raiden announced the acquisition of an 80% interest in the Welcome tenements for cash consideration of A\$100,000 and share consideration to the value of A\$500,000. Welcome’s 20% equity interest would be free carried until a decision to mine has been announced.	Ten PLs and one EL surrounding Raiden's existing Scholl Ni-Cu-PGE project. Includes numerous significant drill intercepts.	20	37,605	48,212
Australian Nickel acquisition of Golden Ridge nickel rights	Feb 2021	Blair-Golden Ridge	23,745	Australian Nickel Company Limited	Essential Minerals Limited	In February 2021, Australian Nickel agreed to earn a 75% interest in the nickel rights of Blair-Golden Ridge for upfront cash payments totalling A\$525,000 and incurring exploration expenditure of A\$4 million within four years, with a minimum expenditure of A\$750,000 per year.	Approximately 145 km ² of ground holding surrounding the past producing Blair nickel mine, with multiple known nickel prospects.	145	41,609	60,212
Larvotto acquisition of Bedonia West	Feb 2021	Bedonia West	24,021	Larvotto Resources Limited	Ardea Resources Limited	In February 2021, Ardea announced the divestment of the Bedonia West tenements to Larvotto for A\$200,000 in IPO shares in Moneghetti. Ardea would retain a 1.5% NSR, with an option to extinguish the NSR for A\$2,000,000 in cash or shares.	Approximately 580 km ² ground holding.	580	345	493
Moneghetti acquisition of Bedonia East	Feb 2021	Bedonia East	23,745	Moneghetti Minerals Limited	Ardea Resources Limited	In February 2021, Ardea announced the divestment of the Bedonia East tenements to Moneghetti for A\$300,000 in IPO shares in Moneghetti. Ardea would retain a 1.5% NSR, with an option to extinguish the NSR for A\$2,000,000 in cash or shares.	Approximate 300 km ² ground holding on margin of YilgarnCraton and Albany-Fraser Orogen.	300	1,000	1,447

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Mandrake acquisition of Jimperding	Oct 2020	Jimperding	21,934	Mandrake Resources Limited	Andean Energy Resources Pty Ltd	In October 2020, Mandrake announced that it would acquire a 100% interest in the Jimperding project from Andean by issuing 4.5 million shares on execution of the binding agreement, and a further 4.5 million shares upon grant of the licence, which was expected to be within the quarter.	A single EL application covering 140 km ² . Project lies 30 km east of Chalice Julimar discovery.	140	38,571	60,426
Azure acquisition of Andover interest	Jul 2020	Andover	18,855	Azure Minerals Limited	Creasy Group	In July 2020, Azure announced the acquisition of a 60% interest in Andover for consideration of 24 million shares, with Creasy Group to maintain a 40% free carry through to execution of a Mining Venture Agreement.	One granted licence and one application. Drilling confirmed nickel-copper sulphide mineralisation in multiple targets.	70	54,857	99,970
DevEx earn-in to ASQ tenement	Jun 2020	Darling Range	18,532	DevEx Resources Limited	Australian Silica Quartz Group Ltd	In June 2020, DevEx announced an earn-in agreement with ASQ whereby it could earn a 50% interest in all mineral and metal rights, excluding bauxite, within E70/3405 by spending up to \$3 million within three years, with a minimum expenditure of A\$250,000 in the first 12 months.	A single granted EL covering approximately 55 km ² , overlying interpreted Julimar Complex lithologies.	55	9,091	16,856
Lachlan Star option to acquire Koojan Project	Jun 2020	Koojan	18,448	Lachlan Star Limited	Coobaloo Minerals Pty Ltd	In June 2020, Lachlan Star announced that it had entered into a six-month option agreement with Coobaloo, granting it the right to purchase up to 75% interest in the Koojan project. Initial cash consideration was A\$50,000. Subject to Lachlan Star incurring exploration expenditure of A\$60,000 across the project within a six-month period, Lachlan Star will have earned the right to exercise the option to acquire an initial 50% interest by issuing 82.5 million shares and granting the vendors a 1 % NSR royalty. Lachlan Star is entitled to a further 25% interest by spending A\$350,000 (inclusive of initial expenditure) on the Project within 18 months.	Six exploration licences (two granted, four applications) and one prospecting licence application, covering a total contiguous area of approximately 600 km ² . Located 80 km north of the Chalice Julimar discovery, in a similar geological setting.	600	2,292	4,269

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
ScandiVanadium acquisition of Gnama	Jun 2020	Gnama, Pascale	18,430	ScandiVanadium Ltd	Private Investor	In June 2020, ScandiVanadium announced the acquisition of Gnama and Pascale for A\$50,000 in cash and 55,555,555 shares.	61 km ² of tenure prospective for nickel in the Fraser Range, and 57 km ² prospective for gold in the Paterson Province.	118	9,840	18,346
Anson acquisition of Bull Project	May 2020	Bull Project	18,327	Anson Resources Limited	State Exploration Pty Ltd	In May 2020, Anson announced an agreement to acquire State, sole holder of pending exploration licence application E70/5420.	A single EL application covering 56 km ² abutting Chalice’s Julimar tenements.	56	2,679	5,022
Mandrake earn-in to Jimperding	Apr 2020	Jimperding	18,464	Mandrake Resources Limited	Andean Energy Resources Pty Ltd	In April 2020, Mandrake announced Heads of Agreement with Andean whereby could earn a 51% interest in ELA70/5345 for a cash payment of A\$40,000 and expenditure of A\$100,000 (no time limit announced). Mandrake could earn a further 29% by expending a further A\$200,000 on the tenement. Andean is to be free carried through to the commencement of a bankable feasibility study, at which point a Joint Venture will be incorporated. Mandrake is able to withdraw at any time prior to attaining a 51% interest.	A single EL application covering 140 km ² . Project lies 30 km east of Chalice Julimar discovery.	140	1,961	3,649
Great Boulder acquisition of Mt Jewell	Feb 2020	Mt Jewell	19,026	Great Boulder Resources Limited	Individual	Great Boulder announced in February 2020 that it had entered into an option agreement to acquire a 75% interest in the Mt Jewell nickel-sulphide project. The initial option fee is \$10,000 for a 12-month option, during which time GBR has a minimum expenditure requirement of \$20,000. To acquire the 75% interest within the option period, a cash payment of \$100,000 is required, with a further \$100,000 conditional on defining at least an Inferred Mineral Resource of 100,000 tonnes @ 1% Ni.	A single exploration licence covering 9 km ² adjacent to Great Boulder’s Whiteheads project. Includes known high grade nickel sulphide mineralisation from historical drilling.	9	19,259	34,782

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Cassini acquisition of Traka tenements	Dec 2019	Musgrave Project	20,126	Cassini Resources Limited	Traka Resources Limited	In December 2019, Cassini announced the acquisition of exclusive rights to minerals on Traka’s West Musgrave tenement package for \$250,000, with Traka retaining a 2% NSR royalty over the tenement areas.	Two granted exploration licences adjacent to the Succoth deposit and three exploration licence applications prospective for magmatic nickel and copper sulphide mineralisation.	1305.434	192	327
Carnavale acquisition of Kurnalpi	Nov 2019	Kurnalpi	22,726	Carnavale Resources Limited	Mithril Resources Limited	In November 2019, Carnavale announced an agreement to acquire 80% of the Kurnalpi tenement portfolio. Consideration includes a A\$20,000 option fee for a three-year sole right to explore the tenements at its own cost and risk, and a A\$250,000 payment to exercise the option at any time within the three years.	Four exploration licences along strike from Carnavale’s Grey Dam project.	76.51	4,411	6,669
Chalice acquisition of North West Nickel	Jun 2019	Ruins	17,264	Chalice Gold Mines Limited	North West Nickel Pty Ltd	In June 2019, Chalice announced that it would acquire all of the outstanding shares in North West Nickel, owner of the Ruins project, by issuing 7.5 million shares.	Five granted ELs and one ELA covering approximately 600 km ² with multiple known zones of Ruins dolerite outcrop.	600	1,438	2,863
Carnavale expansion at Grey Dam	Jun 2019	Grey Dam	17,784	Carnavale Resources Limited	Not disclosed	In June 2019, Carnavale announced that it had secured an option to acquire an 80% interest in E28/2587 for an option fee of \$10,000. Within the three-year option period, Carnavale can acquire an 80% interest in the tenement for \$80,000.	Single licence (E28/2587) adjacent to Grey Dam.	14.76	7,622	14,727
Independence earn in to Fraser Range	Jun 2019	Fraser Range	17,047	Independence Group NL	Classic Minerals Ltd	In June 2019, Classic announced an earn in and joint venture agreement, whereby IGO could earn a 51% interest in Classic’s Fraser Range project for an initial cash payment of \$300,000 and expenditure of \$1.5 million over two years.	Four contiguous granted ELs covering approximately 82 km ² in the Fraser Range.	82	43,045	86,765

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Aurochs acquisition of Saints and Leinster	May 2019	Saints, Leinster	17,461	Auroch Minerals Limited	Minotaur Exploration Limited	In May 2019, Auroch announced the acquisition of the Saints and Leinster projects for A\$1.4 million in shares and a deferred payment of A\$100,000 in cash.	The tenement package covered 121.5 km ² .	121.5	12,346	24,295
Rox acquisition of Fisher tenements	Jul 2018	Fisher	19,438	Rox Resources Limited	Undisclosed	In July 2018, Rox announced that it had exercised its option to acquire two tenements adjacent to its Fisher East and Mt Fisher projects for A\$600,000 cash.	Two granted exploration licences, one adjacent to Rox’s Fisher East nickel project, and the other adjacent to Rox’s Mt Fisher gold project.	76.4	7,853	13,883
Independence acquisition of Southern Hills	Jul 2018	Southern Hills	19,438	Independence Group NL	Creasy Group	In July 2018, IGO announced a joint venture agreement with the Creasy Group, whereby IGO acquired a 70% interest in the Southern Hills tenement package for \$21 million. IGO will manage and fund all exploration expenditure through to a feasibility study and thereafter standard dilution mechanisms apply. The maximum interest that IGO can earn under the joint venture agreements is 95%.	A large contiguous package of tenements, adjacent to IGO’s Nova mine. It covers the primary gravity ridge west and southwest of Nova.	1100	27,273	48,211
Acacia acquisition of Mt Windarra	Jun 2018	Mt Windarra	20,060	Acacia Coal Limited	Private investors	In Jun 2018, Acacia announced the acquisition of the Windarra tenement for 43.75 million shares.	A single exploration licence covering 16.11 km ² . Includes known nickel sulphide mineralisation from historical drilling.	16.11	2,173	3,721
Golden Peak acquisition of Canegrass	Mar 2018	Canegrass	17,377	Golden Peak Minerals Inc.	Trafalgar Resources Pty Ltd	In March 2018, Golden Peak announced the acquisition of the Canegrass project for C\$25,000 and 3 million shares, with two further deferred annual payments of 1.875 million shares each.	A single exploration licence covering 42 km ² . Includes known nickel sulphide mineralisation from historical drilling.	42	35,283	69,769
Orca acquisition of McKenzie Springs	Feb 2018	McKenzie Springs	17,843	Orca Energy Limited	Cazaly Resources Limited	In February 2018, Orca announced an agreement to acquire the McKenzie Springs tenement for 5 million shares and 10 million options exercisable at A\$0.03 each within three years of issue.	A single exploration licence covering 133.9 km ² .	133.9	879	1,692

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Independence acquisition of Plumridge	Feb 2018	Plumridge	17,282	Independence Group NL	Arrow Minerals Limited	In February 2018, Arrow announced an agreement whereby IGO would acquire a 51% interest in the Plumridge tenements for A\$1.5 million.	Eight exploration licences totalling 2,500 km ² in the Fraser Range province.	2500	1,176	2,339
Cassini acquisition of Yarawindah Brook	Jan 2018	Yarawindah Brook	17,049	Cassini Resources Limited	Souwest Metals Pty Ltd	In January 2018, Cassini announced an agreement to acquire the Yarawindah Brook project for an option fee of A\$50,000 and committing to spend a minimum of A\$250,000 on the project prior to 30 March 2019. On deciding to acquire the 80% interest, a further payment of A\$300,000 in cash or shares would be made.	A single tenement (E70/4883), with massive sulphide mineralisation known from historical drilling.	41.4	18,116	36,513
Sabre acquisition of Sherlock Bay	Jan 2018	Sherlock Bay	17,049	Sabre Resources Limited	Investor group	In January 2018, Sabre announced the acquisition of a 70% interest in the three tenements that comprise the Sherlock Bay project in exchange for 12 million shares.	The project consisted of two exploration licences and one mining lease. The mining lease contained a nickel resource.	189	2,358	4,753
Galileo acquisition of Yardilla	Jan 2018	Yardilla	15,864	Galileo Mining Ltd	Dunstan Holdings Pty Ltd	In January 2018, Galileo agreed to acquire a 67% interest in the Yardilla tenure from Dunstan for \$478,955 in cash and 510,455 shares.	Three contiguous granted licences covering 142.7 km ² in the southern portion of the Fraser Range.	142.7	5,543	12,007
Galileo acquisition of Kitchener	Jan 2018	Kitchener	15,864	Galileo Mining Ltd	Great Southern Nickel Pty Ltd	In January 2018, Galileo agreed to acquire a 67% interest in the Kitchener tenure from GSN for \$870,000.	A granted exploration licence (E28/2064) covering 584.7 km ² in the Fraser Range.	584.7	2,221	4,810
Independence earn-in to Rumble projects	Oct 2017	Big Red, Thunderdome, Thunderstorm	13,172	Independence Group NL	Rumble Resources Ltd	In October 2017, Rumble announced an agreement whereby IGO could earn a 70% interest in Rumble’s Fraser Range tenements for \$85,000 in cash and \$1.5 million exploration expenditure over three years.	Five exploration licences in three separate areas of the Fraser Range. Total area of approximately 531 km ² .	531	4,263	11,122

Transaction	Date	Project	Ni price	Buyer	Seller	Synopsis	Asset description	Area	\$/km ²	Normalised
Legend consolidation of Fraser Range	Feb 2017	Fraser Range	14,066	Legend Mining Limited	Musgrave Minerals Limited	In February 2017, Legend announced the acquisition of 100% interest in two tenements from Musgrave for 10 million Legend shares and 10 million unlisted options at an exercise price of \$0.04 each, exercisable by 30 March 2021.	Two granted exploration licences (E28/2404 and E28/2405) covering 238.5 km ² in the Fraser Zone.	238.5	545	1,332

Green highlighted transactions excluded as low outliers. Orange highlighted transactions excluded as high outliers.



Appendix D Geoscientific Factor Method Valuation

Table D1: Geoscientific Factor Method ratings and valuation

Licence	Name	Type	Area (km ²)	BAC (A\$/km ²)	Off property		On property		Anomaly		Geology		Market factor	Valuation (A\$)		
					Low	High	Low	High	Low	High	Low	High		Low	Preferred	High
EL28/1988	Mt Zeehan	Exploration	25	5617	2	3	1.5	2	1.5	2	1.5	3	0.3	284,361	900,475	1,516,590
EL43/1992	Melba Flats	Exploration	6	5617	1.5	2	1	1.5	1	1.5	1.5	2	0.3	22,749	56,872	90,995
RL5/2009	Melba Siding	Retention	3	5617	1.5	2	2	2.5	2	2.5	1.5	2	0.3	45,498	85,940	126,383
Total			34											352,607	1,043,288	1,733,968



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E. INDEPENDENT TECHNICAL SPECIALIST'S REPORT – GRAYS

VALUATION

Valuation Number	V71885
Matter Name	Allegiance Mining Pty Ltd
Asset Class	Mining Plant & Equipment
Inspection Address	Avebury Mine Site, Trial Harbour Rd, Zeehan, Tasmania
Inspection Date	31 January 2022
Valuation Date	23 February 2022
Basis of Value	Market Value in Continued Use



Instructing Client
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NT

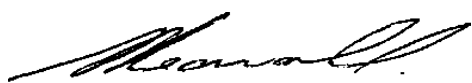
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Executive Summary

Our Reference	V71885
Matter Name	Allegiance Mining Pty Ltd
Intended User	Nadine Marke RSM Corporate Australia Level 32, Exchange Tower 2 The Esplanade Perth WA 6000
Intended Use	Business Acquisition
Asset Description	Mineral Mining and Processing
Inspection Address	Avebury Mine Site, Trial Harbour Rd, Zeehan, Tasmania
Inspection Date	31 January 2022
Valuation Date	23 February 2022
Basis of Value	Market Value in Continued Use \$20,638,610 AUD (excl. GST)
Report Date	18 March 2022
Prepared by	Scott Bednall Business Development Manager/Valuer Stephen Strelitz Third Party Consultant



Scott Bednall
Business Development Manager/Valuer
AVAA, Certified Practising Valuer



Rod Wilson
National Head of Valuations
AAPI, Certified Practising Valuer (P&M)
ASA, Accredited Senior Appraiser (M&TS)

Our Reference: V71885

18 March 2022

Nadine Marke
RSM Corporate Australia
Level 32, Exchange Tower
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Perth WA 6000

Email: nadine.marke@rsm.com.au

Dear Nadine

Allegiance Mining Pty Ltd
("The Company")
Avebury Mine Site, Trial Harbour Rd, Zeehan, Tasmania

We thank you for your instructions to value the subject assets. Our detailed report and valuation follows.

The assessed values stated are subject to the matters set out in the letter and the limiting conditions outlined within the body of this report.

Client Instruction	In accordance with the letter of engagement signed 7 March 2022, we have been asked to prepare an inventory and valuation of the subject assets on the basis of Market Value in Continued Use. We draw your attention to the definition of this methodology in Annexure A.
Purpose & Intended Use	<p>This report has been prepared under instructions from Nadine Marke of RSM Corporate Australia on behalf of Mallee Resources Limited in order to determine the value of assets for a potential business acquisition.</p> <p>This valuation should not be used for any other purpose. If it is used for any other purpose, then Grays will need to be contacted and the values and comments in this report may need to be revised to reflect the amended purpose.</p>
Scope of Work	As per the letter of engagement signed 7 March 2022, Grays will undertake a review of all previous data collected during our original on-site inspection in January 2022, of Mineral Mining and Processing Equipment located at the Avebury Mine Site, Trial Harbour Rd, Zeehan, Tasmania. Grays will prepare a formal valuation report as at the requested valuation date.
Currency & GST	All values stated within this report are in Australian Dollars (AUD) and Exclusive of Goods and Services Tax ('GST').

Foreign Exchange Rates
 1 AUD - 0.71251 USD
 1 AUD - 0.62785 EURO
 *Oanda.com
 As at (14 February 2022)

Effective Date of Valuation
 23 February 2022

The values detailed herein are current as at the Effective Date of Valuation only. Changes in foreign exchange rates, economic conditions or market forces may have the effect of significantly and unexpectedly changing the values which have been assessed, over a relatively short period of time (which may require the valuation to be revised). No liability is accepted by Grays in respect of any loss or damage which may arise from any change in values caused by such circumstances.

Without limiting the generality of the above provision, no responsibility or liability is accepted by Grays in circumstances where this Valuation or any part of it is relied upon after the expiry of 60 Days, from the effective date of this report. *(Please see Other Special Commentary)*

Highest and Best Use
 The highest and best use of an asset is defined as "The most probable and legal use of a personal property which is physically possible, appropriately supported and financially feasible and results in the highest achievable value in the appropriate marketplace. The appropriate marketplace must be consistent with the concept of value". We have considered the subject assets from their highest and best use perspective unless otherwise stated.

Valuation Approach
 In assessing the value of the assets at their highest and best use we have considered the three industry accepted approaches to value being the Income Approach, Cost Approach and Market Approach which are defined as follows;

a) Income Approach – (Cash Flow Analysis Method)

This approach considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalisation of a specific level of income. The appraiser determines the present value of the future economic benefits of owning the property.
(American Society of Appraisers)

b) Cost Approach – (Depreciated Replacement Cost Method)

The Cost Approach is based on the principle of substitution; a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility. The appraiser starts with the current replacement cost new of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence.
(American Society of Appraisers)

c) Market Approach – (Sales Analysis Method)

The Sales Comparison Approach is used to indicate value by analysing recent sales (or offering prices) of property that is similar (i.e. comparable) to the subject property. If a comparable is not exactly like the properties being appraised, the selling price of the comparable is adjusted to equate it to the characteristics of the property being appraised.

(American Society of Appraisers)

We have applied both Cost and Market Approach methods for this valuation.

- All measurements stated are approximate.
- NCV= No Commercial Value.

Extraordinary Assumptions

At the time of inspection the plant had been placed into care and maintenance with key production personnel no longer on site. We assumed that the plant will operate at its designed capacity.

Hypothetical Conditions

There are no hypothetical conditions applicable to this report.

Costs of Sale

We have made no deduction from the valuation for either the cost of removal, disposal or tax liability that may arise from the sale of the assets.

Property Interest- Encumbered Assets

Unless otherwise stated, the subject assets have been valued on the assumption they are wholly owned and free of all encumbrances. Specifically, we have not attempted to identify the assets in this report on the national PPSR register. We recommend that you make enquiries to determine whether in fact this is the case.

Excluded Assets

The following have been excluded from this valuation report:

- Items not identified clearly within the Scope of Work;
- Personal or third party owned belongings;
- Assets stored off site that we were not made aware of;
- Goodwill, Domain names and all other forms of intellectual property including licenced application software;
- Land and Real Property; and
- Assets categorised as building fixtures. In undertaking our work, we have only listed and valued separable assets of plant and equipment. Assets typically categorised as building fixtures include; fixed walls, cabinetry and partitioning, signage, lighting, floor coverings, doors, electrical cabling and wiring.

Pecuniary Interest and Fee

Grays and its personnel have no present or prospective financial or personal interest in the assets that are the subject of this report and no financial or personal interest with respect to the parties or business entities involved. The engagement of this valuation assignment and the applicable fee are not contingent upon developing or reporting predetermined results.

Assets Valued on Sight Unseen Basis

In some instances, valuation estimates may have been ascribed to assets in this report on a "Sight Unseen" basis due to an inability to sight assets, or other limiting factors. Please note that valuation estimates ascribed to assets in this report on a 'Sight Unseen' basis should be considered indicative only. Grays accepts no liability for reliance placed on assets valued on this basis.

Special Commentary

Introduction:

In accordance with the email instructions received on 17 January 2022 we confirm Grays representatives attended the Avebury Nickel Mine in Western Tasmania on Monday, Tuesday, Wednesday and Thursday the 31st January, the 1st, 2nd, 3rd and 4th of February 2022. The two Grays representatives were Mr Stephen Strelitz and Mr Scott Bednall.

The purpose of the site visit was to prepare a Valuation of the plant and equipment on the following basis;

- Market Value in Continued Use Value

All values in this report are GST exclusive.

To avoid any doubt the Avebury Nickel Mine is not currently in production and cannot resume that status without further remediation expenditure and testing of all processes. Technically the mine is not a Going Concern as such but awaits that prospect to be deemed 'in continued use'. The chosen basis of value in this report, "Market Value in Continued Use" assumes that the production of Nickel Concentrate at the mine will recommence.

Grays have relied on information provided by others including Avebury Mine staff regarding the prospect of future production.

Location

The Avebury Nickel Mine is located on the west coast of Tasmania approximately one hour and fifty minutes south west of Burnie, a major port facility and eight kilometres east of the township of Zeehan, a historic and longstanding centre of mining on the west coast. The mine is approximately 10 kilometres west of Trial Harbour on the coast. Access is predominantly sealed bitumen road. Other mines located nearby include Hellyer, Mt Lyall, Rosebery, Renison and others. These mines are all serviced and supplied by major transport operations, mostly out of Burnie.

Brief History of Avebury Nickel Mine

Avebury Mine is a Nickel (Ni) Sulphide deposit.

The advised designed capacity of the processing plant is 950,000 tons per annum. The advised resource and reserves are as follows;

- Measured - 3.1 million tons @ 1.00 %
- Indicated - 3.7 million tons @ 1.03 %
- Inferred - 10.7 million tons @1.04 %

Total potential tonnage of 17.5 million tons.

The deposit was first discovered by Allegiance Mining NL in 1997. An underground decline was developed in 2006 and the processing plant was built in 2007/2008. Allegiance was taken over by Zinafex Australia Ltd in early 2008. The first Nickel concentrates were produced in July 2008. Zinafex became part of OZ Minerals Ltd in mid 2008 and then part of the Minerals and Metal Group (MMG).

Mining and production of Nickel concentrates ceased in early 2009 and the whole operation was placed on a care and maintenance program. MMG sold Avebury to QCG Resources in 2014. The Avebury Mine and associated processing plant was then purchased by Dundas Mining Pty Ltd (Receivers and Managers Appointed) in 2017 for \$25 million AUD and has remained on a care and maintenance program since then.

Life of Mine

The life of mine projection is a key input that potentially limits the life and therefore the market value of certain assets. Where appropriate asset lives have been limited by the life of mine estimate adopted in our Valuation Report.

Based on the designed tonnage capacity of the plant and the determined resource the life of mine in 2006 / 2007 was approximately 20 years - it is reasonable to assume that the approximate life of mine still pertains due to the lack of any production and diminution of resource since 2009.

The Rise and Fall of Nickel (Ni)

Over the fourteen year period since the Avebury Mine was established the price of Nickel as quoted on the London Metal Exchange (LME) has like many metals been a story of highs and lows. In July 2008 the quoted price was \$20,160 US per tonne. Less than one year later in March 2009 the price was \$9,696 US per tonne. The price since then has experienced a number of rises and falls but since September 2020 has generally continued to rise - the price as at February 2022 on the LME is \$23,000 US per tonne.

Excluded Assets (not valued)

The following assets are outside our area of expertise or were excluded from the client scope of work and have not been valued;

- Roads
- All buildings, hardstand and concrete pads
- Hire equipment
- Resource drilling
- Establishment of the decline
- Mining Leases & Mineral Deposits
- Work in Progress, Inventory Stock
- All plans, Surveys & Engineering Designs
- All electrical to site (MCC's have been valued with relevant section)
- Grid power supply
- All pipework to site
- Perimeter fencing
- Earthworks and general civil works
- Vent shaft construction
- Development applications
- Approval applications

- Consultants fees
- All environmental studies

Buildings and Sheds

We have briefly listed the fixed administration building and all the relocatable sheds on the site - these are located in Section 7 of the report - for the absence of doubt these have not been valued. All these buildings sit on considerable concrete pads, some with very complex arrangements.

Information Sources

We have researched our information from a variety of sources including;

- Internet websites
- Mining Equipment dealers
- Mining Equipment manufacturers

The staff at Avebury have also supplied us with the initial 2007/2008 depreciation schedules and asset registers which have been referenced as part of this assignment.

At the completion of our site visit we attempted to locate more detailed information (and suppliers) at the mine for the major components of the plant, unfortunately we were advised that a lot of this important information had been destroyed by previous management.

Valuation Methodology

The Avebury Nickel processing plant was built in 2007 and only processed ore for approximately 1 year before ceasing production in early 2009 - the mine was then placed on a care and maintenance program which is currently still in place.

This has created a unique scenario whereby the plant was built new in 2007, only processed ore for 1 year (2008) and finally closed in 2009. Therefore, although the equipment in todays terms reads as being 12 years old, the entire plants "actual working life" is approximately 1 year.

All mining processing plants require high levels of constant maintenance in order for the equipment to run in optimal working condition. We must note that during the course of our inspection a lot of equipment appeared to require maintenance, it would appear the current care and maintenance program has not been as effective as planned.

In making our assessment of values for this report we have utilised the Market Approach as well as the Cost Approach.

The Market Approach was used for assets where we could find sufficient information regarding comparable sales. In this context market value is determined by comparing recent sales of same (or similar) assets and adjusting the value based on factors such as age, build specification, condition and type of sale. In the market comparison approach physical, functional and some form of economic obsolescence are reflected and measured by the market. To consider the assets under the premise of continued use direct costs for such factors as installation and freight have been added as appropriate.

Due to the unique scenario with the majority of the processing plant where the actual age of the equipment differs from the 'actual work life' of the asset we have utilised depreciated replacement cost methodology.

Depreciation is a tool used to measure the impact of various forms of obsolescence on value and the rate of depreciation is based on the total and remaining effective work life and residual value (if any) of the asset at the end of its working life.

Although the processing plant only ran for 1 year all the equipment has been sitting idle for now 12 years, with what appears to be limited care and maintenance. This important factor along with the fact the plant is located in a hostile environment just 10 kilometres from the ocean has led us to attribute an 'Effective Age' for the originally new equipment of approximately 6 years, half the actual age of the plant and equipment.

We have conferred with third party mining equipment engineers and installation companies to gauge current market conditions and saleability of the equipment. Due to the working environment and remoteness of the location, the unknown level of care and maintenance and unknown costs to make operational, the general opinion is the equipment would reduce in value at an accelerated rate. For these reasons we have applied a reducing balance methodology, applied over the typical useful life of the equipment.

Other Special Commentary

COVID 19 Corona Virus

On 11 March 2020 the World Health Organisation stated that the Novel Corona Virus Covid-19 is a "Global Pandemic". This unfortunate situation has had a significant impact on both international and local manufacturing, professional sporting events, the hospitality and travel industries, café, restaurant and retail sectors. Exported goods and transport logistics of imports have also been impacted by increased quarantine measures and extended clearance timelines. Our values have been ascribed based on available historic and current sales data and current market conditions utilising accepted valuation methodology. We cannot determine how the Corona Virus Covid-19 will impact values post the Effective Date of Valuation and recommend further discussion and confirmation of values with the valuer should there be a concern.

General Limiting Conditions

In addition to the above, please note the following:

- The values ascribed at Market Value in Continued Use, relate only to the total value of the assets and not to the individual values of separable items.
- The valuation is based on the assumption that the assets are, or are capable of, being utilised as assets of a profitable undertaking at the date of the valuation. No allowances have been or could be allowed for future market or global economic changes.

- Our valuation is prepared on the basis that a full disclosure of all information and facts which may affect the valuation has been made to us. Grays does not accept any liability or responsibility whatsoever for this valuation unless full disclosure has been made. Accordingly, in all cases we recommend that you should conduct your own investigation and analysis.
- The letter and the enclosed valuation have been prepared solely for the purpose of information and analysis by you the Intended User, for your Intended Use as recipient only. Therefore, without any prior written consent, the enclosed valuation or report may not be reproduced, transmitted, included in any document circular or statement or otherwise made available to any person.
- The original signed and certified copy of this report should be considered as the only reliable source of information. Soft or electronically transmitted copies may be subject to manipulation outside the control of Grays.
- Grays reserves the right to recall any copies of this report to amend any omission or error.
- Neither the valuer nor Grays purports to be a technical expert on any asset included in this report and our expertise is confined to the valuation practice.
- Any reference to physical condition of assets as detailed in this report is based on a visual inspection undertaken by the valuer. Unless otherwise stated no mechanical or technical tests have been carried out or relied upon. Values are attributed to assets in this report on the assumption that they are fully operational, free of defects of any nature and comply with all relevant statutory rules and regulations.
- The valuation is given in good faith and has been prepared from sources believed to be reliable at the time. However, subject to qualifications gained in legislation (if any).
- No warranty whatsoever is given in relation to the valuation.
- Grays expressly disclaims all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation, notwithstanding any act or omission, representation, negligence, default or lack of care by any person.

Limit of Liability

Our liability for any loss or damages incurred by you directly arising from the valuation services is limited to the fee amount paid by you for the valuation services provided. In no event will Grays or its officers, directors, employees, affiliates or representatives be liable for indirect, incidental, special or consequential loss whatsoever, including without limitation damages for loss of use, loss of profits, interruption of business, loss of good will, or other pecuniary loss howsoever caused.

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Should you require any further assistance in relation to this matter, please do not hesitate to contact the State BDM or the valuer.

Yours faithfully,
Grays eCommerce Group Limited

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Valuation Summary

	Market Value in Continued Use \$ (AUD)
SECTION 1	
<i>Mineral Processing Plant and Equipment</i>	
1A - Crushing	\$5,256,200
1B - Grinding	\$5,228,245
1C - Flotation	\$2,569,825
1D - Re grind	\$752,725
1E - Thickener / Tails	\$1,378,595
1F - Concentrate	\$2,057,500
1G - Reagents	\$197,250
1H - Water	\$112,700
SECTION 2	
<i>Workshop Plant and Equipment</i>	\$670,170
SECTION 3	
<i>Underground Services</i>	\$818,500
SECTION 4	
<i>Mobile Equipment and Motor Vehicles</i>	\$995,000
SECTION 5	
<i>Office and Laboratory Furniture and Equipment</i>	\$260,900
SECTION 6	
<i>Consumable Stock</i>	\$341,000
SECTION 7	
<i>All Buildings and Sheds (Excluded)</i>	-
SECTION 8	
<i>Third Party Assets (Excluded)</i>	-
Grand Total	\$20,638,610

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1A	1A-1	TAS	Crushing	1	Fabricated Steel Room Bin (100-BN-101)	2007				Heavy duty steel construction Fitted with heavy duty grizzly Live Capacity: 90T Approx. 6000mm x 4000mm x 4500mm Bottom angled directional feed chute	\$5,256,200
1A	1A-2	TAS	Crushing	1	Jost Vibratory Feeder (100-FD-101)	2007		SRG	1381 (CR101)	1220mm x 6100mm With primary crusher feed chute (100 CH 102)	
1A	1A-3	TAS	Crushing	1	Nordberg Single Toggle Jaw Crusher	2007		C110	34982	Weight: 29500kg Powered by 132kW Toshiba motor Push button controller 44" x 34"	
1A	1A-4	TAS	Crushing	1	Belt Conveyor (100-CV-101)					E-Stop Length: 86.2m Belt Width: 1200mm Powered by 75kW Teco motor Built on heavy duty steel frame Elevating to Mag belt With PVC black covers Side stairs With stainless steel controller box	
1A	1A-5	TAS	Crushing	1	Eriez Magnet			SE780	6860kg	Powered by 5.5kW Teco 3 phase motor With separate control cabinet With stainless steel controller box (100-CV-104)	
1A	1A-6	TAS	Crushing	1	Transfer Conveyor (100-CV-102)					Length: 19.3m Width: 1200mm Powered by 22kW Teco motor With reducer With mid belt metal detector With faulty controller Thru to diverter gate With pneumatic rams	
1A	1A-7	TAS	Crushing	1	Belt Conveyor (100-CV-103)	2007				Length: 84.3m (26m Lift) Belt Width: 1200mm Powered by 132kW Teco motor With Rossi reducer Mid point tensioner Thru to diverter chute (Top Level) Bolted to steel frame	
1A	1A-8	TAS	Crushing	1	Jost Vibratory Sizing Screen (100-SN-101)	2007		SRZ	1384	2450mm x 7320mm Thru to 2007 Upper Discharge Schute Weight: 3809kg (Schuter) With twin diversions to secondary & tertiary cones	
1A	1A-9	TAS	Crushing	1	Jost Vibratory Feeder (100-FD-102)	2007		FUF1000/300	1382	1000mm x 3500mm Powered by 3.0kW electric motor	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1A	1A-10	TAS	Crushing	1	Jost Vibratory Feeder (100-FD-103)	2007		FUF1000/300	1383	1000mm x 3500mm Powered by 3.0kW electric motor	
1A	1A-11	TAS	Crushing	1	Metso Nordberg Cone Crusher (100-JB-007)	2007		HP300	30311062	Powered by 220kW Toshiba motor All mounted on heavy duty steel skid With 2007 Metso Hydraulics Model: HP300 Hydroset Serial Number: PRM10887-3)	
1A	1A-12	TAS	Crushing	1	Metso Nordberg Cone Crusher (100-JB-006)	2007		HP300	30311061	Powered by 220kW Toshiba motor All mounted on heavy duty steel skid With 2007 Metso Hydraulics (under cone - ground level) Model: HP300 Hydroset Serial Number: PRM10887-4 Serial Number: PRM10887-3	
1A	1A-13	TAS	Crushing	1	Allowance for Critical Spares					For Jaw Crusher 2 Cone Crushers	
1A	1A-14	TAS	Crushing	1	Fabricated Steel Fine Ore Bin (100-BN-104)					Capacity: 1700 Tons Dia. Approx. 10.0m Height Approx. 12.0m Mounted on heavy duty concrete plynth With inbuilt secondary & tertiary surge bins Twin bottom feed discharge schutes Also with weightometre flow control	
1A	1A-15	TAS	Crushing	1	Crusher Area MCC					Housed in elevated transportable building Approx. 12.0m x 3.0m Access stairway 415V Rated Amps - 2500A Arrangement - 8 Tiers Front & Rear	
1A	1A-16	TAS	Crushing	1	(As New) Coral Dust Suppression/Extraction System)					New in delivery notes Arrived on site November 2021	
Section 1A - Total											\$5,256,200

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1B	1B-1	TAS	Grinding	1	Elevating Belt Conveyor (200-CV-201)	2007				Length: 27.5m Belt: 900mm Galvanised cover over belt Powered by 11kW WEG motor With reducer E-Stop Mounted on galvanised adjustable frame with walkway	\$5,228,245
1B	1B-2	TAS	Grinding	1	Elevating Belt Conveyor (200-CV-202)	2007				Length: 27.5m Belt: 900mm Galvanised cover over belt Powered by 11kW WEG motor With reducer E-Stop Mounted on galvanised adjustable frame with walkway	
1B	1B-3	TAS	Grinding	1	Emergency Fines Conveyor (200-CV-203)	2007				Length: 14.0m Width: 900mm Galvanised steel cover Powered by 11kW WEG Electric Motor With heavy duty feeder bin Built on heavy duty frame with ladder	
1B	1B-4	TAS	Grinding	1	Main Infeed Conveyor (200-CV-2004)	2007				Length: 122m (13.4m rise) Width: 600mm Powered by 15kW Teco Electric Motor With Rossi reducer On adjustable steel stand (ends main process building) With Thermo Detector Model: 10-17 R3707-1017	
1B	1B-5	TAS	Grinding	1	Mill Feed Belt Conveyor (200-CV-2005)	2007				Length: 12.2m Width: 600mm Powered by 5.5kW Electric Motor With Rossi reducer E-Stop With stainless steel controller box	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1B	1B-6	TAS	Grinding	1	Outotec Ball Mill (200-ML-201)	2007			0622BM	Dia. 5000mm Length: 7300mm Contract Number: 1654-C671-001 Drawing: 10308330 Powered by 2007 Teco 3 phase induction motor Type: AEDT-WT001 Frame: D800C 3100kW 11000V Weight: 23700kg Serial Number: E074005-1 With mobile intake bin Bolted steel frame With associated cooling fans	
1B	1B-7	TAS	Grinding	1	Allowance for Critical Ball Mill Spares						
1B	1B-8	TAS	Grinding	1	Warman Split Case 10/8 Water Pump (200-PP-201)				SY75494	Ball Mill Cyclone Pump Type: AH Note: No motor Mounted on concrete plynth With stainless steel control box	
1B	1B-9	TAS	Grinding	1	Warman Split Case 10/8 Water Pump (200-PP-202)				SY75493	Ball Mill Cyclone Pump Type: AH Powered by 150kW Teco Electric Motor Mounted on concrete plynth With stainless steel control box	
1B	1B-10	TAS	Grinding	1	Warman Sump Pump (200-PS-201)				SY75545	Ball Mill Area Sump Pump Type: GPS Size: 65 Powered by 150kW Teco Electric Motor Mounted on steel frame Stainless steel control box	
1B	1B-11	TAS	Grinding	1	Krebs Bank of 3 Cyclones (200-CY-201)			GMAX20-G098059A	G098060A	Capacity for 4 cyclones Built in heavy duty steel frame Top mount walkway With Qty water actuators	
1B	1B-12	TAS	Grinding	1	Flash Flotation Cell (200-FF-201)	2207				Bolted steel frame Approx. 3000mm x 2000mm Underbody splitter box	
1B	1B-13	TAS	Grinding	1	Outokumpu Flotation Cell	2007		SK40/P461FO			
1B	1B-14	TAS	Grinding	1	Jost Vibratory Screen (200-SN-201)					No plate Table size: 1200mm x 530mm With surge hopper feed Outboard 3 phase motor With stainless steel control box	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1B	1B-15	TAS	Grinding	2	Warman 45/30 Split Case Water Pump (200-PP-204)					1 Pumo (No. 2 US) Powered by 5.5kW Electric Motor On concrete plynth	
1B	1B-16	TAS	Grinding	1	Cluster of 3 Flash Cyclones (200-SV-126) (200-SV-127) (200-SV-128)					Mounted in rubber lined tank Type: 04032CVX Approx. inner 100mm Diam. 780mm	
1B	1B-17	TAS	Grinding	1	Process Shed MCC					Housed in elevated transportable building Voltage 415 Rated Amps: 5000 Arrangement - 17 Tiers Front & Rear	
Section 1B - Total											\$5,228,245

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1C	1C-1	TAS	Flotation	1	Jost Vibratory Screen (300-SN-301)	2007		Illegible	Illegible	Approx. size 1530mm x 3660mm Note: Balance motors removed and advise are unserviceable	\$2,569,825
1C	1C-2	TAS	Flotation	1	Flotation Conditioner Mild Steel Tank & Agitator (300-SN-302)			LQ400	K07123202A01	Tank size: 13.1 cubic meters With Lightnin Agitator Powered by 4.0kW Teco Motor	
1C	1C-3	TAS	Flotation	1	Flotation Conditioner Mild Steel Tank & Agitator (300-SN-301)			LQ400	K07123202A02	Tank size: 13.1 cubic meters With Lightnin Agitator Powered by 4.0kW Teco Motor	
1C	1C-4	TAS	Flotation	1	Dorr Oliver Rougher Flotation Cell (300-FC-301)	2007		Not Stamped	06437-1	Powered by Teco 75kW Electric Motor Dia. 4710mm Height: 4000mm Capacity of rubber lined steel tank: 50m ³ Rougher No. 1 With overflow diversion tank/concentrate distribution box	
1C	1C-5	TAS	Flotation	1	Dorr Oliver Rougher Flotation Cell (300-FC-302)	2007		Not Stamped	06437-2	Powered by Teco 75kW Electric Motor Dia. 4710mm Height: 4000mm Tank Capacity: 50m ³ Rubber lined With overflow diversion tank/concentrate distribution box	
1C	1C-6	TAS	Flotation	1	Dorr Oliver Rougher Flotation Cell (300-FC-303)	2007		Not Stamped	06437-3	Powered by Teco 75kW Electric Motor Dia. 4710mm Height: 4000mm Rubber lined steel tank capacity: 50m ³ With overflow diversion tank/concentrate distribution box	
1C	1C-7	TAS	Flotation	1	Dorr Oliver Rougher Flotation Cell (300-FC-304)	2007		Not Stamped	06437-4	Powered by Teco 75kW Electric Motor Dia. 4710mm Height: 4000mm Rubber lined steel tank capacity: 50m ³ With overflow diversion tank/concentrate distribution box	
1C	1C-8	TAS	Flotation	1	Dorr Oliver Rougher Flotation Cell (300-FC-305)	2007		Not Stamped	06437-5	Powered by Teco 75kW Electric Motor Dia. 4710mm Height: 4000mm Rubber lined steel tank capacity: 50m ³ With overflow diversion tank/concentrate distribution box	
1C	1C-9	TAS	Flotation	1	Warman Rougher Con Sump Pump (300-PF-301)				SY75503	Size: 65mm Powered by 7.5kW WEG Electric Motor Type: GBS	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1C	1C-10	TAS	Flotation	1	Warman Scavenger Sump Pump (300-PF-302)				SY75504	Size: 65mm Powered by 7.5kW WEG Electric Motor Type: GBS	
1C	1C-11	TAS	Flotation	1	Warman Scavenger Sump Pump (300-PS-301)				SY75511	Powered by 5.5kW Electric Motor Type: GBS	
1C	1C-12	TAS	Flotation	1	Haywards Cleaner Conditioning Mild Steel Tank (300-TK-303)	2007				Elevated off ground Rubber lined tank - 7.54m ³ Diam. 2000mm Height: 2400mm	
1C	1C-13	TAS	Flotation	1	Bank of 2 Dorr Oliver Cleaner Flotation Cell (300-FC-307) (300-FC-308)	2007			06439-1	Powered by 15kW Teco Electric Motor Combined steel tank capacity: 17.0m ³ Rubber lined Qty air operated chart valves Overall size: 4600 x 5000 x 2000mm	
1C	1C-14	TAS	Flotation	1	Bank of 2 Dorr Oliver Cleaner Flotation Cell (300-FC-309) (300-FC-310)	2007			06439-2	Powered by 15kW Teco Electric Motor Combined steel tank capacity: 17.0m ³ Rubber lined Overall size: 4600 x 5000 x 2000mm	
1C	1C-15	TAS	Flotation	1	Bank of 2 Dorr Oliver Cleaner Flotation Cell (300-FC-311) (300-FC-312)				06440-1	Powered by 15kW Teco Electric Motor Rubber lined twin tank capacity: 17.0m ³ On board digital controller Overall size: 4600 x 5000 x 2000mm	
1C	1C-16	TAS	Flotation	1	Warman Cleaner Area Sump Pump (300-PS-302)				SY75520	Size: 40 Powered by 4kW Teco Electric Motor With stainless steel control box	
1C	1C-17	TAS	Flotation	1	Warman Recleaner Tail Sump Pump (300-PF-305)				SY75522	Size: 40 Powered by 4kW Teco Electric Motor With stainless steel control box	
1C	1C-18	TAS	Flotation	1	Warman Cleaner Con Sump Pump (300-PF-303)				SY75505	Size: 65 Powered by 5.5kW Teco Electric Motor With stainless steel control box	
1C	1C-19	TAS	Flotation	1	Warman Recleaner Con Sump Pump (300-PF-304)				SY75506	Size: 65 Powered by 5.5kW Teco Electric Motor With stainless steel control box	
1C	1C-20	TAS	Flotation	1	Warman Cleaner Tail Froth Sump Pump (300-PF-308)				SY75517	Size: 100 Powered by 15kW Teco Electric Motor With stainless steel control box	
										Section 1C - Total	\$2,569,825

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1D	1D-1	TAS	Regrind	1	Warman 8/6 Split Case Pump (300-PP-301)				SY754971	Size: 8/6 Type: AH Powered by 45kW Teco Electric Motor On concrete plynth	\$752,725
1D	1D-2	TAS	Regrind	1	Warman 8/6 Split Case Pump (300-PP-302)				SY754498	Size: 8/6 Type: AH Powered by 45kW Teco Electric Motor On concrete plynth	
1D	1D-3	TAS	Regrind	1	Fabricated Magnetic Surge Tank					Bolted steel frame On stand Rubber lined Approx. 2.0 x 1200mm	
1D	1D-4	TAS	Regrind	1	Eriez Cylindrical Rotating Magnetic Separator (400-MS-401)				07F33821	Self levelling wet drum separator Size: 1719mm Dia. x 3175mm Powered by 7.5kW WEG Electric Motor With reducer Mounted on heavy duty steel stand	
1D	1D-5	TAS	Regrind	1	Regrind Ball Mill (400-ML-401)					Dia. 3200mm Length: 5360mm Plate not sighted & Age unknown With 3.3kW Regrind mill starter panel With 2007 Outokumpu Lubrication System (no plate) With 2007 Hydraulsyd Hydraulic Power Source Serial umber: 40284 Type: A1-20740 Max Pressure: 250 Bar	
1D	1D-6	TAS	Regrind	1	Warman 6/4 Split Case Pump (400-PP-402)				SY75500	Size: 6/4 Type: AH (37kW Teco Motor) Mounted on concrete plynth	
1D	1D-7	TAS	Regrind	1	Warman 6/4 Split Case Pump (400-PP-401)				SY75499	Size: 6/4 Type: AH Powered by 37kW Teco Electric Motor Mounted on concrete plynth	
1D	1D-8	TAS	Regrind	1	Cluster of 3 Krebs Cyclone (400-CY-401)			SMAX10-0098062A	0098062A 0098063A 0098064A	Capacity for 4 Blue - Top Level 250mm Dia.	
1D	1D-9	TAS	Regrind	1	Bank of 2 Dorr Oliver Retreat Flotation (300-FC-313) (300-FC-314)					Each powered by 30kW Teco Motor stainless steel button stop Overhead service walkway Twin air operated valves	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1D	1D-10	TAS	Regrind	1	Bank of 2 Dorr Oliver Retreat Flotation (300-FC-315) (300-FC-316)					Each powered by 30kW Teco Motor stainless steel button stop Overhead service walkway Lifting lugs	
1D	1D-11	TAS	Regrind	1	Warman Retreat Con Sump Pump (300-PF-306)				SY75519	Size: 40 4kW Motor Type: GPS Mounted on heavy duty steel frame Stainless steel push button controller	
Section 1D - Total											\$752,725

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1E	1E-1	TAS	Thickener / Tails	1	Warman Retreat Tails Froth Pump (300-PF-307)				SY75516	Size: 100 Mounted on heavy duty steel frame Stainless steel control box	\$1,378,595
1E	1E-2	TAS	Thickener / Tails	2	Spare Warman Sump Pumps				SY77459 SY75514	1 x size 100 Type: GPS 1 x size 65 Type: GPS Both mounted in fixed storage stand No motors	
1E	1E-3	TAS	Thickener / Tails	1	Warman Tails Area Sump Pump (300-PS-303)				SY75512	Size: 65mm 7.5kW Motor Type: GPS Mounted on heavy duty steel frame Stainless steel push button controller	
1E	1E-4	TAS	Thickener / Tails	1	Thermo Multi Stream XRF Analyzer (300-AN-301)			AM800/20-AU12	182	Equip No. 17145 10m³ capacity Weight: 3900kg Note: Advised by staff the probe is unserviceable and needs to be replaced. We have valued this unit on a repaired basis	
1E	1E-5	TAS	Thickener / Tails	1	Warman Intermediate Con Sample Sump Pump (300-PA-304)				SY76510	Size: 65 7.5kW Motor Type: GPS Mounted on common skid	
1E	1E-6	TAS	Thickener / Tails	1	Warman Combined Con Sample Sump Pump (300-PA-302)				SY77458	Size: 65 7.5kW Motor Type: GPS Mounted on common skid	
1E	1E-7	TAS	Thickener / Tails	1	Warman Final Con Sample Sump Pump (300-PA-303)				SY75509	Size: 65 7.5kW Motor Type: GPS Mounted on common steel skid Stainless steel button controller	
1E	1E-8	TAS	Thickener / Tails	1	Warman Cyclone Overflow Sump Pump (300-PA-301)				SY75507	Size: 65 7.5kW Motor Type: GPS Mounted on common steel skid Stainless steel button controller	
1E	1E-9	TAS	Thickener / Tails	1	Warman Regrind Area Sump Pump (400-PS-401)				Illegible	Size: 40 4.0kW Motor Type: GPS Mounted on common steel skid Stainless steel button controller	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1E	1E-10	TAS	Thickener / Tails	1	Warman 10/8 Tails Split Case Pump (600-PP-601)				SY7550	Size: 10/8 Type: AH Powered by 50kW Electric Motor Mounted on concrete plynth With stainless steel controller box	
1E	1E-11	TAS	Thickener / Tails	1	Warman 10/8 Tails Split Case Pump (600-PP-602)				SY75502	Size: 10/8 Type: AH Powered by 50kW Electric Motor Mounted on concrete plynth With stainless steel controller box	
1E	1E-12	TAS	Thickener / Tails	1	Warman Tailings Area Sump Pump (600-PS-601)				SY75513	Size: 65 Type: GPS Powered by 5.5kW Teco Motor Mounted on heavy duty steel skid	
1E	1E-13	TAS	Thickener / Tails	1	Outotec Tails Deep Cone Thickener (600-TH-601)					Bolted steel frame Conical base Capacity approx. unknown Dia. Approx. 14.0m Height approx. 9.0m Mounted on heavy duty steel stand With 3 motor driven rakes (with Rexroth standalone hydraulic power source)	
1E	1E-14	TAS	Thickener / Tails	1	Warman 4/3 Tails Paste Thickener Underflow Split Case Pump (600-PP-604)				Illegible	Size: 4/3 Mounted on concrete plynth Powered by 45kW Electric Motor	
1E	1E-15	TAS	Thickener / Tails	1	Warman 4/3 Tails Paste Thickener Underflow Split Case Pump (600-PP-603)				Illegible	Size: 4/3 Mounted on concrete plynth Powered by 45kW Electric Motor	
Section 1E - Total											\$1,378,595

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1F	1F-1	TAS	Concentrate	1	Outotec Concentrate Thickener (500-TH-501)					Capacity: Unknown Dia. Approx. 6000mm Height approx. 2400mm Single head rake Powered by standalone Rexroth Hydraulic Power Source 2.2kW Teco electric Motor Mounted on heavy duty steel frame	\$2,057,500
1F	1F-2	TAS	Concentrate	1	Verdex Concentrate Thickener Underflow Pump (500-PP-501)			VF50NRSS-3/34M	061804X5	Mounted on concrete plynth	
1F	1F-3	TAS	Concentrate	1	Verdex Concentrate Thickener Underflow Pump (500-PP-502)			VF50NRSS	061804J5	Mounted on concrete plynth	
1F	1F-4	TAS	Concentrate	1	Warman Concentrate Area Sump Pump (500-PS-501)				SY77456	Size: 40 Type: GPS Mounted on steel skid frame Stainless steel control box	
1F	1F-5	TAS	Concentrate	2	Warman 3/2 Concentrate Thickener Overflow Tank (500-PP-510) (500-PP-505)					Each powered by 3kW Teco Motor Note: Item 503 - Pump missing Both with stainless steel control box	
1F	1F-6	TAS	Concentrate	1	Grundfos Submersible Manifold Flush Pump (500-PP-509)			A96528176P10706	0001	Each powered by 11kW WEG Electric Motor With stainless steel manifold flush tank Capacity unknown Dia. Approx. 1150mm Height approx. 1500mm Stainless steel control box	
1F	1F-7	TAS	Concentrate	1	Larox Pressing Stainless Steel Tank (500-TK-505)					Capacity unknown Dia. Approx. 2100mm Height approx. 3000mm Mounted on concrete plynth With Warman 3/2 Split Case Pump (500-PP-506) Powered by 30kW WEG Electric Motor Note: No pump - Pump removed	
1F	1F-8	TAS	Concentrate	1	Warman Filter Area Sump Pump (500-PS-502)				SY75523	Size: 40 Type: GPS Mounted on heavy duty steel frame	
1F	1F-9	TAS	Concentrate	1	Bank of 2 Warman Split Case Pumps (500-PP-504) (500-PP-503)					Each powered by 30kW WEG Electric Motors Note: Pumps unserviceable	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1F	1F-10	TAS	Concentrate	1	Rubber Lined Filter Feed Stock Tank (500-TK-502)	2007			K07123202C01	Capacity: 44.2m ³ Dia. 3500mm Height approx. 4600mm With Lightnin Agitator (500-AG-501) Powered by 5.5kW Electric Motor	
1F	1F-11	TAS	Concentrate	1	Rubber Lined Filter Feed Stock Tank (500-TK-503)	2007			K07123202002	Capacity: 44.2m ³ Dia. 3500mm Height approx. 4600mm With Lightnin Agitator (500-AG-502) Powered by 5.5kW Electric Motor	
1F	1F-12	TAS	Concentrate	1	Larox Filter (500-FL-501)	2007		PF9.5/12.6 (M1.6) 145	877	Filter Area: 12.6m ² 8 Filter plates (removed and offsit at supplier 1750mm x 900mm) Machine size approx. 3650mm x 2500mm With Rexroth Hydraulic Power Source (500-PP-508) With separate Larox cloth wash station (500-PP-507) With Grundfos sub pump Model: A96528176P10706 Serial Number: 0002 Type: CR15 On steel skid With stainless steel Larox tank (500-TK-506)	
1F	1F-13	TAS	Concentrate	1	Allowance for Critical Spares for Larox					Advised spares for filter in 2007 supplied was \$1.5 million at cost	
Section 1F - Total											\$2,057,500

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1G	1G-1	TAS	Reagents	1	Fabricated Bag Breaker Spike Chamber (700-BB-702)					Approx. 2100mm x 2400mm x 3000mm See thin twin plastic flaps With bag spike Elevated on stand over mixing tanks	\$197,250
1G	1G-2	TAS	Reagents	1	Xanthate Mild Steel Mixing Tank (700-TK-703)					Capacity: 12.3m ³ With tank agitator (700-AG-702) Stainless steel controller Powered by 1.5kW Teco Motor With Xanthate Transfer Pump Model: 400pW-037/98 Serial Number: 5007904	
1G	1G-3	TAS	Reagents	1	Xanthate Mild Steel Solution Holding Tank (700-TK-704)	2007				Dia. 3000mm Height: 2900mm With 2 x Techniflo Pumps Model: TB1.5X1X8BLF Serial Number: 7336 & 7337 Each powered by 4kW Electric Motor (700-PP-707 and 700-PP-708)	
1G	1G-4	TAS	Reagents	1	Smiths Dust Collector/Wet Scrubber (700-DC-702)				18791-3971	Just Ref - Plastic Fab Past - FHRSS-RD	
1G	1G-5	TAS	Reagents	1	Ciba Stainless Steel Flocculant Mixing (700-PK-701)					Capacity unknown With agitator (fixed) Allen & Bradley control board attached With small stainless steel additive hopper With screw feeder & fan All skid mounted	
1G	1G-6	TAS	Reagents	1	Stainless Steel Flocculant Holding Tank (700-PK-701)					Capacity unknown Lifting lugs With 2 x small Blakers pumps Serial Numbers: 088605 and 169841 Both skid mounted with controller	
1G	1G-7	TAS	Reagents	1	Floc Area Sump Pump			C50S-40600	5008102	Type: ASM Sump Pump Powered by 4kW Electric Motor	
1G	1G-8	TAS	Reagents	1	Fabricated Steel Bag Breaker Spike Chamber (700-BB-701)					Approx. 2100mm x 2400mm x 3000mm See thru twin plastic flaps With bag spike Elevated on stand over mixing tank	
1G	1G-9	TAS	Reagents	1	Xanthate Stainless Mixing Tank (700-TK-701)					Capacity: 12.3m ³ Dia. 2500mm Height: 2500mm With Lightnin Agitator Model: LQ150 Powered by 1.5kW Electric Motor (700-AG-701) With copper sulphate transfer pump	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1G	1G-10	TAS	Reagents	1	Haywoods Stainless Copper Storage Tank (700-TK-702)				14401/6	Dia. 2500mm Height: 2500mm Capacity: 12.3m ³ With 2 x Techniflo Pumps Model: TB1.5X1X8BLF Powered by 4kW Electric Motor (700-PP-705 and 700-PP-704)	
1G	1G-11	TAS	Reagents	1	ASM Copper Sulphate Sump Pump (700-PS-701)			C50S-55-600	5008101	Type: ASM Sump Pump Powered by 5.5kW Electric Motor	
1G	1G-12	TAS	Reagents	1	Haywoods Stainless Steel Floc Frothing Tank (700-TK-707)	2007				Dia. 1250mm Height: 1550mm Vol: 1.5m ³ Lifting lugs With 2 x Rotoflow Pumps Serial Numbers: H855U and H856U Each powered by 1.5kW Electric Pumps	
1G	1G-13	TAS	Reagents	1	Haywoods Mild Steel Silicate Solution Storage Tank (700-TK-705)					Capacity: 41m ³ Dia. 3700mm Height: 3900mm 2 x Unserviceable pumps attached (Removed) (700-PP-709 and 700-PP-710)	
1G	1G-14	TAS	Reagents	1	ASM Sump Pump (700-PS-703)			C50S40-600	5008103	Size: Illegible Mounted on steel frame With stainless steel controller Powered by 4kW Electric Motor	
1G	1G-15	TAS	Reagents	1	Smiths Dust Collector/Wet Scrubber (700-DC-701)			FHRFS-RDSS	18781-3972	Powered by 11kW Electric Motor	
1G	1G-16	TAS	Reagents	1	Reagents MCC					415V 250 Amps Arrangement - 4 Tier Front only	
Section 1G - Total											\$197,250

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1H	1H-1	TAS	Water	1	8 Green PVC Wastewater Tanks					Approx. 25000 L With Qty 2 x Small Pumps Each powered by Electric Motor In small steel shelter	\$112,700
1H	1H-2	TAS	Water	1	KSB Diesel Firefighting Pump (PP-809)					Skid mounted silenced cab New Crossley 4 Cyl Diesel Motor 80kW New motor installed in January 2022 With unbranded 4x3 Water Pump With Grundfos Pump Model: A96516604P10828 Type: CR3 With display controller in cabinet	
1H	1H-3	TAS	Water	1	KSB 4/3 Split Case Water Pump (800-PP-805)			Illegible	Illegible	Powered by 45kW Teco Electric Motor On skid, with stainless steel controllers	
1H	1H-4	TAS	Water	1	KSB 4/3 Split Case Water Pump (800-PP-805)			Illegible	Illegible	Powered by 45kW Teco Electric Motor On skid, with stainless steel controllers	
1H	1H-5	TAS	Water	1	KSB Stainless Steel Gland Water Submersible Pump (800-PP-807)					Stainless steel controller No numbers available Powered by 55kW Electric Motor	
1H	1H-6	TAS	Water	1	KSB Stainless Steel Gland Water Submersible Pump (800-PP-808)					Stainless steel controller No numbers available Powered by 55kW Electric Motor	
1H	1H-7	TAS	Water	1	Raw Water Bolted Steel Water Tank (TK-810)					Capacity: 110000 Litres Bolted steel frame No Top	
1H	1H-8	TAS	Water	1	Rainwater Bolted Steel Tank (TK-809)					Capacity: 100000 Litres Bolted steel frame With Top	
1H	1H-9	TAS	Water	1	KSB 4/3 Split Case Water Pump (800-PP-820)					Stainless steel controller Powered by 11kW Electric Motor	
1H	1H-10	TAS	Water	1	KSB 4/3 Split Case Water Pump (800-PP-821)					Stainless steel controller Powered by 11kW Electric Motor	
1H	1H-11	TAS	Water	1	Portable Water Treatment Plant (Out of Commission)					Including: Switchboard 3 Carbon Filters UV Treatment Module 2 Grundfos Sub Pumps Turbidimeter Inline Filter 2 Small Grundfos Pumps	

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
1H	1H-12	TAS	Water	1	Ajax 8/6 Split Case Water Pump (800-PP-802)					On steel skid - Stainless controller Pump details not legible Powered by 132kW Teco Electric Motor	
1H	1H-13	TAS	Water	1	Ajax 8/6 Split Case Water Pump (800-PP-801)					On steel skid - Stainless controller Pump details not legible Powered by 132kW Teco Electric Motor	
1H	1H-14	TAS	Water	6	Goulds 4/3 Split Case Mine Water Pumps					WSD-PMP-1,2,3,4,5,6,7 Water storage pumphouse Powered by 37kW Electric Motor	
1H	1H-15	TAS	Water	2	Goulds 3/2 Split Case Mine Water Pumps					WSD-PMP-7,8 Water storage pumphouse Powered by 37kW Electric Motor	
										Section 1H - Total	\$112,700

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
2	2-1	TAS	Processing External Area	1	Standby Generator	2006	Dunlite	380kVA	6110264	Crossley 380kVA alternator, Daewoo 6 cyl diesel, silenced (Tagged out)	\$13,000
2	2-2	TAS	Processing External Area	1	Compressor	2007	Atlas Copco	GA75VSD	API652019	13 Bar, 5000 hours, 1500 litre vertical air receiver	\$14,000
2	2-3	TAS	Processing External Area	1	Compressor	2007	Atlas Copco	GA75VSD	API652021	13 Bar, 4000 hours, 1500 litre vertical air receiver	\$14,000
2	2-4	TAS	Processing External Area	1	Compressor	2007	Atlas Copco	GA37+	API510757	13 Bar, 3500 hours, 5000 litre vertical air receiver	\$14,000
2	2-5	TAS	Processing External Area	1	Air Blower	2007	Gardner Denver	Robuschi Robox	800BL801	(Not accessible, doors seized)	\$12,000
2	2-6	TAS	Mobile Workshop	1	Fire Extinguisher		BFI			Bank (3) Wall mounted	\$550
2	2-7	TAS	Mobile Workshop	1	Boot Clean Station		East West				\$1,200
2	2-8	TAS	Mobile Workshop	2	Safety Shower		Enware				\$2,000
2	2-9	TAS	Mobile Workshop	2	Workbenches		Custom			Steel, one with vice	\$600
2	2-10	TAS	Mobile Workshop	1	Service Junction Box		Setori			Air, single and 3 phase	\$500
2	2-11	TAS	Mobile Workshop	1	Lube Service Station		Setori			7 x Various retractable reels, grease pump, air hose, rack mounted	\$7,000
2	2-12	TAS	Mobile Workshop	1	Diesel Tank			Transportable		Rotary pump, bunded tray	\$700
2	2-13	TAS	Mobile Workshop	1	Jumbo Starter		Clemcorp			8-20kW, 150A, cradle (not connected)	\$13,000
2	2-14	TAS	Mobile Workshop	1	Oxy Set		BOC			Trolley & torches	\$320
2	2-15	TAS	Mobile Workshop	1	Submersible Pump		Flygt	2151-011	1468343	1000V, 20kW, unused	\$6,000
2	2-16	TAS	Mobile Workshop	1	Workbench					Steel, 2400mm x 700mm	\$450
2	2-17	TAS	Mobile Workshop	1	Fan Starter		Positron	FS02		1000V, 90kW not in use	\$8,000
2	2-18	TAS	Mobile Workshop	1	Starter		Powertek			90kW, 1000V not in use	\$8,000
2	2-19	TAS	Mobile Workshop	1	Fan Starter		Clemcorp	FS05		110kW, 2 stage not in use	\$8,000
2	2-20	TAS	Mobile Workshop	1	Fan Starter		Clemcorp	FS06		180kW, 1000V, 2 stage not in use	\$10,000
2	2-21	TAS	Mobile Workshop	1	Fan Starter		Clemcorp	FS07		180kW, 1000V, 2 stage not in use	\$10,000
2	2-22	TAS	Mobile Workshop	1	Data Cabinet		Clipsal			With various switch ports	\$4,000
2	2-23	TAS	Mobile Workshop	1	Workshop Store					Contents include (6) Bays metal racking, Unimig Uniflame gas set, (2) Rotary drum pumps, Milwaukee CS355 Drop saw, Milwaukee 90mm Angle grinder, WB 60kg Torque wrench, SP35462 Torque wrench 3/4 DR 700 ft/LB Torque wrench, WB 130kg Torque wrench, CIG Transarc 170i Welder inverter, lever block, slings, shackles, elec. extensions, (3) Elite personal lockers	\$8,000
2	2-24	TAS	Mobile Workshop	1	Upstairs Offices					Contents include: Desk, office chair, stationery cabinet, (2) Bookshelves, kitchen furniture, auto boil, microwave, bar refrigerator, toaster, vacuum cleaner	\$3,000
2	2-25	TAS	Mobile Workshop	1	Comms Rack		Ausrack			Communications booster, (2) x R150 and (2) x T150 RF Technology Receivers iMark5000 power supply	\$4,000

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
2	2-26	TAS	First Aid Station	1	First Aid Station Contents					Contents include (6) Milano vehicle flashing lights, (1) Mobile stretcher bed, (2) Folding stretchers, Scian blood pressure tester, stainless steel trolley, refrigerator, microwave, (3) Desks, (5) Chairs, Motorola base station, HP laser printer, hospital bed, (3) Stationery cabinets, Birko auto boil, dressing trolley, R3 Maxpro first aid kit, medical & first aid supplies, (6) Bay cap light charger	\$10,000
2	2-27	TAS	Fitters Workshop	1	Mobile Scaffold		Bailey	Rapid Rise		2.1m x 3m H Alloy approx.	\$2,800
2	2-28	TAS	Fitters Workshop	1	Fire Extinguisher Station		BFI			3 station wall mount	\$550
2	2-29	TAS	Fitters Workshop	1	Welder		Lincoln	Redimig 455	A1071000409	4D remote feeder	\$3,000
2	2-30	TAS	Fitters Workshop	1	Welder		Lincoln	Redimig 455	A1071000410	4D remote feeder	\$3,000
2	2-31	TAS	Fitters Workshop	3	Bottle Cages		East West	GC-2		250kg, trolley	\$800
2	2-32	TAS	Fitters Workshop	1	Welder		CIG	Transtig 300			\$1,300
2	2-33	TAS	Fitters Workshop	1	Metal Drop Saw		Trademaster	S14		355mm, unused	\$600
2	2-34	TAS	Fitters Workshop	1	Weld Rod Oven		CIG				\$900
2	2-35	TAS	Fitters Workshop	1	Metal Machines		Various			Includes: Peerless pedestal drill, (2) Bench grinders, steel workbench, (4) Welding screens, alloy extension ladder, gasmate heater	\$2,500
2	2-36	TAS	Fitters Workshop	1	Workbenches		Custom			Qty (9) Various with doors, draws and vices	\$4,500
2	2-37	TAS	Fitters Workshop	1	Storage Cabinets		Advance			Qty (4) Various inc hardware contents	\$800
2	2-38	TAS	Fitters Workshop	1	Metal Machines		Various			Includes Peerless pedestal drill, (2) Bench grinders	\$900
2	2-39	TAS	Fitters Workshop	1	Induction Heater		Linmast	LBH90D			\$3,000
2	2-40	TAS	Fitters Workshop	1	Hydraulic Press		Unknown	HP150	n/v	150 ton	\$14,000
2	2-41	TAS	Fitters Workshop	3	Spill Kits		Doktor	DOK240H		Plus simple green electric cleaning machine	\$800
2	2-42	TAS	Fitters Workshop	1	Electrical Workshop		Various			Workshop contents include: (5) Steel workbenches, (5) Storage cabinets, Peerless 2020F pedestal drill, Bailey 12m FG extension ladder, Bailey 8m FG extension ladder, Bailey 1m FG step ladder, wheel barrow, safety equipment	\$9,000
2	2-43	TAS	Fitters Workshop	1	Calibrator	2008	Beamex	MC5	25517360		\$3,500
2	2-44	TAS	Fitters Workshop	1	Tool Kit		Veto	Propac		Tool bag and contents	\$400
2	2-45	TAS	Fitters Workshop	1	Calibration Pump		Beamex	PGXH	224631	In case	\$1,500
2	2-46	TAS	Fitters Workshop	1	Metal Storage Shelf			3 Bay		Tub type for fasteners	\$800
2	2-47	TAS	Store Room	1	Hydraulic Hose Assembly Work Station		Parker		S5C01080041	With Parker crimper, Enerpac power supply, drop saw, hose storage, tub bin parts storage	\$8,000
2	2-48	TAS	Store Room	1	Abrasive Blaster		Burwell	BAEF1236	BAE2091469	75kg	\$4,000
2	2-49	TAS	Store Room	1	Pressure Cleaner		Karcher			Tagged out, poor	\$800
2	2-50	TAS	Store Room	1	Hydraulic Pump		Enerpac	ZU4404SE	810708022C	Torque wrench pump	\$3,500
2	2-51	TAS	Store Room	1	Hydraulic Pump		Enerpac	ZE4610ME	11106014		\$3,500
2	2-52	TAS	Store Room	2	Welder		CIG	Transarc 161 VRD			\$900
2	2-53	TAS	Store Room	1	Electro Fusion Control Unit		Valenti	PEAFIT		Scilia Baby, polyvalent	\$1,000
2	2-54	TAS	Store Room	1	Pipe Plastic Welder		FHS/Omisa	315P.5A	34218	Butt welder	\$6,500

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
2	2-55	TAS	Store Room	1	Electro Fusion Welder		Friamat	Basic Eco	FRD0852085	In case	\$450
2	2-56	TAS	Store Room	1	Hydraulic Rams		Enerpac	Various		(14) Various includes: (3) 12 Ton, (4) 20 Ton, (2) 100 Ton, (1) 10 Ton, (4) 160 Ton	\$20,000
2	2-57	TAS	Store Room	1	Store Room Contents					Includes: JBS 1/2 drive socket set, JBS 3/4 27pce socket set, Sidchrome 32pce socket set 3/4, (3) Rigid pipe wrenches, Milwaukee grinder, Dewalt drill, Bosch grinder, Bosch GWS 26-180 grinder, Comet gas kit, Makita UC3520A chainsaw, Unbranded stainless pump, (6) Various workshop lights, approx. 70 Various impact sockets, (3) Sledge hammers, Milwaukee M18GG grease gun, Bosch GRW11E hammer drill, Makita impact wrench, Von 45B air chisel, Bosch GBH36 hammer drill, Milwaukee M15HKP Hyd punch (new), Makita 1906 impact wrench, qty drill bits, (12) Various micrometers, WB precision torque wrench, various tap sets, various drill bits, Sutton tap & die set	\$40,000
2	2-58	TAS	Store Room	1	Store Room Contents					(2) Alloy step ladder, (2) Carton trollies, (4) Chain blocks, (2) Lever chain blocks, (5) Various 3 leg lifting chains, Qty shackles, Honda blower, Stihl MS311 chainsaw, Makita HW1300 cleaner, Qty lifting slings & chains, (2) Power light workshop lights, (2) Strapping machines - Manual, Anest PT20D paint pressure pot, Honda brush cutter, steel plate lifters, Atra M320 Mag drill stand, (2) Pacific pull lift hoist, CIG platemate 2 cutter, Vertical air receiving tank, various workbenches and display shelves, (13) Honeywell turbo lite fall arresters - unused, (10) Spanset safety harnesses, Sala fall protector & rescue pole, Ferno temp high line kit (S/N: 185), Burwell problast helmet - unused, (2) JBS 1 Ton girder trollies - new, vertiplan cabinet	\$40,000
2	2-59	TAS	Store Room	1	Upstairs Office Contents					Includes: (3) Stationery cabinets, (1) Conference table, (6) 4 Door filing cabinets, (5) Whiteboards, (7) Bookshelf units, (2) Dell screens, (1) HP printer, (2) Dell notebooks - various, (4) HP screens, (2) Vertiplan cabinet, (1) Compactus, (1) HP notebook 2000, (10) Various office chairs	\$6,000
2	2-60	TAS	Store Room	1	Workshop Kitchen Contents					Includes: LG microwave, Sharp microwave, (2) Westinghouse refrigerator, Sony stereo, Dishlex dishwasher, Zip auto boil, Roband pie warmer, Kambrook oven, (7) Elite 1 person lockers, (5) Tables, (32) Various chairs	\$5,500
2	2-61	TAS	Store Room	1	PLC Test Rack		Allen Bradley	PLC		Custom built	\$13,000
2	2-62	TAS	Store Room	1	2-Way Rack		Impress	6 Port		With (7) Motorola GP328 2-way radios	\$1,000

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
2	2-63	TAS	Warehouse Stores	1	Pallet Racking	2008	Metal Sistem			10 Bays, 15x6m Frames, 86 Beams	\$4,500
2	2-64	TAS	Warehouse Stores	1	Metal Shelving	2008	Highgate			32 Bays metal adjustable	\$9,500
2	2-65	TAS	Warehouse Stores	1	Stationery Cabinet					metal 1800mm	\$350
2	2-66	TAS	Warehouse Stores	1	Fire Extinguisher		BFI			3 cylinder & blanket wall mount	\$550
2	2-67	TAS	Warehouse Stores	1	Platform Trolley	2008				350kg hydraulic	\$350
2	2-68	TAS	Warehouse Stores	1	Office Furniture					(1) Desk, (3) Whiteboards, filing cabinets, (2) Bookshelves, (4) Chairs	\$450
2	2-69	TAS	Warehouse Stores	1	Pressure Cleaner		Unbranded			3 Phase, orange (condition unknown)	\$1,000
2	2-70	TAS	Warehouse Stores	1	Crane Jib		East West	PHD2200		2200kg	\$800
2	2-71	TAS	Warehouse Stores	1	Gas Bottle Cage					2 Bay weldmesh	\$900
2	2-72	TAS	Warehouse Stores	1	Man Cage		East West			2 Person	\$900
2	2-73	TAS	Warehouse Stores	1	Forklift Man Cage					2 Person, 250kg	\$850
2	2-74	TAS	Workshop Plant & Equipment	1	First Aid Building		Modbuild	12m x 6m		Relocatable, (@) Module with ablution, (2) Offices, kitchenette	\$15,000
2	2-75	TAS	Workshop Plant & Equipment	1	Standby Generator		John Deere	100kVA	4AB250/S1	Kirloskar 100kVA alternator, 1795 hours	\$18,000
2	2-76	TAS	Workshop Plant & Equipment	1	HV Switch Room			8m x 4m		Metal clad insulated building, Merlin Green insulated SM6 feeders, main distribution panel Merlin Green Masterpact NW16, twin staircase access, airconditioned, (2) Transformers TX-01 & TX-05	\$180,000
2	2-77	TAS	Workshop Plant & Equipment	1	Boot Station		East West	Clean Boot		Hose and bunding	\$1,400
2	2-78	TAS	Workshop Plant & Equipment	1	Diesel Storage Tank	2007	Convault	RN120001S		12000 litre, unloading pump, metered fuel dispensing pump, condition unknown, Plant No: 800-TK-817	\$18,000
2	2-79	TAS	Fitters Workshop	1	Milling Machine	2008	Hare Forbes	BM22	072904	Turret unused, installed	\$6,500
2	2-80	TAS	Fitters Workshop	1	Centre Lathe		Hare Forbes	CL60A		460mm x 1500mm, unused installed	\$14,000
2	2-81	TAS	Fitters Workshop	1	Radial Arm Drill	2008	Hafco	RAD900	55148	38mm capacity, unused installed	\$12,000
2	2-82	TAS	Fitters Workshop	1	Pipe Threader		Rigid	300 Compact		With stand	\$4,000
3	3-1	TAS	Underground Services	1	Substation			11KV		Skid mounted with security cage, Bank 4 BFI fire extinguishers, 11kV/1kV, 1MVA Feed to DB 1/2/6/FS04. Restricted access (Excluded)	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
3	3-2	TAS	Underground Services	1	Dewatering Pump Station	2007	Mono	Portable		Consists 3 x Mono pumps Touchscreen Control System 2 x Header Tanks, skid mounted pipe reticulation & safety rails. Pump Model: CE106MSIR8/C87N Serials: 06D0487, 06D0488, 06D4086	\$90,000
3	3-3	TAS	Underground Services	1	Viking Substation	2001		11KV		1000V Transformer, Distribution board Eaton Hoxel 11kV Ring Main Unit, 4 Way (Excluded)	-
3	3-4	TAS	Underground Services	1	Fan Starter	2008			1003	110kW Single Fan	\$10,000
3	3-5	TAS	Underground Services	1	Distribution Board	2008		100V	DBI	5 Way Portable	\$13,000
3	3-6	TAS	Underground Services	1	Pump Starter					8-20kW with Flygt, submersible pump, portable	\$12,000
3	3-7	TAS	Underground Services	1	Refuge Chamber	2021	Strata	6 Person	08/21	With gas monitor 3700mm x 1500mm x 1877mm H Unit requires commissioning	\$90,000
3	3-8	TAS	Underground Services	1	Dewatering Pump Station	2007	Truflo	Weartuff 103	308	With (7) Way distribution board, Flygt pump starter 75kW Mono 8-20kW, portable, skid mounted pump station with header tank	\$55,000
3	3-9	TAS	Underground Services	1	Pump Starter	2007	Positron			150A Jumbo 8-20kW Flygt pump station with Flygt submersible pump, 3 cylinder fire station	\$18,000
3	3-10	TAS	Underground Services	2	Axial Fans	2007	Zitron	CC1400NK		Teco 90kW, 1400mm, roof mount	\$20,000
3	3-11	TAS	Underground Services	1	Sub Station 2	2007				Sub 2, 11kW, 6 circuit, skid mount (restricted access) cage, extinguishers (Excluded)	-
3	3-12	TAS	Underground Services	1	Fan Starter		Positron	90kW	3025	1000V, 90kW single fan 14821 hours	\$4,000
3	3-13	TAS	Underground Services	1	Distribution Board (5)			7 Way		1000V, 7 Way, portable	\$15,000
3	3-14	TAS	Underground Services	1	Distribution Board (4)			4 Way		1000V, 4 Way, portable	\$12,000
3	3-15	TAS	Underground Services	1	Dewatering Pump Station		Truflo	Weartuff 103		Skid mounted with mono 75kW pump starter, 8-20kW submersible pump, header tank	\$50,000
3	3-16	TAS	Underground Services	2	Axial Fans					Not sighted, restricted access, with 2 x 90kW single stage fan starters (presumed same as previous Zitron fans)	\$20,000
3	3-17	TAS	Underground Services	1	Rescue Chamber	3/2008	Shairzal	20 Person	5749	6000kg	\$50,000
3	3-18	TAS	Underground Services	1	Pump Starter					Flygt pump jumbo isolator with submersible pump	\$13,000
3	3-19	TAS	Underground Services - Portal Area	1	Ablution Unit	2021	AGCAB	6X2.5TB	272285	5 Room, skid mount	\$35,000

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
3	3-20	TAS	Underground Services - Portal Area	1	Vent Rise Fan					Vent rise fan no. 2 Avebury decline Details unknown, said to be away being refurbished in Burnie, vent fan starter 315kW and Optical fibre network cabinet (presumed same as vent fan 1)	\$60,000
3	3-21	TAS	Underground Services - Portal Area	1	Fan Shed			6m x 4m		Metal clad, roller door, electricals	\$10,000
3	3-22	TAS	Underground Services - Portal Area	1	Compressor	2006	Atlas Copco	GA75VSD	AP1651110	18000 hours approx. with dryer	\$12,000
3	3-23	TAS	Underground Services - Portal Area	1	Vent Fan		SDS Ausminco			3m diameter, with 160kW fan starter, optical fibre cabinet	\$60,000
3	3-24	TAS	Underground Services - Portal Area	1	Communications System		VARIS			Smart underground communications leaky feeder, RF Technologies Receivers and Exciters, IMARX 500 Series power supply, 2 x Symmetry isolators, 5 x Repeater stations, Motorola handhelds and base stations, 9 x Amplifiers.	\$100,000
3	3-25	TAS	Underground Services - Portal Area	1	Compressor Shed			9m x 6m		Metal clad, roller door, transmission tower	\$15,000
3	3-26	TAS	Underground Services - Portal Area	1	Service & Escape Rise		Unknown			Purpose built galvanised ladder, fixture, system with metal clad enclosure, size unknown (Excluded)	-
3	3-27	TAS	Underground Services - Portal Area	1	Generator		Petbow	700kVA	13A27	Old unit, out of service with container	\$10,000
3	3-28	TAS	Underground Services - Portal Area	3	Water Tanks		Global	23,000 Litre		PVC, plumbed in, rotary screw, 75kW, air dryer	\$10,000
3	3-29	TAS	Underground Services - Portal Area	1	Compressor Package	2008	Atlas Copco	GA75VSD		Silenced, hours unknown, next service due 18,000 hours	\$25,000
3	3-30	TAS	Underground Services - Portal Area	1	Crib Room Contents					Contents include: Samsung 2 door refrigerator, Westinghouse refrigerator, Woodson pie warmer, (2) Birko Tempomatic, (2) Panasonic microwaves, Devanti pie warmer, chairs & tables, Motorola base station, East West boot cleaner, 3000 litre PVC water tank	\$9,500
4	4-1	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	09/2006	Toyota	Landcruiser	JTERC71J500002031	Emergency response vehicle, Rego: FM5581, 19452 Kms approx., fire suppression, emergency response fitout, side door access	\$80,000
4	4-2	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	01/2021	Mitsubishi	Triton KK/KL	MMAJLKL10MH010616	Dual cab 4WD utility, Rego: J63WQ, 9757 Kms, auto	\$39,000
4	4-3	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2021	Mitsubishi	Triton KK/KL	MMAJLKL10MH010677	Dual cab 4WD utility, Rego: J29LW, style side, auto	\$39,000

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
4	4-4	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2021	Mazda	BT-50	MP2TF540JNT008606	Dual cab 4WD utility, Rego: J39SR, style side, auto, 12079 Kms	\$42,000
4	4-5	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2/1998	Toyota	Hilux 140 series	JLT33LNG700004869	Dual cab 4WD utility, LV03, 3 litre diesel, 291486 Kms, UNREGISTERED	\$6,000
4	4-6	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2/1996	Toyota	Landcruiser	JT731PJ7508535765	Single cab 4WD utility, 256476 Kms, Rego: EU9226	\$9,000
4	4-7	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2/2008	Toyota	Hilux 150 Series	MR0FZ22G901160248	Dual cab 4WD utility, 170000 Kms approx., Rego: FS8405 (tagged out)	\$5,000
4	4-8	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	11/2020	Mitsubishi	Triton KL	MMAJLKL10MH005435	Dual cab 4WD utility, Rego: J28LW, auto, 21774 Kms, style side	\$35,000
4	4-9	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2020	Mitsubishi	Triton KL	MMAJLKL10MH0096360	Dual cab 4WD utility, Rego: J64WQ (valued Not Inspected - Burnie with director)	\$35,000
4	4-10	TAS	Mobile Plant & Motor Vehicles	1	Motor Vehicle	2021	Mazda	BT-50	MP2TF540JNT007210	Dual cab 4WD, Rego: J56WR (valued Not Inspected - Burnie with director)	\$42,000
4	4-11	TAS	Mobile Plant & Motor Vehicles	1	Compaction Roller	2019	Sany	SSR180C-8	YZ1818BK5041	Single smooth drum, EROPS, 472 hours	\$90,000
4	4-12	TAS	Mobile Plant & Motor Vehicles	1	Wheel Loader	2020	Caterpillar	930K	PP3K01106	Integrated tool carrier, 677 hours with 500kg man basket, GP bucket, Zezt man cage, forks, Cat 2311 crane jib	\$220,000
4	4-13	TAS	Mobile Plant & Motor Vehicles	1	Excavator	2020	Liu Gong	CLG 930E	CLG930EZHL082550	600 hours approx., EROPS, 1800mm, battler, 900mm GP bucket	\$200,000
4	4-14	TAS	Mobile Plant & Motor Vehicles	1	Telehandler	2008	JCB	Loadall 540-170	JCB5AFKGL81425107	3899 hours showing, fire suppression, forks, crane jib, basket	\$50,000
4	4-15	TAS	Mobile Plant & Motor Vehicles	1	Forklift		TCM	FD50T9	43H01676	5000kg, 4500mm, 464 hours, side shift	\$40,000
4	4-16	TAS	Mobile Plant & Motor Vehicles	1	Forklift		TCM	FD25T3	2N506701	2500kg, 545 hours, side shift, diesel, container mast	\$23,000
4	4-17	TAS	Mobile Plant & Motor Vehicles	1	Skid Loader		Toyota	4SDK8	4SDK8-15054	774 hours showing, MP bucket	\$40,000
5	5-1	TAS	Administration Building Office	1	Vehicle Wash Bay	2008	Custom			Fixed bath, (6) stainless side spray bars, (1) Underside bar KSB 100x200 pump, Teco 40HP electric motor, 15000 litre fibreglass tank	\$10,000
5	5-2	TAS	Administration Building Office	1	Lifting Jib		Unknown			1250kg, 8000mm span	\$1,200
5	5-3	TAS	Administration Building Office	1	Female Change House Contents					Contents include (8) person kit change hanger stand, Brownbuilt, (4) x 4 person lockers, Whirlpool 7.5kg commercial washer	\$6,000
5	5-4	TAS	Administration Building Office	1	Male Change House Contents					Contents include (5) Banks 52 person custom built double sided change benches, (3) Whirlpool 7.5kg commercial washers, (1) Maytag commercial dryer, (1) Maytag Atlantis dryer, (1) Electrolux 5.5kg dryer, (8) Pidgeon hole units, (4) x 32 person Brownbuilt locker stands	\$60,000
5	5-5	TAS	Administration Building Office	2	Cap Lamp Charging Rack		Wisdom	NWCR-60	12770356 & 12745585	Li-ion battery LED, 30 person each with 36 Cap headlamps	\$13,000
5	5-6	TAS	Administration Building Office	36	Self Rescuers	2021	Ocenco	M20-2EEBD		Life Date 2036	\$36,000

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
5	5-7	TAS	Administration Building Office	1	Rescue Equipment	2008	Various			Includes: (1) Bridging Rescue System, (2) Ferno stretchers, (1) DBI Salva Davit Arm (S/N: 1021), (1) Lukas Jaws of Life, SP310 Spreader, S510 Cutter, R430 Ram, twin hydraulic hose assembly, Yanmar hydraulic power pack, (2) Stabfast stabilizing systems, (4) SRT climbing packs (Note - we were advised by staff that a large proportion of the Rescue Equipment had or may have, surpassed its manufacturers life date.)	\$30,000
5	5-8	TAS	Administration Building Office	1	Cylinder Compressor		Coltri Sub	MCH13162632ET		Nuvair.com, 9 hours showing	\$10,000
5	5-9	TAS	Administration Building Office	1	Oxygen Booster		Masterline	7000A-2 MDM-4	U-104	4 Hours	\$7,000
5	5-10	TAS	Administration Building Office	1	Freezer		Westinghouse			Upright	\$450
5	5-11	TAS	Administration Building Office	13	Breathing Apparatus		Biopack	240 Revolution		(Said to be out of date) No Commercial Value	\$0
5	5-12	TAS	Administration Building Office	1	Office (1)					Contents include: (2) Desks, (1) Credenza, (4) Chairs, (1) Bookshelf	\$70,000
5	5-13	TAS	Administration Building Office	1	Reception Area					Contents include: Reception desk, (2) Tub chairs, (1) Display cabinet, (1) Coffee table, (1) Chair, (1) Dell screen, (1) Rexel binder, (1) Ibico binder, (1) Table, (1) Fuji Xerox C2560 Copier (S/N: 35235)	-
5	5-14	TAS	Administration Building Office	1	Office (2)					Contents include: (1) Desk, (1) Chair, (1) HP screen, (1) Table, (2) Chairs, (1) Whiteboard	-
5	5-15	TAS	Administration Building Office	1	Office (3)					Contents include: (1) Desk, (3) Chairs, (2) Filing cabinets, (1) Bookshelf, (1) Whiteboard	-
5	5-16	TAS	Administration Building Office	1	Training Room					Contents include: (1) Whiteboard, (3) Desks, (9) Chairs, (1) BenQ MW560 projector	-
5	5-17	TAS	Administration Building Office	1	Admin Store Room					(3) Stationery cabinets, (3) Filing cabinets, (5) Bookshelves, (1) Compactus, (1) Credenza	-
5	5-18	TAS	Administration Building Office	1	Office (5)					(1) Desk, (1) Whiteboard, (1) HP screen	-
5	5-19	TAS	Administration Building Office	1	Office (6)					(2) Desks, (1) Chair, (1) Filing cabinet, (1) Whiteboard, (1) Bookshelf	-
5	5-20	TAS	Administration Building Office	1	Office (7)					(1) Desk, (1) Whiteboard, (3) Chairs, (1) Bookshelf	-
5	5-21	TAS	Administration Building Office	1	Office (8)					(1) Desk, (1) Whiteboard, (3) Filing cabinets, (2) Screens, (1) Bookshelf, (1) Dell notebook	-
5	5-22	TAS	Administration Building Office	1	Office (9)					(1) Desk, (1) Filing cabinet, (3) Chairs, (1) Bookshelf, (1) Whiteboard	-
5	5-23	TAS	Administration Building Office	1	Office (10)					(1) Desk, (1) Whiteboard	-
5	5-24	TAS	Administration Building Office	1	Office (11)					(1) Desk, (1) Whiteboard, (1) Bookshelf	-
5	5-25	TAS	Administration Building Office	1	Office (12)					(1) Desk,(2) Chairs, (1) Whiteboard	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
5	5-26	TAS	Administration Building Office	1	Office (13)					(1) Desk, (1) Chair, (2) Bookshelves, (1) Table, (1) Filing cabinet, (2) Dell screens	-
5	5-27	TAS	Administration Building Office	1	Office (14)					(1) Whiteboard	-
5	5-28	TAS	Administration Building Office	1	Office (15)					(1) Desk, (2) Chairs, (1) Dell screen	-
5	5-29	TAS	Administration Building Office	1	Office (16)					(1) Brother L8690CDW MFC, (1) Whiteboard	-
5	5-30	TAS	Administration Building Office	1	Office (17)					(1) Desk, (2) Chairs, (1) Filing cabinet, (1) Whiteboard, (1) Bookshelf, (1) Draw unit, (1) Acer notebook	-
5	5-31	TAS	Administration Building Office	1	Office (18)					(1) Table, (4) BW Technologies Micro 5 gas detectors	-
5	5-32	TAS	Administration Building Office	1	Office (19)					(2) Desks, (1) Whiteboard, (1) Cabinet, (1) Chair, (1) Bookshelf, (2) Dell screens	-
5	5-33	TAS	Administration Building Office	1	Office (20)					(1) Large desk, (4) Chairs, (1) Bookshelf, (2) HP screens, (1) Filing cabinet, (1) Mobile whiteboard, (1) Whiteboard, (1) Dell notebook, (1) Table	-
5	5-34	TAS	Administration Building Office	1	Training Room (24)					(1) Table, (1) Bookshelf, (1) Filing cabinet	-
5	5-35	TAS	Administration Building Office	1	Office (25)					(2) Desks, (2) Chairs, (3) HP screens, (1) Dell notebook, (1) Bookshelf, (1) Metal storage shelf, (1) Philips 439P screen, (1) Whiteboard	-
5	5-36	TAS	Administration Building Office	1	Office (26)					(1) Desk, (1) Bookshelf, (2) Chairs, (1) Whiteboard, (2) HP screens	-
5	5-37	TAS	Administration Building Office	1	Lunch Room (27)					(1) Desk, (5) Chairs, (1) Table	-
5	5-38	TAS	Administration Building Office	1	Server Room (29)					(1) Server rack, (7) Clipsal CP5e 24 port hubs, (1) Fortnite 80E, (1) One Access One 700, (1) Qnap cloud key, (1) Comms rack, (1) HP storage works 1/8 auto loader, (1) Dell EMC R640, (1) HP ProLiant DL360G5, (1) Eaton Powerware UPS 9390-60-11 (S/N: 342123), (1) HP ProLiant DL380 G4 (not in use), (1) Dell PowerEdge 1900 server, (1) HP 4600 workstation, (1) HP DC7800P server, Qty 30 approx. Alcatel telephone handsets (not connected)	-
5	5-39	TAS	Administration Building Office	1	Office (30)					(1) Desk, (1) Table, (1) Bookshelf, (3) Chairs, (1) Whiteboard	-
5	5-40	TAS	Administration Building Office	1	Office (31)					(2) Desks, (1) Bookshelf, (1) Chair, (1) Lenovo notebook, (2) Whiteboards, (1) Filing cabinet	-
5	5-41	TAS	Administration Building Office	1	Office (32)					(1) Desk, (1) Bookshelf, (1) Whiteboard, (1) Chair	-
5	5-42	TAS	Administration Building Office	1	Kitchen					(1) Westinghouse refrigerator, (1) Microwave, (1) Roband pie warmer, (1) Little Guy induction stove, (1) Zip auto boil, (2) Coffee pots	-
5	5-43	TAS	Administration Building Office	1	Office (33)					(1) Desk, (1) Whiteboard, (1) Table, (3) Chairs, (1) Dell 7080 + Hp screen	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
5	5-44	TAS	Administration Building Office	1	Office (34)					(1) Desk, (1) Bookshelf, (1) Whiteboard, (1) Dell screen, (3) Chairs, (2) Filing cabinets, (1) Table	-
5	5-45	TAS	Administration Building Office	1	Board Room (35)					Boardroom table, (11) chairs, Whiteboards, shelf unit Epson projector.	-
5	5-46	TAS	Administration Building Office	1	Office (36)					(1) Desk, (1) Chair	-
5	5-47	TAS	Administration Building Office	1	Main Hallway					(1) Base station - Epson SC-T5460M plan printer (S/N: 35453), (5) Whiteboards, (1) Notice board, plan table, (3) Plan hangers, (1) Shelf unit, (1) Plan cabinet, (1) Service counter	-
5	5-48	TAS	Laboratory Office	1	Microscope		Nikon	SMZ800		Power supply	\$3,000
5	5-49	TAS	Laboratory Office	1	Test Sieve		W.S. Tyler	BR 6 Sieve		Metric test dry	\$1,250
5	5-50	TAS	Laboratory Office	1	Lab Glassware					Qty various measuring	\$600
5	5-51	TAS	Laboratory Office	1	Viscometer		Brookfield	LV DV-1-Prime	AP6515673	With Lvspindle set	\$2,500
5	5-52	TAS	Laboratory Office	1	Metal Shelf		Rack It			Boxed, 1800x1900x640	\$200
5	5-53	TAS	Laboratory Office	1	Sprayer					Back pack	\$200
5	5-54	TAS	Laboratory Office	1	Lab Ball Mill		ESSA		217654		\$4,000
5	5-55	TAS	Laboratory Office	1	Lab Floatation Machine		ESSA	FM1000	101867		\$3,500
5	5-56	TAS	Laboratory Office	1	Sieve Shaker		W.S. Tyler	RX-29-10HP	27120	With sound enclosure	\$2,000
6	6-1		Consumables	1	Qty Consumables					Note: This information has been provided by staff at Avebury Mine Located at Avebury: - Grinding Machine \$36,000 Located at De Bruyn's in Burnie: - Frother \$55,000 - Xanthate \$80,000 - Grinding Media \$170,000	\$341,000
7	7-1		Admin Building and all other Relocatable Buildings - Not Valued	1	Main Fixed Administration Building					Approx. 99.5m x 24.0 (14.0)m On concrete slab Includes: Male & Female Wash Areas Multiple Offices Meeting Rooms Reception Undercover Parking (Excluded)	-
7	7-2		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Relocatable Shed (Over Crushers & Fine Ore Bin)					Trimdeck sides and roof Odd shaped - High Top With 47 Kone Gantry Cranes 1 x 10T Capacity 3 x 5T Capacity Note: size: Staff indicated they would find plans however, these have not been provided at time of print (Excluded)	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
7	7-3		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Workshop and Stores Shed					Approx. 56.0m x 15.2m On concrete slab Includes: Covered Awning Area - 12000mm x 15000mm Thru Shed Walkway Offices Ground and First Floors Corrugated Iron Sides and Roof 3 High Top Roof Bays - With Kone 5T Gantry Crane - 3 High Roller Doors East Side - 3 High Roller Doors West Side Electricians Workshop Boilermakers Workshop Mechanical Workshop Storage Yard (Excluded)	-
7	7-4		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Pumphouse Shed					Trimdeck sides and roof corrugated Concrete pad Single roller door Single personal door Approx. size - Note: Staff indicated they would find plans - Unfortunately these have not been provided at time of print (Excluded)	-
7	7-5		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Contractors Shed					Approx. 10m x 5.5m Mounted on 3 x 20' Containers 2 Lights On concrete slab (New pumpshed) (Excluded)	-
7	7-6		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Portable Water Shed					Approx. 8m x 5m x 5m Pitched roof 1 Roller door Trimdeck Walls - Corrugated Roof On concrete pad (Excluded)	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
7	7-7		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted SteelFrame Underground Equipment Shed					On concrete pad With 2 x Offices plus crib room & storage With wash bay Size - Note: Staff indicated they would find plans - Unfortunately these have not been provided at time of print Main shed with: - Kone Gantry Crane - 15T Capacity - Class C4M5 - Pendant Control 4 Roller Doors East Side 4 Roller Doors West Side 1 Dedicated Wash Bay (Excluded)	-
7	7-8		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Reagents Shed					Concrete pad 1 Roller Door - 1 Personal Door 2 Kone Gantry Cranes Various steel mezzanine levels Trimdeck colourbond walls & roof Size - Note: Staff indicated they would find plans - Unfortunately these have not been provided at time of print (Excluded)	-
7	7-9		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Xanthate Storage Shed					Concrete pad 1 Roller Door 3 Personal Doors Internal Fire Door Trimdeck colourbond walls and roof Size - Note: Staff indicated they would find plans - Unfortunately these have not been provided at time of print (Excluded)	-
7	7-10		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Filter/Concentrate Shed					Concrete floor Size - Note: Staff indicated they would find plans - Unfortunately these have not been provided at time of print Heavy duty mezzanine floor housing Larox Filter 2 Open roller door openings Stairwell to mezz via 1 personal door (Excluded)	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
7	7-11		Admin Building and all other Relocatable Buildings - Not Valued	1	Relocatable Crib Building					On concrete slab Approx. 12m x 6m (2 Module) Insulated panel construction Mounted on concrete slab Open plan interior with office Kitchenette, 3 x Air conditioners (Excluded)	-
7	7-12		Admin Building and all other Relocatable Buildings - Not Valued	1	Bolted Steel Frame Main Process Shed					Built on complex concrete pad with plynths, nib walls, angled floors, etc. Multi level with complex steel gate mezzanine levels Vehicle access thru way 4 Roller doors Kone Gantry Crane (Excluded)	-
8	8-1	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	7/2020	Toyota	Hilux	MR0KA3CB801128681	Rego: J81BA, Fleet No. R22, single cab, 4WD, auto, 46377 Kms, steel tray (Lottah Mining)	-
8	8-2	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	6/2020	Toyota	Landcruiser	JTELV71J10B019171	Rego: J28EP, FLEET R21, single cab utility, 41899 Kms, fire suppression (Lottah Mining)	-
8	8-3	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	7/2020	Toyota	Landcruiser	JTEBV71J90B019737	Rego: J29EP, Fleet No. R20, dual cab, 4WD utility, mine spec, Kms not available (Lottah Mining)	-
8	8-4	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	6/2021	Toyota	Landcruiser	JTELV71J80B034797	Single cab 4WD utility, Rego: J89WQ, FLEET No. R42 steel tray, mice spec, 1543 Kms (Lottah Mining)	-
8	8-5	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	8/2020	Toyota	Hilux	MR0KA3CDX01247561	Dual cab 4WD utility, Rego: J10VZ, Fleet No. R30, auto, style side, 11258 Kms (Lottah Mining)	-
8	8-6	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	6/2021	Toyota	Landcruiser	JTELV71J10B034804	Single cab 4WD utility, Rego: J91WQ, FLEET No R43, 1000 Kms approx., steel tray (Lottah Mining)	-
8	8-7	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MR0KA3CD301311925	Dual cab 4WD utility, auto, style side, Rego: J13VZ, FLEET No R31, 20000 Kms approx. (Lottah Mining)	-
8	8-8	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	9/2020	Toyota	Hilux	MR0KA3CD301249801	Dual cab 4WD utility, Rego: J23SS, FLEET No R28, auto, style side, 23435 Kms (Lottah Mining)	-
8	8-9	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	12/2020	Mitsubishi	Triton	MMAJLKL10MH009439	Dual cab 4WD utility, Rego: J11VZ, FLEET No R37, auto, 25568 Kms (Lottah Mining)	-
8	8-10	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	7/2020	Toyota	Landcruiser	JTEBV71J00B020503	dual cab 4WD utility, 13965 Kms, steel tray, Rego: J09WQ, FLEET No R41 (Lottah Mining)	-
8	8-11	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	6/2021	Toyota	Landcruiser	JTELV71J40B034800	Single cab, 4WD, tray, Rego: J90WQ, 5408 Kms, steel tray, FLEET No R44 (Lottah Mining)	-
8	8-12	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2019	Toyota	Hilux	MR0HA3CD900438582	Dual cab, 4WD, Rego: I99SH, FLEET No R19 (Not Inspected - Burnie with Director) (Lottah Mining)	-
8	8-13	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MR0KA3CB001128738	Single cab, Rego: J82BA, FLEET No R23 Not Inspected - Burnie (Lottah Mining)	-
8	8-14	TAS	Third Party Assets (Excluded)	1	Trailer	2020	Liquip Rural	Fuel Trailer	6T9T27V86LAP4H008	1250 litre, Rego: Y13NZ, FLEET No R24 (Not Inspected - Rosetta Mine) (Lotta Mining)	-
8	8-15	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2021	Mazda	BT-50	MM0UP0YF100194886	Dual cab 4WD, Rego: Unknown, FLEET No R25 (Not Inspected - Rogetta iron) (Lottah Mining)	-

Section	Asset Number	State	Location	Qty	Type/Category	D.O.M	Make	Model	VIN/Ser No.	Description	Market Value in Continued Use
8	8-16	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD401248494	Dual cab 4WD, Rego: J09VZ, FLEET No R29 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-17	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD201248008	Dual cab 4WD, Rego: J12VZ, FLEET No R32 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-18	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD801248143	Dual cab 4WD, Rego: J60WQ, FLEET No R33 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-19	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD701249803	Dual cab 4WD, Rego: J61WQ, FLEET No R34 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-20	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD601252062	Dual cab 4WD, Rego: J62WQ, FLEET No R35 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-21	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Hilux	MROKA3CD701129112	Single cab, Tray, Rego: J77LY, FLEET No R34 (Not Inspected - Burnie) (Lottah Mining)	-
8	8-22	TAS	Third Party Assets (Excluded)	1	Motor Vehicle	2020	Toyota	Landcruiser	JTEBV71J80B016876	Dual cab 4WD, Rego: J10WQ, FLEET No R40 (Not Inspected - Burnie) (Lottah Mining)	-
Grand Total											\$20,638,610

Annexure A

Market Value in Continued Use

Market Value in Continued Use (with assumed earnings). An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

(American Society of Appraisers)

Annexure B - Photographs



Crushing Section
Asset 1A - 3 - Jaw Crusher



Crushing Section
Asset 1A - 11 - Crusher Cone



Crushing Section
Asset 1A - 12 - Crusher Cone



Grinding Section
Asset 1B - 4 - Main Infeed Conveyor



Grinding Section
Asset 1B - 6 - Autotec Ball Mill



Grinding Section
Asset 1B - 9 - 10/8 Pump

Annexure B - Photographs



Grinding Section
Asset 1B - 11 - Krebs Cyclones



Grinding Section
Asset 1B - 12 - Flash Flotation Cell



Flotation Section
Asset 1C - 14 - Bank of 2 Flotation Cells



Regrind Section
Asset 1D - 2 - 8/6 Pump



Regrind Section
Asset 1D - 4 - Magnetic Separator



Regrind Section
Asset 1D - 5 - Regrind Mill

Annexure B - Photographs



Regrind Section
Asset 1D - 5 - Regrind Mill



Tails Section
Asset 1E - 4 - Multi Stream Analyzer



Thickener Section
Asset 1E - 13 - Outotec High Cone Thickener



Concentrate Section
Asset 1F - 6 - Pump & Tank



Concentrate Section
Asset 1F - 12 - Larox Filter



Reagents Section
Asset 1G - 5 - Ciba Flocc Tank

Annexure B - Photographs



Water Section
Asset 1H - 7 - Water Tank



Water Section
Asset 1H - 14 - Pumps



Water Section
Asset 1H - 2 Fire Fighting Pump



Building Section
Asset 7 - 3 Workshop Building



Building Section
Asset 7 - 12 Main Process Building



Section 2
Workshop Plant and Equipment

Annexure B - Photographs



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment

Annexure B - Photographs



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment

Annexure B - Photographs



Section 2
Workshop Plant and Equipment



Section 2
Workshop Plant and Equipment



Section 3
Underground Services



Section 3
Underground Services



Section 3
Underground Services



Section 3
Underground Services

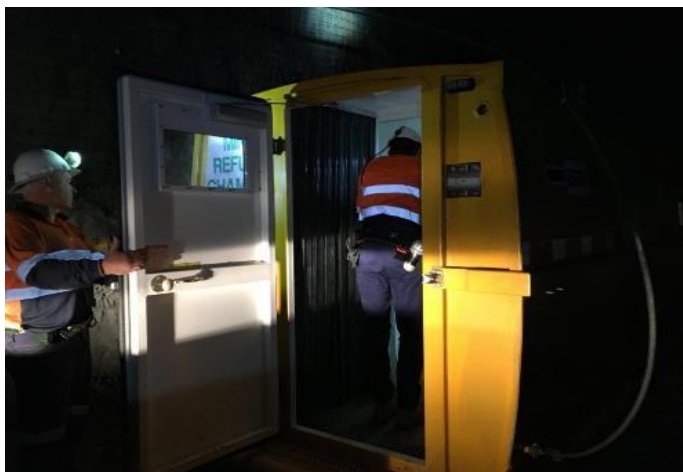
Annexure B - Photographs



Section 3
Underground Services



Section 3
Underground Services



Section 3
Underground Services



Section 3
Underground Services



Section 4
Mobile Equipment and Motor Vehicles



Section 4
Mobile Equipment and Motor Vehicles

Annexure B - Photographs



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles

Annexure B - Photographs



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles



Section 4

Mobile Equipment and Motor Vehicles

Annexure B - Photographs



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



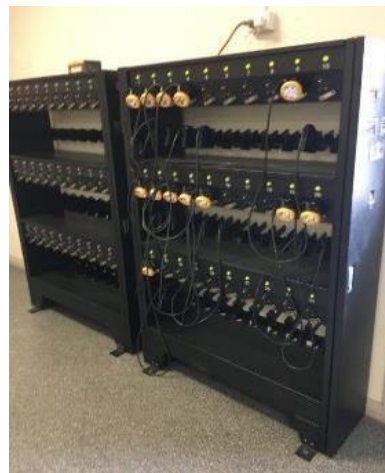
Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment

Annexure B - Photographs



Section 5

Office and Laboratory Furniture and Equipment



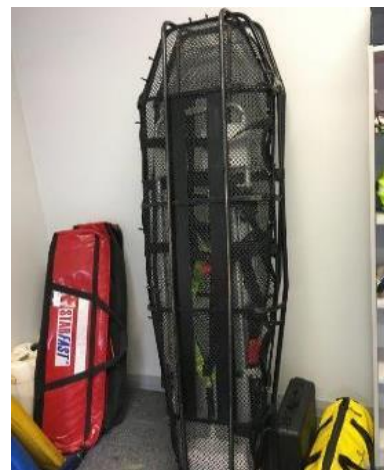
Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment

Annexure B - Photographs



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment



Section 5

Office and Laboratory Furniture and Equipment

F. LIQUIDATOR TOP-UP SHARES

We have considered the hypothetical situation where the Mallee Share price falls below \$0.63 on recommencement of trading (post completion of the Proposed Transaction) and Liquidator Top-Up Shares are required to be issued to equate to a value of \$12.5 million.

We have adopted the sum of the parts methodology as set out in Section 10 post the Proposed Transaction and adjusted for the additional Liquidator Top-Up Shares to be issued.

Our analysis has been prepared on the same basis as the disclosure in the Notice, giving scenarios based on assumed 5-day VWAP prices of Mallee Shares at the Liquidator Top-Up Date (being 30 days after re-commencement of trading on the ASX).

We have adopted the value of Mallee post the Proposed Transaction of \$63.63 million to \$165.23 million with a preferred value of \$114.23 million as assessed at Table 12. There would be no change to the assessed fair values of assets and liabilities of Mallee on issue of the Liquidator Top-Up Shares, only the total number of Mallee Shares on issue.

The table below shows the derived non-controlling value (i.e. after application of the minority interest discount as set out in Section 10) of a Mallee Share post the proposed Transaction and assuming the issue of Liquidator Top-Up Shares are varying amounts.

Assessed Fair Value of a Mallee Share post the Proposed Transaction and Issue of Liquidator Top-Up Shares

(Note – Liquidator Top-Up Shares would only be issued if a Capital Raise occurs and MYL is reinstated to trading, the below analysis excludes any impact of a Capital Raise given the uncertainties as to the quantum and pricing of such a raise)

5-day VWAP at Liquidator Top-Up Date	Liquidator Top-up Shares to be issued	Total Liquidator Shares to be issued	Total Shares Post Liquidator Top-Up (Excl. Capital Raise)	Liquidator Interest (undiluted)	Assessed Value of a Mallee Share Post Proposed Transaction and Issue of Liquidator Top-Up Shares			Assessed Value of a Mallee Share Prior
					Low Value	High Value	Preferred Value	
\$0.15	63,492,063	83,333,333	365,418,117	22.8%	\$0.1261	\$0.3246	\$0.2282	\$0.2602
\$0.17	53,688,142	73,529,412	355,614,196	20.7%	\$0.1296	\$0.3335	\$0.2344	\$0.2602
\$0.20	42,658,730	62,500,000	344,584,7684	18.1%	\$0.1337	\$0.3442	\$0.2419	\$0.2602
\$0.30	21,825,397	41,666,667	323,751,451	12.9%	\$0.1423	\$0.3663	\$0.2575	\$0.2602
\$0.40	11,408,730	31,250,000	313,334,784	10.0%	\$0.1470	\$0.3785	\$0.2661	\$0.2602
\$0.50	5,158,730	25,000,000	307,084,784	8.1%	\$0.1500	\$0.3862	\$0.2715	\$0.2602
\$0.60	992,063	20,833,333	302,918,117	6.9%	\$0.1521	\$0.3915	\$0.2752	\$0.2602
\$0.63	0	19,841,270	301,926,054	6.6%	\$0.1526	\$0.3928	\$0.2761	\$0.2602
\$0.326	18,512,110	38,353,380	320,438,164	12.0%	\$0.1438	\$0.3701	\$0.2602	\$0.2602
\$0.178	50,580,599	70,421,869	352,506,653	20.0%	\$0.1307	\$0.3365	\$0.2365	\$0.2602

Source: RSM Analysis

Assessment of Fairness

We note the following:

- Section 611 Item 7 of the Corporations Act requirement for shareholder approval would only be triggered when the Liquidators shareholding interest exceeds 20%, which we have determined to be when the 5-day VWAP of Mallee Shares at the Liquidator Top-Up Date falls below \$0.178. The preferred value of a Mallee Share post the Proposed Transaction and issue of Liquidator Top-Up Shares based on a 5-day VWAP \$0.178 would be \$0.2365.
- Consistent with the basis of our assessment of fairness for the Proposed Transaction, the issue of Liquidator Top-Up Shares would be assessed as fair where the preferred value of a Mallee Share post the Proposed Transaction and issue of Liquidator Top-Up Shares is equal to or greater than the assessed value of a Mallee Share prior to the Proposed Transaction of \$0.2602. We have determined this to be at a 5-day VWAP of \$0.326 or more. The number of Liquidator Top-Up Shares to be issued at a \$0.326 VWAP would be 18,512,110 resulting in the Liquidators holding an undiluted shareholding interest of 12.0%.

Therefore, in circumstances where the proposed issue of Liquidator Top-Up Shares would result in the Liquidators holding more than 20% of Mallee, it would be considered **not fair** to the Non-Associated Shareholders as the 5-day VWAP must fall below \$0.178 and the resulting preferred value of a Mallee Share post the Proposed Transaction and issue of Liquidator Top-Up Shares would be \$0.2365 which is less than the assessed value of a Mallee Share prior to the Proposed Transaction.

Assessment of Reasonableness

We have considered the following factors in assessing the reasonableness of the proposed issue of Liquidator Top-Up Shares:

- The maximum shareholding interest of the Liquidators after issue of the Liquidator Top-Up Shares would be 22.8% which would dilute the Non-Associated Shareholders to an interest of 52.0% in Mallee. However we note that the Liquidators Top-Up Shares would only be issued post the Company's reinstatement to trading and any associated capital raisings, therefore the actual voting power of the Liquidators would be diluted to the extent that they would not participate in any capital raising.
- The Liquidators would hold a significant influence in Mallee but would not be able to block a Special Resolution in its own right.
- The shares issued to the Liquidator are to be held on trust by the Liquidators for the benefit of the Pool E Parties of Dundas and must be sold within 12 months of Mallee re-commencing trading on the ASX.

The sale of the shares is intended to fund investigations of voidable transactions, distributions to related party unsecured creditors and for shareholders of Dundas. It is therefore not the intention for the Liquidator Top-Up Shares to be held long-term and the overall purpose is to release additional funds for pursuing claims against Dundas in the Liquidation process.

- The issue price for the Capital Raise is \$0.70 and the implied net tangible asset backing per share of Mallee post the Proposed Transaction (before application of a minority interest discount) is in the range of \$0.1938 to \$0.53003 with a preferred value of \$0.3614.

Therefore we consider it unlikely that the 5-day VWAP of Mallee would fall below \$0.178 on re-commencement of trading based on the information known at the date of this Report, including the independent specialist valuations of the Avebury Nickel Mine assets.

We note that significant changes in the pricing or demand economics for nickel, world political or economic environment, or the ability to develop and re-commence mining at the Project may adversely impact the Mallee share price in the month following re-commencement of trading.

Given the above, we consider the proposed issue of Liquidator Top-Up Shares to be **not fair but reasonable** to the Non-Associated Shareholders.

We draw attention to the mechanics of the assessment contained in this section, the derived value of a Mallee Share post the Proposed Transaction and issue of Liquidator Top-Up Shares is based on the assessed values of the Avebury Nickel Mine assets as at 23 February 2022 (being the date of Mallee's announcement). Given the factors outlined above, for the Mallee share price to fall significantly after the re-commencement of trading on the ASX we consider it would likely be due to a significant change in one of the fundamental assumptions underpinning the assessed value of the Avebury Nickel Mine, i.e. global economic conditions, nickel price or an unidentified impediment to re-starting the mine, and hence the underlying valuation itself would also change. The fairness comparison conducted on the varying 5-day VWAPs is based on a static assessed value of the Avebury Nickel Mine and therefore does not take into consideration the likely correlation between the Mallee share price and the underlying value of the Project.

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