

ASX ANNOUNCEMENT

29 June 2022
ASX Code: MYL

BOARD OF DIRECTORS

Mr Jeff Moore
Non-Executive Chairman

Mr John Lamb
Managing Director

Mr Rowan Caren
Executive Director

Mr Paul Arndt
Non-Executive Director

ISSUED CAPITAL

Shares	190 m.
Performance Rights	5 m.
Unlisted Options	1 m.

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Chairman's Address to EGM

The following Chairman's Address is to be presented to shareholders at today's EGM.

Authorised for release to the ASX by



Rowan Caren

Executive Director and Company Secretary

About Mallee Resources Limited

Mallee Resources Limited (ASX: MYL) is an explorer and mine developer listed on the Australian Securities Exchange. MYL aims to become a leading regional base metals producer. The Company is seeking to acquire 100% of the Avebury Nickel Project in Tasmania pursuant to the terms of a Deed of Company Arrangement.



Chairman's Address

Good morning, ladies and gentlemen, on behalf of the Board of Directors of Mallee Resources, I thank you for your attendance at today's Extraordinary General Meeting of the Company.

Today's important meeting represents a major milestone in the continuing development and growth of your company - Mallee Resources. Your affirmative shareholder vote, particularly for resolutions 1 to 5 which are Essential Resolutions, satisfies one of the final conditions precedent to your Company's acquisition of the Avebury nickel sulphide mine in western Tasmania.

As you are aware, the Avebury mine acquisition will be facilitated via the acquisition of Allegiance Mining Pty Ltd, pursuant to terms under the Deed of Company Arrangement (DOCA).

That said though, before I talk a little more about what a great asset Avebury is, I think that it is appropriate that I recap on the transformative journey the Company has taken over the past, almost 18 months.

History now shows that the unforeseen and remarkable events that occurred in Myanmar in February 2021 had an immediate and irreversible impact on your Company's mine development agenda and activities for the Bawdwin silver, lead, and zinc project.

On 1 February 2021, the date of the Myanmar military coup, Mallee's directors convened a Crisis Management Task Force, charged with assessing all of the Company's' immediate obligations to the relevant Australian regulatory bodies including the ASX, the Company's shareholders, its Myanmar partners and Myanmar stakeholders.

Your Company sought independent guidance and advice, including consultation with the Australian Government Embassy in Yangon, however, the Task Force determined that it was not feasible for Mallee to continue with Bawdwin mine development studies or to continue to negotiate and agree terms for a new Production Sharing Agreement with Government Ministries under military control.

In short, the Board recognised that the best option for the Company and its shareholders was for Mallee to divest its interest in the Bawdwin Joint Venture.

This of course, was a very difficult decision to make because the Bawdwin project held enormous potential, not just for the Company and its shareholders but also for a wide range of in-country stakeholders who stood to benefit from skills training, employment opportunities and local/regional community benefits from the Company's plan to bring first-world, safe, efficient mining and processing technology to Myanmar.

Notwithstanding, with the divestment decision made and under the outstanding guidance and management of Mallee's Managing Director John Lamb, Mallee's management team successfully negotiated an exit from Myanmar which saw the Company receive a total of US\$30million in cash for its interest in the Bawdwin Joint Venture.

John also ensured that the Company immediately set about identifying and securing a new flagship project to replace Bawdwin, a considerable task considering that this search occurred in a very competitive market for high calibre resource opportunities

John set his team an ambitious task, the project needed to be at an advanced stage of exploration and/or development, it was required to offer commodity exposure to preferably battery/energy, base or precious metals, be located in a tier-1 jurisdiction and importantly, deliver value to our patient shareholders.

It gives me great pride to be able to say that in less than five months after shareholders voted for the Bawdwin divestment, Mallee management well and truly delivered on what it set out to do, by putting in motion the acquisition of the Avebury nickel sulphide project in Tasmania via the DOCA.

The Avebury project is a wonderful opportunity for Mallee. It is the transformative opportunity the Company set out to find and Avebury's size and grade compares favourably with many of the best nickel sulphide



projects in Australia, particularly when considering that it hosts a modern, well-maintained underground mine, a 900 thousand tonne per annum processing plant and associated site infrastructure.

With strong recent interest in nickel, this is a great time to acquire a nickel sulphide project with a clear, near-term path to production.

Importantly, Mallee already has in place a Board and management team with considerable mine development and mine operations experience but even more importantly, I cannot overstate the benefit of the understanding of the Avebury project that John brings with him, having been the former General Manager of Avebury.

John was instrumental in identifying the Avebury opportunity and his knowledge and relationships from the mine to the Minister enabled successful negotiations to be concluded with the secured creditor and local stakeholders, ultimately facilitating the DOCA to acquire Avebury.

Avebury is a mine of great importance to local communities but also to Tasmania, it is a mine that Mallee will manage responsibly, with due care for the environment and with consideration of stakeholders.

An early priority will be to assess the business case for attaining a net zero carbon status. Avebury is well positioned to provide strong ESG credentials, which we and our local stakeholders are excited about.

So, moving on to the business of the meeting, I ask those of you who have not yet voted to do so in favour of Resolutions 1 to 12, as set out in the agenda of the Notice of Extraordinary General Meeting.

By voting for these resolutions, you will underwrite the future of Mallee as a near-term nickel sulphide producer, but importantly, Avebury also offers considerable exploration potential to grow the deposit beyond its almost 30M tonne resource inventory¹, as currently understood and categorised under the JORC-code of 2012.

In conclusion, Mallee's divestment of Bawdwin and the acquisition of Avebury clearly illustrates the Company's ability to triumph over adversity through perseverance and hard work.

The Avebury acquisition pathway presented many hurdles to cross but John was capably supported by a very talented and hard-working executive, management and advisory team who deserve great praise for their perseverance and long hours dedicated to securing the prized Avebury asset.

It is truly an exciting new phase for Mallee and our shareholders and I can't wait to share news on the journey forward with you all as we recommence mining operations at Avebury.

Finally, I think that it is fitting to restate our former Chair, John Lamb's words from last year's AGM address regarding Mallee's new identity and which still rings true in what Mallee stands for:

- We are hardy and tough.
- We survive and thrive in difficult situations.
- We are Australian.
- We are Mallee Resources.

Thank you

¹ 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://malleeresources.com.au/static/2f9fb39a04dad8dc51edb897481a4701/2367037.pdf>. 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 assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.