

## ASX ANNOUNCEMENT

28 November 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	360 m.
Performance Rights	5 m.

### Mallee Resources Limited

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# Chairman's Address to AGM

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

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 emerging miner listed on the Australian Securities Exchange. The Company wholly owns the Avebury Nickel Sulphide Project in Zeehan, western Tasmania. The Avebury Project hosts JORC (2012) compliant Mineral Resources of 29.3 Mt at 0.9% Ni<sup>1</sup>, an operating underground mine and a modern processing plant and mine infrastructure. The Avebury Mineral Resource is open at depth and along strike and the prospective host geology hosts outstanding exploration potential.

<sup>1</sup> 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 assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



## Chairman's Address

Good morning and welcome, my name is Jeffrey Moore and I am the Chairman of Mallee Resources Limited. On behalf of the Board of Directors, I thank you for attending today's Annual General Meeting of the Company which is being held virtually for the first time.

When we last addressed shareholders at our June EGM, we were still at the stage of seeking Shareholder approval to undertake the significant change to the nature and scale of the Company's activities, which was required under Listing Rules to complete the Avebury Nickel Mine acquisition. The strong support for all resolutions voted on at that meeting enabled the Company to complete the acquisition of Avebury and deliver upon our plans for a rapid but methodical re-start to mining and processing operations, as will be illustrated in John Lamb's Managing Directors presentation', which will follow this address.

John and his team deserve a great deal of credit for what they have achieved at Avebury this year, we have executed well on our plan and the transformation we set out to achieve has been realised in a very short period of time.

That said though, you, our patient shareholder collective, are still awaiting the resumption of trading of Mallee's shares on the ASX platform. Our plan was to complete the re-listing of Mallee in September of this year, however, that did not materialise. The reasons for this and our plans to resolve it are as follows.

After finalising the acquisition of Avebury, we set out to re-comply with Chapters 1 and 2, as required under the ASX Listing Rules, so that Mallee could resume trading on the ASX. A key part of that re-compliance was the completion of a capital raising. The Company issued a prospectus in respect of the capital raising on 2 August and the Offer remained open until the end of August.

Unfortunately, Mallee did not receive sufficient funds to meet the minimum subscription amount and the Offer was closed, marking the end of our re-listing process at that time. This was a very disappointing outcome for the Board and all of our existing shareholders but also for the new and existing investors who had applied for shares under the offer.

The key reason for this disappointing outcome was the limitations on our ability to change the issue price under the Offer in response to poor and degrading global financial market conditions. The Company and its financial advisors set a share issue price for the Offer in March, in order to prepare the detailed documentation required to seek shareholder approval within the period required under the Allegiance DOCA, which was received at the 29 June EGM. Once this process was underway, the share price could not be readily changed without us seeking and being granted an extension of time for satisfaction of the shareholder approval condition under the Allegiance DOCA or convening a new general meeting of shareholders once the acquisition of Avebury was complete. By the time the prospectus was prepared and the Offer was opened in August, adverse market conditions meant that investors were far less willing to pay the proposed 70 cent per share issue price.

This placed the Company in a difficult position; the commencement of production at Avebury was imminent, capital and operating costs had to be met and the Company's cash position was being eroded. To remedy this situation, Mallee arranged a placement to institutional and sophisticated investors, using its existing placement capacity under the ASX Listing Rules, raising a total of \$19 million at a lower issue price, in two tranches. This was a critical capital raising amid challenging market conditions, which allowed Avebury to be funded through the re-start period. We also greatly appreciated the support of Hartree Metals through these times.

I am proud of Mallee's ability to successfully complete this capital raising in such adverse circumstances, and this provides further evidence of our Company's ability to be resilient and to thrive in difficult situations.



Moving forward, with the critical capital raising completed and nickel concentrate now being produced at Avebury, where to next with the re-listing path for Mallee?

The Board is committed to the re-listing of Mallee and the drafting of documents required to commence the process is underway. Whilst re-listing on the ASX is at the sole discretion of the ASX and, therefore, there can no certainty that Mallee will successfully be reinstated to trading on the ASX, our target is for Mallee to be reinstated to trading in the first quarter of next year from a base with the Company in a far stronger position.

The Avebury mine, crusher, grinding, flotation and filtration circuits are operational and all components have proven to work well during commissioning. We are producing nickel concentrate and the supply and logistics chains are working effectively. We have achieved what we set out to achieve at Avebury according to our schedule and we are seeking a reinstatement to trading as a proven producer of nickel concentrates.

There is still work to be done to optimise the performance of the mining operation and to bring the operation up to steady-state nameplate capacity and beyond, but we are now a producer and we have built a strong foundation to become a significant supplier of products required for the future decarbonised global economy.

In closing, I would like to thank my fellow Board members and executive team. The combined wisdom and experience of this team has been invaluable in shepherding the Company through both a challenging and transformative period.

We look forward to continuing the great work which has enabled the re-start at Avebury and we look forward to a bright future for your Company.

Thank you

**Jeffrey Moore**

Non-executive Chair



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