

MEDIA RELEASE

8 February 2024

ISSUED CAPITAL

Shares	497 m
Performance Rights	5 m
Convertible Notes	\$2 m

Mallee Resources Limited

Suite 1, Ground Floor,
9 Havelock Street
West Perth 6005
Western Australia

info@malleeresources.com.au
P +61 (0)8 6147 8100
malleeresources.com.au

ABN: 48 124 943 728

Transition to Care and Maintenance

*Further to our announcement of 15 September 2023 concerning (among other things) the appointment of Scott Langdon, Richard Tucker and Mark Korda of KordaMentha as joint and several Receivers and Managers of all property of Mallee Resources Limited (**Company**) and certain of its subsidiaries, on 7 February 2024, the Company was advised that the Receivers and Managers have decided to transition the Avebury Nickel mine into a care and maintenance program. Please see attached the media release from KordaMentha in this regard.*

Mallee Resources Limited (Administrators Appointed) (Receivers and Managers Appointed)

KordaMentha

7 February 2024

MEDIA RELEASE

Avebury Nickel Mine to transition to Care and Maintenance

The Receivers and Managers of the Mallee Resources Limited Group of Companies today announced that the Avebury Nickel Mine will transition into a Care and Maintenance program.

The Receivers and Managers have been operating Avebury while looking for a long-term buyer. However, the decline in the nickel price largely attributable to the significant year-on-year expansion in Indonesian supply has adversely impacted the sale process and motivation of interested parties.

The LME nickel price is currently ~\$15-16,000/t, more than 50% lower than it was at the start of 2023.

As a consequence, and as seen throughout Australia in other nickel mining operations, the sustained low nickel market has made continuing to run the mine untenable in the current environment.

Receiver Scott Langdon said the oversupply of low-quality nickel from Indonesia made the higher quality, but higher cost, ores from Australian mines uncompetitive.

“As a number of other Australian miners have recently experienced, without a structural change in the market to properly value low carbon, battery-grade nickel, local mine operations will continue to be disadvantaged compared to their competitors,” he said.

"It is disappointing that despite interest from global participants, current market conditions have presented challenges to finding the right path for a sale at this point in time. These external factors left us with no other choice than transitioning to a Care and Maintenance program for Avebury”.

“We thank the Avebury workforce for their hard work and support throughout the receivership”.

Mr Langdon said the Receivers and Managers were finalising the plan for the transition of Avebury to Care and Maintenance and will be communicating it to employees and other stakeholders over coming days.

Media enquiries:

Rebecca Harrison, The Civic Partnership | rebecca.harrison@civicpartners.com.au

About KordaMentha Restructuring

KordaMentha Restructuring is the distressed business division of KordaMentha, an advisory and investment firm that helps clients to grow, protect and recover value.

KordaMentha Restructuring works with companies in financial distress to restructure and to stabilise the business or to recover value on behalf of stakeholders. They have over 170 professional staff with diverse backgrounds and deep experience from accounting and agriculture to mining and real estate.