

ASX ANNOUNCEMENT

16 February 2022
ASX Code: **MYL**

BOARD OF DIRECTORS

Mr John Lamb
Executive Chairman, CEO

Mr Rowan Caren
Executive Director

Mr Jeff Moore
Executive Director

Mr Paul Arndt
Non-Executive Director

ISSUED CAPITAL

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

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Submission of a Proposed Deed of Company Arrangement in Relation to Acquisition of the Avebury Nickel Sulphide Project

Mallee Resources Limited (“MYL” or the “Company”) advises that it has submitted a deed of company arrangement (“DOCA”) proposal (“Proposal”) to Richard Tucker and John Bumbak of KordaMentha (“Administrators”) in their capacities as administrators of Allegiance Mining Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed) (“Allegiance”) and various of its related entities (together, the “Allegiance Group”). The Allegiance Group wholly owns the Avebury nickel sulphide mine, near Zeehan in Tasmania (“Avebury Project”). The Proposal was made by MYL together with Hartree Metals LLC (“Hartree”), the sole secured creditor of the Allegiance Group.

The Administrators have issued a notice of meeting for the second meeting of creditors of the Allegiance Group (“Creditors”) to be held on 22 February 2022 (“Meeting”) for the purpose of Creditors considering and voting on whether the DOCA should be executed, which has been recommended by the Administrators. If Creditors do not resolve to execute a DOCA on the terms set out in the Proposal, the proposed acquisition will not proceed on the terms of the Proposal.

The Proposal contemplates MYL (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. Consideration for the acquisition will comprise a mixture of cash and shares. MYL proposes to fund the acquisition and ongoing operations through a mixture of existing cash reserves, consideration shares and a loan facility.

MYL’s involvement in the DOCA will be subject to shareholder approval, to be sought at an extraordinary general meeting of MYL shareholders to be convened following execution of the DOCA, as well as MYL receiving any other necessary regulatory approvals.

An update will be provided by the Company following the Meeting, with further details with respect to the DOCA terms and the Avebury Project, to be released in the event Creditors vote in favour of the Proposal and a DOCA is subsequently executed.

Authorised for release to the ASX by



John Lamb
Executive Chairman and CEO