

ASX ANNOUNCEMENT

16 August 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

Mr Steve Hendel
Non-Executive Director

ISSUED CAPITAL

Shares	302 m.
Performance Rights	5 m.
Unlisted Options	1 m.

Mallee Resources Limited

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CAPITAL RAISING AND PROJECT UPDATE

Capital Raising

Mallee Resources Limited (“MYL” or the “Company”) would like to remind existing shareholders and investors that its capital raising is planned to close by 5pm (WST) on 19 August 2022¹. The Company has issued a prospectus to raise between \$20 and \$70 million via the issuance of ordinary shares at a price of \$0.70 per share, for the primary purpose of providing the funds required to bring the Avebury nickel project back into production and to enable a return of the Company’s shares to quotation on ASX.

While the minimum funding of \$20 million achieves these aims, an investment of \$70 million optimises the Avebury mine including allowing for capacity expansion, exploration to enlarge the resource and add additional new resources on the Company’s highly prospective tenure at Melba and Avebury, and for a move towards replacing diesel equipment with battery-electric equipment in the underground mine.

A copy of the prospectus and instructions on how to apply for shares can be found at: <https://apply.automic.com.au/MalleeResources>

Existing shareholders and investors seeking assistance in obtaining a copy of the prospectus or applying for shares can contact the Company’s share registry, Automic Registry Services, on 1300 288 664 or hello@automic.com.au

Project Update

Around 18,000 tonnes of ore has been stockpiled on the run-of-mine pad to date including plant commissioning feed.



Figure 1. Commissioning feed stockpiled on the ROM pad adjacent to the crusher.

¹ The closing date is indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to applicants.

Two new Sandvik underground mine loaders have arrived in Tasmania and are presently being configured with teleremote technology to enable safe underground loading. The loaders are expected to arrive on site later in August which will allow for the commencement of production from stopes and the commencement of 24 hour/7 day operational rosters.



Figure 2. Underground mine loaders

Refurbishment and equipment testing programmes are well advanced in the processing plant. A dust extraction system for the crushing shed is presently being installed ahead of the planned start to commissioning in September.

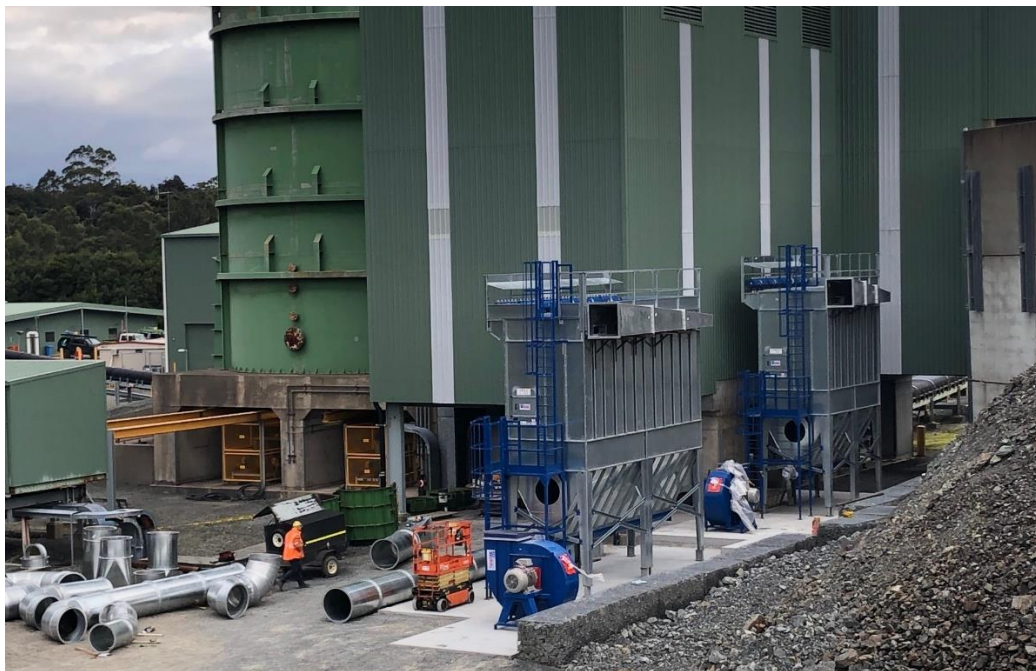


Figure 3. Dust extraction systems adjacent to the Avebury crushing shed

A safety conscious culture is well established at Avebury. The emergency response team has undertaken training programs to enhance operational readiness and ensure operations at Avebury continue to prioritise safety.



Figure 4. Emergency response team fire training

Managing Director, John Lamb, commented:

“We are very close now to commissioning the Avebury processing plant and our team is both ready and excited to bring Avebury back into production.

Our capital raising remains open for a limited time so I would encourage all those interested in being involved with the next exciting phase at the Avebury nickel project to subscribe.”

Authorised for release to the ASX by:



John Lamb
Managing Director

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% Ni², an 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.

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

Table 1: Avebury Mineral Resource estimate, reported from all blocks within Ni > 0.4 % envelope²

² 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.