

ASX ANNOUNCEMENT

9 September 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	320 m.
Performance Rights	5 m.
Unlisted Options	1 m.

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Avebury Site Update

Highlights

- Site workforce passes 150 employees
- Operation moved to 24/7 basis
- Stope production commenced in the mine as ROM stockpile passes 25,000 tonnes
- Plant commissioning underway
- Emergency response team at full strength with first Tasmanian underground live fire training in 20 years conducted at Avebury

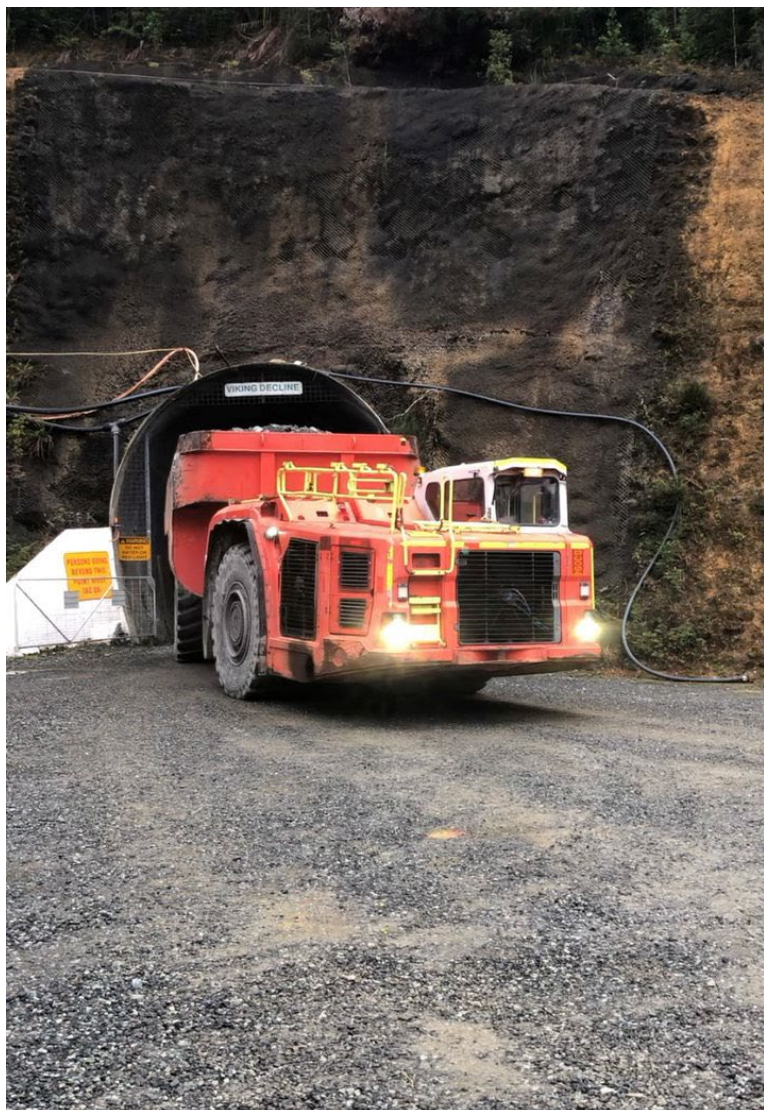


Figure 1. Mine production leaving Viking decline.



Recruiting Drive

The Company has been very successful in recruiting a top-line team to operate the Avebury mine. Over 150 permanent employees are now in place, with the mine staffed to commence operations immediately. A further 50 will be recruited as additional mining equipment arrives on site over the coming months.



Figure 2. Toolbox meeting, Avebury Mine Site

Managing Director John Lamb commented:

“The Avebury team is world-class and I have seen none better: they are loyal, friendly, professional and highly motivated to make our mine a success. Recruitment to-date is running in excess of 30% locals.

Night Shift

On 7 September, Avebury commenced 24/7 operations with the implementation of night shift in the mine. The processing plant will follow next week.

The commencement of night shift followed a long period of preparation including training and familiarisation for workers, establishment of 24/7 site security and emergency services and a comprehensive risk assessment.



Stope Production

Loading and hauling of broken ore from stopes has now commenced, with the commissioning of new tele-remote loaders at Avebury. The Sandvik 517i loaders are equipped with a full guidance tele-remote system by RCT, in which the operator is located remotely in a hut, or on surface in an office, controlling the machine.



Figure 3. Sandvik loader equipped with remote guidance equipment



Figure 4. Underground control centre

Production drilling of blastholes in stopes is underway, as is cemented rock-filling of primary stopes.



Figure 5. Backloading waste from surface



Figure 6. Cemented Rock Fill (CRF) operation at Avebury



Figure 7: Longhole rig drilling stope production holes at Avebury

28,000 tonnes of ore is now located on the ROM stockpile, with a further 8,300 tonnes broken in stopes underground. The mine is focused on building ROM stocks ahead of commencing concentrate production next week.

Plant Commissioning

A major milestone was achieved on September 7th when the Avebury primary ball mill ran under load for the first time in over 13 years. The mill was charged with balls and water, operating smoothly throughout the test.

This completes the suite of major plant items to be tested, including crushers, screens and the regrind mill. The plant will now be fully commissioned on water in the coming days.

Completion of the dust extraction system for the crushing circuit is imminent, allowing ore to be crushed early next week and the fine ore bin to be filled. Thereafter, feed will be turned on to the plant and concentrate production will re-commence at the Avebury Nickel Mine.



Figure 8: Dust Extraction System at the Crusher House

Chairman Jeff Moore commented,

“This is outstanding progress. In less than 6 months John and his team have transformed Avebury from a project on a 13-year care and maintenance program to an operating mine site. We are seeing Australia’s next nickel sulphide mine emerge and full credit should be given to John and his team on site for their wonderful achievements”.



Mine Rescue

Avebury has a full complement of Mine Rescue volunteers and is presently recruiting a second team to ensure full coverage at all times. The team trains in remote area rescue, rope rescue, confined space rescue, firefighting, first aid, hazmat, and road crash rescue.

Recently the team completed underground live fire training, aimed at familiarising them with how fire behaves and how to control it in the underground setting. This was the first underground live fire training to be held in Tasmania in two decades.



Figure 9: Rescue Team training under closed-circuit breathing apparatus



Figure 10: Underground live fire training at Avebury

Approved for release to the ASX by

A handwritten signature in black ink that reads "J. Lamb".

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% Ni¹, 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

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://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.