

## ASX ANNOUNCEMENT

19 December 2022  
ASX Code: MYL

### BOARD OF DIRECTORS

Mr Jeff Moore  
Non-Executive Chairman

Mr John Lamb  
Managing Director

Mr Rowan Caren  
Executive Director

### ISSUED CAPITAL

Shares	404 m.
Performance Rights	5 m.

### Mallee Resources Limited

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# Hartree Bridge Facility Extended

Mallee Resources Limited (“MYL” or “the Company”) advises that the repayment date for a short-term bridging loan (“Bridging Loan”) provided by major shareholder Hartree Metals LLC (“Hartree”) in July has been further extended.

The extension is initially through to 30 December 2022 (the “First Extension”). The Bridging Loan repayment date may be extended further through to 30 June 2023 (the “Second Extension”), subject to ASX granting a waiver of ASX Listing Rule 10.1 for the revised terms of the Bridging Facility by no later than 30 December 2022.

The Bridging Loan, which was initially for US\$10 million, was partially repaid by MYL on 30 September, leaving a balance of US\$4 million outstanding and due for repayment on 14 October 2022. The repayment date was then extended to 15 December 2022 and allowed for up to US\$6 million to be redrawn (refer to the ASX release dated 21 October 2022). A total of US\$4 million has been redrawn, therefore the total amount outstanding under the Bridging Loan at this time is US\$8 million. Under the terms of the extension, US\$2 million that was previously available for redraw cannot be redrawn prior to the Second Extension becoming effective.

The extensions are intended to allow time to refinance the Hartree facility. Should proceeds of the sale of MYL’s former wholly owned subsidiary, BMR, be received, the Company will be required to apply the sale proceeds toward repayment of amounts outstanding under the Bridging Loan. The Company sold BMR to MAI for US\$10.2 million in July (refer to the ASX release dated 25 July 2022). Settlement of the sale proceeds is to occur in tranches over a six month period with completion due by 17 January 2023. None of the funds due to date have been received by MYL by the respective due dates, however, MAI is continuing to work through the regulatory approvals process.

There will be no change to the fees payable in respect of the extension through to 30 December 2022, however if the ASX waiver is granted and the facility is further extended to 30 June 2023, the terms of the Bridging Loan will be varied on the terms set out below. MYL has sought a waiver of ASX Listing Rule 10.1 as a result of these varied terms.

There is no guarantee that ASX will grant the waiver requested or that, if granted, it will be granted by 30 December 2022 or granted on the terms requested. If the ASX waiver is not granted on the terms requested by 30 December 2022, the amount outstanding under the Bridge Loan will become immediately due and payable in the absence of a further extension.

A summary of the amended terms which would apply from 30 December, if the Bridge Loan is further extended is as follows:



	First Extension Period	Second Extension Period
<b>Repayment Date</b>	30 December 2022	30 June 2023
<b>Extension Fee</b>	N/A	US\$150,000 (being 1.5% of the total Commitment of US\$10 million), payable within 7 business days of the date of extension.
<b>Drawdown Fee</b>	N/A	An amount equal to: <ul style="list-style-type: none"><li>• 4% of the amount outstanding as at the extension date, payable within 7 business days of the date of extension (note that US\$8 million currently drawn so the initial drawdown fee would be US\$320,000); and</li><li>• 4% of each amount drawn after the extension date, payable out of amounts advanced to MYL (note that US\$2 million remains to be drawn which would incur a further fee of US\$80,000).</li></ul>
<b>Interest Rate</b>	10% per annum payable on the last day of each calendar month	The aggregate of Term SOFR for each calendar month, plus a margin of 10% per annum
<b>Mandatory Prepayment</b>	<ul style="list-style-type: none"><li>• Sale of business – All</li><li>• Disposal of assets over US\$500,000 – the consideration received less amount re-invested by Mallee Tas</li><li>• Equity capital raise by Mallee Tas – the amount raised</li></ul>	As per the current arrangement, plus: <ul style="list-style-type: none"><li>• any amount received by MYL as consideration for the sale of BMR</li><li>• Equity Capital raise by MYL – the amount raised that exceeds US\$20m.</li></ul>
<b>Legal Fees and expenses</b>	Mallee Tas is responsible for all of Hartree's external legal expenses associated with the facility	Mallee Tas will pay \$70,000 to Hartree in respect of its external legal fees.

Approved for release to the ASX by

**Rowan Caren**

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% 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.

JORC classification	Tonnage (Mt)	Ni (%)	Co (ppm)	As (ppm)
<b>Indicated</b>	<b>8.7</b>	<b>1.0</b>	<b>244</b>	<b>378</b>
<b>Inferred</b>	<b>20.7</b>	<b>0.8</b>	<b>223</b>	<b>297</b>
<b>TOTAL</b>	<b>29.3</b>	<b>0.9</b>	<b>229</b>	<b>321</b>

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<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.