

ASX ANNOUNCEMENT

16 May 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	190 m.
Performance Rights	5 m.
Unlisted Options	5 m.

Mallee Resources Limited

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Avebury Nickel Project –

Acquisition Process Update

Mallee Resources Limited (**MYL** or the **Company**) provides the following update on the status of the Avebury Nickel Project (**Avebury**) acquisition (**Acquisition**).

As announced on 11 March 2022, the Company is set to acquire 100% of Allegiance Mining Pty Ltd (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (**Allegiance**) pursuant to the terms of a deed of company arrangement (**DOCA**) in respect of Allegiance.

Completion of the Acquisition under the DOCA is subject to several conditions precedent, including MYL shareholder approval and the Supreme Court of Western Australia (**Court**) granting the deed administrators (**Deed Administrators**) of Allegiance leave under section 444GA of the *Corporations Act 2001* (Cth) (**Corporations Act**) for a transfer of 100% of the issued capital in Allegiance to MYL.

In respect of MYL shareholder approval, a notice of meeting has been prepared, together with an independent expert's report, and both documents are with ASX and ASIC for final review. The Company is targeting a meeting date in June to secure all necessary shareholder approvals.

The Deed Administrators have made an application to the Court for leave under section 444GA of the Corporations Act for the transfer of 100% of the issued capital in Allegiance from Dundas Mining Pty Ltd (in liquidation) (**Dundas**) to the Company on effectuation of the DOCA (**444GA Application**). A shareholder of Dundas has objected to the 444GA Application on the basis that it considers that the Court making an order on the terms of the 444GA Application will unfairly prejudice the shareholders of Allegiance (being Dundas).

The Company notes that, at a meeting of creditors on 22 February 2022, the creditors of Allegiance resolved that Allegiance enter into the DOCA following a competitive bidding process. At the same meeting, creditors of Dundas considered a resolution for an adjournment to allow additional proposals to be considered in respect of the Dundas group, however that resolution was not passed.



The Company has been granted leave to appear in the 444GA Application proceedings as an interested party and is continuing to progress the 444GA Application.

The Court is currently scheduled to consider the 444GA Application at a hearing to be held over the course of 9 and 10 June 2022, with a hearing scheduled for 19 May 2022 to consider whether the Dundas shareholder objecting to the 444GA Application has standing to appear in the proceedings. The Company will update the market in respect to the section 444GA Application proceedings as the matter progresses.

John Lamb, Managing Director, commented:

“The Company is progressing well through the conditions precedent to the acquisition of Avebury. We are confident that the conditions will be satisfied on a timely basis. The Avebury Nickel Project is a very attractive project and we are very happy to have secured our interest in it pursuant to the competitive bidding process that resulted in the DOCA being entered into. The support of the secured creditor, Hartree Metals LLC, has been invaluable in this process.”

Approved for release to the ASX by

John Lamb

Managing Director

About Mallee Resources Limited

Mallee Resources Limited (ASX: MYL) is an explorer and mine developer listed on the Australian Securities Exchange. MYL aims to become a leading regional base metals producer. The Company is seeking to acquire 100% of the Avebury Nickel Project in Tasmania pursuant to the terms of a Deed of Company Arrangement.