

ASX ANNOUNCEMENT

5 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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malleeresources.com.au

ABN: 48 124 943 728

INVESTOR WEBINAR PRESENTATION

Mallee Resources Limited ("MYL" or the "Company") is pleased to announce its participation in the ShareCafe "Hidden Gems" Webinar, to be held Friday 5th of August 2022 from 12:30pm AEST / 10:30am AWST.

Managing Director John Lamb will provide an overview of the Company which has recently acquired the Avebury nickel sulphide project in western Tasmania. Mallee has also issued a prospectus to raise up to A\$70 million via the issue of ordinary shares at an issue price of \$0.70 per share, with primary purpose of the capital raising to provide the funding required to bring the Avebury project back into production in the short term.

This webinar can be viewed live via Zoom. By pasting the link to follow in a website browser listeners can register for the event.

bit.ly/3Soz506

A copy of the investor presentation to be delivered during the webinar is attached.

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% 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.

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.



**MALLEE
RESOURCES
LIMITED**

CRITICAL MINERALS FOR A SUSTAINABLE FUTURE

PRESENTATION TO SHARECAFE – HIDDEN GEMS WEBINAR

AUGUST 2022

Disclaimer

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FORWARD LOOKING STATEMENTS

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

REFERENCES TO MINERAL RESOURCES 2022

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.

PROSPECTUS

The Company is in the process of preparing a prospectus (Prospectus) for the offer of fully paid ordinary shares in the capital of the Company (Shares) in relation to the capital raising contemplated by the Presentation Materials. A copy of the Prospectus is anticipated to be available by July 2022 and will be available on the Company's website at <https://malleeresources.com.au/>. All offers of Shares for the capital raising referred to in the Presentation Materials will be made in, or accompanied by, the Prospectus. Investors should consider the Prospectus in deciding whether to acquire Shares and any person who wishes to apply for Shares must complete the application form that will be in or will accompany the Prospectus.



Australia's next nickel sulphide producer

First concentrate scheduled Q4 CY2022

Class-1 nickel in tier one location

- Substantial nickel sulphide Mineral Resources of 29.3 Mt at 0.9% Ni (264 Kt contained Ni) comprising: Indicated of 8.7Mt at 1.0% Ni and Inferred 20.7 Mt at 0.8% Ni (JORC 2012)¹
- Tasmania is an excellent mining jurisdiction

Short term production potential

- Mining operations have commenced at Avebury
- Underground mine and processing plant are in excellent condition and allow for a short term re-start to production

Experienced executive and site team

- Track record in base, battery and precious metals
- Demonstrated ability to deal with complexity and challenges
- 30+ year veterans on key site management roles

Positioned for a low carbon future

- MYL is aligned with the ICMM Mining Principles and has adopted the Global Reporting Initiative framework (GRI)
- Tasmanian grid power is 100% renewable²



Notes:

1. See page 2 on references to Mineral

2. Tasmanian Government (https://recfit.tas.gov.au/renewables/100_target_achievement)

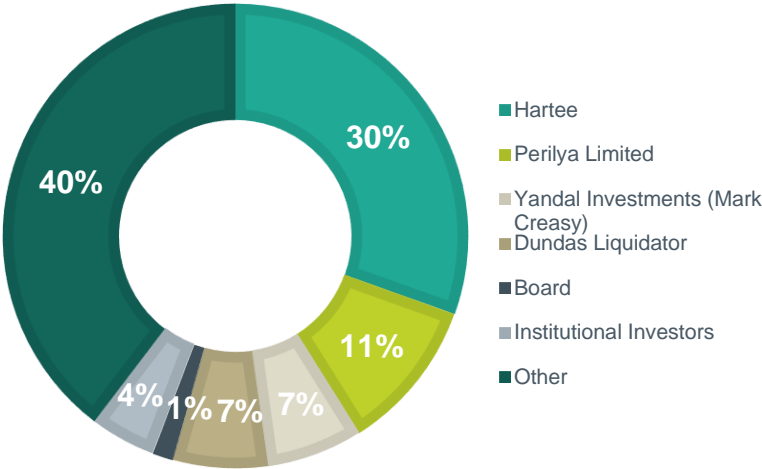


Corporate snapshot

Capital Structure¹

Market capitalisation at 70cps issue price	▪ A\$211.3 m.
Shares on issue	▪ 301.9 m.
Unlisted options	▪ 1.3 m.
Performance rights	▪ 4.6 m.
Cash position ²	▪ A.\$31.5 m.
Debt position	▪ US\$ 30.0 m. / A\$43.7 m.
Enterprise value / contained nickel tonne in Mineral Resources	▪ A\$ 847/t

Key Shareholders



Board



Jeffrey Moore, Non-Executive Chairman

- B.Sc, MAusIMM, MGSA
- Geologist with extensive technical, managerial and project finance experience
- Former Director and CEO of significant ASX listed mining companies



John Lamb, Managing Director

- B. Surv(IT), Grad Dip Management, MBA, FAusIMM(CP), GAICD
- Over 30 years experience across mining, construction, forestry and logistics sectors
- Former General Manager of the Avebury Mine and Rosebery Mines in Tasmania.
- Former General Manager of the Century Zinc Mine in Queensland



Rowan Caren, Executive Director, CFO & Company Secretary

- B. Com, CA
- Over 30 years experience in natural resources sector providing financial and corporate services
- Extensive Director and company secretarial experience



Paul Arndt, Non-Executive Director

- B. Sc, MBA, MSc, Grad Dip Engineering
- Former Managing Director and Chief Executive Officer of Perilya
- Formerly held senior positions with Newcrest, Pasminco and MIM



Steve Hendel, Non-Executive Director

- B.A, J.D
- Founding Partner and Managing Director of Hartree
- Chairman of Sprague Resources LP. Former Partner at Goldman Sachs

1. Undiluted market capitalisation calculated as the shares on issue multiplied by the issue price for the purposes of the proposed capital raising. Shares on issue do not include Additional Acquisition Shares (13.1 M.) which will be issued subject to MYL's reinstatement to trading on the ASX and other conditions precedent. Shares on issue also exclude shares to be issued under the Prospectus. The cash and debt positions are as at 5 July 2022. Enterprise value is calculated as MYL's undiluted market capitalisation plus debt less cash. Contained nickel in the Avebury Mineral Resources Estimate is 264,000t (see slide 24)

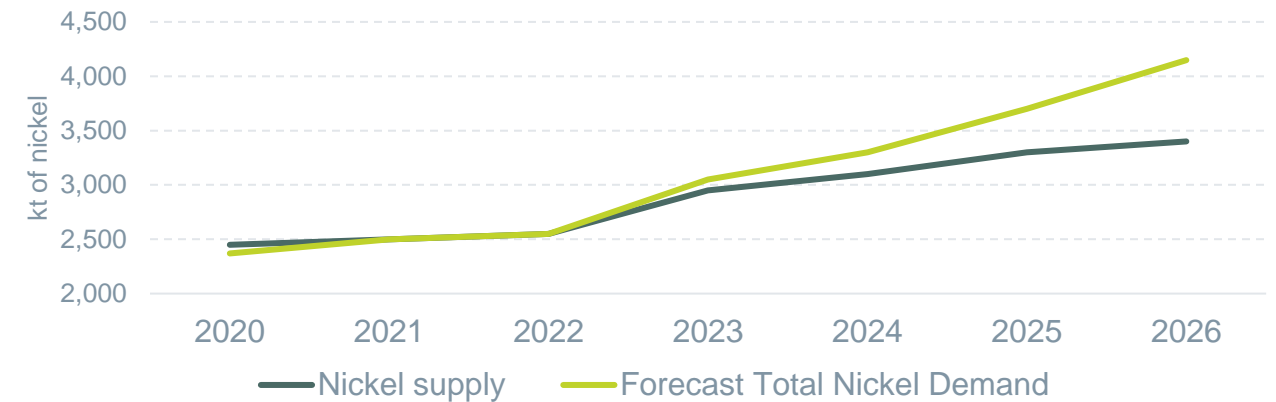
2. Includes USD 12.06 M. / AUD 17.6 M. held in MYL's Myanmar bank accounts. See announcement date 7 April. The processing of foreign currency transfers from Myanmar has been suspended while local financial institutions understand and implement recent policy changes by the Myanmar authorities. It is likely that further delays will result from this uncertainty within the foreign exchange environment in Myanmar. FX rate used AUD:USD 0.68652022.



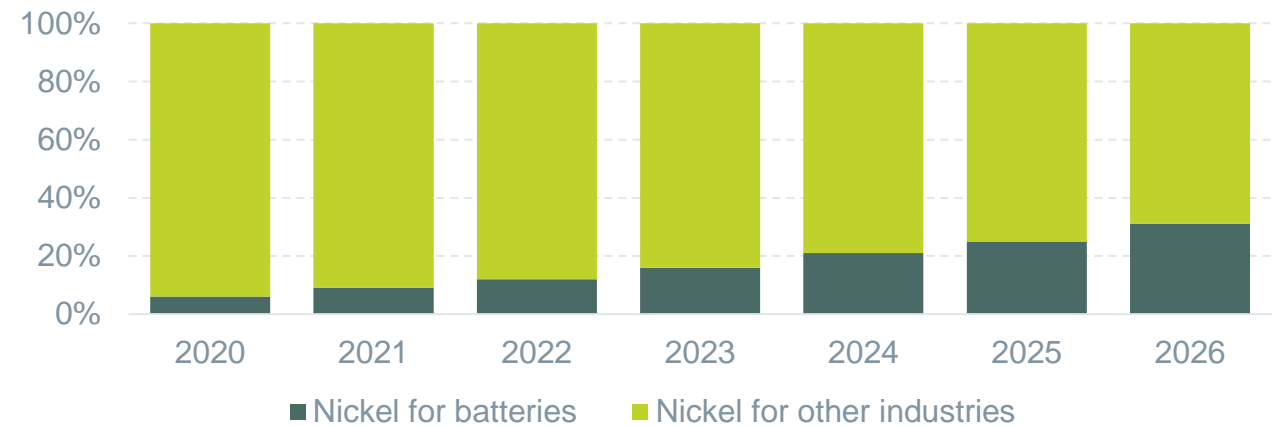
Battery-grade nickel sulphide leveraging Tasmania's green energy

- **Favourable nickel pricing environment.** Spot LME nickel prices and futures contracts are supportive
- **Robust demand outlook.** Demand for nickel in battery technologies provides a robust outlook:
 - ~20 million passenger EV sales in 2025 is expected to grow to over 70 million by 2040¹
 - High nickel content batteries are the key to longer range, more efficient EV's
 - Downstream users are seeking responsibly sourced Class-1 nickel
- **Limited Global Supplies.** Nickel sulphide concentrates from low-emission, ESG conscious providers in tier one jurisdictions are in short supply, exacerbated by the Ukraine war
- **Short path to re-start.** The care and maintenance program has kept the mine and processing plant in good condition allowing for a start to mining operations. Processing operations will commence once sufficient ore stockpiles are available on the ROM pad

Global Nickel Supply Capacity & Demand ²



Forecast Global Use For Nickel By End-Use Industry ²



Notes:

1. Wood Mackenzie
2. Rystad Energy Battery Metals Cube, Rystad Energy research and analytics



An enviable ESG proposition



MINING WITH
PRINCIPLES

Environmental

- **Renewable grid power.** A rare opportunity to decarbonise a mining operation
- **Small disturbance footprint.** Key mine infrastructure is established and permitted
- Tailings storage facility permitted. Future tailings to be backfilled into underground mine
- Mine has a waste rock deficit. No surface waste landforms will be created
- **Improving water quality.** Positive site water balance. Avebury wetlands enhancing water quality
- Conservation plans in place to protect local fauna

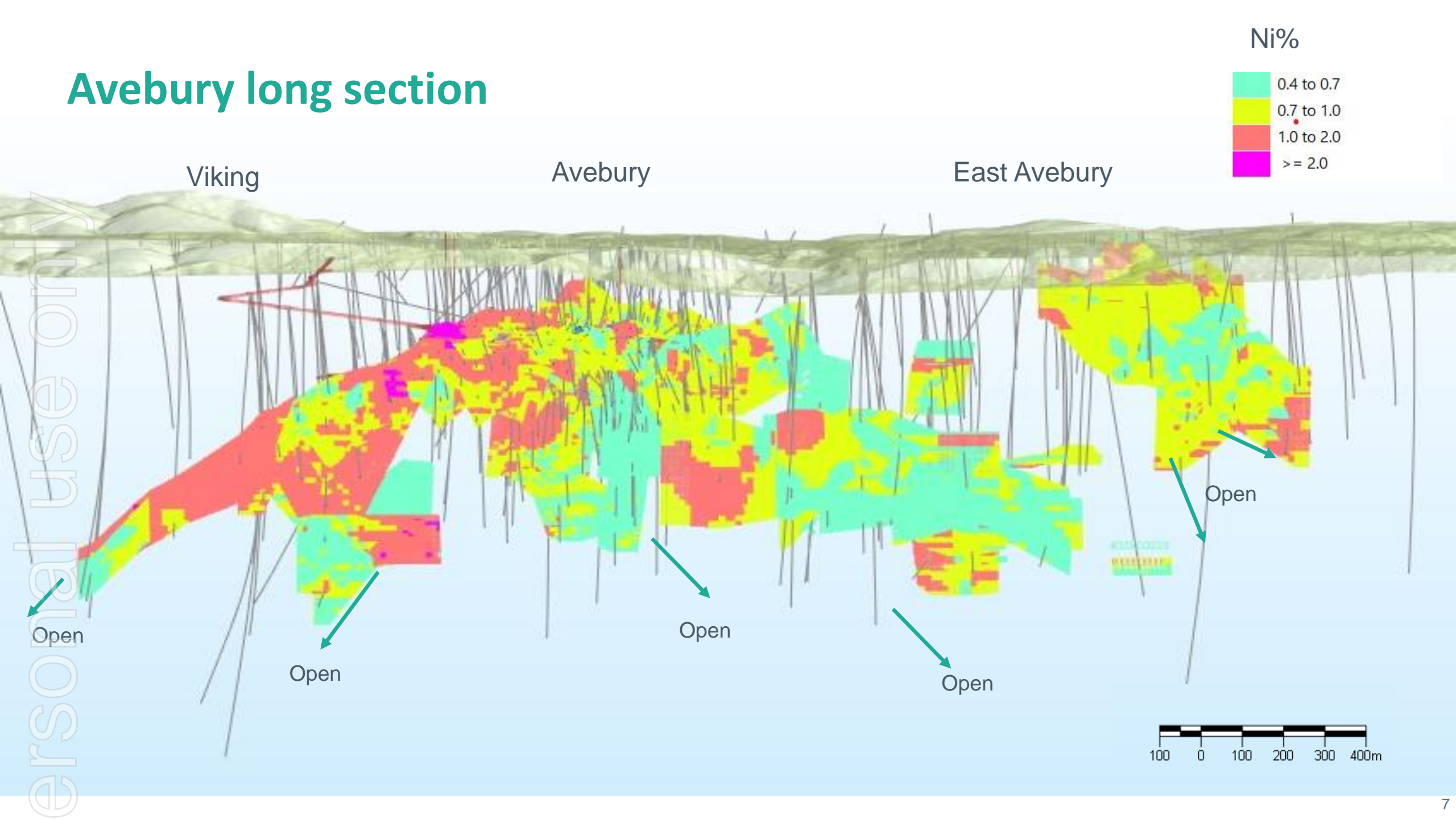
Social

- Safety conscious culture with implementation of workplace management procedures
- **Local workforce.** New jobs start with locals
- Support for local community initiatives – grants program already underway with donations already at work in the community
- No native title disputes
- Strong Tasmanian Government support

Governance

- Aligned with International Council on Mining & Metals (ICMM) Mining Principles
- Global Reporting Initiative (GRI) reporting framework
- ASX Corporate Governance Principles and Recommendations

Avebury long section

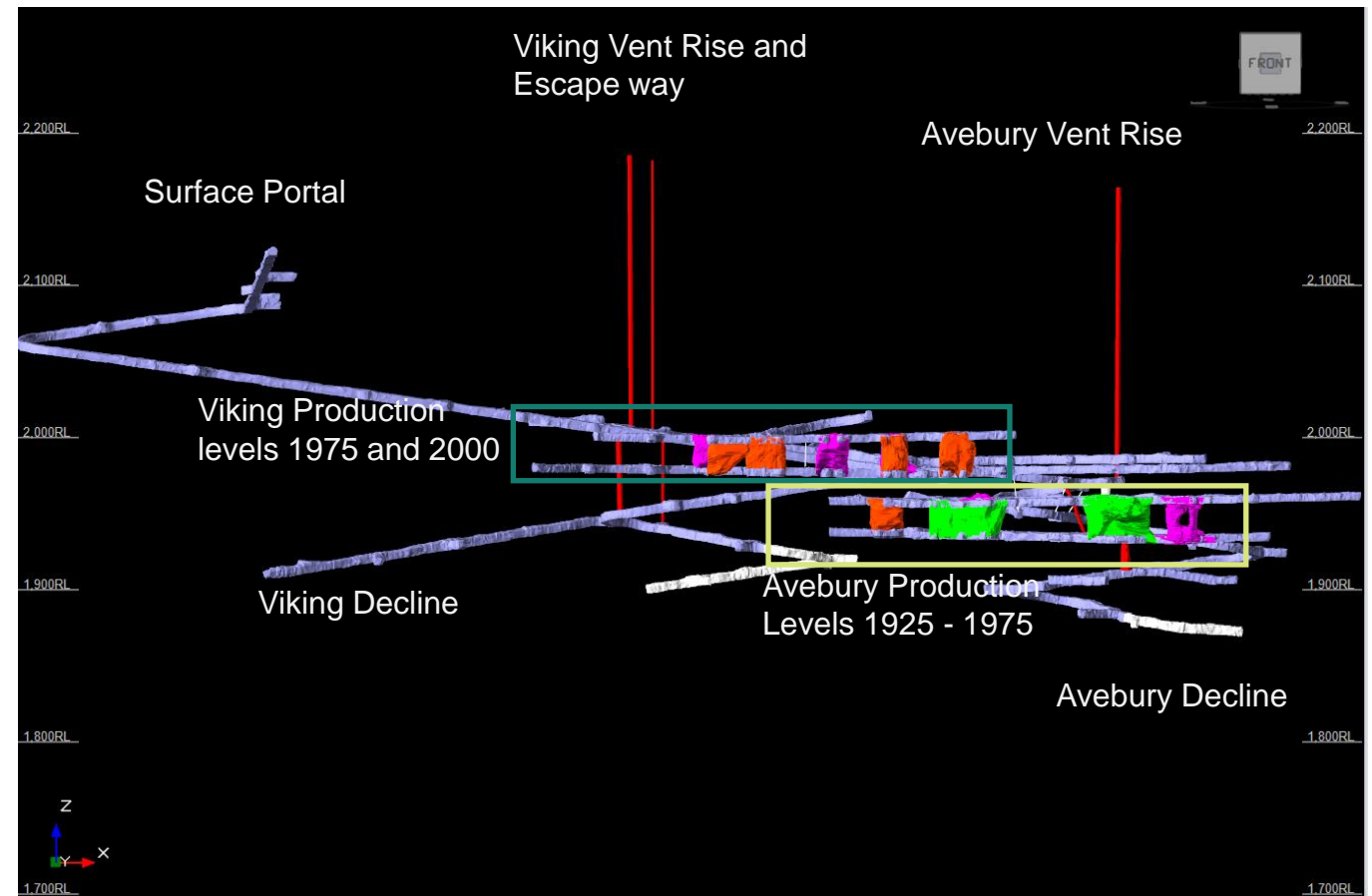


Advanced underground mine

Advantage : Avebury

- The ore body is close to surface
- Simple longitudinal and transverse stoping
- High tonnes per vertical metre
- Large stopes
- Backfill with waste rock and paste fill made from mill tailings
- Development completed well in advance of that needed for mine production (future production flexibility for blending)
- First three Avebury lodes are accessible from the existing decline: excellent scheduling flexibility
- Stable ground conditions
- Cool and relatively dry mine, with slightly alkaline groundwater

Avebury Underground Mine



Modern processing infrastructure

Advantage: Avebury

- High-quality European processing plant that has been protected from the weather and well-maintained
- Nameplate processing capacity of 900,000 tonnes of ore per annum, with potential for greater throughput identified¹
- Designed to recover 79% of the nickel in ore to a nickel concentrate, with a nickel grade around 20%. Potential for enhanced metallurgical recovery identified¹
- Site also includes stores, workshops, an administration building, land holdings and accommodation facilities
- Tailings storage facility is fully permitted and retains storage capacity

Grinding and Flotation Circuits



Crusher House and Fine Ore Bin

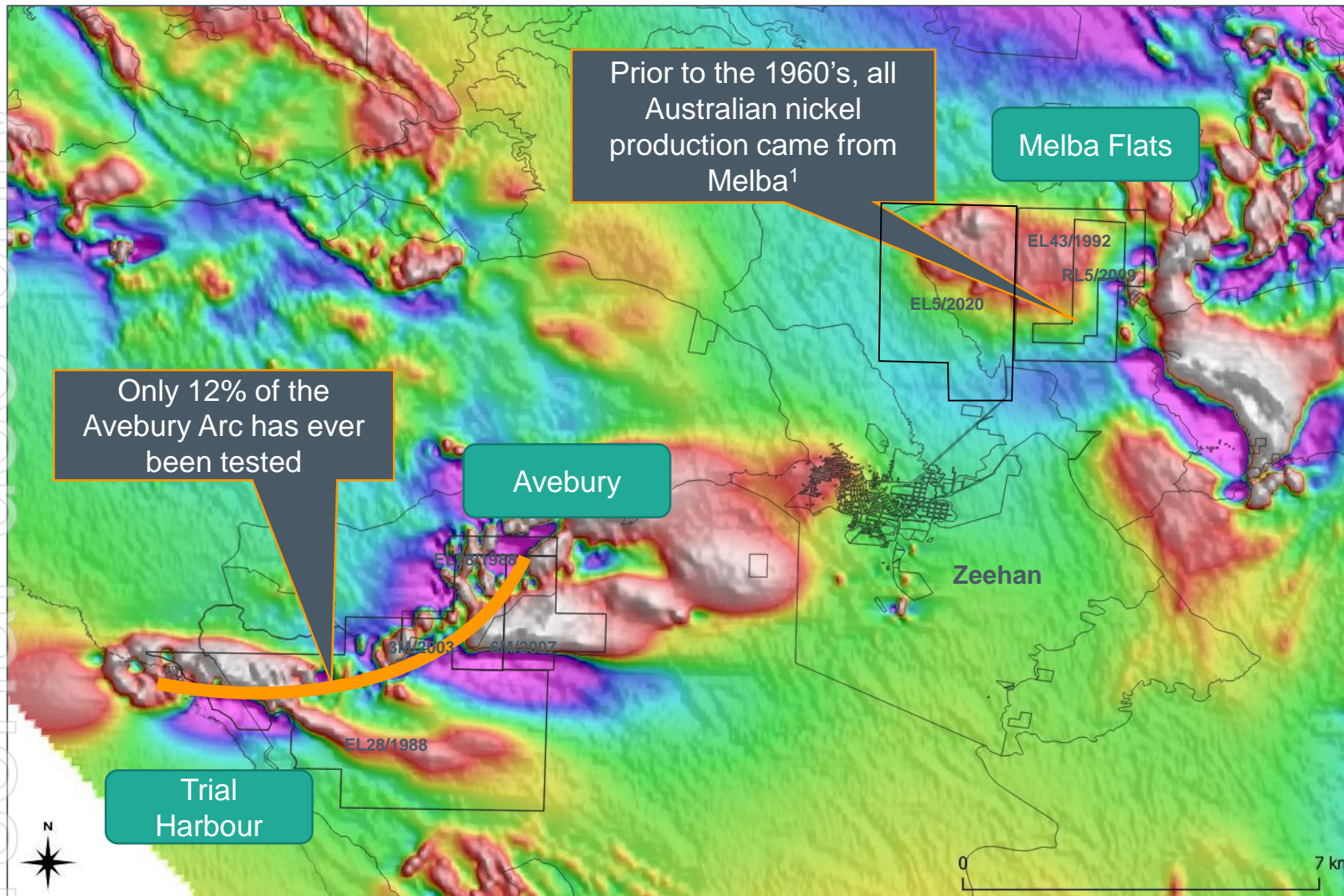


Notes:

1. Capacity enhancement and improved metallurgical recoveries are subject to further technical studies



Outstanding nickel exploration potential



Trial Harbour:

- Targeting more Aveburies along the ultramafic rocks of the Avebury Arc

Melba:

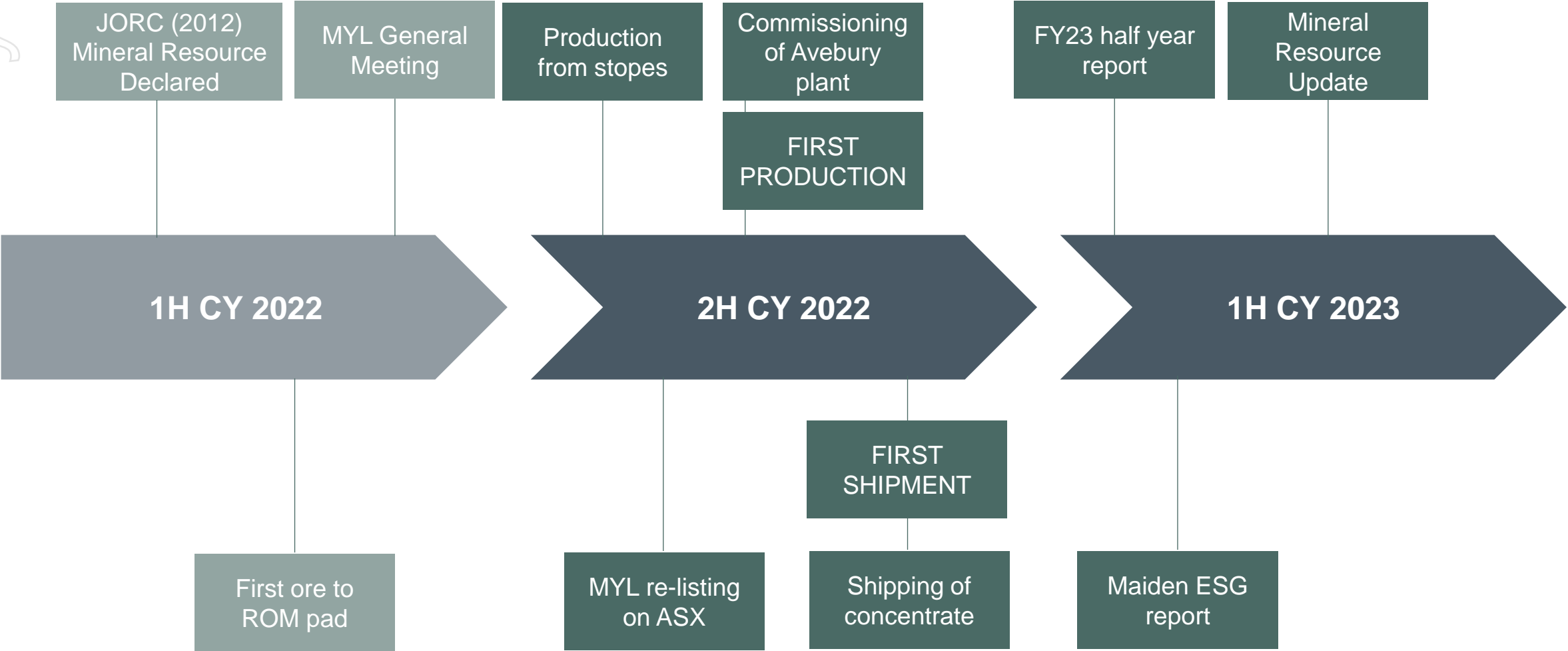
- Targeting high-grade nickel and copper with gold and PGE's as mined in the numerous historical shafts on our tenements

Notes:

1. M. McKeown (2004). Melba Flats Nickel Project



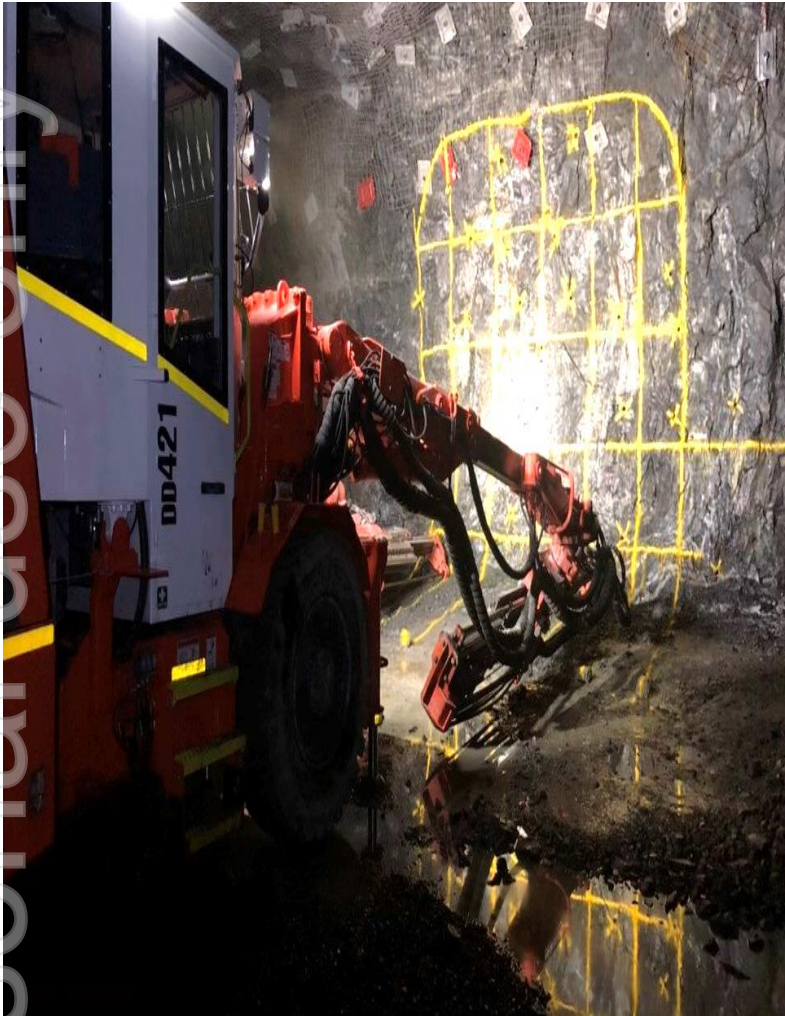
Milestones 2022-23



Notes:
1. Times are indicative only and are subject to change. A re-listing of MYL on the ASX is at the ASX's sole discretion. Accordingly, there is no certainty that MYL will successfully re-list. There can be no guarantee that commissioning of the Avebury plant will be successful and that first concentrate will be produced in accordance with the indicative timeline.



Snapshots from site



Jumbo drilling



Underground drone survey



Heli-supported geophysics survey



Loader #1 arriving



Mine Rescue training

Snapshots from site



Underground Bagger



Production Drill Rig



First Ore Truck in 13 Years

ersonal use only



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