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Ora Banda Launches up to \$20M Equity Raising

HIGHLIGHTS:

- **Up to A\$20M equity raising comprising:**
 - **an institutional placement to raise up to A\$5M; and**
 - **an underwritten 4 for 13 Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$15M**
- **Proceeds from the equity raising, together with existing cash, will be used for exploration costs, drilling to progress resource development, operational improvements, working capital and offer costs**

Ora Banda Mining Limited (ASX: OBM) ("**Ora Banda**", "**Company**") announces the launch of an up to A\$20 million equity raising comprising an institutional placement to raise up to A\$5 million, and a 4 for 13 Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$15 million.

The equity raising proceeds, together with the Company's existing cash balance, will be utilised for exploration costs, drilling to progress resource development, operational improvements, working capital and offer costs.¹

Managing Director Comment

Ora Banda Managing Director, Peter Nicholson, said: *"The capital raising enables the Company to pursue its exciting regional exploration program whilst continuing the ongoing ramp-up of its Davyhurst Gold Project. With the Davyhurst plant now operating at a ~90kt monthly run rate and mining activities reaching the main ore zone of the Missouri pit, we are expecting to deliver FY22 gold production of between 62,000oz to 68,000oz. We thank our shareholders for their ongoing support and are glad be able to offer eligible shareholders an opportunity to participate in the capital raising."*

The Offer

The up to \$20 million equity raising will comprise:

- a single-tranche institutional placement of up to 100 million new shares to raise up to \$5 million ("**Placement**"); and
- the issue of approximately 300 million new shares under an underwritten 4 for 13 accelerated non-renounceable entitlement offer to raise approximately \$15 million ("**Entitlement Offer**"). The Entitlement Offer will consist of an Institutional Entitlement Offer and a Retail Entitlement Offer,

(the Placement and the Entitlement Offer together being the "**Offer**").

¹ The Company reserves the right to change its intentions in relation to the use of funds.

All new shares offered under the Offer will be issued at a price of \$0.05 per new share, which represents a:

- 35.1% discount to the last traded price of \$0.077 on 21 February 2022; and
- 27.7% discount to the TERP of \$0.069.²

Each new share issued under the Offer will rank equally with existing fully paid ordinary shares in the Company on issue. The Company will, upon issue of the new shares under the Offer, seek quotation of the new shares on the ASX.

Upon completion of the Offer, the Company will have up to approximately 1,374,224,505 shares on issue, excluding any further placement to Hawke's Point (see below). As the Entitlement Offer is non-renounceable, entitlements cannot be traded and are not otherwise transferable.

Euroz Hartleys Limited ("**Euroz Hartleys**") and amicaa Advisors Pty Ltd have been appointed as Joint Lead Managers for the Offer, with Euroz Hartleys and Fresh Underwriters Pty Ltd being appointed as underwriters ("**Underwriters**") for the Entitlement Offer.³ The Placement is not underwritten.

A summary of the key terms of the underwriting agreement between the Company and the Underwriters for the Entitlement Offer ("**Underwriting Agreement**") is set out in the appendix to this announcement and the Appendix 3B following this announcement.

Ora Banda's major shareholder, Hawke's Point, has committed to subscribe for its 39.5% entitlement in the Entitlement Offer. Hawke's Point has also entered into a sub-underwriting arrangement with the Joint Lead Managers and Underwriters with respect to the remaining 60.5% of the new shares to be issued under the Entitlement Offer ("**Sub-underwriting Agreement**"). Hawke's Point will receive no fee for sub-underwriting the Entitlement Offer. The key terms of the Sub-underwriting Agreement are set out in the appendix to this announcement.

If Hawke's Point is required to take up its full sub-underwriting allocation, it and its associates could increase their voting power in the Company from 39.5% up to 53.7% (an increase of up to 14.2%) assuming no shares are issued under the Placement. For further information regarding the assumptions underlying this maximum voting power and potential control implications, please refer to the cleansing statement lodged with ASX today.

If following completion of the Offer, Hawke's Point's (and its associates') voting power in the Company is less than its voting power prior to the Offer, the Company has committed to issue to Hawke's Point (via a placement) a number of shares which will result in Hawke's Point's (and its associates') voting power being equal to its pre-Offer voting power on the same terms as the Offer, subject to the Company obtaining prior shareholder approval in accordance with the requirements of the ASX Listing Rules. To the extent Hawke's Point's (and its associates') voting power after the Offer is equal to or greater than its pre-Offer voting power, then no shares will be issued to Hawke's Point under such a placement and the Company will not seek shareholder approval.

² The Theoretical Ex-Rights Price ("**TERP**") is the theoretical price at which the Company's shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP calculation includes shares issued under the Placement.

³ Fresh Equities Pty Ltd is amicaa Advisors Pty Ltd's settlement agent for equity placements. Fresh Underwriters Pty Ltd is an associate of Fresh Equities Pty Ltd.

The Company has obtained in-principle approval from ASIC to appoint Euroz Hartleys as nominee to sell any shares under the Entitlement Offer which would otherwise have been available to ineligible shareholders had they been eligible to participate in the Entitlement Offer. A letter will be sent to all ineligible shareholders with further details. Euroz Hartleys will not be paid a fee for its role as nominee, but will receive fees as one of the Underwriters to the Entitlement Offer as set out in the Appendix 3B released by the Company today.

Placement

The Placement will comprise the issue of up to 100 million new fully paid ordinary Ora Banda shares to certain sophisticated and professional investors to raise up to \$5 million at an issue price of \$0.05 per share, under the Company's existing placement capacity under ASX Listing Rules 7.1 (up to 146,133,675 new shares) and/or 7.1A (up to 97,422,450 new shares). Further details of the proposed share issue under the Placement are detailed in the Appendix 3B lodged by the Company today.

The Company confirms that the issue price of \$0.05, being not less than 75% of the volume weighted average market price for the Company's shares over the 15-day period before the date of this announcement, satisfies the requirements of Listing Rule 7.1A.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer, which will be conducted on 22 February 2022, along with the Placement. Eligible institutional shareholders can take up all, part or none of their entitlement.

To the extent there is any shortfall under the institutional component of the Entitlement Offer, those shortfall shares will be offered to sophisticated and professional investors through institutional bookbuild. To the extent there is any shortfall following the bookbuild process, those shares will be subject to the underwriting and sub-underwriting arrangements.

Retail Entitlement Offer

Eligible retail shareholders on the record date of 5:00pm Western Standard Time ("AWST") on 24 February 2022, with registered addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same price as the Placement. The Retail Entitlement Offer will open on 1 March 2022 and close on 17 March 2022 (subject to any extension by the Company).

Eligible retail shareholders can take up all, part or none of their entitlement.

Further details about the Retail Entitlement Offer will be detailed in the Retail Offer Booklet that will be lodged with the ASX on 1 March 2022 and is expected to be despatched to eligible retail shareholders on 1 March 2022. The closing date for receipt of acceptance forms under the Retail Entitlement Offer is 5.00pm AWST on 17 March 2022 (subject to any extension by the Company).

Eligible retail shareholders will also be invited to subscribe for shares over and above their entitlement, as set out in the Retail Offer Booklet.

Offer Timetable

An indicative timetable of key dates in relation to the Offer is detailed below:

| Event | Date |
|--|------------------|
| Announce Placement and Entitlement Offer | 22 February 2022 |
| Lodge Cleansing Notice with ASX with respect to the Entitlement Offer | 22 February 2022 |
| Placement and Institutional Entitlement Offer bookbuild opens | 22 February 2022 |
| Placement and Institutional Entitlement Offer bookbuild closes | 23 February 2022 |
| Announce results of Placement and Institutional Entitlement Offer and trading in Ora Banda shares recommences on an ex-entitlement basis | 24 February 2022 |
| Record Date (at 5.00pm AWST) for Entitlement Offer | 24 February 2022 |
| Release Retail Offer Booklet on ASX | 1 March 2022 |
| Retail Offer Booklet and Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders | 1 March 2022 |
| Retail Entitlement Offer opens | 1 March 2022 |
| Settle Placement and Institutional Entitlement Offer | 3 March 2022 |
| Anticipated issue date of new shares under Placement and Institutional Entitlement Offer | 4 March 2022 |
| Retail Entitlement Offer closes (at 5.00pm AWST) (Closing Date) | 17 March 2022 |
| Announce results of Retail Entitlement Offer | 24 March 2022 |
| Settle Retail Entitlement Offer | 24 March 2022 |
| Anticipated issue date of new shares under the Retail Entitlement Offer | 24 March 2022 |
| Dispatch of holding statements and commencement of trading for new shares issued under Retail Entitlement Offer | 25 March 2022 |

Note: The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the new shares. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant application monies will be returned without interest in accordance with the Corporations Act.

Additional Information

If you have any queries concerning your Entitlement please call Computershare, the Company's Share Registry on 1300 850 505 from within Australia or +61 3 9415 4000 between 8:30am and 5:00pm (AEDT) Monday to Friday.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

Gilbert + Tobin is acting as legal counsel to the Company in relation to the Offer.

This announcement was authorised for release to the ASX by the Board of Ora Banda Mining Limited.

Investor & Media Queries:

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All dollar amounts are in Australian dollars unless otherwise indicated.

Forward Looking Statement

This announcement may include forward-looking statements. These forward-looking statements are based on Ora Banda's expectations and beliefs concerning future events at the date of this announcement, and are expressed in good faith for general guide only and should not be relied upon as indication or guarantee of future performance. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Ora Banda, which could cause actual results to differ materially from such statements. None of Ora Banda, its affiliates or their directors, officers, employees, associates, advisors, agents or contractors make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law, and other than as required by law (including the Listing Rules) make no undertaking to subsequently update or revise the forward looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Appendix 1 – Summary of Underwriting Agreement

Conditions precedent

The obligations of the Underwriters are subject to the satisfaction of certain standard conditions precedent.

Termination events

The Underwriters may terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to where:

- (a) the ASX/S&P 200 Index falls to 87.5% or less;
- (b) the A\$ sales price of a troy ounce of gold falls to a level that is 87.5% or less of the level fixed by the London Bullion Market Association Market Makers (or such other members as the parties agree from time to time);
- (c) the Placement or the Entitlement Offer is withdrawn by the Company, or the Placement or the Entitlement Offer fails to proceed, without the prior written consent of the Underwriters;
- (d) there is a change in the composition of the Company's board or senior management before Completion without the prior written consent of the Underwriters (which consent must not be unreasonably withheld) except as announced to ASX or fairly disclosed in writing prior to the date of the Underwriting Agreement;
- (e) a material suspension or limitation in trading in all securities quoted or listed on ASX occurs for a day on which ASX is open for trading or any materially adverse change or disruption occurs in financial markets, commercial banking activities or political or economic conditions of Australia, New Zealand, the United Kingdom, the United States of America, Hong Kong, Japan, Singapore, the People's Republic of China, Russia or any member of the European Union;
- (f) a statement contained in the Offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer materials omit any information they are required to contain;
- (g) ASX announces that the Company will be removed from the Official List or that shares will be delisted or suspended from quotation by ASX for any reason (excluding any trading halt consented to);
- (h) ASX announces that unconditional approval for Official Quotation of the new shares will be refused or not granted, or if granted, such approval is withdrawn on or before the issue of the new shares under the Retail Entitlement Offer;
- (i) the Company is prevented from allotting and issuing new shares in accordance with this document and the timetable;
- (j) there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, Hong Kong, Japan, Singapore, the People's Republic of China, Russia or any member of the European Union or a terrorist act (as declared by the relevant national host government) is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (k) any event specified in the timetable is delayed by the Company for more than one business day before the closing date of the Placement and Institutional Entitlement Offer (**Closing Date**) or delayed for more than two business days after the Closing Date without the prior written consent of the Underwriters;

- (l) the Offers are prevented from proceeding by reason of Listing Rules, the Corporations Act or any other applicable laws, orders made by ASIC, ASX or any other government agency or court or an investigation initiated by ASIC or ASX into conduct of the Company;
- (m) the Company or a related body corporate of the Company is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a related body corporate of the Company becoming insolvent; and
- (n) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company).

Moratorium

The Company must ensure it and its subsidiaries do not (without the prior written consent of the Underwriters), until 120 days after completion of the Offer:

- (a) vary its capital structure;
- (b) make (or agree to make or announce) any issues of equity securities or any securities convertible into such equity securities; or
- (c) make (or agree to make or announce) any buy-back of securities,

in each case other than:

- (d) an issue of securities under the Offer;
- (e) in accordance with an agreement existing at the date of this announcement, which terms have been fairly disclosed to the Underwriters;
- (f) by way of incentives to directors, officers or employees of the Company in the ordinary course of business under any employee incentive plan or scheme or remuneration package; or
- (g) as a result of the conversion or exercise of any securities issued under and in accordance with any employee incentive plan, issued with the Underwriters' prior written consent or any other securities on issue at the date of the Underwriting Agreement which have been fairly disclosed to the Underwriters.

Additionally, the Company must ensure that it and its subsidiaries until 120 days after completion of the Offer:

- (a) carry on its business in the ordinary course;
- (b) do not change the nature of its business;
- (c) other than in the ordinary course of business or consistent with the use of funds contemplated in this announcement, do not acquire or dispose of the whole or substantially the whole of the business or substantial assets without the prior written consent of the Underwriters;
- (d) pass or take any steps to pass a resolution under section 260A of the Corporations Act; and
- (e) do not vary any term of the constitution without the prior written consent of the Underwriters.

Summary of the Sub-underwriting Agreement

Ora Banda's major shareholder, Hawke's Point, has committed to subscribe for its 39.5% entitlement in the Entitlement Offer. Hawke's Point has also entered into a sub-underwriting arrangement with the Underwriters with respect to the remaining 60.5% of the new shares to be issued under the Entitlement Offer (**Sub-underwriting Agreement**).

Hawke's Point will receive no fee for sub-underwriting the Entitlement Offer.

There are no significant events that could lead to the sub-underwriting being terminated, other than termination of the Underwriting Agreement between the Company and the Underwriters (in circumstances summarised above).

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