

Monday 1 May 2023

ASX Announcement

AKORA RESOURCES PLACEMENT AND ENTITLEMENT OFFER

Highlights

- **AKORA Resources is pleased to announce a share placement raising approximately \$793,000 from sophisticated and professional investors.**
- **AKORA Resources also announces a one (1) for five (5) non-renounceable entitlement offer at \$0.16 to raise up to \$2,310,087.**
- **Eligible Shareholders will be entitled to apply for additional shares in excess of their entitlements.**
- **Net proceeds will be used to fund exploration and evaluation of current projects as well as working capital.**

AKORA Resources Ltd (ACN 139 847 555) (ASX: AKO) (**AKO** or the **Company**) is pleased to announce that it has received binding commitments for a placement of approximately 4,956,250 shares to sophisticated and professional investors (the **Placement**) at an issue price of A\$0.16 per share to raise \$793,000.

In conjunction with the Placement, the Board of AKO is also pleased to announce the launch of a one (1) for five (5) pro-rata, non-renounceable entitlement offer to Eligible Shareholders (**Entitlement Offer**) to raise up to \$2,310,087. Subscribers to the Entitlement Offer will also receive one (1) free attaching option for every two (2) shares subscribed for, exercisable at \$0.25 on or before the date which is 36 months from the Offer Allotment Date as defined below. The Company will seek quotation of the options.

Net proceeds of the Placement and Entitlement Offer will be utilised to fund continued exploration and evaluation of the Company's projects throughout Madagascar, notably at Bekisopa. The remaining proceeds will be used for working capital and expenses of the Placement and Entitlement Offer. The Company looks forward to continued growth and development in 2023 of its exploration abilities in Madagascar, as well as strong returns forecasted on the back of this capital raise.

The Company's Directors unanimously support the Placement and Entitlement Offer.

The shares issued pursuant to the Entitlement Offer will be issued at the same price as issued under the Placement, being \$0.16 per share. The Offer Price reflects a 7.5% discount to the 15-day volume weighted average trading price (**VWAP**) of the Company's shares for the period ending on 28 April 2023. The Placement and, if fully subscribed, the Entitlement Offer, will raise approximately \$3,103,087.

Use of funds

The funds raised from the Placement and Entitlement Offer will be used by the Company as follows.

| Use of Funds | Amount (\$) |
|----------------------------|-------------|
| Exploration and Evaluation | 2,286,000 |

| Use of Funds | Amount (\$) |
|----------------------|------------------|
| Working Capital | 532,030 |
| Equity raising costs | 285,057 |
| Total | 3,103,087 |

Placement

The Placement will involve an allocation of 4,956,250 new ordinary shares to sophisticated and professional investors on Monday 1 May 2023 at a price of \$0.16 per share, raising a total of \$793,000. The Company will also grant 2,478,125 options to the sophisticated and professional investors. The new shares and attaching options to be issued in connection with the Placement will be issued under AKO's existing Listing Rule 7.1 placement capacity. Investors that participated in the Placement will be eligible to participate in the Entitlement Offer and some of those investors have provided commitment to do so.

Entitlement Offer

The Entitlement Offer will comprise an issue of a total of 14,438,042 fully paid ordinary shares (**Entitlement Offer Shares**) at an issue price of \$0.16 per share (**Offer Price**) to raise up to \$2,310,087, together with 7,219,021 attaching listed options.

The Entitlement Offer is made up of three separate offers as follows:

- (1) a private placement to institutional, professional and sophisticated investors (**Placement**) of 4,956,250 Shares at \$0.16 per Share, that will raise a total of \$793,000. These investors will also be issued 2,478,125 attaching Options.
- (2) a non-underwritten, pro-rata, non-renounceable Entitlement offer to Eligible Shareholders on the basis of one (1) New Share for every five (5) Shares held on the Record Date at an issue price of A\$0.16 per New Share, together with one (1) free attaching New Option for every two (2) New Shares subscribed for and issued for a total of 7,219,021 Options, to raise approximately \$2,310,087 (**Entitlement Offer**); and
- (3) an offer of Shortfall Shares to Eligible Shareholders (**Shortfall Offer**).

The Directors reserve the right to place any shortfall not taken up by Eligible Shareholders under the Shortfall Offer at their discretion within three months after the close of the offer, provided that the issue price is not less than the issue price under the Entitlement Offer.

The Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX, and Shareholders may not dispose of their rights to subscribe for shares under the Offer to any other party.

All Entitlement Offer Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue in the Company.

The Entitlement Offer is not underwritten.

The net funds raised from the Entitlement Offer will be used by the Company as outlined above.

Harbury Advisors Pty Ltd (Australian Financial Services Authorised Representative No. 1265413, AFSL No 471379) is Lead Manager to the Offers, and is entitled to a brokerage fee, full details of which are set out in the Prospectus for the Offers.

Eligibility to participate in the Entitlement Offer

The Entitlement Offer and Shortfall Offer are being made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 7.00 pm (AEST) on Thursday, 4 May 2023 (**Record Date**).

Eligible Shareholders are those shareholders on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Entitlement Offer Timetable

The proposed timetable for the Entitlement Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date, or to withdraw the Entitlement Offer (subject to the *Corporations Act 2001* (Cth) (the **Act**) and the ASX Listing Rules).

AKO will send the transaction specific prospectus (**Prospectus**) and Entitlement and Acceptance Form by Tuesday, 9 May 2023 to Eligible Shareholders.

| Date | Event |
|---|--|
| Before market open, Monday 1 May 2023 | Offers and Placement Announcement Date |
| | Lodgement of Prospectus and Appendix 3B (Offers) with ASIC and ASX |
| Wednesday, 3 May 2023 | Offer Ex Date |
| | Company shares trade on an ex-basis for the Offer |
| | Settlement of New Shares pursuant to the Placement |
| | Lodgement of Appendix 3B (Placement) |
| At 7:00pm (AEST) on Thursday, 4 May 2023 | Offer Record Date |
| Tuesday, 9 May 2023 | Offer Opening Date |
| | Offer opens |
| | Prospectus dispatched to Eligible Shareholders |
| | Company sends letter to Eligible and Non-Eligible Shareholders containing information of the Offer and the Offer Timetable |
| | Last day for offer to open |
| | |
| Monday, 15 May 2023 | Last day to extend the Offer closing date |

| Date | Event |
|--|---|
| At 5:00pm (AEST) on Thursday, May 18 2023 | Offer Closing Date |
| Friday, 19 May 2023 | Offer – Quotation on a deferred settlement basis |
| Tuesday, 23 May 2023 | Offer Shortfall Notification Date Company announces results of the Offer and notifies ASX of under-subscriptions (if any) |
| Before noon, Thursday 25 May 2023 | Offer Allotment Date Issue date under Offer – Deferred settlement trading ends Appendix 2A lodged with the ASX |
| | Offer Dispatch Date Dispatch of holding statements |
| Friday, 26 May 2023 | Offer Trading Date Normal trading of Offer Shares |

The timetable above is indicative only and may be subject to change.

The Company reserves the right to amend any or all these dates and times, subject to the Corporations Act, the ASX Listing Rules, and any other applicable laws. In particular, the Company reserves the right to extend the Closing Date or to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of Entitlement Offer securities.

An Appendix 3B for shares to be issued pursuant to the Entitlement Offer, and the Prospectus will follow this announcement.

This announcement is not a Prospectus. Any person considering acquiring securities under the Entitlement Offer should read the Prospectus carefully. Applications for shares under the Entitlement Offer may only be made using the Entitlement and Acceptance Form to be attached to or accompanying the Prospectus. Securities will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Prospectus.

For further information please contact:

Contact

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About AKORA Resources Limited

The Company is a public company limited by shares, incorporated in Australia and registered in Victoria under the provisions of the Corporations Act on 6 October 2009, with the name AKORA Resources Limited (Formally Indian Pacific Resources Limited) and ACN 139 847 555. The Company is domiciled in Australia.

The Company is an exploration company engaged in the exploration and development of the Bekisopa Project, the Tratramarina Project and the Ambodilafa Project, iron ore projects in Madagascar. In all we hold some 308 km² of tenements across these three prospective exploration areas, with each project being covered by several separate tenements. To date only one tenement section at each of the three project areas has been explored and there are numerous prospective tenement areas at each project location that also show distinct anomalies that warrant further exploration evaluation.

The Bekisopa Project is considered by the Directors to be of primary importance as it has the potential for significant high grade lump Direct Ship Ore (DSO). Further the Bekisopa Project has a historic stated potential resource estimated at greater than 150Mt. This historic resource estimate was calculated by the United Nations Development Project (UNDP) based on their fieldwork and also the work of the French BRGM. However, the Mineral Resource estimate does not confirm to a Recognised Standard, such as JORC CODE, and may not be used for economic purposes.

Following the successful geological survey and ground magnetic survey at Bekisopa in October 2019 which confirmed the ore body extends over a 7 kilometre strike length and to depths of at least 500 meters a focused exploration and drilling work program has been mapped out for the Bekisopa project and this is aimed at updating the geological information and performing deep drilling to determine the extent of the high grade lump ore already identified at surface. Following this proposed work program at Bekisopa tenement 10430 AKORA then plans to undertake preliminary exploration at the other Bekisopa tenements as these anomalies may add significantly to the known 7km iron ore strike length demonstrated at Bekisopa PR 10430.