

17 April 2024

Strategic Investor Process & Capital Raising

Highlights

- **Two parties have submitted Non-Binding Indicative Offers as part of AKORA's Strategic Investor Process**
- **Capital Raising for up to \$3.8 million (before costs) through a:**
 - **Placement of fully paid ordinary shares to raise approximately \$0.8 million; and**
 - **1 for 5 pro-rata non-renounceable entitlement offer of fully paid ordinary shares to eligible shareholders to raise approximately \$3 million.**
- **Offer price of \$0.15 (15 cents) per share represents:**
 - **a 6.1% discount to the 10-day VWAP; and**
 - **a 7.4% discount to the 15-day VWAP.**
- **AKORA's largest shareholder has committed \$1.5 million to cornerstone the Capital Raising**

Strategic Investor Process

AKORA Resources Limited (ASX:AKO) (**AKORA** or **Company**) is pleased to announce an update on its Strategic Investor Process as first communicated in the Company's announcement on 21 February 2024. The Strategic Investor Process has involved multiple parties, whereby AKORA is seeking the most suitable funding partner for the development of AKORA's Projects.

On 12 April 2024, two parties submitted Non-Binding Indicative Offers, with two more expected shortly. Preferred parties will participate in site visits as a final due diligence workstream. Itineraries have been confirmed for mid-May 2024.

There are a variety of funding structures, types and valuations being proposed necessitating careful consideration by the Board. While this assessment is ongoing, the Board is quite encouraged by the proposals received to date.

Capital Raising

AKORA is launching an equity raising of approximately \$3.8 million through a placement of fully paid ordinary shares to institutional and sophisticated investors (**Placement**) and a pro-rata non-renounceable 1 for 5 entitlement offer of fully paid ordinary shares (**New Shares**) in AKORA to eligible shareholders (**Entitlement Offer**) (together, the **Equity Raising**).

PAC Partners and Harbury Advisors are acting as joint lead managers to the Equity Raising (**Joint Lead Managers**).

The Equity Raising is not underwritten however AKORA's largest Shareholder, Futureworld Management Pty Ltd (**Futureworld Management**), has committed to investing up to \$1.5 million as part of the Equity Raising, by taking up its full entitlement of ~\$0.27 million plus (to the extent that shortfall is available) an additional \$1.23 million under the Shortfall Offer, representing a total investment of \$1.5 million.

Graeme Hunt (Chairman) and Matthew Gill (non-executive Director), both recent additions to the AKORA Board, will seek Shareholder approval to acquire shares at the upcoming Annual General Meeting of the Company, planned for 30 May 2024, on the same terms as this Equity Raising. Their intention is to invest collectively up to A\$190,000 following shareholder approval. They have been unable to acquire shares in AKORA due to restrictions under AKORA's Securities Trading Policy. In addition, Paul Bibby, Managing Director, intends to participate in the Entitlement Offer to his full entitlement.

The funds raised under the Placement and Entitlement Offer will be used by the Company for the following:

- (a) Bekisopa Pre Feasibility Study and early Development Works - \$1,850,000;
- (b) Satrokala Exploratory Drilling - \$1,000,000; and
- (c) Working capital and costs of the capital raise - \$950,000.

AKORA's Managing Director & CEO, Paul Bibby said:- "It is pleasing to see the support that we have received for this Equity Raise from our largest Shareholder, Futureworld, and we are hopeful and optimistic that our Shareholders will follow suit. The money raised will advance the Bekisopa Projects Pre-Feasibility Study and complete exploratory drilling along the 10 kilometre magnetic anomaly at Satrokala. The Strategic Investor Process has had eight companies doing due diligence, a great show of support for the quality of our Bekisopa project. Two encouraging and constructive non-binding indicative offers were received on Friday 12 April, with potentially two more expected."

About the Placement

AKORA has received firm commitments for a placement of New Shares to certain institutional and sophisticated investors at the issue price of A\$0.15 (15 cents) per share to raise approximately A\$0.8 million. It is expected that approximately 5,333,334 New Shares will be issued as part of the Placement on or about 24 April 2024 under ASX Listing Rule 7.1.

Placement participants will be eligible to participate in the Entitlement Offer in respect of any New Shares issued to them under the Placement.

About the Entitlement Offer

The offer price for the Entitlement Offer is \$0.15 (15 cents) per New Share (**Offer Price**). Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 5 existing fully paid ordinary shares held at 7.00 pm (Melbourne time) on 26 April 2024 (**Record Date**) at the Offer Price. If fully subscribed, the Entitlement Offer will raise up to \$3.0 million before costs.

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up and therefore their holding will be diluted.

In addition to being able to apply for New Shares under the Entitlement Offer, eligible shareholders will also have the ability to apply for additional New Shares in excess of their entitlement. The Shortfall Offer will only be available over those shares that are not subscribed for by other eligible shareholders under the Entitlement Offer and at the Offer Price. The Directors reserve full discretion as to the allocation of additional New Shares under the Shortfall Offer.

If applications received for New Shares under the Entitlement Offer are less than the number of New Shares available under the Entitlement Offer, the Directors reserve the right to place the shortfall at their discretion within 3 months of close of the Entitlement Offer.

An Entitlement Offer booklet (**Offer Booklet**) is expected to be sent to eligible shareholders on 30 April 2024, together with a personalised entitlement and acceptance form which will provide

further details of how to participate in the Entitlement Offer. A copy of the Offer Booklet will be lodged with ASX on 30 April 2024.

An Investor Presentation on the Equity Raising has been lodged with ASX today. The Investor Presentation contains important information, including a summary of key risks associated with an investment in AKORA. Shareholders are encouraged to read both the Offer Booklet and the Investor Presentation carefully, and if required, obtain independent professional investment advice, prior to making any investment decision.

Eligible shareholders in Australia and New Zealand (or who AKORA otherwise determines are eligible to participate) will be invited to participate in the Entitlement Offer, which opens on 30 April 2024 and is scheduled to close at 5.00pm Melbourne time on 17 May 2024, subject to the AKORA's rights to extend the Entitlement Offer, close the Entitlement Offer early or withdraw the Entitlement Offer. Eligible shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised entitlement and acceptance form. The indicative key dates for the Entitlement Offer are set out below.

Equity Raising Key Dates

Event	Date
Announcement of the Equity Raising	17 April 2024
Issue and Allotment of Placement Shares	24 April 2024
Shares traded on an "ex" entitlement basis	24 April 2024
Record Date for eligibility to participate in the Entitlement Offer	7.00 pm (Melbourne time) 26 April 2024
Dispatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible shareholders	30 April 2024
Entitlement Offer opens	30 April 2024
Last date to extend the Closing Date for the Entitlement Offer	14 May 2024
Entitlement Offer closes	5.00 pm (Melbourne time) 17 May 2024
Announcement of results of Entitlement Offer to ASX	22 May 2024
Issue of New Shares under the Entitlement Offer and despatch of Holding Statements	22 May 2024
New Shares under Entitlement Offer commence trading on a normal settlement basis	23 May 2024

All dates are indicative only and subject to change. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws, the Company reserves the right to withdraw or vary the timetable without notice.

The trading halt can now be lifted.

This announcement has been authorised by AKORA's Board of Directors.

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AKORA Resources Limited (ASX: AKO) is an Australian resources company focused on the development of four high-grade iron ore projects in Madagascar.

The Company's flagship Bekisopa Iron Ore Project has a 194.7 million tonne Inferred JORC Resource with very low impurities able to produce a premium-priced +68% Fe concentrate. Direct Reduced Iron-Electric Arc Furnace (DRI-EAF) technology which is used to make greener steel without coal and considerably less carbon emissions requires iron ore grades of at least 67%.

To generate cash in the near-term, AKORA is advancing plans at Bekisopa to produce up to 2Mt per annum over the first five years of a high-grade 61% Fe average grade direct shipping ore (DSO) for shipping to Blast Furnace-Basic Oxygen Furnace (BF-BOF) steelmakers.

