ASX Announcement (ASX: OBM) 11 October 2021

Production Update and Lithium Occurrences

Performance Improvements Continue

HIGHLIGHTS:

- **Production Update**
  - Weekly performance of Davyhurst's crushing circuit continued to improve during September
  - Total gold production for the September quarter of 14,312oz Au (unreconciled)
- **Known lithium occurences across Ora Banda's land holding to be further investigated**
- **Independent engineering review of Davyhurst plant completed with all key recommendations accepted and in process of being actioned**

Ora Banda Mining Limited (ASX: OBM) ("Ora Banda", "Company") is pleased to provide an update regarding progress of the operational ramp up at its Davyhurst Gold Project in Western Australia in addition to an update on other activities and initiatives presently being undertaken by the Company.

Davyhurst Ramp-Up and Production Update

Performance of the Davyhurst Plant continues to improve, with the most notable aspect being a trial of the crushing circuit with 100% primary rock as feed for several days. During this trial run, the crushing circuit performance lifted to nameplate capacity of 1.2mtpa. Since August crushed oxide product from a mobile crusher has been supplementing the installed crushing circuit to address the issues with a higher percentage of oxide feed in the blend. The Company will continue to supplement its crushing operations as required whilst focussing on planning mining activities to further improve the feed blend.

Gold production for August and September averaged over 5,300oz per month, or 80% of the average annual budget production requirement per month. The Company continues to implement changes and improvements to increase towards target production levels.

Other operational items include:

- The site sample preparation laboratory is now operational which will improve assay turnaround;
- A new drill rig is currently undergoing commissioning to improve drill penetration rates at Missouri;
- The tailings storage facility cell construction is almost complete, with tailings forecast to be deposited into the cell from October;
- Diamond drilling at the Golden Eagle underground mine intersected mineralised contacts where expected according to the revised interpretation. Gold grades and widths were not economic and mining at Golden Eagle is now unlikely to be extended beyond January; and
- Staffing levels, like many mining companies, continues to be problematic for Ora Banda and its contractors.

The Company is currently reforecasting its annual production based on the above and will advise if there is any change to guidance once complete.

Lithium Occurrences

Ora Banda has noted the interest in its recently disposed Mt Ida tenements and the lithium potential of those tenements. The Company was aware of lithium mineralisation on the disposed tenements and notes that identified lithium mineralisation had historically been categorised as predominately lepidolite. Processing of hardrock Li-bearing minerals other than spodumene and petalite are challenging due to the increased reagent costs associated with impurity rejection prior to production of a saleable lithium chemical concentrate.

Outside of the disposed Mt Ida tenements, the Company retains extensive land holdings with known lithium occurrences. These have also been categorised as lepidolite, however Ora Banda is currently gathering further samples for the purposes of mineralogical testing to confirm the ratio of spodumene to lepidolite. It is anticipated the testwork results will take several months to be received.

Whilst there is no recorded historical exploration for lithium within Ora Banda's land holding, several lithium occurrences are known, based on descriptions taken from mapping and drilling activities which intersected lithium during gold focused exploration.

Three areas within Ora Banda's 1,210km^2 landholding that are known to host lithium mineralisation are:

1. Riverina

Historical geological mapping (Aztec 1986 & John Standing 2015) identified abundant pegmatite occurrences over an extensive 10km zone surrounding the Riverina mine. Several of these mapped pegmatites have been classified as lithium bearing while most remain unclassified. Recent gold focused drilling by Ora Banda at Riverina South also intersected numerous lithium bearing pegmatites.

Recently, a small-scale mapping program by Ora Banda was undertaken to identify lithium mineralisation on E30/333. This program successfully identified pegmatite hosted lithium mineralisation with the dominant lithium mineral identified being lepidolite.

Lithium occurrences identified at Riverina occur in narrow <2m thick pegmatite intrusions which generally trend East-West and can be up to 500m long. By visual estimate, the percentage of lepidolite can be up to 20% of the rock mass.

2. Waihi

A lithium bearing pegmatite was exposed in the Waihi pit, trending East-West and dipping moderately north, the pegmatite is approximately 2m thick and has been traced for over 800m strike. Lithium bearing pegmatite material has also been found on the mullock heap from the Golden Pole historic mine.

3. Gila

A zoned lithium bearing pegmatite was intersected in drilling at the Gila deposit. Hole GADD001 intersected numerous intervals of lithium bearing pegmatites with the thicker intervals being from 116.4 – 120.5m and 125.8 – 127m downhole.

The pegmatites appear zoned with abundant lepidolite within the core of the pegmatite, however, there may be other lithium minerals present including zinnwaldite, petalite and spodumene. Further analysis of the core is required to determine the full suit of lithium minerals present.

This prospect sits beneath a large area of lateritic cover, masking any outcrop signature of lithologies, including pegmatites, on surface. There is a high probability that other lithium bearing pegmatites exist in the vicinity.

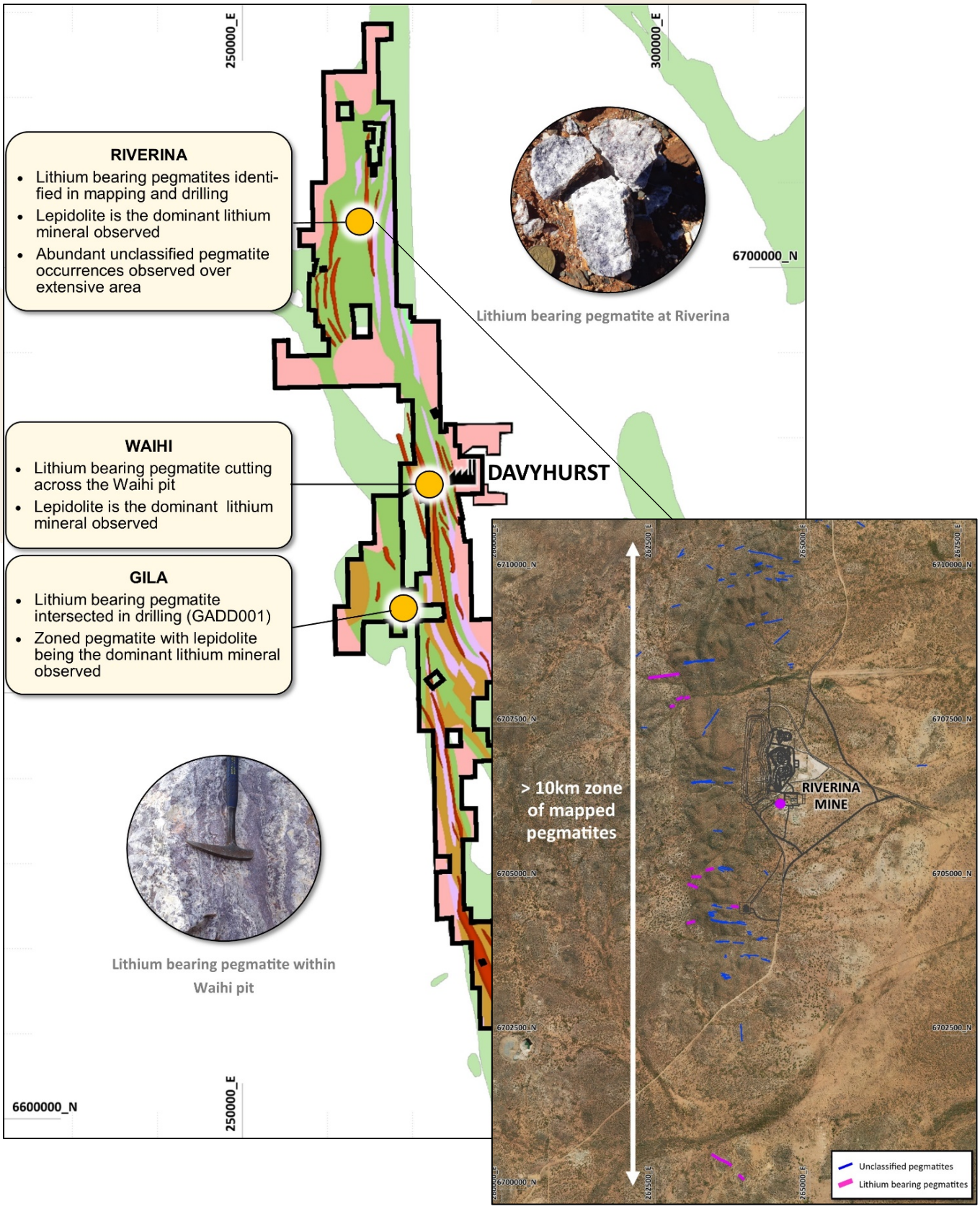

Figure 1: Ora Banda tenements showing lithium occurrences.

Lithium Prospectivity

In addition to the lithium occurrences inadvertently identified through gold exploration as described above, lithium mineralisation has been identified at Mt Ida to the immediate north, and Coolgardie to the immediate south, of Ora Banda's tenements, both of which have been historically reported to have lepidolite as the dominant lithium mineral.

With Ora Banda's land tenure considered to be highly prospective for pegmatite hosted lithium mineralisation, further sampling work will be undertaken to confirm the mineralogy of these identified lithium occurrences.

Engineering Review

As previously announced (see ASX announcement on 2nd September), Ora Banda engaged Ausenco to conduct an independent engineering review of the Davyhurst processing facility. The Company has now received the final report from the review which found no fatal flaws within the processing facility. The report also notes that production rates during ramp-up were negatively impacted by:

- A failure to identify the extent of the highly viscous nature of Riverina ore prior to commissioning;
- A high proportion of oxide ore required to be treated through the three stage crushing circuit created materials handling issues;
- A lack of operational preparedness prior to commencing production;
- A shortage in the continuity of skilled workforce at the plant; and
- Shortfalls in maintenance planning systems.

Whilst the conclusions and related recommendations are each material to the operation of the Davyhurst processing facility, Ora Banda notes that all key recommendations made in the report were already in the process of being implemented or planned to be implemented. Additional minor recommendations will also be adopted.

This announcement was authorised for release to the ASX by Peter Nicholson, Managing Director. For further information about Ora Banda Mining Ltd and its projects please visit the Company's website at www.orabandamining.com.au.

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