

31 October 2022

Albion Announces Capital Raise of \$1.49 Million

- **Commitments of A\$462,000 (before costs) received for Placement to use towards exploration and development of the Company's existing projects and evaluation of new opportunities**
- **Placement strongly supported by new and existing sophisticated investors including Non-Executive Directors Steven Formica and Julian Jarman who will subscribe for 1,000,000 and 2,000,000 Shares respectively**
- **Launch of 1-for-3 partially underwritten non-renounceable pro-rata Entitlement Offer to raise up to approximately A\$1.03M (before costs)**

Albion Resources Limited (ASX: ALB; **Albion** or the **Company**) is pleased to announce it has received firm commitments to raise \$462,000 (before costs) via a placement (**Placement**) of 6,600,000 fully paid ordinary shares at A\$0.07 per share (**Placement Shares**). This includes 3,000,000 Placement Shares, comprising of 1,000,000 and 2,000,000 Placement Shares to be issued to Directors Mr Steven Formica and Mr Julian Jarman respectively, subject to receiving shareholder approval at the Company's 2022 Annual General Meeting.

The Company will utilise its full placement capacity under ASX Listing Rule 7.1 to issue the Placement Shares. The Company is scheduled to settle the Placement Shares to unrelated parties on or about Monday, 7 November 2022, whilst the Placement Shares to Directors Mr Steven Formica and Mr Julian Jarman will be subject to shareholder approval at the Company's annual general meeting on 30 November 2022.

The Company today has also launched a 1 for 3 non-renounceable entitlement offer to raise approximately A\$1.03 million (before costs) via the issue of ~14.7 million new shares (**New Shares**) at the same price as the Placement (**Entitlement Offer**). Placement participants will not be eligible to participate in the Entitlement Offer in respect of their Placement Shares.

The issue price for the Placement and Entitlement Offer represents a discount of:

- 13.6% discount to the last close (\$0.081); and
- 13.6% discount to the 10-day VWAP (\$0.081).

The funds raised from the Placement and Entitlement Offer will be used towards exploration and development of the Company's existing projects, evaluation of new opportunities and working capital.

CPS Capital Group Pty Ltd acted as Lead Manager to the Placement and Stevsand Holdings Pty Ltd as trustee for the Formica Horticultural trust, an entity controlled by Director Mr Steven Formica (**Underwriter**), will partially underwrite the Entitlement Offer to \$602,700.

The Entitlement Offer is being extended to Albion shareholders who:

- are registered as a holder of Shares at 5.00pm (AWST) on Thursday, 3 November 2022 (**Record Date**);
- have an address on the register in Australia or New Zealand;
- are not in the United States or a US person or acting for the account or benefit of such persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Entitlement Offer is expected to open on Monday, 7 November 2022 and to close at 5.00pm AWST on Thursday, 24 November 2022. Please refer to the indicative timetable below for the key dates relating to the Entitlement Offer.

The Entitlement Offer is non-renounceable. This means that Albion shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in Albion will be diluted. Further details will be contained in an Entitlement Offer booklet to be dispatched in accordance with the below indicative timetable.

If any shortfall remains after subscription of entitlements by eligible shareholders, the resulting shortfall will be met by the Underwriter up to \$602,700 (subject to the terms and conditions of the underwriting arrangements which are summarised below).

A number of Directors of Albion have also confirmed that they and their controlled entities intend to subscribe for approximately \$121,500 of entitlements under the Entitlement Offer.

Underwriting

The Company entered into an underwriting agreement with the Underwriter dated 30 October 2022 (**Underwriting Agreement**) pursuant to which the Underwriter has agreed to partially underwrite the last \$602,700 of the shortfall under the Entitlement Offer, being 8,610,000 New Shares. The material terms of the Underwriting Agreement are summarised in Schedule 1 of this announcement.

The Underwriter will not be paid a fee for its underwriting commitments.

Indicative timetable*

An Indicative timetable for the Placement and Entitlement Offer is set out below.

Event	Date
Launch of Placement and Entitlement Offer, trading halt lifted	Monday, 31 October 2022
Cleansing notice lodged with ASX	Monday, 31 October 2022
Ex-date for Entitlement Offer	Wednesday, 2 November 2022
Record Date to determine entitlements	Thursday, 3 November 2022
Placement Shares issued	Monday, 7 November 2022
Entitlement Offer opens Dispatch of Entitlement Offer booklets and entitlement and acceptance forms	Monday, 7 November 2022
Entitlement Offer closes	Thursday, 24 November 2022
Announcement of results under the Entitlement Offer Issue of Shares under the Entitlement Offer	Thursday, 1 December 2022
Commencement of normal trading for Shares issued under the Entitlement Offer	Friday, 2 December 2022

* The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the closing date of the Entitlement Offer or accepting late applications, without notice. The commencement of quotation and trading of New Shares is subject to confirmation from the ASX.

The Entitlement Offer will be conducted in accordance with section 708AA of the Corporations Act. The Company will dispatch to eligible shareholders an Entitlement Offer booklet which will provide further details of the Entitlement Offer, the underwriting arrangements in relation to the Entitlement Offer and how to participate in the Entitlement Offer. The Entitlement Offer booklet will also include a personalised entitlement and acceptance form. Eligible shareholders wishing to participate in the Entitlement Offer should carefully review the Entitlement Offer booklet. Those shareholders who the Company determines to be ineligible shareholders will be notified of that fact.

The Entitlement Offer falls within an exception to ASX Listing Rule 7.1 and does not require shareholder approval.

This is the announcement referred to in the Company's request for a trading halt on 27 October 2022.

This release has been authorised by the Board of Albion Resources Limited.

FOR FURTHER INFORMATION:

Steven Formica
Non-Executive Chairman
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Schedule 1 – Summary of material terms of Underwriting Agreement

On 30 October 2022, the Company entered into the Underwriting Agreement with the Underwriter pursuant to which the Underwriter agreed to partially underwrite the Entitlement Offer up to \$602,700 (8,610,000 Shares).

The Underwriter has agreed to not charge any fees in respect of the underwriting.

As is customary with these types of underwriting arrangements the Underwriter may, in certain circumstances, terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events on or prior to the date of allotment of the New Shares including (but not limited to) where:

- a statement contained in the offer materials (including the offer booklet) is or becomes misleading or deceptive or likely to mislead or deceive, or the offer materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable law);
- hostilities not presently existing commence (whether or not war or a national emergency has been declared) or an escalation in existing hostilities occurs, in certain countries;
- certain events occur that have a materially adverse effect on the Company;
- the S&P ASX 200 Index falls to a level that is 85% or less of the level as at the close of trading on the day immediately prior to the date of the Underwriting Agreement and is at or below that level at the close of trading:
 - for 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or
 - on the Business Day immediately prior to the issue date; and
- the Company is prevented from issuing the underwritten New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.

The above is not an exhaustive summary of the Underwriting Agreement but a summary of its material terms.