

ASX ANNOUNCEMENT  
4 March 2024

## Placement and Rights Issue to Raise \$2.35 million



### HIGHLIGHTS

- Well supported capital raising, attracting a highly regarded cornerstone investor
- Participation by sophisticated investors and Company Directors
- Fully underwritten Entitlement Offer to Shareholders
- Funds raised to be applied towards a fully permitted, focused and high impact drill program on the Company's exciting gold and copper targets:
  - **Atlantis Cu-Au Prospect:** 15% Cu, 0.84g/t Au in rock chips<sup>1</sup> and 6.5km long soil anomaly<sup>2</sup>. Never drill tested
  - **Bellagio Au Prospect:** High grade gold rock chips to 39.4g/t Au<sup>3</sup> and widespread bedrock Au mineralisation OPEN in all directions and along +20km Royal Oak Fault

Koonenberry Gold Ltd (**ASX:KNB**) ("Koonenberry" or the "Company") is pleased to announce details of a Placement and Entitlement Offer to raise \$2.35 million (before costs), including participation by **Lion Selection Group Limited** as a cornerstone investor. Funds raised will be used to advance exploration of its Bellagio and Atlantis Projects, including high impact drilling programs planned.

### Placement

The Company has received firm subscriptions to raise \$700,000 before costs via a placement to professional and sophisticated investors to issue 50.0 million new ordinary shares in the Company at an issue price of \$0.014 per share ("Placement"). Placement Shares will include 1 free attaching option for every 2 Placement Shares subscribed for and issued, exercisable at \$0.04 each and expiring two years from the date of issue ("Placement Options").

The Placement received strong support from existing and new professional and sophisticated investors and was jointly managed by BW Equities Pty Ltd (AFSL 389353) and Baker Young Limited (AFSL 246735) ("Joint Managers"), who also act as underwriters to the Entitlement Offer.

The Placement will be completed in two tranches:

- Tranche 1 - approximately 17.9 million Placement Shares will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1. Settlement of these Shares is expected to occur on 8 March 2024. Free attaching Placement Options totalling approximately 8.9 million will be issued subject to shareholder approval at a general meeting of the Company anticipated to be held in April 2024 ("General Meeting").
- Tranche 2 - approximately 32.0 million Placement Shares and 16.0 million free attaching Placement Options will be issued subject to shareholder approval at the General Meeting. Included in the Tranche 2 Placement Shares, are applications from Directors of Koonenberry totalling \$105,000. If shareholders approve the issuance of Tranche 2 of the Placement Shares, including providing approval for participation by Directors, settlement will occur shortly after the General Meeting, which is scheduled to occur in April 2024.

<sup>1</sup> ASX announcement 01/03/2023

<sup>2</sup> ASX announcement 29/04/2022

<sup>3</sup> ASX announcement 31/05/2023

The Placement issue price and Entitlement Offer price of \$0.014 per share represents a 39% discount to the 15-day volume weighted average price of shares as traded on the ASX to 28 February 2024.

The Company will offer the Placement Options under a transaction-specific prospectus to be issued shortly. The offer of Placement Options to participants in the Placement will be conditional on shareholder approval being obtained at the General Meeting.

### **Entitlement Offer**

The Company proposes to offer existing shareholders the opportunity to participate in a fully underwritten, non-renounceable rights issue of 6 new shares for every 7 shares held on the record date, at the issue price of \$0.014 per share, together with 1 free attaching option for every 2 shares applied for under the Entitlement Offer, which are exercisable at \$0.04 each and expiring two years from the date of issue ('Options'), to raise approximately \$1.65 million before costs ('Rights Issue').

The Rights Issue will be fully underwritten by the Joint Managers. The underwriting agreement is subject to standard conditions precedent including the lodgement of a prospectus. The termination provisions of the underwriting agreement are detailed in the appendix following this announcement. An entity associated with director, Anthony McIntosh will act as one of the sub-underwriters to the Rights Issue up to the amount of \$75,000 and will not receive a fee in respect of this sub-underwriting.

Further, the cornerstone investor, Lion Selection Group Limited, will act as sub-underwriters up to \$250,000 of the first of any shortfall under the Rights Issue. In the event that the Rights Issue shortfall is less than this amount, the Company intends to undertake a follow-on placement of new shares to Lion Selection Group Limited on the same terms as the Placement, for any difference to their sub-underwriting commitment up to \$250,000 ("Follow-on Placement"). The Follow-on Placement will be subject to shareholder approval at the General Meeting.

Details of the Rights Issue will be as described in more detail in the Prospectus to be released by the Company.

The Company proposes to apply funds received from the Placement and Rights Issue towards:

- exploration and drilling activities at its Bellagio Au Prospect;
- exploration and drilling activities at its Atlantis Cu-Au Prospect;
- general working capital; and
- costs of the offers.

Following settlement of the Rights Issue and Placement Shares, the Company's issued share capital will expand from 119,749,088 shares to 287,787,474 shares (subject to rounding in the Rights Issue and there being no Follow-on Placement).

Managing Director, Dan Power, said *"On behalf of the Board, we would like to thank all shareholders and new investors for their continued support of the Company. To successfully raise funds in this market and to bring on quality investors such as Lion Selection Group, is a huge endorsement of our quality Projects. We look forward to using the funds raised to drill test our exciting Atlantis Cu-Au and Bellagio Au Prospects in the coming months. We expect to be on the ground in mid-March and to mobilise the drill rig in mid-April, if not before, and will be reporting results as they come to hand."*



The indicative timetable for the Rights Issue is as follows:

Event	Date*
Lodgement of Prospectus with the ASIC and ASX	15 March 2024
Ex date	19 March 2024
Rights Issue Record Date	20 March 2024
Rights Issue prospectus dispatched and Offer opens	25 March 2024
Last day to extend the Closing Date	2 April 2024
Offer closes at 5pm	5 April 2024
ASX and underwriter notified of under subscriptions	10 April 2024
Issue date and lodgement of Appendix 2A with ASX, applying for quotation of the Rights Issue Shares before noon (Sydney time)	12 April 2024
Expected date of quotation of Rights Issue shares and date of issue of the Options	15 April 2024

\* Dates are indicative and subject to change. The Company reserves the right to amend any or all dates and times subject to the Corporations Act, ASX Listing Rules and other applicable laws. The commencement of quotation of the shares is subject to ASX confirmation.

-ENDS-

## ABOUT KOONENBERRY GOLD

Koonenberry Gold Ltd is a minerals explorer based in Australia aiming to create value for shareholders through exploration at the Company's 100%-owned Koonenberry Gold Project. The Project is located in north-western New South Wales, approximately 160km north-east of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs. Good access is available via main roads connecting Broken Hill, White Cliffs and Tibooburra. Acquired in 2017, and with an IPO in 2021, the Project covers 2,060km<sup>2</sup> of granted EL's in a consolidated tenement package.

With abundant evidence of high-grade mineralisation in multiple bedrock sources and a pipeline of emerging targets, the tenement package offers a compelling district scale Greenfields discovery opportunity in an underexplored and emerging province. Koonenberry Gold holds a dominant position in the Koonenberry Belt in NSW which is believed to be an extension of the Stawell Zone in Western Victoria and therefore has the potential for the discovery of significant gold deposits.

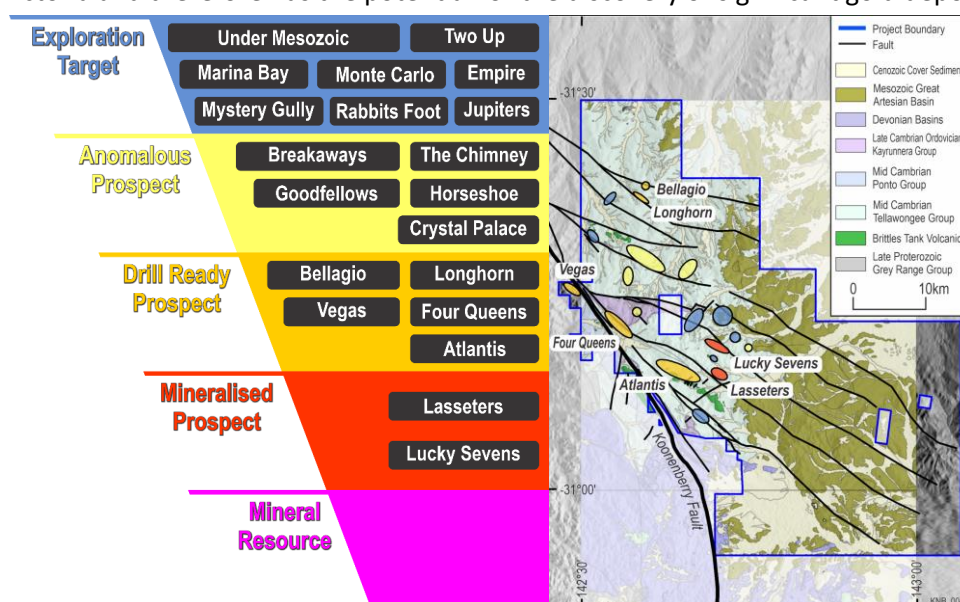


Figure 1. Koonenberry Gold Prospects and pipeline of discovery opportunities.

**This ASX release was authorised by the Board of the Company.**

**For more information please contact:**

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For further information regarding the Company and its Projects please visit [www.koonenberrygold.com.au](http://www.koonenberrygold.com.au)

### **Forward looking statements**

*This announcement may include forward looking statements and opinion. Forward looking statements are based on Koonenberry and its Management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Koonenberry's business and operations in future. Koonenberry does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that Koonenberry's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by Koonenberry or Management or beyond Koonenberry's control. Although Koonenberry attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of Koonenberry. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law in providing this information Koonenberry does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any changes in events, conditions or circumstances on which any such statement is based.*

### **Competent Persons Statement**

*The information in this announcement that relates to Exploration Results is based on information compiled under the supervision of Mr Paul Wittwer, who holds a BSc Geology (Hons.), is a Member of the Australian Institute of Geoscientists (AIG) and the Australian Institute of Mining and Metallurgy (AusIMM) and is the Exploration Manager of Koonenberry Gold Limited. Mr Wittwer has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.' Mr Wittwer consents to the inclusion in this report of the matter based on his information in the form and context in which it appears. Where reference is made to previous announcements of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information and results included in those announcements.*



## **Underwriting Agreement**

### **Events of Termination**

The obligation of the Joint Managers to fully underwrite the Entitlement Offer is subject to certain rights of termination. The Joint Managers may in their sole discretion terminate the Underwriting Agreement if:

- (a) **(section 730 notice)** a person gives a notice to the Company under section 730 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the Prospectus (other than the Joint Managers);
- (b) **(withdrawal of consent)**: any person (other than the Joint Managers) whose consent to the issue of the Prospectus or any supplementary prospectus is required and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
- (c) **(Supplementary Prospectus)** the Company lodges a supplementary prospectus without the consent of the Joint Managers or fails to lodge a supplementary prospectus in a form acceptable to the Joint Managers (acting reasonably);
- (d) **(material adverse change)** any material adverse change occurs in the assets, liabilities, the equity of any Company shareholders, financial position or performance, profits, losses or prospects of the Company or any subsidiary of the Company (in so far as the position in relation to the subsidiary affects the overall position of the Company), from the position disclosed in the Prospectus on the date of lodgement of the Prospectus or as most recently disclosed to ASX by the Company before the date of the Underwriting Agreement;
- (e) **(market fall)** the ASX/S&P 300 Index is, for three or more consecutive Business Days, or on the Business Day immediately before the settlement date of the Entitlement Offer, more than 20% below its level as at 5.00pm on the Business Day immediately preceding the date of the Underwriting Agreement;
- (f) **(Listing)**
  - (i) the Company ceases to be admitted to the official list of ASX or the ordinary shares in the capital of the Company (**Shares**) cease trading or are suspended from quotation on ASX other than in connection with the Placement and Entitlement Offer (together, the **Offer**);
  - (ii) ASX makes any official statement to any person, or indicates to the Company or the Joint Managers that official quotation on ASX of the Entitlement Offer Shares will not be granted; or
  - (iii) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the opinion of the Joint Managers, have a material adverse effect on the success of the Offer), to the official quotation of the Entitlement Offer Shares on ASX on or before the dates agreed between the Company and the Joint Managers, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (g) **(notifications)** any of the following notifications are made in relation to the Entitlement Offer or a document issued by the Company in respect of or relating to the Offer (**Offer Document**):
  - (i) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to an Offer Document or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company; or
  - (ii) an application is made by ASIC for an order under Part 9.5 in relation to the Entitlement Offer or an Offer Document or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act or other applicable laws;

- (h) **(Timetable)** an event specified in the timetable agreed between the Company and the Joint Managers **(Timetable)** is delayed by more than three Business Days without the prior written consent of the Joint Managers, other than events within the control of the Joint Managers;
- (i) **(withdrawal)** the Company withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer;
- (j) **(unable to issue)** the Company is prevented from granting the entitlements to subscribe for securities pursuant to the Entitlement Offer or issuing securities under the Entitlement Offer within the time required by the Timetable or by or in accordance with ASX Listing Rules applicable laws, a government agency or an order of a court of competent jurisdiction;
- (k) **(ASIC Modifications)** ASIC withdraws, revokes or amends any modification, exemption or approval in relation to the Offer;
- (l) **(ASX Waiver)** ASX withdraws, revokes or amends any waiver of the ASX Listing Rules necessary in relation to the Offer;
- (m) **(prosecution)** any of the following occur:
  - (i) a director of the Company is charged with an indictable offence;
  - (ii) any government agency commences any public proceedings against the Company or any of the directors of the Company in their capacity as a director of the Company, or announces that it intends to take such action; or
  - (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (n) **(fraud)** a director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Offer;
- (o) **(Insolvency)** the Company or any of its subsidiaries is or becomes insolvent or there is an act or omission which is likely to result in the Company or any of its subsidiaries becoming Insolvent;
- (p) **(charge)** a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or any of its subsidiaries;
- (q) **(force majeure)** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Joint Managers to satisfy any obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- (r) **(debt facilities)** the Company or any of its subsidiaries breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Company and its subsidiaries;
- (s) **(Certificate)** a certificate required to be delivered by the Company under the Underwriting Agreement is not given by the Company in accordance with the Underwriting Agreement or a statement in such a certificate is untrue or incorrect, or misleading or deceptive or contains omissions of any required information; or
- (t) **(application)** there is an application to a government agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it) except where such application does

not become public and is withdrawn or dismissed within 2 Business Days after it is commenced or where it is commenced less than 2 Business Days before the date on which the securities pursuant to the Offer are issued it has not been withdrawn or dismissed by such date.

The Joint Managers may also terminate the Underwriting Agreement if the Joint Managers have grounds to believe that any of the following events has, or is likely to have a material adverse effect on the outcome or success of the Offer or the likely price at which the securities issued under the Offer will trade on ASX or on the ability of the Joint Managers to settle the Offer, or the event could give rise to a contravention by the Joint Managers of, or liability for the Joint Managers under, the Corporations Act or any applicable laws:

- (a) **(Prospectus)**: the Joint Managers form the view (acting reasonably) that a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the Prospectus or the issue of the Offer Documents becomes misleading or deceptive or likely to mislead or deceive;
- (b) **(Public Information)** a statement in any of the documents published by or on behalf of the Company in relation to the affairs of the Company, its subsidiaries or the Offer **(Public Information)** is or becomes misleading or deceptive or likely to mislead or deceive;
- (c) **(change in directors)** a change in the board of directors of the Company occurs (other than the chairman);
- (d) **(future matters)** any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document or Public Information is or becomes incapable of being met or, in the opinion of the Joint Managers, unlikely to be met in the projected timeframe;
- (e) **(changes to the Company)** the Company or any of its subsidiaries:
  - (i) varies any term of its constitution;
  - (ii) alters the issued capital or capital structure of the Company other than in connection with the Offer, or as contemplated by the Offer Documents, or as permitted by the Underwriting Agreement; or
  - (iii) disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material subsidiary),without the prior written consent of the Joint Managers;
- (f) **(Offer to comply)** the Company or any of its subsidiaries, any Offer Document or any aspect of the Offer, does not or fails to comply with the Company's constitution, the Corporations Act, the ASX Listing Rules, any ASX Waivers, any ASIC Modifications or any other applicable law or regulation;
- (g) **(default)** a default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs;
- (h) **(representations and warranties)** a representation and warranty contained in the Underwriting Agreement on the part of the Company was or is not true or correct or becomes untrue or incorrect;
- (i) **(information)** any sign-off or information provided by or on behalf of the Company to the Joint Managers in relation to the due diligence investigations undertaken by the Company, the Offer Documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (j) **(disruption in financial markets)** either:
  - (i) a general moratorium on commercial banking activities in Australia, the United States of America, Canada, the United Kingdom, Hong Kong, Singapore or the People's Republic of

China is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or

- (ii) trading in all securities quoted or listed on ASX is suspended or limited for more than 1 trading day;
- (k) **(change in laws)** any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Entitlement Offer or materially reduce the likely level of valid applications or materially affects the financial position of the Company or has a material adverse effect on the success of the Entitlement Offer:
  - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
  - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
  - (iii) the adoption by ASX or their respective delegates of any regulations or policy;
- (l) **(hostilities)** in respect of or involving any one or more of Australia, Canada, New Zealand, the United States of America, Hong Kong, Singapore or the United Kingdom:
  - (i) hostilities not presently existing commence;
  - (ii) a major escalation in existing hostilities occurs;
  - (iii) a declaration is made of a national emergency or war; or
  - (iv) a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world; or
- (m) **(political or economic conditions)** the occurrence of any major adverse change or disruption to financial, political or economic conditions, or controls or financial markets in Australia, New Zealand, Hong Kong, Singapore, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.