

Ora Banda Launches \$55M Equity Raising

HIGHLIGHTS:

- **A\$55M equity raising comprising:**
 - **an institutional placement to raise approximately A\$40M**
 - **a 1 for 9 Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$15M**
 - **Proceeds from the equity raising, together with existing cash, will see Ora Banda fully funded for the capital costs and working capital requirements of recommencing production at Davyhurst, targeted for January 2021**
 - **Equity raising will provide funding to ensure minimum ongoing exploration programs across the Company's 1,350km² prospective landholding are met**
-

Ora Banda Mining Limited (ASX: OBM) ("**Ora Banda**", "**Company**") announces the launch of a \$55 million equity raising to underpin the final phase of development activities to re-start production at its Davyhurst gold project.

The equity raising proceeds, together with the Company's existing cash balance, will provide the funding to meet the capital costs and working capital requirements for the recommencement of production at Davyhurst, with funding to be utilised for:

- processing plant refurbishment and recommissioning;
- site infrastructure, including tailings storage facility, road maintenance and site accommodation;
- first fills and spare parts;
- pre-production mining costs;
- exploration programs; and
- working capital.

Following the release of the Company's Definitive Feasibility Study for the re-start of production at Davyhurst, Ora Banda is targeting commencement of production by Q1, CY2021.

Managing Director Comment

Ora Banda Managing Director, David Quinlivan, said: *"The capital raising is a significant step for the Company as we advance towards production at Davyhurst. It will provide the funding required for the production re-start and will strongly position Ora Banda to become a debt-free gold production company in Q1 CY2021. We are also pleased to provide existing shareholders with the ability to participate in the Offer."*

The Offer

The \$55 million equity raising will comprise:

- a two-tranche institutional placement of up to approximately 174 million new shares to raise up to approximately \$40 million (“**Placement**”); and
- the issue of approximately 66 million new shares under an underwritten 1 for 9 accelerated non-renounceable entitlement offer to raise up to approximately \$15 million (“**Entitlement Offer**”). The Entitlement Offer will consist of an Institutional Entitlement Offer and a Retail Entitlement Offer,

(the Placement and the Entitlement Offer together being the “**Offer**”).

All new shares offered under the Offer will be issued at a price of \$0.23 per new share, which represents a:

- 9.80% discount to the last traded price of \$0.2550 on 2 July 2020; and
- 7.18% discount to the TERP of \$0.2478.¹

Each new share issued under the Offer will rank equally with existing fully paid ordinary shares in the Company on issue. The Company will, upon issue of the new shares under the Offer, seek quotation of the new shares on the ASX.

Upon completion of the Offer, the Company will have approximately 829,785,227 shares on issue. As the Entitlement Offer is non-renounceable, entitlements cannot be traded and are not otherwise transferable.

Hartleys Limited has been appointed as Lead Manager for the Offer and Underwriter of the Entitlement Offer. The underwriter may terminate its underwriting obligations upon the occurrence of certain termination events, which are customary in nature. Further details of these termination events are set out in Annexure 1.

Placement

The Placement will comprise the issue of approximately 173,913,044 new fully paid ordinary Ora Banda shares to certain sophisticated and professional investors to raise approximately \$40 million at an issue price of \$0.23 per share.

The Placement will comprise two tranches, being:

- Tranche 1: the issue of approximately 95,667,216 new shares to sophisticated and professional investors pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A; and
- Tranche 2: subject to shareholder approval, the issue of a minimum of 78,245,828 new shares to the Company’s major shareholder, Hawke’s Point.

¹ The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Ora Banda shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP calculation includes shares issued under the Placement.

It is anticipated that Tranche 1 of the Placement will be allotted in the following portions (further details of the proposed share issue are detailed in the Appendix 3B lodged by the Company today):

- Listing Rule 7.1: 88,542,744 new shares; and
- Listing Rule 7.1A: 7,124,472 new shares.

The Company confirms that the issue price of \$0.23 satisfies the requirements of Listing Rule 7.1A.

A general meeting to consider whether to approve the issue of the new shares pursuant to Tranche 2 of the Placement expected to be held in late August 2020.

Subject to shareholder approval, Hawke's Point has committed to subscribe for at least 78,245,828 new shares under Tranche 2 of the Placement.

The Placement is not underwritten.

Institutional Entitlement Offer

Eligible institutional shareholders with registered addresses in the offering jurisdictions will be invited to participate in the accelerated institutional component of the Entitlement Offer, which will be conducted on 3 July 2020, along with the Placement. Eligible institutional shareholders can take up all, part or none of their entitlement.

The Institutional Entitlement Offer is fully underwritten.

Hawke's Point has committed to take up its entitlement pursuant to the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible shareholders on the Record Date of 5:00pm Western Standard Time ("AWST") on 7 July 2020, with registered addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same price as the Placement. The Retail Entitlement Offer will open on 10 July 2020 and close on 24 July 2020.

Eligible retail shareholders can take up all, part or none of their entitlement.

Further details about the Retail Entitlement Offer will be detailed in the Offer Document that will be lodged with the ASX on 7 July 2020 and is expected to be despatched to eligible retail shareholders on 10 July 2020. The closing date for receipt of acceptance forms under the Retail Entitlement Offer is 5.00pm on 24 July 2020.

Eligible retail shareholders will also be invited to subscribe for shares over and above their entitlement, as set out in the Offer Document.

The Retail Entitlement Offer is fully underwritten.

Offer Timetable

An indicative timetable of key dates in relation to the Offer is detailed below:

Event	Date
Announce Placement and Entitlement Offer	3 July 2020
Lodge Cleansing Notice with ASX	3 July 2020
Placement and Institutional Entitlement Offer bookbuild opens	3 July 2020
Placement and Institutional Entitlement Offer bookbuild closes	6 July 2020
Announce results of Placement and Institutional Entitlement Offer and trading in Ora Banda shares recommences on an ex-entitlement basis	7 July 2020
Release Offer Document on ASX	7 July 2020
Record Date (at 5.00pm AWST) for Entitlement Offer (Record Date)	7 July 2020
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	10 July 2020
Retail Entitlement Offer opens (Opening Date)	10 July 2020
Settle Tranche 1 of Placement and Institutional Entitlement Offer	14 July 2020
Anticipated issue date of New Shares under Tranche 1 of Placement and Institutional Entitlement Offer	15 July 2020
Retail Entitlement Offer closes (at 5.00pm AWST) (Closing Date)	24 July 2020
Announce results of Retail Entitlement Offer	29 July 2020
Settle Retail Entitlement Offer	30 July 2020
Anticipated issue date of New Shares under the Retail Entitlement Offer	31 July 2020
Dispatch of holding statements and commencement of trading for New Shares issued under Retail Entitlement Offer	3 August 2020
Shareholder meeting to approve the issue of New Shares pursuant to Tranche 2 of the Placement	Late August 2020
Settle Tranche 2 of Placement	Late August 2020

Note: The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.

Additional Information

If you have any queries concerning your Entitlement please call the Company on +61 8 6365 4548 between 8:30am and 5:30pm (AWST) Monday to Friday.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

DLA Piper Australia is acting as legal counsel to the Company in relation to the Offer.

This announcement was authorised for release to the ASX by the Board of Ora Banda Mining Limited.

Investor & Media Queries:

David Quinlivan

Managing Director

+61 418 948 944

info@orabandamining.com.au

All dollar amounts are in Australian dollars unless otherwise indicated.

Forward Looking Statement

This announcement may include forward-looking statements. These forward-looking statements are based on Ora Banda's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Ora Banda, which could cause actual results to differ materially from such statements. Ora Banda makes no undertaking to subsequently update or revise the forward looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Annexure 1 – Summary of Underwriting Agreement

On 3 July 2020, the Company entered into an underwriting agreement with Hartleys Limited (**Underwriter**) who has agreed to fully underwrite the Entitlement Offer on certain terms and conditions (**Underwriting Agreement**).

Customary with these types of agreements:

- (a) the obligations of the Underwriter are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement;
- (b) the Company and the Underwriter have given certain representations, warranties and undertakings in connection with (amongst other things) the Entitlement Offer;
- (c) the Company has agreed, subject to certain carve outs, to indemnify the Underwriter, their affiliates and related bodies corporate, and each director, officer, partner or employee of the Underwriter (or any of their affiliates or related bodies corporate), individually and collectively, against, and holds them harmless from, all claims, demands, losses, damages, costs or any allegation, debt, cause of action, liability, claim, proceeding, suit or demand liabilities, arising out of or in connection with the Entitlement Offer, or the appointment of the Underwriter pursuant to the Underwriting Agreement, in all cases as a result of either the Offer documents being false or misleading or incomplete or the Company breaching applicable laws or a term of the Underwriting Agreement;
- (d) the Underwriter may (in certain circumstances, having regard to whether the relevant event has had, or could be expected to have, a material adverse effect on the Company or the Offer) terminate the Underwriting Agreement and be released from its further obligations under it (subject to the survival of certain obligations) on the occurrence of certain events, including but not limited to where:
 - (i) the ASX/S&P 200 Index falls to a level that is 87.5 per cent or less of its level as at market close on the Business Day immediately prior to the date of this document;
 - (ii) the A\$ sales price of a troy ounce of gold falls to a level that is 87.5 per cent or less of the level fixed by the London Bullion Market Association Market Makers (or such other members as the parties agree from time to time) at or about 3.00 pm (London time) on the Business Day immediately prior to the date of the Underwriting Agreement;
 - (iii) the Placement or the Entitlement Offer is withdrawn by the Company, or the Placement or the Entitlement Offer fails to proceed, without the prior written consent of the Underwriter;
 - (iv) a material suspension or limitation in trading in all securities quoted or listed on ASX occurs for a day on which ASX is open for trading or any materially adverse change or disruption occurs in financial markets, commercial banking activities or political or economic conditions of Australia, New Zealand, the United Kingdom or the United States of America;

- (v) a statement contained in the offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the offer materials omit any information they are required to contain;
- (vi) ASX announces or informs the Company (including verbally) that the Company will be removed from the Official List or that Shares will be delisted or suspended from quotation by ASX for any reason, provided that, for the avoidance of doubt, this does not include any trading halt that has been obtained by the Company with the Underwriter's prior written consent;
- (vii) ASX announces or informs the Company (including verbally) that unconditional approval (or approval subject to customary listing conditions) by the ASX for Official Quotation of the New Shares will be refused or not granted, or if granted, such approval is withdrawn;
- (viii) the Company is prevented from allotting and issuing New Shares in accordance with this document and the timetable;
- (ix) there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America or the United Kingdom, or a terrorist act (as declared by the relevant national host government) is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (x) any event specified in the timetable is delayed by the Company without the prior written consent of the Underwriter (other than in accordance with the terms of the Underwriting Agreement);
- (xi) the Offer is prevented from proceeding (without amendment on terms acceptable to the Underwriter) by reason of:
 - (A) or in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;
 - (B) an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction; or
 - (C) an investigation proceedings initiated by either ASIC or ASX into the conduct of the Company;
- (xii) the Company or a related body corporate of the Company is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a related body corporate of the Company becoming insolvent;
- (xiii) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or

the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company); and

(xiv) without limiting paragraph (xiv) above, the Underwriter believes (acting reasonably) that an adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-CoV-2**). This includes, without limitation, an adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-CoV-2 at any of the Group's project sites, or the temporary, complete or partial closure of or disruption to any of those sites due to an outbreak of COVID-19, a transmission of SARS-CoV-2, a related direction of a government agency;

(e) the Underwriter will be remunerated by the Company for providing services in relation to the Entitlement Offer and Placement by the Company paying the Underwriter:

(i) a fee of 6% of the proceeds received under the Institutional Entitlement Offer and Placement on the Institutional Settlement Date;

(ii) a fee of 6% of the proceeds received under the Retail Entitlement Offer on the Retail Settlement Date,

with the exception of funds subscribed by Hawke's Point, for which only the 2% management fee will apply.

(f) the Company will also reimburse the Underwriter for all disbursements and expenses arising or relating to its role as lead manager and the Underwriter will seek approval from the Company before incurring any single expense greater than \$2,000.

(g) the Company acknowledges that the Underwriter is not advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company must consult with its own advisers concerning those matters and is responsible for making its own independent investigation and appraisal of the transactions contemplated in this agreement, including the offer size, structure and pricing, and the Underwriter will have no responsibility or liability to the Company with respect thereto; and

(h) further, neither the Underwriter and the Company acknowledge and agree that nothing in or related to the Underwriting Agreement, the prior relationship between the parties, any services provided or representations made by the Underwriter to the company in connection with the Entitlement Offer or Placement or prior to the date of the Underwriting Agreement or any other matter represents or implies any fiduciary relationship or any other category of commercial relationship recognised at law or in equity as giving rise to forms of specific rights and obligations, except the contractual rights expressly set out in the Underwriting Agreement. By entering into the Underwriting Agreement the Company is deemed to have provided its informed consent to the exclusion of any such fiduciary relationship or duty.

The Underwriting Agreement also contains a number of representations and warranties from the Company and the Underwriter that are considered standard for an agreement of this type.