

## Update on Nyanzaga Development and Silvercorp Transaction

### Highlights

- **Following signing of the Scheme Implementation Deed last month, the proposed transaction between OreCorp and Silvercorp, proceeding via an Australian scheme of arrangement between OreCorp and its shareholders, is progressing according to plan. The Scheme Booklet is well advanced and distribution to shareholders is expected next month, with completion of the Scheme anticipated to occur in December 2023, subject to satisfaction of various conditions.**
- **BDO Corporate Finance (WA) Pty Ltd has been appointed to prepare an Independent Expert's Report for inclusion in the Scheme Booklet.**
- **An Integration Committee has been established between OreCorp and Silvercorp and is working on the integration of the two companies following completion of the Scheme.**
- **Silvercorp has confirmed that it is not required to make any notification under Australia's foreign investment framework (FIRB) in relation to the Scheme.**
- **An application has been lodged with the Tanzania Fair Competition Commission for the necessary regulatory approval.**
- **OreCorp received A\$ 28.2 million as a result of the placement to Silvercorp announced in conjunction with the proposed transaction. Silvercorp now holds 15% of the fully paid ordinary shares of OreCorp.**
- **The placement funds are being deployed for the compensation payments relating to the implementation of the Resettlement Action Plan. Compensation payments of approximately US\$ 1.5 million have already been made to affected households.**

**OreCorp CEO and Managing Director, Henk Diederichs** commented:

*"We are pleased with the significant progress made on the Scheme to date and remain confident it will be successfully completed by year end. The commencement of compensation payments is seen as an important milestone in the development of Nyanzaga and will provide significant tangible benefits directly to our host communities."*

OreCorp Limited (**OreCorp** or the **Company**) (ASX: ORR) is pleased to announce progress in relation to the proposed transaction announced on 6 August 2023, whereby Silvercorp Metals Inc. (**Silvercorp**) will acquire all fully paid ordinary shares of OreCorp, not held by Silvercorp or its associates, pursuant to an Australian scheme of arrangement under Part

5.1 of the *Corporations Act 2001* (Cth) (the **Scheme**), subject to the satisfaction of various conditions.

The Scheme is progressing according to plan, with BDO Corporate Finance (WA) Pty Ltd (**BDO**) currently preparing an Independent Expert's Report (**IER**) opining on whether the Scheme is in the best interests of OreCorp shareholders (**Shareholders**). The IER will be included in the Scheme Booklet to be provided to Shareholders entitled to vote on the Scheme and will assist Shareholders in their considerations as to whether to vote in favor of the Scheme. The IER report is expected to be completed later this month.

An Integration Committee, comprised of senior representatives from both companies who will meet on a regular basis, has been established to oversee the Scheme process and act as a forum to consider and plan for the seamless integration of OreCorp with Silvercorp assuming completion of the Scheme.

OreCorp and Silvercorp continue to receive excellent support from key Tanzanian Government stakeholders and recently lodged an application to the Tanzania Fair Competition Commission (**FCC**) seeking the necessary regulatory approval. The FCC is a public institution established with the aim of promoting and protecting effective competition in trade and commerce in Tanzania.

Silvercorp has confirmed that it is not required to make any notification under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in relation to its proposed acquisition of OreCorp shares under the Scheme.

As previously announced, following execution of the Scheme Implementation Deed, the Company completed a private placement to Silvercorp, issuing 70,411,344 fully paid ordinary shares (**Shares**) at an issue price of A\$ 0.40 per Share for aggregate proceeds of approximately A\$ 28.2 million (**Placement**). The Shares were issued pursuant to the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A.

Receipt of the Placement funds has enabled significant progress to be made on the execution of compensation agreements (**Agreements**) as part of the implementation of the Nyanzaga Resettlement Action Plan (**RAP**). The RAP has been designed to accord with relevant Tanzanian legislation and regulatory guidance, as well as best international industry practice – the latter being exemplified by Performance Standard 5 of the Standards on Environmental and Social Sustainability issued by the International Finance Corporation.

Nearly 60% of the Agreements with affected households have been fully executed to date. Compensation payments have commenced, with approximately US\$ 1.5 million having been paid this week to households during a ceremony held at Nyanzaga and attended by the District Commissioner of Nyamagana. Implementation of the RAP and more specifically, the commencement of compensation payments are seen as significant steps forward in the development of Nyanzaga. It is expected that most Agreements will be fully executed by the end of October 2023.



***Amina Makilagi, District Commissioner of Nyamagana attends ceremony on commencement of compensation payments in accordance with the Nyanzaga Resettlement Action Plan***

**Authorised for release on behalf of the Company by the CEO & Managing Director.**

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## ABOUT ORECORP LIMITED

OreCorp Limited is a Western Australian based mining development company listed on the Australian Securities Exchange (ASX) under the code 'ORR'. The Company is well funded with no debt. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania.

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