



ORA BANDA MINING LIMITED

ABN 69 100 038 266

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**ORA BANDA MINING LIMITED
CORPORATE DIRECTORY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

DIRECTORS

Peter Mansell (Non-executive Chairman)
Peter Nicholson (Managing Director)
David Quinlivan (Non-executive Director)
Keith Jones (Non-executive Director)
Mark Wheatley (Non-executive Director)

COMPANY SECRETARY

Tony Brazier
Susan Park

REGISTERED & PRINCIPAL OFFICE ADDRESS

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SHARE REGISTRY

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AUDITOR

KPMG
235 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE LISTING

Listed on the Australian Securities Exchange under the trading code **OBM**

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

The Directors submit the financial report of Ora Banda Mining Limited (the Company) and its subsidiaries (the Group) for the half-year ended 31 December 2021.

DIRECTORS

The Directors of the Company at any time during the half year and up to the date of this report are set out below. Directors have been in office for this entire period unless otherwise stated.

Peter Mansell (Non-executive Chairman)
Peter Nicholson (Managing Director)
David Quinlivan (Non-executive Director)
Keith Jones (Non-executive Director)
Mark Wheatly (Non-executive Director)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half year were mine operations and the sale of gold, mine development and exploration, in Western Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of Ora Banda Mining Limited during the period under review.

GROUP FINANCIAL OVERVIEW

Financial Review

The Group recorded a net operating loss of \$5.36 million (Half-year ended 31 December 2020: \$8.74 million net loss) and a net profit of \$6.61 million for the half-year ended 31 December 2021 (Half-year ended 31 December 2020: \$8.78 million net loss) and incurred \$24.54 million (Half-year ended 31 December 2020: \$25.46 million) of mine development and capital expenditure. The profit was the result of the sale of the Mt Ida assets in September 2021.

Revenue for the period totalled \$79.60 million from the sale of 32,328 ounces of gold at an average price of \$2,458.40 and 3,632 ounces of silver at an average price of \$32.52. There were no sales in the previous corresponding period.

During the half-year ended 31 December 2021 the Group recorded net cash outflows of \$3.70 million in operating and investing activities, which was funded by existing cash of \$24.22 million at 1 July 2021 and cash inflows of \$0.85 million from the issue of fully paid ordinary shares (before costs). The Group's closing cash balance as at 31 December 2021 was \$15.02 million.

Capital Raising

On 5 July 2021 the Company announced the results of its Share Purchase Plan offer which raised \$0.75 million by the issue of 4,382,393 fully paid ordinary shares at an issue price of 17 cents per fully paid ordinary share.

On 18 August 2021 the Company issued 588,236 fully paid ordinary shares at an issue price of 17 cents per ordinary share raising \$0.10 million. This completed the \$21 million placement announced in June 2021.

Divestment of Mt Ida Pty Ltd

In addition to the funds raised by the issue of fully paid ordinary shares, the Company disposed of Mt Ida Gold Pty Ltd raising \$11.04 million before costs.

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

REVIEW OF OPERATIONS

Davyhurst Gold Project

Mining

Ore was mined from three mining centres during the period. Total ore mined was 742,149 tonnes at a grade of 1.85 g/t Au for 44,120 contained ounces.

Underground Mining

Golden Eagle underground mine production for the period totalled 204,415 tonnes at 2.59 g/t for 16,999 ounces. Production for the half year exceeded budget, with mining completed in December 2021. The mining contractor demobilised from site in January 2022.

Open Pit Mining

Open pit mining at Riverina totalled 328,210 tonnes at 1.54 g/t for 16,242 contained ounces.

Open pit mining at Missouri totalled 209,524 tonnes at 1.61 g/t for 10,879 contained ounces. Ore tonnages and grades are expected to progressively increase in the second half of the financial year as waste stripping reduces.

Processing

Ore milled for the period totalled 500,883 tonnes at a blended grade of 2.14 g/t Au for 34,521 contained ounces. Recovery during the period was 91.4% with 31,471 ounces being poured. Golden Eagle provided approximately 37% of the mill feed, with the balance sourced from the open pit mines. The Company continued to experience challenges associated with material handling issues during the half year.

ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

REVIEW OF OPERATIONS (continued)

Group Mining and Production Statistics

Davyhurst Gold Project				
Mining Operations				
	Units	Quarter		YTD
		Sep -21	Dec-21	
<u>Open Pit</u>				
Riverina				
Waste Mined	bcm	569,345	245,719	815,064
Ore Mined	t	196,961	131,249	328,210
Grade	g/t	1.63	1.41	1.54
Contained Gold	oz	10,307	5,935	16,242
Missouri				
Waste Mined	bcm	953,199	1,054,280	2,007,479
Ore Mined	t	75,496	134,028	209,524
Grade	g/t	1.36	1.76	1.61
Contained Gold	oz	3,303	7,576	10,879
<u>Underground</u>				
Golden Eagle				
Ore Mined	t	92,389	112,026	204,415
Grade	g/t	2.23	2.88	2.59
Contained Gold	oz	6,618	10,381	16,999
<u>Davyhurst Total</u>				
Ore Mined	t	364,846	377,303	742,149
Grade	g/t	1.72	1.97	1.85
Contained Gold	oz	20,228	23,892	44,120

Davyhurst Gold Project				
Processing Operations				
	Units	Quarter		YTD
		Sep -21	Dec-21	
Ore Processed				
Ore Processed	t	230,128	270,755	500,883
Head Grade	g/t	1.94	2.31	2.14
Contained Gold	oz	14,383	20,138	34,521
Recovery	%	90.4	92.2	91.4
Gold Poured	oz	14,279	17,192	31,471
Gold Sold	oz	13,522	18,806	32,328
Bullion on Hand	oz	1,614	-	-

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

REVIEW OF OPERATIONS (continued)

Infrastructure

During the half year the Group constructed and commissioned Tailings Storage Facility (TSF) – Cell B at a cost of \$4.51 million. The TSF has a capacity of 1,014,887 m³.



Figure 1 – TSF Cell B

Exploration

Riverina Deeps

In August 2021 the Company announced the results of an 18-hole, 3,460 metre diamond drill program which targeted infill and extensions to the current underground mineral resource at Riverina which totals 1,008,000 tonnes at 5.6 g/t for 183,000 ounces (refer ASX announcement dated 29 July 2021).

Assays results returned from Riverina Underground include:

- 5.0m at 16.7 g/t from 200m
- 2.8m at 21.2 g/t from 253.7m
- 6.8m at 8.6 g/t from 143.8m
- 1.3m at 25.3 g/t from 217.8m
- 2.6m at 13.4 g/t from 250m (including 1.9m at 19.2g/t)
- 1.7m at 7.7 g/t from 199.7m
- 1.4m at 18.1 g/t from 281.6m

These results will be included in an updated Mineral Resource Estimate (MRE) which is currently in progress. The MRE will be used for mining studies with the aim of publishing a maiden Riverina Underground Ore Reserve shortly thereafter. Refer Figure 2 for an area location plan of Riverina (see ASX announcement dated 2 August 2021).

Regional Exploration

During the half year, results of a first pass exploration air-core (AC) drilling programme of priority grass roots targets dispersed throughout the Company's tenement package were received. The regional programme focussed on testing gold targets with no previous drilling or effective exploration. A total of 16,112 drilling metres were completed. Assays have been received for drilling at Sunraysia North, Gem Star North, Santalum and Queen of Hearts with results for other target areas still pending.

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

REVIEW OF OPERATIONS (continued)

Three of the four targets for which results have been returned intersected gold mineralisation which is highly significant for first pass exploration drilling and of these, Sunraysia North and Santalum prospects gave standout results. The Sunraysia North drilling was designed to test the southern continuation of the Riverina & British Lion mineralised trend in an area with no previous drilling. Results are highly promising with significant end of hole mineralisation intersected along the Riverina trend in three successive drill lines spaced 400m apart.

The Santalum drilling was designed to test an undrilled auger surface geochemical anomaly on the southern end of the interpreted Round Dam mineralised trend. Significant gold mineralisation was intersected in one hole on the most northern line with mineralisation open to the north. Further AC and RC drilling is currently being planned to follow up these encouraging results.



Figure 2 – Riverina Area Location Plan

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

KEY RISKS

The below are the key risks the Group faces in achieving its objectives:

- Price and demand for gold – it is difficult to predict with accuracy future demand and gold price movements and such movements may adversely impact on the Group's profit margins, future development and planned future production;
- Reserves and resources – the Mineral Resources and Ore Reserves for the Group's assets are estimates only and no assurance can be given that they will be realised;
- Operations – the Group's operations are subject to operating risks that could result in decreased production, increased costs and reduced revenues. Operational difficulties may impact the amount of gold produced, delay deliveries or increase the cost of mining for varying lengths of time;
- Exploration success – no assurance can be given that exploration expenditure will result in future profitable operating mines;
- Unforeseen disruptions to mine and processing operations caused by COVID-19.

DIVIDENDS

No amounts were paid or declared by way of dividend since the end of the previous financial year.

The Directors do not recommend the payment of a dividend in respect of the current half-year.

EVENTS AFTER BALANCE DATE

On 22 February 2022 the Company announced an equity raising for up to \$20 million at 5 cents per share comprising:

- Institutional placement to raise up to \$5 million; and
- Underwritten 4 for 13 accelerated non-renounceable entitlement offer to raise approximately \$15 million.

On 4 March 2022 the Company issued 254,831,849 fully paid ordinary shares raising \$12.74 million before costs, comprising \$5 million from the institutional placement and \$7.74 million from the institutional component of the non-renounceable entitlement offer.

Ora Banda's major shareholder, Hawke's Point, has committed to subscribe for its 39.5% entitlement in the entitlement offer. Hawke's Point has also entered into a sub-underwriting arrangement with the joint lead managers, being Euroz Hartleys Limited (Euroz Hartleys) and amicaa Advisors Pty Ltd, and underwriters, being Euroz Hartleys and Fresh Underwriters Pty Ltd, with respect to the remaining 60.5% of the new shares to be issued under the entitlement offer. For further information see ASX announcement dated 22 February 2022.

No matters others than those described above have arisen since the end of the half year that impact or are likely to impact the results of the Group in subsequent financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included immediately following the Directors' Report and forms part of the Directors' Report.

**ORA BANDA MINING LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain instances to the nearest dollar (where indicated).

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'P. Nicholson', with a small flourish at the end.

Peter Nicholson
Managing Director

Perth, Western Australia
8 March 2022



**ORA BANDA MINING LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ora Banda Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ora Banda Mining Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

R Gambitta
Partner

Perth
8 March 2022

ORA BANDA MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Notes	31 Dec 2021 \$'000	31 Dec 2020 \$'000
		<u> </u>	<u> </u>
Revenue from contracts with customers	6	79,595	-
Cost of sales	7	(72,105)	-
Gross profit		7,490	-
Other income/(expenses)		80	(13)
General and administration expenses	8a	(5,896)	(3,357)
Exploration and evaluation expenses		(3,338)	(2,292)
Other operating expenses	8b	(3,693)	(3,074)
Operating profit/(loss)		(5,357)	(8,736)
Gain on sale of subsidiary	9	12,448	-
Finance income		9	77
Finance costs		(487)	(122)
Profit/(loss) before tax		6,613	(8,781)
Income tax expense		-	-
Profit/(loss) for the period		6,613	(8,781)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		6,613	(8,781)
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		<u>6,613</u>	<u>(8,781)</u>
Earnings/(loss) per share attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share (cents)		0.68	(1.12)
Diluted earnings/(loss) per share (cents)		<u>0.67</u>	<u>(1.12)</u>

The accompanying notes form part of these financial statements.

ORA BANDA MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current assets			
Cash and cash equivalents		15,021	24,220
Receivables and other assets	10	7,356	1,396
Inventories	11	23,957	20,312
Prepayments		1,180	639
Total current assets		47,514	46,567
Non-current assets			
Receivables and other assets	10	2,615	3,085
Exploration, evaluation and development expenditure	12	63,970	58,538
Property, plant and equipment	13	38,239	36,863
Right-of-use assets	14	31,514	27,455
Total non-current assets		136,338	125,941
Total assets		183,852	172,508
Current liabilities			
Trade and other payables	15	22,402	21,050
Lease liabilities	16	13,718	9,178
Provisions	17	1,583	1,036
Total current liabilities		37,703	31,264
Non-current liabilities			
Trade and other payables	15	75	75
Lease liabilities	16	17,463	18,010
Provisions	17	18,412	21,142
Total non-current liabilities		35,950	39,227
Total liabilities		73,653	79,491
Net assets		110,199	102,017
EQUITY			
Share capital	18	444,584	443,696
Reserves		2,278	2,871
Accumulated losses		(336,663)	(344,550)
Total equity		110,199	102,017

The accompanying notes form part of these financial statements.

ORA BANDA MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Notes	Share capital	Accumulated losses	Share based payments reserve	Total
		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021		443,696	(344,550)	2,871	102,017
Profit for the period		-	6,613	-	6,613
Total comprehensive income for the period		-	6,613	-	6,613
Issue of ordinary shares (net of costs)	18	796	-	-	796
Exercise of performance rights	18	92	-	(92)	-
Share based payments	19	-	-	773	773
Transfer of expired options		-	1,274	(1,274)	-
Balance as at 31 December 2021		444,584	(336,663)	2,278	110,199
Balance as at 1 July 2020		368,194	(322,266)	2,103	48,031
Loss for the period		-	(8,781)	-	(8,781)
Total comprehensive loss for the period		-	(8,781)	-	(8,781)
Issue of ordinary shares (net of costs)	18	52,560	-	-	52,560
Exercise of options	19	1,976	-	-	1,976
Share based payments		1,004	-	113	1,117
Balance as at 31 December 2020		423,734	(331,047)	2,216	94,903

The accompanying notes form part of these financial statements

ORA BANDA MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
	<u> </u>	<u> </u>
Cash flows from operating activities		
Receipts from customers	75,804	-
Other receipts	59	32
Payments to suppliers and employees	(64,106)	(6,022)
Interest paid on leased assets	(480)	(85)
Net cash flows from/(used) in operating activities	<u>11,277</u>	<u>(6,075)</u>
 Cash flows from investing activities		
Payments for mine development expenditure	(19,679)	(21,472)
Payments for property plant and equipment	(6,820)	-
Proceeds from sale of subsidiary	11,041	-
Proceeds from sale of plant and equipment	-	6
Payments for security deposits	-	(4,146)
Proceeds from repayment of security deposits	470	-
Interest received	9	77
Net cash flows used in investing activities	<u>(14,979)</u>	<u>(25,535)</u>
 Cash flows from financing activities		
Proceeds from the issue of shares	845	55,085
Payments for costs of raising capital	(49)	(2,525)
Proceeds from the exercise of options	-	1,976
Repayment of lease liabilities	(6,293)	(912)
Net cash flows (used) in/from financing activities	<u>(5,497)</u>	<u>53,624</u>
 Net (decrease)/increase in cash and cash equivalents held	<u>(9,199)</u>	<u>22,014</u>
 Cash and cash equivalents at the beginning of the financial period	<u>24,220</u>	<u>10,577</u>
 Cash and cash equivalents at the end of the financial period	<u>15,021</u>	<u>32,591</u>

The accompanying notes form part of these financial statements.

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Ora Banda Mining Limited (Company) and its subsidiaries (the Group) are a for-profit group of entities incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). These condensed consolidated interim financial statements (interim financial statements) as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the Group). The nature of the operations and principal activities of the Group are described in the Directors' Report.

These interim financial statements were authorised for issue by the Company's board of directors on 8 March 2022.

2. BASIS OF PREPARATION

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The interim financial statements do not include notes of the type normally included in a complete set of annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Basis of preparation

The condensed consolidated half-year financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated. Where necessary comparatives have been adjusted to ensure consistent presentation.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2021.

Going concern

The condensed consolidated half-year financial statements have been prepared on a going concern basis, which presumes the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

While the directors consider the preparation on a going concern basis to be appropriate based on cashflow forecasts, these rely on the attainment of planned production from open pit mining operations, together with processing plant activities and costs of production. Critical to the cash flow forecast is achieving forecast gold production and pricing and the successful completion of the \$20 million underwritten capital raising set out in Note 20. The underwriting agreement has customary termination events, some of which are beyond the control of the Company.

The Company has a reasonable expectation that such production forecasts will be achieved through a combination of improved ore characteristics and processing plant stability. The realisation of forecast gold production at anticipated pricing and costs of production and the successful completion of the capital raising, is key to the Company's ability to continue as a going concern. The directors have a reasonable expectation that forecast gold production can be achieved and the successful completion of the capital raising.

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenditure. Actual results may differ from these estimates.

The significant judgements by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are consistent with those adopted and disclosed in the Company's 30 June 2021 annual financial statements.

Several amendments and interpretations apply for the first time in the 2022 financial year but do not have an impact on the condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

5. SEGMENT INFORMATION

For the half-year ended 31 December 2021 the Group's focus has been on the ramp up of mining and processing operations at the Davyhurst gold project and the exploration, evaluation and development of its interests in mineral tenement licences.

The Group has one operating segment, being gold mining in Western Australia.

6. REVENUE

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Gold sales	79,477	-
Silver sales	118	-
	79,595	-

No sales were made under hedge arrangements during the half year and the Company has no hedge arrangements for future financial years.

Accounting Policy

Gold bullion sales

Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account into the account of the buyer.

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. COST OF SALES

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Mining & processing costs	51,396	-
Amortisation & depreciation charges	9,079	-
Employee benefits expense	9,848	-
Royalties	1,782	-
	72,105	-

Accounting Policy

Mining & processing costs

Includes all costs related to mining and milling, net of costs capitalised to mine development and production stripping. This category also includes movements in the cost of inventory and any net realisable value write downs.

Amortisation

The Group applies the units of production method for amortisation of its production phase assets, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to reserves and resources, metallurgy and the complexity of future capital development requirements. These estimates and assumptions are reviewed annually and changes to these estimates and assumptions may impact the amortisation charge in the Statement of Profit or Loss and asset carrying values.

The Group uses ounces mined over estimated remaining reserves as its basis for depletion of production phase assets.

Depreciation

Depreciation is calculated on either a reducing balance basis or on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over their useful life while the processing plant is depreciated on the life of mine basis. Capital works in progress are not depreciated until ready for use and capitalised to a category of property plant and equipment. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The estimated useful lives for the current and comparative period are as follows:

	<u>Period</u>
Buildings	3 to 6 years
Haul roads	3 to 6 years
Plant & equipment	3 to 6 years
Office furniture & equipment	3 to 6 years
Motor vehicles	3 to 5 years

8. (a) GENERAL AND ADMINISTRATION EXPENSES

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Employee benefit expenses	1,892	941
Share based payments	772	1,116
Administration & corporate costs	3,139	1,118
Depreciation & amortisation charges	93	182
	5,896	3,357

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. (b) OTHER OPERATING EXPENSES

	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Site contractors & consultants	2,125	1,651
Employee benefit expenses	1,108	1,148
Depreciation & amortisation charges	-	21
Other expenses	460	254
	3,693	3,074

9. SALE OF SUBSIDIARY

During the half year the Group disposed of Mt Ida Gold Pty Ltd for cash consideration of \$11.04 million including the disposal of the rehabilitation provision of \$2.29 million. The Group recognised a gain on disposal of \$12.45 million.

10. RECEIVABLES AND OTHER ASSETS

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Current		
Trade receivables	3,811	-
GST receivables	2,543	1,065
Other receivables	2,942	2,271
	(1,940)	(1,940)
	7,356	1,396
Non-current		
Security deposits	2,615	3,085
	2,615	3,085

11. INVENTORIES

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Current		
Materials & supplies	2,654	1,360
Ore stockpiles	18,210	15,032
Gold in circuit	3,093	2,200
Bullion on hand	-	1,720
	23,957	20,312

During the half year, ore stockpiles were reduced by \$12.64 million (2020: \$Nil) as a result of a write down to net realisable value. This write down was recognised as an expense in cost of sales.

At 31 December 2021 ore stockpiles were held at net realisable value with all other inventories at cost.

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Exploration and evaluation phase		
Costs brought forward	-	1,972
Transferred to development phase	-	(1,972)
Balance at period end	-	-
Development phase		
Costs brought forward	11,321	42,869
Transferred from exploration phase	-	1,972
Expenditure during the period	1,480	25,415
Rehabilitation provision adjustment	-	(257)
Disposal of subsidiary	(866)	-
Revenue capitalised	-	(7,161)
Transferred to production phase	-	(51,517)
Balance at period end	11,935	11,321
Production phase		
Costs brought forward	47,217	-
Transferred from development phase	-	51,517
Expenditure during the period	18,097	2,429
Rehabilitation provision adjustment	(594)	1,699
Amortisation expense	(12,685)	(8,428)
Balance at period end	52,035	47,217
Total exploration, evaluation, and development expenditure	63,970	58,538

13. PROPERTY PLANT AND EQUIPMENT

	Motor Vehicles \$'000	Plant & Equipment \$'000	Buildings & Infrastructure \$'000	Capital WIP \$'000	Total \$'000
Balance 1 July 2020	164	13,305	-	1,089	14,558
Additions	478	357	-	22,301	23,136
Transfers	-	16,115	6,461	(22,576)	-
Depreciation expense	(49)	(591)	(191)	-	(831)
Balance 30 June 2021	593	29,186	6,270	814	36,863
Balance 1 July 2021	593	29,186	6,270	814	36,863
Additions	336	179	-	4,441	4,956
Transfers	-	456	4,520	(4,976)	-
Depreciation expense	(37)	(2,663)	(880)	-	(3,580)
Balance 31 December 2021	892	27,158	9,910	279	38,239

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Cost		
Opening balance	33,775	603
Acquisitions during the period	10,530	33,304
Disposals during the period	-	(132)
Balance at period end	<u>44,305</u>	<u>33,775</u>
Accumulated depreciation		
Opening balance	6,320	222
Disposal during the period	-	(132)
Depreciation expense for the period	6,471	6,230
Balance at period end	<u>12,791</u>	<u>6,320</u>
Carrying amount	<u>31,514</u>	<u>27,455</u>

At 31 December 2021 right-of-use assets consisted of mining services assets; power generation assets and corporate assets.

15. TRADE AND OTHER PAYABLES

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Current		
Trade payables	8,138	7,951
Accruals	11,407	11,004
Other payables	2,857	2,095
	<u>22,402</u>	<u>21,050</u>
Non-current		
Other payables	75	75
	<u>75</u>	<u>75</u>

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. LEASE LIABILITIES

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Current	13,718	9,178
Non-current	17,463	18,010
	31,181	27,188

As at 31 December 2021, the Group held various assets under leases expiring within one to five years. The interest rates are fixed and payable over a period of the lease term from inception of the lease.

Commitments in relation to leases are payable as follows:

Maturity analysis

Within one year	14,436	9,860
Later than one year but not later than five years	17,957	18,710
Minimum lease payments	32,393	28,570
Future finance charges	(1,212)	(1,382)
Total lease liabilities	31,181	27,188

The right-of-use assets to which the lease liabilities relate are disclosed under Note 14.

During the six months ended 31 December 2021, the Group recognised \$0.48 million as lease liability interest expenses in the statement of profit and loss (Half year to 31 December 2020: \$0.12 million).

17. PROVISIONS

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Current		
Provision for annual leave	1,390	945
Provision for long service leave	103	91
Provision for mine rehabilitation ¹	90	
	1,583	1,036
Non-current		
Provision for restoration	786	546
Provision for mine rehabilitation ¹	17,626	20,596
	18,412	21,142

1. An accretion expense of \$7,000 representing the unwinding of the discount on the rehabilitation provision, was recognised in profit or loss during the six months ended 31 December 2021. The rehabilitation provision was re-assessed at 31 December 2021 resulting in a decrease of \$594,000 in addition to a decrease of \$2,292,000 as result of the disposal of Mt Ida Gold Pty Ltd. The inputs applied in the estimation of the provision are outlined in the Group's 30 June 2021 financial statements.

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. SHARE CAPITAL

	31 Dec 2021 Number	31 Dec 2021 \$'000	30 June 2021 Number	30 June 2021 \$'000
Issued and paid-up capital	974,224,505	444,584	968,763,876	443,696

(a) Movements in share capital

	Number	\$'000
Balance as at 1 July 2020	590,284,962	368,194
Shares issued under Placement	239,501,170	55,085
Shares issued on exercise of options	7,666,667	1,976
Shares issued on vesting of performance rights	3,136,727	514
Shares issued in relation to employee and director incentives	1,632,431	490
Shares issued under placement	123,575,252	21,008
Shares issued on exercise of director options	1,777,778	217
Shares issued on vesting of employee incentive options	1,188,889	145
Cost of capital raising	-	(3,933)
Balance as at 30 June 2021	968,763,876	443,696
Shares issued under Share Purchase Plan Offer ¹	4,382,393	745
Shares issued under Placement ²	588,236	100
Shares issued on vesting of director incentive options ³	490,000	92
Cost of capital raising	-	(49)
Balance as at 31 December 2021	974,224,505	444,584

1. On 8 June 2021, the Company announced it had received firm commitments to raise \$21 million at an offer price of 17 cents per fully paid ordinary share in addition to launching a Share Purchase Plan (SPP) to raise up to \$4 million. On 5 July 2021 the Company announced the completion of the SPP which raised \$745,000 and the Company subsequently issued 4,382,393 fully paid ordinary shares on 9 July 2021.
2. On 8 June 2021, the Company announced it had received firm commitments to raise \$21 million at an offer price of 17 cents per fully paid ordinary share. One participant in the placement was a director and shareholder approval was required for his participation, which was obtained on 19 July 2021. The funds were received on 17 August 2021 with the corresponding shares of 588,236 allotted on 18 August 2021.
3. 490,000 fully paid ordinary shares were issued as a result of the exercise of unlisted vested incentive and performance options at a nil exercise price.

No dividends were declared by the Company (Half-year ended 31 December 2020: Nil).

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. SHARE BASED PAYMENTS

During the half-year ended 31 December 2021, a share-based payment expense of \$0.77 million (31 December 2020: \$1.12 million) was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

A total of 18,888,670 unlisted performance rights were granted during the half-year ended 31 December 2021.

The performance rights are subject to a vesting condition based on Relative Total Shareholder Return (“RTSR”), whereby the Company’s total shareholder return is measured relative to the returns of a peer group over the performance period 1 July 2021 to 30 June 2024. The fair value was estimated as at the date of grant using a Monte-Carlo simulation model taking into account the terms and conditions upon which the rights were granted.

The performance rights will vest according to the following schedule:

Company’s Performance Relative to Peer Group	Percentage of Options Eligible to Vest	ASX Comparator Group
Below 50th percentile	-%	ALK; BC8; BDC; BGL; DCN; GOR; MML; PNR; PRU; RMS; RSG; SBM; SLR; TRY; WGX
50th to 75th percentile	50% to 100% on a straight-line pro rata	
75th percentile	100%	

The terms and conditions upon which the performance rights were granted are summarised in the following table:

Class	RTSR
Underlying security share price at grant date	\$0.062
Exercise price	Nil
Grant date	16/12/2021
Vesting date	30/06/2024
Expiry date	30/06/2026
Risk-free rate	1.00%
Volatility	80%
Dividend yield	Nil
Number of performance rights granted	18,888,670
Valuation per performance right	\$0.0375
Fair value of class	\$708,325

ORA BANDA MINING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

The directors are of the opinion that the recognition of a provision is not required in respect of the following matters as it not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

Bank Guarantees

The Group has negotiated a number of bank guarantees in favour of various service providers. The total nominal amount of these guarantees at the reporting date is \$2.61 million (30 June 2021: \$2.58 million).

Legal Proceedings

The Company (and its wholly owned subsidiaries) is a party to various proceedings in the Wardens Court pursuant to which third parties are seeking to challenge its title to various mining tenements by way of forfeiture and other proceedings. The Group has legal representation in respect of these claims. The directors do not believe the claims have a reasonable prospect of success and the claims will be vigorously defended by the Group.

20. EVENTS AFTER BALANCE DATE

On 22 February 2022 the Company announced an equity raising for up to \$20 million at 5 cents per share comprising:

- Institutional placement to raise up to \$5 million; and
- Underwritten 4 for 13 accelerated non-renounceable entitlement offer to raise approximately \$15 million.

On 4 March 2022 the Company issued 254,831,849 fully paid ordinary shares raising \$12.74 million before costs, comprising \$5 million from the institutional placement and \$7.74 million from the institutional component of the non-renounceable entitlement offer.

Ora Banda's major shareholder, Hawke's Point, has committed to subscribe for its 39.5% entitlement in the entitlement offer. Hawke's Point has also entered into a sub-underwriting arrangement with the joint lead managers, being Euroz Hartleys Limited (Euroz Hartleys) and amicaa Advisors Pty Ltd, and underwriters, being Euroz Hartleys and Fresh Underwriters Pty Ltd, with respect to the remaining 60.5% of the new shares to be issued under the entitlement offer. For further information see ASX announcement dated 22 February 2022.

The underwriting agreement is subject to customary termination events, some of which are beyond the control of the Company.

No matters others than those described above have arisen since the end of the half year that impact or are likely to impact the results of the Group in subsequent financial periods.

**ORA BANDA MINING LIMITED
DIRECTORS' DECLARATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

In accordance with a resolution of the directors of Ora Banda Mining Limited, we declare that:

In the opinion of the directors:

1. the interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001* (Cth), including:
 - a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the board of directors



Peter Nicholson
Managing Director

Perth, Western Australia
8 March 2022



ORA BANDA MINING LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

Independent Auditor's Review Report

To the shareholders of Ora Banda Mining Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Ora Banda Mining Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Ora Banda Mining Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2021.
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Ora Banda Mining Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

**ORA BANDA MINING LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized blue signature of the KPMG firm, written in a cursive-like font.

KPMG

A blue ink signature of R Gambitta, written in a cursive style.

R Gambitta
Partner

Perth
8 March 2022