

ORA BANDA SECURES \$12.74 MILLION FUNDING TO ADVANCE RIVERINA UNDERGROUND

HIGHLIGHTS:

- Ora Banda has secured \$12.74 million in non-dilutive debt and royalty funding from its major shareholder, Hawke's Point
- Proceeds will be used to continue developing the Riverina Underground including exploration, resource development and capital expenditure
- The funding consists of:
 - An unconditional and unsecured loan for \$11 million; and
 - A capped net smelter return royalty with respect to certain gold products to Hawke's Point in return for \$1.74 million; royalty payable at 0.9% NSR and capped at 900,000oz of pure gold produced commencing from 31 December 2023

Ora Banda Mining Ltd (ASX:OBM) (**Ora Banda** or the **Company**) is pleased to announce that it has executed documentation with its largest shareholder, Hawke's Point Holdings L.P. (**Hawke's Point**) for \$12.74 million in funding, comprising of an unsecured loan and net smelter return (**NSR**) royalty.

Hawke's Point has agreed to provide the Company with an unsecured loan of \$11 million (**Loan**). The proceeds from the Loan are intended to be used by the Company to fund resource development and exploration at Riverina, capital expenditure and general working capital.

There are no conditions to drawdown of the Loan, and the Company expects to receive the proceeds on or about 23 December 2022. The key terms of the Loan are set out in Annexure A to this announcement.

The Company has also entered into an agreement with Hawke's Point pursuant to which certain of the Company's wholly-owned subsidiaries agree to pay a NSR royalty on gold doré or bullion produced and sold from the Company's existing mining tenements on and from 31 December 2023 in return for A\$1.74 million from Hawke's Point (**Royalty**). This Royalty is payable at 0.9% NSR and is capped at a total of 900,000oz of pure gold over 15 years.

Hawke's Point may request the grant of security by the relevant subsidiary with respect to the Royalty. The grant of any such security, if requested, will be subject to the Company obtaining any required shareholder approvals under ASX Listing Rule 10.1 (or a waiver from ASX with respect to that rule) and/or Chapter 2E of the *Corporations Act 2001* (Cth) (**Corporations Act**). Further details as to the key terms of the Royalty are set out in Annexure B to this announcement.

Hawke's Point is the Company's largest shareholder with a disclosed shareholding of 45.29% in Ora Banda at the date of this announcement. The Loan and Royalty further reinforce Hawke's Point's support for the Company and the ongoing development of its projects.

Managing Director Comments

“This funding is a great outcome for shareholders because it allows Ora Banda to continue advancing the Riverina underground project without delays and demonstrates the support of our major shareholder, Hawke’s Point, to unlock the exploration potential of our highly prospective tenement package,” Managing Director, Luke Creagh, said.

“Importantly the funding package will also mean no dilution to shareholders whilst operational improvements strengthen the business in the second half of FY2023 ahead of the Royalty becoming payable in calendar year 2024.”

This announcement was authorised for release to the ASX by the Board of Directors.

For further information about Ora Banda Mining Ltd and its projects, please visit the Company’s website at www.orabandamining.com.au.

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Forward-looking statements

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Annexure A – Key terms of Loan

Term	Description
Borrower	The Company
Lender	Hawke's Point
Loan proceeds	A\$11,000,000
Drawdown	Hawke's Point shall advance the Loan proceeds to the Company on the business day after the date of the agreement.
Security	The Loan is unsecured.
Interest	If the Company elects to have interest paid at the end of each calendar quarter, the Loan amount accrues interest at 10% per annum, payable at the end of each calendar quarter, or if the Company elects to have such interest added to, and form part of the principal outstanding at the end of each calendar quarter, the Loan amount accrues interest at 14% per annum, payable no later than the Repayment Date (see below).
Repayment Date	31 December 2023
Events of default	<p>If an event of default with respect to the Company occurs, Hawke's Point may declare:</p> <ul style="list-style-type: none"> (a) all or part of the principal outstanding and all accrued but unpaid interest is immediately due and payable, or payable on demand; or (b) the Loan is cancelled. <p>An event of default includes circumstances where:</p> <ul style="list-style-type: none"> (a) failure to pay: the Company or its subsidiaries (Group Member) fails to pay or repay any amount due under the Loan or Royalty, and such failure continues for more than 2 business days; (b) failure to perform: a Group Member fails to perform or observe any undertaking or obligation under the Loan or Royalty, unless capable of remedy and such failure is in fact remedied within [7] business days (or longer period determined by Hawke's Point) after receipt of notice; (c) misrepresentation: any representation by a Group Member under the Loan and Royalty documents is or proves to have been incorrect or misleading in any material respect, unless the relevant facts or circumstances are capable of being remedied and are so remedied within [10] business days (or longer period determined by Hawke's Point) after receipt of notice; (d) change of control: a person obtains control (as defined in the Corporations Act) of the Company and that person did not have such control as at the date of the agreement; (e) sale of business: a sale of all or substantially all of the business assets of a Group Member; (f) sale of tenements: a sale of any of the Company's tenements to a third party purchaser other than any non-material tenements containing no known resources; (g) subsidiary equity interests: the sale of all or some of the shares in any Group Member to a third party purchaser or the issue of any new shares to a third party investor; (h) insolvency: an insolvency event occurring with respect to a Group Member; (i) vitiation: a provision of the Loan or Royalty is or becomes or is claimed by a party to be wholly or partly invalid, void, voidable or unenforceable in any material respect; (j) de-listing: the Company has or applies to be de-listed from the ASX;

Term	Description
Events of default	<p>(k) cessation of business: all or a material part of the mining or milling operations of a Group Company is abandoned or placed on care and maintenance for a continuous period of 45 days or more (other than planned shutdown maintenance) and a Group Member suspends, ceases to carry on its business (or a substantial part) or gives notice of intent to do so; and</p> <p>(l) distributions: the Company declares, makes or pays any dividend, charge, fee or other distribution to shareholders or on or in respect of its share or equity capital or subordinated debt.</p>

Annexure B – Key terms of Royalty

Term	Description
Royalty	<p>Siberia Mining Corporation Pty Ltd and Carnegie Gold Pty Ltd (Royalty Subsidiaries) each agree to pay to Hawke’s Point a royalty on all gold doré or bullion produced and sold from mining tenements (comprising all of the Company’s currently existing tenement interests) (see below) (Products).</p> <p>The Royalty payable for any calendar quarter on and from 31 December 2023 is equal to the gross proceeds actually received or applied to the relevant payer’s benefit in that calendar quarter from the sale or disposal of Products or in relation to Products (minus any applicable adjustments) multiplied by 0.9%, and at a lower rate as referred to below where the Royalty continues beyond 31 December 2037.</p>
Purchase price	\$1.74 million.
Mining tenements	<p>The Royalty applies to the following mining tenements:</p> <ul style="list-style-type: none"> • those tenements with respect to which the Royalty Subsidiaries are recorded as the registered holder; • currently held and future acquired interest in tenements being acquired from Heron Resources Limited and Atriplex Pty Ltd; and • currently held and future acquired interest in mining lease M24/39 being acquired from Robert Charles Gardener.
Guarantee	The Company unconditionally guarantees to Hawke’s Point on demand, the due and punctual performance of the Royalty Subsidiaries’ obligations and indemnifies Hawke’s Point against all losses, liabilities, actions, proceedings and judgments of any nature incurred by, brought, made or recovered against Hawke’s Point arising from any default or delay of the Royalty Subsidiaries’ obligations (but subject to certain exceptions, such as Hawke’s Point’s failure or delay to give notice).
Royalty security	If requested by Hawke’s Point, the Royalty Subsidiaries, the Company and Hawke’s Point must agree the terms of a charge to secure the minerals royalty to be granted by the relevant Royalty Subsidiary. Any such security will be subject to the Company obtaining shareholder approvals under ASX Listing Rule 10.1 (or a waiver of that rule from ASX) and Chapter 2E of the Corporations Act (to the extent required).
Cessation or reduction of Royalty	<p>The Royalty ceases to be payable at the time the total Royalty production equals the cap of 900,000 ounces of pure gold if that occurs on or before 31 December 2037.</p> <p>If the cap is not reached by 31 December 2037, then the Royalty will continue thereafter at the 0.9% rate reduced by the proportion the remainder of the cap bears to 900,000 (but then be uncapped at this lower rate from 31 December 2037).</p>
Transfer and assignment	<p>The Royalty Subsidiaries may not sell, transfer, grant, assign or otherwise dispose of all or part of (or any interest or right in) the mining tenements or any rights in relation to the Products except:</p> <ul style="list-style-type: none"> • by the sale of Products (and if not on arm’s length terms, under a pre-paid offtake, stream or similar arrangement, then they are deemed to have received a value calculated on the average spot price for the calendar quarter based on the LBMA gold price); • an assumption deed has been executed and delivered and all payment obligations then due and payable have been paid in full; and • any encumbrances expressly subject to the Royalty and accompanied by an assumption deed.
Covenants	The Royalty Subsidiaries provide customary covenants regarding the mining tenements for the benefit of Hawke’s Point.