

BINDING AGREEMENTS FOR SALE OF NON-CORE EXPLORATION TENEMENTS AND VARIATION TO HAWKE'S POINT FUNDING

Total Cash Consideration of \$4.2 million

HIGHLIGHTS

Non-Core Lady Ida Exploration tenements sold and variation to Hawke's Point funding arrangements for a total cash consideration of \$4.2 million including:

Sale agreement with Beacon Minerals Ltd (via its wholly-owned subsidiary) for \$2.5 million:

- **Sale of E16/475, E16/484, E16/483, E16/486**
- **OBM to retain all non-gold/silver mineral rights over the sale tenements**
- **One of the conditions precedent is Hawke's Point releasing the sale tenements from the Royalty¹**

\$1.7 million payment from Hawke's Point along with:

- **release by Hawke's Point of the above sale tenements and the tenements to be sold to Lamerton Pty Ltd and Geoda Pty Ltd as previously announced ² from Hawke's Point's existing royalty and consent to those sales**
- **extension of the existing \$11million unsecured loan to a maturity date of 30 September 2024 (from 31 December 2023)¹**
- **increase of the existing royalty payable on OBM's other tenements to 1% (from 0.9%) and remove the 900koz cap on the royalty**

Noting that:

- **the royalty does not come into effect until January 2024**
- **the Hawke's Point transaction is subject to any required shareholder approval for the purposes of Listing Rule 10.1**

OBM's production target of 100kozpa in FY25 did not include any material from the above sale tenements

These proceeds, in addition to the \$10.0 million sale of certain Lady Ida tenements as announced on 16 March², results in a total cash consideration of \$14.2 million that will strengthen OBM's balance sheet ahead of a Final Investment Decision on Riverina Underground

1. Refer to announcement on 21 December 2022 for further details as to the royalty and loan.

2. Refer to announcement on 16 March 2023 "Agreement for Sale of Non-Core Lady Ida Tenements for \$10M"

NON-CORE LADY IDA EXPLORATION SALE TRANSACTION

Ora Banda Mining Ltd (ASX: OBM) (**OBM** or the **Company**) is pleased to announce that it has entered into binding documentation for the sale of exploration tenements E16/475, E16/484, E16/483, E16/486 (**Sale Tenements**) to Beacon Minerals Ltd (**Beacon**) (via its wholly-owned subsidiary) for \$2.5 million (**Sale Transaction**), as well as the initial grant of gold and silver rights in respect of the Sale Tenements (**Gold Rights**).

The Gold Rights commenced on execution of the sale agreement, however the Sale Transaction is subject to certain conditions precedent being satisfied, as summarised along with other material terms in the annexure. The terms of the mineral sharing arrangement with the purchaser, pursuant to which OBM will retain rights to all minerals other than gold and silver, are also summarised in the annexure.

A condition precedent for the Sale Transaction is that the tenements will be transferred to the purchaser free from the Hawke's Point royalty.

\$1.7 million Hawke's Point transaction

As announced on 21 December 2022, the Company has secured debt and royalty funding from its major shareholder, Hawke's Point Holdings L.P. (**Hawke's Point**), comprising:

- an unconditional and unsecured loan for \$11 million with maturity date of 31 December 2023 (**Loan**); and
- a net smelter royalty (**NSR**) with respect to certain gold products at 0.9% NSR and capped at 900,000oz of pure gold produced commencing from 31 December 2023 (the **Royalty**).

To raise further funds and improve its debt profile, the Company has also entered into binding documentation with Hawke's Point pursuant to which:

- the Royalty will continue to apply to OBM's tenements (other than the Sale Tenements and the tenements to be sold to Lamerton Pty Ltd and Geoda Pty Ltd as previously announced) on the following terms:
 - the Royalty will increase from 0.9% NSR to 1.0% NSR; and
 - the cap on the Royalty of 900,000oz of pure gold will be removed, such that the Royalty is uncapped;
- Hawke's Point will extend the maturity date for the Loan for a period of 9 months from 31 December 2023 to 30 September 2024 to better align with OBM's expected revenue window from the Riverina Underground Project; and
- Hawke's Point will pay \$1.7 million cash consideration to OBM for the above.

The Hawke's Point transactions are subject to the Company obtaining any required shareholder approval for the purposes of Listing Rule 10.1, which the Company expects will be required and which it will then seek at an upcoming general meeting. A notice of meeting and independent expert's report will be sent to shareholders in due course with additional information.

Managing Director’s Comment:

“As with the previous Lady Ida sale, the sale of these exploration tenements for \$2.5 million is an excellent outcome for OBM shareholders as they are non-core and not part of our production target of 100kozpa.” Ora Banda Mining Limited’s Managing Director, Luke Creagh, said.

“The Hawke’s Point funding for \$1.7 million is also important for OBM shareholders as it strengthens our balance sheet as well as extending the existing \$11 million debt maturity to September 2024 which gives the Company improved cash flow flexibility”.

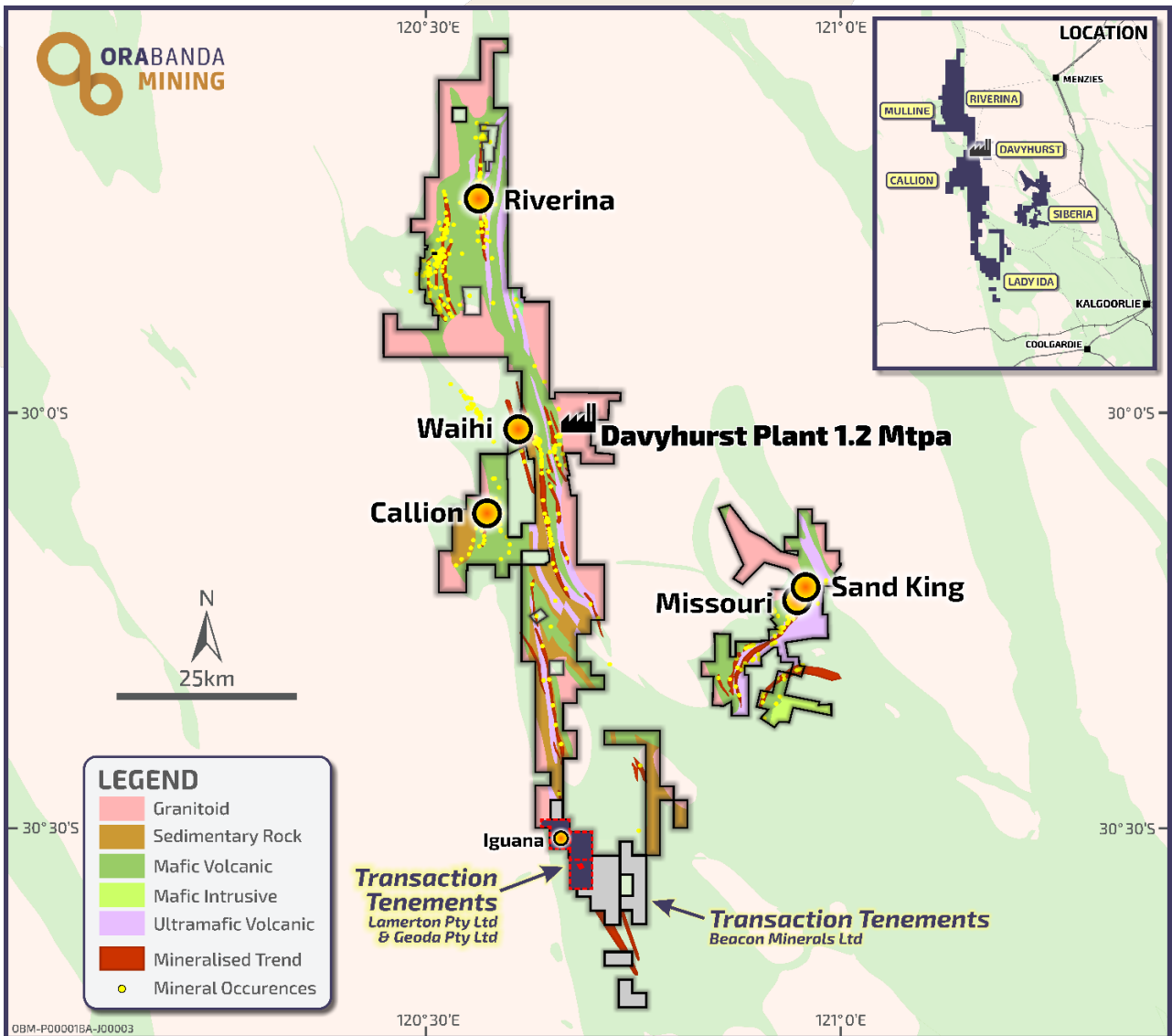


Figure 1 Deposit Locations

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.

**Investor & Media Queries:**

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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.

Production target

The information in this announcement that relates to the Company's production target are set out in the Company's ASX announcement 'Riverina Resource & Reserve Update' dated 16 February 2023. The Company confirms that all of the material assumptions underpinning the production target in that announcement continue to apply and have not materially changed.

Annexure A – Material terms of the Sale Transaction

Vendors	Siberia Mining Corporation Pty Ltd and Carnegie Gold Pty Ltd, each a wholly-owned subsidiary of OBM
Purchaser	Beacon Mining Pty Ltd, a wholly-owned subsidiary of Beacon Minerals Ltd
Sale Tenements	Exploration licences 16/475, 16/483, 16/484 and 16/486
Consideration	<p>\$2.5 million (excluding GST) to be paid in two tranches as follows:</p> <ul style="list-style-type: none"> (a) \$1 million on execution of the sale agreement; and (b) \$1.5 million on completion.
Gold and silver rights	On and from execution of the sale agreement, the Purchaser will be granted the Gold Rights, while the Vendor will continue to hold all other mineral rights. If the Sale Transaction completes, the Vendors will retain rights in respect of all other minerals, other than gold and silver, on the tenements.
Conditions precedent	<p>The Sale Transaction is conditional on the following conditions precedent being satisfied or waived (as applicable) by the date that is 90 days from the date of execution of the agreement (End Date):</p> <ul style="list-style-type: none"> (a) consent of Hawke’s Point to the sale of the Sale Tenements; (b) variation or other amendment necessary to ensure Hawke’s Point’s existing net smelter royalty (announced on 21 December 2022) does not apply to the Sale Tenements and OBM obtaining any required shareholder approval to give effect to this variation; (c) OBM entering into deeds of covenant required for this Sale Transaction in respect of any third party agreements (if any); and (d) execution of any deed polls or other documents required under OBM’s heritage agreements (if any) which apply to the tenements. <p>The condition in (c) may be waived by the Vendor.</p>
Termination before completion	If the conditions precedent are not satisfied or waived by the End Date, either party may terminate the Sale Transaction, in which case the Gold Rights will expire and the \$1 million paid on execution will be returned.
Mineral sharing agreement	From execution until completion under the sale agreement, the Purchaser will be granted the exclusive right to explore for and mine gold and silver resources on the Sale Tenements. On and from completion, the Vendors retain the exclusive right to explore for and mine all mineral resources other than gold and silver on their respective Sale Tenements.

	<p>The parties are under an obligation to consult with each other and to fully cooperate with each other in carrying out their respective activities on the Sale Tenements in order to minimise interference with the other party's activities.</p> <p>In the event of conflict between those activities, the activities of the Purchaser will prevail where they do not adversely affect the Vendors' activities. Where the Purchaser's activities adversely affect the Vendors' activities, the party whose activities relate to the mineral with the higher recoverable value will prevail.</p> <p>In the event of conflict arising from a party's intention to mine, the party whose mining activities relate to the mineral with the higher recoverable value will prevail.</p>
<p>Tenement administration</p>	<p>The Purchaser will take over administration of the Sale Tenements from the execution date of the sale agreement.</p>
<p>Other terms</p>	<p>Customary terms for agreements of this nature, including in relation to assignment, dispute resolution and obligations to comply with laws.</p>

Annexure B – Hawke’s Point transactions

Further, there are side letters pursuant to which the Hawke’s Point Royalty and Loan will be varied on the basis set out in this announcement.

Counterparty	Hawke’s Point Holdings L.P.
Variations	<ul style="list-style-type: none"> • The Beacon Sale Tenements and the Sale Tenements to be sold to Lamerton Pty Ltd and Geoda Pty Ltd will be released from the Royalty and Hawke’s Point will consent to those sales. • The Royalty (as it will then apply to the non-Sale Tenements only) will increase from 0.9% NSR to 1.0% NSR and the cap on the Royalty of 900,000oz of pure gold will be removed, such that the Royalty is uncapped. • Hawke’s Point will extend the maturity date for the loan for a period of 9 months from 31 December 2023 to 30 September 2024.
Cash Consideration	\$1.7 million cash consideration payable by Hawke’s Point to OBM.
Conditions precedent	<p>The Hawke’s Point variations are conditional on the following condition precedent being satisfied:</p> <p>(a) OBM obtaining any required shareholder approval under Listing Rule 10.1 to give effect to those variations.</p>
Termination	If the Sale Transaction or the proposed sale announced on 16 March 2023 do not complete or are terminated, then Hawke’s Point may issue a notice stating that the Royalty be reinstated with respect to the relevant tenements.
Other material terms	If the Company (or the relevant subsidiaries) enter into a further agreement with respect to E16/482 and E15/456, then those tenements will also be released from the Royalty, provided that the sale of those tenements is for cash consideration of not less than \$2.5 million and completes within 9 months of the date of the side letter. The Company confirms it has not entered into any agreement with respect to such a transaction as at the date of this announcement.