



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

29 August 2023

\$10.5M PLACEMENT AND SPP TO FUND DAYDREAM-2 & NOMGON

HIGHLIGHTS

- Strongly supported share placement of \$7 million to institutional and sophisticated investors
- Existing shareholders to be invited to participate in a Share Purchase Plan on same terms
- Grandis and Nomgon projects fully funded through Daydream-2 drilling and Nomgon pilot programs
- Elixir to receive 48.5% cash rebate of Daydream-2 costs via Government R&D scheme

Elixir Energy Limited (**Elixir** or the **Company**) is pleased to announce that it has received binding commitments for a placement of new shares in the Company (**Placement**), on the following terms:

1. Placement to raise ~\$7.0 million (before costs) through the issue of ~100 million new shares to institutional and sophisticated investors at a price of 7 cents per share (a 14.6% discount to the last close and a 16.0% discount to the 5 day VWAP).
2. Placement participants will receive one (1) Option for every two (2) Placement Shares issued (**Placement Options**). The Placement Options will have an exercise price of 12 cents (a 71.0% premium to the placement price) and a term of three years. The Company will seek to list the Placement Options on the ASX. The issuance of the options will be subject to shareholder approval and are intended to be issued via the Company filing a Prospectus in concert with and as part of the Share Purchase Plan (**SPP**) noted below.
3. Elixir is pleased to advise that certain members of its Board of Directors will participate in the Placement for an aggregate amount of ~\$150,000. The Placement will settle in accordance with ASX listing Rule 7.1, with the exception of the Director component (**Tranche 1**). Director participation will be subject to shareholder approval at an upcoming Company General Meeting as noted below (**Tranche 2**).

Ord Minnett Limited and Originate Capital Pty Ltd acted as Joint Lead Managers to the Placement with Evolution Capital Pty Ltd acting as Co-Manager.

For personal use only

ASX ANNOUNCEMENT

Share Purchase Plan

A SPP will also be offered to existing shareholders (with a record date of 25 August 2023) through the issue of new fully paid ordinary shares at 7 cents per share, in line with the Placement. The SPP will target gross proceeds of up to \$3.5 million (with the Board reserving its absolute discretion to either take more than this amount or to scale back any over-subscriptions). SPP investors will receive listed options (**SPP Options**) on identical terms as for the Placement Options.

A Prospectus containing details of the SPP, SPP Options and Placement Options will be sent out to all shareholders following the completion of the Placement.

The Company will call a General Meeting, expected to be in early October, to seek shareholder approval for certain elements of this capital raising.

The detailed timing for all aspects of the capital raising will be advised to the market once the ASX has approved the Prospectus and General Meeting notice.

Use of Funds

The Placement and SPP capital raised will fully fund the Company's projects in Australia and Mongolia as follows:

1. The drilling, completion, stimulation and flow testing of the Daydream-2 appraisal well, which is due to spud in late October 2023. The Federal Government's R&D scheme will provide a cash rebate of 48.5% of the total costs of the Daydream-2 well and non-recourse debt finance will be available to optimally manage the timing of the cash-flows around this.
2. The ongoing pilot, appraisal and exploration drilling programs in the Nomgon CBM PSC as well as the Gobi H2 project in Mongolia.
3. Meeting corporate costs and general working capital needs.

Elixir's Managing Director, Mr. Neil Young, said: *"We are very pleased to procure this financial backing from existing and new shareholders to support our projects in Australia and Mongolia – in particular the imminent drilling of the high impact Daydream-2 well. The SPP element of the capital raising is designed to provide all shareholders with the opportunity to support the Company on the same terms as for the Placement participants. We look forward to keeping all of our shareholders well informed as we approach the spud date for Daydream-2, which we view as a pivotal catalyst in the Company's growth plans"*.

By authority of the Board:

Neil Young - Managing Director
Elixir Energy Ltd (ABN 51 108 230 995)
Level 3, 60 Hindmarsh Square
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.com.au