

ASX ANNOUNCEMENT

30 October 2023



ORA BANDA SIGNS TRANSFORMATIONAL \$26 MILLION LITHIUM FOCUSED JV WITH WESFARMERS CHEMICALS, ENERGY & FERTILISERS

Highlights:

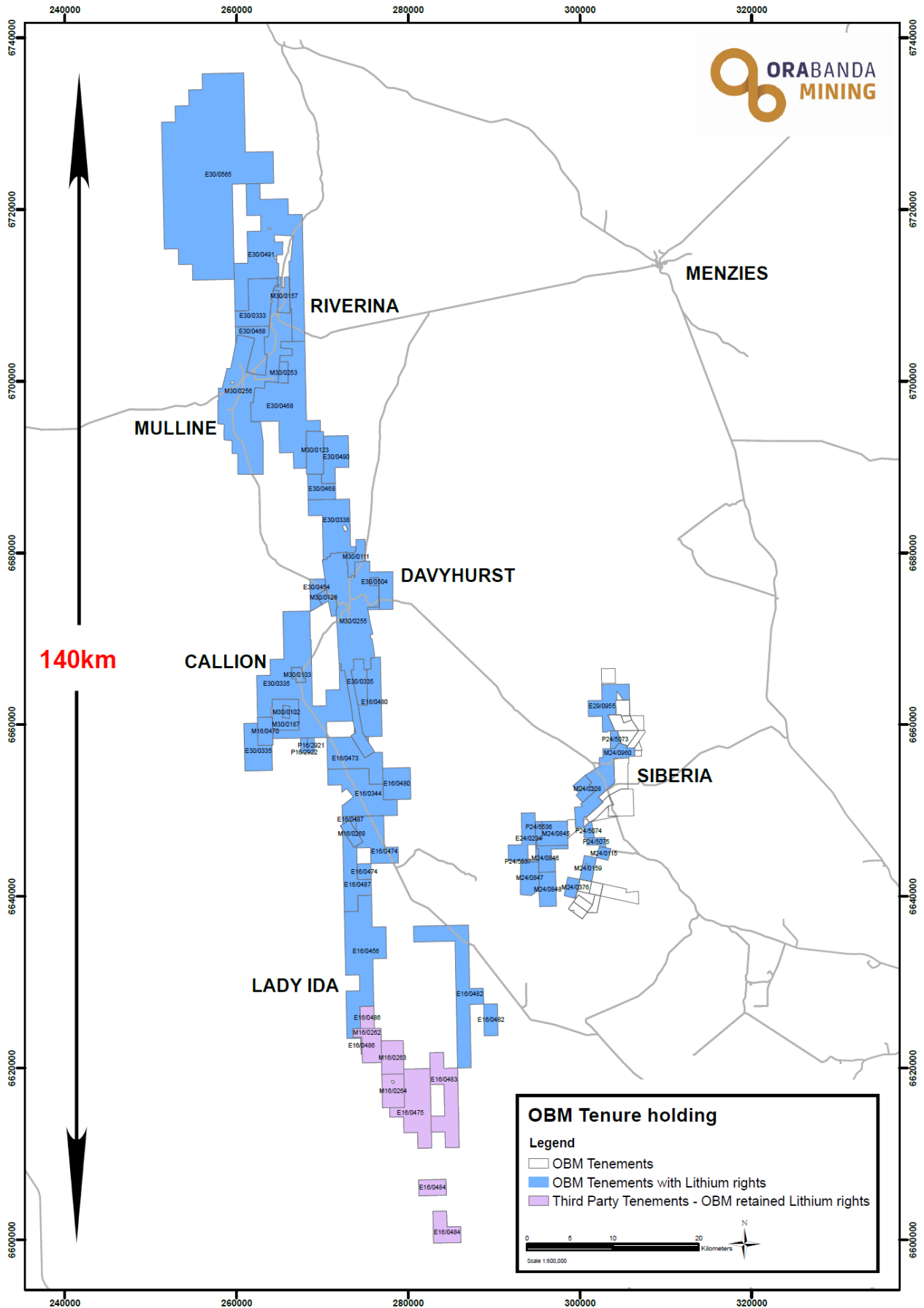
- Binding joint venture and farm-in agreement executed with Brenahan Exploration Pty Ltd ("BEPL") (a wholly-owned company in the Wesfarmers Chemicals, Energy & Fertilisers ("WesCEF") division) whereby:
 - Ora Banda sells 65% of its mineral rights (excluding gold and by-products) that are non-core to Ora Banda on the Davyhurst tenement package for \$26 million cash consideration and a 2% royalty
 - BEPL and Ora Banda to form a 65% / 35% joint venture ("JV") to advance exploration of a large under-explored tenement package
 - BEPL has the ability to sole fund \$15 million of exploration over 3 years to increase its stake in the JV to 80%
 - Ora Banda is free carried from any discovery to the completion of a Definitive Feasibility Study ("DFS") over the area applicable to that DFS
 - Areas that are outside any DFS area will remain in the exploration JV, with exploration solely funded by BEPL up to any further completed DFS
 - Upon completion of each DFS, BEPL has the option to acquire Ora Banda's remaining JV interest in the DFS area only
 - Ora Banda retains all rights to gold minerals over the entire OBM tenement package and maintains exclusive access over current and planned gold mining areas
- \$22.1 million cash consideration is payable by BEPL upfront upon completion and the remaining \$3.9 million cash consideration is payable upon earlier of the execution of formal mineral sharing, JV and royalty agreements or 30 April 2024.
- To increase the total consideration to \$30 million, Ora Banda has agreed to effectively on-sell 1.5% of the 2% royalty to be received from BEPL (for non-gold minerals produced under the transaction with BEPL) to Hawke's Point Holdings L.P. ("Hawke's Point") for \$4 million (subject to shareholder approval).
- The BEPL transaction is subject to conditions precedent and is anticipated to complete in the first quarter of 2024

Ora Banda Mining Limited (ASX: OBM) ("Ora Banda", "Company") is pleased to announce that it has entered into a binding farm-in agreement ("Agreement") with Brenahan Exploration Pty Ltd ("BEPL"), a wholly-owned company in the Wesfarmers Chemicals, Energy & Fertilisers ("WesCEF") division, to sell 65% of all mineral rights other than gold and by-products (as detailed in Annexure A) held by Ora Banda (and its wholly owned subsidiaries, Carnegie Gold Pty Ltd and Siberia Mining Corporation Pty Ltd, as appropriate) on the Davyhurst tenement package (see Annexure C) ("Tenements") for \$26 million cash consideration and a 2% royalty (the "BEPL Transaction").

BEPL and Ora Banda will enter into a 65% / 35% joint venture and BEPL has the ability to increase its stake to 80% by sole funding an additional \$15 million of exploration expenditure on the Tenements over the next 3 years. Ora Banda is free carried from any discovery to completion of a Definitive Feasibility Study ("DFS") over the area applicable to that DFS.

Figure 1 - Tenement Map of Davyhurst Project highlighting Lithium rights with 140km of strike and area of over 1,100km²

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Managing Director's Comment

Ora Banda's Managing Director, Luke Creagh, said:

"The Davyhurst tenement package is very large and has never had any sustained or modern exploration programs given its disjointed and under-capitalised historical ownership. Although we have had encouraging early stage lithium results, Ora Banda is a gold focused company and given the underexplored nature and size of this belt, we expect it would take many years to do it justice for other minerals.

"We are very excited by this transaction as WesCEF is a high calibre strategic partner who has the technical expertise and capability to unlock the belt for minerals that are non-core to Ora Banda. The WesCEF team that will work on this tenement package has a track record of success as they discovered and are helping deliver the Mt Holland Lithium Project.

"In total, we view this as a \$45 million dollar deal with \$30 million in cash and \$15 million in exploration expenditure. The deal structure is aligned to maximise the potential of multiple discoveries to the benefit of both parties, whilst providing balance sheet strength to Ora Banda to further grow gold production.

"We are looking forward to working collaboratively with the WesCEF team to unlock significant value for our respective shareholders on this highly prospective and underexplored tenement package."

A summary of the material terms of the BEPL Transaction Agreement is set out in Annexure A.

Hawke's Point Transaction

To raise further capital and subject to any required foreign investment approval and shareholder approval under ASX Listing Rule 10.1, Ora Banda has agreed to effectively on-sell 1.5% of the 2% royalty to be received from BEPL to Hawke's Point (for non-gold minerals produced under the BEPL Transaction) ("New HP Royalty"), for consideration of \$4 million payable to Ora Banda by Hawke's Point ("Hawke's Point Transaction").

It is proposed that the Hawke's Point Transaction will be implemented by a variation to the existing royalty deed (as amended) between Ora Banda and Hawke's Point (as announced to ASX on 21 March 2023) to incorporate the New HP Royalty.

The \$4 million will be payable in cash or offset against amounts owing under the existing \$11 million unsecured loan facility with Hawke's Point (as amended and announced to ASX on 21 March 2023), at Hawke's Point's election, which will provide further funding to grow the Company's gold production and reduce its debt profile.

The Hawke's Point Transaction is subject to any required foreign investment approval and the Company obtaining any required shareholder approval for the purposes of ASX Listing Rule 10.1, at an upcoming general meeting. A notice of meeting including the independent expert's report will be sent to shareholders in due course with additional information.

Voting intention statements have been received representing over 25% of the (non Hawke's Point) shareholder base stating that, as at the date of their intention statements, they each presently intend to vote (or cause the holder to vote) such shares in favour of each of the resolutions relating to the Hawke's Point Transaction at the relevant general meeting (where not excluded or restricted from voting). Nothing in their intention statements shall restrict their ability to change their intention with respect to the relevant resolutions, and further details will be disclosed in the upcoming notice of meeting.

Refer to Annexure B for a summary of the material terms of the Hawke's Point Transaction.

Advisors & Legal

Ora Banda was advised by Sternship Advisers and Gilbert + Tobin. Sternship Advisers has agreed to take their fee in the form of Ora Banda fully paid ordinary shares, issued under Ora Banda's Listing Rule 7.1 capacity, subject to a 12 month lock up; an Appendix 2A follows.

This announcement was authorised for release to the ASX by Luke Creagh, Managing Director. 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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Annexure A – Farm-in Agreement

Parties	<p>BEPL Australian Light Minerals Pty Ltd (a wholly-owned company in the WesCEF division) Ora Banda and its subsidiaries Siberia Mining Corporation Pty Ltd (“Siberia”) and Carnegie Gold Pty Ltd (“Carnegie”) (together, “OBM”)</p>
Consideration	<p>Total consideration of \$26 million cash consideration and a 2% royalty payable as follows:</p> <ul style="list-style-type: none"> • \$22.1 million cash payable upfront upon completion of the BEPL Transaction. • \$3.9 million cash payable upon earlier of 6 months post date of the Agreement or execution of the last of the formal agreements, namely: <ul style="list-style-type: none"> ○ exploration joint venture agreement; ○ mineral sharing agreement; and ○ royalty agreement. • 2% royalty payable on all Other Minerals: <ul style="list-style-type: none"> ○ 2% gross revenue royalty payable on the sale of BEPL’s share of lithium; ○ 2% net smelter royalty payable on the sale of BEPL’s share of base metals; and ○ for minerals other than lithium or base metals, a 2% royalty with an equivalent industry standard definition is payable.
Conditions precedent	<p>The BEPL Transaction is subject to a number of conditions precedent, which must be satisfied or waived by 30 April 2024 (otherwise, subject to certain extension rights, either party may withdraw from the Agreement, in which case BEPL will have no obligation to pay the consideration or expend money on the Tenements), including:</p> <ul style="list-style-type: none"> • OBM obtaining certain third party consents required for the Agreement and entry into deeds of covenant where required under relevant third party agreements; and • receiving ministerial consent to, and obtaining relevant third party consents required for, the grant of a mining mortgage in favour of BEPL over the Tenements.
Other mineral rights	<p>On and from completion, BEPL will be granted rights in respect of all minerals owned by OBM other than gold (“Other Minerals”) and the parties will form a joint venture in respect of the Other Minerals in proportion to their participating interests (initially held as to 65% by BEPL and 35% by Siberia and Carnegie) (“Other Minerals JV”).</p> <p>OBM retains rights to gold and any other mineral occurring in conjunction with gold bearing ore which must necessarily be mined in order to recover the gold but cannot be economically recovered without recovery of the gold, including any silver and copper that is produced as a by-product of gold production (“Gold”) on, and the legal title to, the Tenements.</p>

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Mining mortgage	On completion, OBM grants a mining mortgage in favour of BEPL over the Tenements.
Increase of BEPL participating interest	BEPL has the ability to increase its stake in the Other Minerals JV up to 80% by sole funding \$15 million of exploration on the Tenements over the next 3 years (subject to extensions up to a maximum of 18 months), with BEPL increasing its stake by 3% for each \$3 million spent on the Tenements.
Option	Upon completion of each DFS, BEPL has the option ("Option") to acquire OBM's remaining interest in the Other Minerals JV in the area of the DFS only at fair value (to be agreed between the parties or, failing agreement, determined by an independent expert). All non-DFS areas under the Other Minerals JV will remain sole funded by BEPL, unless those areas become the subject of subsequent DFS.
Formation of feasibility or mining joint venture	BEPL and OBM to form one of two joint ventures over the area of each DFS to the extent BEPL does not exercise the Option, namely: <ul style="list-style-type: none"> • where BEPL elects to proceed to a final investment decision in respect of a DFS area, a mining joint venture ("Mining JV"), with the parties to negotiate a formal mining joint venture agreement based on the key terms contained in the Agreement; or • where BEPL elects not to proceed to a final investment decision, a feasibility joint venture ("Feasibility JV"), with the parties to negotiate a formal feasibility joint venture agreement based on the key terms contained in the Agreement
Tenement restructure	In the event that BEPL exercises the Option or a Mining JV is formed, BEPL may request that OBM restructure the Tenements, including to transfer ownership of the Tenements to BEPL, with the objective that BEPL will hold the Tenements comprising any DFS area acquired by BEPL under the Option or the Mining JV participants will hold the Tenements comprising the area of the Mining JV.
Product purchase	BEPL has the right to purchase OBM's share of the processed product from the Other Minerals extracted by the Mining JV at market price for the relevant product.
Other	Customary terms for agreements of this nature, including in relation to assignment, dispute resolution and obligations to comply with laws.
Key joint venture terms	<p>These terms apply to the Other Minerals JV, Feasibility JV or Mining JV to the extent formed (each a "JV").</p> <p>BEPL (or a related body corporate) will be the manager and, to the extent the JV holds title to the Tenements, responsible for maintaining the good standing of the Tenements.</p> <p>A management committee comprising representatives of both parties will make decisions in respect to JV operations, with each having votes in proportion to the participants' participating interest in the JV.</p> <p>The participants must contribute to JV expenditure in proportion to their participating interests, subject to BEPL's sole fund requirements under the Agreement.</p> <p>Where a participant fails to pay its share of JV expenditure, that participant will be diluted in accordance with customary joint venture terms and where a participant's JV share reduces to 2% or less, that participant is deemed to withdraw from the JV and must</p>

	<p>transfer its participating interest to the other participant for a fair value payment.</p> <p>There are certain rights of first offer and last offer in respect of the sale of a participant's JV interest, as well as change of control restrictions and the option for a non-defaulting participant to buy out a defaulting participant on customary joint venture terms.</p>
<p>Mineral sharing terms</p>	<p>These terms apply to the Other Minerals JV and OBM's Gold operations, and the parties agree that these terms will also apply to any Mining JV and Feasibility JV, to the extent each of these is formed.</p> <p>On and from completion:</p> <ul style="list-style-type: none"> • BEPL will be granted the exclusive right to explore and mine for Other Minerals on the Tenements under the Other Minerals JV; and • OBM retains the exclusive right to explore for and mine all Gold resources on the Tenements. <p>The parties are under an obligation to consult, and to fully cooperate, with each other in carrying out their respective activities on the Tenements in order to minimise interference with the other party's activities. Despite this, OBM will have priority to conduct its existing Gold operations. Further, the JV cannot conduct activities to the extent it would unreasonably interfere with any of OBM's existing infrastructure.</p> <p>In the event of conflict between the parties' respective activities, the party whose activities relate to the mineral with the higher recoverable value will prevail (noting this does not apply to OBM's existing Gold operations and OBM shall have priority to conduct its existing Gold operations).</p> <p>After the three year earn-in (and any extension) BEPL must contribute 40% of all outgoings in respect of the Tenements on which the JV has conducted activities within the previous 12 months.</p> <p>BEPL has a right of first offer in respect of any sale by OBM of its Gold rights (including of the Tenements) in certain circumstances.</p>

Annexure B – Hawke’s Point Transaction

Counterparty	Hawke’s Point Holdings L.P.
Variations	With effect on and from satisfaction of the HP Conditions Precedent and the Company’s receipt of the Consideration Payment, the existing royalty deed between Hawke’s Point and the Company will be amended and restated to provide for the payment of a 1.5% royalty in relation to 100% of the non-gold minerals produced under the BEPL Transaction.
Consideration Payment	\$4 million payable by Hawke’s Point to the Company (“Consideration Payment”), either in cash or as a set off against amounts owing under the existing extended \$11 million unsecured loan with Hawke’s Point, at Hawke’s Point’s election, within 5 business days of the HP Conditions Precedent being satisfied.
Conditions precedent	<p>The Hawke’s Point Transaction is conditional on the following conditions precedent (“HP Conditions Precedent”) being satisfied:</p> <ul style="list-style-type: none"> • any required foreign investment approval; • the Company obtaining any required shareholder approval under ASX Listing Rule 10.1 to give effect to the amendments to the existing royalty deed; • entry by the Company and BEPL into their royalty agreement in accordance with the Farm-in Agreement; and • Hawke’s Point, the Company and BEPL having entered into an inter-creditor deed in relation to the interactions between the royalty security deeds for the New HP Royalty and the mining mortgage under the BEPL Transaction.
Termination	If the HP Conditions Precedent are not satisfied (or waived by Hawke’s Point) prior to 30 April 2024, then Hawke’s Point may terminate the Hawke’s Point Transaction by written notice to the Company.
Other	<p>The New HP Royalty, inclusive of the existing royalty, will be secured by royalty security deeds granted by Ora Banda (or its subsidiaries Siberia and Carnegie) over the Tenements on industry standard terms, with a carve out for Hawke’s Point to agree to intercreditor arrangements with any bona fide Ora Banda financier that recognise that financier’s entitlement to a first ranking security over the tenements in priority to Hawke’s Point’s royalty security.</p> <p>Where tenements the subject of the BEPL Transaction become producing tenements in relation to non-gold minerals they will be required under the BEPL Transaction arrangements to be transferred at least partially to BEPL. Whenever this occurs Hawke’s Point will be required to entirely release the security it holds under its royalty security deeds in relation to those tenements.</p> <p>Where there are competing rights, the New HP Royalty will be structured such that it will be subject to the BEPL Transaction documents.</p>

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Annexure C – Davyhurst tenement list

No.	Tenement Details (each granted under the Mining Act)	Registered holder (as at the date of this Agreement)
1	E 16/344	Siberia
2	E 16/456	Siberia
3	E 16/473	Carnegie
4	E 16/474	Carnegie
5	E 16/480	Carnegie
6	E 16/482	Siberia
7	E 16/487	Siberia
8	E 24/234	Siberia
9	E 29/955	Siberia
10	E 30/333	Carnegie
11	E 30/335	Carnegie
12	E 30/338	Carnegie
13	E 30/454	Carnegie
14	E 30/468	Carnegie
15	E 30/490	Carnegie
16	E 30/491	Carnegie
17	E 30/504	Carnegie
18	E 30/565	Carnegie
19	M 16/268	Carnegie
20	M 16/470	Carnegie
21	M 24/115	Siberia
22	M 24/159	Siberia
23	M 24/208	Siberia
24	M 24/376	Siberia
25	M 24/845	Siberia
26	M 24/846	Siberia
27	M 24/847	Siberia
28	M 24/848	Siberia
29	M 24/960	Siberia
30	M 30/102	Carnegie
31	M 30/103	Carnegie
32	M 30/111	Carnegie
33	M 30/123	Carnegie

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No.	Tenement Details (each granted under the Mining Act)	Registered holder (as at the date of this Agreement)
34	M 30/126	Carnegie
35	M 30/157	Carnegie
36	M 30/187	Carnegie
37	M 30/253	Carnegie
38	M 30/255	Carnegie
39	M 30/256	Carnegie
40	P 16/2921	Carnegie
41	P 16/2922	Carnegie
42	P 24/5073	Siberia
43	P 24/5074	Siberia
44	P 24/5075	Siberia
45	P 24/5536	Siberia
46	P 24/5537	Siberia

No.	Tenement Details (each granted under the Mining Act)	Registered holder (as at the date of this Agreement)	Beneficial holder
1	E 16/475	Carnegie	Beacon Mining
2	E 16/483	Siberia	Beacon Mining
3	E 16/484	Siberia	Beacon Mining
4	E 16/486	Siberia	Beacon Mining
5	M 16/262	Siberia	Geoda (50%) / Lamerton (50%)
6	M 16/263	Siberia	Geoda (50%) / Lamerton (50%)
7	M 16/264	Siberia	Geoda (50%) / Lamerton (50%)