

Cost of Process Plant Remedial Work Lower Than Forecast

EPCM Cost Estimate 43% Lower at A\$8.5M

Highlights:

- Detailed review of Davyhurst Process Plant and associated plant infrastructure undertaken by GR Engineering Services Ltd (“GRES”)
- EPCM (+/- 15%) capital cost estimate for remedial work program is A\$8.5M
- EPCM estimate includes contingency of A\$0.84 million
- Re-start capital cost now approximately A\$6.5m lower than earlier estimates
- Lower capital cost seen as a significant benefit, enhancing potential project returns

Ora Banda Mining Limited (ASX:OBM) (“Ora Banda”, “Company”) is pleased to advise that a detailed review of the Company’s Davyhurst Gold Processing Plant and the plant’s associated infrastructure, has now been completed, with a clear positive outcome.

GRES has estimated the capital cost to complete remedial works and recommission this processing plant on an EPCM basis to be **A\$8.52 million**. This represents a 43% reduction in the Company’s previous capital cost estimate* and includes a contingency of A\$0.84 million.

Summary tables of major items included in this cost estimate are included on the following page.

Ora Banda also advises that GRES have estimated the time to complete the remedial works program and recommission the Davyhurst processing plant to be only **24 weeks** from commencement of the remedial works**.

Ora Banda Managing Director, David Quinlivan, said:

“We are pleased to provide further clarity on the capital cost estimate to complete outstanding remedial works and to recommission the Davyhurst Gold Processing Plant. We are also pleased that our previous estimate of A\$15 million for this remedial work program has proven to be conservative and believe these projected capital cost savings will significantly enhance the overall economics of this project.*

* Refer to Prospectus dated 30 April 2019 (P27) and ASX Announcement 7 June 2019

** For clarity the remedial works program is not scheduled to commence until after completion of positive feasibility study

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Table 1 – GR Engineering Services Ltd Cost Summary by Area

AREA	SUMMARY	TOTAL (\$M)
200	Earthworks	0.17
205	General Site Improvements (Painting)	0.47
310	Crushing & Screening	1.46
320	Coarse & Fine Ore Storage & Handling	0.19
330	Grinding & Classification	0.91
332	Gravity Recovery & Separation	0.04
340	Leaching & Adsorption	0.49
350	Gold Recovery	0.17
360	Reagent Mixing & Distribution	0.02
370	Power Reticulation	0.56
390	Water Storage & Reticulation	0.06
391	Raw Water Supply	0.54
400	Tails Thickening & Disposal	0.14
420	Air Services Supply & Reticulation	0.01
430	Administration Buildings and Offices	0.23
499	Plant Piping	0.26
500	Engineering	1.34
503	Commissioning	0.28
805	Cranage & Equipment Hire	0.77
830	Temporary Facilities	0.13
840	Mobilisation / Demobilisation	0.04
998	Flights	0.12
Total		8.52

* Site accommodation, meals and fuel are excluded from the estimate.

Table 2 – GR Engineering Services Ltd Major Components of Capital Estimate

ITEM	TOTAL (\$M)
Earthworks	0.17
Surface protection	0.47
Secondary crusher surge bin replacement	0.20
Tertiary crusher surge bin replacement	0.22
Crushing area replacement magnets	0.31
Crushing area replacement metal detectors	0.05
Mill 1&2 liner replacements	0.34
Existing bores	0.15
New bores	0.26
Maintenance office	0.23
Total – Major Items	2.40

*All estimates rounded to two decimal places.

For more information about Ora Banda and its projects please visit our website at www.orabandamining.com.au