

6 September 2023

ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Issue of cleansing notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth)

Orexplora Technologies Limited (ACN 645 505 406) (**ASX: OXT**) (the **Company** or **Orexplora**) has today announced that it will undertake an equity capital raising to raise gross proceeds of approximately \$4.1 million, which includes a fully underwritten 1 for 2 pro-rata traditional non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) to raise gross proceeds of approximately \$2.3 million (**Entitlement Offer**). The balance of the funding will be raised via a non-underwritten two-tranche placement to institutional or sophisticated investors to raise gross proceeds of approximately \$1.8 million (**Placement**).

Under the Entitlement Offer, eligible shareholders of the Company will be able to subscribe for 1 New Share for every 2 fully paid ordinary shares in the Company held at 5.00 pm (AWST) on 11 September 2023 (**Record Date**) (**Entitlements**).

Eligible shareholders who subscribe for their Entitlement in full are also eligible to apply for additional New Shares that are not subscribed for under the Entitlement Offer (**Top-Up Facility**). The allocation policy under the Top-Up Facility is detailed in the Entitlement Offer booklet.

The Entitlement Offer and Top-Up Facility (together, the **Offers**) are lead managed and fully underwritten by Morgans Corporate Limited (ACN 010 539 607) (**Underwriter**). In the event of any shortfall of New Shares under the Offers (**Shortfall Shares**) they will be subscribed for by the Underwriter. Refer to the Entitlement Offer booklet for a summary of the material terms and conditions of the underwriting, including the potential termination events.

The offer price for the Offers will be \$0.045 per New Share (**Offer Price**).

The Company will offer the New Shares for issue without disclosure to investors under section 708AA(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Further details of the Offers are set out in the Company's investor presentation and Entitlement Offer booklet that has been lodged with ASX today.



Fast



Mobile



Sustainable

Details of the securities issued or expected to be issued

Class of securities	Ordinary shares
ASX code of the securities	OXT
Date of issue or expected issue	3 October 2023
Total number of securities issued or expected to be issued (subject to rounding of fractional Entitlements)	51,832,098 New Shares

Information required under section 708AA(7) of the Corporations Act

As required by section 708AA(7) of the Corporations Act, the Company advises the following:

1. The New Shares will be issued without disclosure under part 6D.2 of the Corporations Act.
2. This notice is given under section 708AA(2)(f) of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).
3. As at the date of this notice, the Company has complied with:
 - (a) the provisions of chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act.
4. Following recent contract wins from BHP, Gold Fields, and Northern Minerals, Orexplore is looking to continue its expansion in the market and fund continued development of its customer pipeline which continues to grow across multiple geographies and commodities. Orexplore's pipeline and level of customer engagement continues to evolve with the Company now considering a number of strategic options as it looks to leverage the potential global opportunity. The options in front of Orexplore are wide-ranging and include using regional partner relationships to respond to opportunities in regions where Orexplore would not naturally establish its own office; through to strategic partnerships at the corporate level with parties that could provide a 'whole of company' alliance across the value chain. Orexplore currently has offices and scanning labs for commercial solutions development and trial samples in Perth, Stockholm and Santiago, and has found that as a presence is established in a region, then customer enquiry starts to flow. The Regional Partnership model could see Orexplore establish distribution arrangements with credible partners in certain geographies.

At present, Orexplore is in preliminary discussions with parties in Canada, Asia, Africa and South America. No terms for any commercial arrangements have been agreed with any such parties of either a binding or nonbinding nature as the date of this notice.

While there is no certainty that these preliminary discussions will result in any transaction, creating the optimal business plan with the right strategic partners is a critical focus of the Company over the coming months.

The Company will continue to keep the market updated in accordance with its continuous disclosure obligations.

5. Other than as set out directly above, as at the date of this notice, there is no 'excluded information' of the type referred to in sections 708AA(8) and 708AA(9) of

the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act.

6. Information regarding the potential effect of the issue of New Shares pursuant to the Offers on the control of the Company, and the consequences of that effect, is set out below.

Effect of the Entitlement Offer on control

The effect and consequence of the issue of New Shares under the Offers on the control of the Company is dependent on a number of factors, including investor demand and the level of existing shareholdings.

Given the structure of the Entitlement Offer as a pro-rata offer, if all eligible shareholders of the Company take up their Entitlements, the ownership interest (and voting power) in the Company of each eligible shareholder of the Company will remain largely unchanged and the effect on the control of the Company will be negligible. However, the Company will also undertake the Placement to raise gross proceeds of approximately \$1.8 million. New fully paid ordinary shares in the Company issued under the Placement will represent approximately 20.43% of the fully paid ordinary shares on issue in the Company following completion of both the Placement and the Entitlement Offer.¹ Accordingly, existing shareholders of the Company will be diluted as a result of the Placement. Having regard to the current substantial holders of the Company and, in particular, the voting power of those substantial holders and the relevant statutory caps on the voting power of shareholders, the board of directors of the Company does not consider that the Placement will have any material impact on the control of the Company, even if the existing substantial holders in the Company were to participate in a material respect.

To the extent that any eligible shareholder of the Company fails to take up their Entitlement, the percentage holding in the Company of that eligible shareholder of the Company will be diluted by those other eligible shareholders of the Company who take up some, all or more than their Entitlements and as a result of the Placement. If no eligible shareholders of the Company take up their Entitlements (which the board of directors of the Company considers unlikely), then the Underwriter will be required to subscribe, or procure subscriptions from others, for the Shortfall Shares (subject to the terms of an underwriting agreement). In these circumstances, the maximum theoretical increase in voting power of the Underwriter (or any sub-underwriter) will be approximately 33.33%.² However, as the Underwriter's obligations will be at least partially sub-underwritten, the board of directors of the Company considers that the Entitlement Offer will not affect the control of the Company. Further, having regard to the sub-underwriting arrangements, even if a substantial shortfall arose, the board of directors of the Company does not consider that there would be a material impact on the control of the Company. The voting power in the Company of ineligible foreign shareholders of the Company will be diluted.

¹ The new fully paid ordinary shares in the Company issued under the Placement will not be issued before the Record Date, and as such will not be eligible to participate in the Entitlement Offer.

² Having regard to the number of fully paid ordinary shares in the Company on issue following completion of the Entitlement Offer.

The following table illustrates each of the substantial shareholders' maximum potential relevant interest and voting power in the Company under several scenarios where the Entitlement Offer is:

- (a) fully subscribed by other Eligible Shareholders;
- (b) 75% subscribed by other Eligible Shareholders;
- (c) 50% subscribed by other Eligible Shareholders; and
- (d) in the unlikely event that no other Eligible Shareholders take up their Entitlement under the Entitlement Offer.

Participation by other Eligible Shareholders	Voting power of Substantial Shareholders		
	Circle 5 Management Pty Ltd	Kent Jason Swick and Tanya Michelle Swick	Castle Point Funds Management Ltd
100%	19.00%	15.00%	8.56%
75%	19.99%	16.14%	9.26%
50%	19.99%	17.47%	10.10%
0%	19.99%	19.99%	12.31%

Both Circle 5 Management Pty Ltd (**Circle 5**) and Kent Jason Swick and Tanya Michelle Swick (**Swick**) have indicated that they intend to participate in the Entitlement Offer (and Swick also intends to participate in the Placement, subject to Shareholder approval), however, they will not subscribe for New Shares to the extent such subscription would exceed 19.99%.

In the event where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that there is a large number of Shortfall Shares, the Company intends to mitigate the potential effects on control by ensuring that its allocation policy facilitates the allotment of Shortfall Shares to a spread of investors, if there are remaining Shortfall Shares after they have been allocated to the Underwriter pursuant to the Underwriting Agreement.

Authorised for release by the Board of Directors of Orexplora Technologies Limited.

Frank Campagna
Company Secretary
Orexplora Technologies Limited