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18 June 2021

ASX Announcement

Not for release to US wire services or distribution in the United States

Po Valley Energy Limited launches A\$10.1 million Equity Capital Raising

Po Valley Energy Limited (PVE.ASX) ("**Po Valley Energy**", the "**Company**") is seeking to raise approximately A\$10.1 million in new equity to fund development of the Selva Malvezzi project, to retire existing shareholder loans, interest on loans and convertible notes, repayment of convertible notes and working capital requirements.

The equity capital raising will be undertaken through a placement (**Placement**) at \$0.028 per share to raise approximately A\$1 million and a fully underwritten 1 for 2 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) at \$0.028 per share to raise approximately A\$9.1 million (collectively, the Equity Capital Raising).

Highlights

- \$1m Placement at \$0.028 per share
- 1 for 2 accelerated non-renounceable pro rata entitlement offer at \$0.028 per share, to raise approximately \$9.1 million comprising:
 - an institutional entitlement offer to raise approximately A\$7.1 million; and
 - a retail entitlement offer to raise approximately A\$2 million
- The Entitlement Offer is fully underwritten by Henslow Pty Limited

Placement

The Placement comprises approximately 35.7m new shares at an offer price of A\$0.028 per share to raise approximately A\$1 million. New Shares will rank equally with existing PVE shares. The New Shares will be issued under the Company's 15% placement capacity under Listing Rule 7.1.

Entitlement Offer

The Entitlement Offer comprises a 1 for 2 accelerated pro rata non-renounceable pro rata entitlement offer to raise approximately A\$9.1 million. The Entitlement Offer is being offered at a price of A\$0.028 per share (**Offer Price**), which represents a discount of 17.6% to the closing price of A\$0.034 on 16 June 2021 and a discount of 12.5% to the theoretical ex-rights price of \$0.032.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 fully paid ordinary share in the Company (Share) for every 2 Shares (Entitlement) held as at 7:00pm (AEST) on Monday, 21 June 2021.

The Entitlement Offer comprises a non-renounceable entitlement offer to institutional shareholders (Institutional Entitlement Offer) and to retail shareholders (Retail Entitlement Offer).

The Entitlement Offer is fully underwritten by Henslow Pty Ltd.

New shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

Use of funds

The Company intends to use the proceeds from the Placement and Entitlement Offer for the development of the Selva Malvezzi project and to strengthen the balance sheet, including the retirement of existing shareholder loans, interest on loans and convertible notes and repayment of convertible notes.

Use of Funds	Amount (A\$m)
Bond	1.6
Selva Malvezzi project development	2.4
Convertible notes repayment	0.6
Shareholder loan and interest repayment (including interest on convertible notes)	4.4
Working capital and transaction costs	1.1
Total	10.1

Additional information on the Entitlement Offer

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence on Friday, 18 June 2021. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement.

Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer will be sold through the institutional shortfall bookbuild at the Offer Price on Friday, 18 June 2021 (Institutional Shortfall Bookbuild).

Eligible institutional shareholders will be those with registered addresses in Australia, New Zealand, Canada, Italy, Netherlands, United Kingdom or United States.

The Company's shares have been placed in trading halt whilst the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Two of the Company's directors, Messrs Michael Masterman and Kevin Bailey, have agreed to sub-underwrite an aggregate of \$2.9 million of the Institutional Entitlement Offer. Additional details with respect to this sub-underwriting will be set out in the Retail Offer Booklet which is expected to be despatched on or around Thursday, 24 June 2021.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer (Retail Entitlement Offer). The Retail Entitlement Offer will open at 10:00am (AEST) on Thursday, 24 June 2021 and close at 5pm (AEST) on Friday, 9 July 2021.

Eligible retail shareholders will be those with registered addresses in Australia, New Zealand, Canada, Italy, Netherlands, United Kingdom or United States as at the record date. Eligible retail shareholders can choose to take up all, part or none of their Entitlement.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be lodged with ASX and despatched on to shareholders no later than Thursday, 24 June 2021.

Indicative Timetable

Event	Date
Offer announced Appendix 3B, cleansing notice and offer presentation released to ASX	Before the commencement of trading on Friday, 18 June 2021
Placement and Institutional Offer - open date	Friday, 18 June 2021
Placement and Institutional Offer - close date	Friday, 18 June 2021
Announcement of results of Placement and Institutional Offer	Before the commencement of trading on Monday, 21 June 2021
Trading halt lifted (trading resumes on ex-entitlement basis)	Monday, 21 June 2021
Offer Booklet released to ASX	Monday, 21 June 2021
Record date – Retail Entitlement Offer	Monday, 21 June 2021
Retail Entitlement Offer - open date Announce dispatch of Offer Booklet to retail investors	Thursday, 24 June 2021
DvP settlement – Placement and Institutional Offer Lodge updated Appendix 3B with ASX (if required)	No later than noon on Thursday, 24 June 2021
Quotation of New Shares under Institutional Offer	Friday, 25 June 2021
Retail Entitlement Offer – close date	Friday, 09 July 2021
Announcement of results of Retail Entitlement Offer and shortfall notification (if any)	Tuesday, 13 July 2021
Settlement and allotment of New Shares under Retail Entitlement Offer. Lodge updated Appendix 3B with ASX (if required)	No later than noon on Thursday, 15 July 2021
Quotation of New Shares under Retail Entitlement Offer	Friday, 16 July 2021
Despatch of holding statements to retail investors	Monday, 19 July 2021

The above timetable is indicative only. The commencement of quotation of Shares is subject to approval by ASX. The Company reserves the right to vary any of the above dates without notice subject to the requirements of the Corporations Act, the Listing Rules and any other applicable laws, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares.

Further Information

Further details of the Equity Capital Raising are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Equity Raising. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

This ASX announcement was approved and authorised for release by the Board of Po Valley Energy Limited

ENDS

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