ASARA RESOURCES

DIVESTMENT OF NON-CORE PAGUANTA PROJECT, CHILE

Asara Resources Limited (ASX: AS1; **Asara** or **Company**) is pleased to advise that it has entered into a binding Share Purchase Agreement (**SPA**) with Aquis Exchange listed Ajax Resources PLC (**Ajax**) to divest its interest in the Paguanta Copper and Silver-Lead-Zinc Project (**Paguanta Project**) in northern Chile.

The Paguanta Project has been on care and maintenance since 2018 and is considered a non-core asset within Asara's portfolio. The divestment is consistent with the Company's strategy of rationalising its portfolio and focusing on the advancement of its flagship Kada Gold Project in Guinea (**Kada**).

Subject to the satisfaction of various conditions precedent, the total consideration payable under the SPA is US$1,400,000 which is comprised of initial consideration of US$50,000 in cash and US$350,000 in Ajax ordinary shares, payable upon completion of the SPA and deferred consideration comprising of two cash payments of US$500,000 each upon achievement of certain milestones.

Matthew Sharples, MD & CEO of Asara, commented:

"The divestment of the Paguanta Project is consistent with our clear strategy of focusing on the advancement of Kada.

"The transaction provides a pathway for Paguanta to be advanced by a new owner, while allowing Asara shareholders to retain exposure to its future success through our shareholding in Ajax and deferred milestone payments linked to the Project's advancement. This acquisition complements Ajax's existing portfolio of assets, and we look forward to sharing in their future exploration success."

Transaction Terms & Conditions

Pursuant to the binding SPA, and subject to the satisfaction of certain conditions, Asara will sell to Ajax its 74.79% interest in Compania Minera Paguanta SpA (**Compania Minera**) which owns the permits that comprises the Paguanta Project. The Permits that comprise the Paguanta Project are detailed in Table 1.

The material terms of the SPA are detailed in Annexure A.

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This announcement was authorised for release by the Managing Director.

About Asara Resources

Asara Resources Limited is an ASX listed exploration company with a portfolio of advanced minerals projects in Guinea, West Africa and in Chile, South America.

The Company's flagship project is the advanced Kada Gold Project in eastern Guinea. Guinea remains one of the most under-explored countries in West Africa. Asara owns 51% of the Kada project and, in April 2022, exercised its right to earn a further 24%, increasing its interest to 75%. To secure this additional interest, Asara must fund the preparation of a Definitive Feasibility Study for Kada. Asara has outlined an Indicated and Inferred Mineral Resource Estimate of 30.3Mt at 1.0g/t gold for 923Koz[1] the majority of which is shallow oxide-transitional gold mineralisation. Asara is focussed on growing the Mineral Resource Estimate. Most of the 150km^2 project area remains under explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

At the Loreto Copper Project in Chile, Asara has signed a US$17m Option and Joint Venture agreement with Teck Resources Chile Limitada (**Teck Chile**) whereby Teck Chile can acquire up to a 75% interest in the project.

[1] ASX Announcement: Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated dated 10 October 2023.

Annexure A

Pursuant to the binding SPA, Ajax will acquire Asara's 74.79% interest in Compania Minera. Asara's interest in Compania Minera is held via its wholly owned Chilean subsidiary, Paguanta Resources Chile SpA (**Paguanta Resources Chile**).

The key terms of the SPA are as follows:

Consideration

The consideration payable to Asara is comprised of the following:

(a) Initial Consideration payable upon Completion of the SPA:

- US$50,000 cash payment.
- The issue of ordinary shares in Ajax to the value of US$350,000.

(b) Deferred Consideration, payable on satisfaction of the milestones outlined below:

- US$500,000 cash payment, payable upon the public announcement by Ajax (or any affiliate thereof) of a JORC Code compliance Ore Reserve Statement defining a Proven and or Probable Ore Reserve exceeding 25 million metric tonnes at a grade of 5% or greater zinc equivalent.
- US$500,000 cash payment, payable upon the public announcement by Ajax (or any affiliate thereof) of a JORC Code compliant Ore Reserve Statement defining a Proven and or Probable Ore Reserve containing not less than 5 million metric tonnes of copper.

Conditions Precedent

The issue and registration of 2,525,675 ordinary shares in the capital of Compania Minera in favour of Paguanta Resources Chile, in satisfaction of existing contributions made by Asara to Compania Minera.

The Conditions Precedent are required to be satisfied within 180 days of signing of the SPA.

Other Terms

The SPA includes other usual terms and conditions for an agreement of its nature, including obligations of the parties prior to Completion, representations and warranties.

Table 1 – Paguanta Project Permits

Permit name	Project name
José Miguel 1 1-30 Exploitation	Paguanta
José Miguel 2 1-30 Exploitation	Paguanta
José Miguel 3 1-20 Exploitation	Paguanta
José Miguel 4 1-30 Exploitation	Paguanta
José Miguel 5 1-30 Exploitation	Paguanta
José Miguel 6 1-30 Exploitation	Paguanta
José Miguel 7 1-30 Exploitation	Paguanta
José Miguel 8 1-10 Exploitation	Paguanta
Carlos Felipe 1 1-30 Exploitation	Paguanta
Carlos Felipe 2 1-30 Exploitation	Paguanta
Carlos Felipe 3 1-30 Exploitation	Paguanta
Carlos Felipe 4 1-30 Exploitation	Paguanta
Carlos Felipe 5 1-30 Exploitation	Paguanta
Carlos Felipe 6 1-30 Exploitation	Paguanta

Table 2 - Kada Mineral Resource Estimate

Deposit	Type	Classification	Tonnes (Mt)	Grade (g/t Au)	Metal (Oz Au)
Massan	Oxide	Indicated	4.6	1.07	158,000
		Inferred	7.28	0.93	219,000
		Total	**11.88**	**0.99**	**377,000**
	Transition	Indicated	1.07	0.88	30,000
		Inferred	3.8	0.91	113,000
		Total	**4.94**	**0.9**	**143,000**
	Fresh	Indicated	1.25	0.9	36,000
		Inferred	11.65	0.93	350,000
		Total	**12.9**	**0.93**	**386,000**
	All	Indicated	6.92	1.01	224,000
		Inferred	22.8	0.93	682,000
		Total	**29.72**	**0.95**	**906,000**
Bereko	Oxide	Inferred	0.48	0.92	14,000
	Transition	Inferred	0.06	1.05	2,000
	Fresh	Inferred	0.04	1.01	1,000
	All	**Inferred**	**0.58**	**0.94**	**18,000**
Total Kada Project	Oxide	Indicated	4.6	1.07	158,000
		Inferred	7.76	0.93	233,000
		Total	**12.37**	**0.98**	**391,000**
	Transition	Indicated	1.07	0.88	30,000
		Inferred	3.92	0.91	115,000
		Total	**4.99**	**0.9**	**145,000**
	Fresh	Indicated	1.25	0.9	36,000
		Inferred	11.69	0.93	351,000
		Total	**12.94**	**0.93**	**387,000**
	All	Indicated	6.92	1.01	224,000
		Inferred	23.38	0.93	699,000
		Total	**30.3**	**0.95**	**923,000**

Notes for Table 1:

1. Mineral Resources are reported on a dry in-situ basis at a 0.50g/t Au cut-off as selected by Asara, exceeding breakeven cut-off grades for economic extraction, and constrained to the limit of an optimised USD 1,800/oz gold price pit shell, based on a gravity/CIL processing route and typical West African open pit mining costs.
2. Mineral Resources have been compiled by Mr Frank Browning who is a full-time employee of Wardell Armstrong International and a Registered Member of the Australian Institute of Geoscientists. Mr Browning has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
3. All Mineral Resource figures reported in the table above represent estimates on 1st October 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Numbers may not add due to rounding.
4. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions. Ownership proportions are detailed elsewhere in this announcement. The Kada Mineral Resource Estimate referred to in this announcement was first reported by the Company on 10 October 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resource Estimate referred to in this report and it further confirms that all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.