

Madagascar Replacement Mining Code Finalised

Background:

- The President of Madagascar, Andry Rajoelina, signed the replacement Mining Code, registered by the Secretary General of Government
- The replacement Mining Code is now finalised, and we await publication of the implementation rules that are required to give full practical effect to the replacement Mining Code

Mining Code changes applicable to AKORA's projects

- 5% Mining Royalty
- 3% Social and Community Mining Investment fund, based on each project's capital cost
- 20% Company Tax rate

AKORA Resources Managing Director and CEO, Paul Bibby commented:

"Having the replacement Mining Code signed off by the Government and the President of Madagascar is a positive step for exploration and mining companies and investors. We now wait for the implementation rules to be published to understand the procedures that need to be managed to progress our projects."

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Discussion:

The update of the Mining Code has been a subsequent event of the Malagasy Council of Ministers approving the Ministry of Mines and Strategic Resources to resume processing applications for all mining permits on 30 March 2023 ([AKORA – ASX Announcement 4 April 2023](#)).

The mining royalty has increased from 2% to 5% in Madagascar. By comparison, mining royalties for iron ore projects range from 7.5% in Australia, 3.5% in Brazil and 15% in India.

Further, the Mining Code introduces a new 3% Social and Community payment, based on the initial capital expenditure amount. For a proposed staged development at Bekisopa, the management of this fee will be considered as the project progresses from Direct Ship Ore (DSO) production, to producing a high-grade very low-impurity iron concentrate, for Green Steel Direct Reduced Iron (DRI) pellets.

Lastly, tenement tenure has been modified, bringing the duration in line with standard industry practice across other active mining jurisdictions.

Investor Information:

investorhub.akoravy.com

AKORA welcomes direct engagement and encourages shareholders and interested parties to visit the AKO Investor hub which provides additional background information, videos and a forum for stakeholders to communicate with each other and with the company.

About AKORA Resources

AKORA Resources (ASX: AKO) is an exploration company engaged in the exploration and development of the Bekisopa, Satrokala, Tratramarina and Ambodilafa Projects, all iron ore prospects in Madagascar where AKORA holds some 308 km² of tenements across these three prospective exploration areas. Bekisopa Iron Ore Project is a high-grade iron ore project with an ~6km strike length and an Inferred Resource of 194.7 million tonnes. Bekisopa has outcropping and weathered zone DSO iron ore and potential to produce a premium grade +68% iron concentrate suitable for Direct Reduced Iron pellets for the Green Steel future.

Authorisation

This announcement has been authorised by the AKORA Resources Board of Directors on 24 August 2023.