

QUARTERLY ACTIVITIES REPORT

PERIOD ENDED 30 SEPTEMBER 2024

West African gold explorer Asara Resources Limited (ASX: AS1; **Asara** or **Company**) is pleased to provide its Quarterly Activities Report for the quarter ended 30 September 2024 (**Quarter**).

HIGHLIGHTS

- **US\$950,000 placement with new cornerstone investor to advance exploration at Kada**
- **Divestment of Burkina Faso Gold Assets for US\$2.2m cash**
- **Appointment of key technical consultants to advance Kada, post quarter end**

KADA GOLD PROJECT, GUINEA

Due to the rainy season in Guinea, no exploration work was undertaken at Kada during the quarter. It is expected that following the conclusion of the rainy season, exploration activities will commence. Planning for the upcoming exploration program is underway.

An audit of camp facilities and in-country staff has been completed and it is anticipated that the camp will be upgraded and operational in the coming quarter to coincide with exploration work commencing in November 2024.

The Company has experienced delays in the metallurgical samples that were sent to Kappes, Cassidy and Associates (**KCA**) in Nevada, USA. A busy summer field season in North America has reduced KCA's capacity to turn around samples in the anticipated timeframe. The samples are currently undergoing the previously announced test work, and it is expected that the results will be received in the December 2024 quarter.

Appointment of Key Consultants

Post quarter end, the Company appointed experienced mining professionals Matthew Sharples) and Daniel Tucker as senior technical consultants to the Company to assist with re-commencing exploration activities at Kada.

Mr Sharples is a director and shareholder of Barbet L.L.C FZ who recently made a cornerstone investment in the Company.

DIVESTMENT OF BURKINA FASO GOLD ASSETS

The Company entered into a binding Share Purchase Agreement (**SPA**) with private gold exploration company, BIC West Africa Limited (**BIC**) for the sale of its non-core Kouri and Babonga gold projects in July 2024.

The sale of the Company's Burkina Faso assets is a significant milestone for the Company and reiterates the Company's commitment to divesting its non-core assets to focus on its flagship asset – the Kada Gold project in Guinea.

Proceeds from this sale will enable the Company to continue exploration and resource definition work, as well as the on-going metallurgy studies at Kada as the Company continues to advance the project to eventual development.

Pursuant to the binding SPA, and subject to the satisfaction of certain conditions, Asara will sell to BIC 100% of the issued capital in its wholly owned subsidiary, Golden Rim Resources Burkina SARL (**GMRB**), which holds the licences for the Kouri and Babonga Projects.

Total consideration for the sale of GMRB is US\$2.2m cash, with the Company having received an up-front, non-refundable payment pursuant to a Process Deed in June 2024 of US\$550,000. A second payment of US\$550,000 was received in July 2024 following execution of the SPA. Final payment of US\$1.1m is due upon Completion.

As announced in September, the Company is continuing to work towards satisfying the Conditions Precedent outlined in the SPA and has submitted the required documentation to both the Tax Authority and the Ministry of Mines in Burkina Faso and is now awaiting their approval to finalise the sale.

To allow for additional time to receive Burkina Faso regulatory approval, Asara and BIC agreed to extend the Longstop Date under the SPA from 60 days 120 days from the date of signing of the SPA.

Paguanta Copper and Silver-Lead-Zinc Project, Chile

The Company has initiated a number of discussions regarding the potential divestment of its Paguanta silver, zinc, lead, copper project (**Paguanta**). This asset is non-core and remains on care and maintenance as the Company works towards monetizing its interest in Paguanta while the Company focuses on its flagship asset, Kada.

Loreto Project, Chile

Pursuant to the US\$17m Option and Joint Venture agreement with Teck Resources Chile Limitada (**Teck Chile**), Teck Chile continued to engage with surface landowners and local communities with respect to project access.

In November 2023, the Company announced that its Paguanta Project Joint Venture Partner Costa Rica Dos SpA (**Costa Rica Dos**) instigated legal proceedings in Chile regarding the Loreto Project in

the form of a civil action for damages against the Company and Teck. The civil action relates to predecessor exploration concessions over the ground comprising the Loreto Project that were historically held by Costa Rica Dos.

Asara disputes any wrongdoing on its behalf and is currently assessing the veracity and merits of Costa Rica Dos' claim. Please refer to the ASX announcement *Chilean Operations Updated and Litigation* dated 15 November 2023 for further information.

CORPORATE

Placement

The Company welcomed new cornerstone shareholder, Barbet L.L.C FZ (**Barbet**) to its share register following a US\$950,000 placement to Barbet during the quarter (**Placement**). The Placement comprised of the issue of 114,484,957 fully paid ordinary shares at \$0.012 raising US\$950,000. The issue price of \$0.012 represented a 10% premium to the 10-day vWap of \$0.0109 per share.

Barbet consists of a team of seasoned experts with a proven track record of developing projects in West Africa, including Guinea. The Company looks forward to collaborating with Barbet and leveraging off their extensive knowledge of Guinea, particularly with exploration activities scheduled to commence at Kada in November.

Pursuant to the Placement's Subscription Agreement, Barbet is entitled to appoint one nominee Director of the Company, so long as Barbet owns at least 10% of the shares on issue. Barbet have not yet exercised this right.

Related Party Payments

The following payments to Related Parties of the Company and their associates were made during the quarter:

Director Salaries and Non-Executive Director Fees (including Superannuation where applicable) \$93,000. Non-Executive Director Fees (**Fees**) were suspended (but accrued) on 1 March 2024 after a review of the Company's cash position. The Company recommenced paying Directors fees during the quarter, including the amount previously accrued.

Convertible Note

The Company entered into a \$1.5m Convertible Note Deed with Capital DI Limited (**Capital**) in September 2023.

During the quarter, the Company repaid the balance of the Convertible Note (\$500,000). The Company is now debt-free.

Exploration Expenditure

During the quarter, evaluation and exploration expenditure across the Company's projects totalled \$149,000.

Cash on Hand as at 30 September 2024

The Company had \$2.37m in cash as at 30 September 2024.

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This announcement was authorised for release by the Board of Directors.

ABOUT ASARA RESOURCES

Asara Resources Limited is an ASX listed exploration company with a portfolio of advanced minerals projects in Guinea and Burkina Faso, 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 has outlined an Indicated and Inferred Mineral Resource Estimate of 30.3Mt at 1.0g/t gold for 923Koz¹, the majority of which is shallow oxide-transitional gold mineralisation. Golden Rim is focussed on growing the Mineral Resource Estimate. Most of the 150km² project area remains under explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

The Company has outlined an Indicated and Inferred Mineral Resource of 50Mt at 1.3g/t gold for 2Moz² at the Kouri Gold Project, located in north-east Burkina Faso and signed a Share Purchase Agreement with BIC West Africa in July 2024 to divest its interest in this project.

Asara also holds the Paguanta Copper and Silver-Lead-Zinc Project in northern Chile which has a Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 88g/t silver, 5.0% zinc and 1.4% lead for 6.8Moz silver, 265Mlb zinc and 74Mlb lead³ at the Patricia Prospect, which remains open. The Company is seeking to divest these projects to focus on Kada.

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

Competent Persons Statements

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements referred to in this report and it further confirms that all material assumptions and technical parameters underpinning the mineral resource estimate and exploration results continue to apply and have not materially changed.

¹ ASX Announcement: Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated dated 09 October 2023.

² ASX Announcement: Kouri Mineral Resource Increases by 43% to 2 Million ounces Gold dated 26 October 2020 (Total Mineral Resource includes: Indicated Mineral Resource of 7Mt at 1.4g/t gold and Inferred Mineral Resource of 43Mt at 1.2g/t gold).

³ ASX Announcement: New Resource Estimation for Paguanta dated 30 May 2017 (Total Mineral Resource includes: Measured Mineral Resource of 0.41Mt at 5.5% zinc, 1.8% lead, 88g/t silver, 0.3g/t gold; Indicated Mineral Resource of 0.61Mt at 5.1% zinc, 1.8% lead, 120g/t silver, 0.3g/t gold; Inferred Mineral Resource of 1.3Mt at 4.8% zinc, 1.1% lead, 75g/t silver, 0.3g/t gold).

Appendix 1

Summary of Mining Tenements and Area's of Interest.

| Permit name | Project name | Asara Holding (%) | Changes in the Quarter to permits and/or interest |
|-----------------------------------|--------------|---|--|
| Guinea | | | |
| Kada | Kada | 51 | N/A |
| Bamfele | Kada | 51 effective. 100% legal ownership, held on behalf of Kada Joint Venture. | |
| Burkina Faso | | | |
| Kouri | Kouri | 100 | Pursuant to the SPA, Asara is seeking approval from the Burkina Faso Minister of Mines to transfer the issued capital of GMRB, which holds the licenses for these permits. |
| Margou | Kouri | 100 | |
| Gouéli | Kouri | 100 | |
| Babonga | Babonga | 100 | |
| Chile | | | |
| José Miguel 1 1-30 Exploitation | Paguanta | 74 | N/A |
| José Miguel 2 1-30 Exploitation | Paguanta | 74 | |
| José Miguel 3 1-20 Exploitation | Paguanta | 74 | |
| José Miguel 4 1-30 Exploitation | Paguanta | 74 | |
| José Miguel 5 1-30 Exploitation | Paguanta | 74 | |
| José Miguel 6 1-30 Exploitation | Paguanta | 74 | |
| José Miguel 7 1-30 Exploitation | Paguanta | 74 | |
| José Miguel 8 1-10 Exploitation | Paguanta | 74 | |
| Carlos Felipe 1 1-30 Exploitation | Paguanta | 74 | |
| Carlos Felipe 2 1-30 Exploitation | Paguanta | 74 | |
| Carlos Felipe 3 1-30 Exploitation | Paguanta | 74 | |
| Carlos Felipe 4 1-30 Exploitation | Paguanta | 74 | |
| Carlos Felipe 5 1-30 Exploitation | Paguanta | 74 | |
| Carlos Felipe 6 1-30 Exploitation | Paguanta | 74 | |
| Teki I 1 1-20 Exploitation | Loreto | 100 | N/A |
| Teki I 2 1-40 Exploitation | Loreto | 100 | |
| Teki I 3 1-60 Exploitation | Loreto | 100 | |
| Teki I 4 1-60 Exploitation | Loreto | 100 | |
| Teki I 5 1-60 Exploitation | Loreto | 100 | |
| Teki I 6 1-60 Exploitation | Loreto | 100 | |
| Teki I 7 1-20 Exploitation | Loreto | 100 | |

Appendix 2

Kada Mineral Resource Estimate

| Deposit | Type | Classification | Tonnes (Mt) | Grade (g/t Au) | Metal (Oz Au) |
|--------------------|------------|-----------------|--------------|----------------|----------------|
| Massan | Oxide | Indicated | 4.60 | 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 | 0.90 | 143,000 |
| | Fresh | Indicated | 1.25 | 0.90 | 36,000 |
| | | Inferred | 11.65 | 0.93 | 350,000 |
| | | Total | 12.90 | 0.93 | 386,000 |
| | All | Indicated | 6.92 | 1.01 | 224,000 |
| | | Inferred | 22.80 | 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 | 4.60 | 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 | 0.90 | 145,000 |
| | Fresh | Indicated | 1.25 | 0.90 | 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 | 30.30 | 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 Golden Rim, 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).
5. Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions. Ownership proportions are detailed in Appendix 1.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ASARA RESOURCES LTD

ABN

39 006 710 774

Quarter ended ("current quarter")

30 September 2024

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (263) | (263) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (85) | (85) |
| | (e) administration and corporate costs | (159) | (159) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (7) | (7) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (514) | (514) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (149) | (149) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | 816 | 816 |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | 667 | 667 |

| | | | |
|-------------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,388 | 1,388 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (6) | (6) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | (500) | (500) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 882 | 882 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,339 | 1,339 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (514) | (514) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 667 | 667 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 882 | 882 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | (5) | (5) |
| 4.6 | Cash and cash equivalents at end of period | 2,369 | 2,369 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 2,369 | 1,339 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) – Term Deposit | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,369 | 1,339 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 67 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 26 |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|---|--|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (514) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (149) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (663) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 2,369 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 2,369 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.6 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.