
Iron Ore Offtake and Funding Agreement with Constance Iron Limited

Tulla Resources Plc (ASX:TUL) (Tulla Resources or the Company) is pleased to advise that further to its announcement of 21 January 2022 its wholly owned subsidiaries, Central Norseman Gold Corporation Pty Ltd (CNGC) and Pangolin Resources Pty Ltd (Pangolin Resources), have entered into an Offtake and Funding Agreement with Constance Iron Limited (previously known as Koch Metals Limited) (Constance) in respect to their iron ore asset at Norseman. A condition precedent for the agreement to come into full force and effect is the successful completion of the initial public offering (raising at least GBP£56.41 million) and listing of Constance on the London Stock Exchange by 30 September 2022 (or such later date as agreed by the parties).

CNGC and Pangolin Resources (Tulla Parties) retain ownership to 100% of the rights to the iron ore and associated iron (Fe) products at the Norseman Project pursuant to the Mineral Rights Deed – Industrial Minerals entered into between CNGC, Pangolin Resources and Pantoro South Pty Ltd on 9 July 2019 (MRD).

Commenting on the Iron Ore transaction, Tulla Resources' Executive Chairman, Kevin Maloney, said:

"This is an important transaction for Tulla Resources. While our focus is on the recommencement of the gold operations at Norseman, the agreement with Constance Iron is a key part of the Company's strategic plan to diversify our asset base and unlock value for our shareholders. We look forward to continuing to build on our excellent relationship with Constance Iron and their team, who have considerable experience in the development and production of iron ore assets."

Key Terms of the Offtake and Funding Agreement (the Agreement)

1. Offtake terms:

a. Constance to purchase the first 400 million drilled metric tonnes of Iron Ore mined (comprising 5 tranches);

b. On Constance being admitted to the London Stock Exchange it will prepay the Tulla Parties AUD\$20 million cash and, at the election of the Tulla Parties, either issue £7.5 million in Constance equity at the Constance IPO issue price to the Tulla Parties (or their nominee) or increase the AUD\$20 million cash consideration by £7.5 million (in AUD\$ at the Bank of England Exchange Rate) for an initial tranche of 200 million metric dry tonnes of iron ore (on a non-refundable basis). Thereafter, if and to the extent mineral reserves in excess of this 200 million tonnes are identified, Constance will prepay for up to a further 4 tranches of 50 million tonne (in cash or equity in Constance) based on an agreed price per metric tonne (varying between \$0.25 and \$0.45) (Base Quantity);

c. In addition to the prepaid tranches in respect of the Base Quantity, if and when such tonnages are mined and delivered to Constance, Constance will pay additional deferred consideration to

the Tulla Parties in respect of such tonnages (calculated at an amount of 35% of the net proceeds of the on-sale of such product); and

d. Within the first 10 years, if and to the extent reserves are in excess of the Base Quantity are identified, Constance has the right to purchase additional quantities of Iron Ore in tranches of 50 million tonnes at a price to be determined at the time (Additional Quantities). In addition to this prepayment, if and when such Additional Quantities are mined and delivered to Constance, Constance must pay deferred consideration to the Tulla Parties in respect of such Additional Quantities (calculated at an amount of 35% of the net proceeds of the on-sale of such product). After this 10 year period, Constance's right to purchase Additional Quantities is subject to the agreement of the Parties.

e. Prepayments in respect of the Base Quantity and Additional Quantities are generally non-refundable.

2. Funding:

a. Constance is obliged to fund the first AUD\$42 million of costs incurred in respect of the exploration, development, mining and treatment of product within the first 4 years (this AUD\$42 million is generally non refundable); and

b. Otherwise, Constance generally bears 65% of the costs incurred in respect of the exploration, development, mining, treatment of product and rehabilitation (generally on a non refundable basis).

3. Option

a. Within the first 10 years, if and to the extent reserves in excess of the Base Quantity and any Additional Quantities are identified, Constance has an option to purchase all JORC categories of Iron Ore as stated in the JORC Code in excess of the Base Quantity and any Additional Quantities acquired by Constance (Excess Iron Ore).

b. The upfront consideration payable for the Excess Iron Ore is determined by a valuer (and is payable, at the election of the Tulla Parties, in cash or equity in Constance). In addition to the upfront consideration for the Excess Iron Ore, if and when such tonnages are mined and delivered to Constance, Constance will pay additional deferred consideration to the Tulla Parties in respect of the Excess Iron Ore (calculated at an amount of 2.5% of the gross revenue in respect of the on-sale of such product). After this 10 year period, Constance's right to purchase Excess Iron Ore is subject to the agreement of the Parties. The upfront consideration in respect of Excess Iron Ore is generally non-refundable.

c. On and from the date that Constance exercises the option (or, in the event the option is exercised after the 10 year period and the Tulla Parties accept Constance's election) to purchase mined Excess Iron Ore, it generally bears 100% of the costs incurred in respect of the exploration, development, mining, treatment of product and rehabilitation.

4. Project Contractor

a. Under the Agreement the Tulla Parties have appointed Constance as the 'Project Contractor' generally responsible for managing the day to day exploration, development, mining, treatment

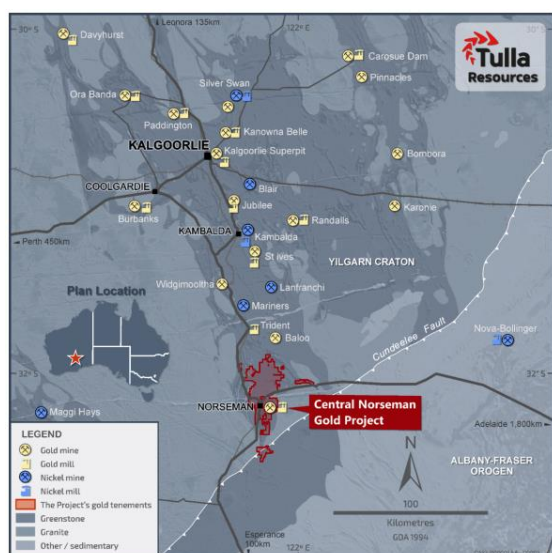
and rehabilitation activities of the iron ore project in accordance with the MRD. The Tulla Parties have the right remove Constance from this role in prescribed circumstances (e.g. material unremedied breach of its obligations).

Norseman Gold Project (Tulla Resources 50%)

The Company's flagship asset is a 50% interest in the Central Norseman Gold Project (the "Project"), a historic gold province near the town of Norseman in the Goldfields of Western Australia, which commenced operations in 1935.

The other 50% in the Project is held by ASX listed company Pantoro Limited through its wholly owned subsidiary, Pantoro South Pty Ltd ("Pantoro South") via a farm-in and joint venture agreement dated 14 May 2019 ("FJVA"). Pantoro South is the Manager of the Gold JV.

The Company owns 100% of the iron ore asset located at the Norseman Gold Project, subject to the terms of the Mineral Rights Deed entered into with Pantoro South. The Project is located at the southern end of the Norseman-Wiluna greenstone belt in the Eastern Goldfields Province of the



Yilgarn Block in Western Australia, approximately 725 kilometres east of Perth, 200 kilometres south of Kalgoorlie and 200 kilometres north of Esperance. The Project comprises 152 near continuous mining tenements (including pending applications) over approximately 70 kilometres of strike covering approximately 750 square kilometres. The Project has produced in excess of 5.5Moz of gold since 1935 and is considered one of the highest grade, large scale gold projects in Western Australia.

The Project is serviced by existing infrastructure supported by the local Shire and State infrastructure, with a new 1.0Mtpa carbon in leach processing plant under construction and due to recommence production in H2 2022

About Tulla Resources Plc

Tulla Resources is a diversified Resources House whose primary asset is its 50% interest in the flagship Norseman Gold Project.

In 2007 Norseman Gold Plc acquired Central Norseman Gold Corporation Pty Ltd (CNGC), the operating entity of the Gold Project. Norseman Gold Plc changed its name to Tulla Resources Plc on 30 December 2020.

On 17 March 2021, Tulla Resources Plc was admitted to the Official List of ASX and the Company commenced trading on 18 March 2021.

The focus of Tulla Resources is to continue to work closely with its joint venture partner to bring the Gold Project back into production scheduled for August 2022. The Norseman Gold Project also

provides an excellent opportunity for exploration and future production growth as demonstrated by the excellent results from the exploration program centred on the Scotia Mining Centre.

Tulla Resources has an experienced and well credentialed Board. The Company has a strategy of developing and acquiring other resource assets to provide commodity and geographical diversity. In

December 2021 with its JV Partner, Pantoro South, the Company entered into a binding term sheet with a subsidiary of Mineral Resources Limited (MIN) in respect to its lithium deposits at Norseman.

In January 2022 Tulla Resources entered into a heads of agreement with Constance Iron Limited for an off-take and funding arrangement in respect to its iron ore asset at Norseman. The parties have now entered into a final Offtake and Funding Agreement, subject to the condition precedent of Constance Iron Limited listing on the London Stock Exchange.

Authorised by the Board.

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