

## Asara Successfully Concludes Litigation Regarding Loreto Project, Chile

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Asara Resources Limited (ASX: AS1; **Asara** or **Company**) is pleased to announce that it has successfully concluded legal proceedings brought against the Company as outlined in its ASX announcement dated 15 November 2023.

In November 2023, the Company was informed by its incorporated joint venture partner at the Company's Paguanta Copper and Silver-Lead-Zinc Project in northern Chile (**Paguanta Project**), Costa Rica Dos SpA (**Costa Rica Dos**), that they had instigated legal proceedings against the Company regarding the Company's Loreto Copper Project in Chile (**Loreto Project**) in the form of a civil action for damages against the Company and Teck Resources Chile Limitada (**Teck Chile**). The Company and Teck Chile signed a US\$17.6m Option and Joint Venture Agreement in April 2022 whereby Teck Chile can acquire up to a 75% interest in the Loreto Project (**OJV**). Refer to the Company's ASX Announcement dated 26 April 2022 for further details.

### Paguanta Project – Chile

The Paguanta Project is currently on care and maintenance whilst the Company is actively seeking to divest its interest in the Paguanta Project to focus on the Kada Gold Project in Guinea.

The Paguanta Project is held by Compania Minera Paguanta SA (**CMP**). The Paguanta Project is an incorporated joint venture with Costa Rica Dos. The shareholdings in CMP are as follows:

- Asara – 74.74%
- Costa Rica Dos 25.26%

Asara acquired its interest in the Paguanta Project in May 2016. Please refer to the Company's ASX announcement dated 10 May 2016 for further details.

### **Loreto Project - Chile**

The Loreto Project is adjacent to the Paguanta Project.

The Loreto Project is held by the Company's wholly owned subsidiary, Paguanta Resources Chile SpA (**PRC**), and the Company entered into the OJV with Teck Chile through PRC.

### **Loreto Project Litigation**

The Company has now reached an out-of-court settlement with Costa Rica Dos, bringing the matter to a definitive close without admission of liability. Under the settlement terms:

- A new holding company, Compañía Minera Loreto SpA (**Compañía Minera**), will be established to hold the Loreto Project assets.
- PRC will transfer the Loreto Project to Compañía Minera at book value.
- Asara will sell 25.26% of Compañía Minera to Costa Rica Dos for CLP 52,964,748 (approximately A\$87,122<sup>1</sup>), with payment to be made through future profits generated by the Compañía Minera in the context of the OJV with Teck Chile.
- Asara and Costa Rica Dos will enter into a shareholders' agreement replicating the terms of the 2007 shareholders agreement for CMP.

The settlement also provides for:

- The irrevocable withdrawal of the civil lawsuit (Case No. C-17523-2023) by Costa Rica Dos, without reservation of rights.
- Mutual settlement and waiver of any current or future claims relating to the dispute, with the agreement carrying the legal effect of *res judicata* under Chilean law.
- Standard commercial protections, including a second-degree mortgage over the mining concessions and a penalty clause for non-compliance.

Executive Director, Tim Strong, commented:

*"We are pleased to have resolved this matter amicably and efficiently. The outcome provides a clear and stable path forward for the Loreto Project, and we look forward to progressing in collaboration with our partners."*

-ENDS-

Contact Information:

**Asara Resources Ltd**

ABN 39 006 710 774

**Tim Strong**

**Executive Director – Corporate Strategy**

+61 8 6374 2654

[tstrong@asararesources.com](mailto:tstrong@asararesources.com)

This announcement was authorised for release by the Board of Asara Resources Ltd.

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<sup>1</sup> Exchange rate of 1CLP 0.00164 to 1 AUD [www.xe.com](http://www.xe.com) 7 May 2025

## 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 has outlined an Indicated and Inferred Mineral Resource Estimate of 30.3Mt at 1.0g/t gold for 923Koz<sup>2</sup>, the majority of which is shallow oxide-transitional gold mineralisation. Asara is focussed on growing the Mineral Resource Estimate. Most of the 150km<sup>2</sup> project area remains under explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

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 lead<sup>3</sup> 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.

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<sup>2</sup> ASX Announcement: Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated dated 09 October 2023.

<sup>3</sup> 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).