

Asara divests non-core Burkina Faso gold assets for US\$2.2M cash

West African gold explorer, Asara Resources Ltd (ASX: AS1) (**Asara** or **Company**) is pleased to announce that it has executed a binding Share Purchase Agreement (**SPA**) with private gold exploration company, BIC West Africa Limited (**BIC**) to sell its non-core Kouri and Babonga gold projects in Burkina Faso, West Africa.

Key Points

- Total consideration of **US\$2.2 million** (approx. A\$3.25 million¹).
- An upfront, non-refundable payment of **US\$550,000** (A\$810,804) has been received.
- Second payment of **US\$550,000** (A\$810,804 due upon execution of the SPA).
- Final payment of **US\$1.1 million** (A\$1.62 million) due upon completion.
- Funds to be used to advance the Kada Gold Project (**Kada**) in Guinea and for the repayment of the remaining portion of the Convertible Note².

Asara's Managing Director, Tim Strong, said:

"We are delighted to have reached an agreement with BIC for the sale of the Kouri and Babonga gold projects in Burkina Faso. This sale represents a significant milestone for the Company and reiterates our commitment to divest our non-core assets to focus on our flagship Kada Gold Project in Guinea."

"The BIC group have been making great progress on their other assets within Burkina Faso and we are confident that they are the right group to take exploration at Kouri and Babonga further for the benefit the local community and government of Burkina Faso. We wish them well with their exploration efforts."

"We will work alongside BIC and the Government of Burkina Faso to ensure that the conditions required to proceed with the completion of the sale are met in a timely manner."

"The proceeds of this sale will enable the Company to continue exploration and resource definition work, as well as on-going metallurgical studies at Kada. Asara also intends to repay the outstanding convertible note to Capital DI Limited so that the Company will be debt free moving forward."

¹ USD: AUD Conversion rate of \$0.678 on 14 July 2024 www.xe.com

² Refer ASX Announcement 6 September 2023, and the December 2023 Quarterly Activities and Cashflow Report dated 31 January 2024.

Key Transaction Terms & Conditions

Pursuant to the binding SPA, subject to the satisfaction of certain conditions (detailed below), Asara will sell to BIC 100% of the issued capital in its wholly owned subsidiary, Golden Rim Resources Burkina SARL (**GMRB**), which holds the licenses for the Kouri and Babonga Projects for cash consideration totalling US\$2.2 million.

The Kouri Project and Babonga Project have been on care and maintenance with no exploration activities undertaken by Asara since FY2022.

The key terms of the SPA are as follows:

- **Conditions precedent:** completion of the SPA is conditional on the satisfaction (or waiver) of the following:
 - Asara receiving all requisite authorizations from the Burkina Faso Minister of Mines to sell the GMRB shares;
 - prior to completion of the SPA there being no change in the laws of Burkina Faso that may result in Asara requiring further authorisations from Burkinabe governmental and regulatory authorities; and
 - requisite amendments to GMRB's articles of association being completed.
- **Consideration:** the cash consideration comprises the following:
 - First Payment: a non-refundable cash payment of US\$550,000 (A\$810,804) which has been paid to the Company;
 - Second Payment: a cash payment of US\$550,000 (A\$810,804) payable on execution of the SPA. The Company expects to receive this payment on or around 18 July 2024.
 - Completion Payment: a cash payment of US\$1.1 million (A\$1.62 million) payable on completion of the SPA;
- **Conduct of business:** during the period between the date of the SPA and completion, Asara is subject to certain conduct of business restrictions regarding GMRB and its business that are customary for agreements of this nature;
- **Exclusivity:** during the period between the date of the SPA and completion, Asara is subject to exclusivity arrangements in respect to the sale of the GMRB shares;
- **Termination:** the SPA will terminate if the conditions precedent are not satisfied within 60 days of the date of the SPA (or such extended period as set out in the SPA if a change in Burkina Faso laws occurs) or by mutual agreement between the parties; and

Otherwise, the SPA contains other customary provisions for agreements of this nature, including representations and warranties being provided by the parties.

About BIC West Africa Limited

BIC West Africa Limited is an Indian-owned, Mauritian-based Gold exploration company primarily focused on Francophone West African countries, including Burkina Faso, Mali, Guinea, and Cote d'Ivoire.

BIC Management have over 40 years of exceptional mining experience in India, which has enabled to them to successfully expand into West Africa along with a geological team of combined experience of over 215 years.

BIC possesses multiple advance-stage Gold assets in Burkina Faso, which are expected to transition into producing gold mines within the next two years. As a privately owned company, BIC aims to become a Tier 1 gold producer through its "Buy to Build" policy, which it intends to achieve over the next decade.

ENDS

Contact Information:

Asara Resources Ltd

Tim Strong

Managing Director

+61 8 6374 2654

tstrong@asararesources.com

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

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 923Koz³, the majority of which is shallow oxide-transitional gold mineralisation. Asara 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 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 lead⁴ 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 an Option and Joint Venture agreement with Teck Chile whereby Teck Chile can acquire up to a 75% interest in the project.

³ ASX Announcement dated 9 October 2023 "Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated"

⁴ ASX Announcement dated 30 May 2017 "New Resource Estimation for Paguanta"

Forward Looking Statements

Certain statements in this document are or maybe "forward-looking statements" and represent Asara's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Asara, and which may cause Asara's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Asara does not make any representation or warranty as to the accuracy of such statements or assumptions.

Competent Persons Statement

The Company confirms that it is not aware of any new information or data that materially affects the information regarding the Kada, Kouri or Paguanta Mineral Resource estimate referred to in this ASX Announcement and confirms that all material assumptions and technical parameters underpinning the Kada, Kouri and Paguanta Mineral Resource estimate continue to apply and have not materially changed.