



Pallas Announces Exploration Partnership with Global Copper Major and Acquisition of the Aktogay West Project



FIRST QUANTUM
MINERALS LTD.

- » **Definitive option and joint-venture agreement executed with First Quantum Minerals, one of the world's largest copper producers.**
- » **Targeting porphyry and sediment-hosted copper systems of >5Mt contained copper within predefined areas of interest in Kazakhstan's world-class mineral belts.**
- » **The agreement covers the newly acquired Aktogay West (377km²) Copper Project. Additional projects are under consideration.**
- » **Aktogay West is a highly prospective brownfields project on the doorstep of the Aktogay Mine, which hosts 12Mt contained copper and produces >225kt annually.**



Aktogay Open Pit Mine. The Aktogay Camp hosts >12Mt contained copper and produced 228kt of copper in 2022. The operation has annual processing capacity up to 50Mt and an estimated mine life of 25 years.





Simon Cooper (CEO & Director, Pallas Resources):

"We are thrilled to partner with First Quantum on the search for significant copper deposits across Kazakhstan's globally significant mineral belts. As one of the world's largest copper producers, First Quantum brings extensive technical expertise in both porphyry and sediment-hosted copper settings. Our recently acquired Aktogay West Project, located adjacent to a major copper producer, underscores the potential in Kazakhstan - a convergence of world-class belts with significant existing endowment coupled with untested remaining prospectivity."

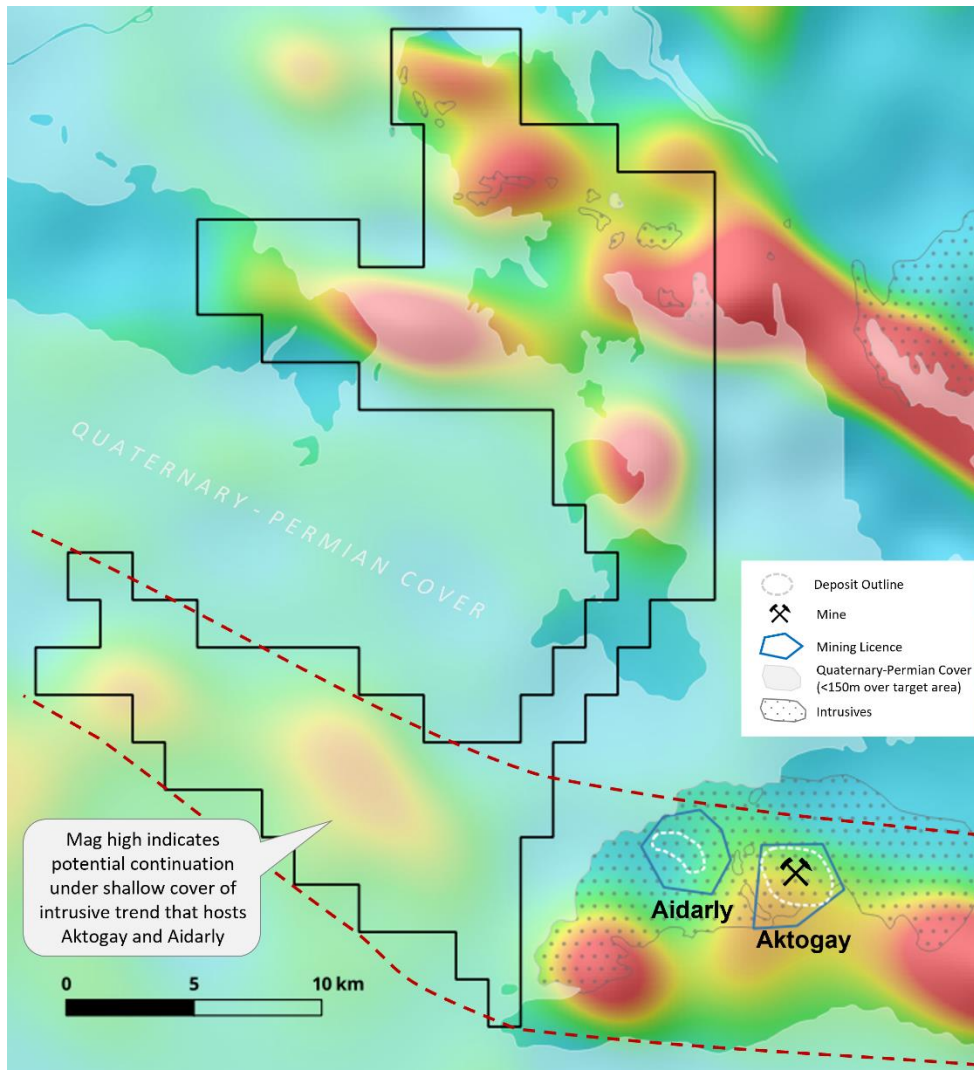
Highlights of the Exploration Partnership

- » Exploration partnership which includes a multi-stage option and earn-in agreement, with Pallas having the ability to remain free-carried through the definition of >1Mt copper resource, completion of economic studies and decision to mine.
- » Pallas retains both equity and a royalty at decision to mine stage; and can elect to be fully funded into production by way of a loan from FQM.
- » Formation of a working technical committee with FQM bringing deep technical expertise related to the exploration and development of major copper systems.
- » Pallas receives certain cash milestone payments on completion of different earn-in stages, alongside annual cash payments and a management fee while the operator of the Project.

Highlights of the newly acquired Aktogay West (377km²) Copper Project

- » Aktogay West is a highly prospective brownfields project on the doorstep of the Aktogay Complex, which hosts >12Mt contained copper and produces 225kt annually.
- » Project located in Kazakhstan's most well-endowed copper-porphyry terrain with several major producing copper mines, including Aktogay.
- » Exploration will target porphyry clusters adjacent to the existing Aktogay Camp under shallow cover. Several distinct magnetic high trends run directly from the Aktogay Open Pit into the Aktogay West licence area.
- » Shallow (<150m) Quaternary to Permian cover exists within Aktogay West which has limited modern exploration despite the obvious brownfield's nature of the target.
- » Mineral occurrences (copper, gold, lead) with similar geology and setting as Aktogay observed outcropping in the north of the Aktogay West licence.
- » Aggressive exploration campaign proposed with drilling planned for Year 2.





Regional magnetic data showing the trend of mag highs associated with Aktogay and Aidarly porphyry deposits (12MtCu) trending west under shallow cover through the newly acquired Aktogay West licence.

Details of Exploration Partnership

- » **Initial option stage:** FQM commits to sole fund acquisition costs and a work program of not less than US\$500,000 within two years for each Project.
- » **First option to earn-in stage:** FQM may subsequently earn a 51% interest in a Project within four years by completing the following:
 - Funding a minimum US\$5,000,000 of exploration expenditure inclusive of not less than 7,500m of diamond drilling, while maintaining annual minimum spend off not less than US\$500,000.
 - Upon satisfying the first option requirements, Pallas shall receive a cash milestone payment of US\$2,000,000 and be granted an NSR Royalty over the Project.





- » **Second option stage: FQM may subsequently earn into an 80% interest in a Project by completing the following:**
 - Defining a minimum resource of 1Mt contained copper equivalent.
 - Maintaining annual expenditure on the Project of US\$1,000,000.
 - Completing a study demonstrating the technical and economic viability of the Project and preparing a development proposal in form and substance sufficient to present to arm's length institutional financiers.
 - Making a public decision to mine.
 - Making a cash payment to Pallas of US\$5,000,000.
- » **Loan carry to commercial production:** On completion of the second option stage, Pallas may elect to contribute or reduce its remaining equity interest in the Project from 20% to 15% in return for FQM funding Pallas' share of project development costs to commercial production. Such loan shall be repaid to FQM from 50% of Pallas' portion of free cash flow generated by the Project upon entering commercial production.
- » Pallas will receive certain annual cash payments and a cash management fee while the operator of the Project.
- » The partnership is at all times subject to compliance with Kazakhstan subsoil use and environmental laws and regulations, including but not limited to obtaining prior consents of the Republic of Kazakhstan Ministry of Industry and Construction for the transfer of objects connected with subsoil use.

About First Quantum Minerals: First Quantum is a global mining company and the world's sixth largest copper producer. FQM's portfolio includes high quality, low-cost copper mines in Africa and Latin America. FQM also have significant copper and nickel projects in Africa and Australia. In addition to these minerals, FQM produces gold, zinc and cobalt as commercially important by-products from copper and nickel extraction. The company operates globally across Zambia, Panama, Mauritania, Finland, and Australia. For further information: <https://www.first-quantum.com/>

About Pallas Resources: Pallas Resources is a Central Asian explorer with a fresh approach to discovery. We employ a disciplined target selection process, focusing on highly prospective yet under-explored regions within Central Asia, predominantly Kazakhstan. We are on the hunt for large-scale copper, gold, nickel, and lithium systems across districts that are ripe for the application of modern exploration techniques. These frontiers remain largely untouched by present-day explorers despite prior Tier 1 Soviet-era discoveries. For further information: <https://www.pallasresources.com>

