The Board of Directors

Proposal to approve the sale of 100% of the shares of Global Aluminum Limited

Extraordinary General Meeting of Shareholders of 10-11 July 2023

General presentation (I)

Summary:

Alum proposes to sale the shares of Global Aluminum Limited ("GAL"), as it is at the date of the transaction, together with all the rights and obligations that the ownership of these shares implies, to any interested partner, under the conditions generally described below. GAL owns two companies: Sierra Mineral Holdings 1 LTD (“SMHL”) and Bauxite Marketing Limited (“BML”), both of which are incorporated and registered in the British Virgin Islands.

SMHL is the concessionaire and operator of a bauxite mine in Sierra Leone and is registered to operate in Sierra Leone.

General presentation (II)

GAL is a company established in the British Virgin Islands and acquired by Alum S.A. on March 01, 2011.

GAL has two subsidiaries, 100% owned: SMHL and BML.

The main subsidiary of GAL, SMHL, owns a bauxite mine concessioned by the government of Sierra Leone, which covers an area of 322 km² in the south of the country. At the time of acquisition, SMHL had a resource base of approximately 20 million tons of bauxite and produced nearly 1.2 million tons per year.

SMHL was operational from 1963 until 1995, when it was closed, resuming its activity in 2006. At this moment, considering that the operational activity at Alum is almost completely stopped, SMHL no longer supplies any kind of raw materials to Alum and has serious difficulties in finding buyers of its bauxite products.

General presentation (III)

The mining activity of SMHL is carried out by its own forces, starting from November 15, 2010, when SMHL terminated the contract with PW Mining International and took control over the mining activities.

The SMHL exploitation activity has been carried out, with some exceptions, without major disruptions until the last period, when the following concerns has been observed:

- **An accelerated depletion of high quality bauxite reserves**
- **A gradually decrease in the quality of the delivered bauxite, certified by laboratory analyzes**
- **A low interest of market players in buying bauxite from this source**
- **Inherent logistic difficulties related to the existing local infrastructure, especially the transport and port infrastructure**

General presentation (IV)

The above considerations generated, in the last couple of years, a negative impact over SMHL, materialized in:

- **Lack of sales contracts for the entire production potential of the mine for the current year, with the consequence of not achieving sufficient incomes to cover expenses**
- **Lack of financial resources to carry out explorations in order to identify safe resources for immediate and future exploitation**
- **The need for significant future investments in order to continue the activity in conditions of commercial efficiency**
- **The accumulation of significant debts towards the external suppliers, the government of Sierra Leone and within the group**
- **The accelerated increase in the risk of insolvency**

General presentation (V)

- **Lack of appetite to finance the mining activities by regional or international banking institutions, caused by the commercial circumstances and the risks associated with the region.**

Considering all the above, it can be seen that the ownership of 100% of the share capital of GAL, especially the actual mine in Sierra Leone, no longer justifies the purposes for which it was acquired, i.e. the achievement of synergies and integration in the Alro production chain.

From this point of view, the executive management and the Board of Directors appreciate that, when the full operations of Alum resume, it will be able to procure the necessary quantities of bauxite, from the international market, at high quality, smaller risk associated and with competitive prices.

Also, the management appreciates that, considering the current financial situation of Alum, it is impossible to financially support SMHL, as there is no clear perspective over the period when situation will recover.

Empowerment (VI)

In view of the above, the Board of Directors considers it appropriate to carry out a sale transaction of 100% of the share capital of the GAL, under the following conditions:

- the sale will be made at a price negotiated with the interested buyer starting from the valuation report of GAL
- GAL is sold in the status in which it is (as "it is") at the time of the transaction, which the buyer has taken note of
- Alum does not provide any guarantees regarding the past, current or future performance of GAL/SMHL or regarding any operations carried out by them
- The buyer will have to take over all the GAL/SMHL obligations existing at the time of the transfer of ownership or born or ascertained later, including debts to the government or to the third parties or/and environmental obligations
- The buyer will have to recognize the existing intragroup debts at the time of the sale of the shares
- The validity of transaction is conditioned by the full payment of the price

According to the Alum by laws, the competence to approve the transaction belongs to the General Shareholders Meeting.

The Board of Directors of the Alum SA proposes to the General Shareholders Meeting to approve the sale of 100% of Global Aluminum Limited share capital and to authorize the Board of Directors to negotiate and sign the appropriate documents necessary to complete the transaction, within the general limits established in this document.