

ASX/MEDIA RELEASE 7 February 2022

INITIAL MINING ACTIVITIES COMMENCE AT AL WASH-HI-MAJAZA PROJECT

Key Highlights

- Mining has commenced at Al Hadeetha Resources LLC's (**AHRL**) Al Wash-hi-Majaza copper-gold project in Oman.
- Pre-stripping of waste from Stage 1 of the project will continue over the March 2022 quarter, with first incidental ore expected to be mined the following quarter.
- Primary contractor Alara Resources LLC (**ARL**) is undertaking this activity, via a subcontract with Al Tasnim Enterprises LLC, Oman.
- The commencement of mining at Al Wash-hi-Majaza has AHRL placed to ramp up annualised production to 0.9Mt¹ by the end of calendar 2022.

Perth, Australia: Alara Resources Limited (ASX: AUQ) ("**Alara**" or "**the Company**"), a base and precious metals explorer and developer with projects in Oman, is pleased to announce the commencement of mining activities at Al Hadeetha Resources LLC's Al Wash-hi-Majaza copper-gold project (**Project**) 51%-owned by Alara.

A formal ceremony celebrating this watershed moment in the development of the Project was attended by board members and senior management of Alara, AHRL, ARL, Al Tasnim Enterprises and BMRC.

The initial mining activities underway comprise pre-stripping of waste from the first stage of Al Wash-hi-Majaza. This work is being undertaken by primary contractor Alara Resources LLC (**ARL**), a joint venture among Alara Resources (35%), South-West Pinnacle Exploration Ltd, India (35%) and Al Tasnim Enterprises LLC Oman (30%). Pre-stripping will continue through the first quarter of calendar 2022.

Ore mining forecast to commence mid calendar 2022

Ore mining is projected to commence during the June 2022 quarter, with consistent ore recovery expected to commence in the last quarter of calendar 2022.

AHRL has prepared a pre-strip schedule, which it plans to deliver over a 10-month period, commencing February 2022 and concluding November 2022. The latter has been premised on an assumed plant commissioning date and forecast ore requirements for its first three months' operation. The quantity of material mined over the 10-month pre-stripping period is forecast to be 4.27Mt. Over the first three months of this period, the projected total mining quantity is 260Kt. During this period, 15.6Kt of ore is expected to be mined.

¹ Alara's ASX Announcements dated 1 April 2016 (Definitive Feasibility Study results initial announcement), 24 January 2017 (DFS update), 28 June 2018 (NPV update) and 29 March and 7 April 2021 (NPV updates) contain the information required by ASX Listing Rule 5.16 regarding the production target. All material assumptions underpinning the production target as announced on those dates continue to apply and have not materially changed, except to the extent that a relevant assumption in an earlier announcement referred to above has been updated by an assumption in a later announcement referred to.

Key milestones in the pre-stripping and production development stage at the Project are:

- Creation of initial benches required for continuous ore production,
- Establishment of operating ramps, haul roads, waste dump plus run-of-mine (**ROM**) pad and ore stockpiles,
- Generation of waste material required for ROM pad, plant and infrastructure construction,
- The build-up of mill feed stock for the pending commissioning of plant, and
- The production development stage, currently forecast to start from December 2022.

Based on ore production delivered during pre-stripping period now commenced, set to extend across the March and June 2022 quarters, the mining schedule for Al Wash-hi-Majaza may potentially be updated over the months ahead.

A new mining fleet has arrived at the Project and is currently being commissioned. Alara expects this equipment to be operational shortly, opening the way for ARL to ramp up the pace of pre-stripping and other development activities at the site.

Alara Managing Director, Atmavireshwar Sthapak said: *“We are thrilled with the continued good progress being made in the development of the Oman-based Al Wash-hi-Majaza copper project. With initial mining activities, including pre-stripping of waste material, now underway, the project is just months away from becoming an ore-producing mine. An added bonus is that Alara Resources LLC (ARL), an Alara joint venture company in Oman, has been contracted to undertake these works. This contract demonstrates that ARL, in which Alara holds a 35% stake, is establishing itself as major exploration and mining service provider in Middle East. We look forward to updating investors on both these mining activities and initial ore production flowing as a result over coming months.”*

Photos from the mining activities commencement ceremony follow.



Attendees at the formal ground-breaking ceremony were (from left) Ms Fatima Said Alhadidi and Ms Kholood Nour-Addin Alfarsi (BMRC), Fadi Zenaty and Mahesh Raheja (Senior GMs, ARL), Atmavireshwar Sthapak (MD, Alara), Vikas Jain (Board Member, Alara and ARL), Farrokh J Masani and Mohit Jagnani (Al Tasnim Enterprises), Avigyan Bera (CEO, AHRL), Rixin Kamilas (Sr Manager, Alara), Amjad Nasser Al Sharji (Health, Safety, Environment & Community, AHRL).



Attendees at the ceremony marking the commencement of initial mining activities at Al Wash-hi-Majaza. (From left) Raja Vangala Pudi (Mining Engineer and Safety Officer, Al Tasnim), Rexin Kamilas, Fadi Zenaty, Bilal Jawed (Progesys), Mahesh Raheja, Avigyan Bera, Farrokh J Masani, Mohit Jagnani, Vikas Jain, Atmavireshwar Sthapak, Kholood Nour-Addin Alfarsi and Fatima Said Alhadidi.



Alara Board Member Vikas Jain (far left) with key AHRL and ARL management

The next four photos show topsoil removal getting underway at the Al Wash-hi-Majaza mine site.





ENDS

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based precious and base metals explorer and developer, with projects in Oman and Saudi Arabia.

Alara's active projects in Oman are the Al Wash-hi Majaza Copper-Gold mining licence and Mullaq, Al Ajal exploration licences under the Al Hadeetha JV and the Block 7 exploration licence under the Daris JV. Alara maintains an interest in the Khnaiguiyah Zinc-Copper project in Saudi Arabia, with a Feasibility Study completed endeavours to secure a mining licence re-issue underway.

Alara is currently focused on developing the Al Wash-hi Majaza Copper-Gold project in Oman, where it is in the process of constructing copper-gold mining and processing facilities. The Company is also continuing exploration activities at its other Oman projects.

Alara's mission is to become a mid-tier minerals producer which will deliver maximum shareholder value through profitable growth driven by low-cost and sustainable operations.

To learn more, please visit: www.alararesources.com