

ASX Code: AUQ

#### DIRECTORS

Stephen Gethin

Non-Executive Chairman

Atmavireshwar Sthapak

Managing Director

Vikas Jain

Non-Executive

Director

Sanjeev Kumar

Non-Executive Director

Devaki Khimji

Non-Executive

Director

Farrokh Masani

Alternate Director for

Devaki Khimji

#### COMPANY SECRETARY

Dinesh Aggarwal

#### CHIEF FINANCIAL OFFICER

Dinesh Aggarwal

## 31 December 2022

## Key Highlights

- A number of additional key milestones in the construction stage of Alara's Al Wash-hi-Majaza Copper-Gold Joint Venture (JV) Project were successfully delivered in the December 2022 quarter (Q2 FY23). These milestones included:
  - Delivery onsite of critical equipment consignments
  - Continued electrical work at the primary substation
  - The commencement of construction at the existing sewage treatment plant located at the Haya Water site.
- After quarter's end, construction of the Project's high-tech, onsite geochemistry testing laboratory was completed.
- The JV remains on track to deliver the Project early in the June 2023 quarter.
- Just after the end of Alara's Q2 FY23, the JV announced that the first high-grade copper sulphide ore had been mined at the Wash-hi Majaza mine.
- High-grade copper sulphide ore - pyrite, chalcopyrite and (+/-) bornite – were exposed at 430 SRL in the Wash-hi pit.
- Mineralisation appears to be disseminated type fracture filled to semi massive in nature, chalcopyrite-rich, high-grade vein within pyrite-rich basalt.

**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 its Quarterly Activities Report for the quarter ended 31 December 2022 (Q2 FY23) along with the following financial and operational update.

### Recent Al Wash-hi-Majaza JV Project construction milestones

The construction phase of the Al Wash-hi-Majaza Copper-Gold Joint Venture (JV) Project (Project) was further progressed in Alara's Q2 FY23. This period saw:

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6021, Australia

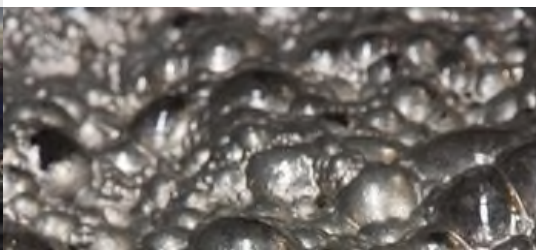
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m. ABN: 27 122 892 710



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- Delivery onsite of key equipment consignments from Takraf, Matec, Stratgem and Metso, which included components for the thickener, pressure filters, hydraulic units, regrinding mill and dust collectors.
- Continued electrical work at the primary substation, ensuring that the handover date for this integral part of the Project's infrastructure package was delivered ahead of quarter-end .
- Construction activities commence at the existing sewage treatment plant located at the Haya Water site in the Al Mudhaibi township. This work, undertaken as part of a public-private partnership, will supply Wash-hi Majaza Project with 1,200 cubic metres of water per day.

Soon after quarter's end, Alara announced that construction of the Project's high-tech, onsite geochemistry testing laboratory had been completed, with the facility fully operational.

#### High grade copper sulphide identified at Wash-hi JV Project

At the same time, development of the Wash-hi mine pit itself has been further progressed over recent months. Just after the end of Alara's Q2 FY23 reporting period, Alara updated the market on mine pit-related developments with:

- The continuation of stripping of overburden and oxide/gossan ore, taking this work to a current depth of 25 metres below surface.
- High-grade copper sulphide ore encountered at shallow levels in the JV Project's mine pit.
- Host rock of mineralized basalt containing observed sulphide minerals, specifically pyrite, chalcopyrite and (+/-) bornite. This mineralisation appears to be disseminated type fracture filled to semi massive in nature, chalcopyrite-rich, high-grade vein within pyrite-rich basalt.

#### Licenses for other Oman-based projects remain under review

License applications and renewals for Alara's other Oman-based projects are still pending:

- **Daris Copper-Gold Project (Oman):** The Omani Ministry of Energy and Minerals (OMEM) continued to review the application for the Daris East mining license.
- **Awtad Copper-Gold Project (Oman):** An application to renew the exploration license remains under consideration by OMEM.



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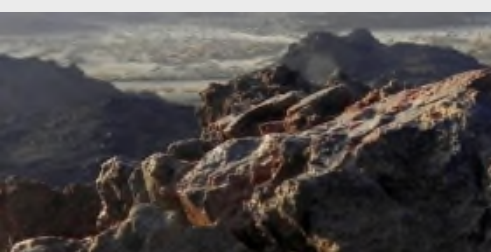
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**Alara Resources Managing Director Atmavireshwar Sthapak said:** “We were delighted by the progress made across a wide range of construction activities at the AI Wash-hi Majaza Project over the December 2022 quarter. Alara’s staff together with those of our JV partners completed a range of foundation and backfilling tasks that ensured key equipment consignments arriving on site were promptly put in place. The end-result from this hive of construction activity is that the AHRL JV remains on track to deliver the AI Wash-hi Majaza Project early in the June 2023 quarter.

An impressive list of construction tasks progressed and completed by the JV’s workforce over late calendar year 2022 into early 2023. It included the electrical substation, which was handed over to AHRL in late December 2022, well ahead of its target completion date, and the Project’s high-tech, onsite geochemistry testing laboratory, which is now fully operational. In another exciting development, we commenced water infrastructure upgrade work that will provide the process water supply needed over the entire life of the mine. And the latter work also has favourable ESG ramifications – it delivers long-term benefits to the local community and helps reduce Oman’s dependence on ground and desalinated water, providing a clear-cut positive environmental payoff.

In an exciting development just after quarter’s end, we informed the market that high-grade copper sulphide ore had been encountered when developing the Wash-hi mine pit.

With the completion date of the Project now in clear sight, we are much closer to that day when Alara will start generating a material revenue stream from copper production entering a market with still favourable demand/supply dynamics. Over the coming months, we look forward to keeping investors updated on the delivery of the final stages of the AI Wash-hi Majaza mine’s construction phase and the eagerly awaited commissioning stage that will follow soon thereafter.”



## Oman Activity

### Project Developments

The Wash-hi-Majaza Copper-Gold Project consists of one Mining License (Al Wash-hi-Majaza) and three Exploration Licenses (Al Wash-hi-Majaza, Mullaq and Al Ajal).

### Oman Project Construction Update

#### Al Hadeetha Copper-Gold Project

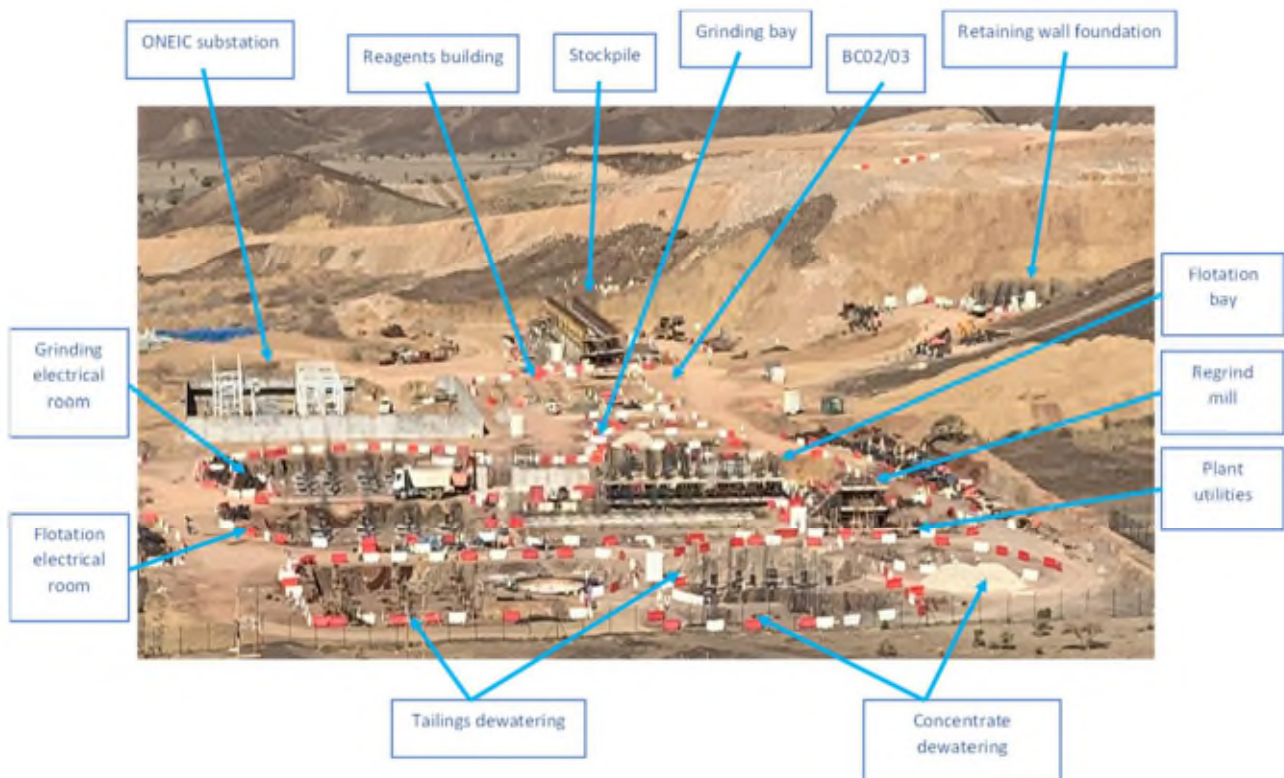
Oman

(Alara – 51%; Al Hadeetha Investments LLC – 30%; Al Tasnim Infrastructure Services LLC 19% (AHRL))

Excellent progress was made in the construction of Alara’s 51%-owned Al Wash-hi-Majaza Copper-Gold joint venture project (**Project**) during the Q2 FY23 reporting period.

In mid-October 2022 key equipment consignments arrived on site from Takraf, Matec, Stratgem and Metso Outotec. Equipment delivered included components for the thickener, pressure filters, hydraulic units, regrinding mill and dust collectors (see Alara’s ASX announcement dated 18 October 2022).

The following images depict a visual overview of progress made by the AHRL JV partners in the Project construction phase to that time.



**Figure 1: Aerial view of mine site infrastructure at Al Wash-hi Majaza**

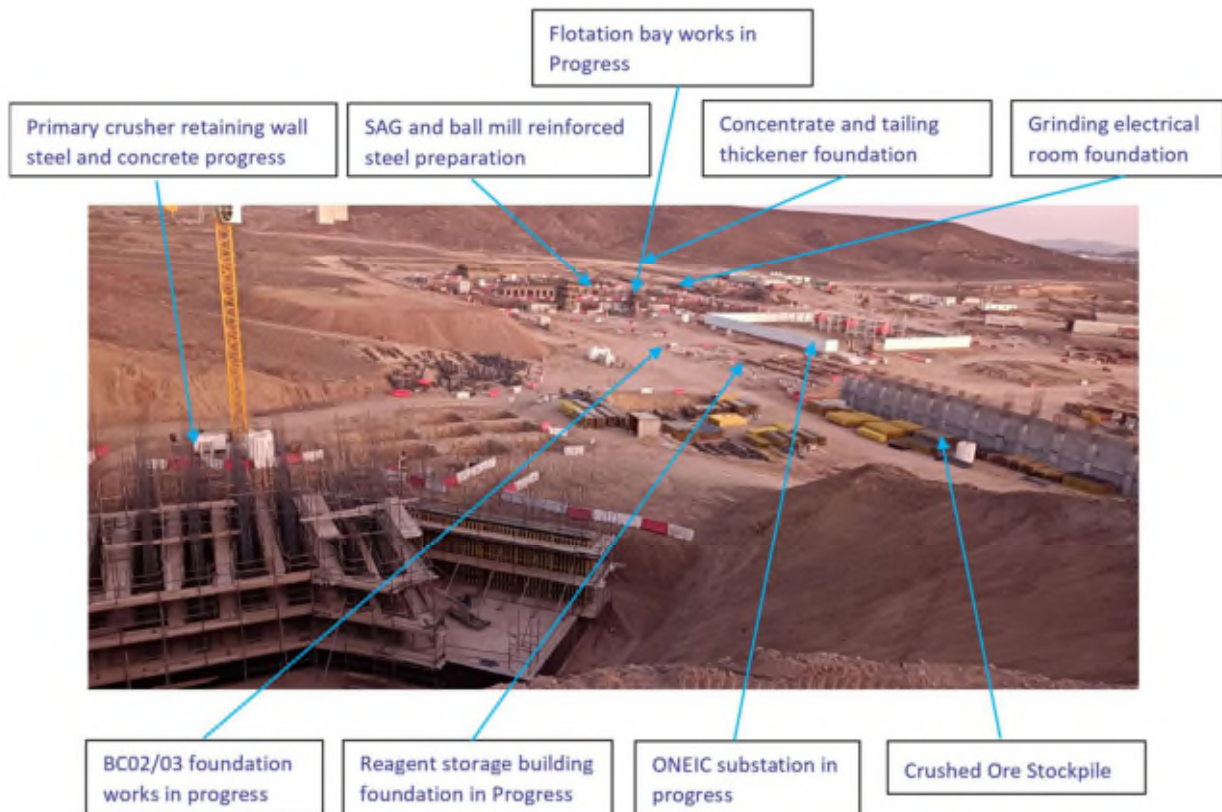


**Figure 2: Aerial view of plant construction site and mine pit (top left)**

Key Project works completed in November to December 2022 included:

- the primary electrical substation;
- major retaining walls, various foundations (including SAG mill, regrind and ball mill, flotation cell, reagent tank and tailings filter tank foundations); and
- copper concentrate thickener erection works.

The following image gives a visual overview of the state of Project development in late November.



**Figure 3: Project construction progress November 2022**

In early December 2022, construction activities commenced at the existing sewage treatment plant located at the Haya Water site in the Al Mudhaibi township to supply Wash-hi Majaza Project with 1,200 cubic metres of water per day. The work, expected to be completed in the March 2023 quarter, is being undertaken as part of a public-private partnership which incorporates a water supply agreement (see Alara’s ASX announcement dated 5 December 2022).



**Figure 4: Tank excavation works at the Haya Water site**

These works are being carried out in fulfillment of an agreement between AHRL and Oman Water & Wastewater Services Company SAOC (**OWWSC**) which secures the critical process water supply for the duration of the Al Wash-hi Majaza Copper-Gold Project. Key highlights of the agreement are:

- OWWSC will provide daily water supply to AHRL's copper concentrator plant via its sewage treatment plants (STPs) located near the Project site.
- The water will be priced at a fixed rate for the first five (5) years of the agreement.
- AHRL will upgrade the capacity of an STP near the Al Mudhaibi township to 1800 cubic metres per day.
- AHRL's investment in the STP upgrade will be recovered over the life of the agreement via water charge discounts.
- Ownership of the upgraded STP will ultimately be transferred to OWWSC.
- AHRL will transport the water from the STP to the Al Wash-hi Majaza Copper-Gold Project site.

A number of key milestones in the STP upgrade project were promptly delivered post the signing of the agreement. The engineering, procurement and construction contract was awarded to a local company. Design and drawing requirements were settled with Haya, major equipment approvals obtained and all process equipment ordered, with construction activities now underway.

In another important development, after the end of the December 2022 Quarter construction of the Project's high-tech, onsite geochemistry testing laboratory was complete, with the facility fully operational (see Alara's ASX announcement dated 23 January 2023).

The new geochemistry testing laboratory serves as a multifunctional testing facility. It houses state-of-art machinery and a team of highly competent and experienced technical staff which will together produce mineral samples which meet precise form, size and weight requirements. Lab equipment includes a wide range of cutting-edge technology and sophisticated analysis equipment, such as inductively coupled plasma optical emission spectroscopy (ICP-OES), energy dispersive X-ray fluorescence (EDXRF) spectrometry and wavelength dispersive X-ray fluorescence (WDXRF) spectroscopy.

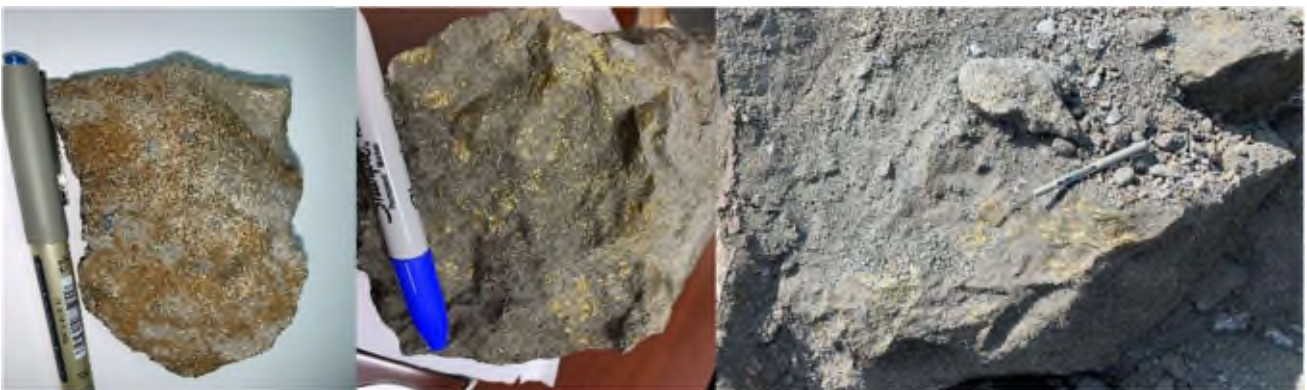


**Figure 5: Exterior and interior of onsite laboratory**

### **Mine pit development continues, delivering high-grade mineralisation**

Also after quarter's end, Alara provided an update on the stripping of overburden and oxide/gossan ore in the Project's mine-pit, with this work at a current depth of 25 metres below surface (see Alara's ASX announcement dated 17 January 2023).

High-grade copper-sulphide ore was encountered at shallow levels in the JV Project's mine pit. Host rock of mineralized basalt contained observed sulphide minerals, specifically pyrite, chalcopyrite and (+/-) bornite. These activities indicated that this mineralisation appears to be disseminated type fracture filled to semi massive in nature, chalcopyrite-rich, high-grade vein within pyrite-rich basalt.



**Figure 6: Sulphide ore in Wash-hi pit**

## **Daris Copper-Gold Project**

**Oman**

*(Alara – 50%: Al Tamman Trading Establishment LLC – 50% of Daris Resources LLC (DRL))*

The Daris project comprises two high-grade copper deposits within the 587km<sup>2</sup> exploration license, which includes two mining license applications covering 4.5km<sup>2</sup>. This project fits well with Alara's preferred "hub and spoke" model, which provides for processing of Daris ore at the Wash-hi-Majaza copper concentration plant under construction.

The Daris East Mining License application, which covers an area that includes measured, indicated and inferred JORC copper resources<sup>1</sup>, was opposed by the Ministry of Housing due to its proximity to recently allotted land. Review of a petition supporting the application lodged by Daris is now underway at the Ministry of Energy and Minerals and survey work has been proposed to resolve the objection from the Ministry.

The Daris 3A5 Mining License application is progressing with the Government.

<sup>1</sup> The Company has disclosed full details of these resources to investors on various occasions in a form which complies with the 2012 edition of the JORC Code. See, for example, the Company's 2019 Annual Report to shareholders, pp 14-45 and 72-73.

## Awtad Copper-Gold Project

Oman

(Alara has an initial right to subscribe for 10% of this project, with a subsequent earn in up to 70%+, with existing local shareholders holding the balance of Awtad Copper LLC)

The Awtad Project comprises an area of approximately 497 km<sup>2</sup> (Block 8) and is located immediately adjacent to the Block 7 (Daris Copper-Gold Project).

Exploration previously undertaken at this project includes:

- 86-line kilometres of airborne VTEM, 14-line kilometres of ground IP, 169-line kilometres of ground magnetics and 202-line kilometres of high-resolution ground magnetics.
- 76 RAB drill holes totalling 1,747m and 11 core drill holes totalling 299m.
- Drilling results (including some undertaken across the Al Mansur Prospect) were low grade in general and inconclusive.

Previous exploration identified anomalies worthy of further exploration. The fact that prospective geological formations within the license area are under cover of alluvial and aeolian deposits enhances the chances of further copper mineralisation.

Detailed work plans have been submitted to the Ministry of Energy and Minerals for renewal of the exploration license, which currently remains pending.

### Mineral Tenements

The current status of all mineral tenements and applications for the Daris and Awtad Projects are presented in the table below.

Block Name	License Owner	Alara JV Interest	Area	Exploration License			Mining Licenses within EL		
				Grant Date	Expiry Date	Status	Area	Application Date	Status
Block 7	Al Tamman Trading and Est. LLC	50%	587km <sup>2</sup>	Nov 2009	Feb 2016	Active <sup>2</sup>	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%+)	497km <sup>2</sup>	Nov 2009	Oct 2013	Renewal pending	NA	NA	NA

**Table 1 Daris and Awtad mineral tenement and application status**

### Alara Resources LLC (ARL)

Alara Resources LLC (**ARL**) has two drill rigs and associated accessories and regularly tenders for, and is awarded, mineral drilling contracts with other resource companies in Oman. ARL is registered as an approved services provider to Minerals Development of Oman Company (**MDO**) the Omani Government's exploration and mining company.

## Expenditure Summaries

### Mining production and development

During the quarter, the consolidated entity incurred expenditure of \$10,071,000 on mining production and development activities.

### Mining exploration

During the quarter, the consolidated entity incurred expenditure of \$NIL on mining exploration activities.

## Related-Party Payments

### Director's remuneration

<sup>2</sup> Pursuant to Ministerial Decree 38/2013 which provides that an exploration license ends when its term ends unless the licensee applies for a mining license. In that case, the period for the exploration license is extended until the date that a decision is made on the mining license.



During the quarter, the consolidated entity made payments totalling \$128,000 to related parties, as disclosed in item 6.1 in the Company's Appendix 5B. These payments were for Directors' remuneration. No other payment was made to any related party or the associate of a related party.

## Expected Developments in March 2023 Quarter

Expected developments in the current quarter include:

- Continued progress in the construction of the Wash-hi–Majaza Project engineering assets.
- Further efforts to pursue the issue of a Mining License over the Daris Resources LLC exploration license and mineralisation within Block 7.
- Assisting Awtad Copper LLC in its endeavours to secure the issue of the exploration license for the Awtad Copper-Gold Project.

## Tenement Status

### Oman Copper-Gold Projects

Alara has joint venture interests in five copper-gold deposits located within five Exploration Licenses in Oman extending over 1,200km<sup>2</sup>.

The Al Wash-hi–Majaza/Mullaq<sup>3</sup> prospects are located approximately 160km south-southwest of Muscat (the capital of Oman) and the Al Ajal Prospect is located about 65km southwest of the capital. The Daris Copper-Gold Project<sup>4</sup> is located approximately 150km west of Muscat. Both projects are located close to high-quality bitumen roads.

### Wash-hi–Majaza Copper-Gold Project

The current status of all licenses/applications for this project is presented in the table below:

License Name	License Owner	Alara JV Interest	Area	Date of Grant	Status	Mining Area	Date Applied	Status
Wash-hi–Majaza ML 10003075.	Al Hadeetha Resources LLC	51%	39km <sup>2</sup>	Jan 2008	Active	3km <sup>2</sup>	2013	Active
Mullaq	Al Hadeetha Resources LLC	51%	41km <sup>2</sup>	Oct 2009	Active <sup>3</sup>	1km <sup>2</sup>	Jan 2013	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km <sup>2</sup>	Jan 2008	Active	1.5km <sup>2</sup>	Jan 2013	Pending

### Daris and Awtad Copper-Gold Projects

The current status of all licenses/applications for this project is presented in the table below:

License Name	License Owner	Alara JV Interest	Area	Date of Grant	Status	Mining Area	Date Applied	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn up to 70%)	587km <sup>2</sup>	Nov 2009	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km <sup>2</sup>	Nov 2009	Renewal	NA	NA	NA
						pending		

\* Pursuant to Ministerial decree (38/2013) which declares that the exploration license ends when its duration ends, unless the licensee has submitted an application for a mining license, in which case the duration for the exploration license extends until the date that a determination is made on the mining application.

<sup>3</sup> Pursuant to Ministerial Decree 38/2013 which provides that an exploration license ends when its term ends unless the licensee applies for a mining license. In that case, the period for the exploration license is extended until the date that a decision is made on the mining license.

## Additional Tenement Information

### Mining tenement disposals and acquisitions

The consolidated entity did not acquire or dispose of any interest in any mineral tenement during the quarter.

### Farm-in and farm-out agreements

The consolidated entity did not enter or terminate any farm-in or farm-out agreement during the quarter. The consolidated entity holds its percentage interests in the mineral tenements disclosed under the heading *Daris and Awtad Copper-Gold Projects* under farm-in agreements with the respective License Owners disclosed there.

## Securities Information

As at 27 Jan 2023

### Issued Securities

	Fully paid shares quoted on ASX	Listed options	Unlisted options	Total
	718,087,541	-	-	
<b>Total</b>	<b>718,087,541</b>	<b>-</b>	<b>-</b>	<b>718,087,541</b>

### Distribution of Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	855	275,740	0.038%
1,001 - 5,000	247	579,034	0.081%
5,001 - 10,000	154	1,281,367	0.178%
10,001 - 100,000	450	17,580,640	2.448%
100,001 - and over	269	698,370,760	97.254%
<b>Total</b>	<b>1,970</b>	<b>718,087,541</b>	<b>100%</b>

### Forward-looking statements

This report contains “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral resources, and studies. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results.

The purpose of forward-looking information is to provide readers with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and copper, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

**END**

**This announcement is authorised by:**

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Dinesh Aggarwal <b>Company Secretary</b>	<b>T</b>   +61 8 9240 4211 <b>E</b>   cosec@alararesources.com

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Julia Maguire <b>The Capital Network</b>	<b>T</b>   +61 2 8999 3699 <b>E</b>   julia@thecapitalnetwork.com.au
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**About Alara Resources**

Alara Resources Limited (ASX: AUQ) is an Australian-based precious and base metals explorer and developer.

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, the Block 7 exploration licence under the Daris JV and the Mullaq and Al Ajal exploration licences under the Al Hadeetha JV.

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

To learn more, please visit: [www.alararesources.com](http://www.alararesources.com).

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALARA RESOURCES LIMITED

ABN

27 122 892 719

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(9,631)	(27,043)
(c) production	-	-
(d) staff costs	(225)	(480)
(e) administration and corporate costs	(215)	(493)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(10,071)</b>	<b>(28,015)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1,437)	(1,440)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments		
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,437)</b>	<b>(1,440)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	120
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(4)
3.5	Proceeds from borrowings	11,359	29,883
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>11,356</b>	<b>29,999</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,237	2,450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,071)	(28,015)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,437)	(1,440)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,356	29,999

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(76)	15
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,009</b>	<b>3,009</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,007	3,235
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Petty Cash)	2	2
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,009</b>	<b>3,237</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

1) The amount in 6.1 is comprised of Directors' salaries, fees and entitlements of A\$128,278

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities– Al Hadeetha Investments LLC	2,933	768
Loan facilities – Sohar International Bank	72,156	47,432
7.2 Credit standby arrangements		-
7.3 Other (please specify)		-
<b>7.4 Total financing facilities</b>	<b>75,089</b>	<b>48,200</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>26,889</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p><b>7.1.</b> Pursuant to the Shareholders' Agreement with Al Hadeetha Investments LLC (AHI), Al Hadeetha Resources LLC (AHR) (a controlled entity of Alara Resources Limited) executed a Loan Agreement of up to USD 2 million with AHI on 16 April 2017. As at 31st December 2022, the loan balance was OMR 202,213 (A\$767,935). Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of OMR 5,255,027 (A\$19,956,801) from Alara Resources Limited and its controlled entities, which has been eliminated on consolidation of these financial statements) from profits of AHR prior to any dividends being issued to the shareholders of AHR, or in the event that AHI ceases to be a shareholder of AHR. AHI and/or Alara Resources Limited may elect to convert all or part of the loan into equity in AHR.</p> <p><b>7.2.</b> The Company's 51% owned joint-venture vehicle Al Hadeetha Resources LLC (AHRL) has accepted an offer from Sohar International Bank for finance of OMR 19 million (AUD 72.16 million). The profit rate for the Sohar Loan is 6.5% per annum for amounts drawn in OMR and 5.15% per annum for amounts drawn in USD, variable. The Sohar Loan has a term of 9 years and 9 months, including a moratorium period of 2 years and 9 months in which only Interest payable is applicable and the same has been paid on monthly basis.</p> <p>This loan is secured by a legal mortgage over AHR's assets including processing plant, land and buildings.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(10,071)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(10,071)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,009
8.5 Unused finance facilities available at quarter end (item 7.5)	26,889
8.6 Total available funding (item 8.4 + item 8.5)	29,898
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2.97</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31<sup>st</sup> January 2023

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.