

ASX/MEDIA RELEASE

7 March 2022

ALARA PROGRESSES MINING, ENGINEERING AND PROCUREMENT ACTIVITIES AT OMAN COPPER-GOLD PROJECT

Investment highlights

- Alara continues to make significant progress at its joint venture copper-gold project in Oman
- First controlled blast conducted at the mine site
- New contracts awarded, with approximately 70% of procurement now completed
- General construction contracts now awarded.
- Separately, Alara has also been awarded an exploration drilling contract for the Al Rimal limestone project in southern Oman.

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 provide an update on its construction and procurement activities at the Al Hadeetha at the Wash-hi Majaza Copper-Gold Project in Oman. Alara owns a 51 per cent equity interest in the joint venture developing the project.

Pre-production activities commence at mining site

After formal commissioning of pre-stripping of Wash-hi Majaza pit in February 2022, pre-production activities at mine site during the month continued to focus on the following:

- Topsoil over the first cut area of pit stockpiled and stored for post mine rehabilitation
- First blast carried out under the supervision of Royal Oman Police, measuring the vibrations and sound impact over a 1km radius
- Excavation and transport of overburden and construction of waste rock dump platforms
- Extraction of top copper oxide ore and separate storage
- Excavation of 1200m long water diversion channel and settling (decant) tanks
- Construction of haul roads from the pit to ROM pad and waste dumping areas.

The images beginning over the page depict some of the recent progress achieved at the site.



Image 1: First controlled blast at Wash-hi Majaza site



Image 2: First cut mining activities and overburden and limited oxide copper ore removal



Image 3: Waste haulage road constructed



Image 4: Ore haul road under construction



Image 5: Topsoil storage



Image 6: Drilling in progress



Image 7: Water diversion channel

Project procurement 70% complete

Since the Company's previous update, Al Hadeetha Resources LLC continued to draw down on finance, using the capital for a number of new purchase orders and contracts. Total cumulative Capex stands at US\$53.6 million in February 2022 which accounts for about 70% of total procurement packages. The figure over the page provides details of equipment and contracts already ordered/awarded as well as the progress of total procurement.

No	Details package/equipment	Supplier	Country
1	Ball Mill, SAG Mill, Crusher	CITIC	China
2	Rock Breaker	Metso-OT	Finland & India
3	Apron Feeder	L&T	India
4	Pan Feeders	Metso-OT	India
5	Magnetic Separators	ElectroZavod	India
6	Accommodation Cabins Refurbished	Al Tasnim	Oman
7	Accommodation Camp Construction	Al Naba Infrastructure	Oman
8	New Cabins - Dining, Offices etc.	Al Rehwan	Oman
9	Fencing	Al Naba Infrastructure	Oman
10	Conveyors	Al Tasnim	Oman
11	Belt Weigher and Vibrating Screens	Schenck	India
12	Hydrocyclones	Weir	UAE
13	Conveyor safety switches	Smart SAA	India
14	Construction of Access Road	Al Naba Infrastructure	Oman
15	Pressure Filters	Matec	Italy
16	Regrinding Mill	Metso Outotec	USA
17	Electrical Packages - Panels, Motors, Telecom	ABB	India
18	Transformers	Voltamp	Oman
19	Dust Collector	Stratgem Projects	India
20	Powerlines	ONEIC	Oman
21	Agitator	Afromix	SA
22	Sampling and Analyzing System	Metso Outotec	USA
23	Air Compressor	Bin Salim	Oman

No	Details package/equipment	Supplier	Country
24	Froth, Slurry and Sump Pumps	Metso Outotec	Turkey
25	Floatation Cells	Innovator	Poland
26	Air Blower	Continental Industrie	France
27	Plant Control System	CAS (ABB)	India
28	Workshop - Material (Prefab Bldg)	Kirby	Kuwait
	Workshop - Civil and MEP design	DSA	India
	Workshop - Erection	Emmar	Oman
29	Cooling Tower	BEC	Oman
30	Density Meter (Online Instr. Package)	IST Platform	Qatar
31	Furniture Accommodation Cabins	Canary Furniture	Oman
	Furniture Accommodation Cabins	Al Tasnim	Oman
	Office Furniture	Canary Furniture	Oman
	Water Heaters	Concept Intl	Oman
	Air Conditioners	Majid Group	Oman
33	General Construction- Civil Works	Al Naba	Oman
	General Construction- E&I and Mechanical	Al Tasnim	Oman
34	Tanks - Fabrication	Al Tasnim	Oman
35	Structural Steel	Al Tasnim	Oman
36	Project Management	Progesys International LLC	Oman
37	Pre-stripping	Alara Resources LLC	Oman

Figure 1: Equipment ordered/awarded

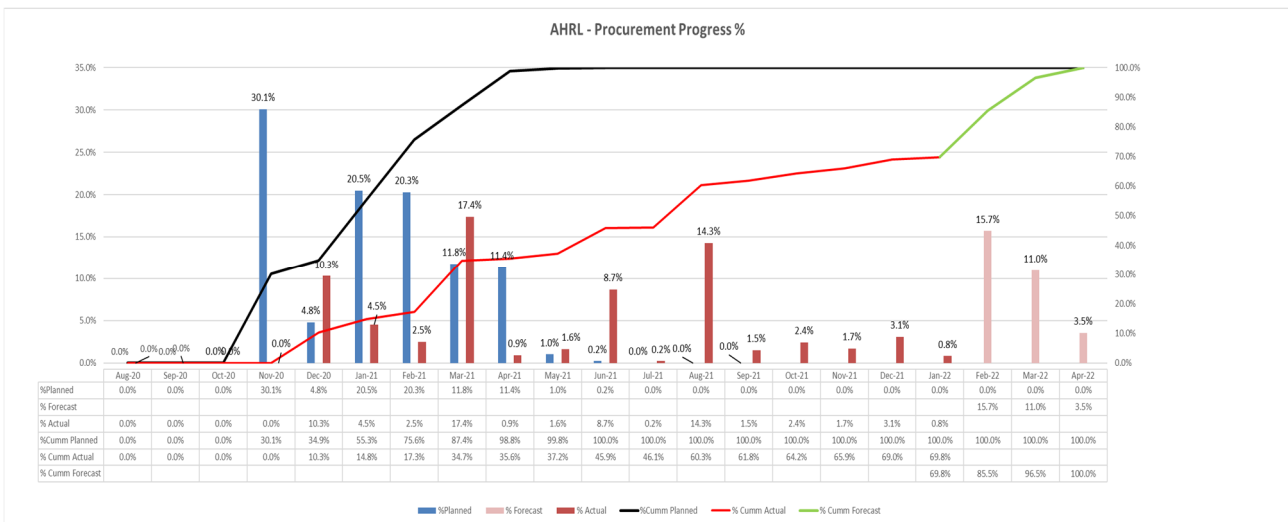


Figure 2: Procurement progress

Project Engineering advances

With progress on ordering plant equipment and availability of key OEM data on equipment specifications advancing detailed engineering to near completion, basic engineering and detailed drawings are being prepared. Civil drawings of the two major areas have been released and structural and tank fabrication drawings are in progress. In addition, a considerable amount of progress has been achieved in vendor drawing/document engineering. Manufacturing of all major items has commenced and inspections have been completed for many key electrical components, such as crushers and several more which are in the pipeline in March.



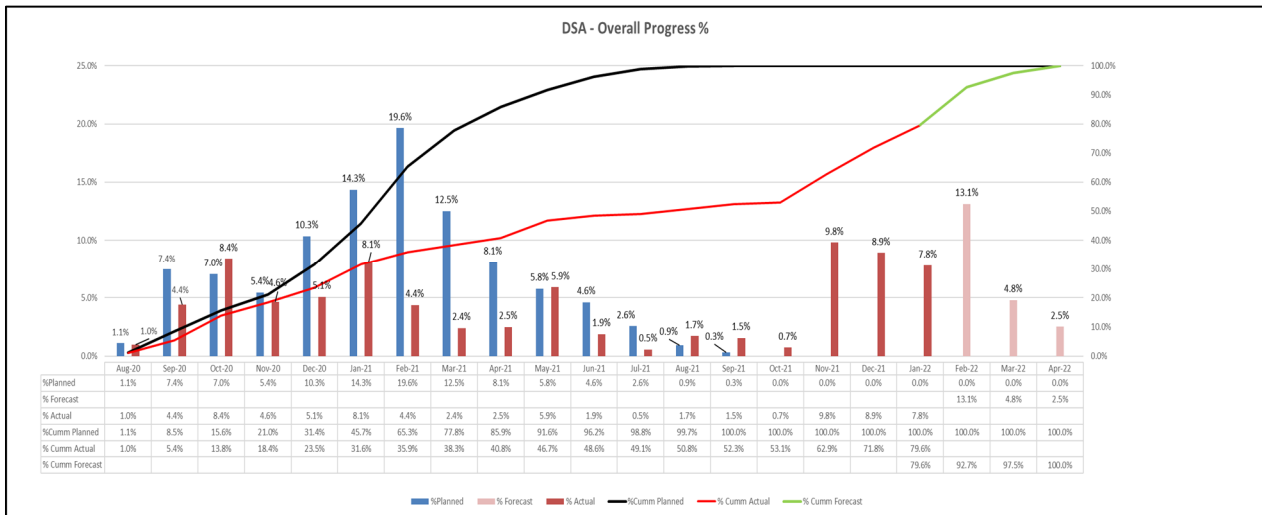


Figure 3: Overall engineering progress

Project general construction contracts have now been awarded and site preparatory works have begun.

Exploration drilling contract

Alara Resources LLC has been awarded an exploration drilling contract at the Al Rimal limestone project in southern Oman. Two drill rigs and crew have been mobilized to the site to complete 3500m of drilling in the first phase.



Image 8: Alara drill rigs make their way to the Al Rimal limestone project

Alara Managing Director Atmavireshwar Sthapak said: “We are very pleased to report the progress we are making across all fronts in Oman. While we have continued to achieve major milestones at Al wash-hi Majaza project’s construction, operations of Alara Resources LLC are also expanding via the securing of external drilling contracts. We look forward to keeping the market updated on our construction of what will be a world-class copper-gold mining project.”

ENDS

This announcement is authorised by:

Atmavireshwar Sthapak **T** | +968 2449 1162
Managing Director **E** | avsthapak@alararesources.com

Dinesh Aggarwal **T** | +61 8 9240 4211
Company Secretary **E** | cosec@alararesources.com

Media enquiries

Julia Maguire **T** | +61 2 8999 3699
The Capital Network **E** | julia@thecapitalnetwork.com.au

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