

ASX Code: AUQ

#### DIRECTORS

**Stephen Gethin**  
Non-Executive Chairman

**Atmavireshwar Sthapak**  
Managing Director

**Vikas Jain**  
Non-Executive Director

**Sanjeev Kumar**  
Non-Executive Director

#### COMPANY SECRETARY

**Dinesh Aggarwal**

#### CHIEF FINANCIAL OFFICER

**Dinesh Aggarwal**

**30 June 2021**

## Summary

- Oman general update
- AHRL Oman Project Execution Update

#### CONTACT DETAILS

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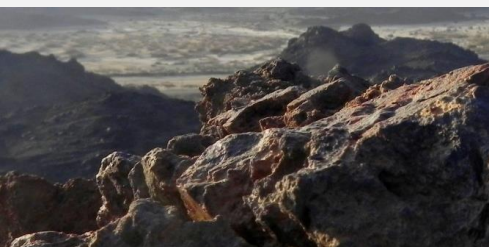
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# Oman Activity Report

## Project Developments

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

## General Oman Update

### COVID-19 impact

As of 25 July 2021, Oman has reported 289,042 cases of COVID-19, 3,498 deaths and 263,752 recoveries. Sudden increase of cases and fatalities compelled authorities to reimpose travel restrictions, close of public and commercial venues and restrict public movement. The country was in total lockdown for the auspicious Eid Holidays.

Travel restrictions to seriously affected countries continue to apply, and institutional quarantine is compulsory for arriving passengers.

Limited Alara personnel were able to work from the Company's offices, however this did not cause a major disruption to the Company's activities.

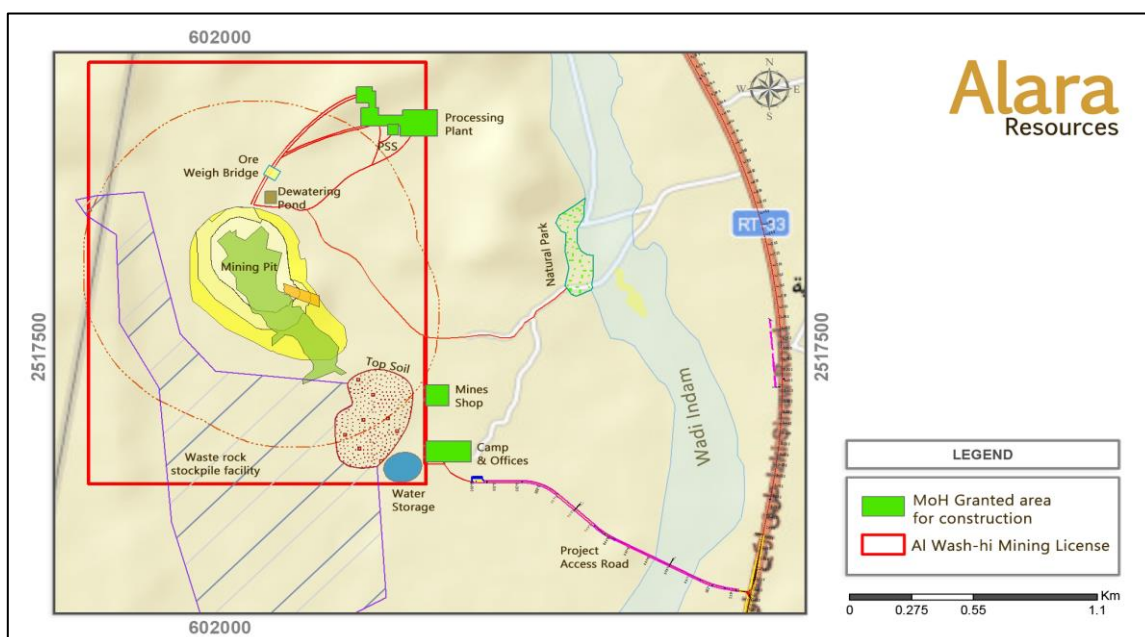
## Washi-hi – Majaza Project activity update

### Additional land grant

The Omani Ministry of Housing (**MoH**) approved the grant of additional land around the Wash-hi – Majaza Mining Licence and granted permission to construct copper processing plant within the license area. Executed lease agreements with MoH provide access to 71,145 sq m of land within and adjacent to the 3 sq km Mining Licence area.

These approvals are required for the construction of facilities, such as the accommodation camp construction offices and other utility structures supporting the copper processing plant to be constructed at the project site. The land holding certificates also permit the establishment of communication towers and power substations required for project construction.

The diagram below shows the proposed layout of the project site:



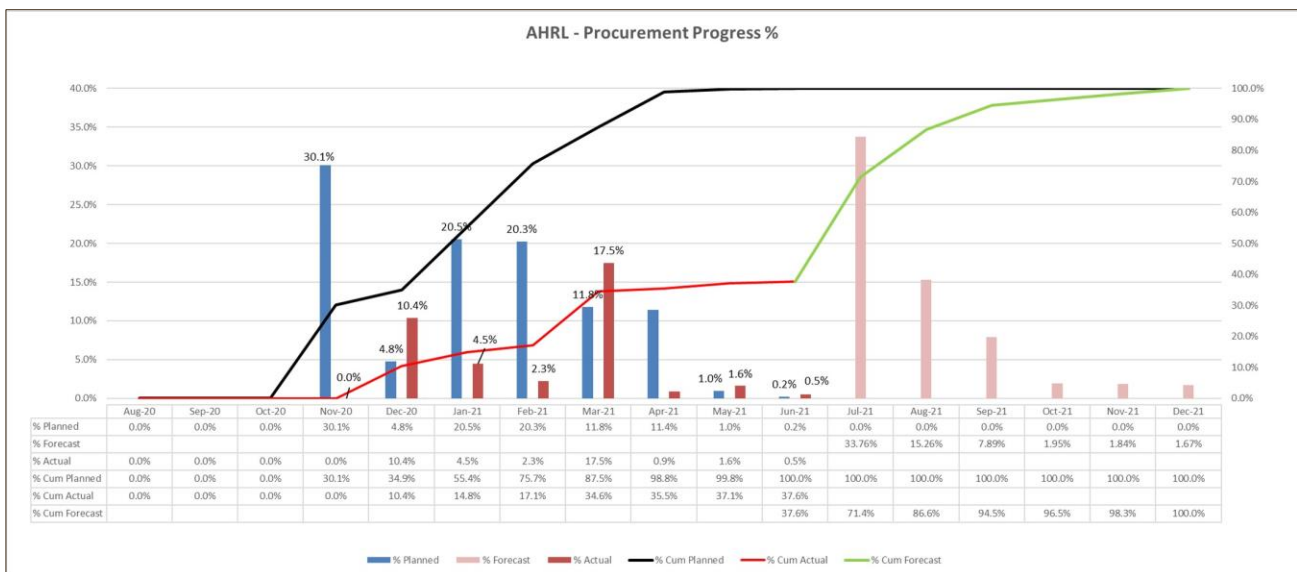
## Project Engineering and Procurement

Cumulative project engineering progress to date is 52.8%, as broken down in more detail in the table below:

Progress Summary	Period Progress		Cumulative Progress		SPI
	Planned	Earned	Planned	Earned	
DSA – Engineering	4.6%	1.9%	96.2%	52.8%	0.5
DSA – Procurement	0.0%	9.4%	100%	72.2%	0.7
AHRL – Procurement	0.2%	0.5%	100%	37.6%	0.4

Engineering progress up to June 2021 was 52.8% vs 96.2% planned.

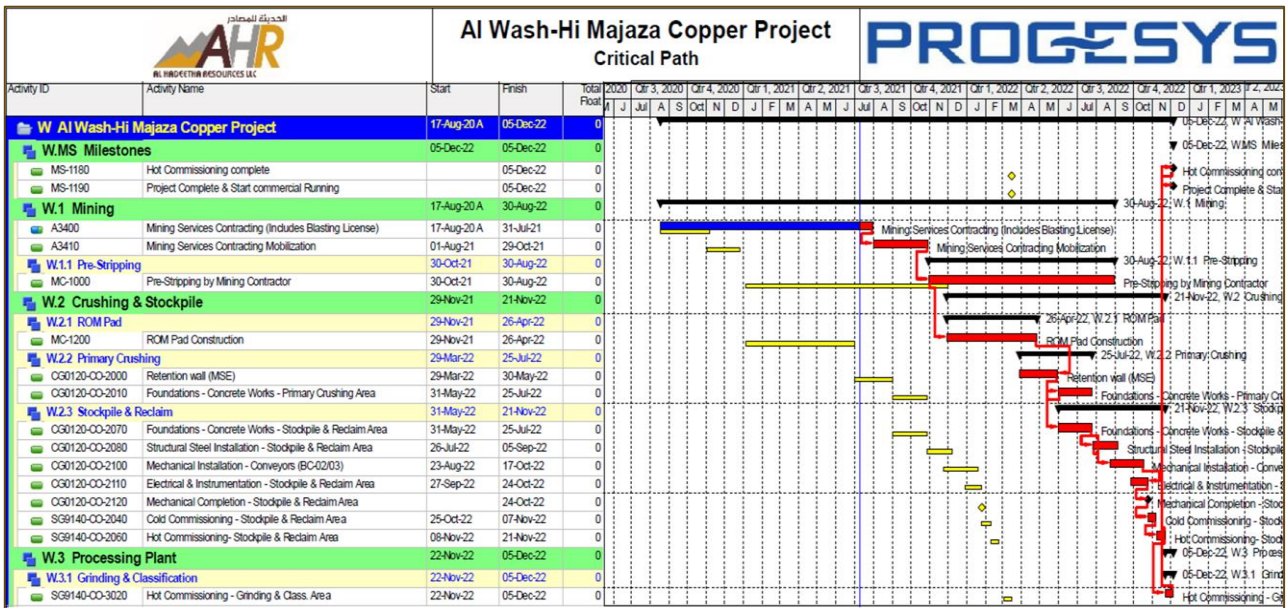
AHRL procurement progress, which covers commercial evaluation and award completions for the period, is 37.6% vs 100% planned, according to the approved baseline of 13 October 2020.



## Milestone Table – planned vs actual

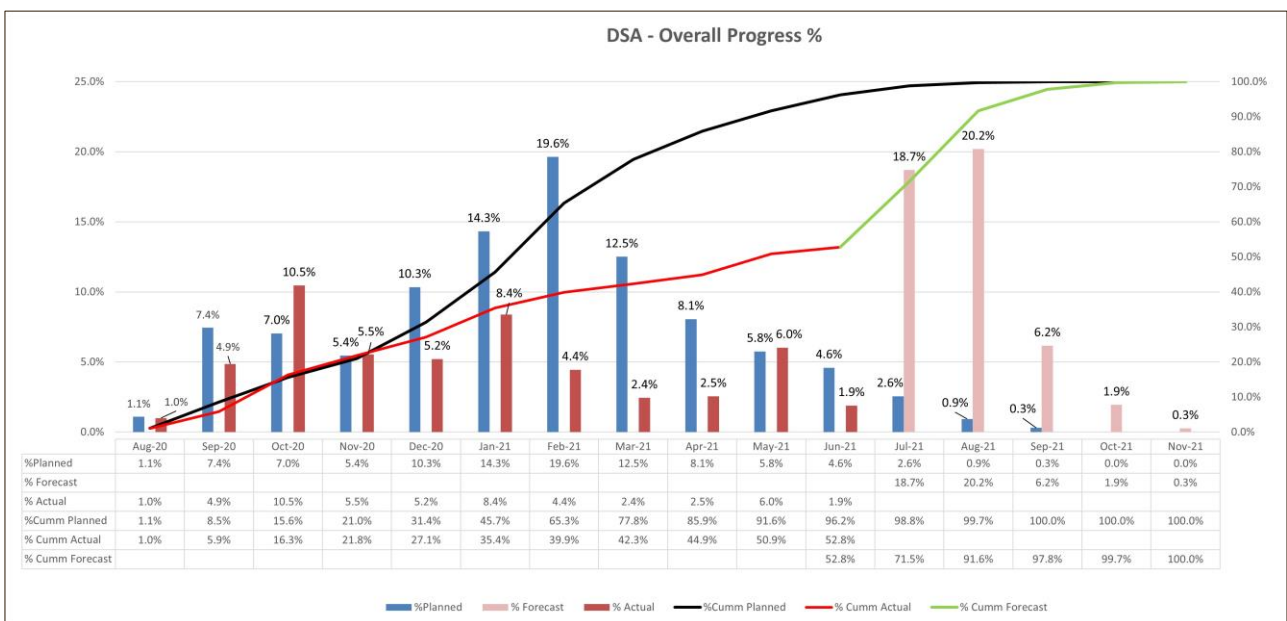
ID	Milestone	Baseline	Forecast	Actual	Var
MS-1000	Project Start	17-Aug -20		12-Aug-20 (A)	
MS-1010	Contracts Award (Progesys & DSA)	17-Aug -20		15-Aug-20 (A)	
MS-1020	Start of Metallurgical test	17-Aug -20		28-Jul-20 (A)	
MS-1040	MET Test - Interim Report	14-Sep-20		11-Aug-20 (A)	
MS-1050	Procurement Packages for CR + Mill Areas complete	20-Oct-20		16-Oct-20 (A)	
MS-1080	PO for CR + Mill issued	08-Dec-20		15-Mar-21 (A)	
MS-1090	Final Report - Metallurgical test	21-Dec-20		09-Feb-21 (A)	
MS-1100	Industrial License obtained	17-Aug-20		04-Oct-20 (A)	
MS-1220	QC/QA Contracts Starting	23-Nov-20		04-Dec-20 (A)	
MS-1030	Detailed Engineering & Procurement complete	26-Nov-21	22-Jun-22		-208
MS-1060	Dry Tailings Permit - Construction	25-Jan-21	25-Nov-21		-304
MS-1070	FEED Complete	29-Jan-21	30-Sep-21		-244
MS-1120	Power Lines EPC Award	11-Mar-21	29-Oct-21		-232
MS-1130	Mine Commissioned	14-Dec-21	19-Sep-22		-279
MS-1140	Start Mining	15-Dec-21	20-Sep-22		-279
MS-1150	Reception of all Equipment complete	07-Dec-21	04-Jul-22		-209
MS-1160	Water Supply & Power Line EPC Complete	14-Jan-22	19-Sep-22		-248
MS-1170	Cold Commissioning complete	01-Mar-22	07-Nov-22		-251
MS-1180	Hot Commissioning complete	15-Mar-22	05-Dec-22		-265
MS-1190	Project Complete & Start commercial Running	15-Mar-22	05-Dec-22		-265
MS-1200	MOH License	07-Dec-20	15-Jul-21		-220
MS-1210	Tailings Management Permit & Environmental License Update Complete	01-Feb-22	17-Feb-22		-16
MS-1230	Exception for Import Duties Complete		12-Jul-21		
MS-2000-FN	Initial Bank Disbursement Approval		20-Jul-21*		

Critical Path



Engineering Contract with DSA – Progress by Discipline

Discipline	Received	Code Number				In review by PMC	DSA overdue
		0	1	2	3		
Mechanical	69	0	25	42	2	0	7
Process	211	0	59	123	27	2	32
Electrical	238	0	110	114	13	1	77
Instrumentation	65	0	32	26	7	0	6
Structural	52	3	17	31	0	1	35
Civil	38	2	12	12	12	0	46
<b>Grand Total</b>	<b>673</b>	<b>5</b>	<b>255</b>	<b>348</b>	<b>61</b>	<b>47</b>	<b>203</b>



## RFQ Dashboard – Summary of Procurement Actions in the reporting Quarter

RFQ issued – Jun 2021	Issued Date
PA6130 – Pre-Engineering Bldgs	22-06-2021
PJ5180 – UPS System & Battery Charger	10-06-2021
PK5160 – CCTV System	14-06-2021

New RFQ for Jul 2021	Forecast Date
PE5400 – Diesel Generator Package	15-07-2021
PJ3105 – Off-Line Instruments	27-07-2021
PJ3110 – On-Line Instruments	27-07-2021
PJ3150 – Junction Boxes & Erection	12-07-2021
CM0110 – Tanks Fabrication & Erection	15-07-2021
PM0330 – Cranes & Hoists	27-07-2021
PM0335 – Tower Crane	13-08-2021
PM0350 – Fire Protection System	15-07-2021
PM2285 – Radial Stacker Conveyor	19-07-2021
PM6360 – Laboratory Equipment & Items	13-08-2021

### Comparative Statements

Stakeholder approvals have been received on supplier selection, price and all commercial terms and conditions in respect of the following project infrastructure modules.

#### **Completed**

1. Mill Package
2. Crusher Package
3. Magnetic Separators
4. Rock Breakers
5. Apron Feeders
6. Pan Feeders
7. Conveyor Package
8. Camp & Site Office Facilities
9. Vibrating Screens
10. Belt Weighers
11. Dust Collectors
12. Safety Witches
13. Weighbridge
14. Re grind Mill
15. Hydro cyclone
16. All Process Slurry Pumps
17. Road Works
18. Porta Cabins
19. Filters
20. Flotation Cells
21. Thickeners
22. Complete Electrical System

## Health, Safety and Environment

The Project Health, Safety and Environment (**HSE**) team, working with the Project Management Consultant (**PMC**) has commenced preparation of HSE documentation to support the safe construction of Project facilities.

Documents	Total Planned	Completed	In Progress
Manuals	1	0	1
Procedures	28	25	3
Policies	1	1	0
Forms	16	16	0
Risk Assessments	1	0	1
Checklists	19	19	0
<b>Total Documents</b>	<b>66</b>	<b>61</b>	<b>5</b>

## Water Supply

The proposal received from Haya Water to supply water at a fixed rate. Haya has also indicated that any surplus available treated water will be available solely for the project.

Negotiations are underway with Haya, with support from ISFU and MOCI, to finalise the water supply contract, based on the following:

- Proposed upgrade of the Mudhaibi Sewage Treatment Plant,
- Fixing the price of water for 10 years.

## Power Supply

Based on the consultants' design and project power requirements, AHRL received tenders from approved/registered contractors. Due to higher-than-expected prices received in tenders, the AHRL team has initiated dialogue with the power supplier MZEC to determine ways to reduce power supply capex. It will not necessarily be possible to achieve significant cost savings on this item, however.

## Road Connectivity

All approvals have been granted, including MoTC and ROP, and the project is ready for construction after contract award. The contractor has been asked to initiate site preparation works based on the LOI already issued.

## SAP Implementation at AHRL

Finance, material management and PS module implementations have been completed.

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## Oman Copper Consolidation

The Company is actively pursuing opportunities and discussions are underway for consolidation of copper projects involving the Daris and Block 8 licenses in Oman.

## Alara Resources LLC (ARL)

ARL's first mining contract is with Al Hadeetha Resources LLC, as detailed above. Tender proposals have been prepared and submitted to other prospective contractors.

ARL has submitted a tender to a major Omani industrial mineral company for an exploration drilling contract.

## Alara Operations LLC (AOL)

The Management Services Agreement between Al Hadeetha Resources LLC and Alara Resources LLC have now been transferred to Alara Operations LLC. The purpose of this transfer is to bring the Management Services Agreement back within the Alara consolidated entity.

## Expenditure Summaries

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### Mining production and development

During the quarter, the consolidated entity incurred expenditure of \$307,000 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

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### Director's remuneration

During the Quarter, the consolidated entity made payments totalling \$100,000 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.

## Next Quarter

Expected developments in the next Quarter include:

- Continue with Wash-hi – Majaza project engineering and begin placing procurement orders for major equipment.
- Pursue grant of Mining Licence over Daris Resources LLC exploration licence and mineralisation within Block 7.
- Evaluate the status of, and possibilities to progress, the Khnaiguiyah Project in Saudi Arabia.

## Tenement Status

### Oman Copper-Gold Projects

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

The Al Wash-hi – Majaza/Mullaq<sup>1</sup> prospects are located approx. 160km south-southwest of Muscat (the capital of Oman) and the Al Ajal Prospect is located about 65 km southwest of the capital. The Daris Copper-Gold Project<sup>2</sup> is located approx. 150km west of Muscat. Both projects are located close to high-quality bitumen roads.

### Al Hadeetha Copper-Gold Project

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

Licence Name	Licence Owner	Alara JV Interest	Exploration Area	Date of Grant	Status	Mining Area	Date of Application	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*	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

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

### Daris and Awtad Copper-Gold Projects

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

Licence Name	Licence Owner	Alara JV Interest	Exploration Area	Date of Grant	Status	Mining Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn in 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 pending	NA	NA	NA

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

### Saudi Arabia - Khnaiguiyah Zinc-Copper Project

The Khnaiguiyah Zinc-Copper Project is located approximately 170km south-west of the Saudi Arabian capital city of Riyadh. The mining licence (held by a former JV partner) was cancelled in December 2015. Alara, as sole funder of the Definitive Feasibility Study, is poised to restart the project once the licence is re-issued and is working with relevant parties in both the private and public sectors to prepare for this.

A meeting with Deputy Vice Minister was held during the quarter. Previously in a letter Alara expressed its continued interests in developing Khnaiguiyah Zinc-Copper Project in the country. Discussions confirmed that the project is on priority list of the ministry and it would come up for auction in second quarter of 2022. Alara was invited by Hon'ble Minister for participation in the auction process.

### 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.

1 Refer to Alara's 8 December 2011 ASX Announcement: Project Acquisition - Al Ajal-Washi-hi-Mullaq Copper-Gold Project in Oman.  
 2 Refer to Alara's 30 August 2010 ASX Announcement: Project Acquisition - Daris Copper Project in Oman.



### 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 Licence Owners disclosed there.

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# Securities Information

as of 28 July 2021

## Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	705,429,239	-	705,429,239
<b>Total</b>	<b>705,429,239</b>		<b>705,429,239</b>

## Distribution of Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	864	287,967	0.041%
1,001 - 5,000	260	601,480	0.085%
5,001 - 10,000	123	1,030,444	0.146%
10,001 - 100,000	324	12,946,809	1.835%
100,001 - and over	260	690,563,539	97.893%
<b>Total</b>	<b>1,831</b>	<b>705,429,239</b>	<b>100%</b>

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## Top 20 Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Al Tasnim Infrastructure LLC	99,650,067	14.126
2.	Mr Vikas Malu	57,142,050	8.100
3.	Ms Meng	41,824,437	5.929
4.	Mr Vikas Jain	37,745,930	5.351
5.	Citicorp Nominees Pty Limited	35,958,891	5.097
6.	Al Hadeetha Investment Services LLC	31,500,000	4.465
7.	Metal Corners Holdings Co	31,012,217	4.396
8.	Mr Piyush Jain	24,199,437	3.430
9.	Mr Jay Hughes + Mrs Linda Hughes <Inkese Super A/C>	20,600,000	2.920
10.	White church Developments Pty Ltd <White church S/F A/C>	20,575,550	2.917
11.	Mr Tyrone James Giese	17,456,189	2.475
12.	BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	17,071,573	2.420
13.	Ferguson Superannuation Pty Ltd	12,600,000	1.786
14.	Mr Pradeep Kumar Goyal	11,781,549	1.670
15.	Mr Mohammed Saleh Alshaikh	11,347,387	1.609
16.	Mr Farrokh Jimmy Masani	10,422,687	1.477
17.	Mr Anthony Cullen + Mrs Sue Cullen <AC&SJ Cullen Super Fund A/C>	9,649,544	1.368
18.	Mr Peter Kelvin Rodwell	9,422,858	1.336
19.	Mr Warren William Brown + Mrs Marilyn Helena Brown	8,664,286	1.228
20.	Mr Vikas Malu	7,000,000	0.992
<b>Total</b>		<b>515,624,652</b>	<b>73.092%</b>

### Disclaimer

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.

### **About Alara Resources**

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in the Middle East. Alara has completed Bankable Feasibility Studies for the Al Hadeetha Copper Project in Oman and the Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on the Daris Copper-Gold Project in Oman. In June 2018, Al Hadeetha Resources became the first international joint venture company to be awarded a copper mining licence in the Sultanate of Oman. The Company is now establishing itself a mine developer and producer of base and precious metals. For more information, please visit: [www.alararesources.com](http://www.alararesources.com).



Alara of Kush is generally regarded as the founder of the Napatan royal dynasty by his Nubian successors. During his lengthy reign, King Alara was responsible for unifying the upper kingdom, with precious metals becoming an important part of its flourishing economy.

Image: Cartouche of Alara