



ALARA
RESOURCES

Quarterly Activities Report

For the period ending
30 September 2023

ASX Code: AUQ

DIRECTORS AND EXECUTIVES

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

Dinesh Aggarwal
Company Secretary and Chief
Financial Officer

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Key Highlights

Commissioning of Alara's Al Wash-hi – Majaza Copper-Gold processing plant in Oman has commenced since the end of the September Quarter. Production of first copper concentrate is on track for the current quarter.

- Electricity substation energised
- Project water supply commenced
- Plant commissioning activities commenced
- Plant civil works 100% complete
- Project mechanical direction 95% complete
- Copper ore mining commenced
- Operational workforce recruitment 87% complete.



Electrical commissioning team ready to start work

Wash-hi Majaza Copper-Gold Project – Oman

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

Power Supply

The power requirements for the Wash-hi – Majaza Copper-Gold Project (the **Project**) are met by feeders from Omani electricity company MZEC to a 33/11 KV electricity substation a substation on site. The substation is now connected to the Mudhaibi power grid, operated by NAMA Electricity Distribution Company SAOC (**NAMA**). AHRL has executed an electricity connection agreement with NAMA, the licensed distribution system operator in Oman for the power supply to the Project.

With power now flowing to the Project site, commissioning of individual plant segments has commenced. This will continue for the next four weeks, with hot commissioning of the plant expected to commence mid-Q4 of calendar 2023 with ore feed.



Electricity Sub-Station

Water Supply

AHRL has a public-private partnership agreement with Oman Water & Wastewater Services Company SAOC (OWWSC) to secure the daily 1200 cubic-meters of process water supply required for the life of the Project. Under the agreement OWWSC supplies water to the copper concentrator plant from its sewage treatment plants (STP) located close to the Project site, at a fixed charge for the first five years.

Under the agreement AHRL upgraded the capacity of an STP at nearby Al Mudhaibi to 1800 cubic-meters per day capacity. An 18,000 cubic-metre water storage reservoir has been constructed on site and has commenced receiving water.

As part of its ESG program, AHRL has awarded contracts to local community members to operate tankers to transport water to the Project site.



Water storage tank first fill

Operational Readiness

The Project has made satisfactory progress with regards to planned process plant commissioning and subsequent plant operations. Key aspects of this are:

- Process Department: 94% recruitment of key Executive and Non-Executive roles complete
- Mechanical Department: 100% of recruitment complete
- Electrical Department: 82% recruitment complete
- Instrumentation Department: 30% recruitment complete
- 30-35% workforce Omanisation level maintained
- Operational SOPs and SMPs have been prepared by the respective departments
- Graduate engineers are being trained exhaustively on all sections of the processing plant
- MIBC, SIPX & SMBS required for plant commissioning have been procured and will be delivered to site shortly
- Flocculants required for thickener operation have been delivered to site
- Requisite lime procured and delivered
- Ceramic grinding media for regrind mill delivered
- Forged steel grinding media for SAG mill and hi chrome grinding media for ball mill in transit from China.

Mining

Mining commenced in March 2022, to stockpile ore in readiness for processing infrastructure completion. Topsoil from the mining pit is retained for post-mining rehabilitation. Mining activities are conducted in two 10-hour shifts per day. As of the end of September 2023, approximately 6.3 million tonnes of overburden had been removed and approximately 116,216 tonnes of copper ore had been mined, in addition to approximately 325,000 tons of oxidized ore (gossan) mined and stockpiled separately. Excavation in the ore body is now proceeding rapidly. A

total of 300,000 tons of copper ore is projected to be mined by the end of calendar 2023. A monthly excavation summary table is below:

Sr. No	Month	OB Quantity (T)	Planned			OB Quantity (T)	Actual		
			Gossan Quantity (T)	Ore Quantity (T)	Total (T)		Gossan Quantity (T)	Ore Quantity (T)	Total (T)
	Feb22 to Dec22	4270000		10000	4280000	3,992,918	104,638	10,546	4,108,102
1	1-Jan	390,000		10,000	400,000	473,830	231	11,680	485,741
2	23-Feb	400,000		-	400,000	539,063	19,945	-	559,008
3	23-Mar	400,000		-	400,000	421209	47222	-	468431
4	23-Apr	400,000		-	400,000	442581	45679	-	488260
5	23-May	380,000		20,000	400,000	454809	66510	-	521319
6	23-Jun	380,000		20,000	400,000	443218	-	-	443218
7	23-Jul	380,000		20,000	400,000	308411	132805	-	441216
8	23-Aug	370,000		30,000	400,000	366,362	116,304	8,381	491,046
9	23-Sep	550,000		100,000	650,000	514902.5	37,090	85,639	637,632
Sub-Total YO		7,920,000		210,000	8,130,000	6,308,285	325,430	116,246	7,271,279

Plant Construction

Around 88% of civil work had been completed to the date of this Report. Structural, mechanical, electrical and instrumentation work is nearing completion. The tables below show the progress achieved and target dates for completion of various aspects of the Project works:

Primary crusher progress



Primary crusher

Package description	Completion %
Mechanical installation	95
Structural steel erection	95
Piping works	95
Electrical works	85

SAG mill progress



SAG mill

Package description	Completion %
Mechanical installation	90
Structural steel erection	95
Piping works	80
Electrical works	75

Ball mill progress

Package description	Completion %
Mechanical installation	90
Structural steel erection	95
Piping works	70
Electrical works	75

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Ball mill

Grinding electrical rooms



Grinding electrical room – first floor

Package description	Completion %
Structural steel erection	100
Electrical works	90
Instrument works	70
Civil	94

Flotation area



Flotation area

Package description	Completion %
Mechanical installation	90
Structural steel erection	90
Piping works	55
Electrical works	40
Instrumentation works	20

Regrind mill area

Package description	Completion %
Mechanical installation	95
Structural steel erection	97
Piping works	30
Electrical works	40
Instrument works	10

Reagent area



Reagent area

Package description	Completion %
Mechanical installation	96
Structural steel erection	95
Piping works	85
Electrical works	75

Copper Thickener Area

Package description	Completion %
Mechanical installation	85
Structural steel erection	93
Piping works	70
Electrical works	20
Instrument works	20

Operations Team Recruitment

Recruiting the team to operate and maintain the copper-gold processing plant is progressing well. The process team will include 92 employees in the categories of engineering required to run plant operations over three shifts

per day. A suitable Omaniization plan is being followed in the recruitment process, with a target of employing 35% percent Omani nationals. The table below shows the current status of personnel recruitment:

	Required	Recruited	Completion %
Executive	53	47	89
Non-executive	42	36	86
Total	95	83	87

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 587km² exploration license, which includes two mining license applications covering 4.5km². 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 resources¹, 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.

Awtad Copper-Gold Project – Oman

(Awtad Copper LLC: Alara 10% with an earn-in right up to 70%+; Local shareholders 90%)

The Awtad Project comprises an area of approximately 497 km² (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.

¹ 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.

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 ²	Nov-09	Feb-16	Active ²	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	497km ²	Nov-09	Oct-13	Renewal pending	NA	NA	NA

Alara Resources LLC

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 contract mining company.

ARL's drilling division has completed a number of drilling contracts and began showing profit in Oman during the March 2023 quarter. Currently ARL is engaged by AHRL to support advanced exploration drilling for further Wash-hi pit development.

ARL's mining division is executing mining activities for AHRL as primary mining contractor.

Expenditure Summaries

Mining Tenements

During the quarter, the consolidated entity incurred expenditure of \$7.88 million 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

Directors Remuneration

During the quarter, the consolidated entity made payments totalling \$172,000 to related parties, as disclosed in item 6.1 in the Company's Appendix 5B, being for Directors' remuneration. No other payment was made to any related party or the associate of a related party.

² 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.

Expected Developments December 2023 Quarter

Expected developments in the current quarter include:

- Commencement of copper concentrate production from the 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 1,200km².

The Al Wash-hi–Majaza/Mullaq3 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 Project4 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 ²	Jan-08	Active	3km ²	2013 Active
Mullaq	Al Hadeetha Resources LLC	51%	41km ²	Oct-09	Active	1km ²	Jan 2013 Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km ²	Jan-08	Active	1.5km ²	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 ²	Nov-09	Active*	Daris 3A5 Resubmitted		Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km ²	Nov-09	Renewal	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.

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.

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.

This announcement is authorised by:

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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.

Alara's active projects in Oman are the Al Wash-hi Majaza Copper-Gold mining License and Mullaq, Al Ajal exploration Licenses under the Al Hadeetha JV and the Block 7 exploration License under the Daris JV.



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 Company has recently re-entered mineral exploration in Saudi Arabia through a joint venture.

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

