

ASX / MEDIA RELEASE
4 November 2024

Renounceable Rights Issue to Raise \$15.3 Million

Alara Resources Ltd (AUQ or the Company) is pleased to announce it is conducting a five (5) for eight (8) renounceable rights issue (**Rights Issue**) at \$0.034 per share to raise approximately \$15.3 million, before costs. For every two (2) new shares subscribed for, eligible shareholders will also receive one (1) free attaching option with an exercise price of \$0.05 and a term of two (2) years. The Company will seek quotation of the Rights Issue shares and options on ASX.

Key highlights

- **5 for 8 Renounceable Rights Issue to raise approximately \$15.3 million**
- **Attractively priced at \$0.034 cents per share**
- **With every two (2) New Shares subscribed for, shareholders receive one (1) free, attaching New Option**
- **The New Options will have Exercise Price of \$0.05, a term of two years and will be listed**
- **Shareholders may trade their rights and apply for additional shares and attaching options**
- **Funds will be used to purchase new tailing filter presses, exploration, debt repayment and working capital**
- **The issue is fully underwritten and lead managed by Mahe Capital and fully sub-underwritten by substantial shareholder, Al Tasnim Infrastructure LLC.**

Issue purpose

Tailing filter press replacement to improve concentrate production

The Board has determined that a capital raising to replace the tailing filter press (**TFP**) at the Wash-hi Majaza copper concentrate plant, develop Alara's other exploration assets in Oman and strengthen its balance sheet is the best response to lower than projected revenue resulting from the temporary production bottleneck due to the TFP¹. Of funds to be raised, \$5.3 million will be applied to fund the purchase of interim and permanent replacement TFPs.

Develop exploration assets

The Company's future prospects remain strong having brought the Wash-hi mine into production. The natural progression for the Company's development is finding its next viable mineral deposit; creating a "project pipeline" to ensure our long-term future. Alara has a number of prospective exploration assets in Oman which may fulfil this aspiration. Exploration assets must be developed with reasonable diligence to avoid risk of forfeiture².

1 As previously announced (see for example the Company's ASX releases dated 22 April 2024 and 19 July 2024) the TFP is not operating at its full rated capacity. Despite a recent improvement in its performance, it requires replacement in a two-stage process: interim replacements, which will be sourced from China more rapidly, followed by a permanent replacement with a longer lead time from a leading Italian manufacturer.

2 Mineral exploration is uncertain. There is no assurance that the proposed exploration program will result in the discovery of any additional, economically mineable quantity of any mineral.

Alara will commit \$2 million of capital raised to fund its share of the first 12-months exploration program at the newly awarded Block 22B exploration license in Oman. Block 22B includes the Wash-hi and Mullaq exploration licences, covering an area of 80 km² between them, which were issued to Alara's 51% joint venture vehicle Al Hadeetha Resources LLC (**AHRL**) earlier. In addition, a further 1372 km² of new ground was awarded as part of the concession. Block 22B will be developed by a new joint venture in which the Company holds a 27.5% stake. As a condition of the grant of Block 22B, the holder must incur the expenditure which it proposed in its submission for the licence award.

Further, Alara is hopeful of securing the award of the Daris East and Daris 3A5 mining licences in the near term. Alara will require funds to conduct further drilling to update its resource estimation for Daris East³ and seek to delineate a copper resource at Daris 3A5⁴ if and when those licences are awarded. (The construction of processing plant at Daris is not required, due to its proximity to the Wash-hi plant, to which ore can be trucked for processing.) The areas covered by the Daris mining licence applications are only a small portion of the entire 587 km² of Block 7, however. Alara intends to progress exploration in other areas within Block 7 through its 50%-owned Daris JV.

Balance sheet augmentation

In addition, due to overruns in Wash-hi mine construction costs, AHRL has reached agreements to defer paying certain amounts owing to related party vendors. The parent entity also entered into a USD 3.45 million financing facility with offtake partner Trafigura. Approximately \$4.5 million of funds raised will be used to reduce these payables.

A fully detailed use of funds is set out in section 4.2 of the Prospectus, also released on ASX today.

Major shareholder support

The Company's largest shareholder, Al Tasnim Infrastructure LLC (**ATI**), has agreed to sub-underwrite 100% of any shortfall of funds not subscribed by other shareholders or taken up by the underwriter Mahe Capital. ATI's commitment shows strong confidence in the Company's prospects going forward.

Details of the effect of the Rights Issue on control of the Company are set out in the Prospectus.

Pricing discount to share price

The Issue is well priced at a discount of 11% to the 30 day VWAP of the Company's shares of \$0.038 and a 30.6% discount to the last closing price of \$0.049.

New Options

As an additional incentive to subscribe for new shares, Participating Shareholders will also be issued with one (1) option for every two (2) shares subscribed for (**New Options**). The New Options will have a term of two years and an exercise price of \$0.05.

Eligibility to participate

The Rights Issue is open to all shareholders who hold Alara shares at 7 PM AEDT (Sydney time) on 7 November (**Record Date**) and have a registered address within Australia or New Zealand. For regulatory and cost reasons, Entitlement offers will not be made to shareholders with a registered address outside Australia or New Zealand. Shareholders outside those countries may, where lawful to do so, acquire

3 The Company first reported a mineral resource at the Daris-East mining licence application area on ASX on 1 November 2012 in a form which complied with the (then-current) 2004 Edition of the JORC Code. (Reported details of that estimate have not been updated subsequently to comply with the JORC Code 2012 Edition, on the basis that the information has not materially changed since it was first reported).

4 Drilling results at the Daris project have been fully disclosed on ASX in a manner compliant with the (then-current) 2004 Edition of the JORC Code, in announcements dated 6 October 2010, 13 December 2010, 19 April 2011 and 30 September 2012. The same comment as in note 3 applies to the continued applicability of the 2004 edition of the JORC Code to those results.

shortfall shares and New Options, however. Those shareholders who wish to do so should contact the Company as soon as possible using the contact details at the end of this release.

The Rights Issue will close on 19 November 2024 (unless extended) and eligible shareholders may apply for any shortfall in excess of their own entitlement. Shareholders may also buy and sell rights to participate on ASX from 6 November 2024.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and Options. A Prospectus in relation to the Rights Issue was lodged with ASIC on 1 November 2024 and released on ASX today. The Prospectus, together with a personalised entitlement acceptance form, will also be sent to eligible shareholders promptly after the Record Date.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue. They will need to follow the instructions on the entitlement and acceptance form that accompanies the Prospectus sent to them.

The indicative timetable of key dates in the Rights Issue is set out below.

Event	Date
Ex-entitlement date	6 November 2024
Rights trading commences on ASX on a deferred settlement basis	
Record date for determining entitlements (7:00pm AEDT) ⁵	7 November 2024
Prospectus and personalised Acceptance Forms sent to Shareholders	8 November 2024
Rights trading ends	12 November 2024
Last day to extend the offer closing date (noon AEDT)	14 November 2024
Closing date of entitlement issue (5:00pm AEDT)	19 November 2024
Results of Rights Issue announced and securities issued	26 November 2024
Trading of Rights Issue shares and attached options commences	27 November 2024

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

Chairman Stephen Gethin said: “*This fundraising is a major step in the value creation journey for the Company. The Board hopes we can count on continued shareholder support as we advance the Company to the next stage in its growth story.*”

This announcement has been authorised for release to the market by the Board.

ENDS

This announcement is authorised by:

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian headquartered precious and base metals producer and explorer with projects in Oman.

⁵ Shareholders' holdings at this time will determine their entitlements to participate in the Issue.

Alara is focused on operating its recently completed Al Wash-hi Majaza copper-gold mine and concentrate plant in Oman, in which it holds a 51% stake through its joint venture company Al Hadeetha Resources LLC. The Company is also continuing exploration activities at its other Omani projects, the Block 8 exploration license under the Awtad Copper-Power Metal JV, 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.