

## ASX/MEDIA RELEASE

4 April 2022

# ALARA REACHES FINAL STAGE OF SELECTION PROCESS FOR VALUABLE SAUDI EXPLORATION LICENSE

## Key Highlights

- Alara Resources enters the third and final stage of a selection process for the award of an Exploration License over a 353 km<sup>2</sup> area in the Kingdom of Saudi Arabia (**KSA**).
- Alara placed on a short-list of 8 bidders, from 24 which entered the qualification stage.
- The licence area includes Alara Resources' former Khnaiguiyah zinc-copper project.
- The Company holds a clear advantage over rival bidders, from its earlier successful completion of a Definitive Feasibility Study<sup>1</sup> over the former Khnaiguiyah project area.
- Alara may make a bid for the Exploration License through a joint venture, if determined to be the best strategy to maximise the prospects of success.

**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 that it has been selected by the KSA Ministry of Industry and Mineral Resources (**MIMR**) to participate in the final round of a process to award an exploration license (the **Exploration License**) over 353 km<sup>2</sup> of ground (the **License Area**), which includes the Company's former Khnaiguiyah zinc-copper project. The map over the page shows the location of the License Area, to the west of the Saudi capital Riyadh.

## Background to Exploration License selection process

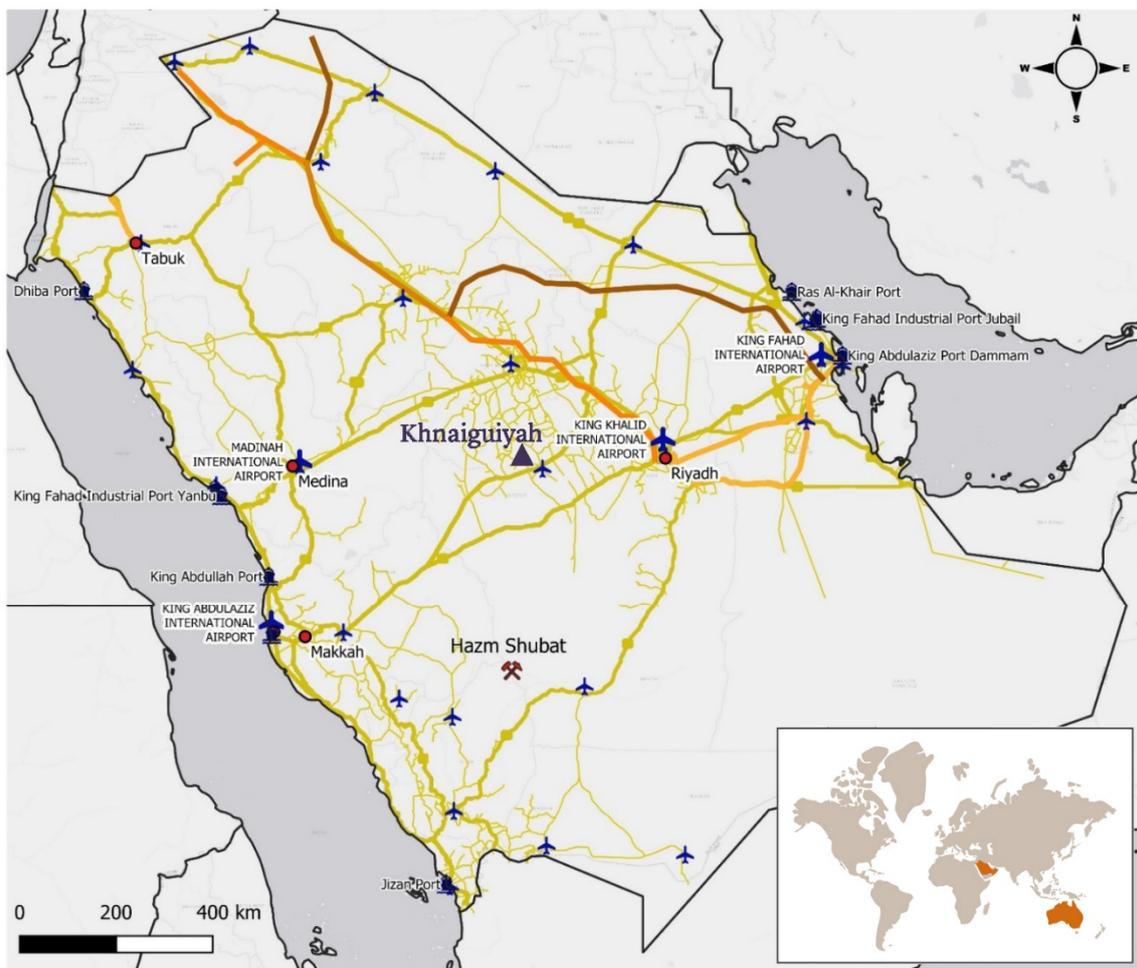
The MIMR recently unveiled a new vision to engender rapid growth in the Saudi mining sector. KSA's new mineral development strategy involves comprehensive initiatives to develop and enhance the country's mining ecosystem, unlocking its vast mineral resources by fast-tracking exploration and development activity.

As part of this vision, on 2 January 2022, a process to award the Exploration License was announced. Alara previously informed investors of its intention to participate in this process<sup>2</sup>. The party to be awarded the Exploration License is being determined under a new, transparent, three-round selection process, which commenced with registrations of interest. This was followed by a Qualification Stage (now completed) and, finally, the Bidding and Grant Stage, the remaining stage.

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<sup>1</sup> See Alara's announcement dated 30 April 2013 titled: "*Positive Definitive Feasibility Study Confirms Khnaiguiyah Project as Technically and Financially Robust*". Investors should not now rely upon financial and production information in that announcement, as assumptions underpinning it may have changed in the interim.

<sup>2</sup> See Alara's ASX Announcement dated 17 January 2022



**Legend**

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|---|---|--|--|
| <p><b>Logistics</b></p> <ul style="list-style-type: none"> <li><span style="color: red;">●</span> Major Cities</li> <li><span style="color: blue;">✈</span> International Airports</li> <li><span style="color: blue;">✈</span> Domestic Airports</li> <li><span style="color: blue;">⚓</span> Sea Ports</li> </ul> | <p><b>Road Network</b></p> <ul style="list-style-type: none"> <li><span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Major Roads</li> <li><span style="border-bottom: 1px solid yellow; width: 15px; display: inline-block;"></span> Minor Roads</li> </ul> | <p><b>Rail Network</b></p> <ul style="list-style-type: none"> <li><span style="border-bottom: 2px solid orange; width: 15px; display: inline-block;"></span> SAR Common Section</li> <li><span style="border-bottom: 2px solid brown; width: 15px; display: inline-block;"></span> SAR General Freight/Passenger</li> <li><span style="border-bottom: 2px solid darkorange; width: 15px; display: inline-block;"></span> SAR Mineral Line</li> <li><span style="border-bottom: 2px solid yellow; width: 15px; display: inline-block;"></span> Dammam Riyadh Railway</li> </ul> | <ul style="list-style-type: none"> <li><span style="border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> International Borders</li> </ul> <p><b>Locality</b></p> <ul style="list-style-type: none"> <li><span style="color: red;">⚓</span> Hazm Shubat</li> </ul> <p><b>Basemap ESRI Gray (light)</b></p> |
|---|---|--|--|

Adjusted map from MIMR announced Khnaiguiyah project brochure

**Project location**

Alara has now successfully progressed through the first two rounds of the selection process, including the submission of a detailed pre-qualification application. Despite stiff competition provided by 24 pre-qualification applicants, Alara has now qualified as one of only 8 bidders entitled to participate in the third and final round of the license auction process. MIMR will shortly issue an Information Memorandum and further instructions to qualified bidders.

Alara enjoys a clear advantage over rival bidders, from its in-depth knowledge of the geology and mineralisation of the Exploration License area and the engineering required to develop the project, from its previous successful completion of a Definitive Feasibility Study over the former Khnaiguiyah project area.

If Alara’s bid is successful, it will engage with MIMR to put forward the best possible offer to develop the Licence Area. The Company may consider forming a joint venture to bid for the Exploration License, if the Board determines it would be in shareholders’ best interests.

**Alara Managing Director, Atmavireswar Sthapak said:** “We are delighted to reach the final stage of the selection process for this exciting Exploration License in Saudi Arabia. It takes Alara a

*step closer to being a key player in the Kingdom's efforts to deliver a new vision for its mining sector. Our knowledge of the ground within the License Area, which includes our former Khnaiguiyah zinc-copper project, gives us a distinct advantage in the bidding process, and should the Company be awarded the right to undertake exploration activities. We look forward to providing further updates to investors in the coming months on both developments in this bidding process, and mining activities at our Al Wash-hi–Majaza copper-gold project in Oman, which is now in the ramp-up phase.”*

## ENDS

### 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 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.

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