

ASX/MEDIA RELEASE

6 June 2022

AL WASH-HI COPPER PROJECT CONSTRUCTION ACTIVITY EQUIPMENT DELIVERY AND SCHEDULE UPDATE

Key Highlights

- Project completion date revised.
- Bulk earth works associated with initial plant and infrastructure construction activities at the Al Wash-hi Majaza Copper-Gold Project (the **Project**) well underway.
- Key Project equipment deliveries arriving.
- Prefabricated steel for mining workshop and washing bay structure, delivered in April, being erected.
- Al Wash-hi pit pre-stripping activities progressing well.

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 project development activities at the Al Wash-hi Majaza Copper-Gold (**Project**) in that country. Alara owns a 51% equity interest in the Al Hadeetha Resources LLC (**AHRL**) joint venture which is developing the Project.

AHRL has continued to progress Project development on multiple fronts, with these activities to ramp up in June.

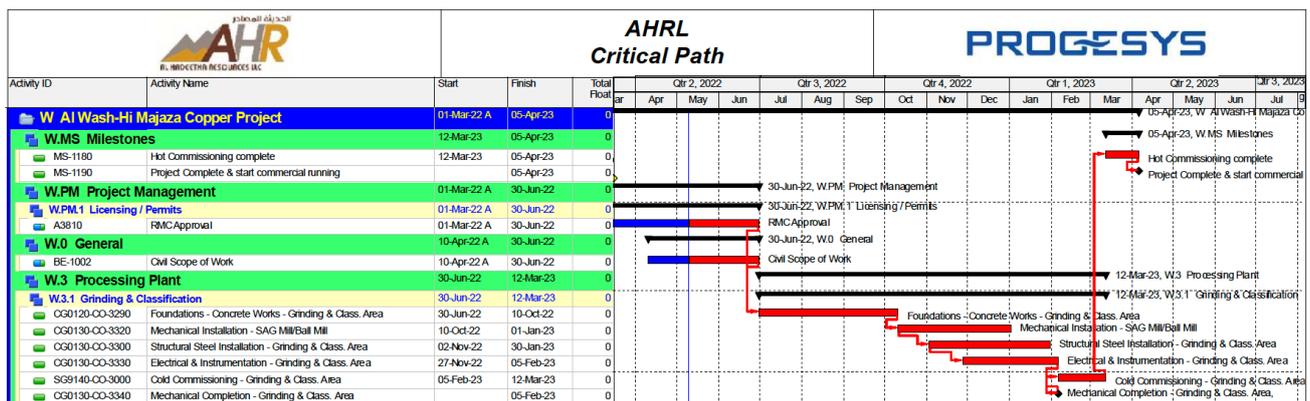
Project completion schedule reviewed and revised

In light of logistical challenges associated with the Ukraine war, constrained shipping availability and delayed project engineering a project schedule review (**Schedule Review**) was conducted by the AHRL Project Management Consultant.

The review determined that previously reported project completion in November 2022 is no longer achievable. The revised completion date determined by the Schedule Review is 25 April 2023, with mechanical completion of plant to occur by 25 February 2023. Key factors impacting the previously reported project timeline are stated below:

- An update to the estimated times of arrival of 19 equipment packages, now due between September and December 2022.
- The Construction contractor revising the start date for concrete works for grinding and classification area from 30 May to 30 June 2022.
- The construction activity sequence contains overlapping activities between various disciplines and contractors, representing a schedule risk due to potential clashes and safety issues in co-ordinating changeovers.
- A recent, further, deterioration in the shipping market due to a new Covid lockdown and the Ukraine war, causing low availability of containers and sea transport from all world ports.
- Ukraine war impacting availability and prices of key project components, prolonging order placement negotiations.

The revised critical path of Project completion is shown in the figure below.



Revised Apr-23 Project Completion Scenario

Several remedial measures are being actioned to bring the Project schedule back toward the previously forecast completion date:

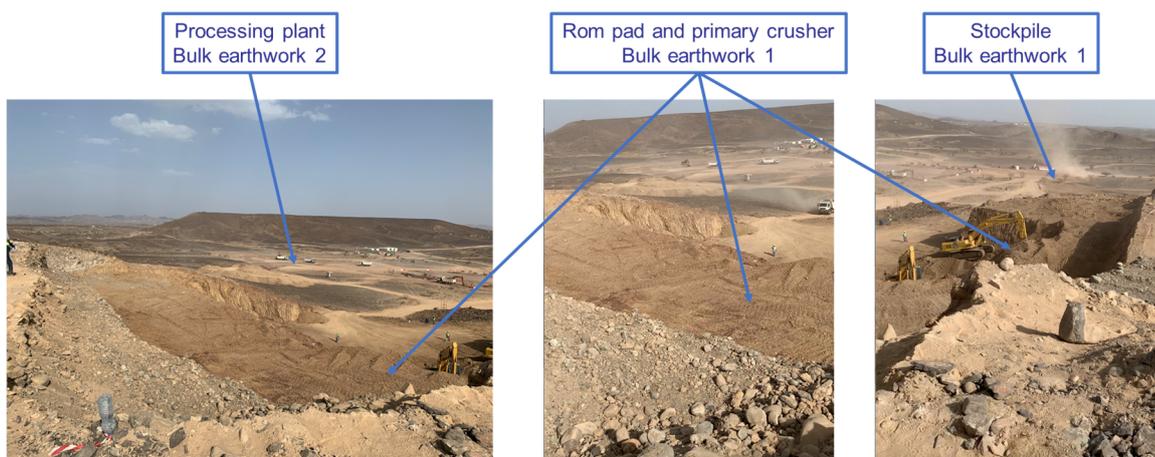
- Increased resources to Project engineering and procurement departments.
- Enhanced project management responsibility with increased personnel assigned to site supervision and coordination.
- More regular item-wise tracking of procurement items.

Bulk earth works well underway

The bulk earth works (BEW) central to the Project's initial plant and infrastructure construction activities are well underway and tracking to schedule. These works have three components:

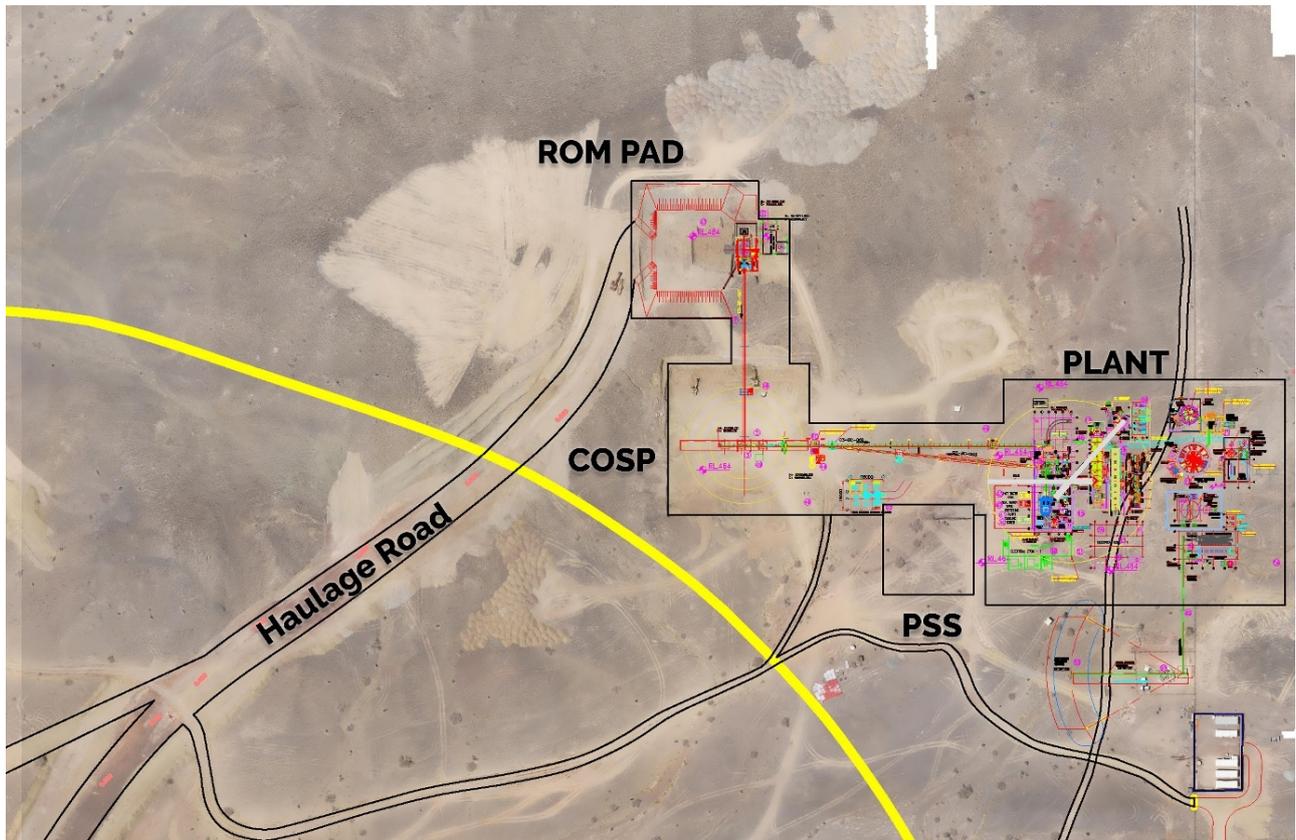
- Crusher and stockpile area
- Processing plant area
- Water reservoir.

In addition to these BEW activities, run-of-mine (ROM) pad levelling and associated padding work has also commenced and are almost complete. AHRL undertakes regular aerial surveys of the mining license area. Some images from these surveys are included below, showing progress made in the abovementioned areas.

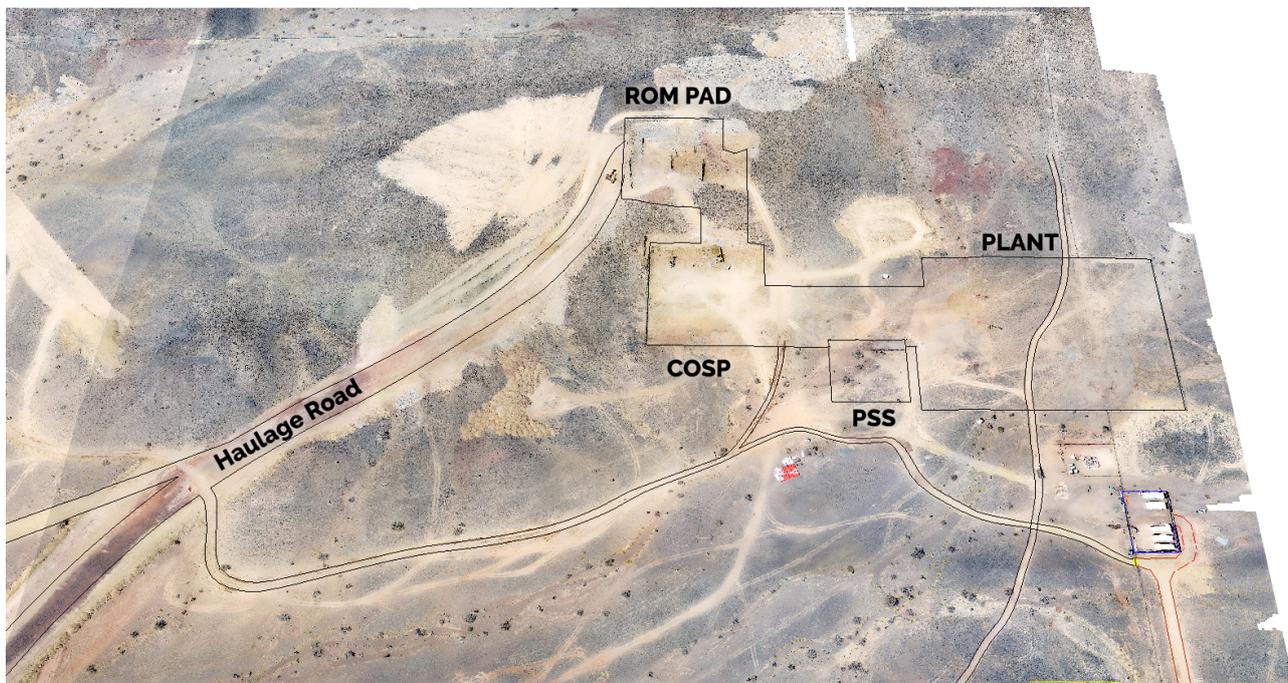


ROM and Stockpile earthworks

The following three images highlight the progress being made from a BEW perspective.



Aerial Photo of plant area showing BEW



3D view of excavation activities at the plant area



Excavation activities at the ROM Pad area

Plant and equipment procurement

Plant and equipment has begun arriving at the Project site. Equipment which has arrived or is expected to reach at the Project site by July end 2022 includes:

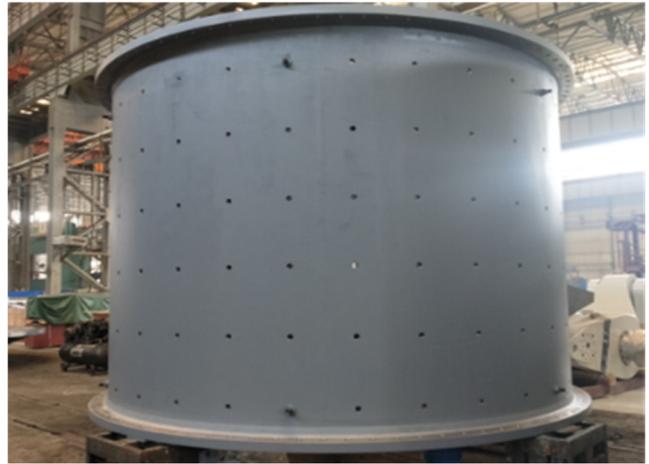
- Mining workshop material from Kirby UAE (delivered)
- Regrinding Mill Liner Arrangement from Metso Outotec (delivered)
- Magnetic separator from Electrozavod, India (delivered)
- ABB Electrical packages, first lot of 10 containers (delivered)
- Flotation cells from Innovator, Poland (on vessel)
- Filters from Matec (on vessel)
- Semi-autogenous grinding (SAG) and ball mill from CITIC China (ETA July)
- Crusher from CITIC China (ETA July)

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The following images show equipment at CITIC China ready for shipping.



Ball mill 1 head



Ball mill shell body 1



SAG Mill trunnion 1

Prefabricated steel for the mining workshop and washing bay has arrived and construction of those facilities has commenced.



Mining workshop steel delivered ready for construction 1



Mining workshop steel delivered ready for construction 1



ABB Electrical packages delivery

AI Wash-hi pit pre-stripping progress

Development of the Wash-hi Majaza pit has been significantly advanced, with removal of overburden and oxide ore and developments of benches.

Images showing work on the pre-stripping phase of the pit's development follow.



BEW overview



Blast hole drilling



Northern phase of Wash-hi pit – overburden removal to 3m



Overburden pre-stripping



Top layer removal at 0-year pit area

Alara Managing Director, Atmavireshwar Sthapak said: We are delighted with the pace at which the Al Hadeetha JV team is powering through the development phase of our 51%-owned Al Wash-hi Majaza Copper-Gold Project. There is little slippage in project completion schedule, however efforts are being made to prevent further delays. Bulk earth works central to the Project's initial plant and infrastructure construction activities are now well underway and on schedule, while key pieces of equipment critical to the operation of the mine have begun to arrive this month. The mine pit itself is also taking shape, with pre-stripping now significantly advanced. We look forward to providing the market with further updates on the Project over the months ahead, as it moves ever closer to revenue-generating production.

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.

To learn more, please visit: www.alararesources.com