

ASX/MEDIA RELEASE

5 August 2021

PROJECT CONSTRUCTION ACTIVITIES BEGIN IN OMAN

Alara Resources Limited (ASX:AUQ) (**Alara** or the **Company**) is pleased to present this update on its Al Hadeetha Resources LLC joint venture ("**AHRL**") which is developing the Al Wash-hi Majaza Copper-Gold project in Oman (the "**Project**"). Alara owns a 51% equity interest in AHRL.

Pursuant to the additional land grant agreement with the Omani Ministry of Housing (**MoH**) around the Al Wash-hi Majaza Mining Licence area, construction of the mine project accommodation camp has commenced.

A ground-breaking ceremony was held under COVID-19 protocols at the project site, attended by senior representatives of Alara, our JV partners and construction crew. Key moments from the ceremony are pictured below:



Picture 1 Earth prayers being performed by Mr. Atmavireshwar Sthapak (Managing Director, Alara), Mr. Farrokh J. Masani (Executive Director, Al Tasnim Group) and Mr. Mahesh Pillai (Business Head, Al Naba Group).

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Picture 2: Accommodation village layout review with JV partners and construction engineers.



Picture 3 Village site with Al Wash-hi Majaza gossan hill visible the background. From left: Mr. Kamlekar Raj, Mr. Ahmad Al Hedawi, Mr. Rexin Kamilas, Mr. Mahesh Pillai, Mr. Fadi Zenaty, Mr. Farrokh J. Masani and Mr. Atmavireshwar Sthapak.

Real-time visual updates

Regular visual updates of construction progress will be made available on the Company's website.

Accommodation village

The prefabricated accommodation village (**Village**) is designed to house 325 personnel from the construction, mining and plant operation crews, facilities at which include:

- The Village is designed for a minimum life of 12 years.
- Dining halls to serve different cuisines and categories of staff, including nationals and expats.
- Two recreation halls and two gymnasiums.
- Prayer hall (Mosque).

- First-aid facilities staffed with a qualified nurse, supported by a standby ambulance.
- A field for football, cricket and other sports.
- Parking, firefighting arrangements, water supply, sewage handling, general store and other amenities required to support Village life.
- Offices for mining consultants, mining contractors and AHRL staff, with the capacity for approx. 100 staff.
- Fully equipped laboratory for in-house testing of all mining products.

The Village was planned with all due regard to Sharia Law, the religious law of Islam, reflected principally in the provision of suitable facilities for prayer, as well as for the appropriate preparation and quality of food.

A diagram at the end of this announcement shows the proposed Village layout.

As accommodation requirements for the construction crews diminish, the camp will be retrofitted to house permanent mine and processing facility staff.

Camp Construction Schedule

The forecast construction schedule has a build period of three months, with final completion – with the full complement of staff housed and all facilities operating – within twelve months of commencement.

Power

Initially, Village power will be supplied by diesel generators. During construction this will be replaced by a connection to the power grid.

Potable and Fire-fighting Water

Potable water for the Village will be provided by tankers from the Wash-hi village.

Fire main civil defence water will be provided via a fire loop with fire hose reel cabinets and hydrants throughout the compound.

Wastewater

A gravity system will be used for Village sewerage. The line will lead to a tank farm, where waste material will be recycled into irrigation-quality water at a nearby treatment plant.

Chairman's Statement

On commencement of construction activities, Chairman Stephen Gethin said:

“Breaking of ground for the accommodation village in preparation for the construction of mine-site infrastructure is the most important milestone in Alara’s journey from mineral explorer to copper-gold producer to date. This achievement reflects the skill and dedication of Managing Director Mr. Atmavireshwar Sthapak, our project partners Al Naba Group and Al Tashim Enterprises and their teams. Alara looks forward to updating investors on ongoing progress to completion of the copper-gold mining-processing facility at the Al Wash-hi Majaza project, scheduled for third quarter calendar 2022”.

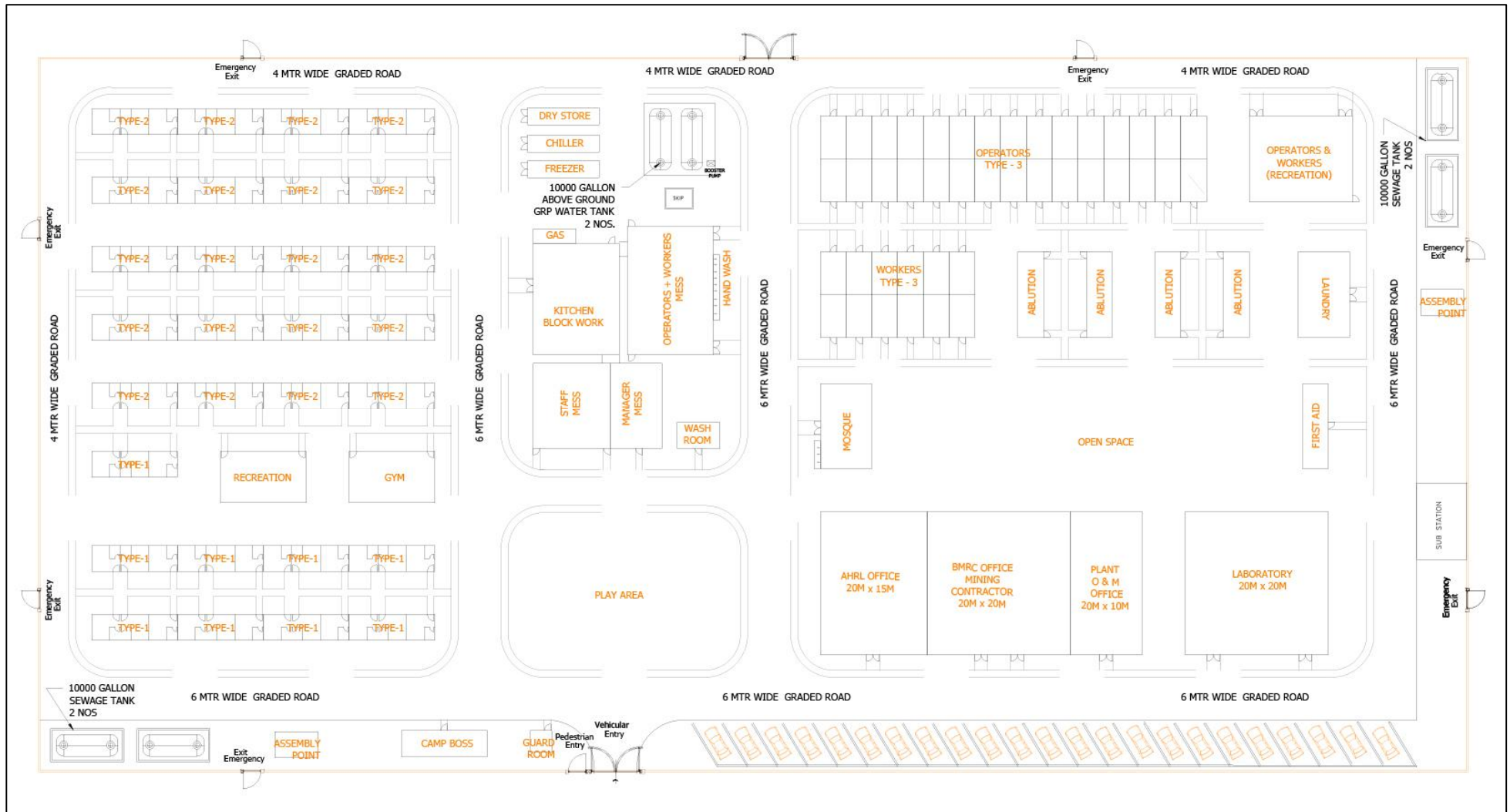


Figure 1 Accommodation Village layout



ENDS**This announcement is authorised by:**

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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 Wash-hi Majaza Copper-Gold 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, Alara's 51% owned JV company Al Hadeetha Resources LLC 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 as a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com.

