

ASX Code: AUQ

DIRECTORS

Stephen Gethin
Non-Executive Chairman

Atmavireshwar Sthapak
Managing Director

Vikas Jain
Non-Executive Director

Sanjeev Kumar
Non-Executive Director

COMPANY SECRETARY

Dinesh Aggarwal

CHIEF FINANCIAL OFFICER

Dinesh Aggarwal

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ABN: 27 122 892 719

31 January 2022

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 its Quarterly Activities Report for the quarter ended 31 December 2021 (Q2 FY22) along with the following financial and operational update.

Key Highlights

AI Wash-hi–Majaza Copper-Gold Joint Venture (JV) Project (“**Project**”):

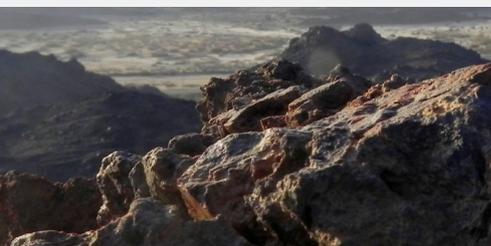
- Project construction continued during the reporting period, including the multi-purpose accommodation village; completed after the period.
- Project infrastructure completion remains scheduled for November 2022.
- Alara’s JV partner Al Hadeetha Resources LLC (**AHRL**) signed an agreement with Oman Water and Waste-Water Services Company SAOC to secure the process water supply for the Project.
- A number of Project equipment and construction purchase orders were placed during the quarter, drawing from AHRL’s finance facility from Sohar International Bank (**SIB**). The first equipment is scheduled to arrive on site in Q3 FY22.

Other Projects:

- **Khnaiguiyah Zinc-Copper Project (Saudi Arabia):** The Saudi Ministry of Energy and Mineral Resources announced that a licence for this project will be put to tender in Q3 FY22. Alara funded and holds the only feasibility study for this project, and will be lodging a bid in the tender process.
- **Daris Copper-Gold Project (Oman):** The Omani Ministry of Energy and Minerals continues to review the application for the Daris East mining licence.
- **Awtad Copper-Gold Project (Oman):** An application to renew the exploration licence remains under consideration by the Ministry of Energy and Minerals.

Alara Resources Managing Director Atmavireshwar Sthapak said:

“Good progress has been made in developing the AI Wash-hi–Majaza Copper-Gold Project over the previous quarter and to date highlights the Company’s determination to accelerate construction and capitalise on



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increasing world copper prices. A key highlight since the reporting period was the completion of the Project accommodation village.”

This announcement is authorised by:

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Managing Director

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Omani Activity

Project Developments

The Wash-hi–Majaza Copper-Gold Project consists of one Mining Licence (Al Wash-hi–Majaza) and three Exploration Licences (Al Wash-hi–Majaza, Mullaq and Al Ajal).

Oman Project Construction Update

Al Hadeetha Copper-Gold Project

Oman

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

Copper Project Construction Commencement

Alara continued to progress development of the Al Wash-hi–Majaza Copper-Gold Joint Venture Project (“**Project**”) over Q2 FY22.

Some components of the construction phase have already been completed. Project construction is scheduled for final completion in November 2022. When operational, the Project will consist of a copper-gold mine and a 1 MPTA copper concentrate plant¹.

Mining accommodation camp

Construction of the Project accommodation village was completed on schedule after the reporting period. The village is designed to house 325 personnel from the construction, mining and plant operation crews. As the construction crew accommodation requirement diminishes, the camp will be progressively retrofitted to house permanent mine and process facility staff.



Accommodation village (wide-angle view)

Accommodation village amenities include:

- Dining halls capable of serving cuisine for both Omani nationals and expat staff.
- Power grid connection ready, firefighting facilities, water supply, sewage processing, general store and other facilities needed to support high-quality village life.
- Playing field suitable for football, cricket and other sports and two halls incorporating various recreation facilities and gymnasiums.
- Prayer hall (mosque).
- Comprehensive first aid facilities, including a qualified nurse and standby ambulance.

¹ Alara’s ASX Announcements dated 1 April 2016 (Definitive Feasibility Study results initial announcement), 24 January 2017 (DFS update), 28 June 2018 (NPV update) and 29 March and 7 April 2021 (NPV updates) contain the information required by ASX Listing Rule 5.16 regarding the production target. All material assumptions underpinning the production target as announced on those dates continue to apply and have not materially changed, except to the extent that a relevant assumption in an earlier announcement referred to above has been updated by an assumption in a later announcement referred to.

- Offices for approximately 100 mining consultants, contractors, operations, maintenance and general AHRL staff.
- Fully equipped laboratory for in-house chemical and physical testing of mine and processing plant samples for QA\QC and other purposes.

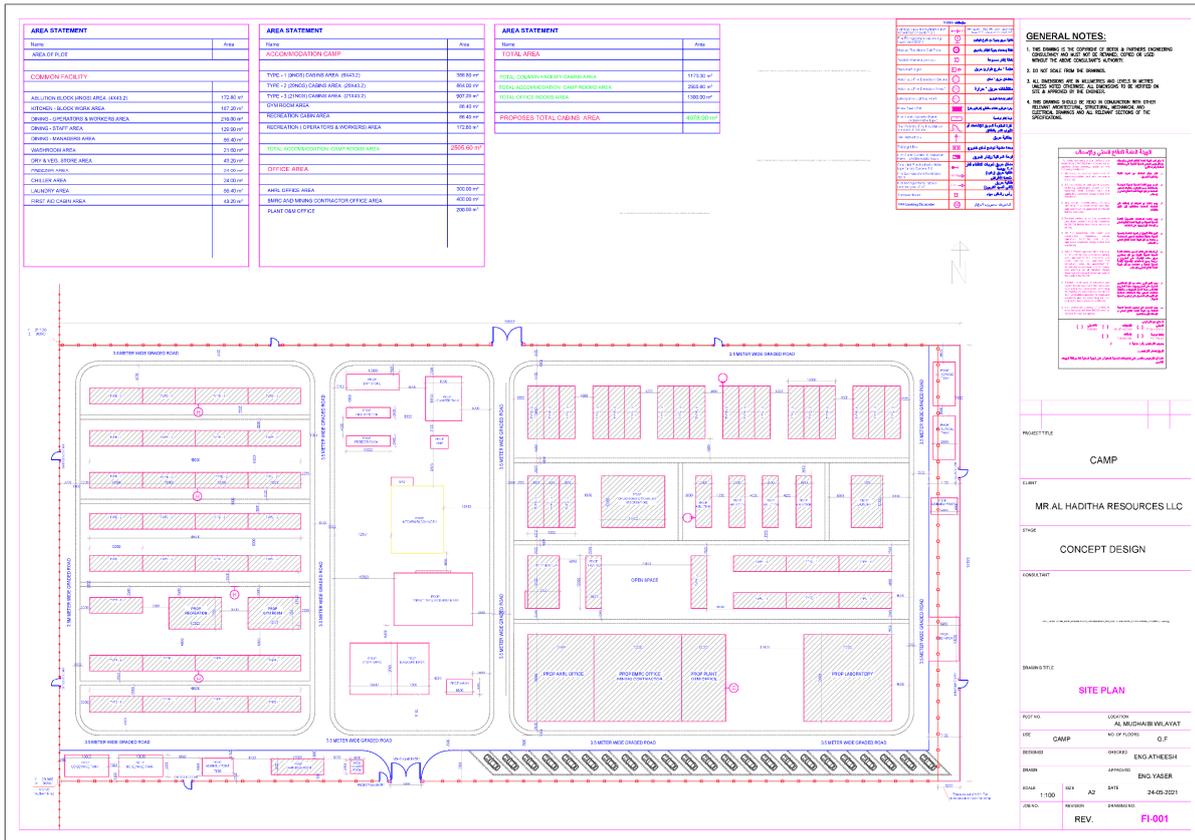


Dining hall opening ceremony. From left Farrokh Masani (Executive Director, Al Tasnim) Atmavireshwar Sthapak (Managing Director, Alara) and Sayyed Khaled Al Busaidi (Chairman, Al Naba)



Guests led by AHRL CEO Avigyan Bera inspect the village

The accommodation village design is shown in the Diagram below.



AI Wash-hi-Majaza Project mining camp design

Water Supply

In January 2022, after the reporting period, Alara’s JV partner AHRL executed a binding agreement with Oman Water and Wastewater Services Company SAOC (**OWWSC**) to secure the process water supply for the life of the Project. Key highlights of the agreement are:

- OWWSC will provide a daily water supply to AHRL’s copper concentrate plant via a Sewage Treatment Plant (**STP**) located in close proximity to the Project site.
- Water will be priced at a fixed rate for the first five years of the agreement.
- AHRL will invest in upgrading the capacity of an STP, located near the AI Mudhaibi township, to 1800 cubic metres per day.
- AHRL’s investment amount will be recovered over the life of the agreement via water charge discounts.
- AHRL will transport water from the STPs to the Project site in tankers.

Around 1200 cubic metres of processed water per day will be supplied to the Project. An 18,000 cubic metre water storage reservoir will be constructed on site. The agreement comes after AHRL

was able to reduce the water supply requirements incorporated in the Project's definitive feasibility study by the adoption of a dry tailings system.

The agreement was signed in a ceremony attended by senior officials from the Omani Ministry of Commerce and Industry, as well as AHRL shareholders' representatives Sayyed Khaled Al Busaidi, Farrokh Masani and Atmavireshwar Sthapak.



AHRL-OWWSC water supply agreement signing ceremony



AHRL CEO Avigyan Bera (right) signs water agreement with OWWSC CEO Qais Al Zakwani

Project Procurement

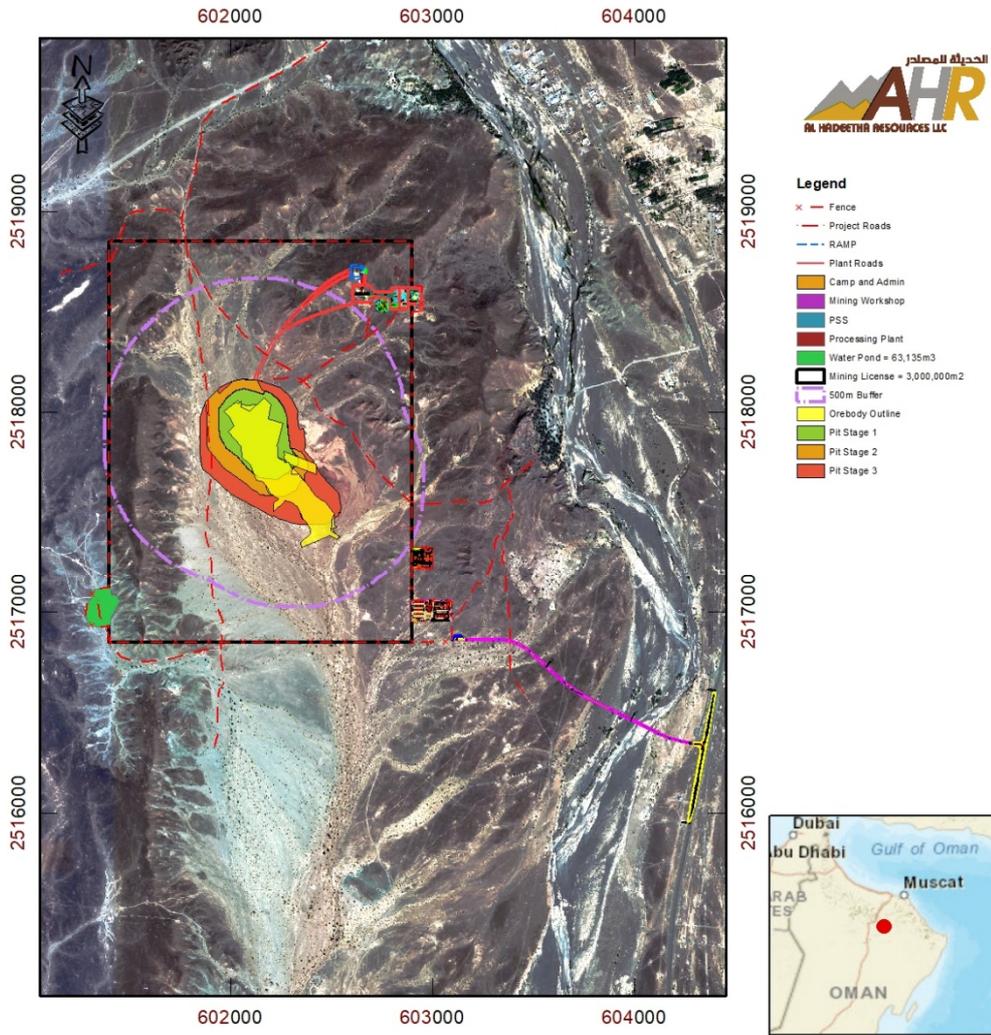
AHRL continued the drawdown on its finance facility, using funds for the purchase orders and supply contracts. Total committed cumulative capex stood at US\$23.5 million at 21 December 2021. The table below provides details of equipment ordered to that date.

No	Package/Equipment details	Supplier/Contractor	
1	Ball Mill, SAG Mill, Crusher	CITIC	China
2	Rock Breaker	Metso-OT	Finland
3	Apron Feeder	L&T	India
4	Pan Feeders	Metso-OT	India
5	Magnetic Separators	Electro Zavod	India
6	Accommodation Cabins Refurbished	Al Tasnim	Oman
7	Accommodation Camp Construction	Al Naba Infrastructure	Oman
8	New Cabins - Dining, Offices etc.	Al Rehwan	Oman
9	Fencing	Al Naba Infrastructure	Oman
10	Conveyors	Al Tasnim	Oman
11	Belt Weigher and Vibrating Screens	Schenck	India
12	Hydrocyclones	Weir	UAE
13	Conveyor Safety Switches	Smart SAA	India
14	Construction of Access Road	C&C	Oman
15	Pressure Filters	Matec	Italy
16	Regrinding Mill	Metso Outotec	USA
17	Electrical Packages - Transformers, Panels, Motors, Telecom	ABB	India
18	Dust Collector	Stratgem Projects	India
19	Power lines	ONEIC	Oman
20	Agitator	Afromix	SA
21	Sampling and Analyzing System	Metso Outotec	USA
22	Air Compressor	Bin Salim	Oman
23	Froth, Slurry and Sump Pumps	Metso Outotec	Turkey
24	Flotation Cells	Innnovator	Poland
25	Air Blower	Continental Industrie	France
26	Plant Control System	CAS	India
27a	Workshop – Material (Prefab Building)	Kirby	Kuwait
27b	Workshop – Civil and MEP Design	DSA	India
27c	Workshop – Erection	Emmar	Oman
28	Cooling Tower	BEC	Oman

Equipment ordered

Project access road

The design for the permanent, two-kilometre Project access road connecting the site with the State Highway, shown in the Figure over the page, was approved by authorities earlier. A contract to build the access road was let during the quarter. For temporary connectivity, a four-kilometre graded access road was opened to allow the camp and site vehicles access the Project site.

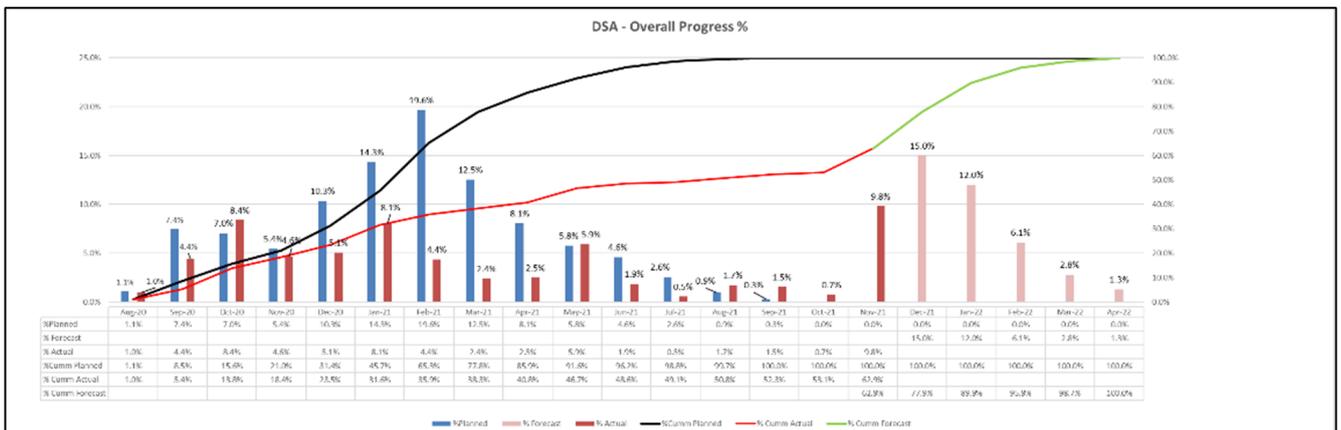


Project Name:	AL WASH-HI COPPER MINING & PROCESSING PROJECT AL MUDHAIBI WILAYAT	Details:	Project Connectivity Road	Coordinate System: WGS 1984 UTM Zone 40N Projection: Transverse Mercator Datum: WGS 1984 False Easting: 500,000,000.0 False Northing: 0.0000 Central Meridian: 57.0000 Scale Factor: 0.9996 Latitude Of Origin: 0.0000 Units: Meter
Plate Name:	PROJECT OVERVIEW LAYOUT	Drawing Info.:	WSH-PJT-FC-12-01-V.1	
		Scale: 1:25,000		

Al Wash-hi-Majaza copper-gold JV Project connecting access road

Engineering progress

The progress of detailed engineering design is also meeting the expected schedule. During the quarter, planned engineering was progressed expeditiously by Debisikha Associates and Progesys, with 63% of planned detailed engineering work completed to 21 December 2021 (refer to the Figure below).



Project Engineering progress

Mineral Tenements

The current status of all mineral tenements and applications for the Al Hadeetha Project are detailed in the Table below.

Table 4: Status of mineral tenements and applications across the Al Hadeetha Project

Licence Name	Licence Owner	Alara JV Interest	Area	Exploration Licence			Mining Licence within EL		
				Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Washihi Majaza ML 10003075.	AHRL	51%	39km ²	Jan 2008	Nov 2016	Active*	3km ²	2013	Active
Mullaq	AHRL	51%	41km ²	Oct 2009	Nov 2016	Active*	1km ²	Jan 2013	Pending
Al Ajal	AHRL	51%	25km ²	Jan 2008	Nov 2016	Active*	1.5km ²	Jan 2013	Pending

*Pursuant to Ministerial Decree 38/2013. This Decree provides that an exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence. In that case, the period for the exploration licence is extended until the date that a decision is made on the mining licence application.

Daris Copper-Gold Project

Oman

(Alara – 50% with option to increase to 70%: Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (DRL))

The Daris project comprises two high-grade copper deposits within the 587km² exploration licence, which includes two mining licence 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 to be built by AHRL 100km to the south.

The Daris East Mining Licence application, which covers an area that includes measured, indicated and inferred JORC copper resources², 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.

The Daris 3A5 Mining Licence application is progressing with the Government.

Awtad Copper-Gold Project

Oman

(Alara initially has a right to subscribe for 10% of this project, with a subsequent earn in up to 70%+, with existing local shareholders holding the balance of Awtad Copper LLC)

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). Alara has a right to an initial 10% interest (increasing to 50-70%+) in the concession owner, Awtad Copper LLC.

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.

² 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.

Previous exploration identified anomalies worthy of further exploration. The fact that prospective geological formations within the licence 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 licence, which currently remain pending.

Mineral Tenements

The current status of all mineral tenements and applications for the Daris and Awtad Projects are presented in Table 5 below.

Table 5: Status of mineral tenements and applications for the Daris and Awtad Projects

Block Name	Licence Owner	Alara JV Interest	Area	Exploration Licence			Mining Licences within EL		
				Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading Est. LLC	50% (earn in to 70%)	587km ²	Nov '09	Feb 2016	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km ²	Nov '09	Oct 2013	Renewal pending	NA	NA	NA

*Pursuant to Ministerial Decree 38/2013. This Decree provides that an exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence. In that case, the period for the exploration licence is extended until the date that a decision is made on the mining licence application.

Khnaiguiyah Zinc-Copper Project

Saudi Arabia

The Khnaiguiyah Project includes the development and operation of an open-cut zinc-copper mine and associated infrastructure over an approximate 13-year mine life. Alara has invested over USD 30m into this project, including over USD 23m (AUD 30.64m) to produce a definitive feasibility study with proved and probable JORC reserves of 26.1Mt at 3.3% Zn and 0.24% Cu.

The mining license was cancelled in 2015, due to an impasse between project participants. An auction for an exploration license covering a larger area than the previous mining license is expected to be held in Q3 FY23. Alara funded, and is now in the unique position of holding, a BFS for this project. Alara is working with various parties in both the private and public sectors to prepare for the reissue of the license and participate in the auction of the new license. Alara's possession of the DFS and presence in the Saudi mining industry puts the Company in a favourable position to participate in the future development of this project.

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Oman Copper Consolidation

The Company is actively pursuing opportunities and discussions are underway for consolidation of copper projects involving the Daris and Block 8 licenses in Oman.

Alara Resources LLC (ARL)

Alara Resources LLC (**ARL**) has two drill rigs and associated accessories and is seeking mineral drilling contract work. ARL continues to support exploration programs of JV companies and also submitting tenders for drilling services to other mining companies in Oman.

Mineral exploration activities in Oman were negatively impacted by the pandemic. As the vaccinated percentage of the local population rises, activity in this sector is expected to increase. ARL is focused on reviewing a number of potential drilling contracts over the coming months.

Alara Operations LLC (AOL)

The Management Services Agreement between Al Hadeetha Resources LLC and Alara Resources LLC have now been transferred to Alara Operations LLC. The purpose of this transfer is to bring the Management Services Agreement back within the Alara consolidated entity.

Expenditure Summaries

Mining production and development

During the quarter, the consolidated entity incurred expenditure of \$2,594,000 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

Director's remuneration

During the quarter, the consolidated entity made payments totalling \$134,000 to related parties, as disclosed in item 6.1 in the Company's Appendix 5B. These payments were for Directors' remuneration. No other payment was made to any related party or the associate of a related party.

Expected Developments in the March 2022 Quarter

Expected developments in the current quarter include:

- Continued progress in the construction of Wash-hi–Majaza project engineering assets.
- Further efforts to gain the Mining Licence over Daris Resources LLC exploration licence and mineralisation within Block 7.
- Preparations to re-establish the Company's operations in Saudi Arabia and bid for the issue of an exploration permit over an area including the previous Khnaiguiyah Project area.

Tenement Status

Oman Copper-Gold Projects

Alara has joint venture interests in five copper-gold deposits located within five Exploration Licences 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 licences/applications for this project is presented in the table below:

Licence Name	Licence 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 2008	Active	3km ²	2013	Active
Mullaq	Al Hadeetha Resources LLC	51%	41km ²	Oct 2009	Active*	1km ²	Jan 2013	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km ²	Jan 2008	Active*	1.5km ²	Jan 2013	Pending

*Pursuant to Ministerial Decree 38/2013. This Decree provides that an exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence. In that case, the period for the exploration licence is extended until the date that a decision is made on the mining licence application.

Daris and Awtad Copper-Gold Projects

The current status of all licences/applications for this project is presented in the table below:

Licence Name	Licence Owner	Alara JV Interest	Area	Date of Grant	Status	Mining Area	Date Applied	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn in to 70%)	587km ²	Nov 2009	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km ²	Nov 2009	Renewal pending	NA	NA	NA

*Pursuant to Ministerial decree (38/2013) which declares that the exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence, in which case the duration for the exploration licence 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 Licence Owners disclosed there.

3 Refer to Alara's 8 December 2011 ASX Announcement: Project Acquisition - Al Ajal-Washi-hi-Mullaq Copper-Gold Project in Oman.

4 Refer to Alara's 30 August 2010 ASX Announcement: Project Acquisition - Daris Copper Project in Oman.

Securities Information

At 27 January 2022

Issued Securities

	Fully paid shares quoted on ASX	Listed options	Unlisted options	Total
	705,429,239	-	9,000,000	
Total	705,429,239	-	9,000,000	714,429,239

Distribution of Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	860	282,742	0.040%
1,001 - 5,000	257	592,190	0.084%
5,001 - 10,000	121	1,015,805	0.144%
10,001 - 100,000	346	14,031,892	1.989%
100,001 - and over	247	689,506,610	97.743%
Total	1,831	705,429,239	100%

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Top 20 Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Al Tasnim Infrastructure LLC	99,650,067	14.126
2.	Mr Vikas Malu	64,142,050	9.093
3.	Ms Meng	41,824,441	5.929
4.	Citicorp Nominees Pty Limited	38,691,229	5.485
5.	Mr Vikas Jain	37,745,930	5.351
6.	Al Hadeetha Investment Services LLC	31,500,000	4.465
7.	Metal Corners Holdings Co	31,012,217	4.396
8.	Mr Piyush Jain	24,199,437	3.430
9.	Whitechurch Developments Pty Ltd <White church S/F A/C>	20,575,550	2.917
10.	Mr Jay Hughes + Mrs Linda Hughes <Inkese Super A/C>	20,000,000	2.835
11.	Mr Tyrone James Giese	17,456,189	2.475
12.	BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	14,226,505	2.017
13.	Ferguson Superannuation Pty Ltd	12,557,728	1.780
14.	Mr Pradeep Kumar Goyal	12,014,381	1.703
15.	Mr Mohammed Saleh Alshaikh	11,347,387	1.609
16.	Mr Farrokh Jimmy Masani	10,422,687	1.477
17.	Mr Anthony Cullen + Mrs Sue Cullen <AC&SJ Cullen Super Fund A/C>	9,758,544	1.383
18.	Mr Peter Kelvin Rodwell	9,422,858	1.336
19.	Mr Warren William Brown + Mrs Marilyn Helena Brown	8,664,286	1.228
20.	AUM Family Super Pty Ltd <D2M2 Aggarwal Super Fund A/C>	6,055,725	0.858
Total		521,267,211	73.893%

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.

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 Hadeetha Copper 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, Al Hadeetha Resources 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 a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com.



Alara of Kush is generally regarded as the founder of the Napatan royal dynasty by his Nubian successors. During his lengthy reign, King Alara was responsible for unifying the upper kingdom, with precious metals becoming an important part of its flourishing economy.

Image: Cartouche of Alara

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALARA RESOURCES LIMITED

ABN

27 122 892 719

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(2,594)	(6,381)
(c) production	-	-
(d) staff costs	(187)	(327)
(e) administration and corporate costs	(276)	(469)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,057)	(7,177)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(7)	(9)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(7)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,626	6,165
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,626	6,165

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,677	4,242
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,057)	(7,177)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,626	6,165

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	15
4.6	Cash and cash equivalents at end of period	3,236	3,236

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,235	3,676
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Petty Cash)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,236	3,677

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

1) The amount in 6.1 is comprised of Directors' salaries, fees and entitlements of A\$134,287

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities– Al Hadeetha Investments LLC	2,754	759
Loan facilities – Sohar International Bank	67,763	6,165
7.2 Credit standby arrangements		-
7.3 Other (please specify)		-
7.4 Total financing facilities	70,517	6,924
7.5 Unused financing facilities available at quarter end		63,593
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>7.1. Pursuant to the Shareholders' Agreement with Al Hadeetha Investments LLC (AHI), Al Hadeetha Resources LLC (AHR) (a controlled entity of Alara Resources Limited) executed a Loan Agreement of up to USD 2 million with AHI on 16 April 2017. As at 31st December 2021, the loan balance was OMR 191,175 (A\$681,816). Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of OMR 5,149,596 (A\$18,365,786) from Alara Resources Limited and its controlled entities, which has been eliminated on consolidation of these financial statements) from profits of AHR prior to any dividends being issued to the shareholders of AHR, or in the event that AHI ceases to be a shareholder of AHR. AHI and/or Alara Resources Limited may elect to convert all or part of the loan into equity in AHR.</p> <p>7.2. The Company's 51% owned joint-venture vehicle Al Hadeetha Resources LLC (AHRL) has accepted an offer from Sohar International Bank for finance of OMR 19 million (AUD 67.76 million). The profit rate for the Sohar Loan is 6.5% per annum for amounts drawn in OMR and 5.15% per annum for amounts drawn in USD, variable. The Sohar Loan has a term of 9 years and 9 months, including a moratorium period of 2 years and 9 months in which only Interest payable is applicable and the same has been paid on monthly basis.</p> <p>This loan is secured by a legal mortgage over AHR's assets including processing plant, land and buildings.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,057)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,057)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,236
8.5 Unused finance facilities available at quarter end (item 7.5)	63,593
8.6 Total available funding (item 8.4 + item 8.5)	66,829
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	21.86
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

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8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31st January 2022

Authorised by: 
Stephen Gethin - Chairman

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.