

ASX Code: AUQ

DIRECTORS

Stephen Gethin
Non-Executive Chairman
Atmavireshwar Sthapak
Managing Director

Vikas Jain
Non-Executive Director

Sanjeev Kumar
Non-Executive Director

Devaki Khimji
Non-Executive Director

Farrokh Masani
Alternate Director for
Devaki Khimji

COMPANY SECRETARY
Dinesh Aggarwal

CHIEF FINANCIAL OFFICER
Dinesh Aggarwal

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ABN: 27 122 892 719

31 October 2022

Key Highlights

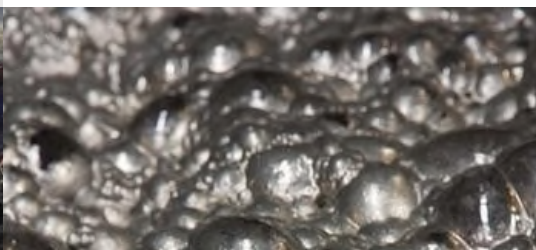
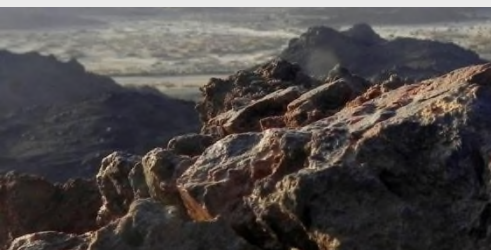
- The construction stage of Alara's Al Wash-hi – Majaza Copper-Gold Joint Venture Project (**Project**) significantly progressed in September 2022 quarter (Q1 FY22).
- The Project remains on track for delivery in early Q2 FY23.
- Alara continues to await license renewal and license application approvals for its other Omani projects.
- A JV between Alara and Al Tasnim (**A-T JV**) (Alara: 51% share) reached the final stage of the tender process for the Khnaiguiyah zinc-copper project exploration license (**Khnaiguiyah Licence**) tender conducted by the Saudi Arabian Ministry of Energy and Mineral Resources (**MIMR**).
- The A-T JV placed the second highest bid, giving it the status of "Reserve Bidder". If MIMR negotiations for the issue of the Khnaiguiyah Licence to the successful bidder are unsuccessful concluded, it will commence negotiations with the A-T JV.

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 30 September 2022 along with the following financial and operational update.

Al Wash-hi–Majaza Copper-Gold JV Project developments

The development phase of Al Wash-hi–Majaza Copper-Gold Joint Venture Project (**Project**) was significantly advanced during the reporting period, as follows:

- A range of equipment consignments crucial to the mine's completion arrived on site, facilitating an acceleration and broadening of construction activities.
- Pace of work activities accelerated at the ROM pad, grinding and classification tasks and stockpile foundation.
- Initial work commenced in the grinding electrical room, regrind mill foundation, flotation bay and electrical room, concentrate and tailing thickener foundations and bulk reagents building and bay.
- The Omani Government exempted the Project from customs duty on imported equipment and components, reducing capital costs and saving time in seeking customs' clearances.



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Licenses for other Oman-based projects remain under review

License applications and renewals for Alara's other Oman-based projects are still pending:

- **Daris Copper-Gold Project (Oman):** The Omani Ministry of Energy and Minerals (**OMEM**) continued to review the application for the Daris East mining license.
- **Awtad Copper-Gold Project (Oman):** An application to renew the exploration license remains under consideration by OMEM.

Alara/AI Tasnim JV a final bidder for Saudi exploration license

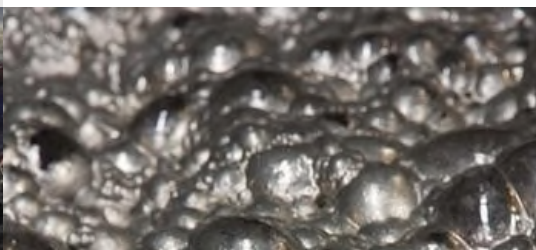
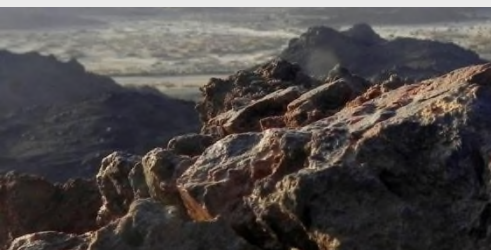
- In late August, a joint venture between Alara and AI Tasnim (**A-T JV**) (Alara: 51% share) was announced as one of the final three bidders short-listed to participate in the final, multi-round auction stage for the Kingdom of Saudi Arabia (**KSA**) Khnaiguiyah zinc-copper exploration license (**Khnaiguiyah Licence**). The 353 km² Khnaiguiyah Licence area included Alara's former Khnaiguiyah zinc-copper project.
- While the A-T JV was well-funded, technically supported and held a wealth of knowledge linked to the project, it was unsuccessful in the tender, being the second-highest bidder.
- The A-T JV was invited to submit a proposal for the award of an exploration license at Umm Ad Damar, 300km northeast of Jeddah, prospective for copper, zinc, silver and gold.

Alara Resources Managing Director Atmavireshwar Sthapak said:

"We are thrilled by the huge strides made in construction of the AI Wash-hi – Majaza Project over the September 2022 quarter, after overcoming severe weather-related challenges early in the period. The steady stream of equipment consignments arriving on site over the quarter allowed the JV to both accelerate work already underway at the start of the period, and also commence other project-critical tasks.

This momentum has extended into the early part of the current quarter. With construction picking up pace and broadening in scope over recent months, the Project remains on track to be completed early in the June 2023 quarter. We look forward to updating investors on progress towards this goal over coming months.

While coming a close second in the Khnaiguiyah license award process was a disappointment, both Alara and its JV partner AI Tasnim learnt much from the process. Our good showing in the bid process significantly raised Alara's profile in the Kingdom of Saudi Arabia's rapidly growing mining industry. The Alara-AI Tasnim JV intends leveraging this increased recognition over the months ahead, bidding for other opportunities in the Kingdom that meet our strict acquisition criteria.



Oman Activity

Oman Project Construction Update

Al Hadeetha Copper-Gold Project

Oman

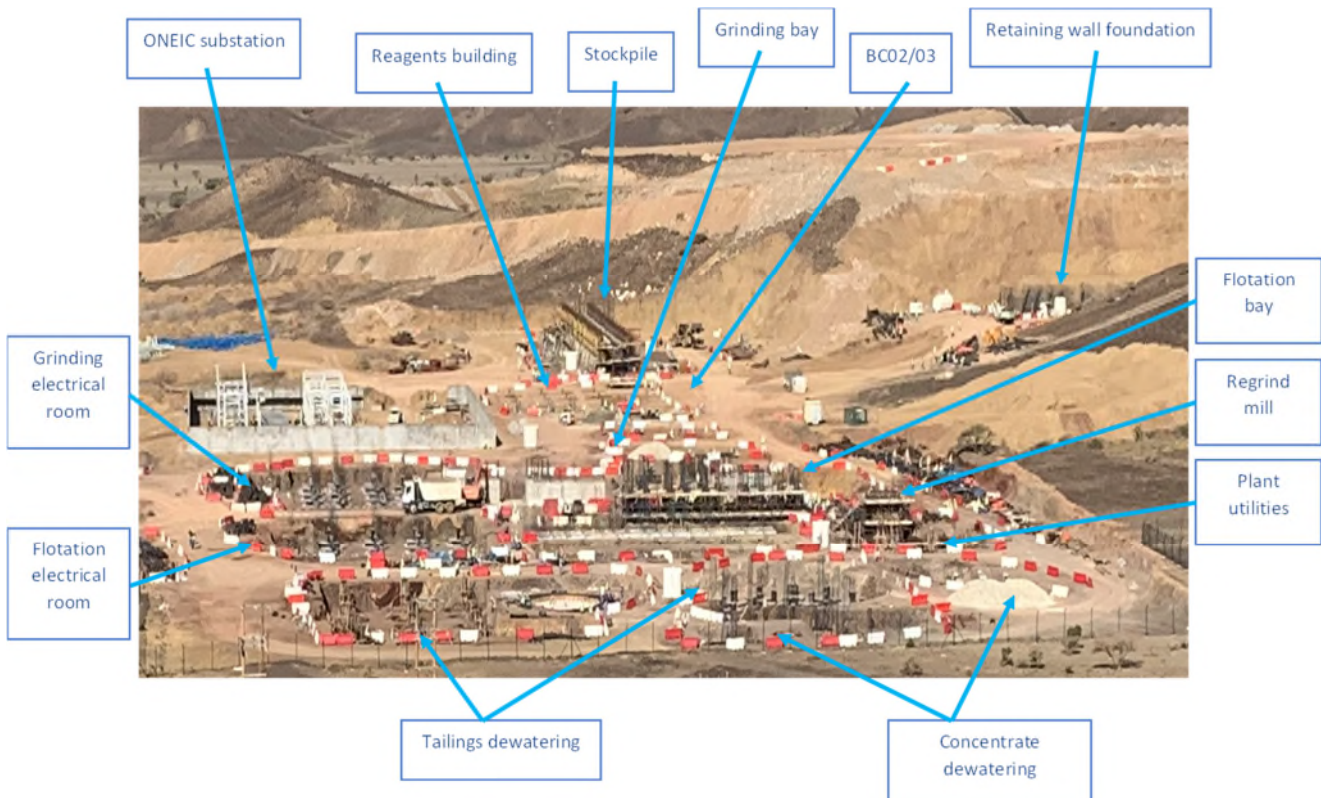
(Alara – 51%; Al Hadeetha Investments LLC – 30%; Al Tasnim Infrastructure Services LLC 19% (AHRL))

Target completion date of April 2023 remains on track

The construction phase of Alara’s 51%-owned Al Wash-hi – Majaza copper-gold project (**Project**) materially progressed over Q1 FY23. The images below give an overview of construction activities.



Copper-gold processing plant construction progress (late October 2022)



Aerial view of the under-construction mine site infrastructure at Al Wash-hi Majaza

A number of the 50 equipment consignments crucial to the mine’s development arrived on site over the quarter, followed by a range of installation activities.

This work has AHRL firmly on track to meet the revised Project completion date of 25 April 2023, preceded by the mechanical completion of plant target date of 25 February 2023.

Equipment consignment deliveries facilitate increased development activities

Some of the specific equipment consignments arriving on site over the quarter included:

- Equipment from Takraf, Matec, Stratgem and Metso, comprising components for the thickener, pressure filters, hydraulic units, regrind mill and dust collectors.
- Key CITIC consignments, made up of the ball mill, LRS ball mill, SAG mill and crusher (see ASX announcements, dated 6 September 2022 and 15 August 2022).

The full list of recently arrived and pending equipment arrivals is shown in the following table.

Package Name	Vendor	Country of Origin	Arrived/Due
Ball mill	CITIC	China	Arrived at Site
Ball mill LRS	CITIC	Germany	Dec 22
SAG mill	CITIC	China	Arrived at Site
Crusher	CITIC	China	Arrived at site
Conveyor belt - belt and gear box	Al Tasnim Manufacturing	Oman	Arrived at Site
Conveyor belt - rollers	Al Tasnim Manufacturing	Oman	Q1 FY23
Conveyor belt - pully assembly	Al Tasnim Manufacturing	Oman	Nov 22
Tanks (17), sumps (4) & feeder boxes (3)	Al Tasnim Manufacturing	Oman	Q2 FY23
Magnetic separators	Electro Zavod	India	Arrived at site
Flotation cells	Innovator SP	Poland	Arrived at site
Pressure filters FP 1000	Matec SRL	Italy	Arrived at site
Pressure filters FP 2500X2600	Matec SRL	India	Arrived at site
Conveyor safety switches	Smart Sensors & Automation	India	Nov 22
Vibrating screen	Metso	Turkey	Q2 FY23
Belt weigher	Precia Molen	UAE/Oman	Q2 FY23
Weigh bridge	Precia Molen	UAE/Oman	Nov 22
Fixed bridge 150PPM, 3.7KW, 5.5KW	Takraf India	India	Arrived at site
Apron feeders	Larsen & Toubra	India	Nov 22
Apron feeders gear box	Larsen & Toubra	India	Nov 22
ABB Lot 1	ABB	India	Arrived at site
ABB Lot 2	ABB	Oman	Arrived at site
ABB Lot 3	ABB	India	Arrived at site
ABB Lot 4 (Expected)	ABB	India	Dec 22
Froth pumps	Metso Turkey	Sweden	Q1 FY23
Slurry pumps	Metso Turkey	Sweden	Q1 FY23
Sump pumps	Metso Turkey	Sweden	Q1 FY23
Froth pumps	Metso Turkey	Sweden	Q1 FY23
Rock breaker	Metso UAE	Finland	Q1 FY23
Pan feeder	Metso UAE	India	Q1 FY23
Sampling system	Metso	Finland	Q2 FY23
Regrind mill (SMD) media screens	Metso	Lithuania	Arrived at site
Regrind mill (SMD) accessories	Metso	USA	Arrived at site
Regrind mill (SMD) impeller arms	Metso	Turkey	Arrived at site
Regrind mill motor & VFD	Metso	Brazil	Arrived at site
Regrind mill reducer	Metso	Finland	Arrived at site
Regrind mill liner	Metso	India	Arrived at site
Dust collector	Stratgem	India	Arrived at site
Air blower	Continental Industrie S.A.S.	France	Nov 22
Hydro cyclones	Weir Minerals Processing Equipment LLC	UAE	Nov 22
Air compressor	Bin Salem Enterprises LLC	Oman	Arrived at site
Cooling tower	Bahwan Engineering Company LLC	Oman	Arrived at site
Density meter	IST-Platform Servicing and Trading LLC	UAE	Q1 FY23
PLC system	CAS Electrical & Automation	India	Q1 FY23
Water pumps	Sigma Industries	India	Q1 FY23

Package Name	Vendor	Country of Origin	Arrived/Due
Reagent pumps	Sigma Industries	India	Q2 FY23
Tech-Taylor valves	Weir Minerals processing Equipment LLC	UAE	Q1 FY23
Agitator	Afromix	South Africa	Q2 FY23
11kV cables	Ducab	Oman	Q1 FY23
LT cables	Ducab	Oman	Q1 FY23
Hoists & cranes	Brady & Morris Engineering	India	Q2 FY23

Recent and pending equipment arrivals

The major equipment consignments which arrived during the quarter facilitated an acceleration and broadening of construction activities, winning back time lost by unusually heavy rain over July. This wet patch caused delays as some dewatering of excavated pits, cleaning and rework activities were undertaken.

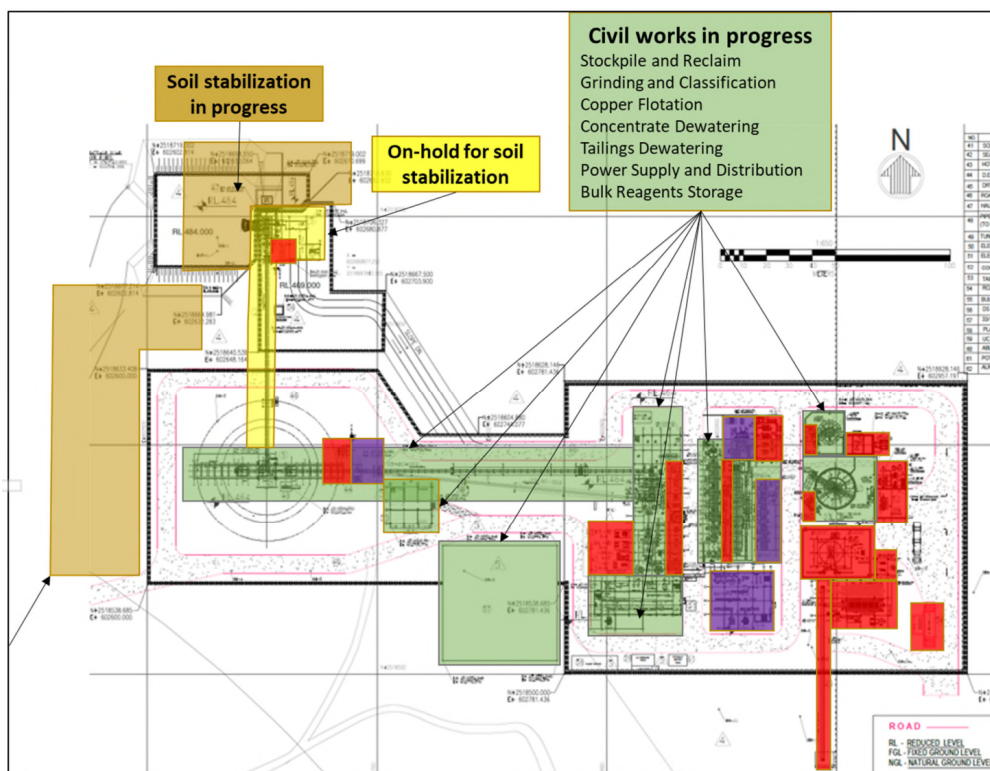
Over the course of the Company’s Q1 FY23 work in progress activities were accelerated across a number of areas, including:

- ROM pad grading to enable retaining wall works (critical path)
- Grinding and classification tasks (critical path)
- Stockpile foundation.

In addition, new construction fronts were initiated including the:

- Grinding electrical room
- Re grind mill foundation
- Flotation bay and electrical room
- Concentrate and tailing thickener foundations
- Bulk reagents building and bay

The following figure show currently active construction areas over the Al Wash-hi–Majaza Project site.



Active construction areas at Al Wash-hi–Majaza Project

Plant site civil works on track

Minesite construction at Al Wash-hi Majaza significantly advanced during Alara’s Q1 FY23. The mine pit itself, the gossan dump, the haul road leading to it and the drill pad are now all well on the way to completion.

Customs' duty waiver delivers capital cost savings to the Project

In early Q1 FY23, Alara announced that the Government of Oman had exempted Alara's JV vehicle Al Hadeetha Resources' from customs duty on imported equipment and components of the concentrator plant arriving at Omani ports (see ASX Announcement, dated 11 July 2022).

This duty exemption was another example of the ongoing support which the Project is receiving from all Government authorities and agencies in the Sultanate. The waiver will benefit the project as a capital cost saving and reduce the time associated with the customs' clearance process at port.

Daris Copper-Gold Project

Oman

(Alara – 50%; Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (DRL))

The Daris project comprises two high-grade copper deposits within the 587km² exploration license, which includes two mining license applications covering an area of 4.5km². This project fits well with Alara's planned "hub-and-spoke" model, which provides for processing of Daris ore at the Wash-hi – Majaza copper concentration plant under construction after it is complete.

The Daris East Mining License application, which covers an area that includes measured, indicated and inferred JORC copper resources¹, 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 and survey work has been proposed to resolve the objection from the Ministry.

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

Awtad Copper-Gold Project

Oman

(Alara: initial right to subscribe for 10% of this project, with subsequent farm-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**).

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.

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

Mineral Tenements

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

Block Name	License Owner	Alara JV Interest	Area	Exploration License			Mining Licenses within EL		
				Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn-in to 70%)	587km ²	Nov 2009	Feb 2016	Active ²	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn-in to 70%+)	497km ²	Nov 2009	Oct 2013	Renewal pending	NA	NA	NA

Status of mineral tenements and applications for the Daris and Awtad Projects

1 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.
 2 Pursuant to Ministerial Decree 38/2013 which provides that an exploration license ends when its term ends unless the licensee applies for a mining license. In that case, the period for the exploration license is extended until the date that a decision is made on the mining license.

Alara Resources LLC

Alara Resources LLC (ARL) is a Joint Venture between Alara Oman Operations Pty Ltd (35%), a wholly owned subsidiary of Alara Resources Limited, Southwest Pinnacle Exploration Ltd (SWPE) an established Indian exploration and mining Company listed on the National Stock Exchange India (35%) and Al Tasnim Infrastructure LLC (30%), a privately owned Omani company from the Al Tasnim group, one of the largest construction and general industrial conglomerates in Oman.

Demand for exploration and general drilling in Oman returned to its usual level after a slow-down due to COVID-19. ARL has two drill rigs and associated accessories and is actively seeking and obtaining work in this sector.

ARL recently completed a two-phase drilling contract at a limestone license in Oman. ARL is also registered as an approved services provider to Minerals Development of Oman Company (**MDO**) the Omani Government's exploration and mining company.

ARL is receiving and responding to invitations to tender for exploration drilling for base metals and industrial minerals projects from MDO and various other projects from other parties in Oman.

Saudi Arabia – Khnaiguiyah Exploration License Bid

Alara Resources formed a joint venture with Al Tasnim Infrastructure LLC (**Alara-Tasnim JV**) to bid for an Exploration License (**Khnaiguiyah Licence** or **Licence**) over the Khnaiguiyah Zinc-Copper prospect in the Kingdom of Saudi Arabia (**KSA**). Alara held a 51% share in this JV. In 2013, Alara had conducted a definitive feasibility study over a small part of the 353km² area covered by the Khnaiguiyah Licence, which revealed the potential to develop a robust zinc copper project on that area.

Of 24 parties initially invited to make proposals for the award of the Khnaiguiyah Licence, the Alara-Tasnim JV was shortlisted in the final three. A competitive bidding process was then held (Licence Auction) with the Licence to be issued to the consortium which offered to pay the highest amount (called a signing bonus) to the Saudi Ministry of Industry and Mineral Resources (**MIMR**).

The Alara-Tasnim JV lodged the second-highest bid in the Licence Auction. Under the Licence Auction rules, the Alara Tasnim JV was accorded the status of "Reserve Bidder" as a result. If negotiations between MIMR and the successful bidder to finalise the issue of the Licence are unsuccessful for any reason, MIMR will then commence negotiating the potential issue of the Licence to the Alara-Tasnim JV, as Reserve Bidder.

As a result of participating in the Licence Auction, Alara and Al Tasnim made, and built on, new and existing relationships with key Government and industry participants in the Saudi resources sector. Alara is perceived by many as having made a positive contribution to that country's growing mining industry by its earlier development work at Khnaiguiyah. The Board considers that Alara's resulting reputation in this country is beneficial to re-establishing a presence there.

The KSA Government has an ambitious plan to further diversify its resource industry well beyond its traditional focus on hydrocarbons. As a result, a number of other opportunities to bid for, or stake, other mineral exploration licenses have become available to the Company in KSA. Alara and Al Tasnim are forming a new, 50-50, joint venture to identify and exploit these opportunities. We look forward to updating investors as and when our new Saudi JV seeks to acquire particular projects in that country.

The A-T JV was invited to submit a proposal for the award of an exploration license at Umm Ad Damar, 300km northeast of Jeddah, prospective for copper, zinc, silver and gold.

Expenditure Summaries

Mining production and development

During the quarter, the consolidated entity incurred expenditure of \$17.943 million 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 \$125,000 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 December 2022 Quarter

Expected developments in the current quarter include:

- Continued progress in the construction of the Wash-hi–Majaza project engineering assets.
- Further efforts to gain the Mining License over Daris Resources LLC exploration license and mineralisation within Block 7.
- Assisting Awtad Copper LLC) in its endeavours to attain the exploration license for the Awtad Copper-Gold Project.

Tenement Status

Oman Copper-Gold Projects

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

License Name	License Owner	Alara JV Interest	Area	Date of Grant	Status	Mining Area	Date Status Applied
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 ³	1km ²	Jan 2013 Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km ²	Jan 2008	Active	1.5km ²	Jan 2013 Pending

³ Pursuant to Ministerial Decree 38/2013 which provides that an exploration license ends when its term ends unless the licensee applies for a mining license. In that case, the period for the exploration license is extended until the date that a decision is made on the mining license.

Daris and Awtad Copper-Gold Projects

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

License Name	License Owner	Alara JV Interest	Area	Date of Grant	Status	Mining Area	Date Applied	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn up to 70%)	587km ²	Nov 2009	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (farm-in to 70%)	497km ²	Nov 2009	Renewal	NA pending	NA	NA

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

Securities Information

As at 27 October 2022

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid, ordinary shares	718,087,541	–	718,087,541
Options	–	5,000,000	5,000,000
Total			723,087,541

Distribution of Fully Paid Shares

Spread of Holdings	No. of Holders	Number of Units	% of Issued Capital
1 – 1000	851	277,339	0.039%
1,001 – 5,000	248	581,226	0.081%
5,001 – 10,000	157	1,304,617	0.182%
10,001 – 100,000	449	17,608,073	2.452%
100,001 +	268	698,316,266	97.247%
TOTAL	1,973	718,087,541	100%

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 is constructing the Al-Washi – Majaza copper-gold mining and processing project (**Project**) in Oman, and has completed an advanced scoping study on the Daris Copper-Gold Project in Oman. In June 2018, Alara's 51% owned Omani JV Al Hadeetha Resources LLC became the first international joint venture company to be awarded a copper mining license in the Sultanate of Oman, on which the project construction is underway. The Company is establishing itself a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com.

This announcement is authorised by:

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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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(17,411)	(17,411)
(c) production	-	-
(d) staff costs	(255)	(255)
(e) administration and corporate costs	(278)	(278)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(17,943)	(17,943)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(3)
(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 (3 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	(3)	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	120	120
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	(1)	(1)
3.5	Proceeds from borrowings	18,523	18,523
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	18,642	18,642

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,450	2450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(17,943)	(17,943)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,642	18,642

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	91	91
4.6	Cash and cash equivalents at end of period	3,237	3,237

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	3,235
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Petty Cash)	2	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,237	3,237

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	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

1) The amount in 6.1 is comprised of Directors' salaries, fees and entitlements of A\$125,638

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.</i>		
<i>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	3,095	793
Loan facilities – Sohar International Bank	76,106	37,033
7.2 Credit standby arrangements		-
7.3 Other (please specify)		-
7.4 Total financing facilities	76,109	37,826
7.5 Unused financing facilities available at quarter end		38,283
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 30th September 2022, the loan balance was OMR 198,153 (A\$793,726). Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of OMR 5,216,247 (A\$20,894,308) 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 76.11 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)	(17,943)
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)	(17,943)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,237
8.5 Unused finance facilities available at quarter end (item 7.5)	38,283
8.6 Total available funding (item 8.4 + item 8.5)	41,520
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.31
<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>	

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

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 October 2022

Authorised by: 
Stephen J 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.