

ASX/MEDIA RELEASE

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ALARA RESOURCES ACCELERATES CONSTRUCTION AND PROCUREMENT AT OMAN COPPER-GOLD PROJECT

Highlights

- Alara continues to make significant progress at its joint venture copper-gold project in Oman
- Engineering and procurement continue to ramp up, with 63% of engineering work completed and a number of major equipment items on order
- Accommodation village construction is nearing completion and will be occupied by January 2022
- Alara remains on track to complete the project by November 2022

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 the accelerated progress of construction and procurement activities at the Al Hadeetha at the Washi Majaza Copper-Gold Project. Alara owns a 51 per cent equity interest in the joint venture developing the project.

Project engineering ramps up

As the procurement order placements are advancing, the progress of detailed engineering is also meeting the expected schedule at an accelerated pace. During this month, planned engineering was progressed rapidly by Debisikha Associates and Progesys, with 63% of planned detailed engineering work completed (refer figure 1).

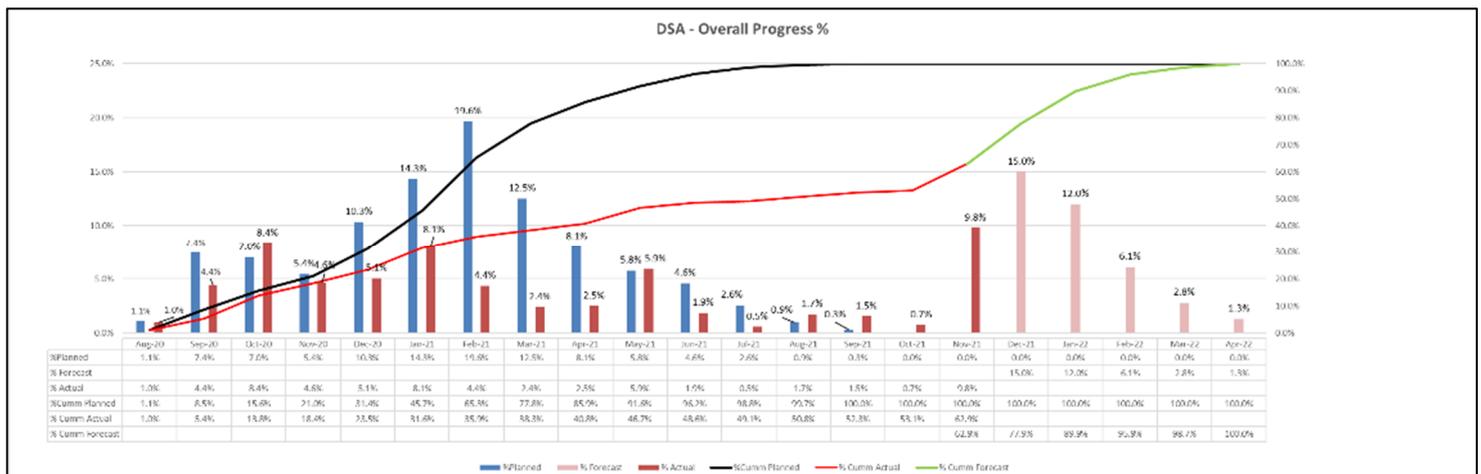


Figure 1: Project Engineering progress

Procurement

Since the previous update, Al Hadeetha Resources LLC (**AHRL**) continued with drawdown on finance, using the capital for the following purchase orders and contracts. Total committed cumulative Capex stands at US\$23.5 million in December 2021. The table below provides details of equipment already ordered (refer figure 2).

| 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 | Innovator | 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 |

Figure 2: Equipment ordered

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Site work progress – Camp construction

Construction of accommodation village is nearing completion. Catering and facility management contracts are also being awarded to make the camp liveable by mid-January 2022.

The pictures below show accommodation camp construction progress.



Picture 1: Accommodation village nearing completion.



Picture 2: Accommodation village close-up



Picture 3: Dining area ground slab casting



Picture 4: AHRL CEO Avigyan Bera finalizing power line route to project

Alara Managing Director Atmavireshwar Sthapak said: “As we approach the end of 2021, we are pleased to report that progress at the Al Wash-hi Majaza Copper-Gold Project is continuing to accelerate. With the accommodation village almost complete, attention will turn to the construction of a world-class, copper-gold mining-processing facility. We are very excited about the work we have planned for 2022 and look forward to updating shareholders on the achievement of further key project development milestones.”

ENDS

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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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