

## ASX/MEDIA RELEASE

17 January 2023

# FIRST HIGH-GRADE COPPER SULPHIDE ORE MINED AT WASH-HI MAJAZA MINE

### Key Highlights

- Development of Wash-hi mine progressing well with stripping of overburden and oxide/gossan ore continuing in Wash-hi pit, at a current depth of 25 meters below surface.
- High-grade copper sulphide ore exposed at 430 SRL in the pit.
- LME spot copper returns to above USD 9000 per tonne, increasing the net present value (NPV) of Alara's interest in the project to USD 61.71 million (AUD 88.24 million)<sup>1</sup>.

**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 inform investors of encountering high-grade copper sulphide ore at the Wash-hi mine (**Al Wash-hi Majaza Copper-Gold Project** or the **Project**) in the Sultanate of Oman. Alara owns a 51% equity interest in Al Hadeetha Resources LLC (**AHRL**) the joint venture (**JV**) developing the Project.

### Blast Hole drill sample results

Samples from blast holes between 433 SRL and 427 SRL analysed at an onsite laboratory indicated the presence of high-grade copper sulphide ore at shallow levels in the pit.

Figures 1 and 2 below show the surface plan of the mine, current extent of the pit, and the location of the first copper sulphide ore encountered at the mine. Tables 1 and 2 show the results of testing samples from the onsite laboratory<sup>2</sup>.

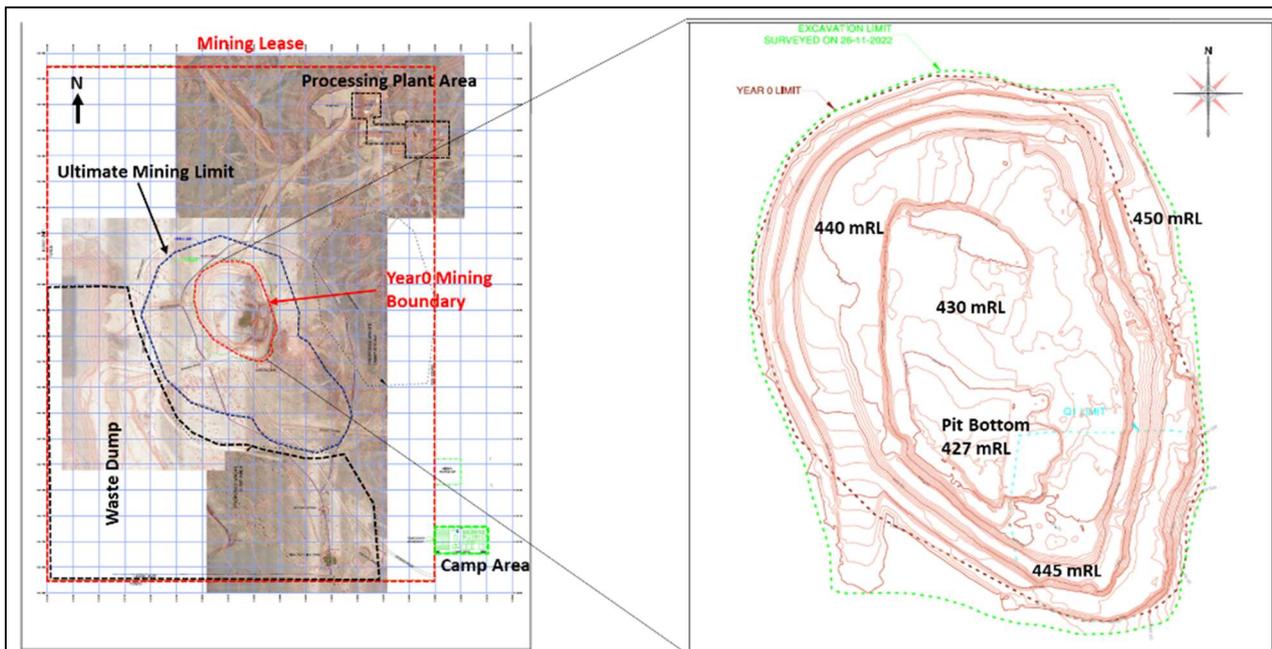
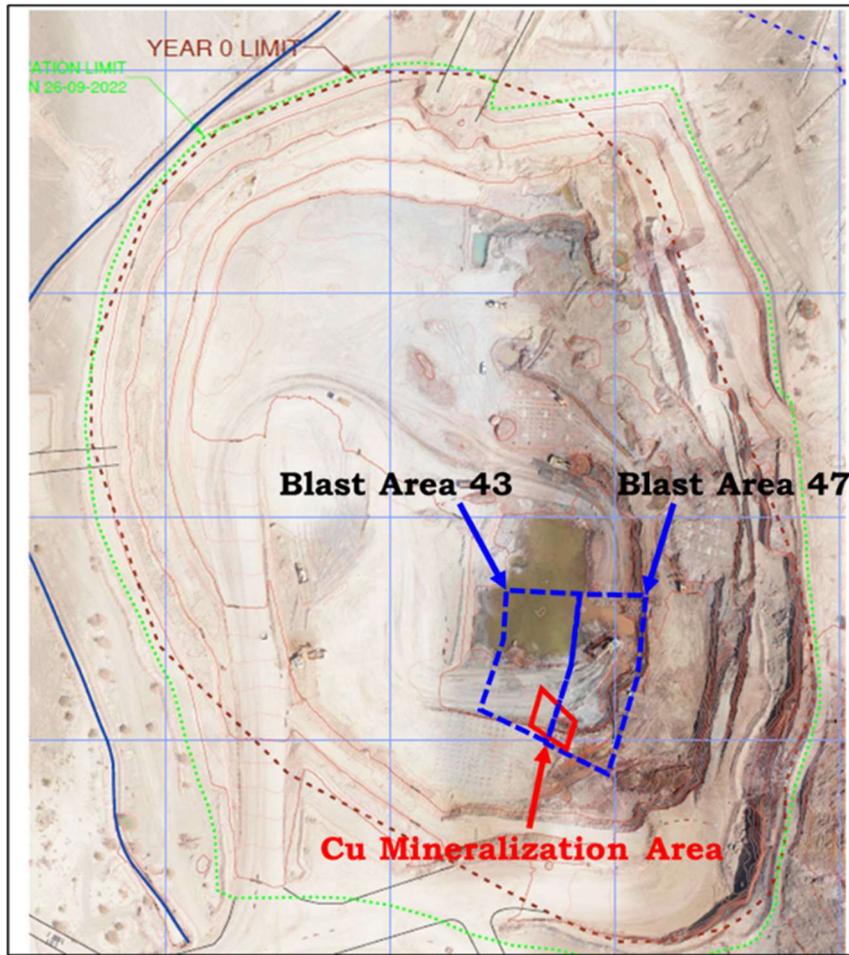


Figure 1 – Wash-hi mine surface plan and pit



**Figure 2 – Location of high-grade copper sulphide ore encountered**

| Sample ID | Northing | Easting | RL  | Cu%  |
|-----------|----------|---------|-----|------|
| WSBC039   | 2517864  | 602184  | 432 | 0.45 |
| WSBC043   | 2517818  | 602173  | 432 | 0.63 |
| WSBC044   | 2517823  | 602175  | 432 | 0.21 |
| WSBC048   | 2517840  | 602178  | 432 | 4.78 |
| WSBC049   | 2517843  | 602179  | 432 | 4.69 |
| WSBC052   | 2517857  | 602181  | 432 | 1.44 |
| WSBC053   | 2517860  | 602181  | 432 | 3.15 |
| WSBC057   | 2517807  | 602167  | 432 | 4.07 |
| WSBC061   | 2517826  | 602173  | 432 | 4.36 |
| WSBC062   | 2517831  | 602174  | 432 | 1.80 |
| WSBC066   | 2517856  | 602178  | 432 | 5.06 |
| WSBC070   | 2517820  | 602168  | 432 | 0.34 |
| WSBC071   | 2517825  | 602170  | 432 | 0.16 |
| WSBC158   | 2517815  | 602180  | 432 | 1.25 |
| WSBC169   | 2517836  | 602188  | 432 | 0.10 |
| WSBC175   | 2517818  | 602186  | 432 | 0.98 |
| WSBC181   | 2517805  | 602185  | 432 | 2.39 |

**Table 1 – Copper grade in blast hole samples**

Face samples were also collected after blasting and analysed at the site lab. The analysis results are given in the table below<sup>3</sup>.

| Sl.No. | Sample ID | Easting | Northing | RL  | Lithology                                 | Colour             | Cu % |
|--------|-----------|---------|----------|-----|---|--------------------|------|
| 1      | WSGS056   | 602222  | 2517770  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 3.61 |
| 2      | WSGS057   | 602227  | 2517772  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 4.27 |
| 3      | WSGS058   | 602230  | 2517776  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 5.27 |
| 4      | WSGS059   | 602230  | 2517771  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 3.73 |
| 5      | WSGS060   | 602235  | 2517772  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 4.73 |
| 6      | WSGS061   | 602231  | 2517782  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 3.64 |
| 7      | WSGS062   | 602218  | 2517783  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 4.54 |
| 8      | WSGS063   | 602211  | 2517765  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 5.21 |
| 9      | WSGS064   | 602219  | 2517773  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 1.74 |
| 10     | WSGS065   | 602213  | 2517765  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 3.23 |
| 11     | WSGS066   | 602224  | 2517775  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 5.01 |
| 12     | WSGS067   | 602226  | 2517769  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 5.71 |
| 13     | WSGS068   | 602218  | 2517767  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 5.08 |
| 14     | WSGS069   | 602229  | 2517767  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 4.79 |
| 15     | WSGS070   | 602238  | 2517779  | 432 | Massive basalt with Pyrite & Chalcopyrite | Dark greenish grey | 2.14 |

**Table 2 – Face sample copper grade**

The photo sets below show the ore samples after blast and pit geology.



**Photoset 1 – Sulphide ore in Wash-hi pit**

- Host rock: mineralized basalt
- Observed sulphide minerals: pyrite, chalcopyrite and (+/-) bornite
- Mineralisation appears to be disseminated type fracture filled to semi massive in nature, chalcopyrite-rich, high-grade vein within pyrite-rich basalt.

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**Photoset 2 – Current pit images and rock exposures**

**Copper price rebound**

On 11 January 2023 the LME spot copper price broke back above USD 9000 per tonne, a level not seen since June 2022, and reached USD 9185.50 on 16 January. This indicates the market may be shaking off inflation fears, returning the price of the metal to levels more consistent with projected medium to long-term high demand as the world’s energy system moves towards renewables.

The latest update to the Project financial model completed in 2021<sup>4</sup> showed that the Project has a net present value (NPV) of USD 121 million at a copper price of USD 9000 per tonne. Alara’s 51% share of Project NPV is USD 61.71 million (AUD 88.24 million).

**Alara Managing Director, Atmavireswar Sthapak said:** *“We are delighted with the progress already made in the development of Wash-hi mine pit and pleased with high grade copper ore now being excavated in the mine. We look forward to providing further updates on construction activities at the AI Wash-hi Majaza Copper-Gold Project over coming months.”*

**END**

**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.

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, the Block 7 exploration licence under the Daris JV and the Mullaq and Al Ajal exploration licences under the Al Hadeetha JV.

Alara's mission is to become a mid-tier minerals producer which will deliver maximum shareholder value through profitable growth driven by low-cost, sustainable operations.

To learn more, please visit: [www.alararesources.com](http://www.alararesources.com).

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1 Refer to Alara's 7 April 2021 ASX Announcement Oman Copper Project Update for Project NPVs and other financial parameters in various copper price scenarios, including USD \$9000 per ton. Refer to the Company's ASX announcement Oman Copper Project Update dated 7 April 2021. That announcement updated the Company's previous Project financial forecast, contained in its ASX announcement Oman Copper Project Update – Base Case NPV at US\$ 90M dated 28 June 2018, which in turn updated the Company's previous Project financial forecast, contained in its announcement Oman Activities Update dated 24 January 2017. The above announcements all updated the original Company's Project financial forecast made during the feasibility study, announced on ASX as Feasibility Study Update Al Hadeetha Copper-Gold Project on 31 March 2016. Alara's ASX Announcements dated 31 March 2016, 24 January 2017, 28 June 2018 and 7 April 2021 contain the information required by ASX Listing Rule 5.17 regarding the stated forecast financial information. All material assumptions underpinning the financial forecast and the production target on which it is based are as announced in the Company's 24 January 2017 announcement referred to above. Those assumptions have not materially changed, except to the extent specified in the Company's later announcements referred to above. The assumptions specified or referred to in the above 7 April 2021 announcement have not materially changed.

2 Insufficient copper ore has been excavated to date to affect the overall grade of the ore in the resource at the Project, as announced (for example) in the Company's ASX announcement *Oman Copper Project Update* dated 7 April 2021.

3 Please see endnote 2, above.

4 Please see endnote 1, above.