

ASX/MEDIA RELEASE

Wednesday, 26 July 2023

EXCLUSIVE OFFTAKE AGREEMENT SIGNED FOR OMAN COPPER-GOLD PROJECT

- **Exclusive offtake agreement signed between Alara JV Company and Trafigura, a market leader in the global commodities industry, for its Wash-hi Majaza copper-gold project in Oman (Project).**
- **Under the agreement, Trafigura will purchase the full output of copper concentrate from the Project for 8 years from commencement of production.**
- **Pricing is based on the official London Metal Exchange cash settlement quotation for Grade A copper at the time of delivery.**

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 announce that its Omani JV Company, Al Hadeetha Resources LLC (**AHRL**) has signed an exclusive offtake deal (**Offtake Agreement**) with Trafigura Pte Ltd (**Trafigura**), a market leader in the global commodities industry. The long-term agreement covers production of copper concentrate from the Wash-hi Majaza Copper-Gold Project (**Project**) in Oman.

The Project comprises three exploration licences: (Wash-hi Majaza, Mullaq and Al Ajal); one mining licence (Wash-hi Majaza); and a copper concentrator plant (under construction) with the capacity to process one million tonnes of copper ore per annum when completed¹. The Project is located in the Al Sharqiyah Governorate of Oman.

The Project is expected to be a game-changer in the new era of copper mines being developed in the Sultanate of Oman in response to the rapidly growing world demand for sustainable energy.

Following the signing of the Offtake Agreement, Atmavireshwar Sthapak, Managing Director of Alara and AHRL said: “We are very excited that Trafigura and Al Hadeetha Resources are partnering to transform the mining landscape in the Sultanate of Oman. We are highly indebted to the Ministry of Energy in Oman and our other stakeholders for their support in helping us achieve this major milestone.”

Ross Ridgway, Head of Copper for Trafigura, said: “There is very strong demand for copper due to its role in the energy transition. Since the fourth millennium BC, copper has been produced in this region. We are supporting the Wash-hi Majaza project as Oman re-enters the world stage as a supplier of this critical metal.”

The key commercial terms of the Offtake Agreement are:

Term	Eight years and two months from the commencement of copper concentrate production at the Project (Term).
Quantity	Full copper concentrate production of the Project for the Term.
Pricing	Based on the official London Metal Exchange cash settlement quotation for Grade A copper at the time of delivery.

¹ Alara’s ASX Announcements dated 1 April 2016 (Definitive Feasibility Study Results initial announcement), 24 January 2017 (Definitive Feasibility Study update), 28 June 2018 (Project Net Present Value update) and 29 March and 7 April 2021 (Project Net Present Value NPV update) contain the information required by ASX Listing Rule 5.16 regarding the stated 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.

In conjunction with the Offtake Agreement, Alara has obtained a USD 3.45 million finance facility² (**Facility**) from Trafigura. The principal purpose of the Facility is to enable Alara to further capitalise AHRL, which will in turn use the funds for completion of Project infrastructure construction.

The key commercial terms of the Facility are:

Interest Rate:	SOFR plus a margin of 5.15% per annum.
Maturity Date:	30 June 2029.
Grace period	Repayments of Principal commence on 30 September 2025.
Repayments:	The Facility is to be repaid in 16 equal quarterly instalments commencing on the expiry of the Grace Period.
Security	Warrants (options) to be issued to Trafigura enabling the conversion of the outstanding balance of the Facility at the time of any event of default into Alara shares, subject to a cap of 179,521,885 warrants which may be exercised (Warrants). The Warrants are exercisable at a 10% discount to the volume-weighted average price of Alara shares over the 30-day period prior to any default which triggers the exercise. The Warrants may not otherwise be exercised. 107,713,131 Warrants are to be issued today. The issue of the remaining 71,808,754 Warrants is subject to shareholders' approval. Alara will be calling an Extraordinary General Meeting of shareholders as soon as possible to seek that approval. If a default occurs under the Facility and all Warrants are exercised, the resulting shares issued would represent 20% of the total, post-exercise voting power in Alara.

Drawdown of the Facility is subject to the satisfaction of certain conditions precedent. These are technical, and the Company expects them to be fulfilled in the short term.

ENDS

This announcement is authorised by:

Atmavireshwar Sthapak	T +968 2449 1162
Managing Director	E avsthapak@alararesources.com
Dinesh Aggarwal	T +61 8 9240 4211
Company Secretary	E cosec@alararesources.com

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.

² Equivalent to AUD 5.083 million at a USD:AUD exchange rate of 1.4735 at the date of this announcement.

About Trafigura

Trafigura is a leading commodities group, owned by its employees and founded 30 years ago. At the heart of global supply, Trafigura connects vital resources to power and build the world. We deploy our infrastructure, market expertise and worldwide logistics network to move oil and petroleum products, metals and minerals, gas and power from where they are produced to where they are needed, forming strong relationships that make supply chains more efficient, secure and sustainable. We invest in renewable energy projects and technologies to facilitate the transition to a low-carbon economy, including through joint ventures H2Energy Europe and Nala Renewables.

The Trafigura Group also comprises industrial assets and operating businesses including multi-metals producer Nyrstar, fuel storage and distribution company Puma Energy, and our Impala Terminals joint venture. The Group employs over 12,000 people and is active in 156 countries. For more information, please visit: www.trafigura.com.

Trafigura Group Pte Ltd Press Office

T | +41 (0) 22 592 4528

E | media@trafigura.com