

ASX / MEDIA RELEASE
11 September 2024

Block 8 Exploration Heads of Terms Signed

Perth, Australia: Alara Resources Limited (ASX:AUQ), a base and precious metals producer and explorer with projects in Oman (**Alara** or the **Company**), is pleased to announce the signing of a non-binding Heads of Terms between the Company, Awtad Copper LLC and AIM (UK) listed power Metal Resources plc (AIM:POW) (**Power Metal**) for the negotiation of an agreement for exploration of the Block 8 mineral concession in Oman (**Proposed Agreement**).

Highlights

- Power Metal to contribute up to US\$500,000 of exploration expenditure until existing licence renewal (30th April 2025).
- Following successful licence renewal, Power Metal will fund up to a further US\$240,000 of exploration.
- Power Metal will earn a 10% interest in Block 8 for the \$500,000 contribution and a further 2.5% interest on expenditure of the second instalment of \$240,000.
- Power Metal manage the Block 8 exploration program.

Background

Alara holds its interest in the Block 8 mineral concession in Oman under a joint venture with Awtad Resources LLC (**Awtad**). Alara holds a 10% interest in the joint venture, with potential to increase its interest to 70%.

While maintaining its current interest in Block 8, Alara plans to increase its stake in future based on success of Power Metal exploration programs.

Summary of Heads of Terms

The parties are to endeavour to negotiate a formal, legally binding Proposed Agreement within 15 days of executing the HoT. Although there can be no certainty at this stage given the non-binding nature of the HoT, Alara remains confident that an agreement will be entered into, subject to further discussions between the parties. Further announcements relating to the Proposed Agreement will be made as appropriate.

Key commercial terms of the Heads of Terms are:

- Power Metal will become manager of the exploration program for Block 8 for one year.
- Power Metal will provide all management, planning, execution, interpretation and reporting on exploration activities and will consult with Awtad and Alara during development and implementation of the program.

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- Power Metal will provide funding of up to US\$740,000 for exploration activities. It will contribute an initial amount of US\$500,000 to cover the period up until the renewal date of the existing licence (due 30 April 2025), with the balance to be contributed following successful renewal.
- Following the US\$500,000 initial expenditure milestone, Power Metal will earn a 10% interest in Block 8 and a further 2.5% interest on expenditure of a further US\$240,000.
- Upon Power Metal completing US\$740,000 expenditure on the project, a joint funding program covering future expenditure and specifying Power Metal's ongoing percentage interest in the project will be negotiated.
- Awtad Copper is responsible to maintain the licence and must remain the holder of it throughout the period in which the above work is carried out. Power Metal has a first right of refusal to acquire Block 8 if Awtad Copper wishes to dispose of it.
- Awtad Copper is responsible to seek all required approvals for the exploration program.

Block 8 exploration history and prospectivity



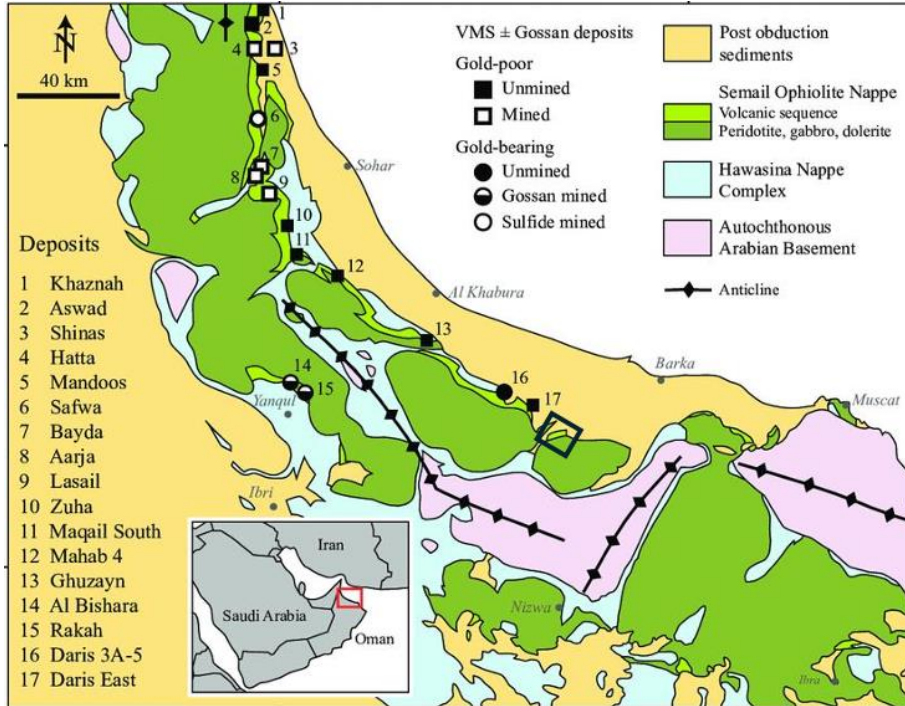
Location of Block 8, Oman

Block 8 covers approximately 496 km² in the Hazm area east of Daris in northwestern Oman and was first granted in 2009. In January 2011, Awtad Copper entered into a joint-venture (**JV**) agreement with Alara which had been carrying out exploration work in the adjoining Block 7 as part of another JV. Exploration work on Block 8 ceased in 2013 while the block's licence was being renewed, a process which was finalised in May 2024.

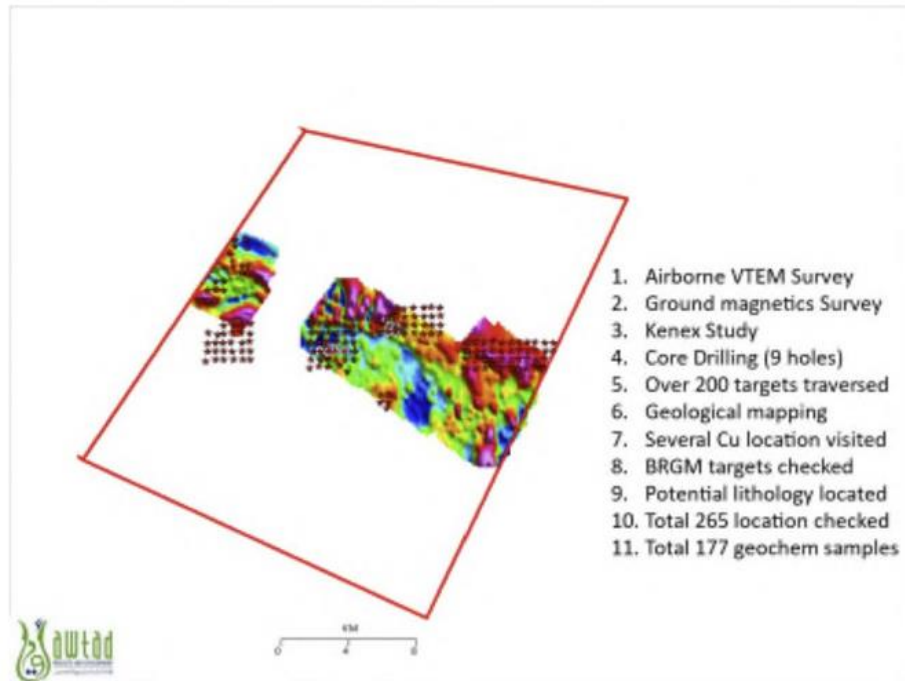
Further to detailed discussions, Power Metal has proposed a comprehensive exploration program for Block 8 to both develop existing copper prospects defined from a combination of historic surface work and drilling, as well as grass-roots exploration work on the remainder of the Block which, to date, has not been the subject of detailed exploration.

The historic exploration work, combined with the geological setting of the Block, are highly encouraging, with the Block hosting a section of the Semail ophiolite sequence which is a highly prospective geological unit that, to date, has yielded 150 known volcanic massive sulphide (**VMS**) prospects.

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Northern Oman Semail ophiolite Simplified geologic map, showing main VMS & gossan deposits.¹

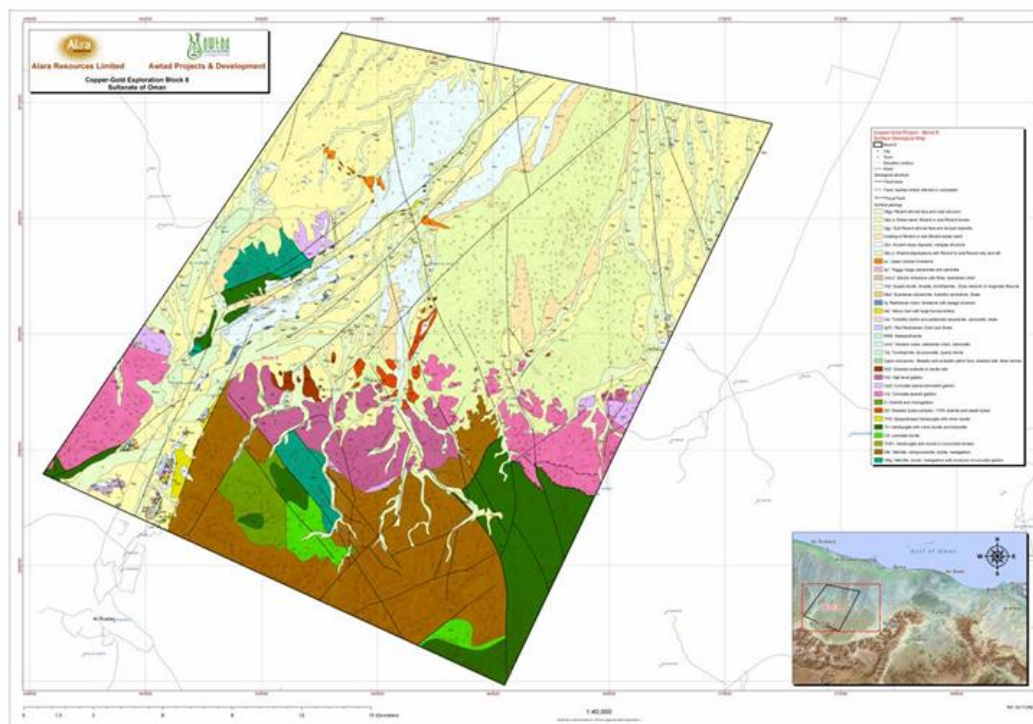


Summary of historical exploration work in relation to Block 8, Alara, 2013.

Power Metal will use industry-accepted exploration techniques to advance the licence, with technical work to be carried out at every stage to enable any new data to qualify for inclusion in a JORC compliant resource statement should a resource be discovered.

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Through historical work by Alara in 2013, there are several copper prospects already identified, which allows next stage exploration programmes to proceed efficiently while more early-stage work will be required on the remainder of the highly underexplored Block 8.



Geological Map of Block 8, Alara, 2013

Alara Managing Director Atmavireswar Sthapak said: “Alara is pleased to welcome Power Metal as third partner in Awtad Copper LLC and looks forward to the commencement of exploration activities in Block 8. Alara continues to hold its stake in the JV and maintains its right to increase its shareholding by investing in future exploration programs in the area.”

Power Metal Chief Executive Officer Sean Wade, commented: “I am delighted to be sharing this news for Power Metal in the Arabian Shield, expanding the Power Arabia portfolio into Oman. I am hopeful that the prospective nature of Block 8, identified in historic workstreams, will be further proven once exploration works get underway, following consultation with Awtad and Alara.”

This deal showcases our intent to deliver value from a diverse portfolio and I look forward to providing shareholders with updates on the Proposed Agreement.”

Awtad Copper Chairman Sheikh Zeyad bin Talib Al Maawali said: “We are thrilled to embark on this strategic collaboration with Alara Resources and Power Metal Resources. The exploration of Block 8 represents a significant milestone in unlocking the mineral wealth of Oman, and we believe that with the combined expertise and resources of our partners, we are well-positioned to uncover the true potential of this highly prospective area. As stewards of this important concession, Awtad Copper LLC is dedicated to playing a pivotal role in driving sustainable growth and delivering long-term value for Oman and all stakeholders involved.”

About Power Metal Resources

Power Metal Resources PLC (AIM:POW, OTCQB:POWMF) (**Power Metal**) is a London-listed exploration company with a global project portfolio. PMR finances and manages global resource projects and is seeking large scale metal discoveries.

Power Metal has a principal focus on opportunities offering district scale potential across a global portfolio including precious, base and strategic metal exploration in North America, Africa, Saudi Arabia

and Australia. Its project interests range from early-stage greenfield exploration to later-stage prospects currently subject to drill programmes.

Power Metal develops projects internally or through strategic joint ventures until a project becomes ready for disposal through outright sale or separate listing on a recognised stock exchange, thereby crystallising the value generated from its internal exploration and development work.

ENDS

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 producer and explorer.

Alara is currently focused on operating the recently completed 1Mtpaⁱⁱ Al Wash-hi Majaza copper concentrate and gold mine in Oman. The Company is also continuing exploration activities at its other Omani 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.

ⁱ Taken from Gilgen et al. 2013 (modified from Calvez and Lescuyer, 1991). The black polygon marks the location of the Block 8.

ⁱⁱ 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.

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