Quarterly Activities Report

For the period ending 31 December 2025

ASX Code: AUQ

DIRECTORS AND EXECUTIVES

John Shingleton
Non-Executive Chairman

Atmavireshwar Sthapak
Managing Director

Vikas Jain
Non-Executive Director

Sanjeev Kumar
Non-Executive Director

Devaki Khimji
Non-Executive Director

Farrokh J Masani
Alternate Director for
Devaki Khimji

Dinesh Aggarwal
Company Secretary and Chief
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Key Highlights

- A total of **9,372 dry metric tonnes (DMT)** of copper concentrate were produced during the quarter at the **Al Wash-hi Majaza Copper-Gold Mine**.
- **9,556 DMT** of copper concentrate were successfully dispatched during the reporting period.
- **Al Hadeetha Resources LLC (AHRL)** secured an **additional term loan facility**, further strengthening project liquidity and financial flexibility.
- **Block 22B:** Exploration activities were **intensified across Block 22B**, advancing the Company's regional growth and resource expansion strategy.
- **Block 8: Copper mineralisation was intersected at the Al Mansur prospect within Block 8**, reinforcing the prospectivity of the licence area.

Images: Latest visual of the Al Wash-hi Majaza Copper Gold Mine

Oman Projects Update

Regular operations continued at the Al Wash-hi Majaza Copper-Gold Mine and Concentrator during the quarter. Following the commissioning of the interim filter presses in the previous quarter, the processing plant was successfully ramped up to near-100% of rated capacity.

Mining operations continued to deliver the required run-of-mine (ROM) feed, meeting planned throughput volumes and head grades, while maintaining an optimised strip ratio.

Both the mining and processing operations demonstrated strong performance across safety, quality, and environmental monitoring, reflecting disciplined operational controls and adherence to established standards.

Al Wash-hi Majaza Copper Gold Project

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

A. Operations Update

Mining Operational Highlights

Summary of Key Metrics

Metric	Value
Ore Excavated	0.274 Million Tonnes (MT)
Copper Grade (Cu%)	0.86 %
Waste Excavated	1.69 Million Tonnes (MT)
Strip Ratio	6.17

Progress Updates and Key Highlights

Mining Progress

Mining activities continued at the 365 mRL level, with the current pit crest at approximately 455 mRL, resulting in a total vertical depth of around 90 metres. Mine development during the quarter focused on lateral expansion of the pit toward the south, southeast, west, and northwest.

These activities form part of the long-term mine development strategy aimed at improving ore exposure, maintaining pit stability, and ensuring efficient access to future mining blocks.

Technical Optimisation Implemented

A detailed technical review of bench height configuration and ore handling practices was completed and successfully implemented during the quarter. Ore is now being mined in 5-metre benches, enabling improved selectivity, reduced dilution, and lower ore loss. Waste continues to be mined in 10-metre benches. This optimisation has resulted in improved ore quality being delivered to the processing plant.

Stockpile Management

Enhanced protocols for ore stockpiling were introduced to better control stockpile size and maintain feed quality. Dedicated low-grade stockpiles have also been established, providing greater flexibility for blending and supporting

more consistent mill feed.

Geotechnical and Hydrogeological Studies

Geotechnical and hydrogeological field investigations continued during the quarter, with laboratory testing of collected samples currently underway. These studies are expected to further strengthen confidence in mine design parameters and operational planning.

Infrastructure Improvements

Construction of a second haul road on the eastern side of the pit was completed during the quarter. The new road incorporates a single switchback and is designed to improve traffic flow, reduce congestion, enhance safety, and improve haulage cycle times by distributing traffic loads more efficiently.

Plant Production Updates

Performance during the quarter remained in line with plant design and operational expectations. Variances against planned throughput and production were attributable to a **10-day shutdown for SAG mill liner replacement**, with the plant otherwise operating steadily and as designed during available run time.

Ore feed to the mill during the quarter totaled 260,408 tonnes, compared to a planned 268,000 tonnes.

Concentrate production for the quarter amounted to 9,372 DMT, compared with the planned 10,026 DMT.

Operational Performance and Optimisation

Despite the unplanned shutdown, the copper concentrator operated with stable performance throughout the quarter, maintaining consistent throughput and metallurgical efficiency when operational.

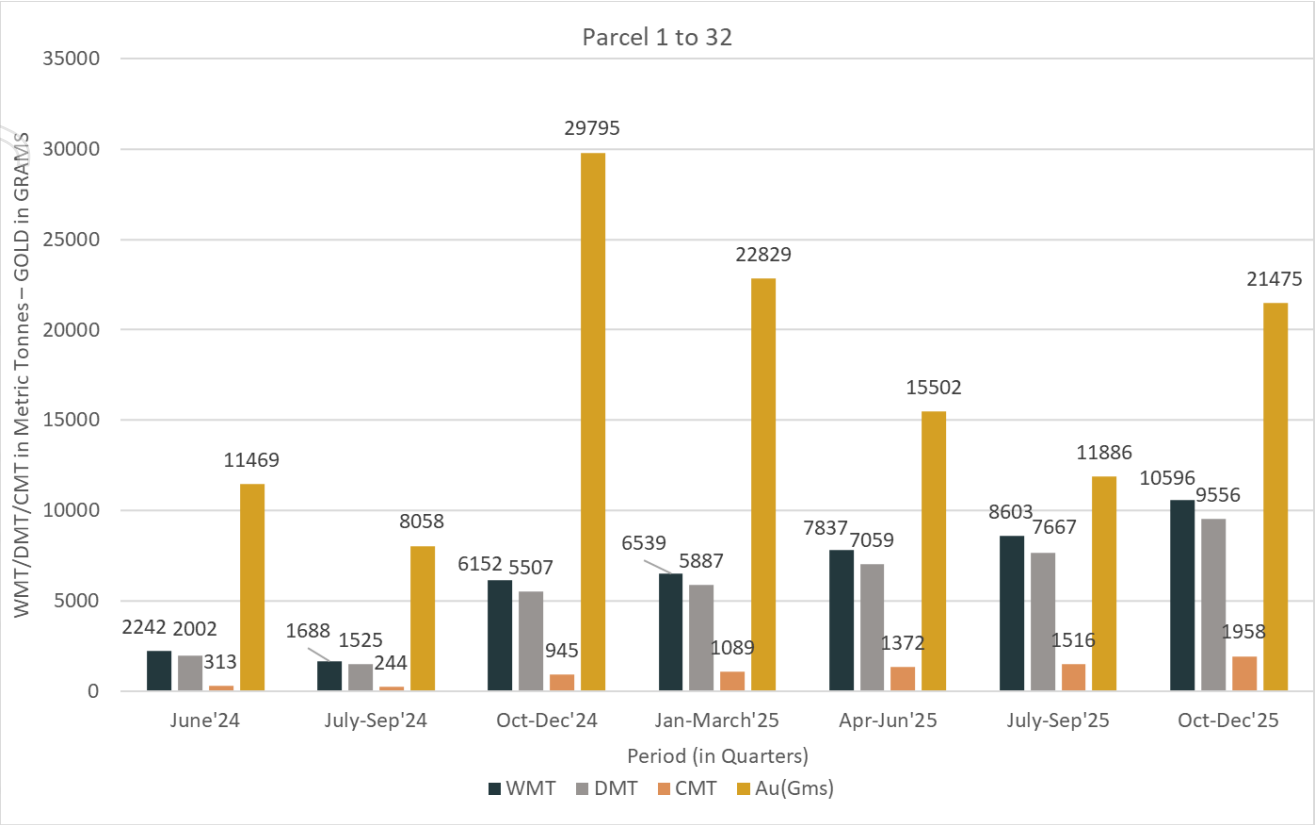
Average plant availability remained strong, supported by effective maintenance planning and disciplined operational execution. Copper recovery and concentrate grades were maintained close to design parameters, notwithstanding variability in ore characteristics. Ongoing optimisation initiatives focused on reagent consumption, grinding efficiency, and flotation stability, contributing to improved operational control and process stability.

AHRL Sales Performance Summary: Oct–Dec 2025

The October–December 2025 quarter represents the strongest performance to date in terms of volume, reflecting a clear step-change in operational maturity, consistency, and scale.

Compared with the July–September 2025 quarter, the period delivered double-digit growth across all key physical metrics, underpinned by stable plant operations and improved execution. A graphical summary of sales performance for the quarter is presented below, in figure 1.

Figure 1: AHRL Historical Sales data



How Oct–Dec 2025 Compares with Other Quarters

The October–December 2025 quarter represents the highest sales quarter across all previous periods for AHRL. On a year-on-year basis, sale of dry metric tonnes (DMT) increased by approximately 72% compared with October–December 2024, reflecting a substantial uplift in production and dispatch capability. The operation has now delivered sustained sequential growth since October–December 2024, confirming that recent performance improvements are structural and repeatable, rather than one-off outcomes.

Gold Performance

Gold recovery during the quarter ranked as the second highest on record, following the peak achieved in October–December 2024. This represents a strong rebound after two weaker quarters (April–June and July–September 2025) and reflects improved ore mix resulting from better gold association with Chalcopyrite and recovery efficiency. **Gold recovery is not a primary operational control parameter**, as the processing circuit is specifically designed to beneficiate chalcopyrite-dominant ore. Most of the gold is associated with pyrite, which reports tailings as part of the rejection stream. Accordingly, variations in gold recovery are a function of ore mineralogy rather than processing performance.

Quarterly Sales Metrics and Drivers

For the quarter ended October–December 2025, AHRL delivered its strongest sales performance to date, recording:

- 10,596 WMT,
- 9,556 DMT, and
- 1,958 CMT,

representing a 23–29% quarter-on-quarter increase compared with July–September 2025. This growth reflects a clear change in operational execution, driven by higher throughput, improved moisture control, and more stable logistics performance. The quarter establishes a new benchmark for shipment volumes and consistency, underscoring the growing maturity of AHRL's production and dispatch systems.

Gold recovery increased to **21,475 grams**, representing an **81% increase quarter-on-quarter**, reversing the softer performance observed during mid-2025. While still below the exceptional peak achieved in **October–December 2024**, the rebound demonstrates **improved ore feed characteristics.**

Heath, Safety and Environment (HSE) Performance

Health, safety, and environmental (HSE) performance during the quarter remained in line with established internal targets and applicable regulatory requirements. The continued absence of Lost Time Injuries (LTIs), high compliance with HSE training requirements, proactive incident reporting, and favourable environmental monitoring results reflect a mature and proactive safety culture across operations.

Ongoing improvement initiatives remain focused on further strengthening workplace safety practices and reinforcing environmental responsibility.

During the reporting period, a total of **403,532 safe man-hours** were recorded without any LTIs. A cumulative **951.8 hours of HSE training** was comprehensively delivered to employees and contractors, covering a broad range of health, safety, and environmental topics. A total of 54 near-miss incidents were reported during the quarter. All incidents were investigated and addressed through appropriate corrective and preventive actions.

In addition, 260 unsafe acts and conditions were identified through routine inspections and observations and were promptly rectified.

Environmental monitoring activities included noise assessments across operational areas, with all measured levels remaining within occupational exposure limits prescribed by relevant regulatory standards. During the quarter, **two additional air quality monitoring devices were installed,** and monitoring results consistently remained within acceptable threshold limits.

Figure 2: Safe Man Hours Worked

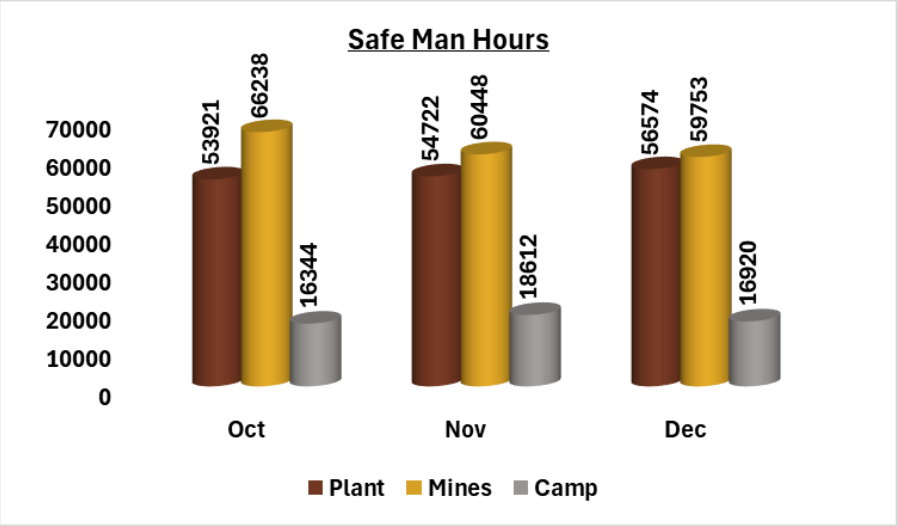


Figure 3: Unsafe Act / Unsafe Condition Reported

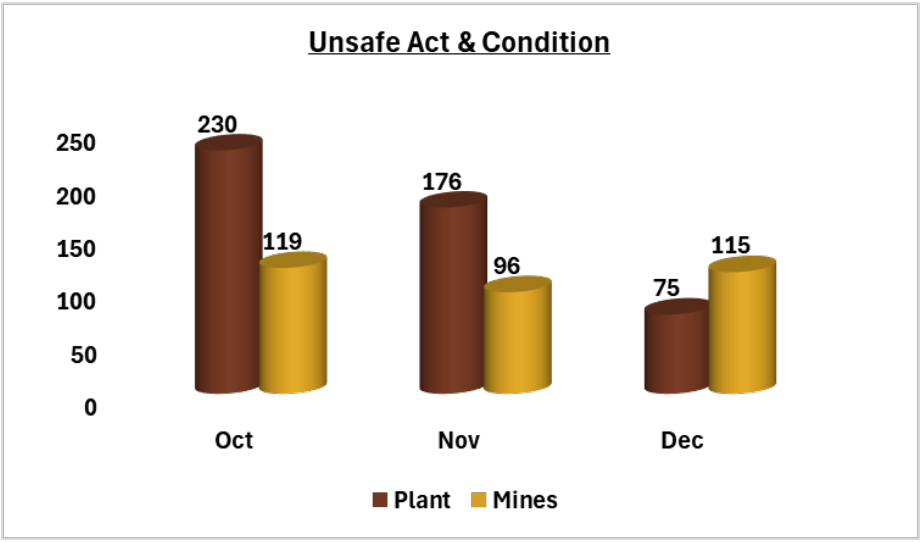


Figure 4: Training Conducted

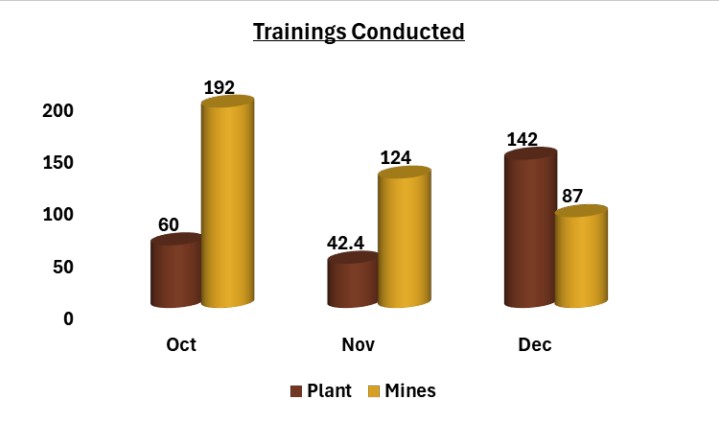
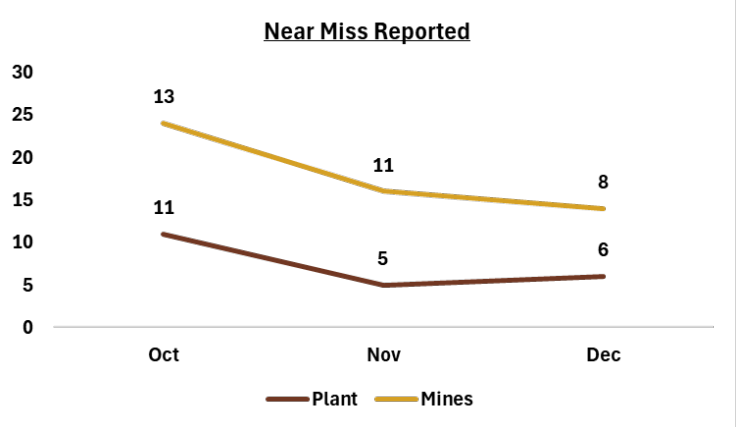


Figure 5: Near Misses Reported



Resource Consumption

Figure 6: Water Consumption

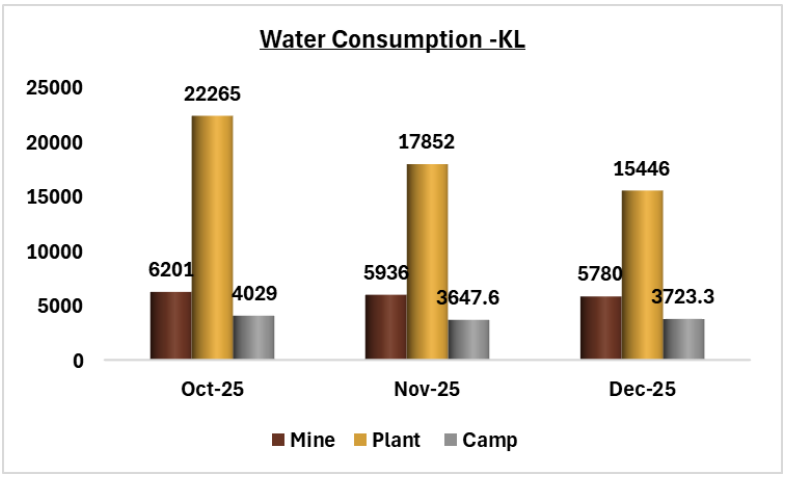


Figure 7: Diesel Consumption

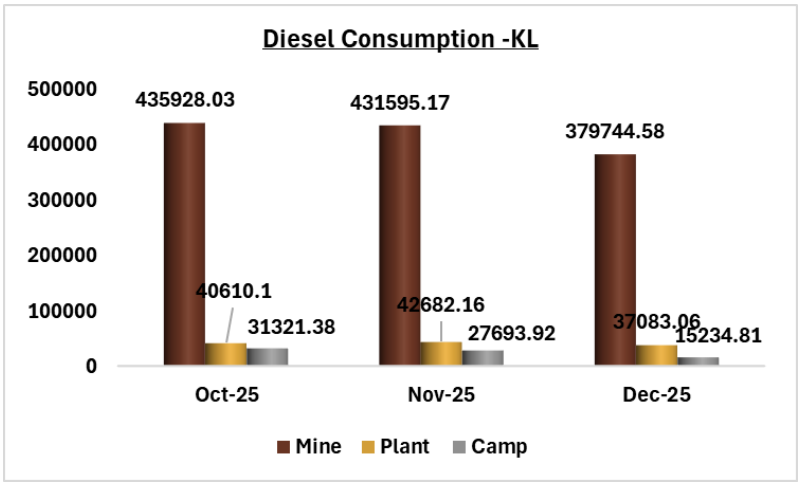


Figure 8: Power Consumption

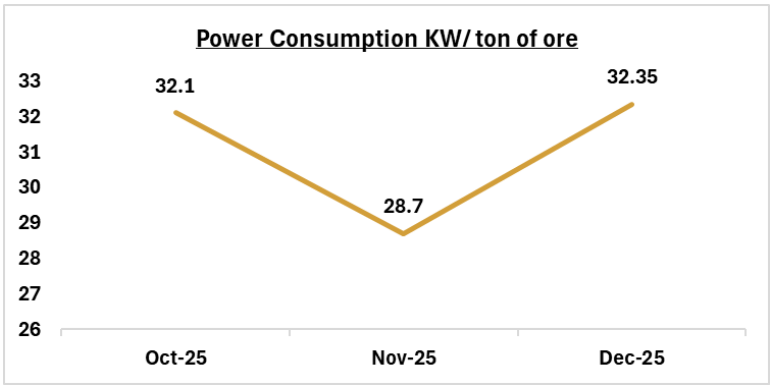


Figure 9: Source Noise Monitoring

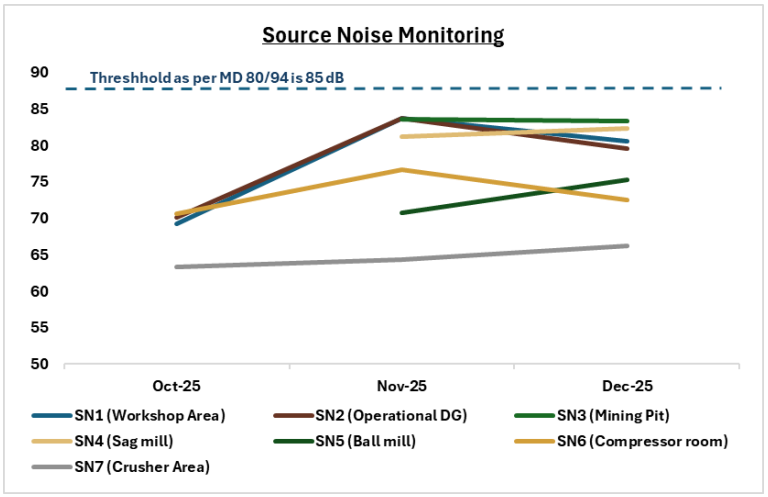


Figure 10: Boundary Noise Monitoring

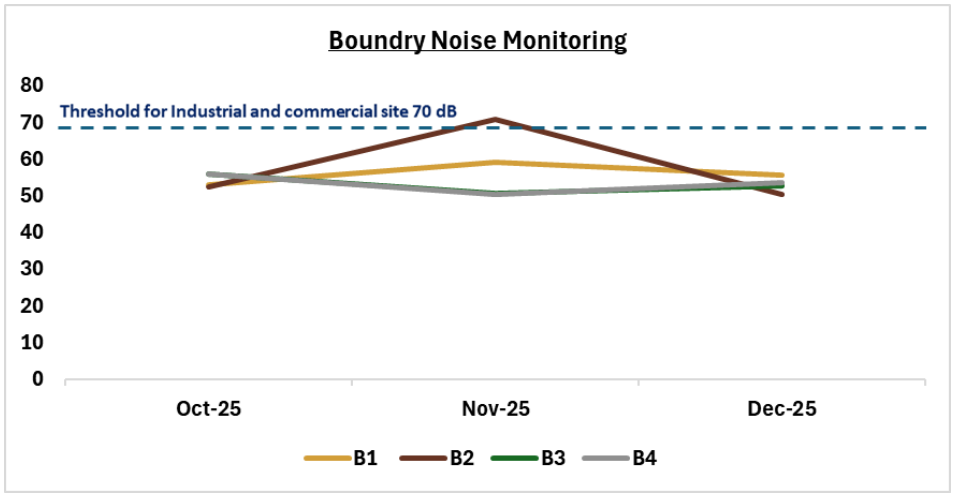
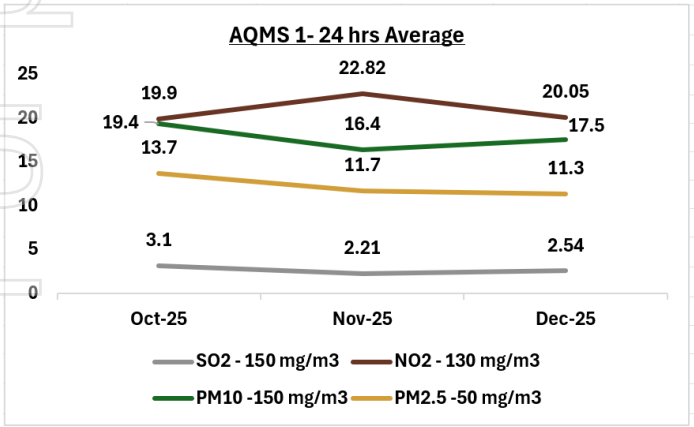
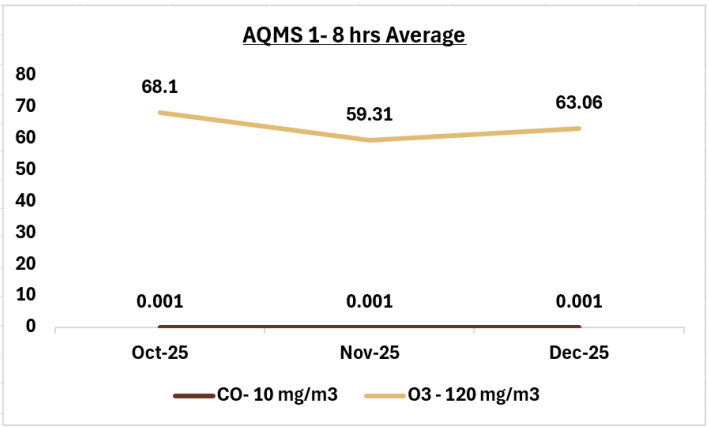
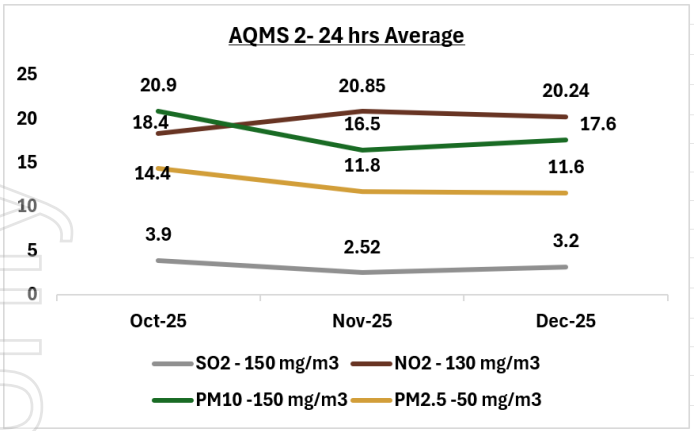
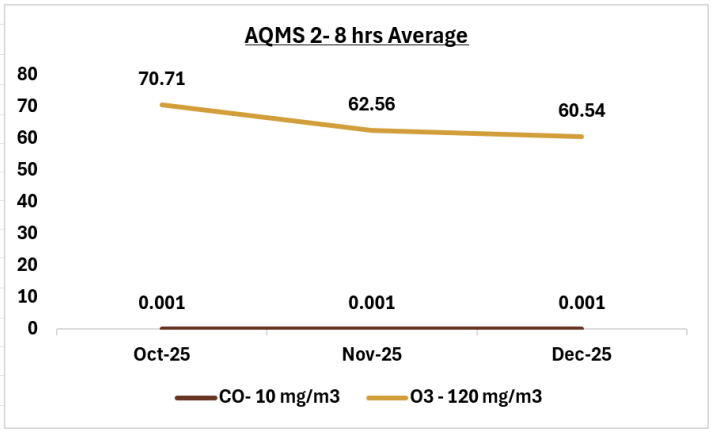


Figure 11 A, B, C, D, E & F: Ambient Air Quality Monitoring Result









Al Wash-hi Majaza Project – Legal Proceedings

During the quarter, Alara Resources advised the market that its 51%-owned joint venture company and operator of the Al Wash-hi Majaza Copper-Gold Mine in Oman, Al Hadeetha Resources LLC (AHRL), was served with legal proceedings in the Primary Administrative Circuit Court in Ibra, Oman. The proceedings were initiated by 16 local residents from villages near the project and named AHRL and several Omani government authorities as respondents.

The claimants seek suspension of project activities, compensation, and invalidation of project licences. AHRL disputes the claims and has appointed legal counsel to defend the matter. The proceedings are at an early stage, and there has been no impact on project operations, with mining activities continuing under existing licences and approvals. The Company will continue to monitor the matter and will update the market in line with its continuous disclosure obligations. Please r*efer ASX announcement: "Proceeding in Oman Related to Al Wash-hi Majaza Project", dated 31 December 2025.*

B. Exploration Update

This quarter marked significant progress in our exploration programs, reinforcing Alara's strategy for organic growth and long-term value creation. Brownfield activities focused on resource upgradation and extension drilling, while greenfield initiatives advanced toward target generation using advanced geochemical techniques. These efforts collectively aim to strengthen our resource base, improve geological confidence, and unlock new discovery potential within proximity to existing infrastructure.

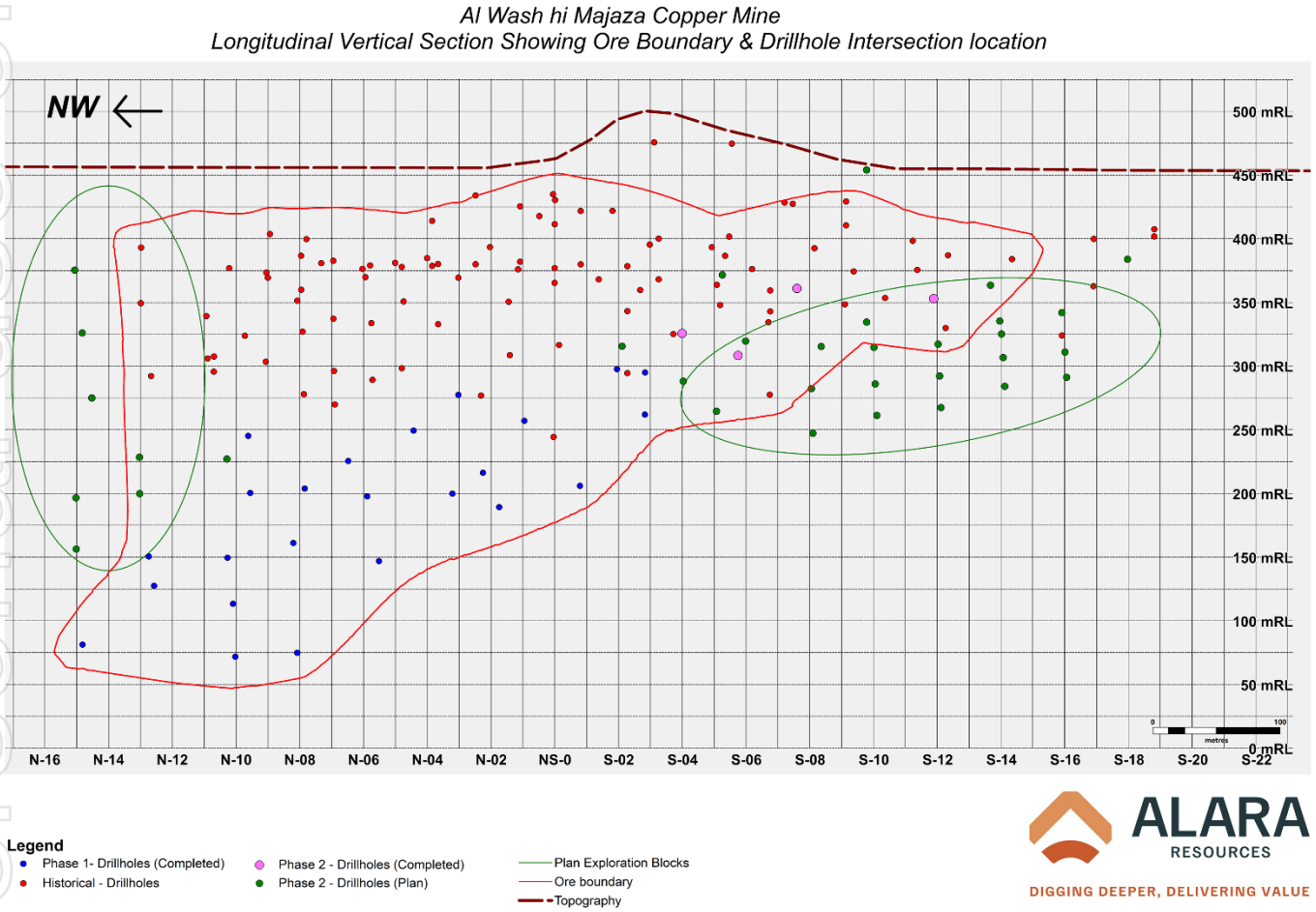
Brownfield Exploration

Phase-1 drilling was successfully completed, comprising a total of 8,694 metres across 24 drill holes, with 15 holes (5,076 metres) dedicated to resource upgradation and 9 holes (3,618 metres) aimed at resource addition. All sample analyses have been received and validated through standard QA/QC protocols, including duplicates, blanks, and standards, ensuring compliance with industry best practices. The results are now being integrated with historical drilling and geological data to refine orebody interpretation. This integration will enable updates to 3D geological models and mineral resource estimates, thereby improving confidence and hence supporting more reliable production grade forecasts. Phase-1 drilling primarily targeted the central and northern portions of the orebody, focusing on upgrading existing resources and testing down-dip continuity.

In continuation of Phase-1, Phase-2 drilling commenced in December 2025 with a planned program of 10,000 meters. The objective of this phase is to test the south-eastern and southern extensions of the orebody for both resource upgradation and to test continuity of mineralisation at depth. To date, 1,000 metres have been completed, and the program is progressing as scheduled. Upon completion, the new data will also be integrated into the geological

database to update orebody interpretations and rebuild 3D models, with additional information about the area. These efforts are expected to enhance mine planning, improve reconciliation, and potentially extend the life of the mine, thereby strengthening the company's operational efficiencies and accuracies.

Figure 12: Map showing diamond drilling holes completed for Phase-1 and 2 with drill holes planned in Phase-2 covering southeast extensions.



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Greenfield Exploration

In parallel, greenfield exploration activities have commenced in the western part of the Wash-hi deposit, targeting a previously identified low magnetic anomaly. Geological field mapping and rock chip sampling are underway to delineate potential mineralised zones. To complement these efforts, we will shortly deploy Mobile Metal Ion (MMI) geochemical techniques, particularly suited for areas with this kind of topography, outcrops and mineralisation style. MMI is a technique helpful to detect mobile metal ions that migrate upward from buried mineralisation, providing a high signal-to-noise ratio even in terrains where conventional soil geochemistry may fail. This approach significantly improves anomaly definition and reduces false negatives, thereby optimising drill targeting and exploration efficiency.

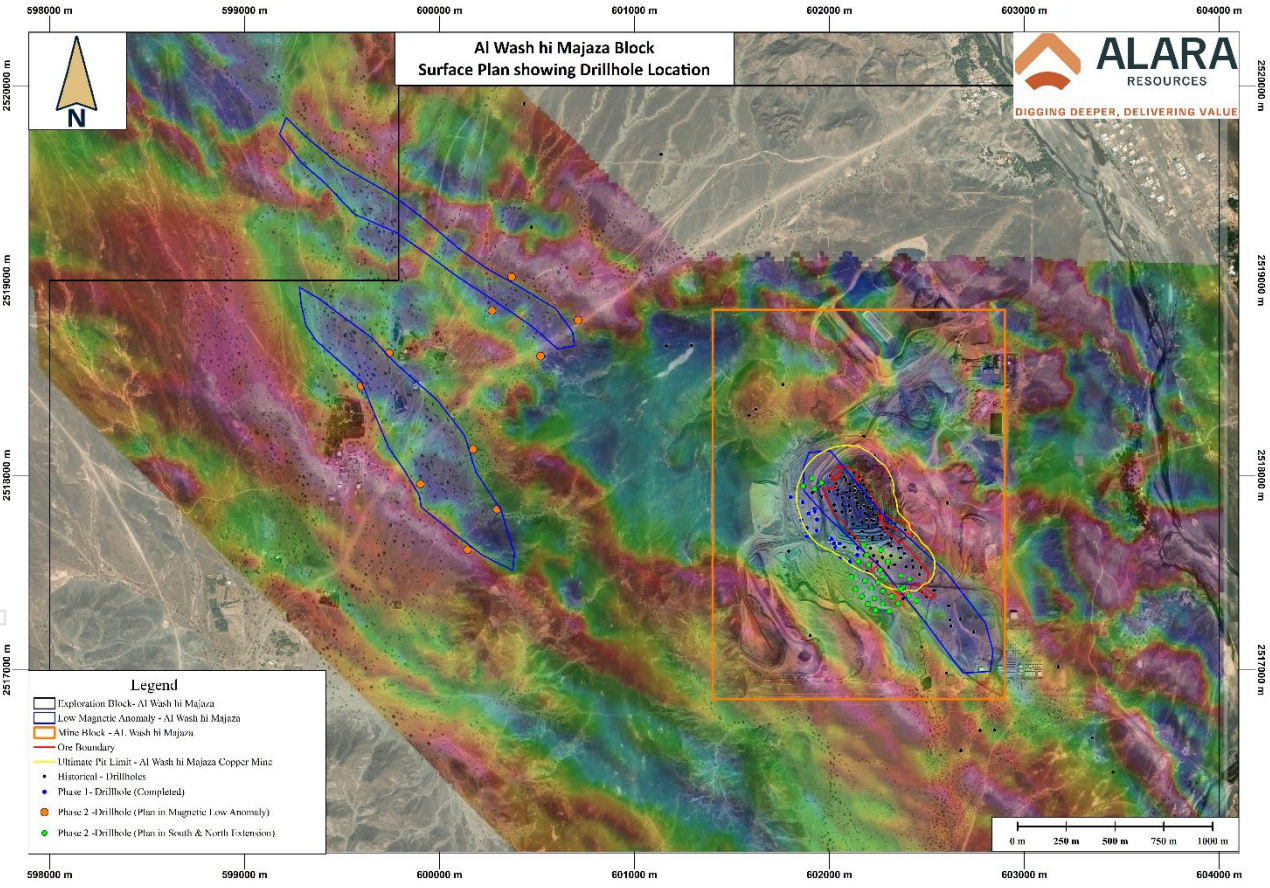
Before full-scale implementation, an orientation survey will be conducted to calibrate the MMI methodology to site-specific conditions such as soil type, moisture regime, and background geochemical levels. This critical step ensures data reliability and cost-effectiveness by establishing thresholds for anomaly detection and validating sampling

protocols. Following these surveys, several scout drill holes are planned within the Phase-2 program to test the low magnetic anomaly. The geological setting of this anomaly is analogous to Wash-hi. Any positive results could fast-track the target into a resource delineation phase, creating new discovery optionality and reinforcing our growth pipeline.

Strategic Outlook

The combined progress in the brownfield and greenfield programs underscores our commitment to organic growth and operational excellence. Brownfield drilling will deliver resources of greater confidence and improved mine planning, while greenfield initiatives provide the potential for new discoveries within trucking distance of existing infrastructure, reducing future capital intensity. These programs are designed to de-risk our resource base, enhance grade predictability, and create long-term shareholder value. Near-term outcomes shall include the completion of Phase-2 drilling, integration of Phase-1 and Phase-2 results into updated resource models, and the execution of MMI surveys followed by scout drilling. Collectively, these steps position the company for robust resource growth and a promising future.

Figure 13: Map showing diamond drilling holes planned for Phase-2 covering southeast, extensions and identified low mag anomalies targets in west of existing orebody



Mullaq Copper-Gold Project

(Alara – 51%: Al Hadeetha Investment Services LLC – 30%; Al Tasnim Infrastructure LLC – 19%

A. Exploration Update

The Mullaq prospect remains a key greenfield opportunity within Al Hadeetha Resources LLC's (AHRL) growth pipeline. While activity since the previous quarter has been limited, significant progress is now underway to advance this promising asset. The upcoming geophysical survey will cover approximately 41 square kilometres within the Block 22B concession, including the Mullaq area, and is designed to confirm previously identified mineralisation zones highlighted by earlier magnetic studies and exploratory drilling.

Mullaq spans roughly 41 square kilometres in the Oman Mountains, about 160 kilometres southeast of Muscat, and lies within the Samail Ophiolite complex - a geological setting historically associated with copper-bearing formations. Previous exploration campaigns, including drilling in the 1970s and again in 2012 confirmed the presence of copper mineralisation, positioning Mullaq as a high-potential prospect in proximity to Wash-hi Majaza deposit.

Remote sensing and GIS analysis have been completed as part of AHRL's phased exploration strategy. This has provided a detailed understanding of terrain and structural features. Based on these results, ground truthing is now underway to validate and refine priority targets. Over the next two years, AHRL plans to execute a systematic program that includes advanced geophysical surveys, geological mapping, and geochemical sampling to delineate potential zones. Once promising targets are confirmed the company will initiate test drilling, followed by a more extensive drilling campaign contingent on positive results.

This disciplined, data-driven approach reflects AHRL's commitment to unlocking the mineral potential of Mullaq and creating long-term value for stakeholders. The project's location in a proven mineral belt, combined with proximity to infrastructure and strong historical indications of copper mineralisation, positions Mullaq as a strategic growth opportunity. By converting historical estimates into compliant resources through modern exploration techniques, AHRL aims to strengthen its resource base and reinforce its role as a leading contributor to Oman's copper-gold sector.

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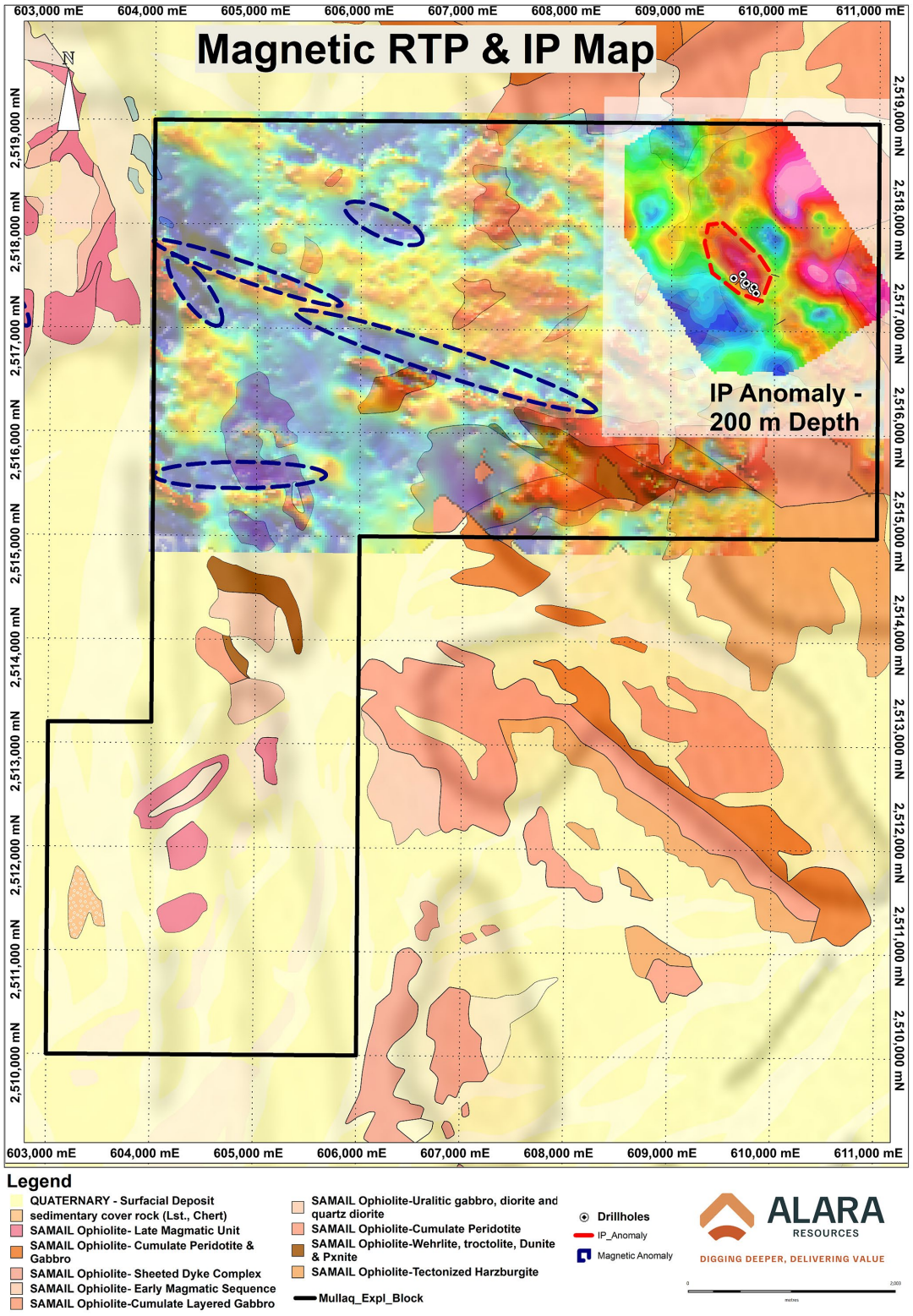
Figure 14: showing the delineation of potential regional exploration targets identified through RTP magnetic data interpretation based on previously conducted airborne geophysical surveys



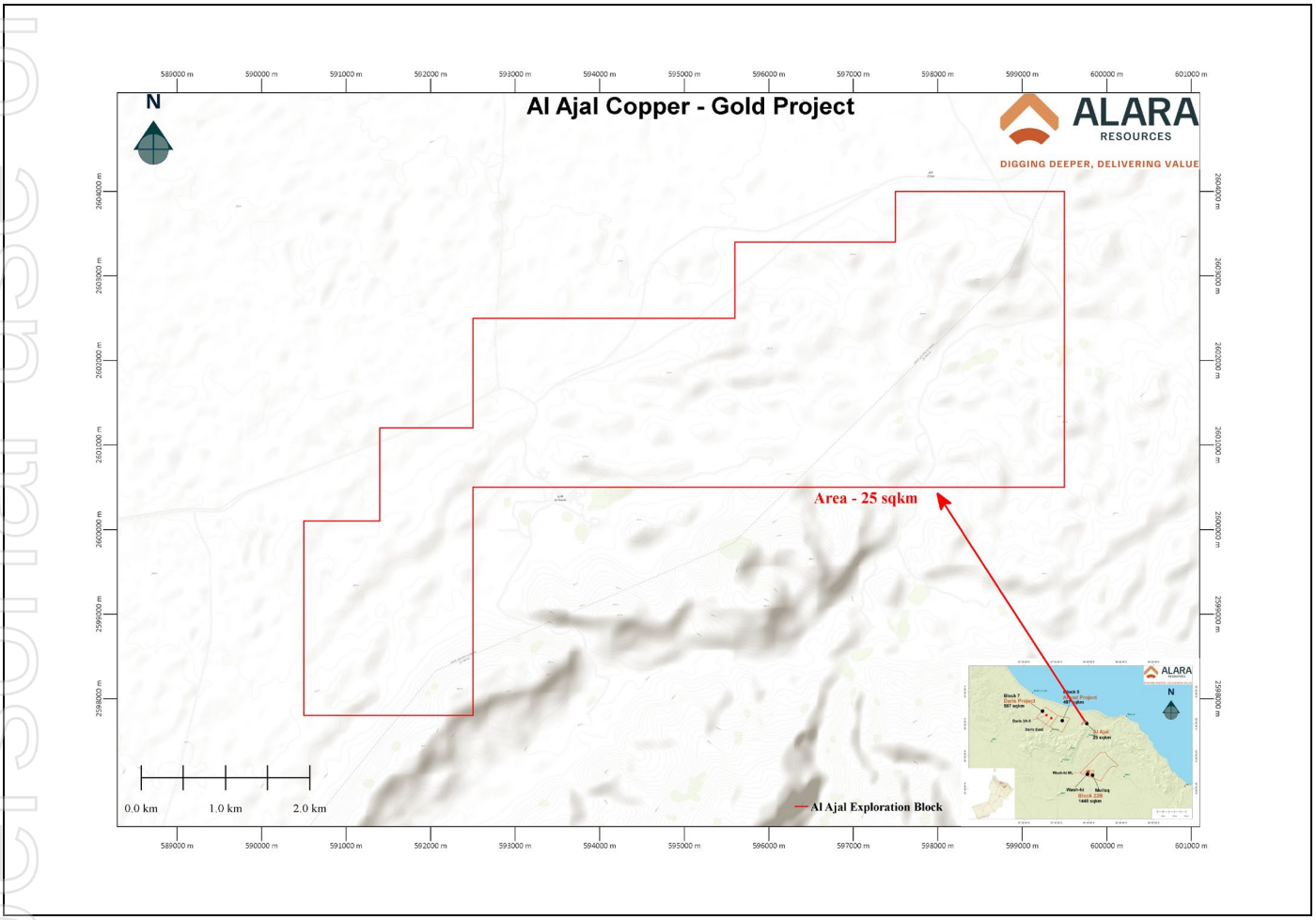
Al Ajal Copper-Gold Project

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

A. Exploration Update

The Al Ajal Prospect is located near the village of Al Ajal in the Taww area, approximately 20 km south of Barka, which lies along the northern coast of the Sultanate of Oman and is about 65 km west of Muscat (refer to Figure 15 below).

Figure 15: Location of Al Ajal Exploration and Mining License application



During the reporting period, follow-up engagements were initiated with the Ministry of Energy and Minerals for the renewal of the Al Ajal Exploration License. Historical exploration campaigns undertaken by Alara confirmed the presence of copper mineralisation within the license area. A Mining License application has been submitted based on these results and remains under review by the relevant authorities.

Al Hadeetha Mining – Block 22B

(Al Hadeetha Mining LLC (AHML): Alara - 27.5%; Al Hadeetha Investment Services LLC - 27.5%; Al Tasnim Mining LLC - 27.5% and South West Pinnacle Exploration Ltd - 17.5%)

A. Exploration Update

Alara Resources Limited (ASX: AUQ), through its joint venture entity Al Hadeetha Mining LLC, is advancing its exploration efforts within Block 22B in the Sultanate of Oman, targeting copper, gold, chromite, and platinum group elements (PGEs).

Block 22B represents a consolidated mineral concession that combines numerous previously granted Exploration Licenses, Prospecting Licenses, and Mining Licenses under a single unified framework. This consolidation has created a highly prospective exploration zone. Historical evidence of widespread copper slags, particularly concentrated in the southwestern and northeastern regions of the block, strongly suggests historical copper extraction activities and indicates significant mineralisation potential. Situated approximately 160 kilometres southeast of Muscat, within the Oman Mountains, Block 22B lies in the globally renowned Samail Ophiolite Complex, which is considered one of the best-preserved and most studied ophiolite sequences in the world. This geological setting offers great potential for copper, gold, chromite, and PGEs, making Block 22B a strategic asset for future resource development.

The Samail Ophiolite sequence comprises three major sections, each hosting distinct mineralisation opportunities. The Upper Oceanic Crust consists of sheeted dyke complexes overlain by mafic volcanic units such as Lasail and Alley, which are known to host significant polymetallic Volcanogenic Massive Sulfide (VMS) copper deposits and gold occurrences in gossanized caps. The Lower Oceanic Crust is composed of layered and isotropic gabbros that contain minor VMS deposits along with copper, chromium, and gold. The Mantle Section, dominated by harzburgite, dunite, and minor lherzolite, transitions through the Moho Zone into the crust and is particularly important for its economically significant minerals, including chromium, nickel, cobalt, scandium, and PGEs. These minerals occur in lateritized zones and as placer deposits, highlighting the diverse resource potential of Block 22B.

Initiation of Geological Mapping and Sampling

During the quarter, substantial progress was achieved in both geological fieldwork and remote sensing analysis. Geological mapping and sampling were initiated across several key sites within Block 22B, including Al Wash-hi, Mullaq, Al Jarda, Hajir Mountain, Wadi Al-Maidan, Ram Lake, Zakart Lake, Al Ajal, Al Samad, and Al Muyasar, as shown in Figure 16. The terrain in these areas is rugged and undulating, and characterised by steep hills and dissected wadis. Lithological observations revealed the predominance of basalt, gabbro, harzburgite, lherzolite, dunite, and mudstone. Basalts and gabbros exhibited extensive weathering and iron oxide staining, along with hydrothermal alteration features such as epidote, chlorite, and carbonate veining. Epidote and chlorite alteration were particularly noted in the northwestern portion of the block, while harzburgite displayed serpentinization and deformation features, including closely spaced fractures and carbonate-filled faults. Mudstone and radiolarian chert were also observed in certain areas, indicating limited volcanic activity.

Indicators of mineralisation are evident throughout the block. Hydrothermal alteration zones with boxwork structures and vuggy textures were mapped, suggesting past hydrothermal activity. Surface evidence of copper mineralisation included malachite staining in veins and gossan material, often near ancient slag heaps, although no definitive remnants of old workings were found, likely due to collapse and burial by sediments. Chromite was observed as podiform deposits within harzburgite and dunite, frequently associated with serpentinization and chloritization. Numerous carbonate veins and limonitic alteration zones were also documented, particularly in harzburgite and basalt units. Structurally, the block exhibits multiple fracture sets and micro-faults with variable orientations, along with intrusive and deformed contacts between mantle and crustal rocks, indicating a complex tectonic history favourable for mineralisation.

Remote Sensing and GIS Advancements

Parallel to fieldwork, significant progress was made in remote sensing and GIS analysis. Multispectral ASTER and Landsat imagery were acquired and processed to delineate hydrothermal alteration zones and regolith characteristics. The spectral analysis generated thematic maps for key mineralogical indicators, including hydrothermal alteration, carbonate, iron oxide, epidote, and chlorite. These layers were integrated into a geological sequence map, providing a regional context for mineralisation patterns. Based on alteration signatures, several gossan points and chromite locations were identified for field verification. Ground truthing was subsequently conducted, validating gossans and chromite locations. Field observations included rock type, texture, alteration features, and visible mineral descriptions, with representative samples collected for further analysis. The validation data were incorporated into the spectral model to enhance mapping accuracy.

Structural interpretation from remote sensing revealed major faults and shear zones, many of which align with lithological contacts on the regional geological map. These features are considered critical for understanding fluid pathways and mineralisation controls. Additionally, several old and active mining sites were identified within Block 22B, primarily chromite operations and marble quarries, providing valuable context for regional mineralisation trends. Drainage analysis was also completed to delineate major wadis and stream orders, forming the basis for a stream sediment sampling program scheduled for implementation in the next quarter.

The upcoming quarter will focus on completing detailed geological mapping across remaining target zones, commencing geochemical stream sediment sampling, and conducting geophysical surveys, including magnetic and gravity studies, to refine subsurface models. These efforts will support target prioritisation for future geochemical sampling campaigns to identify high-potential areas.

The consolidation of Block 22B and the progress achieved during this quarter underscores the strong potential for hosting copper, gold, chromite, and PGEs. The integration of remote sensing, structural interpretation, and ground truthing will significantly improve confidence in target identification. Planned geochemical and geophysical programs will further de-risk exploration and pave the way for better target generation.

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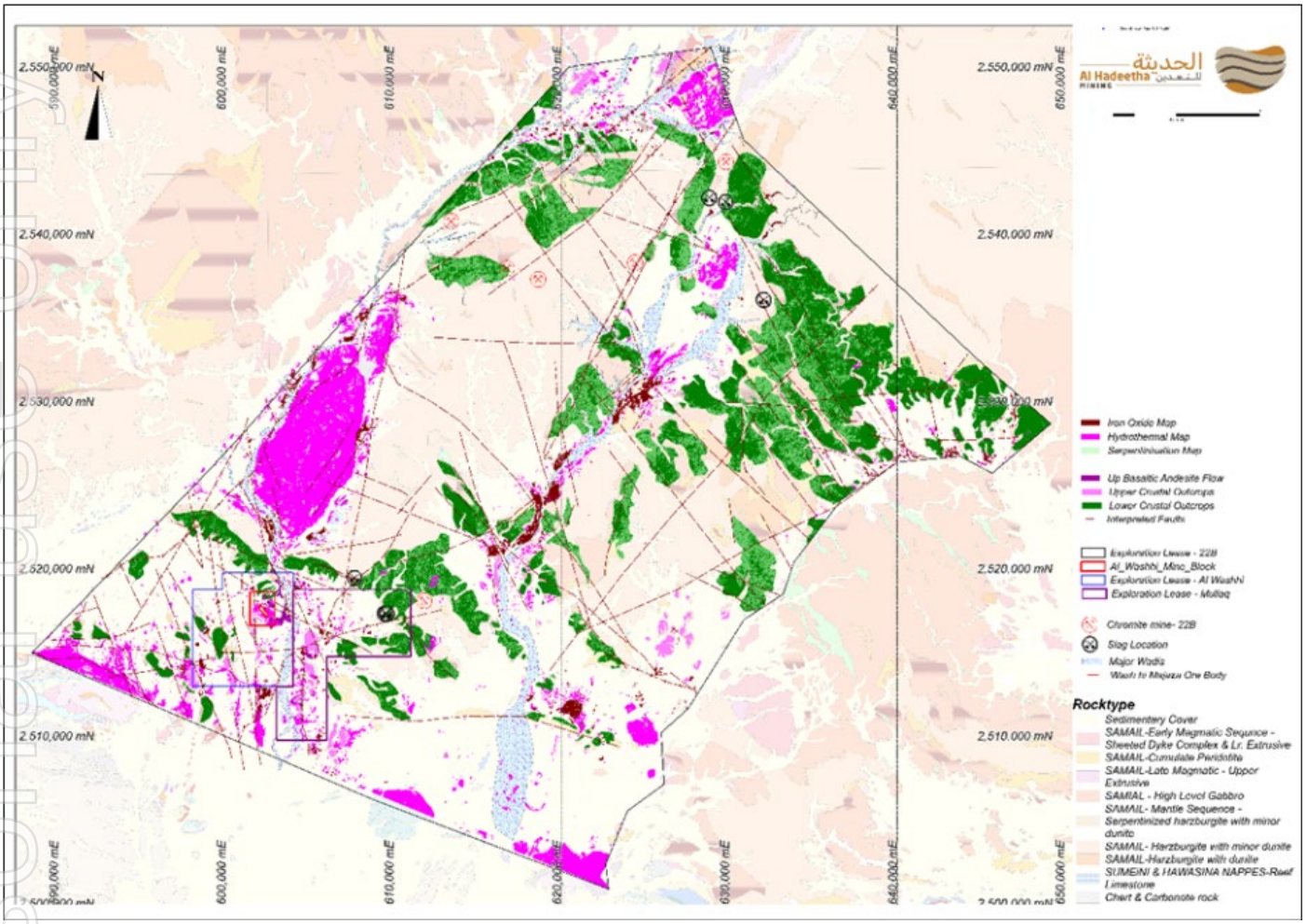
Figure 16: Multispectral ASTER and Landsat imagery of Block 22B indicating crustal outcrops and structural lineations and hydrothermal alterations



Mineral Tenements

Block Name	License Owner	Alara JV Interest	Exploration License				Mining License Within EL	
			Area	Grant Date	Expiry Date	Status	Area	Status
Al Wash-hi Majaza	Al Hadeetha Resources LLC	51%	39 km^2	Jan-08	2 March 2028	Active (Part of 22B)	3km^2	Active, EL included
Mullaq	Al Hadeetha Resources LLC	51%	41 km^2	Oct-09	2 March 2028	Active (Part of 22B)	1km^2	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25 km^2	Jan-08	-	Pending	1.5km^2	Pending
Block 22B	Al Hadeetha Mining LLC	27.5%	1448 km^2	Mar-25	2 March 2028	Active	-	-

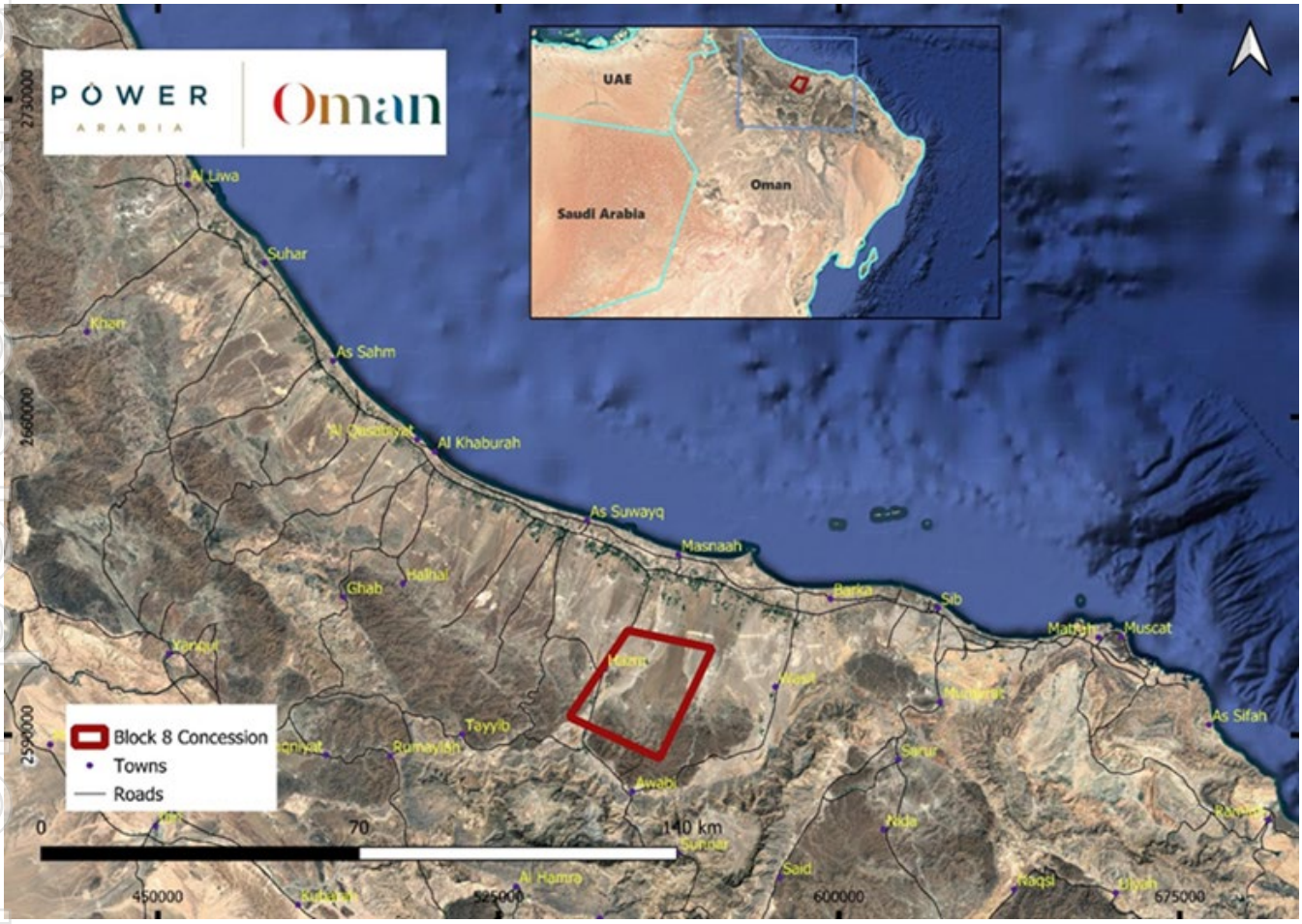
Awtad Copper-Gold Project

(Awtad Copper LLC (ACL): Alara 10% with an earn-in right up to 57.5%+; Power Metal with earn-in right of up to 12.5%; Local shareholders 90%, subject to dilution)

The Block 8 exploration license in Oman (see Figure 17, below),(Block 8 or the Project) is held by a joint venture between Alara and Awtad Copper LLC (Awtad Copper) and is the subject of an agreement for AIM-listed Power Metal Resources plc (Power Metal) to earn a 12.5% stake in the Project. Power Metal's exploration work, undertaken by its Power Arabia technical team, commenced in October 2024 following the signing of a farm-in agreement on 25 October 2024 (Farm-in Agreement) entitling it to earn the above stake. Alara holds 10% interest in the joint venture. The drilling programme completes the Power Metal initial 12.5% earn-in[1].

Block 8 is located approximately 130 km west of Muscat in Oman and encompasses a contiguous area of 497 sq. km (Figure 17). The concession includes a section of the Samail Ophiolite that is prospective for copper-dominant (Cyprus-type) VMS mineralisation. Power Arabia's exploration activities have included spectral remote sensing, stream sediment, soil and rock chip sampling, trenching and sampling, gravimetric geophysical surveying, petrography and X-Ray Diffraction analysis.

Figure 17: Location of Block 8 exploration license



[1] Please refer to ASX announcement dated 24 October 2024

A. Exploration Update – Drilling Program

The initial drilling targets were mainly based on geological observations, magnetic and gravimetric data, and trenching results. However, the locations were ultimately adjusted in response to observations as the program, which contained eight holes totalling 724.35m, developed. The drillhole locations and parameters are shown in Figure 18 and summarised in Table 1, respectively.

Figure 18: Block 8 drillhole locations relative to gravimetric geophysics results

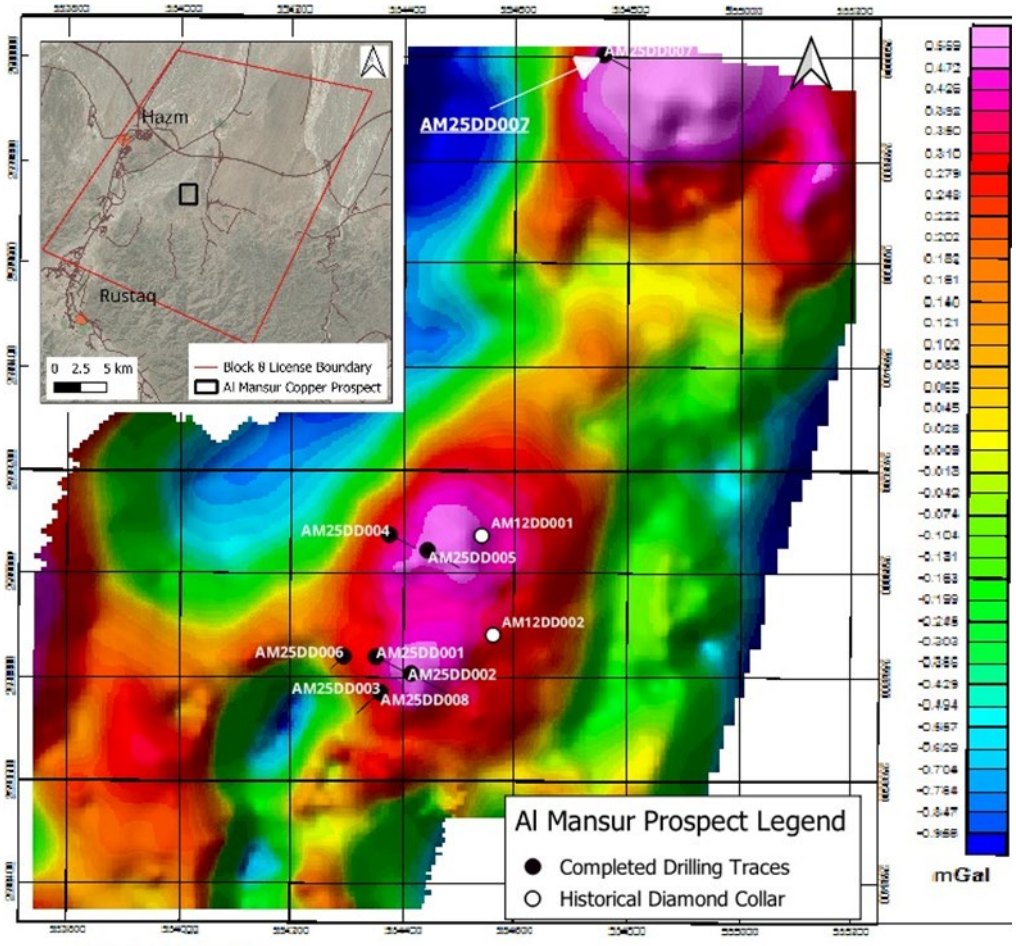


Table 1: Block 8 drillhole summary

Drillhole	Easting (UTM 40N)	Northing (UTM 40N)	Elevation (m)	Azimuth (deg)	Inclination (deg)	Length (m)
AM25DD001	554,348	2,598,839	202.36	120	-50	109.45
AM25DD002	554,411	2,598,807	200.97	120	-50	110
AM25DD003	554,356	2,598,770	204	225	-50	70.9
AM25DD004	554,371	2,599,075	195.3	120	-50	80
AM25DD005	554,440	2,599,046	194.4	120	-50	100
AM25DD006	554,292	2,598,833	210	225	-50	74
AM25DD007	554,751	2,600,005	192	120	-50	80
AM25DD008	554,355	2,598,770	204	225	-65	100
					TOTAL:	**724.35**

Drillhole Observations

The drilling intersected a volcanic succession predominantly consisting of intercalated andesite and basalt units. Andesite units ranged in thickness from 0.12 to 11.1m (averaging 3.22m), and basalt units ranged in thickness from 0.13 to 12.95m (averaging 2.0m). Some of the basalt units included pillows, substantiating subaqueous deposition and favourable genetic conditions for the formation of massive sulphide mineralisation.

Propylitic alteration, including carbonate, chlorite and epidote, was apparent in almost all drillholes and particularly associated with basaltic units.

Faulting and brecciation were also common and evident in all drillholes. Breccias ranged in thickness from 0.2 to 13.5m (averaging 3.82m) and some were associated with alteration (silica, carbonate, chlorite, epidote and hematite).

Significant sulphides, mainly pyrite, were intersected in six of the eight drillholes. The pyrite occurred as disseminations, veinlets and in semi-massive form (Figure 19).

Figure 19: Brecciated semi-massive pyrite (AM25DD001 at 95.7m)

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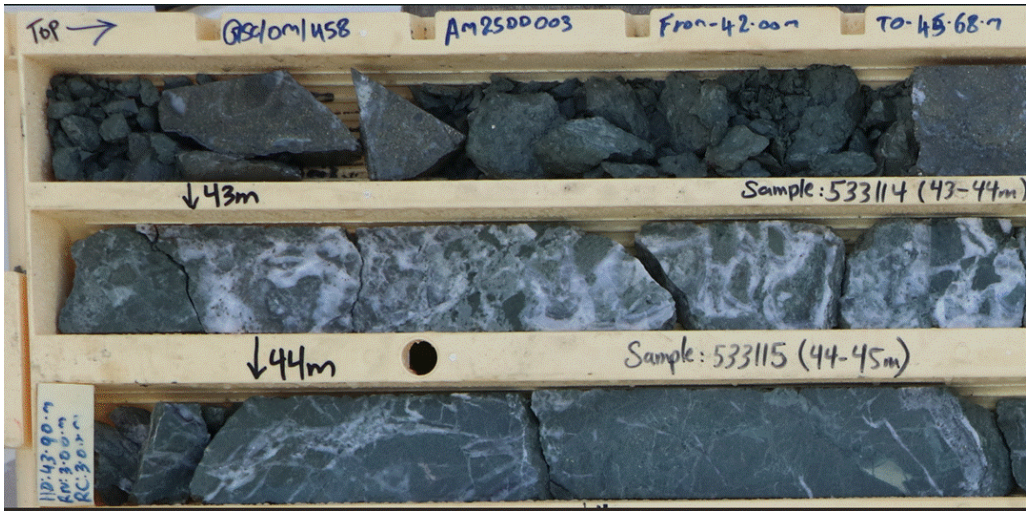
Figure 20: Brecciated and colloform pyrite (AM25DD001 from 95.5m)

Figure 21: Semi-massive pyrite and quartz breccia/stockworks (AM25DD003)



Pyrite mainly occurred within the andesite and basalt units and in the presence of propylitic alteration, although some of the faults and breccias also included disseminations and veinlets.

Drillhole Sampling and Results

A total of 156 half-core samples were cut using a diamond saw with 11 Quality Assurance samples distributed throughout the batch. All samples were prepared and analysed by ALS Arabia Biyaq in Oman.

Drillhole AM25DD001 included up to 1.04% Cu over 1.5m (from 95.5-97m downhole depth), corresponding to faulted dolerite within a wider zone returning 0.52% Cu over 3.5m (from 95.5-99m). Other intersections included 0.36% Cu over 1m (from 72-73m) and 0.35% Cu over 4m (from 80-84m). Half of the samples from the drillhole (36 of 72) returned Cu values > 100 ppm Cu (the average abundance for basalts) and correspond to elevated iron z-scores (z-scores indicate how many standard deviations a result is from the mean of a distribution and is used to assess anomalous values).

Drillhole AM25DD002 included up to 0.19% Cu over 4m (from 85-89m downhole) in basalt. Drillhole AM25DD003 included up to 0.18% Cu over 1m (from 42-43m downhole) within a stockwork zone. Drillhole AM25DD006 included up to 1.1% Zn over 1m (from 51-52m downhole). Sections for drillholes AM25DD001 and 2, and AM25DD003 and 8 are shown in Figures 22 and 23 respectively.

For more details, please refer to ASX announcement dated 16 December 2025 titled "Block 8 Oman Drilling program results". Tabulated drillhole results and JORC Code, 2012 Edition – Table 1 Block 8 was provided as an annexure of the announcement.

Figure 22: Section for drillholes AM25DD001 and 2 (Looking North)

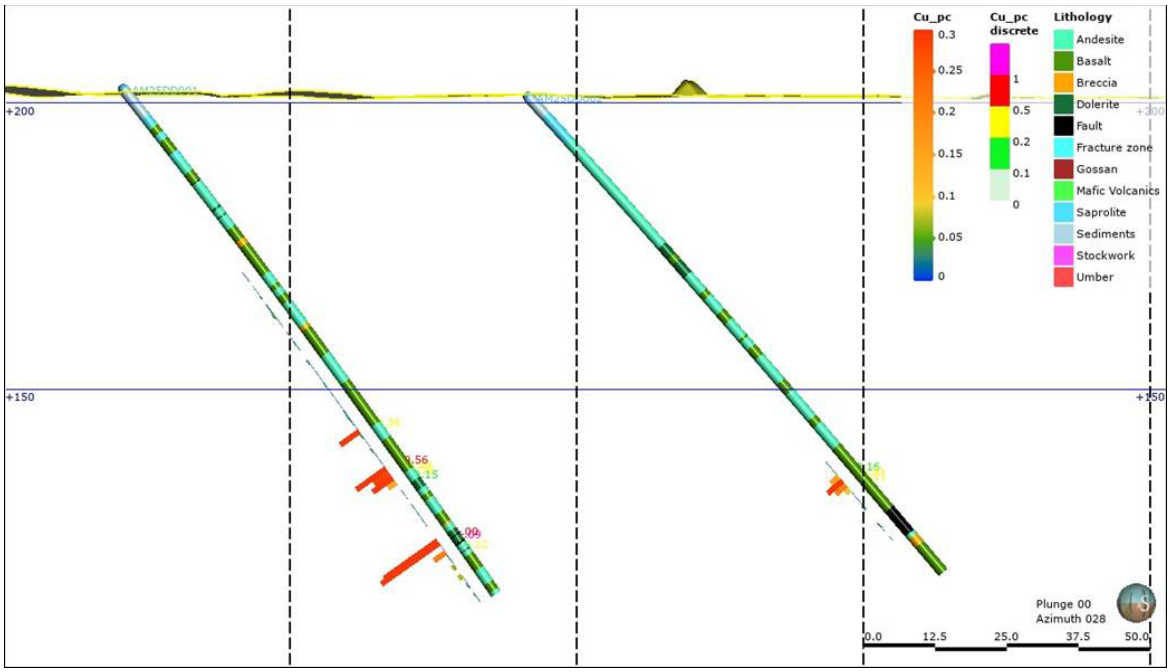
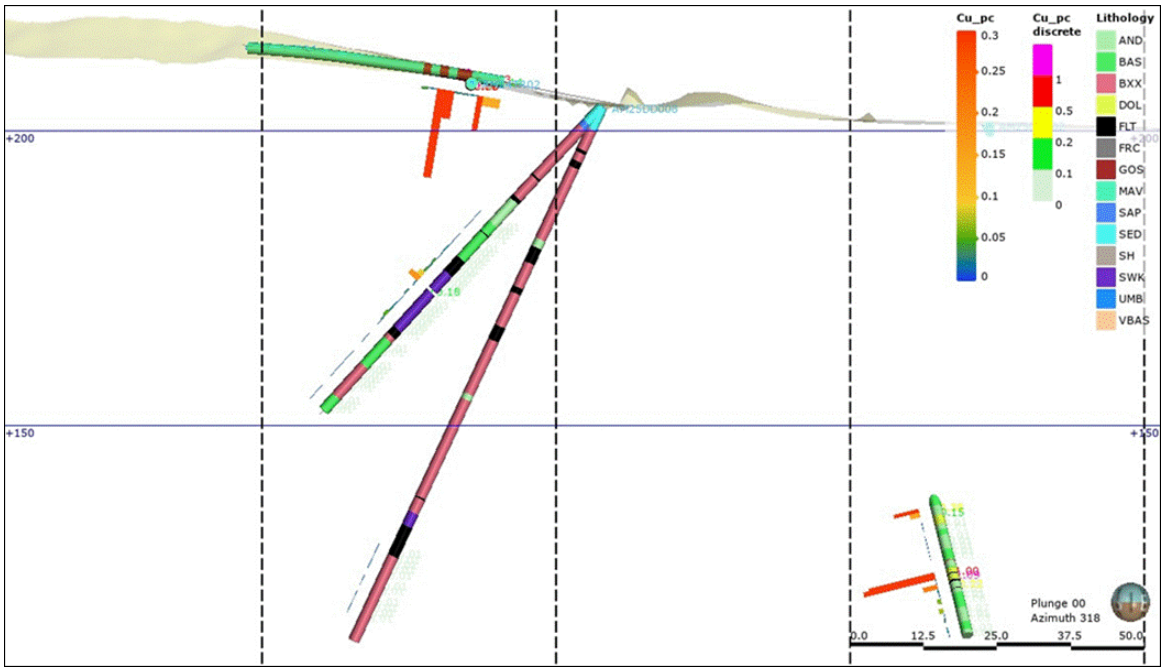


Figure 23: Section for drillholes AM25DD003 and AM25DD008, plus trench AM24TR02 (Looking West)



Conclusion

The drillhole observations and results identified some significant sulphide mineralisation in what is interpreted to be the peripheral zone of a mineralised system. The >1 % Cu intersection in hole AM25DD001, along with the other geochemically anomalous zones, offers great encouragement and targets for the next phases of work.

The next phases of work include a full review of all results to better understand the geological associations with mineralisation, with an emphasis on the breccia units. This would facilitate the planning of a follow-up trenching and drilling programme.

Some additional sampling to the remaining core is also planned. This includes sampling the rest of AM25DD006, hole AM25DD007 (located over 1km to the north of hole AM25DD001), as well as potentially some intervals of the yet unsampled holes AM25DD004, 5 and 7 (that contain alteration and some observed mineralisation).

Important Disclaimer Regarding Future Prospects at Block 8

The information in this announcement constitutes Exploration Results, as defined in the JORC Code. Exploration Results are uncertain by their nature. Nothing in this announcement should be taken to mean or imply that potentially economic copper or other mineralisation has been discovered.

Competent Person Statement

The information contained in this report concerning exploration results from Block 8 was prepared under the direction of Mr Nicholas O'Reilly (MSc, DIC, MAusIMM, MIMMM QMR, FGS), who is a qualified geologist and acts as the Competent Person for this report under the JORC Code. Mr O'Reilly is a Principal Consultant working for Mining Analyst Consulting Ltd, which has been retained by Power Metal Resources PLC to provide technical support. Mr O'Reilly is not employed by, nor a consultant to, Alara Resources Limited. Alara has no other relationship with Mr O'Reilly. Mr O'Reilly consents to the inclusion of matters in this report based on his documentation in the form and context in which it appears above.

Mineral Tenement Status

Block Name	License Owner	Alara JV Interest	Exploration License				Mining License Within EL		
			Area	Grant Date	Expiry Date	Status	Area	Date of Application	Status
Block 8	Awtad Copper LLC	10% (earn into 57.5%)	497 km^2	Nov 2009	May 2026	Active	NA	NA	

Daris Copper-Gold Project

(Daris Resources LLC (DRL): Alara – 50%; Al Tamman Trading And Establishment LLC – 50%)

A. Block 7 Update

The Daris Project comprises two high-grade copper deposits within a 587 km² exploration license (Block 7), which also includes two mining license applications covering a total area of 4.5 km². Located approximately 150 km west of Muscat and accessible via a high-quality bitumen road, the Daris Copper-Gold Project aligns well with Alara's preferred "hub and spoke" development model. Under this model, any economically mineable ore from Daris is intended to be processed at the Al Wash-hi Majaza copper concentration plant.

B. Daris East Update

The Daris East Mining License application, covering an area with measured, indicated, and inferred copper resources[2], faced opposition from the Ministry of Housing due to its proximity to recently allotted land to local communities. Negotiations with Ministry of Housing on a proposal submitted earlier continued during the quarter.

The Environment Authority has advised that consent agreements be secured with local community members who have been allocated land plots and those who have constructed residential structures in proximity to the applied Mining License area. Accordingly, engagement and consultation discussions with the local community were initiated during the reporting period.

C. Daris 3A5 Mining License Update

Ministry of Energy and Minerals awarded a Mining License over the Daris 3A5 prospect in the quarter. Daris 3A5 forms a part of the Daris Copper-Gold Project. This achievement marked a major strategic milestone for Alara, strengthening its leadership position in Oman's rapidly evolving mining sector. The Daris Copper-Gold Project (Alara 50% interest, with the right to increase to 70%) is located approximately 150km west of Muscat and covers an expansive area of ~587km² (Block 7) under a mineral exploration license.

The 3A5 mining license was awarded over a portion of Block 7 with an area of 0.65 km². Block 7, including the 3A5 mining license, is operated by Daris Resources LLC, a joint venture company in which Alara holds management and commercial rights.

Next Steps Towards Development of Daris 3A5 prospect

With the Daris 3A5 mining license secured, Alara will now:

- Raise funds to conduct further exploration work over the prospect;
- Conduct geophysical surveys to plan drill hole locations;
- Carry out diamond core drilling to define mineralisation boundaries, and, if warranted by further exploration results;
- Issue a mineral resource estimate under the JORC Code;
- Conduct metallurgical test work to characterize metal recoveries;
- Define a mineral reserve under the JORC Code;
- Initiate mining studies;
- Progress detailed mine planning activities; and

[2] Please refer to Alara's March 2013 Quarterly Report for further details.

- Advance discussions for toll treatment arrangements with existing copper concentrators in Oman.

Mineral Tenement Status

Block Name	License Owner	Alara JV Interest	Area	Exploration License		Status	Area	Mining License Within EL	Status
				Grant	Expiry Date			Date of Application	
Block 7	Al Tamman Trading and Establishment LLC	50% (earn in to 70%)	587 km2	Nov 2009	Feb 2016	Pending	0.653 km2 (Daris 3A5)	Resubmitted 2024	Awarded
							3.2 km2 (Daris East)	Resubmitted 2024	Pending

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Alara Resources LLC

(Alara Resources LLC (ARL): Alara – 35%; Al Tasnim Infrastructure LLC – 30%; South West Pinnacle Exploration Ltd – 35%)

Alara Resources Limited (ARL) is a prominent service provider in Oman, delivering contract mining and geological services that support the continued expansion of the country's mining sector. The Company is currently providing contract mining services to the Al Wash-hi Majaza Project, operated by Al Hadeetha Resources LLC (AHRL).

During the quarter, ARL's drilling division delivered strong operational and commercial progress:

- Exploration drilling totaling 5,432 metres across 45 drill holes was completed for multiple clients during Q2.
- Two new Kratos drilling rigs arrived in Oman and commenced operations from October, expanding fleet capacity and improving service delivery capability.
- New drilling contracts were awarded to strengthen ARL's external client portfolio.
- The Company initiated the process to obtain ISO certifications, reinforcing its commitment to quality, safety, and operational excellence.
- Phase 2 exploration drilling commenced at the Al Wash-hi mining site, supporting ongoing resource definition and project development activities.

Expenditure Summaries

Mining Tenements

During the quarter, the consolidated entity incurred an expenditure of $16.51 million on mining production and development activities including mining exploration.

Related Party Payments

Directors' Remuneration

During the quarter, the consolidated entity made payments totaling $182,682 to related parties, as disclosed in item 6.1 in the Company's Appendix 5B, being for Directors' remuneration. No other payment was made to any related party or the associate of a related party.

Expected Developments – Quarter Ending March 2026

- Continue to pursue the grant for the Daris East Mining license.
- Alara JV AHML to continue advanced exploration works of the Block 22B concession.
- Power Metal and Alara to progress exploration of the Block-8 exploration license.
- Preparation for a rights issue to fund the Company's proportional share of AHRL expenses and general working capital requirements.
- Renewal of Al Ajal Exploration license to be pursued.

Appendix 5B

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

Name of entity

ALARA RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
27 122 892 719	**31 December 2025**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	37,949	51,867
1.2	Payments for		
	(e) exploration & evaluation	-	-
	(e) development	(1,125)	(3,962)
	(e) production	(62,351)	(72,787)
	(e) staff costs	(3,470)	(5,119)
	(e) administration and corporate costs	(2,738)	(3,645)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	72	119
1.5	Interest and other costs of finance paid	(1,554)	(4,032)
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**	**(33,217)**	**(37,559)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(f) entities	-	-
	(f) tenements	-	-
	(f) property, plant and equipment	(120)	(529)
	(f) exploration & evaluation	-	-
	(f) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(e) entities	-	-
	(e) tenements	-	-
	(e) property, plant and equipment	-	-
	(e) 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**	**(120)**	**(529)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,400
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	-	(313)
3.5	Proceeds from borrowings	45,176	47,078
3.6	Repayment of borrowings	(3,386)	(8,168)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Funds introduced by Minority Shareholders	-	-
3.10	**Net cash from / (used in) financing activities**	**41,790**	**41,997**

Note: During the June quarter, the Company completed a private placement raising approximately A$ 3.4 million (before costs) through the issue of 85,000,000 fully paid ordinary shares at A$ 0.04 per share. Gross proceeds are disclosed in item 3.1 and related capital-raising costs in item 3.4. The funds have been applied towards repayment of a portion of Alara's outstanding finance facility with Trafigura Pte Ltd, comprising principal and interest. The placement will also cover A$856,618 (US$556,463) for interest payments due through to 30 June 2026, withholding tax on interest payments under the Trafigura Loan, and associated bank fees.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,787	12,430
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(33,217)	(37,559)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(120)	(529)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	41,790	41,997
4.5	Effect of movement in exchange rates on cash held	(130)	(229)
4.6	**Cash and cash equivalents at end of period**	**16,110**	**16,110**

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	16,105	7,784
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Petty Cash)	5	3
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**16,110**	**7,787**

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	183
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

1) The amount in 6.1 is comprised of Directors' salaries, fees and entitlements of A$182,682

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities– Al Hadeetha Investments LLC	1,076	1,076
	Loan facilities – Sohar International Bank	143,463	132,538
	Loan facilities – Trafigura PTE Ltd	3,949	3,949

	Advance – Al Hadeetha Investments LLC	311	311
	Advance – Al Tasnim Infrastructure LLC	311	311
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**149,110**	**138,185**

7.5	**Unused financing facilities available at quarter end**	**10,925**

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.

7.1 The Company's 51% owned joint-venture vehicle Al Hadeetha Resources LLC (**AHRL**) has a loan agreement with Sohar International Bank for OMR 36.99 million (AUD 143.46 million, as at 31 December 2025) (**Sohar Loan**). 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, in both cases the rate being 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 is payable, which has been paid on a monthly basis.

The Sohar Loan is secured by a mortgage over AHRL's assets including processing plant, land and buildings.

7.2 In July 2023 the Company entered a loan agreement with Trafigura Pte Ltd for finance of USD 3.45 million (AUD 5.07 million, at a USD:AUD exchange rate of 1.48 at around the time of drawdown) (**Trafigura Loan**). The interest rate payable under the Trafigura Loan is 3-month term SOFR (variable) plus a margin of 5.15% per annum. The Trafigura Loan has a maturity date of 30 June 2029 and a moratorium on principal payments until 30 September 2025. Pursuant to an agreement to amend the agreement for the Trafigura Loan, on 9 October 2023 prepaid repayments of principal which would otherwise have been due up to and including 31 May 2026.

7.3 Under the Australian Accounting Standards (**AAS**) the accounts of AHRL are consolidated with the accounts of its parent entity Alara, as a result of the fact that Alara has a majority shareholding interest (51%) in AHRL. Under AAS, AHRL is a "controlled entity" of Alara. Under AAS, Alara and its controlled entities prepare their accounts as if they all comprised a single entity (**Consolidated Entity**). Cash inflows disclosed in this Appendix are almost exclusively comprised of cash inflows into AHRL. AHRL cash inflows are not available for use by Alara (as a separate entity) for its own purposes.

Alara has a reasonable expectation that AHRL will pay it a dividend from its future anticipated profits. Various factors affect the likely timing of a future dividend from AHRL to Alara, including AHRL's obligation under the relevant loan agreement to apply free cash to pay down the Sohar Loan. Alara (as an individual entity within the Consolidated Entity) incurs and will continue to incur various expenses including corporate overheads, a requirement to contribute its proportionate share of any interim cash shortfall in AHRL and its share of funding required for current, planned and likely exploration by various joint ventures in which it has a participating interest, including Omani mineral concessions Blocks 7, 8 and 22B.

It is anticipated that Alara will need to conduct one or more capital raisings in future to enable it to meet its stand-alone cash requirements before dividends from AHRL commence and reach a level sufficient to sustain Alara's operations.

The Company (Al Hadeetha Resources LLC) is in discussions with the Ministry of Energy and Minerals, Oman to finalise the applicable royalty in accordance with prevailing regulations. The Company expects this matter to be concluded in due course.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(33,217)
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)	(33,217)
8.4	Cash and cash equivalents at quarter end (item 4.6)	16,110
8.5	Unused finance facilities available at quarter end (item 7.5)	10,925
8.6	Total available funding (item 8.4 + item 8.5)	27,035
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.81

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.

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: Alara does not expect net operating cash flows to remain at the current level, as most operating cash outflows this quarter related to the settlement of old creditors, which are now largely settled.

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: Alara has planned to raise funds by way of a rights issue to fund its operations other than AHRL, and management believes the rights issue will be successful.

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: Yes, Alara expects to be able to continue its operations successfully and meet its business objectives as AHRL, being a flagship entity of AUQ is now successfully producing revenue and profits.

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: 29th January 2026

Authorised by the Board: .....
(Atmavireshwar Sthapak – Managing Director)

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.