

ASX/MEDIA RELEASE

Friday, 14 October 2016

MINING INVESTMENT CONFERENCE AL HADEETHA COPPER-GOLD PROJECT

Alara Resources Limited (ASX: AUQ) (Alara or Company) provides a copy of the project presentation delivered by Mr Justin Richard and Mr Atmavireshwar Sthapak to the Mining Investment Middle East & Central Asia Conference*, which took place in Muscat, Oman on 11-13 October 2016.

Senior level executives from many countries attended the conference which was comprised of mining leaders, entrepreneurs, financiers, investors, government heads, and technical experts.

The Company received a positive response to the presentation, with an invitation to meet with government executives next week. Question time touched on the success of the Company's community engagement and highlighted the need for streamlining of licencing procedures. Later round table discussions revealed other mining companies are keeping watch on the progress of the mining licence application as a gauge for further development and investment into Oman's mining sector.

For further information, please contact:

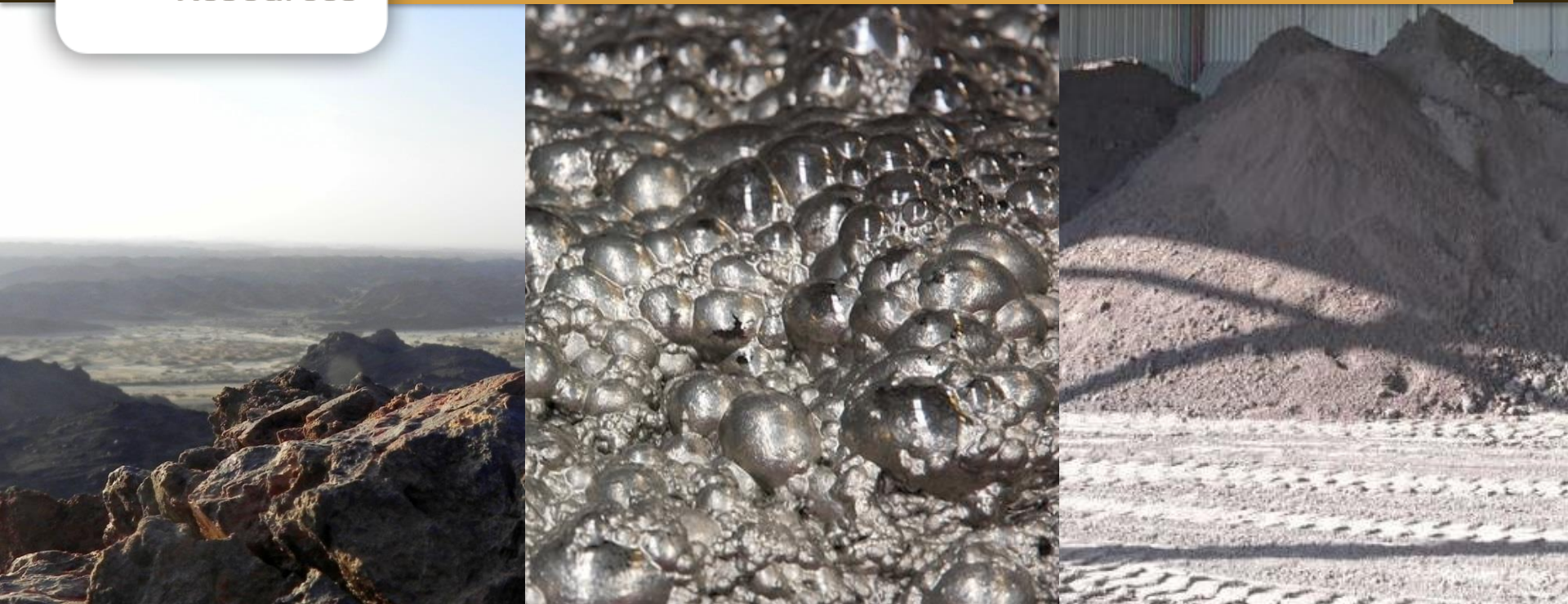
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Managing Director **E** | jrichard@alararesources.com

Elizabeth Hunt **T** | +61 8 9481 0389
Company Secretary **E** | cosec@alararesources.com

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study on the Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an Advanced Scoping Study on the Daris and Al Hadeetha Copper-Gold Projects in Oman and a Feasibility Study for the Al Hadeetha Project, Washihi deposit. The Company is transitioning to establish itself as a base and precious metals mine development and production company. For more information, please visit: www.alararesources.com.

*Mining Investment Middle East & Central Asia, organised by Spire Events, is a global strategic mining conference and exhibition for the leaders of the mining, quarrying and construction materials industries.



Resource Developer to Mine Builder and Operator

JUSTIN RICHARD, MANAGING DIRECTOR & CEO
MIDDLE EAST AND CENTRAL ASIA
MINING INVESTMENT CONFERENCE
12 OCTOBER 2016



Board of Directors



James Phipps
Chairman

Mr Phipps is a strategic advisor, business executive, and lawyer with extensive international and Middle East experience. He previously served as an Alternate Director to HRH Prince Abdullah bin Mosaad bin Abdulaziz Al Saud and was appointed Chairman of the Company in July 2015.



Justin Richard
CEO & Managing Director

Joined Alara in 2011 and became CEO in May 2015. Previously worked as Country Manager for Saudi Arabia and Oman, Senior Commercial Officer with Bateman Engineering (Australia), head of UGL Resources legal division and in the construction/engineering and insurance / corporate risk groups at Minter Ellison Lawyers.



Atmavireshwar Sthapak
Executive Director

20+ years mining industry experience , specializing in mineral resource exploration and evaluation studies. Has worked on world class deposits, including Mt. Isa copper deposits in Australia. Rio Tinto Discovery Award in 2009

Vikas Jain

Non-Executive Director

15 years in the field of mineral exploration and allied activities, including open cast mining. Managing Director and CEO of the South West Pinnacle Exploration P/L, founded by him in 2006.

Company Data

ASX Code	AUQ
Issued Capital	
- Shares	592M
- Options	234M

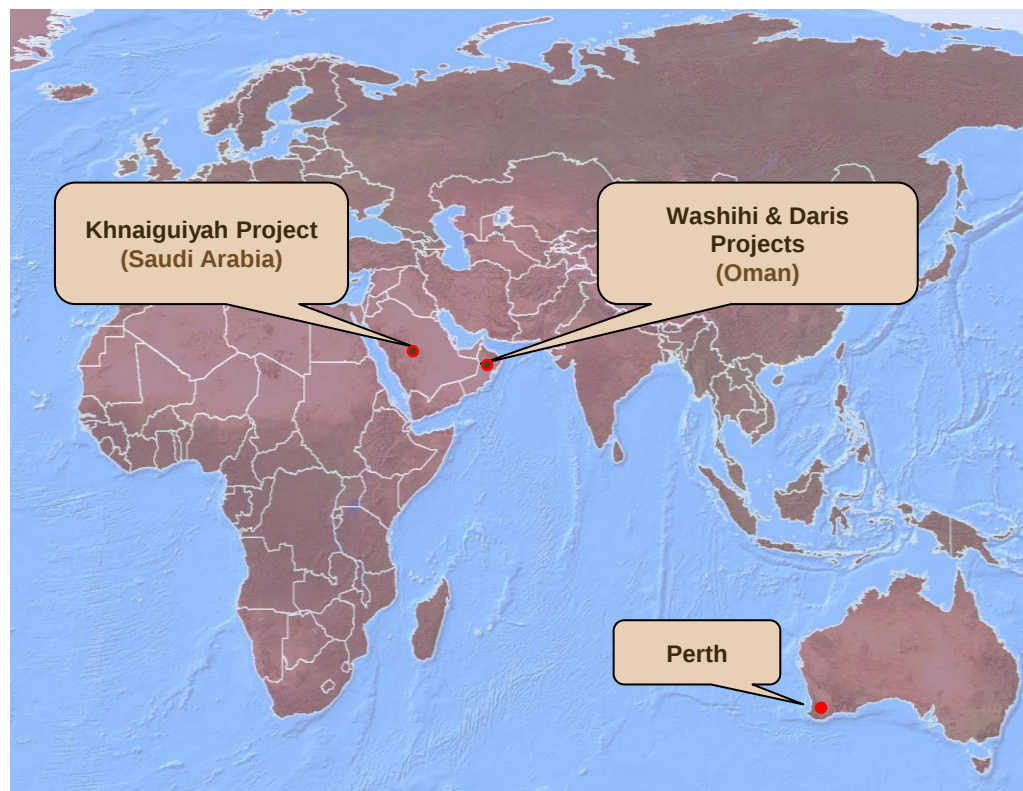
Top Shareholders

MENG MENG*	6.434
VIKAS JAIN*	5.786
METALS CORNERS HOLDING CO*	5.148
MUL CHAND MALU	4.822
VIKAS MALU	4.822
CITICORP NOMINEES PTY LTD	4.648
JUSTIN RICHARD	4.406
PIYUSH JAIN	3.858
WHITECHURCH DEVELOPMENTS	3.473
HSBC CUSTODY NOMINEES (AUSTRALIA)	2.700

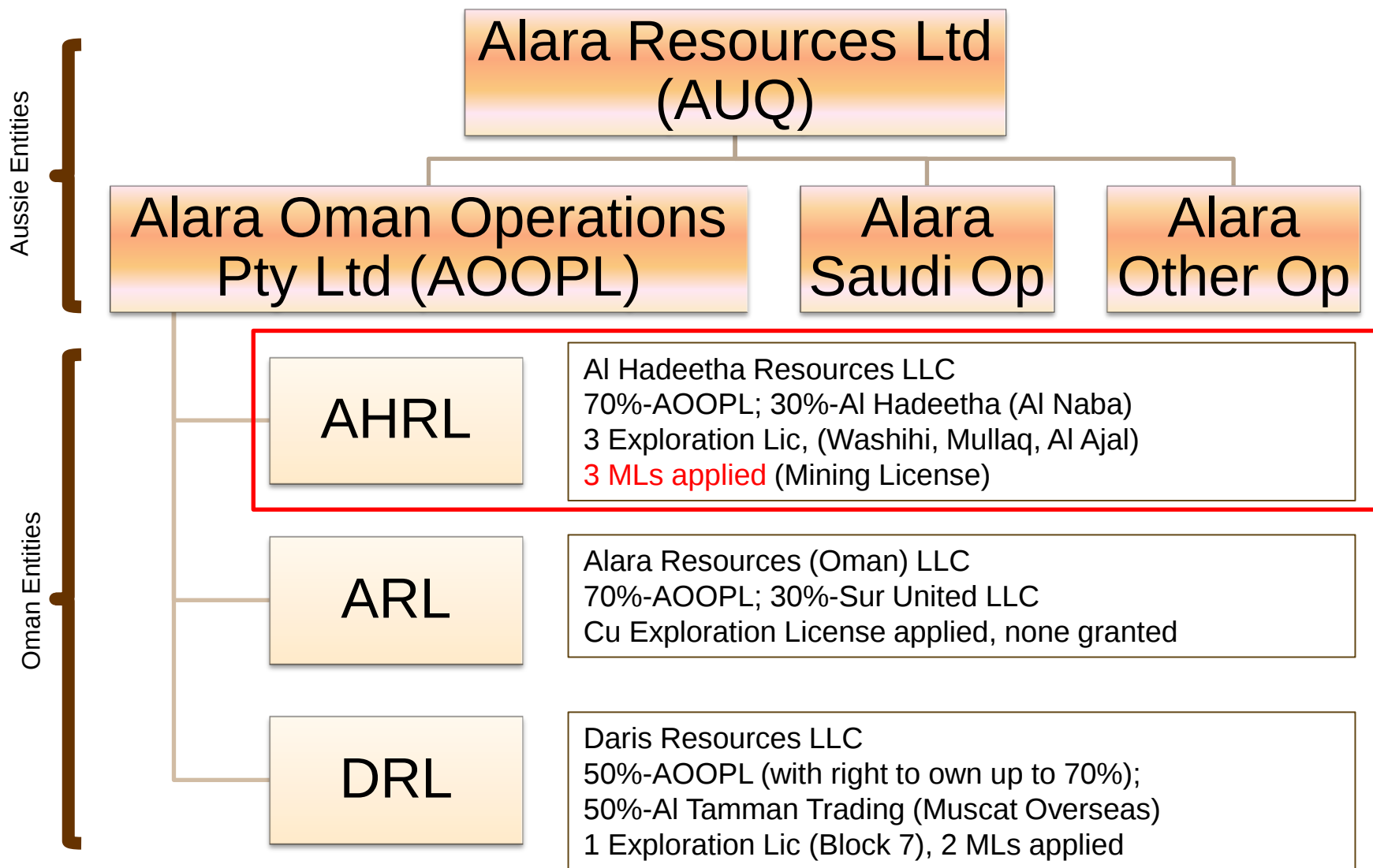
Moving from Exploration into Development and Production

Alara is an Australian minerals exploration and development company, with its registered office located in Perth, Western Australia.

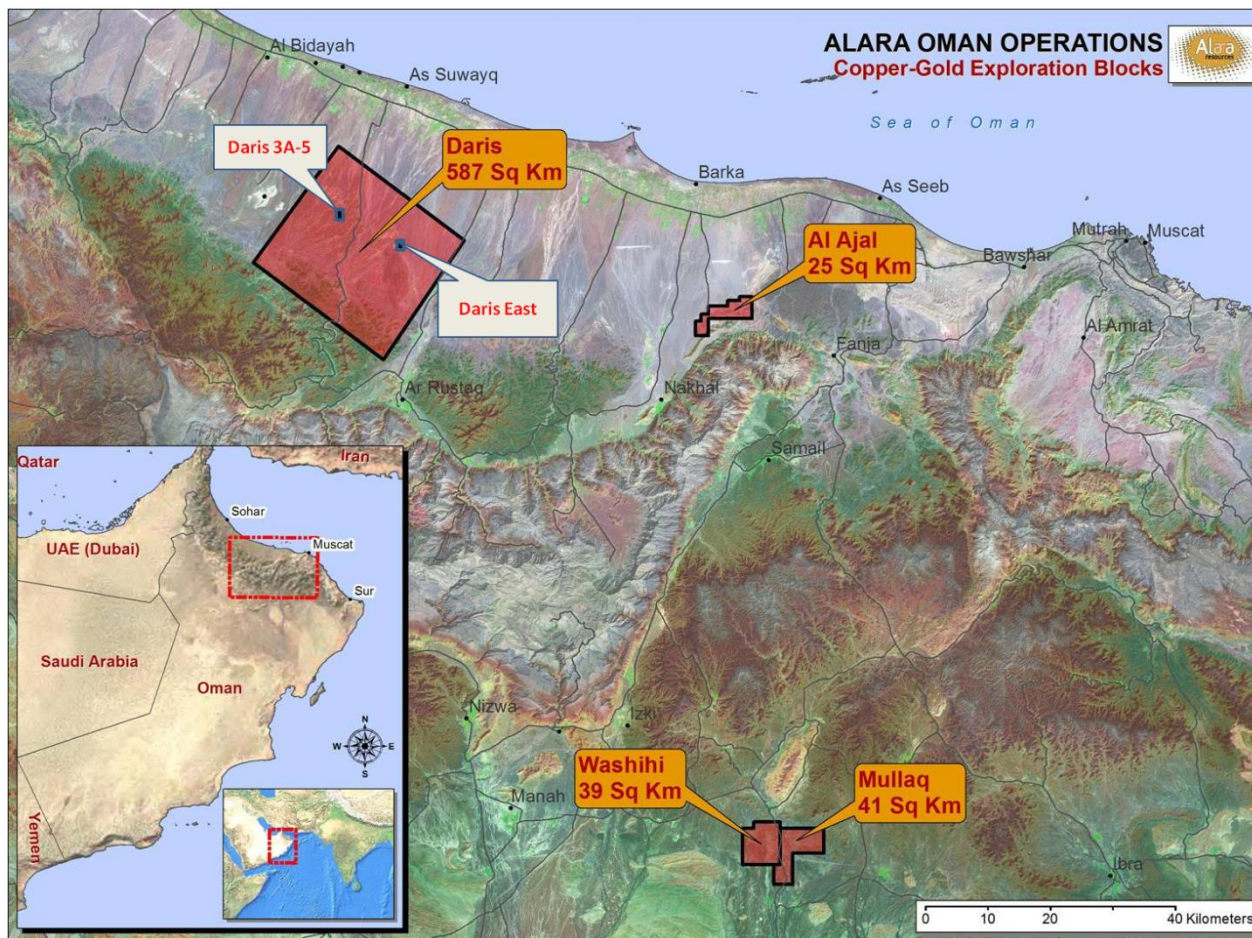
Alara has established itself in the Middle East with a portfolio of advanced development and early stage exploration projects as listed below.



Project	Resources	Ownership	Location	Status
Khnaiguiyah	Zinc-Copper	50%	Saudi Arabia	[Awaiting Mining Licence]
Al Hadeetha	Copper-Gold	70%	Oman	[Awaiting Mining Licence]
Daris	Copper-Gold	50% (70% option)	Oman	[Advanced Scoping Study]



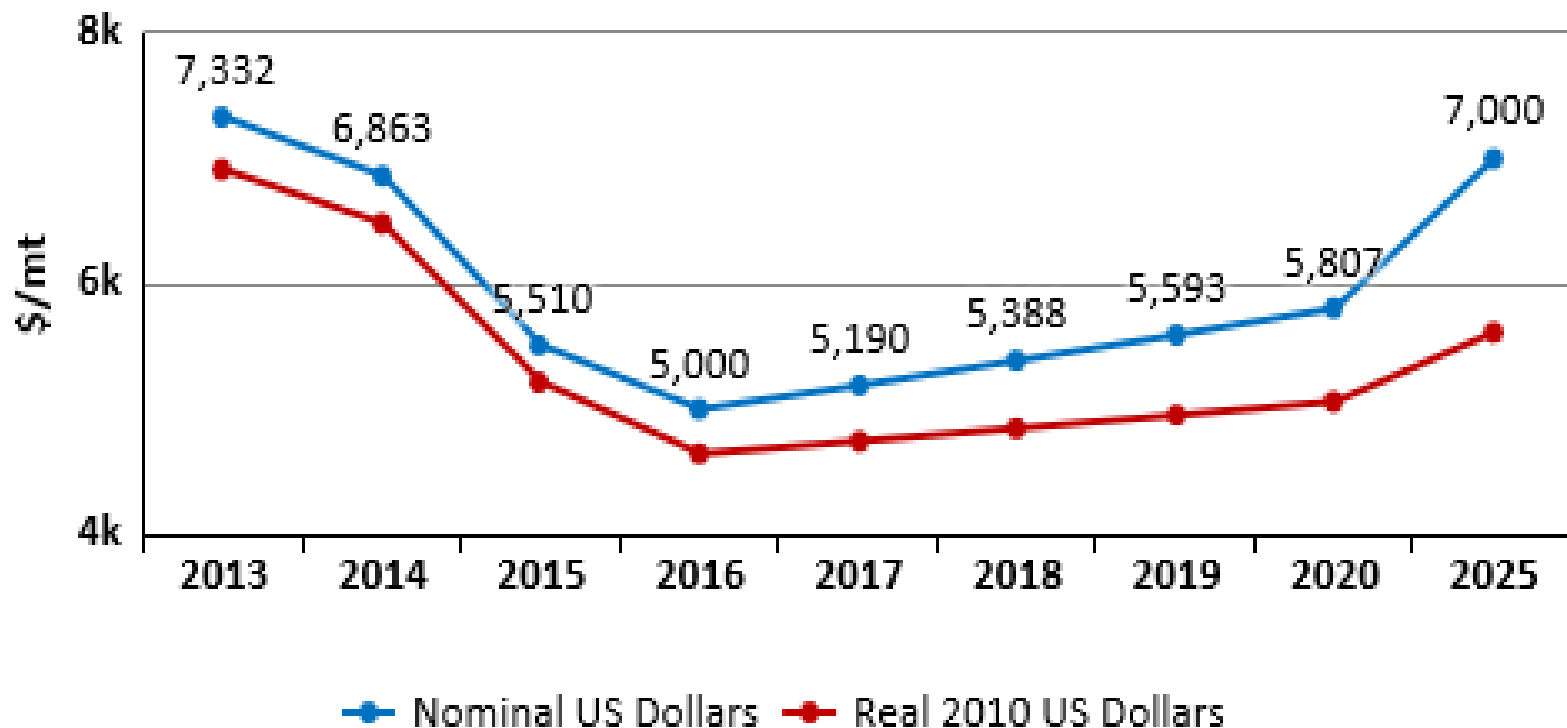
The Oman Copper Gold Projects are located in a region with several examples of VMS Copper Deposits and within reasonable proximity to a Copper Smelter and port at Sohar





- Project revenue: US\$434 M
- Project costs : US\$270m
- Capex: US \$59 million, including owner's costs and contingency (plus \$9m in pre operating expenditure already invested)
- EBITDA: US\$142M
- Project free cash flow: US\$81m (after Capex paid)
- Project NPV: US\$28m (US\$52m*) at an IRR of 21% (27%*)
- Payback: <4 years
- First production Q1, 2018
- Average production of ~33ktpa Cu concentrate over 10 years

*based on World Bank Price forecast



Source – World Bank Commodity Forecast Price Data, January 2016

Reconnaissance Surveying



20-50 % of original area

Follow-up Surveying



5-20% of original area

Target Identification

1-5% of original area

Target Testing



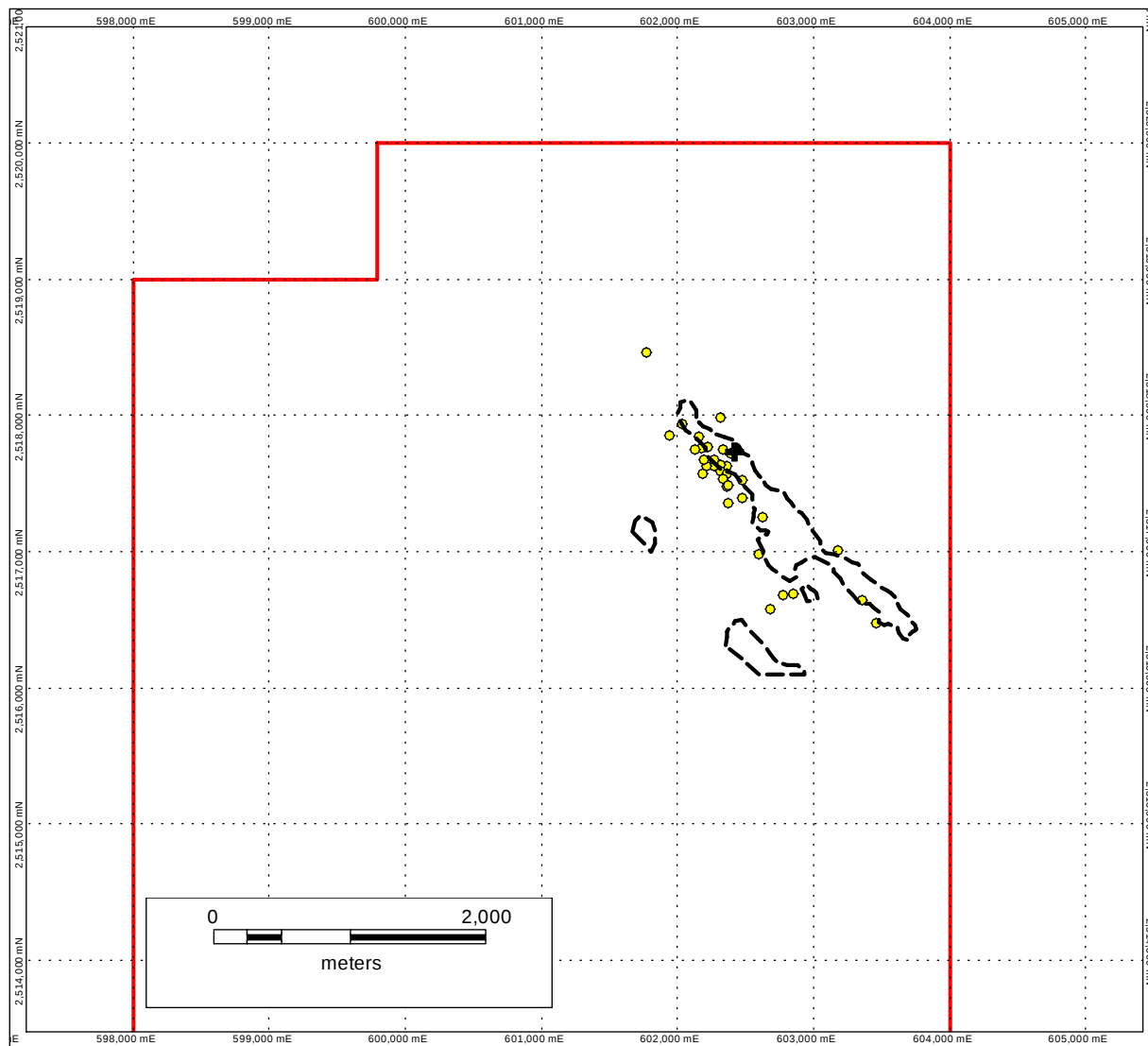
< 1% of original EL

Resource Delineation/Evaluation

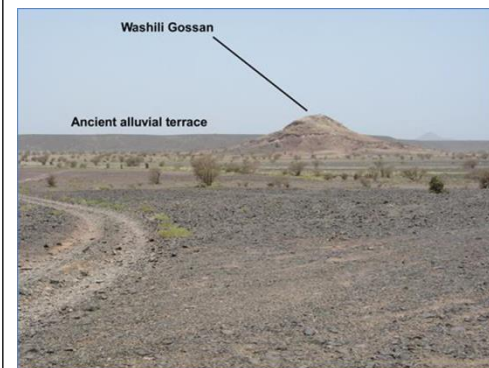
NEXT STAGE

- Airborne Geophysics: + 1300 line kms
- Ground Geophysics: +1200 line kms
- Drilling: +17,000m completed
- Feasibility Study Complete
- High potential exploration targets and open mineralisation to pursue
- Over US\$ 12.5M invested in Oman

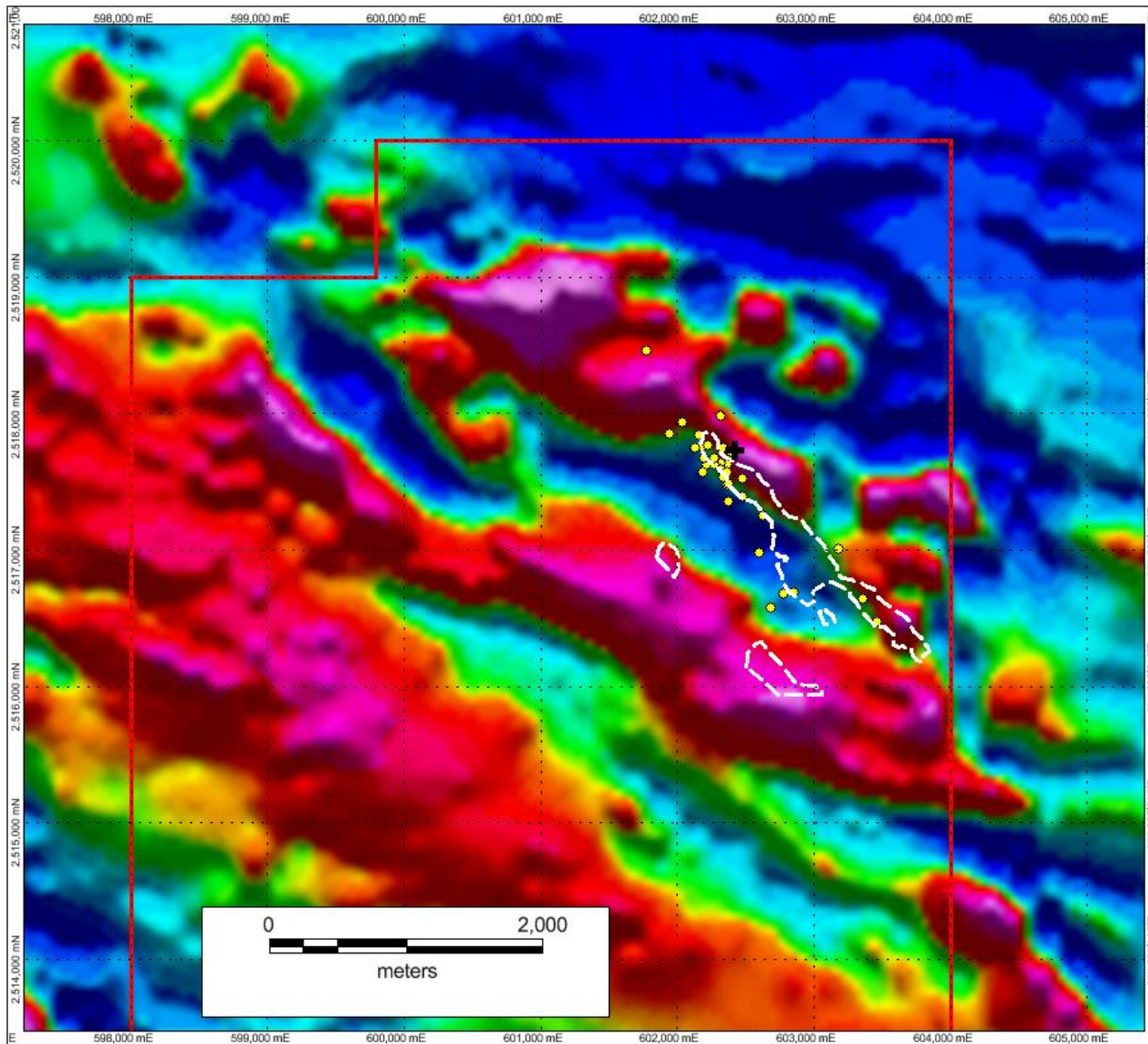




- ✚ Washihi Gossan cap
- ✚ Historic drilling
- ⬢ WGS IP Anomaly



- Prospection Ltd (1976-1978)
- MPM (1981-82)
- BRGM (1982-1985)
- WGC (1996-97)
- NMC (1993-1999)
- Pilatus PRO (2008-2010)



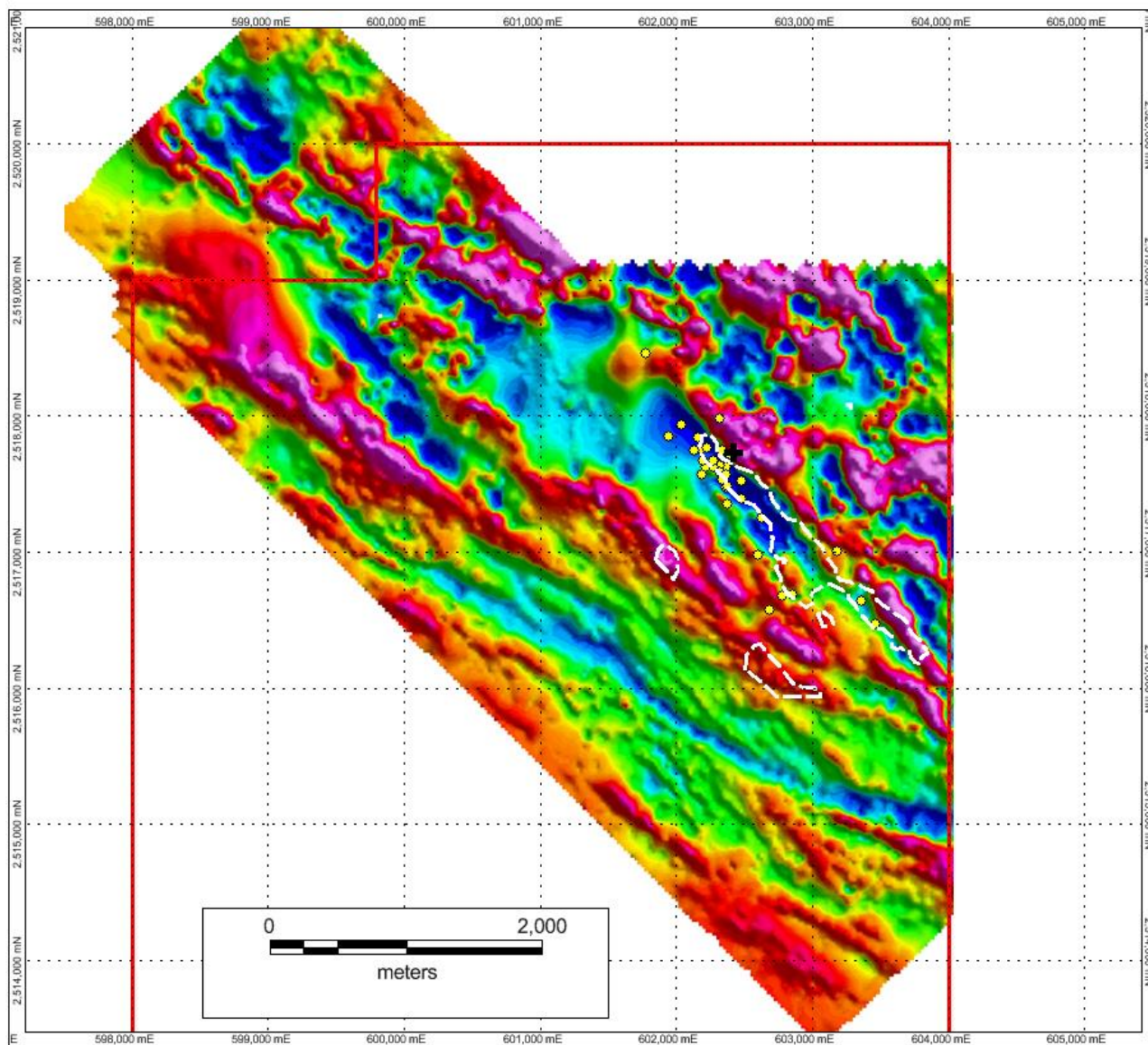
- ✚ Washihi Gossan cap
- ✚ Historic drilling
- ↻ WGS IP Anomaly

Previous evaluations
(Non JORC)

1.30 Mt @ 0.67% Cu

3.36 Mt @ 0.79 % Cu

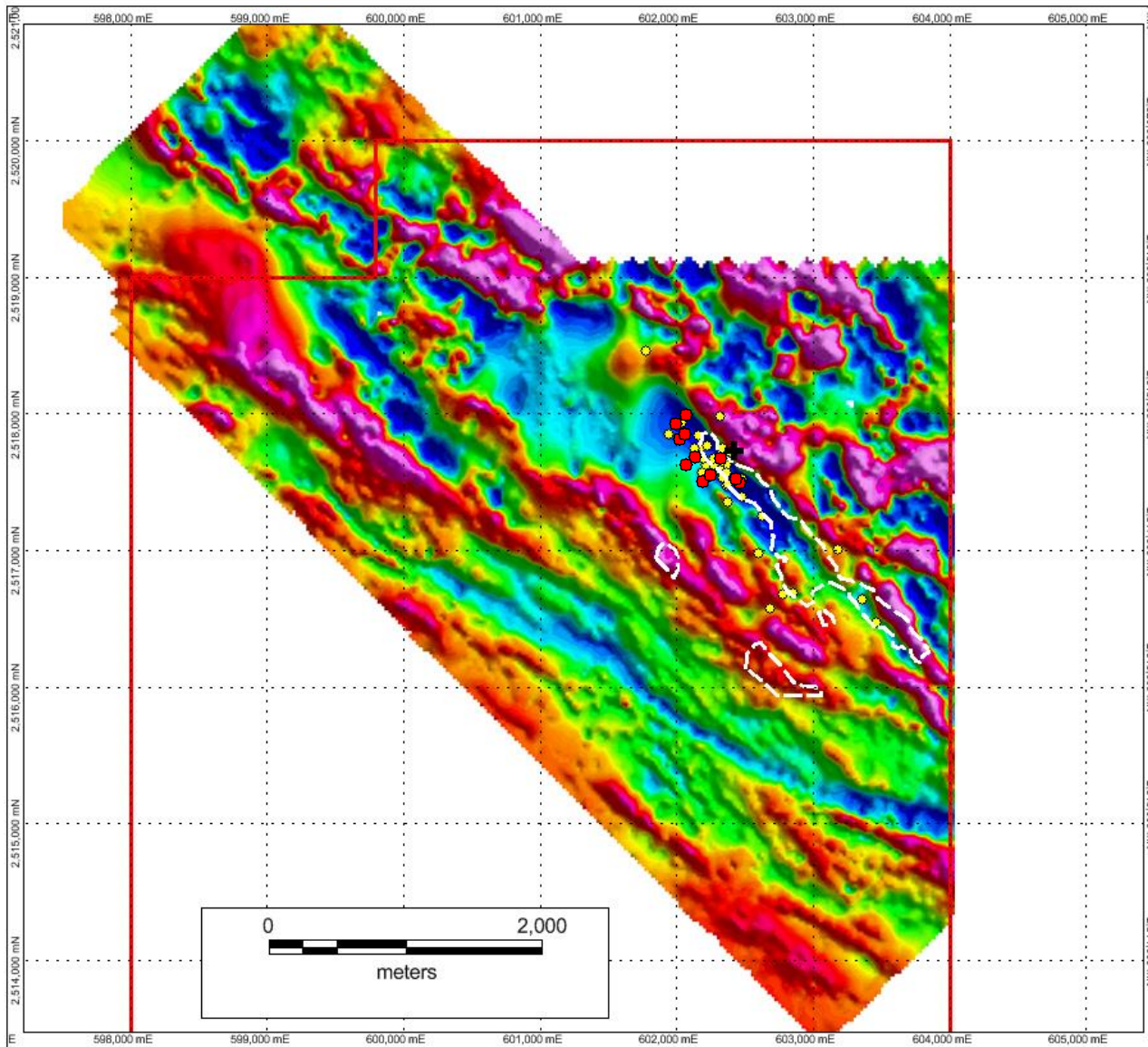
4.50 Mt @ 0.71 % Cu
and 0.27 g/t Au



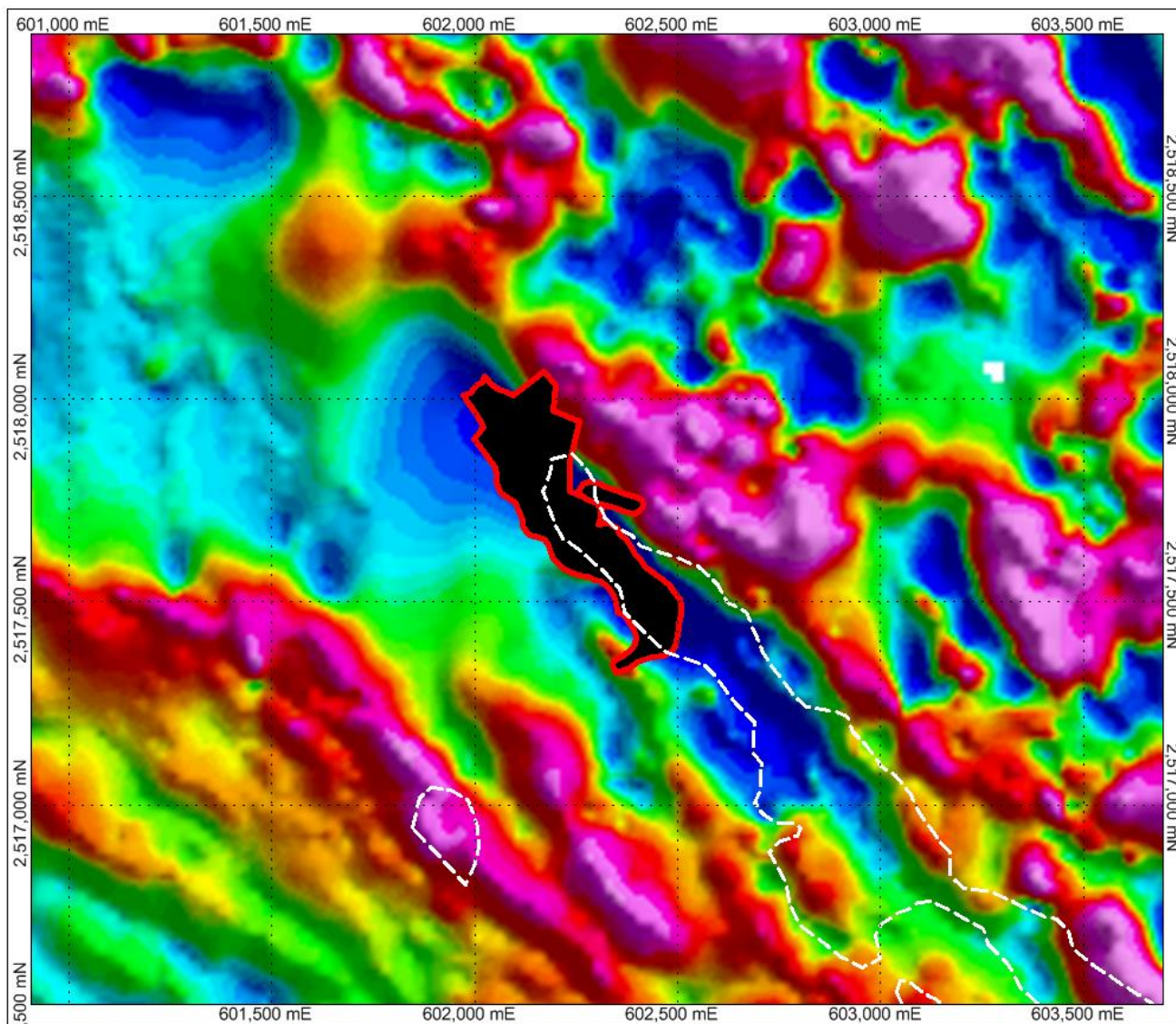
- ✚ Washihi Gossans hill
- ✚ Historic drilling
- ↻ WGS IP Anomaly

Alara started work
in 2012

Geophysics
Geochemistry
Drilling
Option studies
Feasibility Studies



- ✚ Washihi Gossans hill
- Historic drilling
- ⋈ WGS IP Anomaly
- Alara Initial drilling



Indicated Resource

12.39MT@0.89%Cu & 0.22g/t Au

Inferred Resource

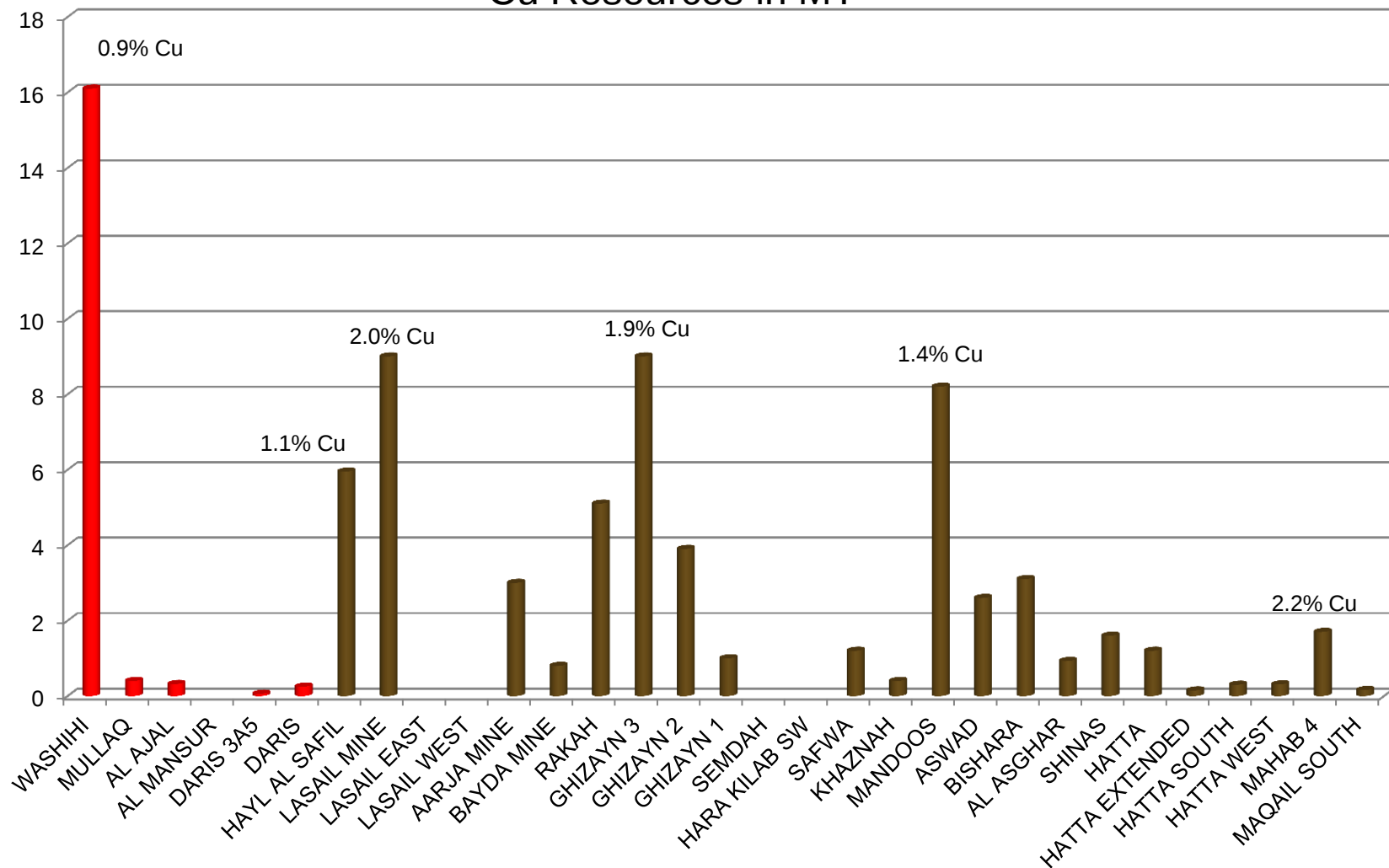
3.71MT @ 0.79%Cu & 0.23g/t Au

&

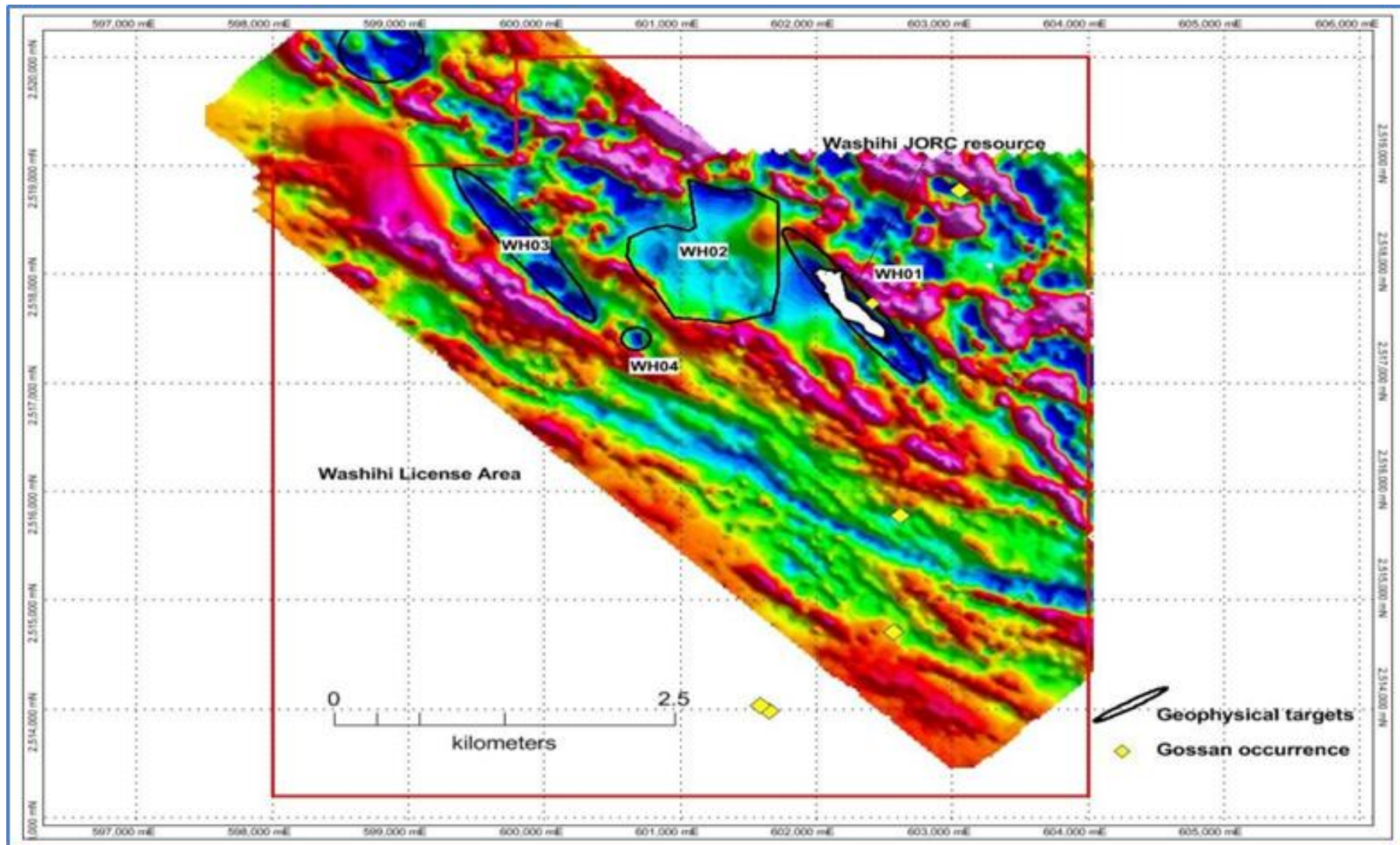
Inferred Gold Resource

0.31MT @ 0.51g/t Au

Cu Resources in MT



Source: Published information & Govt reports



Al Hadeetha Copper-Gold Project (Oman)

The information in these JORC Reserve and Resource tables was prepared and disclosed under the JORC Code 2012.

Daris Resource has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Table: Washihi JORC Mineral Resources ³
Mineral Resources ³

Cut off Cu %	Indicated			Inferred		
	Million Tonnes	Cu %	Au g/t	Million Tonnes	Cu %	Au g/t
0.2	12.40	0.89	0.22	3.74	0.78	0.23
0.25	12.39	0.89	0.22	3.71	0.79	0.23
0.3	12.37	0.89	0.22	3.68	0.79	0.23
0.4	12.16	0.90	0.22	3.54	0.81	0.24
0.5	11.39	0.93	0.23	2.98	0.88	0.25

Table: Washihi Gossan Hill Gold Res

Cut off Au g/t	Inferred		
	Kilo Tonnes (kt)	Au (g/t)	Ounces (k OZ)
0.05	439.00	0.41	5.74
0.10	420.31	0.42	5.69
0.15	405.58	0.43	5.63
0.20	346.93	0.48	5.31
0.25	307.60	0.51	5.03
0.30	274.40	0.54	4.73
0.35	257.40	0.55	4.55
0.40	220.48	0.58	4.09
0.45	197.79	0.60	3.79
0.50	147.82	0.64	3.02

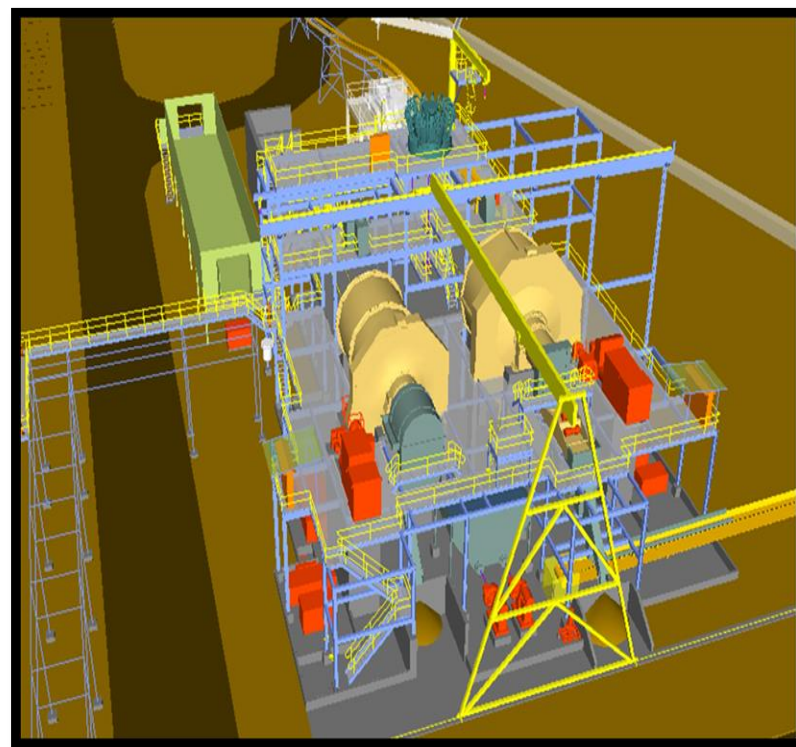
Daris Copper-Gold Project (Oman)

Table: Daris-East JORC Mineral Resources

Ore type	Cut-off grade Cu%	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu %	Gold (Au) g/t
Sulphides	0.5	129,155	2.48	0.23	110,870	2.24	0.51	240,024	2.37	0.43	30,566	2.25	0.55
Oxides	0.5	96,526	0.77	0.03	86,839	0.66	0.14	183,365	0.72	0.08	1,712	0.61	0.97

Process plant:

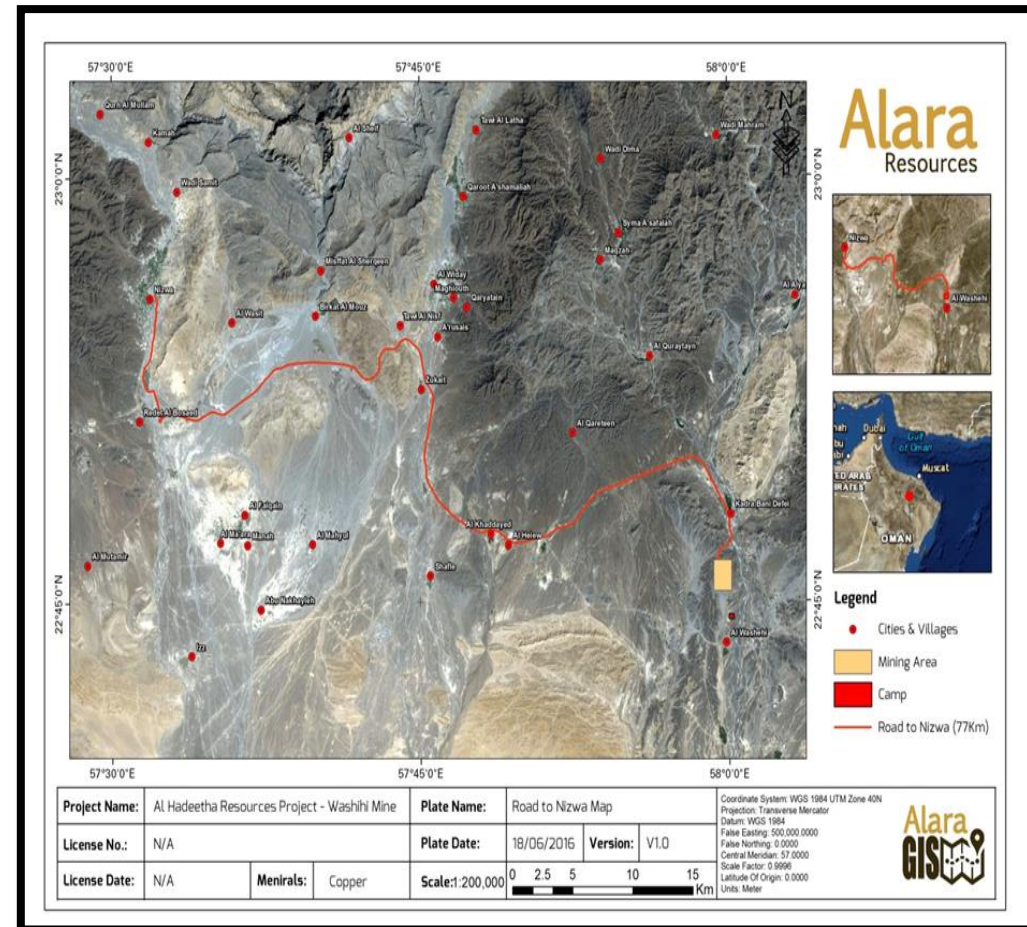
- includes primary crushing, grinding, hydro cyclones, rougher flotation, regrind and cleaner flotation, concentrate thickener, filtration and load out, as well as tailings slurry pumping to a tailings dam.
- Primary crusher 269 tonnes per hour
- Process plant throughput rate 142 tonnes per hour
- Availability of grinding and floatation circuits and concentrate thickening, tailings thickening and tailings filtering 90%



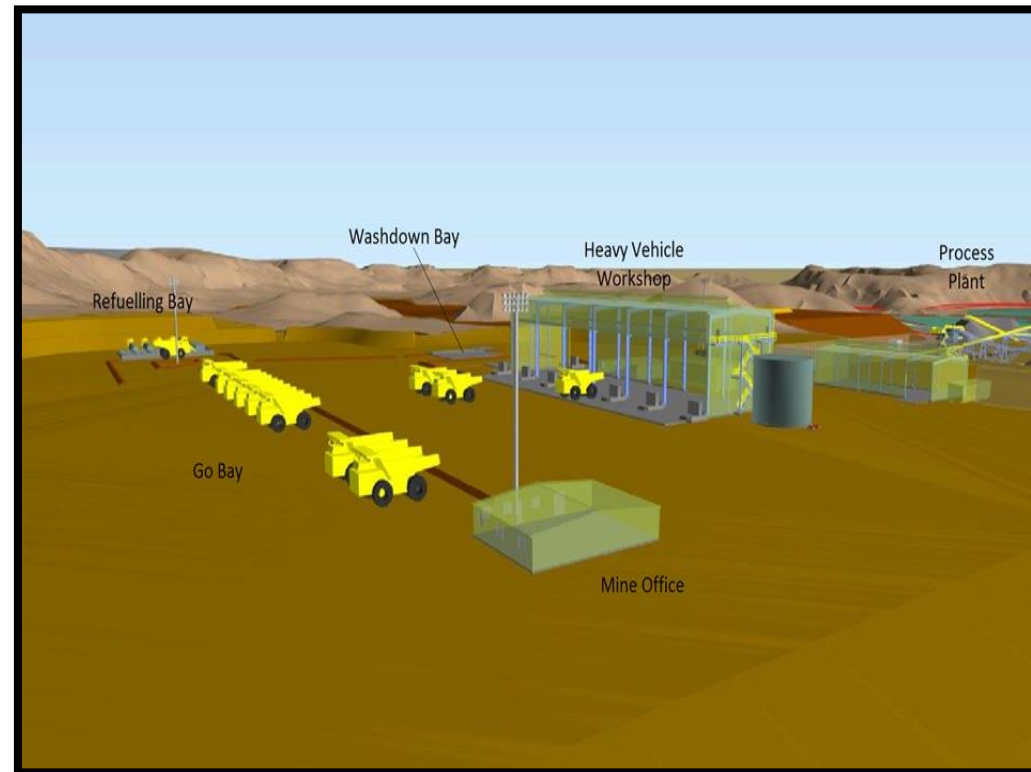
- Sultanate of Oman Electricity Supply (SAOC) – Mazoon Electricity Company
 - Connection at Khadra Bin Daffa
- Mains Power Reticulation Equipment
 - 2 x 8MVA Substations
 - 33Kv Line extension – Consisting of 2 Km Overhead line
 - 4 x 2MVA Transformers on site
- Site Power Reticulation Equipment
 - 11KVA High Voltage transformers and cables
 - .400 KVA Low Voltage Transformer and cables



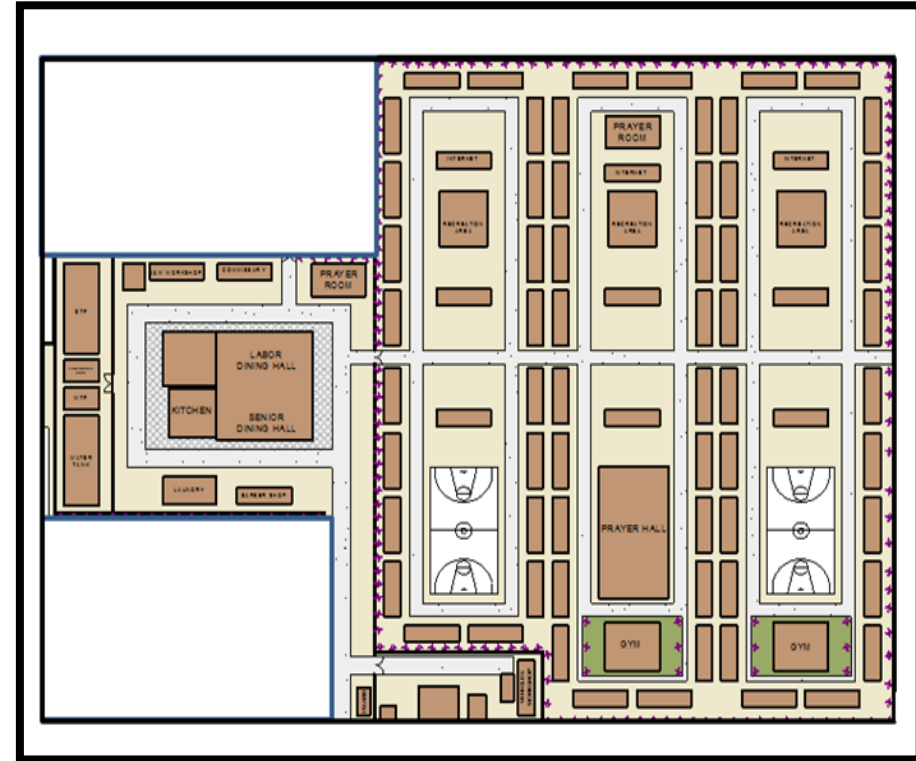
- **Water:**
 - 75 km buried pipeline to transport 2,400 cu m of water from Nizwa to mine site
 - Water storage tank and reticulation
 - Bore field and potable water supply and reticulation
 - Process water tanks
 - Pressurised ring Fire protection system



- Buildings and Workshops
 - Light vehicle mine workshop
 - Process plant workshop
 - Warehouse
 - Fenced storage area
 - Laboratory
- Offices
 - Site Administration
 - Process plant, warehouse and workshop office
 - Security (Gate house), and Medical Centre
 - Ablutions blocks and safety / change over shower and laundry facility



- 20 x Deluxe Individual 5m x 4m rooms with attached bath for Engineers, Managers and Consultants
- 60 X Standard Individual 5m x 4m rooms with attached bath for Supervisors and Senior trades personnel as well as local single staff
- 60 x Average Individual 5m x 4m rooms with attached bath for Trades personnel
- 60 x Small Individual Rooms with shared bath
- 1 x Dining Hall 20 x 10m
- 1 x 10m x 10m Kitchen with a Freezer Room
- 1 x 6m x 3.3m for Storage
- 1 x 12m x 10m Gyms
- 1 x 12m x 10m for Prayers
- 1 x 12m x 10m Common room for Recreation and Library
- 1 x 12m x 3.3m toilet block
- 1 x 12m x 3.3m Laundry





- Direct employment
- Benefit of water share
- Park maintenance and development
- Local skill development
- Local supplier/vendors
- Infrastructural development like electricity and roads

Employment

- Construction workforce Estimated 80 (Peak)
 - Construction work force – approx. 70 including management
 - Mining workforce 40 to 50
- Permanent work force – Total = 175
 - Mining – 58
 - Process – 73
- Administration
 - Management and support staff – 44
- Site Services
 - Village catering and cleaning
 - Village Maintenance

Receptor	Emission/Activity	Magnitude	Permanence	Reversibility	Cumulative
Air Quality	Digging, Blasting & Extraction and Transportation of Mined Materials	1	2	2	2
	Combustion Emissions from DG & Mining Equipment	1	1	1	1
Noise	Blasting, Extraction and Hauling of Mined Materials	1	2	2	2
Soil & Groundwater	Accidental Spills, Dewatering, Deeper Excavation, tailing pond	2	2	2	2
Loss of Habitat	Uprooting of trees and Grasses	2	3	2	3
Mining Staff & Public	Risk and Safety	1	1	1	2
Socio-Economic	Labour and Economy	+	+	+	+

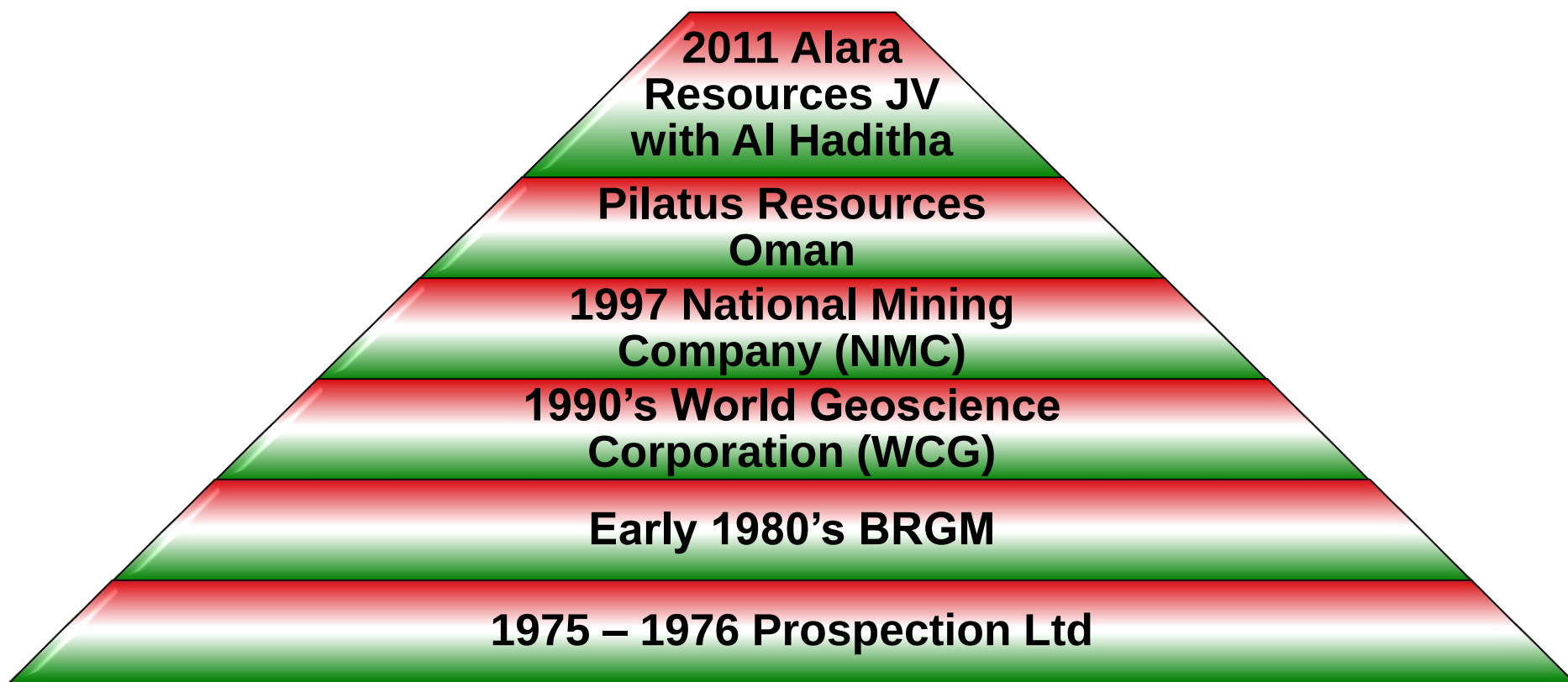


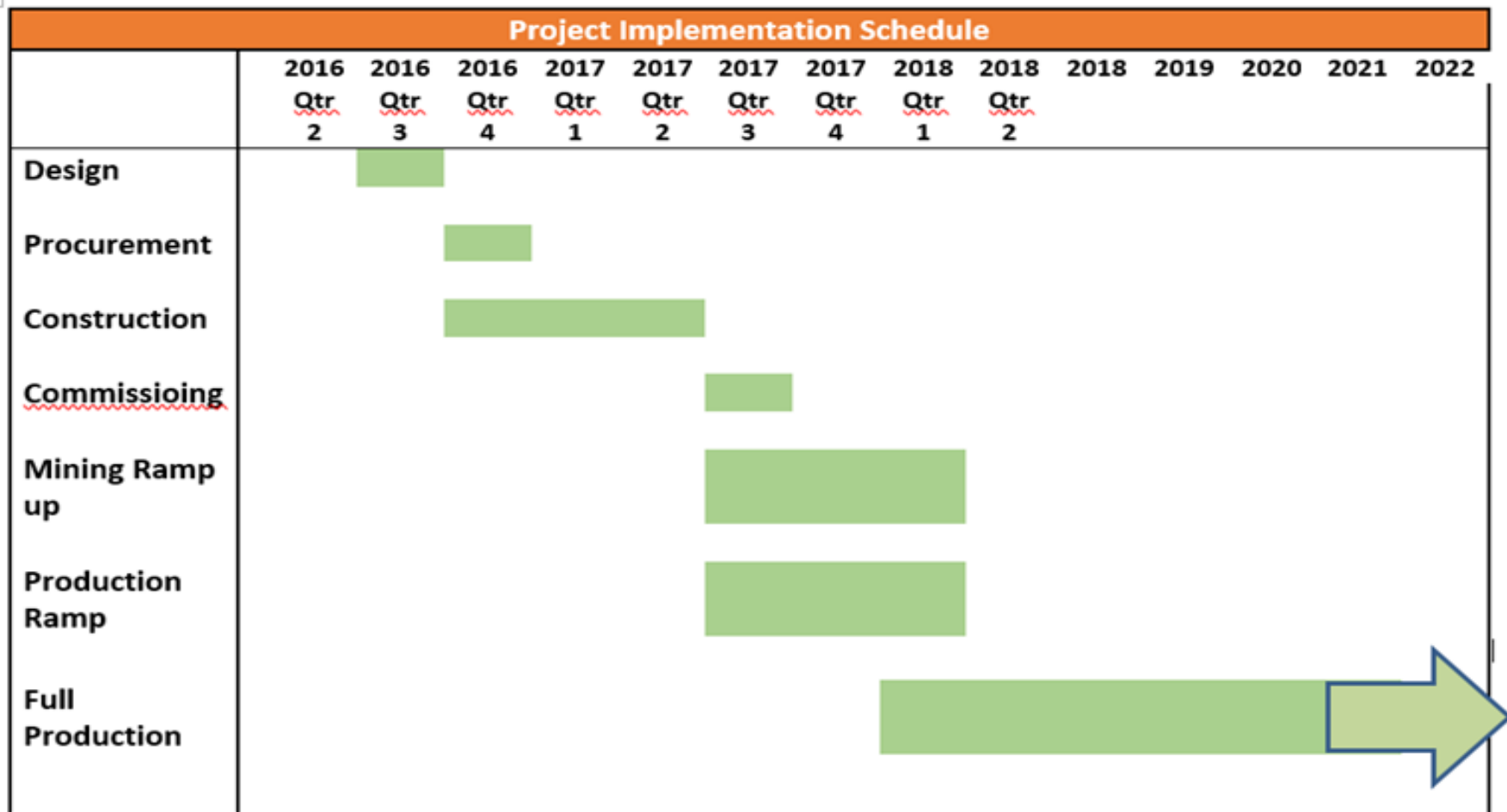
Environmental – Flora



- A COMMON GROUND COVERING PLANT *BLEPHARIS CILIARIS* GROWING IN TYPICAL CONDITIONS OF THE GRAVELLY SOIL IN THE PROJECT AREA DURING THE STUDY
- VEGETATION GROWING IN A WADI AT THE PROJECT SITE WITH *ACACIA TORTILIS* TREES IN THE DISTANCE WITH *PULICARIA GLUTINOSA* (AR. THAL), *FAGONIA INDICIA* (AR. SHIKAA) AND *RHAZYX STRICTA* (AR. HARMAL) IN THE FOREGROUND
- CLOSE UP OF *RHAZYX STRICTA* (AR. HARMAL) AND INDICATION OF THE FLAT RANGE TYPICAL OF THE PROJECT SITE WITH MINIMAL VEGETATIVE COVER
- CLOSE UP OF *FAGONIA INDICIA* (AR. SHIKAA) IN FLOWER IN ONE OF THE WADIS IN THE PROJECT SITE WITH MINIMAL VEGETATIVE COVER

- July 2012 Scoping Study
- July 2013 – Washihi JORC Resource defined
- 2014 Heavy Media Separation considered
- 2014 Option Analysis Study initiated to evaluate six potential options
- 2014 Advanced Scoping Study commenced
- 2015 Updated Advanced Scoping Study announced
- 2016 Feasibility Study findings announced





FORWARD LOOKING STATEMENTS

This Presentation has been prepared as a summary only and does not contain all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and rights and liabilities. The information in this Presentation and made to you verbally is subject to updating, completion, revision, further verification and amendment without notice. The information contained in this Presentation or subsequently provided to the Recipient of this Presentation whether orally or in writing by or on behalf of Alara Resources Limited ('Alara') or its respective vendors, employees, agents or consultants ("Information") is provided to the Recipients on the terms and conditions set out in this notice. The purpose of this Presentation is to provide Recipients with Information relating to Alara. The Presentation has been prepared by Alara and each Recipient must make his/her own independent assessment and investigation of Alara Resources Limited and its business and assets and should not rely on any statement or the adequacy and accuracy of any Information contained in this Presentation. Alara makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the Information. Alara and its respective directors, vendors, employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained in or derived from, or for any omissions from the Presentation, except liability under statute that cannot be excluded. The Presentation contains reference to certain intentions, expectations and plans of Alara. These intentions, expectations and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ. The performance and operations of Alara may be influenced by a number of factors, many of which are outside the control of Alara. No representation or warranty, express or implied, is made by Alara Resources Limited or any of its respective directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. This Presentation does not constitute in any way an offer or invitation to subscribe for securities in Alara pursuant to the Corporations Act.

COMPETENT PERSONS' STATEMENT

The information in this report that relates to Zinc and Copper Mineral Resources in relation to the Daris and Al Hadeetha Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Ravindra Sharma was a principal consultant to Alara Resources Limited. Ravindra Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 edition. Ravindra Sharma approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Resource Developer to Mine Builder and Operator

ABN: 27 122 892 719



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