

ASX/MEDIA RELEASE

Wednesday, 19 April 2017

PROJECT UPDATES

Perth: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) issues this update on the Company's joint venture projects in Oman and Saudi Arabia.

OMAN

Mining Licence Update

The Company is advised by its Public Relations Officer ('PRO')¹ that the Ministry of Tourism and Ministry of Environment have sent letters to the Public Authority of Mining in connection with Al Hadeetha mining licence application in Oman².

The Public Authority for Mining ('PAM') has confirmed receipt of a no objection letter from the Ministry of Tourism acknowledging the park enhancement plan submitted early last month, with no further queries being raised on this issue.

The Company is also advised that the Ministry of Environment has sent a letter of no objection to PAM and the Company anticipates receiving confirmation of the same from PAM this week.

The Company notes it was previously misinformed regarding receipt of no objection letters from the Royal Omani Police and Ministry of Water, and is following these matters up with its JV partner and PRO to ensure all requirements for issuance of the mining licence are fulfilled.

The new mining law will no doubt streamline the procedures and processes associated with mineral licence applications in Oman, but this has not stopped PAM from processing applications under the existing provisions.

Project Water

In parallel with licencing activities, enhancements to Al Hadeetha Copper Project are continuing. The Company is discussing a potential Public Private Partnership ('PPP') with Haya Water. Haya Water is a closed stock company owned by the Government of the Sultanate of Oman. Haya Water aims to: "serve society by converting wastewater into environmental friendly products". In connection with this mission, Haya Water has indicated a willingness to provide wastewater and land for construction of a sewage treatment plant 25km from the Al Hadeetha project site.

¹ GCC countries, including Saudi Arabia and Oman, require businesses to appoint a national as the PRO. The role of the PRO is to undertake all activities relating to submission of official company documents (mostly in Arabic) to government departments. Alara and its JV partners have employed experienced PRO's to fill this important role, and work closely with them to help ensure the application process is continually followed up.

² Refer to the Company's previous ASX announcements dated 27 February and 20 March 2017 for background to these letters.

This PPP offers the following benefits: 1) reduced construction time for the water pipeline; 2) trucking water becomes a more attractive contingency option; and 3) positive Corporate Social Responsibility impact.

SAUDI ARABIA

The Australian Trade and Investment Commission have invited Alara to accompany the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment on a targeted business mission to Riyadh, Saudi Arabia.

The business mission is aimed at boosting trade and investment between Australia and Saudi Arabia across three main sectors, including mining. Business roundtables co-hosted by Australian and Saudi Ministers, plus other meetings with relevant Ministers are some of the key activities currently in planning.

Outcomes from the mission and other updates on the Khnaiguiyah Project will be given as further developments occur.

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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 Washihi, Mullaq and Al Ajal exploration licences in Oman and a Feasibility Study for the Al Hadeetha Copper Gold Project, Washihi ore reserve. 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