

## ASX/MEDIA RELEASE

Tuesday, 25 October 2016

## PROJECT UPDATES

Alara Resources Limited (ASX: AUQ) (Alara or Company) provides an update on developments relating to the Company's business in Oman and Saudi Arabia.

### OMAN

Alara were invited to attend a roundtable discussion last week with the keynote address being delivered by HE Dr. Ali bin Masoud al Sunaidy, Minister of Commerce and Industry.

Among other things, His Excellency highlighted some of the positive outcomes flowing from Tanfeedh (the National Programmed for Enhancing Economic Diversification). Implemented by the Royal blessing of His Majesty Sultan Qaboos, Tanfeedh aims to boost economic diversification as part of the 9th Five-Year Development Plan (2016-2020) by focusing on five major sectors, including mining. The initial six week program, which included the metal manufacturers' lab<sup>1</sup>, concludes this week. Action items flowing from the Tanfeedh 'labs' have been reported to relevant Ministers for implementation. The next round, which includes a dedicated mining lab, will commence in January.

Engineer Hilal Mohammed Hamoud Al Busaidi, CEO of the Public Authority for Mining ('PAM') was also in attendance at the roundtable discussion and later discussed progress of the Al Hadeetha Mining Licence application with Alara executives. Other government officials and industry leaders also attended the meeting; one Omani manufacturer noted they are currently importing 70,000tpa of copper rod into Oman, thus highlighting potential for development of downstream beneficiation linkages with the Washihi copper concentrator.

Alara also attended a separate meeting with PAM executives, including the newly appointed Head of Exploration and Head of Mining Investment, regarding the Washihi Mining Licence Application. The Ministry of Environment advised that environmental approval should not create a bottleneck. However, the next step in expediting environmental clearance is completion of a project review by the PAM. PAM advised they expect the review to be finished this week and will meet with Alara and the Ministry of Environment again once this review process is complete.

Following the Mining Investment Middle East and Central Asia Conference, which took place in Muscat, Oman on 11-13 October 2016, the Company was invited to deliver a presentation on the Al Hadeetha Copper Gold Project to CEO's and other senior executives brought together as a mining

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<sup>1</sup> Alara also presented to this lab, refer page 3 of the 2017 Annual Report.

task force that will report to Diwan of Royal Court on ways to streamline the Sultanate’s approval procedures and advance projects within the mining sector, among other things.

Other developments, including contract negotiations with project management consultants and offtake agreements are advancing well.

Alara is also scheduled to present to the Oman Minerals & Mining Conference in January 2017.



Above: Alara’s CEO Mr Justin Richard, and Executive Director Mr Atmavireswar Sthapak, present the Al Hadeetha Copper Gold project to the Mining Investment Middle East & Central Asia Conference in Muscat.

Below: Questions and answers, roundtable discussions. This Spire Events conference was sponsored by Kunooz Oman Holdings and Savannah Resources (exhibitor), and attended by key government and industry representatives.



Alara’s participation in the above meetings and events has focused on advancing the Al Hadeetha Copper Gold project toward production, and unlocking the door to responsible development of Oman’s untapped mineral resources in line with the government aim to boost the mining sector’s contribution to GDP and employment.

## SAUDI ARABIA

The Company refers to the legal proceedings involving its subsidiary Alara Saudi Operations Pty Ltd and United Arabian Mining Company LLC ('Manajem')<sup>2</sup>.

Alara's lawyers reported attending the case hearing before the Board of Grievances last week, Manajem's representative likewise attended.

Manajem's representative asked the judge to give more time to prepare their reply brief. It was argued that the hearing had taken considerably more time than was usual and that the matter should be submitted for judgment.

After some discussion, the judge decided Manajem would be given a "final" extension to prepare their reply.

The next hearing is scheduled for 9 January 2017.

On average, it takes approximately 575 days to enforce a contract in Saudi<sup>3</sup>. It has been approximately two years since Alara submitted its counterclaim against Manajem. The extra time in these proceedings has been due to procedural issues and requests for more time by Manajem. There is limited scope to reduce the length of these proceedings; nonetheless Alara's lawyers continue to push for the court to submit the matter for judgement.

Further developments will be reported in due course.

### For further information, please contact:

Justin Richard                      T | +61 8 9481 0389  
**Managing Director**                E | [jrichard@alararesources.com](mailto:jrichard@alararesources.com)

Elizabeth Hunt                      T | +61 8 9481 0389  
**Company Secretary**                E | [cosec@alararesources.com](mailto: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](http://www.alararesources.com)

<sup>2</sup> Refer ASX Announcement dated 18 May 2016.

<sup>3</sup> Doing Business Guide 2016, World Bank