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ASX/MEDIA RELEASE

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Outcomes of Updated Advanced Scoping Study for Washihi Copper-Gold Project in Oman

Highlights

- The previous 2014 Advanced Scoping Study has been updated in light of the recent MOU with Mawarid Mining LLC and has demonstrated positive technical and commercial aspects to the Washihi Project under a Toll Treatment scenario – the key metrics and financial outcomes of the updated Study are outlined in this announcement.
- Two development options were evaluated under the Updated Advanced Scoping Study for the Washihi Project, namely:
  - (1) **Base Case** 2Mtpa mining rate feeding a 2-stage crushing and HMS circuit with enriched ore transported (~370km) to Mawarid's Lasail Copper Concentrator Plant for toll treatment and the sale of concentrate product to the adjacent State owned OMCO Copper Smelter. This case is based largely on mining inventory within the existing JORC Mineral Resources at Washihi with the addition of a high grade early stage prospect at Mullaq; and
  - (2) **Target Case** which expands from the Base Case using the same infrastructure but with a longer project life. This case is based on a more substantial increase in the mining inventory sourced from Exploration Targets within the Washihi Project.
- The Base Case shows US$70M NPV, 51% IRR, US$35.9M CAPEX, 2 year pay-back, US$485M LOM revenues (from 77.2kt Cu and 36.4koz Au LOM production), US$324M LOM OPEX (at US$4,197/t Cu recovered).
- The financial model assumes an 8% discount rate, US$6,500/t Copper price, US$1,100/oz Gold price, 100% ownership, a 5 year 'tax holiday' in Oman and is inclusive of royalties.
- The economics of the longer life Target Case are materially more attractive but this information has not been disclosed per ASX requirements – the updated Study suggests an opportunity to leverage the Project's value through further systematic exploration and upgraded resource definition and or resource acquisition/consolidation.
- A number of Project parameters have been conservatively estimated (CAPEX, OPEX and throughput) in the updated Study in order to provide a balanced overview of this opportunity. These matters will be fully defined and concluded in the Feasibility Study (**FS**).
- Tenders for the FS have been received and is currently being reviewed by Alara. Given the work carried out on the Project to date, the FS would be expected to be completed within ~6 months from award of the study work.

ASX and JORC Code Cautionary Statements: *The Study is based on low level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised* (per JORC Code (2012 Edition) para. 38). *The Study is partly based on Inferred Resources and an Exploration Target (*under the Base Case and Target Case*). There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target (*under the Study*) will be realised* (per ASX Listing Rule 5.16.4). *The potential quantity*

*and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a JORC Mineral Resource and there is no certainty that further exploration work will result in the determination of JORC Mineral Resources or that the production target (*under the Study*) will be realised* (per ASX Listing Rule 5.16.5). The mining inventory under the Study is partly based on Inferred Resources (42% under the Base Case) and an Exploration Target (2.3% under the Base Case). The mining process schedule assumes the following approximate relative sequence – in Years 1 (Washihi Indicated Resource and Mullaq Exploration Target), Year 2 (Washihi Indicated Resource), Years 3, 4 and 5 (Washihi Indicated and Inferred Resources) (per JORC Code (2012 Edition) para. 38).

Introduction

Alara Resources Limited (ASX:AUQ) (**Alara** or **Company**) is pleased to report further on the details of the positive outcomes of an Updated Advanced Scoping Study for the Washihi Copper-Gold Project in Oman (**Project**).

As announced on 19 February 2015[1], the Company has entered into a Memorandum of Understanding (**MOU**) with Mawarid Mining LLC to collaboratively define and optimise an operation to process copper/gold ore from the Washihi deposit at Mawarid's Lasail Copper Concentrator Plant (located near the port of Sohar) (refer Figure 1).

The 2014 Advanced Scoping Study[2] was accordingly reviewed vis a vis this Toll Treatment scenario for the Washihi Project and as announced on 9 April 2015[3], Alara has completed an Updated Advanced Scoping Study (**Study**) evaluating the mining of the Washihi deposit (and the adjacent high-grade Mullaq prospect) and toll treating the ore (upgraded via Heavy Media Separation (**HMS**) on site) at the Mawarid Lasail Process Plant.

The Study shows both positive technical and commercial aspects to the Project and this announcement provides the key metrics and financial outcomes of the updated Study.

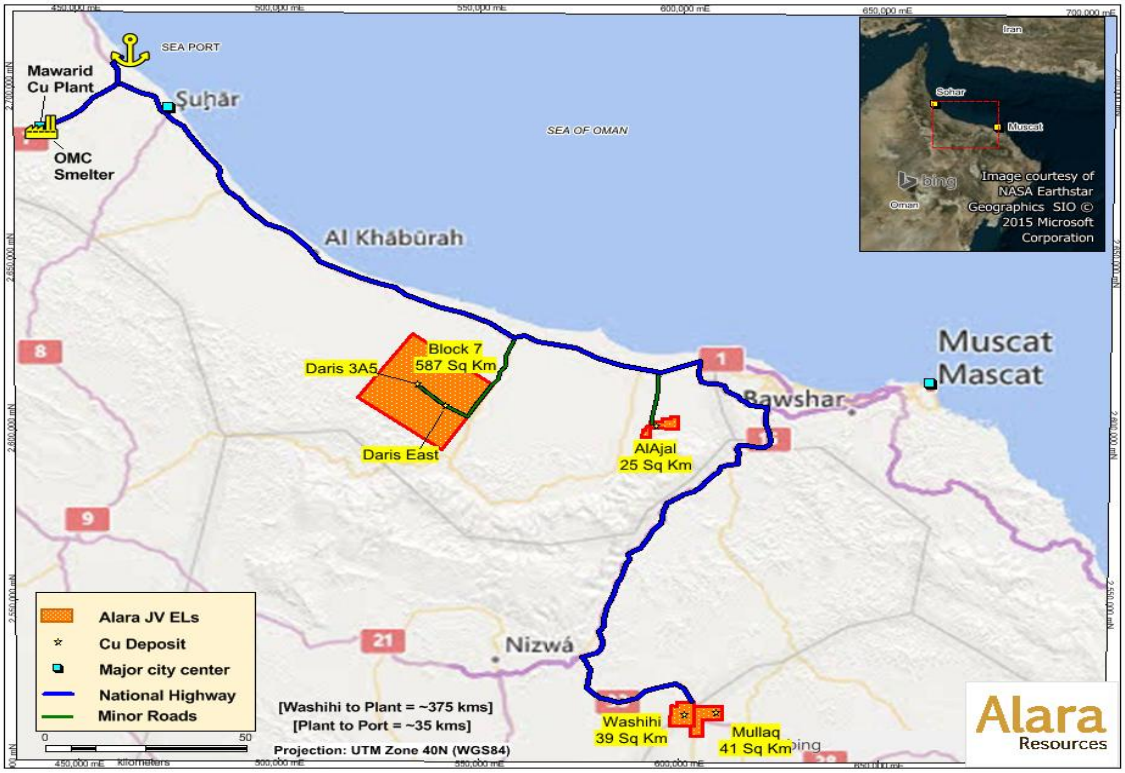


Figure 1: Location Map of Alara's Exploration Licence Areas in Oman

[1] Refer Alara's ASX market announcement dated 19 February 2015: Oman Washihi Project Defined – MOU with Mawarid Mining

[2] Refer to Alara's 14 October 2014 ASX Announcement: Oman Project Update: Positive Advanced Scoping Study Outcomes

[3] Refer to Alara's 9 April 2015 ASX Announcement: Update to Advanced Scoping Study for Washihi Copper-Gold Project in Oman

Project Background

The Washihi Copper-Gold Project comprise 3 exploration licences and 3 applications for mining licences over the Washihi, Mullaq and Al Ajal prospects. The Washihi deposit is located ~160km west and southwest of Muscat Airport by road and ~375km from Mawarid's Lasail Copper Concentrator Plant by road. The State owned Oman Mining Company (**OMCO**) Copper Smelter is located adjacent to the Lasail Plant and the bulk shipping port at Sohar is located ~35km from the Smelter (refer Figure 1).

The Washihi Project is held by Al Hadeetha Resources LLC (**Al Hadeetha**), an incorporated joint venture[4] between Alara (70%) and local partner, Al Hadeetha Investments LLC (30%). Further details including a JORC Mineral Resource Statement (based on the 2004 edition of the JORC Code) are in Annexure C.

Previous Advanced Scoping Study (2014)

Although now superseded by this current updated Study, the previous Advanced Scoping Study (reported in October 2014) evaluated three potential development scenarios (refer also Annexure A) combining the Daris and Washihi deposits into an overall 'hub & spoke' broader regional approach centred around a HMS plant followed by a conventional flotation circuit located at the site of the Washihi JORC Mineral Resource with contributions from the Daris-East JORC Mineral Resource and exploration targets from the Daris 3A-5 prospect (within the Block 7 exploration licence) and Al Ajal and Mullaq prospects/exploration licences.

This previous study focused on a stand-alone scenario at Washihi and thus did not envision the transportation of ore to an external process plant for toll treatment.

MOU with Mawarid Mining – Owner & Operator of Lasail Copper Concentrator Plant

Since the completion of the previous Advanced Scoping Study, it became apparent that the most effective way to move the Alara's Oman projects forward at this time and to generate the funds to expand the resource base (thus opening up further operational opportunities) was to mine the Washihi ore, upgrade it on site using HMS and to process the ore via the Mawarid copper processing plant near Sohar.

To this end, in February 2015, the Washihi Project Joint Venture entity, Al Hadeetha Resources LLC (**Al Hadeetha**) entered into an MOU with Mawarid Mining LLC (**Mawarid**)[5] - Mawarid owns and operates the Lasail Copper Concentrator Plant located ~35km inland from the bulk shipping port of Sohar in the north east of Oman - to work collaboratively to define and optimise the Washihi copper/gold ore processing approach, terms and conditions in order to process a nominal 1Mtpa of copper/gold ore to be sourced from the Washihi deposit.

This strategy is a very good fit for all parties as Mawarid owns and manages Oman's only copper concentration plant (which operates at throughput rates of between 0.8 – 1.2 Mtpa) however this facility is scheduled to run out of ore in the third quarter this year. It is advantageous to keep this plant operational in order to (a) continue to generate profit from this asset and (b) keep the plant operating and maintained such that it becomes/remains a more viable option within a possible future regional copper strategy.

[4] Refer to Alara's 8 December 2011 ASX Announcement: Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman

[5] Refer Alara's ASX market announcement dated 19 February 2015: Oman Washihi Project Defined – MOU with Mawarid Mining

Alara completed an initial evaluation of mining the Washihi deposit and toll treating the upgraded ore (via HMS) from site at the Mawarid Lasail Plant with highly positive results. This approach to developing the Washihi Project into a producing site is advantageous for both parties as it:

- Greatly reduces the Washihi CAPEX required given the toll treatment at an external processing plant;
- Greatly reduces the time to production for the same reason;
- Simplifies the Washihi site construction and required infrastructure;
- Reduces the Washihi site footprint and environmental impact due to the minimal site based operations (now limited to mining, primary crushing only and HMS); and
- Provides a suitable process plant feed source for the Lasail Concentrator.

Updated Advanced Scoping Study – Washihi Toll Treatment at Mawarid Concentrator Plant

After reaching the MOU with Mawarid, the 2014 Advanced Scoping Study was re-assessed and re-evaluated for the Washihi Project to reflect the nature of the development approach under the MOU. This Updated Advanced Scoping Study follows on from the work conducted and outcomes under the previous Advanced Scoping Study and is based on the mining and HMS treatment of ore at Washihi and nearby Mullaq and the toll treatment of the ore at Mawarid's Copper Concentrator Plant. This updated Study has examined the following scenarios:

(1) A '**Base Case'** 2Mtpa ROM mining rate feeding a 2-stage crushing and HMS circuit with 1Mtpa of enriched ore transported (~370km) to Mawarid's Lasail Copper Concentrator Plant for toll treatment and the sale of concentrate product to the adjacent OMCO's (Oman Mining Company) Copper Smelter; the assumed mining inventory being derived from the geological model underpinning the JORC Mineral Resources delineated for the Washihi deposit with the addition (2.3% of mining inventory) of an Exploration Target sourced from the (higher grade) Mullaq prospect (which is adjacent to the Washihi deposit). This Exploration Target is a sub-set of the overall Exploration Target range identified for Mullaq (refer Annexure B).

(2) A '**Target Case'** which expands from the Base Case using the same infrastructure but with a longer defined project life; the assumed expanded mining inventory being derived from Alara's assessment of reasonable exploration success based on a detailed Exploration Target by Exploration Target assessment of the prospects/deposits within the Washihi Project area (refer Annexure B).

Further details on the outcomes of the Updated Advanced Scoping Study are outlined in Annexure A.

The Study is underpinned largely by JORC classified Mineral Resources of Measured, Indicated and Inferred categories (refer Tables 1 and 2 in the JORC Statements in Annexure C) (being the source of the majority of the assumed mining inventory under the Base Case) with additional modelling based on the addition of a sub-set of the Mullaq Exploration Targets (refer Annexure B) and the addition of JORC Exploration Targets across the Washihi Project area (resulting in the Target Case).

Summary of Project Economics[6]

The economics of the Base Case shows a Net Present Value (**NPV**) of US$70M. A summary of the key physical and economic indicators are as follows:

Key Financial Indicators

Case Name		Base Case
Description		2Mtpa ROM Feed with HMS + 1Mtpa Toll Treatment
Mining Inventory		Washihi JORC Mineral Resources + Mullaq Exploration Target
Metrics		
Discounted Cash Flows (NPV @ 8%)	US$	69,866,699
Undiscounted Cash Flows	US$	99,420,657
NPV/CAPEX	NPV:CAPEX	1.9
IRR	%	50.7
LOM/Duration of Operation	years	5
Payback Period	years	2
LOM Revenue (net of TC/RC)	US$	484,985,980
LOM OPEX	US$	324,153,734
LOM CAPEX	US$	35,873,353
Cash Costs		
Unit OPEX (per tonne of ore mined)	US$/t	33.78
Unit OPEX (per tonne of ore process feed)	US$/t	67.57
Unit OPEX (per tonne of Cu production)	US$/t Cu	4,197
Unit OPEX (per pound of Cu production)	US$/lb Cu	1.90
Cash Costs with Au Credits	US$/t Cu	3,821
Cash Costs with Au Credits	US$/lb Cu	1.73
Capital Costs		
Unit CAPEX (per tonne of Cu production)	US$/t Cu	464
Unit CAPEX (per pound of Cu production)	US$/lb Cu	0.21
Physicals		
Mining Operation:		
Total Ore Mined	t	9,594,971
Total Waste Mined	t	52,396,213
Average Strip Ratio	Waste:Ore	5.5
Total Contained Cu	t Cu	90,668
Total Contained Au	oz Au	57,840
Inputs into Concentrator:		
Ore Process Feed	t	4,797,486
Total Contained Cu	t Cu	81,602
Total Contained Au	oz Au	40,488
Outputs from Concentrator:		
Average Cu Recovery	%	95%
Average Au Recovery	%	90%
Total Cu Production	t Cu	77,235
Total Au Production	oz Au	36,439

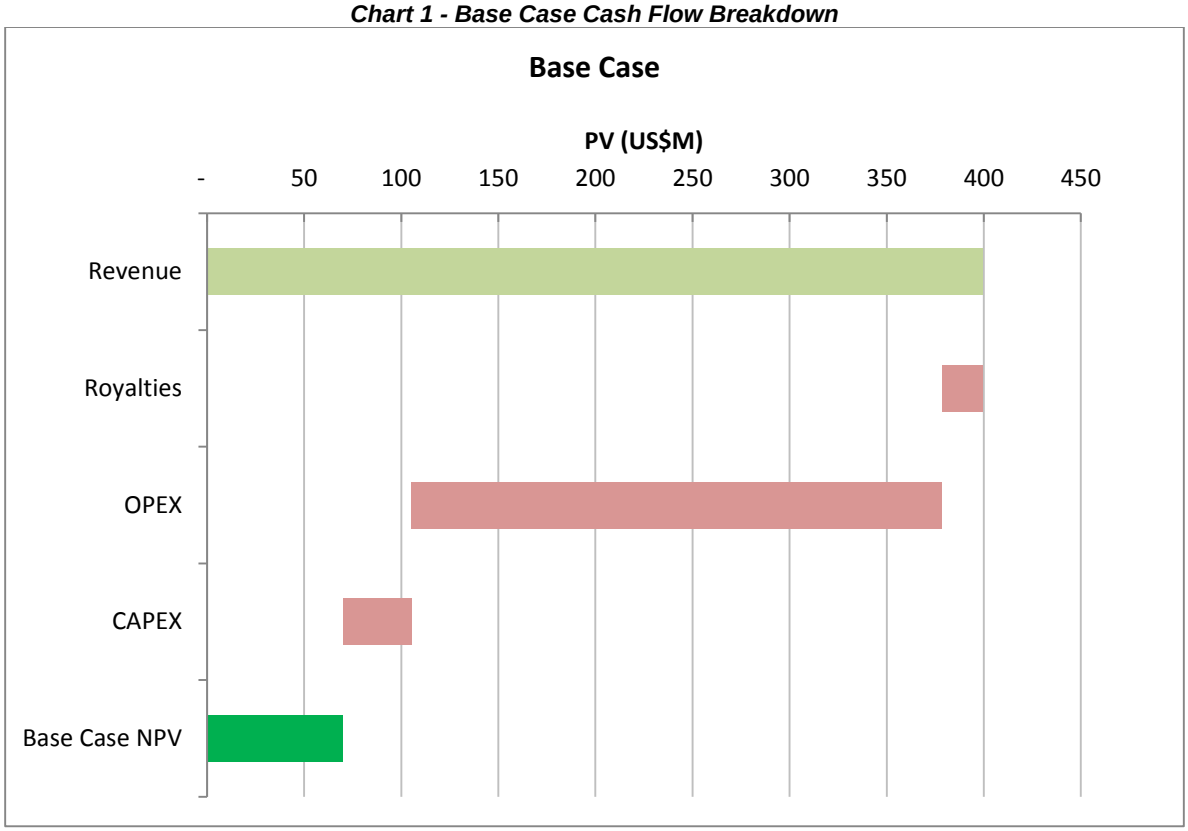
Notes:

1. Based on discounted cash flow (DCF) method of valuation using a discount rate of 8%
2. Assumed US$6,500/t Copper price and US$1,100/oz Gold price
3. Assumed 100% ownership
4. Assumed tax holiday of 5 years plus a 5 year extension commonly offered to major development projects in Oman (otherwise12% corporate tax) and 5% royalties on revenues (net of operating cost)

6 The production target should be read in conjunction with the ASX and JORC Code Cautionary Statements on pages 1 and 2.

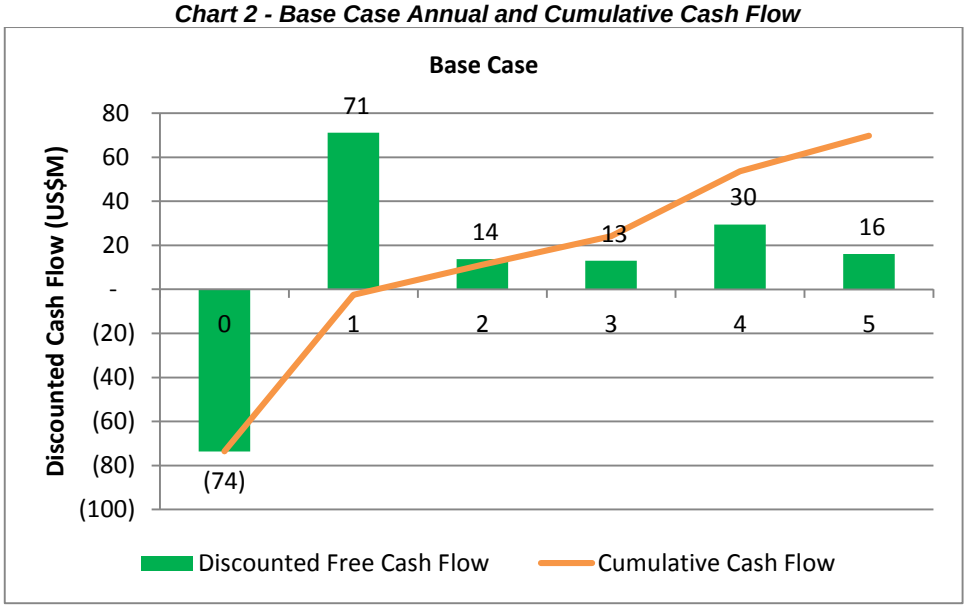
Chart 1 shows the cash flow breakdown under the Base Case - net cash flow (EBIT) is marginally higher than the mining and processing capital costs, resulting in an NPV of US$70M.

Chart 1 - Base Case Cash Flow Breakdown



The annual and cumulative cash flows of the Base Case are shown in Chart 2. The significant decline after Year 1 is the result of the decrease in the high-grade ore and the higher proportion of the low-grade ore from Washihi being processed as per the mining and processing schedules.

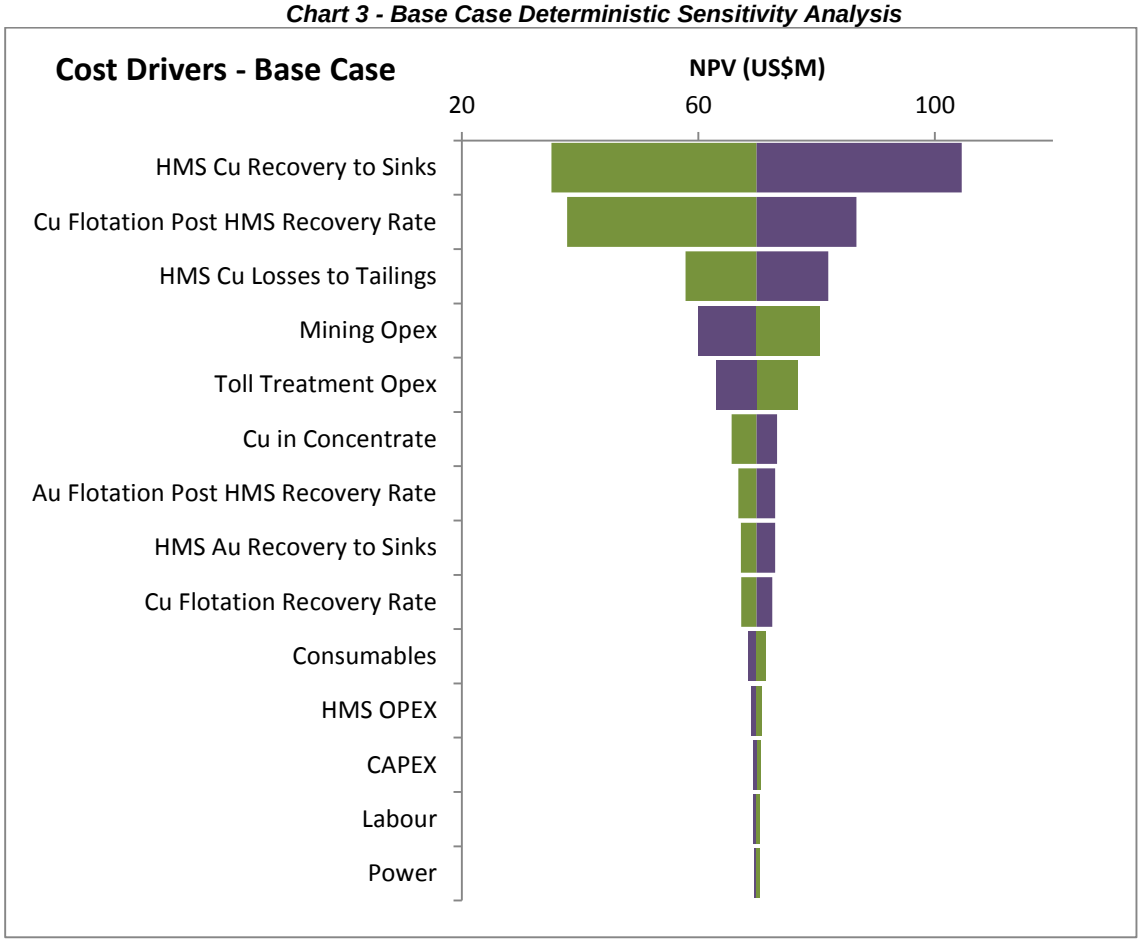
Chart 2 - Base Case Annual and Cumulative Cash Flow



Sensitivity Analysis

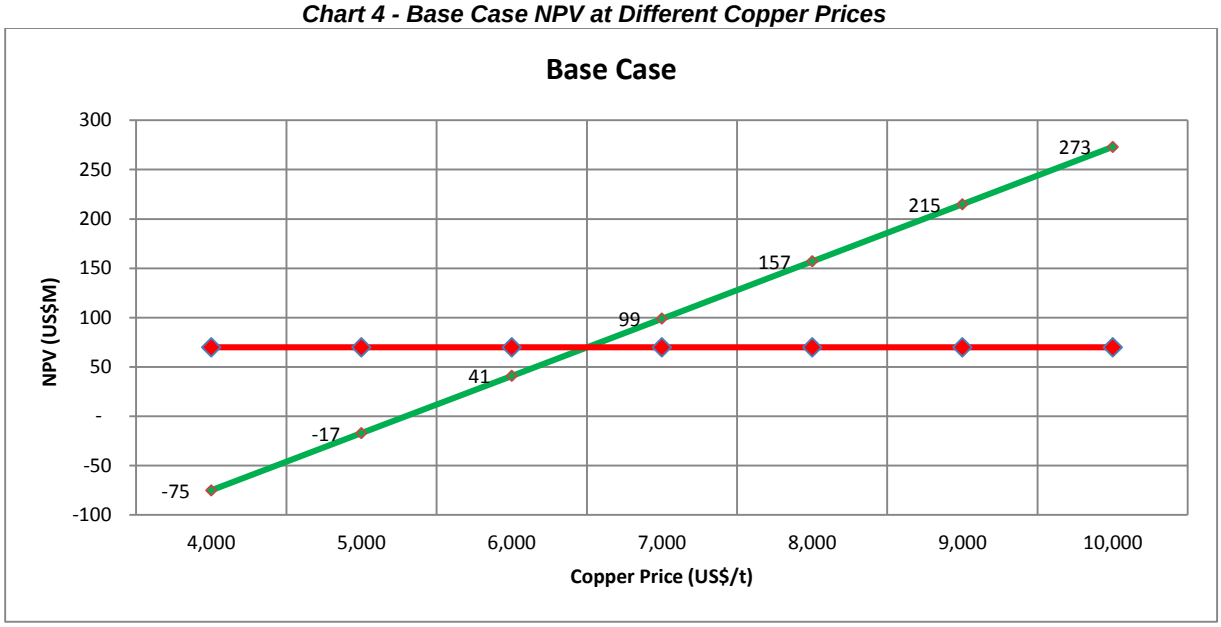
The deterministic sensitivity analysis (save for copper and gold prices) under the Base Case are shown in Chart 3 - the key value drivers are HMS Copper recovery, flotation Copper recovery, mining costs and Toll Treatment costs; other parameters show less than 10% impact on the NPV. Each of the cost drivers were analysed for a "+" or "–" 10% variance.

Chart 3 - Base Case Deterministic Sensitivity Analysis



The NPV was determined assuming a Copper price of US$6,500 per tonne and a Gold price of US$1,100 per ounce. Movements in these commodity prices have a significant impact on the value of the Project as shown in Chart 4 - the Base Case is positive at Copper prices >US$5,300/t.

Chart 4 - Base Case NPV at Different Copper Prices



Alara notes that the economics of the longer life Target Case are more attractive but has not been disclosed pursuant to ASX guidance.[7]

However, the analysis shows that the value of the Project can be enhanced significantly if the Exploration Targets (described in Annexure B) can be leveraged into additional mining inventory – significantly improving the NPV and overall NPV/CAPEX ratio, modestly improving the Project IRR and extending the life of mine (**LOM**) but with a modest increase in CAPEX and the same pay-back period.

Capital Costs

Item	Base Case Cost US$	
Process Plant and Infrastructure (incurred in Year 1):		33,373,353
Treatment Plant	10,500,000	
Infrastructure	5,250,000	
Mining Infrastructure	4,878,616	
Owners and Pre-Production Costs (5%)	1,031,431	
EPCM (20%)	4,125,723	
HMS Plant	7,587,583	
Sustaining Capital (over LOM)		2,500,000
Total CAPEX		35,873,353

Notes:

1. The processing and infrastructure costs were originally calculated as part of Alara's 2014 Advanced Scoping Study and then appropriately scaled down to reflect the reduction in treatment and infrastructure requirements.
2. US$0.9M working capital (based on one month of operating costs) required at the start of the Project is expected to be recovered in full at the end of the Project and accordingly, its net value over LOM is nil.

Operating Costs

Item	Base Case Cost (over LOM) US$	
Mining:		138,935,954
Waste Mining	105,006,399	
Ore Mining	29,781,072	
Fixed Mining	4,148,483	
Ore Haulage		76,590
Processing:		51,075,479
Feeding Plant	2,110,894	
Processing Labour	7,333,847	
Power	6,330,320	
Tailings Disposal	1,721,847	
Maintenance Materials	3,637,587	
Consumables	19,049,186	
HMS Processing	10,891,798	
Transport to Mawarid's Lasail Copper Concentrator		41,378,312
Toll Milling at Lasail Copper Concentrator		86,354,739
Concentrate Transportation		335,802
Administration		5,996,857
Total OPEX		**324,153,734**

Notes:

1. Waste mining rates at the Washihi pits were determined for each bench level by applying an incremental cost to the base cost with every 10m increase in depth. The base cost refers to the cost of mining rock at the reference level of 455m and is inclusive of equipment leasing costs.
2. Ore mining rates at each bench level were determined by applying a set additional cost above the waste mining rates. The additional cost reflects incremental drill and blast costs, incremental ancillary costs, grade control, long-term stockpile re-handling.

7 Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Base Case is 44.3%, which is not considered significant in this context. However, the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at >70%. Refer Annexure B for further details in relation to the Exploration Targets assessed for the Project.

3. The HMS plant reduces the tonnage of ore being processed downstream by ~50%. Scaling factors have been used to estimate the reduction in these processing costs.
4. No allowance has been made for penalties associated with impurities in the concentrate. Alara notes that no indications of material impurities have been noted in any assays undertaken on core samples and it should be noted that the OMCO Smelter has been operating in the region for several years, processing copper sulphide ore with similar mineralogy characteristics.
5. Administration costs were sourced from Alara's 2014 Advanced Scoping Study and scaled-down to reflect the smaller operation and personnel requirements.

Enhancement Opportunities

A number of improvement opportunities have been identified that could be evaluated further to enhance both the Base and Target Cases. These are as follows:

- **Resource Expansion (Target Case):** Leverage the Project's value through further systematic exploration and upgraded resource definition and or resource acquisition/consolidation as demonstrated by the Target Case;
- **Capital Costs**: The capital cost estimations were on the basis of those adopted for Alara's 2014 Advanced Scoping Study (which was for a full process plant) and scaled-down, typically to 35%. There is a potential for the extent of capital and infrastructure reductions (on the basis of removing a full processing plant (including crushing and grinding circuit and concentrator) and replacing it with 2-stage crushing and HMS circuits) to lead to further CAPEX reductions below the assumed 35% level at the FS stage. This reduction in on-site activity will also flow on to power, water and services and other site general and administration CAPEX, which has not been fully captured in the current financial model.
- **Operating Costs:** The operating cost estimates were based on Alara's 2014 Advanced Scoping Study with assumed appropriate scale-backs. There is a potential for the change in operating strategy to further reduce and/or eliminate some elements of OPEX at the FS stage, which has not been captured in the financial model, including the following material items:
  - The power, water and services costs were scaled-down from the 2014 Advanced Scoping Study, however, with the removal of the largest consumer of these services (the processing plant), this is likely to realise further OPEX and CAPEX savings under the FS;
  - With the inclusion of the HMS into the processing circuit, the hardness of the ore post-HMS through the removal of silica is significantly reduced, which will reduce power, wear and maintenance costs associated with processing this ore;
  - Reduced OPEX due to reduced personnel requirements, once again due to the conservative scaling factor (from the 2014 Advanced Scoping Study) may not accurately reflect the true personnel requirements of the new operating strategy. The current model allows for approximately 100-150 people onsite, however Alara believes this can be further rationalised to 50 people. This will not only reduce salaries and associated on-costs but also accommodation requirements and administration. This scenario also likely reduce or remove the requirement for on-site accommodation;
- **Process Plant Performance:** Further optimisation of the flotation performance variables (e.g. grind size, flotation reagents, process pH and residence time) through more extensive metallurgical test work;
- **Equipment Selection:** Strategic sourcing of selected infrastructure and equipment items to reduce capital costs; and
- **Royalty Payments:** Royalty reduction from an assumed rate of 5% through maximising the level of 'Omanisation' and community support. It is not uncommon to be granted a 5 year holiday from this royalty.

Next Steps - Staged Feasibility Study

The updated Advanced Scoping Study for the Washihi Project has demonstrated that the Project is robust and thus supports its progression.

The Project is ready to move into a Feasibility Study (**FS**) which, given the relative simplicity of the FS work/requirements, the relatively low risk of the current project plan and the work carried out on the Project to date, would be expected to be completed within ~6 months from commissioning of the study work. The FS will define the Base Case scenario.

Tenders for the FS (based on a detailed scope of works) have been received and is currently being reviewed by Alara.

The FS scope of works has been defined in 3 stages, as follows:

Stage 1: Field Work and Data Gathering

Aimed at building critical knowledge on the key areas including:

- Undertake a representative sampling programme to provide sufficient material for follow up metallurgical and process plant test work
- Undertake core drilling to allow geotechnical evaluation and design optimisation for application in the mining design and operations planning
- Initiation of Environmental, Water and Social Impact Studies

Stage 2: Evaluation

This stage will re-evaluate and finalise the mining parameters, including pit design and optimisation and detailed equipment and infrastructure requirements (mining, crushing, HMS and infrastructure). This would allow the Project to be more accurately gauged with an updated assessment of the Project economics prior to progressing with areas to better define the Project in a risk reduction phase.

Stage 3: Risk Reduction and Final Contracts

Undertaking sufficient engineering analysis on the selected Project scope to deliver the required level of accuracy on the capital and operating costs. This stage will also see the conclusion of the required contracts and permits in order to commence site based mining activity.

The participation of Mawarid personnel is also a key component of this staged work programme (as outlined in the Mawarid MOU) and will ensure the ultimate optimisation of the Lasail Plant and its operation for this upgraded Washihi ore feed.

A number of Project parameters have been conservatively estimated in the current updated Study model (across CAPEX, OPEX and throughput) to provide a balanced preliminary overview of the Washihi opportunity. These matters will be fully defined and concluded in the FS (refer Enhancement Opportunities above).

The FS will be used to as the final study stage of the Project to support the construction and commissioning of the mine site. Due to the relatively small operational footprint and minimal site operations, the FS is not complex and is expected to be completed within ~6 months of commencement. In turn (to be confirmed through the FS process), the site construction and commissioning period is also relatively short, estimated at ~12 months. Alara believes there is potential upside in this period as well.

Once operations are underway and the processing of ore has commenced it is intended that an exploration programme will be commenced in order to delineate and convert the Exploration Targets to a JORC Measured and Indicated Resource status.

Conclusion and Summary:

The Washihi resource remains a key copper asset within Oman and one of the top one to two JORC defined copper resources in the country. At this stage, the Washihi Project is less than ~50% explored with a number of Exploration Targets identified over the (under-explored) remainder of the project area. The Al Hadeetha JV has worked through a process of evaluation of this Project over the past ~12 months to both define its robustness to move the Project forward at this time and then to optimise its value. The current Project plan to mine and upgrade the ore at the Washihi site and then work with Mawarid to process this ore at their Lasail Plant near Sohar has achieved this goal of Project optimisation. As a result of this work the JV is now preparing to move the Project through a relatively short and well defined FS phase and potentially into construction and production in the following year.

– ENDS –

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a diverse portfolio of projects in Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study (DFS) on its flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study (SS) on its Daris/Washihi Copper-Gold Projects in Oman. The Company is now transitioning towards establishing itself as an emerging base and precious metals mine development and production company. For more information, visit www.alararesources.com.

Forward Looking Statements and Disclaimers

This report contains “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Alara, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

ANNEXURE A

FURTHER INFORMATION ON UPDATED ADVANCED SCOPING STUDY

General Project Description

The Washihi deposit lies within the Oman Mountains, ~160km south-west of Muscat via sealed road. The Mullaq prospect is located 15km east of Washihi - access to the site is via ~7km of unsealed track. The deposit/prospect are near surface and are amenable to open pit mining.

The Project consists of a plant with 2-stage (primary and secondary) crushing and HMS circuits located at the Washihi mine site.

The Washihi Project value chain showing the various process elements required to realise revenue from sales is illustrated in Figure 2 below:

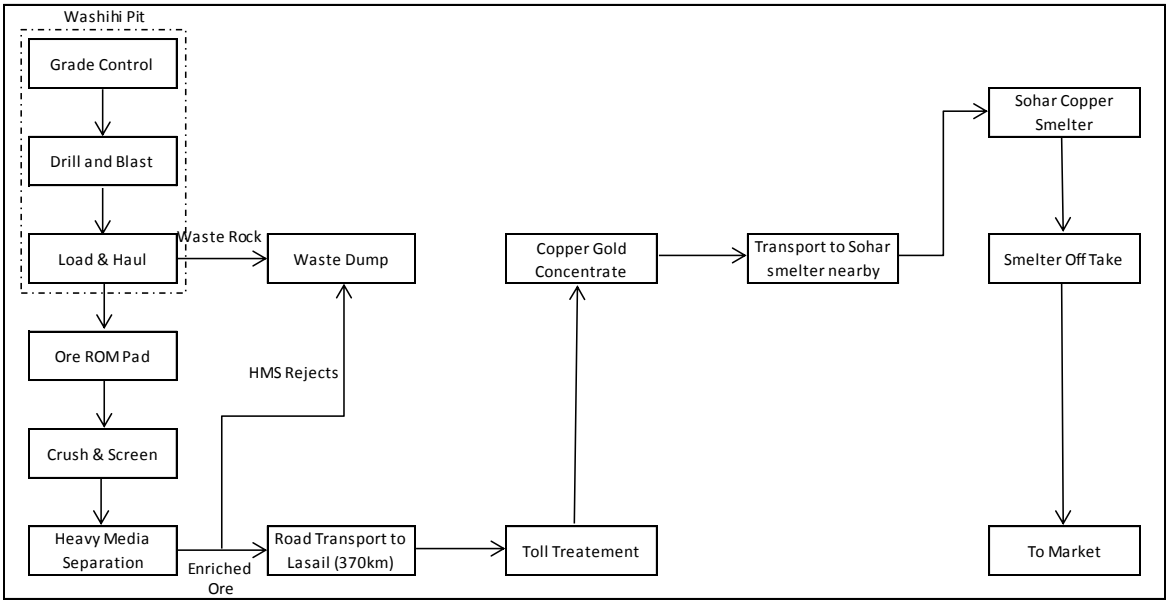

Figure 2: Washihi Project Value Chain

The HMS circuit (refer Figure 2 is based on a single series of metallurgical tests undertaken on three composite Washihi samples. The tests showed that ~50% of material is rejected and this results in a Copper grade upgrade of 1.5-2.0 times with 8-10% overall metal losses. Notwithstanding these very encouraging test results, they are based on a single test series. The HMS technology is a well established technology for beneficiation of ore bodies and preliminary results (as above) appear to indicate that the Washihi ore is amenable to the process. Further test work will be required to confirm the test results on all ore domains and deposits.

The post-HMS upgrade ore will be trucked ~370km to Mawarid's Lasail Copper Plant for flotation concentration under a toll treatment arrangement (as contemplated under the MOU with Mawarid).

The concentrate product will then be trucked to the adjacent Sohar Copper Smelter where standard smelter off take terms are assumed to be available. The Sohar Smelter is owned and operated by the Oman Mining Company (OMCO), a State owned enterprise. It currently treats locally produced concentrates as well as ~80,000tpa of imported concentrates on a toll basis. The realisation of value identified under the updated Study is based on reaching an agreement with OMCO to process the Project's toll treated concentrate at the assumed treatment charges. Discussions with OMCO have indicated that the smelter is highly likely to have capacity to treat the Project's concentrate.

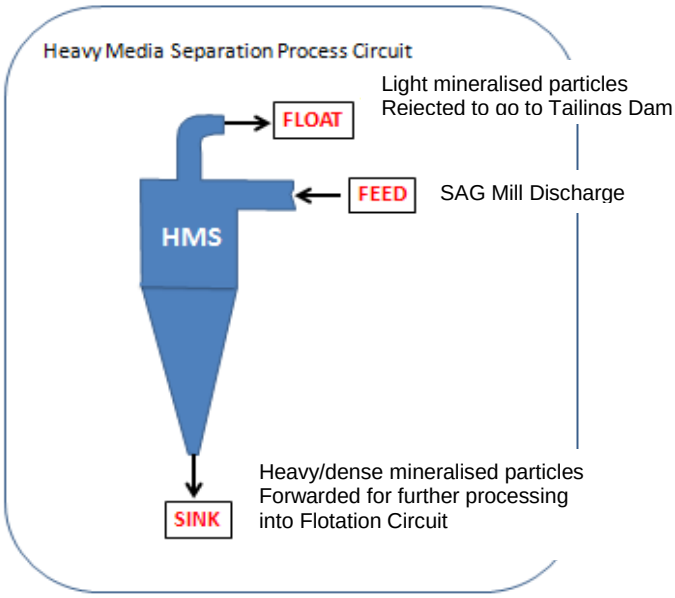

Figure 3: HMS Process Circuit

A number of water sources for the process plant have been identified that will require detailed evaluation, which was outside the scope of the previous 2014 Advanced Scoping Study and the current updated Study.

Investigation of the power supply and generation options are also to be undertaken in detail, outside the scope of the previous and updated Studies. However it is noted that grid power is supplied to the nearest township of Kahdra Bin Daffa, ~5km from the Washihi mine site and the main high voltage feed from Izki to Mudaybi passes within 8.5km of the site to the south west. The previous and updated Studies have assumed connection to this grid.

The operational power, water and services requirements under the updated Study have been based on the previous Study with a modifying factor of between 40-50% applied to reflect a decrease in requirements due to the removal of the grinding and processing circuits from the system. However, this does not fully take into account all the savings realisable due to the removal of the processing plant and scaling down of the operation. Further analysis of the power and services requirements will be carried out in the FS which will fully quantify requirements based on the updated processing strategy at Washihi and it is anticipated that these costs will reduce further.

Previous Evaluation Work

An initial Scoping Study was completed in 2012 based on a conventional flotation processing plant being located at Washihi with the smaller high grade Daris resource identified as a potential feed source to the plant. Following this study, additional project information became available - an upgraded Washihi JORC Resource was defined[8] (now the largest JORC Resource in Oman), a set of metallurgical test programmes was completed on composite samples and a technological breakthrough identified the potential for heavy media separation (HMS) which doubles the effective grade of the Washihi deposit from 0.8-0.9% Cu to 1.6-1.8% Cu.[9]

8 Refer Alara's ASX market announcement dated 16 July 2013: Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset

9 Refer Alara's ASX market announcement dated 18 February 2014: Oman Project Breakthrough – Ore Upgrade Heavy Media Separation Tests Successful

Other value adding options for these assets that were not previously considered were analysed as part of the Options Analysis Study (reported in June 2014[10]) to assess both the value and viability of these various approaches to the Daris/Washihi Project's development. This study evaluated six potential development options for the combined Washihi and Daris Project centred on the Washihi site as the central processing hub. Options 2/3 (a HMS Plant followed by a conventional flotation circuit of different capacities) was identified as the preferred development options for further consideration.

The Advanced Scoping Study (reported in October 2014[11]) evaluated three potential development scenarios combining the Daris and Washihi deposits into an overall 'hub & spoke' broader regional approach centred around a HMS plant followed by a conventional flotation circuit located at site of the Washihi JORC Mineral Resource with contributions from the Daris-East JORC Mineral Resource and exploration targets from the Daris 3A-5 prospect (within the Block 7 exploration licence) and Al Ajal and Mullaq prospects/exploration licences, as follows:

- A 'Base Case' 0.5Mtpa conventional flotation plant (post HMS) from mining inventory sourced from the existing JORC Mineral Resources at the Washihi and Daris-East deposits;
- An 'Enhanced Base Case' 0.5Mtpa conventional flotation plant (post HMS), which is based on a slight increase in the mining inventory sourced from a high grade early stage prospect within the Mullaq exploration licence; and
- A 'Target Case' encompassing a larger scale flotation plant (post HMS) case scenario based on a more substantial increase in the mining inventory sourced from JORC Exploration Targets identified on prospects across the Oman Project area.

Study Approach/Methodology

Two scenarios have been modelled under the updated Study for the Washihi Project:

(1) A '**Base Case'** that has used Whittle pit optimisations derived from the geological model underpinning the JORC Mineral Resources for the Washihi deposit with the addition (comprising 2.3% of the mining inventory and 6.7% of the Copper concentrate product) of an Exploration Target identified from the (higher grade) Mullaq prospect[12]. The Washihi Process Plant will consist of a 2-stage (primary and secondary) crushing station and HMS circuit rated to treat approximately 2 Mtpa of Run-Of-Mine (**ROM**) ore. It is planned to nominally recover up to 1Mtpa of enriched ore on site prior to transportation by truck (~370km) to Mawarid's Lasail Copper Concentrator Plant for toll treatment. The concentrate product will then be sold to the adjacent OMCO Copper Smelter under an off-take arrangement.

(2) A '**Target Case'** involves additional analysis undertaken to assess the economics of an increased mining inventory derived from Alara's assessment of 'reasonable' exploration success based on a detailed Exploration Target by Exploration Target assessment of the prospects/deposits within the Washihi Project area. This case is important to understanding the future development of the Project as delineation of the Washihi deposits remain open in a number of directions and there is substantial evidence that a number of the targets are highly prospective. This assessment is described in detail within Annexure B. The Target Case expands from the Base Case using the same infrastructure but has a longer defined Project life from a higher assumed mining inventory sourced from these Exploration Targets.

Capital and operating cost estimates were largely derived from the previous 2014 Advanced Scoping Study with appropriate modifying factors/scale-backs applied to reflect the removal of the flotation circuit in the processing plant and other reductions in operations. Additional fresh quotations have also been obtained by Alara on a number of items.

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10 Refer Alara's ASX market announcement dated 13 June 2014: Oman Project Update – Positive Options Analysis Study Outcomes

11 Refer ASX market announcement dated 14 October 2014 and entitled Oman Project Update: Positive Advanced Scoping Study Outcomes

12 The Mullaq prospect is adjacent to the Washihi deposit and is believed, like Washihi, that ore mined will be amenable to HMS. It has had extensive drilling undertaken and the Exploration Target used in the financial model is based on sectional estimates, being a sub-set of the overall Exploration Target range identified for Mullaq (refer Annexure B). However, a geological block model has not been prepared and Whittle pit optimisations have not been carried out on this Mullaq Exploration Target. The assumed mining inventory attributable to Mullaq has been assessed based on typical resource to conversion factors.

Summary of Production Target/Profile[13]

Payable metals will include Copper and Gold. Copper will be sold in the form of a concentrate and all Gold recovered is assumed to report to the Copper concentrate and sold as a precious metal credit.

	Unit	Base Case
Mining Operation:		
Total Ore Mined	t	9,594,971
Total Waste Mined	t	52,396,213
Average Strip Ratio	Waste:Ore	5.5
Total Contained Cu	t Cu	90,668
Total Contained Au	oz Au	57,840
Inputs into Concentrator:		
Ore Process Feed	t	4,797,486
Total Contained Cu	t Cu	81,602
Total Contained Au	oz Au	40,488
Outputs from Concentrator:		
Average Cu Recovery	%	95%
Average Au Recovery	%	90%
Total Cu Production	t Cu	77,235
Total Au Production	oz Au	36,439

Mining Inventory and Head Grades[13]

Under the Base Case, 9.6Mt (at an average 0.80% Cu and 0.19 g/t Au) of potential economic material has been identified of which 97.7% of the Project mining inventory will be sourced from the Washihi JORC Mineral Resources and the balance (2.3%) will be sourced from the Mullaq Exploration Target, as outlined below.

Summary of Mining Inventory underpinned by JORC Mineral Resources	Ore tonnes	Copper Cu%	Gold g/t	~Waste tonnes	Strip Ratio (Waste/Ore)
Washihi Stage 1 High Grade (HG)	1,954,857	1.29	0.25	13,481,834	3.9
Washihi Stage 1 Low Grade (LG)	1,504,584	0.60	0.23		
Washihi Stage 2 HG	959,643	1.15	0.22	11,496,962	4.5
Washihi Stage 2 LG	1,592,858	0.64	0.19		
Washihi Stage 3 HG	936,672	1.16	0.15	23,322,750	6.9
Washihi Stage 3 LG	2,424,357	0.65	0.12		
Total	**9,372,971**	**0.88**	**0.19**	**48,301,546**	**5.1**

Notes:

1. The mining inventory used for scheduling and cash flow modelling purposes was derived from the pit shell inventories.
2. To facilitate scheduling, (10m) bench by bench inventories were estimated. Pit shells were exported from Whittle and coded into block models. Each model was reported on a bench by bench basis with respective mining dilution and recovery factors applied.

ASX Cautionary Statement: *There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target (*under the Study*) will be realised* (per ASX Listing Rule 5.16.4).

Additional conceptual mining inventory has been added to the financial model as follows:

Summary of Mining Inventory underpinned by Exploration Targets	~Ore tonnes	Copper Cu%	Gold g/t	~Waste tonnes	Strip Ratio (W/O)
Mullaq prospect	222,000	2.80%	-	4,094,667	18.4

Notes:

1. Based on an assumed 60% conversion factor of Exploration Target to inventory (refer below and Annexure B).
2. Processing of the additional inventory was scheduled in Year 1 assuming a constant rate and grade.

13 The production target should be read in conjunction with the ASX and JORC Code Cautionary Statements on pages 1 and 2.

The factors that lead Alara to believe that it has a reasonable basis for reporting a Production Target in the context of the Mullaq Exploration Target under the Base Case are as follows:

- The 222kt Exploration Target has been derived from cross section estimates after a "target to inventory" conversion of 60%. This is the same conversion factor that has been used for all Exploration Targets under the previous 2014 Advanced Scoping Study and has been derived from the observed Washihi JORC Mineral Resource to mining inventory conversion; and
- Refer Annexure B for the basis of the range of Exploration Targets across the Project areas – the above Mullaq Exploration Target used in the conceptual mining inventory (under the Base Case) is based on a very conservative assessment of the range of Exploration Target.

Under the Target Case, significant additional conceptual mining inventory has been added to the financial model sourced from Exploration Targets within the Washihi Project area. The economics of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.[14]

Refer Annexure B for further details in relation to the Exploration Targets assessed for the Project.

Proportions of JORC Mineral Resources and Exploration Targets underpinning the Production Target (Base Case)

Components	Base Case	
	~Kt	Proportion
JORC Indicated Mineral Resource	5,340,229[15]	55.7%
JORC Inferred Mineral Resource	4,032,742[16]	42.0%
Exploration Target (Mullaq)	222,000	2.3%
Sub-total JORC Inferred Mineral Resource and Exploration Target	4,254,742	44.3%
Total	**9,594,971**	**100.00%**

The JORC Mineral Resources underpinning the Production Target has been prepared by a Competent Person – refer Annexure C for JORC Statements and Competent Persons' Statements.

The JORC Exploration Target(s) adopted under the Base Case and Target Case are based on the following range of Exploration Targets assessed by a Competent Person (refer Annexure C):

Range of Exploration Targets Estimated			
Prospect / Licence Area	**~Tonnages (Mt)**	**~Copper Grades (%)**	**~Gold (g/t)**
Washihi	3 - 4	0.9 -1.1	0.1 – 0.3
	2.5 – 7.5	0.9 -1.1	0.1 - 0.3
	0.5-1	1.0 – 3.0	0.1 - 1.0
Al Ajal	1 – 2	0.9 – 1.5	0.5 – 1.5
Mullaq	0.25 - 1	1 – 3	0.09 - 1.2
	3 - 4	0.9 – 2	0.09 – 0.3

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources* (per JORC Code (2012 Edition) para. 17).

Refer Annexure B for further details in relation to the above Exploration Targets.

14 Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at >70%. Refer Annexure B for further details in relation to the Exploration Targets assessed for the Project.

15 At 0.25% Cu cut-off grade

Process Recoveries

The Cu and Au Flotation recoveries for Washihi ores are based on preliminary scoping level metallurgical test work.

Element	Copper	Gold
Washihi HMS Mass Recovery	48.8%	-
Washihi HMS Metal Recovery	90%	70%
Washihi Flotation Metal Recovery (Post HMS)	95%	90%
Washihi Overall process recovery (Post HMS)	85.5%	63%
Mullaq	90%	60%

HMS performance based on representative composite samples from the three mineralised zones of Washihi North, Washihi Central and Washihi South indicates that between 46% and 53% of material with 8-10% metal loss can be rejected with a resultant upgrade of ore feed grade to the flotation circuit by 1.5-2.0 times. This increases the effective feed grade of the Washihi deposit from 0.8 - 0.9% Cu to 1.6 - 1.8% Cu.

The recovery values were used to calculate the expected LOM revenues.

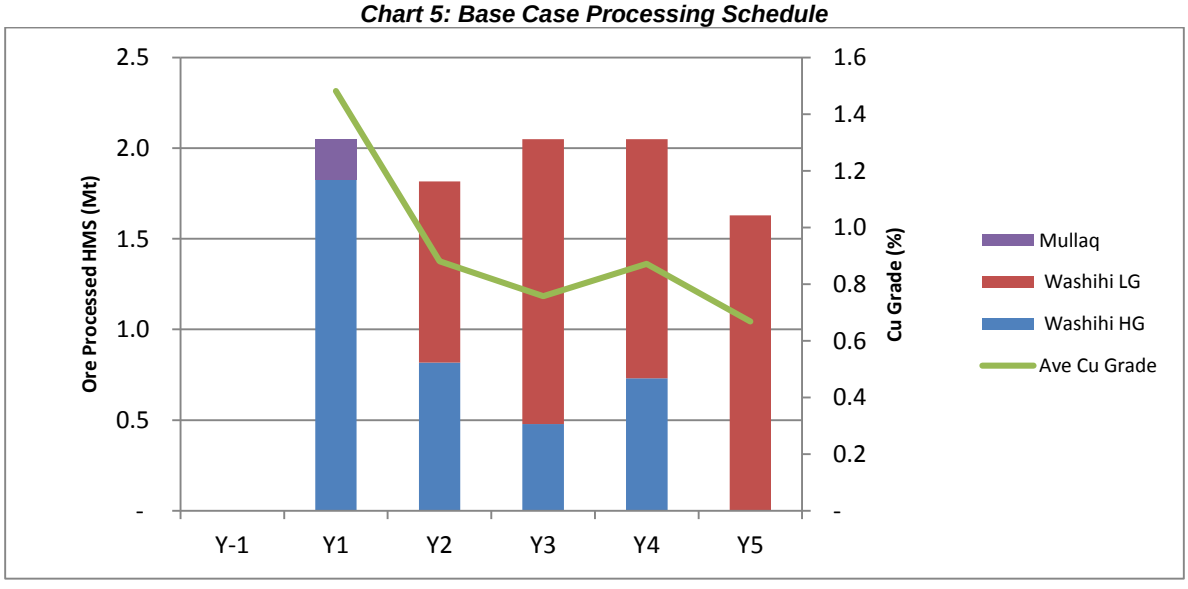
Processing Schedule

Ore processing contemplated the use of HMS to beneficiate Washihi and Mullaq ore on-site. The Base Case considered treatment of ~2 Mtpa of ROM feed to the Washihi Plant to produce 1 Mtpa of feed for Mawarid's Lasail Concentrator Plant.

The processing schedule for the Washihi plant is shown below in Chart 5. This is based on ROM ore feed into the processing plant and prior to feeding into the HMS circuit. As referred to above, HMS will enrich the ROM ore feed grade to the Lasail Concentrator by 1.5-2.0 times – which translates to the effective feed grade of the Washihi deposit being increased from 0.8 - 0.9% Cu to 1.6 - 1.8% Cu.

The processing schedule has been developed to process the Washihi high grade (HG) ore and Mullaq (high-grade) Exploration Target as early as possible in the Project life to boost early cash flow. High-grade feed can only be sustained for one year (Y1), beyond which supplemental feed is required from the low-grade (LG) mining and stockpile reclamation (Y2 onward). Mining is completed in Y4 and in Y5 the remaining LG stockpiles are fully depleted, marking the end of mining of the Washihi JORC Mineral Resources under the Base Case.

Chart 5: Base Case Processing Schedule



ANNEXURE B

EXPLORATION TARGETS - WASHIHI PROJECT

As part of the background work to the Options Analysis Study[16], a range of Exploration Targets have been assessed for the Washihi Project, as follows:

Prospect / Licence Area	Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)
Washihi (39km^2)	WHT-1	3 – 4	0.9 -1.1	0.1 – 0.3
	WHT-2	2.5 – 7.5	0.9 -1.1	0.1 - 0.3
	WHT-3	0.5-1	1.0 – 3.0	0.1 - 1.0
Mullaq (41km^2)	MQT-1	0.25 - 1	1 – 3	0.09 - 1.2
	MQT-2	3 - 4	0.9 – 2	0.09 – 0.3
Al Ajal (25km^2)	AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources* (per JORC Code (2012 Edition) para. 17).

The relevant components of JORC Mineral Resources underpinning the mining inventory (ie. the Production Target) assumed under the Base Case is in Annexure A. The economics (ie. Production Target) of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.[17]

The previously reported JORC Mineral Resource Statements for Washihi (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au) are in Annexure C.

The Washihi Project comprises 3 prospects/exploration licences (Washihi, Mullaq and Al Ajal) totalling ~105km^2. 3 Mining Licence applications covering 3km^2 at Washihi, 1km^2 at Mullaq and 1.5km^2 at Al Ajal have been filed.

(1) Washihi Prospect

The JORC Mineral Resources for the Washihi prospect/exploration licence area (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au[18], as outlined in Annexure C) and mineralisation across the Washihi Project have been confirmed by drilling and exploration (as previously reported), including as follows:

- 69 drill holes totalling 10,668m (diamond core – 8,685m, RC - 898m and core-cum-RC – 1,085m) comprising 35 holes totalling 6,207m (diamond core – 4,224m, RC - 898m and core-cum-RC – 1,085m) drilled by Alara and verified historic drilling data from 34 holes totalling 4,461m (diamond core);
- 321.6 line kilometres of high resolution ground geophysical magnetic surveys; and
- 10.6 line kilometres of Induced Polarisation (**IP**)/ electromagnetic (**EM**) ground surveys.

16 Refer Alara's ASX market announcement dated 13 June 2014: Oman Project Update – Positive Options Analysis Study Outcomes

17 Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at >70%.

18 At 0.25% Cu cut-off grade

The mineralisation in the north-western part of the existing JORC Mineral Resource body (with significantly thick stockwork of Copper mineralisation) is still open both at depth and along strike (refer Figure 4), albeit affected by the presence of a complex growth fault displacing mineralisation and associated with clay rich alteration zone saturated in ground water as observed in the holes WH12DD011 and WH12RD001 which had to be abandoned in mineralisation due to drilling difficulties. The downward structural dislocation of mineralisation was also observed in another abandoned hole (WH12DD014) which intersected top of mineralisation at 279m depth before closure.

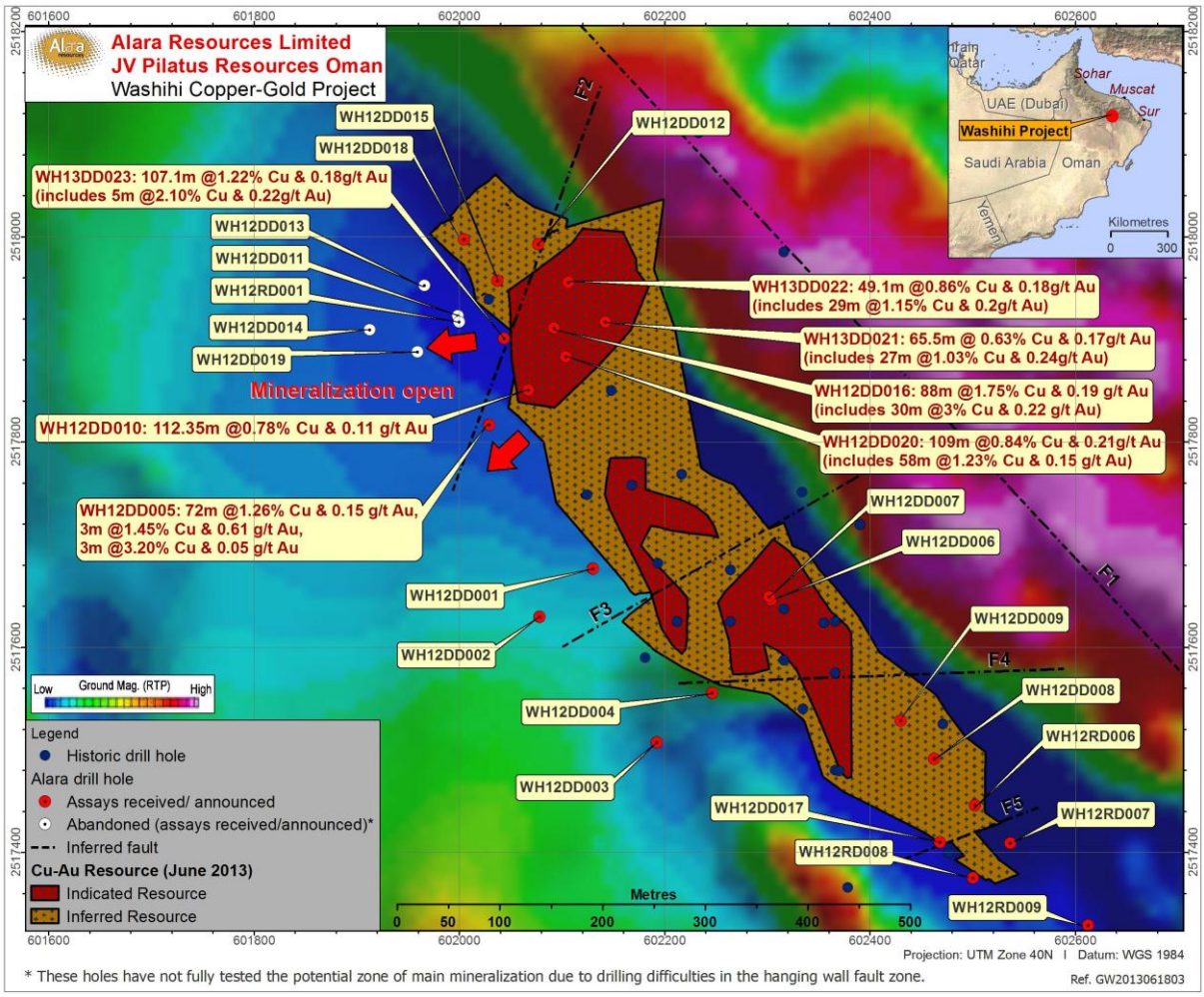


Figure 4: Washihi Datamine Block Model over RTP ground magnetics image

Highlights of significant intersection results from Alara drilling at Washihi (which have been previously announced) are in Table 1.

Table 1: Washihi Significant Intersection Results from Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT						
	Significant Mineralisation				Mineralised Zone	
Drill Hole	**Intersections**	**From (m)**	**To (m)**	**Length (m)**	**Cu (%)**	**Au (g/t)**
WH12DD001	Primary	137	159	22	0.71	0.11
	Inclusion	*144*	*153*	*9*	*1.08*	*0.15*
WH12DD004	Primary	120.3	134	13.7	0.64	0.52
	Inclusion	*120.3*	*127*	*6.7*	*0.78*	*0.93*
	Inclusion	*126*	*128*	*2*	*1.16*	*0.61*
WH12DD005	Primary	160	232	72	1.26	0.15
	Inclusion	*168*	*169*	*1*	*3.57*	*0.21*
	Inclusion	*187*	*188*	*1*	*4.66*	*0.08*
	Primary	206	209	3	1.45	0.61
	Primary	229	232	3	3.20	0.05

	Significant Mineralisation				Mineralised Zone	
Drill Hole	**Intersections**	**From (m)**	**To (m)**	**Length (m)**	**Cu (%)**	**Au (g/t)**
WH12DD007	Primary	62	80	18	1.35	0.21
	Inclusion	*62*	*66*	*4*	*2.26*	*0.12*
	Inclusion	*77*	*78*	*1*	*1.26*	*0.51*
WH12DD008	Primary	74	76	2	0.72	0.15
	Primary	82	86	4	1.09	0.28
	Inclusion	*84*	*85*	*1*	*3.19*	*0.48*
WH12DD009	Primary	52	92	40	0.58	0.21
	Inclusion	*55*	*58*	*3*	*1.08*	*0.27*
WH12DD010	**Primary**	**112.65**	**225**	**112.35**	**0.78**	**0.11**
	Inclusion	*112.65*	*180*	*67.35*	*1.00*	*0.13*
WH12DD011	Primary	155	165	10	1.63	0.89
	Inclusion	*159*	*165*	*6*	*2.6*	*0.86*
WH12DD015	Primary	**116**	**134.7**	**18.7**	**1.99**	**1.92**
	Inclusion	129	131	2	4.14	1.60
WH12DD016	Primary	**67**	**155**	**88**	**1.75**	**0.19**
	Inclusion	77	107	30	3.00	0.22
WH12RD001	Primary	151	170.3	19.3	1.09	1.16
	Inclusion	*151*	*165*	*14*	*1.41*	*1.16*
WH12RD008	Primary	48	64	16	0.32	0.05
	Inclusion	*54*	*56*	*2*	*1.24*	*0.01*
WH12DD020	**Primary**	**71**	**180**	**109**	**0.84**	**0.21**
	Inclusion	*79*	*137*	*58*	*1.23*	*0.15*
WH13DD021	Primary	45.5	111	65.5	0.63	Pending
	Inclusion	66	93	27	1.03	Pending
WH13DD022	Primary	63.5	112.6	49.1	0.86	Pending
	Inclusion	78	107	29	1.15	Pending
WH13DD023	**Primary**	**109.7**	**216.8**	**107.1**	**1.22**	Pending
	Inclusion	140	145	5	2.10	Pending

Notes:

- The cut-off grade is 0.2% Cu. In addition to cut-off, a natural break in assay (a marked change in grade) was also considered in calculation of intersections. Assays less than 0.2% Cu within primary interval are included as internal dilution.
- Drill intercepts are reported as drilled; true thicknesses will be calculated at the interpretation and resource modelling stage. The drill intersections are approximately perpendicular to mineralisation and no significant difference is expected in true and intersection thicknesses.
- WH12DD011 and WH12RD001 were drilled at the same location and abandoned due to drilling difficulties in the hanging wall fault zone after intersecting the top of main mineralisation. WH12DD013, WH12DD014 and WH12DD019 were also abandoned due to drilling difficulties in the hanging wall fault zone. WH12DD014 had intersected relatively anomalous Au, Ag and Zn values at 279m depth while WH12DD013 intersected an isolated 1m low grade Cu bearing vein above the fault zone. These five holes have not fully tested the potential zone of main mineralisation.
- WH12DD006 was abandoned at 61.7m due to technical reasons and WH12DD007 is a re-drill at the same location.
- WH12RD006, WH12RD010 and WH12RD011 intersected low-grade mineralisation.
- WH12DD002, WH12DD003, WH12DD012, WH12DD017 WH12DD018, WH12RD007 and WH12RD009 did not intersect significant mineralisation.
- WH12RD002, WH12RD003, WH12RD004 and WH12RD005 were drilled 0.5-1km northwest of the main mineralisation to test geophysical anomalies. No mineralisation was intercepted in these holes.

As the majority of the area in Washihi (and Mullaq) is covered by ancient and recent alluvial fans, the well held understanding of magnetic lows indicating possible VMS mineralisation is supported by downhole magnetic susceptibility readings taken on core from a selection of the Washihi drillholes. There is a distinct reduction in the magnetic susceptibility values within the mineralised zone.

The obvious feature of interest in the magnetics survey grid is the NW-trending magnetic low, coincident with known mineralisation. The magnetic low extends further along strike to the NW and SE, representing significant potential to increase mineralisation tonnage in both directions. Of significant interest is the sub-circular 'reduction to the pole' (**RTP**) magnetic high, situated along the NW-trending linear RTP low, coincident with mineralisation. This feature may represent a large feeder for the entire mineralised system in the Washihi Prospect.

Based on the premise that magnetic low zones are prospective for VMS-style mineralisation, four targets have been identified for further follow-up, as shown in Figure 5 (as WH01 to 04).

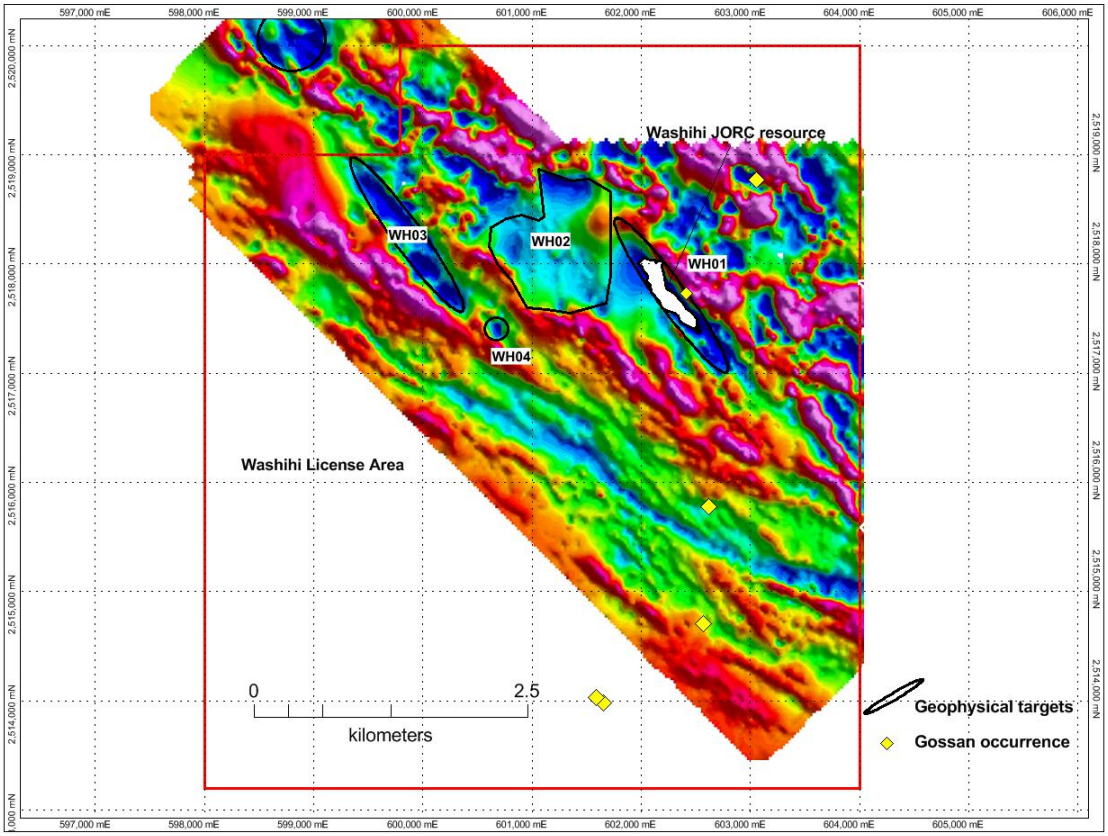


Figure 5: Regional Geophysical Anomalies at Washihi based on RTP magnetics

Exploration Targets have been identified for WH-1 to WH-3, as follows:

Washihi Targets	~Size	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
WHT-01	1400m long x 200-450m wide	3 – 4	0.9 -1.1	0.1 – 0.3	Extension of existing JORC Mineral Resources (refer Figures 4 and 6) - mineralisation remains open at depth and along the strike length of the geophysical anomaly to the northwest
WHT-02	1300m x 1400m	2.5 – 7.5	0.9 -1.1	0.1 - 0.3	Identified four (WH01-04) untested ground magnetic targets based on the premise that magnetic low zones are prospective for VMS-style mineralisation; these targets incorporates three features (refer Figure 5): (i) RTP mag low along same trend as WH01 target here anomaly wavelength suggests a shallower source to WH001 (ii) In the same zone, there exists the presence of RTP mag high; and (iii) Broad complex RTP mag lows which may be part of the same mineralisation system as the known Washihi mineralisation to the SE and a possible feeder zone to the entire Washihi mineralised system.
WHT-03	1500m x 230m	0.5-1	1.0 – 3.0	0.1 - 1.0	The additional Exploration Target is based on anticipated mineralisation in the form of the classic mound type massive ores, typical of high grade Cyprus-type deposits, absent or still to be discovered above Washihi stock work type mineralization. Elsewhere in Oman mining pits the proximal sulphide mound breccias similar to modern black smoker deposits are quite common above well-developed stringer vein feeder systems.

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources* (per JORC Code (2012 Edition) para. 17).

These targets need to be followed up with electrical geophysical methods (EM or IP) or gravity surveys to confirm the target potential for drilling. Future drilling will not only focus within the deposit area wrapping around a low magnetic anomaly (~1600m x 250m) but also in the Feeder Zone "B" and two low magnetic anomalies at "A" and "C" (shown in Figure 6). Anomaly B and C were drill tested by RC drilling (2 holes at C and 2 holes at B) but failed to test the magnetic susceptibility anomaly. This failure could be attributed to incorrect location and azimuth and inclination of the holes.

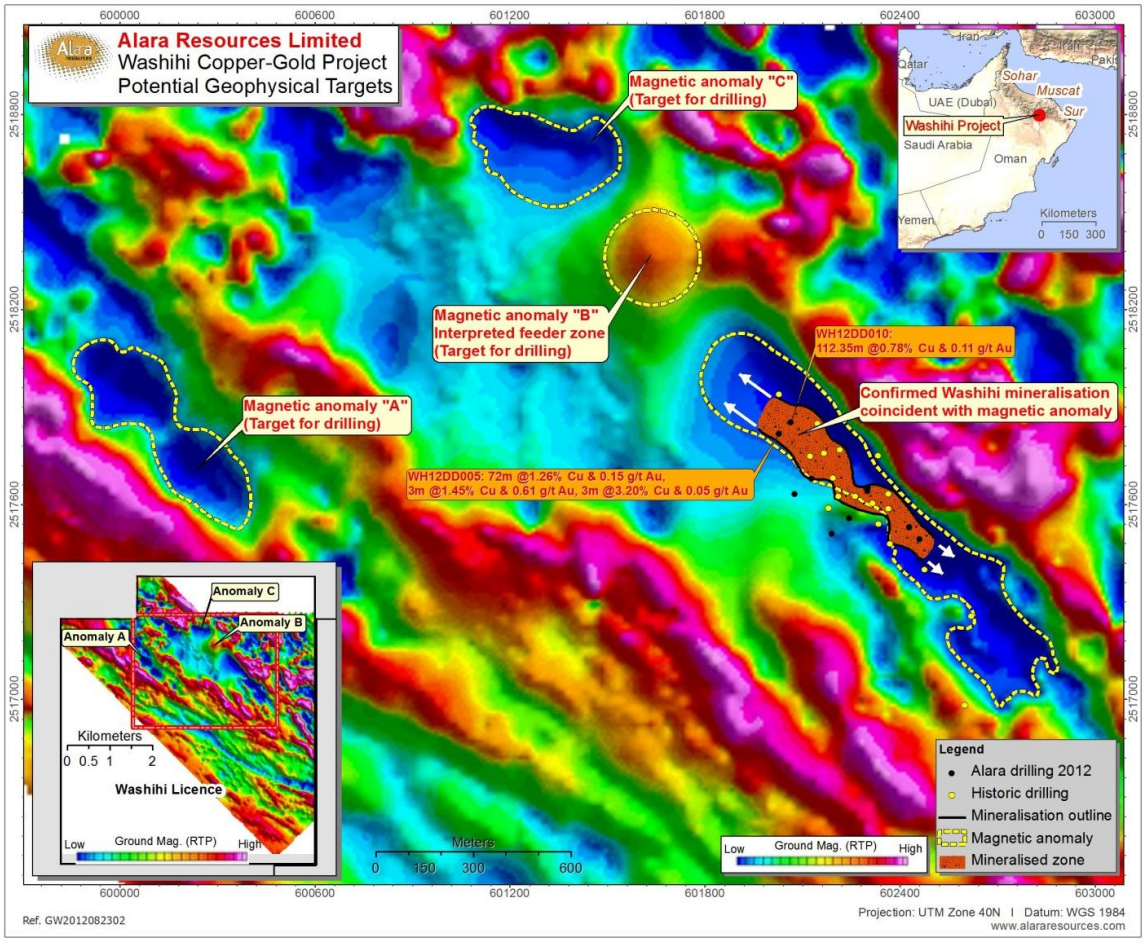


Figure 6: Low magnetic anomalies at Washihi as future drilling targets

(2) Mullaq Prospect

Alara's initial focus in the Mullaq prospect/licence area was to locate historical mineralisation (with historical data lacking accurate coordinates) and establish structural and host rock lithological continuity with the adjacent Washihi prospect/licence. A total 9 ground magnetic anomalies have been identified as Exploration Targets in the area based on the results of 259 line kilometres of ground magnetic and 29 line kilometres of ground IP/EM surveys along with geological traverses over a number of promising areas (refer Figure 7).

Targets within the prospect are generally strike limited RTP magnetic lows with the majority located on ~NW trending structures, which is approximately perpendicular to the Washihi mineralisation trend. The known mineralisation previously intersected by historical drilling appears to be coincident with an RTP magnetic low, although drilling through this zone failed to replicate the earlier high-grade intersections.

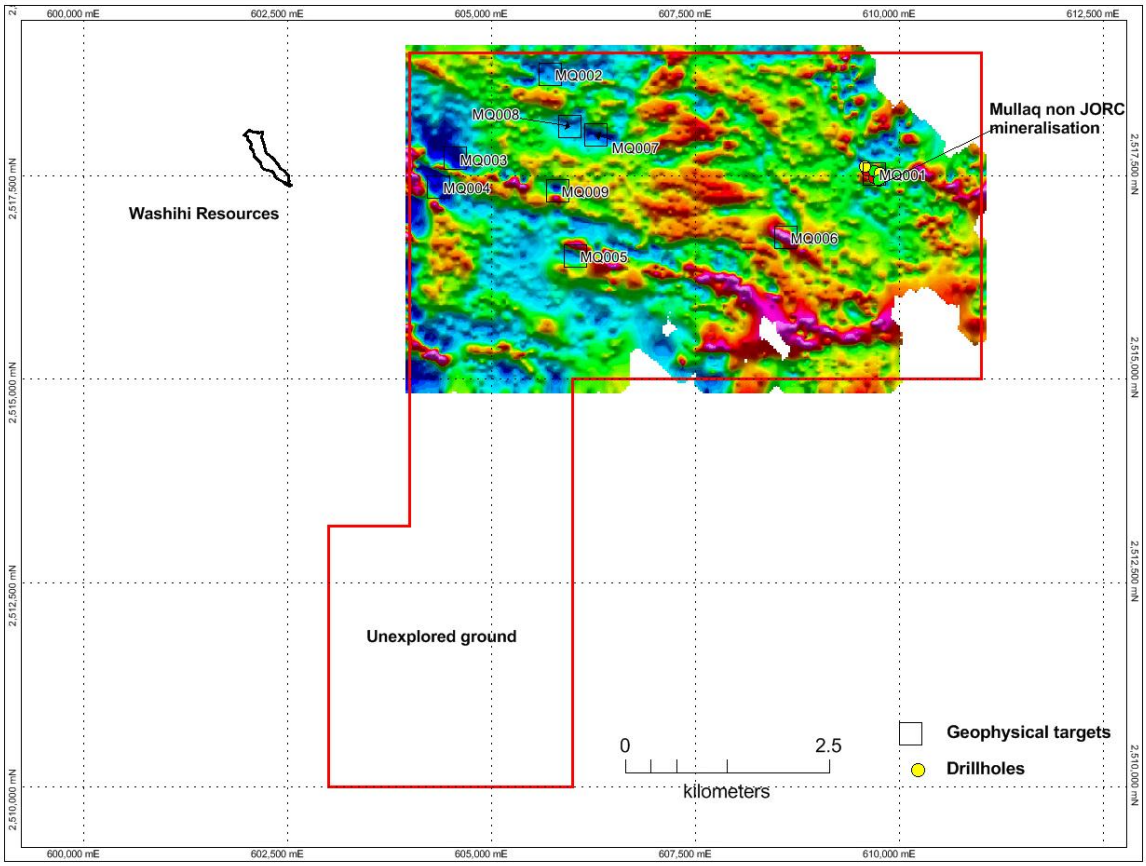


Figure 7: Potential regional geophysical anomalies/targets at Mullaq based on RTP magnetics

EM and high-resolution nano-TEM (transient or time-domain electromagnetic) surveys to locate the shear zone and drilling (922m in 9 core drill holes) have been undertaken at target MQ001 to confirm the mineralisation (previously intersected by historical drilling).

A drill hole location map (refer *Figure 8*) and tabulation of the significant intersection results for the Mullaq prospect (refer *Table 2*) (which have been previously announced) are outlined below.

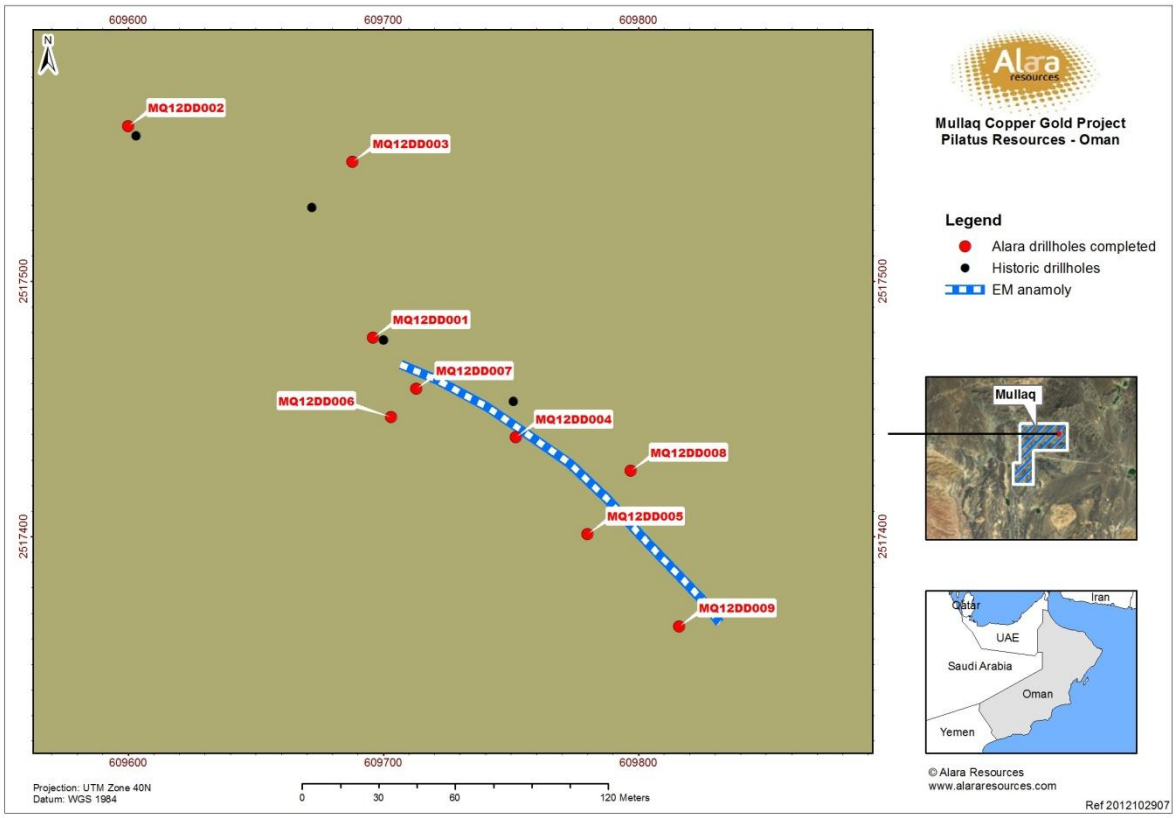


Figure 8 - Mullaq Drill hole Location Map

Table 2: Mullaq Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - MULLAQ PROSPECT						
	Significant Mineralization				Mineralized Zone	
Drill Hole	**Intersections**	**From (m)**	**To (m)**	**Length (m)**	**Cu (%)**	**Au (g/t)**
MQ12DD004	Primary	33	36	3	0.60	-
	Primary	75	78	3	4.68	-
	Inclusion	*76*	*78*	*2*	*6.91*	-
MQ12DD005	Primary	64	65.75	1.75	0.89	0.48
	Inclusion	65.25	65.75	0.5	2.53	1.66
	Primary	76.6	79	2.4	1.46	0.96
MQ12DD006	Primary	69.6	73	3.4	2.50	0.25
	Inclusion	*69.6*	*70.75*	*1.15*	*3.75*	*0.52*
	Primary	100	107	7	0.99	0.09
	Inclusion	*102*	*103*	*1*	*1.91*	*0.30*
MQ12DD007	Primary	58	68.25	10.25	0.33	0.03
	Inclusion	*58*	*59*	*1*	*1.45*	*0.10*
	Primary	74	85	11	0.90	0.07
	Inclusion	*75*	*78*	*3*	*2.37*	*0.19*
MQ12DD008	Primary	41.3	42.2	0.9	0.86	0.09
	Primary	47	53.25	6.25	2.65	0.35
	Primary	78.2	81.2	3	0.42	0.27

Notes:

- *The cut-off grade is 0.2% Cu. In addition to cut-off, a natural break in assay (a marked change in grade) was also considered in calculation of intersections. Assays less than 0.2% Cu within primary interval are included as internal dilution.*
- *HolesMQ12DD001, MQ12DD002, MQ12DD003 and MQ12DD009 did not intersect any significant mineralisation.*

The TEM survey defined a resistive zone coincident with the mineralisation intersected by Hole MQ12DD004 on the first traverse line (Line 1) (refer Figure 9). The extent of the TEM resistive target is ~150m in strike length, which is consistent with historical drilling suggesting a mineralisation strike length of ~200m.

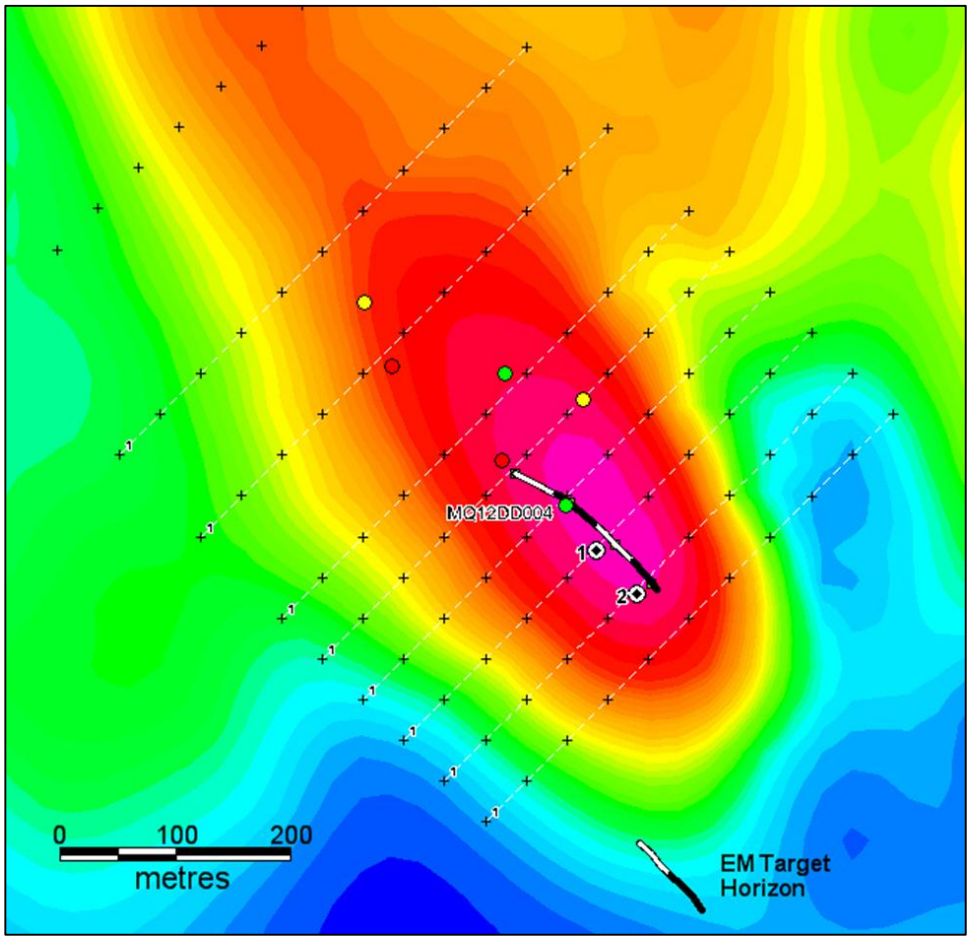


Figure 9: Target MQT-1: TEM Resistive Horizon plotted on Modelled IP Chargeability (50m Depth Slice)

Exploration Targets have been identified for Mullaq as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
MQT-1	0.25 - 1	1 – 3	0.09 - 1.2	Extensions of previously encountered mineralisation; mineralisation extensions represented by EM anomaly have not closed off (refer Figure 9)
MQT-2	3 - 4	0.9 – 2	0.09 – 0.3	Untested geophysical anomalies based on presence of several identified geophysical anomalies (MQ02 to MQ09 in Figure 8)

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources* (per JORC Code (2012 Edition) para. 17).

The correlation of the intersected mineralisation (Hole MQ12DD004) and the larger size anomaly evident in TEM results (refer Figure 9) provides the basis for additional follow up work and drilling targeting the TEM resistive zone.

(3) Al Ajal Prospect

Al Ajal prospect is unique as it is considered to be the only known mineral occurrence in the Oman Mountains that is not associated with the ophiolite volcanics, but with a tertiary extension phase in relation with listwaenite. Despite its small size and relatively difficult terrain, in view of the high Gold grades detected by preliminary sampling of the gossan during the course of BRGM regional mapping in 1983 (one sample with 70 ppm Au), this prospect was selected for detailed geochemical and geophysical investigations.

Alara has carried out ground geophysical surveys (~1.7 line kilometres of IP/EM and 8.1 line kilometres of magnetics) over limited areas to confirm the geophysical signatures of historically encountered mineralisation (refer Figure 10). Geological traverses uncovered the presence of two more areas of potential positivity in similar geological trends.

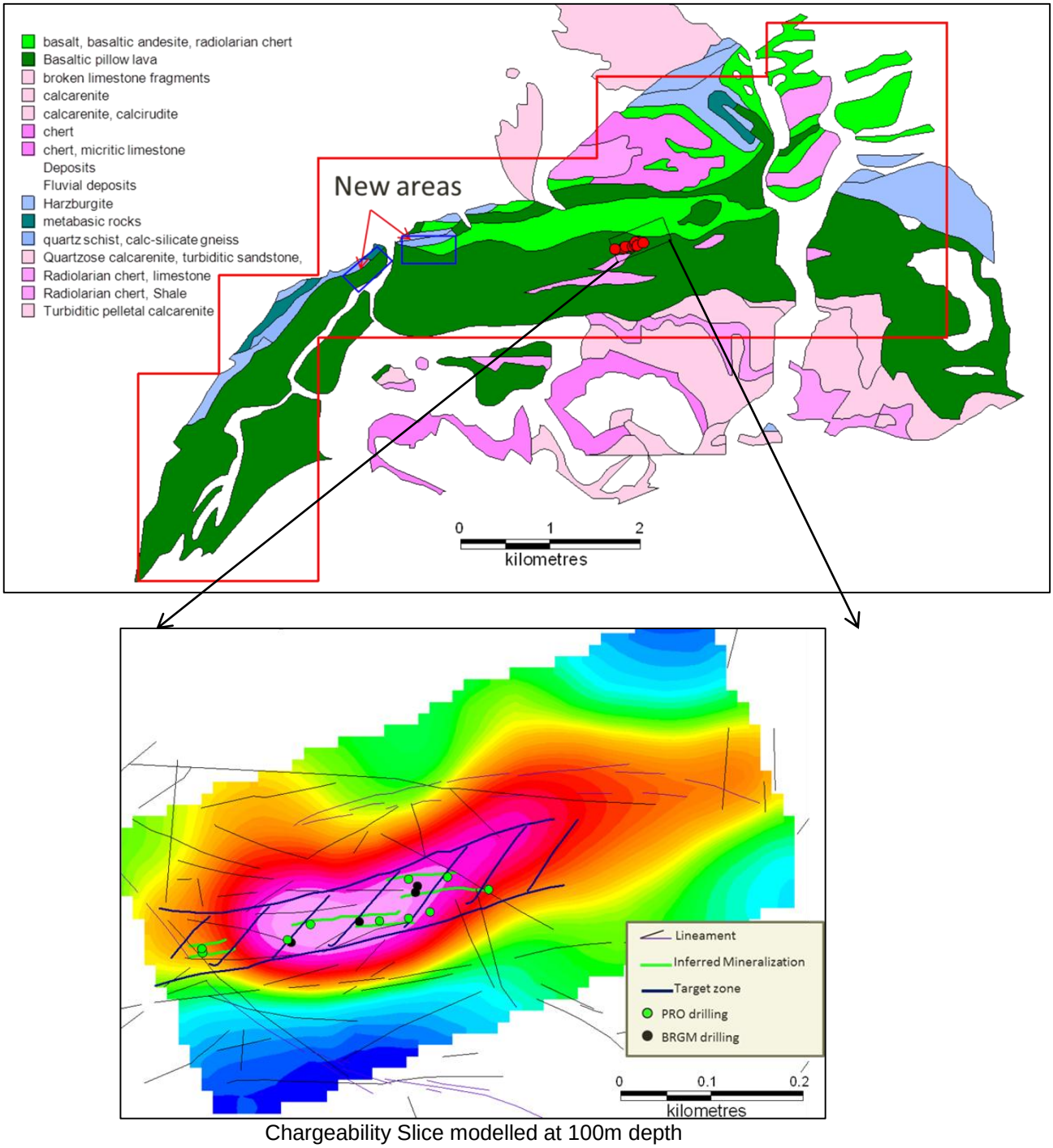


Figure 10 - Geological map showing prospective areas within Al Ajal

Exploration Targets have been identified for Al Ajal as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5	Untested geological Exploration Targets - geological traverses confirmed the presence of two further areas of potential prospectivity in similar geological settings where previous explorers encountered mineralisation.

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources* (per JORC Code (2012 Edition) para. 17).

The next phase of exploration for the Al Ajal prospect will involve modelling of existing mineralisation drilled by previous explorers to identify extensional targets, undertaking geophysical and geochemical sampling programmes and undertaking ground mag surveys over the 'virgin' ground under alluvial/gravel cover.

Alara ASX Market Announcements for Washihi Project

Alara's ASX market announcements released in relation the Washihi Project (on technical matters) are as follows:

Date	Announcement Title
9 April 2015	Update to Advanced Scoping Study-Washihi Copper-Gold Project
19 February 2015	Oman Washihi Project Defined - MOU with Mawarid Mining
12 December 2014	Company Update
10 December 2014	Oman Projects Update
14 October 2014	Oman Project Update-Positive Advanced Scoping Study Outcomes
13 June 2014	Oman Project Update - Positive Options Analysis Study Outcomes
18 February 2014	Oman Project HMS Breakthrough – Ore Upgrade Heavy Media Separation Tests Successful
16 Jul 2013	Upgrade to JORC Resource at Washihi Copper-Gold Project
18 Mar 2013	Drilling success continues at Washihi - Oman Project Update
19 Feb 2013	109m Copper Sulphide Intersection – Oman Drilling Update
9 Jan 2013	Washihi Copper Mineralisation Continues to Expand - Oman Projects Update
15 Oct 2012	Initial JORC Resource – Washihi Project in Oman
23 Aug 2012	Substantial Copper Discovery - 112m at 0.8% Cu and 72m at 1.3% Cu Washihi Project Oman
20 Jun 2012	Washihi Copper-Gold Project Alara intersects 72m at 1.3% Copper
8 Dec 2011	Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman

Exploration and Resource Targets

Any discussion in this Annexure B in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While the Company may, with (and subject to) further exploration and evaluation works being undertaken, report additional JORC compliant mineral resources for the Washihi Project, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

Table 5 – Summary of Exploration Activity Undertaken by Alara on Washihi Project (Excluding Historical drilling Data)

Licence Area	Geology, GIS & Prospectivity studies	Field Activities								Analysis	Resource Model	Other Work/ Comments
		Geochemical Survey	Geophysical Survey		Drilling		Topographic survey	Samples Collected				
			Airborne	Ground	Core	Non-core		Rock/soil	Drill core/chips			
Washihi (39km^2)	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	500 x 500m grid sampling of soil/rock chips over geologically potential zones	-	321.6 line kms. Magnetics and 10.6 line kms IP/EM	4224m in 24 diamond core holes & 1085m in 5 Core cum RC/core holes	898m in 6 RC holes and 800m in 8 rotary open holes as G.W. monitoring holes	All drillhole collar pick-ups; 1m contour survey; connected to NSA Survey point	56	2092 (incl QC)	2148	Washihi Datamine Resource Model completed.	
Mullaq (41km^2)	Historic Data collection, review and re-interpretation using GIS and updated imageries.	-		259 line kms. Magnetics and 21 line kms. IP and 8 line kms EM	922m in 9 diamond core holes	-	-	-	146	146	-	Datamine Resource Model under compilation
Al Ajal (25km^2)	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.			1.7 line kms. IP and 8.1 line kms magnetics							Datamine Resource Model under compilation to validate historic resources	Re-logging of PRO drillhole cores and validation completed

ANNEXURE C

WASHIHI PROJECT DETAILS AND JORC STATEMENT

Washihi-Mullaq-Al Ajal Copper-Gold Project (Oman)[19]

(Alara 70%, Al Hadeetha Investments LLC 30%, of Al Hadeetha Resources LLC)

- Comprises 3 prospects/exploration licences (Washihi, Mullaq and Al Ajal) totalling ~105km^2
- 3 Mining Licence applications covering 3km^2 at Washihi, 1km^2 at Mullaq and 1.5km^2 at Al Ajal have been filed

Table 1 - Washihi JORC Mineral Resources[20]

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	**6.84**	**0.9**	**0.17**	**7.27**	**0.71**	**0.2**
0.5	5.66	1.01	0.18	5	0..85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

The information in this JORC Resource table was prepared and first disclosed under the JORC Code 2004. It 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.

JORC Competent Persons' Statement

(1) The information in this announcement that relates to Mineral Resources and other Exploration Results (excluding Annexure B) in relation to the Washihi Copper-Gold Project (Oman)) is based on, and fairly represents, information and supporting documentation prepared by Mr 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. Mr Sharma was a principal consultant to Alara Resources Limited. Mr 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, 2004 edition. Mr 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.

(2) The information in this announcement that relates to Exploration Targets and other Exploration Results (within Annexure B) in relation to the Washihi Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Hopkins, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hopkins is the Managing Director of Alara Resources Limited. Mr Hopkins 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. Mr Hopkins 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.

[19] Refer Alara market announcement dated 8 December 2011 and entitled Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman

[20] Refer Alara's ASX market announcement dated 16 July 2013: Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset