Alara Resources

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ASX/MEDIA RELEASE

Monday, 19 September 2016

5.55MT INCREASE IN INDICATED RESOURCE FOR THE AL HADDEETHA COPPER-GOLD PROJECT IN OMAN

HIGHLIGHTS

- The updated JORC Mineral Resource estimate for the Washihi Cu-Au deposit has delivered a significant upgrade to the 14 June 2016 Mineral Resource estimate[1].
- Indicated Copper Gold Mineral Resource at Washihi has increased by 81% from 6.84MT@ 0.90%Cu and 0.17g/t Au to 12.39MT@ 0.89%Cu & 0.22g/t Au (using 0.25% Cu cut-off), total inventory has also increased by 14%.
- A new shallow gold mineralisation in Gossan has now been defined outside the Washihi copper gold resource with additional Inferred Resource estimate of 0.31MT@0.51g/t Au.
- The Mineral Resource at Washihi deposit is not closed off, with potential to expand resource both along depth and strike.
- This updated Mineral Resource estimate provides further support for the construction of a copper concentrator and open pit mining operations at Washihi.

Alara Resources Limited (ASX: AUQ) (Alara or Company) is pleased to report this upgraded mineral resource estimate following the recent infill drilling program.

A total of six drill-holes were completed at Washihi to convert Inferred Resource to Indicated Resource. The updated resource model significantly increases the estimate of Indicated Resource from 6.84MT@ 0.9%Cu and 0.17g/t Au to 12.39MT@ 0.89%Cu & 0.22g/t Au (using 0.25% Cu cut-off) which is 81%improvement from the previously reported resource estimate.

Updated JORC Resource statement at Washihi @0.25 % Cu now stands at:

Indicated Resource of 12.39MT @ 0.89%Cu & 0.22g/t Au
Inferred Resource of 3.71MT @ 0.79%Cu & 0.23g/t Au

The resource statement for Gold in Gossan hill @ 0.25 g/t Au Cut off, outside main Cu ore body stands at:

Inferred Resource of 0.31MT @ 0.51g/t Au
The cut off grade sensitivity tables below indicates tonnes and grade at various cut off's.

[1] See also 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

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Washihi Copper-Gold Mineral Resource, September 2016						
	Indicated			**Inferred**		
Cut off Cu %	**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

Gossan Hill Mineralization- Gold			
Inferred			
Cut off Au g/t	**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

Notes

1. Mineral Resources are not Mineral Reserves. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

2. Mineral Resources are reported in accordance with the JORC 2012.

3. Resource for Cu-Au is stated @ 0.25 % Cu cut-off grade; the mineral resource for gold in the Gossan hill (outside main ore body) has been stated @ .25 g/t Au. Refer Appendix 1 for operating cost used in cut-off grade calculation.

4. Mineral resource tonnages have been rounded to reflect the accuracy of the estimate.

5. 1 ounce of Au = 31.1035 grams.

As noted in the Company's announcement of 8 September 2016, although an increase in the indicated resource could have been announced ten days ago, management decided that further review of geological, structural, drilling and geophysical data, was warranted to ensure the revised resource estimate accounted for not only the increase in indicated resource, but also the potential increase in total mineral inventory. The additional work has proven to have been worthwhile and

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confirmed an increase of 1.99MT in total inventory, which corresponds to 14% increase from previously reported total inventory at 0.25% Cu cut-off.

In addition, a new and shallow occurring gold Inferred Resource of 0.31MT @ 0.51g/t (at 0.25g/t Au cut-off) has also been estimated. This gold mineralisation which was intersected in the recent drilling program outside Washihi Resource boundary is delineated and estimated separately under Inferred Resource category. This gold mineralisation was intersected in drill-holes very close to surface and outcropping in the prominent gossan adjacent to Washihi deposit. The new gold resource estimate is provided in the table above.

The additional 5.55 MT of Indicated Resource represents an 81% increase in the volume of mineral resource that can be converted into a mineable reserve.

These results further bolster the strategic positioning of the Al Hadeetha Project having the single largest VMS type JORC Copper and Gold resource in Oman. The project remains on track to commence construction early next year, subject to the Public Authority for Mining formally issuing a mining licence for the Washihi site.

Project Location: The Washihi deposit lies within the Oman Mountains, approximately 160 kilometres south-east of Muscat (Capital of Oman) via sealed road (Fig 1.1). It can be reached either from the Muscat-Nizwa highway, 40 km to the northwest, or from the Muscat-Ibra highway, 45 km north along the Wadi Andam valley. Figure 1 below provides location of Washihi.

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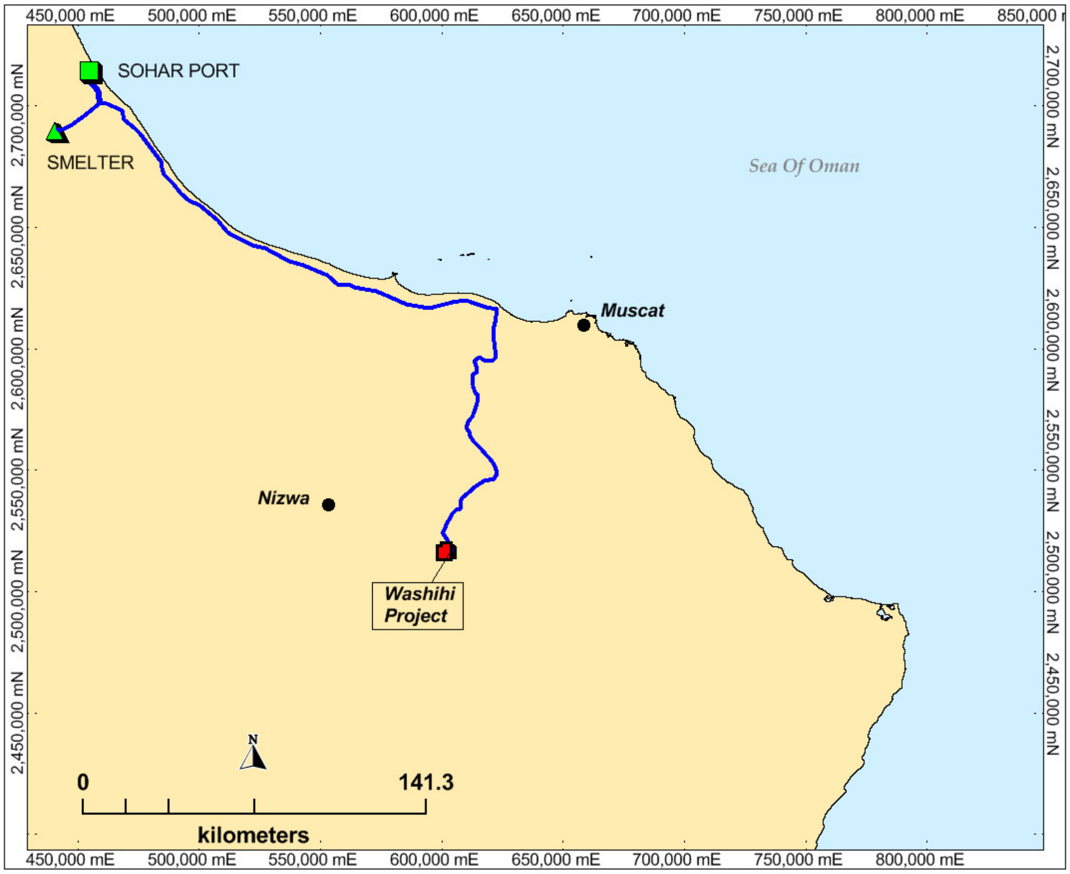

Figure 1: Location Map of Washihi in Oman

Geological Interpretation

The Oman copper deposits occur in extrusive sequences of the Semail Ophiolite comprised of a sheet of Cretaceous seafloor 600km long, 100 – 150km wide and 10km thick along the Gulf of Oman that was thrust over basement sediments of the Arabian shield. Volcanic Massive Sulphide (VMS) type deposits typically occur at the interface between the sheeted dyke complex and the volcanic sequences, more specifically at the contact between the Lower Volcanics unit (Geotimes Unit) and the Upper Volcanics unit (Lasail Unit).

Most deposits occur within centres of upper volcanism where enhanced heat flow has generated localised areas of hydrothermal activity and associated seafloor deposition of VMS-type deposits. Deposits commonly form in clusters with pyritic copper-rich seafloor mounds containing gold bearing gossans overlying lower grade feeder vein systems within the footwall basalts.

Central to the prospect, surrounded by outcrops of ophiolite basalts and associated sediments lies the Washihi gossan, a lone hill of whitish siliceous gossanous outcrop surrounded by wadi gravels and terraces. The immediate area of the deposit is generally devoid of any other rock outcrops, being covered by alluvial sediments. Figure 2 show general topography of the area.

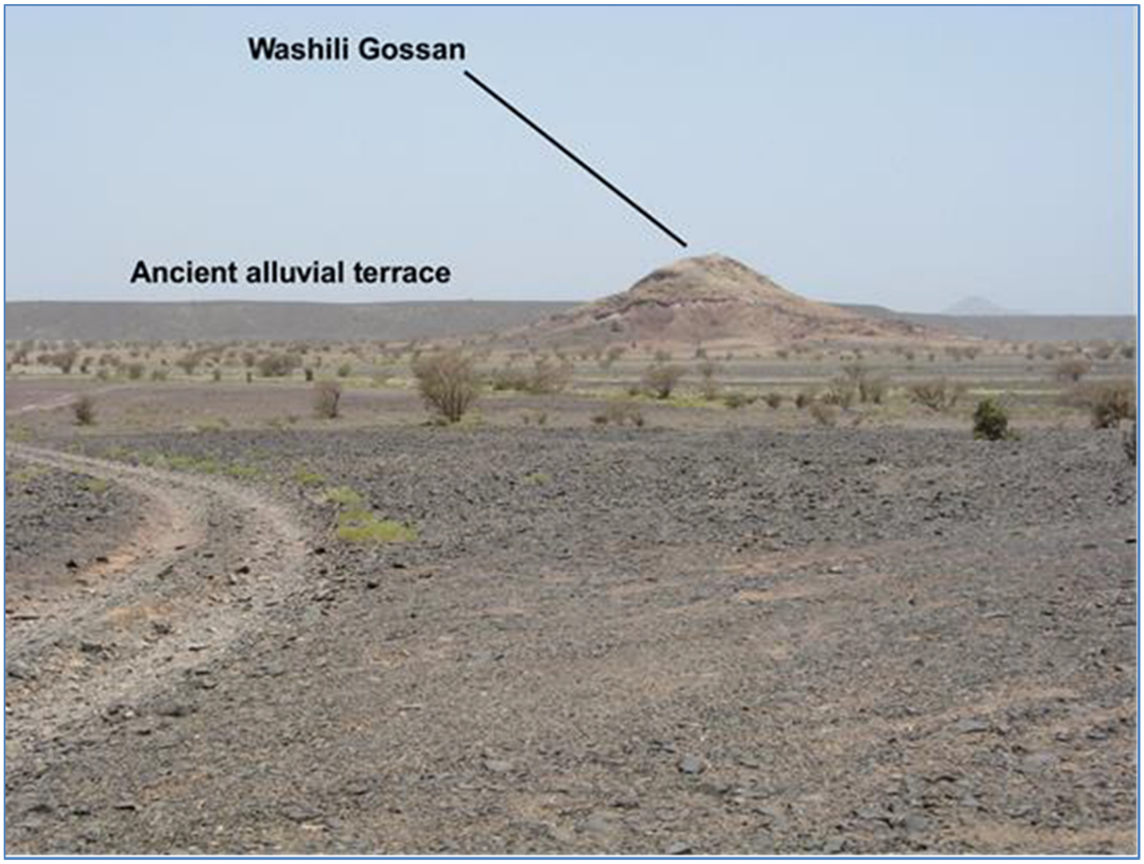

Figure 2: Washihi area and Gossan mound.

Mineralised host rock at Washihi is stockworks of fine to coarse grained basalt breccias and fragmental extrusive rocks, reflecting proximity of hydrothermal vents to volcanic centres generally occurring as the stratigraphic footwall of sulphide-rich Washihi deposit and represented by the stringer zone through which hydrothermal fluids rose towards the paleosea floor. Intense veining of quartz is very common. The geometry of stockwork shows elongated shapes of sulphide bodies and/or footwall stringer zones extending to south east, both of which have been again appear offset along post deposition growth faults.

Figure 3 below provides Washihi Datamine Block Model with outlines of Indicated and Inferred resource boundaries and drill hole locations.

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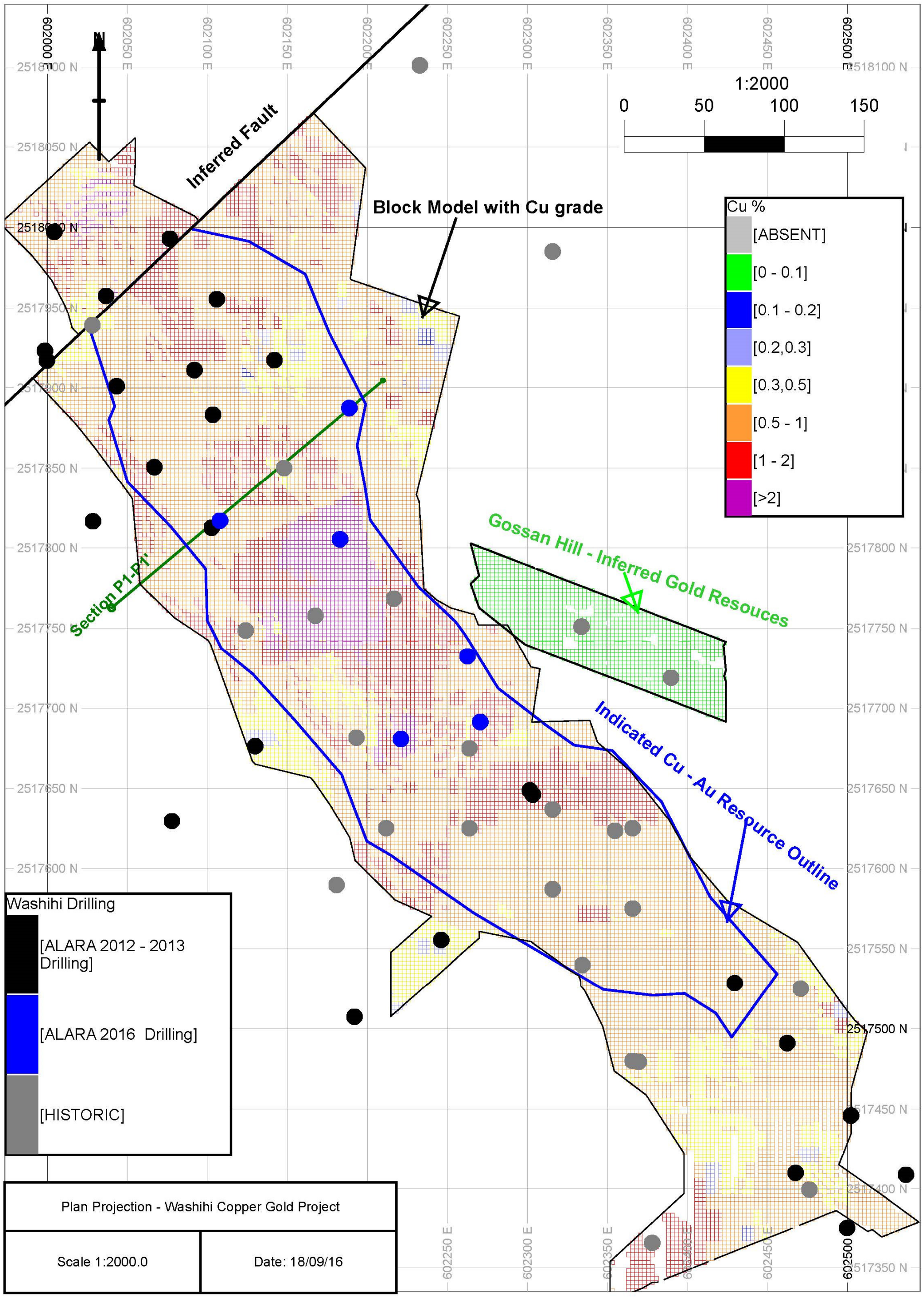

Figure 3: Washihi Datamine Block Model with outlines of Indicated and Inferred resource boundaries and drill hole locations

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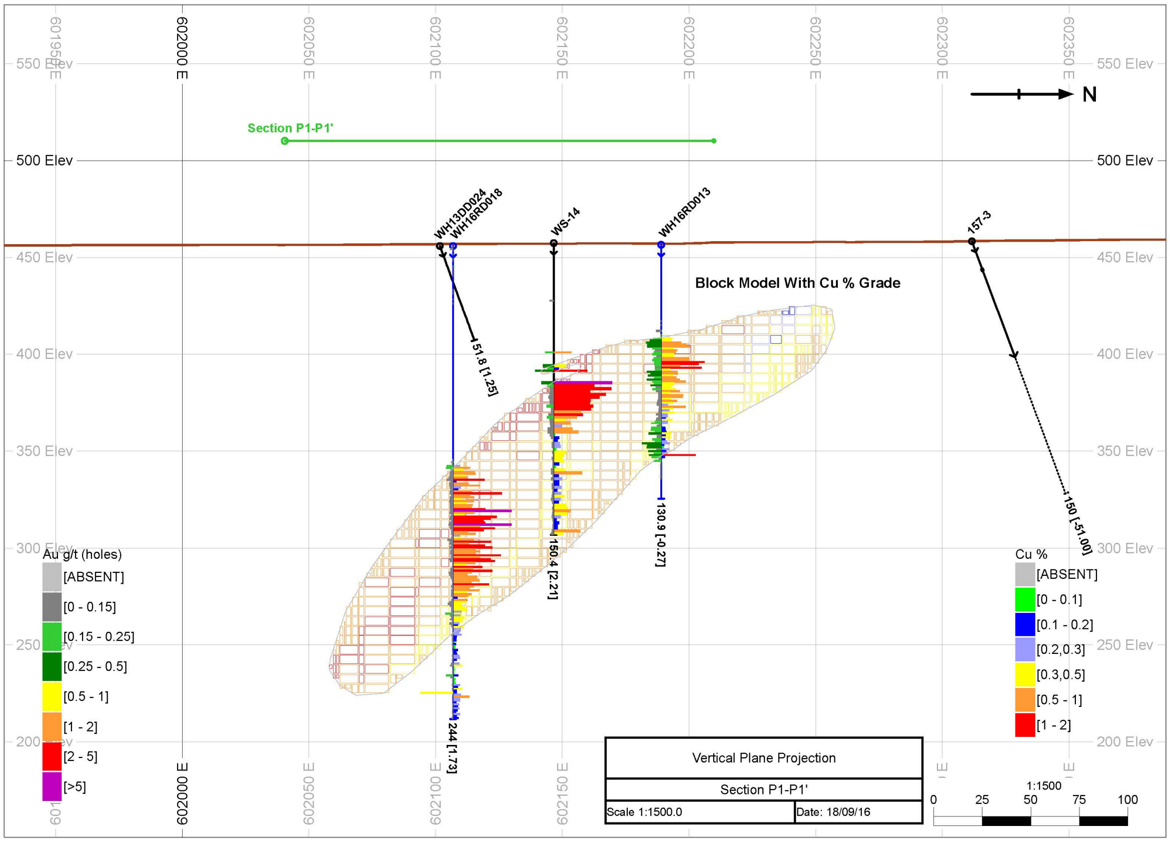

Figure 4: Cross sections P-1 of the Washihi orebody

Drilling and Sampling Techniques

Sampling data includes Drill Core and RC Chip Samples. Diamond core drilling (DC) and reverse circulation (RC) drilling were used to obtain samples for geological logging, sampling and assaying. Reverse circulation drilling is from Alara 2012 and from 2016 infill drilling. A total of 58 drill core, 17 RC (including 8 water monitoring holes) and 8 RC/DC or DC/RC are drilled. RC chips and half drill core samples were routinely collected in calico bags at 1m intervals. In areas expected to be waste, samples are at times combined into 2m intervals. Average sample length of DC and RC samples is 1m. Sample intervals honour geological boundaries. Both logging and sampling is done following industry standard to assure high quality of sampling. Other sampling details including sub-sampling techniques are provided in the Section 1 of the JORC Table 1 as Appendix 1.

A drill hole collar table is provided below.

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BH_ID	COLLAR EASTING	COLLAR NORTHING	COLLAR RL (M)	AZIMUTH (º)	DIP (º)	133MM RC DRILLING DEPTH (M)	HQ3 CORE DRILLING DEPTH (M)	END OF HOLE DEPTH (M)	ABANDONED
157-1	602366	2517625	460.1	0	-60	NIL	173	173	
157-10	602212	2517625	456.0	0	-90	NIL	148	148	
157-2	602366	2517480	455.3	0	-60	NIL	150	150	
157-3	602316	2517985	458.1	0	-60	NIL	150	150	
157-4	602471	2517525	455.0	0	-60	NIL	104	104	
157-5	602316	2517637	459.9	0	-60	NIL	104	104	
157-6	602316	2517587	456.9	0	-60	NIL	139	139	
157-7	602366	2517575	457.1	0	-60	NIL	104	104	
157-8	602264	2517625	457.1	0	-90	NIL	94.18	94.18	
157-9	602264	2517675	460.4	0	-90	NIL	90	90	
WH12DD001	602130	2517676	455.3	51.6	-68.6	NIL	275.8	275.8	
WH12DD002	602078	2517629	455.1	47.4	-69.2	NIL	327.2	327.2	
WH12DD003	602192	2517507	454.3	47.7	-70.7	NIL	231.45	231.45	
WH12DD004	602246	2517555	454.5	48.3	-70.7	NIL	171.1	171.1	
WH12DD005	602029	2517817	455.8	48.3	-70.1	NIL	234.1	234.1	
WH12DD006	602304	2517646	459.3	48.3	-71	NIL	61.7	61.7	YES
WH12DD007	602302	2517649	459.4	47.8	-69.9	NIL	95.8	95.8	
WH12DD008	602463	2517491	454.1	48.8	-70	NIL	120	120	

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WH12DD009	602430	2517528	454.7	48.2	-70	NIL	97.2	97.2	
WH12DD010	602067	2517851	455.8	48.1	-71	NIL	246	246	
WH12DD011	601999	2517923	455.9	48.3	-70	NIL	165.1	165.1	YES
WH12DD012	602077	2517993	456.5	48	-70	NIL	160	160	
WH12DD013	601966	2517952	456.1	48	-70	NIL	216.1	216.1	
WH12DD014	601912	2517909	456.0	48	-70	NIL	281.2	281.2	YES
WH12DD015	602037	2517957	456.3	48	-70	NIL	161.7	161.7	
WH12DD016	602092	2517911	456.1	48	-70	NIL	179.9	179.9	
WH12DD017	602468	2517410	453.4	48	-70	NIL	111.1	111.1	
WH12DD018	602004	2517997	456.3	48	-70	NIL	130	130	
WH12DD019	601959	2517888	455.9	48	-70	NIL	252.5	252.5	
WH12DD020	602104	2517883	456.1	48	-70	NIL	188.8	188.8	
WH12RD001	602000	2517917	456.0	48	-70	148	25.1	173.1	YES
WH12RD002	601164	2518664	484.7	48	-70	168	55.05	223.05	
WH12RD003	601291	2518666	484.9	48	-70	162	0	162	
WH12RD004	601589	2518307	460.4	45	-70	232	0	232	
WH12RD005	601625	2518338	459.8	45	-70	180	59.05	239.05	
WH12RD006	602502	2517446	453.7	48	-70	96	0	96	
WH12RD007	602537	2517409	453.8	48	-70	102	0	102	
WH12RD008	602500	2517375	453.5	48	-70	161	69	230	

WH12RD009	602612	2517329	453.8	48	-70	102	0	102	
WH12RD010	602673	2517263	454.4	48	-70	180	40.1	220.1	
WH12RD011	602740	2517195	453.9	48	-70	204	0	204	
WH12WM001	602623	2517227	453.4	0	-90	100	NIL	100	
WH12WM002	601902	2517177	454.8	0	-90	100	NIL	100	
WH12WM003	601792	2517609	455.5	0	-90	100	NIL	100	
WH12WM004	602178	2518200	457.6	0	-90	100	NIL	100	
WH12WM005	602606	2517856	458.7	0	-90	100	NIL	100	
WH12WM006	601137	2519647	468.9	0	-90	100	NIL	100	
WH12WM007	600435	2519906	467.0	0	-90	100	NIL	100	
WH12WM008	600472	2519273	460.8	0	-90	100	NIL	100	
WH13DD021	602142	2517917	456.3	48	-70	NIL	122.8	122.8	
WH13DD022	602106	2517955	456.3	48	-70	NIL	122.8	122.8	
WH13DD023	602044	2517901	456.0	48	-70	NIL	218.8	218.8	
WH13DD024	602103	2517812	455.7	48	-70	NIL	51.8	51.8	YES
WH16RD012	602183	2517805	456.5	0	-90	108	NIL	108	
WH16RD013	602189	2517887	456.4	0	-90	92	38.9	130.9	
WH16RD014	602271	2517691	462.1	0	-90	109.5	NIL	109.5	
WH16RD015	602221	2517681	456.5	0	-90	74	103.5	177.5	
WH16RD018	602108	2517817	455.8	0	-90	244	NIL	244	

WH16RD019	**602263**	**2517732**	**462.4**	**0**	**-90**	**82**	**NIL**	**82**	
WS-01	**602355**	**2517623**	**459.5**	**45**	**-60**	**NIL**	**92.4**	**92.4**	
WS-02	**602773**	**2516688**	**452.6**	**0**	**-90**	**NIL**	**150.05**	**150.05**	
WS-03	**602193**	**2517682**	**456.7**	**45**	**-60**	**NIL**	**141.2**	**141.2**	
WS-04	**602601**	**2516983**	**453.3**	**0**	**-90**	**NIL**	**149.95**	**149.95**	
WS-05	**602335**	**2517540**	**456.0**	**45**	**-60**	**NIL**	**133.55**	**133.55**	
WS-06	**603175**	**2517017**	**456.2**	**45**	**-60**	**NIL**	**119.5**	**119.5**	
WS-07	**602476**	**2517399**	**454.7**	**45**	**-60**	**NIL**	**132.5**	**132.5**	
WS-08	**603456**	**2516475**	**455.9**	**45**	**-60**	**NIL**	**150.6**	**150.6**	
WS-09	**602619**	**2517257**	**454.4**	**45**	**-60**	**NIL**	**150.4**	**150.4**	
WS-10	**603350**	**2516651**	**456.0**	**45**	**-60**	**NIL**	**122.95**	**122.95**	
WS-11	**602334**	**2517751**	**496.5**	**0**	**-90**	**NIL**	**103.7**	**103.7**	
WS-12	**602848**	**2516693**	**453.0**	**0**	**-90**	**NIL**	**132.05**	**132.05**	
WS-13	**602390**	**2517719**	**481.8**	**0**	**-90**	**NIL**	**67.1**	**67.1**	
WS-14	**602148**	**2517850**	**457.2**	**0**	**-90**	**NIL**	**150.4**	**150.4**	
WS-15	**602028**	**2517939**	**457.3**	**0**	**-90**	**NIL**	**147.2**	**147.2**	
WS-16	**602674**	**2516586**	**452.1**	**0**	**-90**	**NIL**	**89.4**	**89.4**	
WS-17	**602370**	**2517479**	**454.9**	**0**	**-90**	**NIL**	**173.1**	**173.1**	
WS-18	**602378**	**2517366**	**454.6**	**0**	**-90**	**NIL**	**170.4**	**170.4**	
WS-19	**602181**	**2517590**	**455.8**	**0**	**-90**	**NIL**	**152.5**	**152.5**	

WS-20	**602168**	**2517758**	**457.0**	**0**	**-90**	**NIL**	**165.45**	**165.45**	
WS-21	**602233**	**2518101**	**458.4**	**0**	**-90**	**NIL**	**116.4**	**116.4**	
WS-22	**601762**	**2518465**	**459.9**	**0**	**-90**	**NIL**	**128.5**	**128.5**	
WS-23	**602217**	**2517768**	**458.9**	**0**	**-90**	**NIL**	**62**	**62**	
WS-24	**602124**	**2517749**	**456.6**	**0**	**-90**	**NIL**	**205**	**205**	

Sample Analysis Method

The pulverized samples were analysed for Copper digested by four acid digestions followed by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometry); for Gold using 50g Fire Assay followed by AAS (Atomic absorption spectroscopy). Another 32 elements including Zn, Ag were analysed by four acid digestions followed by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometry). Please refer to Appendix 1 for details.

Estimation Methodology

Datamine Studio© was used for resource modelling and estimation and Snowden Supervisor© software for KNA and geostatistics. Snowden Supervisor software© was also used to create directional pair-wise relative variograms on copper and gold composites. Only composites within mineralized wireframe were used for variogram analysis. A nested spherical variogram was modelled for composited Copper and Gold.

Block model grades for Copper and Gold were estimated by Ordinary Kriging. Kriging neighbourhood analysis was carried out to optimize parameters for good confidence estimate.

Besides Ordinary Kriging, ID2 was also tested. Please refer to Appendix 1 for details.

Classification Criteria

Mineral Resource classification was done based on geological/mineralization continuity, estimation quality and validation. The scorecard system was used wherein 50% weight was assigned to estimation methodology, validation and quality of estimate (this includes Kriging variance, Kriging Efficiency, Regression slope, number of composites and number of holes to estimate a block) and 50% on geological and mineralization continuity. Refer Appendix 1 for further details.

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APPENDIX -1

Table below covers sections 1, 2 and 3 of Table 1 of Appendix 5A of the JORC Code.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling data includes Drill Core and RC Chip Samples. Diamond core drilling (DC) and reverse circulation (RC) drilling were used to obtain samples for geological logging, sampling and assaying. Reverse circulation drilling (RC) is from Alara 2012 and from 2016 infill drilling. A total of 58 drill core (DC), 17 RC (including 8 water monitoring holes) and 8 RC/DC or DC/RC are drilled. RC chip samples were routinely collected in calico bags and chip box trays at 1 m intervals; In areas expected to be waste, samples are at times combined into 2 m intervals. Average sample length of DC and RC samples is 1m. Sample intervals honour geological boundaries. Both logging and sampling is done following industry standard to assure high quality of sampling. • To ensure representative sampling, drill cores were marked considering lithology, mineralization intensity then sawn. RC drill holes are generally sampled systematically at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3 or more kg. RC Overweight samples (>3kg) were re-split with portable riffle splitter to about 1.6 – 2.5 kg to generate sample sent to lab for analyses.

Criteria	JORC Code explanation	Commentary
		• Sampling is systematic and unbiased. Samples selected for sampling and subsequent sample preparation and chemical analysis are based on geological logging with sample breaks after appropriate sampling interval (average length of sample is 1m) or at rock unit contact. Competent Person reviewed sample preparation and analytical methods used at laboratory. Details in the form of sample flowsheet have been generated. • The DC and RC samples after QC samples inserts, packing and shipping to laboratory were checked against sample submittal form, dried, crushed to min. 70% passing 2mm and a split of up to 1200 g (250g in case of 2016 Infill drilling) was taken and pulverized to better than 85% passing a 75 micron. The resultant pulp was then analyzed. The pulverized samples were analyzed for Copper digested by four acid digestions followed by ICP-OES; for Gold using 50g Fire Assay followed by AAS. The rejects after pulverization, were stored by the lab for future use. Pulverization and Crushing at the laboratory was checked by Grind QC tests.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The project has been drilled using diamond drill core (DC) drilling technique and reverse circulation (RC) technique to obtain the samples. A total of 58 drill holes has been drilled using DC, 17 drill holes have been drilled using RC (including 8 holes which are water monitoring holes); 8 drill holes are drilled as a combination of RC and DC. Drilling diameter of drill holes drilled prior Alara is not known. With respect to Alara drilling, 59% were drilled by HQ diameter, 26% by NQ diameter and remaining 15% by PQ diameter. RC Drilling was conducted using a reverse circulation rig with 115mm to 133mm face-sampling bits. Diamond drilling in the 2016 infill drilling program was conducted only in drill holes where it was difficult to proceed with RC drilling or where there were mechanical problems or where ground water was encountered in the hole (Only two holes WH16RD013 from

Criteria	JORC Code explanation	Commentary
		92m up to end of hole and WH16RD015 from 74m up to end of hole out of 6 were converted to diamond core drilling).This change to Diamond core drilling in two holes were proactive decision to ensure sample recovery. None of the drill holes provided oriented core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• High core recovery of plus 90% from all mineralized intervals was achieved from all drill core intervals. Recovery measurements are poor in broken rock and this was reflected in the lesser weight of the samples. A quality drill rig and experienced team assured that a high core recovery was achieved from all drill holes. Diamond drilling used drill muds and short runs in broken ground to maximize recovery • RC samples were weighed on a regular basis and no sample recovery issues were encountered during the drilling program. In the few cases where core recovery was reported as nil, were duly recorded as gaps. • RC samples were collected in plastic bags directly from the cyclone and laid directly on the ground in rows of 10. The sampling cyclone and sample buckets were cleaned between rod changes and after each hole to minimize down hole and/or cross contamination. RC Overweight samples (>3kg) were re-split with portable riffle splitter to about 1.6 – 2.5Kg. • Relationship between sample recovery and grade was not carried out as no issue of core loss has been encountered.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies, and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC and Core Drill holes were logged for geological and geotechnical logging following standard operating procedure designed and supervised by Competent Person. Output of logging provided all data required for reporting of exploration results, mineral resource estimation, and basis for mining and metallurgical studies. • Quantitative logging has been carried out where in length of interval logged and sample recovered is recorded. The minerals and % of minerals have been estimated. A qualitative description has been provided where ever required. Drill core photography has been done with a small board on which borehole number, core box number and

Criteria	JORC Code explanation	Commentary
		drill core interval is marked. The entire drill holes length was logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality, and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill core samples were split by saw or manually (manually in case of crushed material in tectonic zones or sandy material in the first few initial meters of drilling). Drill core samples represents adequate half core samples except for 25 samples were 1/4 core has been used. • RC drill holes are sampled dry at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3 or more kg. Overweight samples (>3kg) were re-split with portable riffle splitter to about 1.6 – 2.5 kg. The samples were packed in plastic bags and were then put into uniquely numbered calico bags and further packed in a steel trunk before dispatching to the laboratory with a clear submittal form. • The samples received at the laboratory were checked against sample submittal form, dried and crushed to 70% -2mm then rotary split off up to 1500g (250g during 2016 drilling program); the split was pulverized to better than 85% passing a 75 micron. Pulverizer bowls were carbon steel. Details for sample preparation are included in the Alara sample flowsheet. Sampling preparation is at high quality standards and consider appropriate. Premium rotary splitting procedure was used during 2016 infill drilling program in laboratory. • There was no inappropriateness observed with respect to RC/ Drill Core sample preparation. Sample preparation technique is considered as appropriate for Mineral Resource Estimation. • Quality control was adopted for all sub-sampling stages. During initial sub-sampling while drill core splitting, adequacy of splitting was checked by project geologist to ensure that splitting is not biased. For RC samples field duplicates has been obtained and inserted into sample stream. Pulverization and Crushing at laboratory was controlled by Grind QC tests. Field blanks were inserted into the sample stream to check for contamination. Check samples from pre Alara drilling (e.g. Pilatus drilling) in the form

Criteria	JORC Code explanation	Commentary
		of 1/4 drill core then Field Duplicates has been implemented. Quality control adopted along with continuous supervision on drilling by Alara responsible geologist as well as supervision on drill core splitting are considered to be sufficient measures to ensure representativeness of the sampling. The results of field duplicates inserted into sample stream are satisfactory. • Industry standard sample preparation by accredited labs has been used. Sample sizes are appropriate for the commodity and higher amount of pulverized material (split of 1.2 kg after crushing) was used to reduce a possible "nugget effect".
Quality of assay data and laboratory tests	• *The nature, quality, and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The pulverized samples were analyzed for Copper digested by four acid digestions followed by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometry); for Gold using 50g Fire Assay followed by AAS (Atomic absorption spectroscopy). Other 32 elements including Zn, Ag were analyzed by four acid digestions followed by ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometry). The technique used is considered total. Assaying and laboratory procedures are considered appropriate for the commodity. • Terraplus instrument has been used to take magnetic susceptibility readings from drill core; and handheld XRF was used to determine material element concentrations for exploration guidance and aid. The data is not used in Mineral Resource Estimate. • Competent Person reviewed laboratory QA/QC (lab internal QA/QC) procedure and results and external QA/QC (Quality control samples inserted by Alara) procedures and results. Alara quality control procedure is well documented. External QA/QC includes certified reference materials (standards), Field blanks, Field duplicates, Check Samples and Check Assays. Acceptable levels of accuracy and precision have been established. Grind tests have also been done.

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Calculation of drill hole intersections used as a part of the exploratory data assessment was verified by re-calculation of selected intersections by second personnel of independent company. Selected analyses are confirmed in form of check assays by check assay laboratory which is independent and is the primary assay laboratory's competitor. All analytical values of each individual sample were verified against signed laboratory PDF certificate. • Nearest hole analysis has been carried out as part of data verification of the previous drilling. • All compiled data was checked for errors and missing data. Missing data was requested from site geologist and was used for database update by Competent Person. Dataset was checked for logical errors, i.e. transposition of intervals, mislabeling of data, missing data, etc. Several dozen essentially trivial transposition errors were found as well as minor discrepancies between maximum hole length and the maximum depth of the last sample in that hole. Lithological codes were created from available Lithology information. Minor lithological coding errors were also found; all errors were corrected. To save time on data compilation and database updates CP decided to create a Data Entry template to enter all data from drilling in a proper database format. This has helped immensely in database update; 3D holes file update and QAQC assessment. Electronic data are backed up at secure FTP location and physical data including primary are stored at project site and Alara office in Muscat. • Remaining drill core (second half core) is available for all of the Alara drill hole intervals and can be used for future studies and/or confirmatory testing. RC Chips are stored in calico bags in dry storage and available for all drill hole intervals for future studies and/or confirmatory testing. • Assay data was not adjusted.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings, and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes Collar data were surveyed using DGPS. Multi shot Downhole Survey has been done on selected holes, no significant downhole survey deviation has been observed in these holes. • Coordinate system UTM, Zone = 40 North, Datum Transformation = WGS 84 has been used. • Drilling area is covered by topographic survey with high accuracy. The ground levels at an average of 10 meter interval has been taken and the contour drawing at 0.20 meter interval has been prepared after control points at project site has been established.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• This announcement relates to Mineral Resource Estimate and not the exploration results. The MRE is based on sufficient drilling information. Drill hole collar location indicating appropriate drill spacing is presented under Figure-3. • Data spacing and distribution is sufficient for resource category presented. Drill spacing is adequate to define the geological and grade continuity for Mineral Resource. Classification has taken into account data/estimation quality and drill spacing. • Sample compositing was applied only during the resource estimation process. Sampling compositing was not applied during sampling or on sampling data before calculating drill hole intersections.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• After data visualization in 3D, the Competent Person concluded that drilling orientation doesn't introduce sampling bias. Drill orientation varies by drilling campaigns and company. 43 drill holes are drilled in azimuth 45 to 52 degrees; 40 drill holes are with azimuth 0 degrees (including 39 drill holes drilled as vertical). • Orientation of drilling and drill location has not been found to have an impact on sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Security of samples was maintained very well from dispatch of samples up to data storage. Samples in the form of half core, RC chips, coarse rejects are stored at project site; some rejects are stored

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		in the laboratory and will be transported back to the project site. Transport to the laboratory was done using professional couriers and secure, meeting all necessary requirements for chain of custody. Tracking sheets were implemented to track sample progress.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data was reviewed in detail. During the site visit in 2012, 2013 and 2016 Mr. R. Sharma (Competent Person) confirmed the pillar of Alara and pre Alara drill holes. Mr. Sharma (Competent Person) in 2012 instructed to survey all holes using DGPS. Collar data was checked using DTM and compared with historical records. The site visit by included a review of logging spot checks, sampling and logging procedures as well as geology. Mr. Sharma visited the Al Hadeetha project site on several occasions during June 2012, May 2013 and in May 2016.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Washihi Exploration license of Al Hadeetha Copper - Gold project is held by Al Hadeetha Resources LLC. Al Hadeetha Resources LLC is a limited liability company incorporated in the Sultanate of Oman. Shareholders in the company are Alara Oman Operations Pty Ltd (70%) a wholly owned subsidiary of Alara Resources Ltd and Al Hadeetha Investments LLC (related to the Al Naba Group of Companies). Alara Resources Limited (ASX: AUQ) is an Australian based minerals exploration and mining company with a portfolio of projects in Saudi Arabia and Oman. • Exploration license with a total area of 39 km2 covering Washihi Copper - Gold mineralization was granted in January 2008 and has been renewed annually since then, with the most recent renewal in

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		March 2016. • An application for Mining License (ML) over an area of 3.1 sq.km within the Exploration License was submitted in April 2012. The ML application has since been processed and inspected by several Government Regulatory authorities including Ministries of Tourism, Housing, Archaeology, Defense, Water Resources, Environment, Local Municipality etc. The Al Hadeetha Copper Project executive report has been submitted to the Public Authority for Mining and the Company is not aware of any reason why the license would not be issued in order to meet the proposed production schedule commencing in 2018. • If there is mineral production within the license area all applicable royalties will be payable to Government. • Appropriate consents have been obtained from local communities around the license area in support of grant of ML. • Exploration license of Washihi Copper - Gold project is held by Al Hadeetha Resources LLC. Al Hadeetha Resources LLC is a limited liability company incorporated in the Sultanate of Oman. Shareholders in the company are Alara Oman Operations Pty Ltd (70%) a wholly owned subsidiary of Alara Resources Ltd and Al Hadeetha Investments LLC (related to the Al Naba Group of Companies).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Washihi prospect was discovered during the course of regional reconnaissance by Prospection Ltd. during 1976-1977. They carried out 1:2000 scale geological mapping, geophysical, geochemical surveys and drilled ten diamond drill holes. The geophysical surveys included Pulse electro-magnetic and ground magnetics. Soil samples were taken. • Exploration work by Ministry of Petroleum and Minerals: Geologists from the Ministry of Petroleum and Minerals reviewed the work undertaken by Prospection Ltd. in their report. The report concluded

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		that the Prospection Limited drilling intersected a moderate amount of copper mineralization. • BRGM undertook regional scale mapping (1:100,000) as well as a review and work program over a number of prospects including the Washihi prospect. More detailed investigations on Washihi were limited to the compilation and reinterpretation of previous work on the prospect including examination re-logging and limited re-sampling of drill holes from the Prospection Ltd. work. • World Geosciences Corporation (WGC) undertook an airborne geophysical survey and interpretation over the area during 1995/1996. The WGC survey collected magnetic and gamma ray (radiometric) data and digital elevation data. • Exploration work by National Mining Company (NMC) reviewed the Prospection Ltd. drill logs. They did an initial geological survey on 1: 10,000 scale for about 10 km2 area. In addition, limited surface outcrops were sampled away from the gossan. They made a data set of ground geophysical survey on Washihi prospect by WGC in 1997, a basis for further exploration. Their drill targets were based on the geological mapping and geophysical data. NMC drilled 15 holes in two drilling programs following the WGC recommendation of targets. • Exploration work by Pilatus Resources Oman (PRO). After receiving the Exploration License and evaluation of all the previous data and records PRO decided to conduct the exploration on the following three lines: Structural survey, Geochemical survey and Drilling.
Geology	• *Deposit type, geological setting, and style of mineralization.*	• The area is largely underlain by the Samail Ophiolite, with the Hawasina nappes appearing at the front of the Samail Nappe in Jabal al Hammah as well as in windows in Wadi Andam and Wadi Musfa. • The area around the Washihi Prospect is structurally complex and a large part of it is covered by wadi gravels. The area contains limited outcrops of several different geological units. The Washihi gossan outcrops in the center of the area surrounded by ophiolitic basalts and

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		associated sediments. At the northeast of the gossan and southwest of Wadi Andam, the geology of Washihi prospect is in form of a mixture of sedimentary and igneous features. As the area is mostly devoid of any outcrops and most of the rock outcrops are covered under alluvial sediments, the interpreted geological map was developed based on the interpretation of alterations zones observed after ground geophysical surveys.
		• In general, Washihi copper mineralization (and gold) is typical in style of Volcanic Hosted Massive Sulphide with majority of copper occurring as stock work of sulphide mineral veins injected in to light grey basalt along with silicate veins forming highly brecciated host basalt. The recent drilling also has identified presence of Massive Sulfide lens overlying these stockworks indicating formation of black smokers on ocean floors.
		• The copper ores are dominantly CHALCOPYRITE, which occurs as discrete grains between 50 µm and 100 µm. There is a small proportion that is composite with pyrite. A small proportion of the copper is present as BORNITE, either discrete or with chalcopyrite. The contained GANGUE consists of discrete PYRITE which is about equivalent to the composite pyrite with chalcopyrite and of similar overall dimensions usually between 20 and 50 µ.
		• Although the mineralization as intersected in cores appears uniform and coherent throughout the orebody but detailed logging identified the following types of stock works -
		  ○ Banded jasper-chert-sulphide associated with gossan cap in form of hill above surface
		  ○ Pyrite-rich margins
		  ○ Pyrite-quartz breccia

Criteria	JORC Code explanation	Commentary
		○ Massive pyrite/ semi massive chalcopyrite ○ Quartz-pyrite stockwork ○ Chalcopyrite-pyrite stockwork ○ Wall rock alterations: Chloritic – sericite alteration noticed throughout the mineralization with occasional jasper fillings especially associated with high chalcopyrite veining. ○ Over printing of Iron oxides observed associated with ground water zones.
Drill hole Information	• *A summary of all information material to the understanding of[* • • *f the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The collar locations, survey data, drill hole length, logging data and other data related to drilling were reviewed by Competent Person before Resource Estimate. Drill hole intersections of Cu and Au were generated before resource estimation as part of exploratory data assessment. • Competent Person reviewed all data related to drill hole information and no exclusion has been made.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Drill hole intersections were generated before resource estimation as part of exploratory data assessment and are not part of this ASX/media release. Drill hole intersections of Copper and corresponding Gold mineralization were generated as length weighted average, no top cut has been applied, Cut-off grade applied at 0.2 Cu % is potential economic cut-off to delineate potential mineralization. The cut-off also represents natural break/ sharp change in assays. Cut-off grade 0.2%

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	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Cu, used in exploration results reporting represents a likely optimum cut-off grade for delineating potential mineralization. • In exploration results reporting, the Drill hole intersections of Copper and corresponding Gold mineralization were generated as length weighted average, no top cut has been applied. Cutoff grade applied is 0.2 Cu % or natural break. • In exploration results reporting Cu and Au, grade for particular drill hole intersection was calculated as length weighted average to give same weight to all samples of particular drill hole intersections. • No assumptions of metal equivalent have been used.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drill hole intersections results are reported as down hole lengths. True thickness has been taken in account while conducting a 3D interpretation for Mineral Resource Estimate. • The mineralization is daylighting in north-east and dipping in south-west. Drill hole intersections are tabulated as down hole lengths for all holes with no respect to DIP of the hole. • Drill hole intersection are reported only as down hole lengths. True width has not been calculated and reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Following Diagrams are provided o Location Map of Washihi Deposit and General Topography of License area – Figure 1 & 2 o Drill Hole Location – Figure 3 o Orebody Cross Sections – Figure 4
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill hole intersections as an outcome of exploration were generated and evaluated from all drill holes. This includes both high grade and low grade intersections.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and*	• Geology of the project area, results of the geophysical survey, geochemical survey, geological observations, specific gravity testing, summary of multi element analyses of samples were studied and

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Criteria	JORC Code explanation	Commentary
exploration data	*method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	evaluated by the Competent Person before resource estimation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• While the immediate focus of work will remain on the development of mining of current resources at Washihi, further exploration work will involve evaluation of exploration targets within the license area. There are 5 exploration targets identified in the area. Please refer to *ASX Media Release of 14th October 2014: Positive Advanced Scoping Study Outcomes* ○ WH01 - Smooth elongated RTP mag low along a NW-SW lineament; suggesting mag source is at depth. Anomaly shape suggests a SW dip as encountered in drill core. Washihi JORC mineralization reported ○ WH02 - This target incorporates three features. 1) RTP mag low along same trend as WH01 where anomaly wavelength suggests a shallower source to WH001. 2) In the same zone exists presence of RTP mag high and 3) Broad complex RTP mag lows which possibly a part of the same mineralization system as the known Washihi mineralization to the SE and possible feeder zone to the entire Washihi mineralized system. ○ WH03 - Elongate RTP mag low, parallel to the strike of the known Washihi mineralization. Similar character. Possible repetition of Washihi lithology / mineralization ○ WH04 - Elongate RTP mag low, along strike from WH03. Similar character ○ WH05 - All remaining unexplored parts of Washihi tenement Planned exploration would include geophysical surveys (TEM and IP, Gravity) to position drill collars, RC drilling for target testing followed by definitive core drilling for successful targets.

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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database used in this Mineral Resource Estimate (MRE) comprises of 83 drill holes drilled by Prospection, NMC, Pilatus and Alara. Detailed data verification and QA/QC procedures were followed before using this data for the MRE. 75 drill holes are resource drill holes; remaining 8 drill holes are water-monitoring boreholes. • Alara has carried out nearest hole analysis as part of data verification of previous drilling. • The MS Excel spread sheet, detailing the source of information and verification process adopted in all data tables (collar, survey, geology, assay, recovery, specific gravity, magnetic susceptibility) for each hole has been documented. • As an additional assay verification step, historical assay data (e.g. Prospection) was checked using cross sections with assay histogram published in original historical report. Selected historical Assays (e.g. Pilatus) have been verified through check samples. • All Drill holes drilled by Alara have been surveyed by GMAP LLC, Oman using DGPS. Alara has surveyed using the same technique and the same company, the drill holes drilled by Pilatus and NMC. The re-survey data has been compared with the original Pilatus and NMC information and no significant difference has been noted. This gives confidence on historical collar data. • Alara has done downhole survey for 11 non-vertical holes. Deviation, change in dip and azimuth has not been significant. Down hole survey data was checked for kinks. Verification was done visually and statistically in the form of DIP change per meter and BRG (azimuth)

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		change per meter histogram. • To avoid any data compilation errors of analytical data, and as independent data verification checks, approximately 80 % of the laboratory-supplied CSV format assay certificates used in assay data compilation were verified against PDF certificates provided by the lab.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr. Ravi Sharma during site visit reviewed geology, mineralization controls, density determination, drilling, logging, and sampling. Beside this, he confirmed pillar of some drill holes from previous drilling campaigns and requested Alara for DGPS survey of all holes. • Mr. Sharma visited the Al Hadeetha project site on several occasions during June 2012, May 2013 and in May 2016.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Geological interpretation of Al Hadeetha project is based on drill hole interpretation and logging data. Interpretation has been done by Competent Person and discussed with the qualified geologist working for the project since 2012. All data used are available for review in digital or analog format and there is good confidence in the current interpretation. The geological and mineralization continuity has been demonstrated to 100 % by results of the 2016 infill drilling program. • The two-dimensional sectional interpretation was carried out using the drill holes. This was carried out section-by-section incorporating geological, structural and assay information from drill holes. Sections were created at an approximate distance of 40 m based on the number of holes passing through or near the section. These sections were used to define a mineralized shell at a cut-off of approx. 0.2 % Cu or natural break in assays. The digitized section polygons were used to create mineralized shell wireframe. • The geological and structural control on mineralization is clearly understood based on current drilling data. The best modeling method to interpret geological and mineralized grade shell were used. Other methods like probability model, were not attempted as it was not required due to a clear understanding of geology. Logging data (litho

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		codes, alteration, structural and other) along with grade histogram has been used during sectional interpretation. Structural data, Logging data and drill core photographs helped to identify and model structure in the north-west part of the Washihi mineralization. The mineralization shape on either side of this structure indicates this structure to be pre-mineralized. The fracture data in logging information suggests the flow direction of mineralized fluid. • Continuity of copper mineralization is well understood in the area of resource estimation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Resource is approximately 800 m in strike and approx. 160 m in width (central part). Mineralization starts near surface and goes down to approx. 250 m below the surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterization).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control*	• The two-dimensional sectional interpretation was carried out using the drill holes. Sections were created at approximate distance of 40 m based on number of holes passing through or near the section. These sections were used to define a mineralized shell at a cut-off of 0.2 % Cu or natural break in assays. The digitized section polygons were used to create mineralized shell wireframe (Copper - Gold Wireframe). 4.9 % Cu was used to cap copper assays and 1 g/t Au was used to cap gold assays. Capping was done based on probability plot on assay samples within mineralized envelope. Length weighted composites of 1 meter were created using Datamine software. Composites were created within mineralized wireframe. Compositing was done on capped samples. • Datamine Studio© was used for resource modeling and estimation and Snowden Supervisor© software was used for KNA and Geostatistics. Snowden Supervisor software© was also used to create directional pair-wise relative variograms on copper and gold composites. Only composites within the mineralized wireframe were used for variogram analysis. A nested spherical variogram was modeled for composited Copper and Gold.

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	the resource estimates. • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Block model grades for Copper and Gold were estimated by Ordinary Kriging. Kriging neighborhood analysis was carried out to optimize parameters for good confidence estimate. Besides Ordinary Kriging, ID2 was also tested. • The previous estimates from 2013 includes: 6.84 Mt Indicated at 0.90 % Cu and 0.17 g/t Au and 7.27 Mt Inferred at 0.71 % Cu and 0.20 g/t Au at 0.25 % Cu cut-off grade. Prior 2013 Mineral Resource 2.1 Mt Indicated at 0.70 % Cu and 0.17 g/t Au and 6.9Mt Inferred at 0.76% Cu and 0.16g/t Au was announced in 2012 at 0.00% Cu cut-off grade. No mining is done on the Washihi deposit. • No assumptions have been made regarding recovery of Gold, in mineral resource estimate. • Only Cu and Au are estimated. No Estimation of deleterious elements or other elements has been done. • Parent block size of 10 m in X direction, 10 m in Y direction and 5m in Z direction was created based on Kriging Neighborhood Analysis (KNA) in Snowdens Supervisor software. The KNA exercise analyzed various block sizes with various search neighborhood and variograms. Block of 10m X 10m X 5m gave best results of regression slope and Kriging efficiency. To preserve local grade variation, a search neighborhood strategy with three search ellipse was used. For first search, a minimum of 2 composites were required, with a maximum of 24. For second search, a minimum of 2 and maximum 32 and for third search minimum 2 composites and maximum 40. Condition of maximum three from one drill hole was maintained in all searches to avoid samples coming from one or two holes only to estimate blocks. This ensures minimum three holes to estimate a block. • No assumption behind modelling of selective mining units has been introduced.

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		• During sectional interpretation it was well noted that Gold is included in Copper intersections except in a few cases where it is not. Statistical evaluation of composite samples within wireframe has not shown correlation between Copper and Gold. • Only blocks within interpreted Copper wireframe are reported. Interpretation of Copper Gold wireframe is based on geological and assay information. • 4.9 % Cu was used to cap copper assays and 1 g/t Au was used to cap gold assays. Capping was done based on probability plot on assay samples within mineralized envelope. • Block model has been validated through visual checks in section and plan view between block model and composites, the statistical validation checks were carried out to validate model. Swath plot has been generated and evaluated for different slice sizes and for all directions (X, Y, Z)
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnage is estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Washihi mineral resource is reported at 0.25 % Cu cut off and Gossan inferred resource at .25 g/t Au. The cut-off grade for reporting resource is based on reasonable level of operating cost parameters, assuming 1:4.5 strip ratio, 95 % Cu recovery, and 30 % Au recovery, 2.8 $/lb. long term copper price and 1300 $/ounce gold price. The operating cost assumptions and recovery data was provided by Alara. Mining cost 1.5 $/t, processing 6.93 $/t milled, grade control and mine supervision 1.79 $ t/milled, total to 16.97 $/t milled, which approximately corresponds to extraction of cost of one tome of ore with .25 % Cu and .25 g/t Au.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding*	• Open pit mining method is considered based on the near surface mineralization. The internal waste/ dilutions for intersections considering this will not be mined separately. Block height of 5 m is considered assuming 10 m mining bench. Mining factors such as SMU size or strip ratio has not been assumed. This will be taken up at

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	mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Mineral Reserve calculation.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical factors assumptions have been used in Mineral Resource Estimate.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a Greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No environmental factors assumptions have been used in Mineral Resource Estimate.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size, and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture, and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the*	• Bulk density determinations are made on selected diamond drill samples using Exova lab, Muscat, Sultanate of Oman following International Society for Rock Mechanics (ISRM) procedure. Samples were selected to cover lateral extent, vertical extent, different rock type, alteration, and grade. Tonnages are estimated on a dry basis. • Constant density factor was assigned to the block model. A factor was not applied to account for void spaces or moisture. • Density data are considered appropriate for use in Mineral Resource Estimate.

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	evaluation process of the different materials.	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resource classification is based on geological and mineralization continuity, estimation quality and validation. The scorecard system was wherein 50 % weight was assigned to estimation methodology, validation and quality of estimate and 50 % on geological and mineralization continuity • The estimation quality includes 5 parameters - kriging variance, regression slope, kriging efficiency, number of holes used to estimate a block and number of composites used to estimate a block. With 10 being the maximum score for each parameter, the block model values for these 5 parameters were converted to arrive at discrete score for each block. The areas of geological continuity and mineralization continuity were reviewed in plan and section, areas of interpolation and extrapolation were identified. Based on this, the areas were assigned as very high geological confidence (50 marks), reasonable to high geological confidence (40 marks) and lower geological confidence (30 marks), The sum of all the scores (max of 100 marks) was used to arrive at a score for the block. Blocks with a score of more than 90 were considered for measured (no blocks are above 90 in the current resource) blocks with a score of 70 to 90 are classified as indicated and blocks with a score of less than 70 are classified as inferred. • The block model was reviewed in plan and sectional view. The blocks with a score of above 70 were used to create an Indicated resource boundary. • This was used to avoid spotty appearance. Classified block model was reviewed in section in relation to drill density before finalizing the classification. • This approach is considered appropriate taking care of all relevant factors. The recent infill drilling program has confirmed grade and

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		tones of already defined MRE of 2013 giving confidence on understanding of geologic and mineralization continuity.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The geological interpretation was reviewed by the Alara geologist. No independent review has been carried out on resource model. Internal peer review has been conducted.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No statistical comparison of relative accuracy has been attempted with regards to mine production accuracy as no production data is available. Washihi has not commenced production at this stage. • Block model has been validated in detail (e.g. Swath plot for X, Y, Z and at different slice sizes). • Block model validation explains the estimates are reasonably accurate with global and local variability.

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Competent Person Statement

The information in this report that relates to JORC Resources in relation to the Al Hadeetha Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravi Sharma, who is a Chartered Member of The Australasian Institute of Mining and Metallurgy. Mr Sharma is an independent 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, 2012 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. This includes Mineral resource table and content related to data verification, QAQC, sample preparation and Mineral resource methodology and classification in JORC Table 1.

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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 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