

ASX/MEDIA RELEASE

Thursday, 28 July 2016

AL HADEETHA COPPER-GOLD PROJECT UPDATE WASHIHI INFILL DRILLING RESULTS

Alara Resources Limited (ASX: AUQ) (Alara or Company) is pleased to report the results of the recent drilling program completed at the Washihi Exploration License in Oman.

Six boreholes of between 80 to 244 meters in depth were drilled in targeted regions of inferred mineral resource, with the objective of increasing confidence in the continuity of mineralization and providing potential to upgrade more Inferred resource to the Indicated category.

In addition to providing confidence that the Washihi resource estimates can be upgraded in the upper levels of the deposit, the drilling program also identified previously unknown high grade copper and gold mineralisation.

Multi element analysis of samples from the drilling program is now complete and the results are being incorporated into the Washihi resource model.

The revised resource model will be announced as soon as possible, but is expected next month.

A complete listing of all drill hole intersections is provided as Table I below. Notable intersections include:

- WH16RD013 with **61 m @ 0.48 % Cu, 0.18 g/t Au including 6m @ 1.13 % Cu, 0.16 g/t Au**
- WH16RD014 with **6 m @ 1.22 % Cu, 0.25 g/t Au**
- WH16RD015 with **7 m @ 2.93 % Cu, 2.71 g/t Au, 22.37 g/t Ag and 34 m @ 1.19 % Cu, 0.27 g/t Au**
- WH16RD018 with **88 m @ 0.72 % Cu including 12m @ 1.28 % Cu and 11m @ 1.10% Cu**
- WH16RD019 with **11 m @ 4.69 g/t Au, 0.31% Cu, 17.85 g/t Ag**

and as previously announced:

- WH16RD012 with **5m @ 3.29% Cu, 5.04 g/t Au, 21.72 g/t Ag**

Note: WH16RD012 intersection of high grade Cu and Au mineralization in massive sulphides outside existing mineral resource model.

The program included a total of 851.9 meters drilled vertically using Reverse Circulation drilling method. Two drill holes began with RC drilling but converted to Diamond Core Drilling due to technical difficulties encountered with the rig. This step was proactively taken to ensure good sample recovery.

Alara employed a rigorous QAQC program. Drill Core was sampled and saw split in Oman. Split half core samples together with RC samples and QC samples were shipped to ALS Laboratory, Jeddah, Saudi Arabia for crushing, pulverization and chemical analyses. A total of 581 samples (excluding QC samples) were submitted to ALS Jeddah for chemical analysis. Results of 75 samples were reported on 8th June 2016 (Drill hole WH16RD012).

ALS analysed all samples for Cu, Au and 32 other elements. Copper and another 32 elements were analysed by Inductively Coupled Plasma Optical Emission Spectrometry and Gold was analysed using 50g Fire Assay followed by AAS (Atomic absorption spectroscopy). The results received have passed QAQC carried out by competent person and are found to be accurate, unbiased and fit for the purpose to use in this announcement and for updating the existing mineral resource model. Check assays were performed on ore grade samples by independent laboratory at a minimum rate of 5%.

Table-I: Significant Mineralised Intersections.

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT Infill Drilling 2016								
Drill Hole	Significant Mineralization				Mineralized Zone			
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)
WH16RD013	Primary	48	109	61	0.48	0.18	0.05	1.06
	Inclusion	58	64	6	1.13	0.16	0.03	2.28
	Inclusion	108	109	1	1.18	0.28	0.11	3.30
WH16RD014	Primary	59	65	6	1.22	0.25	0.10	1.93
	Primary	87	94	7	0.21	0.25	0.24	1.01
WH16RD015	Primary	75	82	7	2.93	2.71	0.05	22.37
	Inclusion	78	80	2	4.99	3.11	0.06	32.10
	Primary	91	125	34	1.19	0.27	0.05	1.69
	Inclusion	106	122	16	1.79	0.22	0.03	1.14
	Primary	155	171	16	0.45	0.08	0.01	0.55
	Inclusion	160	162	2	0.95	0.09	0.01	0.80
WH16RD018	Primary	113	201	88	0.72	0.06	0.02	0.74
	Inclusion	135	147	12	1.28	0.07	0.03	2.17
	Inclusion	152	163	11	1.10	0.07	0.04	0.71
WH16RD019	Primary	12	13	1	0.11	1.90	0.07	1.00
	Primary	35	46	11	0.31	4.69	0.84	17.85
Previously Announced Results (ASX Release of 8th June 2016).								
WH16RD012	Primary	5.5	14	8.5	0.32	0.19	0.18	0.65

Primary	20	25	5	3.29	5.04	0.22	21.72
Inclusion	22	24	2	5.77	8.00	0.17	39.95
Primary	44	48	4	0.14	7.89	1.23	66.53
Inclusion	47	48	1	0.34	18.65	4.09	142.00
Primary	64	92	28	0.50	0.26	0.07	1.82
Inclusion	69	72	3	0.68	0.59	0.14	8.17
Inclusion	74	78	4	1.06	0.17	0.03	0.81

Notes to accompany Table I:

- The drill hole primary mineralised intersections have a 0.2% Cu cut-off grade which is a natural break/sharp change in assay results differentiating between mineralised and non-mineralised intersections.
- Grade cut off at 0.2% Cu is also a reasonable economic cut-off to delineate potential mineralisation.
- The intersection less than 0.2 % Cu within the primary intersection has been included as internal dilution, in order to have true representation of potential economic mineralized interval.
- The length is reported as down-hole length in a vertical hole.
- True thickness will be calculated at resource interpretation stage.
- The grade is reported as down-hole length weighted average grade.

The drill hole plan in Figure-I shows the location of the infill drill program relative to previous drill programs. The drill cross sections are provided as Figure-II, III, IV and V.

Figure-I: Infill drilling location plan

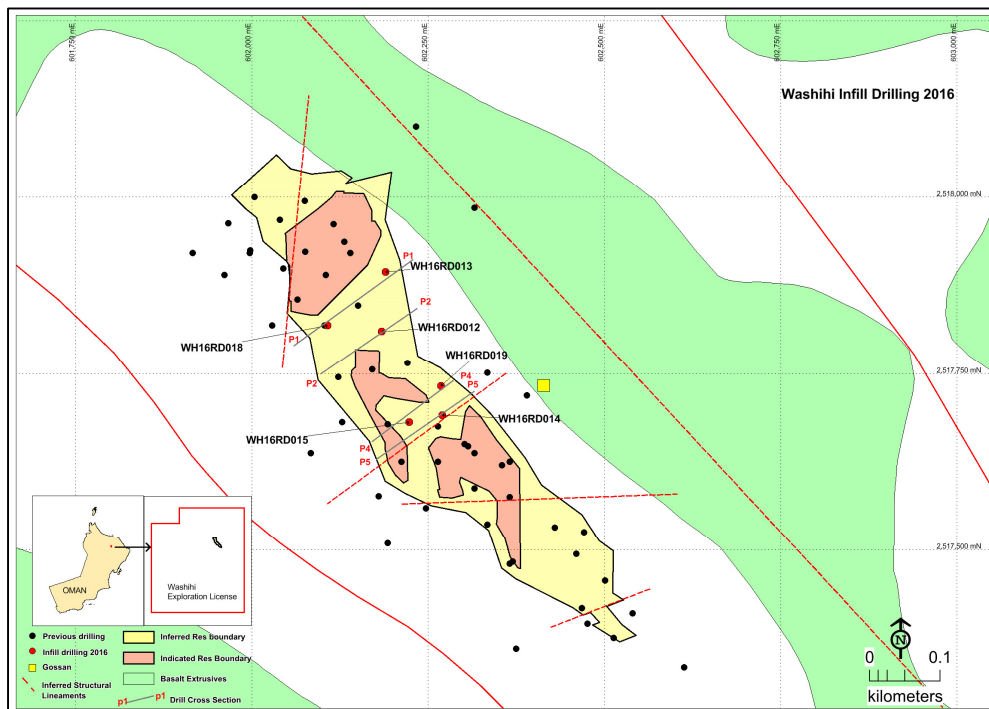


Figure-II: Drill Cross Section P1-P1

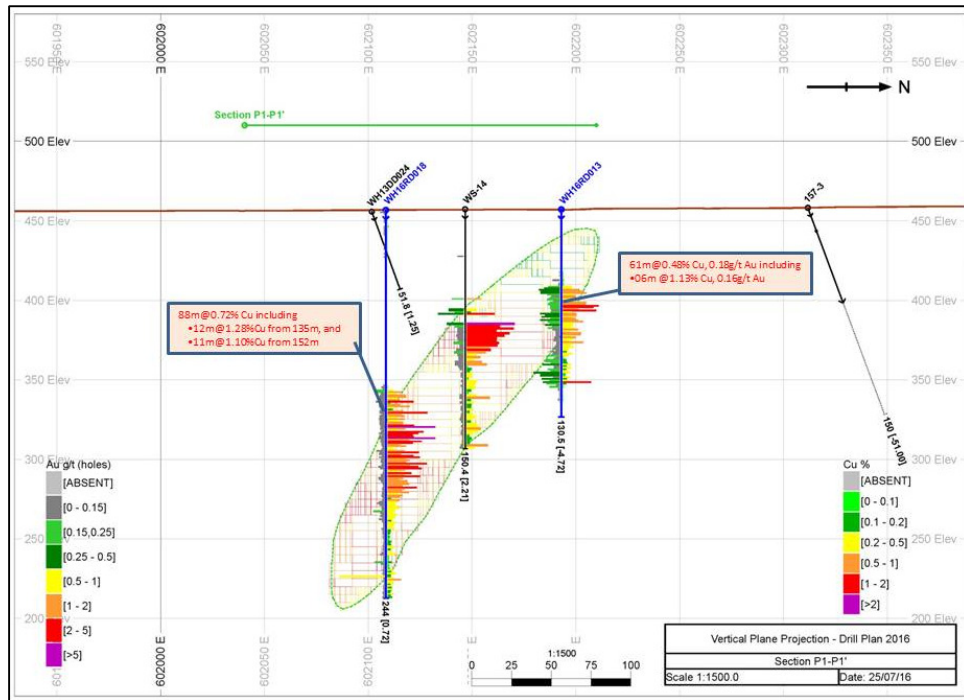


Figure-III: Drill Cross Section P2-P2

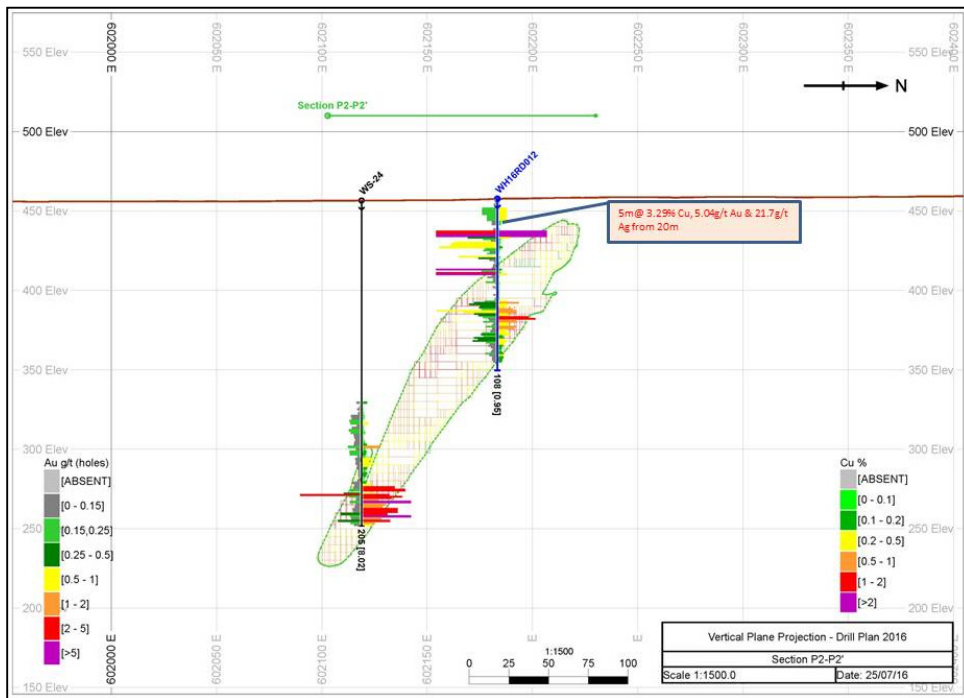


Figure IV: Drill Cross Section P4-P4

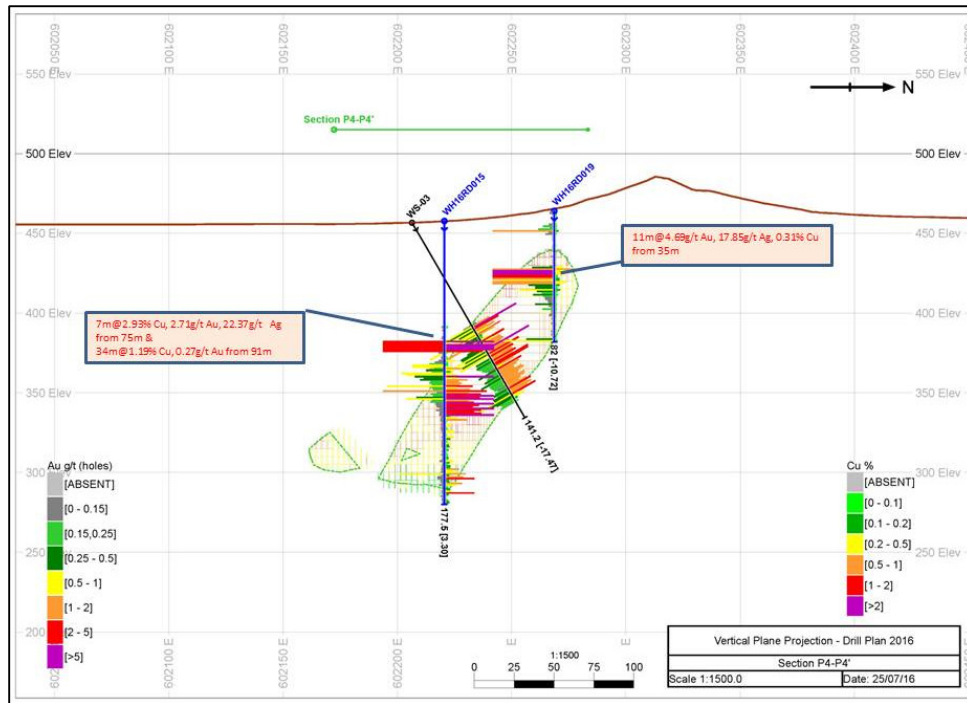
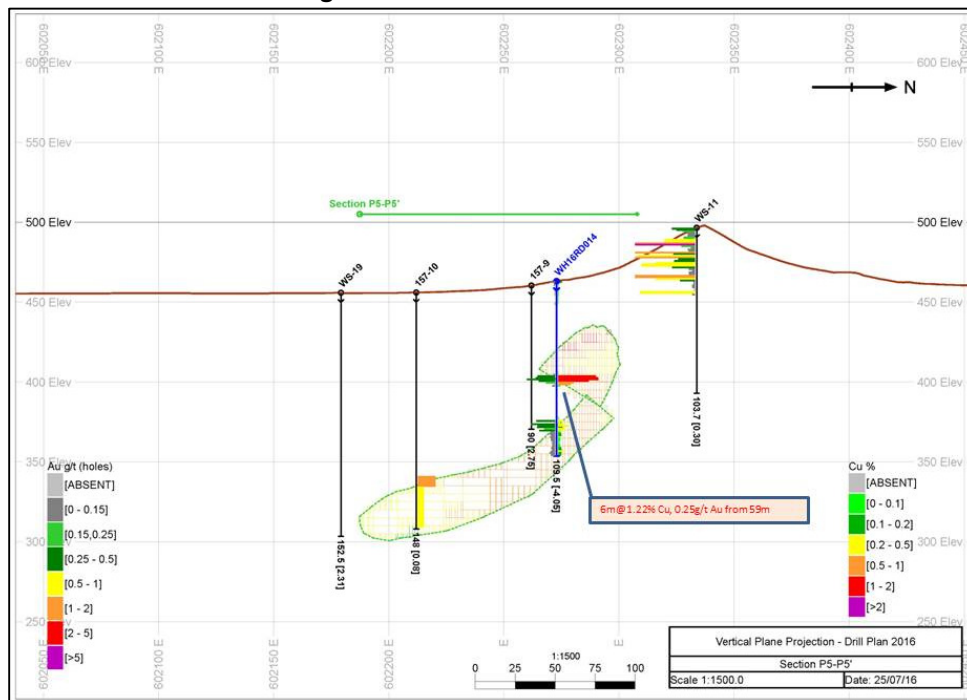


Figure V: Drill Cross Section P5-P5



APPENDIX –I: JORC CODE, 2012 EDITION - TABLE -1 REPORT

SECTION 1 SAMPLING TECHNIQUES AND DATA

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. 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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralization that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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</i> 	<ul style="list-style-type: none"> • Sampling data includes Drill Core Samples (DC Samples) and RC chip samples (RC samples). Diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging, sampling and assaying. Average sample length of drill core samples is 1 m; Average sample length of RC samples is 1 m. Sample interval boundaries honour geological boundaries. Both logging and sampling is done by highly experienced project geologist following industry standard to assure high quality of sampling. • RC drill holes are generally sampled 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. Drill core was marked considering mineralization intensity and then halved with a diamond saw to produce equal half core samples. Generally drill core sampling is done at 1m intervals with shorter or longer samples at geological contacts. • Sampling was 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 or at rock unit contact. • The DC and RC samples after QC samples inserts, packing and shipping to laboratory were checked against sample submittal form, dried and crushed to 70% -2mm then rotary split off up to 250g; the split was

Criteria	JORC Code explanation	Commentary
	<i>types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	pulverized to better than 85% passing a 75 micron. Pulverizer bowls were carbon steel. The resultant pulps were then analysed. The pulverized samples were analysed for Copper and other 32 elements digested by four acid digestions followed by ICP-OES; for Gold using 50g Fire Assay followed by AAS. After pulverization, lab stored all the rejects for future use. Pulverization and Crushing at laboratory was controlled by Grind QC tests.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).</i> 	<ul style="list-style-type: none"> • Diamond drilling and reverse circulation (RC) drilling were used to obtain samples. RC Drilling was conducted using a reverse circulation rig with 115mm to 133mm face-sampling bits. Diamond drilling was conducted only in drill holes where RC drilling was difficult to proceed or due to mechanical problems or encountered ground water in the hole. Diamond drilling was in HQ3 drill diameters. Standard tube was used. Only two holes (WH16RD013 from 92m up to end of hole and WH16RD015 from 74m up to end of hole) out of 6 were converted to diamond core drilling. Drill core was not oriented.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximize sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drill core recoveries from diamond drilling were recorded following standard logging practice by recording drill hole run length and recovered length. 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 less weight of the samples. RC samples were weighed on a regular basis and no sample recovery issues were encountered during the drilling program. While there was no sample recovery issue in the RC drill hole WH16RD012 (exploration results reported in ASX/MEDIA RELEASE Wednesday, 8th June 2016) the potential of getting into a recovery problem was identified in the holes WH16RD013 and WH16RD015 when ground water was encountered in

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		<p>the hole and made continuation of further RC drilling difficult. It was purely due to the mechanical incapability of the drilling rig which began to pump water through the sampling cyclone. That indicated potential to impact on RC sampling. The decision to convert the drilling method was proactive and professional judgment was used in identifying the issue as one that may impact recovery if continued, and due to this, it was switched over to drill core. This does not necessarily mean that a recovery issue occurred but that proactive steps were taken to ensure good sample recovery.</p> <p>No sampling recovery issue were observed. In one hole at one place where core recovery was reported nil is duly recorded as gap.</p> <ul style="list-style-type: none"> • Diamond drilling used drill muds and short runs in broken ground to maximize recovery. <p>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 minimise down hole and/or cross contamination. RC Overweight samples (>3kg) were re-split with portable riffle splitter to about 1.6 – 2.5Kg.</p> <ul style="list-style-type: none"> • Relationship between sample recovery and grade was not found while statistical evaluation of data. There is no observation and statistically not supported that sample bias due to loss/gain of fine/coarse material could occur.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in</i> 	<ul style="list-style-type: none"> • RC and Core Drill holes were geologically logged following Alara standard operating procedure. Basic geotechnical logging has been done Core drill hole intervals. Output of logging provided all data required for reporting of exploration results and following mineral resource estimation and future mining and metallurgical studies. • Oxidation, colour, alteration, alteration and mineralisation are logged

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	<p><i>nature. Core (or costean, channel, etc.) photography.</i></p> <ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>qualitatively. All other values are logged quantitatively. All drill cores have been photographed, and these photos are stored in a database. The entire drill holes length was logged.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Drill core samples were split by saw or manually (manually in case of crushed material in tectonic zones). Drill core samples represent adequate half core samples. 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 in plastic bags. Overweight samples (>3kg) were re-split with portable riffle splitter to about 1.6 – 2.5 kg. These plastic bags were then put into uniquely numbered calico bags and packed in a steel trunk before dispatching to laboratory with clear submittal form. The DC and RC samples after QC samples inserts, packing and shipping to laboratory were checked against sample submittal form, dried and crushed to 70% -2mm then rotary split off up to 250g; 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 in laboratory. There was no inappropriateness observed with respect to RC/ Drill Core sample preparation. 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

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		<p>contamination.</p> <ul style="list-style-type: none"> 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. Beside that results of field duplicates inserted into sample stream are satisfactory. Sample sizes were considered appropriate for the commodity.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> 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). Other 32 elements including Zn, Ag were analysed 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. Ground magnetic survey, IP survey and EM survey has been done on the property in the past; the results are not part of this ASX/Media release. No geophysical tools and handheld XRF was used to determine material element concentrations used in this ASX/MEDIA Release. 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. Acceptable levels of accuracy and precision have been established. Selection of samples for check assaying by independent laboratory is currently under progress, selected pulp samples will be sent to independent laboratory and results will be compared with primary assay data.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Calculation of drill hole intersections which are part of this ASX/Media release was verified by re-calculation of all intersections by independent company and by verifying analytical values of each individual sample against signed laboratory PDF certificate. No twinned holes are part of this ASX/media release. All compiled data was checked for errors and missing data. Dataset was checked for logical errors, i.e. transposition of intervals, mislabelling of data, missing data, etc. Electronic data are backed up at secure FTP location and physical data including primary are stored at project site and Alara office in Muscat. <p>Remaining drill core (second half core) is available for all of the 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.</p> <ul style="list-style-type: none"> No adjustment was done to the assay data.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drill holes Collar data were surveyed by using hand held GPS, Survey done by DGPS survey will be done before using 2016 infill drill holes in resource estimation. Down hole survey has not been done, all drill holes were drilled as vertical. 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 new control points at project site has been established.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is</i> 	<ul style="list-style-type: none"> Exploration results in form of drill hole intersections reported in this ASX/MEDIA RELEASE are for 6 infill drill holes listed in Table-I. Position of these holes is presented under Figure-I including drill hole WH16RD012

Criteria	JORC Code explanation	Commentary
	<p><i>sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<p>which results were reported under ASX/MEDIA RELEASE Wednesday, 8 June 2016.</p> <ul style="list-style-type: none"> • The current ASX/MEDIA Release is with exploration results of 6 drill holes. Mineral Resource Estimation including 2016 infill drill holes has not been done yet. The current 2016 infill drill holes represent sufficient data spacing and distribution to establish the degree of geological and grade continuity appropriate to upgrade current Mineral Resource. • Sampling compositing has not been done for reporting of Exploration Results.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • After data visualization in 3D, competent person concluded that drilling orientation doesn't introduce major sampling bias. • Exploration results in form of drill hole intersections are reported in this ASX/MEDIA release as downhole length/ drilled; true thicknesses was not calculated and will be incorporated at the interpretation and resource modelling stage.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Security of samples was maintained very well from dispatch of samples up to data storage. Samples in the form of half core and RC chips are stored at project site; coarse and pulp rejects are stored in ALS Jeddah laboratory, Saudi Arabia and will be despatched back to project site. Transport to the laboratory was done using professional couriers and secured, meeting all necessary requirements for chain of custody. Tracking sheets was implemented to track sample progress.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Data were reviewed in detail by Mr. R. Sharma (Competent Person as defined in the JORC Code, 2012 edition) who also visited the Washihi project site on during the 2016 infill drilling (May 2016).



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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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 company with a portfolio of projects in Saudi Arabia and Oman. Exploration license with total area 39km² covering Washihi Copper - Gold deposit was granted on January 2008 and has been renewed annually since then, with the most renewal in March 2016. Alara also confirms a Mining application covering 3km² at of Al Hadeetha Copper - Gold project has also been filed with the Public Authority for Mining.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Washihi prospect was discovered during the course of regional reconnaissance by Prospection Ltd. during 1976-77. 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 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

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Criteria	JORC Code explanation	Commentary
		<p>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.</p> <ul style="list-style-type: none"> 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
<p>Geology</p>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralization.</i> 	<ul style="list-style-type: none"> 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 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.

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Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The collar locations, dip, azimuth, drill hole length are tabulated in Appendix II of this announcement. Drill hole intersections of Cu, Au but also Zn and Ag are tabulated in this ASX/MEDIA RELEASE under Table-I with all required information including depth. Competent Person reviewed all data related to drill holes no exclusion of information has been done.
Data aggregation methods	<ul style="list-style-type: none"> 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Drill hole intersections of Copper and corresponded Gold mineralization and Zn, Ag are reported as length weighted average, no top cut has been applied, Cut off grade applied is 0.2 Cu % is potential economic cut off to delineate potential mineralization. The cut off also represent natural break/ sharp change in assays Cut off grade 0.2% Cu used in exploration results reporting represents a likely optimum cut off grade for delineating potential mineralization. Cu, Au, Zn, Ag grade for drill hole intersection is calculated as length weighted average to give same weight to all samples of particular drill hole intersections. True thickness has not being calculated at this stage, the true thickness will be interpreted at resource modelling stage. No assumptions of metal equivalent have been used.

Criteria	JORC Code explanation	Commentary
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Drill hole intersections results are reported as down hole lengths. The true thickness will be interpreted at resource modelling stage. • The mineralization is daylighting in north east and dipping in south west. Drill hole intersections are tabulated as down hole lengths for all intersections. • Drill hole intersection are reported only as down hole lengths. True width has not been calculated and reported.
Diagrams	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Plan view of drill hole collar locations along with sectional view is part of this media release ASX/MEDIA RELEASE under Figures I - V. Tabulations of drill hole intersections is part of Table-I.
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Drill hole intersections as an outcome of 2016 infill drilling program are reported from 6 drill holes in this ASX/MEDIA release. Previously only 1 drill hole results were reported under ASX/MEDIA RELEASE Wednesday, 8 June 2016. All samples are included in intersection interval reported in this ASX/MEDIA release under Table-I.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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 method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • No other exploration data from the past are part of this ASX/MEDIA release.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> • In near future Alara plan to update JORC resources with the current 2016 infill drilling program including testing uniform conditioning; Grade and structural domaining with Ordinary Kriging.



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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"><li data-bbox="527 456 1108 574">• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	

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APPENDIX II: WASHIHI INFILL DRILLING, DRILL HOLE COLLAR TABLE

HOLE ID	COLLAR EASTING	COLLAR NORTHING	COLLAR RL (M)	AZIMUTH (°)	DIP (°)	133MM RC DRILLING (M)	HQ3 CORE DRILLING (M)	END OF HOLE DEPTH (M)
WH16RD012	602184	2517810	457	0	90	0.0 TO 108	NIL	108
WH16RD013	602190	2517894	457	0	90	0.0 TO 89.3	92 TO 130.9	130.9
WH16RD014	602270	2517691	463	0	90	0.0 TO 109.5	NIL	109.5
WH16RD015	602223	2517681	458	0	90	0.0 TO 74.0	74.0 TO 177.5	177.5
WH16RD018	602109	2517819	457	0	90	0.0 TO 244.0	NIL	244.0
WH16RD019	602261	2517740	464	0	90	0.0 TO 82.0	NIL	82.0

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 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, 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.

The information in this announcement that relates to Exploration Results has been compiled by Mr Atmavireswar Sthapak who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sthapak is an Executive Director of Alara Resources Limited. Mr Sthapak has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)." Mr Sthapak consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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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

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