

ASX/MEDIA RELEASE

Monday, 8 May 2017

ACTIVITY UPDATE

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

OMAN

Mining Licence Updates

Alara and its JV partner recently met with the CEO of Oman's Public Authority for Mining (PAM), together with the Undersecretary for the Ministry of Environment and Climate Affairs (MECA).

MECA approval for a mining project generally requires:

- 1: A project study assessment;
- 2: Baseline monitoring;
3. An Environmental Impact Assessment (EIA) prepared by an approved provider; and
4. A permit application.

Alara and its JV partners have addressed each of these requirements, including the submission of two EIA's, one in relation to the Washihi exploration licence (Al Hadeetha Project), and one in relation to the Block 7 exploration licence (Daris Project). The EIA's were completed by a company that was recommended by MECA and included baseline environmental characteristics in relation to the sites and surrounds, including climate and meteorology, air quality, soil and groundwater, environmental noise, terrestrial ecology, archaeology, traffic and socio- economics.

In order for environmental clearance to be finalised for the Al Hadeetha Project, the Undersecretary has requested further assistance from PAM. PAM's CEO gave reassurance he would do all he could to assist.

The Company is continuing to work with PAM to address MECA's requirements in respect to the Al Hadeetha application and to complete the Daris mining licence application, which has already received environmental clearance.

Project Water

The Company is considering a potential Public Private Partnership ('PPP') with Haya Water. Haya Water is a closed stock company owned by the Government of the Sultanate of Oman and has indicated they have land adjoining an existing sewage treatment plant (STP) that could be used to construct an additional STP to supply the necessary amount of water to the Al Hadeetha Project. The Company has received three quotations for construction of a new STP and 25km pipeline. Two of the quotations fall within the existing pipeline capex budget, inclusive of the STP. The third is above budget, but comes with a financing option attached.

SAUDI ARABIA

Visit of Hon Steven Ciobo MP to Middle East

The Hon Steven Ciobo MP, Australia's Minister for Trade, Tourism and Investment recently lead a business delegation to Saudi Arabia focused on increasing trade, investment, and ultimately jobs.

The delegation met with several government officials and business leaders, including Minister Ciobo's counterpart, HE Dr Majid Al-Qassabi, Minister of Commerce and Investment.



Above: The Council of Saudi Chambers (CSC) received the Australian Minister of Trade, Tourism, and Investment, Mr. Steven Ciobo, and his accompanying delegation, where they met with CSC Chairperson Eng. Ahmed Al Rajhi and a number of Saudi businesspeople to discuss ways to foster economic cooperation between the two countries.

CSC Secretary General Dr. Saud Al Meshari noted that as cooperative G20 member states, Saudi Arabia and Australia share growing economic relations, which he looks forward to see continue into the future.

In connection with Saudi Vision 2030, co-chair of the Saudi-Australian Business Council, Mr. Tom Harley, addressed Australia's economy, incentives, and investment opportunities in key sectors, such as mining, engineering, and training.

Alara's CEO focused his comments on Alara's investment into the country and the significance of the Khnaiguiyah Copper Gold Project in relation to the Vision, particularly the goal of having the Saudi mining sector increase its GDP contribution to SAR97B by 2020.

Introductions and other meetings in connection with the trade mission have opened doors to further collaboration on mining opportunities in the Kingdom.

