

ASX/MEDIA RELEASE

Tuesday, 5 March 2019

PROJECT UPDATE – APPOINTMENT OF EP CONTRACTOR

PERTH: Alara Resources Limited (ASX: AUQ) (**Alara** or the **Company**) is pleased to announce that Al Hadeetha Resources LLC (**Al Hadeetha**) has engaged McNally Bharat Engineering Company Limited (**MBE**) to perform engineering work for the Al Hadeetha Copper Project in the Sultanate of Oman.

The formal appointment of MBE follows a thorough tender evaluation process, letter of intent and meeting held between MBE, Alara's EPCM contractor Progesys and Al Hadeetha in India last week.

The scope of work for MBE is progressing with front-end project engineering, geotechnical drilling and preparation of detailed designs for plant and other site infrastructure. Finalised plant layout, process flow diagram, single-line diagram and the piping and instrumentation diagram (**P&ID**) are due for completion in Q2 of calendar 2019, with detailed engineering due in early Q3.

The appointment also provides for an extended work scope including procurement for the proposed Al Hadeetha 1Mtpa¹ copper concentrator plant and related infrastructure.

Justin Richard, Managing Director of Alara and Al Hadeetha, said:

“This is another important step forward for the development of the Al Hadeetha Copper Project at the Washihi-Mazzaza site in the Sultanate of Oman.

We are pleased to enter this partnership with MBE who have demonstrated a detailed understanding of the technical aspects of the project, possess in-depth knowledge of copper mineral processing and a thorough awareness of all project work requirements in Oman.

All stakeholders are focused on meeting the development milestones to see Al Hadeetha Resources become the next producer of copper concentrate in Oman.”

About MBE

With approximately 1500 engineers, MBE has in-house capabilities for basic and detailed engineering, project management, supply chain management, manufacturing, quality control, construction, erection, commissioning and after-sales service support including operation and maintenance.

In the last five years MBE has supplied several base metal processing plants including a 2.7 Mtpa Zn-Pb beneficiation plant, a 3.35 MTPA copper concentrator plant for Hindustan

¹ Alara's ASX Announcement dated 24 January 2017 contains the information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on that date continue to apply and have not materially changed.

Zinc Limited (Vedanta Group) in India and a 7.5 MTPA copper concentrator plant in Zambia.

Founded in 1961, as an extension of McNally Pittsburgh (USA) set up to manufacture equipment for the coal and mining industry, today MBE has grown into a multi-product, multi-location, multi-dimensional group. MBE is one of the leading engineering companies in India engaged in providing turnkey solutions in the areas of power, steel, aluminium, materials handling, base metal mineral beneficiation, pyro-processing, pneumatic handling of powdered materials including fly ash handling and high concentrate disposal, coal washing, port cranes, cement, oil and gas and civic and industrial water supply, amongst others.

Through its subsidiary McNally Sayaji Engineering Limited (**MSEL**) MBE manufactures a wide range of equipment for all core sector industries. MSEL has five plants located at Kumardhubi, Asansol, Bengaluru and Vadodara. In association with another subsidiary, MBE CMT India Private Limited has helped MBE become a respected name in coal and mineral beneficiation technologies. MBE acquired MBE EWB kft (Hungary), among the leading pneumatic conveying and ash handling solution providers in the world, in 2001.

MBE also operates in infrastructure sectors such as buildings and townships, roads, metro, railways amongst others. It has access to world-class technology through strategic tie-ups with leading companies around the globe.

In short, the appointment of MBE is the first step toward developing a mutually rewarding and potentially long-term business relationship as the mining sector in Oman continues to expand² along with Alara's project portfolio.

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in the Middle East. Alara has completed Bankable Feasibility Studies for the Al Hadeetha Copper Project in Oman and the Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on the Daris Copper-Gold Project in Oman. In June 2018, Al Hadeetha Resources became the first international joint venture company to be awarded a copper mining licence in the Sultanate of Oman. The Company is now establishing itself a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com

² Over \$2 billion in mining projects were recently identified for implementation by the Public Authority for Mining in Oman <http://www.omanobserver.om/oman-mining-projects-worth-over-2bn-on-anvil/>