

ASX/MEDIA RELEASE

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Update to Advanced Scoping Study for Washihi Copper-Gold Project in Oman

Perth: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to report on the positive outcomes of an update to its [Advanced Scoping Study](#)¹ (**Study**) for the Washihi Copper-Gold Project in Oman (**Project**).

In connection with the recent [Memorandum of Understanding \(MOU\)](#) with Mawarid Mining LLC², Alara has evaluated mining the Washihi deposit and toll treating the ore (upgraded via Heavy Media Separation (**HMS**) on site) at Mawarid's Lasail Process Plant, with positive results and a well-defined development pathway for the next stage final technical review or Feasibility Study (of six months duration).

Highlights

- Positive outcomes from update to previous [Advanced Scoping Study](#) for processing Washihi ore on site through HMS and then transporting the upgraded ore to the Mawarid Lasail Copper Concentrator Process Plant (in Sohar).
- Final bids received for the execution of a Feasibility Study (**FS**).
- FS period of ~6 months to be followed by a <12 month construction period.

Project Background

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

¹ Refer to Alara's 14 October 2014 ASX Announcement: [Oman Project Update : Positive Advanced Scoping Study Outcomes](#)

² Refer Alara's ASX market announcement dated 19 February 2015: [Oman Washihi Project Defined – MOU with Mawarid Mining](#)

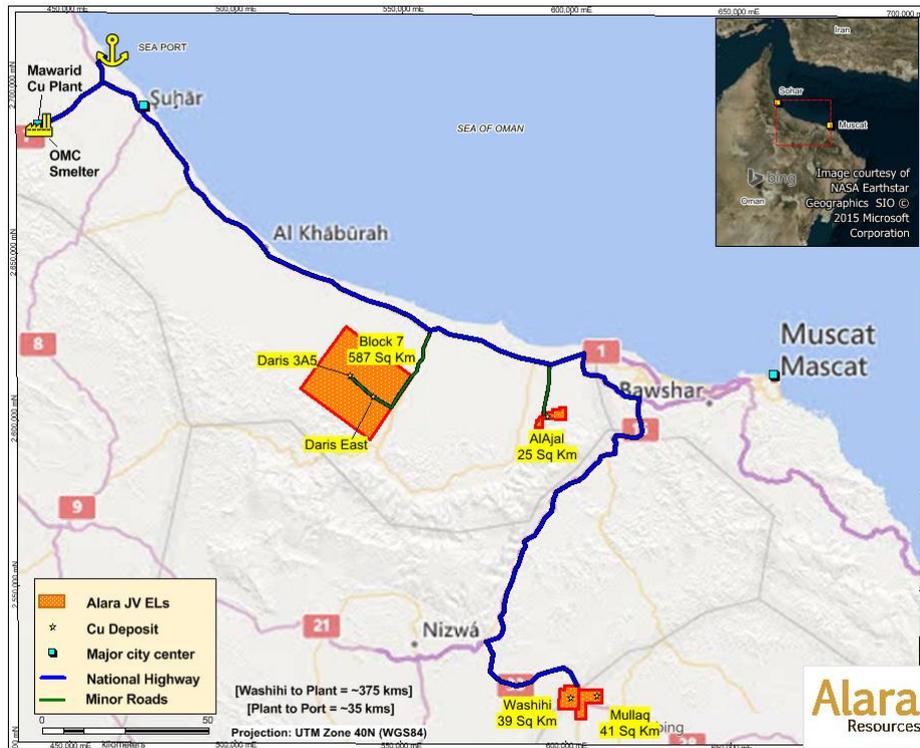


Figure 1: Location Map of Exploration Licence Areas and copper concentrator and smelter.

The Washihi Project is held by Al Hadeetha Resources LLC (**Al Hadeetha**), an incorporated joint venture between Alara (70%) and local partner, Al Hadeetha Investments LLC (30%)³.

Project Plan

The previous [Advanced Scoping Study](#)⁴ (reported in October 2014) evaluated a stand-alone project inclusive of a processing plant at the Washihi site. Although this study was financially very positive, it required the site's JORC Exploration Targets to be upgraded to ensure sufficient mine life (+8 years). Given the desire and opportunity (with the Mawarid Lasail Concentrator having available capacity in late 2015), the project was re-evaluated as a streamlined mining plus HMS operation at the Washihi site with the ore being transported (375km) to the Mawarid plant for processing. Following this the concentrate may either be sold to the adjacent OMCO Copper Smelter or transported (32km) to the Sohar port that currently handles bulk copper concentrates.

The updated study indicates a material increase in the economics of the project while significantly reducing the project risk and development/commissioning time frame (anticipated to be less than 12 months due to the limited site infrastructure requirements).

In order to move the project into construction and commissioning, fresh (unoxidised) representative ore samples need to be taken and used to optimise both the HMS plant configuration and process plant flow sheet.

Way Forward

The Feasibility Study (FS) scope of work for a tender/bid process has been undertaken. Final bids have been received and are under final consideration. As soon as practicable the FS work programme will be awarded and the final project evaluation initiated.

³ Refer to Alara's 8 December 2011 ASX Announcement: [Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman](#)

⁴ Refer ASX market announcement dated 14 October 2014 and entitled "[Oman Project Update: Positive Advanced Scoping Study Outcomes](#)"

The final work programme on the project involves some 6-8 fresh drill holes into the ore body. Following this work the evaluation of this fresh ore body sample will allow:

- (1) Optimisation of the open pit design.
- (2) Optimisation of the process plant configuration and processing plan approach.
- (3) Determination of the optimal crushing size and performance of the HMS.

Given the scope and relative simplicity of this final evaluation, the FS is anticipated to take ~6 months to complete. The participation of key Mawarid personnel is a key component of this work (as outlined in the Mawarid [MOU](#)). Early estimates of the final construction and commissioning period are <12 months.

In addition to the technical work programme outlined, the FS will further evaluate possible significant upside in the areas of Capex, Opex and construction time. The current project evaluation is considered conservative in these areas (by intent at this stage).

Conclusion & Summary:

The Al Hadeetha Joint Venture has evaluated the development of the Washihi deposit as an on-site mining and HMS operation followed by toll treatment of the enriched ore at the Mawarid Lasail plant near Sohar. The project economics are very favourable and the project risk and time to first cash flow limited. The Joint Venture is preparing to commence the final technical evaluation (FS) necessary to optimise the mine, HMS and process plant operations. The current project has been evaluated on conservative parameters and as such significant upside is expected to be defined in the FS stage.

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About Alara Resources

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

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