

## ASX/MEDIA RELEASE

Thursday, 5 November 2015

## LICENSING UPDATES

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to provide the following updates in respect to licensing of its joint venture projects in Oman and Saudi Arabia.

### WASHIHI COPPER-GOLD PROJECT IN OMAN

Alara has joint venture interests in five copper-gold deposits located within four Exploration Licences<sup>1</sup> in Oman extending over 692km<sup>2</sup>.

Al Hadeetha Resources LLC<sup>2</sup>, which holds three of these Exploration Licences, has also submitted a mining licence application for the Washihi copper-gold project and is working with relevant government authorities to ensure all licensing requirements are satisfied.

The Company is pleased to report that 'no objection' notices have been received from the Ministry of Water, local council and municipal authorities, Ministry of Tourism, Ministry of Roads & Transport, Ministry of Commerce & Industry, Ministry of Defence, Royal Oman Police, Pollution Control Board, Ministry of Manpower and Planning, and Ministry of Finance and Taxes. Officials from the Ministry of Environment have also visited the site in recent months as part of their assessment process.

Once all 'no objection' notices have been issued, the mining authority will be in a position to make a final determination regarding the Washihi mining licence application. Further updates will be given in due course.

Alara recognises and expresses appreciation for the conscientious approach taken by the relevant authorities and its joint venture partners in connection with the progress outlined above. The high level of local support for the project is also noteworthy and is largely attributed to the positive relationship between community leaders and the principal of Al Hadeetha Investments LLC (a division of the Al Naba Group).

### KHNAIGUIYAH ZINC-COPPER PROJECT IN SAUDI

Government authorities have taken steps to suspend operations at the Khnaiguiyah Zinc-Copper project site due to expiry of the environmental licence held by Alara's joint venture partner Manajem.

The Company considers renewal of Manajem's environmental licence to be unlikely while the project remains at an impasse<sup>3</sup>.

This development was foreshadowed in the recent Prospectus<sup>4</sup> and is not harmful to Alara's interests given Alara has not been active at the site for over a year.

<sup>1</sup> Refer Alara's quarterly report dated June 2015 for further details regarding licences held by Alara joint venture companies and partners.

<sup>2</sup> Al Hadeetha Resources LLC (formerly Pilatus Resources LLC) is the subject of a Shareholders Agreement between Al Hadeetha Investments LLC (30% shareholder) and Alara's wholly owned subsidiary, Alara Oman Operations Pty Ltd (70% shareholder).

<sup>3</sup> Refer ASX Announcement 4 June 2014: "Khnaiguiyah Project JV Agreement Has Reached Impasse"

<sup>4</sup> Refer page 18 of the Prospectus released through the ASX on 15 October 2015.

The ultimate effect of this development on the legal dispute<sup>5</sup> between Manajem and Alara is yet to be seen. While the possibility of settlement with Manajem cannot be dismissed, the Company has also prepared for contingencies<sup>6</sup> by establishing alternative means for advancing the Khnaiguiyah Zinc-Copper project to production, while continuing to assert its rights under the Khnaiguiyah Shareholders' Agreement.

– ENDS –

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**About Alara Resources**

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a [Definitive Feasibility Study](#) (DFS) on its Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an [Advanced Scoping Study](#) on its Daris/Washihi Copper-Gold Projects in Oman and an [Updated Advanced Scoping Study](#) on its Washihi Project. For more information, please visit: [www.alararesources.com](http://www.alararesources.com).

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<sup>5</sup> Refer ASX Announcement dated 13 October 2014 “Khnaiguiyah Project Update”

<sup>6</sup> To prepare for the possibility of licences connected to the Khnaiguiyah site not being renewed or granted to Manajem, Alara entered into an agreement with Bayan Mining Company LLC. Refer paragraph 7 of the ASX Announcement dated 20 August 2015: “Alara and Bayan extend Framework Agreement”.