

ASX/MEDIA RELEASE

Monday, 20 March 2017

Activity Update – Oman

Alara Resources Limited (ASX: AUQ) (Alara or Company) provides this update on activities in Oman.

Previous Company announcements and other public reports¹ have referred to the establishment of Mining Development Oman ('MDO') and its objectives, including the development of copper (and other minerals) mining in Oman. Alara and MDO have now signed a Memorandum of Understanding and Confidentiality Agreement in connection with these objectives (the 'MOU').

Alara's discussions with other interested parties (including potential project equity partners for Oman) are continuing, subject to the terms of the MOU.

While Alara remains open to receiving equity investment at the project level, this is not a requirement for the Al Hadeetha Copper Gold Project to proceed. Further updates on project financing will be released as they are finalised.

Further to the Activity Update released on 27 February 2017, the Company also confirms it has submitted a park enhancement plan to the Ministry of Tourism as agreed.

For further information, please contact:

Justin Richard T | +61 8 9481 0389
Managing Director E | jrichard@alararesources.com

Elizabeth Hunt T | +61 8 9481 0389
Company Secretary E | cosec@alararesources.com

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 Washihi, Mullaq and Al Ajal exploration licences in Oman and a Feasibility Study for the Al Hadeetha Copper Gold Project, Washihi ore reserve. 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

¹ For example: Times of Oman, 20 September 2016 "Mining Development Oman...", Reuters, 5 January 2016 "Oman sovereign fund, others plan \$260m mining venture" and <http://www.tanmia.om/view-news.php?id=MQ>