

ASX/MEDIA RELEASE

Tuesday, 19 September 2017

PROJECT UPDATE

Perth: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) issues this update for the Al Hadeetha Copper project in Oman (**Project**).

In the Sultanate of Oman, Mining Licences are issued by the Public Authority of Mining ('PAM') after PAM has reviewed and approved the project, and clearance / no objections letters (including any conditions) are received from other relevant authorities.

Further to receiving the no objection letter from the Ministry of Tourism in April¹, and the other clearances previously announced for the Project, PAM has confirmed receipt of no objection letters from the Ministry of Heritage and the Royal Omani Police.

The major clearance from the Ministry of Environment and Climate Affairs ('MECA') is steadily progressing. MECA officials attended a community consultation meeting last year², with a good showing of support for the Project coming from the community. Earlier this year, PAM initiated a Project presentation to be delivered to MECA, where Alara and its JV partner addressed MECA's full advisory team.

The most recent correspondence from MECA gave instruction to re-submit the Project's Environmental Impact Assessment ('EIA') through an accredited environmental consultancy firm. The Omani firm that first prepared the EIA were approved at the time of the original submission, but later discontinued providing environmental services and their accreditation lapsed. Consequently, the Company engaged another firm to review and update the EIA. The revised EIA has been completed and resubmitted to MECA. The new regulations provide for MECA to respond within thirty days.

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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 Refer Alara's ASX Announcement dated 19 April 2017.

² Refer Alara's ASX Announcement dated 10 May 2016.