

## ASX/MEDIA RELEASE

Tuesday, 14 October 2014

# Oman Project Update : Positive Advanced Scoping Study Outcomes

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to inform the market of the successful outcomes of an Advanced Scoping Study (**Study**) for the Washihi and Daris Copper-Gold Projects in Oman (together, the **Project**).

Based on the recently completed [Options Analysis Study](#), an Advanced Scoping Study was undertaken to fully evaluate the Project. This Study is now complete with very positive outcomes under well defined development options and suggests a staged feasibility study as a possible way forward.

### Highlights

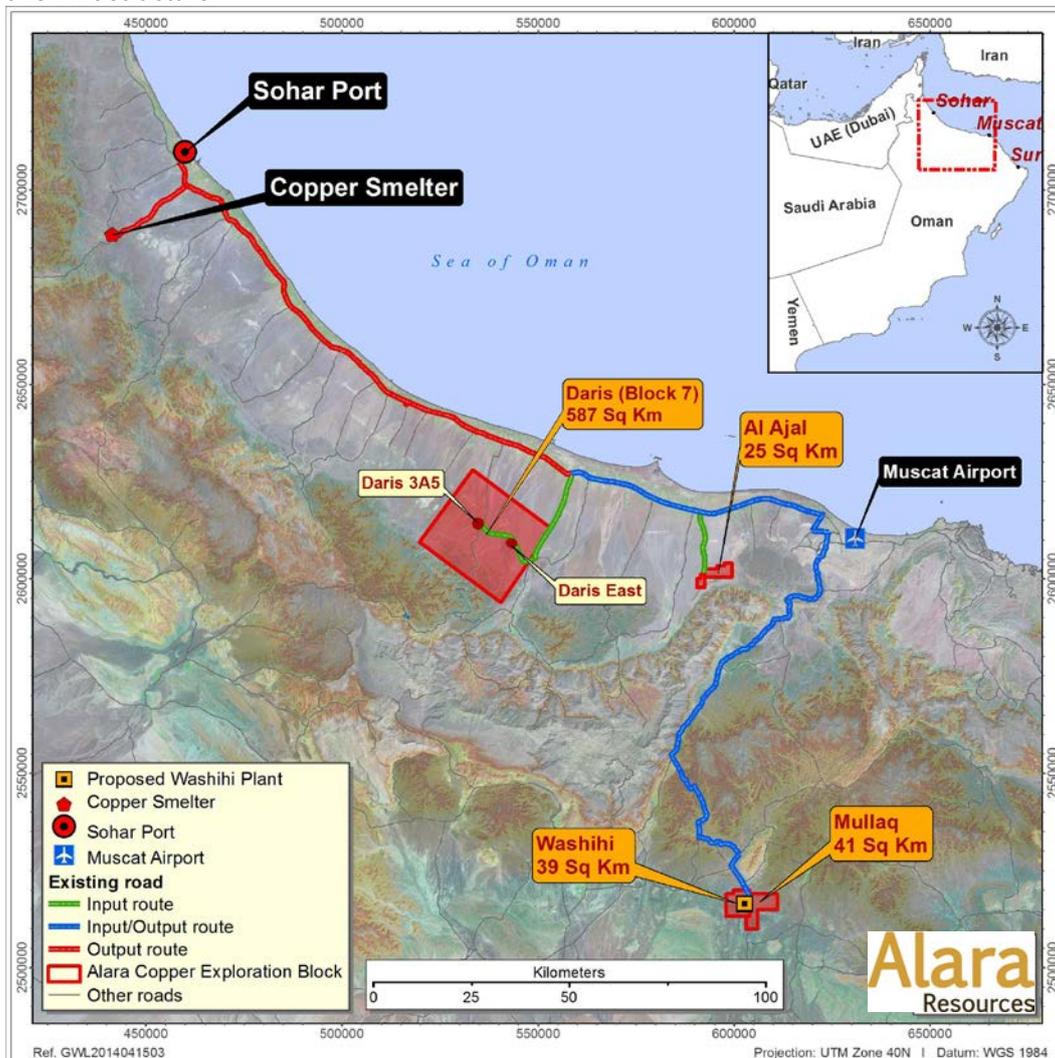
- Three development options were evaluated under the Advanced Scoping Study, namely:
  - (1) A '**Base Case**' 0.5Mtpa conventional flotation plant (post Heavy Media Separation (**HMS**)) from mining inventory sourced from the existing JORC Mineral Resources at the Washihi and Daris-East deposits;
  - (2) An '**Enhanced Base Case**' 0.5Mtpa conventional flotation plant (post HMS), which is based on a slight increase in the mining inventory sourced from a high grade early stage prospect within the Mullaq exploration licence; and
  - (3) A '**Target Case**' larger scale flotation plant (post HMS), which is based on a more substantial increase (x2) in the mining inventory sourced from Exploration Targets across the Washihi and Daris deposits.
- The Base Case shows US\$40M NPV, 18% IRR, US\$96M capex, 5.3 year pay-back, US\$514M LOM revenues (from 74,747t Cu and 38,088oz Au LOM production), US\$289 LOM opex (at US\$3,870/t Cu recovered).
- The Enhanced Base Case shows a more attractive US\$52M NPV, 20% IRR, US\$96M capex, 4.5 year pay-back, US\$544M LOM revenues (from 79,683t Cu and 37,151oz Au LOM production), US\$303M LOM opex (at US\$3,801/t Cu recovered).
- The financial model assumes a 8% discount rate, US\$7,000/t Copper price, US\$1,300/oz Gold price, 100% ownership and is inclusive of taxes and royalties.
- Economics of the larger capacity Target Case are more attractive again but this information has not been disclosed per ASX requirements – the Study suggests an opportunity to leverage the Project's value through further systematic exploration and upgraded resource definition.
- A number of enhancement opportunities have been identified to potentially add value under all development cases.
- The Study has provided Alara with a much better overall evaluation of the prospects for the Project and Alara's Oman assets generally, and the potential for other commercial options and opportunities to be explored.
- Alara has initiated a review to help further define the commercial options available for the Project and Alara's Oman assets generally for a final decision on the way forward.

ASX and JORC Code Cautionary Statements : *The Study is based on low level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised (per JORC Code (2012 Edition) para. 38). The Study is partly based on Inferred Resources and an Exploration Target (under the Enhanced Base Case and Target Case). There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target (under the Study) will be realised (per ASX Listing Rule 5.16.4). The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a JORC Mineral Resource and there is no certainty that further exploration work will result in the determination of JORC Mineral Resources or that the production target (under the Study) will be realised (per ASX Listing Rule 5.16.5).*

**Project Background**

The Daris and Washihi Copper-Gold Projects (comprising four exploration licences and five applications for mining licences) are located ~185km apart and ~60-160km west and southwest of Muscat Airport by road (refer Figure 1).

The proximity to a paved highway and modern Copper extraction facilities in Sohar (~370km by road from Washihi and ~198km from Daris-East) provide an opportunity for the Project to benefit from this infrastructure.



**Figure 1: Location Map of Alara's Exploration Licence Areas in Oman**

The Advanced Scoping Study (and previous evaluation work) is based on locating a processing plant at the Washihi deposit (due to its longer lifespan, more significant resource base and potential expansion based on Exploration Targets) with the Daris resource (being a smaller tonnage but with high grade Copper and Gold) and other prospects (ie. Mullaq, Daris 3A-5 and Al-Ajal) being satellite feed sources to the Washihi plant.

Each project is subject to a separate joint venture shareholders' agreement. Details of both projects and their JORC Mineral Resources (based on the 2004 edition of the JORC Code) are in Annexure C.

### Previous Evaluation Work

An initial Scoping Study on the Project was completed in 2012. Following this study, an upgraded Washihi JORC Resource was defined<sup>1</sup> (now the largest JORC Resource in Oman), a set of metallurgical test programmes was completed on composite samples and a technological breakthrough identified the potential for heavy media separation (**HMS**) which doubles the effective grade of the Washihi deposit from 0.8-0.9% Cu to 1.6-1.8% Cu.<sup>2</sup>

As a result of these positive upsides a process flow sheet that includes HMS was defined (refer Figure 2 in Annexure A) and an upgraded Advanced Scoping Study was initiated. Alara also identified other value adding development options that were not previously considered and as such (and in parallel) an Options Analysis Study was also initiated to assess both the value and viability of these other approaches to the Project's development.

The Options Analysis Study evaluated six potential development options for the Project centred on the Washihi site as the central processing hub, as follows:

- (1) Conventional Copper/Gold sulphide flotation circuit;
- (2) HMS plant followed by a smaller scale conventional flotation circuit;
- (3) HMS plant followed by a larger scale (2x) conventional flotation circuit;
- (4) Off-site toll treatment for higher grade primary ores;
- (5) On-site conventional heap leach of near surface Daris oxide ores; and
- (6) On-site Continuous Vat Leach (CVL) of near surface Daris oxide ores.

The outcomes of the Options Analysis Study, announced on 13 June 2013<sup>3</sup>, concluded overall that there was sufficient justification to advance the Project with Options 2 and 3 to be examined in more detail in the updated Advanced Scoping Study. Importantly, whilst the three stand-alone concentrator options (Options 1, 2 and 3) were operationally and economically attractive, they were materially enhanced with an increased mining inventory profile – supported by additional work undertaken that evaluated and identified JORC Exploration Targets across prospects in both the Daris and Washihi Project areas which indicated there was significant upside in these areas at equivalent grades to the current JORC Mineral Resources.

### Advanced Scoping Study – Development Cases

The Advanced Scoping Study evaluated three potential development options for the Daris/Washihi Project centred around the Washihi JORC Mineral Resource with contributions from the Daris-East JORC Mineral Resource and Exploration Targets from the Daris 3A-5 prospect (within the Daris exploration licence) and Al Ajal and Mullaq prospects/exploration licences (refer Figure 1 and also the JORC Resource Statement in Annexure C), as follows:

- (1) A '**Base Case**' 1 Mtpa mining rate feeding a SAG mill and HMS Circuit followed by a 0.5 Mtpa flotation and tailings handling facility; derived from the geological model underpinning the JORC Mineral Resources delineated for the Washihi and Daris East deposits.
- (2) An '**Enhanced Base Case**' incorporating the addition (2.3% of mining inventory) of an Exploration Target sourced from the (higher grade) Mullaq prospect (which is adjacent to the Washihi deposit). This Exploration Target is a sub-set of the overall Exploration Target range identified for Mullaq (refer Annexure B).

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1 Refer Alara's ASX market announcement dated 16 July 2013: [Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset](#)

2 Refer Alara's ASX market announcement dated 18 February 2014: [Oman Project Breakthrough – Ore Upgrade Heavy Media Separation Tests Successful](#)

3 Refer Alara's ASX market announcement dated 13 June 2014: [Oman Project Update – Positive Options Analysis Study Outcomes](#)

- (3) A ‘**Target Case**’ set at a higher annualised mining rate feeding a SAG mill and a HMS circuit with a larger throughput flotation circuit and tailings preparation facility; derived from Alara’s assessment of reasonable exploration success based on a detailed Exploration Target by Exploration Target assessment of the prospects/deposits within the Project area (refer [Annexure B](#)).

Further details on the outcomes of the Advanced Scoping Study are outlined in [Annexure A](#).

The Study is underpinned largely by JORC classified Mineral Resources of Measured, Indicated and Inferred categories (refer Tables 1 and 2 in the JORC Statements in [Annexure C](#)) (the source of the assumed mining inventory under the Base Case) with additional modelling based on the addition of a sub-set of the Mullaq Exploration Targets (refer [Annexure B](#)) (resulting in the Enhanced Base Case) and the addition of JORC Exploration Targets across the Project area (resulting in the Target Case).

### Summary of Project Economics<sup>4</sup>

The economics of the Base Case shows a Net Present Value (NPV) of US\$40.6M. If the Mullaq prospect is included under the Enhanced Base Case, the NPV increases to US\$51.8M. A summary of the key physical and economic indicators are as follows:

<b>Key Financial Indicators</b>			
Case Name		Base Case	Enhanced Base Case
<b>Description</b>		0.5Mtpa Flotation Plant (Post HMS) at Washihi	
<b>Mining Inventory</b>		JORC Mineral Resources – Washihi and Daris-East	JORC Mineral Resources + Mullaq Exploration Target
<b>Metrics</b>			
<b>Discounted Cash Flows (NPV @ 8%)</b>	US\$	<b>40,433,594</b>	<b>51,647,805</b>
Undiscounted Cash Flows	US\$	98,623,503	115,929,048
NPV/CAPEX	NPV:CAPEX	0.4	0.5
IRR	%	17.7	20.0
LOM/Duration of Operation	years	7	7
Payback Period	years	5.3	4.5
<b>Cash Costs</b>			
Unit OPEX (per tonne of ore mined)	US\$/t	30.15	30.86
Unit OPEX (per tonne of ore process feed)	US\$/t	60.44	61.89
Unit OPEX (per tonne of Cu recovered)	US\$/t Cu	3,870	3,801
Unit OP EX (per pound of Cu recovered)	US\$/lb Cu	1.76	1.72
Cash Costs with Au Credits	US\$/t Cu	3,377	3,364
Cash Costs with Au Credits	US\$/lb Cu	1.53	1.53
<b>Capital Costs</b>			
LOM CAPEX	US\$M	96	96
Unit CAPEX (per tonne of Cu recovered)	US\$/t Cu	1,289	1,209
Unit CAPEX (per pound of Cu recovered)	US\$/lb Cu	0.58	0.55
<b>Physicals</b>			
Total Ore Mined	t	9,594,462	9,816,462
Total Waste Mined	t	50,805,187	54,899,854
Total Contained Cu	t Cu	81,299	86,798
Total Contained Au	oz Au	43,740	42,700
Total Cu Production	t Cu	74,747	79,683
Total Au Production	oz Au	38,088	37,151

<sup>4</sup> The production target should be read in conjunction with the cautionary statement on page 2.

Notes:

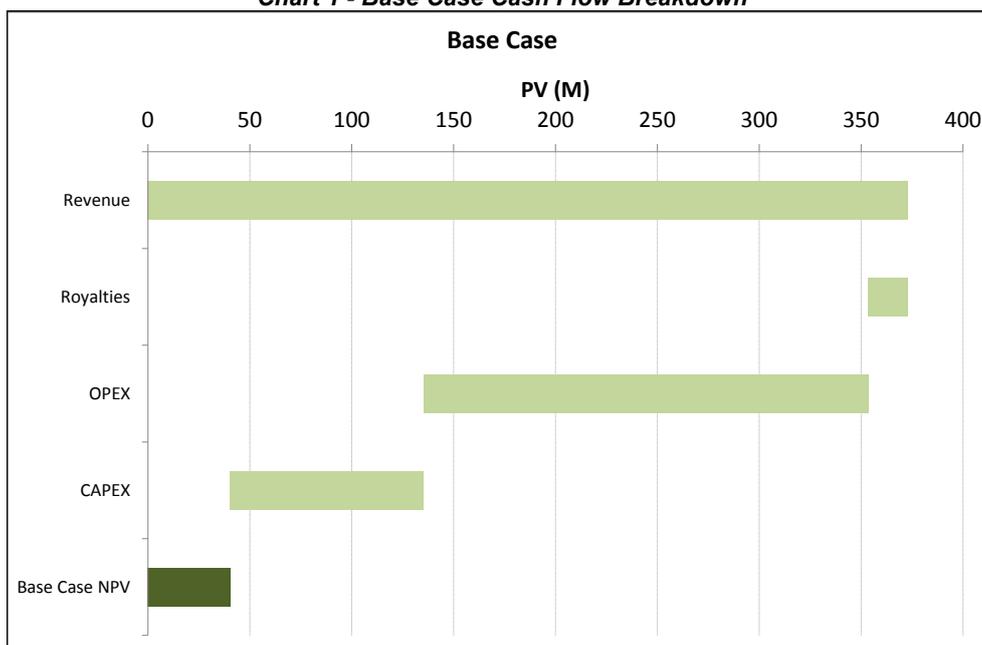
1. Assumed US\$7,000/t Copper price and US\$1,300/oz Gold price.
2. Assumed discount rate of 8% for DCF analysis.
3. Assumed 100% ownership.
4. Assumed tax holiday of 5 years plus a 5 year extension commonly offered to major development projects in Oman (otherwise 12% corporate tax) and 5% royalties on revenues (net of operating cost).

The NPV's were determined using the discounted cash flow method of valuation, using the capital cost and operating cost parameters detailed below and summarised as follows:

Financials	Unit	Base Case	Enhanced Base Case
NPV @ 8%	US\$M	40.4	51.6
NPV/capex	ratio	0.4	0.5
LOM Revenue	US\$M	514	544
LOM opex	US\$M	289	303
LOM capex	US\$M	96	96
IRR	%	18%	20%
LOM	years	7	7
Payback Period	years	5.3	4.5

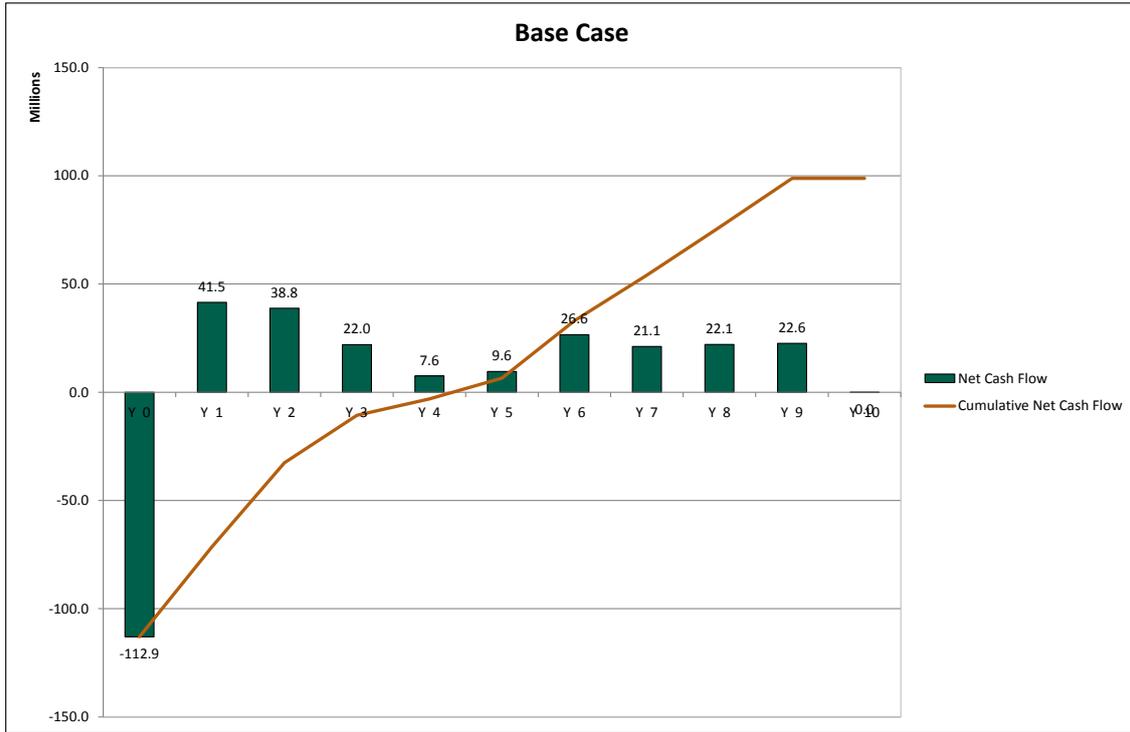
Chart 1 shows the cash flow breakdown under the Base Case - net cash flow (EBIT) is marginally higher than the mining and processing capital costs, resulting in an NPV of US\$40.4M.

**Chart 1 - Base Case Cash Flow Breakdown**



The annual and cumulative cash flows of the Base Case are shown in Chart 2. The significant decline in Years 3 and 4 is the result of the decrease in the high grade ore and the higher proportion of the low grade ore from Washihi being processed as per the mining and processing schedules.

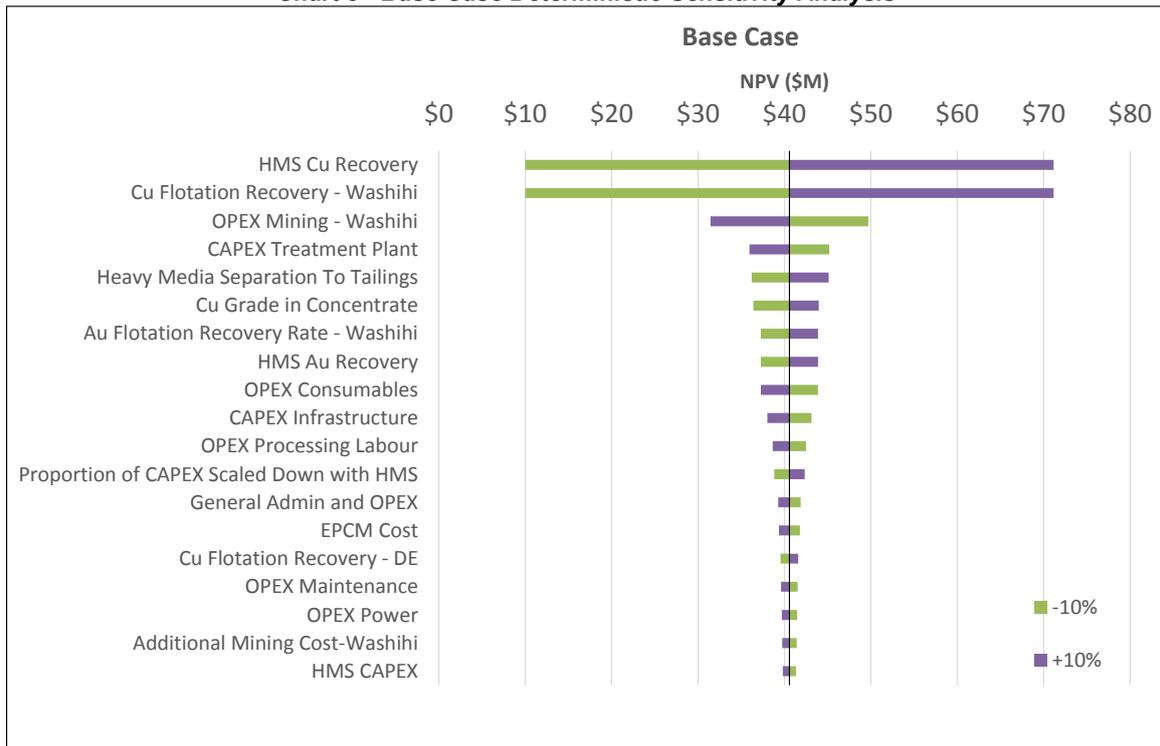
Chart 2 - Base Case Annual and Cumulative Cash Flow



Sensitivity Analysis

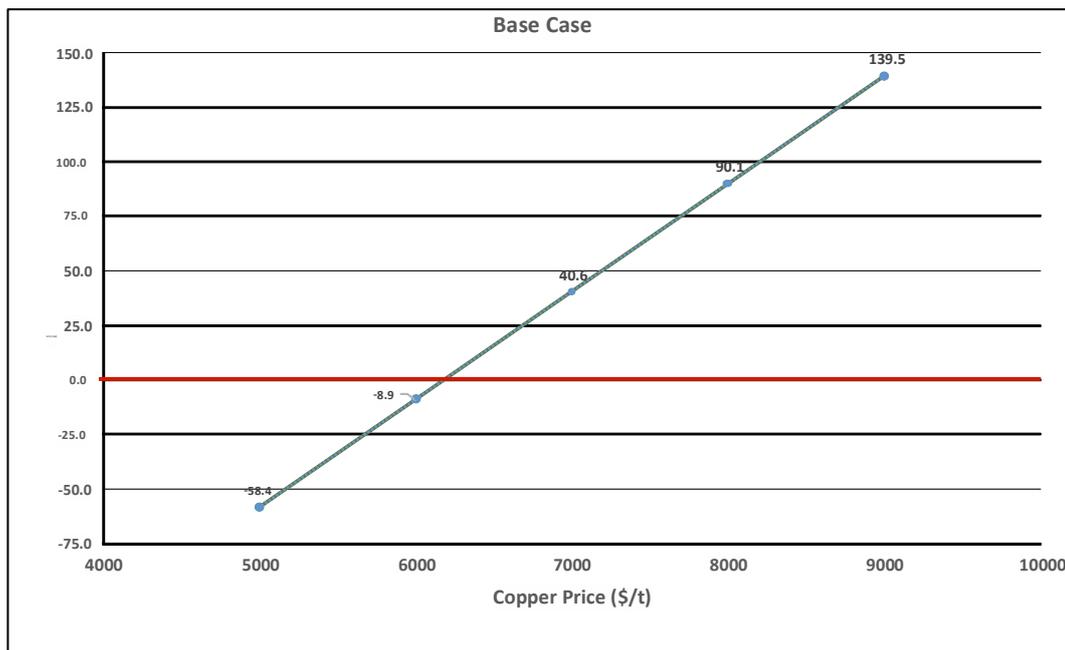
The deterministic sensitivity analyses under the Base Case are shown in Chart 3 - the key value drivers are HMS Copper recovery, flotation Copper recovery and mining cost for Washihi; other parameters shows less than 10% impact on the NPV.

Chart 3 - Base Case Deterministic Sensitivity Analysis



The NPV was determined assuming a Copper price of US\$7,000 per tonne and a Gold price of US\$1,300 per ounce. Movements in these commodity prices have a significant impact on the value of the Project as shown in Chart 4 - the Base Case is positive at Copper prices >US\$6,100.

**Chart 4 - Base Case NPV at Different Copper Prices**



The economics of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.<sup>5</sup>

However, the analysis shows that the value of the Project can be enhanced significantly if the Exploration Targets (described in Annexure B) can be leveraged into additional mining inventory - improving the overall NPV/capex ratio, strengthening the Project IRR, reducing the pay-back period and extending the life of mine (LOM).

### Capital Costs

Item	Base Case and Enhanced Base Case	
	Cost US\$M	
Process Plant and Infrastructure (incurred in Year 1):		83
Treatment Plant	37	
Infrastructure	20	
Mining Infrastructure	3	
Owners and Pre-Production Costs (5%)	3	
EPCM (20%)	12	
HMS Plant	8	
Sustaining Capital (over LOM)		13
<b>Total CAPEX</b>		<b>96</b>

Notes:

- Largely derived from a 2010 Scoping for a 1.65 Mtpa conventional flotation plant and open pit mine in Oman.
- US\$3M working capital (based on one month of operating costs) required at the start of the Project is expected to be recovered in full at the end of the Project and accordingly, its net value over LOM is nil.
- The cost of the Treatment Plant was based on reference prices scaled to the size of the Base Case using the 'six-tenth rule' and indexed to 2013 terms. An adjustment of 75% of the cost of a new plant was used for estimating the second hand cost for relevant plant items.

<sup>5</sup> Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources within the assumed mining inventory under the Base Case is 42.3% and the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Enhanced Base Case is 43.6%, which are both not considered significant in this context. However, the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at 71.3%. Refer Annexure B for further details in relation to the Exploration Targets assessed for the Project.

4. The cost for a 1 Mtpa HMS plant was estimated by scaling up the cost of a 0.5 Mtpa reference plant using the 'six-tenths rule'.
5. After deriving costs based on a 1 Mtpa throughput, a further adjustment to the costs was made to take into account the impact of HMS. It was assumed that 58% of treatment plant and infrastructure would be scaled down to a 0.5 Mtpa capacity as a result of the HMS plant rejecting 51.3% of the mass. The proportion of the plant requiring scaling was estimated by considering the components downstream of the HMS plant.

### Operating Costs

Item	Unit Cost US\$/t milled	Base Case		Enhanced Base Case	
		Cost (over LOM) US\$M			
Mining:			145		155
Waste Mining		103,592		113,099	
Ore Mining		33,271		33,357	
Fixed Mining		8,668		8,668	
Ore Haulage			2.7		2.9
Processing:			118.7		121.4
Feeding Plant	0.22	2,111		2,160	
Processing Labour	4.39	27,738		28,371	
Power	2.00	12,637		12,925	
Tailings Disposal	0.68	4,297		4,395	
Maintenance Materials	2.18	13,758		14,027	
Consumables	7.52	47,534		48,619	
HMS Processing	1.14	10,640		10,892	
Concentrate Transportation			4.0		4.3
Administration			18.7		19.1
<b>Total OPEX</b>			<b>289.1</b>		<b>302.7</b>

#### Notes:

1. Waste mining rates at the Washihi and Daris East pits were determined for each bench level by applying an incremental cost to the base cost with every 10m increase in depth. The base cost refers to the cost of mining rock at the reference level of 455m and is inclusive of equipment leasing costs.
2. Ore mining rates at each bench level were determined by applying a set additional cost above the waste mining rates. The additional cost reflects incremental drill and blast costs, incremental ancillary costs, grade control, long-term stockpile re-handling.
3. All ore will be processed at Washihi. Ore haulage costs were calculated at a rate of US\$0.05/tkm.
4. The HMS plant reduces the tonnage of ore being processed downstream by ~50%. Scaling factors have been used to estimate the reduction in these processing costs.
5. The cost of transporting Copper concentrate 370km from Washihi to the Sohar Copper smelter was determined based on road transportation costs of US\$12.07/wmt, a concentrate grade of 25% and a moisture content of 10% (inclusive of marketing and umpire assays).
6. Administration costs were sourced from the reference Scoping Study and indexed to 2013 terms.

### Operating Unit and Cash Costs

Item	Unit	Base Case	Enhanced Base Case
		Unit Rate	
Unit OPEX	US\$/t ore mined	30.15	30.86
Unit OPEX	US\$/t ore process feed	60.44	61.89
Unit OPEX	US\$/t Cu recovered	3,870	3,801
Unit OPEX	US\$/lb Cu recovered	1.76	1.72
Cash Costs with Au Credits	US\$/t Cu recovered	3,377	3,264
Cash Costs with Au Credits	US\$/lb Cu recovered	1.53	1.53

## Enhancement Opportunities

Apart from the opportunity to leverage the Project's value through further systematic exploration and upgraded resource definition as demonstrated by the Target Case; the Advanced Scoping Study has identified a number of improvement opportunities that could be evaluated further to enhance both the Base and Target Cases. These are:

- Toll mining and/or treatment of the Daris East sulphide ores at the Sohar Concentrator (located ~198kms by road) – this was Option 4 considered under the [Options Analysis Study](#) (which was the lowest capital cost option (with a positive cashflow));
- Further optimisation of the flotation performance variables (eg. grind size, flotation reagents, process pH and residence time) through more extensive metallurgical test work;
- Treatment of the Daris East oxide cap (which sits above the sulphide ores) and other orphaned oxides (within other licence areas held by third parties) within an 80km radius of the Daris East deposit using low cost leaching technologies (eg. CVL) may be a viable venture;
- Strategic sourcing of selected infrastructure and equipment items to reduce capital costs;
- Investigating the potential for the HMS circuit to be located ahead of the SAG mill with a coarser feed, which will reduce the feed rate to the SAG mill and the capital cost significantly; and
- Royalty reduction from an assumed rate of 5% through maximising the level of 'Omanisation' and community support.

## Staged Feasibility Study

Overall, the Advanced Scoping Study has demonstrated that the Project is sufficiently robust to warrant progressing the Project and the opportunities it presents further.

The positive Target Case outcomes suggests that further exploration to delineate additional resources will create the most substantial additional value in the short term for the Project. Such an exploration programme may be merged with other work areas identified in the course of the Study and undertaken in an organised manner as part of a staged Feasibility Study.

The potential next stage Feasibility Study phase would have clear focus on tackling critical work areas, Project enhancements and Project size assessments in the first phase of the work programme. This preliminary phase would be expected to be followed by two final stages in order to complete the full evaluation. The indicative work plan has been defined as follows:

### Stage 1: Field Work and Data Gathering

Building critical knowledge on the key areas of:

- Resource size and grade i.e. undertake sufficient exploration to close off the resource and provide a base for mining studies.
- Geochemical, geophysical and geotechnical field work to be able to assess the critical parameters for mine design and support exploration targeting.
- Identification of major ore domains and undertaking sufficient metallurgical test work to understand their metallurgical performance.

### Stage 2: Evaluation

Evaluating (using a decision/financial model) all options, trade-offs, and enhancement opportunities. This would allow the Project (eg. equipment, mine, plant, and infrastructure) to be more accurately gauged with an updated assessment of the Project economics prior to progressing with areas to better define the Project in a risk reduction phase.

### Stage 3: Risk Reduction

Undertaking sufficient engineering analysis on the selected Project scope(s) to deliver the required level of accuracy on the capital and operating costs. Generally, this would require mine designs, General Arrangement drawings and Process and Instrument Diagrams to be compiled with material take-offs underpinning many of the cost estimates. Budget pricing will also be obtained for all major equipment items.

The complete and robust nature of the Advanced Scoping Study provides both reasonably well defined development options and a way forward regarding a possible next study phase.

Furthermore, the Advanced Scoping Study has provided Alara with a much better overall evaluation of the prospects for the Project and Alara's Oman assets generally and the potential for other commercial options and opportunities to be explored. As such, the Company has recently initiated a commercial review (expected to be completed by end of November 2014) to help further define the options available such that Alara can make a final decision on the way forward for this Project.

– 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 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](http://www.alararesources.com).

#### Forward Looking Statements and Disclaimer

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## ANNEXURE A

### FURTHER INFORMATION ON ADVANCED SCOPING STUDY

#### General Project Description

The Washihi deposit lies within the Oman Mountains, ~160km south-west of Muscat via sealed road. Mullaq is located 15km east of Washihi - access to the site is via ~7km of unsealed track. Daris East is located east of the Al Hajar Mountains - ~160m above sea level and 240km by road to Washihi. Daris 3A-5 is accessed via Daris East and is a further 12km to the west. Al Ajal is located 53km east of Daris East at the foot of the Al Ajar mountains. The deposits are near surface and are amenable to open pit mining.

The Project consists of a standalone centralised concentrator processing predominantly transition and sulphide ore feeds transported by road from the various open pits to Washihi, where the bulk of the feed tonnes are proposed to be mined. Feed from the Washihi pit is trucked directly from the mine to the plant but all other feeds from the satellite pits are trucked via road. Each satellite deposit will have basic infrastructure necessary to support the mining operation. This is expected to be temporary and relocatable due to the mine life expected for some of the smaller deposits. Washihi is also expected to be the main administrative centre.

The conventional flotation circuit (refer Figure 2) is well established for Copper and Gold sulphides processing. The inclusion of a HMS plant (refer Figure 2) prior to the conventional flotation circuit is based on a single series of metallurgical tests undertaken on three composite Washihi samples. The tests showed that ~50% of material is rejected and this results in a Copper grade upgrade of 1.5-2.0 times with 8-10% overall metal losses. Notwithstanding these very encouraging test results, they are based on a single test series. The HMS technology is a well established technology for beneficiation of ore bodies and preliminary results (as above) appear to indicate that the Washihi ore is amenable to the process. Further test work will be required to confirm the test results on all ore domains and deposits.

The concentrate product will be trucked from Washihi to the Sohar Copper Smelter located ~370km by road from the Washihi mine. The Sohar Smelter is owned and operated by the Oman Mining Company (**OMCO**), a State owned enterprise. It currently treats locally produced concentrates as well as ~80,000tpa of imported concentrates on a toll basis. The realisation of value identified under the Advanced Scoping Study is based on reaching an agreement with the Sohar Smelter to process the Project's produced concentrate at the assumed treatment charges. Discussions with OMCO have indicated that the smelter is highly likely to have capacity to treat the Project's concentrate by 2015.

A number of water sources for the process plant have been identified that will require detailed evaluation, outside the scope of the current Study. For the purposes of this Study, a preliminary water balance has been undertaken that indicates that between 700MI/year and 1400MI/year will be required. A capital and operating cost allowance has been made for a 40km small diameter pipeline from an area southwest of Sanaw where there is a substantial, relatively undeveloped, brackish to saline groundwater reserves.

Investigation of the power supply and generation options are also to be undertaken in detail and are also outside the scope of this Study. However it is noted that grid power is supplied to the nearest township of Kahdra Bin Daffa, ~5km from the Washihi mine site and the main high voltage feed from Izki to Mudaybi passes within 8.5km of the site to the south west. The Study has assumed connection to this grid.

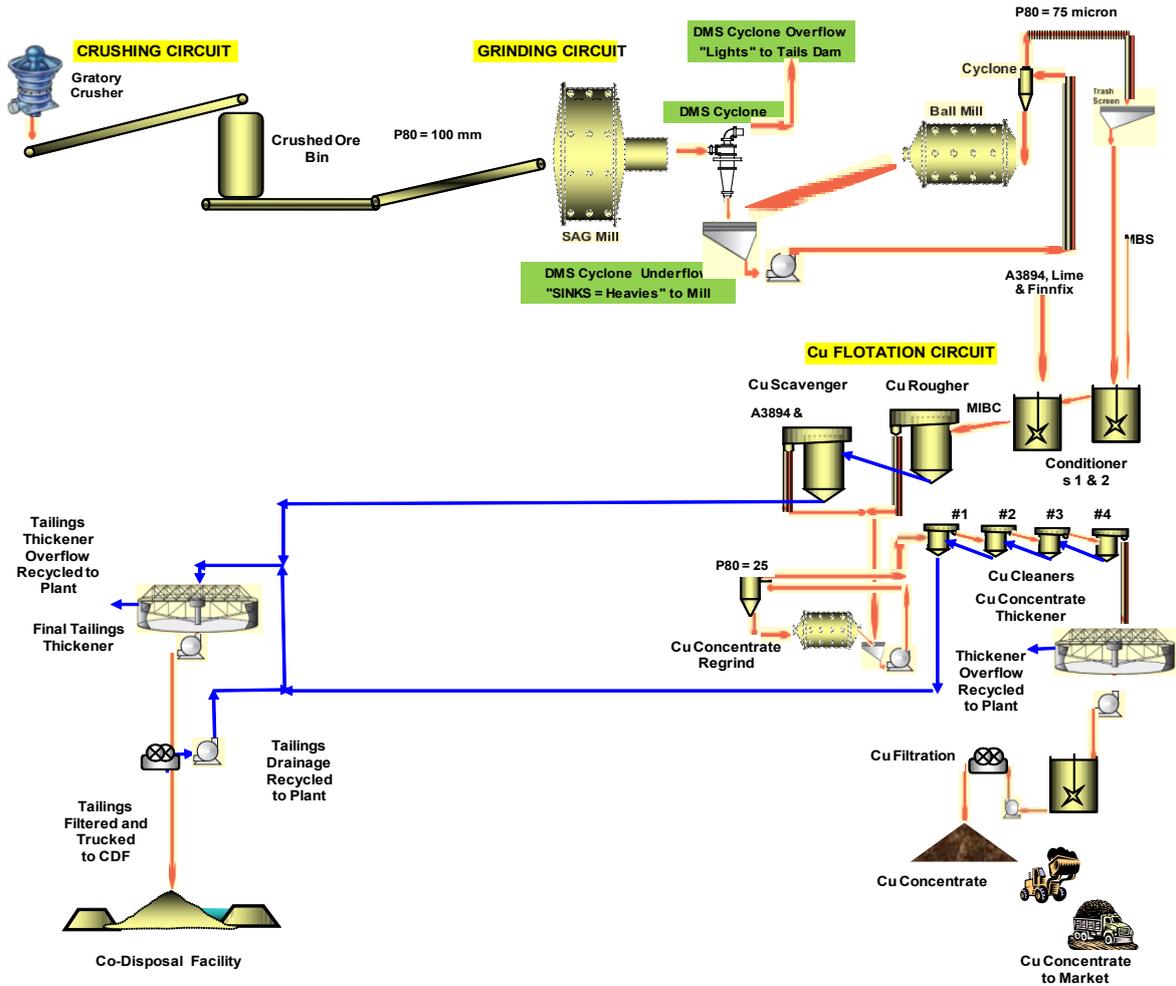


Figure 2: HMS Plant + Conventional Flotation Circuit

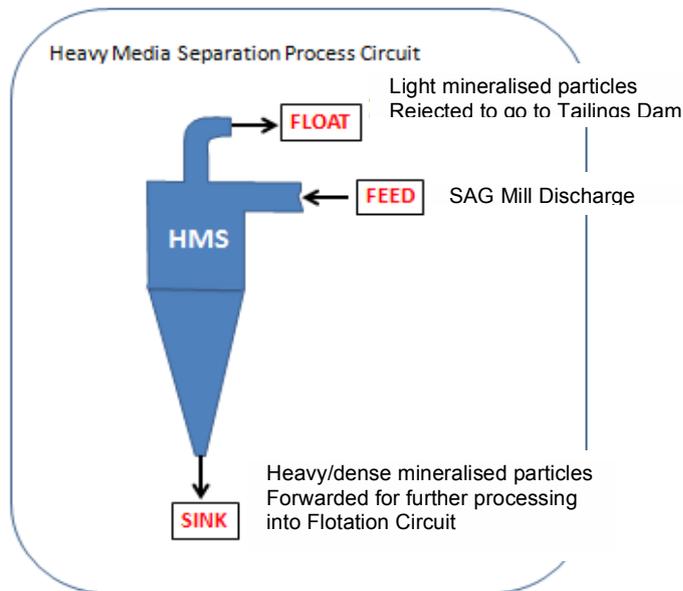


Figure 3: HMS Process Circuit

## Study Approach/Methodology

Three scenarios have been modelled:

- (1) A '**Base Case**' that has used Whittle pit optimisations derived from the geological model underpinning the JORC Mineral Resources for the Washihi and Daris East deposits. It considers a 1 Mtpa mining rate feeding a SAG mill and HMS Circuit followed by a nominal 0.5 Mtpa flotation and tailings handling facility.
- (2) An '**Enhanced Base Case**' was evaluated with the addition (comprising 2.3% of the mining inventory and 6.6% of the Copper concentrate product) of an Exploration Target identified from the (higher grade) Mullaq prospect. Mullaq is adjacent to Washihi and is believed, like Washihi, that ore mined will be amenable to HMS. It has had extensive drilling undertaken and the Exploration Target used in the financial model is based on sectional estimates, being a sub-set of the overall Exploration Target range identified for Mullaq (refer [Annexure B](#)). However, a geological block model has not been prepared and Whittle pit optimisations have not been carried out on this Mullaq Exploration Target. The assumed mining inventory attributable to Mullaq has been assessed based on typical resource to conversion factors.
- (3) The '**Target Case**' involves additional analysis undertaken to assess the economics of an increased mining inventory derived from Alara's assessment of 'reasonable' exploration success based on a detailed Exploration Target by Exploration Target assessment of the prospects/deposits within the Project area. This case is important to understanding the future development of the Project as delineation of the Washihi deposits in particular remain open in a number of directions and there is substantial evidence that a number of the targets are highly prospective. This assessment is described in detail within [Annexure B](#). The Target Case has been set at a higher annualised mining rate feeding a SAG mill and a HMS circuit with a larger throughput flotation circuit and tailings preparation facility (vis a vis under the Base Case).

Capital and operating cost estimates were derived from the following sources:

- (1) A 2010 Scoping Study for a 1.65Mtpa conventional flotation plant and open pit mine in Oman.
- (2) A 2002 Pre-Feasibility Study for an Oman property involving an open pit and conventional flotation flowsheet, which compared 0.75Mtpa and 1 Mtpa mill capacities.
- (3) Scaled estimates from Alara's 2013 Khnaiguiyah Zinc-Copper Project Definitive Feasibility Study.
- (4) Adjusted estimates for HMS plants in Australia.
- (5) A benchmark database and associated algorithms to scale capital and operating costs from similar international projects.

## Summary of Production Target/Profile<sup>6</sup>

Payable metals will include Copper and Gold. Copper will be sold in the form of a concentrate and all Gold recovered is assumed to report to the Copper concentrate and sold as a precious metal credit.

	<b>Base Case</b>	<b>Enhanced Base Case</b>
Total Ore Mined	9,594,462t	9,816,462t
Total Waste Mined	50,805,187t	54,899,854t
Average Strip Ratio	5.3 to 1	5.6 to 1
Flotation Feed	4,786,128t	4,894,242t
Concentrate Produced	298,986dwt	318,734dwt
Concentrate Grade	25% Cu	25% CU
Contained Copper in Concentrate	74,747t	79,683t
Contained Gold in Concentrate	38,088oz	37,151oz

<sup>6</sup> The production target should be read in conjunction with the cautionary statement on page 2.

### Mining Inventory and Head Grades<sup>7</sup>

Under the Base Case, 9.6Mt (at an average 0.91% Cu and 0.18 g/t Au) of potential economic material has been identified of which ~98% of the Project mining inventory will be sourced from the Washihi JORC Mineral Resources and the balance (2%) will be sourced from the Daris East JORC Mineral Resources, as follows:

Summary of Mining Inventory underpinned by JORC Mineral Resources	Ore tonnes	Copper Cu%	Gold g/t	~Waste tonnes	Strip Ratio (Waste/Ore)
Washihi Stage 1 High Grade (HG)	1,954,857	1.29	0.25	13,481,834	3.9
Washihi Stage 1 Low Grade (LG)	1,504,584	0.60	0.23		
Washihi Stage 2 HG	959,643	1.15	0.22	11,496,962	4.5
Washihi Stage 2 LG	1,592,858	0.64	0.19		
Washihi Stage 3 HG	936,672	1.16	0.15	23,322,750	6.9
Washihi Stage 3 LG	2,424,357	0.65	0.12		
<b>Washihi sub-total</b>	<b>9,372,971</b>	<b>0.88</b>	<b>0.19</b>	<b>48,301,546</b>	<b>5.1</b>
Daris East Sulphide	206,040	2.22	0.34	2,503,641	11.3
Daris East Basalt	15,451	2.17	0.03		
<b>Daris East sub-total</b>	<b>221,491</b>	<b>2.22</b>	<b>0.32</b>	<b>2,503,641</b>	<b>11.3</b>
<b>Total</b>	<b>9,594,462</b>	<b>0.91</b>	<b>0.18</b>	<b>50,805,187</b>	<b>5.30</b>

Notes:

1. The mining inventory used for scheduling and cash flow modelling purposes was derived from the pit shell inventories.
2. To facilitate scheduling, (10m) bench by bench inventories were estimated for both Washihi and Daris East. Pit shells were exported from Whittle and coded into respective block models. Each model was reported on a bench by bench basis with respective mining dilution and recovery factors applied.

ASX Cautionary Statement : *There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target (under the Study) will be realised (per ASX Listing Rule 5.16.4).*

Under the Enhanced Base Case, additional conceptual mining inventory has been added to the financial model as follows:

Summary of Mining Inventory	~Ore	Copper Cu%	Gold g/t	~Waste tonnes	Strip Ratio (W/O)
Mullaq prospect	222kt	2.80%	-	4,094,667	18.4

Notes:

1. Based on an assumed 60% conversion factor of Exploration Target to inventory (refer below and [Annexure B](#)).
2. Processing of the additional inventory was scheduled from Year 5 onwards assuming a constant rate and grade.

The factors that lead Alara to believe that it has a reasonable basis for reporting a Production Target in the context of the Mullaq Exploration Target under the Enhanced Base Case are as follows:

- The ~222kt Exploration Target has been derived from cross section estimates after a “target to inventory” conversion of 60%. This is the same conversion factor that has been used for all Exploration Targets under the Study and has been derived from the observed Washihi JORC Mineral Resource to mining inventory conversion; and
- Refer [Annexure B](#) for the basis of the range of Exploration Targets across the Project areas – the above Mullaq Exploration Target used in the conceptual mining inventory (under the Enhanced Base Case) is based on a very conservative assessment of the range of Exploration Target.

<sup>7</sup> The production target should be read in conjunction with the cautionary statement on page 2.

Under the Target Case, significant additional conceptual mining inventory has been added to the financial model sourced from satellite areas within the Project – the Daris 3A-5 prospect within the Daris exploration licence, the Al-Ajal prospect/exploration licence and the Mullaq prospect/exploration licence. The economics of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.<sup>8</sup>

Refer [Annexure B](#) for further details in relation to the Exploration Targets assessed for the Project.

**Proportions of JORC Mineral Resources and Exploration Targets underpinning the Production Target (Base Case and Enhanced Base Case)**

Components	Base Case		Enhanced Base Case	
	~Kt	Proportion	~Kt	Proportion
JORC Measured Mineral Resource	114	1.2%	114	1.2%
JORC Indicated Mineral Resource	5,425	56.5%	5,425	55.3%
Sub-total JORC Measured and Indicated Mineral Resource	5,539	57.7%	5,539	56.4%
JORC Inferred Mineral Resource	4,055	42.3%	4,055	41.3%
Exploration Target (Mullaq)	-	-	222	2.3%
Sub-total JORC Inferred Mineral Resource and Exploration Target	4,055	42.3%	4,277	43.6%
<b>Total</b>	<b>9,593</b>	<b>100.0%</b>	<b>9,815</b>	<b>100.0%</b>

The JORC Mineral Resources underpinning the Production Target has been prepared by a Competent Person – refer [Annexure C](#) for JORC Statements and Competent Persons' Statements.

The JORC Exploration Target(s) adopted under the Enhanced Base Case and Target Case are based on the following range of Exploration Targets assessed by a Competent Person (refer [Annexure C](#)):

Prospect / Licence Area	Range of Exploration Targets Estimated		
	~Tonnes (Mt)	~Copper Grades (%)	~Gold (g/t)
Washihi	3 - 4	0.9 - 1.1	0.1 - 0.3
	2.5 - 7.5	0.9 - 1.1	0.1 - 0.3
	0.5 - 1	1.0 - 3.0	0.1 - 1.0
Daris 3A-5 prospect	0.25 - 0.5	1.0 - 5.0	0.1 - 0.5
Daris-East prospect	0.25 - 1	1.0 - 2.5	0.1 - 0.5
Daris Licence			
Al Ajal	1 - 2	0.9 - 1.5	0.5 - 1.5
Mullaq	0.25 - 1	1 - 3	0.09 - 1.2
	3 - 4	0.9 - 2	0.09 - 0.3

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

Refer [Annexure B](#) for further details in relation to the above Exploration Targets.

<sup>8</sup> Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at 71.3%. Refer [Annexure B](#) for further details in relation to the Exploration Targets assessed for the Project.

### Process Recoveries

The Cu and Au Flotation recoveries for Washihi and Daris-East Sulphide ores are based on preliminary scoping level metallurgical test work. All other recoveries (Daris-East Oxide, Daris East Basalt and Mullaq) have been estimated based on typical recoveries observed for ore of a similar mineralogy.

Element	Copper	Gold
Washihi HMS Mass Recovery	48.8%	-
Washihi HMS Metal Recovery	90%	70%
Washihi Flotation Metal Recovery	92.5%	50%
Washihi Overall process recovery	83.25%	35%
Daris East Flotation Metal Recovery - Transition	50%	40%
Daris East Flotation Metal Recovery - Fresh	50%	40%
Mullaq	90%	60%

Note:

1. Daris East mineralisation was not considered by the Metallurgist Consultant to be amenable to HMS. Flotation recovery was therefore used for the overall process recovery in the pit optimisation.

HMS performance based on representative composite samples from the three mineralised zones of Washihi North, Washihi Central and Washihi South indicates that between 46% and 53% of material with 8-10% metal loss can be rejected with a resultant upgrade of ore feed grade to the flotation circuit by 1.5-2.0 times. This increases the effective feed grade of the Washihi deposit from 0.8 - 0.9% Cu to 1.6 - 1.8% Cu.

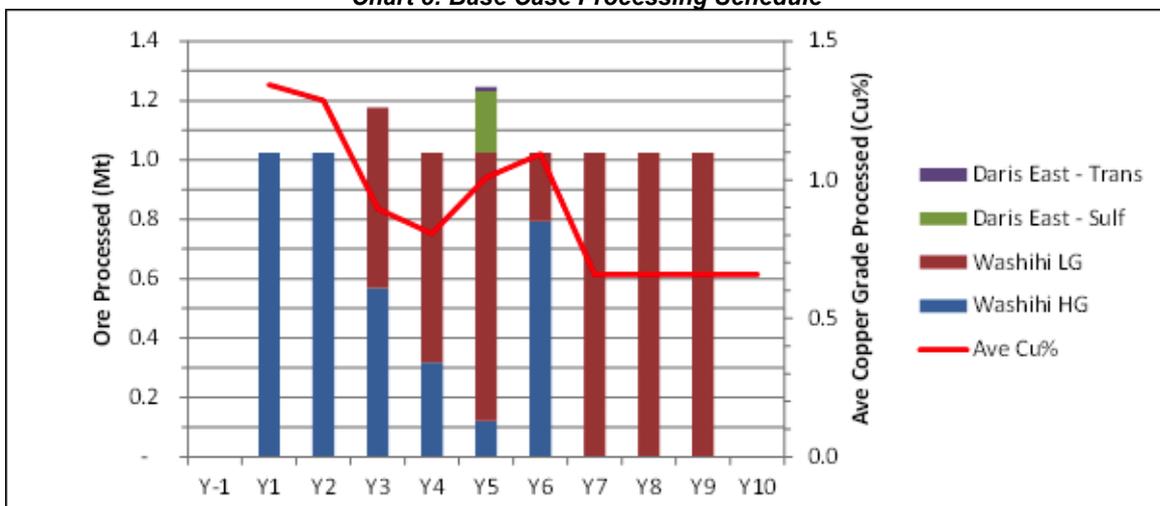
### Processing Schedule

Ore processing contemplated the use of HMS to beneficiate Washihi ore before the flotation process. Because of its nature, it was assumed that Daris East ore was not amendable to the HMS process and would bypass the HMS process in the plant. The Base Case considered treatment of ~1 Mtpa of feed to the plant to produce 0.5Mtpa of feed to the flotation circuit.

The processing schedule for the Washihi plant is shown below in Chart 5. This is based on run-of-mine (**ROM**) ore feed into the processing plant and prior to feeding into the HMS circuit and thereafter into the flotation circuit. As referred to above, HMS will upgrade the ROM ore feed grade to the flotation circuit by 1.5-2.0 times – which translates to the effective feed grade of the Washihi deposit being increased from 0.8 - 0.9% Cu to 1.6 - 1.8% Cu.

Washihi HG is processed as early as possible in the Project life to boost early cash flow. It is later supported by high value ore from Daris East in Year 3. An increase in the proportion of Washihi HG can be seen in Year 6. This is a result of the Stage 3 pit reaching the bottom of the pit where this HG material is located. Toward the end of the assumed LOM, the low grade ore from Washihi is reclaimed from stockpile and processed until depleted, marking the end of the operating phase of the Project in Year 10.

**Chart 5: Base Case Processing Schedule**



The average Cu grade is also shown in Chart 5. The average grade is above 1.2 %Cu for the first three years of mining, then falls in Year 4 as HG sources become depleted and stockpiled LG is treated to make up the shortfall. A spike in the grade in Year 6 as a result of treating the HG ore mined at the base of the Washihi Stage 3 pit. Mining is completed in Year 6 and as the availability of HG material diminishes, the process plant will switch to processing the stockpiled LG. This results in the average grade of feed to the plant falling from more than 1.0% to 0.64% when all the plant feed is derived from LG.

## ANNEXURE B

### EXPLORATION TARGETS - WASHIHI AND DARIS PROJECTS

As part of the background work to the Options Analysis Study, a range of Exploration Targets have been assessed for the Washihi and Daris Projects, as follows:

Prospect / Licence Area	Target	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)
Washihi (39km <sup>2</sup> )	WHT-1	3 – 4	0.9 -1.1	0.1 – 0.3
	WHT-2	2.5 – 7.5	0.9 -1.1	0.1 - 0.3
	WHT-3	0.5-1	1.0 – 3.0	0.1 - 1.0
Mullaq (41km <sup>2</sup> )	MQT-1	0.25 - 1	1 – 3	0.09 - 1.2
	MQT-2	3 - 4	0.9 – 2	0.09 – 0.3
Daris 3A-5	B7T-1	0.25- 0.5	1.0 – 5.0	0.1 – 0.5
Daris (587km <sup>2</sup> )	B7T-2	0.25 – 1	1.0 – 2.5	0.1 – 0.5
Al Ajal (25km <sup>2</sup> )	AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

The relevant proportions of JORC Mineral Resources and Exploration Targets underpinning the mining inventory (ie. the Production Target) assumed under the Base Case and Enhanced Base Case in Annexure A. The economics (ie. Production Target) of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.<sup>9</sup>

The previously reported JORC Mineral Resource Statements for Washihi (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au) and Daris-East (Measured and Indicated Resources of 240,024t Sulphides at 2.65% Cu and 0.43g/t Au and 183,365t Oxides at 0.72% Cu and 0.08g/t Au) are in Annexure C.

#### A. Washihi Project - Washihi, Mullaq and Al Ajal prospects/exploration licence areas

The Washihi Project comprises 3 prospects/exploration licences (Washihi, Mullaq and Al Ajal) totalling ~105km<sup>2</sup> located approximately 80 to 160km east and southeast of Alara's Daris Copper-Gold Project. 3 Mining Licence applications covering 3km<sup>2</sup> at Washihi, 1km<sup>2</sup> at Mullaq and 1.5km<sup>2</sup> at Al Ajal have been filed.

##### (1) Washihi Prospect

The JORC Mineral Resources for the Washihi prospect/exploration licence area (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au, as outlined in Annexure C) and mineralisation across the Washihi Project have been confirmed by drilling and exploration (as previously reported), including as follows:

- 69 drill holes totalling 10,668m (diamond core – 8,685m, RC - 898m and core-cum-RC – 1,085m) comprising 35 holes totalling 6,207m (diamond core – 4,224m, RC - 898m and core-cum-RC – 1,085m) drilled by Alara and verified historic drilling data from 34 holes totalling 4,461m (diamond core);
- 321.6 line kilometres of high resolution ground geophysical magnetic surveys; and
- 10.6 line kilometres of Induced Polarisation (IP)/ electromagnetic (EM) ground surveys.

<sup>9</sup> Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at 71.3%. Refer Annexure B for further details in relation to the Exploration Targets assessed for the Project.

The mineralisation in the north-western part of the existing JORC Mineral Resource body (with significantly thick stockwork of Copper mineralisation) is still open both at depth and along strike (refer Figure 4), albeit affected by the presence of a complex growth fault displacing mineralisation and associated with clay rich alteration zone saturated in ground water as observed in the holes WH12DD011 and WH12RD001 which had to be abandoned in mineralisation due to drilling difficulties. The downward structural dislocation of mineralisation was also observed in another abandoned hole (WH12DD014) which intersected top of mineralisation at 279m depth before closure.

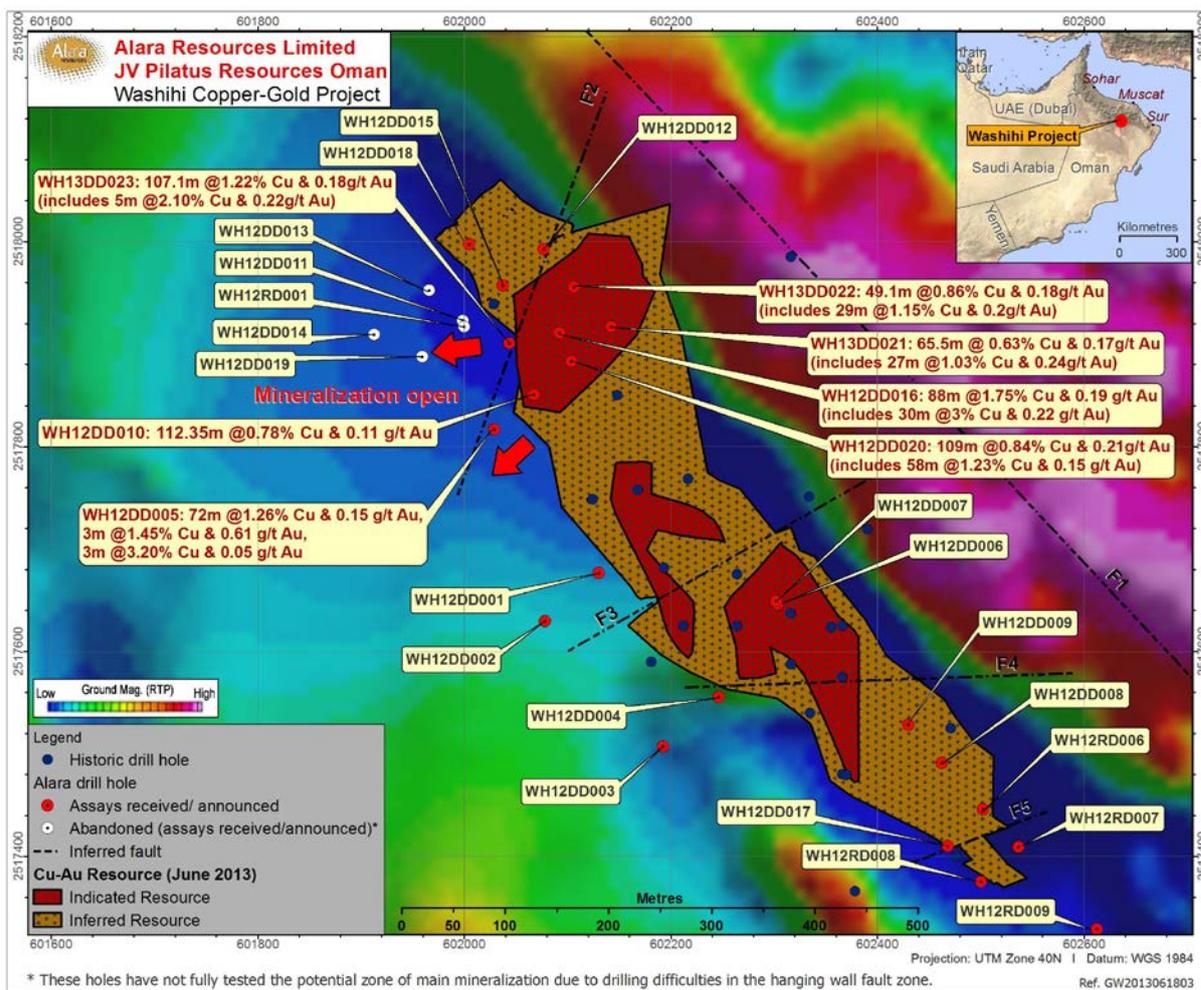


Figure 4: Washihi Datamine Block Model over RTP ground magnetics image

Highlights of significant intersection results from Alara drilling at Washihi (which have been previously announced) are in Table 1.

Table 1: Washihi Significant Intersection Results from Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT						
Drill Hole	Intersections	Significant Mineralisation			Mineralised Zone	
		From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
WH12DD001	Primary	137	159	22	0.71	0.11
	Inclusion	144	153	9	1.08	0.15
WH12DD004	Primary	120.3	134	13.7	0.64	0.52
	Inclusion	120.3	127	6.7	0.78	0.93
	Inclusion	126	128	2	1.16	0.61
WH12DD005	Primary	160	232	72	1.26	0.15
	Inclusion	168	169	1	3.57	0.21
	Inclusion	187	188	1	4.66	0.08
	Primary	206	209	3	1.45	0.61
	Primary	229	232	3	3.20	0.05

Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
WH12DD007	Primary	62	80	18	1.35	0.21
	Inclusion	62	66	4	2.26	0.12
	Inclusion	77	78	1	1.26	0.51
WH12DD008	Primary	74	76	2	0.72	0.15
	Primary	82	86	4	1.09	0.28
	Inclusion	84	85	1	3.19	0.48
WH12DD009	Primary	52	92	40	0.58	0.21
	Inclusion	55	58	3	1.08	0.27
WH12DD010	<b>Primary</b>	<b>112.65</b>	<b>225</b>	<b>112.35</b>	<b>0.78</b>	<b>0.11</b>
	Inclusion	112.65	180	67.35	1.00	0.13
WH12DD011	Primary	155	165	10	1.63	0.89
	Inclusion	159	165	6	2.6	0.86
WH12DD015	Primary	<b>116</b>	<b>134.7</b>	<b>18.7</b>	<b>1.99</b>	<b>1.92</b>
	Inclusion	129	131	2	4.14	1.60
WH12DD016	Primary	<b>67</b>	<b>155</b>	<b>88</b>	<b>1.75</b>	<b>0.19</b>
	Inclusion	77	107	30	3.00	0.22
WH12RD001	Primary	151	170.3	19.3	1.09	1.16
	Inclusion	151	165	14	1.41	1.16
WH12RD008	Primary	48	64	16	0.32	0.05
	Inclusion	54	56	2	1.24	0.01
WH12DD020	<b>Primary</b>	<b>71</b>	<b>180</b>	<b>109</b>	<b>0.84</b>	<b>0.21</b>
	Inclusion	79	137	58	1.23	0.15
WH13DD021	Primary	45.5	111	65.5	0.63	Pending
	Inclusion	66	93	27	1.03	Pending
WH13DD022	Primary	63.5	112.6	49.1	0.86	Pending
	Inclusion	78	107	29	1.15	Pending
WH13DD023	<b>Primary</b>	<b>109.7</b>	<b>216.8</b>	<b>107.1</b>	<b>1.22</b>	Pending
	Inclusion	140	145	5	2.10	Pending

Notes:

- The cut-off grade is 0.2% Cu. In addition to cut-off, a natural break in assay (a marked change in grade) was also considered in calculation of intersections. Assays less than 0.2% Cu within primary interval are included as internal dilution.
- Drill intercepts are reported as drilled; true thicknesses will be calculated at the interpretation and resource modelling stage. The drill intersections are approximately perpendicular to mineralisation and no significant difference is expected in true and intersection thicknesses.
- WH12DD011 and WH12RD001 were drilled at the same location and abandoned due to drilling difficulties in the hanging wall fault zone after intersecting the top of main mineralisation. WH12DD013, WH12DD014 and WH12DD019 were also abandoned due to drilling difficulties in the hanging wall fault zone. WH12DD014 had intersected relatively anomalous Au, Ag and Zn values at 279m depth while WH12DD013 intersected an isolated 1m low grade Cu bearing vein above the fault zone. These five holes have not fully tested the potential zone of main mineralisation.
- WH12DD006 was abandoned at 61.7m due to technical reasons and WH12DD007 is a re-drill at the same location.
- WH12RD006, WH12RD010 and WH12RD011 intersected low grade mineralization.
- WH12DD002, WH12DD003, WH12DD012, WH12DD017 WH12DD018, WH12RD007 and WH12RD009 did not intersect significant mineralisation.
- WH12RD002, WH12RD003, WH12RD004 and WH12RD005 were drilled 0.5-1km northwest of the main mineralisation to test geophysical anomalies. No mineralisation was intercepted in these holes.

As the majority of the area in Washihi (and Mullaq) is covered by ancient and recent alluvial fans, the well held understanding of magnetic lows indicating possible VMS mineralisation is supported by downhole magnetic susceptibility readings taken on core from a selection of the Washihi drillholes. There is a distinct reduction in the magnetic susceptibility values within the mineralised zone.

The obvious feature of interest in the magnetics survey grid is the NW-trending magnetic low, coincident with known mineralisation. The magnetic low extends further along strike to the NW and SE, representing significant potential to increase mineralisation tonnage in both directions. Of significant interest is the sub-circular 'reduction to the pole' (RTP) magnetic high, situated along the NW-trending linear RTP low, coincident with mineralisation. This feature may represent a large "feeder" for the entire mineralised system in the Washihi Prospect.

Based on the premise that magnetic low zones are prospective for VMS-style mineralisation, four targets have been identified for further follow-up, as shown in Figure 5 (as WH01 to 04).

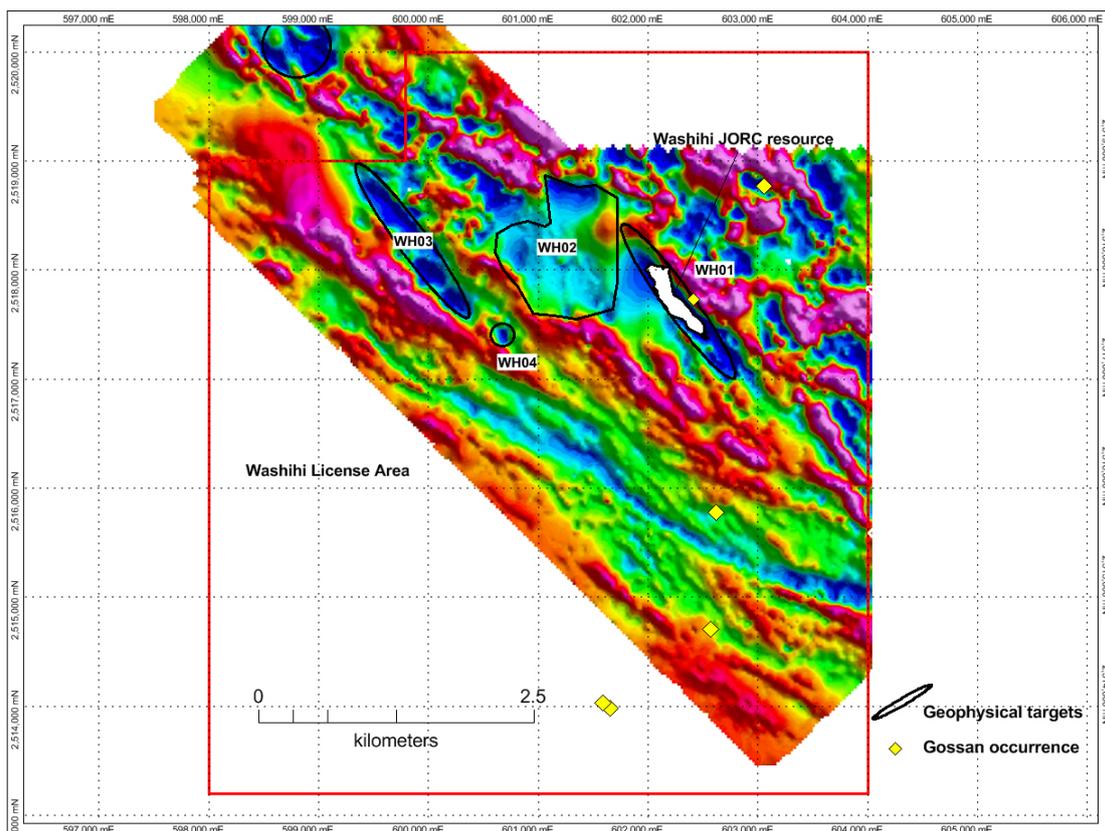


Figure 5: Regional Geophysical Anomalies at Washihi based on RTP magnetics

Exploration Targets have been identified for WH-1 to WH-3, as follows:

Washihi Targets	~Size	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
WHT-01	1400m long x 200-450m wide	3 – 4	0.9 -1.1	0.1 – 0.3	Extension of existing JORC Mineral Resources (refer Figures 4 and 6) - mineralisation remains open at depth and along the strike length of the geophysical anomaly to the northwest
WHT-02	1300m x 1400m	2.5 – 7.5	0.9 -1.1	0.1 - 0.3	Identified four (WH01-04) untested ground magnetic targets based on the premise that magnetic low zones are prospective for VMS-style mineralisation; these targets incorporates three features (refer Figure 5): (i) RTP mag low along same trend as WH01 target here anomaly wavelength suggests a shallower source to WH001 (ii) In the same zone, there exists the presence of RTP mag high; and (iii) Broad complex RTP mag lows which may be part of the same mineralisation system as the known Washihi mineralisation to the SE and a possible feeder zone to the entire Washihi mineralised system.
WHT-03	1500m x 230m	0.5-1	1.0 – 3.0	0.1 - 1.0	The additional Exploration Target is based on anticipated mineralisation in the form of the classic mound type “massive ores,” typical of high grade Cyprus-type deposits, absent or still to be discovered above Washihi stock work type mineralization. Elsewhere in Oman mining pits the proximal sulphide mound breccias similar to modern black smoker deposits are quite common above well-developed stringer vein feeder systems.

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

These targets need to be followed up with electrical geophysical methods (EM or IP) or gravity surveys to confirm the target potential for drilling. Future drilling will not only focus within the deposit area wrapping around a low magnetic anomaly (~1600m x 250m) but also in the Feeder Zone “B” and two low magnetic anomalies at “A” and “C” (shown in Figure 6). Anomaly B and C were drill tested by RC drilling (2 holes at C and 2 holes at B) but failed to test the magnetic susceptibility anomaly. This failure could be attributed to incorrect location and azimuth and inclination of the holes.

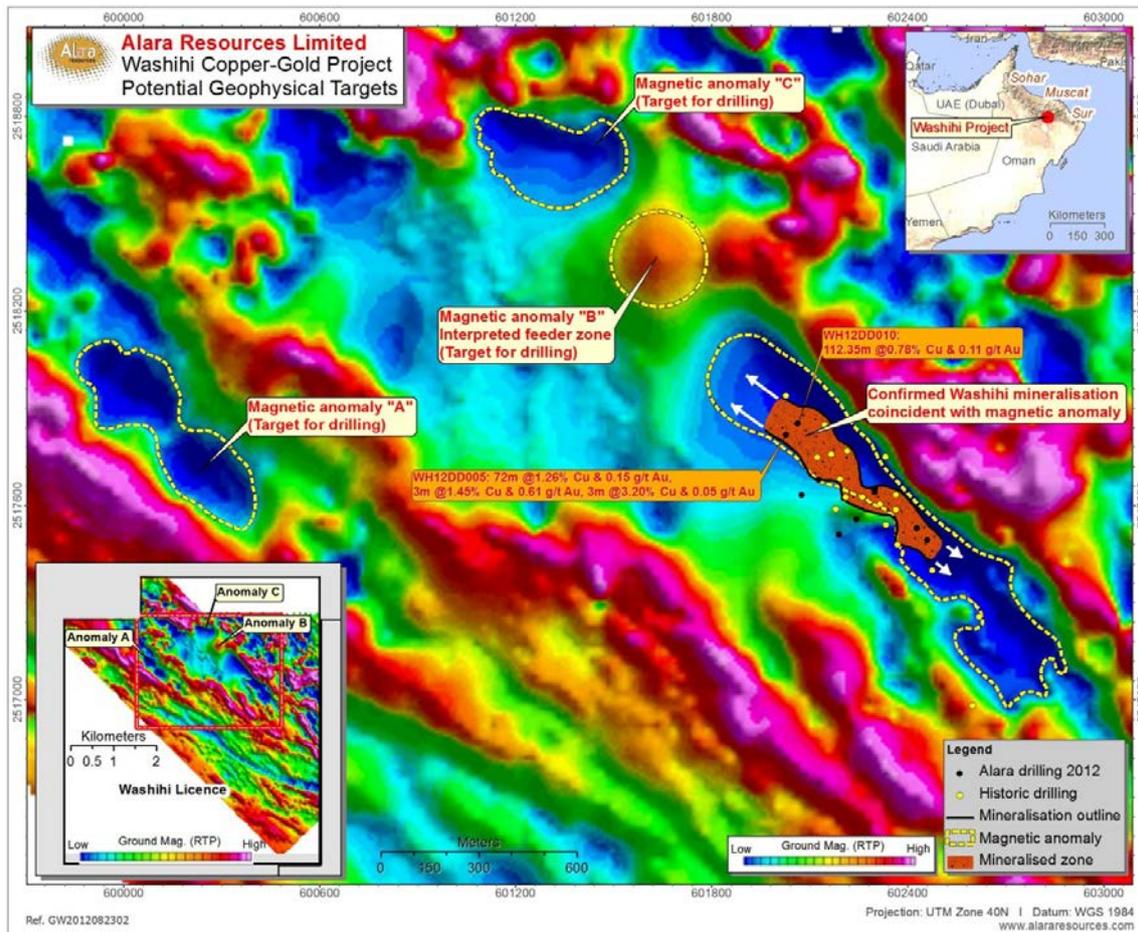
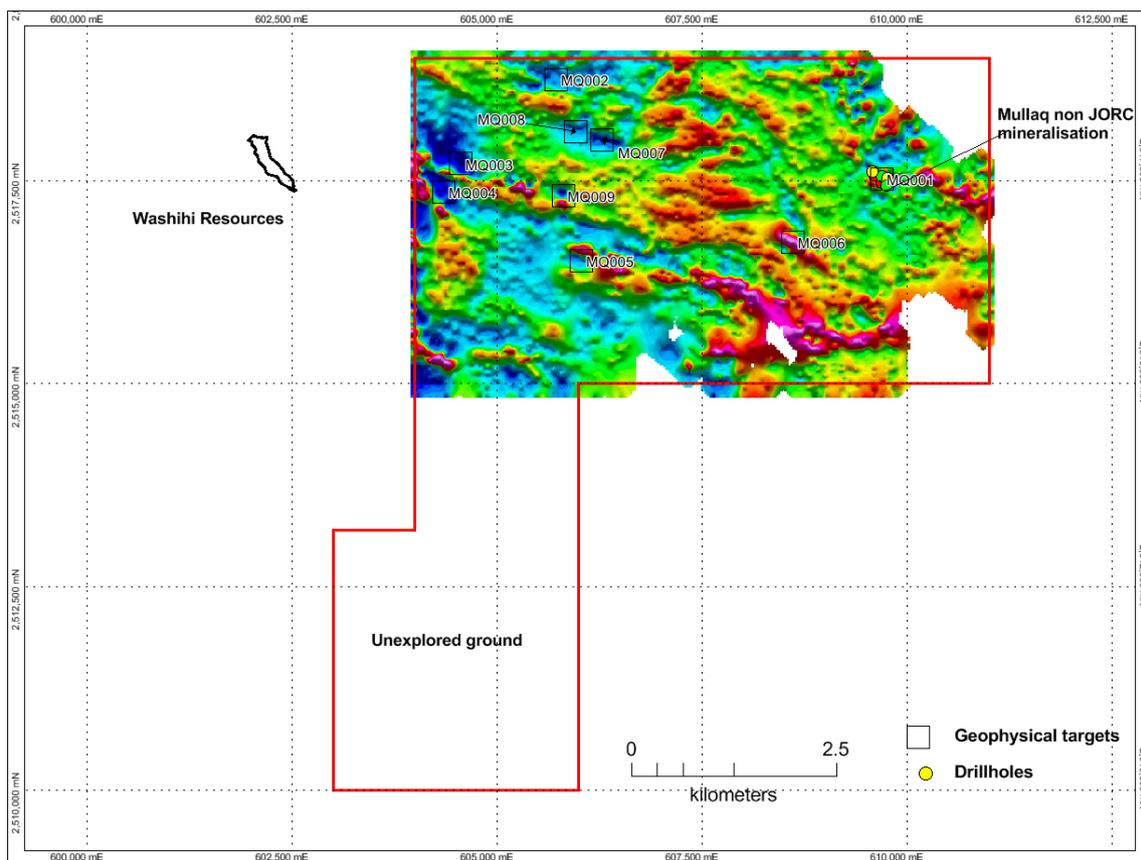


Figure 6: Low magnetic anomalies at Washihi as future drilling targets

## (2) Mullaq Prospect

Alara’s initial focus in the Mullaq prospect/licence area was to locate historical mineralisation (with historical data lacking accurate coordinates) and establish structural and host rock lithological continuity with the adjacent Washihi prospect/licence. A total 9 ground magnetic anomalies have been identified as Exploration Targets in the area based on the results of 259 line kilometres of ground magnetic and 29 line kilometres of ground IP/EM surveys along with geological traverses over a number of promising areas (refer Figure 7).

Targets within the prospect are generally strike limited RTP magnetic lows with the majority located on ~NW trending structures, which is approximately perpendicular to the Washihi mineralisation trend. The known mineralisation previously intersected by historical drilling appears to be coincident with an RTP magnetic low, although drilling through this zone failed to replicate the earlier high-grade intersections.



**Figure 7: Potential regional geophysical anomalies/targets at Mullaq based on RTP magnetics**

EM and high resolution nano-TEM (transient or time-domain electromagnetic) surveys to locate the shear zone and drilling (922m in 9 core drill holes) have been undertaken at target MQ001 to confirm the mineralisation (previously intersected by historical drilling).

A drill hole location map (refer *Figure 8*) and tabulation of the significant intersection results for the Mullaq prospect (refer *Table 2*) (which have been previously announced) are outlined below.

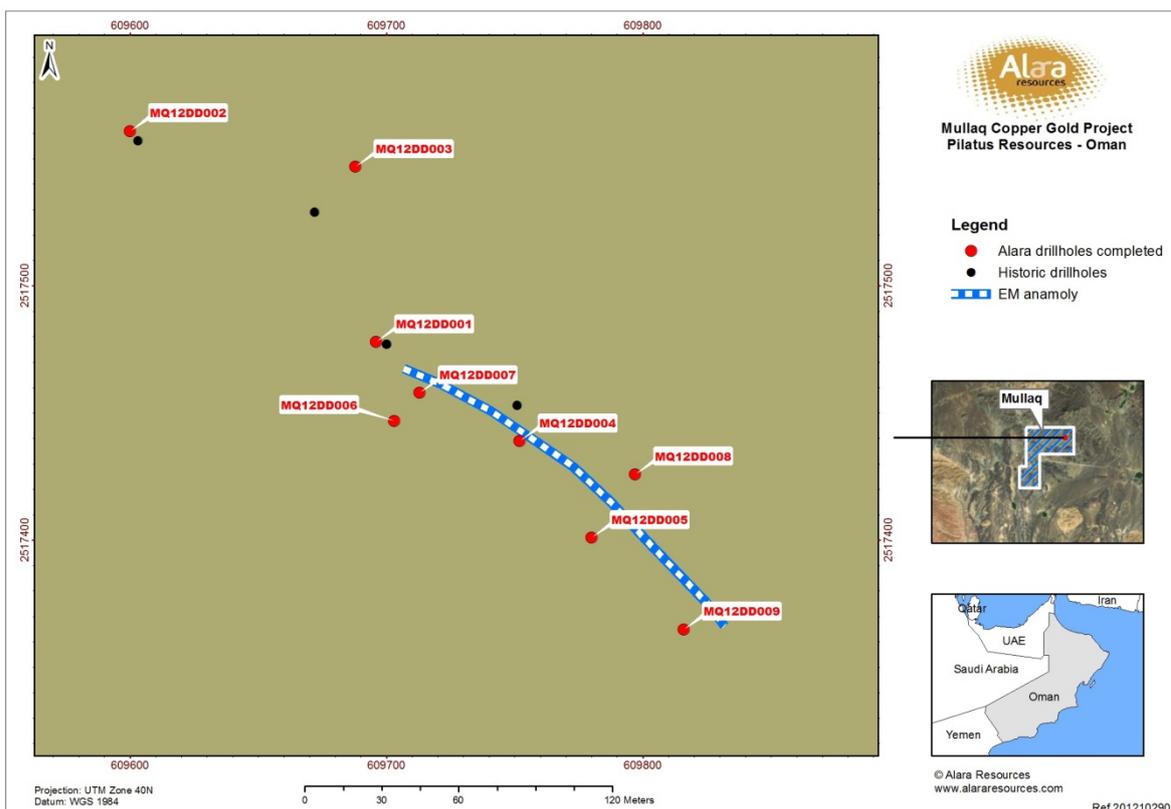


Figure 8 - Mullaq Drill hole Location Map

Table 2: Mullaq Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - MULLAQ PROSPECT						
Drill Hole	Significant Mineralization				Mineralized Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
MQ12DD004	Primary	33	36	3	0.60	-
	Primary	75	78	3	4.68	-
	Inclusion	76	78	2	6.91	-
MQ12DD005	Primary	64	65.75	1.75	0.89	0.48
	Inclusion	65.25	65.75	0.5	2.53	1.66
	Primary	76.6	79	2.4	1.46	0.96
MQ12DD006	Primary	69.6	73	3.4	2.50	0.25
	Inclusion	69.6	70.75	1.15	3.75	0.52
	Primary	100	107	7	0.99	0.09
	Inclusion	102	103	1	1.91	0.30
MQ12DD007	Primary	58	68.25	10.25	0.33	0.03
	Inclusion	58	59	1	1.45	0.10
	Primary	74	85	11	0.90	0.07
	Inclusion	75	78	3	2.37	0.19
MQ12DD008	Primary	41.3	42.2	0.9	0.86	0.09
	Primary	47	53.25	6.25	2.65	0.35
	Primary	78.2	81.2	3	0.42	0.27

Notes:

- The cut-off grade is 0.2% Cu. In addition to cut-off, a natural break in assay (a marked change in grade) was also considered in calculation of intersections. Assays less than 0.2% Cu within primary interval are included as internal dilution.
- Holes MQ12DD001, MQ12DD002, MQ12DD003 and MQ12DD009 did not intersect any significant mineralisation.

The TEM survey defined a resistive zone coincident with the mineralisation intersected by Hole MQ12DD004 on the first traverse line (Line 1) (refer Figure 9). The extent of the TEM resistive target is ~150m in strike length, which is consistent with historical drilling suggesting a mineralisation strike length of ~200m.

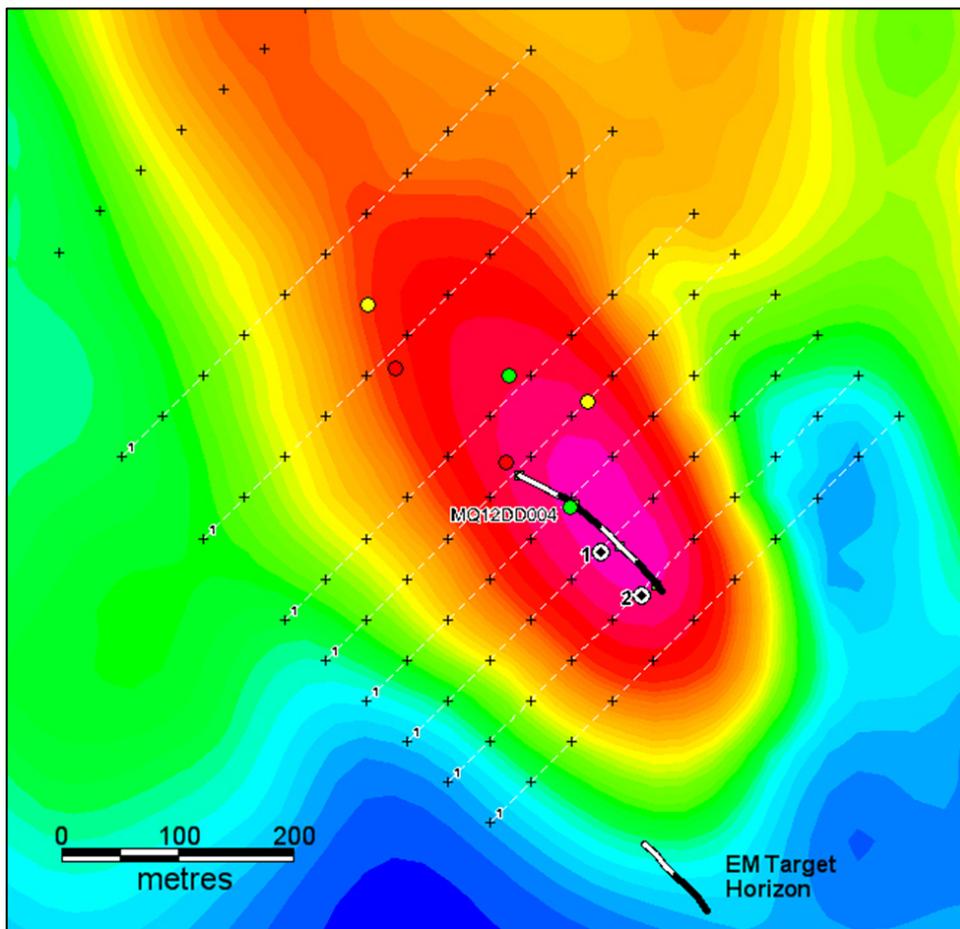


Figure 9: Target MQT-1: TEM Resistive Horizon plotted on Modelled IP Chargeability (50m Depth Slice)

Exploration Targets have been identified for Mullaq as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
MQT-1	0.25 - 1	1 - 3	0.09 - 1.2	Extensions of previously encountered mineralisation; mineralisation extensions represented by EM anomaly have not closed off (refer Figure 9)
MQT-2	3 - 4	0.9 - 2	0.09 - 0.3	Untested geophysical anomalies based on presence of several identified geophysical anomalies (MQ02 to MQ09 in Figure 8)

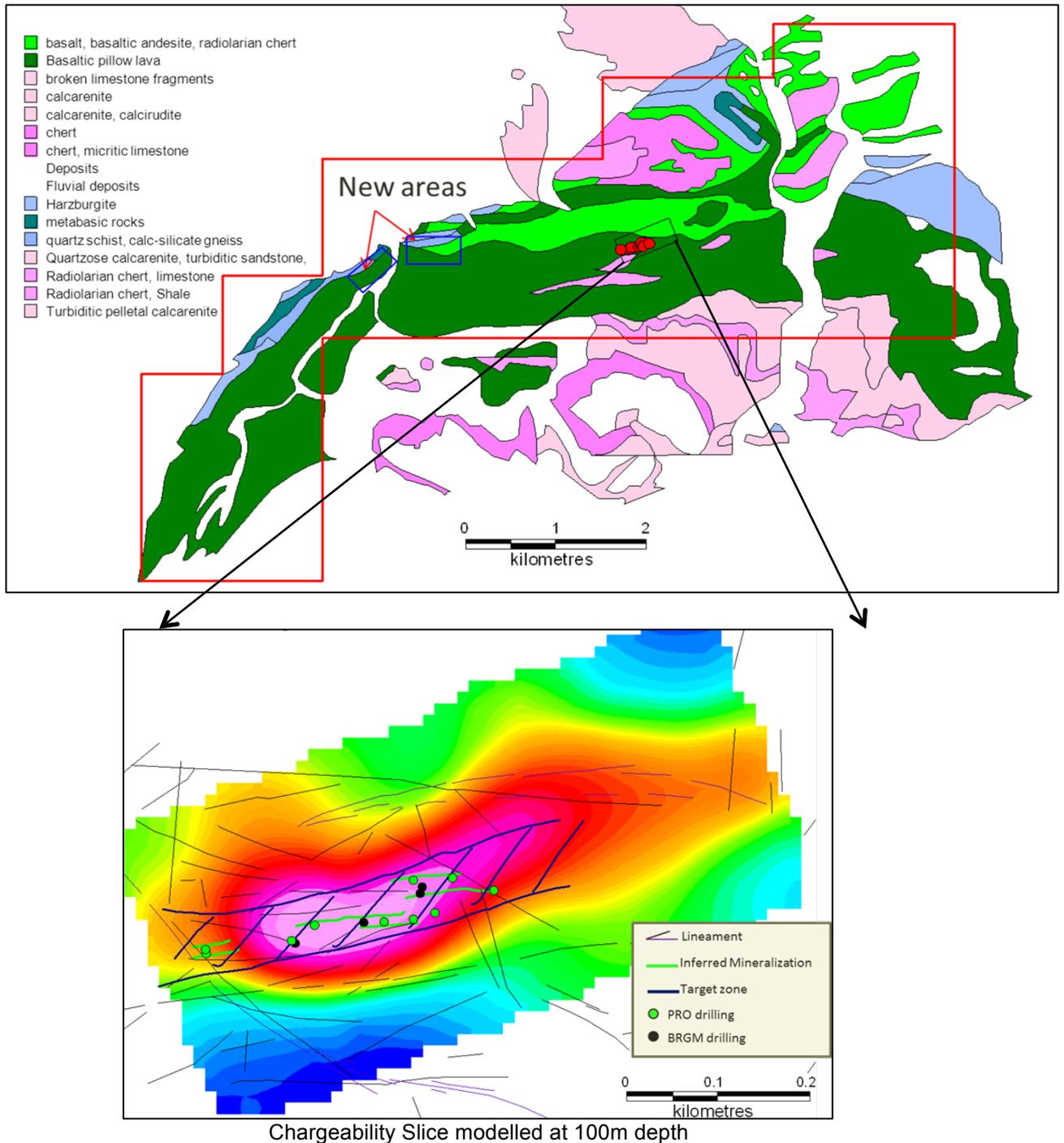
JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

The correlation of the intersected mineralisation (Hole MQ12DD004) and the larger size anomaly evident in TEM results (refer Figure 9) provides the basis for additional follow up work and drilling targeting the TEM resistive zone.

**(3) Al Ajal Prospect**

Al Ajal prospect is unique as it is considered to be the only known mineral occurrence in the Oman Mountains that is not associated with the ophiolite volcanics, but with a tertiary extension phase in relation with listwaenite. Despite its small size and relatively difficult terrain, in view of the high Gold grades detected by preliminary sampling of the gossan during the course of BRGM regional mapping in 1983 (one sample with 70 ppm Au), this prospect was selected for detailed geochemical and geophysical investigations.

Alara has carried out ground geophysical surveys (~1.7 line kilometres of IP/EM and 8.1 line kilometres of magnetics) over limited areas to confirm the geophysical signatures of historically encountered mineralisation (refer Figure 10). Geological traverses uncovered the presence of two more areas of potential positivity in similar geological trends.



**Figure 10 - Geological map showing prospective areas within Al Ajal**

Exploration Targets have been identified for Al Ajal as follows:

Target	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5	Untested geological Exploration Targets - geological traverses confirmed the presence of two further areas of potential prospectivity in similar geological settings where previous explorers encountered mineralisation.

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

The next phase of exploration for the Al Ajal prospect will involve modelling of existing mineralisation drilled by previous explorers to identify extensional targets, undertaking geophysical and geochemical sampling programmes and undertaking ground mag surveys over the ‘virgin’ ground under alluvial/gravel cover.

### Alara ASX Market Announcements for Washihi Project

Alara’s ASX market announcements released in relation the Washihi Project (on exploration matters) are as follows:

Date	Announcement Title
13 June 2014	<a href="#">Oman Project Update - Positive Options Analysis Study Outcomes</a>
18 February 2014	<a href="#">Oman Project HMS Breakthrough – Ore Upgrade Heavy Media Separation Tests Successful</a>
16 Jul 2013	<a href="#">Upgrade to JORC Resource at Washihi Copper-Gold Project</a>
18 Mar 2013	<a href="#">Drilling success continues at Washihi - Oman Project Update</a>
19 Feb 2013	<a href="#">109m Copper Sulphide Intersection – Oman Drilling Update</a>
9 Jan 2013	<a href="#">Washihi Copper Mineralisation Continues to Expand - Oman Projects Update</a>
15 Oct 2012	<a href="#">Initial JORC Resource – Washihi Project in Oman</a>
23 Aug 2012	<a href="#">Substantial Copper Discovery - 112m at 0.8% Cu and 72m at 1.3% Cu Washihi Project Oman</a>
20 Jun 2012	<a href="#">Washihi Copper-Gold Project Alara intersects 72m at 1.3% Copper</a>
8 Dec 2011	<a href="#">Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman</a>

### B. Daris Project – Daris-East and Daris 3A-5 prospects

The Daris Project comprises one exploration licence (Block 7) of ~587km<sup>2</sup>. 2 Mining Licence applications covering 3.2 km<sup>2</sup> at the Daris East and 1.3 km<sup>2</sup> at the Daris 3A-5 prospects have been filed.

The JORC Mineral Resource Statement for the Daris-East prospect (Measured and Indicated Resources of 240,024t Sulphides at 2.65% Cu and 0.43g/t Au and 183,365t Oxides at 0.72% Cu and 0.08g/t Au, as outlined in [Annexure C](#)) and mineralisation across the Daris Project have been confirmed by drilling and exploration (as previously reported), including as follows:

- Extensive geophysical surveys - 1,213 line kilometres of helicopter-borne electromagnetic Versatile Time Domain Electromagnetic (**VTEM**) survey, 246 line kilometres of ground magnetic surveys and 38.5 line kilometres of ground IP and EM survey;
- Daris East prospect – 21 rotary and 41 diamond core holes have been drilled by Alara totalling 5,278m to test shallow oxide mineralisation and geophysical targets in the vicinity and to locate massive sulphide and stringer zones beneath the oxide cap. In addition, historic drilling data from 44 holes totalling 4,353m have been included in the resource database; and
- Daris 3A-5 prospect located ~10 kilometres north-west of Daris East – 10 diamond core holes have been drilled by Alara totalling 857m to test shallow sulphide mineralisation around a known gossan.

(1) Daris East Prospect

A drill hole location map (refer Figure 11) and tabulation of the significant intersection results for Daris-East (refer Table 3) (which have been previously announced) are outlined below.

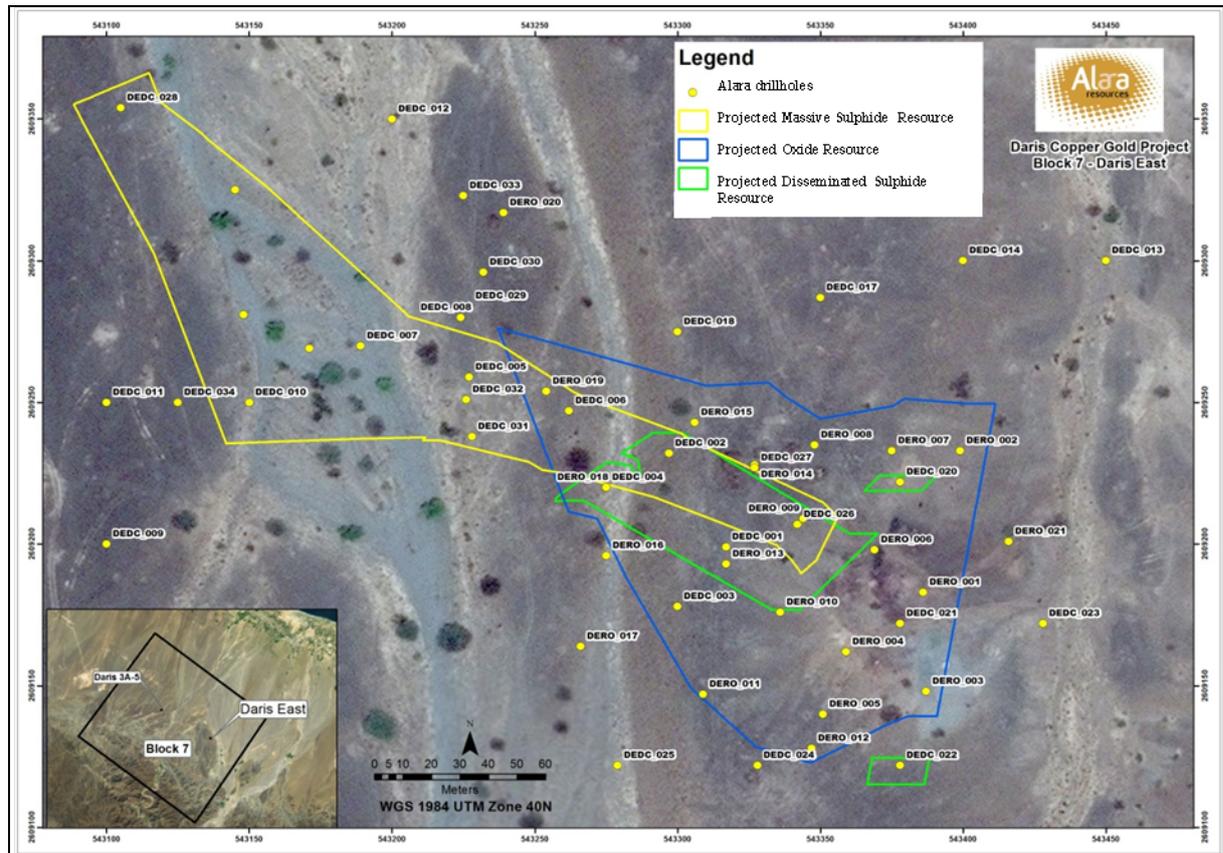


Figure 11 - Daris-East Drill hole Location and Resource Outlines

Table 3: Daris East Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS – DARIS EAST PROSPECT						
Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
DEDC_001	Primary	25	35	10	1.12	0.02
	Inclusion	27.85	33	5.15	1.89	0.00
DEDC_002	Primary	2.3	15	12.7	0.32	0.00
	Inclusion	5	6.5	1.5	0.88	0.00
	Primary	31.85	52	20.15	4.04	0.21
	Inclusion	37	43.25	6.25	9.38	0.55
DEDC_003	Primary	1	21	20	0.87	0.03
	Inclusion	13	21	8	1.05	0.02
	Primary	23.5	37	13.5	0.55	0.01
DEDC_004	Primary	23.5	25.5	2	1.18	0.00
	Primary	15	25	10	2.11	0.03
	Primary	45	49	4	0.37	0.03
DEDC_005	Primary	49.25	60	10.75	2.90	0.58
	Inclusion	52.3	56	3.7	5.88	0.97
DEDC_006	Primary	3.15	14	10.85	0.62	0.00
	Inclusion	10	12	2	1.70	0.01
	Primary	50.45	56	5.55	1.67	0.49
	Inclusion	54	55.1	1.1	4.15	0.59
DEDC_007	Primary	30.65	33.5	2.85	4.48	0.27
	Primary	56	62.5	6.5	3.06	0.50
DEDC_008	Inclusion	57	59	2	6.41	0.73
	Primary	12	25	13	1.03	0.40
DEDC_010	Inclusion	15.9	18	2.1	3.67	1.51
	Primary	16	18	2	0.24	0.00
DEDC_011	Primary	6	9	3	0.23	0.00

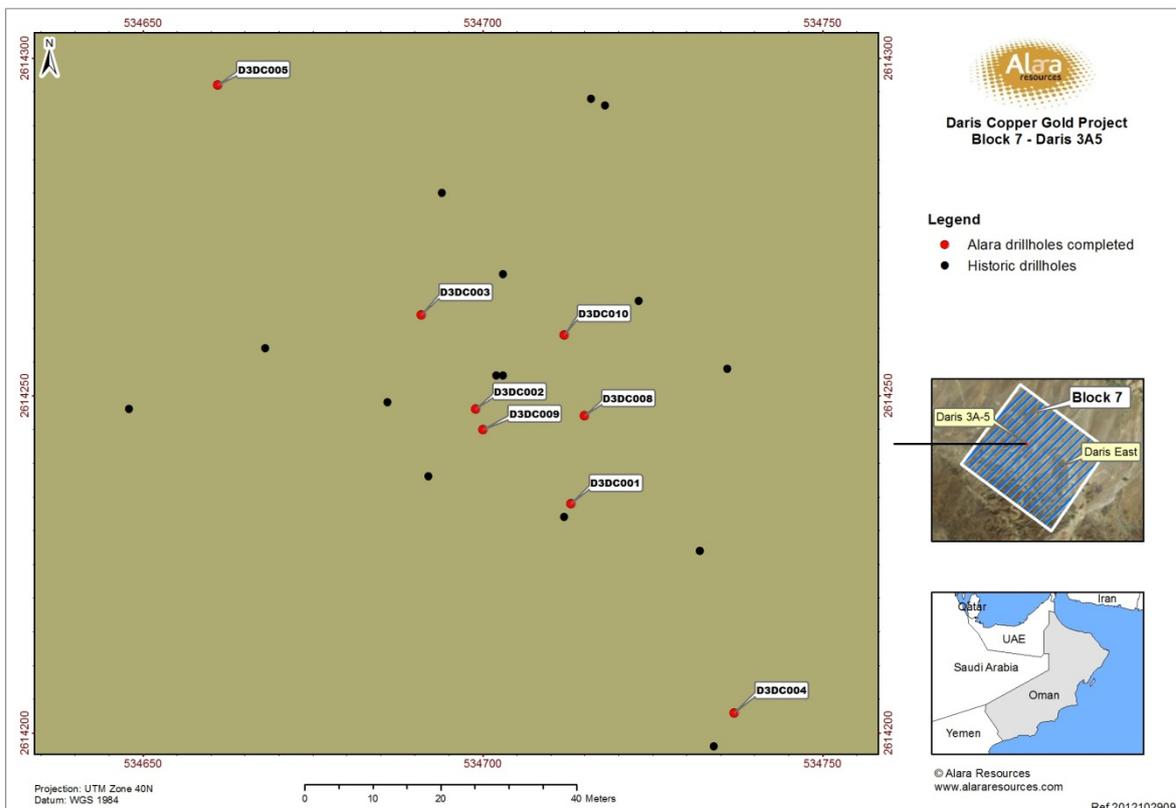
Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
DEDC_020	Primary	0	18	18	0.33	0.02
	Inclusion	12	15	3	0.52	0.04
DEDC_021	Primary	51	53	2	0.65	0.01
	Primary	0	27	27	0.67	0.02
DEDC_022	Inclusion	6	12	6	1.19	0.01
	Primary	78	83	5	0.60	0.01
DEDC_023	Inclusion	79	81	2	1.22	0.02
	Primary	95	96	1	0.71	0.01
DEDC_026	Primary	60	61	1	5.27	0.02
DEDC_027	Primary	3	52	49	1.15	0.06
	Inclusion	35.2	37.45	2.25	12.01	0.85
DEDC_029	Primary	15	21	6	0.76	0.01
	Primary	33	53	20	1.82	0.09
DEDC_032	Inclusion	40.4	42.5	2.1	7.19	0.60
	Primary	68.6	69.8	1.2	1.06	0.35
DEDC_037	Primary	34	36	2	0.96	0.47
	Primary	41	45	4	2.33	0.41
DEDC_038	Primary	47	53.7	6.7	2.82	0.58
	Primary	25	44	19	0.37	0.16
DEDC_039	Inclusion	25	27	2	1.29	1.23
	Primary	15	31	16	2.68	0.35
DEDC_039	Inclusion	18	22	4	5.37	0.31

Notes:

- The cut-off grade is 0.2% Cu.
- Oxide and sulphide zone intersections are combined for the purpose of this table.

**(2) Daris 3A-5 Prospect**

A drill hole location map (refer *Figure 12*) and tabulation of the significant intersection results for Daris 3A-5 (refer *Table 4*) (which have been previously announced) are outlined below.



**Figure 12 - Daris 3A-5 Prospect Drill hole Location Map**

**Table 4: Daris 3A-5 Significant Intersections from Alara Core Drilling**

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS – DARIS 3A5 PROSPECT							
Drill Hole	Significant Mineralisation				Mineralised Zone		
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
D3DC001	Primary	15	37.65	22.65	1.61	3.39	50.68
	Inclusion	30	37.65	7.65	4.69	3.71	77.95
D3DC002	Primary	28.4	46.25	17.85	3.85	2.61	22.51
	Inclusion	34.35	46.25	11.9	5.74	2.06	24.07
	Primary	50.6	59	8.4	4.45	1.36	20.34
	Inclusion	50.6	54.05	3.45	10.28	3.10	46.79
D3DC003	Primary	41	71.75	30.75	4.69	1.56	16.75
	Inclusion	51.5	68.7	17.2	8.05	2.67	28.95
D3DC008	Primary	23	35.8	12.8	0.74	6.62	31.11
	Inclusion	33.5	35.8	2.3	3.92	5.20	106.37
D3DC009	Primary	21	31	10	0.07	3.34	5.41
	Inclusion	23	25	2	0.06	7.13	23.67
	Primary	36	39	3	0.85	0.01	1.23
D3DC010	Primary	57	67	10	5.62	1.16	17.82
	Inclusion	59.35	65.7	6.35	8.58	1.78	27.48

Notes:

- The cut-off grade is 0.2% Cu in respect of intersections within the copper-rich zone.
- The drill intercepts are reported as drilled. True thickness will be calculated at the interpretation and resource modelling stage.

The next phase of exploration for the Daris 3A-5 prospect will aim to develop a resource model from a further series of drill holes to close the mineralisation in the south towards the leached cap to define an increase in the size of the current mineralisation.

### Exploration Targets

Whilst Alara has conducted intense exploration programmes including an airborne VTEM survey and ground geophysical surveys and follow up geochemical sampling programs within the Daris Project, drilling has largely focused on defining the JORC Mineral Resource at the Daris East prospect and limited delineation of the mineralisation at the Daris 3A5 prospect.

Several insufficiently tested potential new targets based on combination of geological, geochemical and geophysical data have been identified grouped broadly as three prospects which are shown in Figure 13:

- Prospect 1 – Majority of the area falls within prospective upper volcanic extrusive rocks exposed in Block 7 and bound by quadrangular airborne surveyed magnetic lineaments. Two VTEM targets have been identified in this prospect one of which have been drilled by Alara in 2011. Both of these vertical holes failed to test the VTEM signatures although it has a late time EM response and coincident low magnetic (**RTP**), which is a typical VMS target response in the area. It is adjacent to intersecting structures and located in the right stratigraphic horizon. Ground traverses have found surface Cu traces at this location. Seventeen rock chip collected from this prospect have returned Cu values ranging from 0.1% to 1%. One sample collected leached gossanised outcrop analysed 5ppm Au. Figure 14 shows a detailed view of Prospect 1 with anomalous rock chip results.
- Prospect 2 – This prospect falls around the sheeted dyke contact zone with cumulate gabbro south of the Daris East and Daris 3A-5 prospect areas. Although historically sampled rocks are higher in Cu content, the scattered nature of mineralisation have not never attracted explorers in the past. The Wadi Hawqayn anomaly identified by BRGM but never pursued falls in this prospect.
- Prospect 3 - This prospect falls within lower crustal to upper mantle sequences of Samail ophiolites in Block 7. One oxidised rock sample collected from outcrop exposed near a creek returned 7% Cu. This prospect covers a series of ancient mine workings trending in peculiar NW-SE trend - a site marked as “+” sign in Figure 13 has been located; this ancient mine has a ~2m thick crude slag heap piled over a 150x40m area with a ~5m deep ‘rat hole’ ancient mining pit. Significant amount of malachite staining have been observed in the area although the mine pit seems to follow a quartz vein. Detailed high resolution ground magnetic survey has been carried out in parts of Prospect 3 covering the above mentioned

ancient mine. Two core holes have also been drilled in this area without any significant intercepts.

The next phase of exploration for these prospects will involve following up geophysical and geochemical targets with EM/IP/gravity surveys to generate drill targets, geological traverses and geochemical sampling programmes, ground mag surveys over the 'virgin' ground under alluvial/gravel cover.

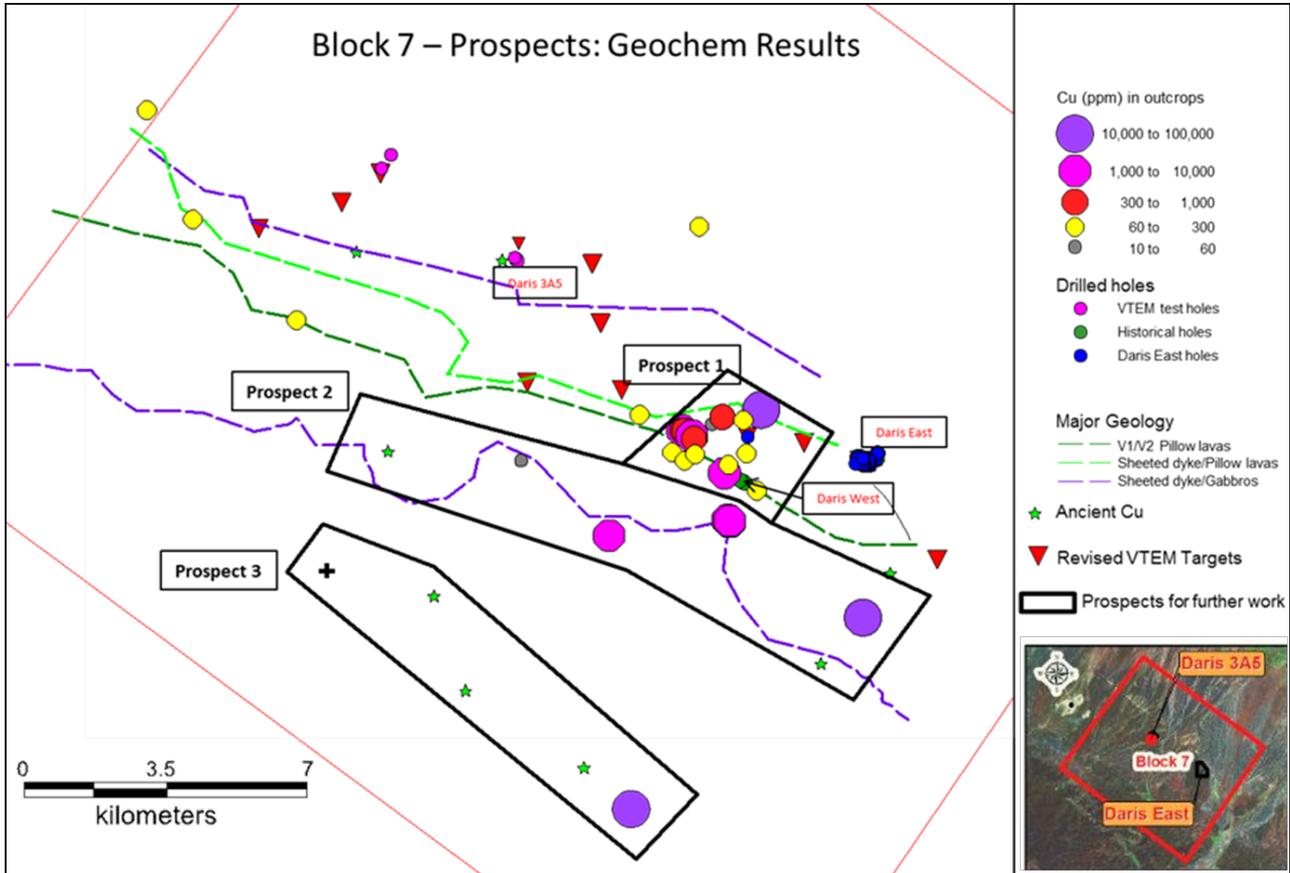


Figure 13 - Potential regional Exploration Targets within Daris Project Licence Area

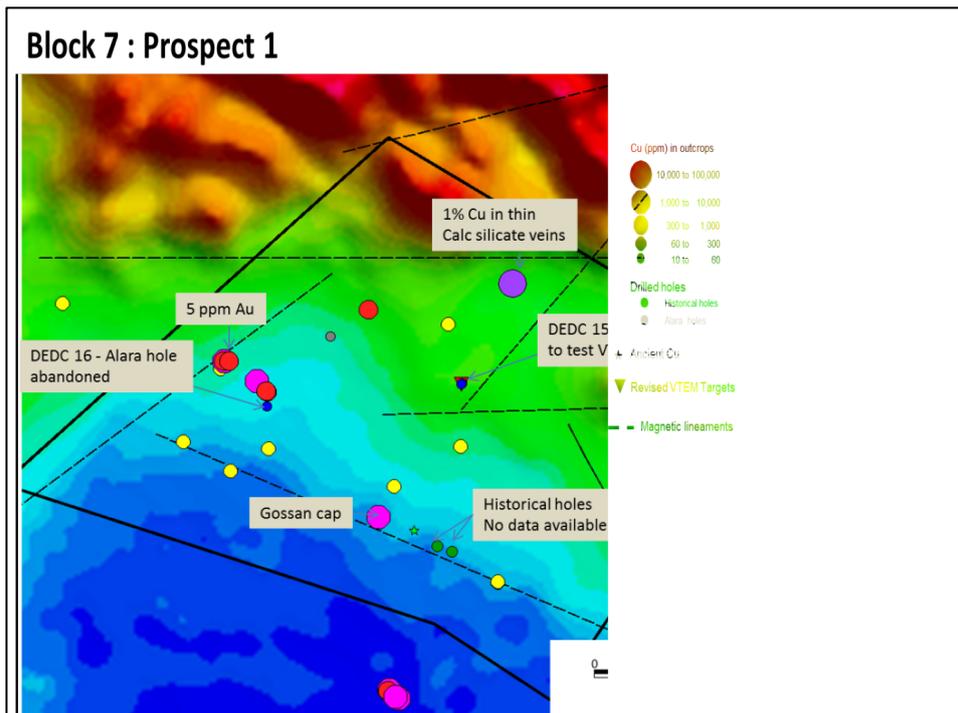


Figure 14 - Geochemistry of Prospect 1 over Magnetic image

Exploration Targets have been identified for the Daris 3A-5 prospect within the Daris exploration licence as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
B7T-1	0.25- 0.5	1.0 – 5.0	0.1 – 0.5	Based on previously encountered mineralisation and mineralisation extensions that are not closed off
B7T-2	0.25 – 1	1.0 – 2.5	0.1 – 0.5	Untested geophysical/geochemical targets - based on presence of several untested geophysical and geochemical anomalies between known occurrences at Daris East and Daris 3A-5

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

### Alara ASX Market Announcements for Daris Project

Alara's ASX market announcements released in relation to the Daris Project (on exploration matters) are as follows:

Date	Announcement Title
29 June 2011	<a href="#">Drilling Rig Update - Khnaiguiyah Project in Saudi Arabia and Daris Project in Oman</a>
19 April 2011	<a href="#">Massive Sulphide Copper Mineralisation - Daris Project in Oman</a>
16 March 2011	<a href="#">Commencement of Phase 2 Drilling - Daris East Copper Project in Oman</a>
13 December 2010	<a href="#">Further High Grade Copper-Gold Mineralisation - Daris Copper Project in Oman</a>
6 December 2010	<a href="#">Commencement of VTEM Electromagnetic Survey - Daris Copper Project in Oman</a>
26 October 2010	<a href="#">Further High Grade Copper-Gold Mineralisation - Daris Copper Project in Oman</a>
6 October 2010	<a href="#">High Grade Copper-Gold Mineralisation - Daris Project Copper Project in Oman</a>
14 September 2010	<a href="#">Daris Project Drilling Update</a>
30 August 2010	<a href="#">Project Acquisition - Daris Copper Project in Oman</a>

### Exploration and Resource Targets

Any discussion in this Annexure B in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While the Company may, with (and subject to) further exploration and evaluation works being undertaken, report additional JORC compliant mineral resources for the Oman Projects, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

Table 5 – Summary of Exploration Activity Undertaken by Alara on Washihi and Daris Projects (Excluding Historical drilling Data)

Licence Area	Geology, GIS & Prospectivity studies	Field Activities								Analysis	Resource Model	Other Work/ Comments
		Geochemical Survey	Geophysical Survey		Drilling		Topographic survey	Samples Collected				
			Airborne	Ground	Core	Non-core		Rock/soil	Drill core/chips			
Daris (Block 7) (587km <sup>2</sup> )	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	Stream sediment orientation survey, sampling at 500 x 500m grid of soil/rock chips over geologically potential zones	1213 line kms. of VTEM and Magnetics	246 line kms. of Magnetics. 38.5 line kms. of IP/EM	Alara drilled 5643m in 53 holes (41 at Daris East; 10 at Daris 3A5 and 2 exploration) in licence area	624m in 21 rotary open holes and 500m in 5 holes as G.W. monitoring holes	All drillhole collar pick-ups; 1m contour survey at Daris East and Daris 3A-5 prospects; connected to NSA Survey point	69	2656 (incl QC)	2725	Daris East Datamine Model completed. Daris 3A-5 Resource Model under compilation	
Washihi (39km <sup>2</sup> )	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	500 x 500m grid sampling of soil/rock chips over geologically potential zones	-	321.6 line kms. Magnetics and 10.6 line kms IP/EM	4224m in 24 diamond core holes & 1085m in 5 Core cum RC/core holes	898m in 6 RC holes and 800m in 8 rotary open holes as G.W. monitoring holes	All drillhole collar pick-ups; 1m contour survey; connected to NSA Survey point	56	2092 (incl QC)	2148	Washihi Datamine Resource Model completed.	
Mullag (41km <sup>2</sup> )	Historic Data collection, review and re-interpretation using GIS and updated imageries.	-	-	259 line kms. Magnetics and 21 line kms. IP and 8 line kms EM	922m in 9 diamond core holes	-	-	-	146	146	-	Datamine Resource Model under compilation
Al Ajal (25km <sup>2</sup> )	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	-	-	1.7 line kms. IP and 8.1 line kms magnetics	-	-	-	-	-	-	Datamine Resource Model under compilation to validate historic resources	Relogging of PRO drillhole cores and validation completed

## ANNEXURE C

### OMAN PROJECT DETAILS AND JORC STATEMENTS

#### Washihi-Mullaq-AI Ajal Copper-Gold Project (Oman)<sup>10</sup>

(Alara 70%, Al Hadeetha Investments LLC 30%, of Al Hadeetha Resources LLC)

- Comprises 3 prospects/exploration licences (Washihi, Mullaq and Al Ajal) totalling ~105km<sup>2</sup> located ~80 to 160km east and south-east of Alara's Daris Copper-Gold Project
- 3 Mining Licence applications covering 3km<sup>2</sup> at Washihi, 1km<sup>2</sup> at Mullaq and 1.5km<sup>2</sup> at Al Ajal have been filed

**Table 1 - Washihi JORC Mineral Resources<sup>11</sup>**

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0.85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

#### Daris Copper-Gold Project (Oman)<sup>12</sup>

(Alara 50% with right to increase to 70%+, Al Tamman Trading Establishment LLC 50%, of Daris Resources LLC)

- Located ~150km west of Muscat (capital city) and comprises one exploration licence (Block 7) of ~587km<sup>2</sup>
- 2 Mining Licence applications covering 3.2 km<sup>2</sup> at the Daris East and 1.3 km<sup>2</sup> at the Daris 3A-5 prospects have been filed

**Table 2 - Daris-East JORC Mineral Resources**

Ore type	Cut-off grade Cu%	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t
<b>Sulphides</b>	0.5	129,155	2.48	0.23	110,870	2.24	0.51	240,024	2.37	0.43	30,566	2.25	0.55
<b>Oxides</b>	0.5	96,526	0.77	0.03	86,839	0.66	0.14	183,365	0.72	0.08	1,712	0.61	0.97

*The information in these JORC Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

### JORC Competent Persons' Statement

- (1) The information in this announcement that relates to Mineral Resources and other Exploration Results (excluding Annexure B) in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) is based on information compiled by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Mr Sharma was a principal consultant to Alara Resources Limited. Mr Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Sharma consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.
- (2) The information in Annexure B of this announcement that relates to Exploration Targets and other Exploration Results in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) is based on information compiled by Mr Philip Hopkins, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hopkins is the Managing Director of Alara Resources Limited. Mr Hopkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 edition. Mr Hopkins consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

<sup>10</sup> Refer Alara market announcement dated 8 December 2011 and entitled "[Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman](#)"

<sup>11</sup> Refer Alara's ASX market announcement dated 16 July 2013: [Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset](#)

<sup>12</sup> Refer Alara market announcement dated 30 August 2010 and entitled "[Project Acquisition - Daris Copper Project in Oman](#)"