

Alara Resources Limited A.B.N. 27 122 892 719 Level 11, 216 St Georges Tce Perth WA 6000, Australia GPO Box 2517 Perth WA 6831 Telephone | +61 8 9481 0389 Facsimile | +61 8 9463 6103

Web | www.alararesources.com Email | info@alararesources.com

ASX/MEDIA RELEASE

Thursday, 8 September 2016

AL HADEETHA PROJECT UPDATE WASHIHI RESOURCE MODEL

Alara Resources Limited (ASX: AUQ) (Alara or Company) is pleased to provide this update on improvements to the Washihi resource model resulting from its latest drilling program.

The company refers to its announcement dated 28 July 2016 on the completion of the Al Hadeetha Project infill drilling program at the Washihi site in Oman.

Initially, the infill drilling program was directed towards increasing confidence around the inferred resource, with a view to converting more resource to the indicated category within the existing geological model. However, previously unknown new mineralization was intersected outside the existing resource boundary.

An interim high level review of this work via Datamine Studio© (for resource modelling) and Snowden Supervisor© (for KNA and geostatistics) software confirmed: 1) an expected increase in the volume of indicated resource and 2) potential to increase the size of the total resource volume.

Rather than announcing an increase in the indicated resource and ignoring the potential increase in overall mining inventory, management have determined that further work, including a complete review of geological, structural, drilling and geophysical data, is warranted to ensure the resource model properly accounts for not only the upgraded resource, but also the potential increase in total resource. The additional work is scheduled to occur over the holiday period in Oman with a new resource model now due to be finalised on 18-19 September.

The Company acknowledges the tireless approach and professionalism demonstrated by its Executive Director, Mr Atmavireshwar Sthapak and Principal Consultant, Mr Ravi Sharma and his team, to deliver this slightly revised work scope on time, and is confident the additional ten days will be time well spent.





Alara Resources Limited A.B.N. 27 122 892 719

Level 11, 216 St Georges Tce Perth WA 6000, Australia

GPO Box 2517 Perth WA 6831 Telephone | +61 8 9481 0389 Facsimile | +61 8 9463 6103

Web | www.alararesources.com Email | info@alararesources.com

Competent Person Statement

The information in this report that relates to JORC Resources in relation to the Al Hadeetha Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravi Sharma, who is a Chartered Member of The Australasian Institute of Mining and Metallurgy. Mr Sharma is 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, 2012 edition. Mr Sharma approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 Al Hadeetha Copper-Gold Projects in Oman and a Feasibility Study for the Al Hadeetha Project, Washihi deposit. 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

