Alara Resources

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

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OFF-TAKE AGREEMENT

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

The Company is pleased to announce Alara Oman Operations Pty Ltd has signed an off-take agreement for the supply of copper concentrate from the Al Hadeetha Project, Washihi Reserve.

After considering offtake proposals from several competing companies, the Company entered an agreement with Statdrome PTE Ltd, who have over 15 years' experience in non-ferrous concentrates trading, including copper sales in and out of Oman.

Under the agreement, annual concentrate production of approximately 35,000 wmt will be shipped at regular intervals from the Sohar port. There also exists the possibility of supplying the material to the Omani smelter in case it restarts. However, the project financial model allows for sea freight and other charges associated with the sale of concentrate from the port at Sohar.

The agreement also includes a pre-payment of US$6m to assist in funding project construction costs and mine start up, and will be drawn down in instalments during the project construction phase, starting once the mining licence is issued.

The agreement forms an important part in financing and development of the mine and processing plant at Washihi, and has been completed in discussion with bank representatives.

Further updates on project financing will be released as they are finalised.

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