

## ASX/MEDIA RELEASE

Thursday, 23 November 2017

## PROJECT UPDATE

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) hits major milestones on path toward construction of a 1Mtpa copper concentration plant at the Al Hadeetha Copper in Oman (the Project).

Yesterday, Alara reported the Public Authority of Mining (PAM) had given clearance to the Ministry of Commerce to include mining activities on the commercial registration of Al Hadeetha Resources<sup>1</sup>. This important step by PAM is seen as indicative of impending favourable action relative to the issuance of the Project Mining Licence and follows the Ministry of Environment and Climate Affairs granting a “no objection” for the Project earlier this month<sup>2</sup>.

Alara announced its maiden Ore Reserve (9.7Mt @ 0.88% Cu and 0.22g/t Au, 0.3% cut-off) for the Project's Washihi deposit in December last year<sup>3</sup>. The Ore Reserve is based on the Company's Washihi mineral resource estimate<sup>4</sup> summarized in Table 1 below.

**Table 1 – Washihi Copper Gold Mineral Resources @ 0.25% Cu Cut-off**

Resource Classification	Tonnes (Mt)	Cu (%)	Au (g/t)
Indicated	12.4	0.89	0.22
Inferred	3.7	0.79	0.23
<b>Grand Total</b>	<b>16.1</b>	<b>0.87</b>	<b>0.22</b>

The Project includes three (3) exploration licences (i.e. Washihi, Mullaq and Al Ajal – see Figure 1 below) and entails development of the Washihi deposit by means of a single open pit mine and 1Mtpa processing facility to produce copper concentrates for export to overseas and/or a domestic smelter. The Project has an initial mine life of 10 years and NPV of US\$97m<sup>5</sup>.

Oman has a history of copper mining that dates back thousands of years. However, the sector has become dormant in recent times as global investment in mineral exploration declined and operating mines were closed. Alara's six year investment into the Al Hadeetha Copper Project looks set to pay

<sup>1</sup> The Project company, Al Hadeetha Resources, is owned 70% Alara Oman Operations Pty Ltd and 30% Al Hadeetha Investments LLC.70%

<sup>2</sup> Refer Alara's ASX Announcement of 2 November 2017

<sup>3</sup> Refer Alara's ASX Announcement of 15 December 2016

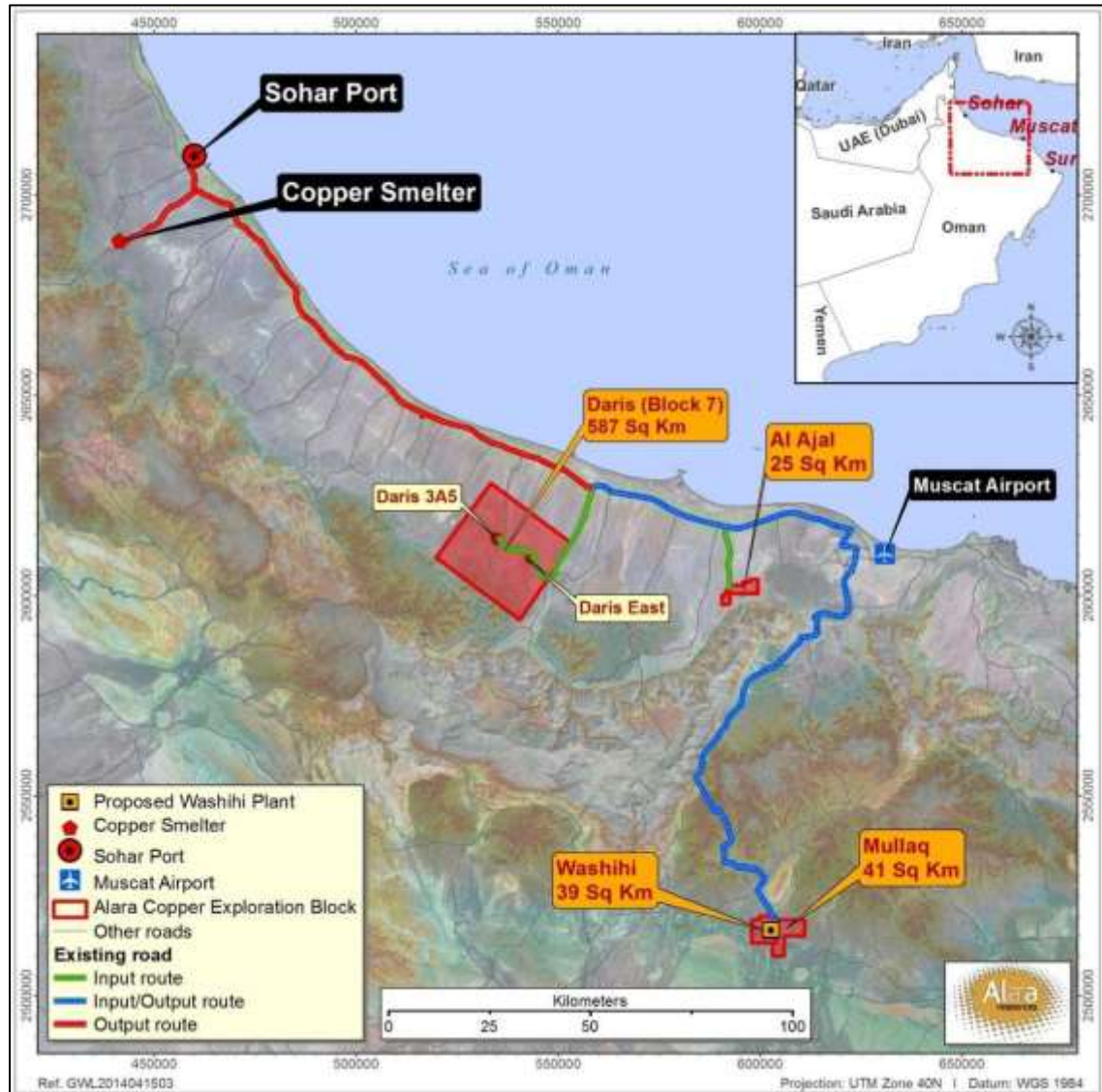
<sup>4</sup> Refer Alara's ASX announcement of 19 September 2016,

<sup>5</sup> Based on copper prices ranging from \$5,593/t to \$7,000/t - refer Alara's Quarterly Activity Report dated 31 January and ASX Announcement of 24 January 2017.

off as the Project is developed at a time when the Omani government are taking steps<sup>6</sup> to diversify the Sultanate's revenue streams and reignite the mining sector as a pillar of the Omani economy.

Rising copper prices and these other recent developments bode well for the Project as it moves toward production, with copper supply deficits forecast to further deepen next year<sup>7</sup>.

**Figure 1**      **Location – Alara JV Exploration Licences**



**For further information, please contact:**

<sup>6</sup> [Tanfeedh](#) is a government initiative that aims at linking the strategies of the main vital sectors of Manufacturing, Tourism, Transport & Logistics, **Mining** and Fisheries to each other in order to diversify the national income resources and fulfil the objectives of the Ninth Five Year Development Plan 2016 – 2020. The establishment of Mining Development Oman by Oman's large sovereign wealth funds is another example.

<sup>7</sup> ICSG forecast a 105,000 tonne shortfall in 2018



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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](http://www.alararesources.com)

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