

## **ASX/MEDIA RELEASE**

Monday, 14 October 2016

## **PROJECT UPDATES**

Alara Resources Limited (ASX: AUQ) (Alara or Company) provides an update on developments relating to the Company's business in Oman.

### **APPOINTMENT OF PROJECT MANAGEMENT TEAM**

Alara has finalised terms to appoint a Project Management Company that will be engaged for supervision and administration of the EPC Contract on the Al Hadeetha Copper Gold Project.

The proposed agreement is based on FIDIC Model Services Agreement and covers the entire project period through to commissioning. The contract value is within the amount budgeted and includes payments in cash and shares. One benefit of incorporating shares into the payment plan is that the interests of Alara and the Project Management Company will remain closely aligned throughout the construction and commissioning period. The share issue price shall be no less than the average trading value over thirty (30) days following announcement of the mining license issue. Under the agreement, any shares issued to the Project Management Company will be held in escrow until the contract is completed.

Contract execution is expected to occur this week.

### **COPPER INDUSTRY DEVELOPMENTS**

Alara continues to explore opportunities for synergy and consolidation of copper assets in Oman. As noted in previous announcements, the Al Hadeetha Copper Gold project provides opportunities that could extend beyond the current project, including potential to serve as a processing hub for other deposits and support development of downstream operations.

While Alara is continuing discussions with key mining industry participants, including Mining Development Oman, it has not entered any binding agreement for consolidation and is simultaneously advancing the Al Hadeetha Copper-Gold project on a stand-alone basis to help ensure production ramp up is on track for 2017.

Further updates will be provided in due course.

### **OFFTAKE AGREEMENT**

Alara is currently finalising terms for a ten year offtake agreement, including pre-payments which may be drawn down during construction and commissioning.

## MINING LICENSE - PUBLIC AUTHORITY FOR MINING

Alara management recently delivered a project presentation to the HE Eng. Hilal Al Busaidi, CEO of the Public Authority for Mining ('PAM') and other senior PAM executives. Following the meeting Alara were asked to provide further details which have now been supplied. Feedback from the meeting was positive, and came with an assurance the mining licence approval process would be expedited.

### For further information, please contact:

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