

ASX/MEDIA RELEASE

Thursday, 15 February 2018

PROJECT LICENCE UPDATE

PERTH: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) has been issued an Economic Activities Licence for the Al Hadeetha Copper Gold Project in Oman (the 'Project').

Project Licence for Mining and Preparation of Copper Ores

Earlier this week, representatives from the Ministry of Commerce and Industry ('MOCI') and Ministry of Environment and Climate Affairs ('MECA') attended the Tanfeedh¹ office in Muscat to discuss licencing bottlenecks and the Invest Easy portal. Following the meeting, direct actions were taken resulting in:

1. MECA's approval of copper mining activities at the Project *being registered* on the Invest Easy portal;
2. An **Economic Activities Licence** (the 'Licence') being issued to the JV Company (Al Hadeetha Resources LLC) in respect to mining of non-ferrous metal ores (including copper); and
3. The commercial registration of the JV Company being updated to include "*mining and preparation of ores valued chiefly for selected non-ferrous metal content (including copper)*" as a registered activity, whereas previously the activity description was followed by the words "*licence pending*".

The Licence and commercial registration do not specify any further approval requirements (e.g. Ministry of Water). However, the Company will continue working with the Public Authority of Mining ('PAM') to ensure it complies with any further requirements (including a licence from PAM) and is now looking to finalise project financing terms (which were renewed with debt financiers last quarter) on the back of this important licencing milestone.

It is clear from local media reports and previous Company announcements, that Oman's mining sector is being reignited as part of the country's economic diversification strategy. Alara is at the forefront of these changes, and has embraced the opportunity of working hand in hand with government to ensure the framework and procedures being introduced can successfully accommodate Oman's burgeoning mining sector.

¹ The Omani government agency named National Programme for Enhancing Economic Diversification (aka 'Tanfeedh') has been created to ensure the Sultanate diversifies its economy by targeting five key industries identified as growth sectors, including mining.

