Alara Resources

INVESTOR ROADSHOW

March 2014

Explorer to Producer

Presentation Preface

THE PREVIOUS INVESTOR RELATIONS ROAD SHOW AND PRESENTATION WAS UNDERTAKEN IN MAY 2013 AND WAS CONDUCTED BY H. SHANKER MADAN – THE COMPANY'S MANAGING DIRECTOR AT THE TIME

THIS INVESTOR UPDATE COVERS THE PERIOD FROM JULY 2013 TO THE PRESENT WHEN ALARA HAS BEEN UNDER THE LEADERSHIP OF PHILIP HOPKINS (PRESENT MANAGING DIRECTOR)

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Agenda

- Presentation Preface
- Company Financial Overview
- Alara's Strategy
- Board & Management Restructure
- Period Highlights
- Saudi Arabia Update
- Oman Update
- Summary

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Alara Strategy

The Alara strategy is clear:

- Focus on becoming a mine operator
- Retain Middle East theatre for operations
- Employ the Khnaiguiyah Project (KMC) as the first step in the mine development program
- Build an advanced stage project pipeline in the region to follow on from the KMC mine
- Have two mines in operation and a third in Feasibility Study or under construction in 6 years

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Board & Management Team Restructure

THE ALARA RESOURCES LIMITED BOARD OF DIRECTORS AND MANAGEMENT TEAM WAS RESTRUCTURED UNDER THE NEW MANAGEMENT IN ORDER TO MOVE THE COMPANY FROM BEING A RESOURCE DEVELOPER TO A MINE OPERATOR AND THUS TO DIRECTLY SUPPORT THE COMPANY'S STRATEGY

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Board of Directors



Ian Williams AO
Chairman
- 40+ years' mining industry experience
- Hamersley Iron, Rio Tinto, Century Zinc and Pasminco
- Awarded Order of Australia for services to Indigenous communities
- Retained from the prior Board



Philip Hopkins
Managing Director
- 30+ years' mining experience
- South American Ferro Metals, St Barbara Mines, BHP Billiton and WMC
- Operated in Canada, Australia, South Africa, Brazil and Papua New Guinea



John Hopkins (No relation to MD)
Director
- 30+ years' legal and mining experience
- Adamus Resources, Universal Coal Plc , Wolf Minerals



HRH Prince Abdullah bin Mosaad bin Abdulaziz Al Saud
Director
- 25+ years' business and sports management experience
- Highly regarded Saudi Arabian and International Businessman

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Management Team



Philip Hopkins
Managing Director



Justin Richard
Country Manager – Saudi Arabia & Oman

Under Recruitment
Chief Financial Officer



Elle Macdonald
Corporate Affairs Manager



Victor Ho
Company Secretary / Acting CFO



A.V. Sthapak
Exploration Manager



Leanne Cureton
Technical Services Manager

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Milestones – July 2013 to Present

KEY PERIOD MILESTONES

- New Managing Director employed, Board and Management Team restructured (see prior slides)
- Part of the Board restructure is HRH Prince Abdullah – key Saudi Arabian alliance and support
- New offices established in West Perth with separation from Quest, Orion & Bently group of companies
- Strategy defined – full focus on moving to becoming a mine operator
- Removed “road block” liability issue with JV partner and commenced next stage negotiations
- Agreement with JV partner that 50/50 JV not suitable for finance - Alara to take accountability
- Discontinued non-Shareholder Agreement (SHA) activities and cost matters
- Outlined a framework HoA for the next stages and have advanced it to final discussions
- Defined and advanced key alliances on KMC Project finance, off-take agreements and support
- Reduced Oman staff from 11 to 4 (explorationist) and refocused on the Project optimisation
- Revisited Oman project and completed Options Analysis – major value enhancement
- Brought $ 4.39M of funds into the Company via R&D tax refund program

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SAUDI ARABIA

First Step into Production

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Khnaiguiyah Project Overview



KHNAIGUIYAH ZINC-COPPER PROJECT (SAUDI ARABIA)

Khnaiguiyah Mining Company (KMC) is a 50:50 joint venture company between Alara and the United Arabian Mining Company (Manajem), a privately owned Saudi Arabian mining company. The Khnaiguiyah Project is located approximately 170Km south-west of the capital city Riyadh and currently has JORC Reserves (Proved and Probable) of 26.08Mt at 3.3% Zn and 0.24% Cu.

In April 2013 the results of a successful Definitive Feasibility Study (DFS) (2Mtpa plant throughput) was announced

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Khnaiguiyah Project DFS Summary



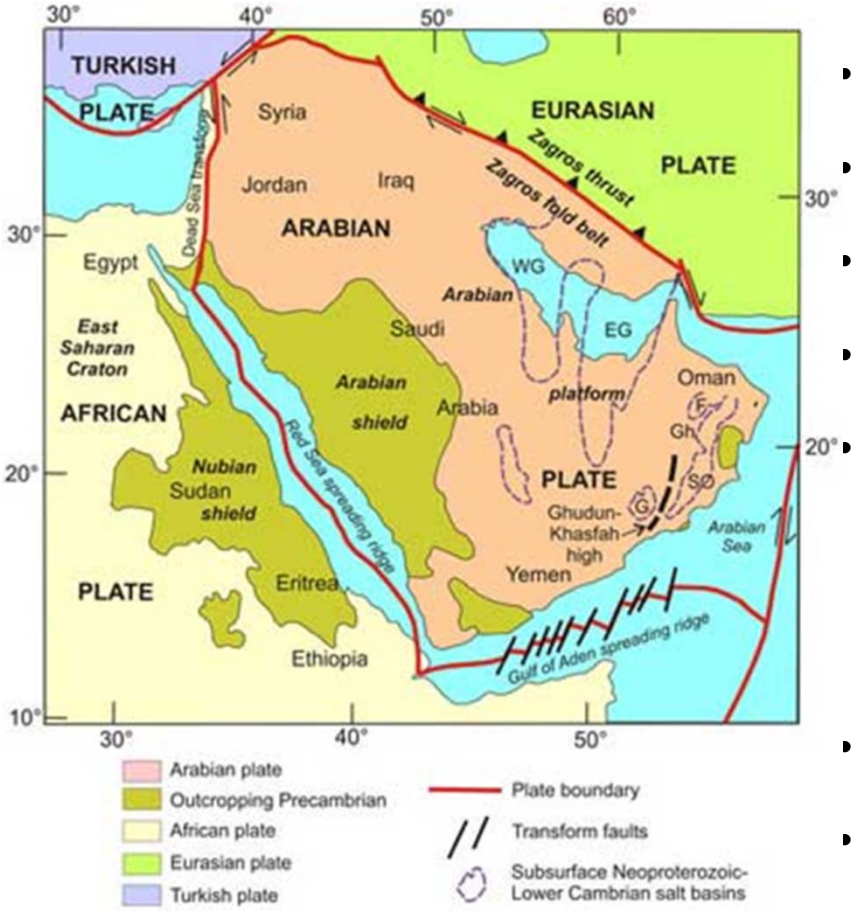
AMEK Al Masane Zn/Cu Plant – Saudi Arabia

Robust Zinc/Copper Project in a rising Zinc Price Cycle

- 2 Mtpa processing rate – Zn & Cu concentrates produced
- Project revenue: A$2,074 M
- Project costs : A$1,201M
- EBITDA: A$873M
- Cash flow (post Capex): A$467M
- Capex: US$257M
- Project NPV: A$170M
- IRR: 23%
- Weighted Avg cost of capital 9.1%
- Payback: 2.8 years
- Average production of 80ktpa Zn and 5.8ktpa Cu (years 1-7)
- Peak production 99kt Zn and 8.3kt Cu (year 4)
- Cash costs (including TC/RC) of US$0.46/lb in the first 7 years, US$0.50/lb LOM after copper credits
- Assumptions: Zinc price US$2,315/t (US$1.05/lb)
  Copper price US$6,114/t (US$2.77/lb),
  Zinc TC/RCs US$180/t (A$:US$ = 0.90)

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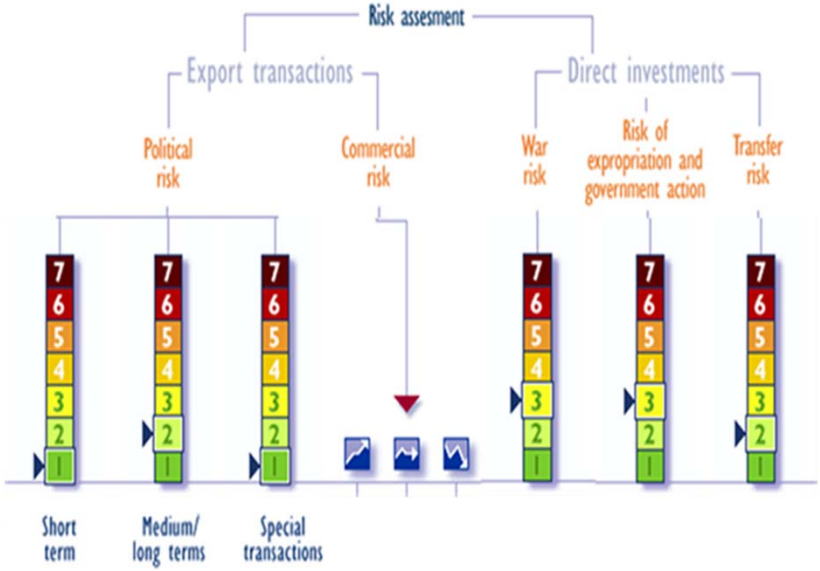
Why Saudi Arabia - Technical



- 1970's BRGM did full review - 5300 deposits
- Saudi Geological Survey
- DMMR (mines department) +4,000 maps
- New mining code 2004 – ease of operation
- Resource Potential in the Arabian Shield
    i. 40 fully identified resources
    ii. 15 ready to progress
    iii. 9 mines **only** at this time
- Shipping ports – Europe & South East Asia
- Sealed roads & good land transport

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Why Saudi Arabia - Commercial



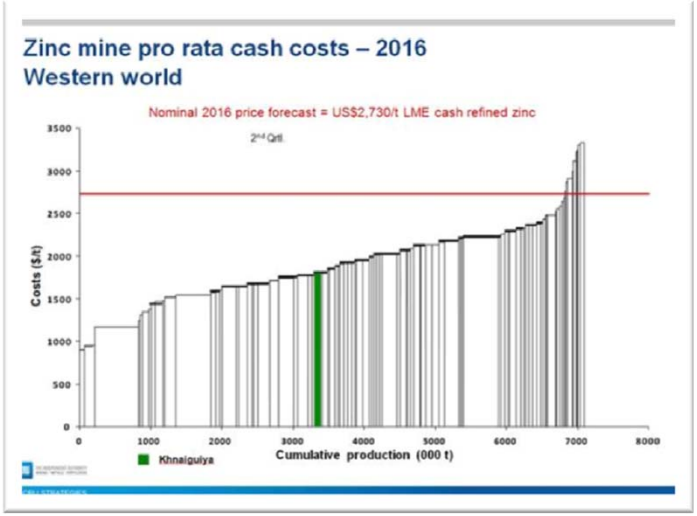
- 2014 Saudi mining budget – largest to date SAR$228 Billion (~AU$70 Billion)
- Saudi government focus
  - I. Petroleum
  - II. Mining
  - III. Financial services
- 20% Corporate tax - nil personal tax (staff)
- Royalties – nil
- SIDF – 75% debt available (low rates)
- Off-set funding is a potential
- Ownership – 100% permitted
- Profits & Capital – 100% repatriation
- Nil import duties for mining (5% other)
- Tenure certainty – exploration to mining
- Fuel - $0.13/litre – trucking options
- Member G20
- Member WTO (2005)
- #2 in Middle East for business – #26 world[1]

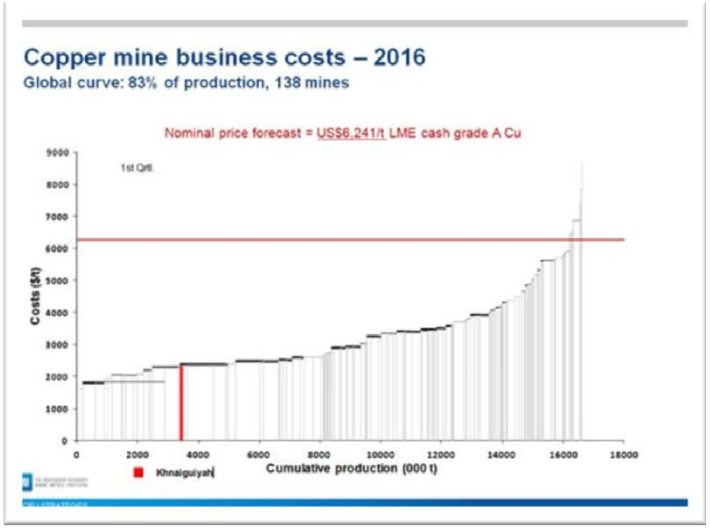
Source: Belgian Export Credit Agency Saudi Arabia risk assessment

[1] World Bank Rating

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Khnaiguiyah Project - Commercial Summary





ZINC & COPPER PRODUCTION COSTS

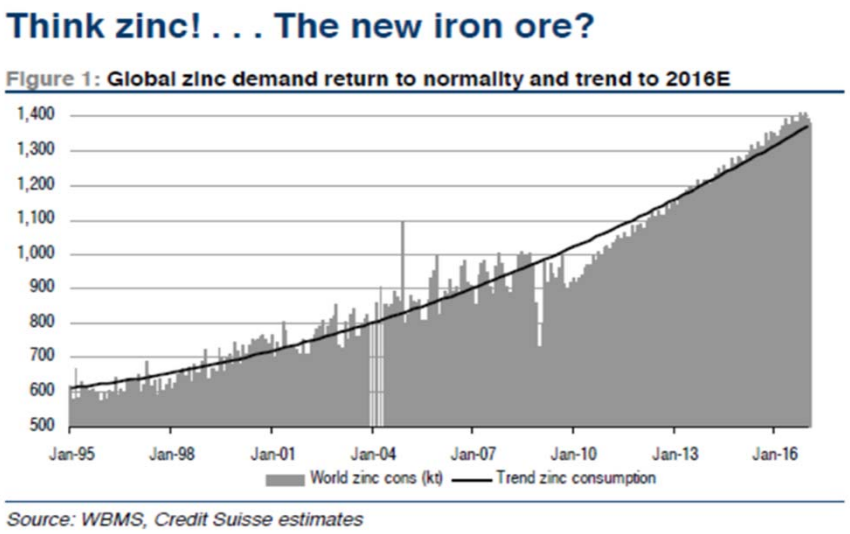
Zn bottom 50% of the cost curve

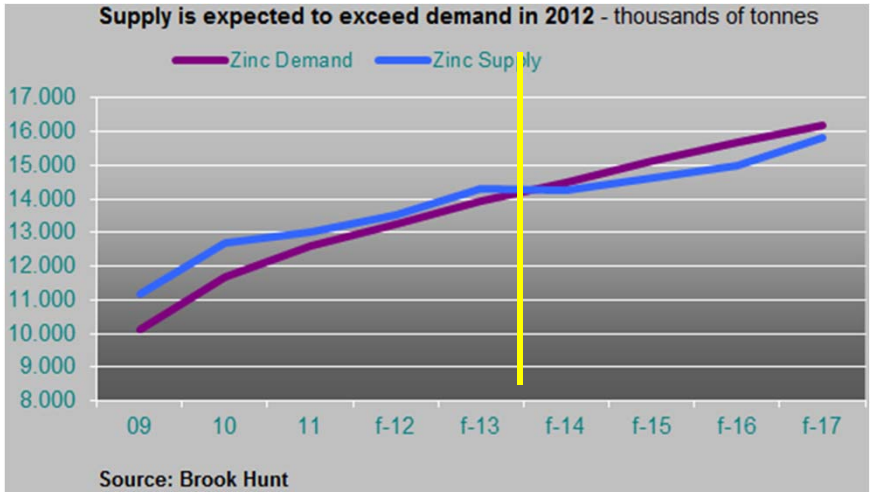
Cu bottom 25% of the cost curve

Cash costs remain to be optimised and are expected to be in the bottom 30% of the cost curve upon production

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Zinc – World Market





March 2014

Zinc Production

Zinc demand is forecast to continue to grow

Zinc supply is dropping off

Wood Mackenzie quote:

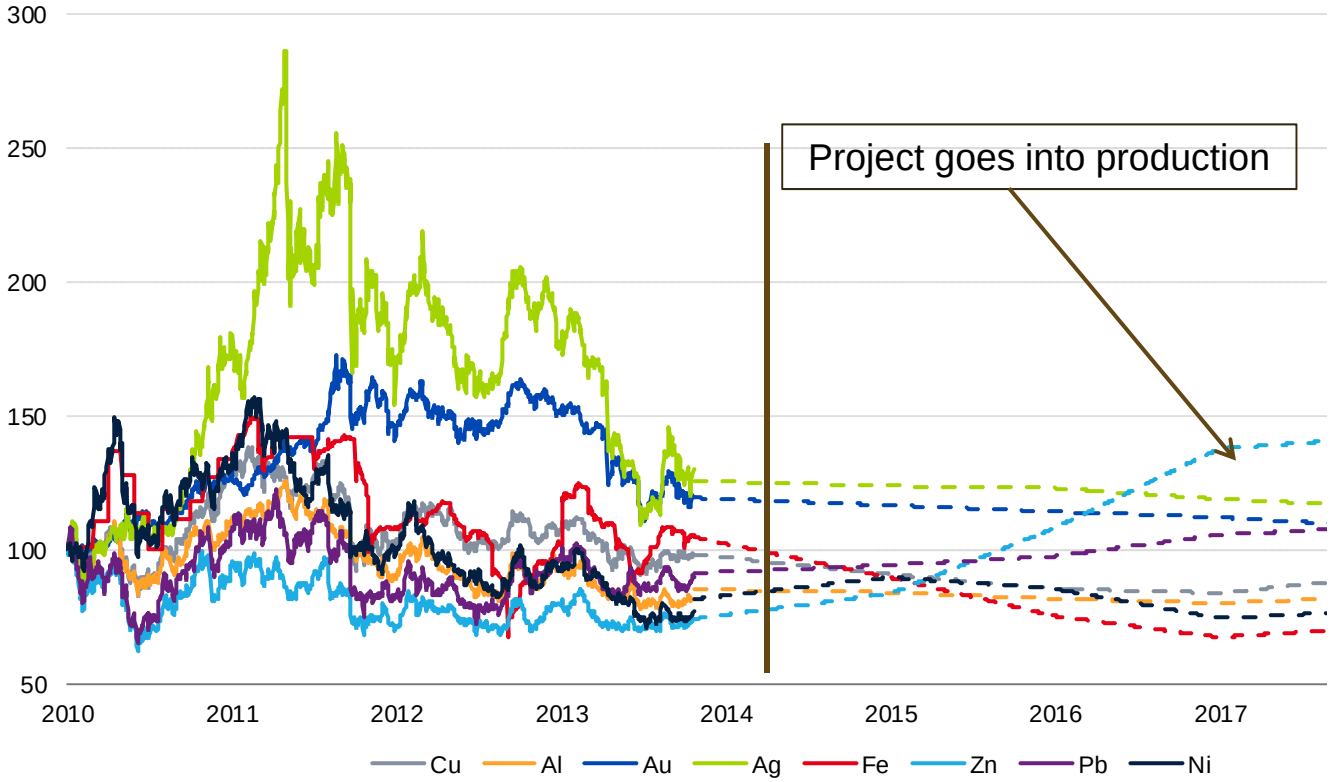
"Zinc will be the only metal to grow in unit value relative to its position in 2010 and will peak in 2016-2019"

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Zinc - Price Forecast

Zinc forecast to outperform other commodities in the long term

Commodity prices: historical and forecast – rebased to 100



ZINC

- Demand continues to increase
- Pb and Zn only metals forecast to increase in value in next 5 years
- Forecast to hit 20 year high as Project comes on line

Source: Bloomberg, Industry consultants, Broker Consensus

Notes

1 Copper, aluminium, iron ore, zinc, lead and nickel price forecasts are based on Wood Mackenzie, gold and silver price forecasts are based on broker consensus

2 Values up to 2013 are nominal values, values from 2013 onwards are in 2013 dollars

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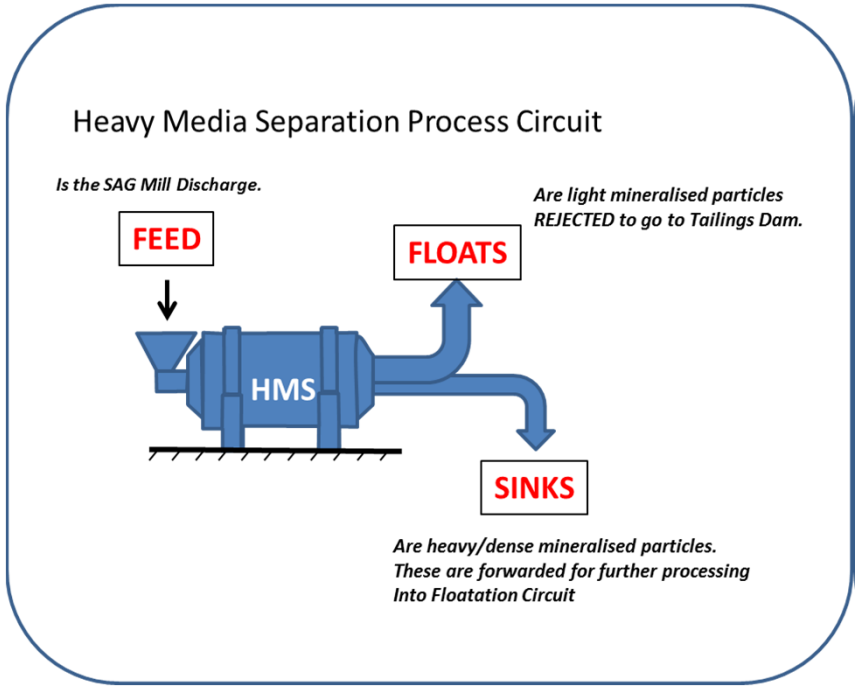
Khnaiguiyah Project – Opportunities/Risk

DFS Review Completed

•Potential Capex Reductions:	$10-12M	Change SAG mill to cone crushers
	$10M	Bulk concentrate shipping
	$10-18M	Smaller plan – Heavy Media Separation (HMS)
	$3M	Mine camp redesign
•Potential Opex Reduction:	$9-12M	Power to the crushing circuit – LOM saving
	$10M	Reduced grinding media due to HMS – LOM savings
•Further upside for review	Possible opportunity for courser grind size (not costed above)	
•Potential Risk	Confirmation of suitable water supply	
•DFS Notes	Preliminary engineering in place EPC bid received Capex costs have remained set since DFS was completed Strong market to source/build excellent Owner's Team APEX's Al Masane Mine visited (2x) and is a good analogue Oxide ore treatment also a possible upside – not reviewed	

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KMC – Heavy Media Separation



KMC Project Recent Opportunity

- Capex <$15M
- Opex ~$1.00-125/tonne feed
- Course feed crush @ ~6.5mm diameter
- Removes the “light” silica based rock (no metal)
- Can up to double feed grade (~8% Zn & 1.2% Cu)
- Double metal output or half the Capex (plant size)
- Requires further test work and design at this time
- Has just been applied to Oman study – good outcome

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Khnaiguiyah - Stand Out Project Drivers



What Makes this Project Stand Out?

- Robust Project (see prior slides)
- The Country (see prior slides)
- The fiscal regime (see prior slides)
- Funding opportunities strong
- EPC bid in place
- DFS and operating upsides

Project Next Steps!

- Conclude JV discussion and amended SHA
- Project finance
- Finalise DFS upsides
- EPC close out
- Build Owner's Team

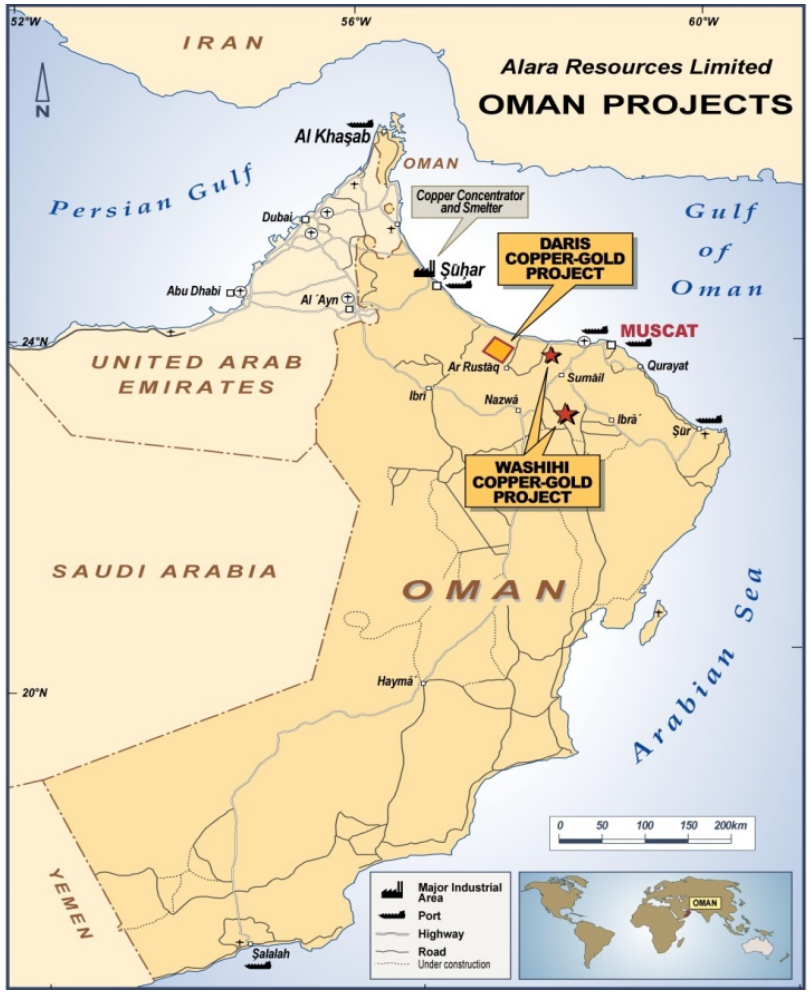
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OMAN

Project Pipeline

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Daris/Washihi Project Overview

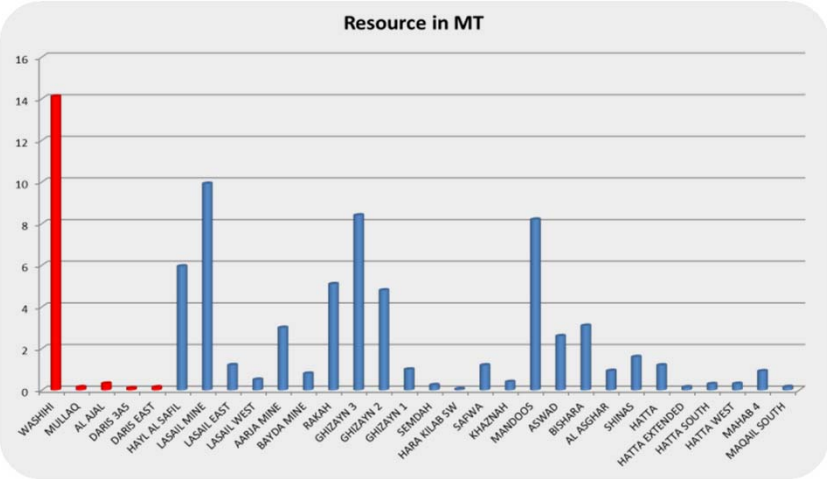


DARIS / WASHIHI PROJECT OVERVIEW

- The Daris/Washihi deposits (approximately 185Km apart) together form the basis for what is currently termed the Daris/Washihi Project. Each deposit is defined under a separate JV agreement as follows:
- Daris - Alara holds 50% (with options to increase to 70%+) of shares in JV Company Daris Resources LLC
- Washihi - Alara holds 70% of shares in JV Company Al Hadeetha Resources LLC

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Strong Resource Base



DARIS / WASHIHI RESOURCES

- Largest Copper Resource in Oman
- Deposit open north and south and at depth
- <40% known geology explored
- Ore amenable to heavy Media Separation

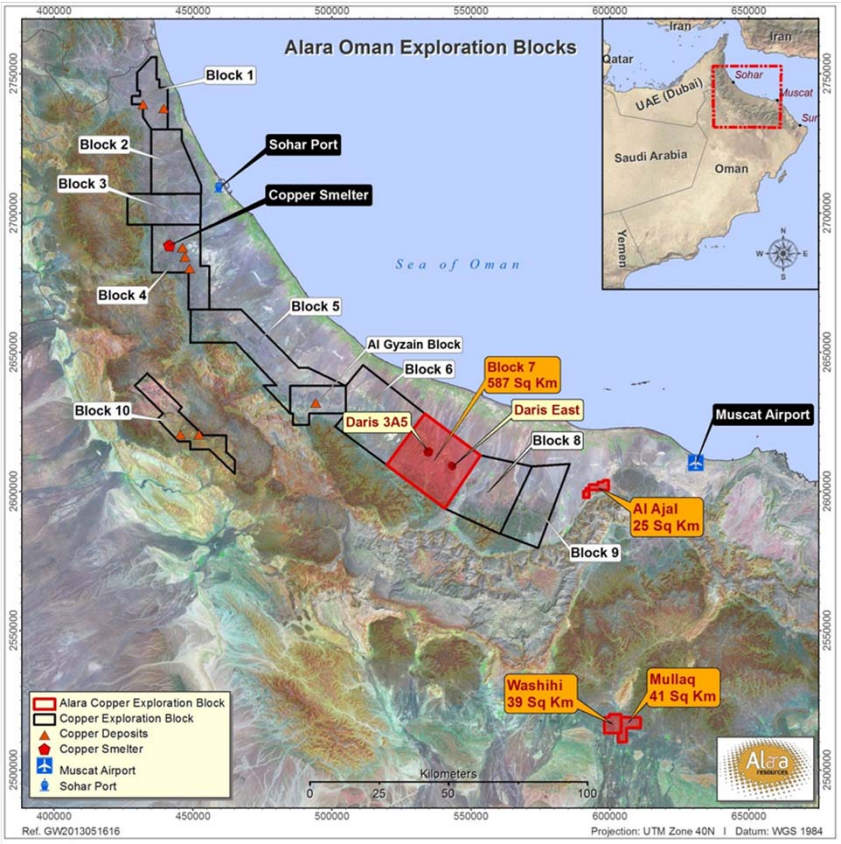
Deposit	Tonnes	Cu%	Au g/t
Washihi (JORC Indicated)	**6,840,000**	**0.90**	**0.17**
Washihi (JORC Inferred)	**7,270,000**	**0.71**	**0.20**
Daris East Sulfide Ore (JORC Measured+Indicated)	**240,024**	**2.65**	**0.43**

Notes to Table

1. Washihi reported above 0.25 % copper cut
2. Daris East Sulphide and oxide reported above 0.50% copper cut
3. Mineral inventories rounded to two significant figures.

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Daris/Washihi Project Status



Project Progress or Status

- Early 2013 completed 0.5 Mtpa Scoping Study
- Post Scoping Study
  - Completed metallurgical test work
  - Upgraded Washihi ore tonnage and grade
  - Queried some of the assumptions/approaches
- Commenced upgraded1.0Mtpa Scoping Study
- Commenced full Options Analysis
- Breakthrough with Heavy Media Separation (HMS)
- Put Scoping Study on hold
- Completed Options Analysis with HMS options
- New Scoping Study being completed (March)

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Options Analysis Outcomes

OPTIONS	Option #1	Option #2	Option #3	Option #4	Option #5	Option #6
CRITERIA	1Mtpa Flotation	1 Mtpa Post HMS	0.5 Mtpa Post HMS	Local Toll Treatment	Heap Leach Daris Oxide	Vat Leach Daris Oxide
Capex	$134.7M	$170.5M	$112.4M	$1.0M	$5.2M	$3.0M
Opex	$35.17	$63.19	$63.72	$94.64	$25.48	$12.42
NPV	$27.1M	$115.1	$52.6M	$8.0M	-$7.1M	$0.8M



Notes:
- Full report being finalised
- Toll treatment possibility unconfirmed
- Vat leach looks to be an incremental option in all
- Opex is total costs per tonne processed after HMS circuit
- Option #2 & #6 assume Resource upside

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SUMMARY

Way Forward

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Alara in Summary



Moving to Production…

- Complete JV discussions on KMC Project
- Move to finance & construction
- Optimise DFS and bring mine on line

Advance Project Pipeline …

- Complete upgraded Oman Scoping Study
- Define Oman Project way forward
- Once KMC is in construction begin BD work

Success Criteria …

- Robust Projects
- Exceptional fiscal regime and opportunity
- Company ready to take the step to production
- Zinc market in ramp up
- Market set for Owners' Team & EPC

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Mission Statement & Core Values

Mission Statement

Alara's mission is to become a mid-tier mineral producer with a focus on mineral deposits and projects in the Middle East region.

We will deliver maximum shareholder value through profitable growth, development of low cost operations and through stability and sustainability over time.

Core Values

Excellence

Alara will pursue excellence and will strive for relevant best practice combined with a fit-for-purpose approach through continuous improvement and teamwork in all aspects of our business.

To achieve our goals we will ensure our employees and business partners have the appropriate skills and resources to perform their work effectively and efficiently. We will foster an open and supportive environment in all activities and relationships.

Respect

Alara will show consideration for and value our employees, our Joint Venture and other business partners, our customers, our suppliers, our communities and governments, and the social and physical environment in which we operate.

Integrity

Alara and its employees are committed to fairness and honesty and will operate with transparency and accountability at all levels of the business.

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The JORC Resource and Reserve information in this presentation was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

KHNAIGUIYAH ZINC-COPPER PROJECT – SAUDI ARABIA

*The information in this report that relates to Ore Reserves in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) was compiled by Mr Geoff Davidson, who is a Fellow of the Australian Institute of Mining and Metallurgy and a consultant to Khnaiguiyah Mining Company LLC (KMC). Mr Davidson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (**JORC Code, 2004 edition**). In assessing the appropriateness of the Ore Reserve estimate, Mr Davidson has relied on various reports, from both internal and external sources, in either draft or final version, which form part of or contribute to the Khnaiguiyah Project Detailed Feasibility Study. These reports are understood to be compiled by persons considered by KMC to be competent in the field on which they have reported. Mr Davidson has given his consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer also to Table 5 in Alara Resources Limited's ASX market announcement dated 18 April 2013: Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project for further information in relation to the Ore Reserve estimate for the Khnaiguiyah Project.*

The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zone 3 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on information compiled by Mr Daniel Guibal, an employee of SRK Consulting (Australasia) Pty Ltd, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Guibal 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, 2004 edition. Mr Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

WASHIHI COPPER-GOLD PROJECT AND DARIS COPPER-GOLD PROJECT – OMAN

The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zones 1, 2 and 4 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia), Mineral Resources in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) and other Exploration Results is based on information compiled by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Mr Sharma was 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, 2004 edition. Mr Sharma consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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