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ASX/MEDIA RELEASE

23 August 2012

Substantial Copper Discovery 112m @ 0.8% Cu and 72m at 1.3% Cu Washihi Project in Oman

Highlights

- **Hole WH12DD010 - intersected 112m @ 0.78% copper and 0.11 g/t gold from 113m (including 67m @ 1.0% copper from 113m)**
- Strike - drilling confirms a larger system than previously envisaged from earlier holes, now confirmed over 600m strike; other intersection highlights:
 - **WH12DD005 – 72m @ 1.3% copper and 0.15g/t gold (from 160m)**
 - WH12DD007 – 18m @ 1.4% copper and 0.21g/t gold (from 62m)
 - WH12DD009 – 40m @ 0.6% copper and 0.21g/t gold (from 52m)
- Thickness - mineralisation essentially true width
- Size - anomaly size approximately 1600m x 250m
- Open - mineralisation is open along strike and at depth

Summary

- Assay results received for recently drilled hole WH12DD010, which was collared to test an anomalous reduced to pole (RTP) magnetic low feature covering an area of approximately 1600m x 250m as delineated by Alara's recently completed ground magnetic survey.
- WH12DD010 confirms that the magnetic anomaly is associated with a significant copper mineralisation of **112.35m at 0.78% Cu** and 0.11g/t Au from 112.65m, including **67.35m at 1.0% Cu** from 112.65m (refer Figures 2 and 3).
- Mineralisation is essentially true width and increasing in thickness as the mineralised zone trends to the north-west. The large thicknesses are expected to deliver a modest strip ratio (refer Figure 3).
- These results build upon other significant mineralised zone intersections within the anomaly of **72m at 1.3% Cu and 0.15g/t Au** (Hole WH12DD005), **18m @ 1.4% copper and 0.21 g/t Au** (Hole WH12DD007) and **40m at 0.6% Cu** and 0.21 g/t Au from 52m (Hole WH12DD009).
- WH12DD005, WH12DD007, WH12DD009 and WH12DD010 are all located within the magnetic anomaly which indicates the potential for extensive sulphide mineralisation open to the north-west, south-east and at depth. The mineralised zone lies within the magnetic low which extends for a strike distance of approximately 1600m and has an average width of approximately 250m.
- WH12DD010 has indicated the potential for the Washihi Prospect to be a significant mineralised zone reaffirming the validity of considerable thickening of the mineralised zone towards the north-west where a broad wavelength circular RTP high anomaly ("B") forms the core of the mineralised system and is interpreted as the possible feeder for mineralisation along the NW-trending structure (refer Figure 4).
- There exists other ovoid shape RTP low magnetic anomalies ("C") with potential for significant mineralisation intersections adjacent and along structure to north-west of the interpreted Feeder zone "B" (refer Figure 4).
- A large, linear, RTP magnetic low anomaly ("A") representing a potential repetition of mineralisation along a parallel structure of similar extents to the Washihi zone has also been delineated, approximately 1-2km to the west of the current mineralisation (refer Figure 4).

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to advise that it has received very significant assay results from a diamond drill programme being conducted at its Washihi Copper-Gold Joint Venture Project in Oman (in which Alara is earning 75% interest).

Drilling results announced today from hole WH12DD010 located in the middle of its recently identified magnetic anomaly confirm continuous copper mineralisation of **112.35m at 0.78% Cu** and 0.11g/t Au from 112.65m including **67.35m at 1.0% Cu** from 112.65 m as well as **12.75m at 7.5g/t Ag** from 105.25m.

These results build upon three previous holes drilled within the low magnetic anomaly of **72m at 1.3% Cu and 0.15g/t Au** (Hole WH12DD005), **18m @ 1.4% Cu and 0.21 g/t Au** (Hole WH12DD007) and **40m at 0.6% Cu and 0.21 g/t Au (Hole WH12DD009)**, each of which have built up the potential for a significant copper-gold mineralised zone to exist at Washihi.

Alara's exploration programme has discovered that Cu-Au-Ag mineralisation at Washihi thickens and extends considerably to the north-west.

Prior to the current drill programme by Alara, historical exploration was focused to the south and south-east of current drill holes.

Current drilling has indicated that sulphide mineralisation is open to the north-west and south-east and future drilling will be focused on expanding current mineralisation, not only within the mineralised zone wrapping around a low magnetic anomaly (~1600m x 250m) but also potentially in the Feeder Zone "B" and two low magnetic anomalies at "A" and "C" (refer Figure 4).

Key elements leading to this discovery

- Recognition that historical holes were not drilled deep enough and hence did not sufficiently test the full extent of the historical geophysical targets.
- Completion of detailed ground magnetics, defining the potential zone of a large mineralised system, with the core being a deep-seated magnetic high, representing a possible Feeder Zone. Structures were also mapped using detailed ground magnetics.
- Confirmation of earlier conclusions relating magnetic lows and mineralisation by systematic magnetic susceptibility measurements of core.
- Use of historical IP imagery (World Geoscience) to initially target drill holes, fine-tuned after acquisition of the detailed ground magnetics.
- Compilation of all relevant datasets into a consistent platform to allow for interrogation of all datasets simultaneously.

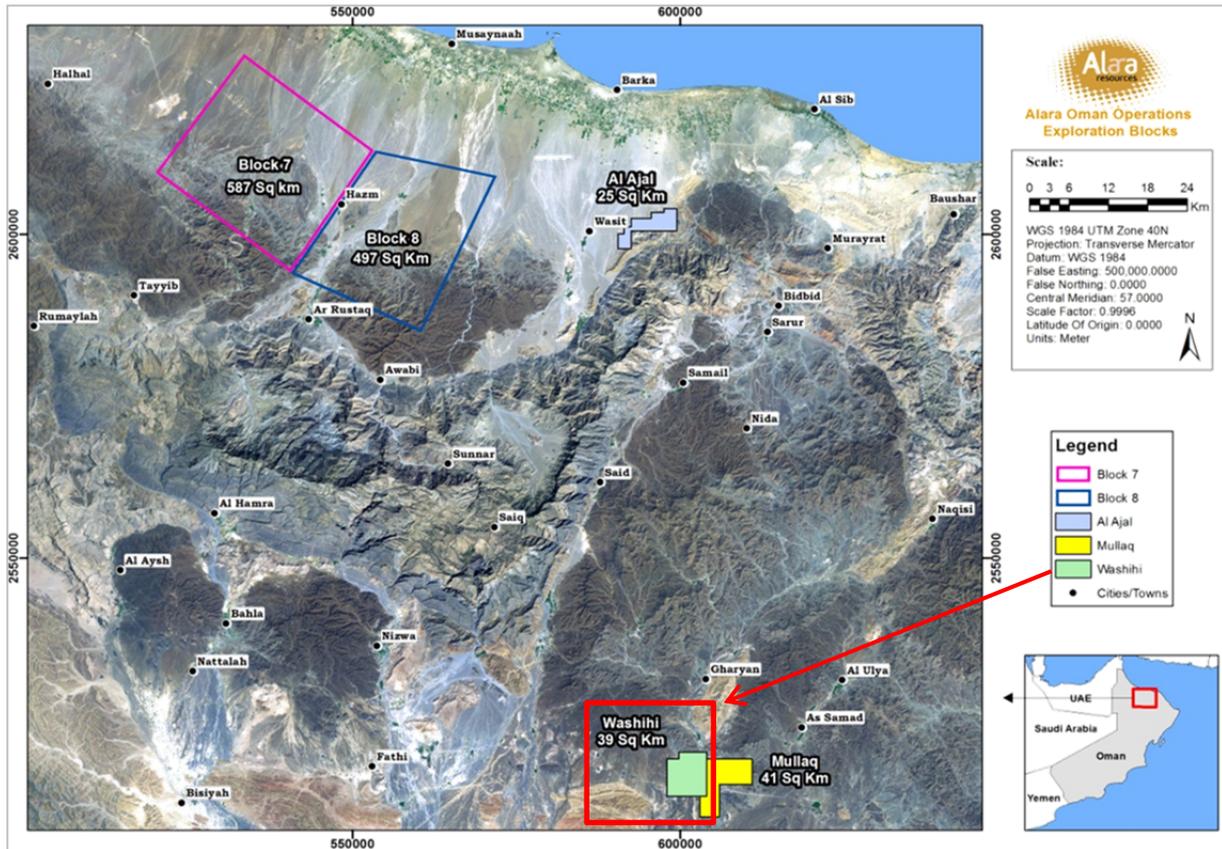
Commenting on these results, Alara's Managing Director, Shanker Madan, said: "We are now beginning to see the fruits of our extensive geophysical work including detailed magnetic susceptibility measurements on drill cores and drilling campaign in Oman where the most recent results have indicated the potential for a **major copper-gold discovery**. These drilling results are very encouraging and provide further visibility around the potential project size and economics of the Washihi Project."

The drill hole location map (Figure 2) and a tabulation of Alara drill hole and intersection results (Table 1) are attached as Appendix 1.

Exploration Status

Alara will shortly be announcing further assay results from the Mullaq prospect (adjacent to the Washihi prospect) (refer Figure 1) where in progress drilling has confirmed the presence of copper mineralisation.

Figure 1: Oman Copper-Gold Projects are located in a region with several examples of VMS Copper Deposits in the Ophiolites and close to a nearby Copper Smelter



– ENDS –

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and development company with a diverse portfolio of projects in Saudi Arabia, Oman, Chile, and Australia.

With a strong pipeline of advanced and early stage projects, Alara is moving towards establishing itself as an emerging base and precious metals development company.

For more information, please visit: www.alararesources.com.

APPENDIX 1 – SUMMARY OF DRILL HOLE LOCATIONS AND INTERSECTION RESULTS

Figure 2: Drill hole locations at the Washihi Copper-Gold Project

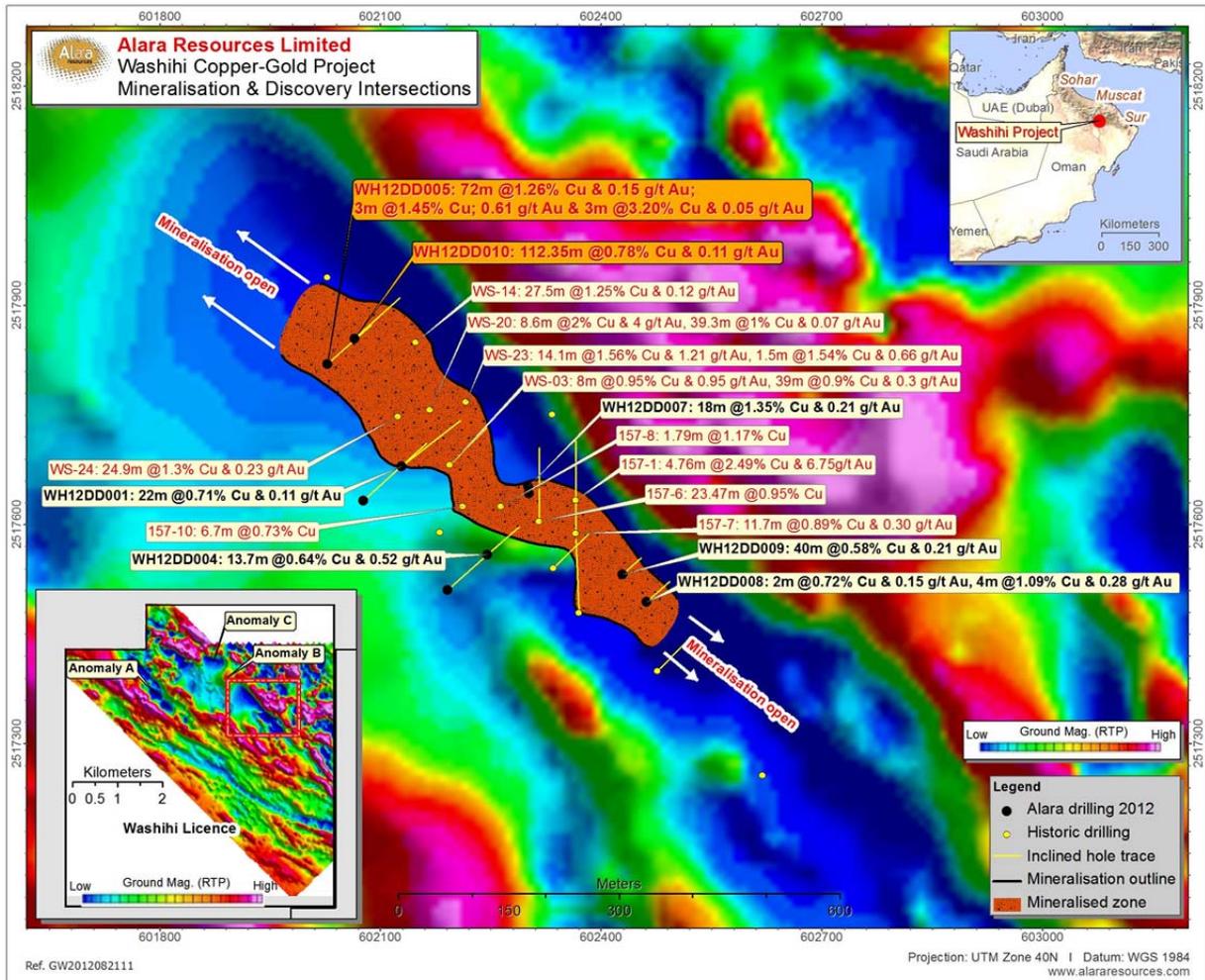


Figure 3: Cross section along 250N indicating a modest strip ratio

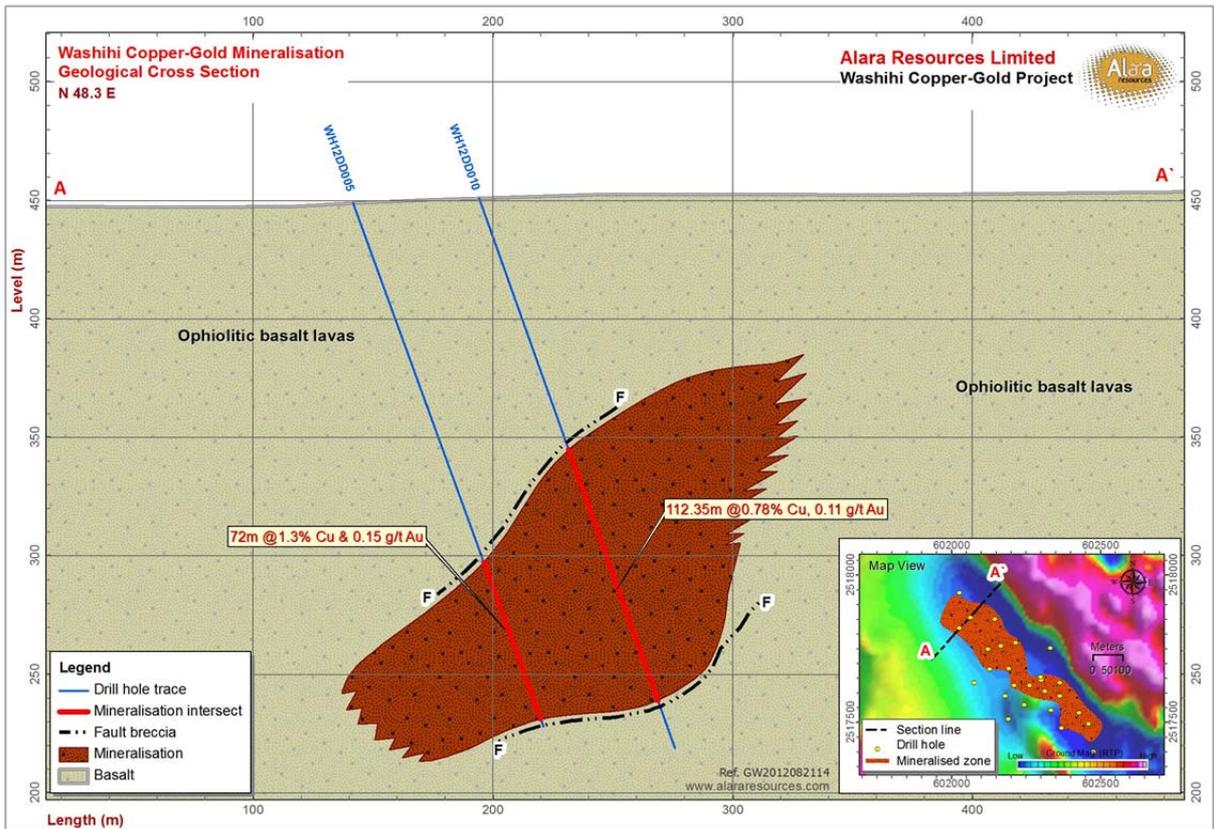


Figure 4: Mineralisation targets in the Washihi area

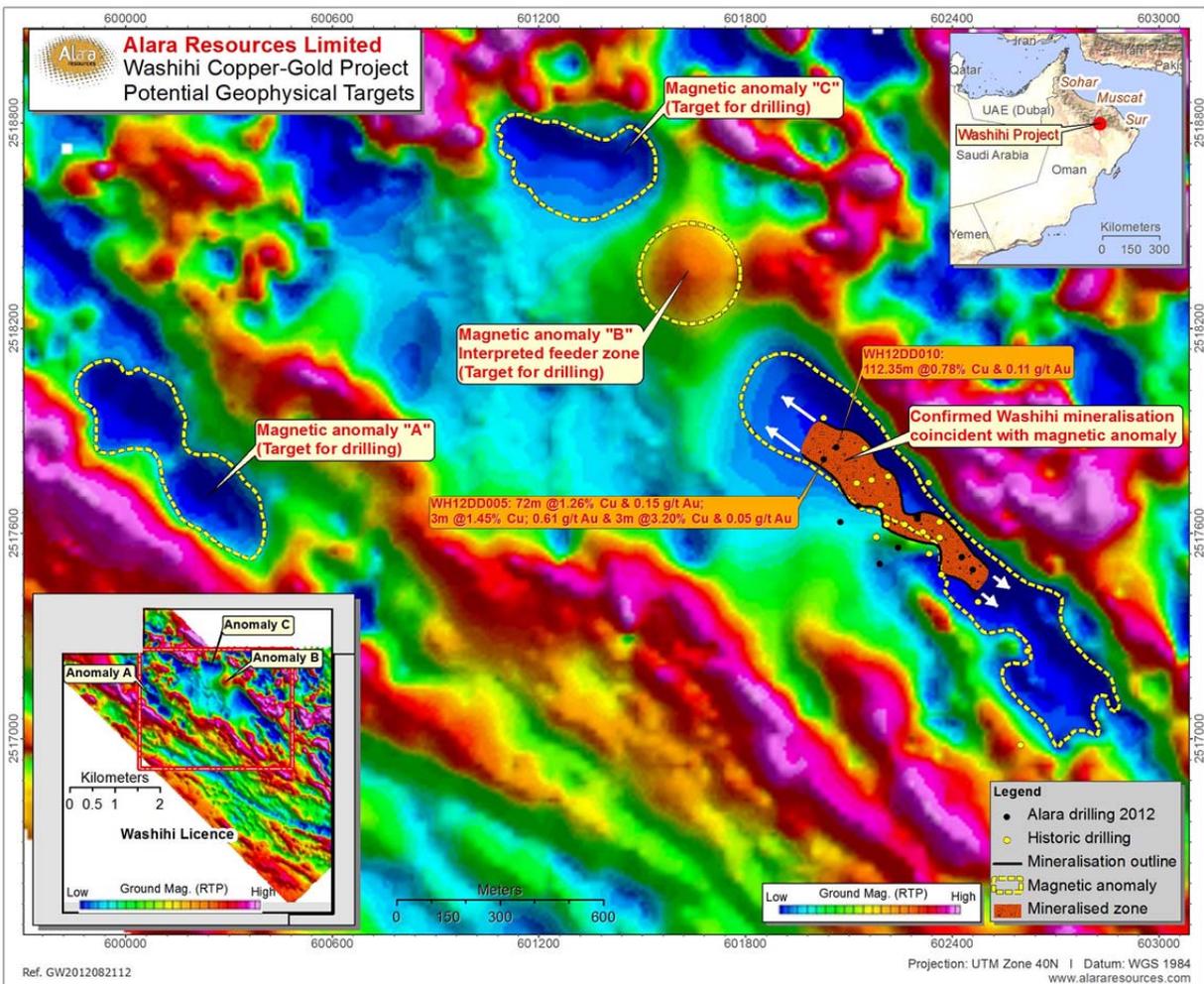


Table 1: Washihi Prospect – Significant Intersection Results from Alara Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS							
Drill Hole	Significant Mineralisation				Mineralised Zone		
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
WH12DD001	Primary	137	159	22	0.71	0.11	-
	<i>Inclusion</i>	144	153	9	1.08	0.15	-
WH12DD004	Primary	120.3	134	13.7	0.64	0.52	-
	<i>Inclusion</i>	120.3	127	6.7	0.78	0.93	-
	<i>Inclusion</i>	126	128	2	1.16	0.61	-
WH12DD005	Primary	160	232	72	1.26	0.15	-
	<i>Inclusion</i>	168	169	1	3.57	0.21	-
	<i>Inclusion</i>	187	188	1	4.66	0.08	-
	Primary	206	209	3	1.45	0.61	-
	Primary	229	232	3	3.20	0.05	-
WH12DD007	Primary	62	80	18	1.35	0.21	-
	<i>Inclusion</i>	62	66	4	2.26	0.12	-
	<i>Inclusion</i>	77	78	1	1.26	0.51	-
WH12DD008	Primary	74	76	2	0.72	0.15	-
	Primary	82	86	4	1.09	0.28	-
	<i>Inclusion</i>	84	85	1	3.19	0.48	-
WH12DD009	Primary	52	92	40	0.58	0.21	-
	<i>Inclusion</i>	55	58	3	1.08	0.27	-
WH12DD010	Primary	112.65	225	112.35	0.78	0.11	-
	<i>Inclusion</i>	112.65	180	67.35	1.00	0.13	-
	<i>Inclusion</i>	105.25	118	12.75	-	-	7.5

Notes to Table 1:

- Drill intercepts are reported as drilled; true thicknesses will be calculated at the interpretation and resource modelling stage. The drill intersections are approximately perpendicular to mineralisation and no significant difference is expected in true and intersection thickness.
- The cut-off grade is 0.2% Cu. In addition to cut-off, a natural break in assay (a marked change in grade) was also considered in calculation of intersections. Assays less than 0.2% Cu within primary interval are included as internal dilution.
- WH12DD002 and WH12DD003 intersected no significant mineralisation.
- WH12DD006 was abandoned at 61.7m due to technical reasons and WH12DD007 is a re-drill at the same location.
- Drill holes WH12DD001 to WH12DD008 along with intersections of historic drilling were announced by Alara on 20 June 2012 (refer ASX market announcement entitled "[Washihi Copper-Gold Project – Alara intersects 72m at 1.3% Copper](#)"). For understanding and completeness of Alara exploration results, the results of these holes are reproduced in Table 1.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr. Hem Shanker Madan who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Madan is the Managing Director of Alara Resources Limited. Mr. Madan 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)." Mr. Madan consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.