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# ASX/MEDIA RELEASE

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# Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset

# **Highlights**

- Upgrade to JORC Mineral Resource<sup>1</sup>:
  - > 6.84Mt Indicated at 0.90% Cu and 0.17g/t Au
  - 7.27Mt Inferred at 0.71% Cu and 0.20g/t Au
- Prior maiden JORC Mineral Resource<sup>2</sup> of 2.1Mt Indicated at 0.70% Cu and 0.17g/t Au and 6.9Mt Inferred at 0.76% Cu and 0.16g/t Au was announced on 15 October 2012<sup>3</sup>.
- A scoping level metallurgical test work programme has recently been completed with the results currently being finalised.
- Alara looking to either divest or accept project investment approaches for Oman Projects to assist with short term operating cash flow while finance is secured for flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia.

## **Update**

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to advise that it has completed a significant JORC Resource upgrade for its Washihi Copper-Gold Project located in Oman, in which Alara is earning a 75% interest.<sup>4</sup>

The upgraded JORC Resource at Washihi currently stands at:

	Indicated Resource			Inferred Resource		
Cu % Cut off	Tonnes (Million)	Copper (Cu)	Gold (Au) g/t	Tonnes (Million)	Copper (Cu)	Gold (Au) g/t
0.00	7.16	0.87	0.17	7.77	0.67	0.20
0.25	6.84	0.90	0.17	7.27	0.71	0.20
0.50	5.66	1.01	0.18	5.00	085	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1.00	2.39	1.37	0.20	1.24	1.31	0.27

Table 1: Washihi JORC Resources

<sup>&</sup>lt;sup>1</sup> At 0.25% Cu cut-off grade

At 0.00% Cu cut-off grade

Refer Alara ASX market announcement dated 15 October 2012: Initial JORC Resource – Washihi Project in Oman

Refer Alara market announcement dated 8 December 2011 and entitled "Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman"

Alara's recent discovery of significantly thick stockwork of copper mineralisation towards the north-west extension of the previous JORC Resource has contributed to this increase. The second phase of diamond drilling was completed earlier this year confirmed that the mineralisation remains open both at depth and along strike to the north-west (refer Figure 1).

Any potential high grade massive sulphide cap above the stockwork zone, which is a typical feature of VMS deposits in Oman, is yet to be intersected at Washihi. Improved understanding of the structures controlling the Washihi mineralisation, aided by a variety of ground geophysical data, will enable Alara to carry out a targeted campaign to delineate this potential high-grade copper mineralisation in the next phase of drilling.

Metallurgical test work on representative core samples has been completed at ALS Metallurgy Laboratory in Perth, Western Australia with the receipt of a formal report on the results pending. Although the metallurgical recoveries and subsequent concentrate grades on the Washihi ores were very good, further potential exists through optimisation of the concentration process. To this end, a further set of more specific metallurgical tests are under consideration.

Statutory approvals processes leading to the grant of 5 Mining Licences (totalling 10km<sup>2</sup>) are currently being pursued.

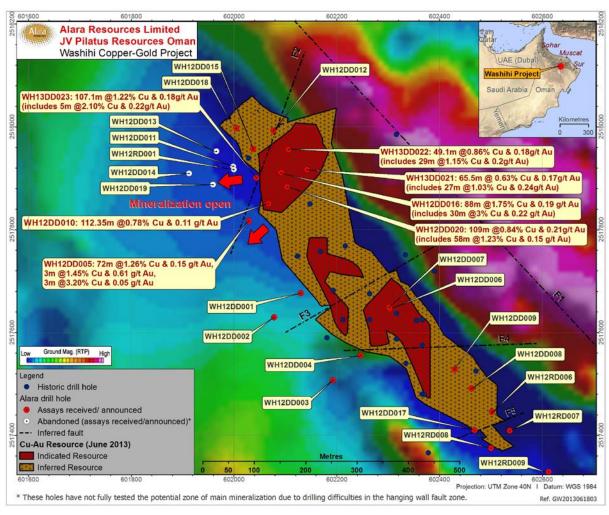


Figure 1: Washihi Datamine Block Model over RTP ground magnetics image

## **Resource Estimation Methodology**

72m @1.26% Cu & 0.15 g/t Au, 3m @1.45% Cu & 0.61 g/t Au, 3m @3.20% Cu & 0.05 g/t Au

— Drill hole

Cu-Au Mineralisation

Subsurface

Cu (%)

0.3 - 1

1 - 7

Au (gpt) 0.2 - 2

The JORC Resource was estimated within constraining wireframe surfaces based on geological constraints to the mineralised units. In addition to geology, clear natural breaks in copper grades were used to generate wireframes.

The database utilised for the Geological Model and Mineral Resource Estimate is comprised of 69 drill holes totalling 10,668 metres (diamond core – 8,685m, RC - 898m and core-cum-RC - 1085m). Detailed data verification was carried out prior to it being incorporated into the Mineral Resource Estimate.

Industry standard batch-wise QAQC procedures were implemented for all analytical results. All sample batches went through control gate quality assessment prior to inclusion in or removal from the database and no significant issues were identified in analytical results.

Drill hole samples were composited into 1m composites. The spatial continuity of the copper and gold grades are confirmed by variogram and continuity analysis.

20m x 20m x 5m blocks were estimated by Ordinary Kriging. Block size was determined based on optimisation of Kriging neighbourhood analysis. Resource classification is based on the industry standard practice of using parameters from Kriging Neighbourhood Analysis (KNA) including block regression slope and Kriging efficiency in combination with drill hole spacing, number of composites and Kriging variance.

Capping of 4.9% Cu was used for copper and 1g/t Au for gold. Constant densities of 2.93 based on 184 composites were used for converting volumes into tonnages.

Figure 1 (above) outlines the distribution of the Inferred and Indicated Resource at Washihi together with key drill intersections utilised in the estimation of the JORC Resource.

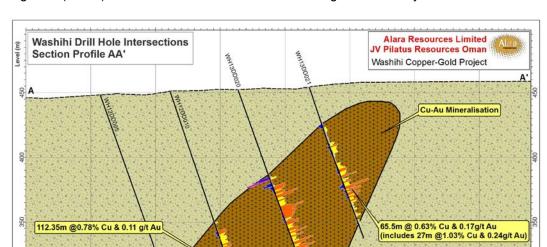


Figure 2 (below) shows the drill hole intersections along the discovery section.

Figure 2: Washihi Discovery Section

Ref. GW2013061804

109m @0.84% Cu & 0.21g/t Au (includes 58m @1.23% Cu & 0.15 g/t Au)

Historical hole Alara drill hole 2012-13

Inferred Resource

## **Oman Projects - Asset Strategy**

As a result of the significant upgrade in the Washihi Mineral Resource and the positive preliminary metallurgical test results coupled with the positive economic outcome of a Scoping Study (involving the combined Washihi and Daris resources), Alara is looking to either divest the combined resources or accept recent indications of interest for further investment in the projects. This divestment/finance approach will provide additional company operating funds while finance is secured on Alara's current key focus area, the Khnaiguiyah Zinc-Copper mine development in Saudi Arabia.

Alara Managing Director, Philip Hopkins, commented:

"It is pleasing to note that the Oman team has expanded on the original discovery and further improved the understanding of the geological setting. Going forward, this has allowed the Company to focus on a number of options regarding these assets."

#### - ENDS -

### For further information, please contact:

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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 and Oman.

Alara has recently completed a DFS on its flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia and is moving towards establishing itself as an emerging base and precious metals development company in the Middle East region.

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

#### JORC CODE COMPETENT PERSON STATEMENTS

The information in this announcement that relates to Mineral Resources 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 SME. Mr. Sharma is 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 they are undertaking to qualify as Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition). Mr. Sharma has given his consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results has been compiled by Mr Hem Shanker Madan who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Madan is a 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.