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ASX/MEDIA RELEASE

15 August 2012

Investor Presentation

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to attach a copy of an Investor Presentation.

– 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, 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

Alara Resources Limited



Investor Update Presentation
August 2012



ASX: AUQ

www.alararesources.com

Alara offers attractive base metal exposure



Khnaiguiah Zinc Copper Project (50%)

- Draft DFS report received. Review is in progress
- DFS completion expected in Q4 2012
- 70,000tpa zinc production targeted to commence into forecast strongly rising zinc prices (+ US\$2,500 per tonne)
- Saudi Arabia offers significant investment and operational benefits

Oman (+50 – 75%)

- Targeting 3.2Mt to 5.0Mt @ 0.8-1.0% copper and 0.3-0.5g/t gold¹
- Geophysics indicates open mineralisation
- +5,000m drilling completed, additional 2,000m drilling in progress
- Scoping study for a 500,000tpa throughput mining and beneficiation at Washihi in progress

Chile (El Quillay 70%)

- Targeting copper-gold with extensive previous workings and walk up drill targets
- Copper, copper-gold, copper molybdenum, IOCG type and porphyry prospects
- Drilling program commenced at El Quillay prospect

Alara has an experienced management team capable of bringing these projects into production.

¹ The potential quantity and grade of the target mineralisation of copper and gold is conceptual in nature. There has been insufficient exploration to define a mineral resource in relation to that target mineralisation of copper and gold. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target mineralisation of copper and gold.



DFS Status

- Draft DFS report received. Review is in progress
- DFS comprises 17 volumes and approximately 3,000 line items of bill of quantities
- Initial review indicates that:
 - Plant, equipment and mine designs are fundamentally sound
 - Mine scheduling required further optimisation including the potential to add Zone 1 to the mine schedule
 - Much of the 'costing estimates' were based on Australian and other international cost structures with only a small portion based on actual Saudi Arabian inputs
 - Review process being conducted by the Company and consultants have identified many areas requiring further examination. Local cost inputs are being obtained



Company Profile

Directors

Ian Williams AO Chairman

- 40+ years mining experience
- Hamersley Iron, Rio Tinto, Century Zinc & Pasminco
- Awarded Order of Australia for services to Indigenous communities

Shanker Madan Managing Director

- 35+ years mining industry experience
- BHP, Rio Tinto & Hamersley Iron

Doug Stewart

- 35+ years mining industry and capital markets advisory experience
- Territory Iron, Teck Corporation, NM Rothschild and Sons, Australia

Farooq Khan

- 20+ years capital markets experience
- Management of ASX-listed companies
- Corporate law background

William Johnson

- 20+ years experience in senior management and executive roles in public companies in Australia, New Zealand and S.E. Asia

Stock

ASX Code	AUG
Market Cap (13 August 2012)	\$54.7M
Issued Capital	
- Shares	210.5M
- Options	41.75M
Cash (30 June 2012)	\$11.2M

Top Shareholders

Antares Equities (previously Aviva)	10.0%
Northcape	9.0%
Colonial	7.5%
Kinetic	7.4%
Acorn	6.9%
Contango	5.7%





Management Team

Management Team

Shanker Madan
Managing Director

- 35+ years mining industry experience with BHP, Rio Tinto & Hamersley Iron.

John Berry
General Manager, Saudi Arabia

- 30+ years in commercial and contracts management, feasibility studies and construction and commissioning with Ferraus Limited, Calibre Engenium, Newcrest Mining Limited & Barrick Gold.

Maxwell Hobson
General Manager, Projects (Khnaiguiyah)

- 35+ years in mining, metals and heavy industrial engineering project management and EPCM. Previous experience with FMG, Alcoa, Rio Tinto, Strike Resources and past principal of Aurecon Consulting Group.

Ganesh Krishnamurthy
General Manager, Exploration (Oman)

- 20+ years, with 4 years in exploration and development in Oman, 8 years with Rio Tinto Iron in Australia.

Juan Carlos Toro Taylor
General Manager, Chile

- 35+ years experience mainly in copper, gold and iron ore in South America and South Africa. Previously Senior Geologist with Codelco (Chile).

AV Sthapak
Exploration Manager (Oman)

- 20+ years exploration and feasibility experience in Oman and Australia. Discoverer of the Year award, Rio Tinto 2010.

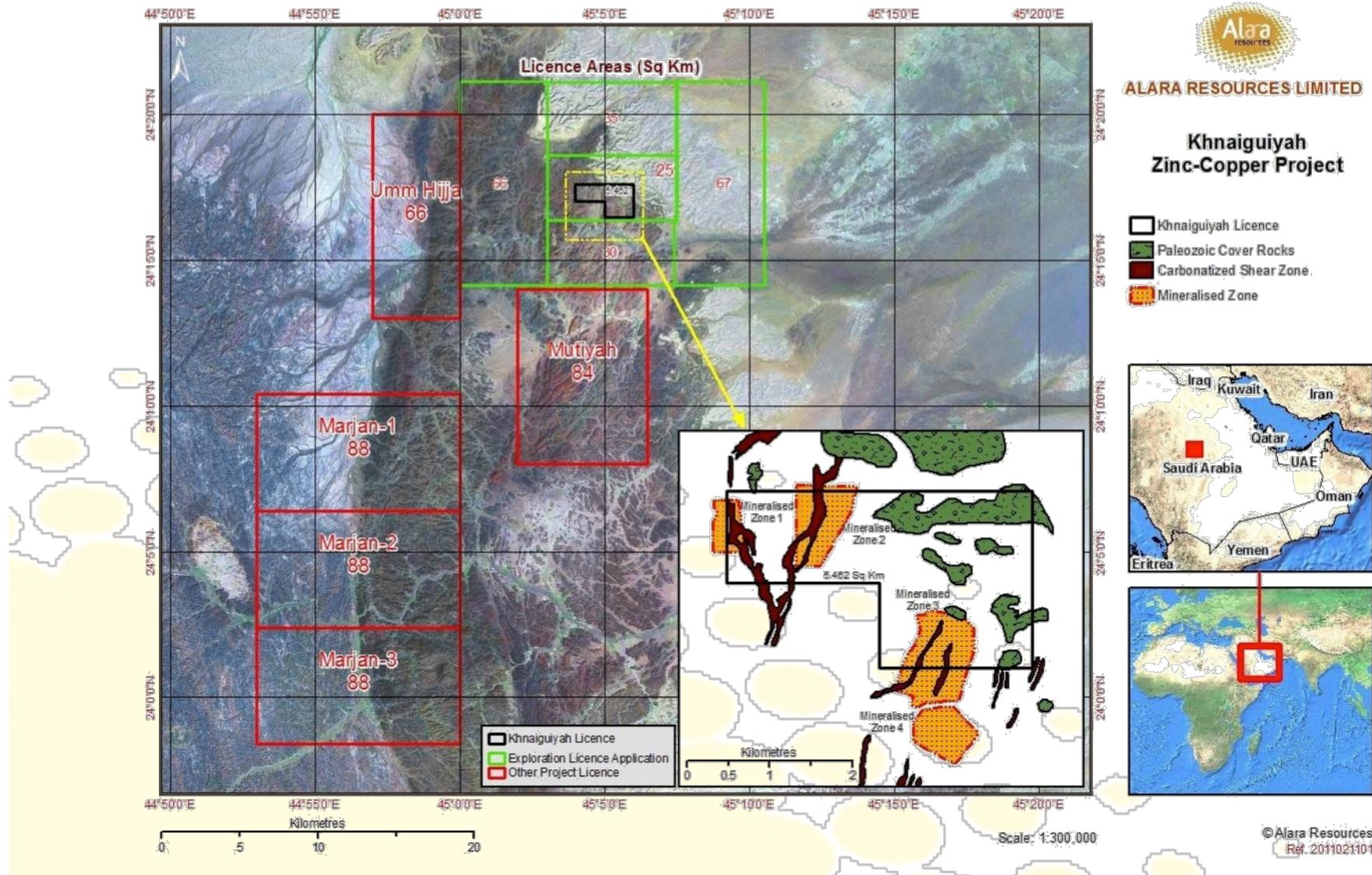
Ravi Sharma
Resources Consultant (Saudi Arabia)

- 20+ years exploration and mining. Previously Chief Geologist with Barrick at 350,000oz/year Bulyanhulu gold mine, Tanzania.

Mike Efthymiou
Metallurgical Consultant (Saudi Arabia)

- Specialist metallurgist with 35+ years in metallurgical operations in senior roles, feasibility studies, metallurgical optimisation/development studies with OK Tedi Mining, BHP Billiton Olympic Dam Operations, Freeport MacMoran Grasberg Operations Indonesia, Mount Isa Mines Operations, Zambia Copper Belt.

Saudi Arabia – Khnaiguiyah Project (50%)



Joint Venture Partner – Manajem (50%)

Management Team

Engr. Mohamad Abdalah Al Hatlani
 Founder/Board Member
 Chairman
 Senior Consultant

- Founder and Owner of:
- Delta Consulting Group
 - Metals Corners Holding Co.
 - Naga Metals Co.
 - Nassaf Metals Co.

Engr. Mohammad Hussain Al Assaf
 Board Member

- Founder and Owner of:
- Andas Telecommunication Est.
 - Rick Trading Est.
 - Indipco Ductile Pipes Co.

Mr. Nassir Ali Al Agel
 Board Member
 Executive Director
 Finance & Administration

- Founder and Owner of:
- Metals Corners Holding Co.
 - Naga Metals Co.
 - Nassaf Metals Co.

Engr. AbdulRahman Abdalah Al Hatlani
 Founder/Board Member
 Consultant

- Partner:
- Delta Consulting Group

Company Profile

United Arabian Mining Company (Manajem) was established in June 2004 and is comprised of a group of successful engineers and businessmen with experience in the Industrial, Construction and Engineering fields.



Relationships – Contractors

Ausenco

- DFS Lead Engineers
- Process Design
- Process Plant
- Materials Handling
- Infrastructure
- Cost Estimation



- Environment and Social
- Hydrogeology
- Mine Dewatering
- Project Water Supply

srk consulting

- Geology Models and JORC Resources
- Mining Study and Ore Reserves
- Geochemical Study and Waste Rock Classification
- Study on Co-Disposal of Filtered Tails and Waste Rock

ALS Ammtec

World Class Bankable Metallurgy

- Metallurgical Testwork

Alegra Safety

- Site Safety Management, Auditing and Support
- Emergency Management
- Incident Investigation

Attributes – Country & Historical Work

Country

- Tax – 20% Corporate (nil personal tax rate)
- Royalties – nil
- SIDF – 75% debt available at sub-LIBOR rates with long 10 year tenure (Saudi Industrial Development Fund)
- Ownership – 100% permitted
- Profits & Capital – 100% repatriation. Nil import duties for CAPEX
- Tenure certainty – exploration to mining
- Roads – bitumen highway & road to mine gate
- Power – 33KVA power line to site
- Water – 15km to aquifer (low salinity)
- Fuel – <US\$0.09/L (diesel)



Two hours from Riyadh on the Riyadh-Jeddah Highway



Historical Work – Khnaiguiyah Project*

- Drilling – 45,000m drilled via 345 holes
- Mining – 2 deep shafts sunk for bulk testing
- Metallurgy – testing by BRGM & independent consultants
- Feasibility studies – by independent consultants (incorporating pit design work & financial modelling)

*Alara ASX market announcement dated [5 October 2010](#) and entitled "[Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia](#)"
BRGM Geoscientists 1993, Khnaiguiyah Zinc- Copper deposit – pre-feasibility study – 1,2 and 3, Saudi Arabian Directorate General of Mineral Resources Technical Report BRGM TR 13-4, 651p, 209 figs, 171 tables, 78 appendices and 23 photo plates

Maiden JORC Resource

Summary

- Resource Statement* – focused on lifting the category on Zones 2 & 3 (so as to not delay BFS)
- Three Domains – Domain 1 (zinc only), Domain 2 (zinc & copper) and Domain 3 (copper only)
- Category – upgraded to 75% “Measured & Indicated” with only 25% “Inferred”

Table 1 - Khnaiguiyah JORC Resource Summary: Domain 1 (Zinc) and Domain 2 (Zinc/Copper)

JORC Resource (at 1.5% Zinc cut-off grade)	Zone	Tonnes (Mt)	Zinc (%)	Copper (%)	Zinc tt (%) ⁺
Measured and Indicated Resource	2 & 3	20.09	4.24	0.15	4.69
Inferred Resource	2 & 3	1.95	2.97	0.07	3.18
Inferred Resource	4	4.32	2.90	0.03	2.99
Total Resource⁺	2, 3 & 4	26.36	3.93	0.12	4.30

⁺ Zinc equivalent has been calculated as: Zinc grade + (3 x Copper grade)

Table 2 - Khnaiguiyah JORC Resource Summary: Domain 3 (Copper)

JORC Resource (at 0.2% Copper cut-off grade)	Zone	Tonnes (Mt)	Copper (%)
Measured and Indicated Resource	2 & 3	4.93	0.77
Inferred Resource	2 & 3	2.03	0.92
Total Copper Resource	2 & 3	6.96	0.81

* Refer to ASX market announcement dated 21 February 2012: [Maiden JORC Resource – Khnaiguiyah Zinc Copper Project – Saudi Arabia](#)



Resource Statement – Zones 2, 3 & 4

Zones 2 & 3

Domain	Cut-off Zn (%)	Cut-off Cu (%)	Measured Resource			Indicated Resource			M & I Resource			Inferred Resource		
			Tonnes (Mt)	Zn (%)	Cu (%)	Tonnes (Mt)	Zn (%)	Cu (%)	Tonnes (Mt)	Zn (%)	Cu (%)	Tonnes (Mt)	Zn (%)	Cu (%)
1*	1.50	-	6.49	3.33	-	6.89	3.17	-	13.38	3.25	-	1.60	2.64	-
	1.75	-	5.69	3.56	-	5.91	3.43	-	11.60	3.50	-	1.29	2.87	-
	2.00	-	4.96	3.82	-	5.05	3.70	-	10.01	3.76	-	1.08	3.07	-
	2.25	-	4.30	4.07	-	4.30	3.97	-	8.60	4.02	-	0.87	3.30	-
	2.50	-	3.72	4.34	-	3.66	4.25	-	7.38	4.29	-	0.52	3.94	-
2*	1.50	-	5.14	6.48	0.45	1.57	5.31	0.44	6.71	6.21	0.45	0.36	4.45	0.36
	1.75	-	4.97	6.65	0.45	1.48	5.54	0.44	6.45	6.40	0.45	0.33	4.67	0.36
	2.00	-	4.79	6.83	0.45	1.39	5.77	0.46	6.18	6.59	0.45	0.31	4.90	0.36
	2.25	-	4.61	7.01	0.45	1.31	6.01	0.46	5.92	6.79	0.45	0.28	5.13	0.36
	2.50	-	4.43	7.20	0.45	1.23	6.24	0.47	5.66	6.99	0.45	0.26	5.37	0.36
1+2	1.50		11.63	4.72	0.20	8.46	3.57	0.08	20.09	4.24	0.15	1.95	2.97	0.07
	1.75		10.66	5.00	0.21	7.39	3.85	0.09	18.05	4.53	0.16	1.62	3.24	0.07
	2.00		9.75	5.30	0.22	6.44	4.14	0.10	16.19	4.84	0.17	1.39	3.48	0.08
	2.25		8.91	5.60	0.23	5.61	4.44	0.11	14.52	5.15	0.18	1.15	3.75	0.09
	2.50		8.15	5.90	0.24	4.89	4.75	0.12	13.04	5.47	0.20	0.78	4.42	0.12
3*	-	0.20	1.93	-	0.78	3.00	-	0.77	4.93	-	0.77	2.03	-	0.92

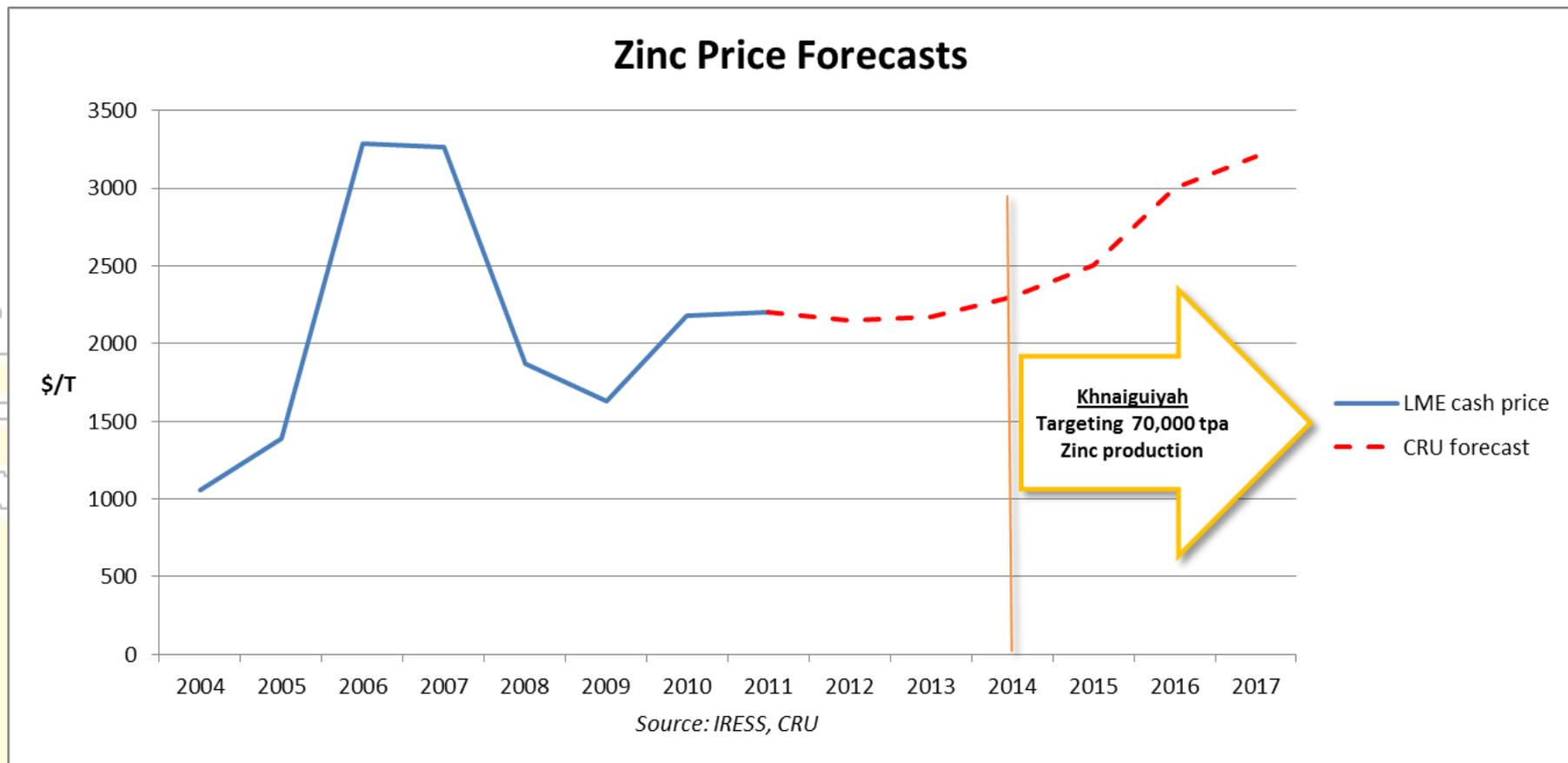
* Domain 1 – zinc only. Domain 2 – zinc & copper. Domain 3 – copper only.

Zone 4

Cut-off Zn (%)	Inferred Resource		
	Ton (Mt)	Zn (%)	Cu (%)
0.50	8.45	194	0.02
0.75	7.49	2.11	0.03
1.00	5.77	2.48	0.02
1.25	4.88	2.73	0.02
1.50	4.32	2.90	0.03
1.75	3.92	3.03	0.03
2.00	3.40	3.21	0.04
2.25	2.85	3.42	0.04
2.50	2.35	3.64	0.06

Zinc Prices Forecast

Targeting commencement of Zinc Production from Khnaiguiyah into a strongly rising market

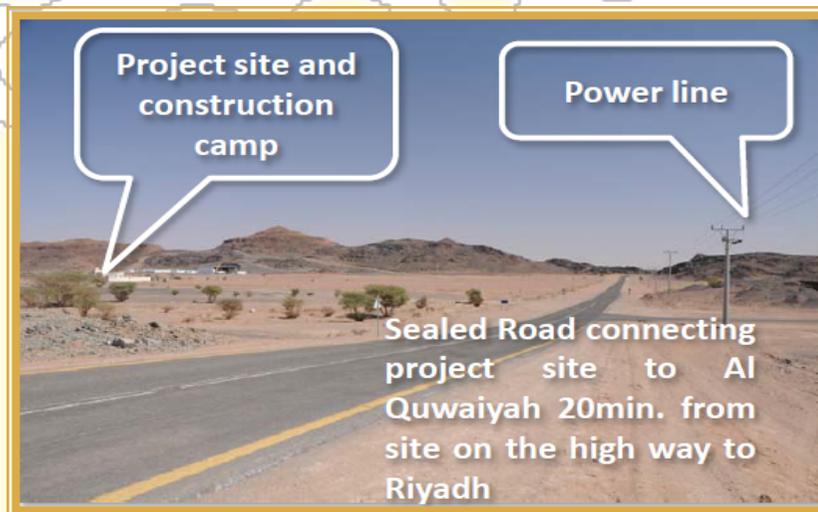


Achievements



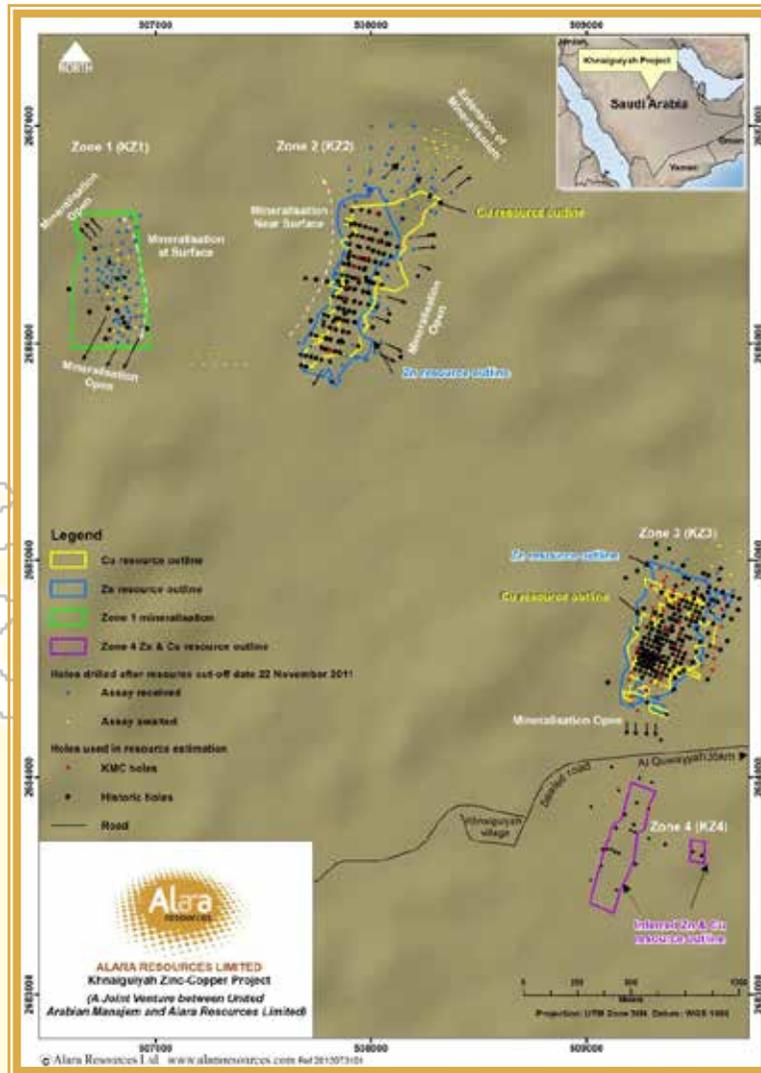
Rapid progress in <1.5 years!

- ✓ Projects secured – October 2010 (post successful Manajem negotiations)
- ✓ Mining licence – granted December 2010
- ✓ Environmental licence – granted June 2012
- ✓ JORC Resource – announced February 2012
- ✓ Team – established in Saudi Arabia & Perth head office
- ✓ Rigs – 3-6 drilling rigs secured & active
- ✓ Drilling – +35,000m drilled since Feb 2011 (290 holes), plus 45,000m drilled historically (345 holes)
- ✓ Mineralisation – extensions defined
- ✓ Sterilisation – drilling work completed



- ✓ Geotechnical work – completed with further work underway
- ✓ Water – water bore drilled & pump testing underway. Agreement reached to procure land for water
- ✓ Fauna & Flora – studies completed (16 reptile species, 17 bird species & 44 flora species identified)
- ✓ Metallurgy – completed, review underway. Coarse grind of P80 < 106µm, delivered 87% recoveries for Cu and 91.5% for Zn, at concentrate grades of around 30% for Cu and 57% for Zn. Recoveries may drop marginally below zinc grades of 4.5%. Moderate hardness (14kWh/t energy). Further grinding & floatation work underway that will allow Ausenco Engineering to undertake process plant design work

Resource – Outlook

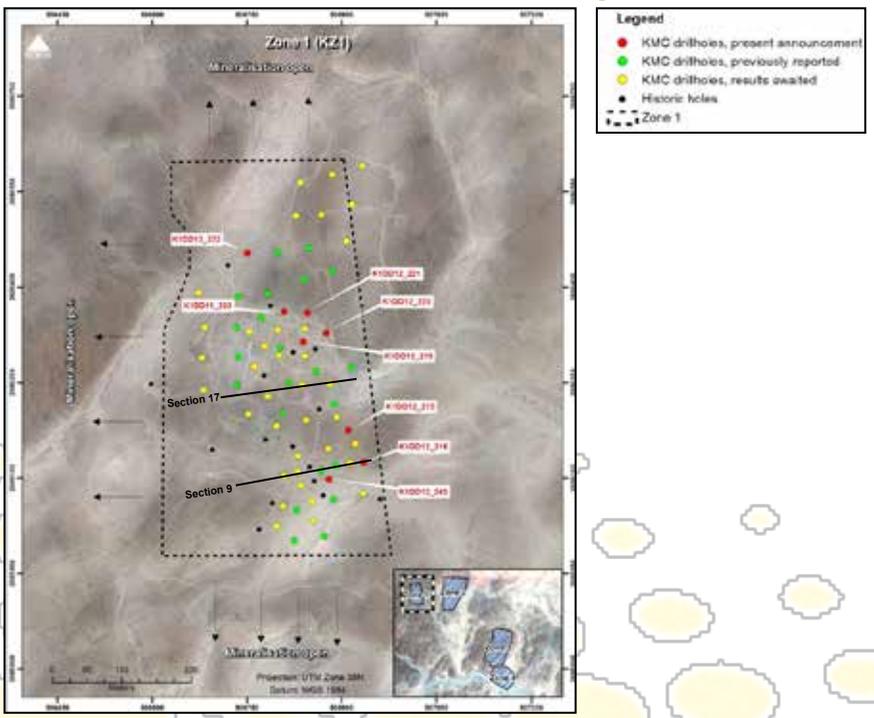


Further upgrades ahead

- Drilling cut-off (for resource) – September 2011
- Data cut-off (for resource) – November 2011
- Metres drilled since cut-off dates – +10,000m in Zones 1 & 2
- **Zone 1** – JORC resource yet to be calculated. Mineralisation drilled on 50x50m grid. Shallow with low strip ratio. Extends for 600m long, generally 600m wide, average 10m thick and open to the south
- **Zone 2** – extended a further 400m NE since resource was calculated
- **Zone 3** – open to the south
- **Zone 4** – drilled by BRGM and awaits drilling so as to upgrade former data

Zones 1 & 2 – Upgrades Ahead

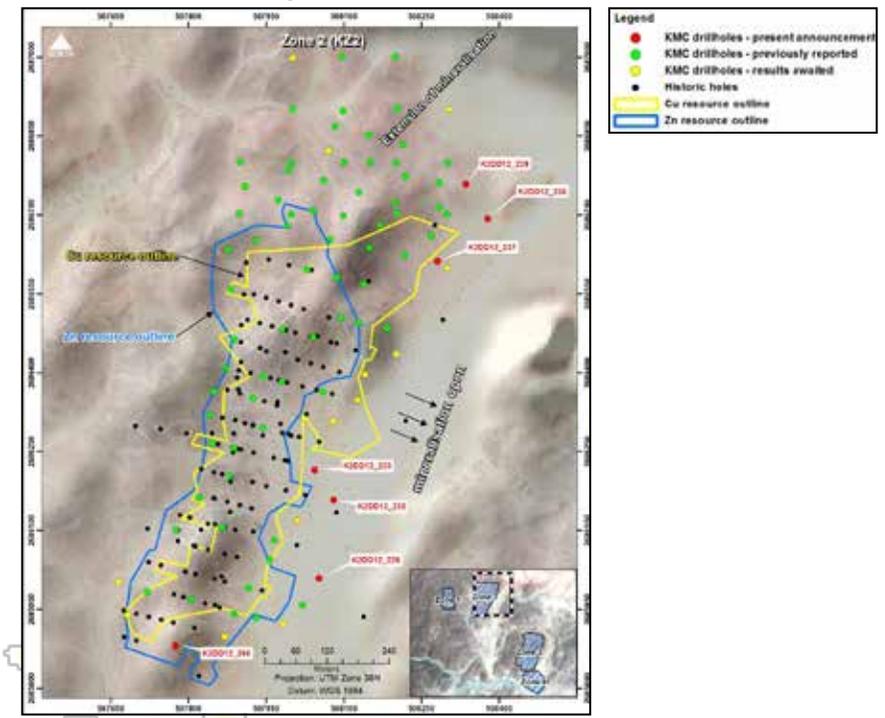
Zone 1 excluded from existing resource



Drilling Highlights:

Hole K1DD12_221	from 24–30.8m:	6.8m at 6.02% Zn; 0.49% Cu
Hole K1DD12_222	from 63–66m:	3m at 7.51% Zn; 0.95% Cu
Hole K1DD12_245	from 25.45–34m:	8.55m at 10.91% Zn; 0.19% Cu
	including 25.45–28m:	2.55m at 21.80% Zn; 0.34% Cu
	and 42–47.1m:	5.1m at 10.97% Zn; 0.21% Cu
	including 45–46m:	1m at 31.56% Zn; 0.70% Cu

Zone 2 already extended 400m NE



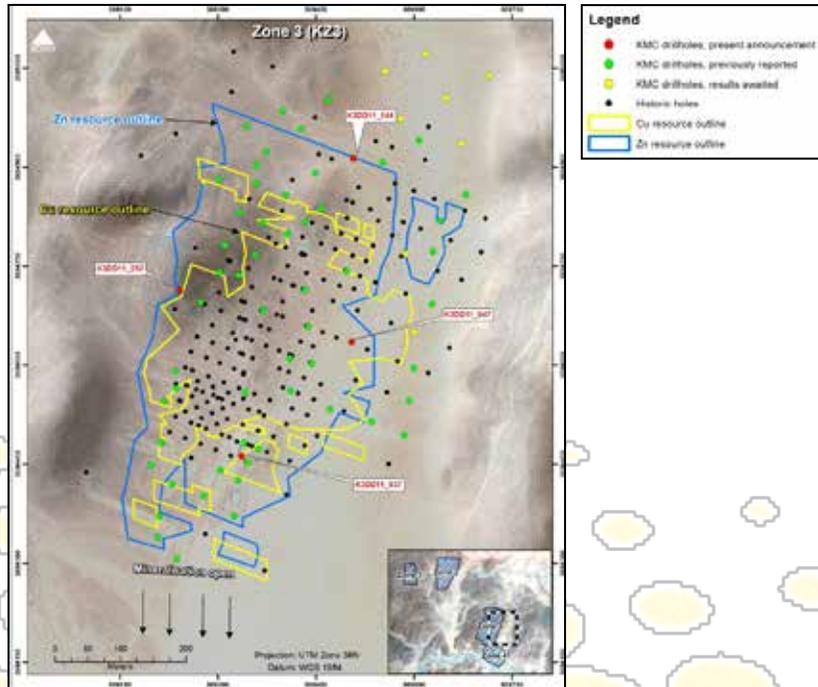
Drilling Highlights:

Hole K2DD12_233	from 80.8–86m:	5.2m at 7.15% Zn; 0.14% Cu
Hole K2DD12_237	from 157–162m:	5m at 8.40% Zn; 0.38% Cu
Hole K2DD12_239	from 177–188m:	11m at 6.42% Zn; 0.12% Cu
Hole K2DD12_240	from 91–101m:	10m at 10.90% Zn; 0.31% Cu
Hole K2DD12_255	from 32–41m:	9m at 7.7% Zn; 0.3% Cu
Hole K2DD12_258	from 59.4–69m:	9.6m at 7.1% Zn; 0.1% Cu
Hole K2DD12_237*	from 164–168m:	4m at 1.09% Cu
Hole K2DD12_238*	from 193.4–203m:	9.6m at 1.47% Cu

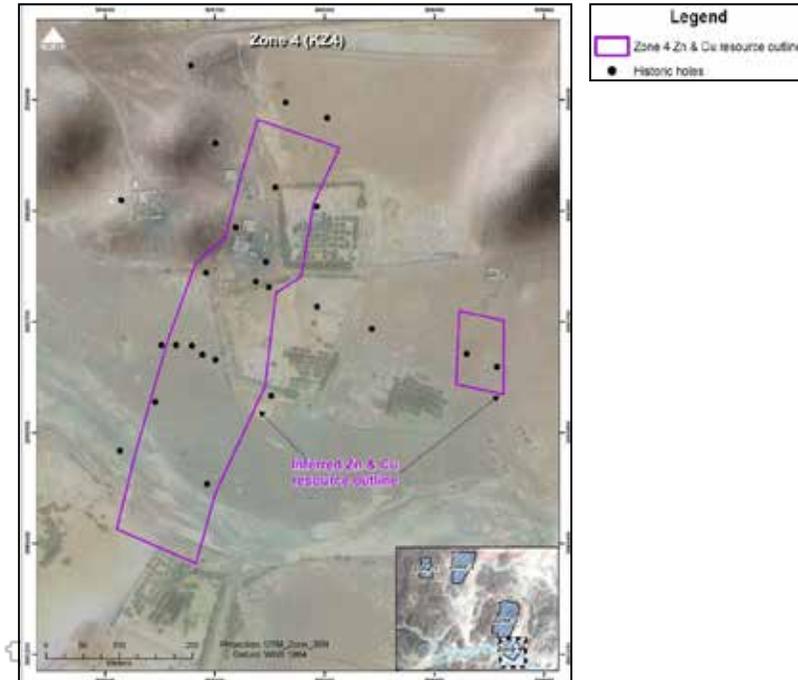
* Copper-rich zone

Zones 3 & 4 – Upgrades Ahead

Zone 3 open to the south



Zone 4 remains undrilled by JV Co.



Drilling Highlights:

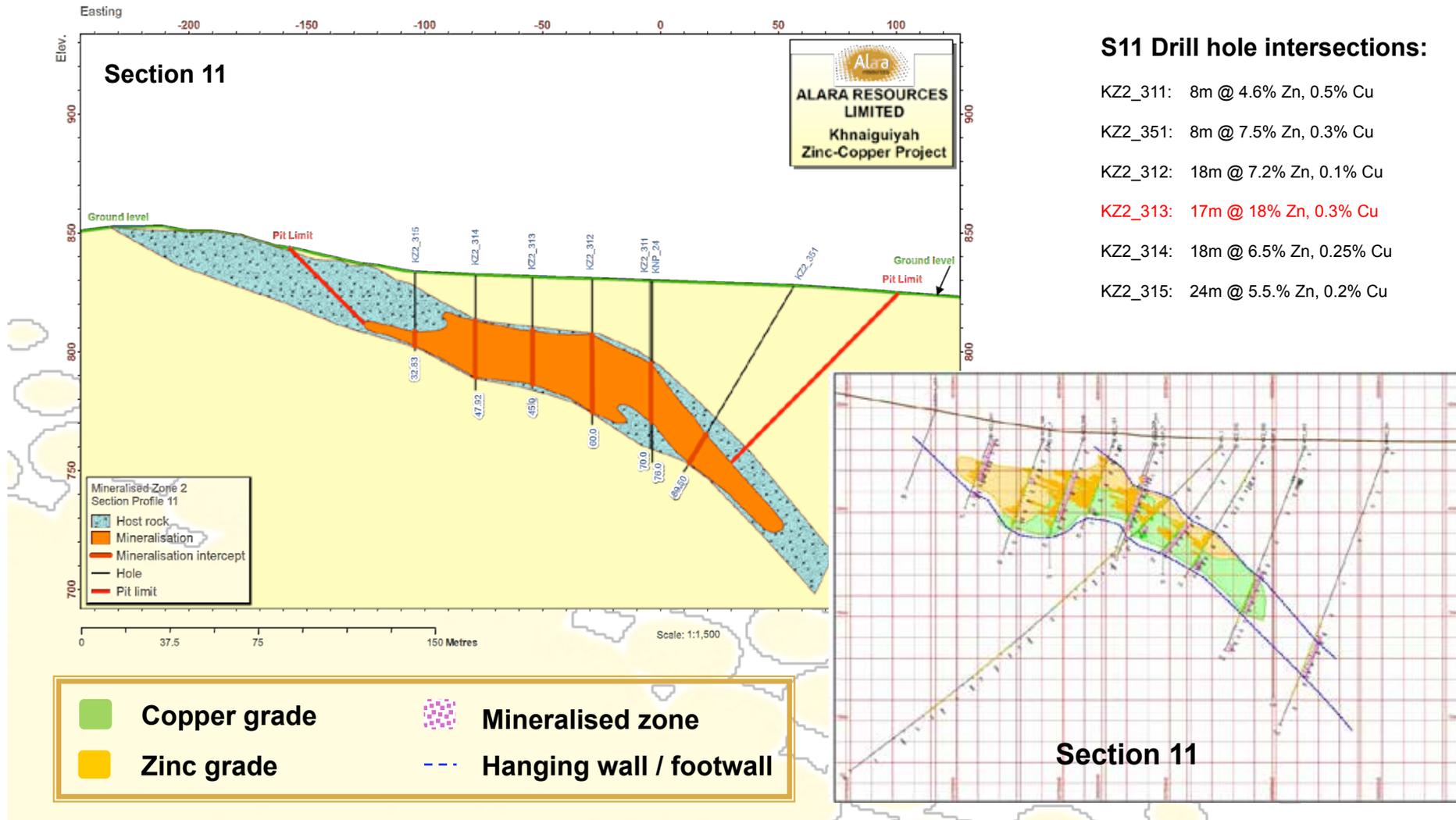
Hole K3DD11_037	from 78–82m:	4m at 11.02% Zn; 0.07% Cu
Hole K3DD11_044	from 187–209.1m: and 214–221m:	22.1m at 6.87% Zn; 0.14% Cu 7m at 6.69% Zn; 0.65% Cu
Hole K3DD11_052	from 20–31m:	11m at 5.62% Zn; 0.22% Cu

Mineralisation – Zone 2

Mineralisation in Zone 2 is flat lying and shallow, deepening to the east

S11 Drill hole intersections:

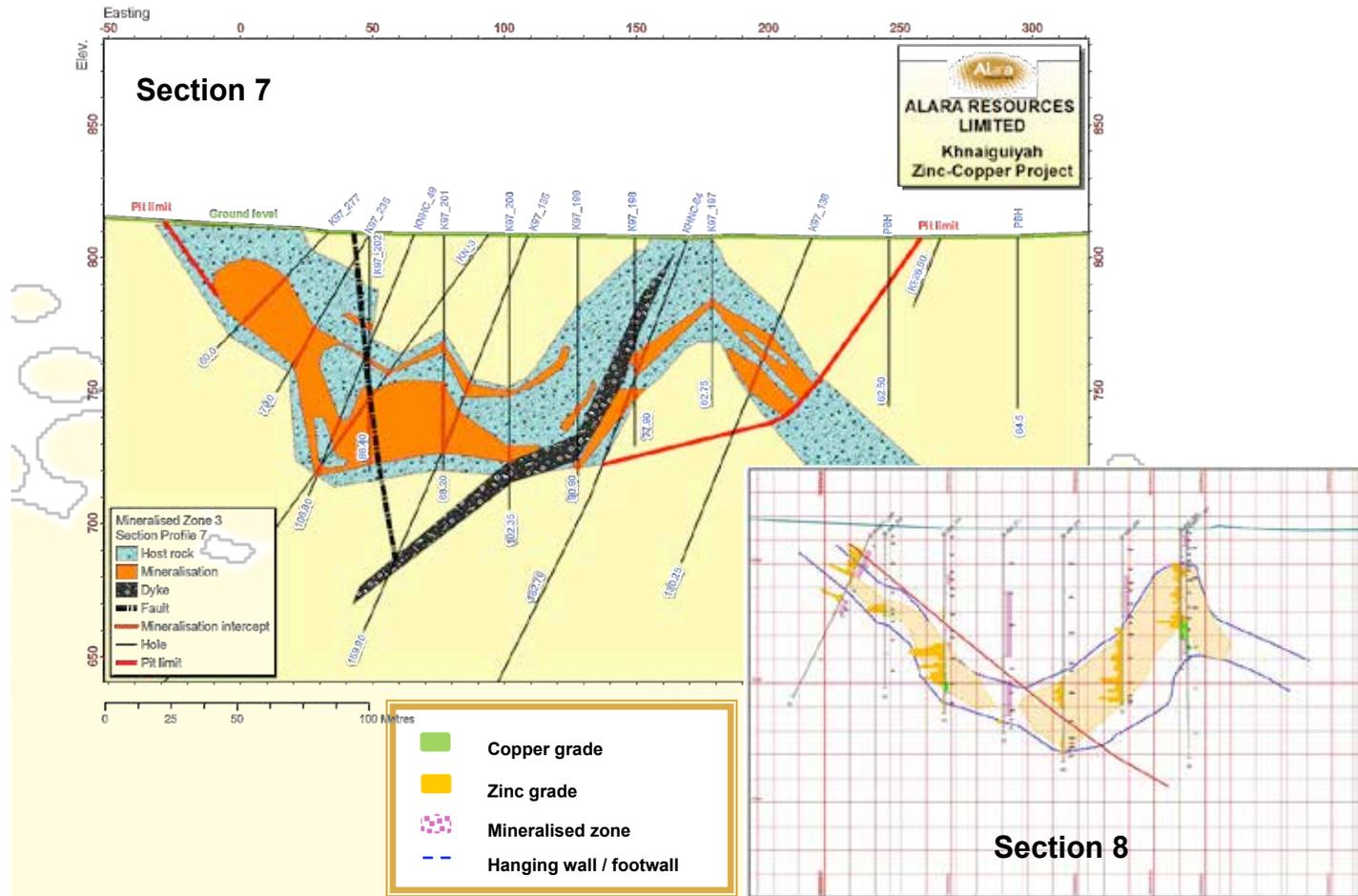
- KZ2_311: 8m @ 4.6% Zn, 0.5% Cu
- KZ2_351: 8m @ 7.5% Zn, 0.3% Cu
- KZ2_312: 18m @ 7.2% Zn, 0.1% Cu
- KZ2_313: 17m @ 18% Zn, 0.3% Cu**
- KZ2_314: 18m @ 6.5% Zn, 0.25% Cu
- KZ2_315: 24m @ 5.5% Zn, 0.2% Cu



Mineralisation – Zone 3

Mineralisation is thick, high grade, open and has good continuity

Mineralised Zone 3 is thicker and close to the surface on the east limb but generally Copper rich and towards the west



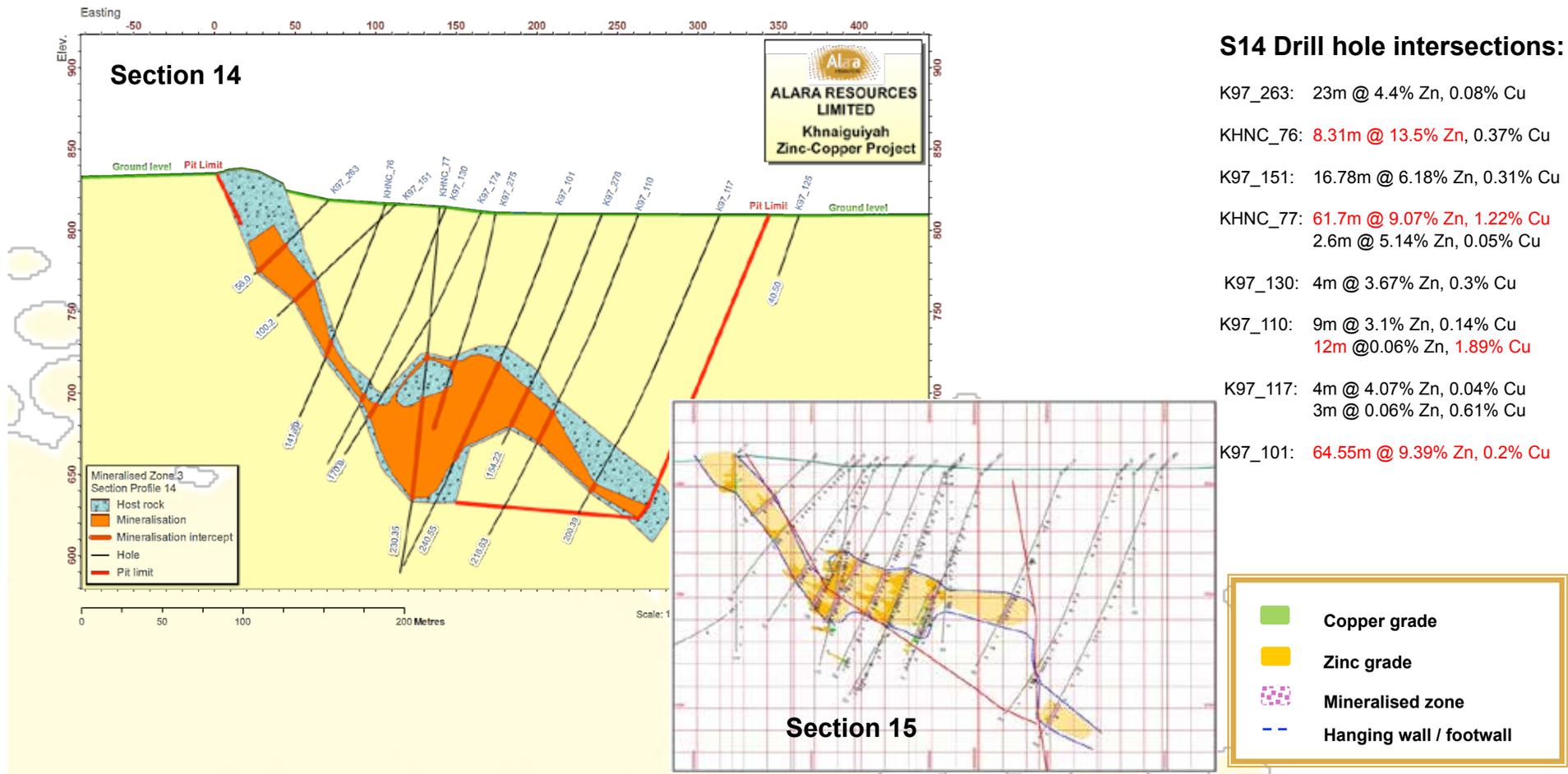
S7 Drill hole intersections:

- K97_136: 4m @ 3.58% Zn, 0.27% Cu
3m @ 3.93% Zn, 0.19% Cu
10m @ 3.06% Zn, 0.05% Cu
- K97_197: 2m @ 3.1% Zn, 0.02% Cu
- K97_198: 5m @ 3.99% Zn, 0.21% Cu
- K97_199: 2m @ 4.56% Zn, 0.36% Cu
2m @ 7.89% Zn, 0.09% Cu
- K97_200: 2m @ 3.6% Zn, 0.17% Cu
7m @ 0.5% Zn, 3.5% Cu
- K97_135: 5m @ 5.91% Zn, 0.18% Cu
17m @ 23.8% Zn, 0.71% Cu
- K97_201: 3m @ 6.39% Zn, 0.09% Cu
25m @ 18.68% Zn, 0.54% Cu
- K97_277: 25m @ 3.07% Zn, 1.1% Cu
- K97_235: 16m @ 2.52% Zn, 0.41% Cu
- KHNC_49: 7m @ 3.95% Zn, 0.2% Cu
- K97_202: 2m @ 10.58% Zn, 0.01% Cu
2m @ 4.43% Zn, 0.02% Cu
29m @ 4.59% Zn, 0.03% Cu
- KHNC_64: 3.5m @ 10.95% Zn, 0.32% Cu
11.2m @ 5.66% Zn, 0.21% Cu
- KN_3: 6.97m @ 4.51% Zn, 0.18% Cu
4m @ 1.37% Zn, 1.1% Cu
6.75m @ 5.13% Zn, 0.24% Cu
9.2m @ 0.3% Zn, 1.73% Cu

Mineralisation – Zone 3

Mineralisation is thick, high grade, open and has good continuity

Mineralised Zone 3 is thicker and close to the surface on the east limb but generally Copper rich and towards the west



S14 Drill hole intersections:

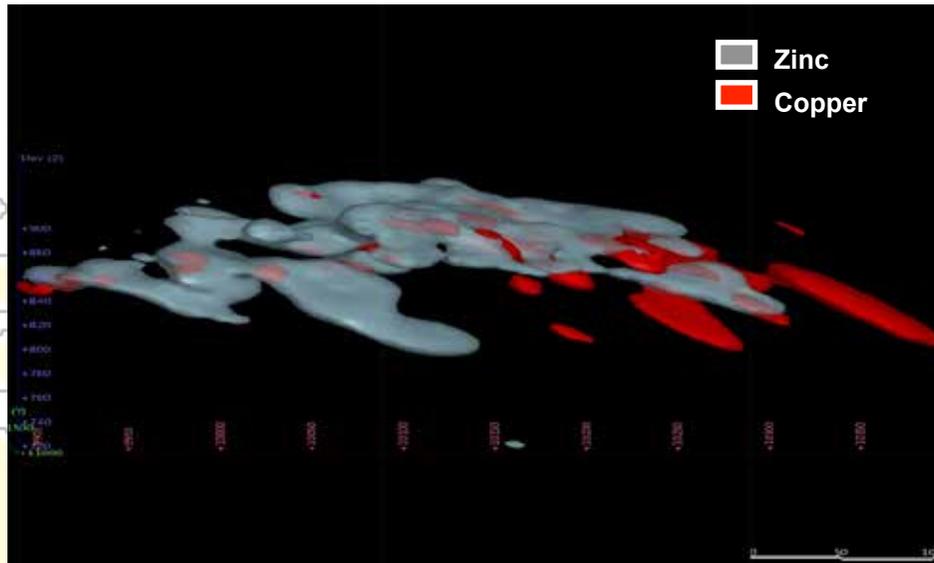
- K97_263: 23m @ 4.4% Zn, 0.08% Cu
- KHNC_76: 8.31m @ 13.5% Zn, 0.37% Cu
- K97_151: 16.78m @ 6.18% Zn, 0.31% Cu
- KHNC_77: 61.7m @ 9.07% Zn, 1.22% Cu
2.6m @ 5.14% Zn, 0.05% Cu
- K97_130: 4m @ 3.67% Zn, 0.3% Cu
- K97_110: 9m @ 3.1% Zn, 0.14% Cu
12m @ 0.06% Zn, 1.89% Cu
- K97_117: 4m @ 4.07% Zn, 0.04% Cu
3m @ 0.06% Zn, 0.61% Cu
- K97_101: 64.55m @ 9.39% Zn, 0.2% Cu

3D Models for Zones 2 & 3

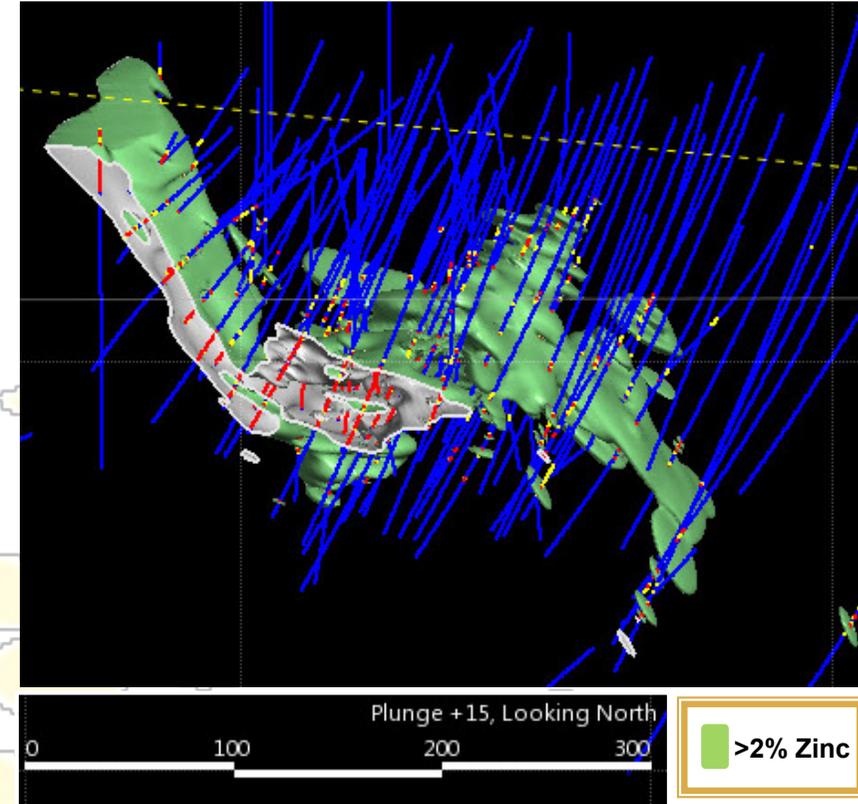
Zone 2 – Flat & shallow. Zinc mineralisation (grey) overlays copper mineralisation (red)

Zone 3 – Structurally thick & continuous mineralisation (2% cut-off envelope shown below)

Zone 2



Zone 3





Oman (cont'd)

Alara is targeting discovery and development of Copper-Gold in Oman

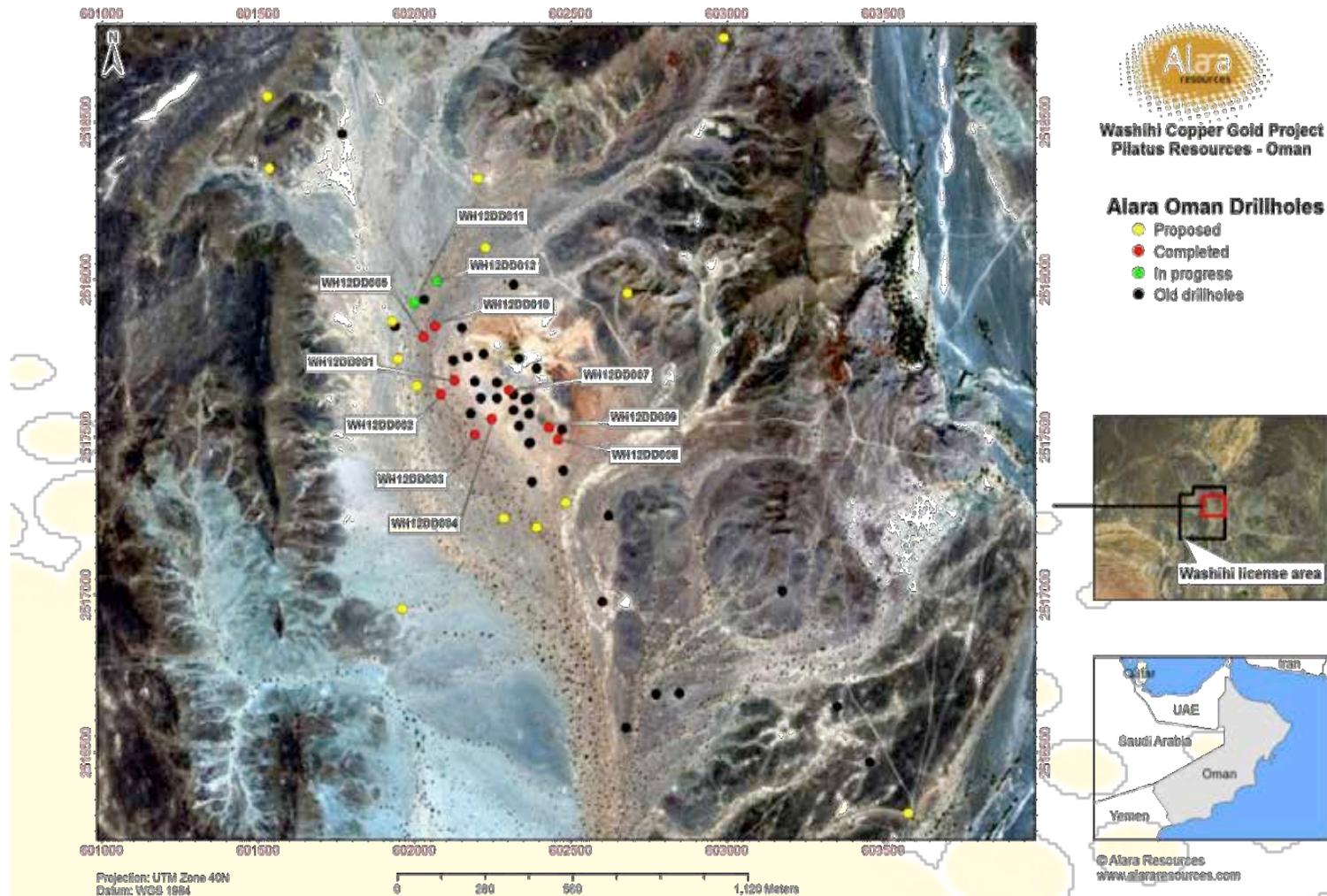
- Drilling – +5,000m completed
- Target – 3.2Mt to 5.0Mt @ 0.8-1.0% copper and 0.3 to 0.5g/t gold¹
- Commenced scoping study for a 500,000tpa throughput mining and beneficiation at Washihi
- Geophysics – indicates open mineralisation
- Block 7 – VTEM & IP completed (over 26 targets). RAB drilling underway
- Block 8 – VTEM, IP & RAB drilling completed. 1.5km gossan discovered
- Daris drilling intersections:
 - DERO006 – 23.0m @ 1.2% copper as copper oxide from 7.0m (from 17.0m)
 - D3DC001 – 18.7m at 3.8g/t gold (from 19.0m)
 - D3DC002 – 17.9m @ 2.6g/t gold (from 28.4m)
 - D3DC003 – 17.2m @ 8.1% copper, as copper sulphides and 2.7g/t gold (from 51.5m)
 - D3DC002 – 11.9m @ 5.7% copper, as copper sulphides (from 34.4m)
 - DERO004 – 8.0m @ 1.3% copper as copper oxide (from 28m) & 8m @ 2.9g/t gold (from 1.0m)
 - DEDC005 – 7.3m @ 4.1% copper as copper sulphides (from 50.0m)
 - D3DC001 – 6.1m @ 5.8% copper, as copper sulphides (from 31.6m)
 - DEDC006 – 4.4m @ 2.0% copper as copper sulphides (from 51.6m)
 - DERO009 – 4.0m @ 5.3% copper as copper sulphides and 0.4g/t gold (from 34.0m)
 - D3DC002 – 3.5m @ 10.3% copper, as copper sulphides (from 50.6m)
 - D3DC002 – 3.5m @ 3.1g/t gold (from 50.6m)
 - DEDC007 – 2.9m @ 4.6% copper as copper sulphides (from 30.7m)

1. The potential quantity and grade of the target mineralisation of copper and gold is conceptual in nature. There has been insufficient exploration to define a mineral resource in relation to that target mineralisation of copper and gold. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target mineralisation of copper and gold.

Oman – Washihi Drill Hole Plan



Drill hole locations at the Washihi Copper Gold Prospect



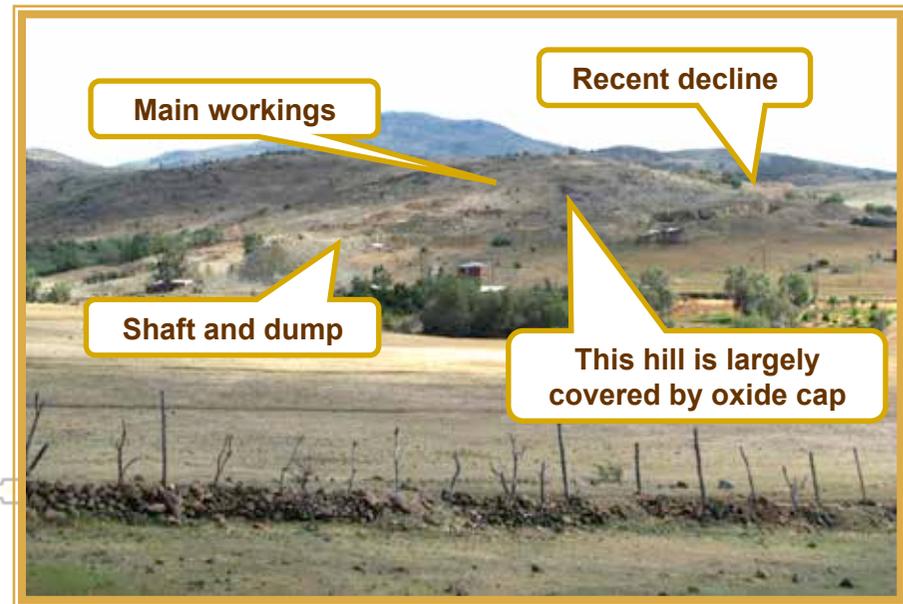
Result highlights from nine drilling holes totalling 1,615m include:

- Hole WH12DD005
72m @ 1.3% Cu,
0.15g/t Au
- Hole WH12DD007
18m @ 1.4% Cu,
0.21g/t Au



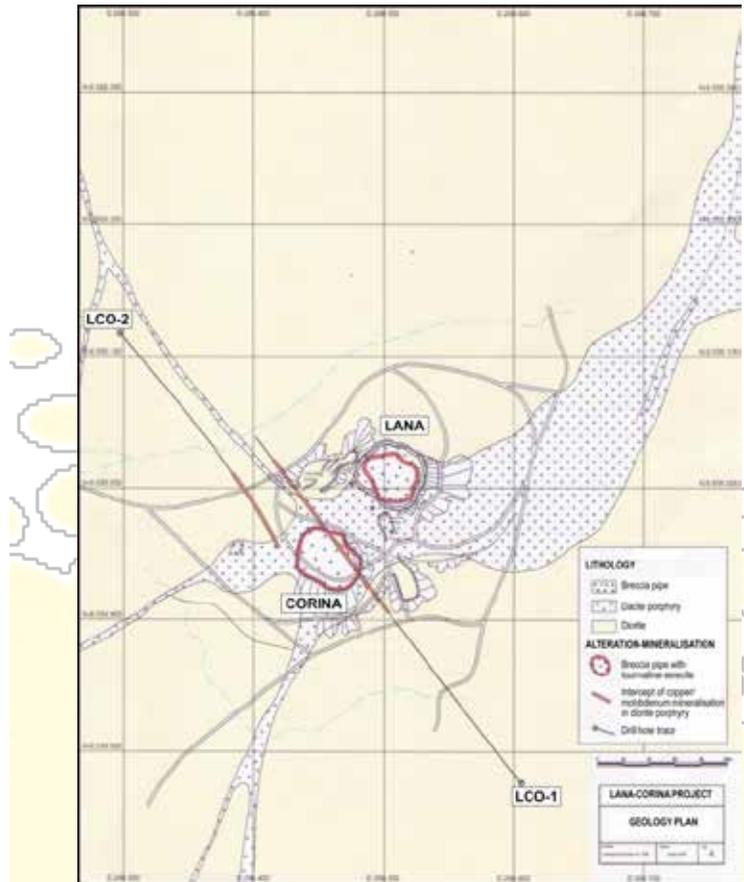
Chile – El Quillay Project (earning 70%)

In the “El Quillay” Prospect, numerous workings exist over 1km strike and up to 85m depth. Outcrops and workings have been extensively sampled

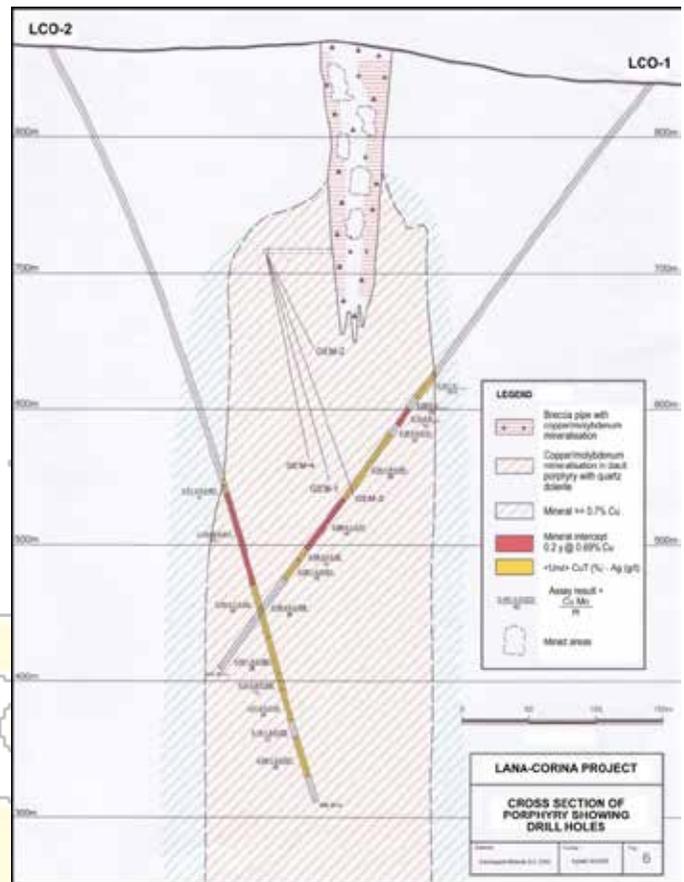


Chile (cont' d)

“Lana and Corina” – highlight prospectivity of breccia pipes, with porphyry below
 Two drill holes – intersected 130m & 180m @ 0.7% Copper & up to 200ppm Molybdenum



Lana-Corina Project Area Geology Plan



Lana-Corina Project Area Cross



Chile (cont' d)

- Ownership – earning 70% interest over three years
- Targets – copper-gold with extensive previous workings and walk up drill targets
- Prospects – copper, copper-gold, copper molybdenum, IOCG type and porphyry
- Deep workings – along 6km strike
- Target mineralisation¹:
 - **El Quillay Prospect** – 8Mt to 10Mt of oxide cap @ 0.7-1.0% copper to 30m depth, and 20Mt to 40Mt at 1.0-1.2% copper as copper sulphides (with gold and silver mineralisation) below oxide cap (based on surface widths and projections)¹
 - **Lana and Corina Prospects** – 30Mt to 60Mt @ 0.7-0.8% copper in breccia pipes and porphyry (based on two drill holes, one of which intersected 180m @ 0.7% copper and up to 200ppm molybdenum)¹
- IP geophysical survey on El Quillay has been completed
- 800m x 700m IP anomaly discovered
- Drilling program commenced in April 2012 – 5,000m drilling completed, results awaited
- **Piedrecillas Prospect** – No drilling has yet been performed in the project area however historical sampling taken in outcroppings both at surface and from small underground mining works show grades between 0.30% Cu to 3.30% Cu with up to 77g/t Ag, 0.15g/t Au and 0.001% Mo

1. *The potential quantity and grade of the target mineralisation of copper is conceptual in nature, based on 500+ surface samples conducted by the vendor's geologist and a representative portion of which has since validated by Alara's consultants. There has been insufficient exploration to define a mineral resource in relation to that target mineralisation of copper. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target mineralisation of copper.*

Summary

Alara presents great value and has a strong pipeline of base metal & gold projects



JORC Measured and Indicated Resource

- 20.09 million tonnes @ 4.24% Zn & 0.15% Cu;

Plus:

- 4.93 million tonnes @0.77% Cu

Saudi Arabia: Khnaiguiyah Zinc, Copper (Alara 50%)

- Feasibility studies completed.
- JORC drilling underway.
- DFS completion expected in Q4 2012.
- +35,000m of additional drilling completed
- Mineralisation extended in Zones 1, 2 & 3



Oman: Daris, Awtad & Pilatus Copper, Gold (Alara 50-75+%)

- Preliminary drilling by Alara (25 holes) points to copper sulphide and oxide mineralisation at shallow depths
- Potential for early production



- Acquisition of additional areas (Pilatus) completed.
- Target mineralisation on current drilling of 3.2Mt to 5.0Mt @ 0.8-1.0% copper and 0.3-0.5g/t gold¹.
- Oxide and sulphide copper-gold mineralisation reported in historic drilling has been confirmed.
- 26 VTEM targets identified. Ground IP geophysical survey completed.
- Daris Block 7 RAB drilling on geophysical targets in progress.
- Daris Block 8 RAB drilling on geophysical targets completed.

Saudi Arabia: Marjan Gold, Silver, Zinc, Copper (Alara 50%)

- Historical drilling shows prospectivity for gold, silver, zinc, copper



- Programme of trenching and geophysical surveys planned.

Chile: El Quillay & Piedrecillas Copper, Gold (Alara 70%) (Alara 50-100%)

- Extensive surface and old mine working sampling points to the presence of a significant copper system with outcropping mineralisation



- Ground IP geophysical survey completed.
- A 10,000m drilling programme to be completed within 12 months.

1. The potential quantity and grade of the target mineralisation of copper and gold is conceptual in nature. There has been insufficient exploration to define a mineral resource in relation to that target mineralisation of copper and gold. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target mineralisation of copper and gold.

JORC Code Competent Person Statements



The information in this presentation that relates to Mineral Resources within Mineralised Zones 2 and 3 of the Khnaiguiyah Project 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 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 Guibal consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results pertaining to the Khnaiguiyah Project and Mineral Resources within Mineralised Zone 4 of the Khnaiguiyah Project is based on information compiled by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. 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 consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to other Exploration Results has been compiled by Mr Hem Shanker Madan who is a Member of The Australian 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 Mineral Resources and Ore Reserves (the JORC Code).” Mr Madan consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

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