

ASX/MEDIA RELEASE

Tuesday, 13 October 2015

RIGHTS ISSUE TO RAISE UP TO \$2.48M

- ✓ **Renounceable Rights issue to raise up to \$2.48 million (before costs)**
- ✓ **Funds raised will be used to extend the JORC resources beyond base case for the Company's Washihi/Daris projects in Oman, and for working capital**
- ✓ **One new shares offered for every share held at a price of \$0.01 per share, a discount of 50% to the one month volume weighted average price of \$0.02**
- ✓ **With each new share, investors will receive one free option with exercise price of \$0.02 and expiry 30 April 2017**
- ✓ **Issue partially underwritten by Patersons Securities for \$500,000**

Alara Resources Limited (ASX: AUQ) (Company) is pleased to announce a pro rata renounceable rights issue (Rights Issue) of 1 new fully paid ordinary share for every share held by eligible shareholders on 21 October 2015 (Record Date), at an issue price of \$0.01 per share with 1 free attaching option (exercisable at \$0.02 on or before 30 April 2017) for every new share issued, to raise up to approximately A\$2.48 million (before costs). The issue is partially underwritten by Patersons Securities Limited to \$500,000.

As announced on 26 August 2015, the Company has engaged Mr Shanker Madan, to compile and complete the feasibility study for the Company's Washihi/Daris projects by the first quarter 2016.

Funds raised from the Rights Issue will be used primarily to extend JORC resources for the projects, with the aim to further strengthen their economic feasibility.

The Company has exploration targets in four exploration licenses within Oman. The JORC Exploration Target(s) adopted under the Enhanced Base Case and Target Case¹ are based on the following range of Exploration Targets assessed by a Competent Person (refer [Annexure B](#)):

Prospect / Licence Area	Range of Exploration Targets Estimated		
	~Tonnes (Mt)	~Copper Grades (%)	~Gold (g/t)
Washihi	3 - 4	0.9 - 1.1	0.1 - 0.3
	2.5 - 7.5	0.9 - 1.1	0.1 - 0.3
	0.5 - 1	1.0 - 3.0	0.1 - 1.0
Daris 3A-5 prospect	0.25 - 0.5	1.0 - 5.0	0.1 - 0.5
Daris-East prospect			
Daris Licence	0.25 - 1	1.0 - 2.5	0.1 - 0.5
Al Ajal	1 - 2	0.9 - 1.5	0.5 - 1.5
Mullaq	0.25 - 1	1 - 3	0.09 - 1.2
	3 - 4	0.9 - 2	0.09 - 0.3

JORC Code Cautionary Statement: The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).

Refer [Annexure A](#) for further details in relation to the above Exploration Targets.

¹ Refer Alara's ASX Release of 30 April 2015.

Company Secretary

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Competent Person Statement

The information in this announcement on the Exploration Target in relation to the Washihi Copper–Gold Project (Oman) is based on information compiled by Mr Atmavireswar Sthapak, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr Sthapak is also a director of Alara. Mr Sthapak has sufficient experience that 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 2012 edition of the JORC Code. Mr Sthapak approves and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Disclaimer

This report contains “forward-looking statements” and “forward looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral resources, and studies. Often, but not always, forward looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide readers with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and copper, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study (DFS) on its flagship Khnaiguiah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on its Daris/Washihi Copper-Gold Project in Oman. The Company is now transitioning towards establishing itself as an emerging base and precious metals mine development and production company. For more information, please visit: www.alararesources.com.

ANNEXURE A**EXPLORATION TARGETS - WASHIHI AND DARIS PROJECTS**

As part of the background work to the Options Analysis Study, a range of Exploration Targets have been assessed for the Washihi and Daris Projects, as follows:

Prospect / Licence Area	Target	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)
Washihi (39km ²)	WHT-1	3 – 4	0.9 -1.1	0.1 – 0.3
	WHT-2	2.5 – 7.5	0.9 -1.1	0.1 - 0.3
	WHT-3	0.5-1	1.0 – 3.0	0.1 - 1.0
Mullaq (41km ²)	MQT-1	0.25 - 1	1 – 3	0.09 - 1.2
	MQT-2	3 - 4	0.9 – 2	0.09 – 0.3
Daris 3A-5	B7T-1	0.25- 0.5	1.0 – 5.0	0.1 – 0.5
Daris (587km ²)	B7T-2	0.25 – 1	1.0 – 2.5	0.1 – 0.5
Al Ajal (25km ²)	AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5

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The relevant proportions of JORC Mineral Resources and Exploration Targets underpinning the mining inventory (i.e. the Production Target) assumed under the Base Case and Enhanced Base Case¹. The economics (i.e. Production Target) of the larger capacity Target Case are more attractive but has not been disclosed pursuant to ASX guidance.²

The previously reported JORC Mineral Resource Statements for Washihi (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au) and Daris-East (Measured and Indicated Resources of 240,024t Sulphides at 2.65% Cu and 0.43g/t Au and 183,365t Oxides at 0.72% Cu and 0.08g/t Au)) are in Annexure B.

A. Washihi Project - Washihi, Mullaq and Al Ajal prospects/exploration licence areas

The Washihi Project comprises 3 prospects/exploration licences (Washihi, Mullaq and Al Ajal) totalling ~105km² located approximately 80 to 160km east and southeast of Alara's Daris Copper-Gold Project. 3 Mining Licence applications covering 3km² at Washihi, 1km² at Mullaq and 1.5km² at Al Ajal have been filed.

(1) Washihi Prospect

The JORC Mineral Resources for the Washihi prospect/exploration licence area (Indicated Resource of 6.84Mt at 0.9% Cu and 0.17g/t Au and Inferred Resource of 7.27Mt at 0.71% Cu and 0.2g.t Au, as outlined in Annexure B) and mineralisation across the Washihi Project have been confirmed by drilling and exploration (as previously reported), including as follows:

- 69 drill holes totalling 10,668m (diamond core – 8,685m, RC - 898m and core-cum-RC – 1,085m) comprising 35 holes totalling 6,207m (diamond core – 4,224m, RC - 898m and core-cum-RC – 1,085m) drilled by Alara and verified historic drilling data from 34 holes totalling 4,461m (diamond core);
- 321.6 line kilometres of high resolution ground geophysical magnetic surveys; and
- 10.6 line kilometres of Induced Polarisation (IP)/ electromagnetic (EM) ground surveys.

¹

Refer Annexure A of Alara's ASX Announcement dated 30 April 2015.

²

Per ASX Listing Rules Guidance Note 31 (Reporting on Mining Activities), the disclosure of a Production target is prohibited by ASX Listing Rule 15.15 if JORC Inferred Mineral Resources and Exploration Targets underpinning the same feature as a significant proportion early in the mine plan – the proportion of JORC Inferred Mineral Resources and Exploration Targets within the assumed mining inventory under the Target Case is considered significant at 71.3%. Refer Annexure A for further details in relation to the Exploration Targets assessed for the Project.

The mineralisation in the north-western part of the existing JORC Mineral Resource body (with significantly thick stockwork of Copper mineralisation) is still open both at depth and along strike (refer Figure 4), albeit affected by the presence of a complex growth fault displacing mineralisation and associated with clay rich alteration zone saturated in ground water as observed in the holes WH12DD011 and WH12RD001 which had to be abandoned in mineralisation due to drilling difficulties. The downward structural dislocation of mineralisation was also observed in another abandoned hole (WH12DD014) which intersected top of mineralisation at 279m depth before closure.

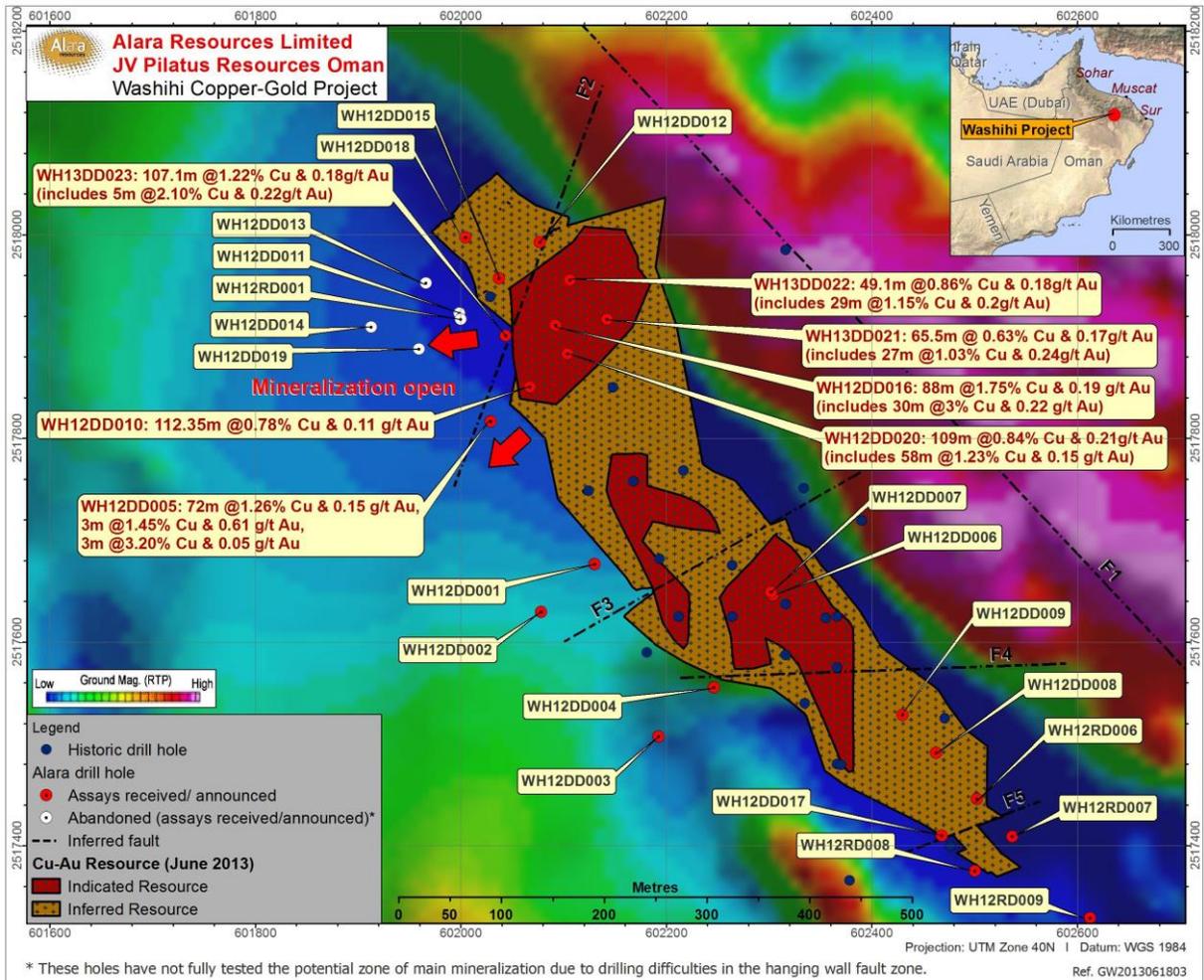


Figure 4: Washihi Datamine Block Model over RTP ground magnetics image

Highlights of significant intersection results from Alara drilling at Washihi (which have been previously announced) are in Table 1.

Table 1: Washihi Significant Intersection Results from Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT						
Drill Hole	Intersections	Significant Mineralisation			Mineralised Zone	
		From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
WH12DD001	Primary	137	159	22	0.71	0.11
	Inclusion	144	153	9	1.08	0.15
WH12DD004	Primary	120.3	134	13.7	0.64	0.52
	Inclusion	120.3	127	6.7	0.78	0.93
	Inclusion	126	128	2	1.16	0.61
WH12DD005	Primary	160	232	72	1.26	0.15
	Inclusion	168	169	1	3.57	0.21
	Inclusion	187	188	1	4.66	0.08
	Primary	206	209	3	1.45	0.61
	Primary	229	232	3	3.20	0.05

Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
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
WH12DD011	Primary	155	165	10	1.63	0.89
	<i>Inclusion</i>	159	165	6	2.6	0.86
WH12DD015	Primary	116	134.7	18.7	1.99	1.92
	<i>Inclusion</i>	129	131	2	4.14	1.60
WH12DD016	Primary	67	155	88	1.75	0.19
	<i>Inclusion</i>	77	107	30	3.00	0.22
WH12RD001	Primary	151	170.3	19.3	1.09	1.16
	<i>Inclusion</i>	151	165	14	1.41	1.16
WH12RD008	Primary	48	64	16	0.32	0.05
	<i>Inclusion</i>	54	56	2	1.24	0.01
WH12DD020	Primary	71	180	109	0.84	0.21
	<i>Inclusion</i>	79	137	58	1.23	0.15
WH13DD021	Primary	45.5	111	65.5	0.63	Pending
	<i>Inclusion</i>	66	93	27	1.03	Pending
WH13DD022	Primary	63.5	112.6	49.1	0.86	Pending
	<i>Inclusion</i>	78	107	29	1.15	Pending
WH13DD023	Primary	109.7	216.8	107.1	1.22	Pending
	<i>Inclusion</i>	140	145	5	2.10	Pending

Notes:

- 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.
- 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 thicknesses.
- WH12DD011 and WH12RD001 were drilled at the same location and abandoned due to drilling difficulties in the hanging wall fault zone after intersecting the top of main mineralisation. WH12DD013, WH12DD014 and WH12DD019 were also abandoned due to drilling difficulties in the hanging wall fault zone. WH12DD014 had intersected relatively anomalous Au, Ag and Zn values at 279m depth while WH12DD013 intersected an isolated 1m low grade Cu bearing vein above the fault zone. These five holes have not fully tested the potential zone of main mineralisation.
- WH12DD006 was abandoned at 61.7m due to technical reasons and WH12DD007 is a re-drill at the same location.
- WH12RD006, WH12RD010 and WH12RD011 intersected low grade mineralization.
- WH12DD002, WH12DD003, WH12DD012, WH12DD017 WH12DD018, WH12RD007 and WH12RD009 did not intersect significant mineralisation.
- WH12RD002, WH12RD003, WH12RD004 and WH12RD005 were drilled 0.5-1km northwest of the main mineralisation to test geophysical anomalies. No mineralisation was intercepted in these holes.

As the majority of the area in Washihi (and Mullaq) is covered by ancient and recent alluvial fans, the well held understanding of magnetic lows indicating possible VMS mineralisation is supported by downhole magnetic susceptibility readings taken on core from a selection of the Washihi drillholes. There is a distinct reduction in the magnetic susceptibility values within the mineralised zone.

The obvious feature of interest in the magnetics survey grid is the NW-trending magnetic low, coincident with known mineralisation. The magnetic low extends further along strike to the NW and SE, representing significant potential to increase mineralisation tonnage in both directions. Of significant interest is the sub-circular 'reduction to the pole' (RTP) magnetic high, situated along the NW-trending linear RTP low, coincident with mineralisation. This feature may represent a large "feeder" for the entire mineralised system in the Washihi Prospect.

Based on the premise that magnetic low zones are prospective for VMS-style mineralisation, four targets have been identified for further follow-up, as shown in Figure 5 (as WH01 to 04).

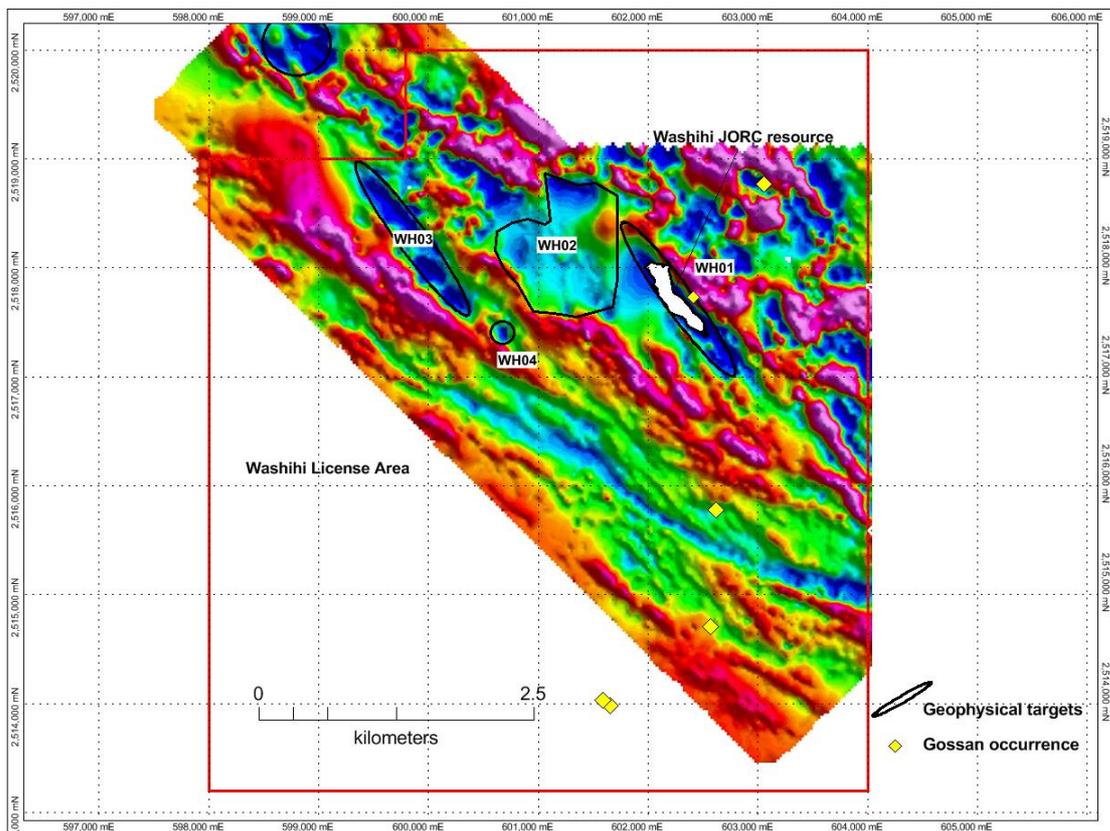


Figure 5: Regional Geophysical Anomalies at Washihi based on RTP magnetics

Exploration Targets have been identified for WH-1 to WH-3, as follows:

Washihi Targets	~Size	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
WHT-01	1400m long x 200-450m wide	3 – 4	0.9 -1.1	0.1 – 0.3	Extension of existing JORC Mineral Resources (refer Figures 4 and 6) - mineralisation remains open at depth and along the strike length of the geophysical anomaly to the northwest
WHT-02	1300m x 1400m	2.5 – 7.5	0.9 -1.1	0.1 - 0.3	Identified four (WH01-04) untested ground magnetic targets based on the premise that magnetic low zones are prospective for VMS-style mineralisation; these targets incorporates three features (refer Figure 5): (i) RTP mag low along same trend as WH01 target here anomaly wavelength suggests a shallower source to WH001 (ii) In the same zone, there exists the presence of RTP mag high; and (iii) Broad complex RTP mag lows which may be part of the same mineralisation system as the known Washihi mineralisation to the SE and a possible feeder zone to the entire Washihi mineralised system.
WHT-03	1500m x 230m	0.5-1	1.0 – 3.0	0.1 - 1.0	The additional Exploration Target is based on anticipated mineralisation in the form of the classic mound type “massive ores,” typical of high grade Cyprus-type deposits, absent or still to be discovered above Washihi stock work type mineralization. Elsewhere in Oman mining pits the proximal sulphide mound breccias similar to modern black smoker deposits are quite common above well-developed stringer vein feeder systems.

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These targets need to be followed up with electrical geophysical methods (EM or IP) or gravity surveys to confirm the target potential for drilling. Future drilling will not only focus within the deposit

area wrapping around a low magnetic anomaly (~1600m x 250m) but also in the Feeder Zone “B” and two low magnetic anomalies at “A” and “C” (shown in Figure 6). Anomaly B and C were drill tested by RC drilling (2 holes at C and 2 holes at B) but failed to test the magnetic susceptibility anomaly. This failure could be attributed to incorrect location and azimuth and inclination of the holes.

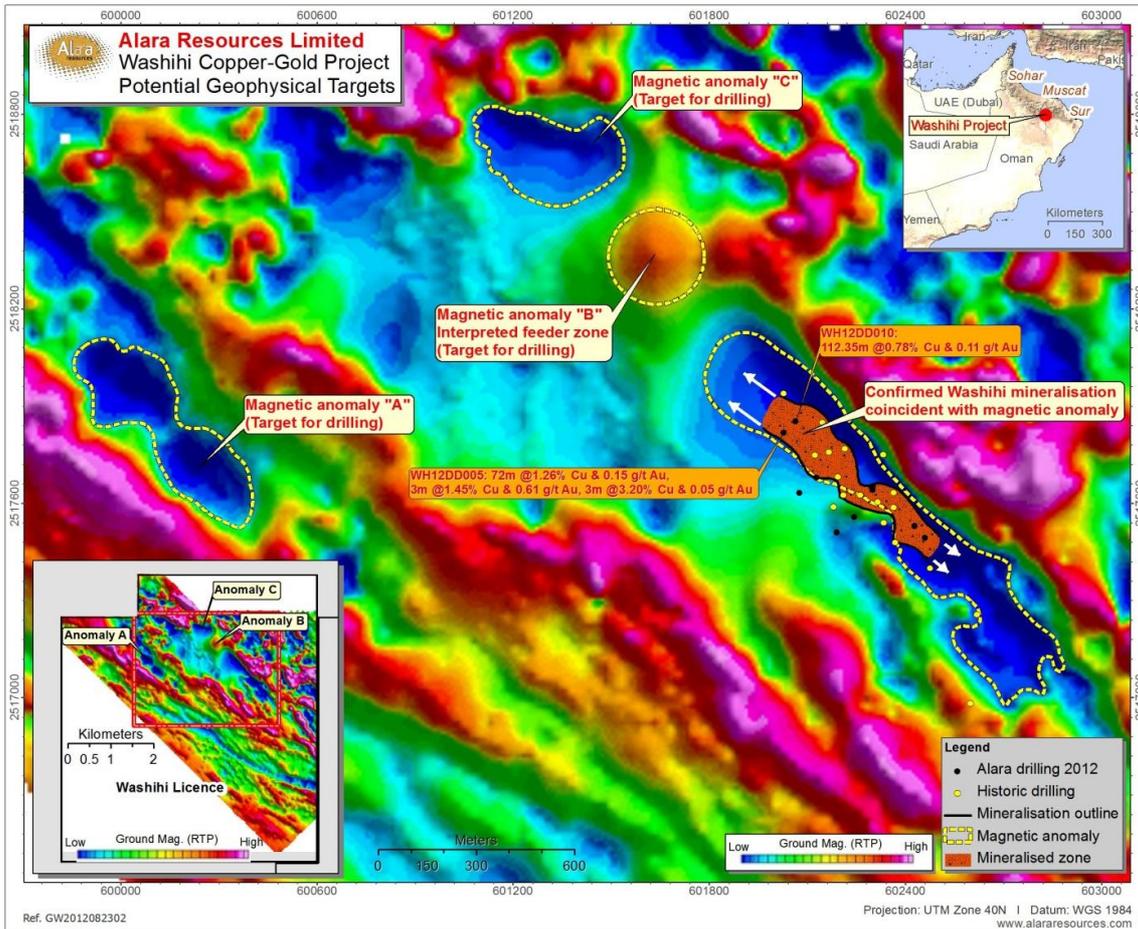


Figure 6: Low magnetic anomalies at Washihi as future drilling targets

(2) Mullaq Prospect

Alara’s initial focus in the Mullaq prospect/licence area was to locate historical mineralisation (with historical data lacking accurate coordinates) and establish structural and host rock lithological continuity with the adjacent Washihi prospect/licence. A total 9 ground magnetic anomalies have been identified as Exploration Targets in the area based on the results of 259 line kilometres of ground magnetic and 29 line kilometres of ground IP/EM surveys along with geological traverses over a number of promising areas (refer Figure 7).

Targets within the prospect are generally strike limited RTP magnetic lows with the majority located on ~NW trending structures, which is approximately perpendicular to the Washihi mineralisation trend. The known mineralisation previously intersected by historical drilling appears to be coincident with an RTP magnetic low, although drilling through this zone failed to replicate the earlier high-grade intersections.

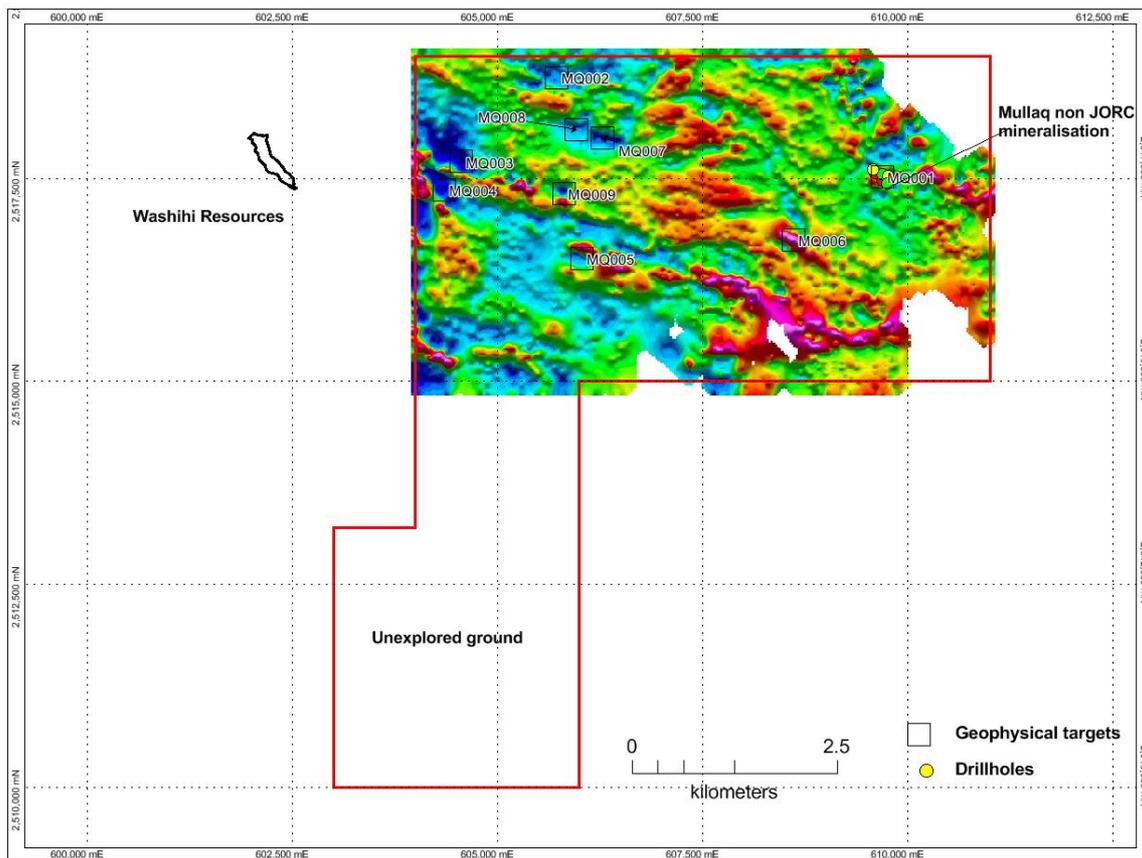


Figure 7: Potential regional geophysical anomalies/targets at Mullaq based on RTP magnetics

EM and high resolution nano-TEM (transient or time-domain electromagnetic) surveys to locate the shear zone and drilling (922m in 9 core drill holes) have been undertaken at target MQ001 to confirm the mineralisation (previously intersected by historical drilling).

A drill hole location map (refer *Figure 8*) and tabulation of the significant intersection results for the Mullaq prospect (refer *Table 2*) (which have been previously announced) are outlined below.

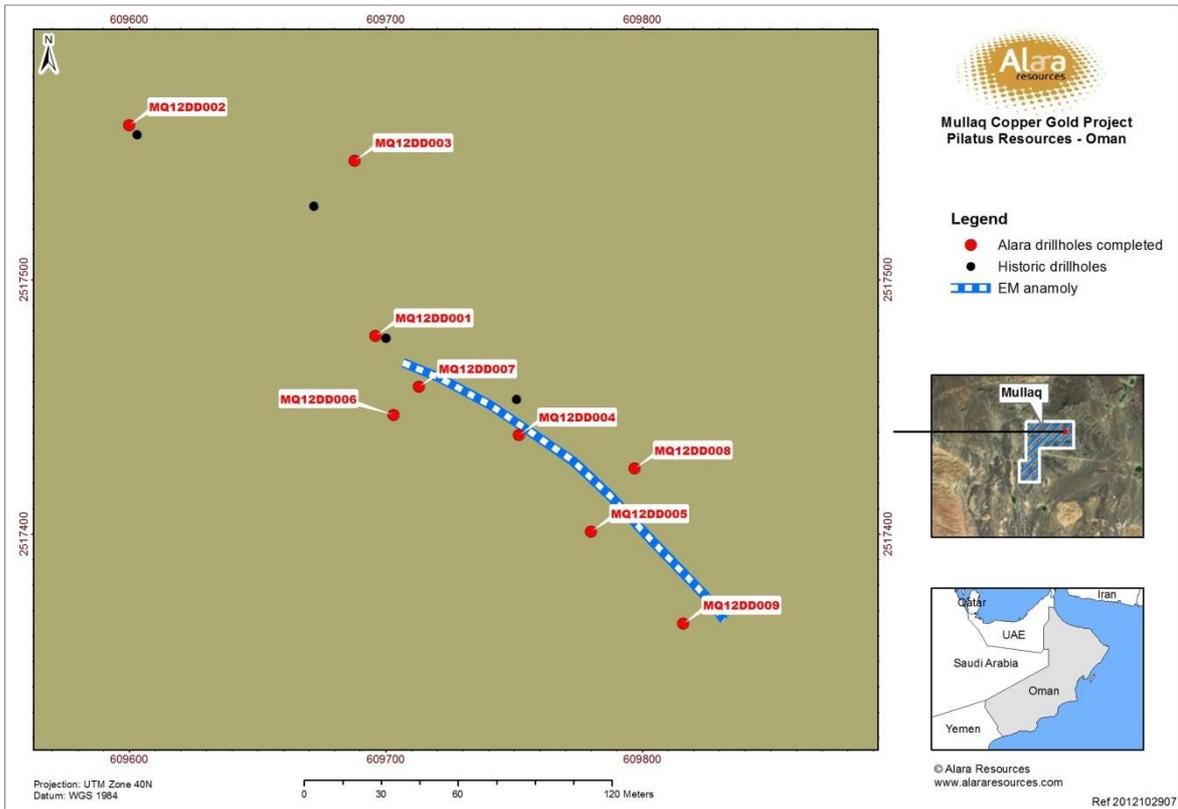


Figure 8 - Mullaq Drill hole Location Map

Table 2: Mullaq Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - MULLAQ PROSPECT						
Drill Hole	Significant Mineralization				Mineralized Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
MQ12DD004	Primary	33	36	3	0.60	-
	Primary	75	78	3	4.68	-
	Inclusion	76	78	2	6.91	-
MQ12DD005	Primary	64	65.75	1.75	0.89	0.48
	Inclusion	65.25	65.75	0.5	2.53	1.66
	Primary	76.6	79	2.4	1.46	0.96
MQ12DD006	Primary	69.6	73	3.4	2.50	0.25
	Inclusion	69.6	70.75	1.15	3.75	0.52
	Primary	100	107	7	0.99	0.09
	Inclusion	102	103	1	1.91	0.30
MQ12DD007	Primary	58	68.25	10.25	0.33	0.03
	Inclusion	58	59	1	1.45	0.10
	Primary	74	85	11	0.90	0.07
	Inclusion	75	78	3	2.37	0.19
MQ12DD008	Primary	41.3	42.2	0.9	0.86	0.09
	Primary	47	53.25	6.25	2.65	0.35
	Primary	78.2	81.2	3	0.42	0.27

Notes:

- 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.
- Holes MQ12DD001, MQ12DD002, MQ12DD003 and MQ12DD009 did not intersect any significant mineralisation.

The TEM survey defined a resistive zone coincident with the mineralisation intersected by Hole MQ12DD004 on the first traverse line (Line 1) (refer Figure 9). The extent of the TEM resistive target is ~150m in strike length, which is consistent with historical drilling suggesting a mineralisation strike length of ~200m.

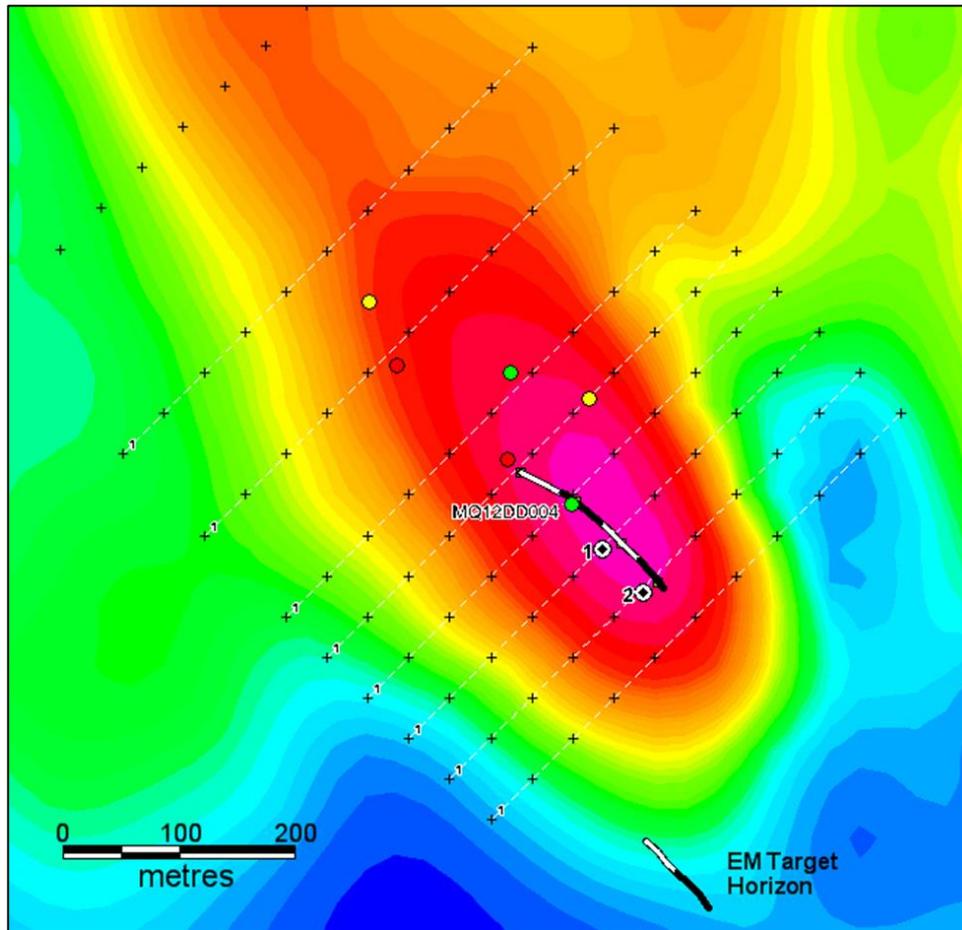


Figure 9: Target MQT-1: TEM Resistive Horizon plotted on Modelled IP Chargeability (50m Depth Slice)

Exploration Targets have been identified for Mullaq as follows:

Target	~Tonnes (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
MQT-1	0.25 - 1	1 - 3	0.09 - 1.2	Extensions of previously encountered mineralisation; mineralisation extensions represented by EM anomaly have not closed off (refer Figure 9)
MQT-2	3 - 4	0.9 - 2	0.09 - 0.3	Untested geophysical anomalies based on presence of several identified geophysical anomalies (MQ02 to MQ09 in Figure 8)

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

The correlation of the intersected mineralisation (Hole MQ12DD004) and the larger size anomaly evident in TEM results (refer Figure 9) provides the basis for additional follow up work and drilling targeting the TEM resistive zone.

(3) Al Ajal Prospect

Al Ajal prospect is unique as it is considered to be the only known mineral occurrence in the Oman Mountains that is not associated with the ophiolite volcanics, but with a tertiary extension phase in relation with listwaenite. Despite its small size and relatively difficult terrain, in view of the high Gold grades detected by preliminary sampling of the gossan during the course of BRGM regional mapping in 1983 (one sample with 70 ppm Au), this prospect was selected for detailed geochemical and geophysical investigations.

Alara has carried out ground geophysical surveys (~1.7 line kilometres of IP/EM and 8.1 line kilometres of magnetics) over limited areas to confirm the geophysical signatures of historically encountered mineralisation (refer Figure 10). Geological traverses uncovered the presence of two more areas of potential positivity in similar geological trends.

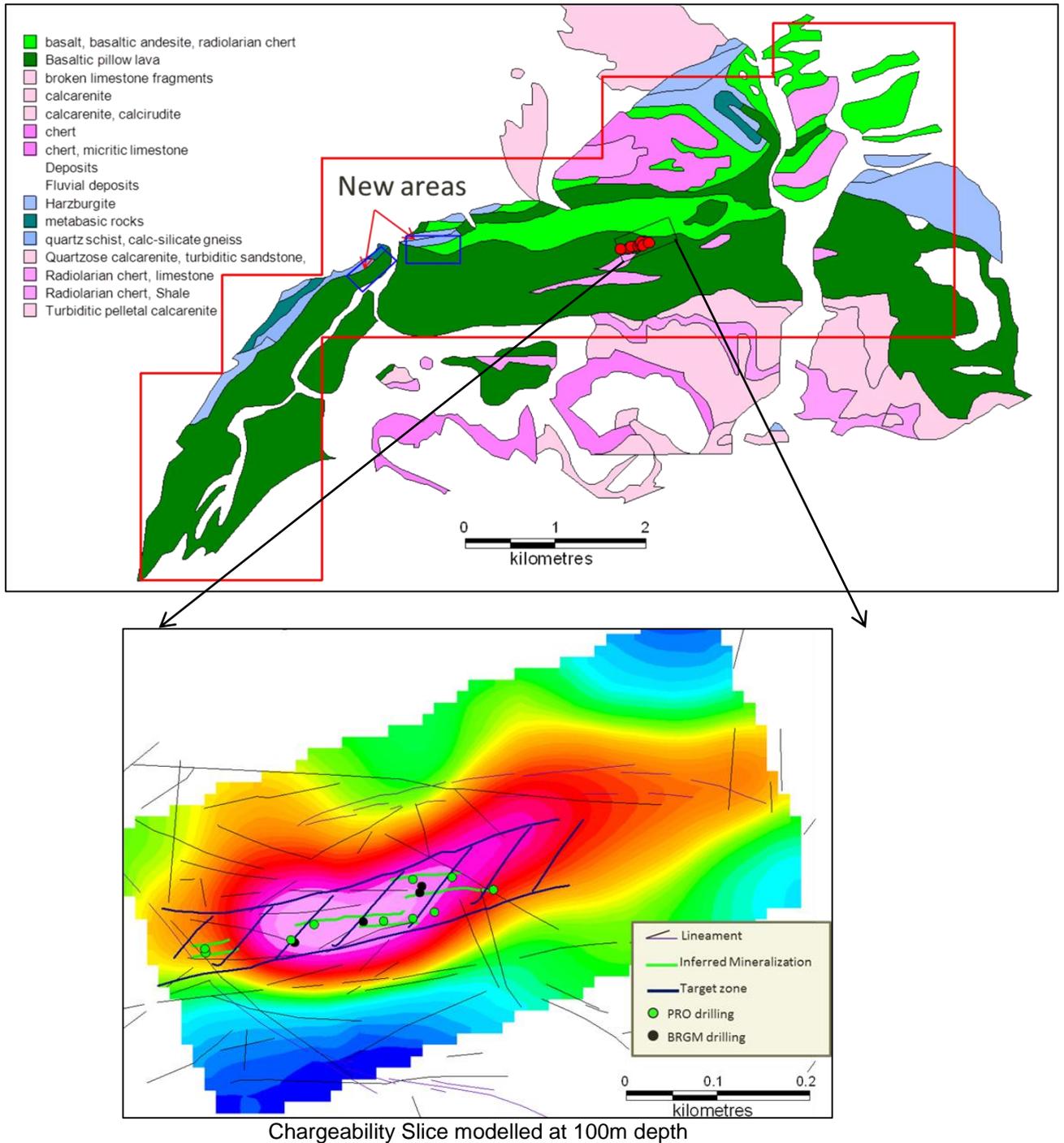


Figure 10 - Geological map showing prospective areas within Al Ajal

Exploration Targets have been identified for Al Ajal as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
AJT-1	1 – 2	0.9 – 1.5	0.5 – 1.5	Untested geological Exploration Targets - geological traverses confirmed the presence of two further areas of potential prospectivity in similar geological settings where previous explorers encountered mineralisation.

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

The next phase of exploration for the Al Ajal prospect will involve modelling of existing mineralisation drilled by previous explorers to identify extensional targets, undertaking geophysical and geochemical sampling programmes and undertaking ground mag surveys over the 'virgin' ground under alluvial/gravel cover.

Alara ASX Market Announcements for Washihi Project

Alara's ASX market announcements released in relation the Washihi Project (on exploration matters) are as follows:

Date	Announcement Title
13 June 2014	Oman Project Update - Positive Options Analysis Study Outcomes
18 February 2014	Oman Project HMS Breakthrough – Ore Upgrade Heavy Media Separation Tests Successful
16 Jul 2013	Upgrade to JORC Resource at Washihi Copper-Gold Project
18 Mar 2013	Drilling success continues at Washihi - Oman Project Update
19 Feb 2013	109m Copper Sulphide Intersection – Oman Drilling Update
9 Jan 2013	Washihi Copper Mineralisation Continues to Expand - Oman Projects Update
15 Oct 2012	Initial JORC Resource – Washihi Project in Oman
23 Aug 2012	Substantial Copper Discovery - 112m at 0.8% Cu and 72m at 1.3% Cu Washihi Project Oman
20 Jun 2012	Washihi Copper-Gold Project Alara intersects 72m at 1.3% Copper
8 Dec 2011	Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman

B. Daris Project – Daris-East and Daris 3A-5 prospects

The Daris Project comprises one exploration licence (Block 7) of ~587km². 2 Mining Licence applications covering 3.2 km² at the Daris East and 1.3 km² at the Daris 3A-5 prospects have been filed.

The JORC Mineral Resource Statement for the Daris-East prospect (Measured and Indicated Resources of 240,024t Sulphides at 2.65% Cu and 0.43g/t Au and 183,365t Oxides at 0.72% Cu and 0.08g/t Au, as outlined in [Annexure B](#)) and mineralisation across the Daris Project have been confirmed by drilling and exploration (as previously reported), including as follows:

- Extensive geophysical surveys - 1,213 line kilometres of helicopter-borne electromagnetic Versatile Time Domain Electromagnetic (**VTEM**) survey, 246 line kilometres of ground magnetic surveys and 38.5 line kilometres of ground IP and EM survey;
- Daris East prospect – 21 rotary and 41 diamond core holes have been drilled by Alara totalling 5,278m to test shallow oxide mineralisation and geophysical targets in the vicinity and to locate massive sulphide and stringer zones beneath the oxide cap. In addition, historic drilling data from 44 holes totalling 4,353m have been included in the resource database; and
- Daris 3A-5 prospect located ~10 kilometres north-west of Daris East – 10 diamond core holes have been drilled by Alara totalling 857m to test shallow sulphide mineralisation around a known gossan.

(1) Daris East Prospect

A drill hole location map (refer Figure 11) and tabulation of the significant intersection results for Daris-East (refer Table 3) (which have been previously announced) are outlined below.

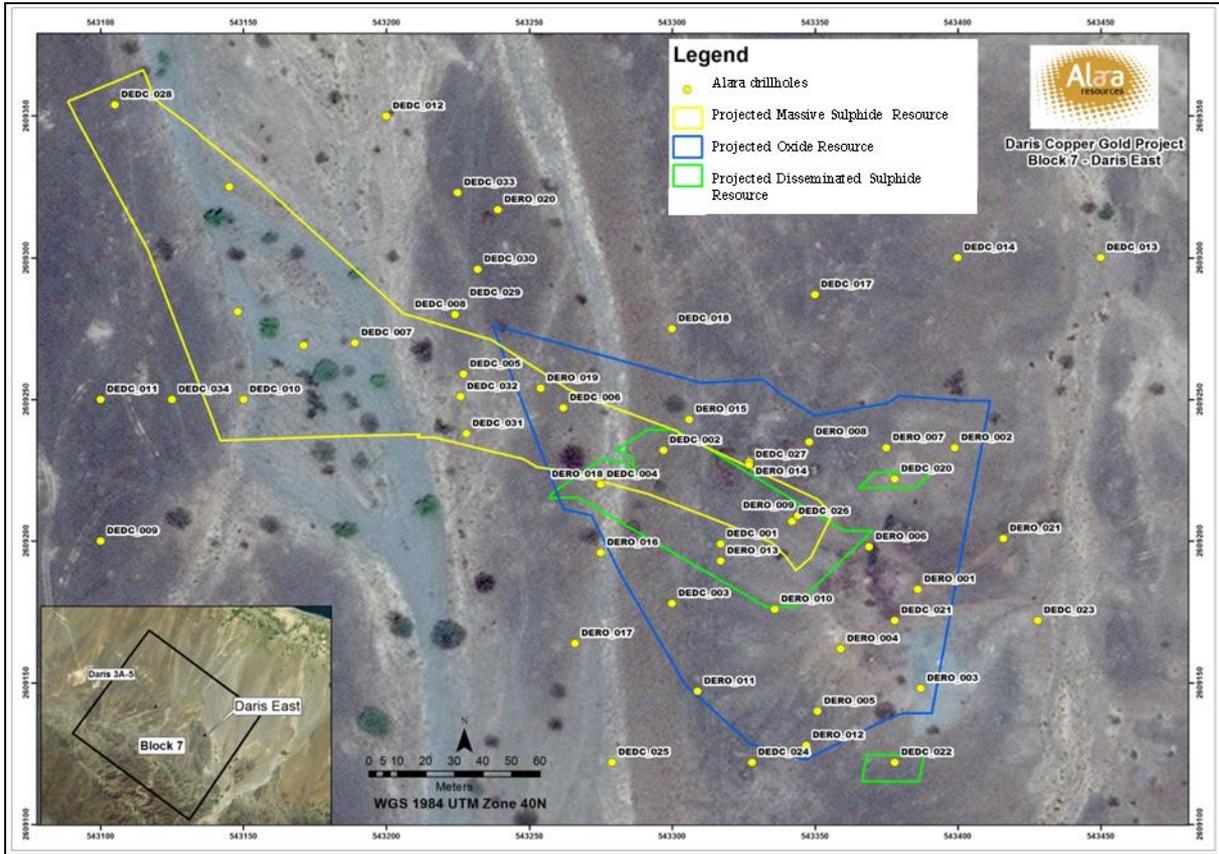


Figure 11 - Daris-East Drill hole Location and Resource Outlines

Table 3: Daris East Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS – DARIS EAST PROSPECT						
Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
DEDC_001	Primary	25	35	10	1.12	0.02
	Inclusion	27.85	33	5.15	1.89	0.00
DEDC_002	Primary	2.3	15	12.7	0.32	0.00
	Inclusion	5	6.5	1.5	0.88	0.00
	Primary	31.85	52	20.15	4.04	0.21
DEDC_003	Inclusion	37	43.25	6.25	9.38	0.55
	Primary	1	21	20	0.87	0.03
	Inclusion	13	21	8	1.05	0.02
	Primary	23.5	37	13.5	0.55	0.01
DEDC_004	Inclusion	23.5	25.5	2	1.18	0.00
	Primary	15	25	10	2.11	0.03
DEDC_005	Primary	45	49	4	0.37	0.03
	Primary	49.25	60	10.75	2.90	0.58
DEDC_006	Inclusion	52.3	56	3.7	5.88	0.97
	Primary	3.15	14	10.85	0.62	0.00
	Inclusion	10	12	2	1.70	0.01
DEDC_007	Primary	50.45	56	5.55	1.67	0.49
	Inclusion	54	55.1	1.1	4.15	0.59
DEDC_008	Primary	30.65	33.5	2.85	4.48	0.27
	Primary	56	62.5	6.5	3.06	0.50
DEDC_010	Inclusion	57	59	2	6.41	0.73
	Primary	12	25	13	1.03	0.40
DEDC_011	Inclusion	15.9	18	2.1	3.67	1.51
	Primary	16	18	2	0.24	0.00
DEDC_013	Primary	6	9	3	0.23	0.00

Drill Hole	Significant Mineralisation				Mineralised Zone	
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)
DEDC_020	Primary	0	18	18	0.33	0.02
	Inclusion	12	15	3	0.52	0.04
	Primary	51	53	2	0.65	0.01
DEDC_021	Primary	0	27	27	0.67	0.02
	Inclusion	6	12	6	1.19	0.01
DEDC_022	Primary	78	83	5	0.60	0.01
	Inclusion	79	81	2	1.22	0.02
	Primary	95	96	1	0.71	0.01
DEDC_023	Primary	60	61	1	5.27	0.02
DEDC_026	Primary	3	52	49	1.15	0.06
	Inclusion	35.2	37.45	2.25	12.01	0.85
DEDC_027	Primary	15	21	6	0.76	0.01
	Primary	33	53	20	1.82	0.09
	Inclusion	40.4	42.5	2.1	7.19	0.60
DEDC_029	Primary	68.6	69.8	1.2	1.06	0.35
DEDC_032	Primary	34	36	2	0.96	0.47
	Primary	41	45	4	2.33	0.41
DEDC_037	Primary	47	53.7	6.7	2.82	0.58
DEDC_038	Primary	25	44	19	0.37	0.16
	Inclusion	25	27	2	1.29	1.23
DEDC_039	Primary	15	31	16	2.68	0.35
	Inclusion	18	22	4	5.37	0.31

Notes:

- The cut-off grade is 0.2% Cu.
- Oxide and sulphide zone intersections are combined for the purpose of this table.

(2) Daris 3A-5 Prospect

A drill hole location map (refer Figure 12) and tabulation of the significant intersection results for Daris 3A-5 (refer Table 4) (which have been previously announced) are outlined below.

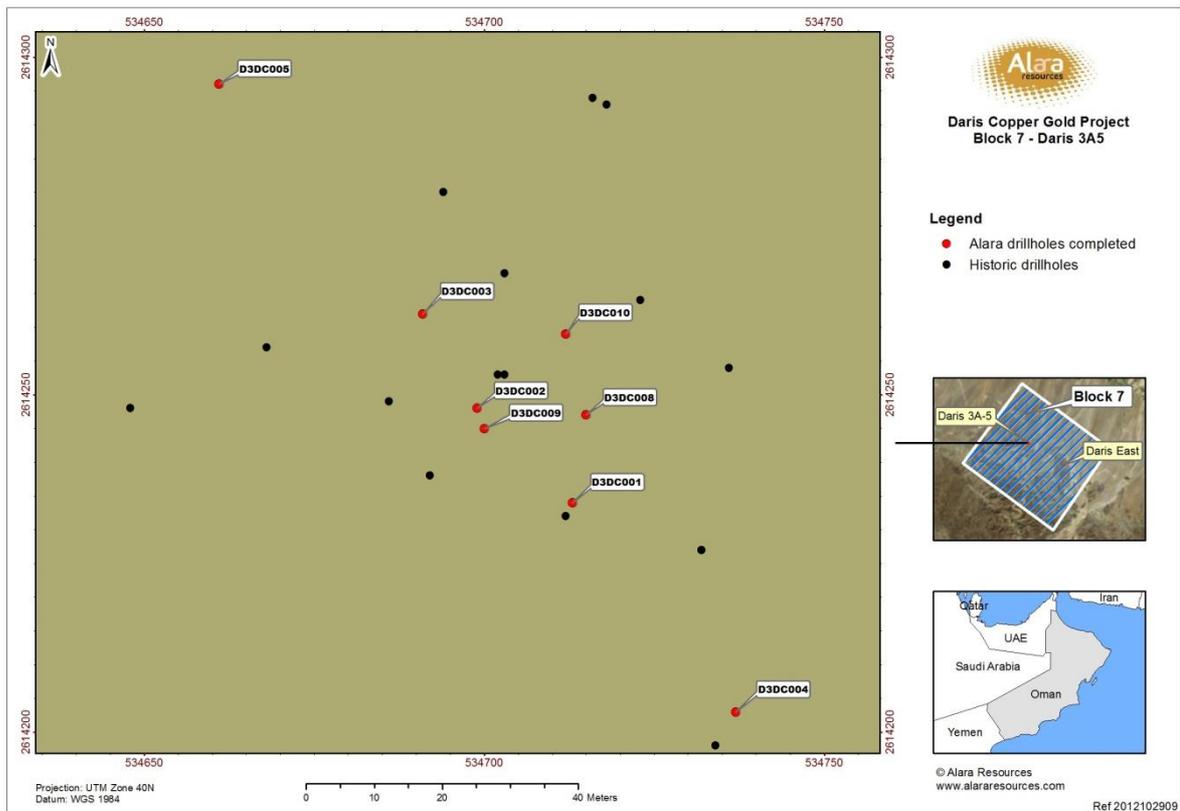


Figure 12 - Daris 3A-5 Prospect Drill hole Location Map

Table 4: Daris 3A-5 Significant Intersections from Alara Core Drilling

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS – DARIS 3A5 PROSPECT							
Drill Hole	Significant Mineralisation				Mineralised Zone		
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
D3DC001	Primary	15	37.65	22.65	1.61	3.39	50.68
	Inclusion	30	37.65	7.65	4.69	3.71	77.95
D3DC002	Primary	28.4	46.25	17.85	3.85	2.61	22.51
	Inclusion	34.35	46.25	11.9	5.74	2.06	24.07
	Primary	50.6	59	8.4	4.45	1.36	20.34
	Inclusion	50.6	54.05	3.45	10.28	3.10	46.79
D3DC003	Primary	41	71.75	30.75	4.69	1.56	16.75
	Inclusion	51.5	68.7	17.2	8.05	2.67	28.95
D3DC008	Primary	23	35.8	12.8	0.74	6.62	31.11
	Inclusion	33.5	35.8	2.3	3.92	5.20	106.37
D3DC009	Primary	21	31	10	0.07	3.34	5.41
	Inclusion	23	25	2	0.06	7.13	23.67
	Primary	36	39	3	0.85	0.01	1.23
D3DC010	Primary	57	67	10	5.62	1.16	17.82
	Inclusion	59.35	65.7	6.35	8.58	1.78	27.48

Notes:

- The cut-off grade is 0.2% Cu in respect of intersections within the copper-rich zone.
- The drill intercepts are reported as drilled. True thickness will be calculated at the interpretation and resource modelling stage.

The next phase of exploration for the Daris 3A-5 prospect will aim to develop a resource model from a further series of drill holes to close the mineralisation in the south towards the leached cap to define an increase in the size of the current mineralisation.

Exploration Targets

Whilst Alara has conducted intense exploration programmes including an airborne VTEM survey and ground geophysical surveys and follow up geochemical sampling programs within the Daris Project, drilling has largely focused on defining the JORC Mineral Resource at the Daris East prospect and limited delineation of the mineralisation at the Daris 3A5 prospect.

Several insufficiently tested potential new targets based on combination of geological, geochemical and geophysical data have been identified grouped broadly as three prospects which are shown in Figure 13:

- Prospect 1 – Majority of the area falls within prospective upper volcanic extrusive rocks exposed in Block 7 and bound by quadrangular airborne surveyed magnetic lineaments. Two VTEM targets have been identified in this prospect one of which have been drilled by Alara in 2011. Both of these vertical holes failed to test the VTEM signatures although it has a late time EM response and coincident low magnetics (RTP), which is a typical VMS target response in the area. It is adjacent to intersecting structures and located in the right stratigraphic horizon. Ground traverses have found surface Cu traces at this location. Seventeen rock chip collected from this prospect have returned Cu values ranging from 0.1% to 1%. One sample collected leached gossanised outcrop analysed 5ppm Au. Figure 14 shows a detailed view of Prospect 1 with anomalous rock chip results.
- Prospect 2 – This prospect falls around the sheeted dyke contact zone with cumulate gabbro south of the Daris East and Daris 3A-5 prospect areas. Although historically sampled rocks are higher in Cu content, the scattered nature of mineralisation have not attracted explorers in the past. The Wadi Hawqayn anomaly identified by BRGM but never pursued falls in this prospect.
- Prospect 3 - This prospect falls within lower crustal to upper mantle sequences of Samail ophiolites in Block 7. One oxidised rock sample collected from outcrop exposed near a creek returned 7% Cu. This prospect covers a series of ancient mine workings trending in peculiar NW-SE trend - a site marked as “+” sign in Figure 13 has been located; this ancient mine has a ~2m thick crude slag heap piled over a 150x40m area with a ~5m deep ‘rat hole’ ancient mining pit. Significant amount of malachite staining have been observed in the area although the mine pit seems to follow a quartz vein. Detailed high resolution ground magnetic survey has been carried out in parts of Prospect 3 covering the above mentioned ancient mine. Two core holes have also been drilled in this area without any significant intercepts.

The next phase of exploration for these prospects will involve following up geophysical and geochemical targets with EM/IP/gravity surveys to generate drill targets, geological traverses and geochemical sampling programmes, ground mag surveys over the 'virgin' ground under alluvial/gravel cover.

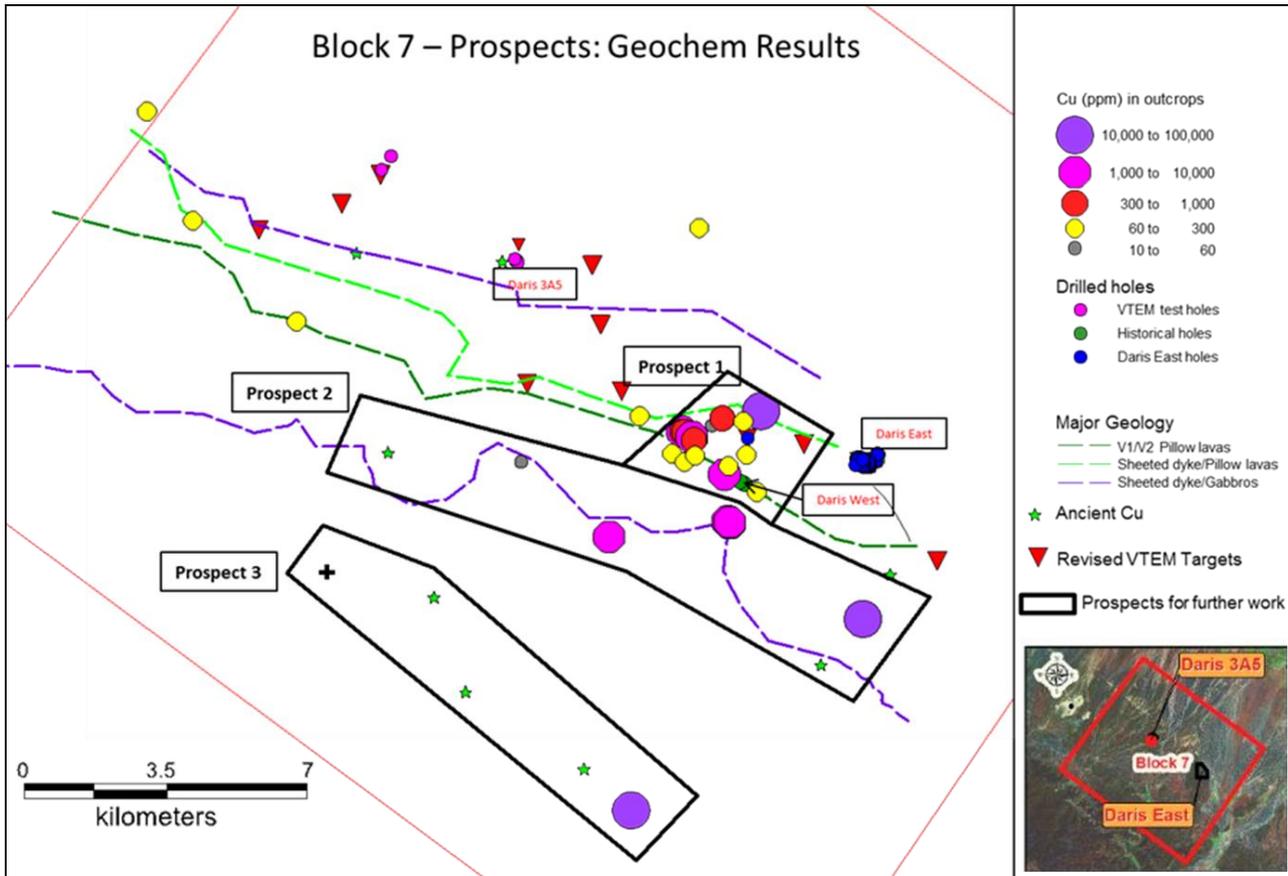


Figure 13 - Potential regional Exploration Targets within Daris Project Licence Area

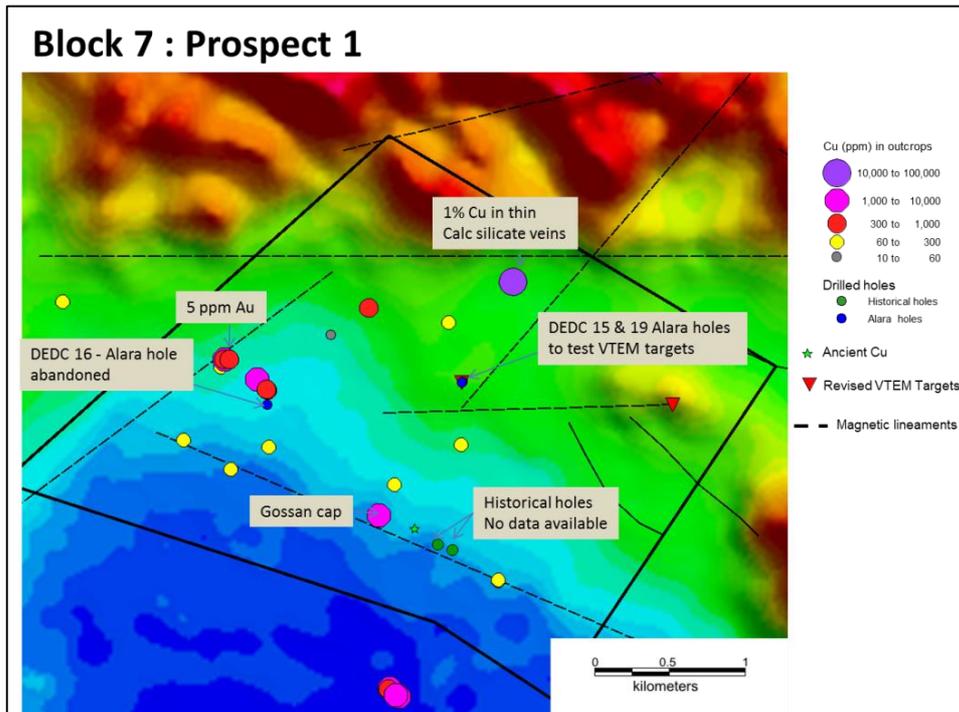


Figure 14 - Geochemistry of Prospect 1 over Magnetic image

Exploration Targets have been identified for the Daris 3A-5 prospect within the Daris exploration licence as follows:

Target	~Tonnages (million tonnes)	~Copper Grades (%)	~Gold (g/t)	Comments
B7T-1	0.25- 0.5	1.0 – 5.0	0.1 – 0.5	Based on previously encountered mineralisation and mineralisation extensions that are not closed off
B7T-2	0.25 – 1	1.0 – 2.5	0.1 – 0.5	Untested geophysical/geochemical targets - based on presence of several untested geophysical and geochemical anomalies between known occurrences at Daris East and Daris 3A-5

JORC Code Cautionary Statement: *The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a JORC Mineral Resources (per JORC Code (2012 Edition) para. 17).*

Alara ASX Market Announcements for Daris Project

Alara's ASX market announcements released in relation to the Daris Project (on exploration matters) are as follows:

Date	Announcement Title
29 June 2011	Drilling Rig Update - Khnaiguiyah Project in Saudi Arabia and Daris Project in Oman
19 April 2011	Massive Sulphide Copper Mineralisation - Daris Project in Oman
16 March 2011	Commencement of Phase 2 Drilling - Daris East Copper Project in Oman
13 December 2010	Further High Grade Copper-Gold Mineralisation - Daris Copper Project in Oman
6 December 2010	Commencement of VTEM Electromagnetic Survey - Daris Copper Project in Oman
26 October 2010	Further High Grade Copper-Gold Mineralisation - Daris Copper Project in Oman
6 October 2010	High Grade Copper-Gold Mineralisation - Daris Project Copper Project in Oman
14 September 2010	Daris Project Drilling Update
30 August 2010	Project Acquisition - Daris Copper Project in Oman

Exploration and Resource Targets

Any discussion in this [Annexure A](#) in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While the Company may, with (and subject to) further exploration and evaluation works being undertaken, report additional JORC compliant mineral resources for the Oman Projects, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

Table 5 – Summary of Exploration Activity Undertaken by Alara on Washihi and Daris Projects (Excluding Historical drilling Data)

Licence Area	Geology, GIS & Prospectivity studies	Field Activities								Analysis	Resource Model	Other Work/ Comments
		Geochemical Survey	Geophysical Survey		Drilling		Topographic survey	Samples Collected				
			Airborne	Ground	Core	Non-core		Rock/soil	Drill core/chips			
Daris (Block 7) (587km ²)	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	Stream sediment orientation survey, sampling at 500 x 500m grid of soil/rock chips over geologically potential zones	1213 line kms. of VTEM and Magnetics	246 line kms of. Magnetics. 38.5 line kms. of IP/EM	Alara drilled 5643m in 53 holes (41 at Daris East; 10 at Daris 3A5 and 2 exploration) in licence area	624m in 21 rotary open holes and 500m in 5 holes as G.W. monitoring holes	All drillhole collar pick-ups; 1m contour survey at Daris East and Daris 3A-5 prospects; connected to NSA Survey point	69	2656 (incl QC)	2725	Daris East Datamine Model completed. Daris 3A-5 Resource Model under compilation	
Washihi (39km ²)	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	500 x 500m grid sampling of soil/rock chips over geologically potential zones	-	321.6 line kms. Magnetics and 10.6 line kms IP/EM	4224m in 24 diamond core holes & 1085m in 5 Core cum RC/core holes	898m in 6 RC holes and 800m in 8 rotary open holes as G.W. monitoring holes	All drillhole collar pick-ups; 1m contour survey; connected to NSA Survey point	56	2092 (incl QC)	2148	Washihi Datamine Resource Model completed.	
Mullaq (41km ²)	Historic Data collection, review and re-interpretation using GIS and updated imageries.	-	-	259 line kms. Magnetics and 21 line kms. IP and 8 line kms EM	922m in 9 diamond core holes	-	-	-	146	146	-	Datamine Resource Model under compilation
Al Ajal (25km ²)	Historic Data collection, review and re-interpretation using GIS and updated imageries Compilation of various maps.	-	-	1.7 line kms. IP and 8.1 line kms magnetics	-	-	-	-	-	-	Datamine Resource Model under compilation to validate historic resources	Relogging of PRO drillhole cores and validation completed

ANNEXURE B

WASHIHI PROJECT DETAILS AND JORC STATEMENT

Washihi-Mullaq-AI Ajal Copper-Gold Project (Oman)³

(Alara 70%, Al Hadeetha Investments LLC 30%, of Al Hadeetha Resources LLC)

- Comprises 3 prospects/exploration licences (Washihi, Mullaq and AI Ajal) totalling ~105km²
- 3 Mining Licence applications covering 3km² at Washihi, 1km² at Mullaq and 1.5km² at AI Ajal have been filed

Table 1 - Washihi JORC Mineral Resources⁴

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0.85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

The information in this JORC Resource table 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.

JORC Competent Persons' Statement

- (1) The information in this announcement that relates to Mineral Resources and other Exploration Results (excluding Annexure A) in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) 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 announcement of the matters based on his information in the form and context in which it appears.
- (2) The information in Annexure A of this announcement that relates to Exploration Targets and other Exploration Results in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) is based on information compiled by Mr Philip Hopkins, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hopkins is the Managing Director of Alara Resources Limited. Mr Hopkins 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, 2012 edition. Mr Hopkins consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

³ Refer Alara market announcement dated 8 December 2011 and entitled "[Project Acquisition - AI Ajal-Washihi-Mullaq Copper-Gold Project in Oman](#)"

⁴ Refer Alara's ASX market announcement dated 16 July 2013: [Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset](#)