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## ASX/MEDIA RELEASE

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### Drilling Update – Khnaiguiyah Zinc-Copper Project

#### Summary

- **Drilling results confirm the presence of significant additional mineralisation to the maiden Khnaiguiyah JORC Resource announced on 21 February 2012<sup>1</sup>**
- **Result highlights from 25 drill holes totaling 1,339m include:**
  - **9.0m @ 7.7% zinc and 0.3% copper (Hole K1DD12\_255)**
  - **9.6m @ 7.1% zinc and 0.1% copper (Hole K1DD12\_258)**
- **Drilling results represent a progressive update on Alara's backlog of drilling conducted since the cut-off date of 22 November 2011 for the JORC Resource estimation**
- **Drilling results have opened up the potential for thick zinc and copper mineralisation within Zone 1 (KZ1) and Zone 2 (KZ2)**
- **Alara is continuing infill and step-out drilling to extend mineralisation in Zones 1 and 2 with a view to identifying additional mineralisation**

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**Perth:** Australian-based minerals exploration and development company Alara Resources Limited (ASX: **AUQ**) ("Alara" or "Company") is pleased to report the results from an ongoing drilling programme at its flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia ("Project").

The drilling results announced today confirm the presence of significant additional mineralisation to the maiden Khnaiguiyah JORC Resource announced on 21 February 2012.<sup>1</sup>

These results represent a progressive update on the Company's backlog of drilling conducted since the drilling cut-off date of 22 November 2011 for the JORC Resource estimation.

The drilling results cover a total of 25 holes, comprising 17 holes from Zone 1 and 8 holes from Zone 2. These holes were drilled outside the previously announced JORC Resource area and confirm the potential for expansion of the Project's JORC Resource from both Zones 1 and 2.

The mineralisation in Zone 1 occurs at a shallower depth to Zones 2 and 3, with Zinc grades similar to those in Zones 2 and 3.

Alara Resources' Managing Director, Shanker Madan, said: "These latest results confirm the additional mineralisation at shallower depth within Zones 1 and 2 and provide further confidence surrounding the potential feasibility and scale of the Khnaiguiyah Zinc-Copper Project."

A complete tabulation of significant intersection results along with maps indicating the location of these holes in Zones 1 and 2 are attached (refer Appendix – Summary of Drill-Hole Locations and Intersection Results).

There are currently more than 1,221 samples awaiting analysis. As results of these samples are received, collated and analysed, Alara will continue to provide regular updates to the market.

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<sup>1</sup> Refer Alara ASX market announcement entitled "[Maiden JORC Resource - Khnaiguiyah Zinc-Copper Project](#)"

## **DRILLING STATUS**

The Company is continuing the infill and step-out drilling to extend mineralisation in Zone 1 and Zone 2 with a view to identifying additional mineralisation. Since the commencement of the Khnaiguiyah Zinc-Copper Project drilling programme, Alara has completed a total of 315 holes to 36,494 metres.

**– ENDS –**

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### **About Alara Resources**

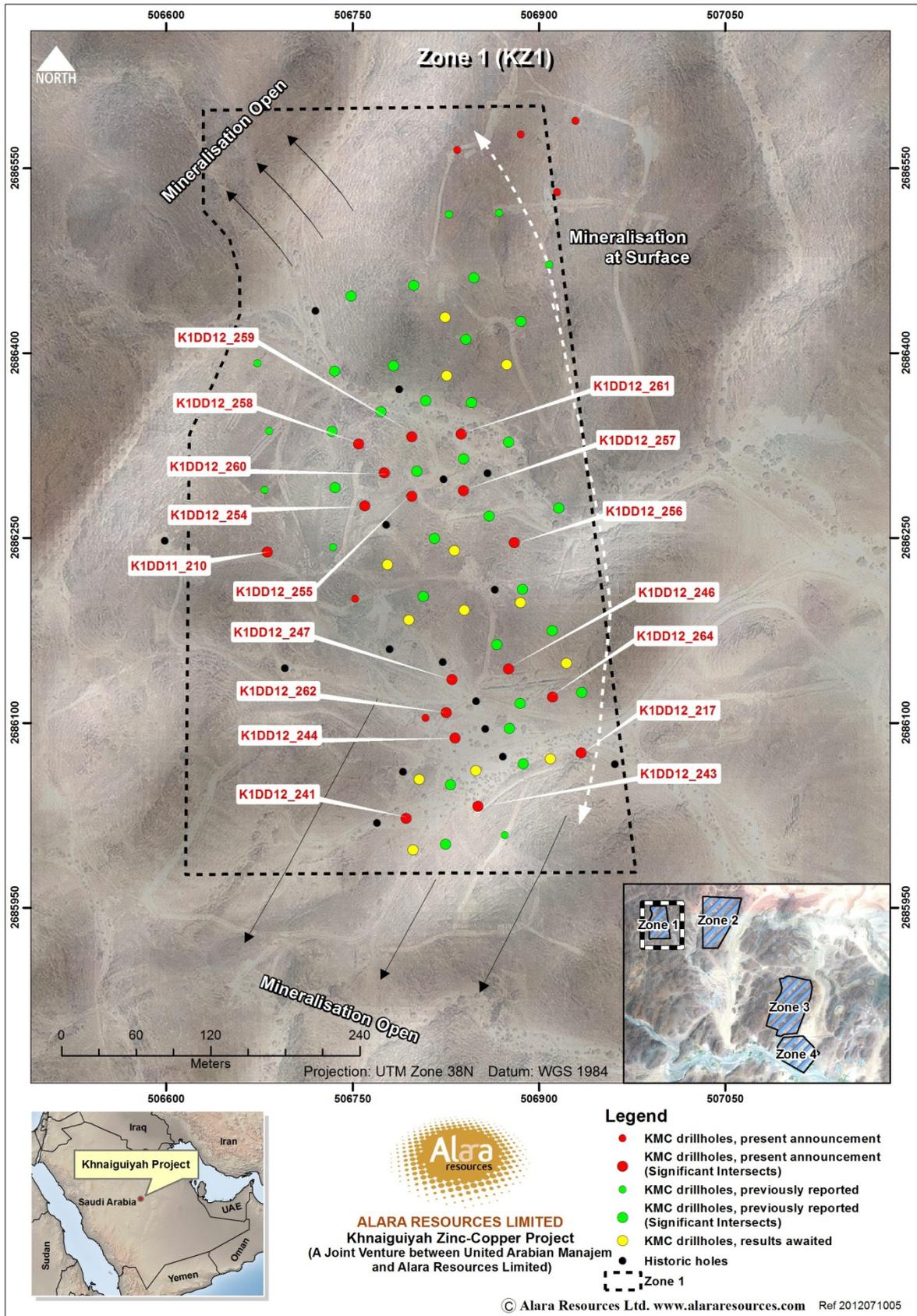
Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and development company with a diverse portfolio of projects in Saudi Arabia, Oman, and Chile.

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

For more information, please visit: [www.alararesources.com](http://www.alararesources.com)

**APPENDIX – SUMMARY OF INTERSECTION RESULTS AND DRILL-HOLE LOCATIONS**

**Figure 1: Drill-Hole Locations in Mineralised Zone 1 (KZ1)**



**Table 1: Summary of Intersection Results for Zone 1 (KZ1)**

MINERALISED ZONE 1 (K1)- SIGNIFICANT INTERSECTIONS								
Drill Hole	Significant Mineralization				Zinc Rich Zone		Copper Rich Zone	
	Intersections	From (m)	To (m)	Length (m)	Zn%	Included Cu%	Cu%	Included Zn%
K1DD11_210	Primary	19	21	2			1.82	0.14
K1DD12_217	Primary	69	71	2	3.01	0.03		
K1DD12_241	Primary	61	63	2			0.64	0.10
	Primary	65	67	2			1.45	0.12
	Primary	84	86	2			1.24	2.45
K1DD12_243	Primary	23.95	31	7.05	3.01	0.02		
	Primary	35	39	4	15.18	0.11		
	<i>Inclusion</i>	36.55	38	1.45	29.49	0.20		
	Primary	42	44	2	3.32	0.04		
	Primary	70	73	3	7.45	0.30		
	Primary	73	75	2			1.56	0.16
	Primary	76	79	3			1.40	0.04
K1DD12_244	Primary	24	28	4	6.00	0.36		
	<i>Inclusion</i>	24	26	2	9.54	0.37		
	<i>Inclusion</i>	27	28	1			0.60	2.09
	Primary	32	34	2			0.65	0.31
	Primary	48	52.6	4.6			0.74	1.44
	<i>Inclusion</i>	48.8	50	1.2			1.51	0.36
	<i>Inclusion</i>	52	52.6	0.6			0.89	6.94
	Primary	53.8	55.1	1.3			1.85	1.56
	Primary	70	74	4			0.72	0.35
K1DD12_246	Primary	10	12	2	2.39	0.01		
	Primary	16	18	2	2.54	0.01		
	Primary	23.8	31	7.2	6.68	0.15		
	Primary	34	37	3	4.70	0.10		
	<i>Inclusion</i>	34	36	2	5.52	0.10		
K1DD12_247	Primary	30.4	34	3.6			0.84	0.21
	Primary	49.5	51	1.5			1.90	0.58
K1DD12_254	Primary	59.85	66	6.15	11.87	0.15		
	Primary	73.4	79	5	1.93	0.58		
	<i>Inclusion</i>	74	75	1			0.97	0.10
K1DD12_255	Primary	32	41	9	7.71	0.27		
	<i>Inclusion</i>	37	40	3	11.85	0.23		
	Primary	49	53	4	16.78	0.45		
	<i>Inclusion</i>	50	52	2	24.89	0.37		
	<i>Inclusion</i>	40	42.2	2.2			0.92	1.34
	Primary	50	58	8			0.69	7.26

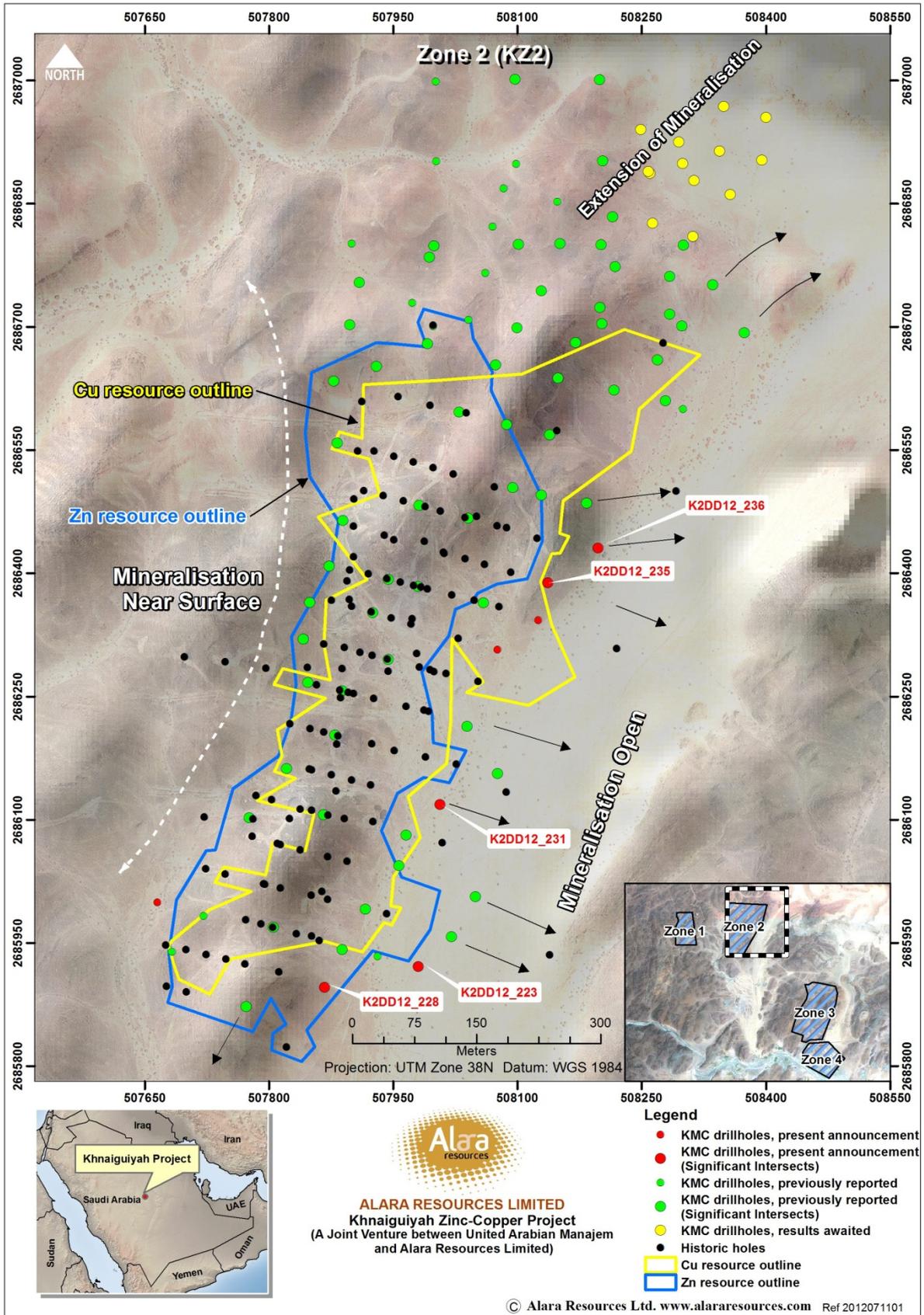
**Table 1: Summary of Intersection Results for Zone 1 (KZ1) (continued)**

MINERALISED ZONE 1 (K1)- SIGNIFICANT INTERSECTIONS								
Drill Hole	Significant Mineralization				Zinc Rich Zone		Copper Rich Zone	
	Intersections	From (m)	To (m)	Length (m)	Zn%	Included Cu%	Cu%	Included Zn%
K1DD12_256	Primary	14	18.2	4.2	<b>4.18</b>	0.42		
	<i>Inclusion</i>	14	16	2	<b>6.64</b>	0.46		
K1DD12_257	Primary	5	16	11	<b>4.44</b>	0.15		
	<i>Inclusion</i>	12	13	1	<b>8.58</b>	0.19		
	Primary	19.05	24	4.95	<b>19.00</b>	<b>0.82</b>		
	<i>Inclusion</i>	19.05	21	1.95	<b>28.77</b>	0.36		
K1DD12_258	Primary	59.4	69	9.6	<b>7.09</b>	0.09		
	<i>Inclusion</i>	63	68	5	<b>9.22</b>	0.08		
	Primary	72.15	78.15	6	<b>12.69</b>	0.12		
	<i>Inclusion</i>	76	78.15	2.15	<b>20.12</b>	0.11		
K1DD12_259	Primary	25	27	2	3.24	0.06		
	Primary	30	50	20	3.34	0.09		
	<i>Inclusion</i>	37	39	2	<b>6.76</b>	0.25		
	Primary	51	54	3			1.02	0.30
	Primary	65	68	3			1.24	0.05
K1DD12_260	Primary	45	56.2	11.2	<b>7.36</b>	0.22		
	<i>Inclusion</i>	50	52	2	<b>10.45</b>	0.16		
	<i>Inclusion</i>	55	56.2	1.2	<b>10.88</b>	0.32		
	Primary	59	67	8	<b>11.20</b>	0.22		
	<i>Inclusion</i>	63	67	4	<b>18.80</b>	0.37		
	Primary	67	70	3			1.95	0.13
K1DD12_261	Primary	1.5	4	2.5	3.13	0.27		
	Primary	7	24.7	17.7	<b>6.72</b>	0.44		
	<i>Inclusion</i>	19	22	3	<b>13.21</b>	0.20		
	Primary	22	25	3			1.75	3.98
	<i>Inclusion</i>	22	24.7	2.7			1.91	4.30
K1DD12_262	Primary	50	58	8			1.02	0.29
K1DD12_264	Primary	2	14	12	2.38	0.03		
	Primary	45	52	7	<b>3.67</b>	0.32		

Notes to Tables 1 and 2:

- The cut-off grade is 1% Zn in respect of intersections within the Zinc Rich Zones.
- The cut-off grade is 0.6% Cu in respect of intersections within the Copper Rich Zones.
- Drill intercepts are reported as drilled; true thicknesses will be calculated at the interpretation and resource modelling stage. The drill intersections are almost perpendicular to mineralisation and no significant difference is expected in true and intersection thickness.

Figure 2: Drill-Hole Locations in Mineralised Zone 2 (KZ2)



**Table 2: Summary of Intersection Results for Zone 2 (KZ2)**

MINERALISED ZONE 2 (K2)- SIGNIFICANT INTERSECTIONS								
Drill Hole	Significant Mineralization				Zinc Rich Zone		Copper Rich Zone	
	Intersections	From (m)	To (m)	Length (m)	Zn%	Included Cu%	Cu%	Included Zn%
K2DD12_223	Primary	108.55	110	1.45	3.33	0.14		
	Primary	141.8	157.8	16	7.72	0.34		
	<i>Inclusion</i>	153	157.8	4.8	15.29	0.35		
	Primary	158.8	160	1.2			0.69	2.69
K2DD12_228	Primary	136	140	4	2.20	0.02		
K2DD12_231	Primary	86	89	3	2.62	0.03		
	Primary	93	99	6	5.24	0.08		
	Primary	99	101	2			0.72	1.05
K2DD12_235	Primary	133	141	8			1.24	0.03
	<i>Inclusion</i>	133	137	4			2.16	0.04
K2DD12_236	<i>Primary</i>	140	146	6			0.74	0.02

**NOTE****JORC Code Competent Person Statement**

The information in this announcement that relates to Exploration Results pertaining to 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 which he is undertaking, to qualify as a Competent Person as defined in 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 announcement of the matters based on his information in the form and context in which it appears.