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ASX/MEDIA RELEASE

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Washihi Copper Mineralisation Continues To Expand Oman Projects Update

Highlights

Assay results from the ongoing drilling programme confirm further expansion of thick high grade mineralisation in the Northwest extension at Washihi.

- **88 m @ 1.75% Cu and 0.19 g/t Au (WH12DD016) from 67m (includes 30m @ 2.99% Cu from 77m)**
- **18.7 m @ 1.99 % Cu and 1.92 g/t Au (WH12DD015) from 116m**

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to advise that it has received further encouraging assay results from the ongoing drilling programme at the Washihi Copper-Gold Project (**Washihi**) in Oman (in which Alara is earning a 75% interest).

Significant assay results from diamond core drill hole WH12DD016, located on the magnetic anomaly identified by Alara, show continuous copper mineralisation of **88m at 1.75% Cu and 0.19 g/t Au from 67m**.

These results build on the previously announced large intersections of **112.35m @ 0.78%Cu and 0.11 g/t Au (hole WH12DD010)** and **72m @ 1.3% Cu and 0.15 g/t Au (hole WH12DD005)** drilled in the same low magnetic anomaly zone (refer Figure 1).

An initial JORC Resource estimate for Washihi was announced on 15 October 2012¹ as follows:

- **6.9Mt Inferred @ 0.76% Cu and 0.16g/t Au; and**
- **2.1Mt Indicated @ 0.70% Cu and 0.17g/t Au.**

Since the above resource estimate, an additional 2,886m in 16 drill holes (7 core and 9 RC, including those reported here) have been drilled, targeting further extensions of mineralisation to the northwest and southeast.

The northwest extension drilling results are very exciting in that they include large intersections of high grade copper mineralisation, confirming the continued expansion of the mineralisation in that direction.

Commenting on these results, Alara's Managing Director, Shanker Madan, said:

"These drilling results for a VMS style mineralisation are very encouraging indeed. It is possible we may be sitting close to a vent and that this mineralisation with such grades could extend to considerable depths."

1 Refer ASX market announcement dated 15 October 2012: [Initial JORC Resource – Washihi Project in Oman](#)

The mineralisation in the north-western part is still open, 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

The southeast extension drilling results appears to have defined the limit of significant mineralisation in that direction, where several RC holes have returned thin and low grade Cu-Au intersections.

– 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 and Oman.

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.

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 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.

APPENDIX 1: MAP OF DRILLHOLE LOCATIONS AND SUMMARY OF INTERSECTIONS

Figure 1: Drill hole Location at Washihi Copper-Gold Project

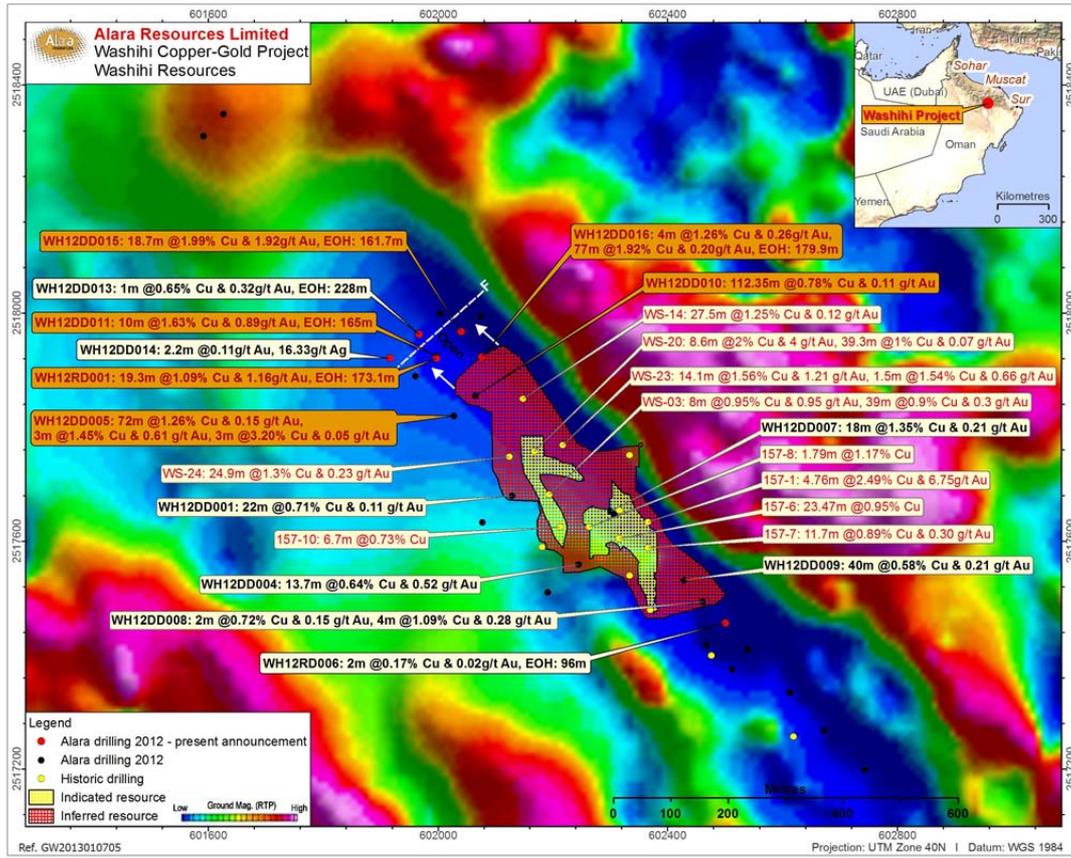


Figure 2: Cross-section along 250N

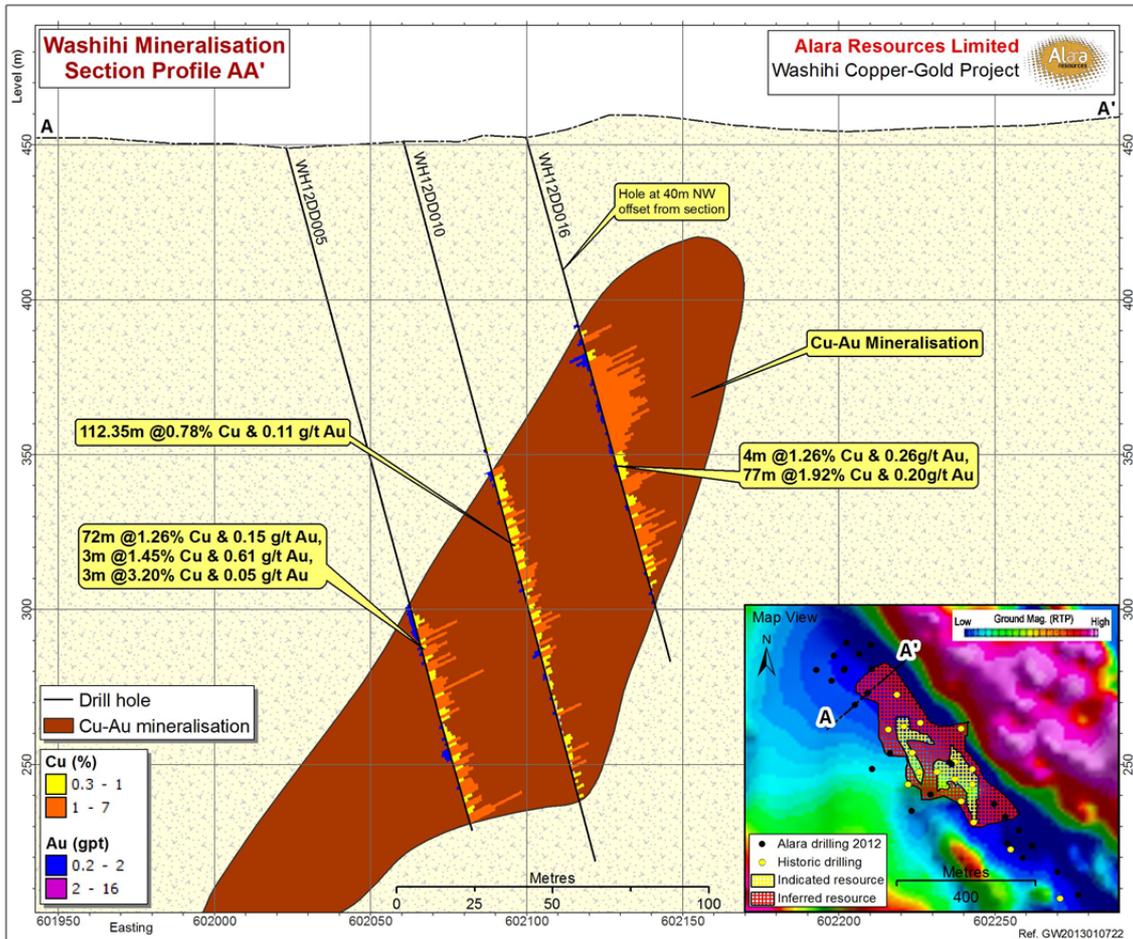


Table 1: Washihi Prospect – Significant Intersection Results Update

| MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT | | | | | | |
|---|----------------------------|------------|--------------|-------------|------------------|-------------|
| Drill Hole | Significant Mineralisation | | | | Mineralised Zone | |
| | Intersections | From (m) | To (m) | Length (m) | Cu (%) | Au (g/t) |
| WH12DD011 <i>(abandoned in mineralisation)</i> | Primary | 155 | 165 | 10 | 1.63 | 0.89 |
| | <i>Inclusion</i> | 159 | 165 | 6 | 2.60 | 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 <i>(abandoned in mineralisation)</i> | 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 |

Notes:

- WH12DD011 and WH12RD001 were drilled at the same location and abandoned in mineralisation due to drilling difficulties.
- WH12DD012, WH12DD013, WH12RD004, WH12RD005, WH12RD007 and WH12RD009 did not intersect any significant mineralisation.
- WH12DD014 was abandoned in mineralisation after intersecting relatively anomalous Au, Ag and Zn values at 279m depth.
- WH12DD017, WH12RD006, WH12RD010 and WH12RD011 intersected low grade mineralisation.
- Drill holes WH12DD001 to WH12DD010 along with intersections of historic drilling were announced by Alara on 20 June 2012 ([Washihi Copper-Gold Project Alara intersects 72m at 1.3% Copper](#)) and 23 August 2012 ([Substantial Copper Discovery - 112m at 0.8% Cu and 72m at 1.3% Cu Washihi Project Oman](#)).
- Drill intercepts are reported as drilled; true thicknesses will be calculated at the interpretation and resource modeling stage. The drill intersections are approximately perpendicular to mineralisation and no significant difference is expected in true and intersection thicknesses.
- 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.