

ASX/MEDIA RELEASE

Wednesday, 8 June 2016

OMAN PROJECT UPDATE:

ADDITIONAL HIGH GRADE COPPER & GOLD MINERALISATION DISCOVERED

Alara Resources Limited (ASX: AUQ) (Alara or Company) is pleased to announce results of the first three drill holes from the infill drilling program at the Washihi copper-gold deposit in Oman. The results identify new high grade copper and gold mineralisation as potential resource outside the current Washihi Resource Model.

The recent feasibility study considered a 14MT JORC Resource¹ contained within the Washihi licence area. This resource provides the cornerstone for development of the Al Hadeetha Project. In addition to this 14MT resource, additional high grade copper and gold mineralization has now been confirmed near surface at Washihi and is being considered for incorporation into the resource model.

These results follow analyses of 150 samples (excluding QC samples) received from RC drill holes WH16RD012 (complete), WH16RD013 (partial) and WH16RD014 (partial). Please refer to Figure 1 below for location of these holes with respect to the Washihi deposit.

These drill holes targeted central parts of the inferred resource classification at Washihi and have now confirmed the expected continuity of copper mineralisation, plus a new massive sulphide intersection achieved in Hole WH16RD012 between 20m and 25m depths. This was foreshadowed in a previous announcement² and sits outside the current resource model. This hole also intersected leached zone with significant gold and silver values. Please refer to Table 1 below for significant intersections and Figure 2 cartoon of geological section showing additional mineralisation intersected in the hole.

A synopsis of remaining results shall be reported after completion of drilling, along with full analyses of samples which is expected by the end of the month.

Alara CEO, Mr Justin Richard said: "It is pleasing to see a positive feasibility study and discovery of additional high grade copper and gold mineralisation at Washihi in the first half of 2016. In tandem, the Washihi mining licence application and project financing are progressing well. We look forward to providing further updates as we move towards completion of the infill drilling program."

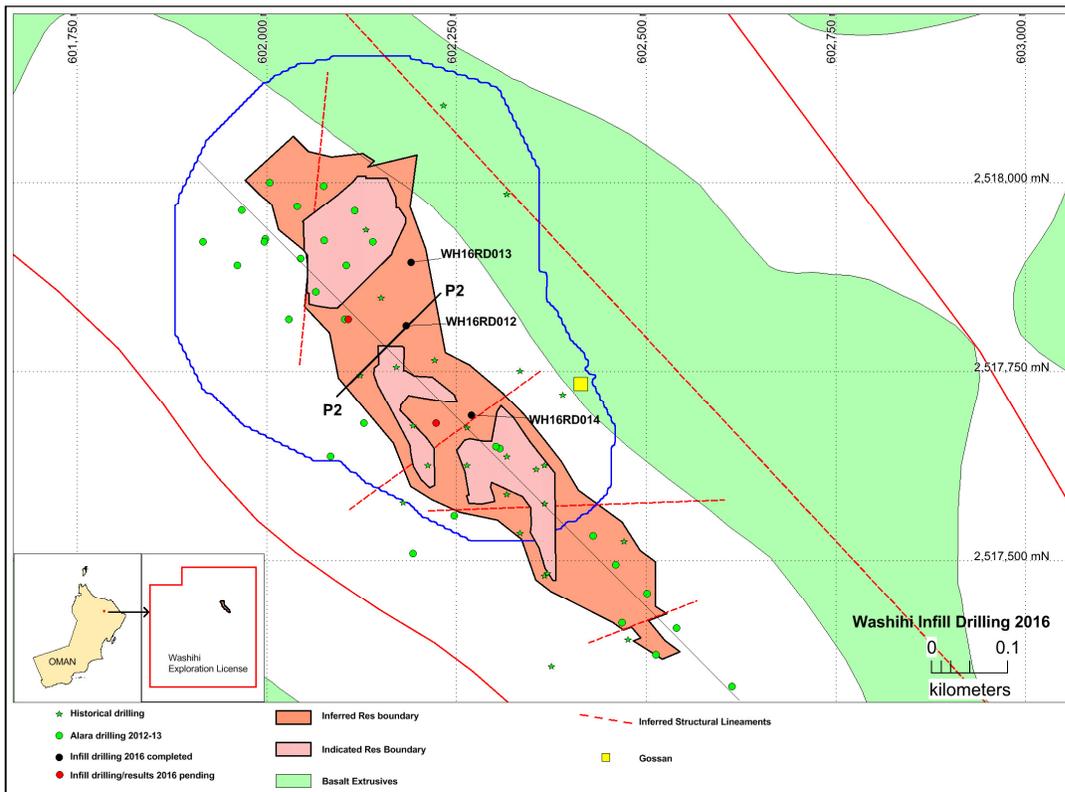
¹ Refer Alara ASX market announcement dated 31 March 2016

² Refer ASX Announcement dated 10 May 2016: "Project Update – Oman"

Table1: Significant Intersections³

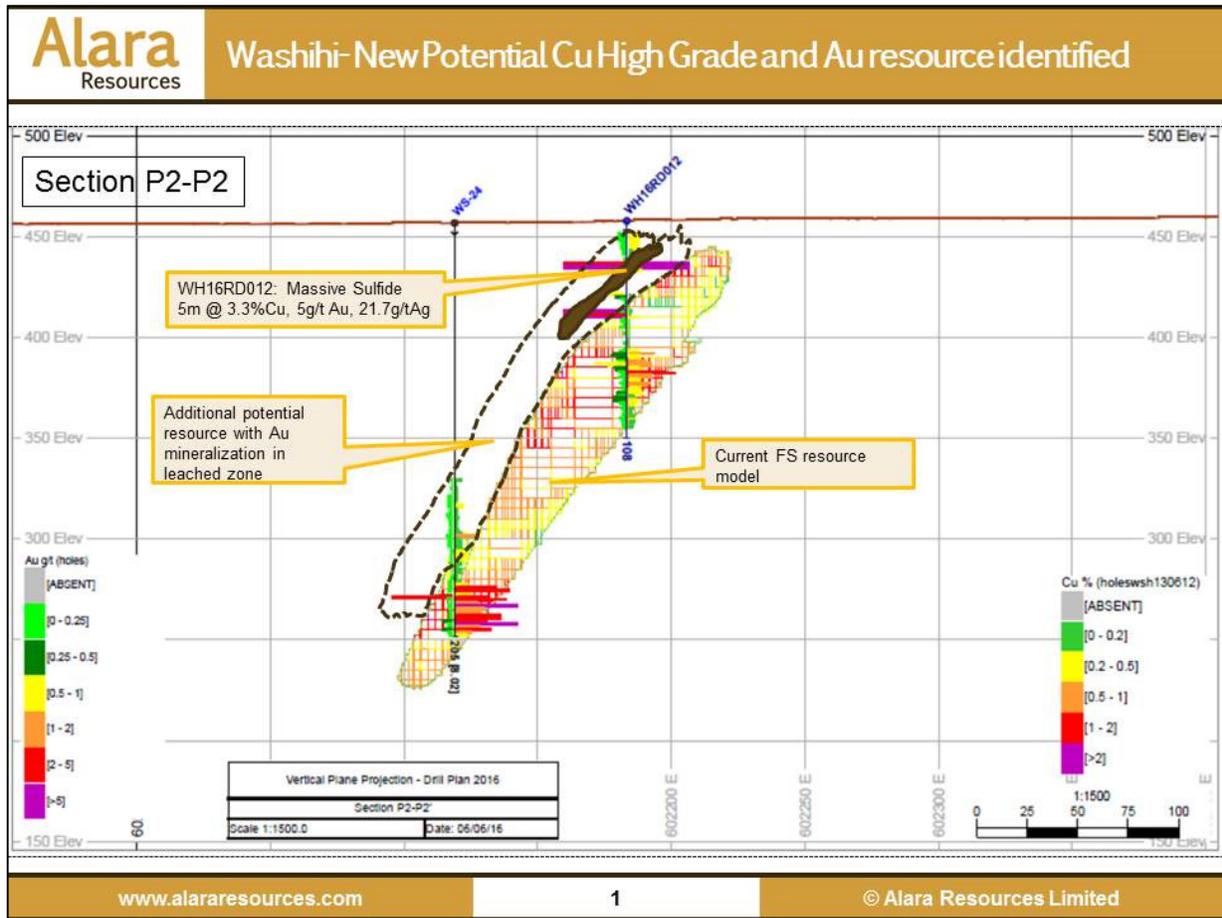
MINERALISED ZONE - SIGNIFICANT INTERSECTIONS - WASHIHI PROSPECT								
Drill Hole	Significant Mineralization				Mineralized Zone			
	Intersections	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)
WH16RD012	Primary	5.5	14	8.5	0.32	0.19	0.18	0.65
	Primary	20	25	5	3.29	5.04	0.22	21.72
	Inclusion	22	24	2	5.77	8.00	0.17	39.95
	Primary	44	48	4	0.14	7.89	1.23	66.53
	Inclusion	47	48	1	0.34	18.65	4.09	142.00
	Primary	64	92	28	0.50	0.26	0.07	1.82
	Inclusion I	69	72	3	0.68	0.59	0.14	8.17
	Inclusion II	74	78	4	1.06	0.17	0.03	0.81

Figure 1: Washihi drill hole location map



³ Length in this table is reported as down-hole length. 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.

Figure 2: Cartoon showing additional mineralisation outside the current Washihi Resource Model



- End of Announcement -

Competent Person Statement

The information in this report that relates to JORC Resources in relation to the Washihi Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravi Sharma, who is a Chartered 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 he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 edition. Mr Sharma approves and consents to the inclusion in the report 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 Atmavireshwar Sthapak who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sthapak is an Executive Director of Alara Resources Limited. Mr Sthapak 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 Sthapak consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study on the Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an Advanced Scoping Study on the Daris and Al Hadeetha Copper-Gold Projects in Oman and a Feasibility Study for the Al Hadeetha Project, Washihi deposit. The Company is transitioning to establish itself as a base and precious metals mine development and production company. For more information, please visit: www.alararesources.com