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Oman Copper-Gold Projects Update

Exploration Success Continues

Highlights

Drilling success continues in Oman. Results include:

- 13m @ 6.6 g/t gold and 0.7% copper (from 23m)
- 10m @ 5.6% copper and 1.2 g/t gold (from 57m)
- 3m @ 4.7% copper (from 75m)

Summary

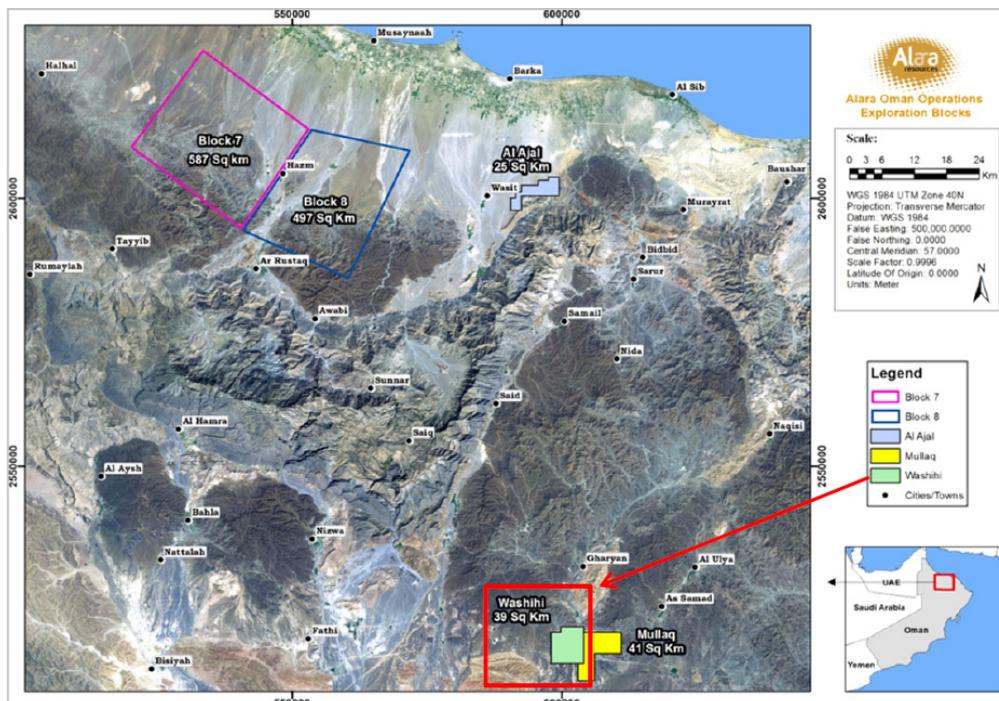
Alara is pleased to provide the following drilling update at its copper-gold projects in Oman, where it currently has two drilling rigs underway testing extensions of previously delineated copper-gold mineralisation and high priority targets outlined through previously conducted geophysical work.

- Daris (Alara: 50-70%) - favourable diamond drilling results continue from the Daris 3A-5 prospect (within the Daris Block7):
 - D3DC008: 12.8m @ 6.6 g/t gold and 0.74% copper (from 23m)
 - D3DC010: 10.0m @ 5.6% copper and 1.16 g/t gold (from 57m)

Previous hole D3DC003 intersected 31m @ 4.7% copper and 1.6 g/t gold nearby (from 41m).

- Mullaq (Alara: 60-75%) - mineralisation is also being detected from the Mullaq prospect which lies immediately adjacent to the Washihi prospect, including:
 - MQ12DD004: 3m @ 4.7% copper (from 75m)
- Washihi (Alara: 60-75%) - drilling continues to define strike extensions of the newly discovered mineralisation. Two rigs are presently drilling and testing the high potential geophysical targets.

Oman Project Location Map - Daris Project (Block 7) and Awtad Project (Block 8) and Washihi and Mullaq Prospects



Daris 3A-5 (Daris Project)

Assay results for diamond drill holes D3DC008, D3DC009 and D3DC010 now received to add to results from three previously drilled diamond holes.

Results of all six holes indicate excellent copper and gold grades leading to increasing confidence in the potential for this prospect (refer Table 1).

Mineralisation is essentially true width.

Table 1: Drilling results from Daris 3A-5 Prospect

MINERALISED ZONE - SIGNIFICANT INTERSECTIONS							
	Significant Mineralisation				Mineralised Zone		
Drill Hole	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
	<i>Inclusion</i>	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
	<i>Inclusion</i>	34.35	46.25	11.9	5.74	2.06	24.07
	Primary	50.6	59	8.4	4.45	1.36	20.34
	<i>Inclusion</i>	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
	<i>Inclusion</i>	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
	<i>Inclusion</i>	33.5	35.8	2.3	3.92	5.20	106.37
D3DC009	Primary	21	31	10	0.07	3.34	5.41
	<i>Inclusion</i>	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
	<i>Inclusion</i>	59.35	65.7	6.35	8.58	1.78	27.48

Notes to Tables 1 and 2:

- The cut-off grade is 0.2% 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.

Mullaq

Assay results from one of seven recently completed diamond drill holes at the Mullaq prospect have been received.

The presence of high grade near 7% copper over a 2m interval accompanied by several other copper intersections including 3m at 4.7% copper provide for encouraging positive initial results which will require further testing (refer Table 2).

As results of the balance of the seven diamond drill holes are received and analysed, a more detailed picture of the mineralisation zone will be developed.

Table 2: Drilling results from Mullaq Prospect

Drill Hole	Interval	From	To	Length	Cu (%)	Ag (ppm)
MQ12DD004	Primary	33.00	36.00	3.00	0.597	-
	Primary	75.00	78.00	3.00	4.676	-
	Inclusion	76.00	78.00	2.00	6.91	3.00

Outlook

The Daris 3A-5 VMS copper-gold prospect is located 170km northwest of Muscat. The Mullaq prospect is located 100km south-southeast of Daris 3A-5. Both prospects are located on or very close to high quality bitumen roads.

Due to low fuel costs in Oman, Alara's drilling methodology is to delineate a series of high grade deposits that can be trucked to a central process plant.

The relative proximity of the Daris 3A-5 prospect to the Mullaq prospect together with the Washihi prospect (where Alara has previously announced very significant high grade copper-gold intersections including **112.35m at 0.78% copper** and 0.11g/t gold) provide an increasing level of confidence that a significant resource inventory can be established to justify a copper mine based on a central processing plant.

Alara is presently conducting studies on project economics based on such a methodology and as these works progress, further details will be provided.

– 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, 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.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves 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.