

ASX/MEDIA RELEASE

Friday, 1 July 2016

OMAN PROJECT UPDATE: INFILL DRILLING PROGRAM AT WASHIHI COMPLETE

Alara Resources Limited (ASX: AUQ) (Alara or Company) is pleased to report completion of the infill drilling program at the Washihi License of Al Hadeetha Copper-Gold project in Oman with the second batch of 421 samples shipped to the ALS laboratory in Saudi Arabia for multi-element analysis. A third and final batch of samples will also be dispatched soon.

The Al Hadeetha Project comprises three exploration licences (Al Ajal, Mullaq and Washihi) totalling 105km². The Washihi Resource (Table-1) provides the cornerstone for development of the Al Hadeetha Project and was the focus of the recent feasibility study.

The recently completed infill drilling program at Washihi included 851.5 metres drilled in 6 vertical holes using both RC and Core Drilling methods (Table-2). So far 75 holes totalling to 11520.23 metres have been drilled at Washihi. Out of this 41 holes totalling to 7053.75 metres (61%) were drilled by Al Hadeetha Resources LLC¹. Please refer to Figure-1 for Washihi drill-hole locations.

Results from one drill hole (WH16RD012) were announced on June 8, 2016, and included identification of near surface high grade copper and gold mineralisation outside the existing Resource Model. The impact of these results on the Project's financial model is yet to be calculated.

Results of 5 more drill holes are expected late next week. This data, along with the results of the final batch of samples, will then be added to the Washihi Resource Model.

TABLE-1 WASHIHI JORC RESOURCES

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 and has now been updated to comply with the JORC Code 2012.

¹ Alara holds 70% (with a right to 75%) of the shares in the joint venture company, Al Hadeetha Resources LLC (Al Hadeetha). Al Hadeetha holds exploration licences over the Washihi area of 39Km², the Mullaq area of 41Km², and the Al Ajal area of 25Km² in Oman

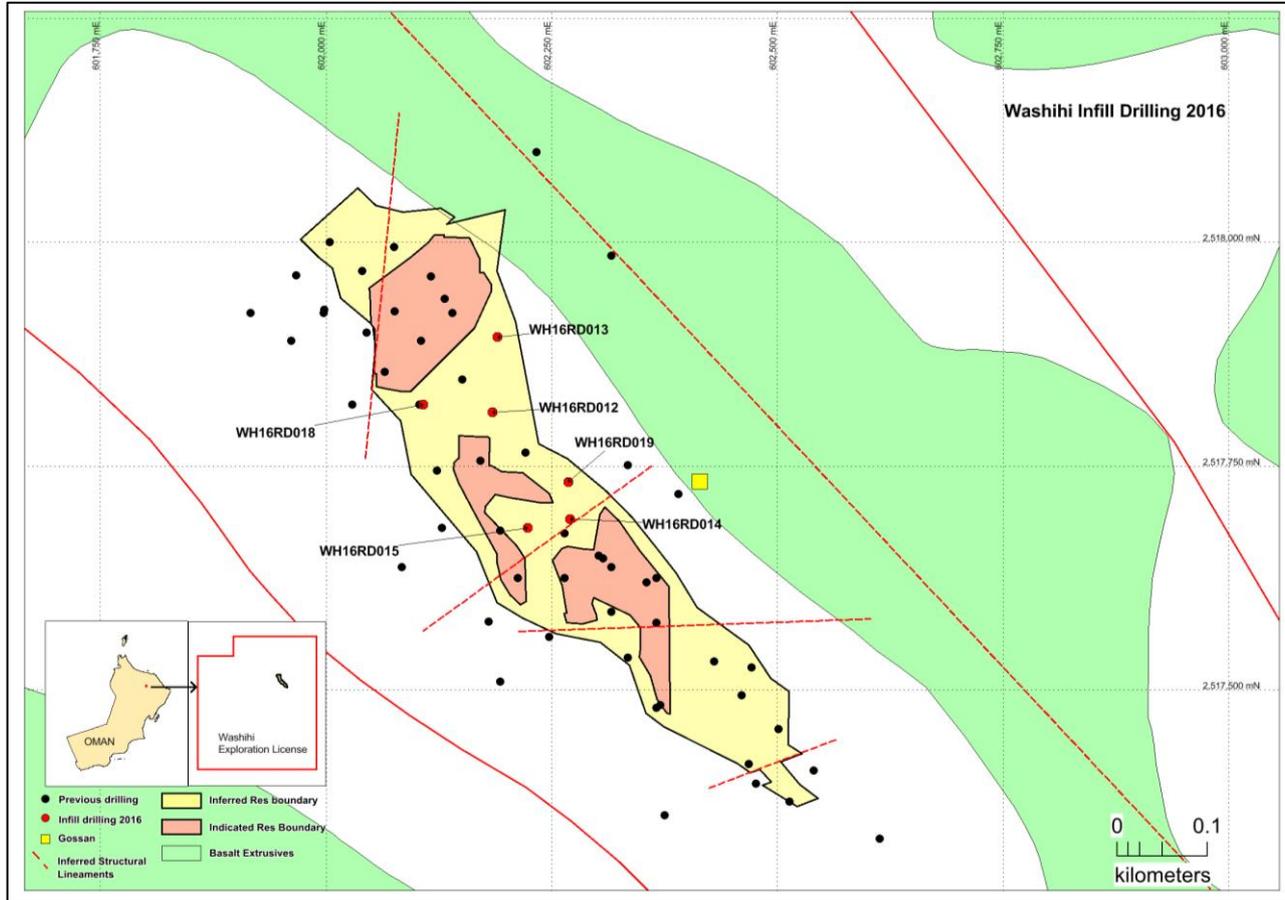


Figure-1: Washihi Resource boundary and drill hole locations

TABLE-2: INFILL DRILL HOLE COLLAR TABLE

BH_ID	COLLAR EASTING	COLLAR NORTHING	COLLAR RL (M)	AZIMUTH (°)	DIP (°)	133MM RC DRILLING (M)	HQ3 CORE DRILLING (M)	END OF HOLE DEPTH (M)
WH16RD012	602184	2517810	457	0	90	0.0 TO 108	NIL	108
WH16RD013	602190	2517894	457	0	90	0.0 TO 89.3	89.3 TO 130.5	130.5
WH16RD014	602270	2517691	463	0	90	0.0 TO 109.5	NIL	109.5
WH16RD015	602223	2517681	467	0	90	0.0 TO 74.0	74.0 TO 177.5	177.5
WH16RD018	602109	2517819	463	0	90	0.0 TO 244.0	NIL	244.0
WH16RD019	602261	2517740	525	0	90	0.0 TO 82.0	NIL	82.0

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 Atmavireswar 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.

For further information, please contact:

Justin Richard
Managing Director
T | +61 8 9481 0389
E | jrichard@alararesources.com

Elizabeth Hunt
Company Secretary
T | +61 8 9481 0389
E | cosec@alararesources.com

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