

Alara Resources Limited A.B.N. 27 122 892 719 Level 11, 216 St Georges Tce Perth WA 600, Australia GPO Box 2517 Perth WA 6831 Telephone | +61 8 9481 0389
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ASX/MEDIA RELEASE

Thursday, 31 March 2016

BOARD CHANGES AND EMPLOYEE OPTIONS

Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) provides this update in relation to upcoming board changes and performance based incentives under the Company's Employee Share Option plan.

Resignation of Director

Alara has received a Notice of Resignation from Mr Shanker Madan, effective 31 March 2016. The Company takes this opportunity to thank Mr Madan for his valuable contributions; in particular his work on the Feasibility Study in Oman¹ which findings are due to be announced this week. Mr Madan will continue his association with Company providing ad hoc advice as a technical consultant.

New Director to join the Board

Mr Vikas Jain has accepted an invitation to join the Alara board as a non-executive director. The effective date of this appointment will be advised. As previously noted², Mr Jain is a major shareholder in the Company and Managing Director of Southwest Pinnacle, a premier resource exploration Company in India. Further details will be provided in due course.

Employee Share Option Plan

Subject to shareholder approval, and pursuant to the Company's Employee Share Option Plan, the following incentive plan has been introduced:

Alara Chairman (Mr James Phipps) to acquire unlisted options with a term expiring three (3) years after the date of issue with exercise prices, as follows:

- (i) Tranche 1 7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 1 on or before 31 July 2016;
- (ii) Tranche 2 7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 2 on or before 31 October 2016;
- (iii) Tranche 3-7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 3 on or before 31 December 2016; and
- (iv) Tranche 4 10,000,000 options each with an exercise price of \$0.10 which will vest upon the attainment of Milestone 4 on or before 31 December 2016.



¹ Refer Alara's ASX Announcement dated 26 August 2016 "Commencement of Feasibility Study in Oman".

² Refer Alara's response to ASX Price & Volume Query dated 17 November 2015.



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Managing Director (Mr Justin Richard) to acquire unlisted options with a term expiring three (3) years after the date of issue with exercise prices, as follows:

- (i) Tranche 1 7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 2 on or before 31 October 2016;
- (ii) Tranche 2-7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 3 on or before 31 December 2016; and
- (iii) Tranche 3 10,000,000 options each with an exercise price of \$0.10 which will vest upon the attainment of Milestone 4 on or before 31 December 2016.

Executive Director (Mr Atmavireshwar Sthapak) to acquire unlisted options with a term expiring three (3) years after the date of issue with exercise prices, as follows:

- (i) Tranche 1 7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 2 on or before 31 October 2016;
- (ii) Tranche 2 7,000,000 options each with an exercise price of \$0.04 which will vest upon the attainment of Milestone 3 on or before 31 December 2016; and
- (iii) Tranche 3 10,000,000 options each with an exercise price of \$0.10 which will vest upon the attainment of Milestone 4 on or before 31 December 2016.

Milestone 1 means the transfer/issue of the Khnaiguiyah Mining Licence to the Alara/Bayan JV.

Milestone 2 means securing a new mining licence in respect of the Al Hadeetha Copper -Gold Projects.

Milestone 3 means a 'Decision to Mine' has been made by the Company and the completion of 'Total Financing' on the Al Hadeetha Copper – Gold Project.

Milestone 4 means 'Commencement of Construction' in respect of the Khnaiguiyah Zinc-Copper Project after completion of 'Total Financing'.

The Company will seek shareholder approval at the 2016 annual general meeting to issue the above Options.

For further information, please contact:

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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based 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 is currently completing a Feasibility Study on the Al Hadeetha Project (formerly known as the Washihi project), in which the Company holds a 70% interest. The Company is transitioning towards establishing itself as an emerging base and precious metals mine development and production company. For more information, please visit: www.alararesources.com.

