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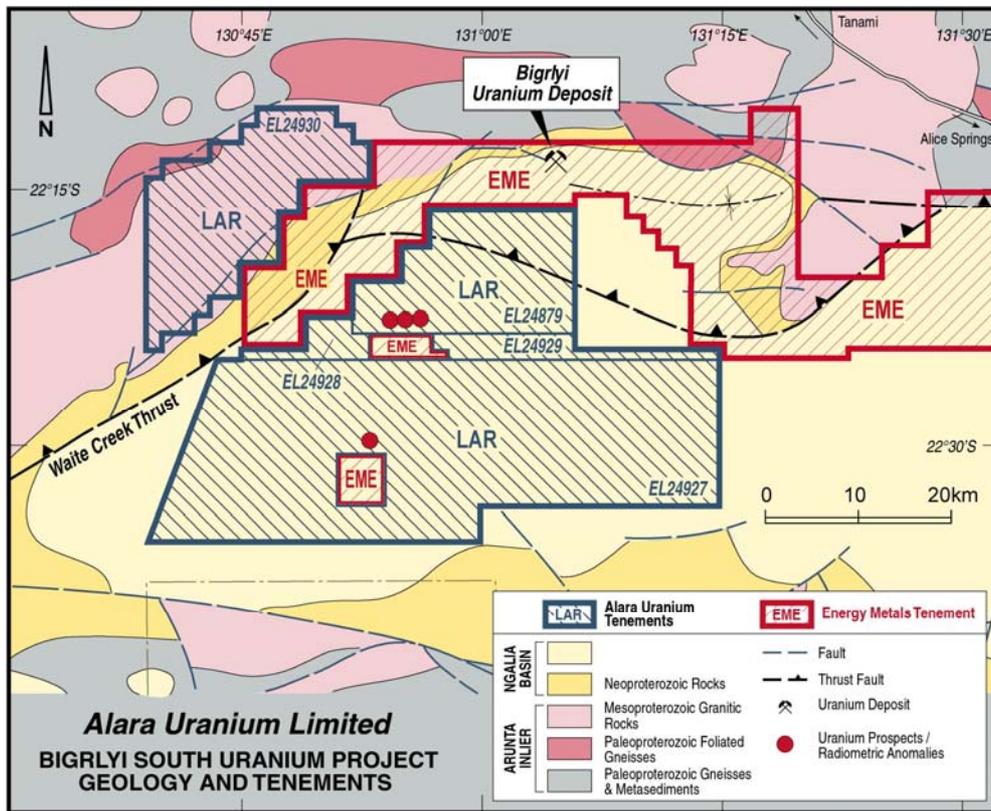
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MARKET ANNOUNCEMENT

Airborne Spectrometer-Magnetic Survey over Bigrlyi South Project

Alara Uranium Limited (ASX Code: AUQ) is pleased to announce a fixed wing airborne magnetic and radiometric survey at the Company's 100% owned Bigrlyi South Project, in the Ngalia Basin, Northern Territory, is due to commence in late June.



The Bigrlyi South Project, located 390 km north-west of Alice Springs comprises five tenements covering an area of approximately 1664 km² in the Ngalia Basin. The Ngalia Basin is an intracratonic basin that hosts several uranium occurrences and a uranium deposit at Bigrlyi. Within Alara's tenement package is the same stratigraphic unit that hosts Energy Metal Limited's (ASX Code: EME) Bigrlyi deposit - the Mount Eclipse Sandstone. In addition, a major low angle thrust fault that is a potential channel way and host for the uranium-bearing fluids straddles the tenements.



Alara has contracted GPX Airborne to conduct 7,076 line kilometres of airborne magnetic and radiometric surveying over the granted Bigrlyi South tenements. The purpose of the survey is to identify uranium anomalies from the radiometric data and detailed structures from the magnetic data. The location of these structures is important as they may have provided a pathway for mineralising fluids from the uranium-enriched pegmatitic granite basement rocks. The detailed survey will be flown at 100 metre line spacings in a north-south direction and will cover the entire area of EL2479, EL24928, EL24929 and EL24930. The data will be interpreted to define drilling targets for uranium mineralisation.

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