



Alara Resources Limited
ABN 27 122 892 719
Level 14, The Forrest Centre
221 St Georges Terrace
Perth WA 6000 Australia

Telephone | +61 8 9214 9787
Facsimile | +61 8 9322 1515
Web | www.alararesources.com
E-mail | info@alararesources.com

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Definitive Feasibility Study Update – Khnaiguiyah Zinc-Copper Project

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to provide an update on the progress of the Definitive Feasibility Study (DFS) report at its flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia.

The DFS is progressing well and on track for December Quarter completion.

Work on expanding the entire plant to 2Mtpa from 1.5Mtpa (instead of only the crushing and milling circuit at 2Mtpa as originally envisaged) is being undertaken. Concurrently with the review of operating costs, the scope of work will use local quotes for services and maintenance (rather than estimates) and also focus on lower initial strip ratios that are likely to be available in adding mineralisation (from more recent drilling) from Zone 1 and Zone 2 extensions, to the mining schedules.

In particular, Alara can confirm that most capital expenditure estimates have now been completed and the Company continues to finalise operating cost estimates using in-country price quotes.

Based on the work completed to date, the Khnaiguiyah Zinc-Copper Project is continuing to confirm Alara's expectations of low operating costs and modest capital costs, which is consistent with other recent mineral development projects in Saudi Arabia.

Commenting on the work conducted to date, Managing Director Shanker Madan said:

"In addition to the DFS work, we are excited by the optionality presented by the prospective geology and mineralisation which is yet to be fully explored. We remain confident that the Khnaiguiyah Project will ultimately grow in size, which should present further upside possibilities.

Alara would like to thank the patience and support of its investors and looks forward to delivering a commercially attractive DFS as well as a development project and company, with considerable upside potential."

– ENDS –

For further information, please contact:

Shanker Madan
Managing Director
T | +61 8 9214 9787
E | smadan@alararesources.com

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.