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ASX/MEDIA RELEASE

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Initial JORC Resource – Washihi Project in Oman

Highlights

- **Initial JORC Resource:**
 - **6.9Mt Inferred @ 0.76% Cu and 0.16g/t Au; and**
 - **2.1Mt Indicated @ 0.70% Cu and 0.17g/t Au.**
- Drilling at Washihi is continuing to test recently encountered extensions of very high thickness intersections including **112m @ 0.78% Cu and 0.11g/t Au** (Hole WH12DD010) and **72m @ 1.26% Cu and 0.15g/t Au** (Hole WH12DD005).
- Scoping Study for integrated mining operation based at Washihi and incorporating mineralisations outlined at the Daris (Block 7), Mullaq and Al-Ajal prospects has been received and is being examined by Alara.
- Study does not include recent drilling success at Washihi.
- Study indicates a robust project with relatively low capital investment with economics likely to be enhanced further as recent drilling results are incorporated.

Update

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to advise that it has completed an initial JORC Resource estimate for its Washihi Copper-Gold Project located in Oman, in which Alara is earning a 75% interest.

The current JORC Inferred and Indicated Resource¹ stands at:

- 6.9Mt Inferred Resource @ 0.76% Cu and 0.16g/t Au; and
- 2.1Mt Indicated Resource @ 0.70% Cu and 0.17g/t Au.

Scoping Study

As previously announced, Alara has conducted a scoping study to consider the potential for an integrated mining operation based at Washihi and incorporating copper/gold mineralisations currently outlined at the Daris (Block 7), Mullaq and Al-Ajal prospects (refer Figure 2).

This study has been completed and is currently being examined by Alara.

A preliminary review of the study has indicated a robust project with relatively low capital investment and early payback of capital.

The study has been based on a proposed throughput of 500,000 tonnes per annum and a projected mine life of 8 years.

The study was initiated in April 2012 at which time the full extent of the current Washihi JORC Resource incorporating recently encountered thick intersections and additional mineralisation was not included.

Alara believes that the incorporation of recently completed drilling and the resource estimate since the scoping study kick-off date will significantly enhance the economics and scope of this project.

Further details of the scoping study will be released once fully reviewed by Alara.

¹ at 0.0 % Cu cut-off grade

Resource Estimation Methodology

The JORC Resource was estimated within constraining wireframe surfaces based on geological phenomenon which provides limits of the mineralised units.

The database utilised for the Geological Model and Mineral Resource Estimate is comprised of 46 drill holes. Data was reviewed and verified prior to it being incorporated into the Mineral Resource Estimate.

Industry standard QAQC procedures were implemented and followed for all the assaying and data compilation for drilling carried out by Alara. All sample batches went through quality assessment prior to inclusion in the database and no significant issues were identified in assay results.

Drill hole samples were composited into 2m composites. The spatial continuity of the copper grades is confirmed by geostatistical (variogram) analysis.

A block model of 40m x 40m x 10m blocks was estimated by Ordinary Kriging.

Top cuts of 4.9% Cu was used for copper and 1g/t Au for gold. Constant densities of 3.0 were used for converting volumes into tonnages. The Resource model has not been coded for Oxide and fresh material at this stage.

Figure 1 below outlines the distribution of the Inferred and Indicated Resource at Washihi together with key drill intersections utilised in the estimation of the Resource.

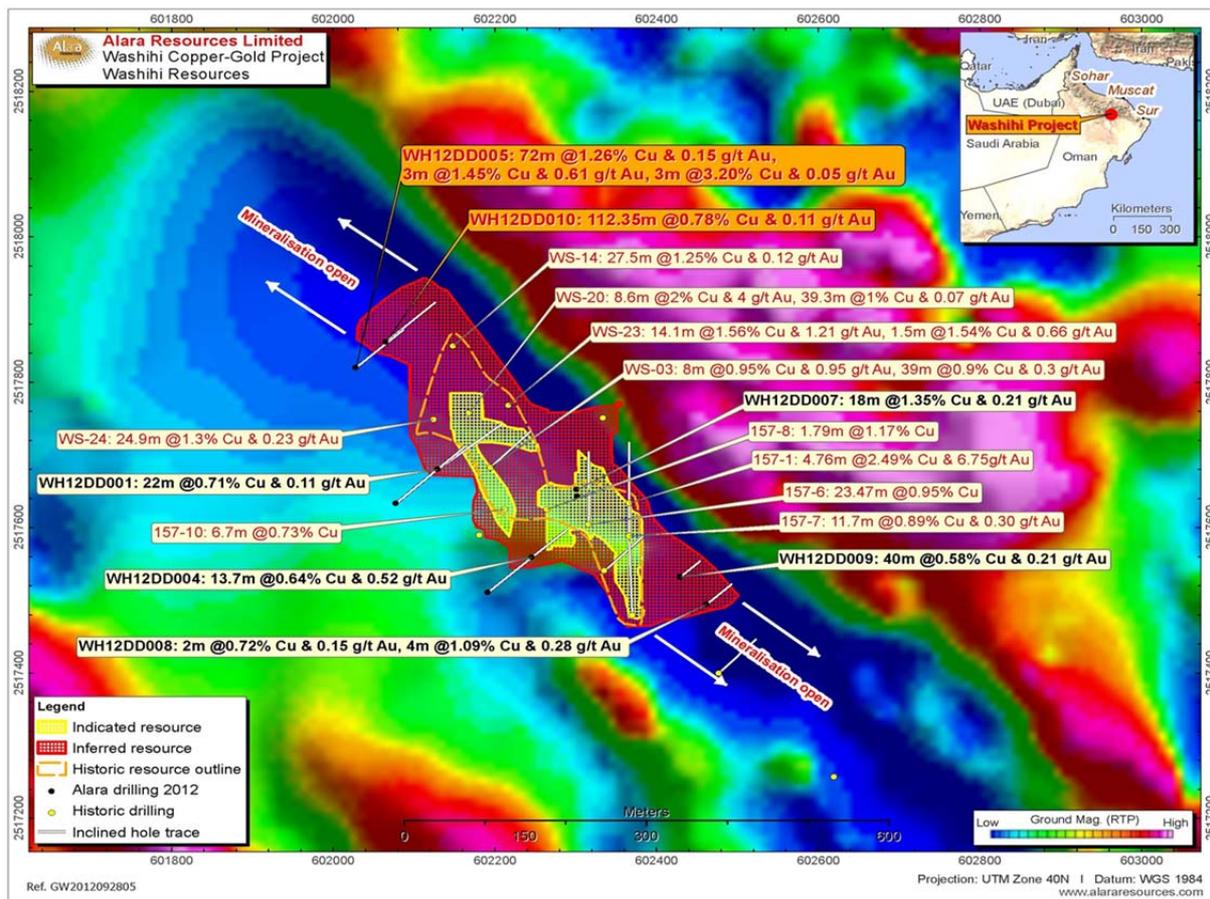


Figure 1: Washihi Datamine Block Model

Drilling

Alara continues to drill at Washihi to test extensions of mineralisation and in particular, to the north west of drill holes WH12DD005 and WH12DD010 where intersections of 72m @ 1.26% Cu and 0.15g/t Au and 112m @ 0.78% Cu and 0.11g/t Au respectively were encountered.

Recently conducted drilling has encountered 25m of copper mineralisation 100m to the north-west of WH12DD010. This hole was abandoned in mineralisation due to water and ground conditions. Alara is highly encouraged by this further mineralisation and continues to drill along strike.

Assay results for encountered mineralisation are awaited.

Commenting on these results, Managing Director Shanker Madan said:

“The global resource in Oman continues to grow, adding to confidence that Alara has the basis for development of an integrated copper-gold project in Oman utilising well established infrastructure and a low cost operating environment.”

– ENDS –

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About Alara Resources Limited

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.

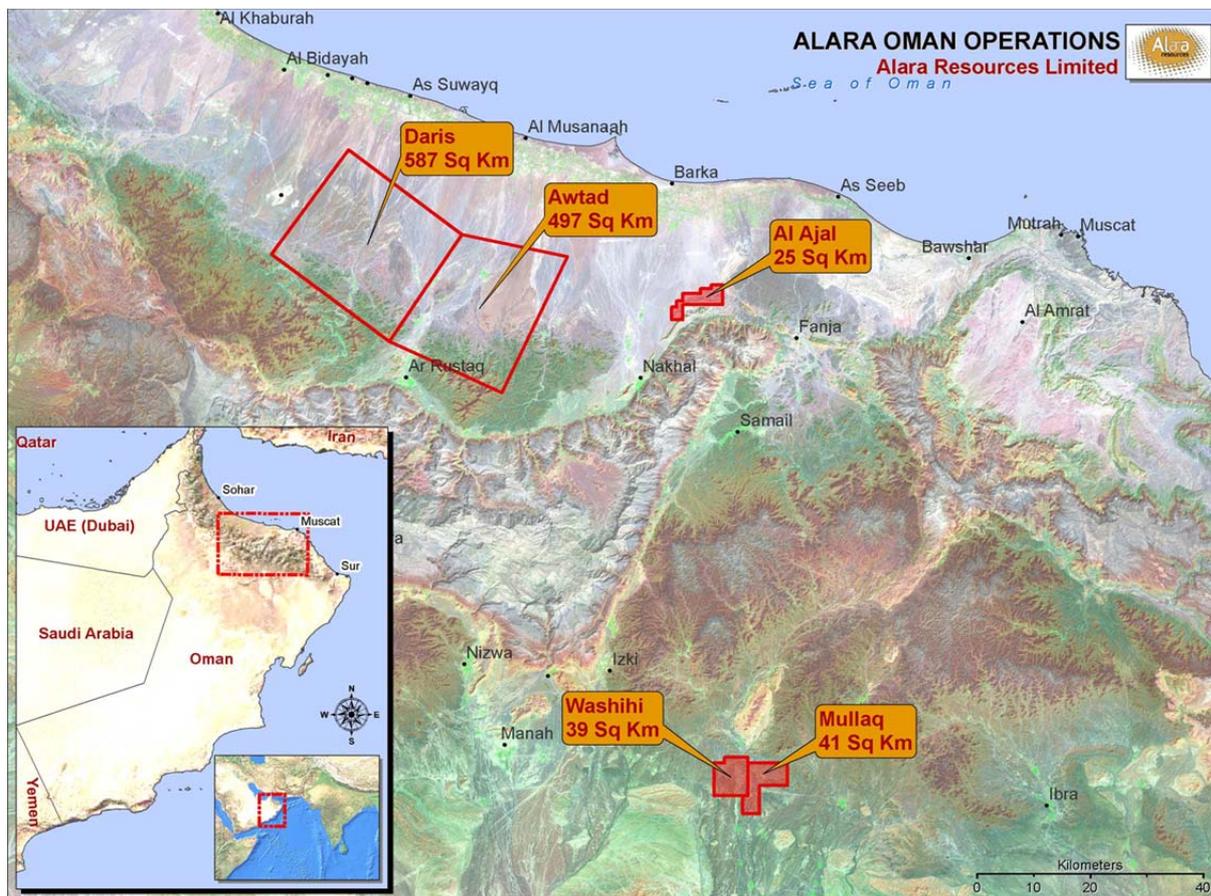


Figure 2: Washihi in relation to Alara's other Oman Projects

JORC CODE COMPETENT PERSON STATEMENTS

The information in this announcement that relates to Mineral Resources is based on information compiled by Mr. Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of SME. 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 they are undertaking to qualify as Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition). Mr. Sharma has given his consent to the inclusion in the announcement 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 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.