

ASX/MEDIA RELEASE

Wednesday, 3 February 2015

APPOINTMENT OF EXECUTIVE DIRECTOR

Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to announce the appointment of Mr. Atmavireshwar Sthapak as an Executive Director of the Company. Mr Sthapak was appointed Non-Executive Director in September 2015 and has now moved into an executive role with his primary focus being the Company's Al Hadeetha and Daris copper-gold projects in Oman.

Mr. Sthapak has more than 22 years' experience as a multi commodity exploration geologist, manager and operator and has extensive multinational experience in resource exploration and mining project feasibility studies. Soon after joining Alara's Oman operations in 2011, he led Alara's in-country exploration activity which resulted in the discovery of one of Oman's single largest copper deposits at Washihi (2012-13). Mr. Sthapak has previously held various technical and senior management roles with Rio Tinto including Project Director and member of the Rio Tinto's Global Diamonds Senior Leadership team. He was Awarded 'Discoverer of the Year' by Rio Tinto in 2010. Mr. Sthapak holds BSc & M.Tech, App Geo and Earth Sciences.

A summary of the substantive terms of Mr Sthapak's employment agreement with the Company are set out below.

Summary of substantive terms relating to appointment of Mr Atmavireshwar Sthapak as an executive director of the Company:

Term:	The appointment is ongoing from January 2016 with no fixed term.
Fixed Remuneration:	50,400 Omani Riyal per annum (including salary and expatriate housing allowance).
Other Expat Allowances:	Reimbursement of medical insurance costs up to OMR495 per annum, annual return airfare for two, plus leave entitlements as per Omani labour law.
Short Term Incentive:	Separate bonuses totalling up to 28,000 OMR (or ~55% of Fixed Remuneration), each bonus being payable upon achieving certain key milestones in 2016, namely: <ul style="list-style-type: none">- Commencement of mining operations on Al Hadeetha project after successful completion of feasibility study and mining licence;- Maiden sale of copper concentrate from ore mined at Daris project after grant of mining licence;- Securing Al Hadeetha project finance on appropriate terms;- Prescribed conditions whereby Alara's increases its current JORC resources in Oman by more than 40%.
Termination Provisions:	One month notice by either party. Nil, in the case of serious misconduct. End of service payment as per Omani labour law i.e. two weeks salary per year of service for the first three years, then one month salary for each year thereafter.

