

ASX Code: AUQ

DIRECTORS

James Phipps
Non-Executive Chairman
Justin Richard
Managing Director
Shanker Madan
Technical Director
Atmavireshwar Sthapak
Non-Executive Director
Ian Gregory
Alternate Director

COMPANY SECRETARIES

Elizabeth Hunt, Ian Gregory

CAPITAL STRUCTURE (30/6/2015)

Shares: 506,015,000

Options: 258,007,500

Share Price: \$0.009

Market Cap: \$2.32m

WASHIHI (OMAN) *

Copper-Gold Resource

6.84Mt Indicated @ 0.90% Cu & 0.17g/t Au
7.27Mt Inferred @ 0.71% Cu & 0.20g/t Au

DARIS (OMAN) *

Copper-Gold Resource

Sulphides: 240,024t Measured & Indicated
@ 2.37% Cu & 0.43g/t Au

KHNAIGUIYAH (SAUDI ARABIA) *

Proved Zinc-Copper Reserves:
17.7 Mt @ 3.4% Zn and 0.29% Cu

Probable Zinc-Copper Reserves:
8.35 Mt @ 3.1% Zn and 0.13% Cu

Measured & Indicated Resources:

Zinc-Copper Resource:
25.32 Mt @ 4.03% Zn & 0.17% Cu
Copper Resource:
8.53Mt @ 0.64%Cu

CONTACT DETAILS

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30 October 2015

Updated Quarterly Activities Report

Further to the Quarterly Activities Report lodged with the ASX on 30 October 2015, the Company attaches an updated version of the report, including Mineral Licences information.

Summary

- In July, Alara announced a new Joint Venture partner in Saudi Arabia (Bayan Mining Company LLC). This JV provides opportunities for Alara to pursue mining projects in Saudi Arabia despite the impasse currently faced on the Khnaiguiyah Zinc-Copper project.
- In August, Alara announced commencement of a Feasibility Study in Oman. This study is progressing as scheduled.
- In September, Alara announced the appointment of Mr Atmavireshwar Sthapak to Alara's board of directors. Mr Sthapak is an experienced geologist and has worked the past four years as Alara's exploration manager and study manager.

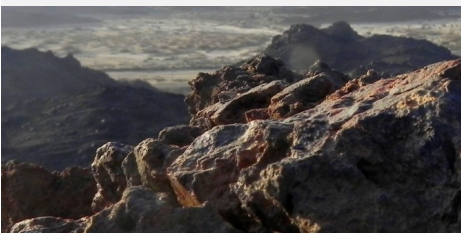
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Company Secretary

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New JV Partner in Saudi Arabia

In July, Alara announced that it had entered into a Joint Venture framework agreement with Bayan Mining Company LLC ('Bayan') in Saudi Arabia.

In August, Alara announced it had extended the agreement to include the Khnaiguiyah area. This development addressed, among other things, the potential cancellation of the Khnaiguiyah mining licence and/or inability of Khnaiguiyah Mining Company LLC ('KMC') to obtain access to areas surrounding the Khnaiguiyah Mining Licence.

Under this new agreement, Alara is to provide onshore and offshore technical and management services and be responsible for day to day management of the project/s. These services are the subject of separate services agreements which are now being finalised.

In connection with the JV agreement, and in light of the fact that Alara is not planning to issue any further shares prior to the AGM (except as set out in the prospectus¹), Alara has issued 10 million ordinary shares to Bayan. Further shares may be issued, pursuant to the JV agreement and subject to the issuance of exploration and/or mining licences².

Saudi Mining and Minerals Conference

The inaugural Saudi Mining and Minerals Conference was held in Riyadh on 27-29 October 2015. The Petroleum and Minerals Minister, Ali Al-Naimi, announced the Ministry aims to triple the mining sector's GDP contribution to SR260 billion (AUD 97 billion) by 2030³ and prepare an attractive climate for foreign investors looking to invest in copper, zinc and precious metals.

These plans bode well for Alara and other companies set to participate in the development of the Kingdom's mining sector.

Feasibility Study Progress

The Company refers to its previous update⁴ noting:

Mining and Tailings Dam

A 1Mtpa staged development, as per the Advanced Options Study completed in 2014⁵, has been adopted for initial mine planning purposes on the 800,000tpa feasibility study. Subject to changes arising from geotechnical assessment still being carried out, this offers three stages of mine development, with a total of 9.37 million tonnes in pit resources and aims to deliver 11 years of production.

There is a pre-strip component of 2.73 million tonnes overburden, including considerable soft soil and colluvium before mineralised material becomes accessible. Almost all of this material will be used in building the tailings dam, with a footprint of 850m x850m. No additional material will have to be found to build the tailings dam.

Average waste to ore ratio for the in pit resources of 9.37 million tonnes at diluted 0.88% copper and 0.19g/t gold is estimated to be 4.86:1. The three stage pit plan offers considerable flexibility to mine higher grade resources at average waste to ore ratio of 6.1:1 in the first seven to eight years. It also offers flexibility for processing some lower grade material by heap leaching after ~four years.

Average grade in the first 4.2 years is likely to be marginally higher than the total average.

Bids for contract mining are being solicited. The low cost of diesel and highly competitive wage structure applicable in Oman are likely to assist in maintaining a low cost mining regime.

Processing

¹ Refer ASX Announcements dated 13th and 15th October 2015.

² Refer ASX Announcements dated 21 July 2015: "Alara Announces New JV Partner in Saudi Arabia" and 20 August 2015: "Alara and Bayan Extend Framework Agreement" for further details.

³ Available at: <http://www.arabnews.com/economy/news/826806>

⁴ Refer ASX Announcement dated 12 October 2015: "Feasibility Study Update (Oman)"

⁵ Refer ASX Market Announcement dated 14 October 2014: Oman Project Update – Positive Advanced Scoping Study Outcomes.

Process design criteria have been largely confirmed. A flow sheet with details of equipment and sizing has been determined for accurate costing of such equipment.

Assessment of civil, structural and electrical work is in progress.

Some additional test work requested by design engineers on the Central and South Zones (within the Washihi deposit) is in progress.

Infrastructure

Process water and power requirements have been determined and circulated for design and pricing. Applications for approvals to use water from a large waste treatment facility and electricity from the local grid are being lodged with the government with the assistance of local JV partner.

Location of related infrastructure including tailings dam, housing, workshops, and offices are being finalised with the assistance of technical experts. Costs for completing such infrastructure are being calculated.

Staffing levels have been finalised.

Board Appointment

In September, Alara announced the appointment of Mr Atmavireswar Sthapak as a member of the Alara board.

Mr Sthapak is a geologist specializing in mineral resource exploration and evaluation. He joined Alara in 2011, making valuable contributions to the Company as an Exploration Manager and a Study Manager; including discovery of large VMS copper mineralisation extensions at the Washihi project in Oman.

Prior to joining Alara, Mr Sthapak worked 10 years with ACC / ACC-CRA Ltd, and 10 years with Rio Tinto (Australasia) where he was awarded a Rio Tinto Discovery Award in 2009. He has worked on world class deposits, including Mt. Isa copper deposits in Australia, and copper, gold and diamond mines on four continents.

Legal Proceedings

The Company refers to its previous announcements⁶ regarding the dispute with United Arabian Mining Company LLC ('Manajem').

Alara maintains that the claims made against its subsidiary Alara Saudi Operations Pty Ltd are without merit.

At the last court hearing on 8 September 2015, Manajem sought more time to prepare a response.

The next hearing is scheduled for 17 November 2015.

Corporate Transaction

The September Company Update⁷ noted various options had been and were being considered in respect to a potential corporate transaction⁸, but details of the parties' ongoing discussion remain subject to mutual confidentiality obligations.

The Company confirms that while advancing the joint venture projects in Oman towards production⁹, and actively preparing for a resolution of the impasse in Saudi Arabia, it is not eliminating other options, rather enhancing them for the benefit of all stakeholders.

⁶ Most recently ASX Announcement dated 17 September 2015: Company Update

⁷ Refer ASX Announcement dated 17 September 2015: Company Update

⁸ Refer ASX Announcement date 16 June 2015.

⁹ Refer to the ASX release dated 15 October 2015: Prospectus.

Mineral Licences – Saudi Arabia

Khnaiguiyah Zinc-Copper Project

The Khnaiguiyah Zinc-Copper Project (Khnaiguiyah Project) is located approximately 170km south-west of the capital city Riyadh and 35km north-west of Al-Quwayiyah, which is a regional centre located on the Riyadh to Jeddah Expressway.

The Khnaiguiyah Project comprised one mining licence (issued in December 2010 with an exclusive 30 year term and no mineral royalties), 2 exploration licences and 5 exploration licence applications, totalling approximately 380km².

The two exploration licences, Umm Al Hijja and Mutiyah, have expired and are considered by Alara to be non-core to the Khnaiguiyah Project. Similarly, the Company does not anticipate any further licences being granted to Manajem at this stage (refer to 'Licencing' update in the Quarterly Report June 2015).

As at the date of this report, Manajem remains the registered licence holder of the mining licence.

Alara's wholly owned subsidiary, Alara Saudi Operations Pty Limited has a 50% interest in the Khnaiguiyah Project and has an agreement with Manajem to increase its interest to 60%.

The current status of licences/applications for this project is presented in the table below.

Project	Licence Owner	Status	Tenement	Grant/ Application Date	Area	Location/ Property Name	Country	Alara's Interest
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	Granted	Mining Lease No 2. Qaaf	Dec 2010 dated 6/1/1432H	5.462km ²	~170km west of Riyadh	Saudi Arabia	50%*
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	Expired/ lapsed	Exploration Licence "Qaf"/101	Oct 2007 dated 17/10/1428H	84 + 66km ²	~170km west of Riyadh	Saudi Arabia	50%*
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	N/A	Exploration Licence Application "Qaf"/99	Oct 2007 dated 17/10/1428H	24.99 + 66.71 + 65.52 + 34.65 + 30.08km ²	~170km west of Riyadh	Saudi Arabia	50%*

* Licences and applications are subject to Shareholders' Agreement and Mining Rights Agreement between Alara and Manajem.

Mineral Licences – Oman

Daris and Washihi Copper-Gold Projects

Alara has joint venture interests in five copper-gold deposits located within four Exploration Licences in Oman extending over 692km². These deposits are also covered by 5 Mining Licence applications pending grant, totalling ~9km².

The Daris Copper-Gold Project is located ~170km northwest of Muscat (the capital of Oman).

The Washihi/Mullaq prospects are located ~100km south-southeast of Daris. Both projects/prospects are located on, or very close to, high quality bitumen roads.

Daris Copper-Gold Project

The current status of all licences/applications for this project is presented in the table below.

Block Name	Licence Owner	Alara JV Interest	Exploration Licence					Mining Licences within EL		
			Area	Date of Grant	Date of Expiry	Application for Renewal	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC, Oman	50%	587km ²	Nov 2009	Feb 2016	N/A	Active	Daris East 3.2km ²	Dec 2012	Accepted in April 2013; in progress
								Daris 3A-5 1.3km ²		

Washihi-Mullaq-Ai Ajal Copper-Gold Project

The current status of all licences/applications for this project is presented in the table below.

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Washihi	Al Hadeetha Resources LLC, Oman	70%	39km ²	Jan 2008	Nov 2015	Active	2.1km ²	Dec 2012	Accepted in April 2013; in progress
Mullaq	Al Hadeetha Resources LLC, Oman	70%	41km ²	Oct 2009	Nov 2015	Active	1km ²	Jan 2013	In progress
Al Ajal	Al Hadeetha Resources LLC, Oman	70%	25km ²	Jan 2008	Nov 2015	Active	1.5km ²	Jan 2013	In progress

JORC Statements – Saudi Arabia

Khnaiguiyah Zinc-Copper Project¹⁰

Table 1 - Khnaiguiyah JORC Ore Reserves

Mineralised Zone	Proved			Probable			Proved + Probable		
	Mt	Zn%	Cu%	Mt	Zn%	Cu%	Mt	Zn%	Cu%
1	0.78	4.2	0.23	1.07	4.3	0.25	1.85	4.3	0.24
2	8.75	2.6	0.32	1.2	3.8	0.44	9.95	2.7	0.34
3	8.21	4.1	0.27	6.08	2.7	0.05	14.28	3.5	0.17
Total (All Pits)	17.73	3.4	0.29	8.35	3.1	0.13	26.08	3.3	0.24

Table 2 - Khnaiguiyah JORC Measured and Indicated Resource - Zinc (Domain 1) and Zinc-Copper (Domain 2)

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Measured	1 and 2	1, 2	9.65	3.37	0.16	1.5
		3	6.37	5.28	0.25	1.5
Indicated		1, 2	3.12	4.45	0.3	1.5
		3	6.18	3.55	0.05	1.5
Measured and Indicated		1, 2 and 3	25.32	4.03	0.17	1.5

Table 3 - Khnaiguiyah JORC Measured and Indicated Resource - Copper (Domain 3)

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Copper %	Cu Cut-off (%)
Measured	3	1, 2	4.7	0.72	0
		3	1.07	0.63	0
Indicated		1, 2	1.59	0.54	0
		3	1.16	0.43	0
Measured and Indicated		1, 2 and 3	8.53	0.64	0

Table 4 - Khnaiguiyah JORC Inferred Resource - Zinc (Domain 1) and Zinc-Copper (Domain 2)

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Inferred	1 and 2	4	4.32	2.9	0.03	1.5

The information in these JORC Reserve and Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

¹⁰ Refer Alara's ASX Announcements of 21 February 2012 entitled "[Maiden JORC Resource – Khnaiguiyah Zinc-Copper Project](#)", 12 October 2012 entitled "[JORC Resource Upgrade for Khnaiguiyah Zinc-Copper Project](#)," and 30 October 2012 entitled "[JORC Resource Upgrade and Update for Khnaiguiyah Zinc-Copper Project](#)"

JORC Statements – Oman

Washihi-Mullaq-AI Ajal Copper-Gold Project (Oman)

Table 5 - Washihi JORC Mineral Resources¹¹

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0.85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

Daris Copper-Gold Project (Oman)

Table 6 - Daris-East JORC Mineral Resources

Ore type	Cut-off grade Cu%	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t
Sulphides	0.5	129,155	2.48	0.23	110,870	2.24	0.51	240,024	2.37	0.43	30,566	2.25	0.55
Oxides	0.5	96,526	0.77	0.03	86,839	0.66	0.14	183,365	0.72	0.08	1,712	0.61	0.97

The information in these JORC Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

¹¹ Refer Alara's 16 July 2013 ASX Announcement: [Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset](#)

Competent Person Statement

The information in this announcement on Mineral Resources in relation to the Washihi Copper–Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Mr Sharma was 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 he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Sharma approves and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Disclaimer

This report contains “forward-looking statements” and “forward looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral resources, and studies. Often, but not always, forward looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide readers with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and copper, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a [Definitive Feasibility Study](#) (DFS) on its Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an [Advanced Scoping Study](#) on its Daris/Washihi Copper-Gold Projects in Oman and an [Updated Advanced Scoping Study](#) on its Washihi Project. For more information, please visit: www.alararesources.com.

Securities Information

as at 30 September 2015

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	248,007,500	-	248,007,500
\$0.10 (15 January 2016) Unlisted Options ¹²	-	10,000,000	10,000,000
Total	248,007,500	10,000,000	258,007,500

Summary of Unlisted Options

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria ¹³	No. of Options
16 Jan 2014	\$0.10 (15 January 2016) Options	\$0.10	15 Jan 2016	Performance Conditions - Vested	10,000,000

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	980	339,493	0.137%
1,001 - 5,000	308	744,773	0.300%
5,001 - 10,000	177	1,502,128	0.606%
10,001 - 100,000	441	18,873,342	7.610%
100,001 - and over	246	226,547,764	91.347%
Total	2,152	248,007,500	100%

¹² Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 18 November 2013](#) for a General Meeting held on 16 January 2014 and in [ASX Appendix 3B New Issue Announcement lodged on 21 January 2014](#)

¹³ Options which have vested may be exercised at any time thereafter, up to their expiry date

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	WHITECHURCH DEVELOPMENTS PTY LTD	14,345,510	5.78%
2.	BARON NOMINEES PTY LTD	12,100,000	4.88%
3.	INKESE PTY LTD	11,500,000	4.64%
4.	MS MENG MENG	10,784,106	4.35%
5.	CITICORP NOMINEES PTY LTD	10,397,755	4.19%
6.	MR FRANK WENG THONG CHEW	8,000,000	3.23%
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,749,527	3.12%
8.	DR JOHN HENRY ADDISON MCMAHON	5,300,000	2.14%
9.	MR WARREN WILLIAM BROWN & MRS MARILYN HELENA BROWN	4,650,000	1.87%
10.	MR BRIAN JOSEPH FLANNERY & MRS PEGGY ANN FLANNERY	4,412,390	1.78%
11.	MR MICHAEL ARCH	4,370,405	1.76%
12.	MR PETER KELVIN RODWELL	4,000,000	1.61%
13.	MR IAN EDWARD TREGONING & MRS LISA ANTONIETTA TREGONING	3,910,000	1.58%
14.	MR FIRAS SWEITI	3,200,000	1.29%
15.	JDW INVESTMENTS AUSTRALIA PTY LTD	2,800,000	1.13%
16.	MR JASON PAUL ATKINSON	2,500,000	1.01%
17.	MR CRAIG GRAEME CHAPMAN	2,399,114	0.97%
18.	DR PAUL CHARLES BURNETT	2,000,000	0.81%
19.	HOUVAN PTY LTD	2,000,000	0.81%
20.	MR ANTHONY BROWN	2,000,000	0.81%
Total		118,418,007	47.75%