



Alara Resources Limited
A.B.N. 27 122 892 719
Level 14, The Forrest Centre
221 St Georges Terrace
Perth Western Australia 6000

Telephone | +61 8 9214 9787
Facsimile | +61 8 9322 1515
Web | www.alararesources.com.au
Email | info@alararesources.com.au

Tuesday, 30 November 2010

MARKET ANNOUNCEMENT

Presentation at Annual General Meeting

Alara Resources Limited is pleased to attach a copy of a presentation to be made at the Company's Annual General Meeting to be held at 11:00am (Perth time) later today.

Further information:

Shanker Madan
Managing Director
T | (08) 9214 9787
E | smadan@alararesources.com.au

ASX Code | **AUQ**





Alara Resources Limited

**Moving from
Junior Explorer
to
Base Metals Developer
30th November 2010**



Alara Resources - Base Metal Developer

Executive Summary

- Alara has recently secured three base metal projects at varying stages of development, of which the most advanced is **Khnaiguiyah (Saudi Arabia)**:
 - **Advanced zinc-copper project with historical “In place minable reserves” of 10.3Mt @ 7.46% Zn and 0.8% Cu, within an envelope of 24.8 Mt @ 4.11% Zn and 0.56% Cu¹**
 - Prefeasibility completed by BRGM. Further studies completed between 2006 to 2009 contemplate a target production of 55,000 TPA Zinc + Copper.
 - **Alara proposes to complete Khnaiguiyah BFS within 12 months**

¹. Refer: Alara ASX market announcement dated 5 October 2010 and entitled “Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia” and BRGM Geosciences, 1993, Khnaiguiyah zinc-copper deposit – prefeasibility study - 1, 2, and 3: Saudi Arabian Directorate General of Mineral Resources Technical BRGM –TR-13-4, 651 pages., 209 figs., 171 tables, 78 appendices, 23 photo plates.

Executive Summary (continued)

- **Daris (Oman):** Cyprus Type VMS copper-gold target; 25 drill-holes completed in 2 out of 12 mapped copper occurrences. In 3 diamond core holes, intersections include:
 - 17.20m at 8.05% copper, as copper sulphides and 2.67 g/t gold, from 51.50m including several intersections between 10% -14.7% copper (D3DC003).
 - 11.90m at 5.74% copper from 34.35m and 3.45m at 10.28% copper (including 1m at 16.0% copper) from 50.60m, as copper sulphides, together with 17.85m at 2.61 g/t gold from 28.40m and 3.45m at 3.10 g/t gold from 50.60m (D3DC002).
 - 6.10m at 5.81% copper, as copper sulphides from 31.55m, together with 18.65m at 3.80 g/t gold from 19.0m (D3DC001).
- **El Quillay (Chile):** +20m wide copper mineralisation extending over 1km strike within a 6km long prospective zone. Two copper bearing breccia pipes mined intermittently underlain by a porphyry system with two drill holes intersecting greater than 130m of mineralisation, one of which intersected **180m at 0.7% copper and 200ppm molybdenum (copper equivalent 0.83%)**.

Company Profile

Directors

Shanker Madan (MD)

BHP, Rio Tinto, Hamersley Iron.
35+ years' mining industry experience.

Ian J Williams AO,*

40 plus years' mining experience with Hamersley Iron, Rio Tinto, Pasminco.
Awarded Order of Australia for services to Indigenous communities

Doug Stewart,*

35 plus years' mining industry and capital markets advisory experience, Territory Iron, Teck Corporation, NM Rothschild and Sons, Australia

Farooq Khan

20+ years capital markets experience. Management of ASX-Listed companies, corporate law background.

William Johnson

20+ years' experience in senior management and executive roles in public companies in Australia, New Zealand and S.E. Asia.

Company Secretary

Victor Ho

10+ years' experience as company secretary/director of ASX listed companies.

ASX Code: AUQ

Market Cap (5 Oct 2010):
\$30.9M

Issued Capital:

- Shares: **126M**
- Options: **41M**

Cash** \$15M

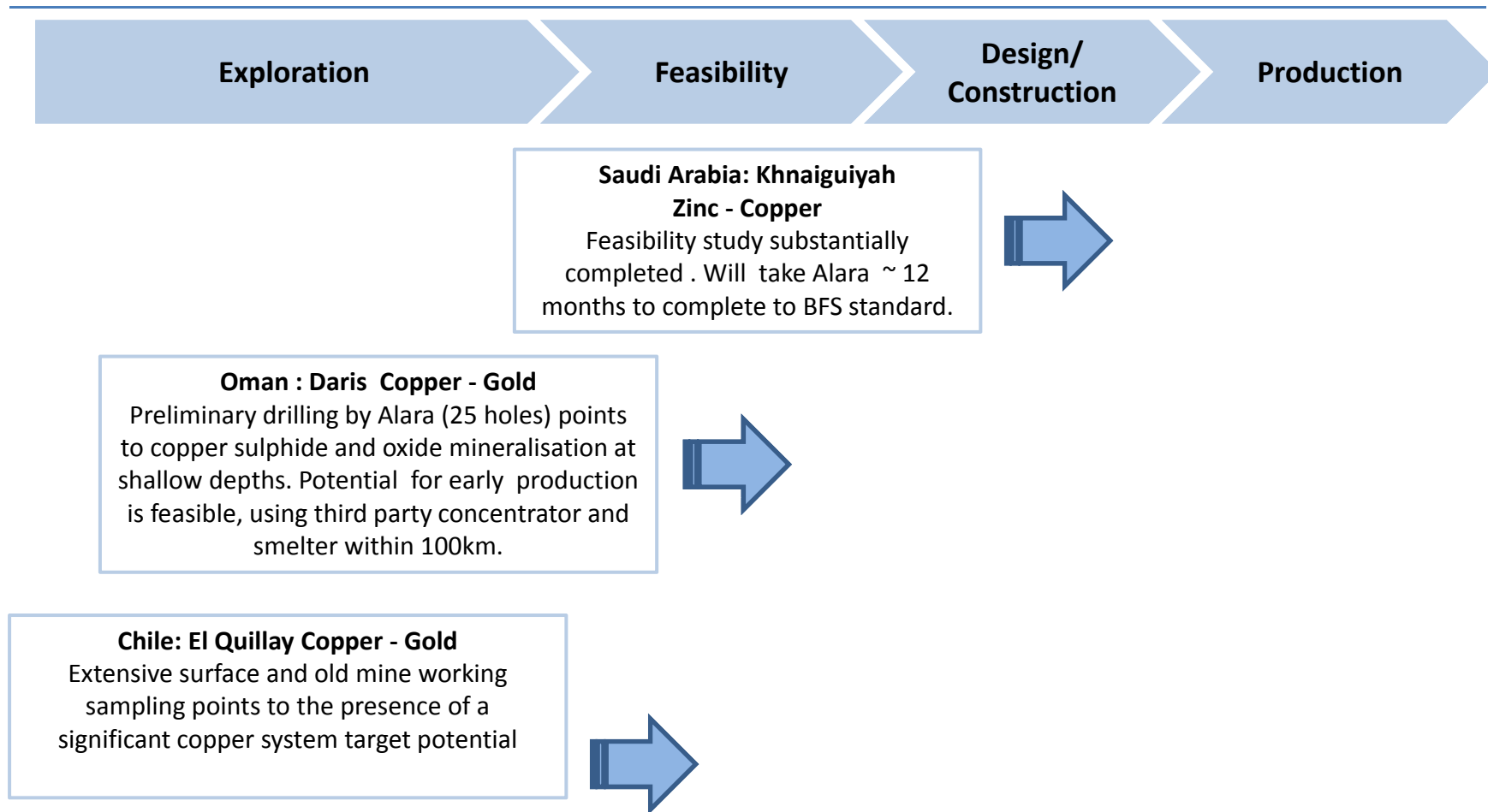
Top Shareholders

Orion Equities Limited

7.4%

***Includes liquid securities and 36M share placement to funds and institutions to be approved by shareholders at the AGM on 30th November 2010.*

These three projects provide Alara with a strong pipeline of base metal development projects



Saudi Arabia: Khnaiguiyah Zinc – Copper Project Summary

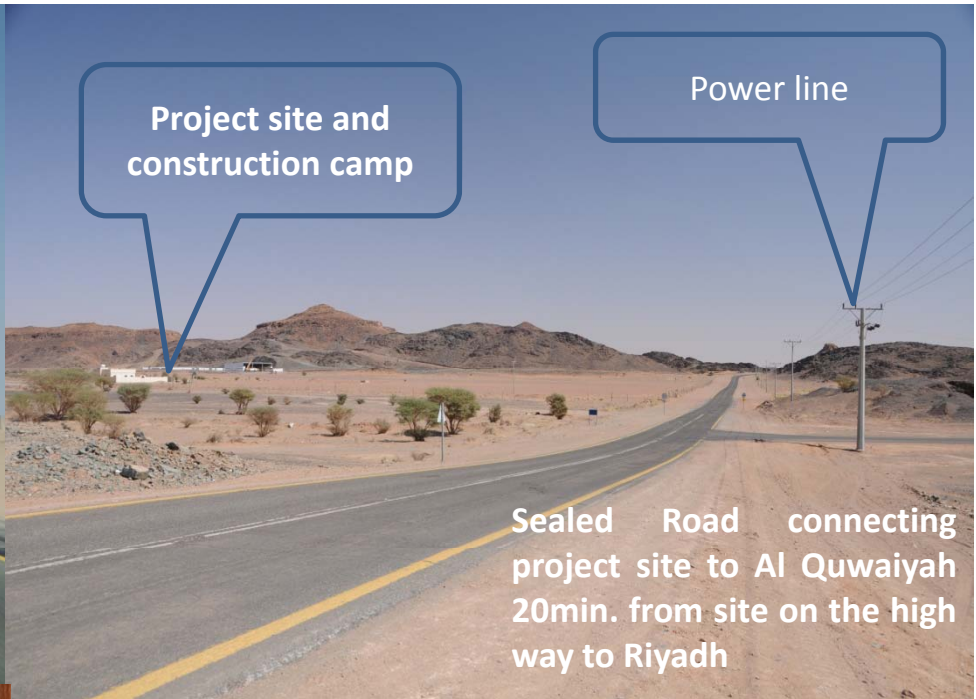
Previous Work	Feasibility study in advanced stages of completion. “Historical in place Movable Reserves” of 10.3Mt @ 7.46% Zn and 0.8% Cu ¹
Production Target	55,000 Tpa zinc production within 18 months of BFS completion.
Further Potential	Further potential at depth, along strike and in other bodies in the vicinity where drilling and old workings show possible expansion of resources.
Comparative Assessment	On commencement of production Khnaiguiyah Project will match the production profile of Kagara Zinc (Mkt. Cap – \$500M).
Project Location	2 hours by road from capital city of Riyadh on highway.
Key Terms of Alara Deal	\$8.0M in vendor payments for 50%.
12 month work programme	Validation of key inputs into the feasibility data. Commence design and construction.

¹ Refer: Alara ASX market announcement dated 5 October 2010 and entitled “Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia”

Khnaiguiyah Zinc-Copper Project



2hrs from Riyadh on Riyadh-Jeddah Highway



Project site and construction camp

Power line

Sealed Road connecting project site to Al Quwaiyah 20min. from site on the highway to Riyadh

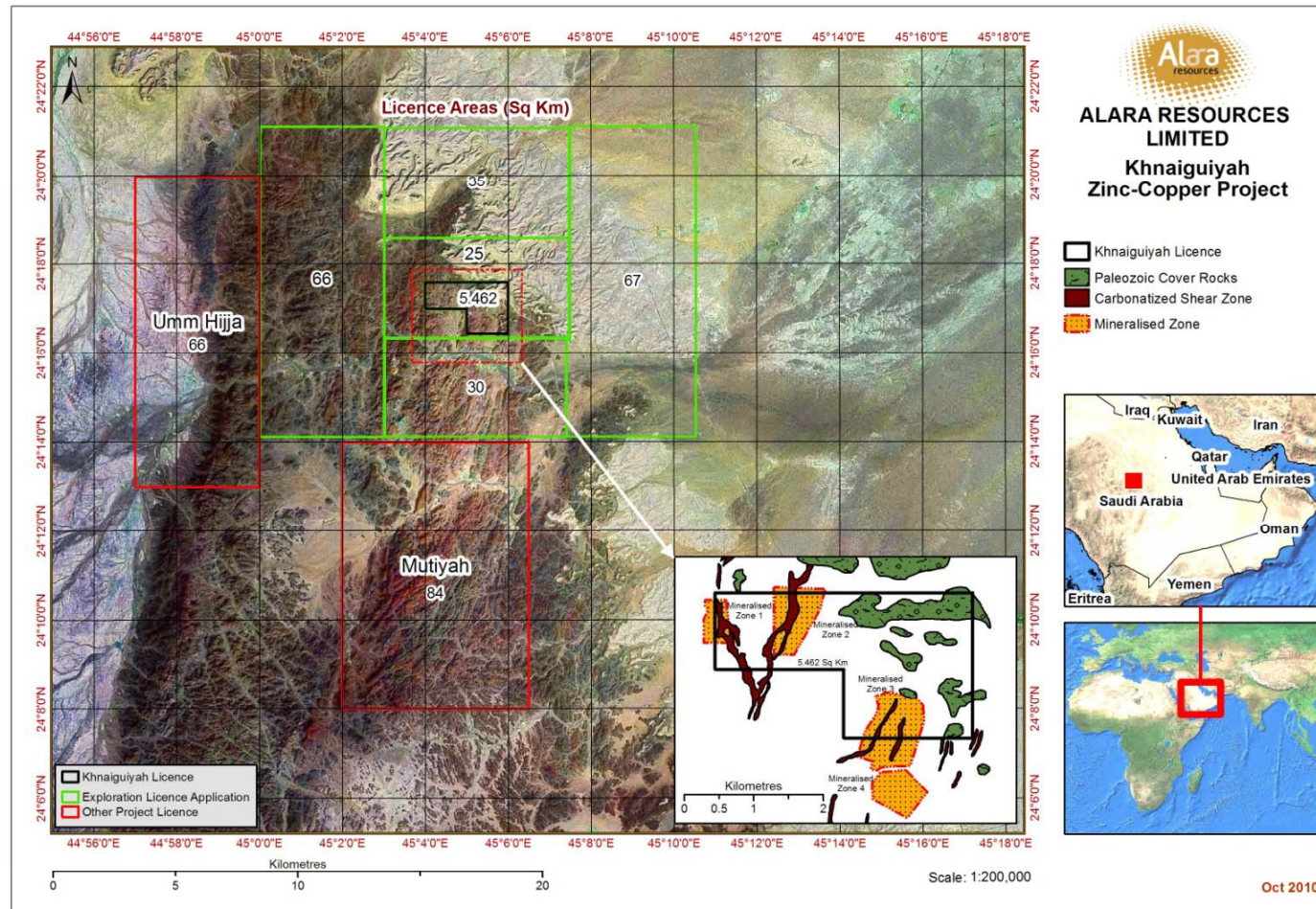


Mineralised body 3 Core High Grade intersection in hole KDH1



Mineralised body 3 Pre-stripped area

Khnaiguiyah Project comprises a Mining Lease Application, 2 Exploration Licences and 5 Exploration Licence Applications Covering 380 sq km



Previous Khnaiguiyah studies have confirmed the potential for commercial development of the project

- “In Place Movable Reserves” of **10.23Mt @7.46% zinc and 0.80% copper** at 4% Zn Cut-off and 0.50m dilution at true grade and density within an envelope of “drill measured resource” 24.8Mt @4.11% zinc and 0.56% copper ¹
- The PFS (1990’s) indicates the project was commercially viable at a price assumption for zinc of US\$1,200 per tonne – considerably lower than today’s price of ~US\$2,175 per tonne ².
- Mineralised Zones 1, 2 and 4 may be mined by open cut method and Zone 3 may be mined partly by open cut and the rest by underground methods.
- Fresh water is available in a large aquifer at Kuff 25km away.
- 33KVA power line is available on site.

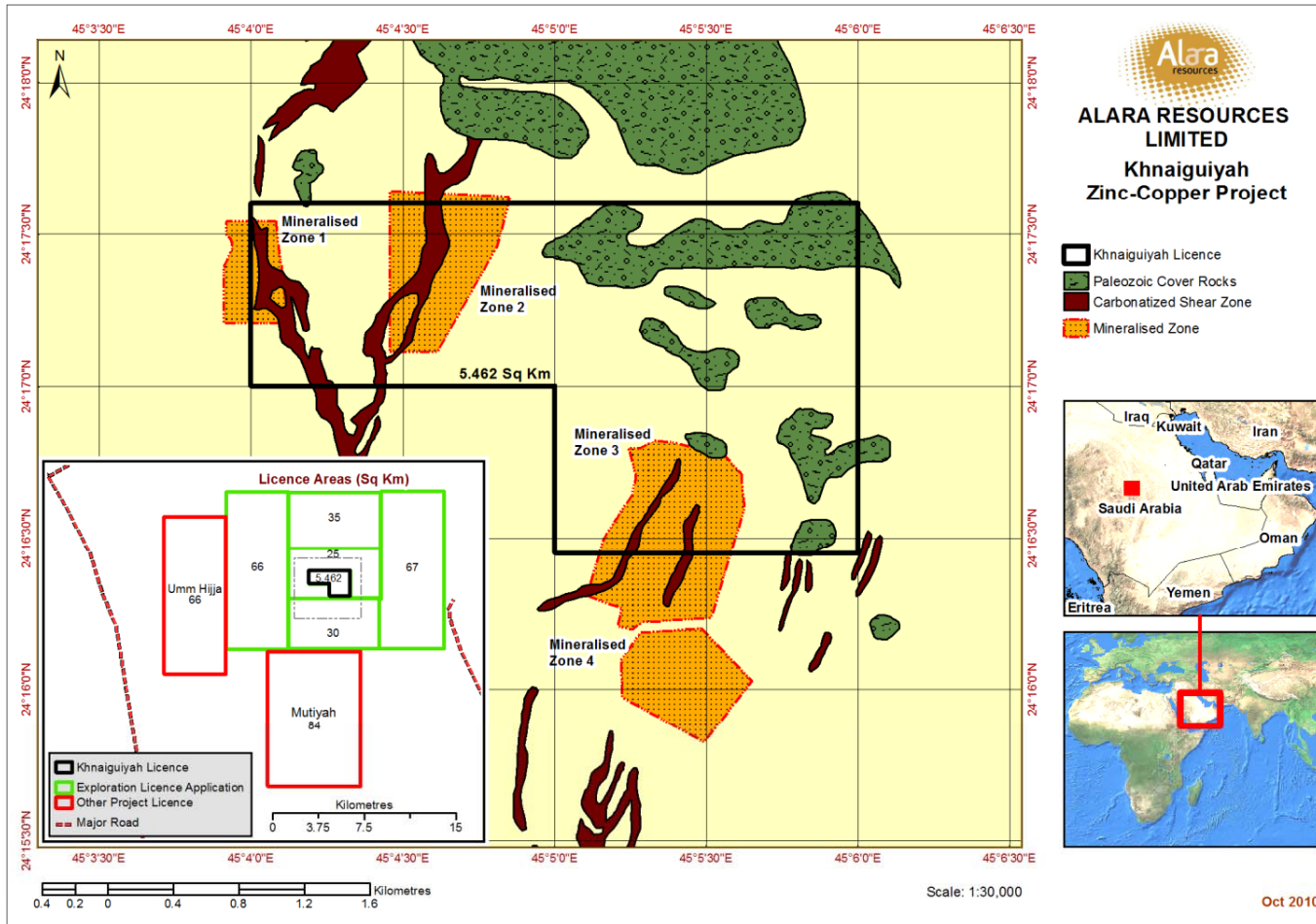
¹ Refer: Alara ASX market announcement dated 5 October 2010 and entitled “Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia”

30/11/2010 ² LME Special High Grade Zinc cash price as at 30 September 2010 (lme.com/zinc.asp)

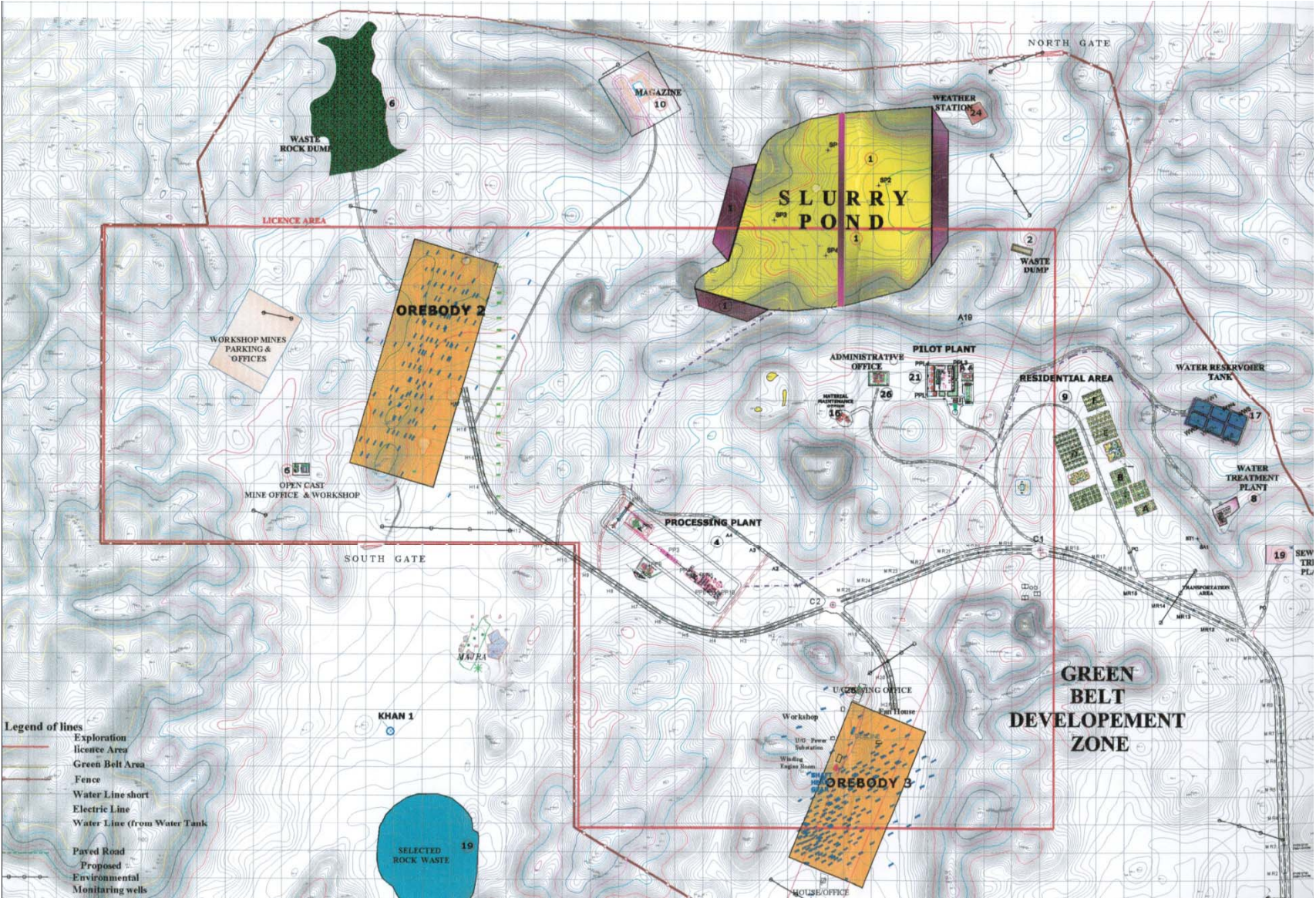
Khnaiguiyah is an advanced development project, with completed Pre-Feasibility and well-advanced Feasibility Studies

- Exploration and Pre-feasibility Study conducted by BRGM and further studies conducted by Manajem (Vendor) include the following works:
 - Total drilling in excess of 45,000m in 345 core and percussion holes, across 4 mineralised zones within 3 sq km.
 - BRGM completed 25,193m of percussion and core drilling in 192 drill holes on profiles 100m x 25m / 50m.
 - Additional infill drilling on 50m profiles x 25m /12.5m grid spacing confirms the structure and the mineralisation (Manajem in-house feasibility study).
 - Other works done include two deep shafts for bulk sample, test work on a 15t bulk sample, pit design and financial modelling.
- Mining Licence application has been submitted and awaiting grant.
- **Alara believes that the BRGM and Manajem studies can be taken to Bankable Feasibility Study (BFS) standard within 12 months.**

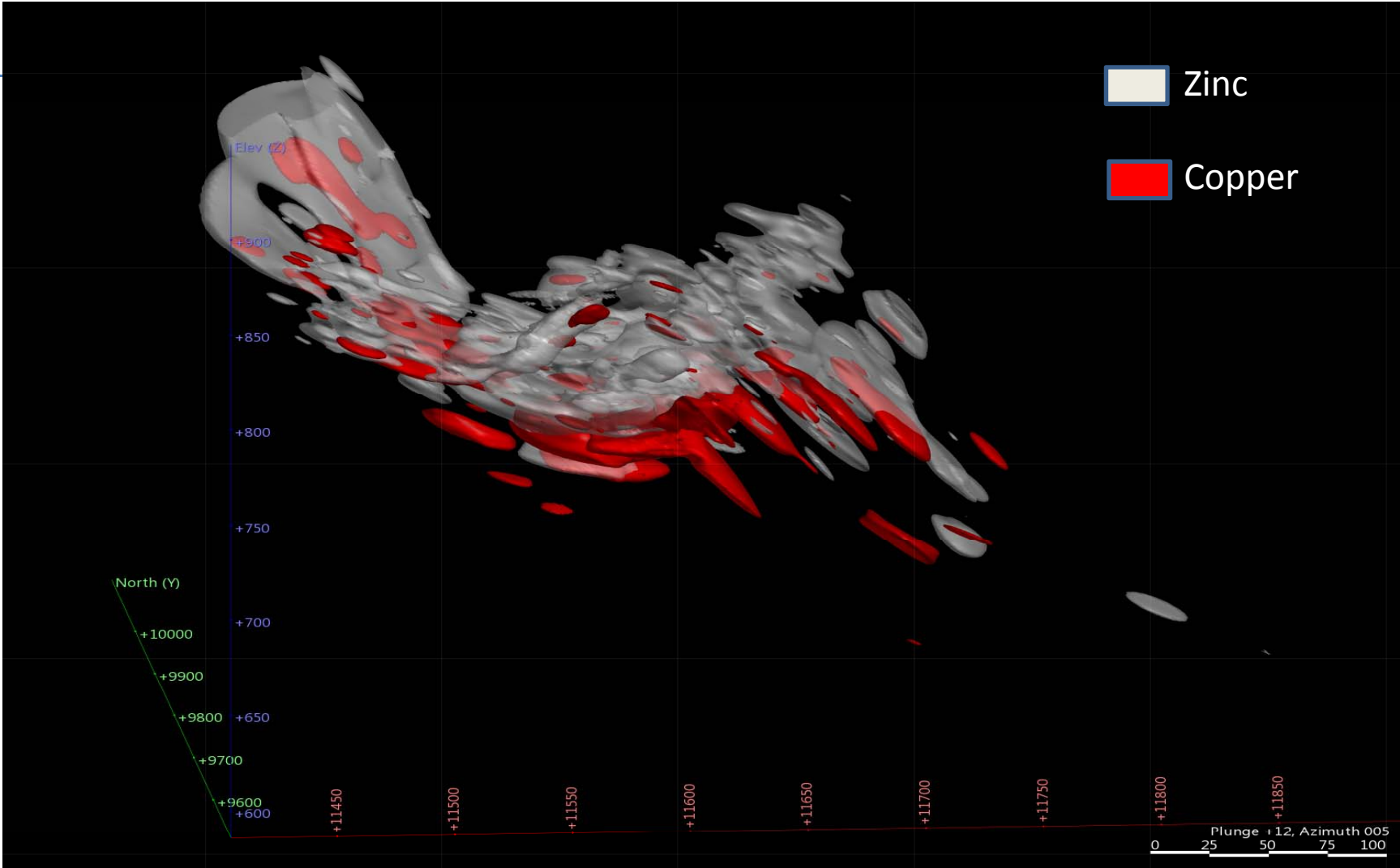
Khnaiguiyah Project – Mineralisation is controlled by carbonatized shears. Potential for further discoveries in unexplored shears and along strike extension of explored shear zones is high



Khnaiguiyah Zinc-Copper Mine Master Plan Layout - 2009 Feasibility Study



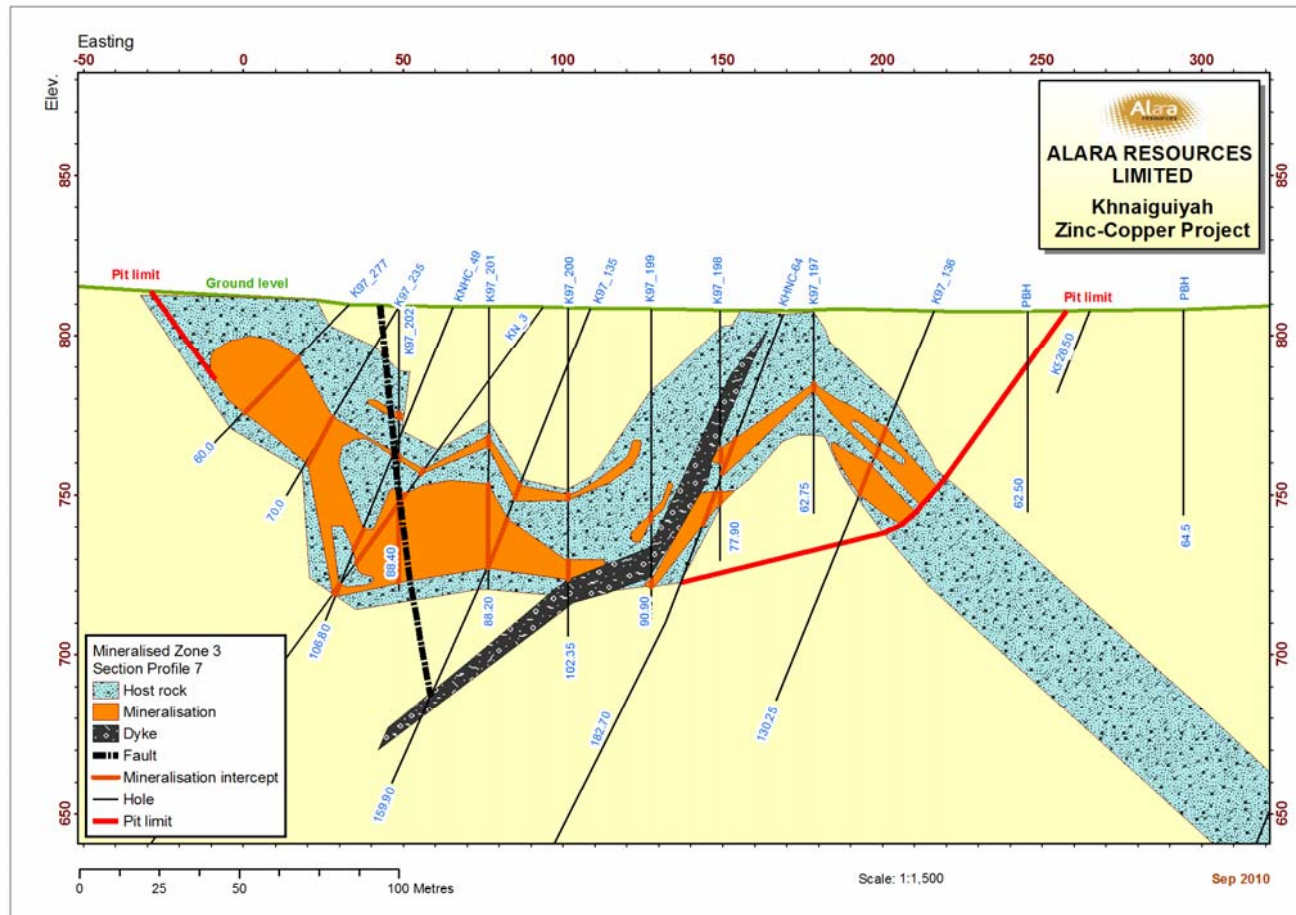
Mineralised Body 3 - Stacked 3D Model



6/10/2010



Mineralised Body 3 is thicker and close to surface on the east limb but generally copper rich and open towards the west

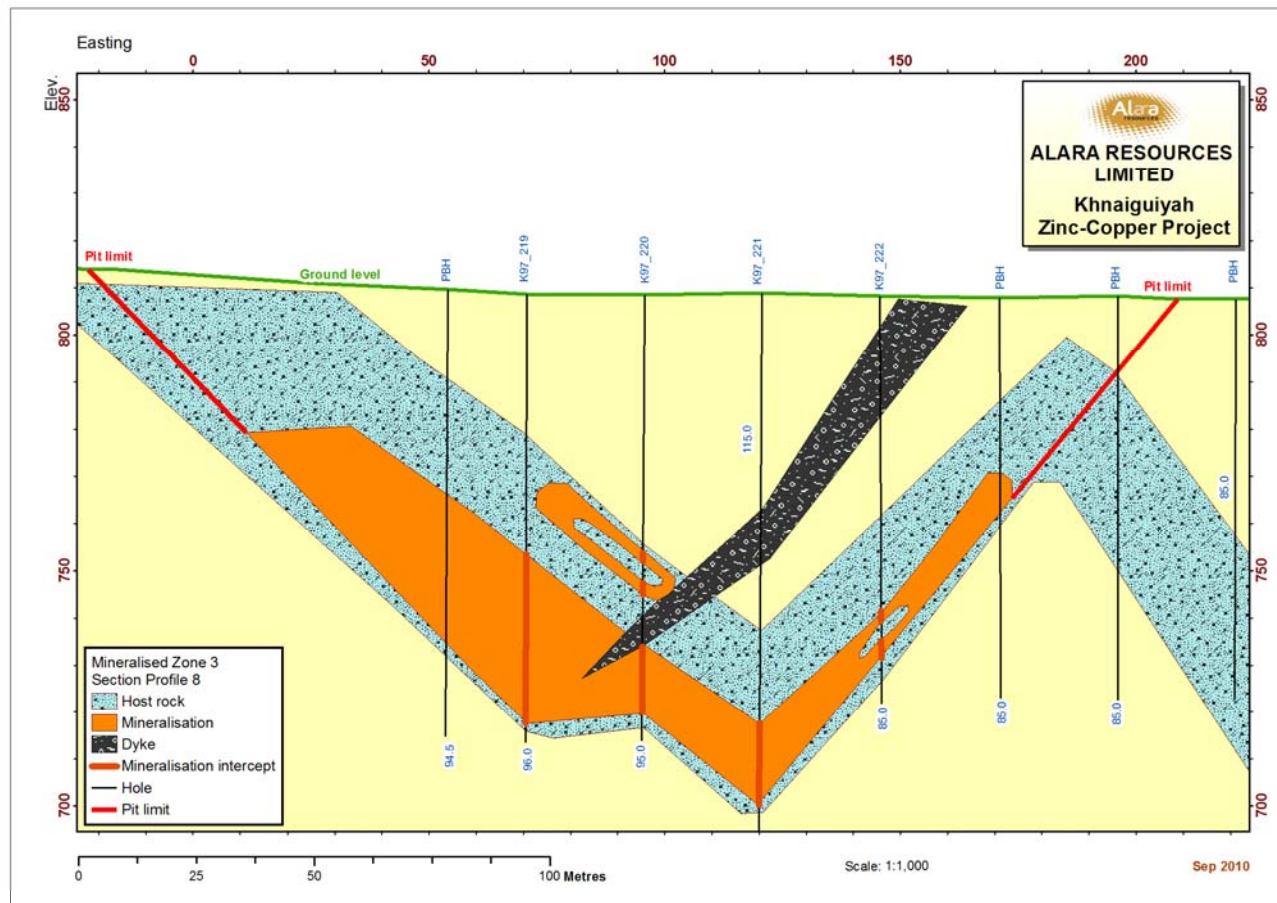


K97_136	– 4m @ 3.58% Zn, 0.27% Cu
	3m @ 3.93% Zn, 0.19% Cu
	10m @ 3.06% Zn, 0.05% Cu
K97_197	– 2m @ 3.1% Zn, 0.02% Cu
K97_198	– 5m @ 3.99% Zn, 0.21% Cu
K97_199	– 2m @ 4.56% Zn, 0.36% Cu
	2m @ 7.89% Zn, 0.09% Cu
K97_200	– 2m @ 3.6% Zn, 0.17% Cu
	7m @ 0.5% Zn, 3.5% Cu
K97_135	– 5m @ 5.91% Zn, 0.18% Cu
	17m @ 23.8% Zn, 0.71% Cu
K97_201	– 3m @ 6.39% Zn, 0.09% Cu
	25m @ 18.68% Zn, 0.54% Cu
K97_277	– 25m @ 3.07% Zn, 1.1% Cu
K97_235	– 16m @ 2.52% Zn, 0.41% Cu
KHNC_49	– 7m @ 3.95% Zn, 0.2% Cu
K97_202	– 2m @ 10.58% Zn, 0.01% Cu
	2m @ 4.43% Zn, 0.02% Cu
	29m @ 4.59% Zn, 0.03% Cu
KHNC_64	– 3.5m @ 10.95% Zn, 0.32% Cu
	11.2m @ 5.66% Zn, 0.21% Cu
KN_3	– 6.97m @ 4.51% Zn, 0.18% Cu
	4m @ 1.37% Zn, 1.1% Cu
	6.75m @ 5.13% Zn, 0.24% Cu
	9.2m @ 0.3% Zn, 1.73% Cu

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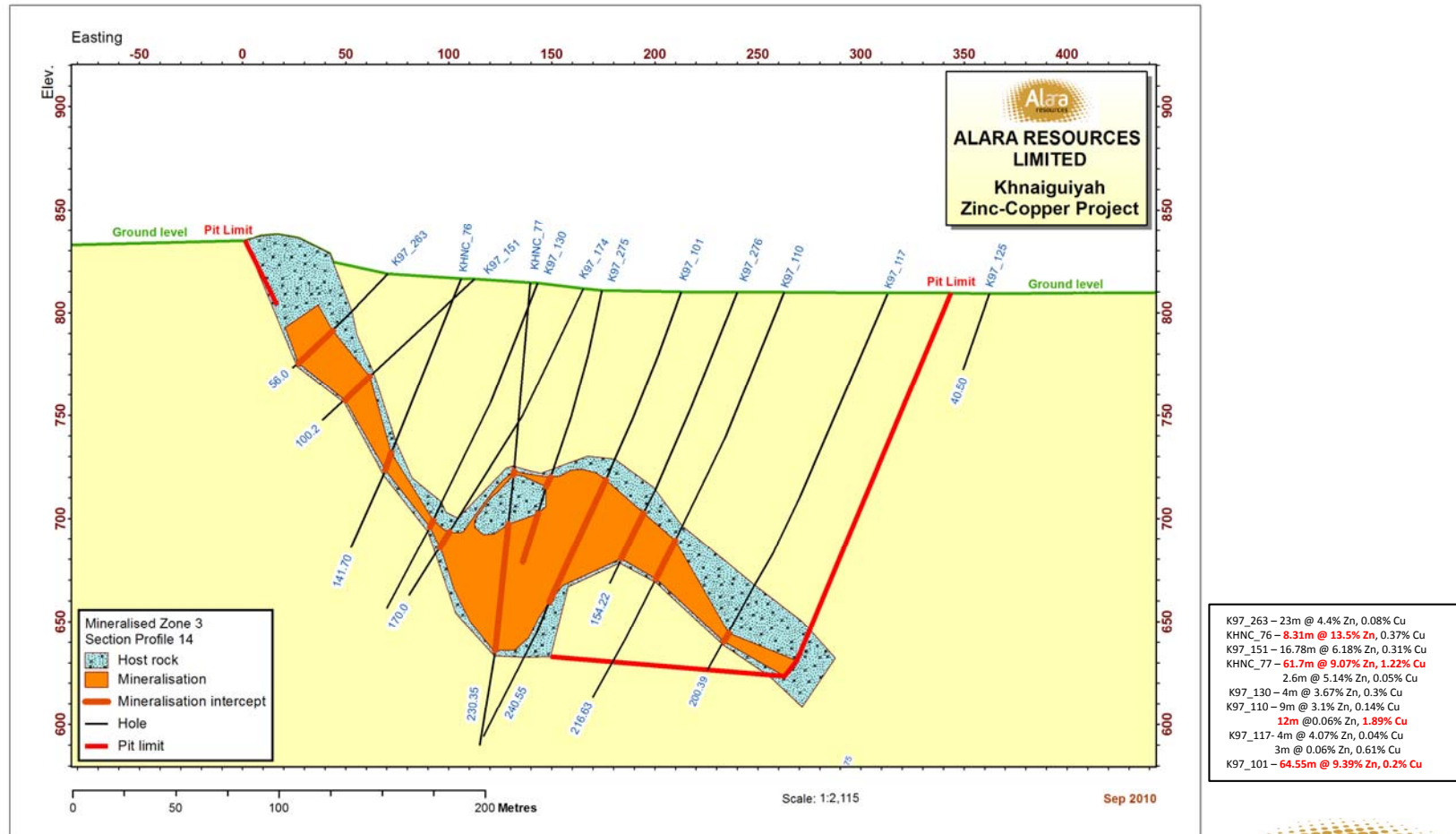
Mineralised Body 3 contains the majority of the identified mineralisation. It is richer in zinc with a distinct copper rich zone to the east



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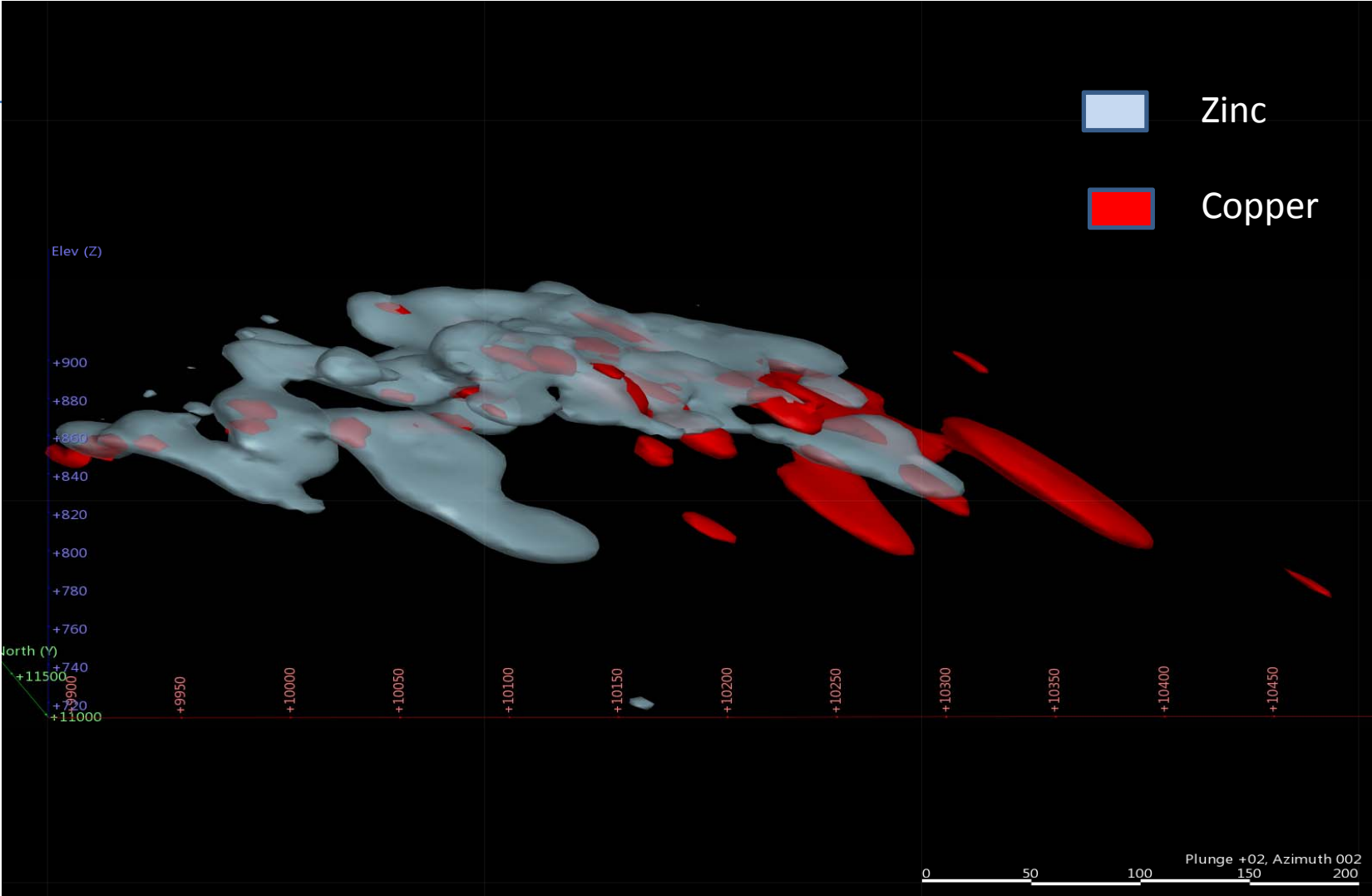
Mineralised Body 3 is thicker and well defined at depth. It has a distinct zinc rich zone to the east and it is open and copper rich to the west



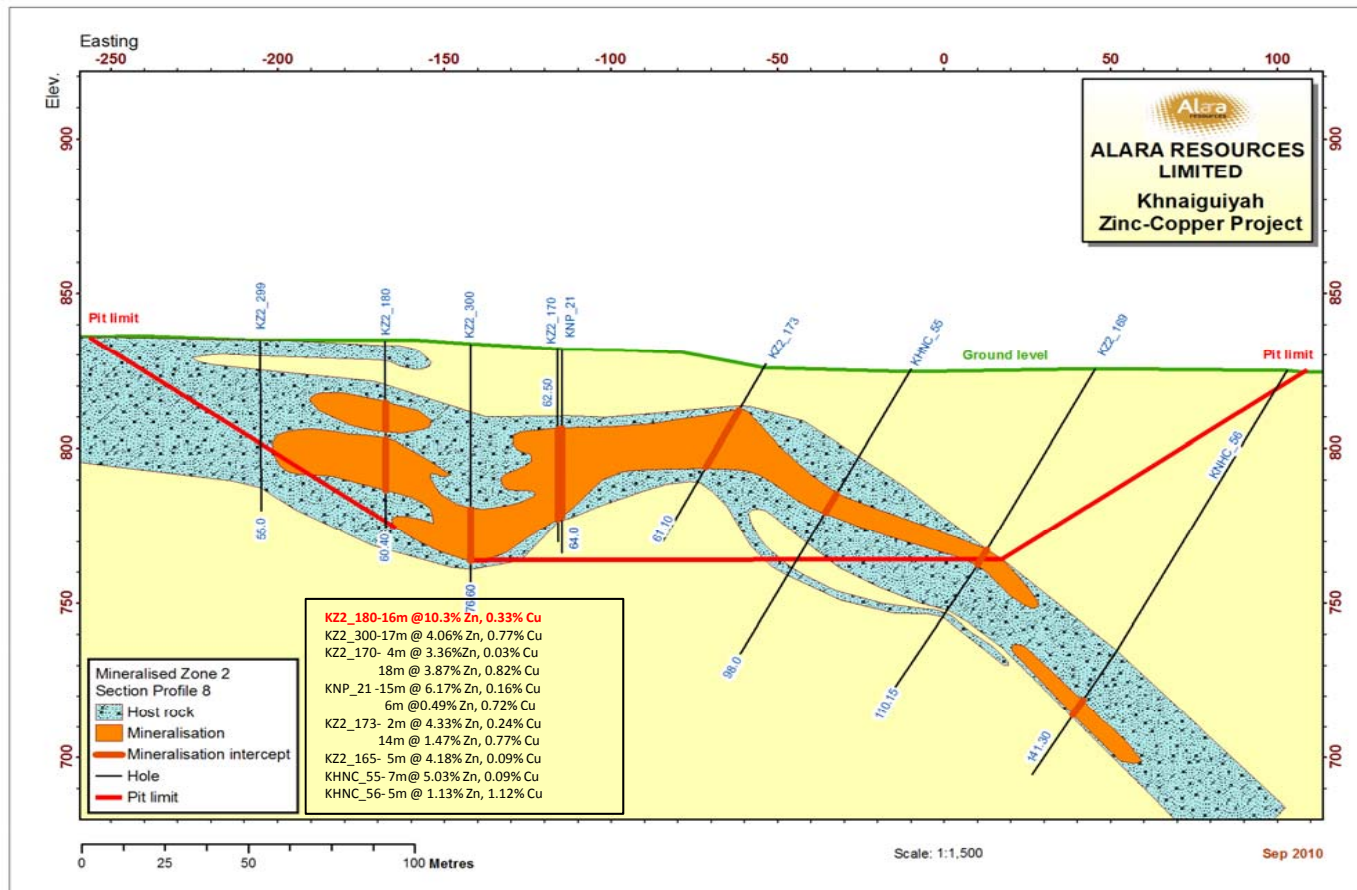
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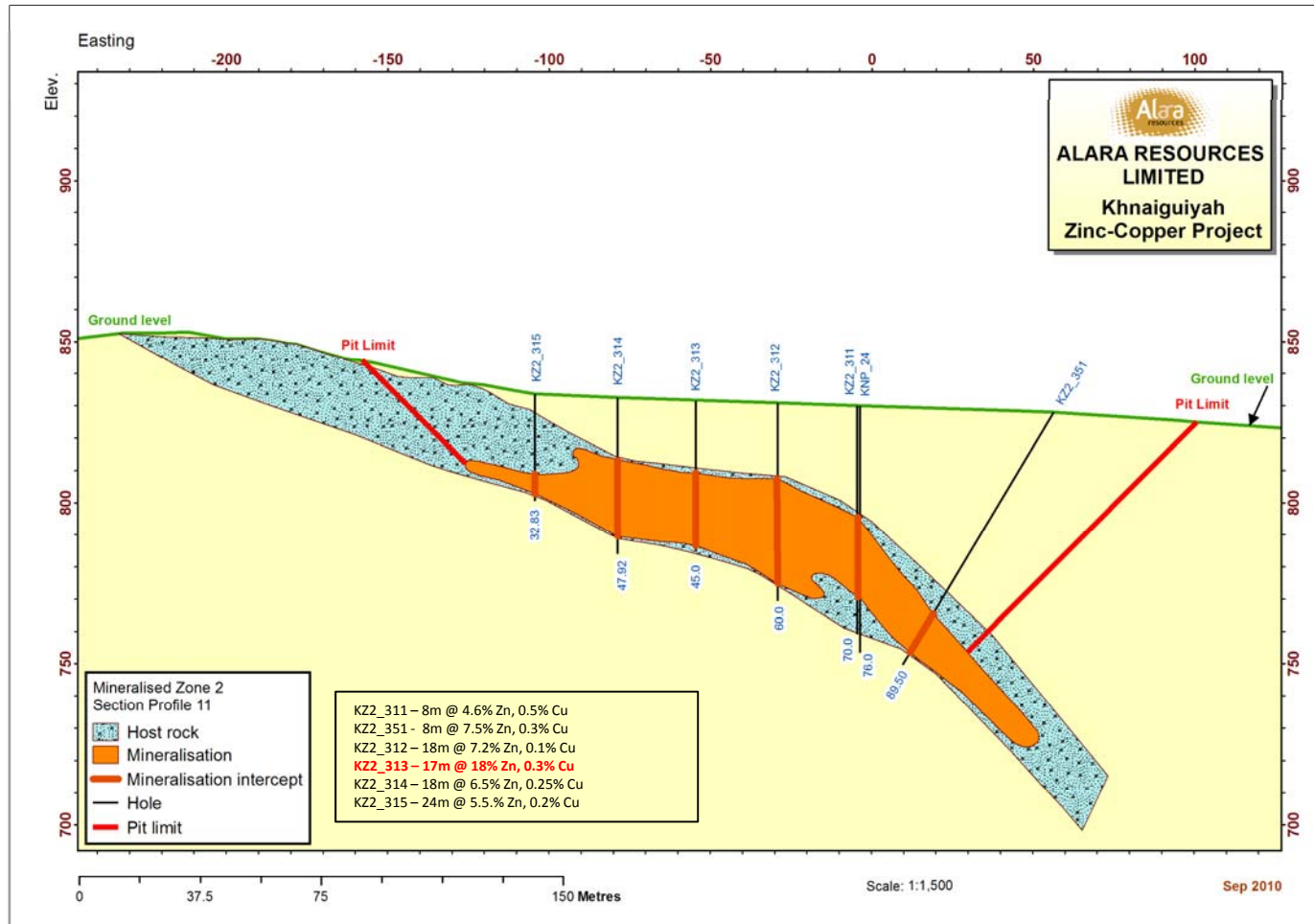
Mineralised Body 2 – stacked 3D Model



Mineralised Body 2 is generally copper rich and open to the east



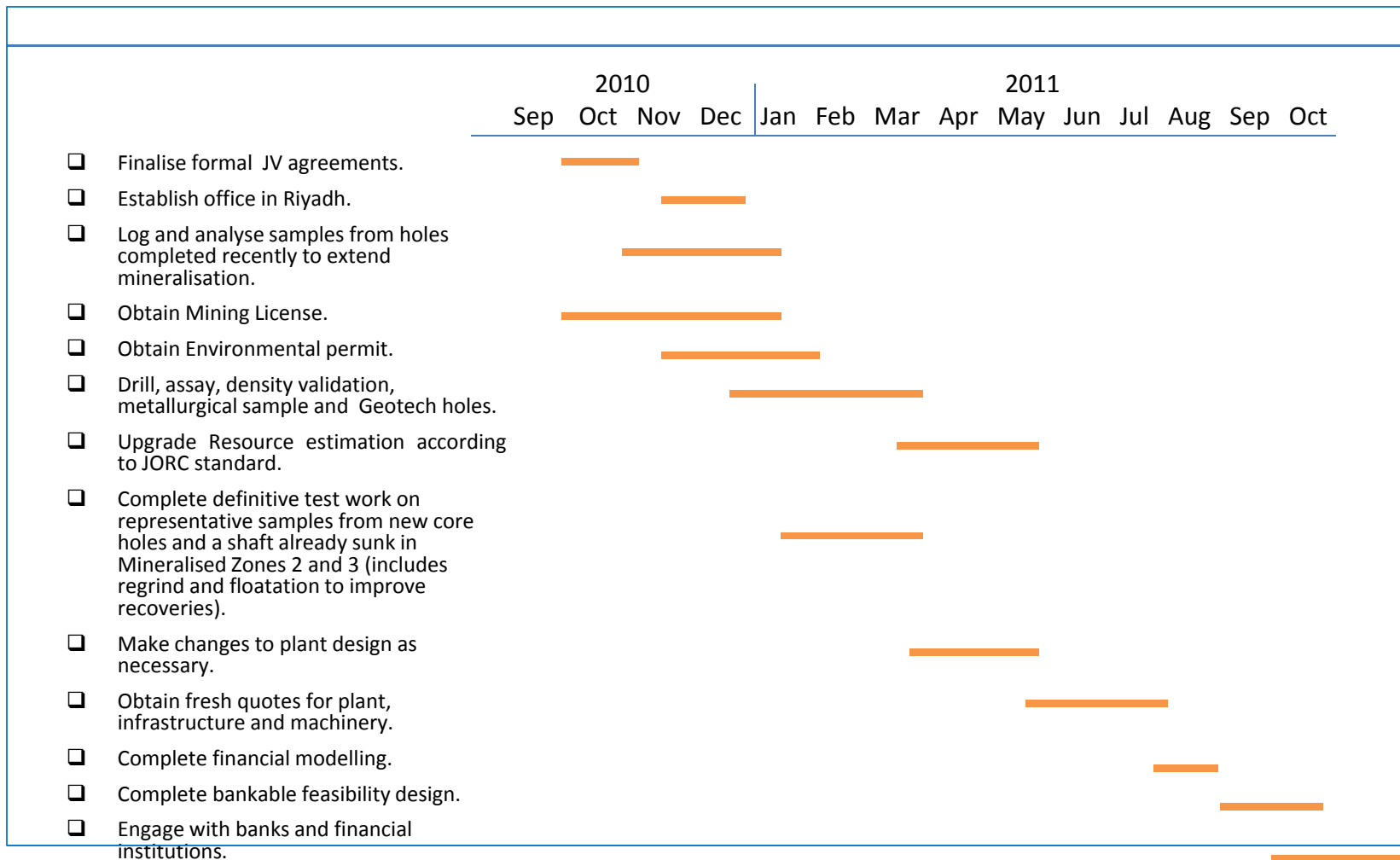
Mineralised Body 2 is shallow and thick



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Khnaiguiyah – Alara’s 12 month plan



Oman - Exposure to a large area with copper occurrences in a well known Copper Belt. Initial drilling by Alara shows good results.

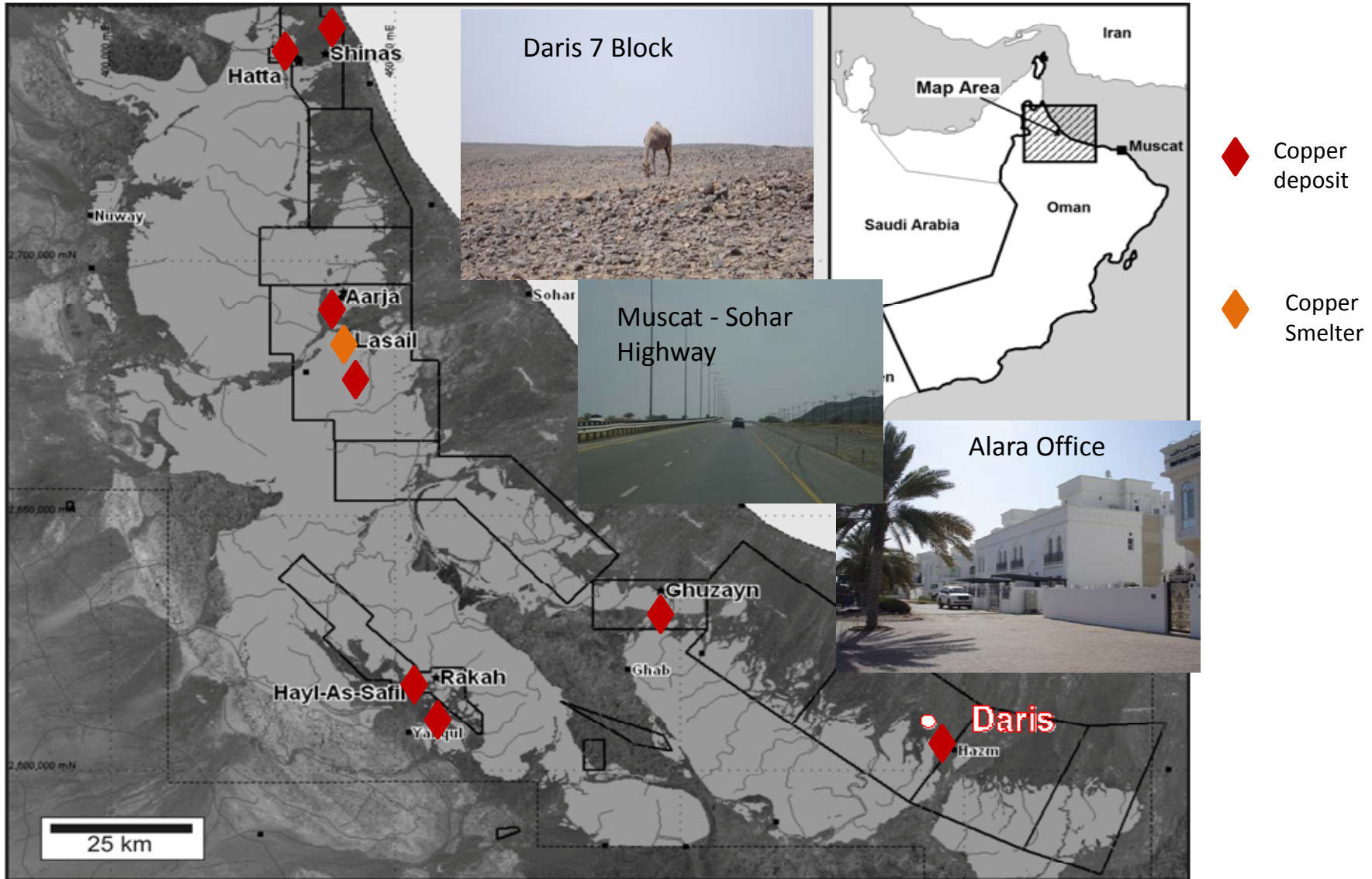
Oman	Copper has been mined and processed in Oman for over 6,000 years.
Project Location	Within known Copper belt with current mining and recent major discoveries of copper. Close to existing concentrator and smelter.
Previous Work	Reconnaissance drilling by BRGM and Oman Copper around 2 gossan areas outlined potential for shallow oxide mineralisation and high grade sulphide mineralisation. Old drill holes could not be properly located. Alara has just completed a 25 hole programme and intersected massive sulphides and oxide copper in 15 out of 25 holes drilled.
Key Terms of Alara Deal	\$3M earn in for 50%.
12 month Work Programme	Approximately \$1.5m – Drilling and feasibility of developing sulphide / oxide resource. Additionally geophysics and drilling to establish an economically minable resource.

Oman Copper Exploration - Drilling Results

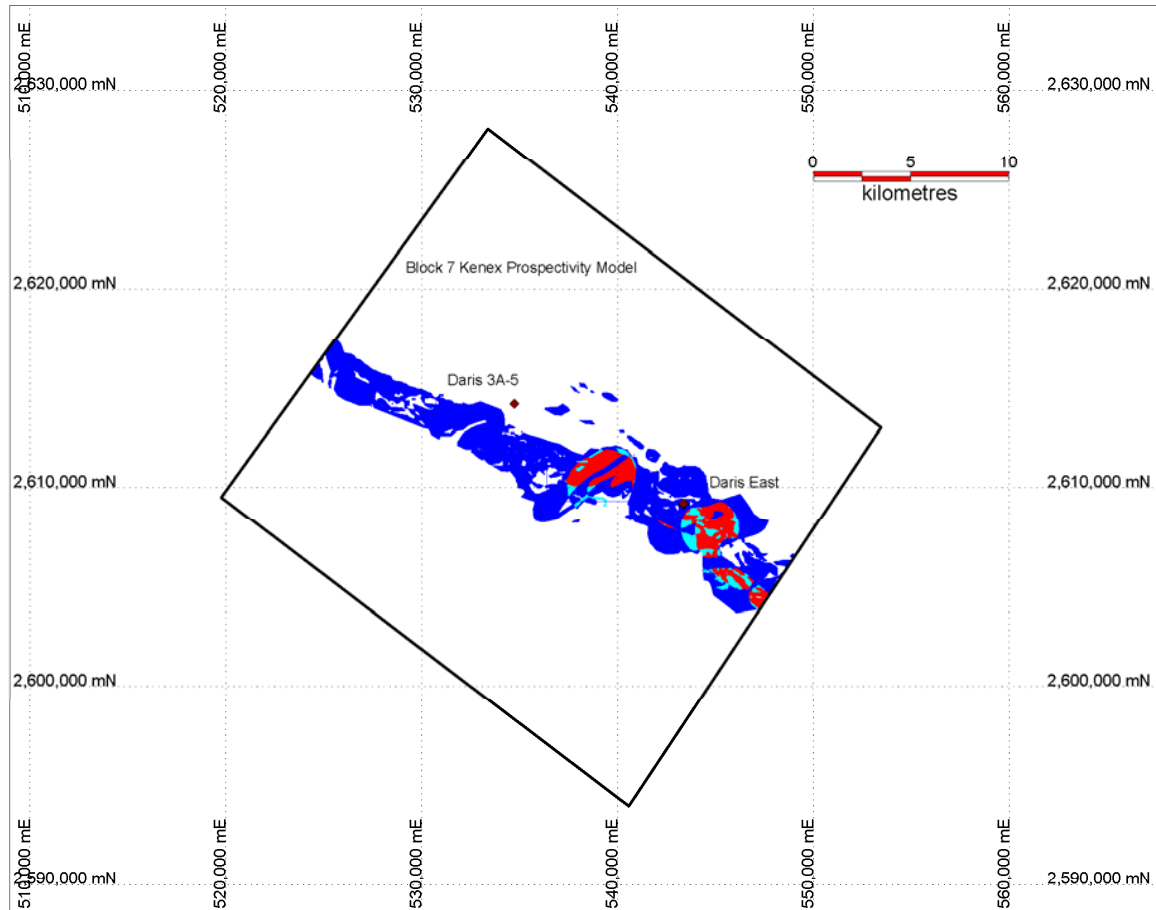
- Alara has completed a 25 drill hole programme in 2 of the 12 known prospects. Results received from one of these prospects, where 3 core holes were drilled to test previously indicated massive sulphide mineralisation around a known gossan are promising:
 - 17.20m at 8.05% copper, as copper sulphides and 2.67 g/t gold, from 51.50m including several intersections between 10% -14.7% copper (D3DC003).
 - 11.90m at 5.74% copper, from 34.35m and 3.45m at 10.28% copper (including 1m at 16.0% copper), from 50.60m, as copper sulphides, together with 17.85m at 2.61 g/t gold from 28.40m and 3.45m at 3.10 g/t gold from 50.60m (D3DC002).
 - 6.10m at 5.81% copper, as copper sulphides from 31.55m, together with 18.65m at 3.80 g/t gold from 19.0m (D3DC001).
- Oxide copper mineralisation together with native copper, in thickness ranging from 2m to 24m was intersected in 12 of the 21 percussion holes drilled at depths less than 30m.

Alara's philosophy in Oman is to have a self sustaining mining and mineral exploration business, based on a quick discovery and treatment of copper sulphides at custom concentrator and smelter facilities within 100km on bitumen highway from Daris.

VMS Copper Deposits in the Oman Ophiolites



Daris Block 7 Prospectivity Model



VMS Prospectivity model showing most prospective areas in red, next most prospective in light blue followed by dark blue.

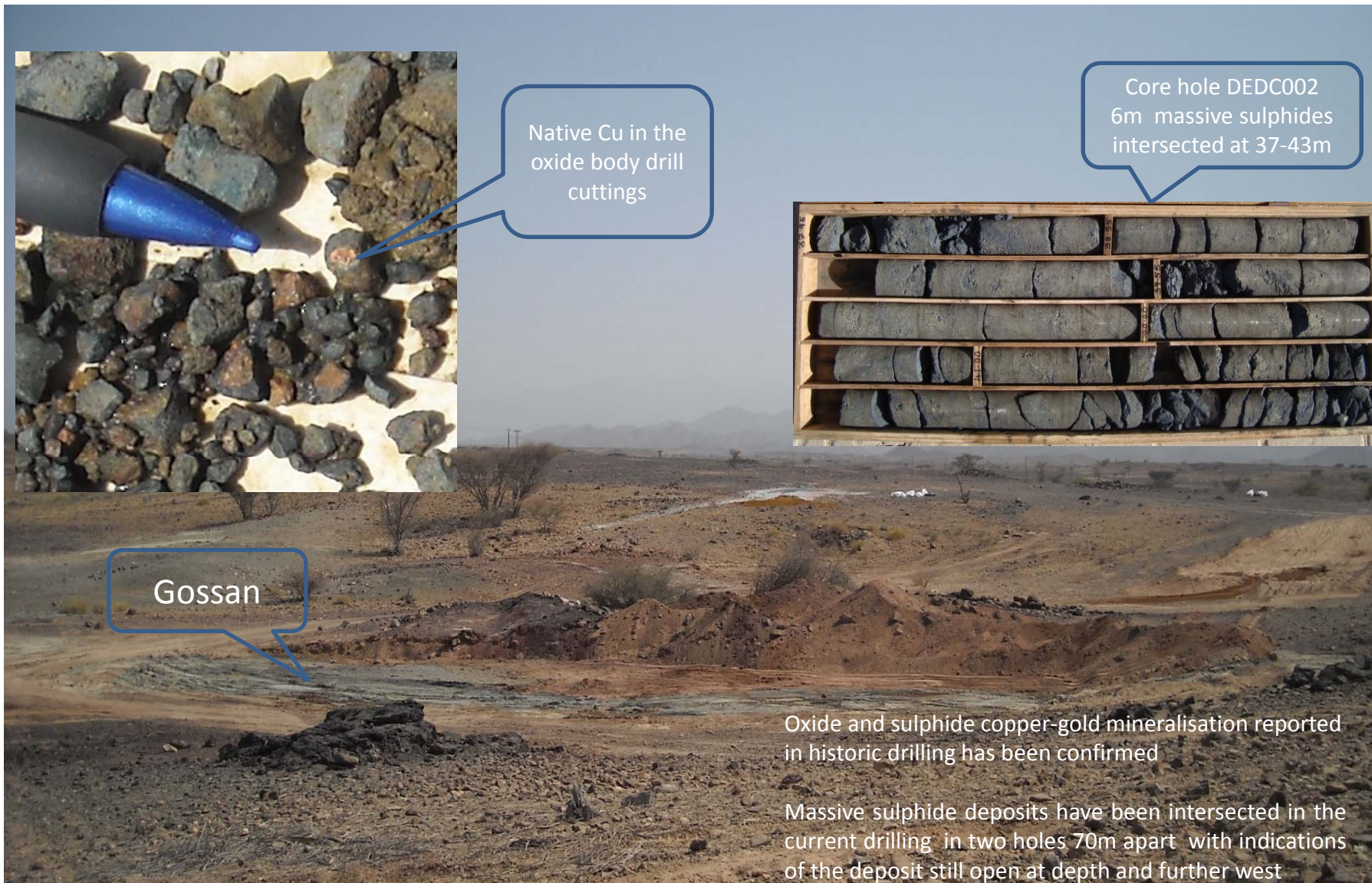
Spatial Data and Predictive Modelling of Block-7 VMS potential reviewed by consultants based on available geological, geophysical and geochemical data.

Predictive Map for VMS Cu-Au mineralisation compiled using Weights of Evidence technique

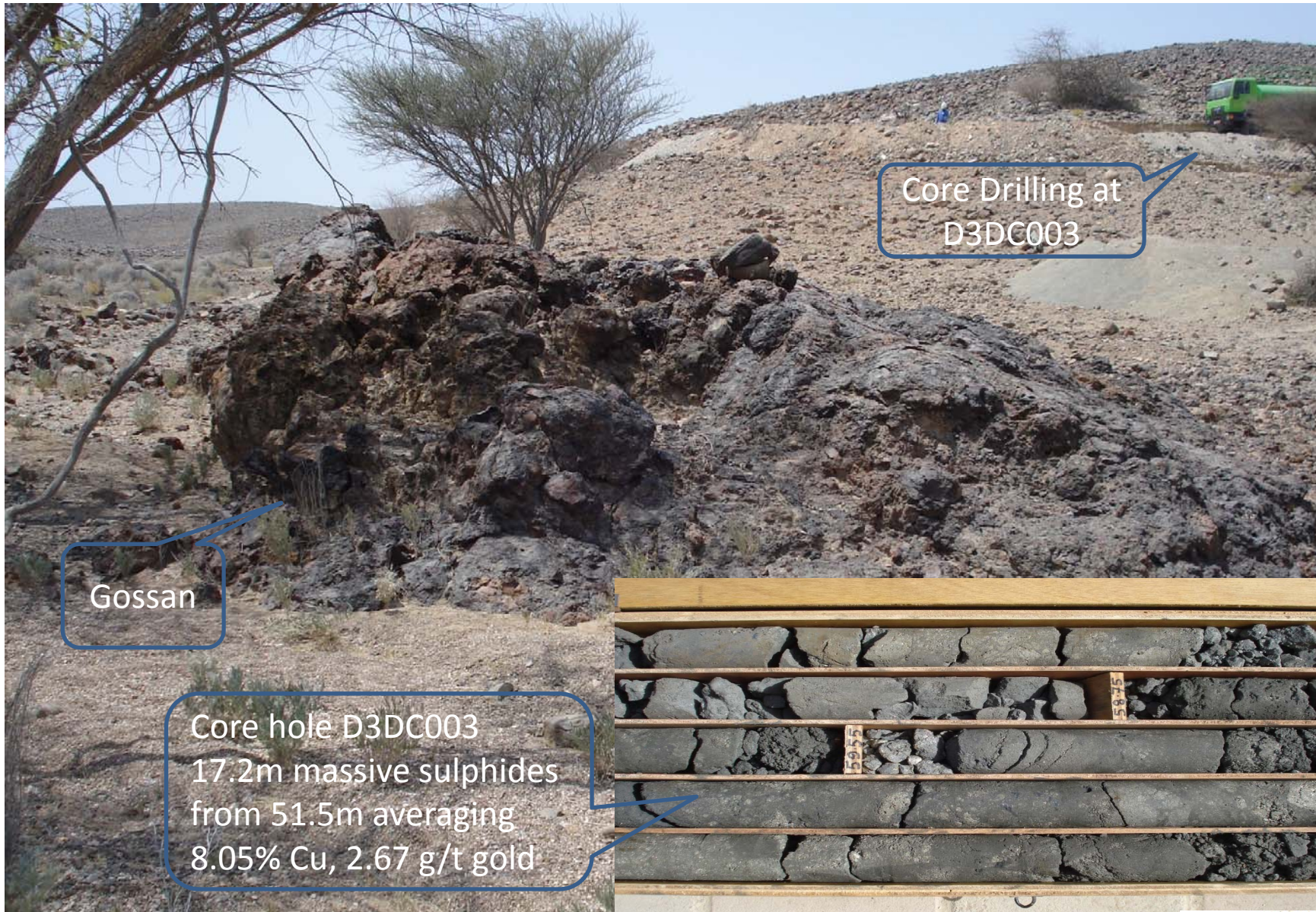
Prospectivity model has identified several new unexplored targets

Heliborne VTEM geophysical survey planned for December 2010

Daris East Oxide & Sulphide Copper Deposits and Views of the Drilled Area



Daris 3A-5 Sulphide Copper Deposit



Next Steps

VTEM survey

Ground check

Follow up drilling

Review if small cash flow is possible using existing infrastructure



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Chile - El Quillay Copper - Gold Project

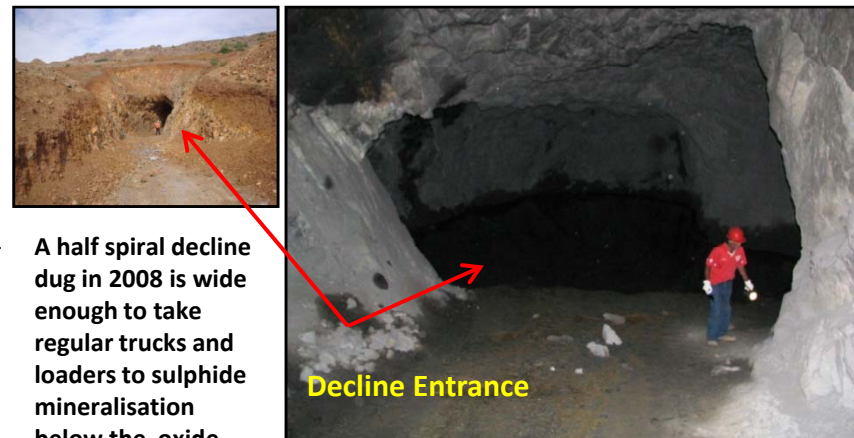
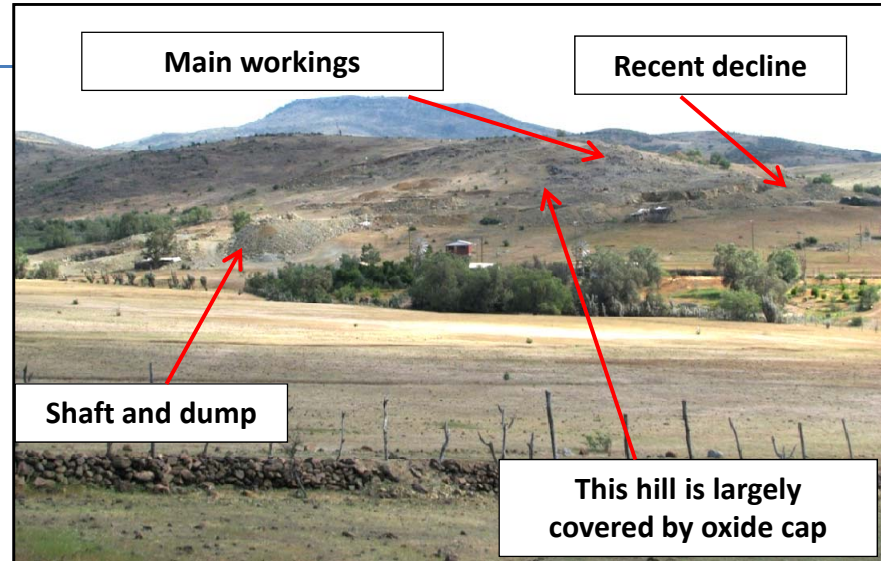
Chile	Chile produces one third of the world's copper, is highly prospective and has low sovereign risk.
Project Location	330Km north of Santiago and 20km north of Cambarbala City. Close to port and infrastructure, including a toll smelter.
Previous Work	Numerous workings over 1km strike and up to 85m depth. Outcrops and workings extensively sampled. Walk-up drill targets.
Target Potential	<p>Five copper, copper gold and copper moly IOCG type and porphyry prospects with deep workings along a 6km strike are located along a major fault system in andesitic lavas and in diorite near: Target mineralisation potential ¹.</p> <ul style="list-style-type: none"> - 8 to 10Mt of oxide cap @ 0.7% to 1.00% Cu to 30m depth, and 20Mt to +40Mt @1.5% Cu equivalent as copper sulphides, gold and silver below oxide cap (based on surface widths and projections), additionally - 30Mt to 60Mt@ 0.7% to 0.8% Cu equivalent in breccia pipes and porphyry (based on 2 drill holes one of which intersected 180m @ 0.70% Cu and up to 200ppm molybdenum)
Key Terms of Alara Deal	\$10 M in vendor payments over 3 years for 70%.
12 month Work Programme	At least 10,000m of drilling in year 1.

¹. The potential quantity and grade of the target mineralisation of copper equivalent is conceptual in nature, based on +500 surface samples conducted by the vendor's geologist and a representative portion of which has since validated by Alara's consultants. There has been insufficient exploration to define a mineral resource in relation to that target mineralisation of copper equivalent in copper and gold. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target mineralisation of copper equivalent in copper and gold.

El Quillay Project



El Quillay Norte



A half spiral decline dug in 2008 is wide enough to take regular trucks and loaders to sulphide mineralisation below the oxide cap, which covers most of the hill .

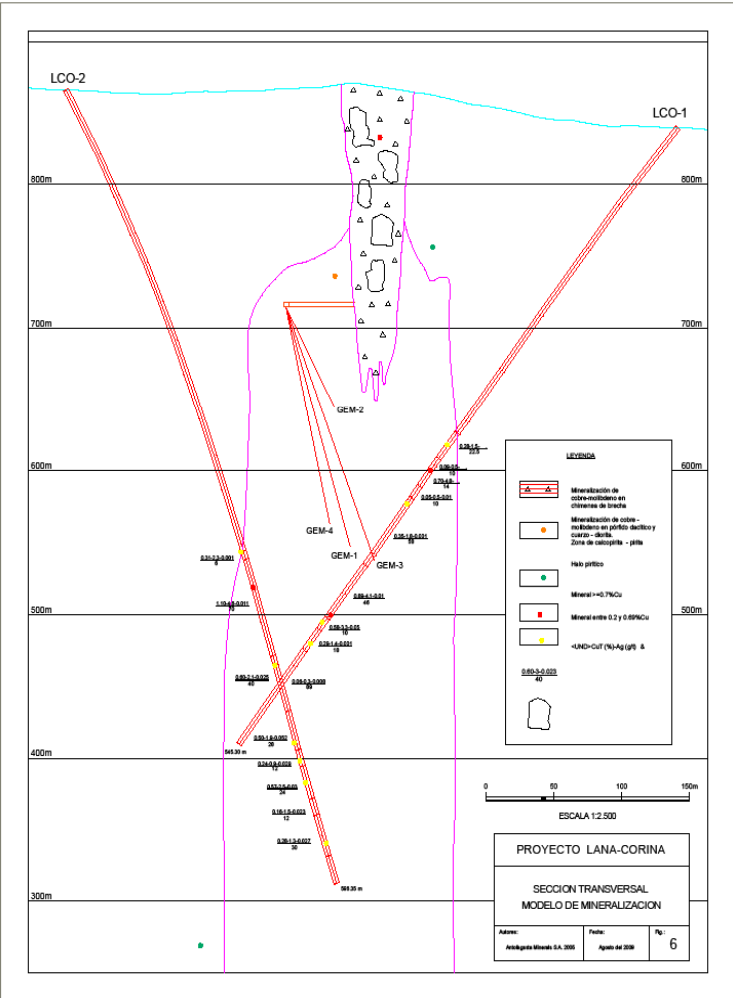
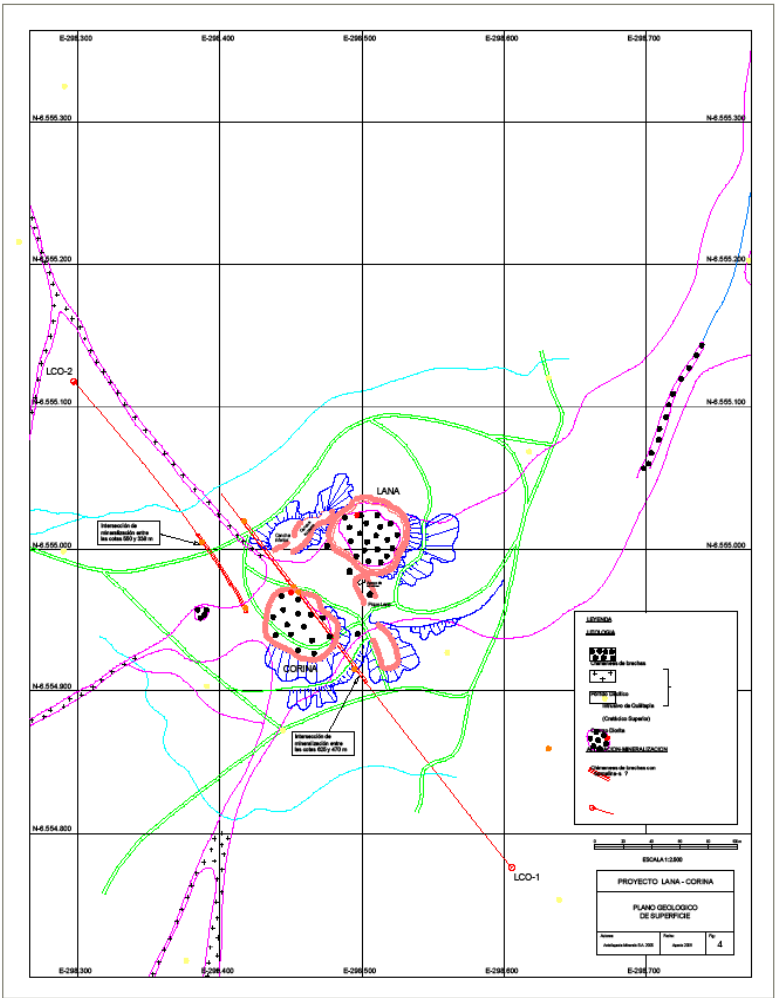
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El Quillay Project – comprises several walk up drill targets

- El Quillay Project comprises
 - El Quillay Norte - Copper prospect along the El Quillay regional fault zone (has a recent decline).
 - El Quillay Central – Copper prospect along the El Quillay fault zone.
 - El Quillay Sur – Copper gold prospect along the regional fault zone.
 - Lana and Corina – Two breccia pipes 40 to 50m wide with a deep shaft and underground workings but easily minable by open cut. Breccia pipes extend into a porphyry copper deposit with 2 drill holes one of which analysed 180M @ 0.70% Cu and up to 200ppm molybdenum.
 - La Florida – grass roots project with scratchings along the El Quillay regional fault zone.
 - Vaca Muerta – along the El Quillay regional fault zone with many workings in parallel near vertical structures with grades of up to 3.8% Cu over 2m (DD sampling).
 - Much of the fault El Quillay fault zone remains unexplored.

Lana and Corina breccia pipes and porphyry below

Two drill holes intersected greater than 130m of mineralisation, one of which intersected 180m of 0.70% Cu and up to 200ppm Mo show excellent potential to build an early JORC resource.

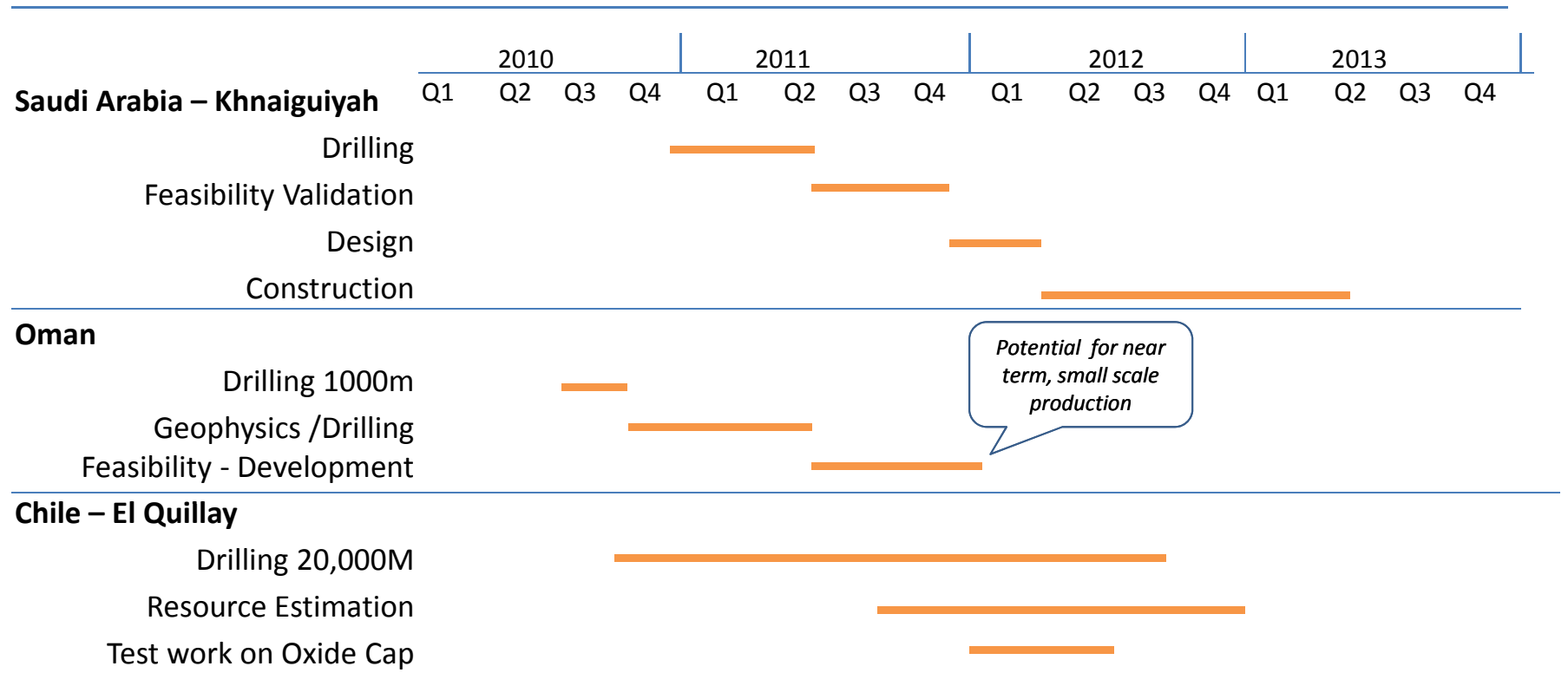


Lana and Corina breccia pipes and porphyry below are walk up target with demonstrated mineralisation



Lana and Corina are well defined shallow targets significantly richer than the porphyry below and have the potential to generate an early cash flow.

Alara's pipeline of projects includes potential for positive cash flow by 2011-12





DISCLAIMER

This presentation contains certain forecasts and forward-looking information including regarding possible or assumed future performance, costs, production levels or rates, prices, reserves and resources or potential growth of Alara Resources Limited, industry growth or other trend projections. Such forecasts and information are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors, many of which are beyond the control of Alara Resources Limited. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities

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Level 14, The Forrest Centre
221 St Georges Terrace
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Telephone: +61 8 9214 9787
Facsimile: +61 8 9322 1515

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NOTES:

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Hem Shanker Madan who is a Member of The Australian 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 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.

Mr Madan also accepts responsibility for the accuracy of the statements of historical (pre-JORC Code or before the requirement to name the Competent Person) estimates and foreign resource and reserve estimates currently not reported in accordance with the JORC Code, reported in this announcement (and the Company's announcement dated 5 October 2010 and entitled "Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia") based on previously prepared reports and the accuracy of the information disclosed in this announcement to address the Requirements for Non-JORC Code Compliant Historical and Foreign Reporting in the Joint Statement of ASX and JORC reported in the ASX Companies Update No. 11/07 dated 5 December 2007.

The Company's announcement dated 5 October 2010 and entitled "Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia" is consistent with the guidance contained in ASX Companies Update No. 11/07 (Historical estimates and foreign resource and reserve estimates, currently not reported in accordance with the JORC Code) dated 5 December 2007 and Companies Update No. 05/04 (JORC Code Compliance, Chapter 5 of ASX Listing Rules) dated 25 March 2004.

The Company has obtained a waiver from ASX Listing Rule 5.6 for the purposes of reporting statements of estimates and foreign resource and reserve estimates currently not reported in accordance with the JORC Code, in the Company's announcement dated 5 October 2010 and entitled "Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia"