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MARKET ANNOUNCEMENT

Canning Well Manganese Farm-Out Agreement with Mineral Resources Limited

Alara Resources Limited is pleased to confirm that it has entered into a farm-out agreement with Process Minerals International Pty Ltd (**PMI**), a subsidiary of ASX-listed Mineral Resources Limited (ASX Code: MIN), for the potential mining of manganese from Alara's Canning Well tenement in the East Pilbara region of Western Australia.

Under the agreement, PMI will determine the feasibility of a manganese mining operation on the Canning Well EL 46/629 tenement. If the operation is feasible, PMI will acquire the manganese rights in the tenement and develop an operation to mine and process manganese from the tenement.

Upon commencement of mining, PMI will pay Alara ~A\$4.20 per dry metric tonne of manganese fines and lump mined - subject to variation in accordance with manganese price benchmarks and to the levels of manganese fines and lump produced.

Mineral Resources Limited is an integrated Australian-based mining services and processing company with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export. PMI has proven performance in the recovery and trucking of minerals, having considerable experience in the mining and sale of manganese in the Pilbara, Western Australia.

The Canning Well tenement is located in the Eastern Pilbara region of Western Australia, approximately 360 kilometres south-east of Port Hedland. A MAGLAG sampling programme carried out by Alara targeting sulphide anomalies yielded samples analysing as high as 9.6% manganese (Mn). A follow-up rock chip sampling programme identified outcropping manganiferous rocks analysing up to 55.3% Mn.

Further information:

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