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ASX/MEDIA RELEASE

Wednesday, 30 October 2013

Presentation at the MENA Mining Show

Perth: Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to advise it is presenting and exhibiting as an International Mining Sponsor at the MENA Mining Show in Dubai, the Middle East and North Africa's biggest mining conference and exhibition.

Alara and joint venture partner, United Arabian Mining Company LLC, are promoting Alara's flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia.

Alara is also promoting its Oman Copper-Gold Projects.

A copy of Alara's presentation at MENA is attached.

– ENDS –

For further information, please contact:

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Managing Director E | phopkins@alararesources.com

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a diverse portfolio of projects in Saudi Arabia and Oman. Alara has recently completed a Definitive Feasibility Study (DFS) on its flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia and a Scoping Study (SS) on its Washihi/Daris Copper-Gold Projects in Oman. The Company is now transitioning towards establishing itself as an emerging base and precious metals mine development and production company.

For more information, please visit: www.alararesources.com.

ASX Code | **AUQ**



Alara
Resources

The
MENA MINING

Show 2013

Investor Presentation

**World Trade Centre, Dubai
28-29 October 2013**

Moving from Explorer to Producer

Company Overview



Board of Directors



Ian Williams AO

Chairman

- 40+ years' mining industry experience
- Hamersley Iron, Rio Tinto, Century Zinc and Pasminco
- Awarded Order of Australia for services to Indigenous communities



Philip Hopkins

Managing Director

- 30+ years' mining experience
- South American Ferro Metals, BHP Billiton and St Barbara Mines



John Hopkins

Director

- 30+ years' legal and mining experience
- Adamus Resources, Universal Coal Plc , Wolf Minerals



HRH Prince Abdullah bin Mosaad bin Abdulaziz Al Saud

Director

- 25+ years' business and sports management experience
- Highly regarded Saudi Arabian and International Businessman

Company Data

ASX Code	AUQ
Market Capital (29 October 2013)	\$19.1M
Issued Capital	
- Shares	242M
- Options	7.2M
Cash (30 September 2013)	\$6.04M

Top Shareholders

Antares Capital Partners	9.80%
Acorn Capital	9.52%
Northcape Capital	9.20%
Kinetic Investment Partners	6.76%
Kerri & Russell Goodman	4.17%



Justin Richard – Country Manager, Saudi Arabia & Oman (Saudi Arabia)

20+ years' experience, including Corporate Counsel and head of legal for UGL Limited's resources division, Senior Commercial Officer / Contracts

Julian Tambyrajah – Acting CFO (currently recruiting for this role)

20+ years' financial, corporate and commercial experience, CFO roles at Strike Resources, Crescent Gold, Central Petroleum, DrdGold, and held management and accounting roles for Hills Industries, Brown & Root, Woodside and Normandy Mining

Elle Macdonald – Corporate Affairs Manager

30+ years' experience including Queste Communications, Television New Zealand, Westpac, Royal New Zealand Air Force

Victor Ho – Company Secretary (shared)

13+ years' experience with number of public listed companies

Atmavireshwar Sthapak – Exploration Manager (Oman)

20+ years' exploration and feasibility experience in and Australia. Awarded "Discoverer of the Year" award, Rio Tinto 2010.

Ansar Ahmed – Logistics Manager (Saudi Arabia)

20+ years' experience, with 3 years in logistics, purchasing and office management

Ganesh Krishnamurthy – General Manager, Exploration (Oman)

20+ years' experience, with 4 years in exploration and development in Oman, 8 years with Rio Tinto Iron in Australia.

Tina Ahern – Office Manager

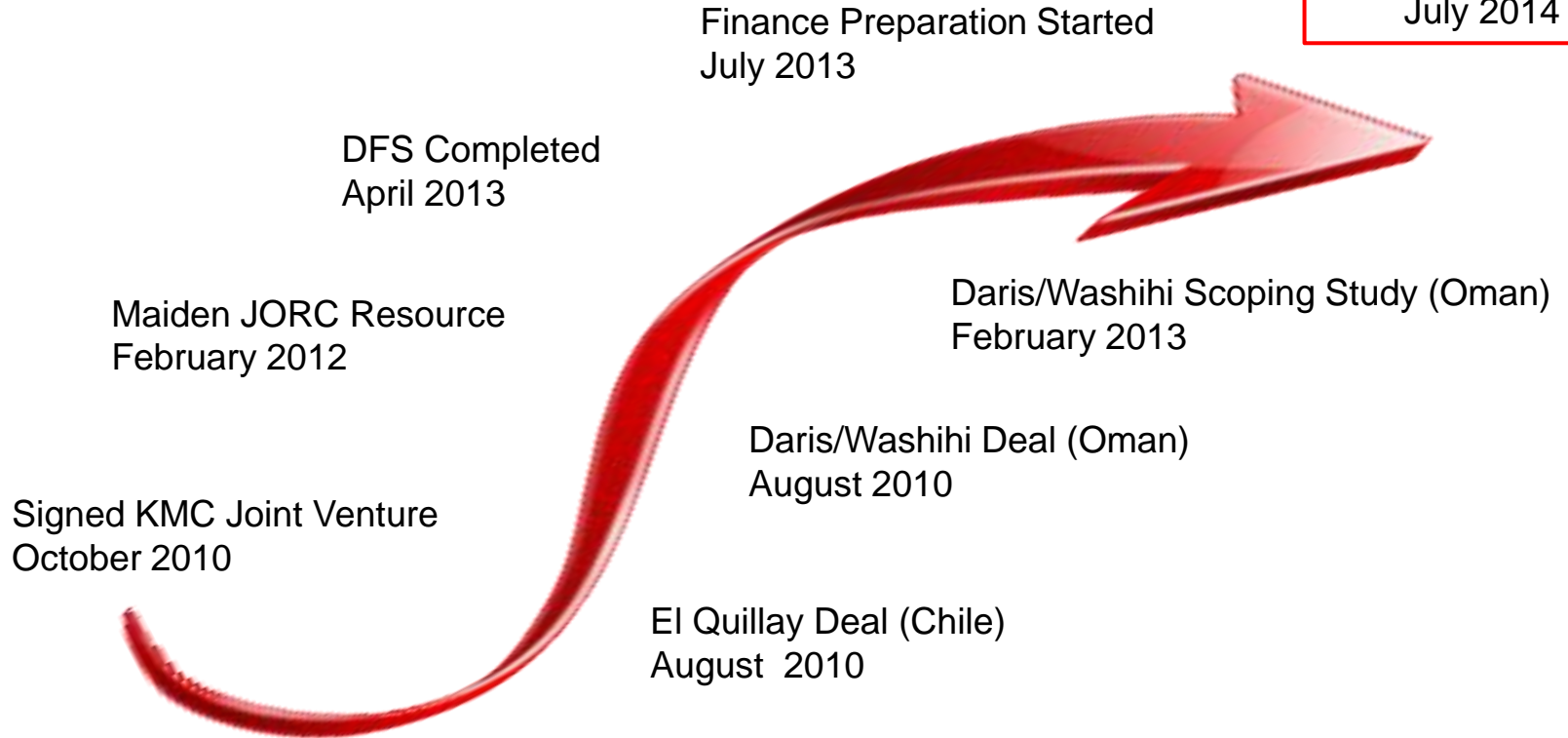
12+ years' administration, finance and project experience including Brikmakers, Shell Australia, WA Gas Networks and BHP Billiton

Chirag Patel – Accountant

10+ years' accounting and finance experience in construction, banking, exploration and mining.

Khnaiguiyah (KMC) Project Path (Saudi Arabia)

Potential Project
Construction
Commencement
July 2014



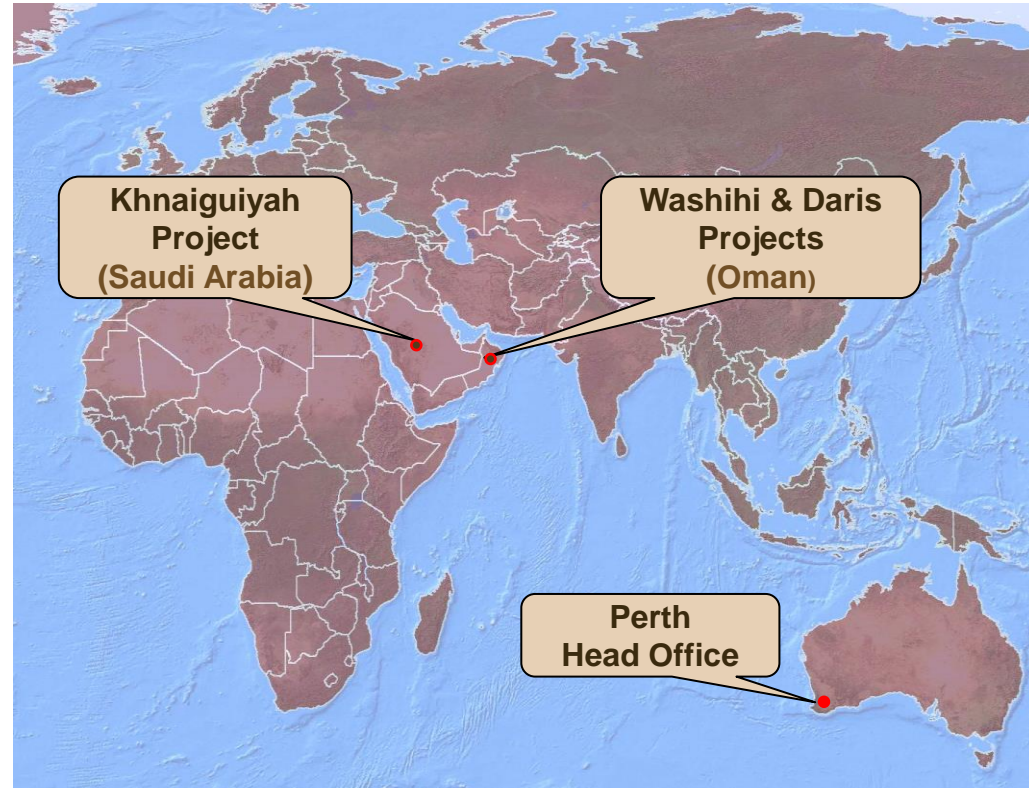
Alara spun off from
Strike Resources to
explore for uranium
March 2007

Bigryli South Deal (Chile)
June 2010

Other Projects

Moving from Exploration into Development and Production

- **Focused on mining in the Middle East**
- **Two major projects**
 Khnaiguiyah – Saudi Arabia
 Daris/Washihi – Oman
- **Project Status**
 Khnaiguiyah – DFS to finance
 Daris/Washihi – Commercial options



<u>Project</u>	<u>Resources</u>	<u>Ownership</u>	<u>Location</u>	<u>Status</u>
Khnaiguiyah	Zinc-Copper	50%	Saudi Arabia	DFS
Washihi	Copper-Gold	70% (75% possible)	Oman	Scoping Study
Daris	Copper-Gold	50% (70% possible)	Oman	Scoping Study

Key Milestones to Date

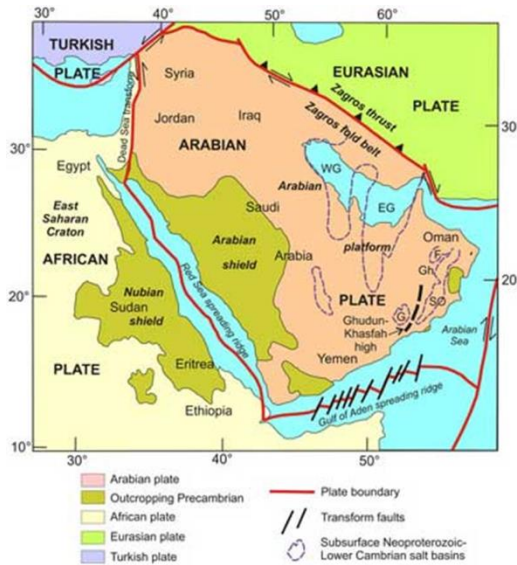


- Formed Alara Resources from Strike Resources to explore for uranium 2007
- Signed Daris/Washihi Joint Ventures 2010
- Signed Khnaiguiyah Joint Venture 2010
- Mining licence granted 2010
- Mining Rights Agreement signed for Khnaiguiyah 2011
- Maiden JORC Resources both Khnaiguiyah & Daris Washihi 2012
- Environmental approval to construct and operate a mine/plant 2012
- Scoping Study completed for Daris/Washihi 2013
- Definitive Feasibility Study completed for Khnaiguiyah 2013
- New Managing Director selected 2013
- Board of Directors restructured 2013
- Management Team restructured (on going) 2013

Why Saudi Arabia



Photo – AMEK Al Masane Plant – Saudi Arabia



- 1970's BRGM did full review – 5300 deposits
- Saudi Geological Survey
- DMMR (mines department) - +4,000 maps
- New mining code 2004 – ease of operation
- Resource Potential in the Arabian Shield

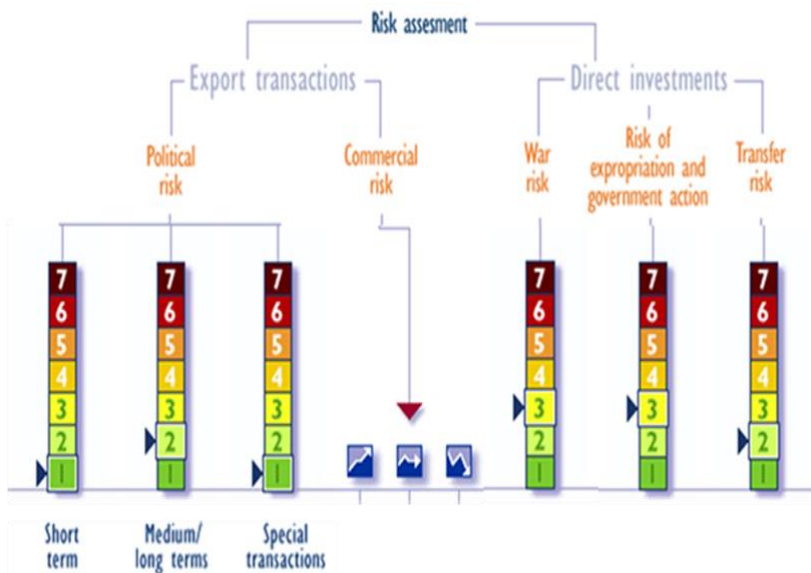


- 40 fully identified resources
- 15 ready to progress
- 9 mines **only** at this time

- Shipping ports – Europe & South East Asia
- Sealed roads & good land transport



- 2012 Saudi mining budget – largest to date
- Saudi government focus
- Petroleum
- Mining
- Financial services
- 20% Corporate tax (nil personal)
- Royalties – nil
- SIDF – 75% debt available (low rates)
- Ownership – 100% permitted
- Profits & Capital – 100% repatriation
- Nil import duties for mining (5% other)
- Tenure certainty – exploration to mining
- Fuel - \$0.13/litre – trucking options
- Member G20
- Member WTO (2005)
- #1 in Middle East for business – #12 world¹



Source: Belgian Export Credit Agency Saudi Arabia risk assessment

¹ World Bank Rating

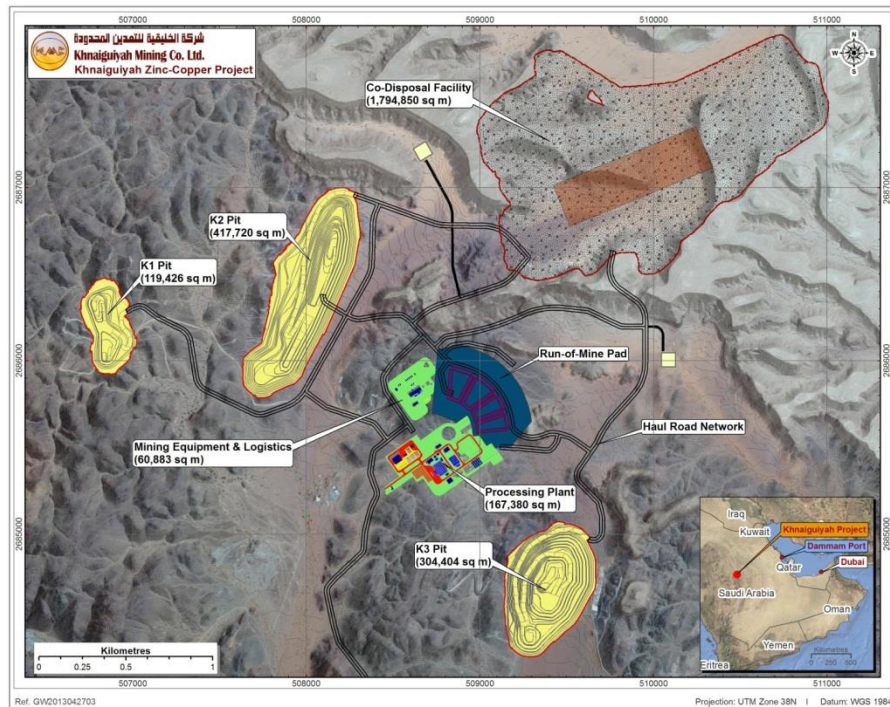
Khnaiguiyah Project Saudi Arabia



Photo – AMEK Al Masane Plant – Saudi Arabia



- Located 200km west of Riyadh – Capital City
- 170km from Riyadh on a 6-lane highway -30km on a 2-lane highway to
- Nearby town of Al Quwayyah
- Population of ~200,000 - light industry and technical college
- Next to Khnaiguiyah
- Population ~ 150 people



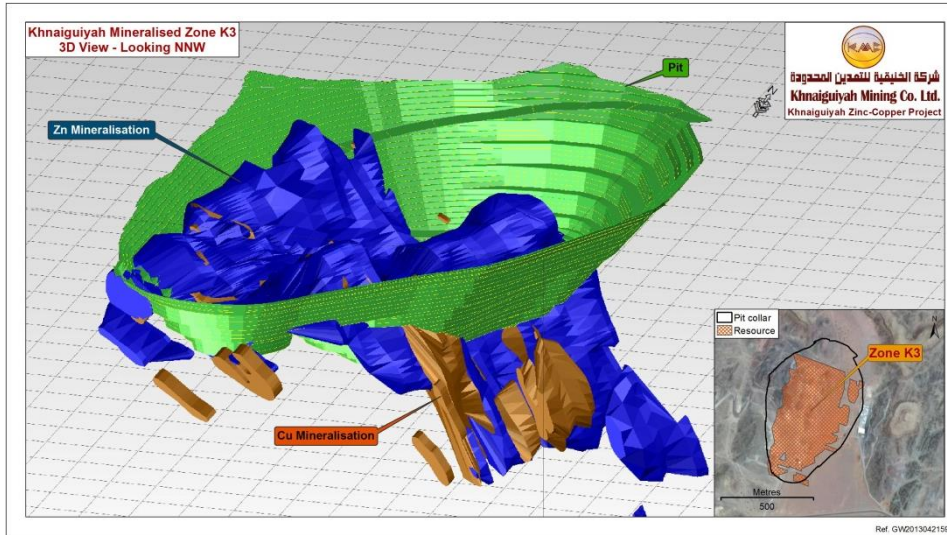
- Khnaiguiyah Mining Licence, 2 Exploration Licences and 5 Exploration Licence applications pending
- Total Licence area approximately 380km²
- Mining Licence and environmental approvals issued
- DFS completed in April 2013
- 2 Mtpa process plant throughput
- 3 open pits for mining – K1, K2 & K3
- Zinc and copper concentrates to ship overseas
- Water is key – bore field 15km away from site
- Power to be co-generated on site
- Full Capex - \$US 157m
- Capex remains to be optimised
- Looking at EPC approach
- Strong resource upside potential

The current JORC Mineral Resources at Khnaiguiyah are:

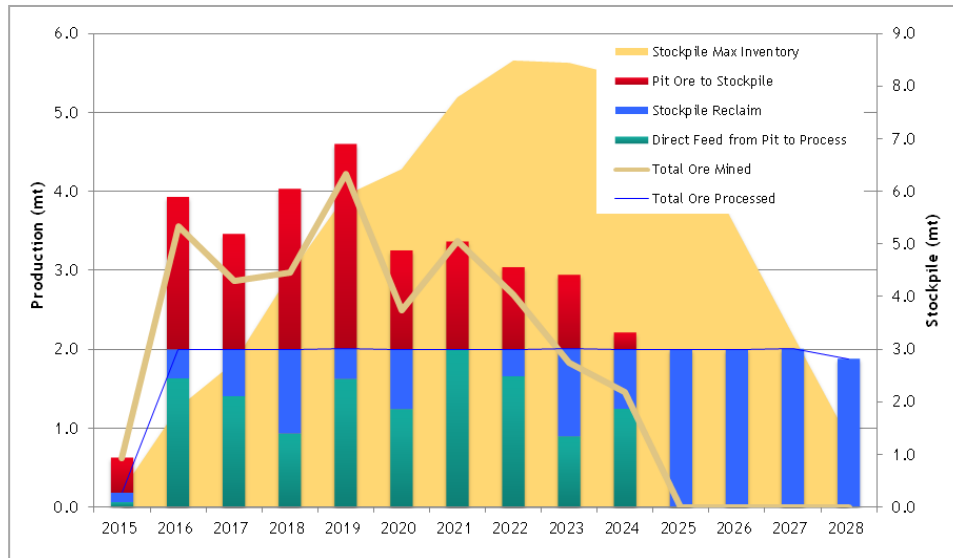
- Measured & Indicated (Domains 1 & 2) 25.32Mt @ 4.03% Zn and 0.17% Cu
- Measured & Indicated (Domain 3) 8.53Mt @ 0.64% Cu
- Inferred (Domains 1 & 2) 4.32Mt @ 2.90% Zn and 0.03% Cu

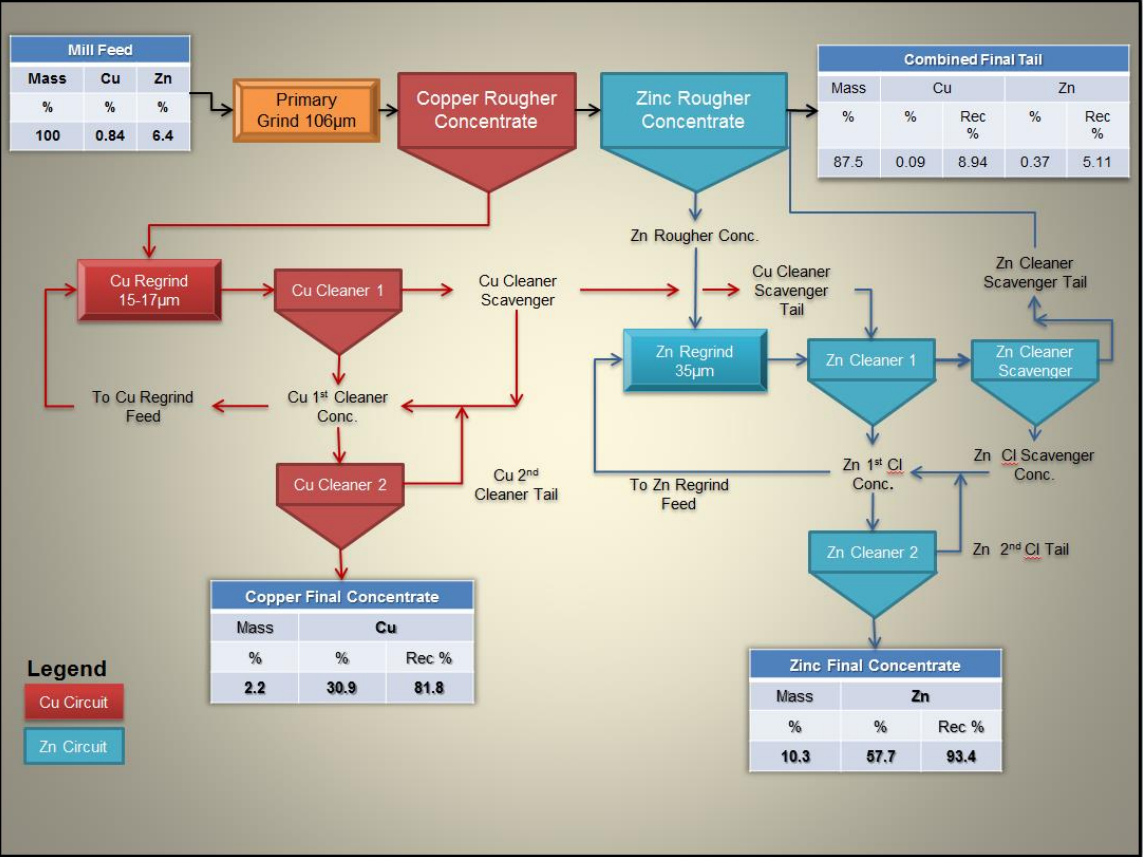
The current JORC Mineable Reserves at Khnaiguiyah are:

- Proved Ore Reserves: 17.7Mt @ 3.4% Zn, 0.29% Cu
- Probable Ore Reserves: 8.4Mt @ 3.1% Zn, 0.13% Cu



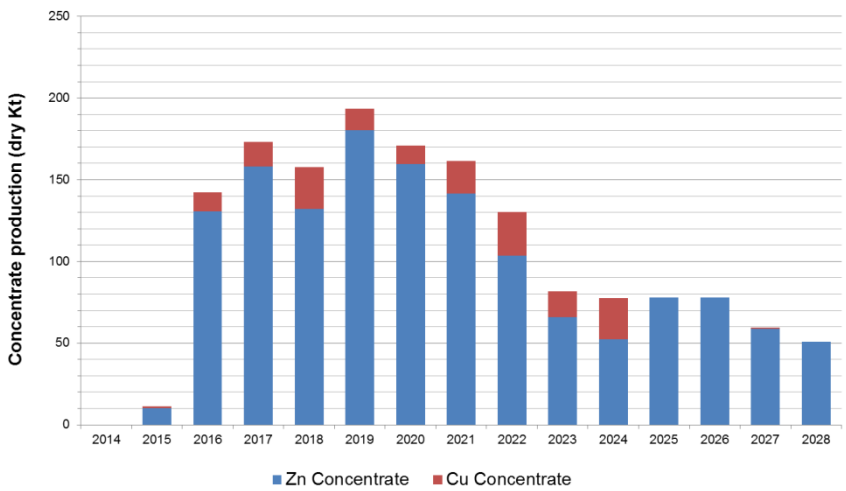
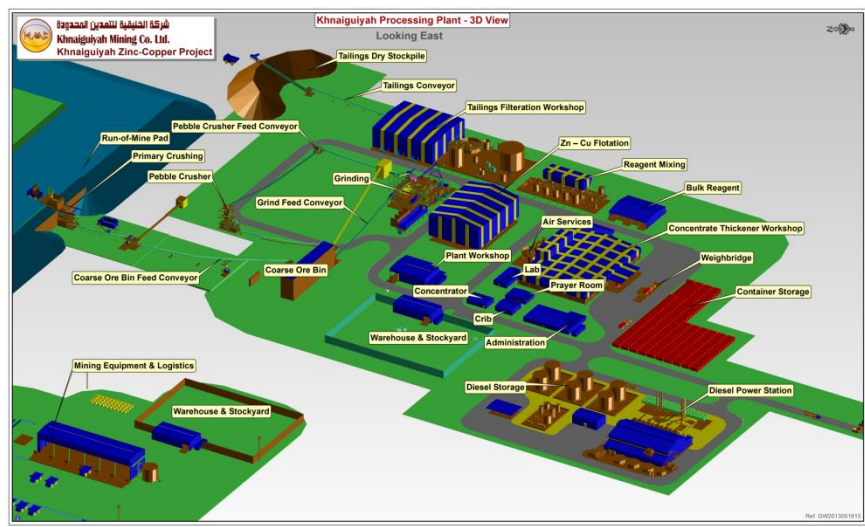
- Three open cut pits (K1, K2 and K3) within 3km
- Centrally located ROM pad and processing facility.
- 100% drill and blasting for ore and waste
- Leased mining gear - owner operator basis
- 2Mtpa to be completed in 9 years followed by treatment of low grade stockpiles for 4 years
- Ramp up will commence 4 months prior to wet commissioning and continue through the first 6 months of production
- Traditional small scale fleet
 - 21 100t trucks
 - 1x 90t excavator for ore
 - 2x 160t excavators for waste
 - 2x 50t excavators for scaling
- 5:1 strip ration LOM





- 9 years mining - 4 years stockpile reclaim
- Conventional differential floatation
- Design on +6% Zn - Conservative
- Crushing and grinding designed at higher end of bond indices – opportunity .
- Grinding availability 75% - conservative
- Higher throughput with “softer” ore
- +15% milling possible in softer feedstock
- Recovery (Zn) 92%
- Recovery (Cu) 88%
- Zinc in concentrate (tonnes) 775,000
- Copper in concentrate (tonnes) 53,000

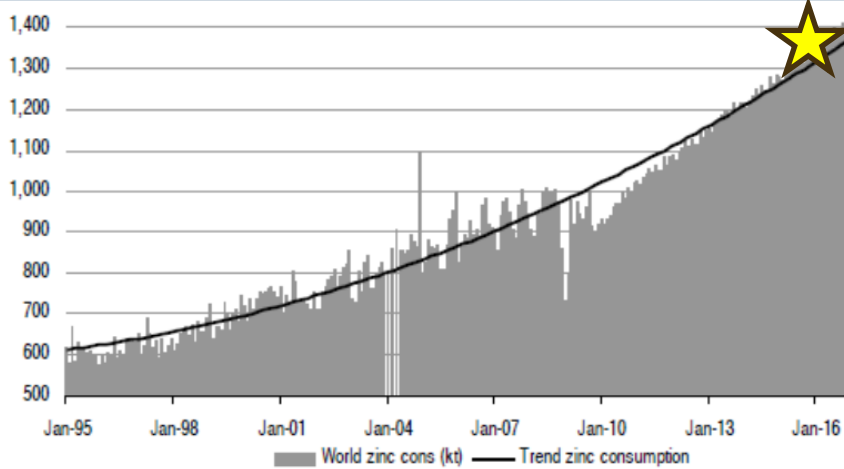
Plant Flow Sheet



- Annual throughput (tonnes) 2,000,000
- Milled (tonnes) 26,000,000
- Grade (Zn) 3.33%
- Grade (Cu) 0.25%
- Recovery (Zn) 92%
- Recovery (Cu) 88%
- Zinc concentrate (55%) 1.4 Mt
- Copper concentrate (25%) 0.2Mt
- Zinc in concentrate (tonnes) 775,000
- Copper in concentrate (tonnes) 53,000

Think zinc! . . . The new iron ore?

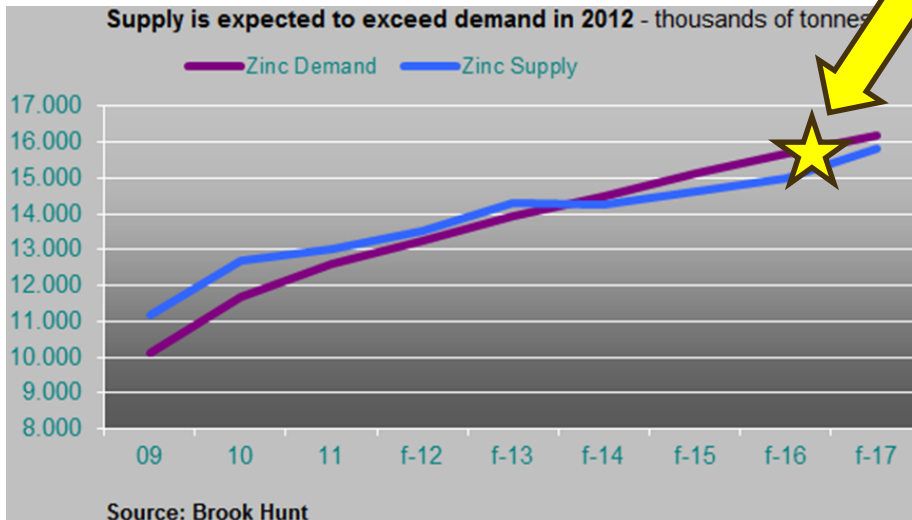
Figure 1: Global zinc demand return to normality and trend to 2016E



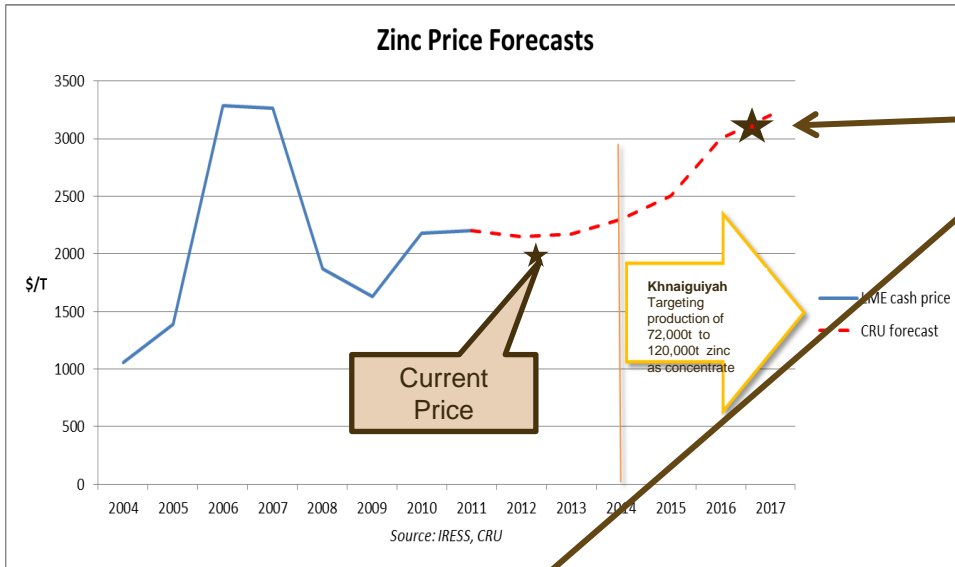
Source: WBMS, Credit Suisse estimates

**YOU ARE HERE
START OF PRODUCTION**

- Zinc supply is falling off
- Zinc demand is rising
- Wood Mackenzie

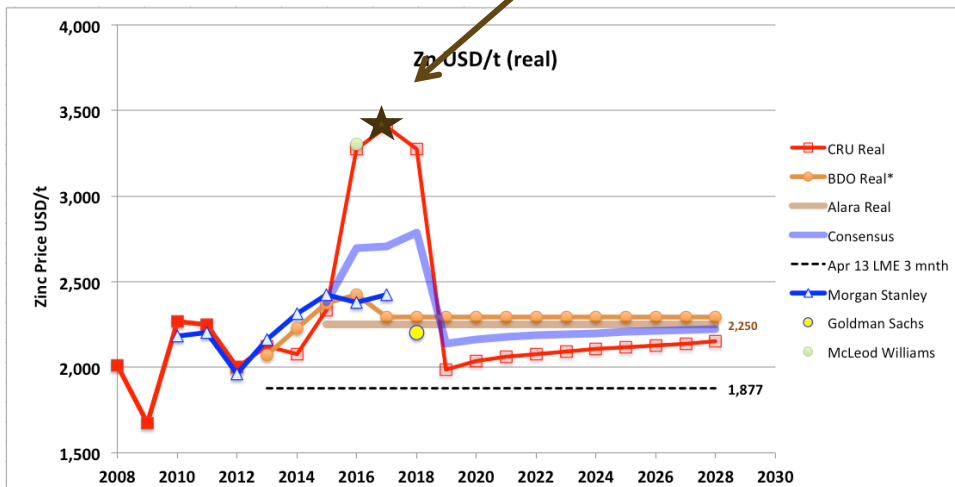


“Zinc will be the only metal to grow in unit value relative to its position in 2010 and will peak in 2016-2019”



Zinc price to peek at the projected/possible project start up date of mid 2016

Project uses a lesser “consensus” price ~2,650/tonne





- Capex based on fixed lump sum prices
- Mobile mining equipment is proposed to be leased
- Tender bids have been received

Item	US\$M
Process facilities (includes first fills)	157
Power	15
Accommodation village	12
Site infrastructure, workshops and buildings	15
Concentrate containers	9
Bore field and piping	6
Mobile plant (non mining)	4
Earthwork	7
Subtotal	225
<u>Owners costs, working capital and contingencies</u>	<u>32</u>
Total	257

Photos – AMEK Al Masane Plant – Saudi Arabia

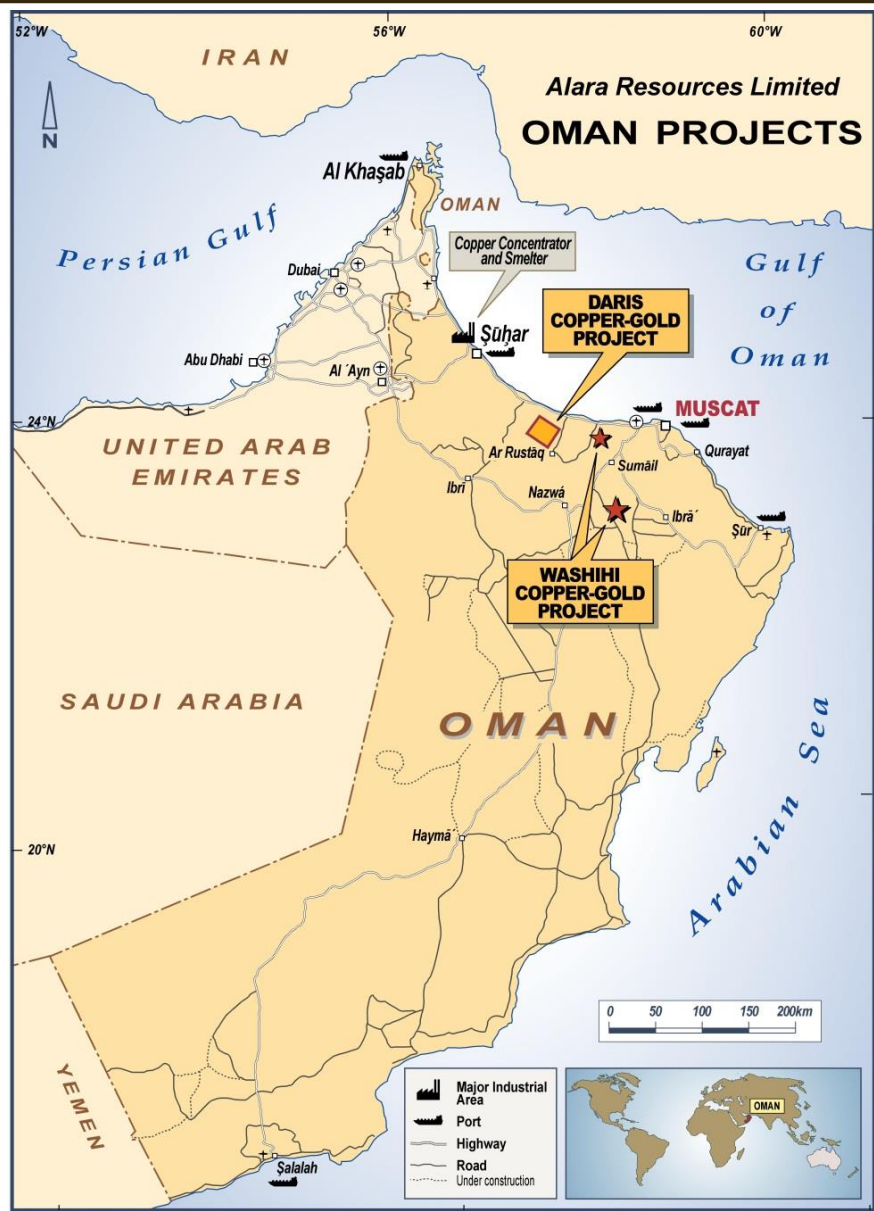


- Project revenue: A\$2,074 M
- Project costs : A\$1,201M
- EBITDA: A\$873M
- Cash flow (post Capex): A\$467M
- Capex: US\$257M
- Project NPV: A\$170M
- IRR: 23%
- Weighted Avg cost of capital 9.1%
- Payback: 2.8 years
- Average production of 80ktpa Zn and 5.8ktpa Cu (years 1-7)
- Peak production 99kt Zn and 8.3kt Cu (year 4)
- Cash costs (including TC/RC) of US\$0.46/lb in the first 7 years, US\$0.50/lb LOM after copper credits
- Assumptions: Zinc price US\$2,315/t (US\$1.05/lb)
Copper price US\$6,114/t (US\$2.77/lb),
Zinc TC/RCs US\$180/t (A\$:US\$ = 0.90)

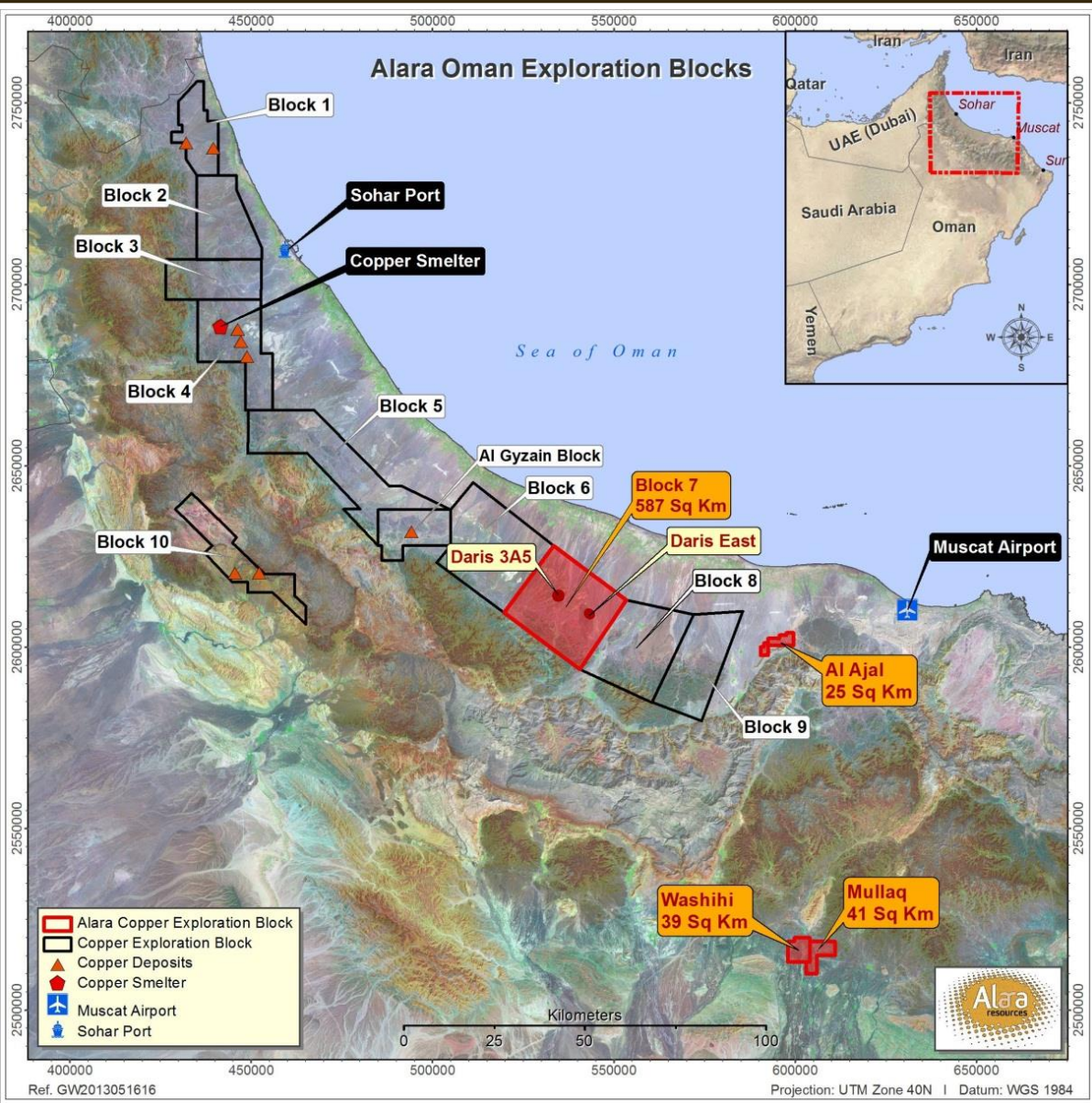
Top photo – AMEK Al Masane Plant – Saudi Arabia

Daris/Washihi Project Oman



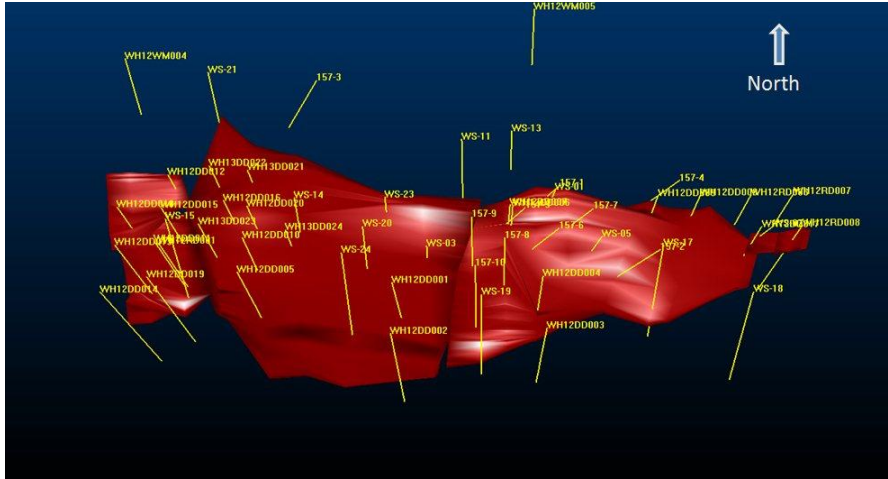


- Long history of copper mining (circa 4,000 BC)
- Economy on course for excellent growth
- Conducive investment climate “Metals” are in top five promoted sectors in the Sultanate
- Transparent taxation policies
- World class infrastructure



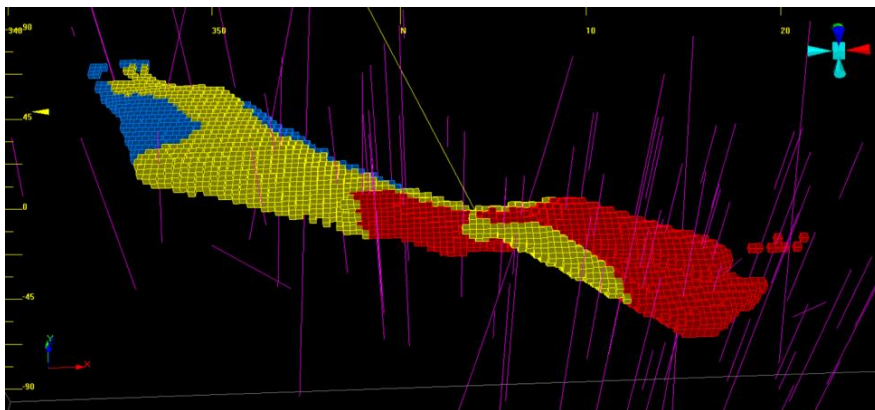
- Closer to in-country copper smelter
- Close to Port of Sohar - a deep sea port
- Located in a copper - gold producing region
- In midst of several “VMS styled” copper deposits
- Direct road access
- Water for operations available

Washihi Resource Model



Deposit	Tonnes	Cu%	Au g/t
Washihi (JORC Indicated)	6,840,000	0.90	0.17
Washihi (JORC Inferred)	7,270,000	0.71	0.20
Daris East Sulfide Ore (JORC Measured+Indicated)	240,024	2.65	0.43

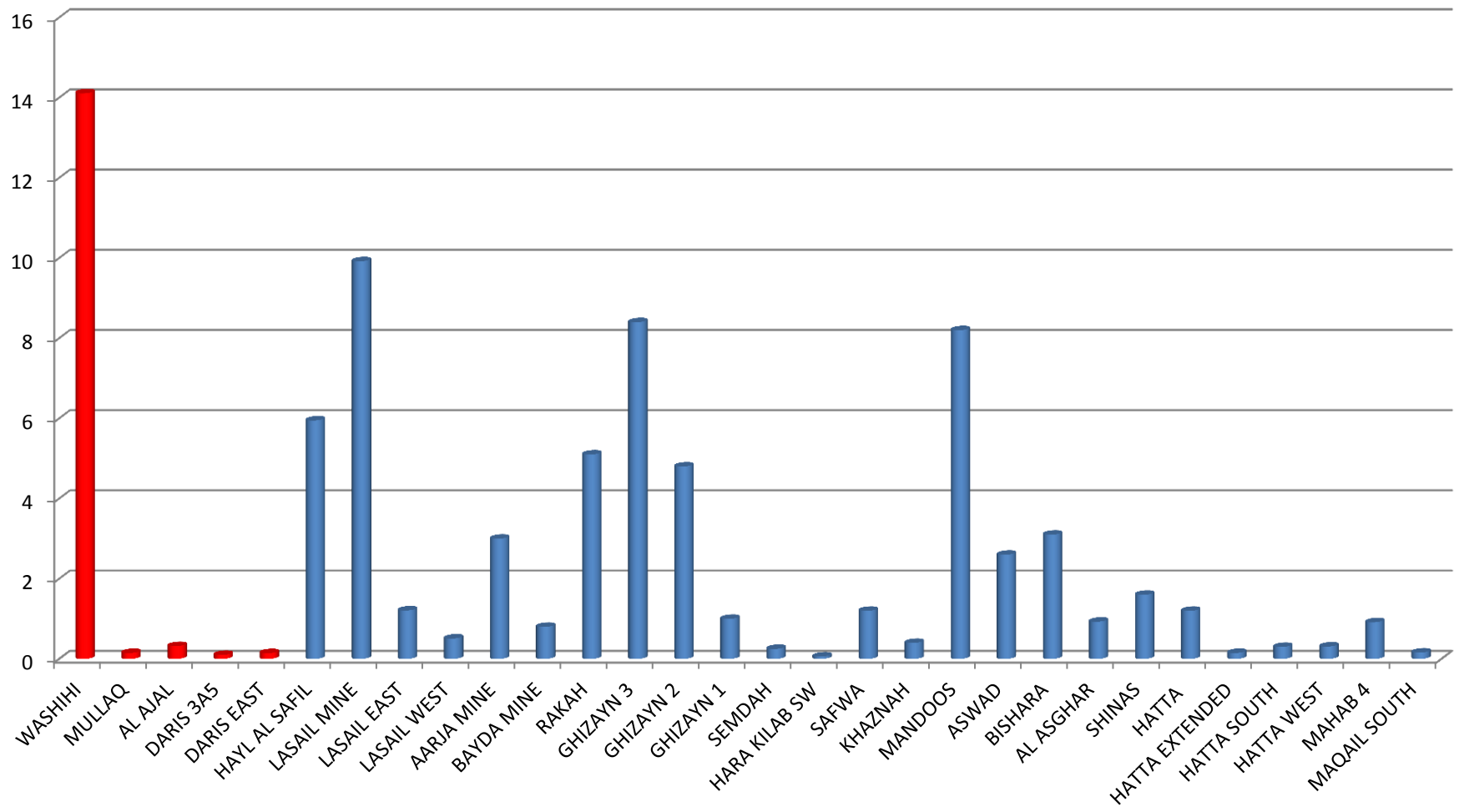
Daris East Resource Model



Notes to Table

1. Washihi reported above 0.25 % copper cut
2. Daris East Sulphide and oxide reported above 0.50% copper cut
3. Mineral inventories rounded to two significant figures.

Resource in MT





- **2013 0.5 Mtpa Scoping study - robust return**
 - 7 year mine life
 - \$32m Capex
 - NPV = \$36m
- **Scoping Study being updated to 1 Mtpa**
- **Further deposits in JV License areas**
- **Strong metallurgical tests results**
- **The copper concentrate produced to be sold to a regional smelter**
- **Low fuel price, labour costs and Low Taxes contribute to low Opex and high net return**
- **Applications of Mining Licenses submitted**
- **The Project is set to embark upon bankable feasibility study**

Future Milestones



- Appoint Oman Country Manager – Done
- Appoint influential Saudi representative to the Board - Done
- Complete Board and Management Team restructure
- Complete the updated Scoping Study on Daris/Washihi
- Finalise the considerations for Daris/Washihi assets
- Finalise the way forward on the Khnaiguiyah Project – JV Partners
- Complete finance stage for Khnaiguiyah Project
- Commence the selection of the Project Director and Owner's Team
- Complete EPC contract for Project construction
- Commence early construction works at the Khnaiguiyah Project site

Summary





- Strategy to mine in the Middle East
- First area of development is Saudi Arabia
- Robust DFS and Project- Khnaiguiyah
- Project has extensive geological upside
- Project has material Capex reduction options
- Saudi Arabia ideal development location
 - Possibly best financial regime
 - Strong financial support (SIDF)
 - Strong government support
 - Very large geological asset base
- Company in good financial shape
- Finalising Oman Project plan
- New Managing Director
- Restructured Board
- Restructuring the Management Team

JORC Code Competent Persons' Statement

The information in this report that relates to Ore Reserves in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) was compiled by Mr Geoff Davidson, who is a member of the Australian Institute of Mining and Metallurgy and a consultant to Khnaiguiyah Mining Company LLC (KMC). Mr Davidson 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (**JORC Code, 2004 edition**). In assessing the appropriateness of the Ore Reserve estimate, Mr Davidson has relied on various reports, from both internal and external sources, in either draft or final version, which form part of or contribute to the Khnaiguiyah Project Detailed Feasibility Study. These reports are understood to be compiled by persons considered by KMC to be competent in the field on which they have reported. Mr Davidson has given his consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer also to Table 5 in Alara Resources Limited's ASX market announcement dated 18 April 2013: Maiden JORC Ore Reserves – Khnaiguiyah Zinc -Copper Project for further information in relation to the Ore Reserve estimate for the Khnaiguiyah Project.

The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zone 3 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on information compiled by Mr Daniel Guibal, an employee of SRK Consulting (Australasia) Pty Ltd, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Guibal 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 Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zones 1, 2 and 4 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia), Mineral Resources in relation to the Washihi Copper-Gold Project (Oman) and the Daris Copper-Gold Project (Oman) and other Exploration Results 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 The Society for Mining, Metallurgy and Exploration. 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 he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Sharma consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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