

ASX/MEDIA RELEASE

Tuesday, 10 November 2015

CLOSURE OF RENOUNCEABLE RIGHTS ISSUE

Alara Resources Limited (ASX: AUQ) (Company) is pleased to announce the successful completion of a renounceable pro rata entitlement offer of shares, made pursuant to the prospectus dated 15 October 2015 on the basis of 1 new share for every existing share held at 22 October 2015 (Rights Issue).

A total of 248,007,500 shares were offered to eligible shareholders under the Rights Issue at an issue price of \$0.01 (1 cent) per share with 1 free attaching option (exercisable at \$0.02 on or before 30 April 2017) for every new share issued to raise approximately \$2.48M before costs.

Acceptances of entitlement to 87,824,980 shares were received, along with applications for 6,850,982 additional shares and 122,000,000 shortfall shares to raise a total of \$2,166,760.

The remaining shortfall of 31,331,538 shares will be dealt with in accordance with the procedures set out in the prospectus.

The Company is pleased with the outcome and the level of support it received from its shareholders and new investors, particularly in these difficult market conditions. The Board believes this reflects the quality of the Company's projects and the exciting milestones that Alara aims to achieve in the near future.

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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 flagship Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on its Daris/Washihi Copper-Gold Project 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.