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ASX/MEDIA RELEASE

4 February 2013

Investor Presentation

Perth: Australian-based minerals exploration and development company Alara Resources Limited (ASX: AUQ) (**Alara**) is pleased to attach a copy of an Investor Presentation.

– ENDS –

For further information, please contact:

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ABOUT ALARA RESOURCES

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and development company with a diverse portfolio of projects in Saudi Arabia and Oman.

With a strong pipeline of advanced and early stage projects, Alara is moving towards establishing itself as an emerging base and precious metals development company.

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

Alara Resources Limited



Investor Presentation

February 2013



ASX: AUQ



Company Profile

Board of Directors



Ian Williams AO
Chairman

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



Shanker Madan
Managing Director

35+ years of mining industry experience, including BHP, Rio Tinto and Hamersley Iron



Doug Stewart
Director

40+ years of mining industry and capital markets advisory experience, including Territory Iron, Teck Corporation and NM Rothschild & Sons, Australia



William Johnson
Director

20+ years of senior management and executive roles in public companies in Australia, New Zealand and South East Asia

Company Data

ASX Code	AUQ
Market Capital (31 January 2013)	\$35M
Issued Capital	
- Shares	242M
- Options	41.25M
Cash (31 December 2012)	\$8.6M

Top Shareholders

Antares Capital Partners	10%
Northcape Capital	9.6%
Acorn Capital	8.7%
Kinetic Investment Partners	7.4%
Colonial First State	6.5%
Contango Asset Management	5.8%





Key Projects Summary

Alara Resources Limited (ASX:AUQ) is an Australian-based mineral exploration and development company with a portfolio of projects in Saudi Arabia and Oman.

With a strong pipeline of advanced and early stage projects, Alara is establishing itself as a Base and Precious Metals exploration and development company.

Alara has an experienced management team capable of bringing these projects into production.

Saudi Arabia: Khnaiguiyah Zinc-Copper Project (50%)

- DFS upgraded from 1.5Mtpa to 2Mtpa throughput; completion expected in late Q1 2013.
- Production profile of approximately 90,000tpa zinc and 6,250tpa copper as concentrates in the first four years of project life; expected total mine life of 14 years.
- Capex estimated at US\$225 million with an additional US\$32 million estimated as Owners Costs and Contingencies.
- Up to 75% SIDF finance anticipated.
- Low operating costs expected – bottom quartile of cash costs.

Oman Copper-Gold Projects (+50 – 75%)

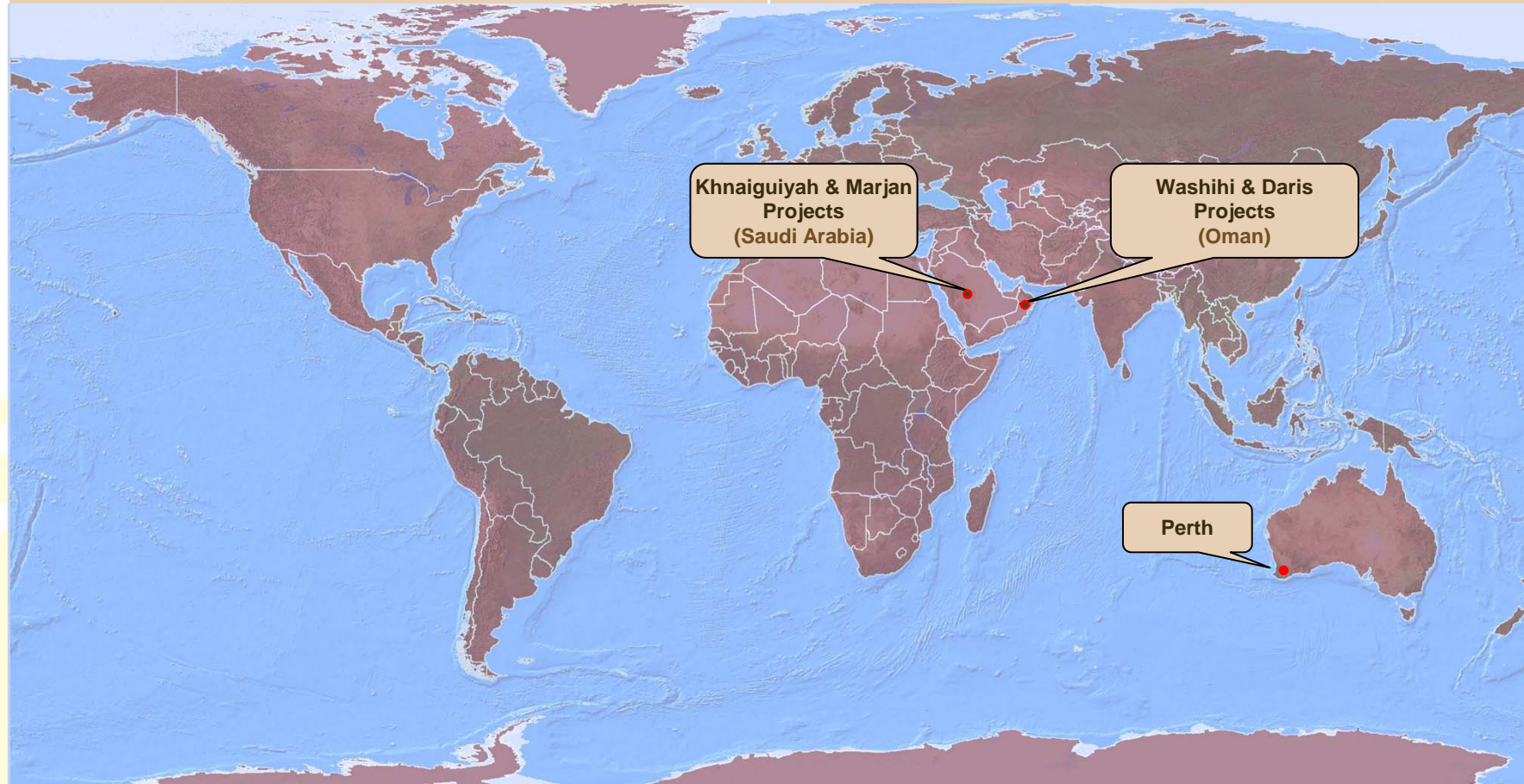
- Projects comprise Washihi, Mullaq and Al Ajal (earning 75%) and Daris (Block 7) (earning 50%).
- VMS copper-gold with exceptionally thick mineralisation intersected in recent drill holes at Washihi.
- Scoping study completed for a 500,000tpa throughput 8 year mining and beneficiation operation based at Washihi indicates a robust return. Scoping study completed based on one-third of the current resources.

Project Locations



Khnaiguiyah (50%)
Zinc-Copper, Saudi Arabia

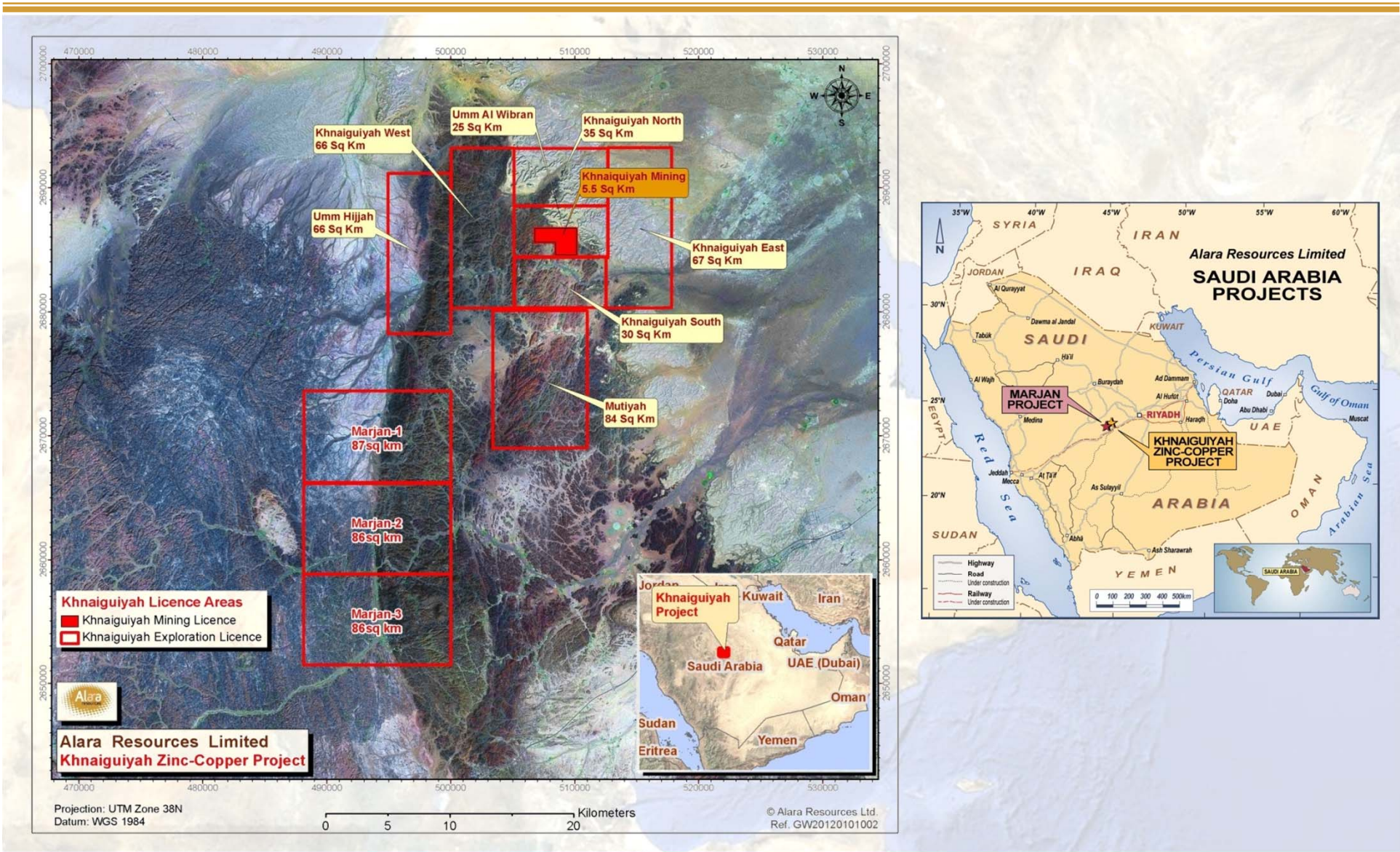
Washihi (75% Earn In)
Copper-Gold, Oman



Marjan (50%)
Zinc-Gold-Silver, Saudi Arabia

Daris (50%)
Copper-Gold, Oman

Saudi Arabia



Khnaiguiyah Zinc-Copper Project



- All deposits remain open along strike and depth
- Considerable upside potential along known and other shear zones yet to be explored
- Campaign mining and processing of distinct zinc, zinc-copper and copper 'domains'
- Standard processing:
 - Crushing, grinding, copper flotation, zinc flotation, concentrates filtration and tailings filtration and disposal
- Differential flotation expected to produce:
 - 165,000tpa zinc concentrate (54% concentrate grade)
 - 25,000tpa copper concentrate (25% concentrate grade)
- Concentrate will be loaded into half-height containers and trucked to Dammam Port on the east coast of Saudi Arabia, for shipping to overseas smelters



Khnaiguiyah DFS Update

DFS is nearing completion

- Compilation of final DFS report with cashflow and NPV modelling expected late Q1 2013
- Annual mine scheduling completed; quarterly mine schedule February 2013
- Capital cost estimate US\$225 million plus US\$32 million in contingencies/other
- Mineralised Zone 1 included, resulting in plant throughput increasing from 1.5Mtpa to 2Mtpa
- Reserve statement pending
- Mining license needs extension to cover all of K1, K2 and K3 Mineralised Zones – formal extension process underway

Cash operating costs very competitive

- Site operating costs estimated at US\$32/t
- Mine site costs US\$0.26/lb Zn; delivered to Buyers Port US\$0.33/lb Zn; TC/RC at US\$150/t Zn concentrate US\$0.09/lb Zn, for years 1 to 4 (Zn – after Cu credits)
- Total zinc cash costs expected to be within or close to lowest quartile costs of zinc mines in western world



DFS Update – Mining & Milling

Mining is expected to be completed in 9 years. During this period, 18Mt of material will be processed and 10Mt of lower grade will be stockpiled. Processing from years 10 to 14 will be from the stockpiles at 2Mtpa.

Mining

• Mined & Processed (tonnes, Years 1 to 9)	Total 18,000,000
• Mined grade (Zn)	4.0%
• Mined grade (Cu)	0.34%
• Strip ratio (waste:ore)	8:1
• Stockpiled (tonnes)	10,000,000
• Stockpiled grade (Zn)	1.93%
• Stockpiled grade (Cu)	0.05%

Milling

• Annual throughput (tonnes)	Total 2,000,000
• Milled (tonnes)	28,000,000
• Grade (Zn)	3.26%
• Grade (Cu)	0.24%
• Recovery (Zn)	92%
• Recovery (Cu)	88%
• Zinc in concentrate (tonnes)	815,000
• Copper in concentrate (tonnes)	55,000



DFS Update – Production & Costs

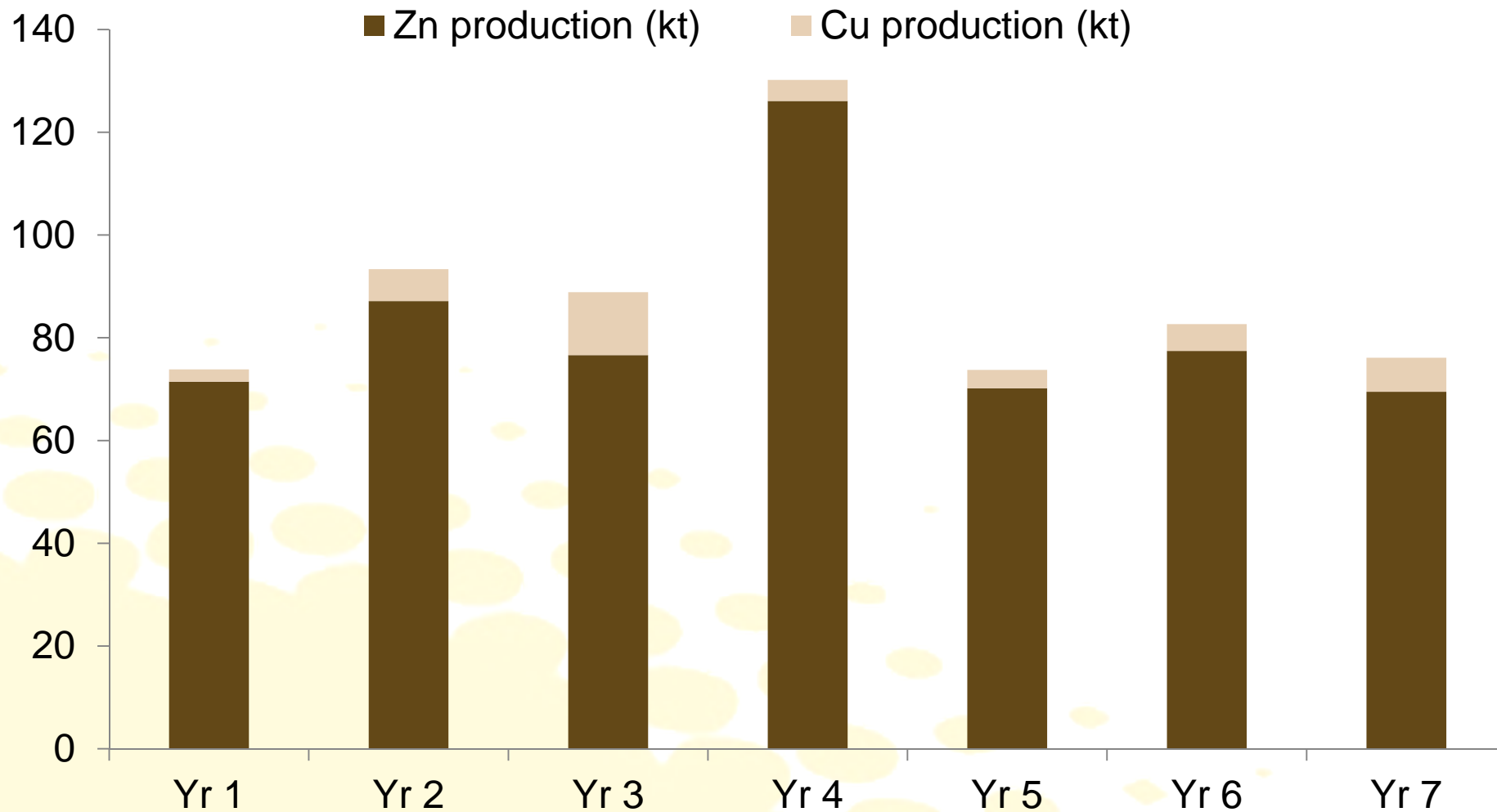
Production

• Mine life	14 years
• Average annual production first 4 years (Zn)	90ktpa
• Average annual production first 4 years (Cu)	6.25ktpa
• Average annual production first 7 years (Zn)	82.5ktpa
• Average annual production first 7 years (Cu)	5.8ktpa

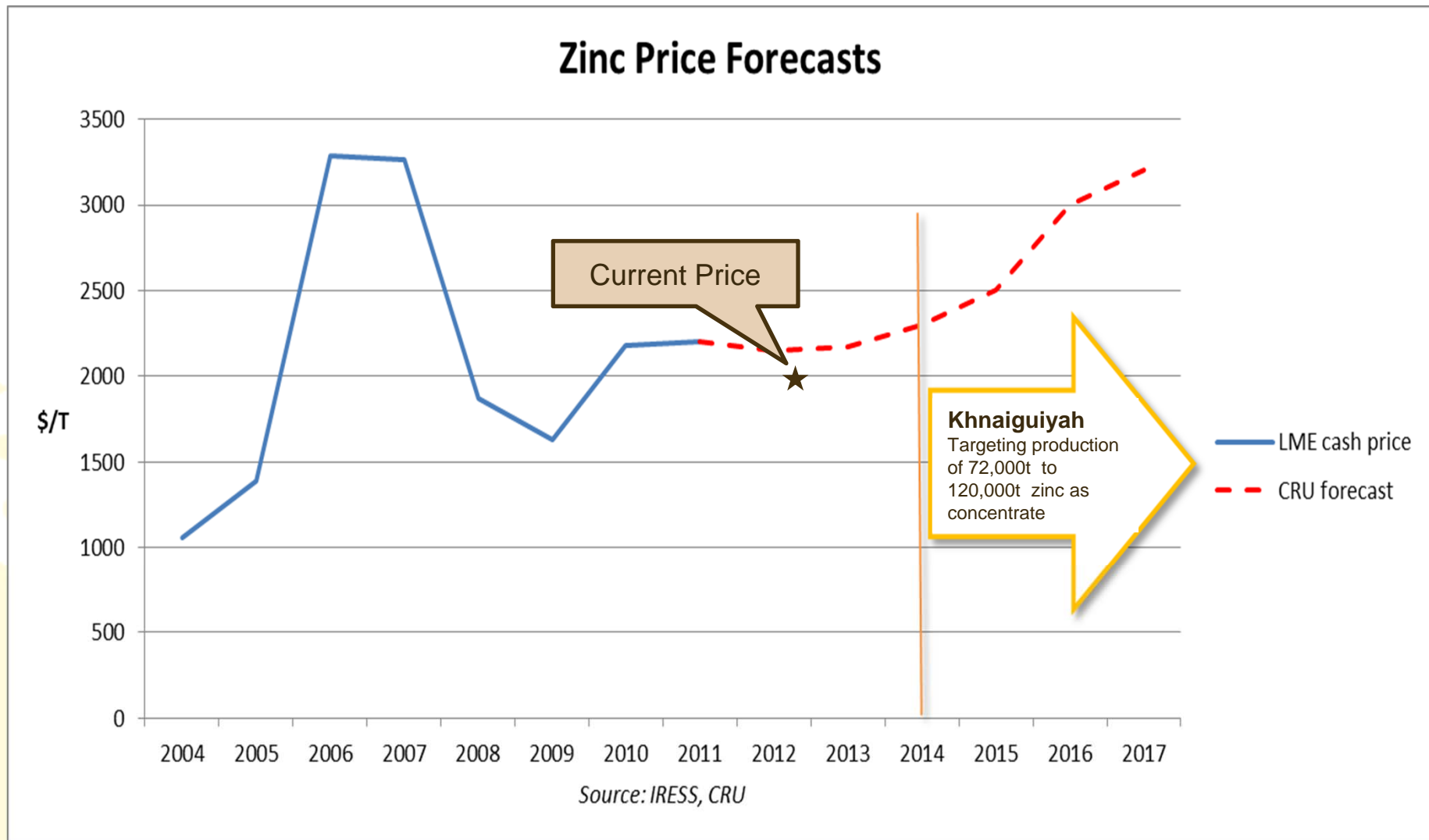
Costs (per tonne of throughput)

• Mining	US\$15/t
• Milling & grade control	US\$16/t
• Transport	US\$9/t
• Admin	US\$1.3/t
• Treatment and Refining @ \$150/t Zn concentrate	<u>US\$11/t</u>
• Total	<u>US\$52.3/t</u>
• 9 year cash costs (Zn – after Cu credits)	US\$0.51/lb

Expected Production Output



Zinc Price Forecasts



DFS - Capex Summary

- Total Capex including contingencies of US\$257M
- Capex based on a contracting strategy and fixed lump sum prices
- Mobile mining equipment is proposed to be leased
- Tender documents were provided to a number of international groups in September 2012
- Tender bids have been received, reviewed and compiled into the Capex as follows:

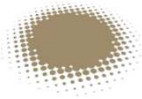
<u>Item</u>	<u>US\$M</u>
Process facilities including design, engineering, procurement, construction and commissioning (includes first fills)	157
Power	15
Accommodation village	12
Site infrastructure including workshops and buildings	15
Concentrate containers	9
Bore field and piping	6
Mobile plant (non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

Funding

- Saudi Arabia Industrial Development Fund (SIDF) provides loans up to 75% for industrial and mining development in Saudi Arabia in approved areas within the Kingdom
- US\$1.8 billion advanced in 2010, including financing of Al Masane Copper-Zinc Project
- Over US\$23 billion advanced since inception
- Cost of SIDF loans significantly cheaper than traditional project finance
- SIDF and other Saudi Arabian banks have also expressed interest in funding the Project
- Strong interest also exists from off-take partners and suppliers to provide additional financing

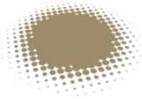


Management Team



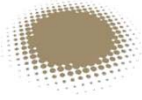
Shanker Madan – Managing Director

35+ years of mining industry experience, including BHP, Rio Tinto and Hamersley Iron.



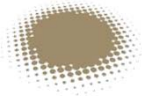
Justin Richard – Country Manager, Saudi Arabia

20+ years of experience, including Corporate Counsel and head of legal for UGL Limited's resources division, Senior Commercial Officer / Contracts Specialist with Bateman Engineering (Australia) and Managing Director of Irrigate Australia a private enterprise providing water management solutions.



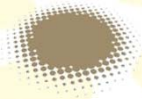
Elvio Ruggiero – Chief Financial Officer

15+ years of financial experience, including SNC-Lavalin, Calibre Global, Fox Resources, Alinta, Homestake Gold and BHP Petroleum.



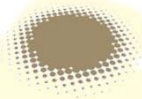
Ganesh Krishnamurthy – General Manager, Exploration

25+ years of mining industry experience, including 7 years in exploration and development in Oman and 4 years with Rio Tinto Iron in Australia.



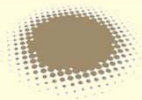
Atmavireshwar ('AV') Sthapak – Exploration Manager, Oman

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



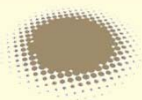
Robert Burns – Metallurgical and Process Consultant, Khnaiguiyah

40+ years of experience in operational and technical roles, including Rio Tinto Group. Director of Bouganville Copper. Investment Committee member of EMR Capital.



Ravi Sharma – Resources Consultant, Saudi Arabia

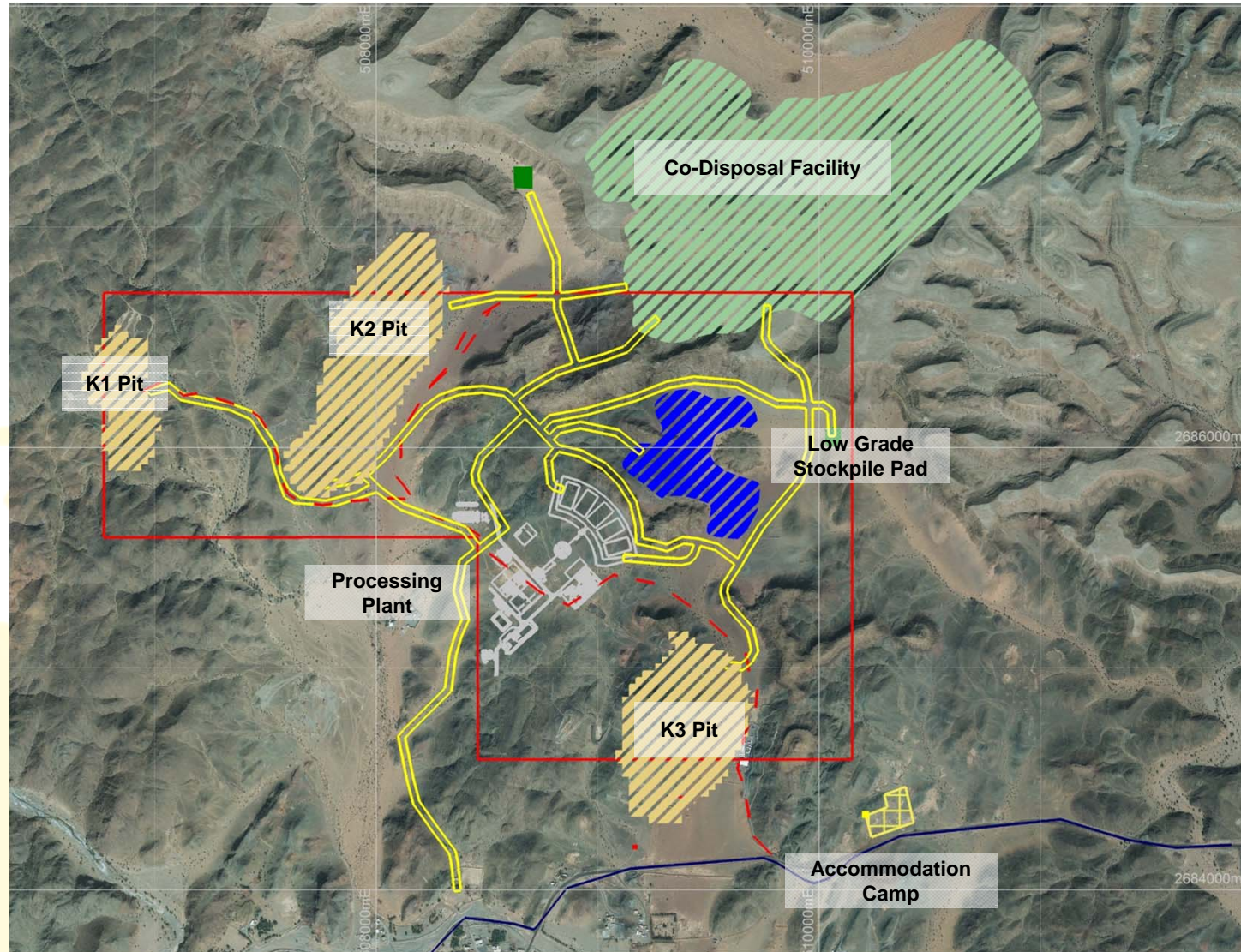
20+ years of exploration and mining experience, including Chief Geologist with Barrick at 350,000oz/year Bulyanhulu gold mine, Tanzania.



Mike Efthymiou – Metallurgical Consultant, Saudi Arabia

Specialist metallurgist with 35+ years of experience in metallurgical operations in senior roles, feasibility studies and metallurgical optimisation/development studies, including OK Tedi Mining, BHP Billiton Olympic Dam Operations and Jabal Syed, Saudi Arabia.

Site Layout



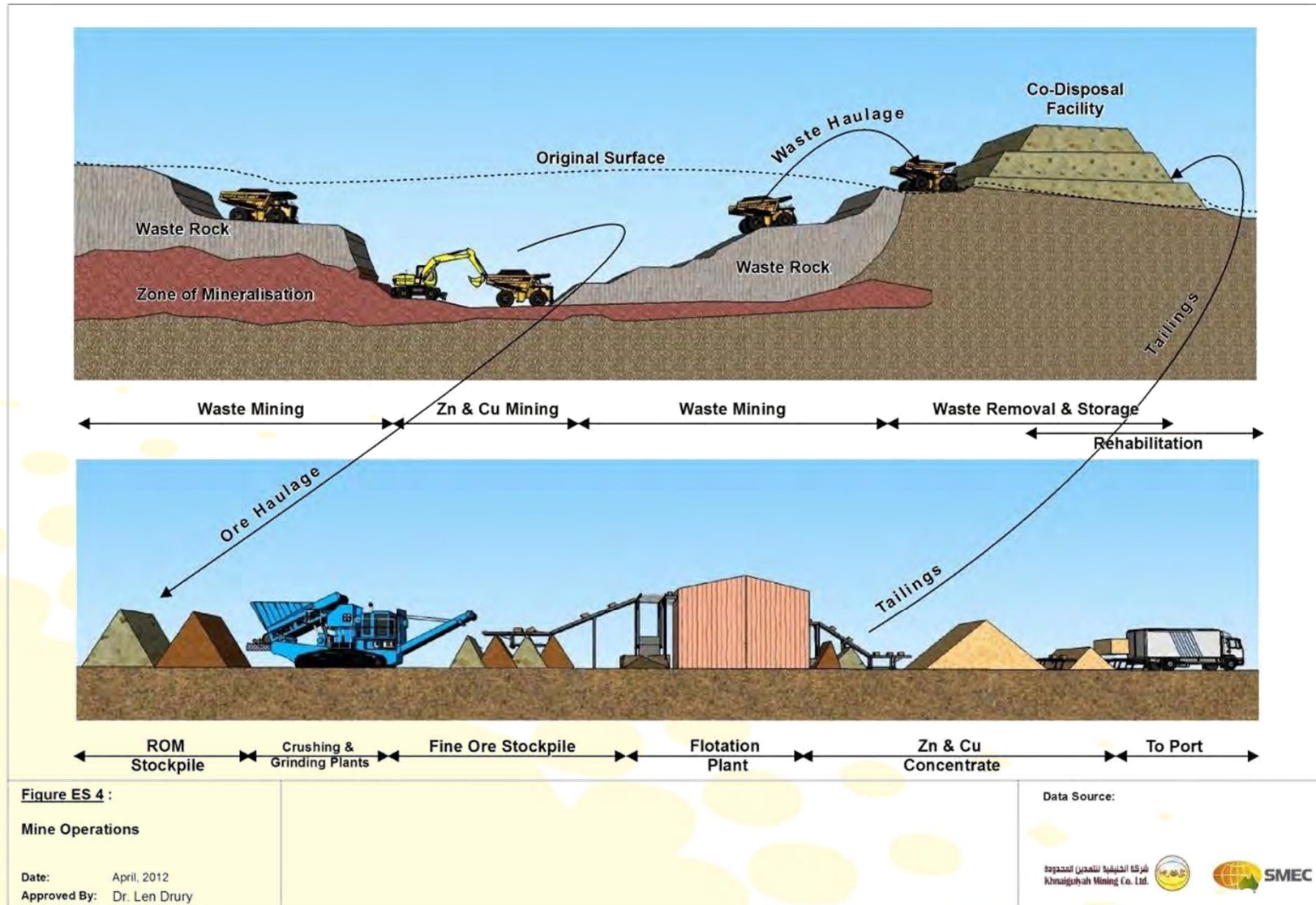
Processing Plant

The processing plant will be located between Mineralised Zones 2 and 3.

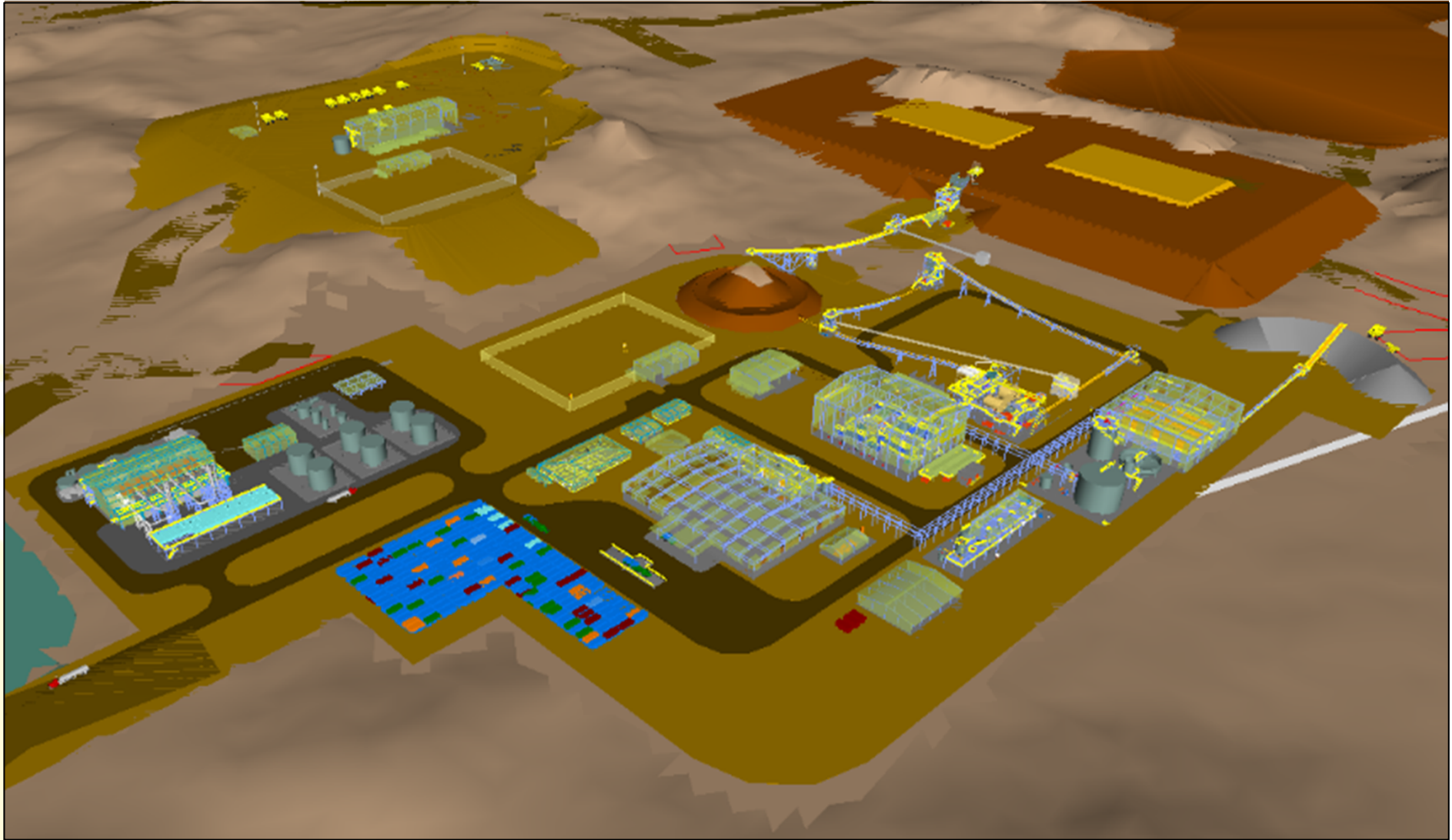
Accommodation

The accommodation camp is being designed to house up to 500 people (including families) with a total fenced-in area of approximately 40,000m² and is located south east of the Mining Administrative offices on relatively flat terrain.

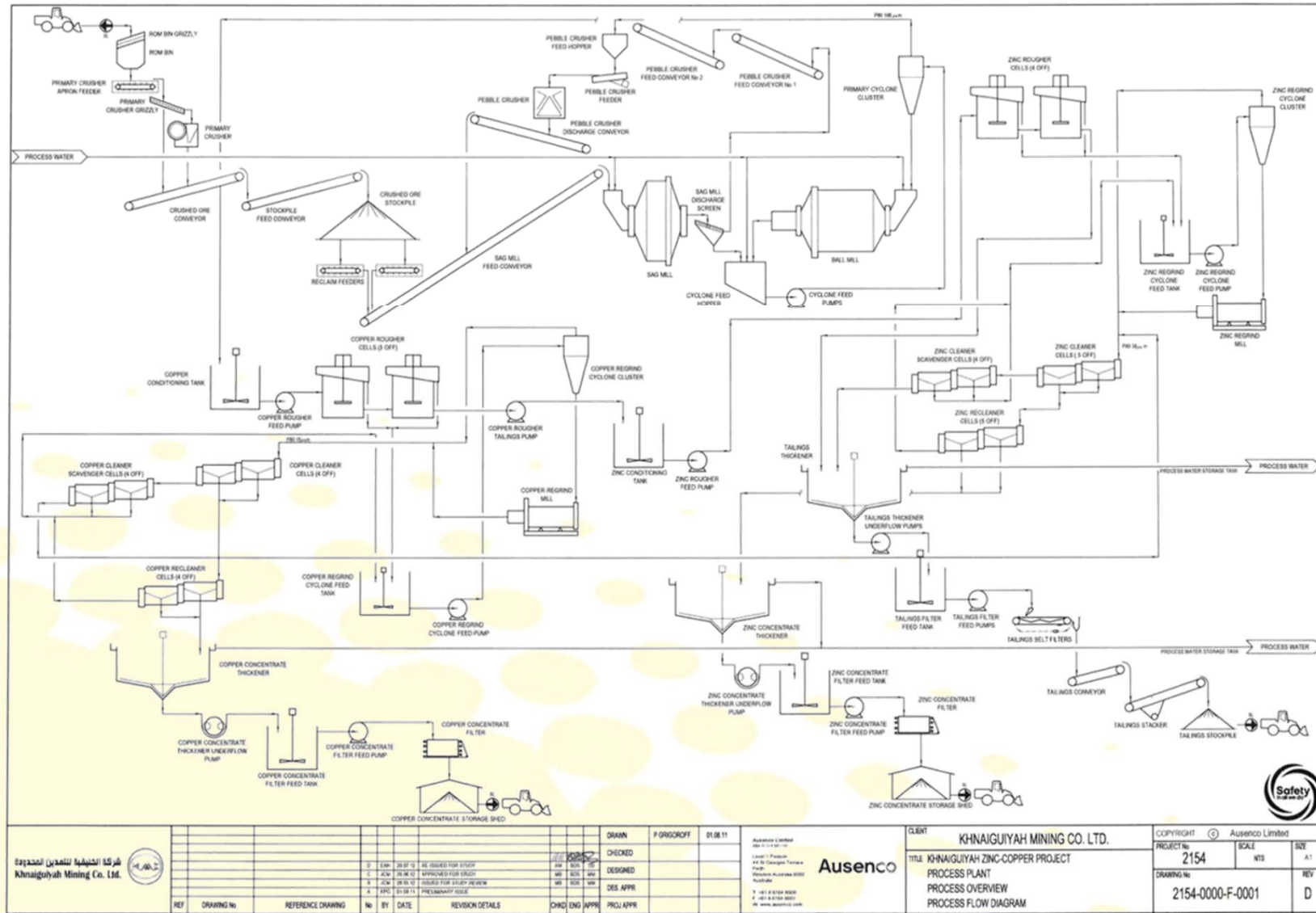
Mine Operations



Conceptual Site Model

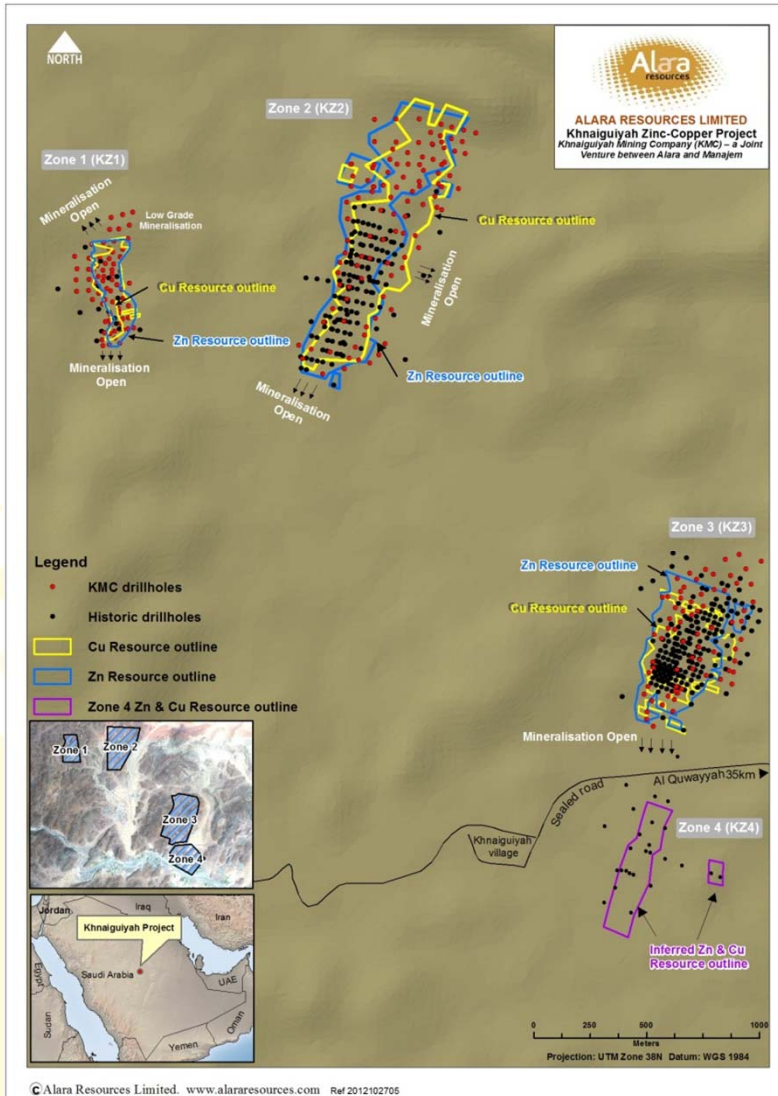


Plant Flow Sheet



		DRAWN: P. GROSSOFF 01.08.11 CHECKED: [Signature] DESIGNED: [Signature] DES. APPR: [Signature] PROJ. APPR: [Signature]		CLIENT: KHNAIGUIYAH MINING CO. LTD. TITLE: KHNAIGUIYAH ZINC-COPPER PROJECT PROCESS PLANT PROCESS OVERVIEW PROCESS FLOW DIAGRAM		COPYRIGHT: Ausenco Limited PROJECT No: 2154 SCALE: NTS SIZE: A1 DRAWING No: 2154-0000-F-0001 REV: D				
REF	DRAWING No	REFERENCE DRAWING	No	BY	DATE	REVISION DETAILS	CHNG	ENGR	APPR	PROJ. APPR

Drill Hole Locations



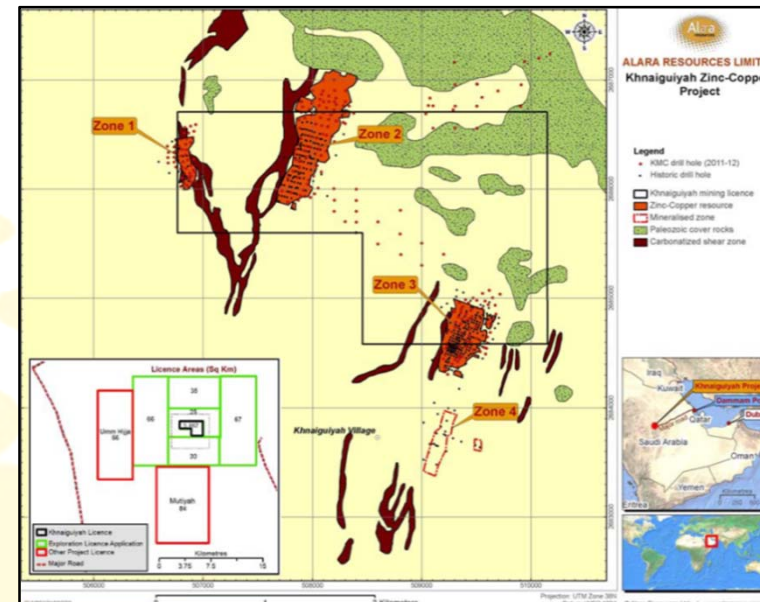
Total drilling: 71,816m in 622 drill holes

Zone 1: 8,245m in 88 drill holes (50m x 50m)
Pit size 650m x 300m

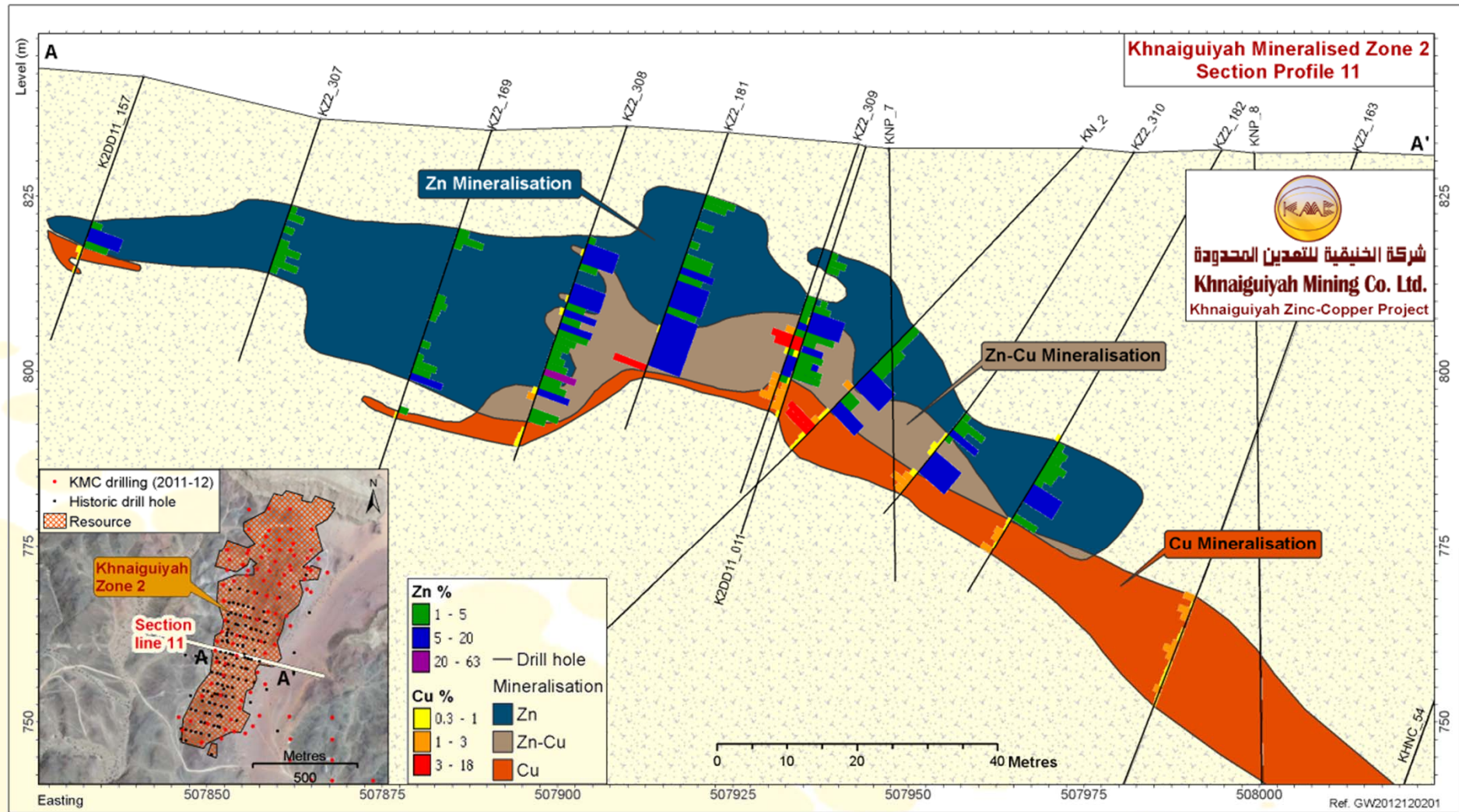
Zone 2: 25,839m in 245 drill holes (25m x 50m)
Pit size 1,300m x 500m

Zone 3: 33,698m in 263 drill holes (12.5 - 25m x 25 - 50m)
Pit size 900 x 600m

Zone 4: 4,034m in 26 drill holes (no specific grid)
No recent drilling



Khnaiguiyah Zone 2 – Section 11



JORC Resource Statement



The Khnaiguiyah deposit comprises four ore bodies/mineralised zones located within one to two kilometres from a central area and approximately three kilometres from each other.

The mineralisation in Zones 1, 2, 3 and 4 is distributed as three distinct 'Domains':

- 'Domain 1' - has Zinc but no Copper
- 'Domain 2' - has Zinc and Copper
- 'Domain 3' - has Copper but no Zinc

The current JORC 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

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

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Measured	1 and 2	1, 2	9.65	3.37	0.16	1.50
		3	6.37	5.28	0.25	1.50
Indicated		1, 2	3.12	4.45	0.30	1.50
		3	6.18	3.55	0.05	1.50
Measured and Indicated		1, 2 and 3	25.32	4.03	0.17	1.50

Table 2: Khnaiguiyah JORC Measured and Indicated Copper (Domain 3) Resource

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Copper %	Cu Cut-off (%)
Measured	3	1, 2	4.70	0.72	0.00
		3	1.07	0.63	0.00
Indicated		1, 2	1.59	0.54	0.00
		3	1.16	0.43	0.00
Measured and Indicated		1, 2 and 3	8.53	0.64	0.00

Table 3: Khnaiguiyah JORC Inferred Zinc (Domain 1) and Zinc/Copper (Domain 2) Resource

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Inferred	1 and 2	4	4.32	2.90	0.03	1.50

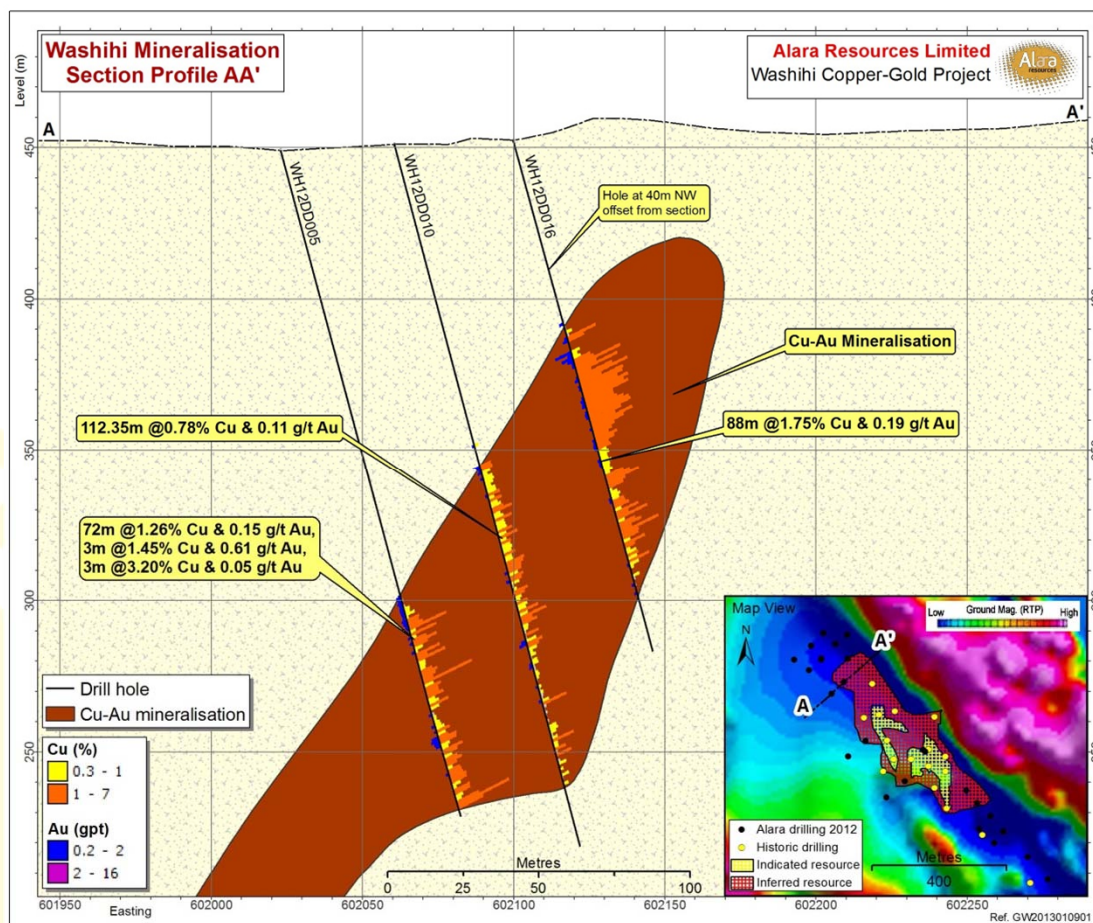
Oman



Washihi Copper-Gold Project



The Washihi Copper-Gold Project is located approximately 100km south-southeast of Alara's Daris Copper-Gold Project and adjacent to a high quality bitumen road.



Initial JORC Resource estimate¹:

- 6.9Mt Inferred @ 0.76% Cu and 0.16g/t Au
- 2.1Mt Indicated @ 0.70% Cu and 0.17g/t Au

Mineralised Zone - Significant Intersections					
Drill Hole	From	To	Length	Cu	Au
	(m)	(m)			
WH12DD005	160	232	72	1.35	0.15
WH12DD010	112.65	225	112.35	0.78	0.11
WH12DD015	116	134.7	18.7	1.99	1.92
WH12DD016	67	155	88	1.75	0.19

¹ Refer ASX market announcement dated 15 October 2012: [Initial JORC Resource – Washihi Project in Oman.](#)

Conclusions

- Team – in place and highly experienced
- Saudi Government – supportive, mining licence and environmental approvals received
- Long life, Low cost – 14 year mine life, strong margins
- Attractive Payback – higher production and lower costs in early years
- Resource – 38Mt and growing, all four mineralised zones remain open
- Maiden Reserve – expected shortly
- Funding – identified pathway via SIDF, offtakers and suppliers
- Copper Upside – Washihi copper project building scale

Pipeline Summary



JORC Measured and Indicated Resource

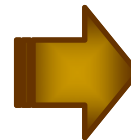
- 25.32 million tonnes @ 4.03% Zn & 0.17% Cu;

Plus:

- 8.53 million tonnes @ 0.64% Cu.

Saudi Arabia: Khnaiguiyah Zinc, Copper (Alara 50%)

- DFS completion expected in Q1 2013.
- +71,000m drilling completed.
- Mineralisation extended in Zones 1, 2 & 3.



Oman: Washihi, Daris & Pilatus Copper, Gold (Alara 50-75+%)

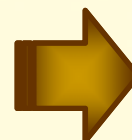
- Preliminary drilling by Alara (25 holes) points to copper sulphide and oxide mineralisation at shallow depths.
- Potential for early production.



- Washihi initial JORC Resource:
 - 6.9Mt Inferred @ 0.76% Cu and 0.16g/t Au; and
 - 2.1 Mt Indicated @ 0.70% Cu and 0.17g/t Au.
- Scoping study on 500,000tpa throughput completed.

Saudi Arabia: Marjan Gold, Silver, Zinc, Copper (Alara 50%)

- Historical drilling shows prospectivity for gold, silver, zinc, copper.



- Programme of mapping and preliminary drilling completed.

JORC Code Competent Person Statements



The information in this presentation that relates to Zinc and Copper Mineral Resources within Mineralised Zones 1, 2 and 4 in relation to the Khnaiguiyah Project (Saudi Arabia) 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 they are undertaking to qualify as Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition). Mr Sharma consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Zinc and Copper Mineral Resources within Mineralised Zone 3 in relation to the Khnaiguiyah 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 they are undertaking to qualify as Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition). Mr Guibal consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Mineral Resources in relation to the Washihi prospect (Oman) 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 they are undertaking to qualify as Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition). Mr. Sharma has given his consent to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to other Exploration Results is based on information 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 presentation of the matters based on his information in the form and context in which it appears.

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