

Alara Resources Limited A.B.N. 27 122 892 719

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ASX/MEDIA RELEASE

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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 8 July 2016 on the basis of 1 new share for every 7 existing share held at 14 July 2016 (Rights Issue).

A total of 72,287,857 shares were offered to eligible shareholders under the Rights Issue at an issue price of \$0.02 (2 cents) per share to raise approximately \$1.45M before costs. CPS Capital Group acted as Lead Manager and Underwriter to the Rights Issue.

The Rights Issue has closed oversubscribed which indicates a high level of support from the Company's shareholders and new investors. The Company has not been able to fill the full demand for the shortfall shares and have opted not to issue an additional shares at this stage.

The Company would like to note that it will be returning unsubscribed funds to investors who missed the closing deadline. Once again, the Company thanks its shareholders and new investors for their support.

- ENDS -

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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.

