

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

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#### **ASX/MEDIA RELEASE**

Friday, 6 March 2015

# **COMPANY UPDATE**

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to provide an update on the following matters:

# Research & Development Tax Incentive Scheme Refund

Alara is pleased to advise that it has received a refund of \$0.3 million under the Federal Government's Research and Development (**R&D**) Tax Incentive Scheme (**Scheme**).

Under the Scheme, Alara was entitled to a cash refund of 45 cents per dollar spent on eligible R&D expenditure. Alara's claim relates to costs incurred in relation to technical work undertaken on the Khnaiguiyah Zinc-Copper Project in Saudi Arabia and the Washihi/Daris Copper-Gold Projects in Oman in respect of the 2014 income tax/financial year. Alara previously received R&D Scheme refunds of \$1.64 million for 2012/13 and \$2.75 million for 2011/12.

This R&D Scheme refund will supplement Alara's existing cash reserves and liquid securities (of \$2.23 million as at 31 December 2014).

## Khnaiguiyah Project - Legal Matter

Alara refers to the previously reported<sup>2</sup> legal matter in relation to the Khnaiguiyah Zinc-Copper Project in Saudi Arabia (**Project**).

At a very brief hearing of the Board of Grievance (moved forward from the planned hearing date of 9 March to 3 March 2015), Khnaiguiyah Project joint venture partner Manajem requested additional time to respond to Alara's specific counterclaims. The Board of Grievance did not consider any other substantive matter and scheduled the next hearing in approximately 6 week's time (at a date to be set).

Alara notes that Manajem has still failed to substantiate their claim. Alara will report on the matter when it is concluded or should a material event occur in the interim.

- 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 mine development company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a <u>Definitive Feasibility Study</u> (DFS) on its Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an <u>Advanced Scoping Study</u> 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: <a href="www.alararesources.com">www.alararesources.com</a>.

Refer ASX market announcements dated 18 November 2014 and entitled "Knnaiguiyah Project – Update on Legal Matters", dated 13 November 2014 entitled "Knnaiguiyah Project Update" and 21 January 2015 entitled "Knnaiguiyah Project – Update on Legal Matter"



Refer December 2014 Quarterly Report lodged on ASX on 27 February 2015