

ASX/MEDIA RELEASE

Friday, 19 July 2019

PROJECT UPDATES

PERTH: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) provides updates relating to the Al Hadeetha Copper Project in Oman.

Al Hadeetha Copper Project

The engineering contract awarded to MBE¹ is progressing largely as per schedule. 78% of process designs had been prepared at the end of Q2 and Progesys² confirmed the overall FEED schedule would be met. MBE has also provided deliverables for the construction package on time.

Earlier this month, the Board of Al Hadeetha Resources LLC approved the issuance of purchase orders for major equipment and long-lead items.

Alara Resources LLC (ARL)³

ARL has been awarded a services contract by Al Hadeetha Resources LLC (**AHRL**) in connection with the construction of the 1mtpa copper processing plant at the Washihi - Mazzaza project site⁴. The contract includes drilling and geotechnical services and is valued at ~US\$600,000. ARL has also submitted a proposal for mining services to AHRL.

Sama Global Investment

SAMA Global Investment (**SAMA**) advised Alara that it has entered an MOU with China Infrastructure Group Ltd (**CIG**). The MOU encompasses several projects of mutual interest, including the Al Hadeetha Copper Project in Oman. SAMA subsequently proposed utilising some or all of the EUR60m Investment Amount⁵ to acquire an equity stake in Alara and/or its related entities (**Equity Sale**) with any remaining Investment Amount to be utilised as a discretionary loan as per the Investment Agreement with Al Hadeetha Resources LLC dated 10 March 2019 (**Investment Agreement**).

To be clear, Alara is not seeking to reduce its direct interest in Al Hadeetha Resources LLC. The proposed Equity Sale, which is being considered in connection with the Investment Agreement, has potential to assist in the development of other copper projects in Oman besides the Al Hadeetha Copper Project.

ENDS

¹ Refer Alara's ASX Announcement dated 5 March 2019.

² Progesys has been appointed as Project Manager to oversee the project engineering, procurement and construction.

³ Alara Resources LLC is an Omani joint-venture company owned by Alara Oman Operations Pty Ltd (35%) Southwest Pinnacle Exploration Ltd (35%) and Tasnim Infrastructure LLC (30%).

⁴ Alara's ASX Announcement dated 24 January 2017 contains the information required by ASX Listing Rule (LR) 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on that date continue to apply and have not materially changed.

⁵ Refer Alara's ASX Announcement dated 15 March 2019.



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About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in the Middle East. Alara has completed Bankable Feasibility Studies for the Al Hadeetha Copper Project in Oman and the Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on the Daris Copper-Gold Project in Oman. In June 2018, Al Hadeetha Resources became the first international joint venture company to be awarded a copper mining licence in the Sultanate of Oman. The Company is now establishing itself a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com

ASX Code | **AUQ**

