

ASX/MEDIA RELEASE

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AL HADEETHA RESOURCES WELCOMES NEW SHAREHOLDER

PERTH: Alara Resources Limited (ASX: AUQ) (**Alara** or the **Company**) has executed a share sale and purchase agreement with a member of the Al Tasnim Group, a leading Omani construction and infrastructure business¹.

The Company, through its subsidiary Alara Oman Operations Pty Ltd (**Alara Oman**) has agreed to sell 19% of its 70% shareholding in joint venture company Al Hadeetha Resources LLC (**Al Hadeetha**) for OMR 3 million (AUD 10.7 million). The sale price is due to be received upon registration of the share transfer at the Omani Ministry of Commerce. The transfer registration is expected later this week.

Al Hadeetha is the first company in Oman to be awarded a copper mining licence in over a decade² and is on track to become Oman's next producer of copper concentrate, with a 1mtpa processing³ plant planned for the Washihi Mazzaza site. Alara intends to apply proceeds from the sale, along with other debt finance, to complete the project's capital requirements⁴.

As previously reported, Alara had been in discussions with potential equity partners and continues to assess opportunities where prospective parties⁵ can add value to its existing project portfolio including the Al Hadeetha, Daris and Awtad Copper Projects in Oman, and the Khnaiguiyah Zinc Project in Saudi Arabia.

The addition of Al Tasnim as an equity partner is a welcome development that will mutually benefit Al Hadeetha Resources' shareholders now and into the future.

ENDS

For further information, please contact:

Justin Richard Managing Director	T +968 2449 1162 E jrichard@alararesources.com
Stephen Gethin Company Secretary	T +61 8 9240 4211 E cosec@alararesources.com

¹ The buyer, Al Tasnim Infrastructure, is part of the Al Tasnim Group, a leading Omani construction conglomerate with a diversified investment portfolio across multiple industry sectors, including a mining and quarrying division. Al Tasnim completed due diligence on Al Hadeetha in the third quarter of this year. Due to the size and reputation of Al Tasnim, Alara did not conduct due diligence on the counterparty.

² Refer Alara's ASX Announcement dated 3 July 2018.

³ Refer Alara's ASX Announcement dated 24 January 2017. That announcement contains information required by ASX Listing Rule 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.

⁴ Final finance approval for the remaining project capex is expected to follow soon. Alara Oman will use the proceeds of the share sale to increase its loan to Al Hadeetha from ~ AU\$7m (see page 42 on the 2018 Annual Report) to AU\$17.7m, save that no interest shall accrue on the additional loan amount. In consequence, Alara Oman's joint venture partner has agreed to provide security (if required) for the Al Hadeetha project finance on arm's length terms. Al Hadeetha will use the additional loan funds to press forward with mine infrastructure development toward production of copper concentrate.

⁵ Another party completed due diligence on Block 7 earlier this month with positive results.



Alara Resources Limited
A.B.N. 27 122 892 719
Suit 1.02, 110 Erindale Road,
Balcatta WA 6021, Australia
PO Box 963, Balcatta WA 6914

Telephone | +61 8 9240 4211
Facsimile | +968 2449 2491
Web | www.alararesources.com
Email | cosec@alararesources.com

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**

