

## ASX/MEDIA RELEASE

Monday, 25 November 2019

## PROJECT UPDATES

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

### Project Finance - Al Hadeetha Copper Project

The Company's project expenses to date have been covered from existing funding sources without the need to draw upon debt finance. Going forward, capital expenditure for the project will include debt finance provided by third party lenders.

As previously reported<sup>1</sup>, financing terms have been proposed by various lenders. Al Hadeetha Investments and Al Tasnim Infrastructure, the other shareholders of Al Hadeetha Resources LLC, have now agreed to procure guarantees (**Shareholder Guarantees**) required to support project finance. Alara will support the Shareholder Guarantees by providing a corporate guarantee.

The Company has decided not to proceed with the Investment Agreement previously announced<sup>2</sup>.

### Project Engineering

As noted in the Company's last Quarterly Report, McNally Bharat Engineering Company Limited (**MBE**) experienced delays in completing basic and detailed engineering for a 1 MTPA copper concentration plant<sup>3</sup> and associated infrastructure. While waiting for MBE to complete the work, the Company has entered an MOU with another experienced service provider for project execution under a full EPC contract - China National Geological & Mining Corporation. Management is pursuing both options to avoid further project delays and achieve targeted production by end of Q1 2021.

**ENDS**

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1 Refer to the Company's half-year financial report lodged on ASX on 13 March 2019.

2 Refer to the Company's announcements lodged on ASX on 15 March 2019 and 29 April 2019.

3 Alara's ASX Announcement dated 24 January 2017 contains the 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.

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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](http://www.alararesources.com)