

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

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## SAUDI COURT JUDGEMENT ISSUED - UPDATE

**PERTH:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) provides this announcement in response to a request from ASX.

The focus of the Company's 3 October announcement titled "Saudi Court Judgement Issued" (**Prior Announcement**) was to update shareholders regarding a recent Saudi Arabian court judgement. After four years, a decision to dismiss the claim by United Arabian Mining Company LLC (**Manajem**) is a positive step forward for the Khnaiguiyah Zinc-Copper Project (**Khnaiguiyah Project**).

Since the judgement was issued, Alara has met with Saudi government officials to discuss the pathway forward for the Khnaiguiyah Project, and further meetings are being planned for later this month.

The offer referred to in the Prior Announcement (**Offer**) was from Metals Corners Holding Co, which the Company understands to be connected with one of the shareholders of Manajem, to acquire Alara Saudi Operations Pty Ltd (**ASOPL**) for a purchase price of 1,000,000 Saudi Riyal (~AUD 377,000) payable on 1 November 2018. The ASOPL shares are to be exchanged for payment, ensuring the absence of financial risk.

ASOPL is not a material asset to the Company, as its value has been fully impaired in the Company's accounts. The amount of the Offer was not included in the Prior Announcement, on the basis that negotiations were ongoing, the amount is not material in comparison to the Company's assets and disclosing the amount would have potential to reduce the amount which any other party who may be interested in acquiring ASOPL would be prepared to offer for it. The Offer does not include the purchase of the Khnaiguiyah Project Feasibility Study. The Khnaiguiyah Zinc-Copper Project Feasibility Study will remain with Alara until such time as Alara reaches an agreement to sell it.

A further update will be provided if the transaction is completed on 1 November.

Although these developments in Saudi Arabia are welcome news, the Company's focus remains firmly on the Al Hadeetha Copper Project and Alara's other JV copper projects in Oman. This is not expected to change unless and until a new mining licence is granted for the Khnaiguiyah Project.

## ENDS

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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

