

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

Suite 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

ASX/MEDIA RELEASE

Tuesday, 10 March 2020

AL HADEETHA RESOURCES EXECUTES SECOND BANK FINANCE OFFER

PERTH: Alara Resources Limited (ASX: AUQ) (**Alara** or the **Company**) is pleased to announce that Al Hadeetha Resources LLC (**Al Hadeetha**)¹ has accepted a club finance offer from Bank Nizwa for OMR 20 million.

Further to the Company's previous announcement², Bank Nizwa and Alizz Islamic Bank have entered a 20m Omani Rial (~AUD \$80m) club deal whereby each bank will provide funding of OMR 10m.

Key terms of the finance agreement are:

- Bank Nizwa will invest OMR 10m into Al Hadeetha for development of the Washihi Copper Project (the **Project**) along with Alizz Bank's OMR 10m investment.
- The investment will be applied principally to support construction of mine-site infrastructure for a 1mtpa copper processing plant³ at the Project.
- The profit rate is a minimum of 6.75% per annum⁴, reviewable annually.
- The finance amount is repayable in 28 quarterly instalments with a three-year grace period applying to principal payments (total ten-year term).
- The investment will be secured over Al Hadeetha's mining licence and related assets, along with guarantees from shareholders of Al Hadeetha.

ENDS

This announcement is authorised by:

Justin Richard T | +968 2449 1162

Managing Director E | jrichard@alararesources.com

Stephen Gethin T | +61 8 9240 4211

Company Secretary E | cosec@alararesources.com

For further information, please contact the above named.

¹ Al Hadeetha is a joint venture company in which Alara has a 51% shareholding.

² Refer to Alara's ASX Announcement dated 3 February 2020 for details of the Alizz Bank 10m OMR investment offer. The 20m OMR investment offer in this announcement is inclusive of that 10m offer.

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.

⁴ This is an Islamic finance transaction with an Islamic bank and is, therefore, structured to avoid any interest of any kind. Even so, analysts sometimes compare profit rate and interest rate when considering comparative transaction costs of Islamic versus conventional financing arrangements. The profit rate is within the parameters of the Project financial model.



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.

