

ASX/MEDIA RELEASE

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ALARA ANNOUNCES NEW JV PARTNER IN SAUDI ARABIA

Perth: Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to announce a joint venture framework agreement (the **Agreement**) with Bayan Mining LLC (**Bayan**) for mining opportunities in Saudi Arabia.

BAYAN'S EXPLORATION LICENCE APPLICATION – ASH SHIZM PROJECT

As a result of the Saudi Arabian Government commissioning the United States Geological Survey and Bureau de Recherches Géologiques et Minières to evaluate mining opportunities across the Arabian Shield, thousands of mineral occurrences have been discovered in Saudi Arabia. To date, the vast majority of these sites remain undeveloped.

One area identified as highly prospective for base metals is the Ash Shizm site¹.

Earlier this month, the Licencing and Permits Department of the Deputy Minister for Mineral Resources' (**DMMR**) Office confirmed that:

- (1) Bayan's Exploration Licence application for the Ash Shizm site had been accepted;
- (2) Bayan had paid the required licence fees; and
- (3) DMMR is processing the application in accordance with prescribed procedures with a view to issuing Bayan an exploration licence.

KEY TERMS OF THE JV FRAMEWORK AGREEMENT

The joint venture is between Alara, its wholly owned subsidiary Saudi Investments Pty Limited (**SIPL**) and Bayan.

The parties have agreed to study, develop and (when licenced) exploit mining opportunities at Ash Shizm via an unincorporated joint venture (the **Project**).

While the Agreement refers specifically to Ash Shizm, it also provides a framework for future joint venture opportunities and 'Other Projects'.

If desirable and subject to the provision of required regulatory licences, the Agreement contemplates converting the joint venture into an incorporated joint venture (**JVCo**).

In respect to the Ash Shizm site, Alara/SIPL are to provide onshore and offshore technical and management services and be responsible for day to day management of the Project.

In connection with the aforementioned services, Alara and Bayan have agreed to share economic interests of the Project, 60% in favour of Alara/SIPL and 40% in favour of Bayan.

¹ Whilst there is publicly available information in respect to Ash Shizm, the Company does not intend to report any mineralisation estimates until after the exploration licence has been issued to Bayan.

Under the Agreement, Alara will be responsible for procuring or providing funding for the Project, up to and including project finance stage. Any funds provided by Alara will be treated as a loan to the joint venture on commercial terms. The loan is to be repaid from the proceeds of the Project, before any distributions to the parties.

Consideration offered to Bayan is as follows:

- (a) 10 million fully paid ordinary shares in Alara upon issuance of the Exploration Licence to Bayan; and
- (b) 40 million fully paid ordinary shares in Alara upon issuance of a Mining Licence to Bayan or JVCo (as the case may be).

If circumstances require Alara shareholder approval and such approval is not granted, the parties are free to negotiate new terms or terminate the Agreement. However, the agreed consideration delivers, among other things, enhanced alignment, which would not be achieved through cash consideration.

Alara's Chief Executive Officer, Justin Richard commented:

"Alara enjoys a trusted working relationship with Bayan and we welcome the opportunity to extend this relationship into a joint venture agreement."

The agreement provides for Alara and Bayan to work together on both: (1) the highly sought after Ash Shizm site, and (2) other mining projects in Saudi Arabia, which will be advised in due course."

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For further information, please contact:

Justin Richard
Managing Director and CEO

T | +61 8 6323 5900
E | md@alararesources.com

Victor Ho
Company Secretary

T | +61 8 6323 5900
E | cosec@alararesources.com

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian-based minerals exploration and mine development company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a [Definitive Feasibility Study](#) (DFS) on its Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an [Advanced Scoping Study](#) on its Daris/Washihi Copper-Gold Projects in Oman and an [Updated Advanced Scoping Study](#) on its Washihi Project. For more information, please visit: www.alararesources.com.