

## ASX/MEDIA RELEASE

Tuesday, 16 June 2015

## COMPANY UPDATE

**Perth:** Alara Resources Limited (ASX: AUQ) (**Alara** or **Company**) is pleased to provide an update on the following matters:

### Board of Directors

The Board advises that John Hopkins OAM has resigned as Non-Executive Director with effect on 12 June 2015. Mr Hopkins was appointed to the Board on 16 October 2013 and is resigning in order to allow him to fulfil commitments outside of Alara. The Board acknowledges Mr Hopkins' valuable contributions to Alara across a range of strategic and corporate matters and thanks him for his service to the Company.

The Board is pleased to advise that Justin Richard has been appointed Managing Director and Chief Executive Officer, filling the vacancy after the resignation of Philip Hopkins announced on 19 May 2015<sup>1</sup>. Mr Richard has been the Company's Legal & Commercial Manager since August 2011 and also Alara's Country Manager in Saudi Arabia (since November 2012) and Oman (since December 2013).<sup>2</sup>

### Potential Corporate Transaction

Alara is currently in discussions with another company in relation to a potential corporate transaction between the parties. The parties have entered into a mutual confidentiality and exclusivity deed and are also conducting due diligence parallel to the negotiations.

The potential corporate transaction relates to a scrip merger between the parties, in which Alara shareholders would become shareholders in the other company. If completed, the transaction (contemplated as a scheme of arrangement) would be subject to Alara shareholder approval.

The Company advises that no merger agreement has been reached between the parties. There is no assurance that a final agreement will be reached between the parties. The Company will make a market announcement if and when an agreement has been entered into with the party.

The Company's newly appointed Managing Director and CEO, Mr Richard commented on the potential corporate transaction as follows:

*"Alara's discussions about this potential corporate transaction enable the Company to explore the best and most practical means for Alara to advance its joint venture projects in the Middle East."*

1 Refer Alara's 19 May 2015 ASX Announcement: [Resignation of Managing Director](#)

2 Refer Alara's 24 December 2013 ASX Announcement: [Corporate Update and Projects Update – Oman and Saudi Arabia](#)

### Khnaiguiyah Zinc-Copper Project (Saudi Arabia)

As noted previously, the next hearing in the dispute between Alara and Manajem<sup>3</sup> before the Board of Grievances in Riyadh is set for 16 June 2015<sup>4</sup>. It is not anticipated that substantive issues will be the focus of the next hearing; rather, the next hearing is expected to deal with procedural issues raised by Manajem at the last hearing on 21 April 2015 about Alara's legal representation.

On the substance of the dispute, Manajem have to date failed both:

- to provide any particulars to support their claims (i.e. they have neither stated a cause of action nor provided substantiating evidence); and
- to respond to Alara's counter-claims.

The Company will make a market announcement if there are material developments arising from the next hearing.

### Cash Position

Alara's cash position is currently approximately \$1.25 million (including proceeds from the on-market sale of 3,573,889 shares in Strike Resources Limited (ASX:SRK) completed recently, as foreshadowed in the [March 2015 Quarterly Report](#)).

Alara's cash position is forecast to be approximately \$1 to \$1.1 million as at 30 June 2015, after the payment of usual trade creditors during the balance of June.

– ENDS –

### For further information, please contact:

Justin Richard  
**Managing Director**

T | +61 8 6323 5900  
E | [md@alararesources.com](mailto:md@alararesources.com)

Victor Ho  
**Company Secretary**

T | +61 8 6323 5900  
E | [cosec@alararesources.com](mailto: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](http://www.alararesources.com).

<sup>3</sup> Refer Alara's 13 November 2014 ASX Announcement: [Khnaiguiyah Project Update](#)

<sup>4</sup> Refer Alara's [March 2015 Quarterly Report](#) lodged on 30 April 2015