Alara Resources

Full Year Report

Directors' Report
Auditor's Independence Declaration
Financial Report
Auditor's Report

30 June 2022

ASX Code: AUQ

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

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Contents

Corporate Directory

ABN: 27 122 892 719

Directors

Stephen Gethin	Non-Executive Chairman
Atmavireshwar Sthapak	Managing Director
Vikas Jain	Non-Executive Director
Sanjeev Kumar	Non-Executive Director
Devaki Khimji	Non-Executive Director
Farrokh Jimmy Masani	Alternate Director[1]

Company Secretary

Dinesh Aggarwal

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Australian Securities Exchange

ASX Limited
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ASX Code: AUQ

Corporate Governance Statement

The Company's Corporate Governance Statement is available on the Company's Website**:** www.alararesources.com

Investors wishing to receive email alerts of the Company's ASX Announcements can register their interest here by clicking "email alerts" on the following webpage: http://www.alararesources.com/irm/content/default.aspx or by emailing info@alararesources.com.

1 Mr Masani is alternate Director for Devaki Khimji.

The Directors present their report on Alara Resources Limited (**Company**, **Alara** or **AUQ**) and the entities it controlled at the end of or during the financial year ended 30 June 2022 (the **Consolidated Entity**).

Review of Operations

Al Wash-hi Majaza Copper-Gold Project — Oman

(Alara – 51%; Al Hadeetha Investments LLC – 30%; Al Tasnim Infrastructure Services LLC 19% (**AHRL**))

Project construction phase now well-progressed

Work on the Al Wash-hi Majaza copper-gold project in the Sultanate of Oman (**Project**) commenced in the reporting period and has continued at pace throughout. When complete, the Project will produce copper concentrate from a 1 MTPA plant[2]. Project completion is scheduled for late April 2023, with plant mechanical completion to occur in March-April 2023. This target remains current despite logistical challenges associated with the Ukraine war, constrained shipping availability and delayed project engineering. The Project is owned by Alara's joint venture company Al Hadeetha Resources LLC (**AHRL**) in which the Company holds a 51% interest.

At the date of this report a number of milestones have been achieved, including those detailed below.

Mining accommodation village

Construction of the Project accommodation village was completed in early calendar 2022[3]. The prefabricated accommodation village is designed to house 325 personnel from the construction, mining and plant operation crews. As construction crew accommodation requirements diminish, the camp is being progressively retrofitted to house permanent mine and processing facility staff. The village is designed for a minimum life of 12 years. This is comfortably above the current estimated Project life of 10.4 years, giving the Company increased flexibility should further copper discoveries be made along the strike zone or in nearby areas.

Award of water supply and electricity agreements

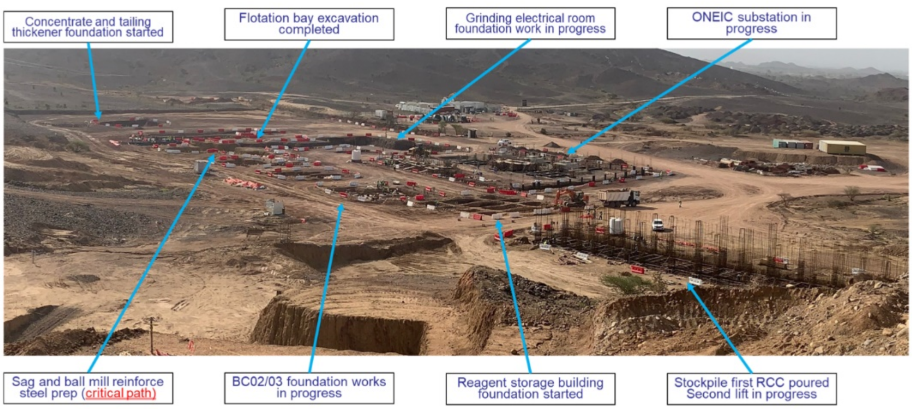
In the December 2021 quarter, Alara awarded Oman National Engineering & Investment Co. (SAOG) (**ONEIC**) an engineering procurement and construction (**EPC**) contract to design and install powerlines, transformers and a primary substation required to supply and distribute power to the Project[4].

In early calendar 2022, AHRL executed an agreement with Oman Water & Wastewater Services Company SAOC (**OWWSC**), to secure the process water supply for the life of the Wash-hi Majaza Copper-Gold Project[5]. Under the agreement, OWWSC will provide daily water supply to AHRL's copper concentrator plant via its Sewage Treatment Plants (**STP**s), located in close proximity to the Project site. The water will be priced at a fixed rate for the first five (5) years of the agreement. AHRL will invest in upgrading the capacity of one STP, located near the Al Mudhaibi township, to 1,800 cubic metres per day. Importantly, AHRL's investment amount will be recovered over the life of the agreement via water charge discounts.

Mining and processing infrastructure procurement program materially advanced

As at the end of the reporting period, AHRL had an OMR 19m (AUD 71.38m) project finance facility from Sohar International Bank to fund Project construction. AHRL commenced draw-down on the facility in the reporting period as it placed purchase orders with suppliers. These procurement contracts saw AHRL contractually commit to a total capex of USD 54.55m (AUD 79.14m) by the end of the reporting period.

Several plant and equipment consignments crucial to Project completion arrived on site during and since the reporting period. Post reporting period deliveries include the ball mill, LRS ball mill and SAG mill and crusher, representing a major milestone in Project development.



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The full list of equipment purchases made, along with their delivery or expected delivery dates are shown in the table over the page.

2 Alara's ASX Announcements dated 1 April 2016 (initial Definitive Feasibility Study results announcement), 24 January 2017 (DFS update), 28 June 2018 (NPV update) and 29 March and 7 April 2021 (NPV updates) contain the information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on those dates continue to apply and have not materially changed, except to the extent that a relevant assumption in an earlier announcement listed above has been updated by an assumption in a later announcement in that list.

3 See Alara's 27 January 2022 ASX announcement.

4 See Alara's 15 November 2021 ASX announcement.

5 See Alara's 20 January 2022 ASX announcement.

Package Name	Vendor	Country of Origin	Arrived/Due
Ball mill	CITIC	China	Arrived at port
Ball mill LRS	CITIC	Germany	Q1 FY23
SAG mill	CITIC	China	Arrived at port
Crusher	CITIC	China	Arrived at site
Conveyor belt - belt & gear box	Al Tasnim Manufacturing	Oman	Arrived at port
Conveyor belt - rollers	Al Tasnim Manufacturing	Oman	Q1 FY23
Conveyor belt - pully assembly	Al Tasnim Manufacturing	Oman	Q2 FY23
Tanks (17), sumps (4) & feeder boxes (3)	Al Tasnim Manufacturing	Oman	Q2 FY23
Magnetic separators	Electro Zavod	India	Arrived at site
Flotation cells	Innovator SP	Poland	Arrived at site
Pressure filters FP 1000	Matec SRL	Italy	Arrived at site
Pressure filters FP 2500X2600	Matec SRL	India	Sept
Conveyor safety switches	Smart Sensors & Automation	India	Sept
Vibrating screen	Metso	Turkey	Q2 FY23
Belt weigher	Precia Molen	UAE/Oman	Q2 FY23
Weigh bridge	Precia Molen	UAE/Oman	Q1 FY23
Fixed bridge 150PPM, 3.7KW, 5.5KW	Takraf India	India	Q1 FY23
Apron feeders	Larsen & Toubra	India	Q1 FY23
Apron feeders gear box	Larsen & Toubra	India	Q1 FY23
ABB Lot 1	ABB	India	Arrived at site
ABB Lot 2	ABB	Oman	Arrived at port
ABB Lot 3	ABB	India	Q1 FY23
ABB Lot 4 (Expected)	ABB	India	Q2 FY23
Froth pumps	Metso Turkey	Sweden	Q1 FY23
Slurry pumps	Metso Turkey	Sweden	Q1 FY23
Sump pumps	Metso Turkey	Sweden	Q1 FY23
Froth pumps	Metso Turkey	Sweden	Q1 FY23
Rock breaker	Metso UAE	Finland	Q1 FY23
Pan feeder	Metso UAE	India	Q1 FY23
Sampling system	Metso	Finland	Q2 FY23
Regrind mill (SMD) media screens	Metso	Lithuania	Arrived at port
Regrind mill (SMD) accessories	Metso	USA	Q1 FY23
Regrind mill (SMD) impeller arms	Metso	Turkey	Q1 FY23
Regrind mill motor & VFD	Metso	Brazil	Q1 FY23
Regrind mill reducer	Metso	Finland	Arrived at port
Regrind mill liner	Metso	India	Arrived at site
Dust collector	Stratgem	India	Q1 FY23
Air blower	Continental Industrie S.A.S.	France	Ready to ship
Hydro cyclones	Weir Minerals Processing Equipment and Services LLC	UAE	Q1 FY23
Air Compressor	Bin Salem Enterprises LLC	Oman	Arrived at port
Cooling tower	Bahwan Engineering Company LLC	Oman	Arrived at port
Density meter	IST-Platform Servicing and Trading LLC	UAE	Q1 FY23
PLC system	CAS Electrical & Automation	India	Q1 FY23
Water pumps	Sigma Industries	India	Q1 FY23
Reagent pumps	Sigma Industries	India	Q2 FY23
Tech-Tayler valves	Weir Minerals processing Equipment LLC	UAE	Q1 FY23
Agitator	Afromix	South Africa	Q2 FY23
11kV cables	Ducab	Oman	Q1 FY23
LT cables	Ducab	Oman	Q1 FY23
Hoists & cranes	Brady & Morris Engineering	India	Q2 FY23

Definitive Feasibility Study (DFS)

The Project DFS financial modelling was revised in the previous year[6] to take account of a copper price rise since the first revision in 2018. Revised DFS projected returns, based on a range of copper price scenarios as at 29 March 2021 are set out in the table below. As a comparison, the LME spot copper price on 19 September 2022 was USD 7870 per tonne:

Copper Price (USD/tonne)	7,000	7,500	8,000	8,500	9,000	9,500
Revenue (USD m)	569	604	639	674	709	743
EBITDA (USD m)	208	241	273	306	338	370
Project NPV (USD m)	54	71	88	104	121	137
Project IRR	24%	29%	33%	36%	40%	43%

Key Project parameters

Key Project parameters from the revised DFS are set out below:

Parameter	Fundamentals
Total pre-production capex	USD 60m (including EPC, Project Management, STP & pipeline, power, road and contingencies)
Mining method	Open pit, 10.4 years
Project construction	15 months
First production	Q2 calendar 2023[7]
Final production	2033
Processing rate	1 Mtpa
Average annual concentrate production	35,000 (wmt)
Total tonnes copper metal production	79,297 (t)
Total gold ounces	21,825 (oz)
Unit operating costs	USD 31.2/t of processed material

Project Engineering and Construction Materially Progressed

Plant site civil works on track

Civil works progressed according to schedule in the reporting period and have ramped to date. By the end of the reporting period, major cut and fill works were near complete at the primary crusher house, belt conveyor area and crushed ore stockpile area, opening the way for the civil works commencement at the front end of the plant, under the Project plan.

Plain concrete pouring was completed for the crushed ore stockpile and belt conveyors BC – 02 and 03. Reinforcement work is now underway at both areas and reinforced concrete pouring is commencing at the date of this report.

Bulk earth works nearing completion

The bulk earth works (**BEW**) central to initial Project plant are now nearing completion. The remaining focus of BEW – the crusher building and retaining-wall site development and excavation works – are well advanced. Excavations are scheduled to reach the foundation level shortly, commencing with plain cement concrete pouring. The completion of the BEW will enable other critical civil and concrete works to commence at the site. The ROM pad, where ore will be dumped to feed the processing plant, and accessway are complete.

Primary Electrical Sub-Station Excavation and Power Line Construction

The primary power sub-station and power-line contractor completed mobilisation in the last quarter of the reporting period, commenced foundation ground marking and completed excavation for the capacitor bank foundation after securing required licenses. The power contractor also commenced feeder pole pit excavation, dressing and erection, in addition to soil investigation for tower location.

Al Wash-hi pit pre-stripping progress

Development of the Wash-hi–Majaza pit has significantly advanced, with further removal of overburden and oxide ore and bench development work undertaken over the second half of the reporting period. The total excavated volume at the end of the reporting period was 633,000m^3.

Customs' duty waiver delivers capital cost saving to Al Wash-hi Project

Since the reporting period the Government of Oman exempted the Project from customs duty on imported equipment and components of the concentrator plant arriving at Omani ports[8]. This duty exemption was another example of the ongoing support which the Project is receiving from all Government authorities and agencies in the Sultanate. The waiver will benefit the Project as a capital cost saving and reduce the time associated with the customs clearance process at port.

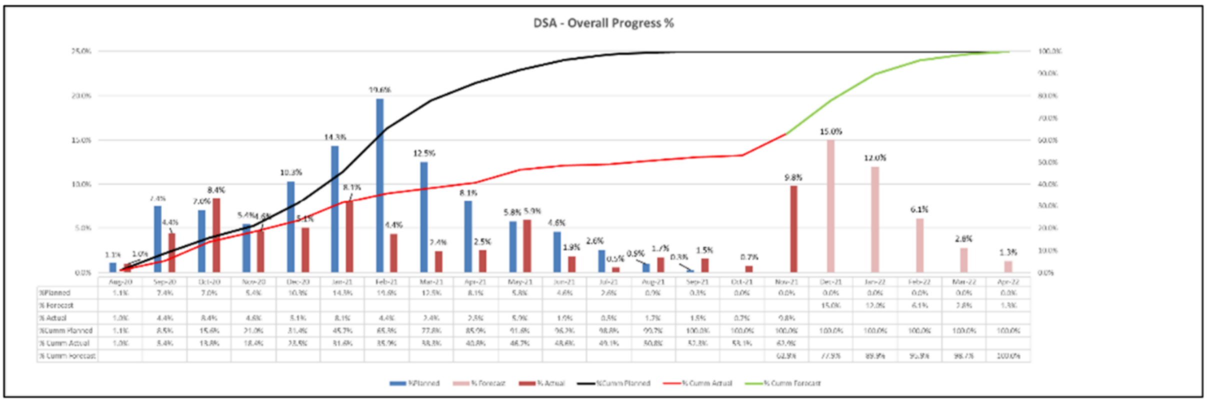
6 See Alara's 29 March and 7 April 2021 ASX announcements.

7 Revised from Q4 calendar 2022 as a result of a Project schedule review. See Alara's 6 June 2022 ASX announcement.

8 See Alara's 11 July 2022 ASX Announcement.

Project engineering ramps up

Project engineering work continued at pace as procurement order placements continued to occur. Planned engineering was progressed rapidly by Debisikha Associates and Progesys, with 63% of planned detailed engineering work completed by the end of the reporting period. Progress until that time is shown in the following figure.



Project engineering milestones continue to be achieved

Mining Contractor

Al Hadeetha Resources LLC **(AHRL)** entered a preliminary commercial agreement with Alara Resources LLC (**ARL**) for ARL to perform mining services for AHRL over 10 (ten) years at a cost of approximately USD 126m (AUD 167.83m). Of that amount, approximately USD 6m (AUD 7.99m) will be classified, when incurred, as capital expenditure – with the remainder to be classified as expenditure on revenue account.

Alara Resources LLC (ARL)

ARL has two drill rigs and associated accessories and is seeking mineral drilling contract work. In 2019, prior to the COVID-19 outbreak, the Omani Public Authority for Mining (**PAM**) released plans to award 110 new multi-commodity exploration and mining licences in the country.[9] Mineral exploration activity in Oman was negatively impacted by the pandemic. As the vaccinated percentage of the local population rises, activity in this sector is expected to ramp up. ARL is targeting a number of drilling contracts which are becoming available over the coming months.

ARL's first mining contract is with AHRL, as detailed above.

Mineral Tenements

The current status of all mineral tenements and applications for the Al Hadeetha Project is presented below.

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Grant Date	Expiry Date	Status	Area	Date of Application	Status
Wash-hi – Majaza ML 10003075.	Al Hadeetha Resources LLC	51%	39km²	Jan 2008	Nov 2016	Active*	3km²	2013	Active
Mullaq	Al Hadeetha Resources LLC	51%	41km²	Oct 2009	Nov 2016	Active*	1km²	Jan 2013	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km²	Jan 2008	Nov 2016	Active*	1.5km²	Jan 2013	Pending

*Pursuant to Ministerial decree (38/2013) which declares that the exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence, in which case the duration for the exploration licence extends until the date that a determination is made on the mining application.

Daris Copper-Gold Project — Oman

(Alara – 50%: Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (**DRL**))

The Daris project comprises two high-grade copper deposits within the 587km² exploration licence, which includes two mining licence applications covering 4.5km². This project fits well with Alara's preferred "hub and spoke" model, which provides for the processing of Daris ore at the Wash-hi – Majaza copper concentration plant currently under construction.

The Daris East Mining Licence application, which covers an area that includes measured, indicated and inferred JORC copper resources[10], was opposed by the Ministry of Housing due to its proximity to recently allotted land. Review of a petition supporting the application lodged by Daris is now underway at the Ministry of Energy and Minerals and survey work has been proposed to resolve the objection from the Ministry.

The Daris 3A5 Mining Licence application is progressing with the Government.

Awtad Copper-Gold Project — Oman

9 See for example http://www.tradearabia.com/news/IND_351573.html.

10 The Company has disclosed full details of these resources to investors on various occasions in a form which complies with the 2012 edition of the JORC Code. See, for example, the Company's 2019 Annual Report to Shareholders, pp 14-45 and 72-73.

(Alara right to subscribe for 10% initially with subsequent earn in up to 70%+; existing local shareholders holding the balance of Awtad Copper LLC)

The Awtad Project comprises an area of approximately 497 km² (Block 8) and is located immediately adjacent to the Block 7 (Daris Copper-Gold Project). Alara has a right to an initial 10% interest (potentially increasing up to 70%+) in the concession owner, Awtad Copper LLC.

Exploration previously undertaken at this project includes:

- 86-line kilometres of airborne VTEM, 14-line kilometres of ground IP, 169-line kilometres of ground magnetics and 202-line kilometres of high-resolution ground magnetics.
- 76 RAB drill holes totalling 1,747m and 11 core drill holes totalling 299m.
- Drilling results (including some undertaken across the Al Mansur Prospect) were low grade in general and inconclusive.

Previous exploration identified anomalies worthy of further exploration. The fact that prospective geological formations within the licence area are under cover of alluvial and aeolian deposits enhances the prospects of further copper mineralisation.

Detailed work plans have been submitted to the Ministry of Energy and Minerals for renewal of the exploration licence, which currently remain pending.

Mineral Tenements
The current status of all mineral tenements and applications for the Daris and Awtad Projects is presented below.

Block Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licences within EL		
			Area	Grant Date	Expiry Date	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50%	587km²	Nov 2009	Feb 2016	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km²	Nov 2009	Oct 2013	Renewal pending	NA	NA	NA

*Pursuant to Ministerial decree (38/2013) which declares that the exploration licence ends when its duration ends, unless the licensee has submitted an application for a mining licence, in which case the duration for the exploration licence extends until the date that a determination is made on the mining application.

Khnaiguiyah Zinc-Copper Exploration Licence Bid — Saudi Arabia

The end-target for the Khnaiguiyah Project is the development and operation of an open-cut zinc-copper mine and associated infrastructure. Alara previously invested over USD 30m into the original Khnaiguiyah Project, including over USD 23m (AUD 30.64m) to produce a bankable feasibility study (**BFS**).

The project reached an impasse after the former Khnaiguiyah mining licence holder, United Arabian Mining Company LLC, asked the Saudi Arabian Mines Minister to halt transfer of the licence to the Alara JV company, contrary to the requirements of the JV agreement. The mining licence was cancelled in 2015, due to the impasse between project participants.

In early calendar 2022, the Saudi Ministry of Industry and Minerals Resources (**MIMR**) unveiled plans to undertake a 3-stage auction process for an exploration licence for the Khnaiguiyah Zinc-Copper project (**Licence**). The project was be tendered as an exploration licence, covering an area of 353.8km², which included the licence area of Alara's earlier JV. The tender process had three stages, starting with registration of interest, followed by a qualification stage and finally bidding and grant.

Alara formed a JV with Omani conglomerate Al Tasnim to bid for the Licence (**Alara – AT JV**). The Alara – AT JV bid progressed through the first and second rounds of the tender process to be one of only three bidders selected to participate in the final, multi-round auction stage.

After the reporting period, the MIMR announced that the Alara – AT JV was unsuccessful in the Licence auction, having placed the second-highest bid. This second placing gives the JV the status of "reserved bidder" under the Licence issue procedure. This means that if MIMR negotiations with the winning bidder fail to progress to the Licence-issue stage, it will commence negotiations to issue it to the Alara – AT JV.

Statutory Information

Corporate

Alara is a company limited by shares incorporated in Western Australia.

Cash Position

The Company's cash position at 30 June 2022 was AUD 2.45m (30 June 2021: AUD 4.24m).

Finance

Other than the project finance facility referred to above, and an ARL drill-rig finance facility of OMR 180,599 (AUD 623,156) neither the Company nor any of its related entities were party to any material financing arrangements during the reporting period.

Principal Activities

The principal activities of entities within the Consolidated Entity during the year were the exploration, evaluation and development of a mining licence and mineral exploration licenses in Oman.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity, save as otherwise disclosed in this Directors' Report or the financial statements and notes thereto.

Dividends

No dividends have been paid or declared during the financial year.

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Operating Results

Consolidated	2022 $	2021 $
Total revenue	11,169	11,779
Total expenses	(1,607,237)	(1,682,250)
Profit/loss before tax	**(1,596,068)**	**(1,670,471)**
Income tax benefit	-	-
Profit/loss after tax	**(1,596,068)**	**(1,670,471)**

Profit/(Loss) per Share

Consolidated	2022	2021
Basic profit/(loss) per share (cents)	(0.19)	(0.24)
Diluted profit/(loss) per share (cents)	(0.19)	(0.24)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	705,429,239	667,645,289
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share	705,938,403	667,645,289

Cash Flows

Consolidated	2022 $	2021 $
Net cash flow used in operating activities	(1,811,168)	(1,654,849)
Net cash flow from investing activities	(17,590,507)	(3,165,710)
Net cash flow provided by financing activities	17,359,449	1,893,538
Net change in cash held	(2,042,226)	(2,927,021)
Effect of exchange rates on cash	250,202	(505,780)
Cash held at year end	**2,449,791**	**4,241,815**

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Financial Position

Outlined below is the Consolidated Entity's financial position and prior-year comparison.

Consolidated Entity	2022 $	2021 $
Cash	2,449,791	4,241,815
Trade and other receivables	9,712,513	38,566
Exploration & evaluation	5,635,650	4,910,968
Mine properties & development assets	25,213,324	12,383,033
Investment in associate	98,920	139,350
Term deposits	1,036,625	1,030,168
Other current assets	194,451	23,869
Non-current assets	645,927	553,469
Total assets	**44,987,201**	**23,321,238**
Trade and other payables	3,795,185	988,405
Unearned Income	-	8,079
Financial liabilities	18,151,549	723,128
Provisions	154,427	93,838
Total liabilities	**22,101,161**	**1,813,450**
Net assets	**22,886,040**	**21,507,788**
Issued capital	68,233,860	68,233,860
Reserves	12,469,929	9,495,609
Accumulated losses	(57,378,975)	(56,062,753)
Parent interest	**23,324,814**	**21,666,716**
Non-controlling interest	(438,774)	(158,928)
Total equity	**22,886,040**	**21,507,788**

Issued Capital

Fully paid ordinary shares, listed options and unlisted options on issue in the Company as at the date of this report are as follows:

	Fully paid shares quoted on ASX	Listed options	Unlisted options	Total
	705,429,239	-	7,499,000	712,928,239
Total	**705,429,239**	**-**	**7,499,000**	**712,928,239**

4,000,000 unlisted options held by Chairman Mr. Stephen Gethin with an exercise price of $0.03 per share were exercised on 1 July 2022.

Unlisted Options

During the financial year, the following unlisted options were issued:

- 1,666,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 30 April 2024.
- 2,500,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 30 June 2024.
- 3,333,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 31 July 2024.

Likely Developments and Expected Results

During the 2022-23 financial year the Consolidated Entity intends to progress the construction mining and copper processing infrastructure for the Al Wash-hi – Majaza Project, with completion expected in April 2023. Upon project completion, the Company will commence the production and sale of copper and gold from the mine. Financial projections for the Al Hadeetha Project are set out on page 3 of this Report.

The Company intends to continue exploration, evaluation and development activities in relation to its other mineral exploration licences in Oman in the 2022-23 financial year. The likely results of these activities will depend on a range of geological, technical and economic factors.

The Company will continue to pursue opportunities to realise value from the Khnaiguiyah Project bankable feasibility study.

Environmental Regulation and Performance

The Consolidated Entity holds licences and abides by laws and regulations issued by the Omani government and its relevant mining and environmental protection authorities. These licences, laws and regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with exploration and mining operations as well as the storage and use of hazardous materials. There have been no significant breaches of the Consolidated Entity's licence conditions.

Board of Directors

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows.

Stephen Gethin — Non-Executive Chairman

Barrister and Solicitor of the Supreme Court of Western Australia and of the High Court of Australia
Appointed Non-Executive Chairman on 2 July 2020

Appointed Non-Executive Director on 28 June 2020
Non-Executive Director from 11 January to 22 November 2019

Experience

Stephen Gethin is a highly regarded Director and Company Secretary with over 25 years' experience in the provision of corporate legal advice and contracting over 18 years' experience in the provision of ASX-listed secretarial services in a range of industries, including resources, technology and investments. Before founding a private legal practice in 2013, was General Counsel and Company Secretary of Strike Resources Limited (ASX:SRK) and, earlier, served as General Counsel and Company Secretary at ERG Limited (ASX:ERG). Mr Gethin also advises a number of other ASX-listed and large private companies.

Special responsibilities

Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee.

Other directorships in listed companies in past 3 years

Nil

Atmavireshwar Sthapak — Managing Director

Bachelor of Applied Science and Master of Technology, Applied Geology
Appointed Managing Director on 28 July 2020

Appointed Executive Director on 3 February 2016
Previously Non-Executive Director (22 September 2015 to 3 February 2016)

Experience

Atmavireshwar Sthapak (MAusIMM) is a geologist specialising in mineral resource exploration and evaluation studies. He joined Alara in 2011, making valuable contributions to the Company as an Exploration Manager and a Study Manager based in Muscat; including discovery of large VMS copper mineralisation extensions at the Wash-hi – Majaza project in Oman and resource upgrade at the Wash-hi – Majaza and Daris copper-gold deposits. He played key roles in the feasibility study and the grant of a mining license for the Wash-hi – Majaza project. Prior to joining Alara, his career spanned 10 years with ACC / ACC-CRA Ltd and 10 years with Rio Tinto (Australasia) where he was awarded a Rio Tinto Discovery Award in 2009. He has worked on exploration around world-class deposits; including Mt. Isa type copper deposits in Australia, and copper, gold and diamond mines on four continents.

Other directorships in listed companies in past 3 years

Nil

Vikas Jain — Non-Executive Director

MBA — Appointed 6 April 2016

Experience

Vikas Jain holds an MBA from the USA and has vast experience of over 20 years in the fields of mineral exploration, mining, oil-field exploration and allied activities. He is currently Managing Director and CEO of the Indian Company South-West Pinnacle Exploration Limited (**SWPE**), which he founded in 2006 and listed on the National Stock Exchange of India. Under his leadership and able guidance, SWPE has enjoyed rapid growth and is a premier exploration company in India. Since its beginnings as a primarily a mineral exploration company, SWPE has progressively added coal bed methane (**CBM**) exploration and production, aquifer mapping, HDD, geophysical logging, transportation and other geological activities to its range of operations. SWPE has also ventured into 2D and 3D seismic acquisition and processing for oil field exploration services. SWPE was awarded a contract for the first integrated 2D seismic acquisition, processing and exploration including drilling in coal block in India. Mr Jain also has extensive experience in open-cut mining of various minerals and allied activities through his earlier involvement with other companies.

Special responsibilities

Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee.

Other directorships in listed companies in past 3 years

South-West Pinnacle Exploration Limited, listed on the National Stock Exchange, India.

Sanjeev Kumar **Non-Executive Director**

MBA (Finance & Marketing), IMT Ghaziabad, India; BE (Metallurgy), VNIT Nagpur, India — Appointed 23 October 2020

Experience

Mr Kumar has extensive Australian and international business experience, with a specialisation in high-value asset finance lending.

He is currently a director of Tradexcel Global Pty Ltd, an Australian company which he co-founded in 2017. Tradexcel assists Australian and NZ businesses to assess and expand into overseas markets; navigating entry barriers, providing regulatory clearance services, business strategy and planning and local partnerships. His previous roles include Vice President at India Factoring and Finance Solutions (a subsidiary of Fimbank), Associate Vice President at Tata Capital Financial Services, India, and Manager, Infrastructure Division at ICICI Bank Limited.

Other directorships in listed companies in past 3 years

Nil

Devaki Khimji **Non-Executive Director**

Appointed 2 February 2022

Experience

Ms. Devaki Khimji is a result-oriented, self-motivated and resourceful Managing Director with a proven ability to develop, strengthen and maximise company profitability and efficiency. She is experienced in leading and growing all aspects of a business to make it into a dynamic and progressive organisation. She possesses excellent communication skills and is able to establish sustainable and profitable relationships with clients and suppliers across the world.

Ms. Khimji has served as the Managing Director and Partner of India Circus Pvt. Ltd, a company dedicated to the online retail of lifestyle products in India. Her business acumen and foresight were essential to India Circus's launch and financial growth. She guided the brand through the market with her management skills gained through previous endeavours.

She has also embarked on various successful entrepreneurial ventures and acquired an indispensable understanding of global markets, including electronic commerce. With strong management skills, both traditional and technology specific, Ms. Khimji's experience and proficiency have channelled her businesses and aspirations in the right direction. Ms. Khimji combines her passion for fitness software with a keen business sense, which has also made her one of the most successful entrepreneurs in the software industry. She is solely responsible for the smooth functioning of all her companies' projects and has pioneered many fitness club/gym management systems and ensured their successful implementation. An authority on the functioning of fitness club software, she has been responsible for the strong financial success of all her companies.

Other directorships in listed companies in past 3 years

Nil

Farrokh Masani **Alternate Director**

Appointed 2 February 2022

Experience

Mr Masani is an inspirational leader with over thirty (30) years of work and entrepreneurial experience in the ever-evolving construction industry. He is an ambitious visionary with a strong track record of creating and growing businesses in a competitive environment, with commitment to the principles of excellence through innovation and teamwork.

He has extensive commercial expertise and in-depth knowledge of civil construction, HVAC, plumbing, firefighting, electrical systems design and project management. Possessing exceptional communication skills and firm arbitration tactics, he is a leader who is also known for attention to detail and exemplary decision-making during times of high pressure.

Other directorships in listed companies in past 3 years

Nil

Company Secretary

Dinesh Aggarwal **Company Secretary**

Dinesh Aggarwal FCPA, CA, CMA, FTI, DFP — Appointed 2 July 2020

Experience

Dinesh is a Chartered Accountant and CPA with over 20 years' experience in accounting and tax, finance, and business management in senior corporate positions, both in Australia and overseas. He is the founder and Managing Director of Fortuna Advisory Group, an expanding, multi-disciplinary professional services group in Perth, Western Australia. He advises listed companies, Australian subsidiaries of major international groups, a large variety of SMEs and high-net-worth individuals.

Mr Aggarwal provides virtual CFO services to numerous corporate groups, self-managed superannuation advice and complex business structuring. He represents taxpayers in objections and AAT appeals against the ATO. Mr Aggarwal successfully represented a client in the landmark case *Wong v. Commissioner of Taxation* (AATA2011/3450) concerning the distinction between a share trader and an investor. A highly acknowledged professional, Dinesh has been Chairman of the CPA (WA) Public Practice Committee and a member of CPA Australia Public Practice Advisory Committee.

Among his various awards, he received the CPA 40 Under 40 Young Business Leaders' Award in 2012 and 2013 and was a finalist in the Tax Institute of Australia SME Tax Adviser of the Year Award 2015. Mr Aggarwal also serves on the boards of various companies and not for profit bodies.

Directorships in listed companies in past 3 years

Nil

Directors' Interests in Shares and Options

As at the date of this Report, the relevant interests of the Directors in shares and options held in the Company are:

Director	Ordinary shares	Options
Stephen Gethin	1,500,000	-
Atmavireshwar Sthapak	3,862,051	7,499,000
Vikas Jain	37,745,930	-
Sanjeev Kumar	-	-
Devaki Khimji	-	-
Farrokh Masani	10,422,687	-

Directors' Meetings

The number of meetings and resolutions of directors (including meetings of committees of directors) held during the year and the number of meetings (or resolutions) attended by each director were as follows:

Director Name	Appointed / Ceased	Board		Audit Committee		Remuneration and Nomination Committee	
		Meetings Attended	Maximum Possible	Meetings Attended	Maximum Possible	Meetings Attended	Maximum Possible
Stephen Gethin	Appointed 28 June 2020	13	13	2	2	-	-
Atmavireshwar Sthapak	Appointed 22 September 2015	13	13	2	2	-	-
Vikas Jain	Appointed 6 April 2016	13	13	2	2	-	-
Sanjeev Kumar	Appointed 23 October 2020	9	13	-	-	-	-
Devaki Khimji	Appointed 2 February 2022	0	4	-	-	-	-
Farrokh Masani	Appointed 2 February 2022	1	4	-	-	-	-

Audit Committee

The Audit Committee currently comprises Non-Executive Directors Vikas Jain (Committee Chairman) (appointed 6 April 2016) Non-Executive Company Chairman Stephen Gethin (appointed 2 July 2020) and Managing Director Atmavireshwar Sthapak (appointed 28 September 2016).

The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. Its function includes reviewing and approving the audited annual and reviewed half-yearly financial reports, ensuring a risk management framework is in place, reviewing and monitoring compliance issues, reviewing reports from management and matters related to the external auditor. The Audit Committee Charter may be viewed and downloaded from the Company's website.

Material Business Risks Affecting Company Results

Alara operates in an uncertain economic environment as it seeks to achieve results consistent with its strategic objectives. Its financial results are subject to various risks and uncertainties, many of which are beyond the Company's ability to control. Alara's Board and management identifies and monitors risks and, where possible, manages the potential for adverse outcomes through the implementation of controls and mitigation strategies.

All of the following factors may have a material adverse effect on the Company's business, may affect the results of the Company's operations and affect its prospects for future years.

COVID-19

The potential for a future significant outbreak of COVID-19 amongst the workforce of the Company or its construction and mining contractors and subcontractors poses a risk to the Company's operations. A significant COVID-19 outbreak on the Company's mining construction project could lead to a delay in completion of the project and/or a delay in mining ore (already underway) due to increased personnel absences. A significant COVID-19 outbreak affecting the Company's operations may require additional measures to be taken, which may themselves also contribute to delay in project completion and/or in mining ore. To mitigate this risk, the Company has implemented a comprehensive set of controls to ensure the health of its employees. Any measures taken to address COVID-19 may increase the Company's unit operating costs when it commences production of copper concentrate.

Commodity Prices

The Company is a minerals explorer and is developing a copper-gold mine in Oman. Upon completion of the Company's copper-gold mine in Oman, it aims to generate revenue from the sale of copper concentrate and gold through a customer offtake agreement. Commodity prices are determined by external markets, which are beyond the control of the Company and are susceptible to adverse price movements.

Foreign Exchange

The Company's 51% owned joint-venture vehicle Al Hadeetha Resources (**AHRL**) has a loan facility of OMR 19 million (AUD 67.76 million) (**Facility**) which it is drawing down to fund construction of the Al Wash-hi – Majaza Copper-Gold project in Oman (**Project**). This loan is partly denominated in Omani rials and partly in US dollars.

The Company intends to repay the Facility with the proceeds of the sale of copper concentrate to be generated from the Project, when construction is complete. The sale contract for AHRL's copper concentrate is expected to be denominated in US Dollars. Although the Omani rial is currently pegged to the US dollar, it is possible that it will not remain pegged at all in future, or that it will be pegged at a different rate. Any change to the exchange rate between the Omani rial and the US dollar could affect the Company's ability to repay the Facility and its profitability. The Company has not hedged against this risk, however, because it has taken the view that it is unlikely that the Omani rial will cease to be pegged to the US dollar, or that it will be pegged at a substantially different rate, during the anticipated 10-year life of the Project.

The Company reports to shareholders in Australian dollars. A fall in the US dollar against the Australian dollar would result in a reduction in the profit which the Company expects to earn, when expressed in Australian dollars. The Company has not hedged against fluctuations in the AUD:USD exchange rate, however, as the great majority of its costs are denominated in US dollars, the same currency in which it expects to earn revenue.

Production, Operating and Capital Costs

The Company's current and future operating results and financial position are dependent on the level of mineral output achieved, as well as on the results of operations and capital costs. The Company's forecast levels of copper concentrate production are subject to alteration as a result of a number of factors, including the actual geological and metallurgical properties of ore from the mine being different to that predicted by its feasibility study, and severe adverse weather events. As part of Project construction, the Company is building appropriate levels of resistance to adverse weather events into plant and equipment, and implementing systems to deal with the consequences thereof, for example mine dewatering systems.

When the Project commences production the Company will operate it using the services of a mining contractor. The main expenses of the mining contractor are fuel costs, labour costs and equipment capital or rental costs and depreciation. The Company has a long-term, fixed-price contract with its mining contractor. Therefore, it is largely protected against fluctuations in these costs.

The Company will be exposed to significant costs in relation to transporting copper concentrate from mine to port and shipping it to its end customers' nominated ports overseas, principally in Asia. These costs are subject to fluctuation due to shortages in supply or production of shipping and fuel, port congestion and general economic factors both in Oman and international geopolitical risks, including war.

Many of these factors are beyond the Company's control. As a result, the Company may face more diversified production, capital and operating costs in the future than its current estimates of those costs.

Climate Change

The Company may be impacted by the emergence of new or expanded regulations, locally and internationally, relating to climate change. Changes in local or international climate change regulations, mitigation efforts, specific taxes or penalties for carbon emissions, among other things, may affect the projected profit of the Project.

The Company's current mine-site construction operation, and its projected sale of copper concentrate are largely dependent on carbon-based energy sources. Presently, all mining equipment used by its mining and civil earthworks contractors is diesel powered. The Company's proposed source of electricity for operating the Project is generated from carbon-based energy source. The Company's proposed methods of transporting copper concentrate from the Project, when complete, to port and on to customer destinations overseas all currently envisage the use of diesel-powered road transport and ocean shipping which is still largely reliant on heavy fuel oil.

The Company's costs of production and supplying product to customers may increase as a result of governmental and private industry efforts to mitigate climate change which involve a change in the mix of energy sources which may be legally and/or economically used in mining and the transport of mined product.

Climate change may pose certain physical and environmental risks which the Company cannot predict, including an increase in severe weather events (such as heavier and/or longer rain storms). These climate-related risks may significantly alter the industry in which the Company operates. In particular, the site of the Company's activity in Oman is likely to be exposed to the longer-term physical effects of climate change, including but not limited to increased average daily temperatures, rates of evaporation increases and increased flooding risk.

Transport and Infrastructure

The Company's business depends on the continued flow of equipment deliveries for construction of mine site infrastructure, fuel for construction and mining operations and explosives to it and its contractors, and will depend on transport logistics for the supply of copper concentrate to end customers once the Project commences operation. The Company relies, and intends to rely when copper production commences, on third parties to provide trucking, port, shipping and other transportation services. Contract disputes, port capacity issues, truck and vessel availability, weather issues, strikes, labour shortages and travel restrictions related to COVID-19 or other factors may have an adverse effect on the Company's capacity to ship (or receive shipped products) and materials to meet Project construction schedule and its contractual commitments to sell copper concentrate, when it commences production. In turn, such factors may affect the Company's operations and hence its financial performance.

Geopolitical Risk

China is a major source of global demand for copper concentrate, the principal product which the Company plans to produce. The Company's exposure to economic conditions and policies in China is therefore substantial. If the Chinese economy experiences slower growth or declines, this may lead to a reduction in the price of copper concentrate and/or the demand for it, thus reducing the Company's expected sales and profits.

Other general geopolitical and global economic risks, the specific nature of which cannot be predicted with certainty, may affect the Company in various ways if they materialise, including by affecting commodity prices, capital flows, macroeconomic indicators and general market confidence.

Licences, Permits and Approvals

In order to construct the Project and to operate it when construction is complete, the Company must comply with applicable environmental, mining and dangerous goods laws and conditions of its mining licence. The Company has obtained necessary approvals to construct and operate the Project.

The Company has interests in other copper exploration projects in Oman. It has complied with all laws, and licenses which it holds, in relation to those projects to date. To develop any of those projects beyond the exploration stage into mining projects, the Company will require additional permits – principally mining licences. The Company will comply with all laws and procedures because of applying for and operating under any mining licences in relation to any of its exploration projects if moving them to that stage would be economically viable. There is no guarantee, however, that mining licences will be granted for any of the Company's exploration projects.

Information Technology and Cyber Security Risk

The Company's operations are supported by information technology systems, including infrastructure, networks, applications and service providers. The Company may experience network and system interference or disruption from a number of sources, including security breaches, cyberattacks and system failures that may lead to interference or disruption of technological systems leading to downtime. Further, operational delays, destruction or corruption of data, sensitive information disclosure and data breach could all have a material impact on the Company's business, operations, financial position and performance. The Company has implemented cybersecurity measures to mitigate these risks, based on competent external advice.

Remuneration Report

The information in this Remuneration Report has been audited. This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being the Company Secretary or a senior manager with authority and responsibility for planning, directing and controlling the major activities of the Company or Consolidated entity, directly or indirectly) (**Key Management Personnel** or **KMP**) of the Consolidated Entity in respect of the financial year ended 30 June 2022.

Key Management Personnel

Directors	
Stephen Gethin	Chairman (Appointed 2 July 2020. Non-Executive Director until 2 July 2020)
Atmavireshwar Sthapak	Managing Director (Appointed 28 July 2020. Executive Director until 28 July 2020)
Vikas Jain	Non-Executive Director (Appointed 6 April 2016)
Sanjeev Kumar	Non-Executive Director (Appointed 23 October 2020)
Devaki Khimji	Non-Executive Director (Appointed 2 February 2022)
Farrokh Masani	Alternate Director (Appointed 2 February 2022)
Executives	
Dinesh Aggarwal	Company Secretary (Appointed 2 July 2020)
Avigyan Bera	AHRL CEO (Appointed 15 October 2020)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee currently comprises Non-Executive Board Chairman, Stephen Gethin (Committee Chairman, appointed 2 July 2020), Non-Executive Director, Vikas Jain (appointed 6 April 2016) and Managing Director Atmavireshwar Sthapak appointed 28 June 2016).

The Remuneration and Nomination Committee has a formal charter to prescribe its purpose, key responsibilities, composition, membership requirements, powers and other administrative matters. The Committee has a remuneration function (with key responsibilities to make recommendations to the Board on policy governing the remuneration benefits of the Managing Director, including equity-based remuneration and assist the Managing Director to determine the remuneration benefits of senior management and advise on those determinations) and a nomination function (with key responsibilities to make recommendations to the Board as to various Board matters including the necessary and desirable qualifications, experience and competencies of Directors and the extent to which these are reflected in the Board, the appointment of the Chairman and Managing Director, the development and review of Board succession plans and addressing Board diversity). The Remuneration and Nomination Committee Charter may be viewed and downloaded from the Company's website.

Remuneration Policy

The Board (with guidance from the Remuneration and Nomination Committee) determines the remuneration structure of all Key Management Personnel having regard to the Consolidated Entity's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, market practice, the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company. The Board recognises that the performance of the Company depends upon the quality of its Directors and executives. To achieve its financial and operating objectives, the Company must attract, motivate and retain highly skilled Directors and executives.

The Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract and retain high calibre executives.
- Structure remuneration at a level that reflects the executive's duties and accountabilities and is competitive.

Remuneration Structure

The structure of Non-Executive Directors' and Executive Directors' remuneration is separate and distinct.

Directors' Remuneration

Objective

The Board seeks to set aggregate remuneration (for Directors) at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Each Non-Executive Director receives a fee for serving as a Director of the Company and on relevant Board Committees, if applicable. The level of each Non-Executive Director's fee is commensurate with the workload and responsibilities undertaken. According to the Company's Constitution and the ASX Listing Rules, the aggregate remuneration of Non-Executive Directors must not exceed an amount determined by the Shareholders from time to time at a General Meeting (**Non-Executive Fee Pool**). An amount up to the Non-Executive Fee Pool is then allocated among the Non-Executive Directors as Directors' fees, as determined by the Board on the recommendation of the Remuneration and Nomination Committee (**Remuneration Committee**). The Non-Executive Fee Pool, set by Shareholders at the Annual General Meeting held on 26 May 2011, is AUD 275,000 per annum. Shareholders determined the amount of the Non-Executive Fee Pool having regard to the recommendation of the Board. That recommendation was, in turn, based on the recommendation of the Remuneration Committee, made based on a consideration of fees paid to non-executive directors of comparable companies.

Managing Director and Senior Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration is competitive by market standards. Formal employment contracts are entered into with the Managing Director and senior executives. Details of these contracts are outlined later in this report.

Consequences of Company Performance on Shareholder Wealth

In considering the Company's performance and creation of value for shareholders, the Board had regard to the following information in relation to the current financial year and the previous four years:

	2022	2021	2020	2019	2018
Total Equity (AUD)	22.9	21.5m	22.9m	21.8m	10.4m
Basic earnings/(loss) per share (AUD)	(0.19)	(0.24)	0.04	(0.07)	(0.11)
Net Profit/(Loss) attributable to members (AUD)	(1,316,222)	(1,622,329)	273,985	(454,577)	(691,512)
Market Capitalisation (AUD)	31.0m	9.9m	8.3m	15.1m	18.2m

Fixed Remuneration

During the financial year, the Key Management Personnel of the Company are paid a fixed base salary/fee per annum plus applicable employer superannuation contributions, as detailed below (Details of Remuneration Provided to Key Management Personnel).

Performance Related Benefits/Variable Remuneration

Performance-related benefits/variable remuneration payable to Key Management Personnel is disclosed in the table *Details of Remuneration Provided to Key Management Personnel*. Current Managing Director Atmavireshwar Sthapak (appointed 28 July 2020) was paid allowances including housing and vehicle allowances and medical insurance.

Special Exertions and Reimbursements

Pursuant to the Company's Constitution, each:

- Non-Executive Director is entitled to receive payment for the performance of extra services, or the undertaking of special exertions, at the request of the Board for Company purposes.
- Each Director is entitled to reimbursement of all reasonable expenses (including traveling and accommodation) which they incur for the purpose of attending Board and Board Committee meetings, the business of the Company, or in performing their duties as a Director.

Post-Employment Benefits

Other than employer contributions to nominated complying superannuation funds (where applicable) and entitlements to accrued unused annual and long service leave (where applicable) the Company does not provide retirement benefits to Key Management Personnel.

The Company notes that Shareholders' approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous three (3) years) to a Director or any person who holds a managerial or executive role.

Long-Term Benefits

Other than early termination benefits disclosed in "Employment Contracts" below, Key Management Personnel have no right to termination payments, save for payment of accrued unused annual and long service and/or end of service leave (where applicable).

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Details of Remuneration Provided to Key Management Personnel.

Key Management Person	Performance based	Fixed	At risk STI	Options related	Short-term benefits: Cash payments: Salary and fees	Allowances[(i)]	Cash Bonus	Non-cash[(ii)]	Other[(iii)]	Post-employment benefits: Superannuation	Termination	Other long-term benefits: Other	Equity based benefits: Options	Total
2022	%	%	%	%	$	$	$	$	$	$	$	$	$	$
Executive Director:														
Atmavireshwar Sthapak	-	100%	-	-	290,633	27,973	-	-	-	-	-	23,204	-	341,810
Non-Executive Directors:														
Stephen Gethin	-	100%	-	-	75,000	-	-	-	-	-	-	-	-	75,000
Vikas Jain	-	100%	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Sanjeev Kumar	-	100%	-	-	22,831	-	-	-	-	2,170	-	-	-	25,001
Devaki Khimji	-		-	-	-	-	-	-	-	-	-	-	-	-
Farrokh Masani	-		-	-	-	-	-	-	-	-	-	-	-	-
Company Secretary:														
Dinesh Aggarwal (iv)	-	100%	-	-	39,105	-	-	-	-	-	-	-	-	39,105
Chief Executive Officer, AHRL														
Avigyan Bera	-	100%	-	-	66,757	22,669	-	-	-	-	-	-	-	89,425

Notes:

(i) Allowances are based on the executive employment agreement and may include expat allowance, company car allowance, rent allowance and security bond and school-fee allowance received from subsidiaries and related joint venture entities.
(ii) Non-cash benefits include net leave and/or end of service gratuity accrued or paid to relevant labour laws
(iii) Other short-term benefits consist of exchange gain/(loss) due to foreign currency translation from Omani Rial to Australian Dollars on Mr. Bera's salary.
(iv) Appointed 2 July 2020. Remuneration, in his capacity as Company Secretary, paid to Fortuna Advisory Group.

Key Management Person	Performance based	Fixed	At risk STI	Options related	Short-term benefits: Cash payments: Salary and fees	Allowances[(i)]	Cash Bonus	Non-cash[(ii)]	Other[(iii)]	Post-employment benefits: Superannuation	Termination	Other long-term benefits: Other	Equity based benefits: Options	Total
2021	%	%	%	%	$	$	$	$	$	$	$	$	$	$
Executive Directors:														
Justin Richard	-	100%	-	-	421,089	10,284	-	-	-	-	-	-	-	431,373
Atmavireshwar Sthapak	-	100%	-	-	255,283	25,372	-	-	-	-	-	-	-	280,655
Non-Executive Directors:														
James Phipps	-	100%	-	-	157,087	-	-	-	-	-	-	-	-	157,087
Vikas Jain	-	100%	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Stephen Gethin	-	100%	-	-	50,000	-	-	-	-	-	-	-	-	55,000
Avi Sthapak	-	100%	-	-	9,132	-	-	-	-	868	-	-	-	10,000
Sanjeev Kumar	-	100%	-	-	17,304	-	-	-	-	1,446	-	-	-	18,750
Company Secretary:														
Dinesh Aggarwal[(v)]	-	100%	-	-	39,105	-	-	-	-	-	-	-	-	39,105
Chief Executive Officer, AHRL														
Avigyan Bera	-	100%	-	-	54,029	14,887	-	-	-	-	-	-	-	68,916

Notes:

(i) Allowances are based on the executive employment agreement and may include expat allowance, company car allowance, rent allowance and security bond and school-fee allowance received from subsidiaries and related joint venture entities.
(ii) Non-cash benefits include net leave and/or end of service gratuity accrued or paid to relevant labour laws
(iii) Other short-term benefits consist of exchange gain/(loss) due to foreign currency translation from Oman Rial to Australian Dollars on Mr Richard's and Mr. Bera's salaries.
(iv) The amount paid to Mr. Richard included termination benefits of AUD 391,328.
(v) Appointed 2 July 2020. Remuneration, in his capacity as Company Secretary, paid to Fortuna Advisory Group.

Equity Based Benefits

The Company provided the equity based benefits (e.g. grant of shares or options) to Key Management Personnel during the financial year specified below. No shares were issued as a result of the exercise of options held by Key Management Personnel during the financial year.

- 1,666,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 30 April 2024.
- 2,500,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 30 June 2024.
- 3,333,000 options were issued to Managing Director Atmavireshwar Sthapak on 23 December 2021. Each option is exercisable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 31 July 2024.

Options Lapsed During the Year

5 million held by Managing Director Mr. Atmavireshwar Sthapak were cancelled during the year with his consent, as a condition of the options referred to above being issued to him.

Details of Shares Held by Key Management Personnel

	Ordinary Fully Paid Shares				
2021-2022 Director/KMP	**Balance at 1 July 2021**	**Balance at appointment**	**Net change**	**Balance at cessation**	**Balance at 30 June 2022**
Stephen Gethin	-		-		-
Atmavireshwar Sthapak	3,862,051		-		3,862,051
Vikas Jain	37,745,930		-		37,745,930
Sanjeev Kumar	-	-	-		-
Dinesh Aggarwal	6,055,725	-	-		6,055,725
Devaki Khimji		-	-		-
Farrokh Masani		10,422,687	-		10,422,687

	Ordinary Fully Paid Shares				
2020-2021 Director/KMP	**Balance at 1 July 2020**	**Balance at appointment**	**Net change**	**Balance at cessation**	**Balance at 30 June 2021**
Stephen Gethin	-		-		-
Atmavireshwar Sthapak	2,951,451		910,600		3,862,051
Vikas Jain	37,745,930		-		37,745,930
Sanjeev Kumar		-	-		-
Dinesh Aggarwal		-	6,055,725		6,055,725
James Phipps	-		-	-	
Justin Richard	35,319,526(i)		-	35,319,526(i)	
Avi Sthapak	-		-	-	

Note:
(i) Includes shares held by Mr Richard's spouse.

Details of Options Held by Key Management Personnel

The only options held by Key Management Personnel are those disclosed above under the heading "Equity Based Benefits"

Employment Contracts

(a) Managing Director – Atmavireshwar Sthapak

Atmavireshwar Sthapak was appointed Managing Director on 27 July 2020. The material terms of his contract in effect during the Reporting Period were as follows[11]:

- Annual base salary of AUD 324,278 per annum;
- Housing allowance of up to AUD 41,406 per annum;
- Vehicle allowance – up to AUD 77,637 per annum, plus pay the costs of keeping the vehicle fuelled, maintained and registered;
- Compulsory statutory "end of service" payments due under the Oman Labour Law;
- Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus any additional entitlements prescribed under Oman Labour Law; and
- Either party may terminate the agreement by providing three (3) months' notice.
- Long-term incentive: The Managing Director's Options, as detailed on page 19, form part of his long-term incentive. In addition, the Managing Director is entitled to a cash bonus specified below if the Company achieves the relevant target for that bonus (each a **Target**) by the Target Date for that Target specified below:

11 See Alara's 3 February 2016 ASX Announcement: "Appointment of Executive Director".

- o AUD 60,000 cash bonus if the Wash-hi – Majaza Project achieves first copper concentrate production on or before 28 February 2023 (**Target Date**).
- o AUD 60,000 cash bonus if Alara or a JV company in which Alara has at least a 50% interest is awarded a mining or exploration licence for the Khnaiguiyah Project in Saudi Arabia on or before 31 March 2023 (**Target Date**).
- o AUD 20,000 cash bonus if the exploration license for the Daris project is transferred to Alara's JV company Daris Resources LLC by Alara's partner in that JV (**Target**) on or before 31 December 2022 (**Target Date**).
- o AUD 20,000 cash bonus if Alara or a JV company in which Alara holds at least a 50% interest acquires interests in other copper mineral licences in Oman acceptable to the Board (**Target**) on or before 31 December 2022 (**Target Date**).
- o AUD 20,000 cash bonus if the exploration license for mining Block 8 in Oman is renewed and is transferred to Alara or a JV company in which Alara holds at least a 10% interest (**Target**) on or before 31 March 2023 (**Target Date**).

In each of the above cases, if the Target is:

- o achieved within two (2) months after the Target Date, 66.66% of the cash bonus is payable for that Target;
- o achieved more than (2) months after, but within four (4) months of, the Target Date, 33.33% of the cash bonus is payable for that Target; or
- o not achieved within four (4) months after the Target Date, no cash bonus is payable for that Target.

(b) Other Executives

Details of the material terms of formal employment/consultancy agreements (as the case may be) between the Company and other Key Management Personnel during the reporting period are as follows:

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Key Terms
Stephen Gethin Chairman	2 July 2020 *(Commenced)*	AUD 75,000 plus GST per annum.	N/A
Dinesh Aggarwal Company Secretary		The Company pays Fortuna Advisory Group AUD 110,400 as a combined amount for Company Secretarial and Chief Financial Officer services. Mr Aggarwal is a consultant to Fortuna Advisory Group through Fortuna Accountants and Business Advisors, of which he is Managing Director.	N/A

Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest. There were no loans to Directors or executives during the reporting period.

Employee Share Option Plan

The Company has an Employee Share Option Plan (the **ESOP**) which was most recently approved by shareholders at the 2017 Annual General Meeting. The ESOP was developed to assist in the recruitment, reward, retention and motivation of employees (excluding Directors) of Alara. Under the ESOP, the Board will nominate personnel to participate and will offer options to subscribe for shares to those personnel. A summary of the terms of ESOP is set out in Annexure A to Alara's Notice of Annual General Meeting and Explanatory Statement for its 2017 AGM.

Director's Loan Agreements

There were no loan agreements with the Directors in effect during the year.

Securities Trading Policy

The Company has a Securities Trading Policy, a copy of which is available for viewing and downloading from the Company's website.

Voting and Comments on the Remuneration Report at the 2021 Annual General Meeting

At the Company's most recent (2021) Annual General Meeting (**AGM**), a resolution to adopt the 2021 Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating 99.43% support for adopting the Remuneration Report.[12] No comments were made on the Remuneration Report at the AGM.

Engagement of Remuneration Consultants

The Company did not engage a remuneration consultant during the year.

The Board has established a policy for engaging external remuneration consultants. The policy includes a requirement for the Remuneration and Nomination Committee to:

- approve all engagements of remuneration consultants;

12 See Alara's 17 November 2017 ASX Announcement: "Results of Meeting".

- receive remuneration recommendations from remuneration consultants (to the exclusion of persons not being members of the Committee) regarding Key Management Personnel; and
- ensure that the making of remuneration recommendations is free from undue influence by the member or members of Key Management Personnel to whom the recommendation relates.

This concludes the audited Remuneration Report.

Other Statutory Disclosures

Directors' and Officers' Insurance

The Company insures Directors and officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the Corporations Act 2001) (**D&O Policy**). Details of the amount of the premium paid in respect of the D&O Policy is not disclosed as such disclosure is prohibited under the terms of the policy.

Directors' Deeds

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act) the Company has also entered into a deed with each of the Directors and the Secretary (each an **Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act).
- Subject to the terms of the deed and the Corporations Act, the Company may advance monies to Officers to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and before the outcome of legal proceedings brought against the Officer.

Legal Proceedings on Behalf of Consolidated Entity (Derivative Actions)

No person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings and the Consolidated Entity was not a party to any such proceedings during and since the financial year.

Auditor

Details of the amounts paid or payable to the Company's auditors (this Rothsay Audit & Assurance Pty Ltd for 30 June 2022 and RSM Chartered Accountants for the Oman entity audits) for audit and non-audit services provided during the financial year are set out below (refer to Note 5):

Audit and Review Fees $	Fees for Other Non-Audit Services $	Total $
36,389	–	36,389

No non-audit services were provided by the Auditors during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 21.

Events Subsequent to Reporting Date

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company and Consolidated Entity in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board:

Atmavireshwar Sthapak
Managing Director
30 September 2022

ROTHSAY
AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Alara Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alara Resources Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

30 September 2022

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ABN 14 129 769 151

Alara Resources

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	3	3,007	1,779
Other income	3	8,162	10,000
Gain/(Loss) on foreign exchange	3	54,239	(82,519)
Personnel		(765,089)	(1,097,128)
Occupancy costs		(45,548)	(39,216)
Finance expense		(13,811)	(8,070)
Corporate expenses		(189,453)	(55,640)
Administration expenses		(607,145)	(346,200)
Share of profit/(losses) of associates	11	(40,430)	(53,477)
PROFIT/(LOSS) BEFORE INCOME TAX		**(1,596,068)**	**(1,670,471)**
Income tax benefit		-	-
PROFIT/(LOSS) FOR THE YEAR		**(1,596,068)**	**(1,670,471)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		2,974,320	(1,567,055)
Total other comprehensive income/(loss)		2,974,320	(1,567,055)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**1,378,252**	**(3,237,526)**
Profit/(loss) attributable to:			
Owners of Alara Resources Limited		(1,316,222)	(1,622,329)
Non-controlling interest		(279,846)	(48,142)
		(1,596,068)	**(1,670,471)**
Total comprehensive income/(loss) for the year attributable to:			
Owners of Alara Resources Limited		1,658,098	(3,189,384)
Non-controlling interest		(279,846)	(48,142)
		1,378,252	**(3,237,526)**
Earnings/Loss per share:			
Basic earnings/(loss) per share cents	6	(0.19)	(0.24)
Diluted earnings/(loss) per share cents	6	(0.19)	(0.24)

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	7	2,449,791	4,241,815
Trade and other receivables	8	9,712,513	38,566
Other current assets	9	194,451	23,869
Financial assets	10	1,036,625	1,030,168
TOTAL CURRENT ASSETS		**13,393,380**	**5,334,418**
NON-CURRENT ASSETS			
Financial assets	10	506,895	454,088
Investment in Associate	11	98,920	139,350
Borrowing costs	12	631	733
Property, plant and equipment	13	138,401	98,648
Mine properties and development assets	13	25,213,324	12,383,033
Exploration and evaluation	14	5,635,650	4,910,968
TOTAL NON-CURRENT ASSETS		**31,593,821**	**17,986,820**
TOTAL ASSETS		**44,987,201**	**23,321,238**
CURRENT LIABILITIES			
Trade and other payables	15	3,795,185	988,405
Unearned income	16	-	8,079
Provisions	17	154,427	93,838
Financial liabilities	18	17,218	21,409
TOTAL CURRENT LIABILITIES		**3,966,830**	**1,111,731**
NON CURRENT LIABILITIES			
Financial liabilities	18	18,134,331	701,719
TOTAL NON-CURRENT LIABILITIES		**18,134,331**	**701,719**
TOTAL LIABILITIES		**22,101,161**	**1,813,450**
NET ASSETS		**22,886,040**	**21,507,788**
EQUITY			
Issued capital	19	68,233,860	68,233,860
Reserves	20	12,469,929	9,495,609
Accumulated losses		(57,378,975)	(56,062,753)
Parent interest		**23,324,814**	**21,666,716**
Non-controlling interest		(438,774)	(158,928)
TOTAL EQUITY		**22,886,040**	**21,507,788**

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Issued Capital $	Options Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Transactions with minority interests $	Non-Controlling Interest $	Total $
Balance as at 1 July 2020		66,340,323	-	2,468,811	(54,440,424)	8,593,853	(110,786)	22,851,777
Option expired		-	-	-	-	-	-	-
Foreign currency translation reserve		-	-	(1,567,055)	-	-	-	(1,567,055)
Net income and expense recognised directly in equity		-	-	(1,567,055)	-	-	-	(1,567,055)
Profit/(loss) for the year		-	-	-	(1,622,329)	-	(48,142)	(1,670,471)
Total comprehensive income/(loss) for the year		-	–	(1,567,055)	(1,622,329)	-	(48,142)	(3,237,526)
Transactions with owners in their capacity as owners:								
Share placement		1,904,629	-	-	-	-	-	1,904,629
Share placement costs		(11,092)						(11,092)
Balance as at 30 June 2021		68,233,860	-	**901,756**	**(56,062,753)**	**8,593,853**	(158,928)	21,507,788
Balance as at 1 July 2021		68,233,860	-	901,756	(56,062,753)	8,593,853	(158,928)	21,507,788
Options expired		-	-	-	-	-	-	-
Foreign currency translation reserve		-	-	2,974,320	-	-	-	2,974,320
Net income and expense recognised directly in equity		-	-	2,974,320	-	-	-	2,974,320
Profit/(Loss) for the year		-	-	-	(1,316,222)	-	(279,846)	(1,596,068)
Total comprehensive income/(loss) for the year		-	–	2,974,320	(1,316,222)	-	(279,846)	1,378,252
Transactions with owners in their capacity as owners:								
Share placement	19	-	-	-	-	-	-	-
Share placement costs	19	-	-	-	-	-	-	-
Balance as at 30 June 2022		**68,233,860**	**-**	**3,876,076**	**(57,378,975)**	**8,593,853**	**(438,774)**	**22,886,040**

The accompanying notes form part of this consolidated financial statement.

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/others		-	10,000
Payments to suppliers and employees (inclusive of GST)		(1,098,986)	(1,666,486)
Payments to employees		(712,970)	-
Interest received		788	1,637
NET CASHFLOWS USED IN OPERATING ACTIVITIES	7b	(1,811,168)	(1,654,849)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(65,823)	(13,249)
Payments for development and exploration expenditure		(17,470,734)	(2,120,568)
Payments towards term deposits		(2,001)	(1,031,893)
Loan to other entity (repayment)		(51,949)	-
NET CASHFLOWS USED IN INVESTING ACTIVITIES		(17,590,507)	(3,165,710)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares		-	1,904,629
Proceeds from borrowings		17,359,449	
Cost of issuing ordinary shares		-	(11,091)
NET CASHFLOWS PROVIDED BY FINANCING ACTIVITIES		17,359,449	1,893,538
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(2,042,226)	(2,927,021)
Cash and cash equivalents at beginning of the financial year		4,241,815	7,674,616
Effect of exchange rate changes on cash		250,202	(505,780)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**7**	**2,449,791**	**4,241,815**

The accompanying notes form part of this consolidated financial statement.

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

The financial report includes the financial statements for the Consolidated Entity consisting of Alara Resources Limited and its controlled and jointly controlled entities. Alara Resources Limited is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

1.1. Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Alara Resources Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS
The consolidated financial statements of the Consolidated Entity, Alara Resources Limited, also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (IASB).

Reporting basis and conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern assumption
The financial statements have been prepared on the going concern basis of accounting which assumes the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the year ended 30 June 2022 of AUD 1,596,068 (2021: Loss AUD 1,670,471) and cash inflows/(outflows) from operating and investing activities of (AUD 19,401,675) (2021: AUD 4,820,559). As at 30 June 2022 the Group has a cash at bank balance of AUD 2,449,791 (2021: AUD 4,241,815) and bank deposits of AUD 1,047,144 (2021: AUD 1,039,829) and working capital of AUD 9,426,550 (2021: AUD 4,222,688).

The Directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. Based on the cash flow forecast, the Directors are satisfied that the going-concern basis of preparation is appropriate.

1.2. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Alara Resources Limited as at 30 June 2022 and the results of its subsidiaries for the year then ended. Alara Resources Limited and its subsidiaries are referred to in this financial report as the Consolidated Entity. All transactions and balances between Consolidated Entity companies are eliminated on consolidation, including unrealised gains and losses on transactions between Consolidated Entity companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Consolidated Entity perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Consolidated Entity.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Consolidated Entity. The Consolidated Entity attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1.3. Foreign Currency Translation and Balances

Functional and presentation currency
The functional currency of each entity within the Consolidated Entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in profit or loss.

Consolidated Entity
The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

(a) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

(b) income and expenses are translated at average exchange rates for the period; and

(c) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Entity's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

1.4. Joint Arrangements

Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, in the event the Company does not share control the financials are consolidated (or deconsolidated in the event of loss of control) (refer to 1.2 for further information). The Consolidated Entity's joint arrangements are currently of one type:

Joint operations
Joint operations are joint arrangements in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The activities of a joint operation are primarily designed for the provision of output to the parties to the arrangement, indicating that:

- the parties have the rights to substantially all the economic benefits of the assets of the arrangement; and
- all liabilities are satisfied by the joint participants through their purchases of that output. This indicates that, in substance, the joint participants have an obligation for the liabilities of the arrangement.

1.5. Leases

The Group has applied AASB 16 that is effective for annual periods that begin on or after 1 January 2019. AASB 16 introduced a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

1.6. Comparative Figures

Certain comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

1.7. Critical Accounting Judgements and Estimates

The preparation of the Consolidated Financial Statements requires Directors to make judgements and estimates and form assumptions that affect how certain assets, liabilities, revenue, expenses and equity are reported. At each reporting period, the Directors evaluate their judgements and estimates based on historical experience and on other various factors they believe to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities (that are not readily apparent from other sources, such as independent valuations). Actual results may differ from these estimates under different assumptions and conditions.

Exploration and evaluation expenditure
The Consolidated Entity's accounting policy for exploration and evaluation expenditure being capitalised include the Daris Project where these costs are expected to be recoverable through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. In the case of the Al Wash-hi – Majaza project, a maiden reserve announcement was issued in December 2016. This policy requires management to make certain estimates to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is not possible, the relevant capitalised amount will be written off to profit or loss.

Impairment of mine-development expenditure
The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions
The Consolidated Entity measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes options valuation model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates have no impact on the carrying amounts of assets and liabilities but will impact expenses and equity.

1.8. New, Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.9. New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

There are no forthcoming standards and amendments that are expected to have a material impact on the group in the current or future reporting periods, or on foreseeable future transactions.

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Alara Resources Limited, as at 30 June 2022.

	2022 $	2021 $
Statement of Financial Position		
Current assets	1,350,948	1,824,466
Non-current assets	9,502,972	9,350,648
Total assets	10,853,920	11,175,114
Current liabilities	326,261	162,166
Non-current liabilities	4,793	11,026
Total liabilities	331,054	173,192
Net assets	10,522,866	11,001,922
Issued capital	68,233,860	68,233,860
Accumulated losses	(57,710,994)	(57,231,938)
Total equity	10,522,866	11,001,922
Profit/(loss) for the year	(479,056)	(578,750)
Total comprehensive income/(loss) for the year	**(479,056)**	**(578,750)**

3. PROFIT/(LOSS) FOR THE YEAR

The operating profit before income tax includes the following items of revenue and expense:

	2022 $	2021 $
Revenue		
Interest	3,007	1,779
Other income	8,162	10,000
Unrealised foreign exchange gain/(loss)	54,239	(82,519)
	65,408	**(70,740)**

ACCOUNTING POLICY NOTE
Revenue Recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**GST**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

- Interest Revenue – Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Other Revenues – Other revenues are recognised on a receipts basis.

4. INCOME TAX EXPENSE

	2022 $	2021 $
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of 2022 at 25% (2021: 26%) and the reported tax expense in profit or loss are as follows:		
Tax expense comprises:		
(a) Current tax	-	-
Deferred income tax relating to origination and reversal of temporary differences		
- Origination and reversal of temporary differences	-	-
- Utilisation of unused tax losses previously unrecognised	-	-
Under/(over) provision in respect of prior years	-	-
Tax expense	-	-
Deferred tax expense (income), recognised directly in other comprehensive income		
(b) Accounting profit before tax	**(1,596,068)**	(1,670,471)
Income tax expense to accounting profit:		
Tax at the Australian tax rate of 25% (2021: 26%)	(399,017)	(434,322)
Assessable amounts	103,274	80,336
Non-deductable expenses	88,403	-
Deferred tax asset losses not brought to account	-	177,571
Non-assessable income – other	-	(2,600)
Non-deductible items	-	193,760
Utilisation of unused tax losses previously unrecognised	109,026	(90,311)
Deferred tax assets recognised/ (not recognised)	(12,098)	14,230
Tax rate difference	110,412	61,336
Income tax expenses (benefit)	-	-
(c) Recognised Deferred Tax Balances		
Deferred tax asset	7,738	19,850
Deferred tax asset (losses)	87,374	78,959
Set-off deferred tax liabilities	(95,112)	(98,809)
	-	-
(d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses	1,292,096	1,411,926
Unrecognised deferred tax asset losses (capital)	409,991	426,391
Unrecognised deferred tax asset Oman losses	203,627	202,979
	1,905,714	2,041,296

The benefit of the deferred tax assets not recognised will only be obtained if:

(i) The Consolidated Entity derives future income that is assessable for Australian income tax purposes and is of a type and an amount sufficient to enable the benefit of them to be realised;

(ii) The Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) There are no changes in tax law which will adversely affect the Consolidated Entity in realising the benefit of them.

The Consolidated Entity has elected to consolidate for taxation purposes and has entered into a tax sharing and funding agreement in respect of such arrangements.

ACCOUNTING POLICY NOTE

Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable). Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of

4. INCOME TAX EXPENSE (CONTINUED)

deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

Tax consolidation legislation
The Consolidated Entity implemented the tax consolidation legislation. The head entity, Alara Resources Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets (as appropriate) arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Consolidated Entity. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash-flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

5. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors to the Consolidated Entity, their related practices and non-audit related firms:

	2022 $	2021 $
Rothsay Audit & Assurance Pty Ltd (2021: Rothsay Auditing) – Auditors of the Consolidated Entity (Audit and review of financial reports)	27,500	27,500
RSM Chartered Accountants – Auditors of Oman-controlled entities (Audit and review of financial reports)	8,889	7,652
	36,389	35,152

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6. EARNINGS/(LOSS) PER SHARE

	2022 $	2021 $
Basic earnings/(loss) per share cents	(0.19)	(0.24)
Diluted earnings/(loss) per share cents	(0.19)	(0.24)
Profit/(loss) used to calculate earnings/(loss) per share	(1,316,222)	(1,622,329)
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	705,429,239	667,645,289
Weighted average number of ordinary shares during the period used in calculation of diluted earnings/(loss) per share	705,938,403	667,645,289

Under AASB 133 "Earnings per share", potential ordinary shares such as options will only be treated as dilutive when their conversion to ordinary shares would increase loss per share from continuing operations.

ACCOUNTING POLICY NOTE

Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

7. CASH AND CASH EQUIVALENTS

	2022 $	2020 $
Cash in hand	972	542
Cash at bank	2,344,130	4,136,880
Term deposits	104,689	104,393
	2,449,791	4,241,815

The effective interest rate on short-term bank deposits was 0.70% (2021: 0.25%) with an average maturity of 90 days.

(a) Risk exposure
The Consolidated Entity's exposure to interest rate and foreign exchange risk is discussed in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

ACCOUNTING POLICY NOTE

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the statement of financial position.

(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flow From Operations	**2022 $**	**2021 $**
Profit/(loss) after income tax	(1,596,068)	(1,670,471)
Gain/(loss) on foreign exchange (unrealised)	-	-
Profit on sale of asset	-	-
Gain/(loss) on disposal of subsidiary	-	-
Share of profits/(losses) of associates and joint ventures	40,430	53,477
Foreign exchange movement	(319,935)	21,738
Depreciation	21,876	12,099
(Increase)/decrease in assets:		
Trade and other receivables	(45,978)	(7,933)
Other current assets	(43,450)	13,074
Increase/(decrease) in liabilities:		
Insurance premium funding (other payables)	6,329	11,026
Trade and other payables	65,203	(159,942)
Provisions	60,423	72,083
Net cashflows from/(used in) operating activities	(1,811,168)	(1,654,849)

8. TRADE AND OTHER RECEIVABLES

Current	2022 $	2021 $
Amounts receivable from:		
Sundry debtors	84,279	17,419
Goods and services tax recoverable	8,194	6,244
VAT receivable	474,777	14,026
Advance to subcontractors	9,145,263	-
Cash advances	-	877
	9,712,513	38,566

(a) Risk exposure
Information about the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 23.

(b) Impaired receivables
None of the above receivables are impaired or past due.

ACCOUNTING POLICY NOTE

Trade and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

9. OTHER CURRENT ASSETS

	2022 $	2021 $
Prepayments	193,518	23,374
Accrued interest	933	495
	194,451	23,869

10. FINANCIAL ASSETS

	2022 $	2021 $
Current		
Bank deposits	1,036,625	1,030,168
Non-Current		
Interest free loan to Alara Resources LLC	496,376	444,427
Bank deposits (more than one year)	10,519	9,661
	1,543,520	1,484,256

11. INVESTMENT IN ASSOCIATES

The movement for the year in the Consolidated Entity's investments accounted for using the equity method is as follows:

	2022 $	2021 $
Opening balance	139,350	192,827
Investment in Alara Resources LLC	-	-
Profit/(loss) from equity accounted investments	(40,430)	(53,477)
Subtotal	98,920	139,350

ACCOUNTING POLICY NOTE

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the group's share of the profit or loss and other comprehensive income of the associate. When the Consolidated Entity's share of losses of an associate exceeds the Consolidated Entity's interest in that associate, the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

12. BORROWING COST

	2022 $	2021 $
Borrowing cost	834	766
Less: amortisation for the period	(203)	(33)
	631	733

13. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Office Equipment $	Plant and Equipment $	Temporary Structure $	Mine Properties & Development assets $	Total $
Year ended 30 June 2021						
Carrying amount at beginning	14,768	24,230	812	-	9,926,151	9,965,961
Additions	66,595	6,581	-	-	3,251,950	3,325,126
Disposal	-	-	-	-	-	-
Write-offs			-	-	-	-
Depreciation expense	(4,227)	(7,623)	(249)	-	-	(12,099)
Exchange difference	(1,201)	(972)	(66)	-	(795,068)	(797,307)
Closing amount at reporting date	75,935	22,216	497	-	12,383,033	12,481,681
Year ended 30 June 2021						
Cost or fair value	94,199	183,862	21,582	-	12,383,033	12,682,676
Accumulated depreciation	(18,264)	(161,646)	(21,085)	-	-	(200,995)
Net carrying amount	75,935	22,216	497	-	12,383,033	12,481,681
Year ended 30 June 2022						
Carrying amount at beginning	75,935	22,216	497	-	12,383,033	12,481,681
Additions	-	22,461	-	32,402	11,680,023	11,734,886
Disposal	-	-	-	-	-	-
Write-offs			-	-	-	-
Depreciation expense	(11,784)	(9,222)	(171)	(699)	-	(21,876)
Exchange difference	6,121	646	36	(37)	1,150,268	1,157,034
Closing amount at reporting date	70,272	36,101	362	31,666	25,213,324	25,351,725
Year ended 30 June 2022						
Cost or fair value	102,558	209,341	23,497	32,402	25,213,324	25,581,122
Accumulated depreciation	(32,286)	(173,240)	(23,135)	(736)	-	(229,397)
Net carrying amount	70,272	36,101	362	31,666	25,213,324	25,351,725

ACCOUNTING POLICY NOTE

All plant and equipment values are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment	15 – 37.5%
Motor vehicles	33.3%
Plant and equipment	15 – 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Mine properties and development assets
Mine property and development assets include costs incurred in accessing the ore body and costs to develop the mine to the production phase, once the technical feasibility and commercial viability of a mining operation has been established. At this stage, exploration and evaluation assets are reclassified to mine properties. Mine property and development assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses recognised. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. Any ongoing costs associated with mining which are considered to benefit mining operations in future periods are capitalised.

14. EXPLORATION AND EVALUATION

	2022 $	2021 $
Opening balance	4,910,968	5,161,876
- Exploration and evaluation expenditure	162,649	309,492
- Exchange differences	562,033	(560,400)
Closing balance	5,635,650	4,910,968

On 21 October 2010, Alara Saudi Operations Pty Limited, a wholly owned subsidiary of the Company, entered into a shareholders' agreement with mineral licences holder, United Arabian Mining LLC (**Manajem**). Pursuant to the shareholders' agreement a joint venture entity, Khnaiguiyah Mining Company LLC (**KMC**) (in which the Consolidated Entity has a 50% shareholding interest) was established and Manajem are required to transfer legal title to the mining licence and exploration licences over the Khnaiguiyah Project to KMC. The Consolidated Entity has obtained independent advice confirming that valid and legally enforceable rights existed for KMC to commercially exploit the Khnaiguiyah Project. The financial statements of previous Annual Reports were prepared on this basis with the asset carried at AUD 33,190,221 as at 30 June 2015. Following cancellation of the Khnaiguiyah Mining Licence, a provision for impairment of the carrying value of exploration and evaluation attributable to the Khnaiguiyah Project was made. This provision for impairment may be reversed in the future (see accounting policy note on mineral exploration and evaluation expenditure below).

Alara Oman Operations Pty Limited (a wholly owned, Australian subsidiary) gained a 70% shareholding interest in a jointly controlled company, Al Hadeetha Resource LLC (Oman), on 23 November 2011. Further, on 24 December 2018 the Group disposed of a 19% interest in Al Hadeetha Resources LLC to Al Tasnim Infrastructure Services LLC, reducing its continuing interest to 51%. The principal activity of the company is exploration, evaluation and development of mineral licences in Oman.

Alara Oman Operations Pty Limited (a wholly owned, Australian subsidiary) gained a 50% shareholding interest in a jointly controlled company, Daris Resources LLC (Oman) on 1 December 2010. The principal activity of this company is exploration, evaluation and development of mineral licences in Oman. The Consolidated Entity has a valid and legally enforceable contractual right to commercially exploit the Daris Project held by Daris Resources LLC (in which the Consolidated Entity has a 50% shareholding interest) and does not hold the legal title to the mineral exploration licence (which is held by the other 50% shareholder of Daris Resources LLC). The financial statements have been prepared on this basis. Should these legal rights not be enforceable, the carrying value of Exploration and Evaluation Expenditure attributable to the Daris Project would be impaired.

The Consolidated Group has entered into a Heads of Agreement with Awtad Copper LLC, under which a wholly owned subsidiary Alara Oman Operations Pty Ltd would become a 10% shareholder in the Awtad Block 8 Project. As part of the Heads of Agreement, Awtad acknowledges OMR 246,215 (AUD 812,316) previously spent on the project by Alara as the basis for Alara's interest in that project.

ACCOUNTING POLICY NOTE

Mineral Exploration and Evaluation Expenditure
Exploration, evaluation and development expenditure incurred is accumulated (i.e. capitalised) in respect of each identifiable area of interest. These costs are only carried forward where they are expected to be recoverable through the successful development of the area or where activities in the area and includes areas that have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Exploration and evaluation expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the impairment loss will be measured in accordance with the Consolidated Entity's impairment policy (Note 1.7). This policy requires management to make certain estimates about future events and circumstances, in particular whether an economically viable

extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is not possible, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

Impairment of non-financial assets
At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

15. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Current		
Trade payables	3,687,635	979,725
Other payables	107,550	8,680
	3,795,185	988,405

Due to the short-term nature of the trade and other payables, their carrying value is assumed to approximate their fair value.

16. UNEARNED INCOME

	2022 $	2021 $
Current		
Unearned income	-	8,079
	-	8,079

(a) Risk exposure
Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note 23.

ACCOUNTING POLICY NOTE

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

17. PROVISIONS

	2022 $	2021 $
Current		
Employee benefits – annual leave	154,427	93,838
Non-Current		
Employee benefits – long service leave	-	-
	154,427	93,838

Amounts not expected to be settled within next 12 months
The entire annual leave obligation is presented as current as the Consolidated Entity does not have an unconditional right to defer settlement. The non-current provision for long service leave is a provision towards the future entitlements of employees who will have completed the required period of long service and that is not expected to be taken or paid within the next 12 months.

ACCOUNTING POLICY NOTE

Employee Benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in other payables and accruals, together with other employee benefit obligations.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is expected to be settled within 12 months after the end of the period in which the employee renders the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

18. FINANCIAL LIABILITIES

Financial liabilities	**2022** **$**	**2021** **$**
Non-Current		
Loan – Sohar International Bank		
Opening balance	-	-
Add: Addition during the year	17,050,752	-
Add: Interest	308,697	-
Closing balance	17,359,449	-
Loan with unrelated third party		
Opening balance	651,442	684,411
Add: Addition during the year	-	6,575
Add: Interest	23,319	17,725
Add/less: Foreign exchange differences	57,807	(57,269)
Closing balance	732,568	651,442
Vehicle Loan		
Opening balance	50,277	-
Add: Addition during the year	-	60,180
Less: Unexpired interest on vehicle loan	(6,121)	(9,903)
Add/less: Foreign exchange differences	(1,842)	-
Closing balance	42,314	50,277
Total Financial Liabilities – Non-Current	**18,134,331**	**701,669**
Current		
Vehicle Loan		
Opening balance	10,384	-
Add: Addition during the year	7,253	15,693
Less: Unexpired Interest on vehicle loan	(4,660)	(5,309)
Add/less: Foreign exchange differences	(552)	-
Closing balance	12,425	10,384
Insurance Premium Funding		
Opening balance	11,025	-
Add: Addition during the year	56,271	11,025
Less: Payment during the year	(62,503)	-
Closing balance	4,793	11,025
Total Financial Liabilities – Current	**17,218**	**21,409**

(i) On 16 April 2017, Al Hadeetha Resources LLC (**AHRL**) (the joint venture company which conducts the Al Hadeetha Copper-Gold Project (**Project**) in which the Company is a 51% shareholder) entered into an unsecured loan agreement as borrower with Al Hadeetha Investments LLC (**Lender**) (an un-related company, which holds the remaining 30% of the shares in AHR). Under the agreement, AHR may draw down a maximum of USD 2 million (AUD 2,901,600; OMR 772,379) to assist with working capital for the Project (**AHI to AHRL Loan**). The AHI to AHRL Loan bears interest at LIBOR plus two (2) percent per annum. The AHI to AHRL Loan will be in effect for the duration of the Project joint venture agreement, at which time AHRL must repay any outstanding balance. AHRL must make interim repayments equal to its available net cash profit (if any) at the end of each financial year. During the year AHRL has not made any drawdowns under the Loan. The total amount drawn down (being the total amount owing by AHR under the Loan to the end of the year (after offsetting corresponding debit balance of OMR 18,095; AUD 67,976) OMR 195,003 (USD 504,940; AUD 732,568). If AHR determines at the end of any quarter or other period that it has a working capital shortfall it may draw down the whole or part of the shortfall, until the entire AHI to AHR Loan amount is drawn down. The remaining, un-drawn balance of the AHI to AHR Loan is OMR 559,282 (USD 1,448,205; AUD 2,101,056) (This is the undrawn balance based on the gross drawdown amount of loan without offsetting the corresponding debit balance of OMR 18,095; AUD 67,976).

Although the AHI to AHR Loan is shown as a liability in the consolidated financial statements, loans by entities within the Alara Consolidated Entity to AHR, which is also within that Consolidated Entity (**Consolidated Entity AHR Loans**) are not shown in the consolidated financial statements. The Consolidated Entity AHR Loans total AUD 19.5 million and are subject to the same loan terms as the AHI to AHRL Loan. The Consolidated Entity AHR Loans are repayable on the same basis as the AHI to AHRL Loan. Therefore, if AHRL makes a loan repayment to AHI, AHRL will also be required to make a loan repayment to its lenders within the Alara Consolidated Group on a pro-rata basis.

(ii) The Company's 51% owned joint-venture vehicle Al Hadeetha Resource LLC (**AHRL**) has a finance facility of OMR 19 million (AUD 67.76 million) (**Facility**) from Sohar International (Sohar) for construction of mining and processing infrastructure at AHRL's Wash-hi – Majaza copper-gold project. The Facility is secured over AHRL's mining property and mine development assets and by corporate guarantees by stakeholders of AHRL, including an Alara wholly owned subsidiary. The interest rate for the Facility is 6.5% per annum for amounts drawn in OMR and 5.15% per annum for amounts drawn in USD, reviewable annually.

The Facility has a term of 9 years and 9 months, including a moratorium period of 2 years and 9 months in which only interest is payable. After the moratorium, the principal of the Facility is repayable in 28 equal quarterly instalments. Interest is payable monthly throughout the term. There have been no breaches of the covenants or other provisions of the Facility in the reporting period or subsequently to the date of this report. Sohar is a well-known and respected Bank in Oman. The Group's due diligence in connection with entering the Facility involved reviewing publicly available information regarding Sohar and making enquiries of other AHRL shareholders, which are large Omani conglomerates each with extensive knowledge of the Omani banking industry.

19. ISSUED CAPITAL

	2022 №	2021 №	2022 $	2021 $
Fully paid, ordinary shares	705,429,239	705,429,239	68,233,860	68,233,860

2021	**№**	**$**
Balance as at 1 July 2020	634,886,315	66,340,323
- Share movement during the 2021 financial year	70,542,924	1,904,629
- Share issue costs during the 2021 financial year	-	(11,092)
Balance as at 30 June 2021	705,429,239	68,233,860
2022	**№**	**$**
Balance as at 1 July 2021	705,429,239	68,233,860
- Share movement during the 2022 financial year	-	-
- Share issue costs during the 2022 financial year	-	-
Balance as at 30 June 2022	705,429,239	68,233,860

Each fully paid, ordinary share carries one vote per share and the right to participate in dividends. Ordinary shares have no par value and the Company does not have a limit on the amount of its capital.

Capital risk management
The Consolidated Entity's objective when managing its capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders. The Board will consider capital management initiatives as is appropriate and in the best interests of the Consolidated Entity and shareholders from time to time. The Consolidated Entity's borrowings as at 30 June 2022 are disclosed in Note 18. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

ACCOUNTING POLICY NOTE

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

20. RESERVES

	2022 $	2021 $
Foreign currency translation reserve	3,876,076	901,756
Transactions with minority interests	8,593,853	8,593,853
	12,469,929	9,495,609

Foreign currency translation reserve
Exchange differences arising on translation of a foreign controlled entity's financial results and position are taken to the foreign currency translation reserve. The reserve is de-recognised when the investment is disposed of.

Options reserve
The number of unlisted options outstanding over unissued ordinary shares at the reporting date is as follows:

	Grant date	Number of options	2022 $	2021 $
Employees' Options				
Listed options exercisable at AUD 0.03; expiring 01 July 2022 – Mr Gethin	3 Dec 2020	4,000,000	-	-
Listed options exercisable at $0.03: expiring 31 July 2024 – Mr Sthapak	23 Dec 2021	3,333,000	-	-
Listed options exercisable at $0.03: expiring 30 June 2024 – Mr Sthapak	23 Dec 2021	2,500,000	-	-
Listed options exercisable at $0.03: expiring 30 April 2024 – Mr Sthapak	23 Dec 2021	1,666,000	-	-
		11,499,000	-	-

21. SHARE-BASED PAYMENTS

There were no shares issued as a result of the exercise of any options during the year (2021: Nil).

ACCOUNTING POLICY NOTE

Director/employee options
The fair value of options granted by the Company to directors and employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured as at grant date and is expensed in full as at their date of issue where they are 100% vested on grant and otherwise over their vesting period (where applicable). The fair value at grant date is determined using the Black-Scholes valuation model that takes into account the exercise price, the term of the option, the vesting criteria, the unlisted nature of the option, the share price at grant date and the expected price volatility of the underlying shares in the Company, and the risk-free interest rate for the term of the option. Upon the exercise of options, the balance of the reserve relating to those options is transferred to share capital.

22. SEGMENT INFORMATION

The Board has considered the activities/operations and geographical perspective within the operating results and have determined that the Consolidated Entity operates in the resource exploration, evaluation and development sector within geographic segments - Australia, Saudi Arabia and Oman.

2022	Australia $	Oman $	Saudi Arabia $	Total $
Total segment revenues	2,299	8,870	-	11,169
Total segment loss/(profit)before tax	(491,950)	(1,123,328)	19,210	(1,596,068)
Total segment assets	3,190,631	41,796,570	-	44,987,201
Total segment liabilities	(710,971)	(21,390,190)	-	(22,101,161)
2021				
Total segment revenues	11,116	663	-	11,779
Total segment loss/(profit)before tax	(1,112,876)	(542,903)	(14,692)	(1,670,471)
Total segment assets	3,527,013	19,794,225	-	23,321,238
Total segment liabilities	(552,903)	(1,260,547)	-	(1,813,450)

(a) Reconciliation of segment information	2022 $	2021 $
(i) Total Segment Assets		
Total Assets as per Statement of Financial Position	44,987,201	23,321,238

(ii) Total Segment Revenues		
Total Revenue as per Statement of Profit or Loss and Other Comprehensive Income	11,169	11,779
(iii) Total Segment profit/(loss) before tax		
Total Consolidated Entity profit/(loss) before tax	(1,576,068)	(1,670,471)

ACCOUNTING POLICY NOTE

Operating segments

The Consolidated Entity has applied AASB 8: Operating Segments which requires that segment information be presented on the same basis as that used for internal reporting purposes. An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are reviewed regularly by management to make decisions on allocation of resources to the relevant segments and assess performance. Unallocated items comprise mainly share investments, corporate and office expenses.

23. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable, and investments. The principal activity of the Consolidated Entity is resource exploration, evaluation and development. The main risks arising from the Consolidated Entity's financial instruments are market (which includes price, interest rate and foreign exchange risks), credit and liquidity risks. Risk management is carried out by the Board of Directors. The Board evaluates, monitors and manages the Consolidated Entity's financial risk in close co-operation with its operating units. The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board.

The Consolidated Entity holds the following financial instruments:

	2022 $	2021 $
Financial assets		
Cash and cash equivalents	2,449,791	4,241,815
Financial instruments (term deposits)	1,047,144	1,039,829
Trade and other receivables	9,712,513	38,566
Financial asset	496,376	444,427
	13,705,824	5,764,637
Financial liabilities at amortised cost		
Trade and other payables	(3,795,185)	(988,405)
Financial liabilities	(18,151,549)	(723,128)
	(21,946,734)	(1,711,533)
Net Financial Assets	(8,240,910)	4,053,104

(a) Market Risk

(i) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the statement of financial position at fair value through profit or loss. The Consolidated Entity is not directly exposed to commodity price risk. The value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps. Market risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments and its loan from third parties. The average interest rate applicable to funds held on deposit during the year was 0.70 % (2021: 0.25%).

	2022 $	2021 $
Cash at bank	2,344,130	4,136,880
Term deposits	104,689	104,393
Term deposits more than 90 days	1,047,144	1,039,829
Loan with unrelated third parties	-	(723,128)
Current financial liabilities	(17,218)	-
Non-current financial liabilities	(18,134,331)	-
	(14,655,586)	4,557,974

The Consolidated Entity has borrowings subject to interest rate risk. The possible impact on profit or loss or total equity on this exposure is displayed below:

Financial Liability	2022 $	2021 $
Change in profit		
Increase by 1%	(181,515)	(7,231)
Decrease by 1%	181,515	7,231
Change in equity		
Increase by 1%	(181,515)	(7,231)
Decrease by 1%	181,515	7,231

Revenue	2022 $	2021 $
Change in profit		
Increase by 3%	73,494	127,254
Decrease by 3%	(73,494)	(127,254)
Change in equity		
Increase by 3%	73,494	127,254
Decrease by 3%	(73,494)	(127,254)

(iii) Foreign exchange risk

The Consolidated Entity is exposed to foreign currency risk in cash held in Omani Rials (**OMR**) by the Consolidated Entity's foreign controlled entity, foreign resource project investment commitments and exploration and evaluation expenditure on foreign exploration and evaluation. The primary currency giving rise to this risk is OMR. The Consolidated Entity has not entered into any forward exchange contracts as at reporting date and is currently fully exposed to foreign exchange risk. The Consolidated Entity's exposure to foreign currency risk at reporting date was as follows:

	2022 OMR	2021 OMR
Cash and cash equivalents	293,850	817,141
Trade and other receivables	2,738,853	124,385
Trade and other payables	(922,501)	(245,804)
Non-current financial liabilities	(4,829,634)	(206,376)
	(2,719,432)	489,346

	2022 US $	2021 US $
Cash and cash equivalents	188,745	71
	188,745	71

The Consolidated Entity's exposure to foreign exchange risk is mitigated by having comparable asset and liability balances in OMR and US dollars. Therefore, a sensitivity analysis has not been performed. The Consolidated Entity enters into forward exchange contracts with its Australian bank from time to time to hedge against foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Concentrations of credit risk are minimised primarily by undertaking appropriate due diligence on potential investments, carrying out all market transactions through approved brokers, settling non-market transactions with the involvement of suitably qualified legal and accounting personnel (both internal and external) and obtaining sufficient collateral or other security (where appropriate) as a means of mitigating the risk of financial loss from defaults. This financial year there was no necessity to obtain collateral.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2022 $	2021 $
Cash and cash equivalents		
BB-	2,448,819	4,241,273
No external credit rating available	972	542
	2,449,791	4,241,815
Trade and other receivables (due within 30 days)		
No external credit rating available	9,712,513	38,566
	9,712,513	38,566

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk. All receivables noted above are due within 30 days. None of the above receivables are past due.

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. There is sufficient cash and cash equivalents and the non-cash investments can be realised to meet accounts payable arising in the normal course of business. The financial liabilities maturity obligation is disclosed below:

2022	Less than 6 months $	6-12 months $	1-5 years $	Total $
Financial assets				
Cash and cash equivalents	2,449,791	-	-	2,449,791
Financial instruments (term deposits)	1,002,439	34,186	10,519	1,047,144
Interest-free loan to Alara Resources LLC	-	-	496,376	496,376
Trade and other receivables	9,712,513	-	-	9,712,513
	13,164,743	34,186	506,895	13,705,824
Financial liabilities				
Trade and other payables	(3,795,185)	-	-	(3,795,185)
Other financial liabilities	(10,852)	(6,365)	(18,134,332)	(18,151,549)
	(3,806,037)	(6,365)	(18,134,332)	(21,946,734)
Net inflow/(outflow)	9,358,706	27,821	(17,627,437)	(8,240,910)

2021 **Financial assets**	Less than 6 months $	6-12 months $	1-5 years $	Total $
Cash and cash equivalents	4,241,815	-	-	4,241,815
Financial instruments (term deposits)	-	1,030,168	9,661	1,039,829
Interest-free loan to Alara Resources LLC	-	-	444,427	444,427
Trade and other receivables	38,566	-	-	38,566
	4,280,381	1,030,168	454,088	5,764,637
Financial liabilities				
Trade and other payables	(988,405)	-	-	(988,405)
Other financial liabilities	(16,087)	(5,322)	(701,719)	(723,128)
	(1,004,492)	(5,322)	(701,719)	(1,711,533)
Net inflow/(outflow)	3,275,889	1,024,846	(247,631)	4,053,104

(d) Fair value of financial assets and liabilities

The carrying amount of financial instruments recorded in the financial statements represents their fair value determined in accordance with the accounting policies disclosed in Note 1. The aggregate fair value and carrying amount of financial assets at reporting date are set out in Notes 7, 8 and 10. The financial liabilities at reporting date are set out in Notes 15 and 18.

(e) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Consolidated Entity's financial assets and liabilities approximate their fair values.

ACCOUNTING POLICY NOTE

Financial Instruments
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Subsequent to initial recognition, these instruments are measured as set out below:

- ***Financial assets at fair value through profit or loss*** – A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.
- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.
- ***Financial liabilities*** – Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Consolidated Entity may use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments. The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as a "financial assets at fair value through profit or loss" and is carried at fair value based on the quoted last bid prices at reporting date.

24. COMMITMENTS

	2022 $	2021 $
(a) Lease Commitments		
Non-cancellable operating lease commitments:		
Within 1 year	17,403	14,045
1-5 years	-	-
After 5 years	-	-
Total	17,403	14,045

The Group leases office space under a non-cancellable operating lease. On renewal, the terms of the lease are renegotiated. The Group does not have an option to purchase the leased asset at the expiry of the lease period. During the year the Group has signed a sub-lease for the office space hence mitigating the outstanding lease commitments remaining on the lease.

(b) Capital Commitments
Under procurement contracts which AHRL entered during the reporting period it became committed to total capital expenditure of USD 54.55m (AUD 79.14m).

25. CONTROLLED ENTITIES

Investment in Controlled Entities	Controlled entity	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-22	Jun-21
Alara Resources Limited (AUQ)	Parent	Exploration	Australia	6-Dec-06	100%	100%
Alara Peru Operations Pty Ltd (APO)	AUQ	Inactive	Australia	9-Mar-07	100%	100%
Alara Saudi Operations Pty Ltd (ASO)	AUQ	Management	Australia	4-Aug-10	100%	100%
Saudi Investments Pty Limited (SIV)	AUQ	Development	Australia	14-Feb-11	100%	100%
Alara Oman Operations Pty Limited (AOO)	AUQ	Management	Australia	28-Jun-10	100%	100%

Investment in Controlled Entities	Controlled entity	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-22	Jun-21
Alara Kingdom Operations Pty Limited (AKO)	AUQ	Management	Australia	5-Sep-11	100%	100%
Alara Saudi Holdings Pty Limited (ASH)	AUQ	Inactive	Australia	5-Jun-13	100%	100%
Al Hadeetha Resources LLC	AOO	Exploration / Development	Oman	6-Feb-07	51%	51%
Alara Resource Ghana Limited	AUQ	Inactive	Ghana	8-Dec-09	100%	100%
Alara Peru S.A.C	APO	Inactive	Peru	1-Mar-07	100%	100%
Alara Operations LLC	AOO	Administration	Oman	01-Feb-20	100%	100%
Sita Mining Company LLC	ASO	Inactive	Saudi Arabia			
Khnaiguiyah Mining Company LLC	AKO	Inactive	Saudi Arabia			
Alara Saudi Ventures Pty Ltd	AUQ	Administration	Australia	1 March 2022	100%	100%

26. JOINTLY CONTROLLED ENTITIES & INVESTMENTS IN ASSOCIATES

Investment in Jointly Controlled Entities	Controlled entity	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-22	Jun-21
Daris Resources LLC	AOO	Exploration	Oman	1-Dec-10	50%	50%
Alara Resources LLC	AOO	Mining Services	Oman	2-Oct-10	35%	35%

27. RELATED-PARTY TRANSACTIONS

Controlled and Jointly Controlled Entities
Details of the interest in controlled entities and jointly controlled entities are set out in Notes 25 and 26.

Transactions with other related parties
The following transactions occurred with related parties during the year ending 30 June 2022:

Director loan agreement
There was no outstanding Director's loan during the year.

Transactions with Key Management Personnel
Key Management of the Consolidated Entity are each Director and executive, being a company secretary or senior manager with authority and responsibility for planning, directing and controlling the major activities of the Company or Consolidated Entity. Details of Key Management Personnel's individual remuneration are disclosed in the Remuneration Report section of the Directors' Report. Key Management Personnel remuneration includes the following expenses:

	2022 $	2021 $
Short-term employee benefits:		
Remuneration including bonuses and allowances	594,968	1,108,572
Total short term employee benefits	594,968	1,108,572
Long-term benefits	23,204	-
Total other long-term benefits	23,204	-
Post-employment benefits:		
Defined benefit pension plans	-	-
Defined contribution pension plans	2,170	2,314
Total post-employment benefits	2,170	2,314
Termination benefits	-	-
Share-based payments	-	-
Total remuneration	620,342	1,110,886

28. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities exist in relation to certain exploration and evaluation assets of the Consolidated Entity, subject to the continued development and advancement of the same, as described below.

(a) **Directors' Deeds** – The Company has entered into deeds of indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Consolidated Entity. As at the reporting date, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) **Loan to unrelated party (AHI) (Oman)** – On 26 October 2017 Al Hadeetha Investments LLC (AHI) gave a bank guarantee of OMR 30,000 to the Omani Ministry of the Environment as security for performance of the environmental obligations of AHRL in connection with the Al Wash-hi – Majaza Project mining licence. AHI was required to deposit the amount of the face value of the bank guarantee with its bank as security in the event that the bank guarantee is called upon. Pursuant to an agreement between the Consolidated Entity and AHI, the Consolidated Entity paid OMR 20,000 to AHI on or about that date, representing an approximation of its share of liability to contribute to the costs of remediating any unmet environmental obligations of AHRL. This amount will be returned to the Consolidated Entity in the event that AHRL performs its environmental obligations in relation to that mining licence.

(c) **Guarantee of AHRL Loan** – Alara Oman Operations Pty Limited, a wholly owned subsidiary of Alara Resources Ltd has provided a guarantee to Sohar International SAOG (**Sohar**) for the full liability of Al Hadeetha Resources LLC (AHRL – Alara, 51%) under a loan of OMR 19 million (AUD 71,377,414) from Sohar to AHRL (**Sohar Loan**), the proceeds of which AHRL is using to finance construction of the Wash-hi – Majaza copper-gold project in Oman.

(d) **Cross indemnity in relation to AHRL Loan Guarantee** – Principals (**Guarantors**) of shareholders in AHRL which hold 30% and 19% of the shares in AHRL respectively have provided personal guarantees to Sohar in respect of the Sohar Loan (**Guarantees**) which correspond to the guarantee referred to in note 28(c). Alara Resources Limited has provided an indemnity to the Guarantors in respect of their liability under the Guarantee, limited to 49% of any amount paid by the Guarantors to Sohar under the Guarantees.

29. SUBSEQUENT EVENTS

Events occurring after the balance date are set out below:

4,000,000 options granted to Chairman Stephen Gethin on 3 December 2020 at the exercise price of $0.03 per share were exercised on 1 July 2022.

Al Wash-hi Majaza Project (“Project”) development

The Company continued to develop the Project after the end of the reporting period, as detailed in the section of this report titled “Review of Operations”.

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Directors Declaration
for the year ended 30 June 2022

The Directors of the Company declare that:

The Financial Statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and accompanying notes as set out on pages 22 to 44, are in accordance with the *Corporations Act 2001* and:

(a) Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) Give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

The Remuneration Report disclosures set out (within the Directors' Report) on pages 15 to 20 (as the audited Remuneration Report) comply with section 300A of the *Corporations Act 2001*;

The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

The Directors have received the declarations required to be made to the Directors by the Managing Director (the person who performs the chief executive officer function) and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

Atmavireshwar Sthapak
Managing Director
30 September 2022

ROTHSAY
AUDIT & ASSURANCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alara Resources Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED (continued)

Key Audit Matter - Financial Liabilities	***How our Audit Addressed the Key Audit Matter***
The Group has significant financial liabilities as disclosed in Note 18 to the financial report. This was considered to be a key audit matter due to its importance in financing future activities of the Group and complexities in determining whether financial covenants have been complied with, ensuring that the classification between current and non-current is accurate and in valuing the financial liabilities denominated in foreign currencies.	Our procedures over the Group's financial liabilities included but were not limited to: • Reviewing financing agreements; • Agreeing significant financial liabilities to independent third-party confirmations or other supporting documentation; and • Reviewing managements assessment of compliance with financial covenants related to the financial liabilities. We have also assessed the appropriateness of the disclosures included in the financial report.
Key Audit Matter - Exploration and Evaluation Expenditure and Mine Properties and Development Assets	***How our Audit Addressed the Key Audit Matter***
The Group incurred significant expenditure on exploration and evaluation and mine properties and development assets during the year. We do not consider exploration and evaluation and mine properties and development assets to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation and mine properties and development assets included but were not limited to the following: • We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. • We considered whether there were any indicators of impairment; • We tested a sample of expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record expenditure. We have also assessed the appropriateness of the disclosures included in the financial report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Alara Resources Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Dated 30 September 2022

Forward-Looking Statements

This report contains “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Alara, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.