

Alara Resources

HALF-YEAR FINANCIAL REPORT

31 December 2018



ASX Code: AUQ

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Corporate Directory

Directors

James Phipps
Non-Executive Chairman

Justin Richard
Managing Director

Atmavireshwar Sthapak
Executive Director

Vikas Jain
Non-Executive Director

Stephen Gethin
Non-Executive Director

Avi Sthapak
Non-Executive Director

Company Secretary

Stephen Gethin

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Stock Exchange

Australian Securities Exchange

ASX Limited
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152-158 St Georges Terrace
Perth Western Australia 6000

ASX Code

AUQ

Directors' Report

The Directors present their report on Alara Resources Limited (**Company** or **Alara** or **AUQ**) and the entities it controlled at the end of or during the half year ended 31 December 2018 (the **Consolidated Entity**).

Alara has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year.

DIRECTORS

The following persons were Directors of Alara during the half-year to 31 December 2018 and up to the date of this report:

James Phipps	(Non-Executive Chairman)
Justin Richard	(Managing Director)
Atmavireshwar Sthapak	(Executive Director)
Vikas Jain	(Non-Executive Director)
Stephen Gethin	(Non-Executive Director)
Avi Sthapak	(Non-Executive Director)

HALF-YEAR OVERVIEW

Al Hadeetha Copper-Gold Project

Oman

(Alara – 51%, Al Hadeetha Investments LLC – 30%, Al Tasnim Infrastructure Services LLC – 19%)

In December 2018, the consolidated entity sold a 19% shareholding to Al Tasnim Infrastructure Services in the Project for ~AUD \$11m (OMR 3,000,000).

In July 2018 the Company reported on the award of a copper mining licence to its JV entity Al Hadeetha Resources. The Al Hadeetha Project consists of one mining licence (Washihi – Mazzaza) three exploration licenses (Washihi – Mazzaza, Mullaq and Al Ajal) and two mining licence applications.

Washihi – Mazzaza Mining Licence

With the grant of the mining license, preparatory work commenced for the construction of a 1mtpa¹ copper concentrate plant and mine. Key activities during the period included:

EPC Contractor Selection Process: In order to meet Omani local-content requirements it was decided to split the EPC bids received into a separate engineering and procurement (**EP**) contract and a construction (**C**) contract, where engineering and procurement would be delivered by a specialist international EP provider, with the construction contract being awarded to an experienced and reputable local company. A robust review of ten EP and C proposals was carried out to shortlist the best bidders for final negotiations. A letter of intent was issued to one of the major international bidders for front-end engineering and design.

Selection of Mining Contractor: A request for quotation was sent out to several established contract mining companies and site visits were carried out. A detailed review of mining bids was undertaken.

Project Water Supply: Planning for construction of a sewage treatment plant (**STP**) and a pipeline to cater for the Project's water requirements continued with Haya Water, with some amendments to the draft PPP agreement being agreed. A review of EPC bids for the STP and pipeline also commenced during the period.

Project Power supply: Upon request, a revised application was submitted to Mazoon (The Omani National Power Regulatory Authority) to provide electrical power from nearby sub stations. Selection of suitable contractors and consultants is underway.

Northern Mine-Site Fencing: Fencing along the northern border of the mine site was completed.

Mullaq and Al Ajal exploration licences

In order to renew the exploration licenses in both these areas, the Public Authority for Mining (**PAM**) and Tanfeedh's Implementation Support and Follow-up Unit (**ISFU**) conducted clinics along with other relevant ministries, including the Ministry of Environment, Ministry of Housing etc. Alara was invited to present targets within these license areas where copper mineralisation has been identified for further exploration and development, highlighting the need for target areas to be cleared by all Ministries prior to further exploration activity.

The licenses are expected to be renewed next quarter.

Daris Copper-Gold Project

Oman

(Alara – 50% with option to increase to 70%, Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (**DRL**))

In order to develop the economic case for development of the Daris East copper deposit, metallurgical test work on oxide ore from Daris East and Daris 3A5 was carried out in August 2018 at Curtin University laboratory in Perth. The objective of the study was to test Daris oxide ore in combination with several other oxide ores for its leaching potential to extract copper metal. The test study was conducted by "Mining and Processing Solutions – Perth"

1 Refer Alara's ASX Announcement dated 24 January 2017. That announcement contains information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on that date continue to apply and have not materially changed.

The Daris Project consists of two high-grade deposits within the 587km² Block 7 exploration licence. Within the exploration licence area are two mining licence applications covering 4.5km² (Daris East and Daris 3A5). The Project fits well with a "hub and spoke" model, which provides for processing of Daris ore at the proposed Al Hadeetha copper concentrate plant to be built 100km to the south. Other processing options are also being investigated, which would see Daris operate as a stand-alone project if it became more beneficial to do so.

The Daris East Mining License application, which covers an area that includes measured, indicated and inferred JORC copper resources (see the table on page 21, below) was opposed by the Ministry of Housing due to its proximity to recently allotted land. A review application has been submitted, citing the fact that mineral exploration had been conducted in reliance on PAM's authorisation to proceed. The Ministry of Environment had also earlier approved the same application. Meanwhile, underground mining is being evaluated as an alternative option to ascertain whether it would satisfy the Housing Ministry's concerns in an economic way.

The Daris 3A5 application is making satisfactory progress. Some minor concerns raised by Ministry of Environment are being appropriately addressed.

Discussions for a joint exploration program to discover new mineralisation in Block 7 with Mineral Development of Oman (**MDO**)² have progressed after MDO conducted a detailed due diligence on Alara's completed exploration programs over Block 7 and identified exploration targets for further work. While collaborative efforts continue, no binding agreement between the parties has been finalised.

Awtad Copper-Gold Project

Oman

(Alara - 10% interest with option to increase to 70%, 30% Awtad Copper LLC)

The Awtad Project, which lies adjacent to the Daris Project to the east, has favourable geology and significant exploration potential for new discoveries of copper mineralisation. Alara previously explored some parts of the 497km² Block 8 license area and identified some geophysical anomalies requiring further work.

Other Developments

Al Hadeetha Project Finance Update

Following the receipt of proposed financing terms from various lenders, financing applications progressed during the period and the Company has worked with banks and other financiers to finalise loan covenants.

Al Tasnim Joins Alara JV Companies

On 19 December 2018 Alara executed a share sale agreement with Al Tasnim Infrastructure Services LLC (**Al Tasnim**), which is related to the Al Tasnim Group, a leading Omani construction and infrastructure business³. The Company, through its subsidiary Alara Oman Operations Pty Ltd (**Alara Oman**) sold a 19% shareholding in joint venture company Al Hadeetha Resources LLC (**AHR**) to Al Tasnim for OMR 3 million (~AUD 11 million). AHR is the vehicle through which the Company holds its interest in the Al Hadeetha Copper Project (**Al Hadeetha Project**).

SW Pinnacle Mineral Exploration Services JV Approved

At the Company's AGM on 28 November 2018 shareholders approved Alara entering into a joint venture with SW Pinnacle to provide drilling, exploration and mining services in Oman. Under the JV Agreement:

- Alara Resources LLC (**ARL**) serves as the joint-venture vehicle. Alara holds 35% of ARL. SW Pinnacle acquired another 35% of ARL previously held by Alara. SW Pinnacle paid an Alara subsidiary OMR 60,000 (~AUD 220,000) for the transfer of the ARL shares. The consideration payable by SW Pinnacle was OMR 60,000.
- ARL will engage in drilling, exploration and mine development activities and offers these services to other mining and exploration companies in Oman.

Vikas Jain discloses that he has an interest in the ARL joint venture between Alara and SW Pinnacle as a director of and shareholder in, SW Pinnacle and Alara Resources Limited.

Saudi Arabia

In early October 2018 the legal case commenced by United Arabian Mining Company (**Manajem**) against Alara in connection with Saudi Arabia Khnaiguiyah Zinc-Copper Project (**Khnaiguiyah Project**) was dismissed.

Since the Court judgement was handed down, Alara has met with Saudi Government officials to discuss the path forward for the Khnaiguiyah Project. Based on the judgement, Alara received encouragement to apply for a mining licence for the Khnaiguiyah Project as a foreign-owned entity with a Definitive Feasibility Study.

² Previous public reports referred to the establishment of Mining Development Oman (**MDO**) a consortium of four state-owned agencies (the State General Reserve Fund, the Oman Investment Fund, the Oman Oil Company and the Oman National Investments Development Company) with a focus on both upstream and downstream activities in the mining sector.

³ The buyer, Al Tasnim Infrastructure, is related to the Al Tasnim Group, a leading Omani construction conglomerate with a diversified investment portfolio across multiple industry sectors, including a mining and quarrying division. Al Tasnim completed due diligence on Al Hadeetha in the third quarter of this year.

Directors' Report

FINANCIAL

Cash Position

The Company's cash position at 31 December 2018 was A\$13.2 million (30 June 2018: A\$3.3 million).

The Company's total liabilities at 31 December 2018 were A\$2,606,984 (30 June 2018: A\$2,348,253) which includes a A\$628,175 (30 June 2018: A\$583,756) loan from Al Hadeetha Investments LLC to Al Hadeetha Resources LLC. This loan from Al Hadeetha Investments LLC is repayable (dollar for dollar) alongside the Alara loan to Al Hadeetha Resources totalling \$17.3m, reducing the effective liability to nil. However, pursuant to AASB 139 "Financial instruments: Recognition and Measurement" and AASB 127 "Consolidated and Separate Financial Statements" the Alara loan of A\$17.3 million from the Consolidated Entity to Al Hadeetha Resources LLC is not shown in the assets of the Consolidated Entity.

CORPORATE

Securities on issue

	Quoted on ASX	Unlisted options	Total
Fully paid ordinary shares	629,017,589	–	629,017,589
\$0.04 (9 March 2020) Unlisted options	–	3,000,000	3,000,000
Total	629,017,589	3,000,000	632,017,589

2018 Annual General Meeting

At the Company's Annual General Meeting⁴ held on 28 November 2018⁵:

- (1) The Consolidated Entity's 2018 Remuneration Report was passed;
- (2) Mr Vikas Jain was re-elected as a Director;
- (3) An additional 10% placement facility was approved; and
- (4) The South West Pinnacle Joint Venture was approved.

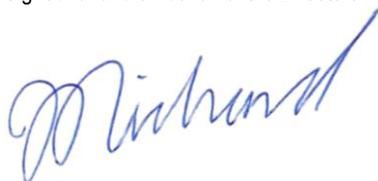
Major Shareholders

Refer to Securities Information on page 23.

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 6.

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



Justin Richard
Managing Director

13 March 2019

⁴ Refer Notice of Annual General Meeting lodged on ASX on 13 October 2017.

⁵ Refer ASX announcement dated 14 November 2017 entitled "Results of Annual General Meeting".

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Alara Resources Limited for the period ended 31 December 2018, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 13th day of March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Revenue	2	18,816	15,656
Personnel		(200,551)	(195,224)
Occupancy costs		(22,159)	(33,418)
Finance expenses		(60,822)	(8,346)
Corporate expenses		(29,945)	(24,151)
Gain on disposal of subsidiary	9 (ii)	131,230	–
Share of profit/(losses) of associates and joint ventures	10	(18,334)	–
Administration expenses		(265,744)	(117,750)
PROFIT/(LOSS) BEFORE INCOME TAX		(447,509)	(363,233)
Income tax benefit		–	–
PROFIT/(LOSS) FOR THE YEAR		(447,509)	(363,233)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		698,031	116,229
Total other comprehensive income		698,031	116,229
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		250,522	(247,004)
Loss attributable to:			
Owners of Alara Resources Limited		(416,523)	(218,397)
Non-controlling interest		(30,986)	(144,836)
		(447,509)	(363,233)
Total comprehensive (loss)/income for the year attributable to:			
Owners of Alara Resources Limited		281,508	(102,168)
Non-controlling interest		(30,986)	(144,836)
		250,522	(247,004)
Loss per share:			
Basic loss per share cents	3	(0.06)	(0.04)
Diluted loss per share cents	3	(0.06)	(0.04)

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Financial Position as at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	13,234,124	3,346,944
Trade and other receivables		225,406	12,896
Other current assets		38,268	26,615
TOTAL CURRENT ASSETS		13,497,798	3,386,455
NON-CURRENT ASSETS			
Investments in Associates	10	196,108	-
Property, plant and equipment		43,467	43,803
Exploration and evaluation	5	10,510,612	9,415,665
TOTAL NON-CURRENT ASSETS		10,750,187	9,459,468
TOTAL ASSETS		24,247,985	12,845,923
CURRENT LIABILITIES			
Trade and other payables		251,354	66,850
Unearned Income		1,683,992	-
Provisions		7,199	37,000
TOTAL CURRENT LIABILITIES		1,942,545	103,850
NON-CURRENT LIABILITIES			
Financial liabilities	6	628,175	583,756
Unearned income		-	1,624,383
Provisions		36,264	36,264
TOTAL NON-CURRENT LIABILITIES		664,439	2,244,403
TOTAL LIABILITIES		2,606,984	2,348,253
NET ASSETS		21,641,001	10,497,670
EQUITY			
Issued capital	7	66,107,405	66,107,405
Reserves	11	10,198,230	906,345
Accumulated losses		(54,676,355)	(54,259,832)
Parent interest		21,629,280	12,753,918
Non-controlling interest		11,721	(2,256,248)
TOTAL EQUITY		21,641,001	10,497,670

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Changes in Equity for the half year ended 31 December 2018

	Note	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Transactions with Minority Interest	Non-Controlling Interest	Total
		\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2017		65,169,992	20,000	188,726	(53,568,320)	-	(2,223,974)	9,586,424
Foreign currency translation reserve		-	-	116,229	-	-	-	116,229
Net income and expense recognised directly in equity		-	-	116,229	-	-	-	116,229
Loss for the year		-	-	-	(218,397)	-	(144,836)	(363,233)
Total comprehensive loss for the year		-	-	116,229	(218,397)	-	(144,836)	(247,004)
Transactions with owners in their capacity as owners:								
Share placement		945,000	-	-	-	-	-	945,000
Share placement costs		-	-	-	-	-	-	-
Balance as at 31 Dec 2017		66,114,992	20,000	304,955	(53,786,717)		(2,368,810)	10,284,420
Balance as at 1 July 2018		66,107,405	20,000	886,345	(54,259,832)	-	(2,256,248)	10,497,670
Foreign currency translation reserve		-	-	698,033	-	-	-	698,033
Net income and expense recognised directly in equity		-	-	698,033	-	-	-	698,033
Transaction with minority interests	9(i)	-	-	-	-	8,593,852	-	8,593,852
Disposal of subsidiary	9(ii)	-	-	-	-	-	(135,193)	(135,193)
Additional non-controlling interest arising on disposal of interest in Al Hadeetha Resources LLC	9(i)	-	-	-	-	-	2,434,147	2,434,147
Profit/(Loss) for the year		-	-	-	(416,523)	-	(30,986)	(447,509)
Total comprehensive loss for the year		-	-	698,033	(416,523)	8,593,852	2,267,969	11,143,330
Transactions with owners in their capacity as owners:								
Share placement		-	-	-	-	-	-	-
Share placement costs		-	-	-	-	-	-	-
Options issued during the year		-	-	-	-	-	-	-
Balance as at 31 Dec 2018		66,107,405	20,000	1,584,378	(54,676,355)	8,593,852	11,721	21,641,001

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Cash Flows for the half year ended 31 December 2018

	Note	31 Dec 2018	31 Dec 2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(698,254)	(382,480)
Interest received		9,801	12,179
Income tax (paid)/received		-	55,963
NET CASHFLOWS USED IN OPERATING ACTIVITIES		(688,453)	(314,338)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		(6,889)	-
Payments for exploration and evaluation activities		(455,770)	(474,927)
Proceeds for disposal of subsidiaries	9(i)	11,028,000	-
NET CASHFLOWS USED IN INVESTING ACTIVITIES		10,565,341	(474,927)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares		-	945,000
Loan from Outside entities		-	291,734
NET CASHFLOWS PROVIDED BY INVESTING ACTIVITIES		-	1,236,734
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		9,876,888	447,469
Cash and cash equivalents at beginning of the financial year		3,346,944	1,885,556
Effect of exchange rate changes on cash		10,292	(3,461)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	13,234,124	2,329,564

The accompanying notes form part of this consolidated financial statement.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial statements are a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in the annual financial statements and shall be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2018 to the date of this report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going Concern Assumption

The half-year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

During the period, the Consolidated Entity incurred an operating loss before tax of \$447,509 (31 December 2017 loss: \$363,233) net cash outflows from operating activities of \$688,453 (31 December 2017: \$314,338) and had a working capital surplus position of \$11,555,253 (30 June 2018: \$3,282,605). Other than the work that is being performed by Alara staff that is already budgeted for, there are no minimum exploration commitments required to be spent during the next 12 months.

To enable the Consolidated Entity to develop its projects, it would be required to raise funds from debt or equity sources. Should the Consolidated Entity not be able to obtain this funding, it has the ability to defer these plans and meet its contractual commitments and manage cash flow in line with its available funds.

As part of the joint venture (JV) arrangement, the Group entered into an unsecured loan agreement with Al Hadeetha Investments LLC on 16 April 2017 for a maximum of USD 2 million to assist in the working capital funding requirements. As at balance date, the Consolidated Entity has drawn down OMR 170,858 (USD 443,188) and has USD 1,531,337 available for drawdown.

The Directors have prepared a cashflow forecast which indicates the Consolidated Entity has sufficient funds to meet all contractual commitments and corporate costs for a period of at least 12 months from the date of this interim financial report. The Directors consider the basis of going concern to be appropriate given the current cash position exceeds the minimum contractual commitments to be spent over the next 12 months.

Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 *Financial Instruments* and related amending Standards
- AASB 15 *Revenue from Contracts with Customers* and related amending Standards
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 *Financial Instruments* (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 *Financial Instruments: Disclosures*.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Group has applied AASB 15 *Revenue from Contracts with Customers* (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2018

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Consolidated Entity's last annual financial statements for the year ended 30 June 2018.

2. REVENUE

	31 Dec 2018	31 Dec 2017
	\$	\$
Revenue		
Interest	18,611	15,656
Other income	205	-
	18,816	15,656

3. EARNINGS/(LOSS) PER SHARE

	31 Dec 2018	31 Dec 2017
	\$	\$
Basic earnings/(loss) per share cents	(0.06)	(0.04)
Diluted earnings/(loss) per share cents	(0.06)	(0.04)
Profit/(loss) \$ used to calculate earnings/(loss) per share	(416,523)	(218,397)
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	629,017,589	599,400,741
Weighted average number of ordinary shares during the period used in calculation of diluted earnings/(loss) per share	629,017,589	599,400,741

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.

4. CASH AND CASH EQUIVALENTS

	31 Dec 2018	30 Jun 2018
	\$	\$
Cash in hand	4,078	1,480
Cash at bank	11,729,979	2,130,209
Term deposits	1,500,067	1,215,255
	13,234,124	3,346,944

The Consolidated Entity has granted a term deposit security bond to the value of \$367,660 (30 June 2018: \$64,943) which has not been called up as at balance date.

The effective interest rate on short-term bank deposits was 2.50% (30 June 2018: 2.45%) with an average maturity of 76 days.

5. EXPLORATION AND EVALUATION

	31 Dec 2018	30 Jun 2018
	\$	\$
Opening balance	9,415,665	7,996,697
- Exploration and evaluation expenditure	595,487	1,036,170
- Exchange differences	499,460	382,798
Closing balance	10,510,612	9,415,665

Notes to the Consolidated Financial Statements for the half year ended 31 December 2018

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. The principal activity of the company is exploration, evaluation and development of mineral licences in Oman. On 24 December 2018, Alara Oman Operations Pty Limited sold 19% of its 70% shareholding in Al Hadeetha Resources LLC to Al Tasnim Group.

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 Entity has granted a term deposit security bond to the value of \$367,660 (30 June 2018: \$64,943) which has not been called up as at balance date.

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.

6. FINANCIAL LIABILITIES

	31 Dec 2018 \$	30 Jun 2018 \$
Non-Current		
Loan with unrelated third party (i)	628,175	583,756
	628,175	583,756

- (i) Pursuant to the Shareholders' Agreement with Al Hadeetha Investments LLC (AHI), Al Hadeetha Resources LLC (AHR) (a controlled entity of Alara Resources Limited) executed a Loan Agreement of up to USD 2 million with AHI on 16 April 2017. As at 31 December 2018, the loan balance was OMR 170,858 (AUD 628,175) (30 June 2018: OMR 166,411 (AUD 583,756)). Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of OMR 4,827,780 (AUD 17,357,222) (30 June 2018: OMR 2,022,222 (AUD 7,093,483)) from Alara Resources Limited and its controlled entities, which has been eliminated on consolidation of these financial statements) from profits of AHR prior to any dividends being issued to the shareholders of AHR, or in the event that AHI ceases to be a shareholder of AHR. AHI and/or Alara Resources Limited may elect to convert all or part of the loan into equity in AHR.

The Company had not made any drawdowns from AHI during the 6-month period ending 31 December 2018 (30th June 2018: OMR 116,764 (AUD 409,596)).

- (ii) On 26 October 2017 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 AHR in connection with the Al Hadeetha 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 AHR. This amount will be returned to the Consolidated Entity in the event that AHR performs its environmental obligations in relation to that mining licence.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2018

7. ISSUED CAPITAL

	31 Dec 2018	30 Jun 2018	31 Dec 2018	30 Jun 2018
	No	No	\$	\$
Fully paid ordinary shares	629,017,589	629,017,589	66,107,405	66,107,405

30 Jun 2018	No	\$
Balance as at 1 July 2017	597,517,589	65,169,992
- Share movement during the 2018 financial year	31,500,000	945,000
- Share issue costs during the 2018 financial year	-	(7,587)
Balance as at 30 June 2018	629,017,589	66,107,405
31 Dec 2018	No	\$
Balance as at 1 July 2018	629,017,589	66,107,405
- Share movement during the period	-	-
- Share issue costs during the period	-	-
Balance as at 31 December 2018	629,017,589	66,107,405

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.

8. SEGMENT INFORMATION

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

	Australia	Oman	Saudi Arabia	Total
	\$	\$	\$	\$
6 months to 31 Dec 2018				
Total segment revenues	14,492	4,324	-	18,816
Total segment loss before tax	(96,533)	(361,298)	10,322	(447,509)
Total segment assets	2,536,183	21,711,801	-	24,247,984
Total segment liabilities	(69,857)	(2,537,127)	-	(2,606,984)
6 months to 31 Dec 2017				
Total segment revenues	15,656	-	-	15,656
Total segment loss before tax	(195,877)	(167,356)	-	(363,233)
Total segment assets	1,758,381	9,187,096	-	10,945,477
Total segment liabilities	(85,176)	(575,881)	-	(661,057)

Reconciliation of segment information	31 Dec 2018	30 Jun 2018
	\$	\$
(i) Total Segment Assets		
Total Assets as per Statement of Financial Position	24,247,984	12,845,923
(ii) Total Segment Liabilities		
Total Liabilities as per Statement of Financial Position	(2,606,984)	(2,348,253)

Notes to the Consolidated Financial Statements for the half year ended 31 December 2018

9. DISPOSALS OF SUBSIDIARIES

(I) Disposal of Interest in Al Hadeetha Resources LLC

On 24 December 2018, the Group disposed of a 19% interest of its interest in Al Hadeetha Resources LLC (**AHR**) to Al Tasnim Infrastructure Services LLC, reducing its continuing interest to 51%. The proceeds on disposal of OMR 3 million (AUD \$11,028,000) were received in cash. AHR is the vehicle through which the Company holds its interest in the Al Hadeetha Copper Project.

The net liabilities on disposal were \$12,811,306. The difference between the disposal proceeds and the amount transferred to non-controlling interests of \$8,593,852 has been directly recognised in equity as a transaction with minority interests.

	31 Dec 2018 \$
Consideration received	11,028,000
Net assets on disposal	(12,811,306)
Transactions with non-controlling interest	(8,593,852)
Increase in non-controlling interest (19%)	(2,434,147)

(II) Disposal of Interest in Alara Resources LLC

On 26 September 2018, the Group sold a 35% in Alara Resources LLC ("ARL") to South West Pinnacle Exploration Limited (**SWPE**) for a consideration of OMR 60,000 (AUD \$214,442). The Group retains a 35% shareholding in ARL and as a result has been de-consolidated and reflected as an investment in associate.

SWPE is a Related Party of the Company as it is controlled by Mr Vikas Jain, a Director of Alara Resources Limited. Shareholder approval of the sale pursuant to Chapter 2E of the Corporations Act (2001) was not required as the transaction fell within an exception to the requirement to obtain approval. The Company nevertheless decided to seek, and obtained, shareholders' approval on 28 November 2018 at the Annual General Meeting.

	31 Dec 2018 \$
Consideration receivable	214,442
Investment in Associate	214,442
NCI derecognised on disposal	135,193
Subtotal	564,077
Net assets on disposal	432,847
Gain on disposal	131,230

10. INVESTMENT IN ASSOCIATES

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

	31 Dec 2018 \$
Opening balance	-
Investment in Alara Resources LLC (Refer to Note 9(ii))	214,442
(Loss) from equity accounted investments	(18,334)
Subtotal	196,108

11. RESERVES

	Note	31 Dec 2018 \$	30 June 2018 \$
Opening balance		906,345	208,726
Movement in Foreign Exchange Translation		698,033	697,619
Transactions with Minority Interests	9 (i)	8,593,852	-
Total		10,198,230	906,345

12. COMMITMENTS

	31 Dec 2018	30 June 2018
	\$	\$
(a) Lease Commitments		
Non-cancellable operating lease commitments:		
Within 1 year	60,535	10,889
1-5 years	21,216	–
After 5 years	–	–
Total	81,751	10,889
<p>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.</p>		

There are no material changes to capital commitments since those reported as at 30 June 2018.

13. CONTINGENT ASSETS AND LIABILITIES

There are no changes to contingent assets and liabilities since 30 June 2018 apart from the changes described below:

‘Financial Claim’ – Khnaiguiyah Zinc-Copper Project (Saudi Arabia) – In November 2014, former Khnaiguiyah Project joint venture partner, Manajem, filed a “claim” against Alara Saudi Operations Pty Limited before the Board of Grievance in Riyadh, Kingdom of Saudi Arabia. Manajem alleged broad unspecified breaches of the SHA and Saudi law by Alara. Alara, based on the advice of external legal counsel maintained that Manajem’s claims were unsubstantiated and lodged a counter-claim against Manajem based on a number of specific breaches of the SHA by Manajem (including via acting through Manajem company executives) pursuant to Manajem’s obligations under the SHA and in relation to a number of operational matters involving the JV Company, KMC. Alara defended Manajem’s claim and pursued counter-claims against Manajem before the Board of Grievance in accordance with due process. During the reporting period the Court dismissed both defended Manajem’s claim and Alara’s counter-claims.

14. SUBSEQUENT EVENTS

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, other than the following:

Subsequent to the Reporting Date Alara engaged McNally Bharat Engineering Company Limited (**MBE**) to perform engineering work for the Al Hadeetha Copper Project in the Sultanate of Oman. MBE’s scope of work is progressing with front-end project engineering, geotechnical drilling and preparation of detailed designs for plant and other site infrastructure. Finalised plant layout, process flow diagram, single-line diagram and the piping and instrumentation diagram (**P&ID**) are due for completion in Q2 of calendar 2019, with detailed engineering due in early Q3. The appointment also provides for an extended work scope including procurement for the proposed Al Hadeetha 1Mtpa⁶ copper concentrator plant and related infrastructure. Further details about MBE, including its capability, are contained in Alara’s 5 March 2019 ASX announcement “Project Update – Appointment of EP Contractor”.

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⁶ Alara’s ASX Announcement dated 24 January 2017 contains the information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on that date continue to apply and have not materially changed.

Directors' Declaration

The Directors of the Company declare that:

1. 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 11 to 16, 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 31 December 2018 and of its performance for the year ended on that date;
2. 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;
3. 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 303 of the *Corporations Act 2001* for the financial half year ended 31 December 2018.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.



Justin Richard
Managing Director

13 March 2019

Independent Auditor's Review Report

To the Members of Alara Resources Limited

We have reviewed the accompanying financial report of Alara Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

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 Australian Accounting Standards and the *Corporations Act 2001* and for such 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Alara Resources Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 13th day of March 2019

JORC Statements

AL HADEETHA AND DARIS COPPER-GOLD PROJECTS

Alara has joint venture interests in five copper-gold deposits located within four Exploration Licences in Oman extending over 692km². These deposits are also covered by five Mining Licence applications pending grant, totalling ~9km².

The Daris Copper-Gold Project⁷ is located ~170km northwest of Muscat (the capital of Oman). The Washihi/Mullaq⁸ prospects are located ~100km south-southeast of Daris. Both projects/prospects are located on or very close to high quality bitumen roads.

Al Hadeetha Copper-Gold Project

Table 1: Washihi JORC Mineral Resources

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0.20	12.40	0.89	0.22	3.74	0.78	0.23
0.25	12.39	0.89	0.22	3.71	0.79	0.23
0.30	12.37	0.89	0.22	3.68	0.79	0.23
0.40	12.16	0.90	0.22	3.54	0.81	0.24
0.50	11.39	0.93	0.23	2.98	0.88	0.25

Table 2: Gossan Hill Mineralisation - Gold⁹

Cut off Au g/t	Inferred Resource		
	Kilo Tonnes (kt)	Gold (Au) g/t	Ounces k/Oz
0.05	439.00	0.41	5.74
0.10	420.31	0.42	5.69
0.15	405.58	0.43	5.63
0.20	346.93	0.48	5.31
0.25	307.60	0.51	5.03
0.30	274.40	0.54	4.73
0.35	257.40	0.55	4.55
0.40	220.48	0.58	4.09
0.45	197.79	0.60	3.79
0.50	147.82	0.64	3.02

Notes

1. Mineral Resources are not Mineral Reserves. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral Resources reported in accordance with the JORC Code 2012.
3. Resource for Cu-Au is stated @ 0.25 % Cu cut-off grade; the mineral resource for gold in the Gossan hill (outside main ore body) has been stated @ .25 g/t Au.
4. Mineral resource tonnages have been rounded to reflect the accuracy of the estimate.
5. 1 ounce of Au = 31.1035 grams.

Table 3: Summary of Washihi Copper Gold Mineral Resources @ 0.25% Cu Cut-off¹⁰

Resource classification	Tonnes Mt	Copper (Cu) %	Gold (Au) g/t
Indicated	12.4	0.89	0.22
Inferred	3.71	0.79	0.23
Grand total	16.1	0.87	0.22

Indicated Resources were converted to a Probable Ore Reserve after the application of modifying factors, including pit optimisation, mine design and an economic evaluation¹¹. The Ore Reserve estimate (based on a 0.3% Cu cut-off) and in pit mineral inventory are shown in Tables 4 and 5 below.

7 Refer Alara's 30 August 2010 ASX Announcement: Project Acquisition - Daris Copper Project in Oman.

8 Refer Alara's 8 December 2011 ASX Announcement: Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman.

9 Refer Alara's 19 September 2016 ASX Announcement: 5.55MT Increase in Indicated Resource - Al Hadeetha Project.

10 Refer Alara's 15 December 2016 ASX Announcement: Maiden JORC Ore Reserves – Al Hadeetha Copper-Gold Project.

11 Details of the modifying factors supporting the Ore Reserve are contained in Appendix 1 (JORC Code, 2012 Edition - Table 1) of the 15 December 2016 announcement: Maiden Ore Reserve – Al Hadeetha Copper-Gold Project.

JORC Statements

Table 4: Washihi Ore Reserve

Classification	Ore reserve		
	Tonnes Mt	Copper (Cu) %	Gold (Au) g/t
Probable	9.7	0.88	0.22

Table 5: Washihi Mining Inventory

Classification	Tonnes Mt	Copper (Cu) %	Gold (Au) g/t
Ore reserve	9.7	0.88	0.22
Inferred resource	0.35	0.65	0.25
Total	10.05	0.87	0.22

Daris Copper-Gold Project

Table 6: Daris-East JORC Mineral Resources

Ore type	Cut-off grade Cu%	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t
Sulphides	0.5	130,000	2.48	0.23	110,000	2.24	0.51	240,000	2.37	0.43	30,000	2.25	0.55
Oxides	0.5	100,000	0.77	0.03	90,000	0.66	0.14	180,000	0.72	0.08	2,000	0.61	0.97

The information in these JORC Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Khnaiguiyah Zinc-Copper Project

Historical JORC statements for the Khnaiguiyah Zinc-Copper Project (listed in the Company's 2013 Annual Report) are not included here following a \$33,906,473 provision in the Company's 2016 financial statements.

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Competent Person's Statements

JORC Competent Persons Statements

The information in this announcement that relates to the feasibility study of the Al Hadeetha Copper-Gold Project is based on information compiled by Mr Shanker Madan, who is a Member of the Australasian Institute of Mining and Metallurgy, and consultant to Alara Resources. Mr Madan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 edition. Mr Madan consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Ore Reserve of the Al Hadeetha Project was compiled by Mr Harry Warriess, who is a Fellow of the Australasian Institute of Mining and Metallurgy, and a consultant to Alara Resources. Mr Warriess has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' In assessing the appropriateness of the Ore Reserve estimate, Mr Warriess has relied on various reports, from both internal and external sources, in either draft or final version, which form part of or contribute to the Al Hadeetha Project Feasibility Study. These reports are understood to be compiled by persons considered by Alara to be competent in the field on which they have reported. Mr Warriess consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this announcement that relates to JORC Resources of the Daris Copper Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravi Sharma, who is a Chartered Member of the Australasian Institute of Mining and Metallurgy, and a consultant to Alara Resources. Mr Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 edition. Mr Sharma approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

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Securities Information as at 7 March 2019

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	629,017,589	–	629,017,589
Total	629,017,589	–	629,017,589

At a general meeting of shareholders: (a) on a show of hands, each person who is a member or sole proxy has one vote; and
(b) on a poll, each shareholder is entitled to one vote for each fully paid share.

Summary of Directors' and Employees' Unlisted Options

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria ¹²	No. of Options
9 March 2017	\$0.04 (9 Mar 2020) Options	\$0.04	9 March 2020	None	3,000,000

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings		Number of Holders		Number of Units	% of Total Issued Capital
1 – 1,000		882		299,496	0.048%
1,001 – 5,000		280		661,154	0.105%
5,001 – 10,000	133	1,115,052			0.177%
10,001 – 100,000	337	13,000,790			2.067%
100,001 – and over	270	613,941,097			97.603%
Total	1,902	629,017,589			100%

Top 20 Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Mr Vikas Malu*	57,142,050	9.08%
2.	Ms Meng Meng*	40,454,437	6.43%
3.	Citicorp Nominees Pty Ltd*	38,395,891	6.10%
4.	Mr Vikas Jain*	34,285,230	5.45%
5.	Mr Justin Richard*	34,119,526	5.42%
6.	Al Hadeetha Investment Services LLC*	31,500,000	5.01%
7.	Metals Corners Holding Co*	31,012,217	4.93%
8.	Mr Piyush Jain	22,856,820	3.63%
9.	Whitechurch Developments Pty Ltd <Whitechurch S/F A/C>	20,575,550	3.27%
10.	Mr Tyrone James Giese	17,456,189	2.78%
11.	BNP Paribas Nominees Pty Ltd	17,038,368	2.71%
12.	Mr Jay Hughes + Mrs Linda Hughes <Inkese Super A/C>	15,000,000	2.38%
13.	Ferguson Superannuation Pty Ltd	11,164,913	1.76%
14.	Mr Warren William Brown + Mrs Marilyn Helena Brown	10,628,572	1.69%
15.	J P Morgan Nominees Australia Limited	10,163,244	1.62%
16.	Mr Brian Joseph Flannery + Mrs Peggy Ann Flannery <Flannery Family S/F A/C>	10,085,464	1.60%
17.	Mr Peter Kelvin Rodwell	9,422,858	1.5%
18.	Mr. Anthony Cullen + Mrs Sue Cullen <AC&SJ Cullen Super Fund A/C>	8,501,304	1.35%
19.	Mr Mohammed Saleh Alalshaikh	7,856,387	1.25%
20.	Mr Albert Moses	5,700,000	0.91%
Total		433,359,020	68.87%

* Substantial shareholders

On-Market Buy Back

There is no current on-market buy back.

¹² Options which have vested may be exercised at any time thereafter, up to their expiry date.