

ASX Code: AUQ

DIRECTORS

James Phipps
Non-Executive Chairman

Justin Richard
Managing Director

Atmavireshwar Sthapak
Executive Director

Vikas Jain
Non-Executive Director

Avi Sthapak
Non-Executive Director

Stephen Gethin
Non-Executive Director

COMPANY SECRETARY

Stephen Gethin

CHIEF FINANCIAL OFFICER

Dinesh Aggarwal

1 February 2019

Summary

- Al Hadeetha Project Development
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- Al Tasnim Joins Alara JV Companies
- SW Pinnacle Mineral Exploration Services JV Approved
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- Awtad Copper Project
- Saudi Update

CONTACT DETAILS

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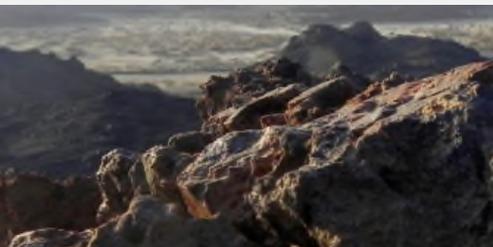
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Oman

Al Hadeetha Project Development

The Project consists of one mining license (Washihi – Mazzaza) and three exploration licenses (Washihi – Mazzaza, Mullaq and Al Ajal).

Washihi – Mazzaza Copper Project

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

Selection of EPC Contractor. 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 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 engineering and a kick off meeting is scheduled for February 2019.

Fencing along the northern border of the mining license boundary was also installed during the period.



Northern Mine-Site Fencing

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 is underway.

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.

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.

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.

Mullaq and Al Ajal

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.

Project Finance Update During the period, Alara invested a further ~AUD\$10m into the Al Hadeetha Copper Project². These funds will be used to meet the budgeted capital expenditure of the processing plant and associated infrastructure and add to the OMR3.57m (~AUD\$12.8m) of capitalised expenditure currently recorded in the 2018 audited accounts of Al Hadeetha Resources LLC.

The balance of project finance is allocated to third party debt finance and unearned income by way of pre-payments. The Company is working with banks and other financiers to agree on acceptable loan covenants. Following the receipt of proposed financing terms from lenders, the financing application progressed during the period toward the final approval stage, which is expected shortly.

Al Tasnim Joins Alara JV Companies

In December 2018 Alara executed a share sale agreement with Al Tasnim Infrastructure Services LLC (**Al Tasnim**) a member of the Al Tasnim Group, a leading Omani construction and infrastructure business³. The Company, through its subsidiary Alara Oman Operations Pty Ltd (**Alara Oman**) sold 19% of its then 70% shareholding in joint venture company Al Hadeetha Resources LLC (**AHR**) to Al Tasnim for OMR 3 million (~AUD 10.7 million). The transaction was completed with the sale price received approximately two weeks later.

AHR is the vehicle through which the Company holds its interest in the Al Hadeetha Copper Project (**Al Hadeetha Project**).

Due diligence and joint venture negotiations extended over several months⁴ to ensure the parties were a good fit, with shared values and vision for AHR's current and future projects. Alara, along with AHR's other shareholder, Al Hadeetha Investments LLC, is pleased to welcome Al Tasnim as a new partner in the Al Hadeetha Project.

On 24 January 2019 Al Tasnim also became a 30% shareholder in another Alara joint venture, Alara Resources LLC (**ARL**), replacing the previous 30% local shareholder in that company. ARL is the vehicle through which the Company conducts its mineral exploration services JV business with South West Pinnacle Exploration Limited (**SW Pinnacle**) - see further below. Alara's 35% shareholding in ARL remained unchanged, as did that of ARL's other shareholder, SW Pinnacle, which also holds 35%.

As a result of the share transfer, ARL is now backed by three, actively engaged shareholders with complementary experience and a common vision for the future of Oman's mining sector. ARL will draw upon the JV partners' expertise to provide drilling, exploration and mining services to the rapidly growing mining sector in Oman.

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.

SW Pinnacle has operated successfully in the field of drilling and mineral exploration services since 2006. Today SW Pinnacle has a fleet of coring, RC and DTH rigs and in-house expertise to offer a range of

² This brings the total loan amount from Alara to Al Hadeetha Resources to OMR 4.8m (~AUD\$17.3m) and Alara's total capital investment into Oman to ~AUD\$23m.

³ The buyer, Al Tasnim Infrastructure, is part of the Al Tasnim Group, a leading Omani construction conglomerate with a diversified investment portfolio across multiple industry sectors, including a 600-person mining and quarrying division. Al Tasnim completed due diligence on Al Hadeetha in the third quarter of this year. Due to the size and reputation of Al Tasnim, Alara did not conduct due diligence on the counterparty.

geological services. Alara and SW Pinnacle hold a shared view on the future of mining in Oman and are excited about working together at a time when the Sultanate's mining industry is taking off.

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. Alara contributed the amount of OMR 60,000 that it received from SW Pinnacle, plus a further OMR 60,000 from its own funds to ARL, less a credit of OMR 8000 for prior expenditure.

(The remaining 30% of ARL, previously held by an unrelated Omani company, was transferred to Al Tasnim on 24 January 2018, as stated above. ARL does not currently hold any mining or exploration licences in Oman and is separate from Alara's other JV entities in Oman.)

- ARL is engaged in drilling, exploration and mine development activities and offers these services to other mining and exploration companies in Oman.
- ARL has already begun submitting work proposals/bids and will announce significant work contracts as they are formally awarded.

JV Partners

To learn more about Alara's JV partners and their related entities see:

Al Naba Services corporate video <http://alnabaservices.com/>

Al Tasnim website <http://www.altasnimgroup.com/>

Al Tammam <http://muscatoverseas.com/Business-Groups/Mining-Minerals>

Awtad Copper <http://www.awtadoman.com/minerals-and-mining/>

Southwest Pinnacle website <http://www.southwestpinnacle.com/>

Daris Copper Project

The Daris Copper Project consists of the Block 7 exploration license and two mining license applications (Daris East and Daris 3A5).

The Daris East Mining License application, which covers an area that includes measured, indicated and inferred JORC copper resources (see the table, 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 authorization 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, on the other hand, 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**) 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.

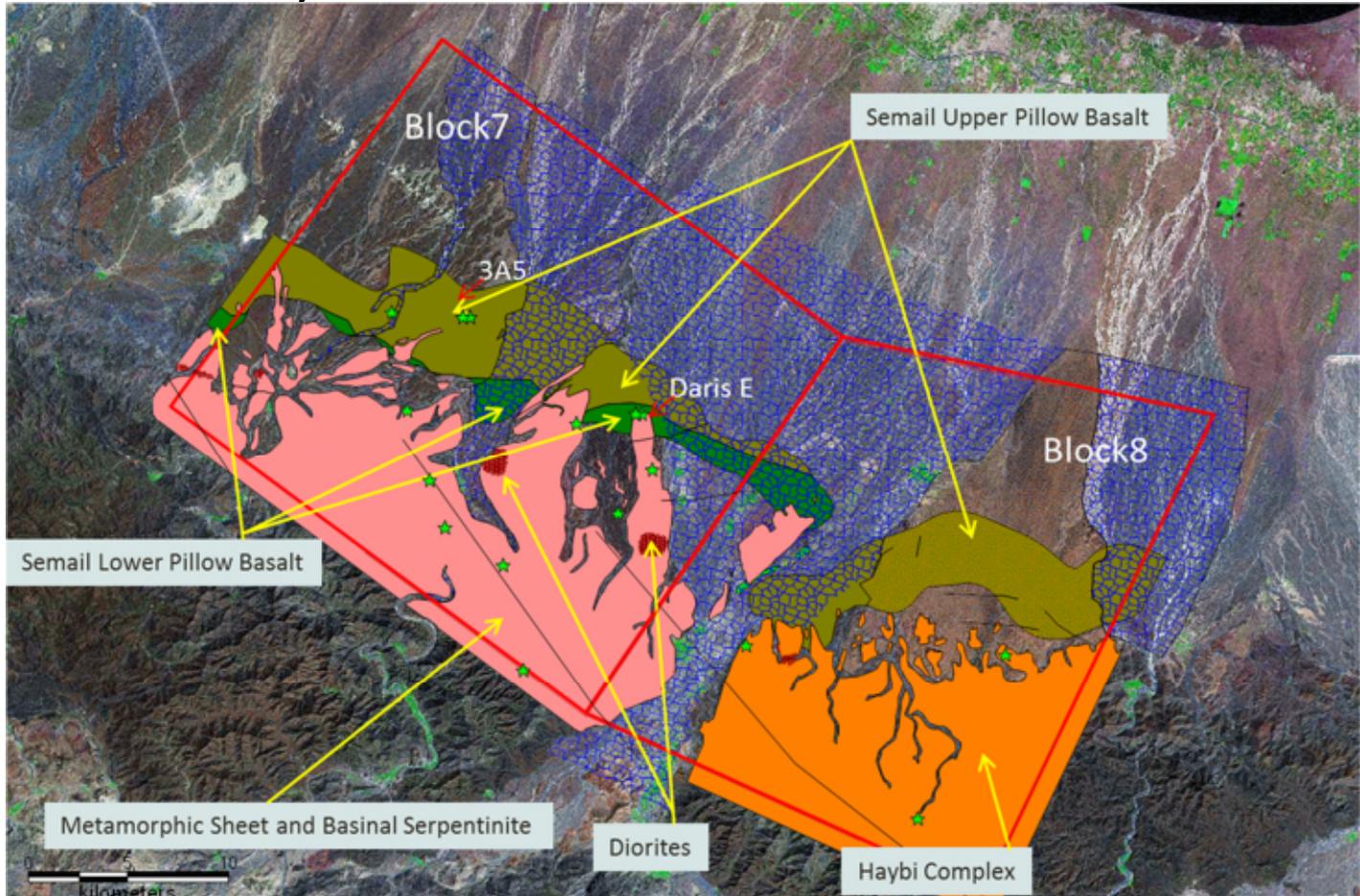
Daris East Mining License Application Area – JORC Resources

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

Awtad Copper Project

The Awtad Copper Project covers the Block 8 exploration license which is adjacent to Block 7 in Al Battinah area of Oman. Alara's previous exploration activities identified anomalies worthy of further exploration. The fact that prospective geological formations within the license area are under cover of alluvial and aeolian deposits enhances the chances of further copper mineralisation.

Block 7 and Block 8 Project Areas



Block 8 is also being considered for a joint exploration program between Alara, MDO and Awtad.

Detailed work plans have been submitted to the Public Authority for Mining for renewal of the exploration license which is expected in Q1 2019.

Mining Shows

During the Quarter Alara attended and/or presented at various Mining Conferences in Melbourne, Dubai, Muscat and London. These events led to productive meetings with Saudi mining officials and potential partners for the Company's future Omani expansion plans, amongst others.

Saudi Arabia

Saudi Court Action Against Alara Dismissed

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

This development is a positive step forward in what has been a painstaking endeavour to advance the Khnaiguiyah Project. Alara spent three years and upwards of US\$23 million producing a Bankable Feasibility Study for the Project, which it retains.

Potential Pathway to Khnaiguiyah Project Mining Licence Re-Issue

In addition to clearing financial claims against the Company by Manajem, Alara also sees the judgement clearing the way for the Khnaiguiyah mining licence to be reissued/reapplied for and the Khnaiguiyah Zinc-Copper Project to proceed. (A mining licence for Khnaiguiyah was previously held by Alara's JV partner Manajem, however it was cancelled by the Saudi Government.)

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 was encouraged to apply for a mining licence for the Khnaiguiyah Project in its own name. Alara is preparing documentation to be registered as a 100% foreign-owned entity, with the intention of adding a solid Saudi partner at the appropriate time.

While the Saudi Court judgement is a welcome development, it does not change Alara's focus on developing its copper projects in Oman, including construction of the Al Hadeetha Copper Project processing plant at the Al Washihi - Mazzaza mining licence site.

Next Quarter

Next quarter is expected to bring at least one more major development for the Al Hadeetha Copper Project. The final approval of project finance is expected shortly, meanwhile engineering and some procurement will proceed.

The Company will also continue to evaluate potential acquisition of further resource projects to expand its portfolio in Oman and work with its new JV partners to secure work contracts for the ARL joint venture.

Positive developments in Saudi are also underway with more updates expected to flow from engagement with the National Industrial Development and Logistics Program launched in January.

Mining Tenements

This section sets out the Company's interests in mining tenements held at the end of the quarter including applications in progress. No mining tenements were disposed of during the quarter.

OMAN

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 5 Mining Licence applications pending grant, totalling ~9km².

The Washihi/Mullaq⁵ prospects are located ~160km south-southwest of Muscat (the capital of Oman) and the Al Ajal Prospect is located about 65 km southwest of the capital. The Daris Copper-Gold Project⁶ is located ~150km west of Muscat. Both projects/prospects are located very close to high-quality bitumen roads.

Al Hadeetha Copper-Gold Project

The current status of all licences/applications for this project is presented in the table below.

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Washihi-Mazzaza	Al Hadeetha Resources LLC	51%	39km ²	Jan 2008	Nov 2016	Active*	2.1km ²	Dec 2012	Active
Mullaq	Al Hadeetha Resources LLC	51%	41km ²	Oct 2009	Nov 2016	Active*	1km ²	Jan 2013	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km ²	Jan 2008	Nov 2016	Active*	1.5km ²	Jan 2013	Pending

⁵ Refer Alara's 8 December 2011 ASX Announcement: Project Acquisition - Al Ajal-Washihi-Mullaq Copper-Gold Project in Oman

⁶ Refer Alara's 30 August 2010 ASX Announcement: Project Acquisition - Daris Copper Project in Oman

*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

The current status of all licences/applications for this project is presented in the table below.

Block Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licences within EL		
			Area	Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50%	587km ²	Nov 2009	Feb 2016	Active*	Daris East 3.2km ²	June 2012	Pending
							Daris 3A-5 1.3km ²		

*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.

SAUDI ARABIA

Khnaiguiyah Zinc-Copper Project

The Khnaiguiyah Zinc-Copper Project⁷ is located approximately 170km south-west of the capital city Riyadh and 35km north-west of Al-Quwayiyah, which is a regional centre located around the Riyadh to Jeddah Expressway.

The Khnaiguiyah Project previously comprised one mining licence, 2 exploration licences and 5 exploration licence applications, totalling approximately 380km² held or applied for by United Arabian Mining Company (**Manajem**). The two exploration licences expired and are considered by Alara to be non-core to the Khnaiguiyah Project. The mining licence that was issued in December 2010, was cancelled in or about December 2015, and is currently the subject of a legal appeal by Manajem.

As at the date of this report, a final appeal decision had not been made, nor had the mining licence been reissued.

Project	Licence Owner	Status	Tenement	Grant/ Application Date	Area	Location/ Property Name	Country
Khnaiguiyah Zinc-Copper Project	TBC	Cancelled – appeal decision pending	Mining Lease No 2. Qaaf	2010	5.462km ²	~170km west of Riyadh	Saudi Arabia

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⁷ Refer to 18 April 2013 ASX Announcement: Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project

Securities Information

as at 29 January 2019

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	629,017,589	-	629,017,589
\$0.04 (9 Mar 2020) Options	-	3,000,000	3,000,000
Total	629,017,589	3,000,000	632,017,589

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	884	300,238	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	344	13,328,015	2.119%
100,001 - and over	270	613,613,130	97.551%
Total	1911	629,017,589	100%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Mr Vikas Malu	57,142,050	9.08
2.	Ms Meng	40,454,437	6.43
3.	Citicorp Nominees Pty Limited	38,465,896	6.12
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.	Metal Corners Holdings 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 Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	17,038,487	2.71
12.	Mr Jay Hughes + Mrs Linda Hughes <Inkese Super A/C>	15,000,000	2.38
13.	Ferguson Superannuation Pty Ltd	11,311,932	1.80
14.	Mr Warren William Brown + Mrs Marilyn Helena Brown	10,628,572	1.69
15.	J P Morgan Nominees Australia Limited	10,143,239	1.61
16.	Mr Brian Joseph Flannery + Mrs Peggy Ann Flannery <Flannery Family S/F A/C>	10,085,464	1.6
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		433,556,158	68.92%

Disclaimer

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 resources, and studies. 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', '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 readers 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 copper, 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.

JORC Code Competent Person Statement

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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in the Middle East. Alara has completed Bankable Feasibility Studies for the Al Hadeetha Copper Project in Oman and the Khnaiguiyah Zinc-Copper Project in Saudi Arabia and an Advanced Scoping Study on the Daris Copper-Gold Project in Oman. In June 2018, Al Hadeetha Resources became the first international joint venture company to be awarded a copper mining licence in the Sultanate of Oman. The Company is now establishing itself a mine developer and producer of base and precious metals. For more information, please visit: www.alararesources.com.



'Alara' was generally regarded as the founder of the Napatan royal dynasty by his 25th Dynasty Nubian successors. During his lengthy reign, The Nubian King Alara was responsible for unifying the upper kingdom, with precious metals becoming an important part of his kingdom's flourishing economy.

Image: Cartouche of Alara

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

ALARA RESOURCES LIMITED

ABN

27 122 892 719

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from Others	(215)	(215)
1.2 Payments for		
(a) exploration & evaluation	(479)	(884)
(b) development	(197)	(197)
(c) production	-	-
(d) staff costs	(1)	(3)
(e) administration and corporate costs	83	58
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	198	198
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(611)	(1,048)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item10)	-	-
(c) investments	11,028	11,028
(d) other non – current assets	-	-
2.3 Cash flows from loans (to) / from other entities		
2.4 Dividends received (see note 3)	-	-
2.5 Net payment on Disposal of Subsidiary (Loss of control)	(92)	(92)
2.6 Net cash from / (used in) investing activities	10,931	10,931

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents At beginning of period	2,919	3,346
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(611)	(1,048)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	10,931	10,931
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates On cash held	-	10
4.6 Cash and cash equivalents at end of period	13,239	13,239

5. Reconciliation of cash and cash equivalents At the end of the quarter (as shown in the Consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	11,734	1,205
5.2 Call deposits	1,505	1,714
5.3 Bank overdrafts	-	
5.4 Other (provide details)	-	
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,239	2,919

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
264
-

Directors' salaries, fees and entitlements

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credits and by-arrangements
- 8.3 Other (please specify)

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	2,834	628
	-	-
	-	-

- 8.4 Include below description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered in too rare proposed to be entered into after quarter end, include details of those facilities as well.

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. Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of approximately AUD 11.7 million from Alara Resources Limited and its controlled entities) 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.

9. Estimated cash out flows for next quarter	\$A'000
9.1 Exploration and evaluation	258
9.2 Development	571
9.3 Production	-
9.4 Staff costs	15
9.5 Administration and corporate costs	131
9.6 Accommodation and Travel	-
9.7 Consultancy Costs	-
9.8 Premises Costs	20
9.9 Finance Costs	39
9.10 Total estimated cash out flows	1,034

10.Changes in tenements (items 2.1 (b) and 2.2 (b)above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interest in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.1 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

(Director / Company Secretary)

Date: 31 January 2019

Print name: Justin Richard

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB107: *Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.