

Alara

Resources

Half Year Financial Report

31 December 2015

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Corporate Directory

Directors

James Phipps
Non-Executive Chairman

Justin Richard
Managing Director

Shanker Madan
Technical Director

Atmavireshwar Sthapak
Executive Director

Ian Gregory
Alternate Director

Company Secretaries

Elizabeth Hunt
Ian Gregory

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ASX Code

AUQ, AUQO

Directors' Report

The Directors present their report on Alara Resources Limited (**Company** or **Alara**) and the entities it controlled (**Consolidated Entity**) at the end of, or during the half-year ended 31 December 2015.

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 2015 and up to the date of this report:

James Phipps	(Non-Executive Chairman – appointed 31 July 2015)
Ian Williams AO	(Non-Executive Chairman – resigned 31 July 2015)
Justin Richard	(Managing Director)
Shanker Maddan	(Technical Director – appointed 31 July 2015)
Atmavireshwar Sthapak	(Executive Director - appointed 22 September 2015)
Ian Gregory	(Alternate Director)

Board Changes

Shanker Madan

Mr Madan was the founding Managing Director for the Consolidated Entity, holding this position until retirement in June 2013. In August 2015 he agreed to return to the Board as Technical Director responsible for overseeing the feasibility study.

Atmavireshwar Sthapak

Mr Sthapak joined Alara from Rio Tinto and worked as exploration and study manager based in Oman for 4.5 years, during this time he worked to increase the copper – gold resources at Washihi from non JORC 4.5 MT¹ to JORC 14.11 MT². In September 2015 he returned to the Consolidated Entity as a member of the Board.

Half year overview

- Commenced feasibility study for Al Hadeetha Project in Oman
- Completion of rights issue
- Shanker Madan and Atmavireshwar Sthapak appointed as directors
- New JV Agreement and Services Agreements with Bayan Mining Company in Saudi Arabia
- Legal proceedings in Saudi Arabia progressed slowly but steadily
- Mining licence (Khnaiguiyah) cancellation notice given to former JV partners

Summary

Commencement of the feasibility study on the Al Hadeetha Project, a successful rights issue, and new joint venture and services agreements with Bayan Mining Company LLC, were among the Consolidated Entity's key achievements³ during the period.

Steady progress on legal proceedings in Saudi Arabia, along with board, management and administrative restructuring, see the Consolidated Entity well positioned to achieve its 2016 milestones.

¹ Refer ASX Announcement 8 December 2011

² Refer ASX Announcement 16 July 2013

³ Refer "working capital and operating costs review" under "Financial" below

Feasibility Study

Having completing a series of earlier studies in Oman⁴, Alara announced the commencement of a feasibility study on the Washihi deposit on 26 August 2016. Mr Shanker Madan (founding Managing Director for Alara), followed by Mr Atmavireswar Sthapak (former Exploration / Study Manager for Alara Oman), both joined the Alara board during the period and have been actively engaged on the feasibility study alongside a select team of external mining professionals.

Updates on the study, including operating costs, capital expenditure, geotechnical logging, metallurgical test work and processing have been reported in the Company's ASX announcements⁵.

Entitlements Issue

In October 2015 the Company announced a renounceable entitlements issue to raise up to \$2.48m to extend the JORC resources for the Company's projects in Oman and for working capital. The entitlements issue was concluded within 1 month and closed with the shortfall being oversubscribed. Existing shareholders, management and new international investors provided strong support to the rights issue demonstrating the positive economic fundamentals currently underpinning Alara's resource projects in Oman, not to mention value attributable to the Khnaiguiyah project once licencing issues are resolved.

New JV and Service Agreements

During the period Alara entered into a new JV Agreement and associated Services Agreements with Bayan Mining Company LLC ('Bayan'). These agreements were part of the Consolidated Entity's contingency plan in the event that JV with Manajem was no longer viable. The new agreements also opened the door to other opportunities which were not available previously. For example, Bayan is free to apply for other mining and exploration licences in the Kingdom, whereas Khnaiguiyah Mining Company LLC (formed in connection with a Shareholders' Agreement between Alara and United Arabian Mining Company LLC ('Manajem')) was no longer in a position to make such applications due to administrative blocks which arose in connection with the legal dispute referred to below.

Update on legal matters

The Company refers to the legal proceedings announced in November 2014. During the period, the hearings before the board of grievances focused on procedural issues, rather than the substantive matters. In particular, Manajem challenged the appointment of the law firm representing Alara on the basis that they allegedly acted for the JV Company Khnaiguiyah Mining Company. At the last hearing, which occurred after this reporting period, the presiding officer asked a series of questions to help determine the basis of Manajem's claim and how it related to the objections regarding the appointment of Alara's lawyers. The outcome of this enquiry indicated a readiness on the part of the board for the matter to be submitted for determination without further procedural delay.

Khnaiguiyah Mining Licence

In December 2015 Alara reported the Khnaiguiyah mining licence held by its former JV partner had been cancelled. This development had been foreshadowed in previous announcements and (subject to the mining licence being reissued) provides a way for the project to advance without the mining licence being transferred to the Khnaiguiyah Mining Company LLC.

Daris Copper-Gold Project

The Consolidated Entity previously considered a toll milling option of ore from the Daris project in Oman. This option involved treatment by a copper concentrator plant owned by Mawarid Mining Company LLC. Since late 2015 the plant was shut down and put into care and maintenance pending commencement of copper mining operations in Oman to justify its reopening. In order to determine toll rates more accurately and finalise the toll treatment agreement, it was agreed that fresh ore samples would be taken. Mawarid and Alara have agreed that these samples will be tested at the Mawarid laboratory near Sohar. The Consolidated Entity has submitted its annual report to mining authority and plans to renew the exploration licence for Daris and progress the mining licence applications previously submitted.

⁴ Scoping study, options analysis, advanced scoping study and subsequent update – see also ASX Announcement dated 16 July 2013 "Upgrade to JORC Resource at Washihi Copper-Gold Project"

⁵ Refer ASX Announcement 18 December 2015 and 20 January 2016

Outlook – Second Half 2016

- Mining Licence for Al Hadeetha Project
- Developments in Oman Mining Sector
- Mining licence (Khnaiguiyah) to be re-issued

Al Hadeetha Mining Licence

Processing of the mining licence application for the Washihi deposit in Oman has progressed with approval from several government departments confirmed. The remaining steps prior to a mining licence being granted are expected to take no more than a few months.

Mining Sector Developments in Oman

The attention being given to diversification of the economy in Oman has led to Mining being identified as one of the five sectors for public investment in the Sultanate.

Oman's mining sector grew by 20% in 2015 and is expected to increase further with planned investment through a new venture, Mineral Development Oman (MDO).

MDO is currently under the direction of four state bodies, including the state's largest sovereign wealth fund. MDO is being established with initial capital of RO100m (AUD\$360m). The state bodies have contributed RO60m (AUD\$216m) and plan to retain 60% ownership of MDO, with the remaining 40% planned for public offering later this year.

MDO's scope of work will reportedly encompass both downstream mining industries, as well as upstream exploration and extraction processes, in collaboration with the Omani private sector.

Alara's contribution to its JV projects in Oman now totals more than AUD\$1.1m. This commitment of time and resources see the Consolidated Entity well positioned to capitalise on developments within the mining industry in Oman, specifically in relation to copper resources and related infrastructure.

Khnaiguiyah Mining Licence

The mining rights agreement between Alara and United Arabian Mining Company LLC ('Manajem') included, among other things:

- provisions for the parties' JVCo to carry on business as though it held the Khnaiguiyah Mining Licence;
- a requirement for Manajem to transfer the Mining Licence to KMC;
- an obligation for Manajem to maintain the licence in good standing; and
- a warranty by Manajem that it had full power and authority (pursuant to Saudi Arabian Law) to enter into and perform its obligations under the agreement and that the agreement would not breach any law, regulation, agreement, undertaking, legal provision or any other instrument binding upon Manajem.

However, after five years, the mining licence had not been transferred, disputes had prevented the JVCo from commencing mining operations and the Company announced that it had reached an impasse⁶.

Last year Alara entered into a new JV and services agreements with Bayan Mining Company LLC. In light of the significant investment⁷ Alara has made into the Khnaiguiyah project, and the financially robust definitive feasibility study⁸, the Consolidated Entity is uniquely positioned to advance the project toward production once the licencing issues are resolved.

Until such time that the mining licence is re-issued and/or further activity on the Khnaiguiyah site is permitted, Alara's exploration and development activities are focused in Oman. However, Alara remains committed to preserving its interests in Saudi Arabia and pursuing every viable option for turning the Khnaiguiyah Zinc-Copper project into an operating mine as early as possible.

⁶ Refer ASX Announcement dated 4 June 2014 "Khnaiguiyah Project JV Agreement Has Reached Impasse".

⁷ Following cancellation of the mining licence, the company made a \$33.8m provision in its financial statements in respect to the Khnaiguiyah Project. This provision may be reversed once the licence is re-issued and Alara is able to utilise the feasibility study in connection with the new licence holder to commence construction.

⁸ Refer ASX Announcement dated 30 April 2013 "Positive DFS – Khnaiguiyah Zinc –Copper Project".

ASX and JORC Code Cautionary Statements:

For further information on the outcomes of the Advanced Scoping Study and the Exploration Targets identified for the Daris/Al Hadeetha Project, refer to Alara's ASX Announcement dated 14 October 2014 and titled "[Oman Project Update: Positive Advanced Scoping Study Outcomes](#)" (per ASX Listing Rule 5.19.1). Alara confirms that all material assumptions underpinning the production targets and forecast financial information derived from production targets (under the Study reported in the 14 October 2014 announcement) continue to apply and have not materially changed (per ASX Listing Rule 5.19.2). The Study is based on low level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised (per JORC Code (2012 Edition) para. 38). The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a JORC Mineral Resource and there is no certainty that further exploration work will result in the determination of JORC Mineral Resources or that the production target (under the Study) will be realised (per ASX Listing Rules 5.19.4 and 5.16.5).

Financial

Cash position

Alara's cash position as at 31 December 2015 was \$2.4m (30 June 2015: \$0.937m). Alara's current cash position is ~\$1.844m (as at 29 February 2016).

Expenditure

Alara's consolidated profit and loss shows the following material items for the half year ended 31 December 2015:

- \$0.33m personnel costs (31 December 2014: \$0.7m)
- \$1.48m administration credit (31 December 2014: \$0.24m), mainly resulting from the forgiveness of a loan
- \$0.06m in occupancy costs (31 December 2014: \$0.06m)

Working capital and operating costs review

During this half year, the Consolidated Entity continued to implement cost conservation initiatives, including subleasing and consolidation of office space and core yards, staffing reductions, outsourcing corporate administrative functions and closer scrutiny of contractual commitments to reduce its overhead in Australia and overseas. Some of the cost saving initiatives implemented last year resulted in cost deferrals/accrued liabilities which are now cleared. The cost savings implemented during this half can be applied in the medium to long term without further liability.

Corporate

Securities on issue

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	506,015,000	-	506,015,000
\$0.02 (30 April 2017) Quoted Entitlement Offer Options ⁹	248,007,500	-	248,007,500
Total	754,022,500	-	764,022,500

⁹ Terms and conditions of issue are set out in a Prospectus dated 15 October 2015 for an entitlements issue and in ASX Appendix 3B Rights Issue lodged on 14 October 2015

Lapse and cancellation of Unlisted Options

0.4m unlisted options lapsed or were cancelled during or since the half year, as follows¹⁰:

No of Options	Date of Lapse/ Cancellation	Description of Options	Exercise Price	Date of Issue	Original Expiry Date
400,000	22 August 2015	\$0.35 (22 August 2015) Unlisted Employee/Contractor Options ¹¹	\$0.35	23 August 2010	22 August 2015
10,000,000	15 January 2016	\$0.10 (15 January 2016) Unlisted Director Options ¹²	\$0.10	16 January 2014	15 January 2016

2015 Annual General Meeting

At the Company's Annual General Meeting¹³ held on 30 November 2015¹⁴:

- James Phipps, Shankar Madan and Atmavireshwar Sthapak were re-elected as Directors;
- The Company's Constitution was amended, was put to a poll and was passed; and
- The Consolidated Entity's 2015 Remuneration Report was put to a poll and was passed.

Potential Corporate Transaction

The Company refers to its ASX announcement dated 17 September 2015 and notes that discussions continue to focus on outcomes that can increase value for Alara shareholders and other project stakeholders.

Major Shareholders

In connection with the entitlements issue, the Company welcomed Mr Vikas Jain and Metals Corners Holding Co as major shareholders in Alara¹⁵.

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 9.

This report is made in accordance with a resolution of Directors.

Justin Richard
Managing Director
Perth, Western Australia

15 March 2016

¹⁰ Refer AUQ ASX announcement dated 25 August 2015 entitled "Lapse of Unlisted Options"

¹¹ Refer Appendix 3B New Issue of Employee Unlisted Options lodged on ASX on 24 August 2010

¹² Terms and conditions of issue are set out in a Notice of Meeting and Explanatory Statement dated 18 November 2013 for a General Meeting held on 16 January 2014 and in ASX Appendix 3B New Issue Announcement lodged on 21 January 2014

¹³ Refer Notice of Annual General Meeting/Proxy Form lodged on ASX on 29 October 2015

¹⁴ Refer AUQ ASX announcement dated 30 November 2015 entitled "Results of Meeting"

¹⁵ Refer ASX announcement dated 17 November 2015 "Price and Volume Query"

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**Auditor's Independence Declaration
To The Directors of Alara Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Alara Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 15 March 2016

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2015	Note	31 Dec 2015 \$	31 Dec 2014 \$
Revenue	3 (a)	56,783	84,013
Net gain/(loss) on financial assets held at fair value through profit or loss	3 (b)	-	(7,148)
Provision of impairment for exploration expenditure	3 (b)	(33,873,582)	(180,803)
Personnel	3 (b)	(330,858)	(707,624)
Occupancy costs	3 (b)	(55,790)	(63,322)
Finance expenses	3 (b)	(4,201)	(5,962)
Corporate expenses	3 (b)	(8,462)	(34,647)
Administration expenses	3 (b)	1,477,965	(241,442)
Profit/(Loss) before income tax		(32,738,145)	(1,156,935)
Income tax benefit		-	-
Profit/(Loss) for the half year		(32,738,145)	(1,156,935)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		457,375	(231,091)
Total other comprehensive income		457,375	(231,091)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE HALF YEAR		(32,280,770)	(1,388,026)
Income/(Loss) attributable to:			
Owners of Alara Resources Limited		(32,742,666)	(1,127,108)
Non-controlling interest		4,521	(29,827)
		(32,738,145)	(1,156,935)
Total comprehensive income/(loss) for the half year attributable to:			
Owners of Alara Resources Limited		(32,285,291)	(1,358,199)
Non-controlling interest		4,521	(29,827)
		(32,280,770)	(1,388,026)
Basic earnings/(loss) per share (cents)	4	(10.25)	(0.47)
Diluted earnings/(loss) per share (cents)	4	(10.25)	(0.47)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2015	Note	31 Dec 2015 \$	30 Jun 2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,382,951	937,192
Trade and other receivables		15,064	255,961
Other current assets		36,292	73,127
Total current assets		2,434,307	1,266,280
Non-current assets			
Financial assets held at fair value through profit or loss	6	-	-
Property, plant and equipment		45,090	68,933
Resource projects	7	-	33,190,221
Other non-current assets	8	5,916,766	5,376,514
Total non-current assets		5,961,856	38,635,668
Total assets		8,396,163	39,901,948
LIABILITIES			
Current liabilities			
Trade and other payables		388,412	520,011
Provisions		110,897	69,225
Total current liabilities		499,309	589,236
Non-current liabilities			
Financial liability		790	1,509,585
Provisions		19,534	56,542
Total non-current liabilities		20,324	1,566,127
Total liabilities		519,633	2,155,363
Net assets		7,876,530	37,746,585
EQUITY			
Issued capital	9	63,501,997	61,018,659
Reserves	10	796,891	361,429
Accumulated losses		(55,794,438)	(23,073,685)
Parent interest		8,504,450	38,306,403
Non-controlling interest		(627,920)	(559,818)
Total equity		7,876,530	37,746,585

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2015	Note	Issued Capital \$	Options Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total \$
Balance as at 1 Jul 2014		60,958,659	1,294,338	214,384	(23,121,080)	(424,727)	38,921,574
Foreign currency translation reserve		-	-	(231,091)	-	-	(231,091)
Net income and expense recognised directly in equity		-	-	(231,091)	-	-	(231,091)
Profit/(Loss) for the half year		-	-	-	(1,127,108)	(29,827)	(1,156,935)
Total comprehensive income/(loss) for the half year		-	-	(231,091)	(1,127,108)	(29,827)	(1,388,026)
Transactions with owners in their capacity as owners:							
Share placement		-	-	-	-	-	-
Share placement costs		-	-	-	-	-	-
Options lapsed during the half year		-	(777,686)	-	777,686	-	-
Options issued during the half year		-	-	-	-	-	-
Transactions with non-controlling interest					737,516	(30,077)	707,439
Balance as at 31 Dec 2014		60,958,659	516,652	(16,707)	(22,732,986)	(484,631)	38,240,987
Balance as at 1 Jul 2015		61,018,659	358,980	2,449	(23,073,685)	(559,818)	37,746,585
Foreign currency translation reserve		-	-	457,375	-	-	457,375
Net income and expense recognised directly in equity		-	-	457,375	-	-	457,375
Profit/(Loss) for the half year		-	-	-	(32,742,666)	4,521	(32,738,145)
Total comprehensive income/(loss) for the half year		-	-	457,375	(32,742,666)	4,521	(32,280,770)
Transactions with owners in their capacity as owners:							
Share placement	9	2,580,075	-	-	-	-	2,580,075
Share placement costs	9	(96,737)	-	-	-	-	(96,737)
Options lapsed during the half year	10	-	(21,913)	-	21,913	-	-
Options issued during the half year	10	-	-	-	-	-	-
Transactions with non-controlling interest		-	-	-	-	(72,623)	(72,623)
Balance as at 31 Dec 2015		63,501,997	337,067	459,824	(55,794,438)	(627,920)	7,876,530

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2015	Note	31 Dec 2015 \$	31 Dec 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(513,810)	(1,062,172)
Interest received		26,660	33,542
Net cash provided by/(used in) operating activities		(487,150)	(1,028,630)
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		-	1,167
Payments for plant and equipment		-	(927)
Payments for exploration and evaluation activities		(976,365)	(597,278)
Payments for purchase of prospects		-	532,191
Net cash (used in) investing activities		(976,365)	(64,847)
Cash flows from financing activities			
Proceeds from issuing ordinary shares		2,480,075	-
Costs of issuing ordinary shares		(96,737)	-
Net cash provided by financing activities		2,383,338	-
Net (decrease) in cash and cash equivalents held		919,823	(1,093,477)
Cash and cash equivalents at beginning of the financial year		937,192	3,151,295
Effect of exchange rate changes on cash		525,936	33,765
Cash and cash equivalents at the end of the financial half year	5	2,382,951	2,091,583

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

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 2015 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 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. The going concern of the Consolidated Entity is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Consolidated Entity's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Consolidated Entity relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Consolidated Entity's project expenditure commitments;
- The ability of the Consolidated Entity to terminate certain of its agreements without any further on-going obligation beyond what has accrued up to the date of termination;
- The underlying prospects for the Consolidated Entity to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same) pursuant to relevant joint venture agreements and may be slowed or suspended as part of the management of the Consolidated Entity's working capital and other forecasted commitments.

The Directors are confident that the Consolidated Entity can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Consolidated Entity be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Consolidated Entity will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

New and amended standards adopted by the Consolidated Entity

The accounting policies adopted in the preparation of the interim financial reports are consistent with those followed in the preparation of the Consolidated Entity's annual financial statements for the year ended 30 June 2015. A number of new or amended standards became applicable for the current reporting period, however, the Consolidated Entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Consolidated Entity

There are no standards that are not yet effective and that are expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions. The Consolidated Entity has not early adopted any of the standards, interpretations or amendments that have been issued but are not yet effective.

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 2015.

2. Segment Information

Management has considered the activities/operations and geographical perspective within the operating results and have determined that the Consolidated Entity currently operates in Australia, Oman and Saudi Arabia within one major segment - the resource exploration, evaluation and development sector. Unallocated items comprise corporate assets, office expenses and income tax assets and liabilities.

	Australia \$	Oman \$	Saudi Arabia \$	Total \$
6 months to 31 Dec 2015				
Total segment revenue before tax	56,783	-	-	56,783
Total segment loss before tax	(453,872)	(12,137)	(32,272,136)	(32,738,145)
Total segment assets	2,764,534	5,621,424	10,205	8,396,163
Total segment liabilities	(376,168)	(32,717)	(110,748)	(519,633)
6 months to 31 Dec 2014				
Total segment revenue before tax	83,744	-	269	84,013
Total segment loss before tax	(1,040,671)	(110,854)	(5,410)	(1,156,935)
Total segment assets	1,456,008	5,686,036	33,255,143	40,397,187
Total segment liabilities	(484,608)	(67,969)	(1,603,623)	(2,156,200)
12 months to 30 June 2015				
Total segment revenues	55,399	-	-	55,399
Total segment loss before tax	(1,833,778)	(55,752)	(169,496)	(2,059,026)
Total segment assets	558,074	5,899,419	33,444,485	39,901,948
Total segment liabilities	(437,787)	(68,385)	(1,649,191)	(2,155,363)

3. Loss for the Half Year

	31 Dec 2015 \$	31 Dec 2014 \$
(a) Revenue		
Interest	56,783	33,543
Other income	-	50,470
	56,783	84,013
(b) Expenses		
Net gain/(loss) on financial assets held at fair value through profit or loss	-	(7,148)
Provision for exploration expenditure	(33,873,582)	(180,803)
Personnel		
- cash remuneration	(343,334)	(671,156)
- options remuneration (non-cash)	-	-
- employee benefits	12,476	(36,468)
Occupancy expenses	(55,790)	(63,322)
Finance expenses	(4,201)	(5,962)
Corporate expenses	(8,462)	(34,647)
Administration expenses		
- Communications	(11,892)	(13,179)
- Consultancy fees	(92,813)	(56,706)
- Travel, accommodation and incidentals	(22,496)	(48,152)
- Professional fees	(42,252)	(30,914)
- Insurance	(20,526)	(12,706)
- Depreciation	(10,365)	(13,809)
- Net profit/(loss) on disposal of fixed assets	274	(26,938)
- Forgiveness of loan	1,713,737	-
- Other administration expenses	(35,702)	(39,038)
	(32,794,928)	(1,240,948)

4. Loss per Share

	31 Dec 2015	31 Dec 2014
Basic profit/(loss) per share (cents)	(10.25)	(0.47)
Diluted profit/(loss) per share (cents)	(10.25)	(0.47)
Profit/(Loss) used to calculate earnings per share (\$)	(32,742,666)	(1,127,108)
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	319,423,038	242,007,500

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.

5. Cash and Cash Equivalents

	31 Dec 2015 \$	30 Jun 2015 \$
Cash in hand	2,487	4,609
Cash at bank	766,243	409,458
Term deposits	1,614,221	523,125
	2,382,951	937,192

Cash at bank includes US\$5,093(A\$6,987) held in at call accounts.

The Consolidated Entity has granted a term deposit security bond to the value of \$0.114m (2014: \$0.142m) which has not been called up as at balance date. A total of \$0.032m of the security bond is in relation to its Australian tenements.

The effective interest rate on short-term bank deposits was 1.84% (2014: 3.54%) with an average maturity of 86 days.

6. Financial Assets Held at Fair Value through Profit or Loss

	31 Dec 2015 \$	30 Jun 2015 \$
Listed investments at fair value	-	-

Net gains in the fair value of "financial assets at held fair value through profit and loss" are recorded as Income (refer to Note 3(a) where applicable) and net loss on the "fair value of financial assets held at fair value through profit and loss" are recorded as an Expense (refer to Note 3(b) where applicable). The fair value of listed shares has been determined directly by reference to published price quotations in an active market.

7. Resource Projects

	31 Dec 2015 \$	30 Jun 2015 \$
Opening balance	33,190,221	31,988,077
- Exploration and evaluation expenditure	683,361	1,202,144
- Provision for exploration and evaluation expenditure	(33,873,582)	-
Closing balance	-	33,190,221

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 were required to transfer legal title to the mining licence and exploration licences over the Khnaiguiyah Project to KMC. As at the reporting date, these licences had not been transferred to KMC. Furthermore, the Consolidated Entity was advised that the mining licence had been cancelled. Accordingly, until such time that the licence is re-issued, a court judgement is issued in Alara's favour, and/or other arrangements are finalised to re-confirm the carrying value, the Consolidated Entity has determined to make a provision in respect these capitalised expenses in accordance with the Consolidated Entity's policy.

The Consolidated Entity has granted a security bond to the value of \$0.114m (30 June 2015: \$0.123m) which has not been called up as at reporting date.

8. Other Non-Current Assets

	31 Dec 2015 \$	30 Jun 2015 \$
Excess of consideration for resource projects acquired	341,112	341,112
Costs incurred in relation to resource projects	5,575,654	5,035,402
	5,916,766	5,376,514

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 and also holds a 70% interest in Al Hadeetha Resources LLC. The principal activity of these companies is exploration, evaluation and development of mineral licences in Oman.

The excess of consideration for resource projects acquired relates to the Consolidated Entity's investment in jointly controlled company, Daris Resources LLC (Oman) (50%) and controlled companies, Alara Resources LLC (Oman) (70%) and Al Hadeetha Resources LLC (70%) whereby the Consolidated Entity contributed 100% of the initial share capital on incorporation. The excess value comprises 50% and 30% of the value of the initial share capital invested in Daris Resources LLC, Al Hadeetha Resources LLC and Alara Resources LLC respectively. The amounts incurred in relation to resource projects held by these entities have been classified as Other Non-Current Assets and not as Non-Current Assets (Resource Projects).

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 Other Non-Current Assets attributable to the Daris Project would be impaired.

9. Issued Capital

	31 Dec 2015 No	30 Jun 2015 No	31 Dec 2015 \$	30 Jun 2015 \$
Fully paid ordinary shares	506,015,000	248,007,500	63,501,997	61,018,659
30 Jun 2015			No	\$
Balance as at 1 July 2014			242,007,500	60,958,659
- Share movement during the 2015 financial year			6,000,000	60,000
Balance as at 30 June 2015			248,007,500	61,018,659
31 Dec 2015			No	\$
Balance as at 1 July 2015			248,007,500	61,018,659
- Share movement during the 2016 financial year			258,007,500	2,580,075
- Share issue costs during the 2016 financial year			-	(96,737)
Balance as at 31 December 2015			506,015,000	63,501,997

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, including undertaking capital raisings to fund its commitments and working capital requirements. The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

The Directors contemplate that Consolidated Entity may undertake a capital raising within the next 12 months to fund the Consolidated Entity's share of equity/project financing obligations in relation to its resource projects and for general working capital purposes.

10. Reserves

	31 Dec 2015	30 Jun 2015
	\$	\$
Foreign currency translation reserve	459,824	2,449
Options reserve	337,067	358,980
	796,891	361,429

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 recognised when the investment is disposed of.

Options Reserve

The number of unlisted options outstanding over unissued ordinary shares at balance date is as follows:

	Grant date	Number of options	Consolidated Entity	
			31 Dec 2015	30 Jun 2015
			\$	\$
Directors' Options				
Unlisted options exercisable at \$0.10; expiring 15 Jan 2016	16-Jan-14	10,000,000	337,067	337,067
Employees' Options				
Unlisted options exercisable at \$0.35; expiring 22 Aug 2015	23-Aug-10	-	-	21,913
		10,000,000	337,067	358,980

During the half year, the following lapsed options were transferred from the Options Reserve to Accumulated Losses pursuant to AASB 2 'Share based payments':

- (i) 400,000 lapsed unlisted \$0.35 (22 August 2015) Options amounted to \$0.022m.

The Option Reserve records the consideration (net of expenses) received by the Company on the issue of listed options and the fair value of unlisted Directors' and Employees' options that were issued for nil consideration. The Option Reserve excludes the options granted as part of the Entitlements Offer during the half year.

During the half year, no options were granted to employees, consultants or directors.

11. Share Based Payments

Grant date	Expiry date	Exercise price	Movement during the half year					As at 31 Dec 2015	
			Opening balance	Granted	Exercised	Lapsed/ Cancelled	Closing balance	Vested and exercisable	Fair value \$
Directors									
16-Jan-14	15-Jan-16	\$0.10	10,000,000	-	-	-	10,000,000	10,000,000	337,067
Employees									
23-Aug-10	22-Aug-15	\$0.35	400,000	-	-	(400,000)	-	-	-
Balance			10,400,000	-	-	(400,000)	10,000,000	10,000,000	337,067

There were no shares issued as a result of the exercise of any options during the half year (30 June 2015: nil).

The fair value of these options are expensed, from their date of grant, over their vesting period; fair values are determined as at date of grant using the Black-Scholes options valuation model that takes into account the exercise price, the term of the option, the underlying share price as at date of grant, the expected price volatility of the underlying shares and the risk-free interest rate for the term of the option. The Company is required to expense the fair value of options granted, on the basis that the fair value cost at date of grant is apportioned over the vesting period applicable to each option.

12. Contingent Assets and Liabilities

There are no changes to contingent assets and liabilities since 30 June 2015 apart from the following:

‘Financial Claim’ – Khnaiguiyah Zinc-Copper Project (Saudi Arabia) – In November 2014, Khnaiguiyah Project joint venture partner, Manajem, filed a ‘financial claim’ against Alara Saudi Operations Pty Limited before the Board of Grievance in Riyadh, Kingdom of Saudi Arabia. Manajem has claimed broadly unspecified and unsubstantiated alleged breaches by Alara under the SHA and alleged violations by Alara of Saudi Arabian law. Alara has rejected these allegations and lodged a counter-claim against Manajem based on a number of specific breaches of the SHA by Manajem. Alara is defending against Manajem’s claim and pursuing its counter-claims against Manajem before the Board of Grievance. There have been a number of initial hearings to date. The last hearing was held on 16 February 2016 at which time the judge indicated it was time for the matter to be submitted for judgement (refer Alara’s ASX Announcement dated 23 February 2016). The date of the next hearing/judgment is yet to be advised. Alara, with the advice of external legal counsel, continues to hold the view that Manajem’s claims are unsubstantiated. In December 2015, Alara announced that Manajem’s mining licence had been cancelled. The Company understands Manajem were given up to 180 days to exit the site. At this stage, Alara has not amended its claim against Manajem to include compensation for costs incurred in connection with the BFS.

13. Subsequent Events

No other matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

Directors' Declaration

In the Directors' opinion:

- (a) The financial statements and notes set out on pages 10-19 are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards (AASB 134: Interim Financial reporting), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Justin Richard
Managing Director

Perth, Western Australia

15 March 2016

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Independent Auditor's Review Report To the Members of Alara Resources Limited

We have reviewed the accompanying half-year financial report of Alara Resources Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of Alara Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 half-year 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 2015 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 Alara Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year 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 complied with the independence requirements of the Corporations Act 2001.

Basis for qualified conclusion

As at 30 June 2015 the consolidated entity reported Resource Projects, a non-current asset, of \$33,190,221 relating to exploration and evaluation projects undertaken in the Kingdom of Saudi Arabia. As at 30 June 2015 we were unable to obtain sufficient and appropriate audit evidence to support the Directors' assessment as to the recoverable amount and classification of the assets under Australian Accounting Standard AASB 6: Exploration for and Evaluation of Mineral Resources.

We note that during the current period this amount, and an additional \$585,310 capitalised during the period, was impaired in full.

Due to the limitation of scope opinion issued on the financial report for 30 June 2015, we are unable to obtain evidence to support the carrying value of the Resource Projects comparator balance in the 31 December 2015 financial statements.

Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Alara Resources Limited 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 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without further qualification to the review opinion expressed above, we draw attention to Note 12 to the financial statements. Alara Saudi Operations Pty Ltd, a wholly-owned subsidiary of Alara Resources Ltd, is the defendant in a legal claim alleging breaches of the Shareholders' agreement and Saudi Arabian law. Alara Saudi Operations Pty Ltd has filed a counter-action. Several preliminary hearings have been held, the last of which resulted in the judge's direction for translations of the shareholders' agreement to be submitted to the court prior to judgement. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 15 March 2016

Mineral Licences

Khnaiguiyah Zinc-Copper Project

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

The Khnaiguiyah Project originally comprised one mining licence, 2 exploration licences and 5 exploration licence applications, totalling approximately 380km². These licences were held by Manajem, but have now been cancelled (refer 'Khnaiguiyah Mining Licence' section in the last Quarterly Report - December 2015).

Alara and Manajem are currently engaged in legal proceedings with the next hearing date to be scheduled.

Meanwhile, Alara has funded and retains ownership of a Definitive Feasibility Study for the Project and has established a new JV Agreement with Bayan Mining Company LLC to deliver mining and mineral exploration projects in Saudi Arabia.

Daris Copper-Gold Project

The Daris Copper-Gold prospects are located ~170km northwest of Muscat (the capital of Oman) and are on or very close to high quality bitumen roads.

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, Oman	50%	587km ²	Nov 2009	Feb 2016	Renewal pending	Daris East 3.2km ²	Dec 2012	Accepted in April 2013; in progress
							Daris 3A-5 1.3km ²		

Al Hadeetha (formerly Washihi) Copper-Gold Project

The Al Hadeetha prospects are located ~100km south-southeast of the Daris Project and are on or very close to high quality bitumen roads.

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 Application within EL		
			Area	Date of Grant	Status	Area	Date of Application	Status
Washihi	Al Hadeetha Resources LLC, Oman	70%	39km ²	Jan 2008	Renewal pending	2.1km ²	Dec 2012	Accepted in April 2013; in progress
Mullaq	Al Hadeetha Resources LLC, Oman	70%	41km ²	Oct 2009	Renewal pending	1km ²	Jan 2013	In progress
Al Ajal	Al Hadeetha Resources LLC, Oman	70%	25km ²	Jan 2008	Renewal pending	1.5km ²	Jan 2013	In progress

JORC Statements

Al Hadeetha (formerly Washihi) Copper-Gold Project (Oman)

Table 1 - Washihi JORC Mineral Resources¹⁶

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0.85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

Daris Copper-Gold Project (Oman)

Table 2 - 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	129,155	2.48	0.23	110,870	2.24	0.51	240,024	2.37	0.43	30,566	2.25	0.55
Oxides	0.5	96,526	0.77	0.03	86,839	0.66	0.14	183,365	0.72	0.08	1,712	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.

¹⁶ Refer Alara's 16 July 2013 ASX Announcement: Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset

JORC Competent Persons' Statements

The information in this report that relates to Exploration Targets and other Exploration Results in relation to the Washihi Copper-Gold Project (Oman) and 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. Mr Sharma was a principal consultant to Alara Resources Limited. 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.

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 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.

Securities Information

as at 14 March 2016

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	516,015,000	-	516,015,000
\$0.02 (30 April 2017) Quoted Entitlements Offer Options ¹⁷	248,007,500	-	248,007,500
Total	764,022,500	-	774,022,500

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	941	323,323	0.064%
1,001 - 5,000	317	751,362	0.148%
5,001 - 10,000	167	1,399,922	0.277%
10,001 - 100,000	405	16,475,611	3.256%
100,001 - and over	297	487,064,782	96.255%
Total	2,127	506,015,000	100.00%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	VIKAS JAIN	30,000,000	5.929%
2.	METALS CORNERS HOLDING CO	29,500,000	5.830%
3.	VIKAS MALU	25,000,000	4.941%
4.	MUL CHAND MALU	25,000,000	4.941%
5.	MENG MENG	22,284,106	4.404%
6.	JUSTIN RICHARD	20,000,000	3.952%
7.	PIYUSH JAIN	20,000,000	3.952%
8.	CITICORP NOMINEES PTY LIMITED	16,146,961	3.191%
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,239,435	3.012%
10.	WHITECHURCH DEVELOPMENTS PTY LTD	14,345,510	2.835%
11.	BARON NOMINEES PTY LTD	12,100,000	2.391%
12.	JOHN HENRY ADDISON MCMAHON	11,497,777	2.272%
13.	INKESE PTY LTD	11,000,000	2.174%
14.	BAYAN MINING LLC	10,000,000	1.976%
15.	WARREN WILLIAM BROWN & MARILYN HELENA BROWN	9,300,000	1.838%
16.	FLANNERY FOUNDATION PTY LTD	8,824,780	1.744%
17.	PETER KELVIN RODWELL	8,000,000	1.581%
18.	MICHAEL ARCH	5,430,000	1.073%
19.	ANTHONY BROWN	5,000,000	0.988%
20.	THORPE ROAD NOMINEES PTY LTD	4,920,000	0.972%
Total		303,588,569	59.996%

¹⁷ Terms and conditions of issue are set out in a Prospectus dated 15 October 2015 for an entitlements issue and in ASX Appendix 3B Rights Issue lodged on 14 October 2015