

ASX Code: AUQ

DIRECTORS

Stephen Gethin
Non-Executive Chairman

Atmavireshwar Sthapak
Managing Director

James Phipps
Non-Executive Director

Vikas Jain
Non-Executive Director

Avi Sthapak
Non-Executive Director

COMPANY SECRETARY

Dinesh Aggarwal

CHIEF FINANCIAL OFFICER

Dinesh Aggarwal

CONTACT DETAILS

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ABN: 27 122 892 719

30 June 2020

Summary

- Project Operations Update
- ARL drilling activity continues on site
- Covid-19 impacts

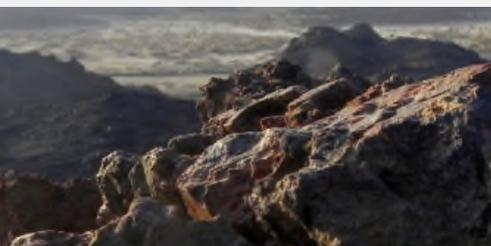
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Company Secretary

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Oman Activity Report

Project Developments

The Al Hadeetha Copper Gold Project consists of one mining license (Al Wash-hi – Majaza) and three exploration licenses (Al Wash-hi – Majaza, Mullaq and Al Ajal).

Preparatory work for plant construction continued during the quarter. Key activities included:

Project Engineering & Procurement:

Alara JV company Al Hadeetha Resources LLC (**AHRL**) halted work with CGM as project EPC contractor due to the impacts of Covid-19, including airport closure, domestic travel restrictions, shipping and other related concerns.

The Company has since investigated having the engineering outsourced, procurement owner-managed and the construction contractor managed by an AHRL team, together with Project Management Consultant, Progesys.

AHRL is in discussions with Progesys to extend its contract by four months.

Mining Contractor

Following the entry of a preliminary commercial agreement in the previous quarter, AHRL and Alara Resources LLC (**ARL**) agreed terms for a ten-year mining contract by way of a letter of intent (**LOI**). Execution of this mining contract is expected to follow shortly.

Project site metallurgical drilling

Drilling has continued at the project site to obtain metallurgical samples for processing plant design work. Drilling progress has continued throughout the period with ~2000m of HQ/NQ samples collected with 98% core recovery. Potential for further optimisation of copper recoveries may also be investigated. ALS Global has been engaged to conduct the geochemical analysis and Wardell Armstrong Lab in UK will conduct the metallurgical test work.

Project Finance:

AHRL previously agreed to proceed with project finance offers from local Omani banks:

- OMR 10m (~AUD 42m) finance facility¹ with Alizz Islamic Bank, and
- OMR 10m (~AUD 42m) finance facility² with Bank Nizwa, were approved during the period, under a “club deal” between those banks.

Oman Copper Consolidation

The Company is continuing to pursue opportunities to extend its project portfolio in Oman.

AHRL Management Appointment

AHRL appointed Mr Avigyan Bera (formerly with McNally Bharat Engineering) as CEO. The role includes management of the Engineering and Construction contractors, procurement processes (in connection with the Project Management Consultant) and project budgeting and scheduling. Mr Bera is a mechanical engineer with over 12 years’ project experience, including project planning, execution, commissioning and process engineering. Due to Covid-19 restrictions Mr Bera has commenced his service from home until he is able to relocate to Oman.

1 Refer to Alara’s 3 February 2020 ASX Announcement titled: “Al Hadeetha Signs 10m Rial Finance Offer”.

2 Refer to Alara’s 10 March 2020 ASX Announcement titled: “Al Hadeetha Resources Executes Second Bank Finance Offer”

COVID-19 impacts

Oman has reported over 78,000 COVID-19 cases, 412 deaths and 60,000 recoveries.

Government officials in Oman have now resumed work, with 50% attendance in Government offices from 31 May 2020. Lockdown measures across Muscat, which have been in place since early April, were temporarily lifted. Protective measures, such as wearing face masks in public remain in place.

The Muscat Airport remains closed for incoming passenger flights, with limited outbound chartered flights. Aside from the staff working on site, the majority of the staff continue to work from home. There have been no COVID-19 cases reported among the Company's staff, including its JV entities.

Off-take agreements

The advance payment under a 2017 off-take agreement between a Company controlled entity and commodities trader Statdrome Pte Ltd has been returned in full. Under the retired agreement, Statdrome advanced USD1.2 million on account of its future entitlement to payments for copper concentrate to be delivered. The Company has executed a term sheet for a new offtake and is discussing terms for further advance payments.

Alara Resources LLC (ARL)

ARL's first mining contract is with Al Hadeetha Resources LLC, as detailed above. Tender proposals have been prepared and submitted to other prospective clients.

A response to ARL's first tender submission to a major Omani industrial mineral company has been postponed with many Omani businesses being temporarily closed or with reduced staff due to Covid-19 restrictions.

Alara Operations LLC (AOL)

Management Services Agreements between Al Hadeetha Resources LLC and Alara Resources LLC has now been transferred to Alara Operations LLC. The purpose of this transfer was to bring the Management Services Agreement back within the consolidated entity.

Expenditure Summaries

Mining production and development

During the quarter, the consolidated entity incurred expenditure of \$1,674,000 on mining production and development activities.

Mining exploration

During the quarter, the consolidated entity incurred expenditure of \$nil on mining exploration activities.

Related-Party Payments

Director's remuneration

During the Quarter, the consolidated entity made payments totalling \$162,000 to related parties, as disclosed in item 6.1 in the Company's Appendix 5B. These payments were for Directors' remuneration. No other payment was made to any related party or the associate of a related party. In addition, \$79,190 was paid to Alara Resources LLC (**ARL**). ARL is not a related party, or an associate of a related party, of the Alara Resources Limited consolidated group. This payment is noted on the basis that ARL makes some payments to Alara Resources Limited Directors.

Next Quarter

Expected developments in the next Quarter include:

- Looking to see COVID-19 restrictions lifted and options analysis completed.
- Progress with laboratory test work.
- LOI with ARL converted into a mining contract.

Tenement Status

Oman Copper-Gold Projects

Alara has joint venture interests in five copper-gold deposits located within five Exploration Licences in Oman extending over 1,200km².

The Al Wash-hi – Majaza/Mullaq³ 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 Project⁴ is located ~150km west of Muscat. Both projects 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 Area | Date of Grant | Status | Mining Area | Date of Application | Status |
|-----------------------------|---------------------------|-------------------|-------------------|---------------|---------|--------------------|---------------------|---------|
| Wash-hi-Majaza ML 10003075. | Al Hadeetha Resources LLC | 51% | 39km ² | Jan 2008 | Active | 3km ² | 2013 | Active |
| Mullaq | Al Hadeetha Resources LLC | 51% | 41km ² | Oct 2009 | Active* | 1km ² | Jan 2013 | Pending |
| Al Ajal | Al Hadeetha Resources LLC | 51% | 25km ² | Jan 2008 | Active* | 1.5km ² | Jan 2013 | Pending |

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

Daris and Awtad Copper-Gold Projects

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

| Licence Name | Licence Owner | Alara JV Interest | Exploration Area | Date of Grant | Status | Mining Area | Date of Application | Status |
|--------------|--------------------------------|----------------------|--------------------|---------------|-----------------|------------------|---------------------|---------|
| Block 7 | Al Tamman Trading and Est. LLC | 50% (earn in to 70%) | 587km ² | Nov 2009 | Active* | Daris 3A5 & East | Resubmitted 2018 | Pending |
| Block 8 | Awtad Resources LLC | 10% (earn in to 70%) | 597km ² | Nov 2009 | Renewal pending | NA | NA | NA |

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

Saudi Arabia - Khnaiguiyah Zinc-Copper Project

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

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

The Khnaiguiyah Zinc-Copper Project⁵ is located approximately 170km south-west of the Saudi Arabian capital city of Riyadh. The mining licence (held by a former JV partner) was cancelled in December 2015. Alara, as sole funder of the Definitive Feasibility Study, is poised to restart the project once the licence is re-issued and is working with relevant parties in both the private and public sectors to prepare for this. The Minister of Industry and Mineral Resources bandar Bin Ibrahim Al-Khorayef recently announced the allocation of 54 mining reserve sites, including five zinc sites with one in Al Khnaiguiyah.

Additional Tenement Information

Mining tenement disposals and acquisitions

The consolidated entity did not acquire or dispose of any interest in any mineral tenement during the quarter.

Farm-in and farm-out agreements

The consolidated entity did not enter or terminate any farm-in or farm-out agreement during the quarter.

The consolidated entity holds its percentage interests in the mineral tenements disclosed under the heading *Daris and Awtad Copper-Gold Projects* under farm-in agreements with the respective Licence Owners disclosed there.

Securities Information

as at 16 July 2020

Issued Securities

| | Quoted on ASX | Unlisted | Total |
|----------------------------|--------------------|----------|--------------------|
| Fully paid ordinary shares | 634,886,315 | - | 634,886,315 |
| Total | 634,886,315 | | 634,886,315 |

Distribution of Fully Paid Shares

| Spread of Holdings | Number of Holders | Number of Units | % of Total Issued Capital |
|--------------------|-------------------|--------------------|---------------------------|
| 1 - 1,000 | 871 | 292,700 | 0.05% |
| 1,001 - 5,000 | 267 | 619,501 | 0.10% |
| 5,001 - 10,000 | 125 | 1,041,773 | 0.16% |
| 10,001 - 100,000 | 313 | 11,912,077 | 1.88% |
| 100,001 - and over | 261 | 621,020,264 | 97.81% |
| Total | 1,837 | 634,886,315 | 100% |

5 Refer to Alara's 18 April 2013 ASX Announcement: Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project.

Top 20 Shareholders

| Rank | Shareholder | Shares Held | % Issued Capital |
|--------------|--|--------------------|------------------|
| 1. | Mr Vikas Malu | 64,142,050 | 10.10 |
| 2. | Ms Meng | 41,824,437 | 6.59 |
| 3. | Mr Vikas Jain | 37,745,930 | 5.95 |
| 4. | Mr Justin Richard | 35,319,526 | 5.56 |
| 5. | Citicorp Nominees Pty Limited | 33,697,673 | 5.31 |
| 6. | Al Hadeetha Investment Services LLC | 31,500,000 | 4.96 |
| 7. | Metal Corners Holdings Co | 31,012,217 | 4.89 |
| 8. | Mr Piyush Jain | 24,199,437 | 3.81 |
| 9. | Whitechurch Developments Pty Ltd <Whitechurch S/F A/C> | 20,575,550 | 3.24 |
| 10. | Mr Jay Hughes + Mrs Linda Hughes <Inkese Super A/C> | 18,000,000 | 2.84 |
| 11. | Mr Tyrone James Giese | 17,456,189 | 2.75 |
| 12. | BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP> | 16,779,573 | 2.64 |
| 13. | Ferguson Superannuation Pty Ltd | 11,540,749 | 1.82 |
| 14. | Mr Mohammed Saleh Alalshaikh | 11,347,387 | 1.79 |
| 15. | Mr Anthony Cullen + Mrs Sue Cullen <AC&SJ Cullen Super Fund A/C> | 9,649,544 | 1.52 |
| 16. | Mr Peter Kelvin Rodwell | 9,422,858 | 1.48 |
| 17. | Mr Warren William Brown + Mrs Marilyn Helena Brown | 8,664,286 | 1.37 |
| 18. | Mr Pradeep Kumar Goyal | 8,544,426 | 1.35 |
| 19. | Mr Brian Joseph Flannery + Mrs Peggy Ann Flannery | 6,055,785 | 0.95 |
| 20. | Progesys International FZC | 5,868,726 | 0.92 |
| Total | | 443,346,343 | 69.84% |

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.

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

Image: Cartouche of Alara

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALARA RESOURCES LIMITED

ABN

27 122 892 719

Quarter ended ("current quarter")

30 June 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | - | - |
| (b) development | (1,674) | (2,552) |
| (c) production | - | - |
| (d) staff costs | (29) | (217) |
| (e) administration and corporate costs | (1,531) | (2,412) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 393 | 553 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (2,841) | (4,628) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (7) | (9) |
| | (d) investments | 104 | 5,273 |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | (134) | 195 |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (37) | 5,459 |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | (843) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | (843) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 11,382 | 7,562 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,841) | (4,628) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (37) | 5,459 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | (843) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | (810) | 144 |
| 4.6 | Cash and cash equivalents at end of period | 7,694 | 7,694 |

| 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 | 7,487 | 10,978 |
| 5.2 | Call deposits | 207 | 404 |
| 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) | 7,694 | 11,382 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1*
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 162 |
| - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments (*In addition, \$79,190 was paid to Alara Resources LLC (ARL). ARL is not a related party, or an associate of a related party, of the Alara Resources Limited consolidated group. This payment is noted on the basis that ARL makes payments to Alara Resources Limited Directors)

- 1) The amount in 6.1 is comprised of Directors' salaries, fees and entitlements of A\$162,000

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities – Al Hadeetha Investments LLC | 2,908 | 759 |
| 7.2 Loan facilities – Alizz Islamic Bank | 37,656 | - |
| 7.3 Loan facilities – Bank Nizwa | 37,656 | - |
| 7.4 Credit standby arrangements | - | - |
| 7.5 Total financing facilities | 78,220 | 759 |
| 7.5 Unused financing facilities available at quarter end | | 77,461 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| <p>7.1. 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 19.1 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.</p> <p>7.2. Pursuant to the ASX Announcement dated 03.02.2020, the company has accepted an offer from Alizz Islamic Bank (Alizz), for finance of OMR 10 Million (A\$37 Million). The profit rate for Alizz is in the range of 5.92 – 6.92% Per annum, reviewable annually. Also, OMR 100,000 (A\$400,000) have been paid has facility fees to the bank for the finance offer.</p> <p>7.3. Pursuant to the ASX Announcement dated 10.03.2020, the company has accepted a club finance offer from Bank Nizwa, for finance of OMR 10 Million (A\$37 Million). The profit rate is a minimum of 6.75% Per annum, reviewable annually. Also, OMR 100,000 (A\$400,000) have been paid has facility fees to the bank for the finance offer.</p> | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (2,841) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (2,841) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 7,694 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | 77,461 |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 85,155 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 29.97 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

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.

Date: 31st July 2020



Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.