

ASX Code: AUQ

30 September 2017

#### DIRECTORS

James Phipps  
Non-Executive Chairman

Justin Richard  
Managing Director

Atmavireshwar Sthapak  
Executive Director

Vikas Jain  
Non-Executive Director

COMPANY SECRETARY  
Ian Gregory

#### CAPITAL STRUCTURE (AS AT 31 OCTOBER 2017)

Shares: 597,517,589

Options: 3,000,000

Share Price: \$0.022

Market Cap: \$12.5m

## Summary

- Renewed Environmental Impact Assessment submitted to the Ministry of Environment and Climate Affairs in Oman.
- Government Approvals are progressing toward grant of the Washihi Mining Licence.
- Rising copper prices attract further interest to Alara's JV copper-gold projects in Oman.

#### CONTACT DETAILS

Level 11, 216 St Georges Terrace  
Perth WA 6000  
Australia

PO Box 1227  
West Perth WA 6872

Telephone +61 8 9322 3383  
Facsimile +968 2449 2491

www.alararesources.com  
ABN: 27 122 892 719

#### For further information, please contact:

Justin Richard  
Managing Director

T | +61 8 9322 3383  
E | [jrichard@alararesources.com](mailto:jrichard@alararesources.com)

Ian Gregory  
Company Secretary

T | +61 8 9322 3383  
E | [cosec@alararesources.com](mailto:cosec@alararesources.com)



## Activities in Oman

Strong copper prices are increasing the focus on Alara's two copper-gold JV Projects in Oman (Al Hadeetha and Daris). Copper prices are approximately 40% higher than the same time last year. While short term volatility may continue, long term copper forecasts show a steady rise<sup>1</sup> as supply deficits start opening up<sup>2</sup>.

### Washihi Mining Licence application

During the period, the Company and its consultants have been in regular contact with MECA and other relevant authorities to advance the Washihi Mining Licence application.

#### Government Approvals

The Public Authority for Mining (PAM) confirmed receipt of approval letters from the Ministry of Heritage and Royal Omani Police in relation to the Washihi Mining Licence application.

#### Ministry of Environment

Acting on direction from the Ministry of Environment and Climate Affairs (MECA), the Company engaged a MECA-accredited, Oman-based environmental consultant to prepare a revised Environmental Impact Assessment (EIA). Additional site monitoring was completed during the period, along with an enhanced floodwater management plan. The revised EIA was submitted to MECA in September.

### Water supply

In parallel with advancing the Mining Licence application, opportunities for enhancing the Al Hadeetha Copper-Gold Project have also continued, including a potential Public Private Partnership (PPP) with Haya Water. Haya Water is a closed stock company owned by the Government of the Sultanate of Oman. Haya Water aims to "serve society by converting wastewater into environmental friendly products".

Draft documentation is now being prepared to establish a PPP for construction and maintenance of a treatment plant supplying water to the Project and local community.

The proposed PPP offers a number of benefits, including: 1) positive environmental/health impacts from an increased capacity to treat wastewater; 2) reduced energy costs in delivering water to site; and 3) shorter construction time for the water pipeline.

### Al Hadeetha Project financials

Strong copper prices are continuing to provide additional support for the Project's financial forecast. The 'base case' financial model announced in January showed solid returns assuming a copper price of \$5,593/t<sup>3</sup>. Accordingly, significant upside exists when current prices (>\$6,000/t), or forecast increases, are applied over the ten year mine life.

### Project Management

During the period, the Company's project management consultants (Progesys) completed work on preparing the EPC contract documents and reviewing proposals from various EPC bidders to create a shortlist. The Company plans to announce the awarding of the EPC contract after the issuance of the Washihi Mining Licence.

### New loan agreement

Since entering an Earn In and Shareholder's Agreement in November 2011, the joint venture company Al Hadeetha Resources LLC (AHR) has utilised investment funding and loans from Alara and its subsidiaries to support its operations. In accordance with the terms of the Agreement, AHR entered a \$2m loan agreement with Al Hadeetha Investments LLC (Alara's JV partner). This loan is currently being applied towards the JV Company's operating costs.

---

1 Refer World Bank Report – Commodity Markets Outlook, October 2017.

2 Refer CRU Report – Copper Market Outlook: Transitioning to Deficits, May 2017.

3 Refer Alara's ASX Announcement dated 24 January 2017.

## Other developments in Oman

PAM recently signed a contract with SRK Consulting, Wood Mackenzie and Mayer Brown to help implement a new strategy for mining in the Sultanate of Oman. The strategy reportedly aims to attract local and foreign investment, and better utilise the Sultanate's mineral wealth toward achieving greater economic diversification. The strategy is due to be released by the end of the year.

Alara welcomes these developments at a time when copper prices are on the rise and the Company is poised to commence construction of a 1mtpa copper concentration plant, which clearly aligns with the stated aim of the Sultanate's mining strategy. In addition to supporting further resource development at Washihi, the issuance of the Washihi Mining Licence will also support further development at other copper sites in Oman.

## Saudi Arabia

### Developments in Saudi Arabia

During the period, Alara participated in an Australian business delegation to Saudi Arabia which was led by the Hon Keith Pitt MP, Assistant Minister for Trade, Tourism and Investment. The delegation met with Saudi Arabian Mining Company Ma'aden, and other key government and industry bodies with interests in the mining sector.

Early in the period, the Company's legal counsel attended a hearing before the Board of Grievances in Riyadh and confirmed Alara had nothing further to add in response to the latest reply brief (n.b. the brief referred to matters dealt with in Alara's earlier submissions). The judge then decided to submit the case for consideration and scheduled the next hearing for 23 October 2017.

Saudi Arabia are sending a large delegation, including President of Ma'aden, Deputy Minister for Mineral Resources and other key government officials to the IMARC conference in Melbourne (31 Oct – 2 Nov) and are seeking to establish stronger ties with Australia's mining sector.

## Next Quarter

Management focus over the next quarter will be on ensuring MECA requirements are satisfied so that the environmental licence fee may be accepted and the permit issued, grant of Mining Licences, project enhancement (via PPP for STP), and assessing new project opportunities.

# Securities Information

## as at 29 September 2017

### Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	597,517,589	-	597,517,589
\$0.04 (9 Mar 2020) Options	-	3,000,000	3,000,000
<b>Total</b>	<b>597,517,589</b>	<b>3,000,000</b>	<b>600,517,589</b>

### Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	893	303,663	0.051%
1,001 - 5,000	295	697,690	0.117%
5,001 - 10,000	143	1,191,284	0.199%
10,001 - 100,000	373	14,945,872	2.501%
100,001 - and over	291	580,379,080	97.132%
<b>Total</b>	<b>1,995</b>	<b>597,517,589</b>	<b>100%</b>

### Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Meng Meng	38,521,027	6.447%
2.	Vikas Jain	34,285,230	5.738%
3.	Justin & Debbie Richard	30,757,037	5.147%
4.	Metals Corners Holding Co	30,500,000	5.104%
5.	Citicorp Nominees Pty Limited	29,007,631	4.855%
6.	Mul Chand Malu	28,571,025	4.782%
7.	Vikas Malu	28,571,025	4.782%
8.	Jay & Linda Hughes	27,060,532	4.529%
9.	Piyush Jain	22,856,820	3.825%
10.	Whitechurch Developments Pty Ltd	20,575,550	3.444%
11.	HSBC Custody Nominees (Australia) Limited	17,602,933	2.946%
12.	Tyrone James Giese	15,742,199	2.635%
13.	Warren & Marilyn Brown	10,628,572	1.779%
14.	Brian & Peggy Flannery	10,085,464	1.688%
15.	Peter Kelvin Rodwell	9,142,858	1.530%
16.	BNP Paribas Nominees Pty Ltd	8,108,873	1.357%
17.	Baron Nominees Pty Ltd	6,860,397	1.148%
18.	Ferguson Superannuation Pty Ltd	6,000,000	1.004%
19.	Liliana Teofilova	5,778,200	0.967%
20.	Thorpe Road Nominees Pty Ltd	5,622,858	0.941%
<b>Total</b>		<b>386,278,231</b>	<b>64.648%</b>

## 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”, 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 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 Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study on the Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an Advanced Scoping Study on the Daris and Al Hadeetha Copper-Gold Projects in Oman and a Feasibility Study for the Al Hadeetha Project, Washihi ore reserve. The Company is transitioning to establish itself as a base and precious metals mine development and production company. For more information, please visit: [www.alararesources.com](http://www.alararesources.com).



In case you were wondering: Alara is the name of the King of Kush (an ancient kingdom covering highly sought after regions along the Nile) and the first recorded prince of Nubia. During his lengthy reign, he was responsible for unifying the upper kingdom; with precious metals becoming an important part of the kingdom’s flourishing economy.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

<b>ALARA RESOURCES LIMITED</b>
--------------------------------

**ABN**

<b>27 122 892 719</b>
-----------------------

**Quarter ended ("current quarter")**

<b>30 September 2017</b>
--------------------------

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(159)	(159)
(b) development	-	-
(c) production	-	-
(d) staff costs	(66)	(66)
(e) administration and corporate costs	(191)	(191)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	56	56
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(356)</b>	<b>(356)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	–	–
(b) tenements (see item 10)	–	–
(c) investments	–	–
(d) other non-current assets	–	–
2.3 Cash flows from loans (to) / from other entities	117	117
2.4 Dividends received (see note 3)	–	–
2.5 Other (provide details if material)	–	–
<b>2.6 Net cash from / (used in) investing activities</b>	<b>117</b>	<b>117</b>
<b>3. Cash flows from financing activities</b>		
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)	–	–
<b>3.10 Net cash from / (used in) financing activities</b>	<b>–</b>	<b>–</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,886	1,886
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(356)	(356)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	117	117
4.4 Net cash from / (used in) financing activities (item 3.10 above)	–	–
4.5 Effect of movement in exchange rates on cash held	(7)	(7)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,640</b>	<b>1,640</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	312	556
5.2 Call deposits	1,328	1,330
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,640</b>	<b>1,886</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	152
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	

Directors' salaries, fees and entitlements



<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	
N/A	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	–	–
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	103
9.2 Development	–
9.3 Production	–
9.4 Staff costs	103
9.5 Administration and corporate costs	195
9.6 Other (provide details if material)	–
<b>9.7 Total estimated cash outflows</b>	<b>401</b>

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 October 2017

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 *AASB 107: 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.