FULL-YEAR REPORT

Directors' Report
Auditor's Independence Declaration
Financial Report
Auditor's Report

30 June 2021

ASX Code: AUQ

Alara Resources Limited
A.B.N. 27 122 892 719

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Alara Resources

Contents

Corporate Directory

Directors

Stephen Gethin	Non-Executive Chairman
Atmavireshwar Sthapak	Managing Director
Vikas Jain	Non-Executive Director
Sanjeev Kumar	Non-Executive Director

Company Secretary

Dinesh Aggarwal

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Australian Securities Exchange

ASX Limited
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Perth, Western Australia 6000

ASX Code: AUQ

Corporate Governance Statement

The Company's Corporate Governance Statement is available on the Company's Website

Website

www.alararesources.com

Investors wishing to receive email alerts of Company ASX announcements can register their interest here by clicking "email alerts" on the webpage: www.alararesources.com/irm/content/default.aspx or by emailing info@alararesources.com.

The Directors present their report on Alara Resources Limited (**Company**, **Alara** or **AUQ**) and the entities it controlled at the end of or during the financial year ended 30 June 2021 (the **Consolidated Entity**).

Review of Operations

Al Hadeetha Copper-Gold Project — Oman

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

Copper Project Construction Commencement

Alara is developing the Al Wash-hi Majaza copper-gold project in the Sultanate of Oman (**Project**). Project construction is scheduled for completion in November 2022. When complete, the Project will produce copper concentrate through a 1 MPTA plant[1]. The Project is owned by Alara's joint venture company Al Hadeetha Resources LLC (**AHRL**) in which the Company holds a 51% interest. Project construction commenced after the reporting period and, at the date of this report, had proceeded as specified below.

Mining accommodation camp

After receiving required construction approvals from the local municipality, after the reporting period the mine site camp construction contractor mobilised its team and equipment at the Wash-hi mine site accommodation village site for surface levelling and digging foundation trenches.

The accommodation village is designed to house 325 personnel from the construction, mining and plant operation crews, and comprises a range of facilities including dining, prayer and recreation halls. Further details of the village are available in the Company's ASX announcement dated August 5, 2021.

Mining and processing infrastructure procurement

AHRL has an OMR 19m (USD 49.22m; AUD 65.56m) project finance facility from Sohar International Bank to fund Project construction. AHRL commenced draw-down on the facility after the reporting period, with the purchase orders listed below placed in September 2021. Procurement contracts were awarded, contractually committing a total capex of USD 17.8m (OMR 6.83m; AUD 23.71m) to date.

Equipment Item	Contractor	
Ball mill, SAG mill, crusher	CITIC	China
Rock breaker	Metso-OT	Finland
Apron feeder	L&T	India
Pan feeders	Metso-OT	India
Magnetic separators	Electro Zavod	India
Accommodation cabins	Al Tasnim	Oman
Accommodation camp construction	Al Naba Infrastructure	Oman
New cabins – dining, offices etc.	Al Rehwan	Oman
Fencing	Al Naba Infrastructure	Oman
Conveyors	Al Tasnim	Oman
Belt weigher and vibrating screens	Schenck	India
Hydro cyclones	Weir	UAE
Conveyor safety switches	Smart SAA	India
Construction of access road	C & C	Oman
Pressure filters	Matec	Italy
Regrinding mill	Metso Outotec	USA
Electrical packages - transformers, panels, motors, telecom	ABB	India

Definitive Feasibility Study (DFS)

The Project DFS financial modelling was revised earlier in the year[2] to take account of a copper price rise since the prior revision in 2018. Revised DFS projected returns, based on a range of copper price scenarios as at 29 March 2021, are set out in the table below. As a comparison, the LME spot copper price on 23 September 2021 is USD 9,251 per tonne:

Copper Price (USD/tonne)[1]	**7,000**	**7,500**	**8,000**	**8,500**	**9,000**	**9,500**
Revenue (USD m)	569	604	639	674	709	743
EBITDA (USD m)	208	241	273	306	338	370
Project NPV (USD m)	54	71	88	104	121	137
Project IRR	24%	29%	33%	36%	40%	43%

1 Alara's ASX Announcements dated 1 April 2016 (Definitive Feasibility Study results initial announcement), 24 January 2017 (DFS update), 28 June 2018 (NPV update) and 29 March and 7 April 2021 (NPV updates) contain the information required by ASX Listing Rule 5.16 regarding the stated production target and the information required by ASX Listing Rule 5.17 regarding forecast financial information. All material assumptions underpinning the production target and forecast financial information as announced on those dates continue to apply and have not materially changed, except to the extent that a relevant assumption in an earlier announcement referred to above has been updated by an assumption in a later announcement referred to.

2 See Alara's ASX announcements dated 29 March and 7 April 2021.

Key Project parameters

Key Project parameters from the revised DFS are set out below:

Parameter	Fundamentals
Total pre-production capex	USD 60m (including EPC, project management, STP & pipeline, power, road, and contingency)
Mining method	Open-pit, 10.3 years
Project construction	15 months
First production	Q3 calendar 2022
Final production	2032
Processing rate	1 MTPA
Average annual concentrate production	35,000 (wmt)
Total copper metal production	79,297 (t)
Total gold	21,825 (oz)
Unit operating costs	USD 31.2/t of processed material

Project Engineering and Construction

Progesys, as Project Management Consultant (**PMC**), oversees and directs the engineering, procurement and construction for the Project. Debisikha Associates, India (**Debisikha**) is engaged to provide various services to the Project, including:

- Front-end engineering design (**FEED**) and preparation of technical specifications for all bought out items
- Detailed engineering for plant and infrastructure facilities (excluding geo-technical studies)
- Preparation of technical bid documents for onsite construction work
- Expediting the vendor manufacturing process and delivery schedule
- Inspection and co-ordination of any items to be sourced from India

Debisikha is an experienced consulting engineering company. Debisikha has worked on various EPC projects in India, Europe and the USA in the field of mineral processing and base-metal mining. Debisikha is engaged under a fixed-price contract with a monthly payment schedule which allows for resource loading throughout the project development schedule.

Road Connectivity

All required road permits have been obtained and road construction commencement is expected in October 2021.

Water Supply

1,200m³ of process water per day will be supplied by tankers, sourced from sewage water treatment plants at Mudhaibi and Nizwa. An 18,000m³ water storage reservoir will be constructed on site. Potable water will be sourced from bores on site. Project water supply requirements have been reduced from the level specified in the DFS by the adoption of a dry tailings system.

Power supply

The power supply will be sourced from two feeders from Omani electricity company MZEC, approximately 2 km from the project site. Negotiations are underway to appoint a local authorised contractor to design, supply and construct overhead power lines and the primary substation at site.

COVID-19 Impact

Oman experienced a third wave of COVID-19 during Q2 calendar 2021. Internal and border movement restrictions were in place to curtail the spread of the virus. Covid movement restrictions have eased since the end of the reporting period, with the Government moving to reliance on its vaccination campaign. All Alara and AHRL team members are fully vaccinated and working in offices or on site.

Mining Contractor

Project JV vehicle Al Hadeetha Resources LLC (**AHRL**) entered a preliminary commercial agreement with Alara Resources LLC (**ARL**) for ARL to perform mining services over ten years, at a cost of approximately USD 126m (AUD 167.83m). Of that amount, approximately USD 6m (AUD 7.99m) will be classified as capital expenditure when incurred, with the remainder on revenue account.

Alara Resources LLC (ARL)

ARL has two drill rigs and associated accessories and is seeking mineral drilling contract work. In 2019, prior to the Covid outbreak, the Omani Public Authority for Mining (**PAM**) released plans to award 110 new multi-commodity exploration and mining licences in the country.[3] Mineral exploration activity in Oman was negatively impacted by the pandemic. As the vaccinated percentage of the local population rises, activity in this sector is expected to ramp up. ARL is targeting a number of drilling contracts which will become available over the coming months.

ARL's first mining contract is with AHRL, as detailed above.

3 See for example http://www.tradearabia.com/news/IND_351573.html.

Mineral Tenements

The current status of all mineral tenements and applications for the Al Hadeetha Project is presented in the table below.

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Grant Date	Expiry Date	Status	Area	Application Date	Status
Washihi Majaza ML 10003075.	Al Hadeetha Resources LLC	51%	39km²	Jan 2008	Nov 2016	Active*	3km²	2013	Active
Mullaq	Al Hadeetha Resources LLC	51%	41km²	Oct 2009	Nov 2016	Active*	1km²	Jan 2013	Pending
Al Ajal	Al Hadeetha Resources LLC	51%	25km²	Jan 2008	Nov 2016	Active*	1.5km²	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 Copper-Gold Project — Oman

(Alara – 50% with option to increase to 70%: Al Tamman Trading Establishment LLC – 50%)

The Daris project comprises two high-grade copper deposits within the 587km² exploration licence, which includes two mining licence applications covering 4.5km². The project fits well with a "hub and spoke" model, which provides for processing of Daris ore at the Al Hadeetha copper concentration plant to be built 100km to the south.

The Daris East Mining Licence application, which covers an area that includes measured, indicated and inferred JORC copper resources[4] was opposed by the Ministry of Housing due to its proximity to recently allotted land. Review of a petition supporting the application lodged by Daris is underway at the Ministry of Energy and Minerals.

The Daris 3A5 application for a Mining Licence is progressing well with the Government.

Awtad Copper-Gold Project — Oman

(Alara – right to subscribe for 10% initially with subsequent earn-in up to 70%; existing local shareholders hold the balance of the project)

The Awtad Project comprises an area of approximately 497 km² (**Block 8**) and is located immediately adjacent to the Block 7 (**Daris Copper-Gold Project**). Alara has a right to an initial 10% interest (increasing to 50-70%+) in the concession owner, Awtad Copper LLC.

Exploration previously undertaken at this project includes:

- 86 line kilometres of airborne VTEM, 14 line kilometres of ground IP, 169 line kilometres of ground magnetics and 202 line kilometres of high-resolution ground magnetics.
- 76 RAB drill holes totalling 1,747m and 11 core drill holes totalling 299m.
- Drilling results (including over the Al Mansur Prospect) were low-grade in general and inconclusive.

Previous exploration identified anomalies worthy of further exploration. The fact that prospective geological formations within the licence area are under cover of alluvial and aeolian deposits enhances the chances of further copper mineralisation.

Detailed work plans were submitted to the Ministry of Energy and Minerals for renewal of the exploration licence, which remains pending.

Mineral Tenements

The current status of all mineral tenements and applications for the Daris and Awtad Projects is presented in the table below.

Block Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licences within EL		
			Area	Grant Date	Expiry Date	Status	Area	Application Date	Status
Block 7	Al Tamman Trading and Est. LLC	50% (earn in to 70%)	587km²	Nov 2009	Feb 2016	Active*	Daris 3A5 & East	Resubmitted 2018	Pending
Block 8	Awtad Resources LLC	10% (earn in to 70%)	597km²	Nov 2009	Oct 2013	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.

Khnaiguiyah Zinc-Copper Project — Saudi Arabia

The Khnaiguiyah Project is a proposed open-cut, zinc-copper mine and associated infrastructure. Alara has invested over USD 30m in this Project, including over USD 23m (AUD 30.64m) to produce a bankable feasibility study (**BFS**).

The project reached an impasse after the former Khnaiguiyah mining licence holder, United Arabian Mining Company LLC, asked the Saudi Mines Minister to halt transfer of the licence to the Alara JV company, contrary to the requirements of the JV agreement.

The mining licence was cancelled in 2015, due to the impasse between project participants.

4 The Company has disclosed full details of these resources on various occasions in a form which complies with the JORC Code, 2012 Ed. See, for example, the Company's 2019 Annual Report to shareholders, pp 14-45 and 72-73.

An auction for the re-issue of the mining/exploration licence is expected to be held in Q2 2022. Alara funded, and is now in the unique position of holding, the only BFS for this project. Alara is working with various parties in both the private and public sectors to prepare for the reissue of the licence. Alara's possession of the BFS puts it in a good position to participate in the future development of this project.

Corporate Information

Alara is a company limited by shares incorporated in Western Australia.

Cash Position

The Company's cash position at 30 June 2021 was AUD 4.24m (30 June 2020: AUD 7.67m).

Finance

Other than the project finance facility referred to above, and an ARL drill-rig finance facility of OMR 180,599 (AUD 623,156) neither the Company nor any of its related entities were party to any material financing arrangements during the Reporting Period.

Principal Activities

The principal activities of entities within the Consolidated Entity during the year were the exploration, evaluation and development of mineral exploration licenses in Oman.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity, except as otherwise disclosed in this Directors' Report or the Financial Statements and the notes thereto.

Dividends

No dividends were paid or declared during the financial year.

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Operating Results

Consolidated	2021 $	2020 $
Total revenue	11,779	637,548
Total expenses	(1,682,250)	(652,514)
Profit/Loss before tax	**(1,670,471)**	**(14,966)**
Income tax benefit	-	-
Profit/Loss after tax	**(1,670,471)**	**(14,966)**

Profit/(Loss) per Share

Consolidated	2021	2020
Basic profit/(loss) per share (cents)	(0.24)	0.04
Diluted profit/(loss) per share (cents)	(0.24)	0.04
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	667,645,289	629,835,362
Weighted average number of ordinary shares outstanding during the year used in the calculation of Diluted loss per share	667,645,289	629,835,362

Cash Flows

Consolidated	2021 $	2020 $
Net cash flow used in operating activities	(1,654,849)	(2,116,177)
Net cash flow from investing activities	(3,165,710)	2,272,954
Net cash flow provided by financing activities	1,893,538	(188,662)
Net change in cash held	(2,927,021)	(31,885)
Effect of exchange rates on cash	(505,780)	144,094
Cash held at year end	**4,241,815**	**7,674,616**

Financial Position

Outlined below is the Consolidated Entity's Financial Position and prior-year comparison.

Consolidated Entity	2021 $	2020 $
Cash	4,241,815	7,674,616
Trade and other receivables	38,566	30,633
Exploration & evaluation	4,910,968	5,161,876
Mine properties & development assets	12,383,033	9,926,151
Investment in associate	139,350	192,827
Term deposits	1,030,168	8,661
Other current assets	23,869	377,578
Non-current assets	553,469	462,152
Total assets	**23,321,238**	**23,834,494**
Trade and other payables	988,405	267,734
Unearned Income	8,079	8,817
Financial liabilities	723,128	684,411
Provisions	93,838	21,755
Total liabilities	**1,813,450**	**982,717**
Net assets	**21,507,788**	**22,851,777**
Issued capital	68,233,860	66,340,323
Reserves	9,495,609	11,062,664
Accumulated losses	(56,062,753)	(54,440,424)
Parent interest	**21,666,716**	**22,962,563**
Non-controlling interest	(158,928)	(110,786)
Total equity	**21,507,788**	**22,851,777**

Issued Capital

Fully paid, ordinary shares, listed options and unlisted options on issue in the Company as at the date of this report are as follows:

	Fully paid shares quoted on ASX	Listed options	Unlisted options	Total
	705,429,239	-	9,000,000	
Totals	**705,429,239**	**-**	**9,000,000**	**714,429,239**

Unlisted Options

During the financial year, the following unlisted options were issued:

4 million options were issued to Chairman Mr. Stephen Gethin on 3 December 2020. Each option is exerciseable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 1 July 2022.

5 million options were issued to Managing Director Mr. Atmavireshwar Sthapak on 3 December 2020. Each option is exerciseable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options vest upon the Company achieving the first production of saleable copper concentrate, provided this occurs by 31 March 2022. If the Company:

- does not achieve the first production of saleable copper concentrate, as determined by the Board, acting reasonably, by that date the options will not become exerciseable; or
- achieves the first production of saleable copper concentrate by that date but the Managing Director does not exercise any given option within one (1) year after the date on which that first production occurs, any options which have not been exercised will lapse at the end of the last day of that year.

Likely Developments and Expected Results

During the 2021-22 financial year the Consolidated Entity intends to progress the construction of mining and copper processing infrastructure for the Al Wash-hi Majaza Project, with completion expected in November 2022. Upon Project completion, the Company will commence the production and sale of copper and gold from the mine. Financial projections for the Al Hadeetha Project are set out on page 3 of this Report.

The Company intends to continue exploration, evaluation and development activities in relation to its other mineral exploration licences in Oman in the 2021-22 financial year. The likely results of these activities will depend on a range of geological, technical and economic factors.

The Company will continue to pursue opportunities to realise value from the Khnaiguiyah Project BFS.

Environmental Regulation and Performance

The Consolidated Entity holds licences and complies with environmental laws and regulations issued by the Governments of the countries in which it operates. These licences, laws and regulations regulate discharges to the air, surface water and groundwater associated with exploration and mining operations, as well as storage and use of hazardous materials. There have been no significant breaches of the Consolidated Entity's licence conditions or of environmental laws or regulations.

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Board of Directors

The names and details of the Directors of the Company in office during the financial year and until the date of this report are as follows.

Stephen Gethin — Non-Executive Chairman

Barrister and Solicitor of the Supreme Court of Western Australia and of the High Court of Australia

Appointed Non-Executive Chairman on 2 July 2020
Appointed Non-Executive Director on 28 June 2020
Previously Non-Executive Director (11 January to 22 November 2019)

Experience

Stephen Gethin is a highly regarded Director and Company Secretary with over 20 years' experience in the provision of corporate legal advice and documentation and over 14 years' experience in the provision of ASX-listed secretarial services in a range of industries, including resources, technology and investments. Before founding a private legal practice in 2013, was General Counsel and Company Secretary of Strike Resources Limited (ASX:SRK) and, earlier, served as General Counsel and Company Secretary at ERG Limited (ASX:ERG). Mr Gethin also advises a number of other ASX-listed and large private companies.

Special Responsibilities

Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee.

Other Directorships in Listed Companies in Past 3 Years

Nil

Atmavireshwar Sthapak — Managing Director

Bachelor of Applied Science and Master of Technology, Applied Geology; MAusIMM

Appointed Managing Director on 28 July 2020
Appointed Executive Director on 3 February 2016
Previously Non-Executive Director (22 September 2015 to 3 February 2016)

Experience

Atmavireshwar Sthapak is a geologist specialising in mineral resource exploration and evaluation studies. He joined Alara in 2011, making valuable contributions to the Company as an Exploration Manager and a Study Manager based in Muscat; including the discovery of large VMS copper mineralisation extensions at the Washihi project in Oman and the resource upgrade at the Washihi and Daris copper-gold deposits. He played key roles in the Feasibility Study and the grant of the mining license for the Washihi project. Prior to Alara, his career spanned 10 years with ACC / ACC-CRA Ltd and 10 years with Rio Tinto (Australasia) where he was awarded a Rio Tinto Discovery Award in 2009. He has worked on exploration on world-class deposits; including Mt. Isa type copper deposits in Australia, and copper, gold and diamond mines on four continents.

Other Directorships in Listed Companies in Past 3 Years

Nil

Vikas Jain — Non-Executive Director

MBA

Appointed 6 April 2016

Experience

Vikas Jain holds an MBA from the USA and has vast experience of over 20 years in the fields of mineral exploration, mining, oil-field exploration and allied activities. He is currently Managing Director and CEO of the Indian Company South-West Pinnacle Exploration Limited (**SWPE**), which he founded in 2006 and listed on the National Stock Exchange of India. Under his leadership and able guidance, SWPE has enjoyed rapid growth and is a premier exploration company in India. Since its beginnings as primarily a mineral exploration company, SWPE has progressively added coal bed methane (**CBM**) exploration and production, aquifer mapping, HDD, geophysical logging, transportation and other geological activities to its range of operations. SWPE also provides 2D and 3D seismic acquisition and processing for oil-field exploration. SWPE was awarded a contract for the first integrated 2D seismic acquisition, processing and exploration including drilling in coal block in India. Mr Jain also has extensive experience in open-cut mining of various minerals and allied activities through his earlier involvement with other companies.

Special Responsibilities

Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee.

Other Directorships in Listed Companies in Past 3 Years

South-West Pinnacle Exploration Limited, listed on the National Stock Exchange, India.

Sanjeev Kumar — Non-Executive Director

MBA (Finance & Marketing), IMT Ghaziabad, India; BE (Metallurgy), VNIT Nagpur, India

Appointed 23 October 2020

Experience

Mr Kumar has extensive Australian and international business experience, with a specialisation in high-value asset finance lending.

He is currently a director of Tradexcel Global Pty Ltd, an Australian company which he co-founded in 2017. Tradexcel assists Australian and NZ businesses to assess and expand into overseas markets; navigating entry barriers, providing regulatory clearance services, business strategy and planning and local partnerships. His previous roles include Vice President at India Factoring and Finance Solutions (a subsidiary of Fimbank), Associate Vice President at Tata Capital Financial Services, India, and Manager, Infrastructure Division at ICICI Bank Limited.

Other Directorships in Listed Companies in Past 3 Years

Nil

James D. Phipps **Non-Executive Director**

BA (Philosophy), JD (Law)

Chairman 31 July 2015 to 1 July 2020

Director 1 November 2014 to 4 September 2020

Experience

James D. Phipps is a strategic advisor. Mr Phipps practiced international commercial law for 10 years and then moved to business, where his work involves leadership, entrepreneurship governance, and strategic consulting. He has served on the boards of numerous publicly traded and closely held companies across several industries including mining and exploration (copper, zinc, gold and silver), heavy industry (paper), consumer goods (paper, aluminium foil), infrastructure development and O&M (drinking water, waste water, storm water, etc.), technology (gaming and social media), sports entertainment (English football, gaming, fantasy football, sports talk radio), fitness (establishment of the largest MMA gym in the Middle East) and film making. Mr Phipps has over 30 years' experience in the Middle East. He holds a Bachelor of Arts in Philosophy (1992) and Juris Doctorate (1996) from Brigham Young University.

Other Directorships in Listed Companies in Past 3 Years

Nil.

Justin J. Richard **Managing Director**

MBA, LLB, Grad Dip ACG, FGIA, FCIS, FAusIMM

16 June 2015 to 27 July 2020

Experience

Justin Richard is a corporate lawyer and accomplished business manager. He joined Alara in 2011, and for the eight years worked in the Middle East as CEO of Alara's international joint venture companies Al Hadeetha Resources, Daris Resources and Alara Resources.

During Mr Richard's tenure as Managing Director, Alara completed a feasibility study, announced a maiden ore reserve statement and secured a mining licence for the Al Wash-hi Majaza Copper-Gold Project in Oman. He established key business relationships for the Company as it moved to expand its business beyond mineral exploration to mine development and production of copper concentrate. Prior to joining Alara, Mr Richard worked with UGL Limited (Resources Division), Bateman Engineering and Minter Ellison Lawyers (Insurance and Corporate Risk, and Construction, Engineering and Infrastructure). He has an MBA from London Business School, a law degree from the University of Western Australia and is a Fellow of the Governance Institute of Australia and the Australasian Institute of Mining and Metallurgy.

Other Directorships in Listed Companies in Past 3 Years

Nil

Avi Sthapak **Non-Executive Director**

11 January 2019 to 1 December 2020

Experience

Avi Sthapak has a degree in Computer Science Engineering with a focus on infrastructure management. He also holds a Master of Business Administration from Curtin University, Western Australia with a focus on strategy development, accounting, global mobility, talent acquisition, marketing, leadership and finance. He has worked as a Business Development Consultant and Management Consultant. As a consultant for Curtin University's Live-in Learning he created a feasibility plan for a solar project.

Other Directorships in Listed Companies in Past 3 Years

Nil

Retired Directors

Mr Justin J. Richard resigned as Managing Director and as a Director on 27 July 2020.

Mr James D. Phipps resigned as a Non-Executive Director on 4 September 2020.

Mr Avi Sthapak resigned as a Non-Executive Director on 1 December 2020.

The other Directors all held office throughout the financial year and up to the date of this report.

Company Secretary

Dinesh Aggarwal **Company Secretary**

Dinesh Aggarwal FCPA, CA, CMA, FTI, DFP

Appointed 2 July 2020

Experience

Dinesh is a Chartered Accountant and CPA with over 20 years' experience in accounting and tax, finance, and business management in senior corporate positions, both in Australia and overseas. He is the Founder and Managing Director of Fortuna Advisory Group, an expanding, multi-disciplinary professional services group in Perth, Western Australia. He advises listed companies, Australian subsidiaries of major international groups, a large variety of SMEs and high net worth individuals.

Mr Aggarwal provides virtual CFO services to numerous corporate groups, self-managed superannuation advice and complex business structuring. He represents taxpayers in objections and AAT appeals against the ATO. Mr Aggarwal successfully represented a client in the landmark case *Wong v. Commissioner of Taxation* (AATA2011/3450) concerning the distinction between a share trader and an investor. A highly acknowledged professional, Dinesh has been Chairman of the CPA (WA) Public Practice Committee and a member of CPA Australia Public Practice Advisory Committee.

Among his various awards, he received the CPA 40 Under 40 Young Business Leaders' Award in 2012 and 2013 and was a finalist in the Tax Institute of Australia SME Tax Adviser of the Year Award 2015. Mr Aggarwal also serves on the board of various companies and not for profit bodies.

Other Directorships in Listed Companies in Past 3 Years

Nil

Stephen Gethin **Company Secretary**

Barrister and Solicitor of the Supreme Court of Western Australia and of the High Court of Australia Appointed 1 May 2018 resigned 2 July 2020

Mr Gethin's qualifications and experience are stated in relation to his role as Chairman, above.

Directors' Interests in Shares and Options

As at the date of this Report, the relevant interests of the Directors in shares and options held in the Company are:

Director	Fully Paid Ordinary Shares	Options
Stephen Gethin	-	4,000,000
Atmavireshwar Sthapak	3,862,051	5,000,000
Vikas Jain	37,745,930	-
Sanjeev Kumar	-	-
James Phipps[5]	-	-
Justin Richard[6]	1,500,000	-
Avi Sthapak[7]	-	-

Directors' Meetings

The number of Directors' meetings (including Board committee meetings) held during the year and the number of meetings attended by each Director were as follows:

Name of Director	Appointment / Resignation	Board		Audit Committee		Remuneration and Nomination Committee	
		Meetings Attended	Maximum Possible	Meetings Attended	Maximum Possible	Meetings Attended	Maximum Possible
Stephen Gethin	Appointed 28 June 2020	13	13	2	2	-	-
Atmavireshwar Sthapak	Appointed 22 September 2015	13	13	2	2	-	-
Vikas Jain	Appointed 6 April 2016	13	13	2	2	-	-
Sanjeev Kumar	Appointed 23 October 2020	9	9	-	-	-	-
James D. Phipps	Resigned 4 September 2020	2	2	-	-	-	-
Justin J. Richard	Resigned 27 July 2020	1	2	-	-	-	-
Avi Sthapak	Resigned 1 December 2020	1	5	-	-	-	-

Audit Committee

The Audit Committee currently comprises Non-Executive Directors Vikas Jain (Committee Chairman) (appointed 6 April 2016), Non-Executive Company Chairman Stephen Gethin (appointed 2 July 2020) and Managing Director Atmavireshwar Sthapak (appointed 28 September 2016).

The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. Its function includes reviewing and approving the audited annual and reviewed half-yearly financial reports, ensuring a risk management framework is in place, reviewing and monitoring compliance issues, reviewing reports from management and matters related to the external auditor. The Audit Committee Charter may be viewed and downloaded from the Company's website.

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5 Resigned 4 September 2020.

6 Resigned 27 July 2020.

7 Resigned 1 December 2020.

Remuneration Report

The information in this Remuneration Report has been audited. This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a Company Secretary or senior manager with authority and responsibility for planning, directing and controlling the major activities of the Company or Consolidated entity, directly or indirectly) (**Key Management Personnel** or **KMP**) of the Consolidated Entity in respect of the financial year ended 30 June 2021.

Key Management Personnel

Directors	
Stephen Gethin	Chairman (Appointed 2 July 2020. Non-Executive Director until 2 July 2020)
Atmavireshwar Sthapak	Managing Director (Appointed 28 July 2020. Executive Director until 28 July 2020)
Vikas Jain	Non-Executive Director
Sanjeev Kumar	Non-Executive Director (Appointed 23 October 2020)
James Phipps	Non-Executive Director (Resigned 4 September 2020)
Justin Richard	Managing Director (Resigned 27 July 2020)
Avi Sthapak	Non-Executive Director (Resigned 1 December 2020)

Executives	
Dinesh Aggarwal	Company Secretary (Appointed 2 July 2020)
Stephen Gethin	Company Secretary (Resigned 2 July 2020)
Avigyan Bera	CEO, AHRL (Appointed 15 October 2020)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee currently comprises Non-Executive Chairman, Stephen Gethin (Committee Chairman, appointed 2 July 2020), Non-Executive Director, Vikas Jain (appointed 6 April 2016) and Managing Director Atmavireshwar Sthapak appointed 28 June 2016).

The Remuneration and Nomination Committee has a formal charter to prescribe its purpose, key responsibilities, composition, membership requirements, powers and other administrative matters. The Committee has a remuneration function (with key responsibilities to make recommendations to the Board on policy governing the remuneration benefits of the Managing Director and Executive Directors, including equity-based remuneration and assist the Managing Director to determine the remuneration benefits of senior management and advise on those determinations) and a nomination function (with key responsibilities to make recommendations to the Board as to various Board matters including the necessary and desirable qualifications, experience and competencies of Directors and the extent to which these are reflected in the Board, the appointment of the Chairman and Managing Director, the development and review of Board succession plans and addressing Board diversity). The Remuneration and Nomination Committee Charter may be viewed and downloaded from the Company's website.

Remuneration Policy

The Board (with guidance from the Remuneration and Nomination Committee) determines the remuneration structure of all Key Management Personnel having regard to the Consolidated Entity's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, market practice, the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company. The Board recognises that the performance of the Company depends upon the quality of its Directors and Executives. To achieve its financial and operating objectives, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract and retain high calibre Executives.
- Structure remuneration at a level that reflects the Executive's duties and accountabilities and is competitive.

Remuneration Structure

The structure of Non-Executive Director and Executive Director remuneration is separate and distinct.

Director Remuneration

Objective

The Board seeks to set aggregate remuneration for Directors at a level which provides the Company with the ability to attract and retain Board members of the highest calibre, at a cost acceptable to shareholders.

Structure

Each Non-Executive Director receives a fee for serving as a Director of the Company and on relevant Board Committees, if applicable. The level of each Non-Executive Director's fee is commensurate with the workload and responsibilities undertaken. According to the Company's Constitution and the ASX Listing Rules, the aggregate remuneration of Non-Executive Directors must not exceed an amount determined by the Shareholders at a General Meeting (**Non-Executive Fee Pool**). An amount up to the Non-Executive Fee Pool is then allocated among the Non-Executive Directors as Directors' fees, as determined by the Board on the recommendation of the Remuneration and Nomination Committee (**Remuneration Committee**). The Non-Executive Fee Pool was last set by Shareholders at the 2011 Annual General Meeting at AUD 275,000 per annum. Shareholders determined the amount of the Non-Executive Fee Pool having regard to the recommendation of the Board. That recommendation was, in turn, based on the recommendation of the Remuneration Committee, made based on a consideration of fees paid to non-executive directors of comparable companies.

Managing Director and Senior Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration is competitive by market standards. Formal employment contracts are entered into with the Managing Director and senior executives. Details of these contracts are outlined later in this report.

Consequences of Company Performance on Shareholder Wealth

In considering the Company's performance and creation of value for shareholders, the Board had regard to the following information in relation to the current financial year and the previous four years:

	2021	2020	2019	2018	2017
Total Equity (AUD m)	21.5	22.9	21.8	10.4	9.5
Basic earnings/(loss) per share – (AUD)	(0.24)	0.04	(0.07)	(0.11)	(0.04)
Net Profit/(Loss) attributable to members (AUD)	(1,622,329)	273,985	(454,577)	(691,512)	(258,526)
Market Capitalisation (AUD m)	9.9	8.3	15.1	18.2	8.4

Fixed Remuneration

During the financial year, the Company's Key Management Personnel were paid a fixed base salary/fee per annum plus applicable employer superannuation contributions, as detailed below (see the table *Details of Remuneration Provided to Key Management Personnel*).

Performance Related Benefits/Variable Remuneration

Performance-related benefits/variable remuneration payable to Key Management Personnel are disclosed in the table *Details of Remuneration Provided to Key Management Personnel*. Managing Director Atmavireshwar Sthapak (appointed 28 July 2020) was paid allowances including housing and vehicle allowances and medical insurance. Former Managing Director Justin J. Richard (resigned 27 July 2020) was paid expatriate allowances, including a housing allowance, a school-fee allowance, travel expenses and medical insurance costs.

Special Exertions and Reimbursements

Pursuant to the Company's Constitution, each:

- Non-Executive Director is entitled to receive payment for the performance of extra services, or the undertaking of special exertions, at the request of the Board for Company purposes.
- Each Director is entitled to reimbursement of all reasonable expenses (including traveling and accommodation) which they incur for the purpose of attending Board and Committee meetings, the Company's business, or in performing their Director's duties.

Post-Employment Benefits

Other than employer contributions to nominated complying superannuation funds (where applicable) and entitlements to accrued unused annual and long service leave (where applicable), the Company does not provide retirement benefits to Key Management Personnel.

The Company notes that Shareholders' approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share-based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a Director or any person who holds a managerial or executive office.

Long-Term Benefits

Other than early termination benefits disclosed in "Employment Contracts" below, Key Management Personnel have no right to termination payments, except for payment of accrued unused annual and long service and/or end of service leave (where applicable).

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Details of Remuneration Provided to Key Management Personnel.

					Short-term benefits					Post-employment benefits		Other long-term benefits	Equity based benefits	
					Cash payments									
Name	Perfor-mance based	Fixed	At risk STI	Options	Salary/ fees	Allo-wances[i]	Cash bonus	Non-cash[ii]	Other[iii]	Super-annuation	Termi-nation	Other	Options	Total
2021	%	%	%	%	$	$	$	$	$	$	$	$	$	$
Executive Directors														
Justin Richard(iv)	-	100%	-	-	421,089	10,284	-	-	-	-	-	-	-	431,373
Atmavireshwar Sthapak	-	100%	-	-	255,283	25,372	-	-	-	-	-	-	-	280,655
Non-Executive Directors														
James D. Phipps	-	100%	-	-	157,087	-	-	-	-	-	-	-	-	157,087
Vikas Jain	-	100%	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Stephen Gethin	-	100%	-	-	55,000	-	-	-	-	-	-	-	-	55,000
Avi Sthapak	-	100%	-	-	9,132	-	-	-	-	868	-	-	-	10,000
Sanjeev Kumar	-	100%	-	-	17,304	-	-	-	-	1,446	-	-	-	18,750
Company Secretary														
Dinesh Aggarwal (v)	-	100%	-	-	39,105	-	-	-	-	-	-	-	-	39,105
Chief Executive Officer – AHRL														
Avigyan Bera	-	100%	-	-	54,029	14,887	-	-	-	-	-	-	-	68,916

Notes:

(i) Allowances are based on the executive employment agreement and may include expat allowance, company car allowance, rent allowance and security bond and school-fee allowance received from subsidiaries and related joint venture entities.

(ii) Non-cash benefits include net leave and/or end of service gratuity accrued or paid pursuant to relevant labour laws.

(iii) Other short-term benefits consist of exchange gain/(loss) due to foreign currency translation from Oman Riyal to Australia Dollars on Mr Richard's and Mr Bera's salaries.

(iv) The Amount paid to Mr Richard includes termination benefits of AUD 391,328.

(v) Appointed 2 July 2020. Remuneration, in his capacity as Company Secretary, paid to Fortuna Advisory Group.

					Short-term benefits					Post-employment benefits		Other long-term benefits	Equity based benefits	
					Cash payments									
Name	Perfor-mance based	Fixed	At risk STI	Options	Salary/ fees	Allo-wances[i]	Cash bonus	Non-cash[ii]	Other[iii]	Super-annuation	Termi-nation	Other	Options	Total
2020	%	%	%	%	$	$	$	$	$	$	$	$	$	$
Executive Directors														
Justin Richard	-	100%	-	-	381,045	149,943	-	12,097	-	-	-	37,987	-	581,072
Atmavireshwar Sthapak	-	100%	-	-	253,404	29,878	-	1,433	-	-	-	21,118	-	305,833
Non-Executive Directors														
James D.Phipps	-	100%	-	-	152,519	-	-	-	-	-	-	-	-	152,519
Vikas Jain	-	100%	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Stephen Gethin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Avi Sthapak	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Company Secretary														
Stephen Gethin[iv]	-	100%	-	-	39,105	-	-	-	-	-	-	-	-	39,105
Chief Executive Officer – AHRL														
Avigyan Bera	-	100%	-	-	6,871	-	-	-	-	-	-	-	-	6,871

Notes:

(i) Allowances are based on the executive employment agreement and may include expat allowance, company car allowance, rent allowance and security bond and school-fee allowance received from subsidiaries and related joint venture entities.

(ii) Non-cash benefits include net annual leave expensed but not paid during the year.

(iii) Other short-term benefits consist of exchange gain/(loss) due to foreign currency translation from Oman Riyal to Australia Dollars and Saudi Riyal to Australian Dollars on Mr Richard's salary.

(iv) Appointed 1 May 2018. Remuneration, in his capacity as Company Secretary, paid to Fortuna Advisory Group.

Equity Based Benefits

The Company provided the equity based benefits to Key Management Personnel during the financial year specified below. No shares were issued as a result of the exercise of options held by Key Management Personnel during the financial year.

4 million options were issued to Chairman Mr. Stephen Gethin on 3 December 2020. Each option is exerciseable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options expire on 1 July 2022.

5 million options were issued to Managing Director Mr. Atmavireshwar Sthapak on 3 December 2020. Each option is exerciseable over one fully paid, ordinary, share in the Company and has an exercise price of AUD 0.03 per share. The options vest upon the Company achieving the first production of saleable copper concentrate, provided this occurs by 31 March 2022. If the Company:

- does not achieve the first production of saleable copper concentrate, as determined by the Board, acting reasonably, by 31 March 2022 the options will not become exerciseable; or
- achieves the first production of saleable copper concentrate by that date (as determined by the Board) but the Managing Director does not exercise any given Option within one (1) year after the date on which that first production occurs, any Options which have not been exercised will lapse at the end of the last day of that year.

Options Lapsed During the Year

No options lapsed during the year.

Details of Shares Held by Key Management Personnel

2020-2021	Fully Paid, Ordinary Shares				
Name	Balance at 1 July 2020	Balance at appointment	Net change	Balance at cessation	Balance at 30 June 2021
Stephen Gethin	-		-		-
Atmavireshwar Sthapak	2,951,451		910,600		3,862,051
Vikas Jain	37,745,930		-		37,745,930
Sanjeev Kumar		-	-		-
Dinesh Aggarwal		-	6,055,725		6,055,725
James Phipps	-		-	-	
Justin Richard	35,319,526(i)		-	35,319,526(i)	
Avi Sthapak	-		-	-	

2019-2020	Ordinary Fully Paid Shares				
Name	Balance at 1 July 2019	Balance at appointment	Net change	Balance at cessation	Balance at 30 June 2020
Justin Richard(i)	34,119,526		1,200,000		35,319,526
Atmavireshwar Sthapak	2,544,838		406,613		2,951,451
James Phipps	-		-		-
Vikas Jain	37,745,930		-		37,745,930
Avi Sthapak	-		-		-
Stephen Gethin		-	-		-

Note:
(i) Includes shares held by Mr Richard's spouse.

Details of Options Held by Key Management Personnel

The only options held by Key Management Personnel are those disclosed above under the heading *Equity Based Benefits*.

Employment Contracts

(b) Managing Director – Atmavireshwar Sthapak

Atmavireshwar Sthapak was appointed Managing Director on 27 July 2020. The material terms of his contract in effect during the Reporting Period were as follows[8]:

- Annual base salary of AUD 291,569 per annum.
- Housing allowance of up to AUD 41,406 per annum.
- Vehicle allowance of up to AUD 77,637 per annum, plus fuel, maintenance and registration costs.
- Compulsory statutory "end of service" payments due under Omani labour law.
- Standard annual leave (20 days) and personal/sick leave (10 days paid) plus any additional entitlements prescribed under Omani labour law.
- Either party may terminate the agreement by giving three (3) months' notice.
- The Managing Director's Options, as detailed under the heading equity based payments on this page, above.

8 Refer Alara's 3 February 2016 ASX Announcement: "Appointment of Executive Director".

- The Board is yet to determine two (2) proposed additional components to Mr Sthapak's long-term incentive remuneration. These components are expected to consist of the issue of two (2) further tranches of options, each to vest upon attainment of separate milestones to be set relating to other aspects of the Company's future development. Full details will be announced on ASX when these elements of his remuneration package are finalised.

(a) Former Managing Director/CEO – Justin Richard

Justin J. Richard was appointed the Company's Legal and Commercial Manager in August 2011 and Alara's Country Manager for Saudi Arabia in November 2012 and for Oman in December 2013. He was appointed Managing Director on 16 June 2015 and resigned on 27 July 2020. The terms of his Managing Director's employment contract were carried over from his previous agreement with no increase in salary or allowance. The material terms of his Managing Director's employment contract were as follows:

- One-year term with annual base salary of AUD 381,045 (subject to adjustments for exchange rate variations* for salary paid in Omani Rials). His employment contract was subsequently extended on the same terms indefinitely.
- Expatriate allowances (including housing, school and travel) totalling approximately AUD 175,000 per annum (subject to adjustments for exchange rate variations*).
- Provision of medical insurance cover.
- Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus any additional entitlements prescribed under relevant Labour Law.
- Compulsory statutory "end of service" payments due under Omani Law.
- One month's notice of termination within first six months, subject to repatriation provisions which total approximately three (3) months remuneration.

*Exchange rate variations based on rates prevailing at the time the expatriate assignments commenced.

(b) Other Executives

Details of the material terms of formal employment/consultancy agreements (as the case may be) between the Company and other Key Management Personnel during the period are as follows:

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Key Terms
Stephen Gethin Chairman	2 July 2020 *(Commenced)*	AUD 75,000 plus GST per annum.	N/A
Dinesh Aggarwal Company Secretary	2 July 2020 *(Commenced)*	The Company pays Fortuna Advisory Group AUD 110,400 as a combined amount for Company Secretarial and Chief Financial Officer services. Mr Aggarwal is a consultant to Fortuna Advisory Group through Fortuna Accountants and Business Advisors, of which he is Managing Director.	N/A

Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest. There were no loans to Directors or executives during the reporting period.

Employee Share Option Plan

The Company has an Employee Share Option Plan (the **ESOP**) which was most recently approved by shareholders at the 2017 Annual General Meeting. The ESOP was developed to assist in the recruitment, reward, retention and motivation of Alara employees, excluding Directors. Under the ESOP, the Board will nominate personnel to participate and will offer options to subscribe for shares to those personnel. A summary of the terms of ESOP is set out in Annexure A to Alara's Notice of Annual General Meeting and Explanatory Statement for its 2017 AGM. No securities were issued to KMP under the ESOP during the financial year (2020: Nil).

Director's Loan Agreements

There were no loan agreements with the Directors during the year.

Securities Trading Policy

The Company has a Securities Trading Policy, a copy of which is available for viewing and downloading from the Company's website.

Voting and Comments on the Remuneration Report at the 2020 Annual General Meeting

At the Company's most recent (2020) Annual General Meeting (**AGM**), a resolution to adopt the 2020 Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating 81.83% support for adopting the Remuneration Report.[9] No comments were made on the Remuneration Report at the AGM.

9 Refer Alara's 17 November 2017 ASX Announcement: Results of Meeting.

Engagement of Remuneration Consultants

The Company did not engage a remuneration consultant during the year.

The Board has established a policy for engaging external remuneration consultants. The policy includes a requirement for the Remuneration and Nomination Committee to:

- approve all engagements of remuneration consultants;
- receive remuneration recommendations from remuneration consultants (to the exclusion of persons not members of the Committee) regarding Key Management Personnel; and
- ensure that the making of remuneration recommendations is free from undue influence by the member or members of the Key Management Personnel to whom the recommendation relates.

This concludes the audited Remuneration Report.

Directors' and Officers' Insurance

The Company did not have a policy of Directors' and Officers' Insurance during the reporting period.

Directors' Deeds

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors and the Secretary (each an **Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act).
- Subject to the terms of the deed and the Corporations Act, the Company may advance monies to Officers to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and before the outcome of legal proceedings brought against the Officer.

Legal Proceedings on Behalf of Consolidated Entity (Derivative Actions)

No person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings and the Consolidated Entity was not a party to any such proceedings during and since the financial year.

Auditor

Details of the amounts paid or payable to the Company's auditors (this Rothsay Auditing for 30 June 2021 and RSM Chartered Accountants for the Oman entity audits) for audit and non-audit services provided during the financial year are set out below (refer to Note 5):

Audit and Review Fees $	Fees for Other Non-Audit Services $	Total $
27,902	–	27,902

No non-audit services were provided by the Auditors during the year.

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 18.

Events Subsequent to Reporting Date

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company and Consolidated Entity in subsequent financial years.

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

Atmavireshwar Sthapak
Managing Director
29 September 2021

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

The Directors
Alara Resources Limited
Suite 1.02
110 Erindale Road
Balcatta WA 6021

Dear Directors

In accordance with Section 307C of the *Corporations Act 2001* (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2021 financial statements; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alara Resources Limited and the entities it controlled during the year.

Daniel Dalla
Partner
Rothsay Auditing

Dated 29 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue	3	1,779	477,951
Other income	3	10,000	164,901
Gain/(Loss) on Forex	3	(82,519)	(5,304)
Personnel		(1,097,128)	(244,548)
Occupancy Costs		(39,216)	(46,438)
Finance expense		(8,070)	(1,023)
Corporate expenses		(55,640)	(132,856)
Administration expenses		(346,200)	(258,061)
Share of profit/(losses) of associates	11	(53,477)	30,412
PROFIT/(LOSS) BEFORE INCOME TAX		**(1,670,471)**	**(14,966)**
Income tax benefit		-	-
PROFIT/(LOSS) FOR THE YEAR		**(1,670,471)**	**(14,966)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,567,055)	841,597
Total other comprehensive income/(loss)		(1,567,055)	841,597
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(3,237,526)**	**826,631**
Profit/(loss) attributable to:			
Owners of Alara Resources Limited		(1,622,329)	273,985
Non-controlling interest		(48,142)	(288,951)
		(1,670,471)	**(14,966)**
Total comprehensive income/(loss) for the year attributable to:			
Owners of Alara Resources Limited		(3,189,384)	1,115,582
Non-controlling interest		(48,142)	(288,951)
		(3,237,526)	**826,631**
Earnings/Loss per share:			
Basic earnings/(loss) per share cents	6	(0.24)	0.04
Diluted earnings/(loss) per share cents	6	(0.24)	0.04

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	7	4,241,815	7,674,616
Trade and other receivables	8	38,566	30,633
Other current assets	9	23,869	377,578
Financial assets	10	1,030,168	8,661
TOTAL CURRENT ASSETS		**5,334,418**	**8,091,488**
NON-CURRENT ASSETS			
Financial assets	10	454,088	422,342
Investment in Associate	11	139,350	192,827
Borrowing Cost	12	733	-
Property, plant and equipment	13	98,648	39,810
Mine properties & Development assets	13	12,383,033	9,926,151
Exploration and evaluation	14	4,910,968	5,161,876
TOTAL NON CURRENT ASSETS		**17,986,820**	**15,743,006**
TOTAL ASSETS		**23,321,238**	**23,834,494**
CURRENT LIABILITIES			
Trade and other payables	15	988,405	267,734
Unearned income	16	8,079	8,817
Provisions	17	93,838	21,755
Financial Liability	18	21,409	-
TOTAL CURRENT LIABILITIES		**1,111,731**	**298,306**
NON CURRENT LIABILITIES			
Financial liabilities	18	701,719	684,411
Provisions			-
TOTAL NON CURRENT LIABILITIES		**701,719**	**684,411**
TOTAL LIABILITIES		**1,813,450**	**982,717**
NET ASSETS		**21,507,788**	**22,851,777**
EQUITY			
Issued capital	19	68,233,860	66,340,323
Reserves	20	9,495,609	11,062,664
Accumulated losses		(56,062,753)	(54,440,424)
Parent interest		**21,666,716**	**22,962,563**
Non-controlling interest		(158,928)	(110,786)
TOTAL EQUITY		**21,507,788**	**22,851,777**

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Transactions with minority interests	Non-Controlling Interest	Total
		$	$	$	$	$	$	$
Balance as at 1 July 2019		66,107,405	20,000	1,627,214	(54,714,409)	8,593,853	178,165	21,812,228
Option expired		-	(20,000)	-	-	-	-	(20,000)
Foreign currency translation reserve		-	-	841,597	-	-	-	841,597
Net income and expense recognised directly in equity		-	(20,000)	841,597	-	-	-	821,597
Profit/(Loss) for the year		-	-	-	273,985	-	(288,951)	(14,966)
Total comprehensive income/ (loss) for the year		-	(20,000)	841,597	273,985	-	(288,951)	806,631
Transactions with owners in their capacity as owners:								
Share Placement		232,918	-	-	-	-	-	232,918
Balance as at 30 June 2020		**66,340,323**	**-**	**2,468,811**	**(54,440,424)**	**8,593,853**	**(110,786)**	**22,851,777**
Balance as at 1 July 2020		66,340,323	-	2,468,811	(54,440,424)	8,593,853	(110,786)	22,851,777
Options expired		-	-	-	-	-	-	-
Foreign currency translation reserve		-	-	(1,567,055)	-	-	-	(1,567,056)
Net income and expense recognised directly in equity		-	-	(1,567,055)	-	-	-	(1,567,056)
Profit/(Loss) for the year		-	-	-	(1,622,329)	-	(48,142)	(1,670,471)
Total comprehensive income/(loss) for the year		-	–	(1,567,055)	(1,622,329)	-	(48,142)	(3,237,527)
Transactions with Owners in their capacity as owners:								
Share placement	19	1,904,629	-	-	-	-	-	1,904,629
Share placement costs	19	(11,092)	-	-	-	-	-	(11,092)
Balance as at 30 June 2021		**68,233,860**	**-**	**901,756**	**(56,062,753)**	**8,593,853**	**(158,928)**	**21,507,788**

The accompanying notes form part of this consolidated financial statement.

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customer/ Others		10,000	-
Payments to suppliers and employees (inclusive of GST)		(1,666,486)	(2,670,073)
Interest received		1,637	553,896
NET CASHFLOWS USED IN OPERATING ACTIVITIES	7b	(1,654,849)	(2,116,177)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(13,249)	(9,146)
Payments for development and exploration expenditure		(2,120,568)	(3,185,950)
Payments towards term deposits		(1,031,893)	-
Loan to other entity (repayment)		-	195,325
Proceeds from disposal of investments		-	5,272,725
NET CASHFLOWS USED IN INVESTING ACTIVITIES		(3,165,710)	2,272,954
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares		1,904,629	232,918
Cost of issuing ordinary shares		(11,091)	-
Transaction cost related to borrowings		-	(421,580)
NET CASHFLOWS PROVIDED BY FINANCING ACTIVITIES		1,893,538	(188,662)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS HELD		(2,927,021)	(31,885)
Cash and cash equivalents at beginning of the financial year		7,674,616	7,562,407
Effect of exchange rate changes on cash		(505,780)	144,094
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**7**	**4,241,815**	**7,674,616**

The accompanying notes form part of this consolidated financial statement.

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

The financial report includes the financial statements for the Consolidated Entity consisting of Alara Resources Limited and its controlled and jointly controlled entities. Alara Resources Limited is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

1.1. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Alara Resources Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the Consolidated Entity, Alara Resources Limited, also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (IASB).

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern Assumption

The financial statements have been prepared on the going concern basis of accounting which assumes the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a loss for the year ended 30 June 2021 of AUD 1,670,471 (2020: Loss AUD 14,966) and cash inflows/(outflows) from operating and investing activities of ($4,820,559) (2020: $156,777). As at 30 June 2021 the Group has a cash at bank balance of AUD 4,241,815 (2020: AUD 7,674,616) and bank deposits of AUD 1,039,829 (2020: AUD 8,661) and working capital of AUD 4,222,688 (2020: AUD 7,793,182).

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. Based on the cash flow forecast, the directors are satisfied that the going concern basis of preparation is appropriate.

1.2. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Alara Resources Limited as at 30 June 2021 and the results of its subsidiaries for the year then ended. Alara Resources Limited and its subsidiaries are referred to in this financial report as the Consolidated Entity. All transactions and balances between Consolidated Entity companies are eliminated on consolidation, including unrealised gains and losses on transactions between Consolidated Entity companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Consolidated Entity perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Consolidated Entity. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Consolidated Entity. The Consolidated Entity attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1.3. Foreign Currency Translation and Balances

Functional and presentation currency

The functional currency of each entity within the Consolidated Entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in profit or loss.

Consolidated entity

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

(a) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

(b) income and expenses are translated at average exchange rates for the period; and

(c) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Entity's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

1.4. Joint Arrangements

Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, in the event the Company does not share control the financials are consolidated (or deconsolidated in the event of loss of control) (refer to 1.2 for further information). The Consolidated Entity's joint arrangements are currently of one type:

Joint operations

Joint operations are joint arrangements in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The activities of a joint operation are primarily designed for the provision of output to the parties to the arrangement, indicating that:

- the parties have the rights to substantially all the economic benefits of the assets of the arrangement; and
- all liabilities are satisfied by the joint participants through their purchases of that output. This indicates that, in substance, the joint participants have an obligation for the liabilities of the arrangement.

1.5. Leases

In the previous year, the Group has applied AASB 16 that is effective for annual periods that begin on or after 1 January 2019. AASB 16 introduced a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

1.6. Comparative Figures

Certain comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

1.7. Critical Accounting Judgements and Estimates

The preparation of the Consolidated Financial Statements requires Directors to make judgements and estimates and form assumptions that affect how certain assets, liabilities, revenue, expenses and equity are reported. At each reporting period, the Directors evaluate their judgements and estimates based on historical experience and on other various factors they believe to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities (that are not readily apparent from other sources, such as independent valuations). Actual results may differ from these estimates under different assumptions and conditions.

Exploration and evaluation expenditure

The Consolidated Entity's accounting policy for exploration and evaluation expenditure being capitalised include the Daris Project where these costs are expected to be recoverable through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. In the case of the Al Hadeetha project, a maiden reserve announcement was issued in December 2016. This policy requires management to make certain estimates to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is not possible, the relevant capitalised amount will be written off to profit or loss.

Impairment of mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share-based payments transactions

The Consolidated Entity measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes options valuation model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates have no impact on the carrying amounts of assets and liabilities but will impact expenses and equity.

1.8. New, Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.9. New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

There are no forthcoming standards and amendments that are expected to have a material impact on the group in the current or future reporting periods, or on foreseeable future transactions.

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Alara Resources Limited, as at 30 June 2021.

	2021 $	2020 $
Statement of Financial Position		
Current assets	1,824,466	776,427
Non-current assets	9,350,648	8,941,193
Total assets	11,175,114	9,717,620
Current liabilities	162,166	30,486
Non-current liabilities	11,026	-
Total liabilities	173,192	30,486
Net assets	11,001,922	9,687,134
Issued capital	68,233,860	66,340,322
Accumulated losses	(57,231,938)	(56,653,188)
Total equity	11,001,922	9,687,134
Profit/(loss) for the year	(578,750)	(331,913)
Total comprehensive income /(loss) for the year	**(578,750)**	**(331,913)**

3. PROFIT/(LOSS) FOR THE YEAR

The operating profit before income tax includes the following items of revenue and expense:

	2021 $	2020 $
Revenue		
Interest	1,779	477,951
Other income	10,000	164,901
Unrealised Forex Gain/ (Loss)	(82,519)	(5,304)
	(70,740)	**637,548**

ACCOUNTING POLICY NOTE
Revenue Recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**GST**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

- Interest Revenue – Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Other Revenues – Other revenues are recognised on a receipts basis.

4. INCOME TAX EXPENSE

	2021 $	2020 $
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of 2021 at 26% (2020: 27.5%) and the reported tax expense in profit or loss are as follows:		
Tax expense comprises:		
(a) Current tax	-	-
Deferred income tax relating to origination and reversal of temporary differences		
- Origination and reversal of temporary differences	-	-
- Utilisation of unused tax losses previously unrecognised	-	-
Under/(Over) provision in respect of prior years	-	-
Tax expense	-	-
Deferred Tax Expense (income), recognised directly in other comprehensive income		
(b) Accounting profit before tax	(1,670,471)	(14,966)
Income Tax Expense to Accounting Profit:		
Tax at the Australian tax rate of 26% (2020: 27.5%)	(434,322)	(4,116)
Assessable amounts	80,336	49,437
Deferred Tax Asset losses not brought to account	177,571	-
Non-assessable income - Other	(2,600)	(11,113)
Non-deductible items	193,760	71,197
Utilisation of unused tax losses previously unrecognised	(90,311)	(61,270)
Deferred tax assets recognised/ (not recognised)	14,230	(29,082)
Tax rate difference	61,336	(15,053)
Income tax expenses (benefit)	-	-
(c) Recognised Deferred Tax Balances		
Deferred tax asset	19,850	1,009
Deferred tax asset (losses)	78,959	98,546
Set-off deferred tax liabilities	(98,809)	(99,555)
	-	-
(d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses	1,411,926	1,525,220
Unrecognised deferred tax asset losses (capital)	426,391	450,990
Unrecognised deferred tax asset Oman losses	202,979	218,624
	2,041,296	2,194,834

The benefit of the deferred tax assets not recognised will only be obtained if:

(i) The Consolidated Entity derives future income that is assessable for Australian income tax purposes and is of a type and an amount sufficient to enable the benefit of them to be realised;

(ii) The Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) There are no changes in tax law which will adversely affect the Consolidated Entity in realising the benefit of them.

The Consolidated Entity has elected to consolidate for taxation purposes and has entered into a tax sharing and funding agreement in respect of such arrangements.

ACCOUNTING POLICY NOTE

Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable). Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of

4. Income Tax Expense (Continued)

deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

Tax consolidation legislation

The Consolidated Entity implemented the tax consolidation legislation. The head entity, Alara Resources Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets (as appropriate) arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Consolidated Entity. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

5. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors to the Consolidated Entity, their related practices and non-audit related firms:

	2021 $	2020 $
Bentleys Audit and Corporate (WA) Pty Ltd	-	3,845
Rothsay Consulting services – Auditors of the Consolidated Entity (Audit and review of financial reports)	20,250	22,000
RSM Chartered Accountants – Auditors of Oman-controlled entities (Audit and review of financial reports)	7,652	5,987
	27,902	31,832

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6. EARNINGS/(LOSS) PER SHARE

	2021 $	2020 $
Basic earnings/(loss) per share cents	(0.24)	0.04
Diluted earnings/(loss) per share cents	(0.24)	0.04
Profit/(loss) $ used to calculate earnings/(loss) per share	(1,622,329)	273,985
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	667,645,289	629,835,362
Weighted average number of ordinary shares during the period used in calculation of diluted earnings/(loss) per share	667,645,289	629,835,362

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.

ACCOUNTING POLICY NOTE

Basic Earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period. Diluted Earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

7. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash in hand	542	239
Cash at bank	4,136,880	7,467,091
Term deposits	104,393	207,286
	4,241,815	7,674,616

The effective interest rate on short-term bank deposits was 0.25% (2020: 1.15%) with an average maturity of 137 days.

(a) Risk exposure

The Consolidated Entity's exposure to interest rate and foreign exchange risk is discussed in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

ACCOUNTING POLICY NOTE

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the statement of financial position.

(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flow From Operations	**2021 $**	**2020 $**
Profit/(Loss) after income tax	(1,670,471)	(14,966)
Gain/(Loss) on Forex (Unrealised)	-	-
Profit on sale of asset	-	-
Gain/(loss) on disposal of Subsidiary	-	-
Share of profits/(losses) of associates and joint ventures	53,477	(30,412)
Foreign exchange movement	21,738	(273,130)
Depreciation	12,099	9,575
(Increase)/Decrease in Assets:		
Trade and other receivables	(7,933)	3,087
Other current assets	13,074	80,914
Increase/(Decrease) in Liabilities:		
Payable to AHI	-	40,179
Insurance premium funding (Other payables)	11,026	-
Trade and other payables	(159,942)	(292,961)
Provisions	72,083	(22,898)
Statdrome Advance paid	-	(1,615,565)
Net cashflows from/ (used in) operating activities	(1,654,849)	(2,116,177)

8. TRADE AND OTHER RECEIVABLES

Current	2021 $	2020 $
Amounts receivable from:		
Sundry debtors	17,419	25,476
Goods and services tax recoverable	6,244	5,157
VAT Receivable	14,026	-
Cash advances	877	-
	38,566	30,633

(a) Risk exposure
Information about the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 23.

(b) Impaired receivables
None of the above receivables are impaired or past due.

ACCOUNTING POLICY NOTE
Trade and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

9. OTHER CURRENT ASSETS

	2021 $	2020 $
Prepayments	23,374	377,224
Accrued interest	495	354
	23,869	377,578

10. FINANCIAL ASSETS

	2021 $	2020 $
Current		
Bank deposits	1,030,168	8,661
Non-Current		
Interest free loan to Alara Resources LLC	444,427	422,342
Bank deposits (More than one year)	9,661	-
	1,484,256	431,003

11. INVESTMENT IN ASSOCIATES

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

	2021 $	2020 $
Opening balance	192,827	162,415
Investment in Alara Resources LLC	-	-
Profit /(Loss) from equity accounted investments	(53,477)	30,412
Subtotal	139,350	192,827

ACCOUNTING POLICY NOTE
An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the Group's interest in that associate, the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

12. BORROWING COST

	2021 $	2020 $
Borrowing Cost	766	-
Less: Amortization for the period	(33)	-
	733	-

13. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Office Equipment $	Plant and Equipment $	Mine Properties & Development assets $	Total $
Year ended 30 June 2020					
Carrying amount at beginning	17,005	21,297	1,192	6,534,088	6,573,582
Additions	-	9,146	-	3,250,026	3,259,172
Disposal	-	-	-	-	-
Write-offs	-	-	-	-	-
Depreciation expense	(2,674)	(6,485)	(416)	-	(9,575)
Exchange Difference	437	272	36	142,037	142,782
Closing amount at reporting date	14,768	24,230	812	9,926,151	9,965,961
Year ended 30 June 2020					
Cost or fair value	30,125	179,954	23,552	9,926,151	10,159,782
Accumulated depreciation	(15,357)	(155,724)	(22,740)	-	(193,821)
Net carrying amount	14,768	24,230	812	9,926,151	9,965,961
Year ended 30 June 2021					
Carrying amount at beginning	14,768	24,230	812	9,926,151	9,965,961
Additions	66,595	6,581	-	3,251,950	3,325,126
Disposal	-	-	-	-	-
Write-offs			-	-	-
Depreciation expense	(4,227)	(7,623)	(249)	-	(12,099)
Exchange Difference	(1,201)	(972)	(66)	(795,068)	(797,306)
Closing amount at reporting date	75,935	22,216	497	12,383,033	12,481,681
Year ended 30 June 2021					
Cost or fair value	94,199	183,862	21,582	12,383,033	12,682,675
Accumulated depreciation	(18,264)	(161,647)	(21,085)	-	(200,996)
Net carrying amount	75,935	22,215	497	12,383,033	12,481,679

ACCOUNTING POLICY NOTE

All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	15 – 37.5%
Motor Vehicles	33.3%
Plant and Equipment	15 – 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Mine properties and development assets

Mine property and development assets include costs incurred in accessing the ore body and costs to develop the mine to the production phase, once the technical feasibility and commercial viability of a mining operation has been established. At this stage, exploration and evaluation assets are reclassified to mine properties. Mine property and development assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses recognised. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. Any ongoing costs associated with mining which are considered to benefit mining operations in future periods are capitalised.

14. EXPLORATION AND EVALUATION

	2021 $	2020 $
Opening balance	5,161,876	4,919,660
- Exploration and evaluation expenditure	309,492	107,644
- Exchange differences	(560,400)	134,572
Closing balance	4,910,968	5,161,876

During the prior year, the Al Hadeetha Copper-Gold Project in Oman has been reclassified to Development Expenditure upon demonstrating commercial viability and commencement of development activities.

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 are required to transfer legal title to the mining licence and exploration licences over the Khnaiguiyah Project to KMC. The Consolidated Entity has obtained independent advice confirming that valid and legally enforceable rights existed for KMC to commercially exploit the Khnaiguiyah Project. The financial statements of previous Annual Reports were prepared on this basis with the asset carried at AUD 33,190,221 as at 30 June 2015. Following cancellation of the Khnaiguiyah Mining Licence, a provision for impairment of the carrying value of exploration and evaluation attributable to the Khnaiguiyah Project was made. This provision for impairment may be reversed in the future(see accounting policy note on mineral exploration and evaluation expenditure below).

Alara Oman Operations Pty Limited (a wholly owned Australian subsidiary) gained a 70% shareholding interest in a jointly controlled company, Al Hadeetha Resource LLC (Oman), on 23 November 2011. Further on 24 December 2018 the Group disposed of a 19% interest in Al Hadeetha Resources LLC to Al Tasnim Infrastructure Services LLC, reducing its continuing interest to 51%. The principal activity of the company is exploration, evaluation and development of mineral licences in Oman.

Alara Oman Operations Pty Limited (a wholly owned Australian subsidiary) gained a 50% shareholding interest in a jointly controlled company, Daris Resources LLC (Oman), on 1 December 2010. The principal activity of this company is exploration, evaluation and development of mineral licences in Oman. The Consolidated Entity has a valid and legally enforceable contractual right to commercially exploit the Daris Project held by Daris Resources LLC (in which the Consolidated Entity has a 50% shareholding interest) and does not hold the legal title to the mineral exploration licence (which is held by the other 50% shareholder of Daris Resources LLC). The financial statements have been prepared on this basis. Should these legal rights not be enforceable, the carrying value of Exploration and Evaluation Expenditure attributable to the Daris Project would be impaired.

The Consolidated Group has entered into a Heads of Agreement with Copper LLC, under which wholly owned subsidiary Alara Oman Operations Pty Ltd would become a 10% shareholder in the Awtad Block 8 Project. As part of the Heads of Agreement, Awtad acknowledges OMR 246,215 (AUD 812,316) previously spent on the project by Alara as the basis for Alara's interest in that project.

ACCOUNTING POLICY NOTE

Mineral Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated (i.e. capitalised) in respect of each identifiable area of interest. These costs are only carried forward where they are expected to be recoverable through the successful development of the area or where activities in the area and includes areas that have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Exploration and evaluation expenditure is written-off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the impairment loss will be measured in accordance with the Consolidated Entity's impairment policy (Note 1.7). This policy requires management to make certain estimates to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is not possible, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

Impairment of Non-Financial Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

15. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Current		
Trade payables	979,725	267,424
Other payables	8,680	310
	988,405	267,734

Due to the short-term nature of the trade and other payables, their carrying value is assumed to approximate their fair value.

16. UNEARNED INCOME

	2021 $	2020 $
Current		
Unearned income	8,079	8,817
	8,079	8,817

On 15 March 2017 Alara Oman Operations Pty Ltd (a wholly owned subsidiary of the Company) entered into an off-take agreement for the supply of copper concentrate from the Al Hadeetha Project to Statdrome Pte Ltd (Offtake Agreement). Under the Offtake Agreement, concentrate production from the Al Hadeetha Copper Project (Wash-hi Majaza site) will be shipped from the Sohar port (unless a smelter is operating in Oman). In June 2018 Statdrome made a pre-payment under the Offtake Agreement. The Statdrome advance bears interest at LIBOR plus four percent per annum. This amount represents unearned income. The amount of this liability in AUD is shown in the table above. On 3 May 2020, the advance received was repaid to Statdrome.

(a) Risk exposure
Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note 23.

ACCOUNTING POLICY NOTE
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

17. PROVISIONS

	2021 $	2020 $
Current		
Employee benefits – annual leave	93,838	21,755
Non-Current		
Employee benefits – long service leave	-	-
	93,838	21,755

Amounts not expected to be settled within the next 12 months
The entire annual leave obligation is presented as current as the Consolidated Entity does not have an unconditional right to defer settlement. The non-current provision for long service leave is a provision towards the future entitlements of employees who will have completed the required period of long service and that is not expected to be taken or paid within the next 12 months.

ACCOUNTING POLICY NOTE
Employee Benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in other payables and accruals together with other employee benefit obligations.

(ii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is expected to be settled within 12 months after the end of the period in which the employee renders the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

18. FINANCIAL LIABILITIES

Financial liabilities	2021 $	2020 $
Non-Current		
Loan with unrelated third party		
Opening balance	684,411	644,232
Add: Addition during the year	6,575	
Add: Interest	17,725	26,175
Add: Foreign exchange differences	(57,269)	14,004
Closing balance	651,442	684,411
Vehicle Loan		
Opening balance	-	-
Add: Addition during the year	60,180	-
Less: Unexpired Interest on Vehicle Loan	(9,903)	-
Closing balance	50,277	-
Current		
Vehicle Loan		
Opening balance	-	-
Add: Addition during the year	15,693	-
Less: Unexpired Interest on Vehicle Loan	(5,309)	-
Closing balance	10,384	-
Insurance Premium Funding		
Opening balance	-	-
Add: Addition during the year	11,025	-
Closing balance	11,025	-

(i) On 16 April 2017, Al Hadeetha Resources LLC (**AHR**) (the joint venture company which conducts the Al Hadeetha Copper-Gold Project (Project), in which the Company is a 51% shareholder) entered into an unsecured loan agreement as borrower with Al Hadeetha Investments LLC (**Lender**) (an un-related company, which holds the remaining 30% of the shares in AHR). Under the agreement, AHR may draw down a maximum of USD 2 million (AUD 2,663,982; OMR 767,774) to assist with working capital for the Project (**AHI to AHR Loan**). The AHI to AHR Loan bears interest at LIBOR plus two percent per annum. The Loan will be in effect for the duration of the Project joint venture agreement, at which time AHR must repay any outstanding balance. AHR must make interim repayments equal to its available net cash profit (if any) at the end of each financial year. During the year AHR has not made any drawdowns under the Loan. The total amount drawn down (being the total amount owing by AHR under the Loan to the end of the year (after offsetting corresponding debit balance of OMR 18,095; AUD 62,436) OMR 188,795 (USD 489,073; AUD 651,442). If AHR determines at the end of any quarter or other period that it has a working capital shortfall it may draw down the whole or part of the shortfall, until the entire Loan amount is drawn down. The remaining, un-drawn balance of the Loan is OMR 561,276 (USD 1,462,086; AUD 1,947,485) (This is the undrawn balance based on the gross drawdown amount of loan without offsetting the corresponding debit balance of OMR 18,095; AUD 62,436).

Although the AHI to AHR Loan is shown as a liability in the consolidated financial statements, loans by entities within the Alara Consolidated Entity to AHR, which is also within that Consolidated Entity (**Consolidated Entity AHR Loans**) are not shown in the consolidated financial statements. The Consolidated Entity AHR Loans total AUD 17.7 million and are subject to the same loan terms as the AHI to AHR Loan. The Consolidated Entity AHR Loans are repayable on the same basis as the AHI to AHR Loan. Therefore, if AHR makes a loan repayment to AHI, AHR will also be required to make a loan repayment to its lenders within the Alara Consolidated Group on a pro-rata basis.

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19. ISSUED CAPITAL

	2021 №	2020 №	2021 $	2020 $
Fully paid ordinary shares	705,429,239	634,886,315	68,233,860	66,340,323

2020	**№**	**$**
Balance as at 1 July 2019	629,017,589	66,107,405
- Share movement during the 2020 financial year	5,868,726	232,918
- Share issue costs during the 2020 financial year	-	-
Balance as at 30 June 2020	634,886,315	66,340,323
2021	**№**	**$**
Balance as at 1 July 2020	634,886,315	66,340,323
- Share movement during the 2021 financial year	70,542,924	1,904,629
- Share issue costs during the 2021 financial year	-	(11,092)
Balance as at 30 June 2021	705,429,239	68,233,860

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. The Consolidated Entity had no external borrowings as at 30 June 2021, other than as disclosed in Note 18. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

Accounting Policy Note
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

20. RESERVES

	2021 $	2020 $
Foreign currency translation reserve	901,756	2,468,811
Transactions with minority interests	8,593,853	8,593,853
	9,495,609	11,062,664

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 de-recognised when the investment is disposed of.

Options reserve
The number of unlisted options outstanding over unissued ordinary shares at the reporting date is as follows:

	Grant date	Number of options	2021 $	2020 $
Employees' Options				
Listed options exercisable at AUD 0.03; expiring 31 March 2022 - Atmavireshwar Sthapak	3 Dec 2020	5,000,000	-	-
Listed options exercisable at AUD 0.03; expiring 01 July 2022 - Stephen Gethin	3 Dec 2020	4,000,000	-	-
		9,000,000	-	–

21. SHARE-BASED PAYMENTS

There were no shares issued as a result of the exercise of any options during the year (2021: NIL).

ACCOUNTING POLICY NOTE
Director/Employee Options
The fair value of options granted by the Company to directors and employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured as at grant date and is expensed in full as at their date of issue where they are 100% vested on grant and otherwise over their vesting period (where applicable). The fair value at grant date is determined using the Black-Scholes valuation model that takes into account the exercise price, the term of the option, the vesting criteria, the unlisted nature of the option, the share price at grant date and the expected price volatility of the underlying shares in the Company, and the risk-free interest rate for the term of the option. Upon the exercise of options, the balance of the reserve relating to those options is transferred to share capital.

22. SEGMENT INFORMATION

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

2021	Australia $	Oman $	Saudi Arabia $	Total $
Total segment revenues	11,116	663	-	11,779
Total segment loss/(profit)before tax	(1,112,876)	(542,903)	(14,692)	(1,670,471)
Total segment assets	3,527,013	19,794,225	-	23,321,238
Total segment liabilities	(552,903)	(1,260,547)	-	(1,813,450)
2020				
Total segment revenues	414,335	228,517	-	642,852
Total segment loss before tax	3,465,354	(951,327)	(2,528,993)	(14,966)
Total segment assets	2,686,298	21,148,196	-	23,834,494
Total segment liabilities	(490,495)	(492,222)	-	(982,717)

(a) Reconciliation of segment information	2021 $	2020 $
(i) Total Segment Assets		
Total Assets as per Statement of Financial Position	23,321,238	23,834,494
(ii) Total Segment Revenues		
Total Revenue as per Statement of Profit or Loss and Other Comprehensive Income	11,779	642,852
(iii) Total Segment profit/(loss) before tax		
Total Consolidated Entity profit/(loss) before tax	(1,670,471)	(14,966)

ACCOUNTING POLICY NOTE
Operating Segments

The Consolidated Entity has applied AASB 8: Operating Segments which requires that segment information be presented on the same basis as that used for internal reporting purposes. An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are reviewed regularly by management to make decisions on allocation of resources to the relevant segments and assess performance. Unallocated items comprise mainly share investments, corporate and office expenses.

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23. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable, and investments. The principal activity of the Consolidated Entity is resource exploration, evaluation and development. The main risks arising from the Consolidated Entity's financial instruments are market (which includes price, interest rate and foreign exchange risks), credit and liquidity risks. Risk management is carried out by the Board of Directors. The Board evaluates, monitors and manages the Consolidated Entity's financial risk in close co-operation with its operating units. The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board.

The Consolidated Entity holds the following financial instruments:

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	4,241,815	7,674,616
Financial instruments (term deposits)	1,039,829	8,661
Trade and other receivables	38,566	30,633
Financial asset	444,427	422,342
	5,764,637	8,136,252
Financial liabilities at amortised cost		
Trade and other payables	(988,405)	(267,734)
Financial liabilities	(723,128)	(684,411)
	(1,711,533)	(952,145)
Net Financial Assets	4,053,104	7,184,107

(a) Market Risk

(i) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the statement of financial position at fair value through profit or loss. The Consolidated Entity is not directly exposed to commodity price risk. The value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps. Market risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

(ii) interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments and its loan from third parties. The average interest rate applicable to funds held on deposit during the year was 0.25 % (2020: 1.15%).

	2021 $	2020 $
Cash at bank	4,136,880	7,467,091
Term deposits	104,393	207,286
Term deposits more than 90 days	1,039,829	8,661
Loan with unrelated third parties	(723,128)	(684,411)
	4,557,974	6,998,627

The Consolidated Entity has borrowings subject to interest rate risk. The possible impact on profit or loss or total equity on this exposure is displayed below:

Loan with unrelated third party	2021 $	2020 $
Change in profit		
Increase by 1%	(7,231)	(6,844)
Decrease by 1%	7,231	6,844
Change in equity		
Increase by 1%	(7,231)	(6,844)
Decrease by 1%	7,231	6,844

Revenue	2021 $	2020 $
Change in profit		
Increase by 3%	127,254	230,238
Decrease by 3%	(127,254)	(230,238)
Change in equity		
Increase by 3%	127,254	230,238
Decrease by 3%	(127,254)	(230,238)

(iii) Foreign exchange risk
The Consolidated Entity is exposed to foreign currency risk in cash held in Omani Riyals (OMR) by the Consolidated Entity's foreign controlled entity, foreign resource project investment commitments and exploration and evaluation expenditure on foreign exploration and evaluation. The primary currency giving rise to this risk is Omani Riyals (OMR). The Consolidated Entity has not entered into any forward exchange contracts as at reporting date and is currently fully exposed to foreign exchange risk. The Consolidated Entity's exposure to foreign currency risk at reporting date was as follows:

	2021 OMR	2020 OMR
Cash and cash equivalents	817,141	1,621,512
Trade and other receivables	124,385	209,152
Trade and other payables	(245,804)	(44,068)
Non-current financial liabilities	(206,376)	(201,753)
	489,346	1,584,843

	2021 US $	2020 US $
Cash and cash equivalents	71	-
	71	-

The Consolidated Entity's exposure to foreign exchange risk is mitigated by having comparable asset and liability balances in OMR and US dollars. Therefore, a sensitivity analysis has not been performed. The Consolidated Entity enters into forward exchange contracts with its Australian bank from time to time to hedge against foreign exchange risk.

(b) Credit risk
Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Concentrations of credit risk are minimised primarily by undertaking appropriate due diligence on potential investments, carrying out all market transactions through approved brokers, settling non-market transactions with the involvement of suitably qualified legal and accounting personnel (both internal and external), and obtaining sufficient collateral or other security (where appropriate) as a means of mitigating the risk of financial loss from defaults. This financial year there was no necessity to obtain collateral.
The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2021 $	2020 $
Cash and cash equivalents		
BB-	4,241,273	7,674,377
No external credit rating available	542	239
	4,241,815	7,674,616
Trade and other receivables (due within 30 days)		
No external credit rating available	38,566	30,633
	38,566	30,633

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk. All receivables noted above are due within 30 days. None of the above receivables are past due.

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. There is sufficient cash and cash equivalents and the non-cash investments can be realised to meet accounts payable arising in the normal course of business. The financial liabilities maturity obligation is disclosed below:

2021	Less than 6 months $	6-12 months $	1-5 years $	Total $
Financial assets				
Cash and cash equivalents	4,241,815	-	-	4,241,815
Financial instruments (Term deposits)	-	1,030,168	9,661	1,039,829
Interest free loan to Alara Resources LLC	-	-	444,427	444,427
Trade and other receivables	38,566	-	-	38,566
	4,280,381	1,030,168	454,088	5,764,637
Financial liabilities				
Trade and other payables	(988,405)	-	-	(988,405)
Other financial liabilities	(16,087)	(5,322)	(701,719)	(723,128)
	(1,004,492)	(5,322)	(701,719)	(1,711,533)
Net inflow/(outflow)	3,275,889	1,024,846	(247,631)	4,053,104

2020 Financial assets	Less than 6 months $	6-12 months $	1-5 years $	Total $
Cash and cash equivalents	7,674,616	-	-	7,674,616
Financial instruments (Term deposits)		8,661	-	8,661
Interest free loan to Alara Resources LLC	-	-	422,342	422,342
Trade and other receivables	30,633	-	-	30,633
	7,705,249	8,661	422,342	8,136,252
Financial liabilities				
Trade and other payables	(267,734)	-	-	(267,734)
Other financial liabilities	-	-	(684,411)	(684,411)
	(267,734)	-	(684,411)	(952,145)
Net inflow/(outflow)	7,437,515	8,661	(262,069)	7,184,107

(d) Fair Value of Financial Assets and Liabilities

The carrying amount of financial instruments recorded in the financial statements represents their fair value determined in accordance with the accounting policies disclosed in Note 1. The aggregate fair value and carrying amount of financial assets at reporting date are set out in Notes 7,8 and 10. The financial liabilities at reporting date are set out in Note 15 and 18.

(e) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Consolidated Entity's financial assets and liabilities approximate their fair values.

ACCOUNTING POLICY NOTE

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Subsequent to initial recognition, these instruments are measured as set out below:

- ***Financial assets at fair value through profit or loss -*** A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.
- ***Loans and receivables -*** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.
- ***Financial liabilities -*** Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Consolidated Entity may use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments. The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as a "financial assets at fair value through profit or loss" and is carried at fair value based on the quoted last bid prices at reporting date.

24. COMMITMENTS

	2021 $	2020 $
(a) Lease Commitments		
Non-cancellable operating lease commitments:		
Within 1 year	14,045	8,376
1-5 years	-	-
After 5 years	-	-
Total	14,045	8,376

The Group leases office space under a non-cancellable operating lease. On renewal, the terms of the lease are renegotiated. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

25. CONTROLLED ENTITIES

Investment in Controlled Entities	Controlled entity	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-21	Jun-20
Alara Resources Limited (AUQ)	Parent	Exploration	Australia	6-Dec-06	100%	100%
Alara Peru Operations Pty Ltd (APO)	AUQ	Inactive	Australia	9-Mar-07	100%	100%
Alara Saudi Operations Pty Ltd (ASO)	AUQ	Management	Australia	4-Aug-10	100%	100%
Saudi Investments Pty Limited (SIV)	AUQ	Development	Australia	14-Feb-11	100%	100%
Alara Oman Operations Pty Limited (AOO)	AUQ	Management	Australia	28-Jun-10	100%	100%
Alara Kingdom Operations Pty Limited (AKO)	AUQ	Management	Australia	5-Sep-11	100%	100%
Alara Saudi Holdings Pty Limited (ASH)	AUQ	Inactive	Australia	5-Jun-13	100%	100%
Al Hadeetha Resources LLC	AOO	Exploration / Development	Oman	6-Feb-07	51%	51%
Alara Resource Ghana Limited	AUQ	Inactive	Ghana	8-Dec-09	100%	100%
Alara Peru S.A.C	APO	Inactive	Peru	1-Mar-07	100%	100%
Alara Operations LLC	AOO	Administration	Oman	01-Feb-20	100%	100%
Sita Mining Company LLC	ASO	Inactive	Saudi Arabia			
Khnaiguiyah Mining Company LLC	AKO	Inactive	Saudi Arabia			

26. JOINTLY CONTROLLED ENTITIES & INVESTMENTS IN ASSOCIATES

Investment in Jointly Controlled Entities	Controlled entity	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-21	Jun-20
Daris Resources LLC	AOO	Exploration	Oman	1-Dec-10	50%	50%
Alara Resources LLC	AOO	Mining Services	Oman	2-Oct-10	35%	35%

27. RELATED PARTY TRANSACTIONS

(a) Controlled and Jointly Controlled Entities

Details of the interest in controlled entities and jointly controlled entities are set out in Notes 25 and 26.

(b) Transactions with other related parties

The following transactions occurred with related parties during the year ending 30 June 2021:

(i) Director loan agreement
There was no outstanding directors' loan during the year.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key Management of the Consolidated Entity are each Director and Company Executive being a company secretary or senior managers with authority and responsibility for planning, directing and controlling the major activities of the Company or Consolidated entity. Details of key management personnel individual remuneration are disclosed in the remuneration report section of the directors' report.
Key Management Personnel remuneration includes the following expenses:

	2021 $	2020 $
Short term employee benefits:		
Remuneration including bonuses and allowances	1,108,572	1,076,295
Total short term employee benefits	1,108,572	1,076,295
Long term benefits	-	59,105
Total other long-term benefits	-	59,105
Post-employment benefits:		
Defined benefit pension plans	-	-
Defined contribution pension plans	2,314	-
Total post-employment benefits	2,314	-
Termination benefits	-	-
Share-based payments	-	-
Total remuneration	1,110,886	1,135,400

28. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities exist in relation to certain exploration and evaluation of the Consolidated Entity subject to the continued development and advancement of the same, as described below.

(a) **Shareholders' Agreement – Daris Resources LLC – Daris Copper-Gold Project (Oman)** – On 28 August 2010, Alara Oman Operations Pty Limited, a wholly owned subsidiary of the Company, entered into a shareholders' agreement with Daris Copper Project concession holder, Al Tamman Trading Establishment LLC (ATTE). Under the agreement Alara may invest up to USD 7m in a joint venture company Daris Resources LLC (DRL) to gain up to a 70% shareholding. Daris Resources LLC (**DRL**) was incorporated in Oman on 1 December 2010 (Alara 50%: ATTE 50%). To the extent that further funding is required, Alara is entitled to advance up to USD 4m to DRL as a loan (on commercial terms and repayable as a priority before distribution of dividends) – convertible into equity in DRL to take Alara's interest to 70%. DRL has exclusive rights (to be further formalised under a management agreement with ATTE) to manage, operate and commercially exploit the concession. DRL is governed by a 6-member board of directors with 3 nominees (including the Chairman) from Alara and 3 from ATTE.

(b) **Shareholders' Agreement – Alara Resources LLC (Oman)** – On 8 August 2010, Alara Oman Operations Pty Limited (AOOPL), a wholly owned subsidiary of the Company, entered a shareholders' agreement with Sur United International Co. LLC (Sur) under which a joint venture company Alara Resources LLC (ARL) was established to identify and exploit mineral exploration opportunities in Oman. Alara contributed 100% of ARL's initial capital of 150,000 Omani Rials (RO) (then equivalent to approx. AUD 425,000) for a 70% interest in ARL, with Sur then holding the balance of 30%. Alara transferred a 35% shareholding in ARL to South-West Pinnacle Exploration Ltd in 2018. In January 2019 Sur transferred its 30% shareholding in ARL to Al Tasnim Infrastructure Services LLC. ARL now conducts the business of drilling and exploration services.

(c) **Shareholders' Agreement – Al Hadeetha Copper-Gold Project (Oman)** – On 23 November 2011, Alara Oman Operations Pty Limited (AOOPL), a wholly owned subsidiary of the Company, entered into a shareholders' agreement with Al Hadeetha Investments LLC (AHI) to regulate the two companies' investment in Al Hadeetha Resources LLC (AHRL). On 18 November 2018 AOOPL sold a 19% interest in AHR to Al Tasnim Infrastructure Services LLC (Al Tasnim). AHRL is governed by a 4-member Board of Directors, with two Directors appointed by Alara (including the Chairman) and one appointed by AHI (provided it continues to own at least 21% of the AHRL shares) and one appointed by Al Tasnim (provided that it continues to own at least 19% of the AHRL shares).

(d) **Directors' Deeds** – The Company has entered into deeds of indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Consolidated Entity. As at the reporting date, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(e) **Bayan Mining LLC JV Agreement** – On 16 July 2015 Saudi Investments Pty Ltd (a wholly owned subsidiary of the Company) entered into a JV agreement with Bayan Mining LLC. 40,000,000 shares are to be issued upon satisfaction of all of the conditions precedent, which includes the granting of the Khnaiguiyah mining licence to Bayan or the JV.

(f) **Loan to unrelated party (AHI) (Oman)** – On 26 October 2017 Al Hadeetha Investments LLC (**AHI**) gave a bank guarantee of OMR 30,000 to the Omani Ministry of the Environment as security for performance of the environmental obligations of AHRL in connection with the Al Wash-hi Majaza Project mining licence. AHI was required to deposit the amount of the face value of the bank guarantee with its bank as security in the event that the bank guarantee is called upon. Pursuant to an agreement between the Consolidated Entity and AHI, the Consolidated Entity paid OMR 20,000 to AHI on or about that date, representing an approximation of its share of liability to contribute to the costs of remediating any unmet environmental obligations of AHR. This amount will be returned to the Consolidated Entity in the event that AHRL performs its environmental obligations in relation to that mining licence.

29. SUBSEQUENT EVENTS

Events occurring after the balance date are set out as below:

Al Wash-hi Majaza Project ("Project") development

The Company continue to develop the Project after the end of the reporting period, as detailed in the section of this report titled "Review of Operations".

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The Directors of the Company declare that:

1. The Financial Statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and accompanying notes as set out on pages 19 to 42, are in accordance with the *Corporations Act 2001* and:

   (a) Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (b) Give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the year ended on that date;

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. The Remuneration Report disclosures set out (within the Directors' Report) as the audited Remuneration Report comply with section 300A of the *Corporations Act 2001*;

4. The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

5. The Directors have received the declarations required to be made to the Directors by the Managing Director (the person who performs the chief executive officer function) and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

Atmavireshwar Sthapak
Managing Director
29 September 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alara Resources Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED (continued)

<table>
<tr><th>Key Audit Matter - Cash and Cash Equivalents</th><th>How our Audit Addressed the Key Audit Matter</th></tr>
<tr><td>The Group's cash and cash equivalents make up 80% of total current assets by value and are considered to be the key driver of the Group's operations and exploration activities.

We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.

However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</td><td>Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:

• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger;

• Checking the appropriateness of foreign exchange rates used for cash and cash equivalents denominated in foreign currencies; and

• Agreeing significant cash holdings to independent third-party confirmations.

We have also assessed the appropriateness of the disclosures included in the financial report.</td></tr>
<tr><td>Key Audit Matter - Exploration and Evaluation Expenditure and Mine Properties and Development Assets</td><td>How our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>The Group incurred significant expenditure on exploration and evaluation and mine properties and development assets during the year.

We do not consider exploration and evaluation and mine properties and development assets to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</td><td>Our procedures in assessing exploration and evaluation and mine properties and development assets included but were not limited to the following:

• We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.

• We considered whether there were any indicators of impairment;

• We tested a sample of expenditure to supporting documentation to ensure they were bona fide payments; and

• We documented and assessed the processes and controls in place to record expenditure.

We have also assessed the appropriateness of the disclosures included in the financial report.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALARA RESOURCES LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Alara Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 29 September 2021

Daniel Dalla
Partner

Forward-Looking Statements

This report contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Alara, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Alara and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Alara believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Alara does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.