FULL YEAR REPORT

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

30 June 2015

ASX Code: AUQ

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

PRINCIPAL & REGISTERED OFFICE:

Level 11, London House
216 St Georges Terrace
Perth, Western Australia 6000

T | +61 8 9481 0389
F | +61 8 9463 6103
E | info@alararesources.com
W | www.alararesources.com

SHARE REGISTRY:
Advanced Share Registry Limited

110 Stirling Highway
Nedlands, Western Australia 6009

PO Box 1156,
Nedlands, Western Australia 6909

T | + 61 8 9389 8033
F | + 61 8 9262 3723
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

Level 6, 225 Clarence Street
Sydney, New South Wales 2000

PO Box Q1736, Queen Victoria Building
New South Wales 1230

T | +61 2 8096 3502

Alara Resources

Contents

Corporate Directory

Directors

James Phipps	Non-Executive Chairman
Justin Richard	Managing Director
Shanker Madan	Technical Director
Atmavireshwar Sthapak	Non-Executive Director
Ian Gregory	Alternate Director to Justin Richard

Company Secretaries
Elizabeth Hunt
Ian Gregory

Registered Office and Business Address
Level 11, London House
216 St Georges Terrace
Perth, Western Australia 6000

GPO Box 2517
Perth, Western Australia 6831

Telephone: + 61 8 9481 0389
Facsimile: + 61 8 9463 6103
E-mail: info@alararesources.com

ABN: 27 122 892 719

Auditors
Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth, Western Australia 6005

Telephone: +61 8 9480 2000
Facsimile: +61 8 9322 7787
Website: www.grantthornton.com.au

Share Registry
Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

Level 6, 225 Clarence Street
Sydney, New South Wales 2000

Telephone: +61 2 8096 3502

E-mail: admin@advancedshare.com.au
Website: www.advancedshare.com.au

Australian Securities Exchange
ASX Limited
Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

ASX Code: AUQ

Corporate Governance Statement

The Company's Corporate Governance Statement is available on the Company's Website**:** www.alararesources.com

Website: www.alararesources.com

Shareholders wishing to receive copies of Alara Resources Limited ASX market announcements by email should register their interest by contacting the Company at info@alararesources.com.

The Directors present their report on Alara Resources Limited (**Company** or **Alara** or **AUQ**) and the entities it controlled at the end of or during the financial year ended 30 June 2015 (the **Consolidated Entity** or **Group**).

REVIEW OF OPERATIONS

Board Changes

On 19 May 2015, Philip Hopkins resigned as Managing Director by mutual agreement with the Company.[1]

On 12 June 2015, John Hopkins OAM resigned as Non-Executive Director.[2]

On 16 June 2015, Justin Richard was appointed Managing Director and Chief Executive Officer.[2] Mr Richard has been the Company's Legal & Commercial Manager since August 2011 and also Alara's Country Manager in Saudi Arabia (since November 2012) and Oman (since December 2013).[3]

On 22 June 2015, Justin Richard appointed Ian E. Gregory as his Alternate Director[4] (but not as Alternate Managing Director).[4] Mr Gregory was also appointed joint Company Secretary on 30 June 2015.[5]

On 31 July 2015[6]:

- Ian Williams AO resigned as Chairman.
- James Phipps was appointed Non-Executive Chairman of the Board. Mr Phipps has been a Non-Executive Director of the Company since November 2014 and was previously an Alternate Director to His Royal Highness Prince Abdullah bin Mosaad bin Abdulaziz Al Saud (since October 2013). [7]
- Shanker Madan was appointed as Technical Director. Mr Madan served as the founding Managing Director of Alara between May 2007 and June 2013 and oversaw, amongst other matters, the acquisition of Alara's current Khnaiguiyah Zinc-Copper Project in Saudi Arabia and Washihi and Daris Copper-Gold Projects in Oman and the completion of the Khnaiguiyah DFS in April 2013.

On 28 August 2015, Elizabeth Hunt, the Managing Director of Mining Corporate, was appointed Company Secretary replacing Victor Ho who resigned on 31 August 2015 after a long and valued tenure with Alara. At the same time the Company announced that Mining Corporate had been engaged to provide outsourced company secretarial and accounting services from 1 September 2015.

On 22 September 2015 Atmavireshwar Sthapak was appointed as an Non-Executive Director.

Corporate Transaction

On 16 June 2015, in response to an ASX price and volume query, the Company announced it was in discussions with another company in relation to a potential corporate transaction. [8]

The Company further advised that a draft Merger Implementation Agreement ('MIA') had passed between the parties and other deal options are also being considered by the parties.

As at the date of this report, no final agreement has been reached.

Meanwhile, the Company commenced a feasibility study in Oman and continued discussions with other parties looking to invest in the Company's JV project/s directly (at a project level) and via AUQ. These developments are complementary to the corporate transaction announced on 16 June and serve to further advance the interests of current and future stakeholders.

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1 Refer Alara's 19 May 2015 ASX Announcement: Resignation of Managing Director
2 Refer Alara's 16 June 2015 ASX Announcement: Company Update
3 Refer Alara's 24 December 2013 ASX Announcement: Corporate Update and Projects Update – Oman and Saudi Arabia
4 Pursuant to Clause 10.1 of the Company's Constitution
5 Refer Alara's 1 July 2015 ASX Announcement: Appointment of Joint Company Secretary
6 Refer Alara's 3 August 2015 ASX Announcement: Board Changes
7 Refer Alara's 5 November 2014 ASX Announcement: Board Changes
8 Refer Alara's 16 June 2015 ASX Release: Response to ASX Price and Volume Query and ASX Announcement: Company Update

Budget and Financing

The Company has further reduced its corporate overhead and operating expenses during year, including subleasing of office space, outsourcing administrative functions and consolidating key roles within the Company.

On 17 September 2015, the Company confirmed the feasibility study in Oman had been budgeted for and a private bridging loan facility had been entered into[9]. The bridging loan is linked to the variable business loan rate offered by a major Australian bank (currently 7.98%)

Other financing options, including those referred to in the 'Corporate Transaction' section above, are also under consideration and will be utilised if and when it is in the Company's interest to do so.

Projects

Jabal Ash Shizm Base Metals Project — Saudi Arabia

(Alara - 60%:Bayan Mining Company LLC– 40% unincorporated joint venture; potentially transitioning to an incorporated joint venture subject to compliance with regulatory requirements)

In July 2015, Alara announced that it had entered into a new joint venture framework agreement with a local partner, Bayan Mining Company LLC[10] ('Bayan').

While the initial focus of this joint venture is on the Jabal Ash Shizm base metals prospect located in the north western part of the Arabian shield (in respect of which Bayan has recently applied for an Exploration Licence), the agreement provides scope for the joint venture to extend to other projects in Saudi Arabia.

Khnaiguiyah Zinc-Copper Project — Saudi Arabia

(Alara - 50%[11] increasing to 60%[12]:United Arabian Mining Company LLC (Manajem) – 50% decreasing to 40%, of Khnaiguiyah Mining Company LLC (KMC))

Impasse with Manajem

Expectations of acquiring an additional 10% interest (taking Alara's interest to 60%) in the project under the March 2014 updated JV agreement stalled during the year. After reaching an impasse with Manajem in June 2014[13], Alara put a hold on further Definitive Feasibility Study (**DFS**)[14] optimisation, pending resolution of the mining licence (**ML**) transfer to KMC, or an alternate arrangement enabling the project to proceed in accordance with the DFS.

JV with Bayan

(Alara - 70%:Bayan Mining Company LLC– 30% unincorporated joint venture; potentially transitioning to an incorporated joint venture subject to compliance with regulatory requirements)

As a contingency against ML cancellation[15] and/or further licences connected to the Khnaiguiyah site not being renewed or granted to Manajem, Alara extended its JV agreement with Bayan to include the Khnaiguiyah area[16]. In connection with this agreement, Bayan submitted a mining licence application over areas adjacent to the Khnaiguiyah Mining Licence[17].

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9 Refer Alara's 17 June 2015 ASX Announcement: Company Update
10 Refer Alara's 21 July 2015 ASX Announcement: Alara Announces New JV Partner in Saudi Arabia
11 Refer Alara's 5 October 2010 ASX Announcement: Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia" and 25 October 2010 ASX Announcement: Execution of Joint Venture Agreement - Khnaiguiyah Zinc Copper Project in Saudi Arabia
12 Refer Alara's 14 March 2014 ASX Announcement: Alara Moving to 60% Interest in the Khnaiguiyah Project and 4 April 2014 ASX Announcement: Completion of Agreement for Updated Khnaiguiyah Project Joint Venture
13 Refer Alara's 4 June 2014 ASX Announcement: Khnaiguiyah Project Venture Agreement Has Reached an Impasse
14 Refer Alara's ASX market announcement dated 30 April 2013: Positive DFS Confirms Khnaiguiyah Project as Technically and Financially Robust
15 Refer page three of Alara's Quarterly Report dated June 2015.
16 Refer Alara's ASX market announcement dated 20 August 2015
17 Refer Alara's ASX announcement date 18 September 2015.

Legal Proceedings

In November 2014, Alara announced that Manajem had filed a 'financial claim' against Alara Saudi Operations Pty Limited before the Administrative Court (Board of Grievances) in Riyadh[18]. Alara subsequently issued a formal notice of suspension of the JV shareholders' agreement to Manajem[19] and filed a defence and counter claim against Manajem, which the Court formally enjoined with Manajem's action.

To date, there have been a number of brief (procedural) hearings. The next Court hearing has been set for 17 November 2015.

In relation to the substance of the dispute, Manajem are yet to:

- provide particulars to support their claims (i.e. they have neither stated a cause of action nor provided substantiating evidence); or
- respond to Alara's counter-claims.

Accordingly, the anticipated length of these legal proceedings cannot be determined at this stage. Alara will keep the market informed as further developments occur.

Khnaiguiyah Licencing Issues

The Exploration Licences held by Manajem in connection with the Khnaiguiyah Project (i.e. Umm Al Hijja and Mutiyah) have lapsed.

Similarly, Manajem are no longer registered as holder of Exploration Licences Marjan 1, 2 and 3, which were the subject of the Marjan Shareholders' Agreement[20].

Manajem also received notifications that steps were being taken to cancel the Khnaiguiyah ML pursuant to relevant mining regulations.

Manajem have taken steps to address some of the violations referred to in these notices, including the completion of fencing around the ML area. As at the date of this report, it appears further steps (including renewal of the environmental licence[21]) are yet required to rectify the violations.

If for any reason Manajem are unable to retain the Khnaiguiyah ML, Alara would seek to utilise the DFS (which was funded entirely by Alara) in concert with any new licence holder to help ensure the Khnaiguiyah Zinc-Copper mine advanced to production as soon as possible, whilst still preserving Alara's rights under the existing shareholders' agreement with Manajem.

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[18] Refer Alara's 13 November 2014 ASX Announcement: Khnaiguiyah Project Update; 18 November 2014 ASX Announcement: Khnaiguiyah Project – Update on Legal Matters and 21 January 2015 ASX Announcement: Khnaiguiyah Project – Update on Legal Matter

[19] Refer ASX market announcement dated 18 November 2014 and entitled "Khnaiguiyah Project – Update on Legal Matters"

[20] Refer Alara's 18 April 2011 ASX Announcement: Acquisition of Interest in Marjan Project - Saudi Arabia

[21] Refer Alara;s ASX market announcement dated 24 January 2012.

Washihi-Mullaq-Al Ajal Copper-Gold Project Oman

(Alara - 70%:Al Hadeetha Investments LLC – 30%, of Al Hadeetha Resources LLC (AHR))

Daris Copper-Gold Projects Oman

(Alara - 50%: Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (DRL))

The Washihi Copper-Gold Project comprises 3 exploration licences and 3 applications for mining licences over the Washihi, Mullaq and Al Ajal prospects. The Daris Copper-Gold Project comprises one exploration licence (Block 7) and 2 applications for mining licences over the Daris-East and Daris 3A-5 prospects. The Washihi deposit is located ~160km west and southwest of Muscat Airport by road and ~375km from Mawarid's Lasail Copper Concentrator Plant by road. The State owned Oman Mining Company (**OMCO**) Copper Smelter is located adjacent to the Lasail Plant and the bulk shipping port at Sohar is located ~35km from the Smelter.

In October 2014[22], Alara announced the outcomes of an Advanced Scoping Study which evaluated three potential development scenarios combining the Daris and Washihi deposits into an overall 'hub & spoke' broader regional approach centred around a Heavy Media Separation (**HMS**) plant followed by a conventional flotation circuit located at site of the Washihi JORC Mineral Resource with contributions from the Daris-East JORC Mineral Resource and exploration targets from the Daris 3A-5 prospect (within the Block 7 exploration licence) and Al Ajal and Mullaq prospects/exploration licences, as follows:

- A 'Base Case' 0.5Mtpa conventional flotation plant (post HMS) from mining inventory sourced from the existing JORC Mineral Resources at the Washihi and Daris-East deposits;
- An 'Enhanced Base Case' 0.5Mtpa conventional flotation plant (post HMS), which is based on a slight increase in the mining inventory sourced from a high grade early stage prospect within the Mullaq exploration licence; and
- A 'Target Case' encompassing a larger scale flotation plant (post HMS) case scenario based on a more substantial increase in the mining inventory sourced from JORC Exploration Targets identified on prospects across the Oman Project area.

Further details on the outcomes of the Advanced Scoping Study are outlined in Alara's 14 October 2014 ASX Announcement (Oman Project Update: Positive Advanced Scoping Study Outcomes).

In February 2015[23], Alara announced that it had entered into a Memorandum of Understanding (**MOU**) with Mawarid Mining LLC to collaboratively define and optimise an operation to process copper/gold ore from the Washihi deposit at Mawarid's Lasail Copper Concentrator Plant (located near the port of Sohar).

The 2014 Advanced Scoping Study was accordingly reviewed vis a vis this Toll Treatment scenario for the Washihi Project and in April 2015[24], Alara announced the outcomes of an Updated Advanced Scoping Study (**Updated Study**) evaluating the mining of the Washihi deposit (and the adjacent high-grade Mullaq prospect) and toll treating the ore (upgraded via HMS on site) at the Mawarid Lasail Process Plant. Two development options were evaluated under the Updated Study as follows:

- A 'Base Case' 2Mtpa mining rate feeding a 2-stage crushing and HMS circuit with enriched ore transported (~370km) to Mawarid's Lasail Copper Concentrator Plant for toll treatment and the sale of concentrate product to the adjacent State owned OMCO Copper Smelter. This case is based largely on mining inventory within the existing JORC Mineral Resources at Washihi with the addition of a high grade early stage prospect at Mullaq; and
- A 'Target Case' which expands from the Base Case using the same infrastructure but with a longer project life. This case is based on a more substantial increase in the mining inventory sourced from Exploration Targets within the Washihi Project.

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[22] Refer ASX market announcement dated 14 October 2014 and entitled Oman Project Update: Positive Advanced Scoping Study Outcomes

[23] Refer Alara's ASX market announcement dated 19 February 2015: Oman Washihi Project Defined – MOU with Mawarid Mining

[24] Refer Alara's 9 April 2015 ASX Announcement: Update to Advanced Scoping Study for Washihi Copper-Gold Project in Oman

The Updated Study shows both positive technical and commercial aspects to the Project and further details (including key metrics and financial outcomes) are in Alara's 9 April 2015 ASX Announcement (Update to Advanced Scoping Study for Washihi Copper-Gold Project in Oman).

In August, the Company announced it had engaged Mr Shanker Madan (Technical Director) to compile and complete the feasibility study in Oman[25]. The feasibility study is scheduled for completion in Q1 2016. In connection with the feasibility study, Alara is currently being finalising a MOU with a large, vertically integrated mining, engineering and construction group who have submitted a proposal to supply, build and commission a copper-gold processing plant with annual capacity of up to 800,000 tonnes per annum at the Washihi site.

Other Corporate Matters

Share Issue

On 13 April 2015, the Company issued 6 million fully paid ordinary shares[26]. This was pursuant to a share subscription which offset a 6 month retainer fee payable by the Company for corporate advisory services. This issue was undertaken within the Company's 15% share placement capacity under ASX Listing Rules.

Termination of Small Holding Share Sale Facility and Reinstatement of Small Holdings

On 3 September 2014, the Company initiated a 'Small Holding Share Sale Facility' in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels') valued at $500 or less.

Based on the Company's last sale share price on the ASX (on 1 September 2014) of 4.7 cents, a small holding under this facility constituted 10,638 or fewer shares. The Company's share register had 1,521 (out of 2,104) shareholders holding a small holding at this time and these holders held, in aggregate, 2,918,776 shares or 1.21% of the Company's total issued share capital (of 242,007,500 shares).

The Company's constitution provides a mechanism by which the Board may, with the agreement of the relevant shareholder, aggregate small holdings and sell them on the shareholders' behalf thereby possibly achieving a higher price for the shares than would have been possible had they been sold as individual small parcels. This initiative allows for the full gross proceeds to be realised by shareholders of such small parcels without any associated brokerage or selling costs (which would be borne by the Company) and benefits the Company in terms of savings in maintenance costs in relation to share registry fees and also printing, mail-out and postage costs. Furthermore, for some shareholders, the costs of selling their small holdings may result in a proportionally high transaction cost compared to the gross proceeds of sale.

A Notice of Intention to Sell and accompanying Share Retention Form was despatched to relevant shareholders (holding a 'small holding' of shares as at the 1 September 2014 Record Date) on 3 September 2014.

Further details in relation to this capital management initiative are in Alara's 3 September 2014 ASX Announcement (Small Holding Share Sale Facility).

At the end of the requisite notice period (16 October 2014), there were a total of ~1,250 shareholders holding an aggregate ~2 million shares to be sold under the facility.

Pursuant to the Company's Constitution[27], this facility has a prescribed minimum sale price based on the Company share price preceding the date of the abovementioned notice.

The Company was not able to sell these aggregated shares as the Alara share price had been trading below the prescribed minimum sale price.

As such, on 19 May 2015[28], the Company announced that it had determined to terminate the Small Holding Share Sale Facility.

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25 Refer Alara's ASX market announcement dated 26 August 2015.

26 Refer Alara's 13 April 2015 ASX Announcement: Appendix 3B New Issue and Application for Quotation and Cleansing Statement.

27 Clause 152 of the Company's Constitution

28 Refer Alara's 18 May 2015 ASX Announcement: Termination of Small Holding Share Sale Facility and Reinstatement of Small Holdings

On or about 25 May 2015, all affected shareholders had their shareholdings reinstated and received updated holding statements shortly thereafter.

Sita Mining Company LLC

It is noted the Company has no staff seconded to Sita Mining Company LLC ('Sita'), has no registered signing authority for Sita and does not currently exercise any management control over Sita. Pursuant to a Shareholders Agreement dated 31 December 2011, Alara retains a 70% interest in Sita through its subsidiary Alara Kingdom Operations Pty Ltd.

OTHER STATUTORY INFORMATION

Corporate Information

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

Principal Activities

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

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity save as otherwise disclosed in this Directors' Report or the financial statements and notes thereto.

Dividends

No dividends have been paid or declared during the financial year.

Operating Results

Consolidated	**2015 $**	**2014 $**
Total revenue	55,399	122,190
Total expenses	(2,114,425)	(4,401,572)
Loss before tax	(2,059,026)	(4,279,382)
Income tax benefit	292,773	4,754,097
Loss after tax	(1,766,253)	474,715

Loss per Share

Consolidated	**2015**	**2014**
Basic and Diluted profit/(loss) per share (cents)	(0.67)	0.30
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	248,007,500	242,007,500

Cash Flows

Consolidated	**2015 $**	**2014 $**
Net cash flow from operating activities	(1,802,030)	520,300
Net cash flow from investing activities	(485,944)	(2,092,376)
Net change in cash held	(2,287,974)	(1,572,076)
Cash held at year end	937,192	3,151,295

Financial Position

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

Consolidated Entity	2015 $	2014 $
Cash	937,192	3,151,295
Financial assets held at fair value through profit or loss	-	142,956
Trade and other receivables	255,961	549,990
Resource projects	33,190,221	31,427,358
Other assets	5,518,574	5,858,211
Total assets	**39,901,948**	**41,129,810**
Trade and other payables	(2,029,596)	(2,104,446)
Provisions	(125,767)	(103,790)
Total liabilities	**(2,155,363)**	**(2,208,236)**
Net assets	**37,746,585**	**38,921,574**
Issued capital	61,018,659	60,958,659
Reserves	361,429	1,508,721
Accumulated losses	(23,073,685)	(23,121,079)
Parent interest	38,306,403	39,346,301
Non-controlling interest	(559,818)	(424,727)
Total equity	**37,746,585**	**38,921,574**

Securities in the Company

Issued Capital

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

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	248,007,500	-	248,007,500
$0.35 (22 August 2015) Unlisted Options[29]	-	400,000	400,000
$0.10 (15 January 2016) Unlisted Options[30]	-	10,000,000	10,000,000
$0.15 (21 November 2016) Unlisted Managing Director's Options[31]	-	3,333,334	3,333,334
$0.20 (21 November 2016) Unlisted Managing Director's Options[32]	-	3,333,333	3,333,333
Total	**248,007,500**	**17,066,667**	**265,074,167**

29 Terms and conditions of issue are set out in an ASX Appendix 3B New Issue Announcements lodged on 23 August 2010

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

31 Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013

32 Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013

Unlisted Options

During and subsequent to the end of the financial year, the following unlisted options previously held by Directors and Company personnel lapsed or were cancelled:

№ of Options	Date of Lapse/ Cancellation	Description of Options	Exercise Price	Date of Issue	Original Expiry Date
10,000,000	1 Nov 2014[33]	$0.15 (15 January 2016) Unlisted Director's Options[34]	$0.15	16 Jan 2014	15 Jan 2016
3,333,334	19 June 2015[35]	$0.15 (21 November 2016) Unlisted Managing Director's Options[36]	$0.15	22 Nov 2013	21 Nov 2016
3,333,333	19 May 2015[37]	$0.20 (21 November 2016) Unlisted Managing Director's Options[6]	$0.20	22 Nov 2013	21 Nov 2016
400,000	22 Aug 2015	$0.35 (22 August 2015) Unlisted Options[38]	$0.35	23 Aug 2010	22 Aug 2015

Likely Developments and Expected Results

The Consolidated Entity intends to continue its exploration, evaluation and development activities in relation to its mineral resource projects in future years. The results of these activities depend on a range of technical and economic factors and also industry, geographic and company specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the results of exploration and evaluation activities, the future course of markets or the forecast of the likely results of the Consolidated Entity's activities.

Environmental Regulation and Performance

The Consolidated Entity holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities of the various countries in which the Group operates. These licences, Acts and Regulations specify limits and regulate the management of discharges to the air, surface waters and groundwater associated with exploration and mining operations as well as the storage and use of hazardous materials. Except as noted in the 'Khnaiguiyah Licencing Issues' section above, there have been no significant breaches of the Consolidated Entity's licence conditions.

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.

Names, qualifications, experience and special responsibilities of current Directors

James D. Phipps — **Non-Executive Chairman**

BA (Philosophy), JD (Law) — Appointed Chairman 31 July 2015; Appointed Director 1 November 2014; Previously Alternate Director to HRH Prince Abdullah 28 October 2013

Experience

Mr Phipps is a strategic advisor, business executive and lawyer with extensive international and Middle East experience. James serves as principal advisor to His Royal Highness Prince Abdullah bin Mosaad bin Abdulaziz Al Saud, providing strategic advice relative to a worldwide portfolio of businesses, properties and investments. James is Co-Chairman of Sheffield United Football Club, the first "United" and the first association football club worldwide and a founding member of the English Premier League. Presently, SUFC

[33] Lapse of unvested options immediately upon retirement of Director

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

[35] Lapse of unexercised vested options one month after the retirement of the Managing Director

[36] Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013

[37] Lapse of unvested options immediately upon the retirement of the Managing Director

[38] Terms and conditions of issue are set out in an ASX Appendix 3B New Issue Announcements lodged on 23 August 2010

competes in the Football League's League One. James co-chairs Blades Leisure Limited, which holds SUFC and other operating companies, including security and event management companies. James chairs Shout TV, Inc., a Delaware corporation engaged in the sports entertainment business. James sits on the board of the publicly listed Saudi Paper Manufacturing Company, the leading manufacturer of tissue paper products in the Gulf Region. James has experience in corporate turnarounds and has served as chief executive or general manager at different companies in a turn-around capacity. James brings experience to the Board in the context of Alara's Middle East and G.C.C. endeavours.

Special Responsibilities

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

Other Directorships in Listed Companies in Past 3 Years

- Saudi Paper Manufacturing Company (Saudi Stock Exchange (Tadawul): Code 2300) – November 2011 to present.

Justin J Richard — Managing Director

LLB (UWA), Grad Dip Corporate Governance, FCSA, FCIS, MAICD — Appointed 16 June 2015

Experience

Mr Richard has been the Company's General Counsel since 2011 and in 2013 took up residence in Riyadh as Alara's Country Manager for Saudi Arabia. The Company later expanded his role to include management of Alara's joint venture companies in Oman. He is an accomplished corporate lawyer and business manager who has been key in establishing and managing Alara's international joint venture companies, including operations and stakeholder relationships in the Middle East. Prior to joining Alara, Mr Richard worked as Senior Commercial Officer with Bateman Engineering (Australia), Corporate Counsel and head of legal with UGL Limited (Resources division) and as a lawyer with Minter Ellison. Before entering the legal profession, Mr Richard enjoyed a successful career in private enterprise as Managing Director of Irrigate Australia.

Other Directorships in Listed Companies in Past 3 Years

- None

Alternate Director

On 22 June 2015, Justin Richard appointed Ian E. Gregory as his Alternate Director[39] (but not as Alternate Managing Director).[4] Mr Gregory was also appointed joint Company Secretary on 30 June 2015.[40] Mr Gregory's experience and qualifications are set out below.

H. Shanker Madan — Technical Director

Honours and Masters Science degrees in Applied Geology — Appointed 31 July 2015

Experience

Mr Madan served as the founding Managing Director of Alara between May 2007 and June 2013 and oversaw, amongst other matters, the acquisition of Alara's Khnaiguiyah Zinc-Copper Project in Saudi Arabia and the Washihi and Daris Copper-Gold Projects in Oman and the completion of the Khnaiguiyah DFS in April 2013.

Mr Madan has had world-wide experience in the exploration and evaluation of mineral deposits for various commodities. Mr Madan has been the Managing Director of Strike Resources Limited (ASX:SRK), a Manager with Hamersley Iron, Group Leader with BHP Minerals, Chief Geologist with Hancock and Wright Prospecting and a Senior Geological Consultant to the Rio Tinto Group. Mr Madan has managed a range of mineral evaluation studies in Iran, Brazil and Western Australia for BHP, Rio Tinto and Hamersley Iron. He has also acted as a consultant to Rio Tinto, Ashton Mining and others on mineral projects in Brazil, South Africa, India, the Philippines, Fiji and United States, working on a range of iron-ore, diamonds, gold, copper and chromite deposits. He has been involved in the discovery of 3 world class iron deposits in Western Australia for TexasGulf and BHP Minerals. From 1997 to 2001, Mr Madan managed the evaluation of resource projects

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39 Pursuant to Clause 10.1 of the Company's Constitution

40 Refer Alara's 1 July 2015 ASX Announcement: Appointment of Joint Company Secretary

for Hamersley Iron and completed a resource due diligence study of the billion-dollar West Angelas project in the Pilbara region of Western Australia.

Special Responsibilities
Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee.
Oman Feasibility Study.

Other Directorships in Listed Companies in Past 3 Years

- Alara Resources Limited (ASX:AUQ) – 18 May 2007 to 25 July 2013

Atmavireshwar Sthapak — Executive Director

Bachelor of Applied Science and Master of Technology, Applied Geology — Appointed 22 September 2015

Experience

Mr Sthapak is a geologist specializing 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 discovery of large VMS copper mineralisation extensions at the Washihi project in Oman.

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 world class deposits, including Mt. Isa copper deposits in Australia, and copper, gold and diamond mines on four continents.

Special Responsibilities
Member of the Audit Committee and Remuneration and Nomination Committee.

Other Directorships in Listed Companies in Past 3 Years

- None

Retired Directors

The following Directors resigned during or subsequent to the end of the financial year (up to the date of this report):

- Ian Williams AO (Non-Executive Chairman) – 30 November 2010 to 31 July 2015.
- John Hopkins OAM (Non-Executive Director) – 16 October 2013 to 12 June 2015.
- Philip Hopkins (Managing Director) – 2 May 2013 to 19 May 2015.
- His Royal Highness Prince Abdullah bin Mosaad bin Abdulaziz Al Saud (Non-Executive Director) – 28 October 2013 to 1 November 2014.

Company Secretary

Elizabeth V. Hunt

BSc (Murdoch), MAcc (Curtin), GIA(Cert), GAICD — Appointed 31 August 2015

Experience
Elizabeth is Managing Director of Mining Corporate, which provides outsourced company secretarial and accounting services to Alara Resources Limited. Elizabeth has over fifteen years' corporate and accounting experience with a particular interest in governance. Elizabeth's knowledge includes IPO management, governance and risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements and financial accounting and reporting. Elizabeth holds a Science degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management and is a Graduate of the Australian Institute of Company Directors. Elizabeth is also Company Secretary of a number of ASX listed companies.

Ian E. Gregory

BBus, FGIA, FCIS, F Fin, MAICD — Appointed 30 June 2015

Experience

Mr Gregory is a highly regarded Director and Company Secretary with over 30 years' experience in the provision of governance and business administration services covering a variety of industries, including oil and gas, exploration, mining, mineral processing, banking and insurance. Prior to founding his own consulting business in 2005, he was the Company Secretary of Iluka Resources Limited (ASX:ILU), IBJ Australia Bank Ltd Group, the Australian operations of The Industrial Bank of Japan and the Griffin Coal Mining Group of companies. Mr Gregory is a member of the Western Australian Branch Council of Governance Institute of Australia (GIA), a past Chairman of that body and has also served on the National Council of GIA. Mr Gregory is also currently a Non-Executive Director and Company Secretary of Phoenix Gold Limited (ASX:PXG) and Company Secretary of a number of other ASX listed companies and consults on company secretarial matters to a number of listed and unlisted companies.

Retired Company Secretary

The following Company Secretary resigned subsequent to the end of the financial year:

- Victor Ho – 4 April 2007 to 31 August 2015.

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:

	Fully Paid Ordinary Shares	Options
James Phipps	-	-
Justin Richard	-	-
Shanker Madan	713[41]	-
Atmavireshwar Sthapak	-	-
Ian Gregory	-	-

Directors' Meetings

The number of meetings and resolutions of directors (including meetings of committees of directors) held during the year and the number of meetings (or resolutions) attended by each director were as follows:

Name of Director	Appointment	Board		Audit Committee		Remuneration and Nomination Committee (RemCom)	
		Meetings Attended	Maximum Possible Meetings	Meetings Attended	Maximum Possible Meetings	Meetings Attended	Maximum Possible Meetings
Ian Williams	Resigned 31 July 2015	14	14	4	4	2	2
Philip Hopkins	Resigned 19 May 2015	12	12				
John Hopkins	Resigned 12 June 2015	13	13	4	4	2	2
HRH Prince Abdullah *(represented by James Phipps as his Alternate Director)*	Resigned 1 November 2014	4	6				
James Phipps	Appointed 1 November 2014; appointed member of Audit Committee and RemCom 30 June 2015	6	8	-	-	-	-
Justin Richard	Appointed 16 June 2015	1	1				
Ian Gregory *(Alternate Director to Justin Richard)*	Appointed 22 June 2015	-	1				

[41] Refer Alara's 3 August 2015 ASX Announcement: Initial Director's Interest Notice – Shanker Madan

Audit Committee

The Audit Committee currently comprises Non-Executive Directors, Messrs Shanker Madan (as Chairman) (since 31 July 2015) and James Phipps (since 30 June 2015). Mr John Hopkins OAM was Chairman until his retirement as a Director on 12 June 2015 and Mr Ian Williams AO was a member until his retirement as a Director on 31 July 2015.

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.

REMUNERATION REPORT

The following information in the 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 managers with authority and responsibility for planning, directing and controlling the major activities of the Company or Consolidated entity, directly or indirectly) (**Key Management Personnel**) of the Consolidated Entity in respect of the financial year ended 30 June 2015.

Key Management Personnel

Directors	
Ian Williams	Non-Executive Chairman (resigned 31 July 2015)
Philip Hopkins	Managing Director (resigned 19 May 2015)
John Hopkins	Non-Executive Director (resigned 12 June 2015)
HRH Prince Abdullah	Non-Executive Director (resigned 1 November 2014)
James Phipps	Non-Executive Director (appointed 1 November 2014); Non-Executive Chairman (from 31 July 2015); Alternate Director to HRH Prince Abdullah (until 1 November 2014)
Justin Richard	Managing Director (appointed 16 June 2015); Country Manager, Saudi Arabia and Oman
Ian Gregory	Alternate Director to Justin Richard
Executives	
Victor Ho	Company Secretary (resigned 31 August 2015)
Ellen Macdonald	Corporate Affairs Manager (9 December 2013 to 19 December 2014)
John Watkins	Chief Financial Officer (1 May 2014 to 18 December 2014)
Ian Gregory	Company Secretary (appointed 30 June 2015)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee currently comprises Non-Executive Directors, Messrs James Phipps (member since 30 June 2015 and Chairman since 31 July 2015) and Shanker Madan (since 31 July 2015). Mr Ian Williams AO was Chairman until his retirement as a Director on 31 July 2015 and Mr John Hopkins OAM was a member until his retirement as a Director on 12 June 2015.

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 (including available data concerning remuneration paid by other listed companies in particular companies of comparable size and nature within the resources sector in which the Company operates), 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 high calibre Executives.
- Structure remuneration at a level that reflects the Executive's duties and accountabilities and is competitive within Australia.

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 directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the General Meeting held on 26 May 2011 where shareholders approved an aggregate remuneration of $275,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each non-executive director receives a fee for being a director of the Company and for sitting on relevant board committees. The fee size is commensurate with the workload and responsibilities undertaken.

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 benefits for shareholder wealth, the Board have regard to the following information in relation to the current financial year and the previous four financial years:

	2015	2014	2013	2012	2011
Basic earnings/(loss) per share - cents	(0.71)	0.30	(2.84)	(1.50)	(3.84)
Dividend - cents per share	-	-	-	-	-
Net Profit/(Loss) attributable to members	(1,661,238)	732,003	(6,579,965)	(3,151,331)	(4,450,971)
Volume weighted average share price (VWAP) - cents	2	7	17	32	36

Fixed Remuneration

During the financial year, the Key Management Personnel of the Company are paid a fixed base salary/fee per annum plus applicable employer superannuation contributions, as detailed below (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 (Philip Hopkins) was paid a travel allowance (variable based on days of travel up to a capped amount per annum).

For cash bonuses the percentage of the available bonus paid in the financial year and the percentage that was forfeited because the person did not meet the performance criteria are set out herewith. No part of the bonus is payable in future years.

Name	Bonus Paid %	Potential Bonus Unearned %
Philip Hopkins	0%	100%
Justin Richard	0%	100%

Special Exertions and Reimbursements

Pursuant to the Company's Constitution, each Director is entitled to receive:

- Payment for the performance of extra services or the undertaking of special exertions at the request of the Board and for the purposes of the Company.
- Payment for reimbursement of all reasonable expenses (including traveling and accommodation expenses) incurred by a Director for the purpose of attending meetings of the Company or the Board, on the business of the Company, or in carrying out duties as a Director.

Post-Employment Benefits

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

The Company notes that shareholder 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 save for payment of accrued unused annual and long service and/or end of service leave (where applicable).

Details of Remuneration Provided to Key Management Personnel

Key Management Person	Performance Based	Fixed	At Risk STI	Options Related	Short-Term Benefits			Post- Employment Benefits		Other Long-Term Benefits	Equity Based Benefits	Total
					Cash Payments		Non-Cash Benefit	Super-annuation	Termin-ation	Other	Options	
					Salary, Annual Leave, Fees & Allowances	Cash Bonus						
2015	%	%	%	%	$	$	$	$	$	$	$	$
Executive Directors:												
Philip Hopkins(i)	-	100%	-	-	376,146	-	-	43,824	100,000	-	-	519,970
Justin Richard(ii)	-	100%	-	-	-	-	-	-		-	-	-
Non-Executive Directors:												
Ian Williams	-	100%	-	-	75,000	-	-	5,542	-	-	-	80,542
John Hopkins(iii)	-	100%	-	-	47,767	-	-	4,538	-	-	-	52,305
HRH Prince Abdullah(iv)	-	100%	-	-	16,667	-	-	-	-	-	-	16,667
James Phipps(v)	-	100%	-	-	33,333	-	-	-	-	-	-	33,333
Ian Gregory(vi)	-	100%	-	-	-	-	-	-	-	-	-	-
Executives:												
Ellen Macdonald(vii)	-	100%	-	-	48,996	-	-	4,506	-	-	-	53,502
Justin Richard(viii)	-	100%	-	-	581,587	-		-	-	2,465	-	584,052
John Watkins(ix)	-	100%	-	-	126,808	-	-	11,175	-	-	-	137,983
Company Secretary:												
Victor Ho	-	100%	-	-	121,643	-	-	-	-	-	-	121,643

Notes: (i) Resigned 19 May 2015 (ii) Appointed Managing Director on 16 June 2015 (iii) Resigned 12 June 2015 (iv) Resigned 1 November 2014 (v) Appointed 1 November 2014 (previously Alternate Director to HRH Prince Abdullah) (vi) Appointed 22 June 2015 (as Alternate Director to Justin Richard) and appointed 30 June 2015 as joint Company Secretary (vii) Redundant 19 December 2014 (viii) Includes salary and allowances (AUD equivalent) received from subsidiaries and related joint venture entities (ix) Resigned 18 December 2014

Key Management Person	Performance Based	Fixed	At Risk STI	Options Related	Short-Term Benefits			Post-Employment Benefits	Other Long-Term Benefits	Equity Based Benefits	Total
					Cash Payments		Non-Cash Benefit	Super-annuation	Long Service Leave	Options	
					Salary, Annual Leave, Fees & Allowances	Cash Bonus					
2014	%	%	%	%	$	$	$	$	$	$	$
Executive Directors:											
Philip Hopkins	26%	74%	-	26%	414,499	-	-	37,000	429	157,672	609,600
Non-Executive Directors:											
Ian Williams	-	100%	-	-	68,750	-	-	6,359	-	-	75,109
HRH Prince Abdullah(i)	91%	9%	-	91%	33,333	-	-	-	-	337,067	370,400
John Hopkins(ii)	-	-	-	-	36,034	-	-	3,333	-	-	39,367
Executives:											
Ellen Macdonald(iii)	-	100%	-	-	52,499	-	-	4,856	-	-	57,355
Justin Richard(iv)	2%	98%	2%	-	435,275	10,000	-	-	13,402	-	458,677
John Watkins(v)	-	-	-	-	41,666	-	-	3,854	38	-	45,558
Company Secretary:											
Victor Ho(vi)	-	100%	-	-	101,616	-	-	995	-	-	102,611

Notes: (i) Appointed 28 October 2013 (ii) Appointed 16 October 2013 (iii) Commenced 9 December 2014 (iv) Includes salary and allowances (AUD equivalent) received from subsidiaries and related joint venture entities (v) Commenced 1 May 2014 (vi) Transitioned from employee to Consultant on 1 September 2013.

Equity Based Benefits

The Company has not provided equity based benefits (e.g. grant of shares or options) to Key Management Personnel during the financial year.

The Company has previously granted unlisted options to Key Management Personnel (refer 'Details of Unlisted Options Held By Key Management Personnel' below).

There were no shares issued as a result of the exercise of options previously issued to Key Management Personnel during the financial year.

Options Lapsed During the Year

During and subsequent to the end of the financial year, unlisted options (previously issued to Key Management Personnel) lapsed without being exercised, as detailed below:

Name of KMP	№ of Options	Date of Lapse / Cancellation	Description of Unlisted Options	Exercise Price	Date of Issue	Original Expiry Date
Victor Ho	1,650,000	25 Oct 2014	$0.35 (25 October 2014) Unlisted Options[42]	$0.35	26 Oct 2009	25 Oct 2014
	1,000,000				1 Dec 2009	
William Johnson	1,000,000	25 Oct 2014	$0.60 (25 October 2014) Unlisted Options[43]	$0.60	26 Oct 2009	25 Oct 2014
	1,000,000				1 Dec 2009	
Philip Hopkins	3,333,333	27 Oct 2014[44]	$0.15 (21 November 2016) Unlisted Managing Director's Options[45]	$0.15	22 Nov 2013	21 Nov 2016
HRH Prince Abdullah	10,000,000	1 Nov 2014[46]	$0.15 (15 January 2016) Unlisted Director's Options[47]	$0.15	16 Jan 2014	15 Jan 2016
Philip Hopkins	3,333,333	19 May 2015[48]	$0.20 (21 November 2016) Unlisted Managing Director's Options[50]	$0.20	22 Nov 2013	21 Nov 2016
	3,333,334	19 June 2015[49]	$0.15 (21 November 2016) Unlisted Managing Director's Options[51]	$0.15		

Details of Shares Held By Key Management Personnel

2015	Ordinary Fully Paid Shares				
Name of Director/KMP	**Balance at start of year (1 July 2014)**	**Balance at Appointment**	**Net Change**	**Balance at Cessation**	**Balance at end of year (30 June 2015)**
Philip Hopkins(i)	2,000,000		-	2,000,000	2,000,000
Justin Richard(ii)	-	-	-		-
Ian Williams	100,000				100,000
John Hopkins(iii)	200,000			200,000	200,000
John Watkins(iv)	-	-	-	1,000,000**	2,800,000**

Notes: (i) Resigned 19 May 2015 (ii) Appointed Managing Director on 16 June 2015 but was Country Manager, Saudi Arabia and Oman. On at least three separate occasions during the relevant period, Mr Richard submitted a request for trading approval to the Company. However, trading approval was withheld, firstly (in November/December 2014) due to developments involving Bayan being incomplete and unannounced, then later (in June) due to the 'potential corporate transaction' being incomplete. (iii) Resigned 12 June 2015 (iv) Resigned 18 December 2014. **The late John Watkins was a director of JDW Investments Australia Pty Ltd which held these shares.

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[42] Terms and conditions of issue are set out in a Notice of Meeting and Explanatory Statement dated 26 October 2009 for an Annual General Meeting held on 30 November 2009 and in ASX Appendix 3B New Issue Announcements lodged on 26 October 2009 and 1 December 2009

[43] Terms and conditions of issue are set out in a Notice of Meeting and Explanatory Statement dated 26 October 2009 for an Annual General Meeting held on 30 November 2009 and in ASX Appendix 3B New Issue Announcements lodged on 26 October 2009 and 1 December 2009

[44] Pursuant to a Deed of Cancellation between the Company and the option holder dated 27 October 2014, at the request of the option holder

[45] Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013

[46] Lapse of unvested options immediately upon retirement of Director

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

[48] Lapse of unvested options immediately upon the retirement of the Managing Director

[49] Lapse of unexercised vested options one month after the retirement of the Managing Director

2014	Name of Director/KMP			
	I. Williams	**P. Hopkins**	**J. Hopkins**	**HRH Prince Abdullah**
Ordinary Fully Paid Shares				
Balance at start of year	-	-	-	-
Balance at appointment	-	-	-	-
Net Changes Purchase/(Sale)	100,000	2,000,000	200,000	-
Balance at 30 June 2014	100,000	2,000,000	200,000	-

The following directors retired during the 2014 year with balances at cessation:

- Mr H.S Madan - July 2013: 508,257 shares
- Mr W Johnson - October 2013: 27,000 shares

Details of Unlisted Options Held By Key Management Personnel

2015 Name of Director/KMP	Balance at start of year (1 July 2014)	Granted	Exercised	Acquired	Lapsed / Cancelled	Balance at Cessation	Balance at end of year (30 June 2015)	Granted and vested during year	Vested and exercisable at 30 June 2015
Philip Hopkins(i)	10,000,000	-	-	-	6,666,666	3,333,334	-	-	-
HRH Prince Abdullah(iii)	20,000,000	-	-	-	10,000,000	10,000,000	10,000,000	-	10,000,000
Victor Ho	2,650,000	-	-	-	2,650,000		-	-	-

Notes: (i) Resigned 19 May 2015 (ii) Resigned 1 November 2014.

2014	Directors			Executives			
	P. Hopkins	**I. Williams**	**HRH Prince Abdulla**	**E. Macdonald**	**J. Richard**	**J. Watkins**	**V. Ho**
Options type	Unlisted	Unlisted	Unlisted	-	Unlisted	-	Unlisted
Balance at start of year	-	250,000	-	-	450,000	-	3,350,000
Granted during year as compensation	10,000,000	-	20,000,000	-	-	-	-
Exercised during year	-	-	-	-	-	-	-
Lapsed during year	-	250,000	-	-	450,000	-	700,000
Acquired during year	-	-	-	-	-	-	-
Balance at 30 June 2014	10,000,000	-	20,000,000	-	-	-	2,650,000
Granted and vested during year	3,333,334	-	10,000,000	-	-	-	-
Vested and exercisable at 30 June 2014	3,333,334	-	10,000,000	-	-	-	2,650,000

Employment Contracts

(a) Managing Director/CEO – Justin Richard

Justin Richard was appointed as Managing Director/CEO on 16 June 2015.

Mr Richard has been the Company's Legal & Commercial Manager since August 2011 and also Alara's Country Manager in Saudi Arabia (since November 2012) and Oman (since December 2013).

The terms of his expatriate employment as Country Manager, with appropriate variations, carry over to his new role as Managing Director and CEO, the material terms of which are as follows:

(a) One year term with annual base salary of A$282,150 (subject to adjustments for exchange rate variations* for salaries paid in Saudi Arabian Riyals and Omani Rials);

(b) Expatriate allowances totalling approximately A$225,000 per annum (subject to adjustments for exchange rate variations*);

(c) Provision of family medical insurance cover;

(d) Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus any additional entitlements prescribed under Saudi Arabian Labour Law;

(e) 60 days long service leave after 7 years of service and 5 days long service leave in respect of each year of service thereafter;

(f) Compulsory statutory 'end of service' payments due under Saudi Arabian Labour Law;

(g) One month's notice of termination within first six months, subject to repatriation provisions which total approximately three months remuneration.

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

(b) Managing Director – Philip Hopkins

Philip Hopkins, who resigned as Managing Director on 19 May 2015, was employed under an employment agreement dated 25 July 2013. His employment commenced on 30 June 2013 and there was no fixed term/termination date. The material terms were as follows:

- An annual base salary of $400,000 plus employer superannuation contributions and car parking; and
- A travel allowance of $250 per day (capped at $25,000 per annum) for travel away from home on company approved work related business.
- An Annual Short Term Incentive (STI) bonus scheme in respect of the 2014/2015 financial year defined as follows:

Milestone To Be Achieved	Cash Bonus Amount Payable	Milestone Achievement Date
'Commencement of Construction' after: (a) a 'Decision to Mine' has been made by the Company; and (b) the completion of 'Total Financing' (i.e. project financing at the KMC level and equity or debt financing at the Alara company level), in respect of the Company's Khnaiguiyah Zinc-Copper Project in Saudi Arabia held via joint venture company, Khnaiguiyah Mining Company LLC (**KMC**).	$200,000	On or before 1 May 2015
	$175,000	Between 2 May and 1 June 2015
	$150,000	Between 2 June and 1 July 2015
	$125,000	Between 2 July and 1 August 2015
	$100,000	Between 2 August and 1 September 2015
	$75,000	Between 2 September and 1 October 2015
	$50,000	Between 2 October 2015 and 30 June 2016
	No bonus is payable if this milestone is achieved after 30 June 2016	

- A Long Term Incentive (LTI) options package (issued on 23 November 2013 after shareholder approval at the 2013 AGM) as detailed below (Equity Based Benefits) comprising a total of 10,000,000 unlisted options, each to acquire a share in the Company and with a term expiring three (3) years after the date of issue with exercise prices, as follows[50]:
  (i) Tranche 1 Options - 3,333,334 options each with an exercise price of $0.15, which vested on 31 March 2014 - these options lapsed on 19 June 2015 one month after the resignation of Mr Hopkins;

[50] Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013

(ii) Tranche 2 Options - 3,333,333 options each with an exercise price of $0.15 and subject to a vesting milestone, which was cancelled pursuant to a Deed of Cancellation dated 27 October 2014, at the request of the option holder; and

(iii) Tranche 2 Options - 3,333,333 options each with an exercise price of $0.20 and subject to a vesting milestone – these options lapsed on 19 May 2015 immediately upon the resignation of Mr Hopkins.

- Entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.
- Mr Hopkins may resign from his position and thus terminate this contract by giving one month's written notice.
- The Company may terminate this employment agreement by providing three month's written notice.

(c) Technical Director – Shanker Madan

Shanker Madan was appointed Technical Director on 31 July 2015.

Mr Madan was the Company's founding Managing Director from 2007 to 2013. He has agreed to return as the Technical Director effective 31 July 2015. The material terms of his contract are as follows:

- An annual base salary of $50,000 per annum, plus superannuation in accordance with the Superannuation Guarantee (Administration) Act 1992.
- An STI performance bonus of $45,000 payable subject to completion of a feasibility study on time and within budget (refer Company's ASX announcement dated 26 August 2015).
- Either party may terminate this agreement by providing two months' notice.

(d) 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 Terms
Victor Ho Company Secretary	1 September 2013 (date of commencement of consulting agreement)	$100,685 annual retainer fees Additional fees equivalent to 3 monthly retainer fees (paid over a 12 month period between April 2014 to March 2015) $130 per hour for excess hours	• Minimum prescribed hours per week; • Not prohibited from also concurrently performing the role of director or company secretary of any other company or companies, to the extent that that does not interfere with the proper performance of duties under the agreement. • Notice period 1 month.
Ellen Macdonald Corporate Affairs Manager	9 Dec 2013 (commencement date)	$90,000 plus Superannuation Guarantee Contributions Amended to $100,000 (from 1 July 2014)	• Entitlement to long service leave in accordance with applicable Australian legislation. • Notice period 1 month.
John Watkins Chief Financial Officer	1 May 2014 (commencement date)	$250,000 plus Superannuation Guarantee Contributions	• Entitlement to long service leave in accordance with applicable Australian legislation. • Notice period 3 months

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 2014 Annual General Meeting held on 19 November 2014. The ESOP was developed to assist in the recruitment, reward, retention and motivation of employees (excluding Directors) of Alara. 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 dated 2 October 2014. No securities were issued to KMP under the ESOP during the financial year (2014: Nil).

Securities Trading Policy

The Company has a Securities Trading Policy (dated 31 December 2010), a copy of which is available for viewing and downloading from the Company's website.

Voting and Comments on the Remuneration Report at the 20134 Annual General Meeting

At the Company's most recent (2014) Annual General Meeting (AGM), a resolution to adopt the 2014 Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (99.5%) support in favour of adopting the Remuneration Report.[51] No comments were made on the Remuneration Report at the AGM.

Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Remuneration and Nomination Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management where applicable.

This concludes the audited Remuneration Report.

Directors' and Officers' Insurance

The Company insures Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001*) (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

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 Company Secretary (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 the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any 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

[51] Refer Alara's 19 November 2014 ASX Announcement: Results of 2014 AGM

responsibility on behalf of the Consolidated Entity for all or any part of such proceedings. 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 (Grant Thornton Audit Pty Ltd) for audit and non-audit services (paid to a related party of Grant Thornton Audit Pty Ltd) provided during the financial year are set out below:

Audit and Review Fees $	Fees for Other Non-Audit Services $	Total $
39,758	25,750	65,508

The Board is satisfied that the provision of non-audit services by the auditors during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327B of *the Corporations Act 2001.*

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 24. This relates to the Audit Report, where the Auditors state that they have issued an Independence Declaration.

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:

Justin Richard
Managing Director

30 September 2015

Alara
Resources

Auditor's Independence Declaration

Grant Thornton

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Alara Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner – Audit & Assurance

Perth, 30 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Alara Resources

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	3 (a)	55,399	122,190
Net loss on financial assets held at fair value through profit or loss	3 (b)	(9,315)	-
Impairment of exploration expenditure	3 (b)	- -	(557,902)
Personnel	3 (b)	(1,226,357)	(1,493,192)
- Options remuneration (non-cash)	3 (b)	-	(494,739)
Occupancy costs	3 (b)	(125,903)	(139,469)
Foreign exchange movement	3 (a)	71,420	(43,034)
Corporate expenses	3 (b)	(114,630)	(215,936)
Administration expenses	3 (b)	(709,640)	(1,457,300)
LOSS BEFORE INCOME TAX		**(2,059,026)**	**(4,279,382)**
Income tax benefit	4	292,773	4,754,097
PROFIT/(LOSS) FOR THE YEAR		**(1,766,253)**	**474,715**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(211,935)	307,229
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income/(loss)		(211,935)	307,229
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(1,978,188)**	**781,944**
Profit/(loss) attributable to:			
Owners of Alara Resources Limited		(1,661,238)	732,003
Non-controlling interest		(105,015)	(257,288)
		(1,766,253)	474,715
Total comprehensive income/(loss) for the year attributable to:			
Owners of Alara Resources Limited		(1,873,173)	1,039,232
Non-controlling interest		(105,015)	(257,288)
		(1,978,188)	781,944
Earnings/Loss per share:			
Basic earnings/(loss) per share cents	6	(0.67)	0.30
Diluted earnings/(loss) per share cents	6	(0.67)	0.30

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Financial Position
for the year ended 30 June 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	7	937,192	3,151,295
Trade and other receivables	8	255,961	549,990
Other current assets	9	73,127	676,130
TOTAL CURRENT ASSETS		1,266,280	4,377,415
NON CURRENT ASSETS			
Financial assets held at fair value through profit or loss	10	-	142,956
Property, plant and equipment	11	68,933	132,188
Resource projects	12	33,190,221	31,988,077
Other non-current asset	13	5,376,514	4,489,174
TOTAL NON CURRENT ASSETS		38,635,668	36,752,395
TOTAL ASSETS		39,901,948	41,129,810
CURRENT LIABILITIES			
Trade and other payables	14	520,011	594,343
Provisions	15	69,225	63,681
TOTAL CURRENT LIABILITIES		589,236	658,024
NON CURRENT LIABILITIES			
Financial liabilities	16	1,509,585	1,510,103
Provisions	15	56,542	40,109
TOTAL NON CURRENT LIABILITIES		1,566,127	1,550,212
TOTAL LIABILITIES		2,155,363	2,208,236
NET ASSETS		37,746,585	38,921,574
EQUITY			
Issued capital	17	61,018,659	60,958,659
Reserves	18	361,429	1,508,722
Accumulated losses		(23,073,685)	(23,121,080)
Parent interest		38,306,403	39,346,301
Non-controlling interest		(559,818)	(424,727)
TOTAL EQUITY		37,746,585	38,921,574

The accompanying notes form part of this consolidated financial statement.

	Note	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlling Interest	Total
		$	$	$	$	$	$
Balance as at 1 July 2013		60,958,659	1,603,655	(92,845)	(24,777,811)	(240,225)	37,451,433
Foreign currency translation reserve		-	-	307,229	-	-	307,229
Net income and expense recognised directly in equity		-	-	307,229	-	-	307,229
Profit for the year		-	-	-	732,003	(257,288)	474,715
Total comprehensive loss for the year		-	-	307,229	732,003	(257,288)	781,944
Transactions with owners in their capacity as owners:							
Options lapsed during the year	18	-	(804,056)	-	804,056	-	-
Options issued during the year	18	-	494,739	-	-	-	494,739
Transactions with non-controlling interests		-	-	-	120,672	72,786	193,458
Balance as at 30 June 2014		60,958,659	1,294,338	214,384	(23,121,080)	(424,727)	38,921,574
Balance as at 1 July 2014		60,958,659	1,294,338	214,384	(23,121,080)	(424,727)	38,921,574
Foreign currency translation reserve		-	-	(211,935)	-	-	(211,935)
Net income and expense recognised directly in equity		-	-	(211,935)	-	-	(211,935)
Loss for the year		-	-	-	(1,661,238)	(105,015)	(1,766,253)
Total comprehensive loss for the year		-	-	(211,935)	(1,661,238)	(105,015)	(1,978,188)
Transactions with owners in their capacity as owners:							
Share placement	17	60,000	-	-	-	-	60,000
Options lapsed during the year	18	-	(935,358)	-	935,358	-	-
Options issued during the year	18	-	-	-	-	-	-
Transactions with non-controlling interests		-	-	-	773,275	(30,076)	743,199
Balance as at 30 June 2015		61,018,659	358,980	2,449	(23,073,685)	(559,818)	37,746,585

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Cash Flows
for the year ended 30 June 2014

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(2,150,202)	(4,354,665)
Interest received		55,399	120,868
Income tax refunded/(paid)		292,773	4,754,097
Other income		-	-
NET CASHFLOWS USED IN OPERATING ACTIVITIES	7b	(1,802,030)	520,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		1,167	-
Payments for plant and equipment		613	61,943
Payments for exploration and evaluation activities		(1,153,555)	(2,154,319)
Refunds from purchase of prospects		532,191	-
Proceeds from disposal and redemption of non-derivative financial assets		133,640	-
NET CASHFLOWS USED IN INVESTING ACTIVITIES		(485,944)	(2,092,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares		-	-
Costs of issuing ordinary shares		-	-
NET CASHFLOWS PROVIDED BY INVESTING ACTIVITIES		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		(2,287,974)	(1,572,076)
Cash and cash equivalents at beginning of the financial year		3,151,295	4,459,176
Effect of exchange rate changes on cash		73,871	264,195
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	937,192	3,151,295

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 Interpretation, 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 report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

During the period the Consolidated Entity incurred an operating loss before tax of $2,059,026 (2014: $4,279,382)

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

- The current cash and liquid investments of the Consolidated Entity relative to its fixed and discretionary commitments;
- The ability of the Company to undertake a full or partial divestment of its Oman assets and apply the proceeds to working capital;
- The contingent nature of certain Consolidated Entity's project expenditure commitments (refer Note 27);
- The ability of the Consolidated Entity to terminate/suspend certain of its agreements without any further on-going obligation beyond what has accrued up to the date of termination/suspension ;
- The underlying prospects for the Company to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same) pursuant to relevant joint venture agreements and may be slowed or suspended as part of the management of the Consolidated Entity's working capital and other forecasted commitments.
- The Company has signed an agreement for a bridging loan from a Director. This loan facility is available until 31 October 2015 and is based on commercial rates of interest. It is to be repaid within three months of receipt.

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

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

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

New and amended standards adopted by the group

There were no new standards and amendments adopted by the group during the reporting period.

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 2015 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 Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

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 Group. The Group 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. 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 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 Group's impairment policy (note 1.15).

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.

1.4. 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 the 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. The Consolidated Entity's segment reporting is contained in Note 20 of the notes to the financial statements.

1.5. 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.

1.6. 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 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.

1.7. 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.

1.8. 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 not 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.

1.9. 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.

1.10. Cash and Cash Equivalents

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.

1.11. Receivables

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.

1.12. 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 is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the profit or loss.

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as "financial assets at fair value through profit or loss".

1.13. 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 (refer to Note 10).

1.14. Property, Plant and Equipment

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.

1.15. 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.

1.16. Payables

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.

1.17. Issued Capital

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.

1.18. Earnings per Share

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.

1.19. 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 group'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.

1.20. Joint Arrangements

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AAS 131) and AASB Interpretation 113 *Jointly Controlled Entities- Non-Monetary-Contributions by Venturers*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

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. The Group'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.

The Group's only joint arrangements within the scope of AASB11 are its 50% investment in Daris resources LLC and its 50% investment in Khnaiguiyah Mining Company LLC. Management has reviewed the classification of these entities in accordance with AASB11 and has concluded that the proportionate consolidation method should be applied. This has not resulted in a material change to the Financial statements. AASB 11 has been applied retrospectively in accordance with the transitional provisions set out in AASB 11.

Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

1.21. Comparative Figures

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

1.22. 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, evaluation and development expenditure being capitalised for an area of interest 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. 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 goodwill and intangibles

The Consolidated Entity determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. At this reporting date there has been no requirement to impair goodwill.

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 related assumptions are detailed in Note 19. The accounting estimates have no impact on the carrying amounts of assets and liabilities but will impact expenses and equity.

1.23. Summary of Accounting Standards Issued Not Yet Adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the current reporting period. The Consolidated Entity's assessment of the likely impact (where applicable) of relevant new pronouncements is as follows:

New/revised pronouncement	Superseded pronouncement	Nature of change	Application date	Likely impact on initial application
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	None	AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.
AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	None	These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.	1 January 2014	AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.
AASB 2014-1 *Amendments to Australian Accounting Standards* (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)	None	Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*. Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*: • clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity) • amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.	1 July 2014	The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Alara Resources Limited, as at 30 June 2015.

	2015 $	2014 $
Statement of Financial Position		
Current assets	966,383	3,027,587
Non-current assets	36,991,176	36,129,410
Total assets	37,957,559	39,156,997
Current liabilities	196,090	227,297
Non-current liabilities	14,884	8,126
Total liabilities	210,974	235,423
Net assets	37,746,585	38,921,574
Issued capital	61,018,659	60,958,659
Options Reserve	358,980	1,294,338
Accumulated losses	(23,631,054)	(23,331,423)
Total equity	37,746,585	38,921,574
Profit/(loss) for the year	(4,797,730)	1,979,796
Other comprehensive income for the year	-	-
Total comprehensive income /(loss) for the year	(4,797,730)	1,979,796
Notes to the Statement of Financial Position		
(a) Current assets		
(i) Cash and cash equivalents		
Cash at bank	503,169	508,531
Term Deposits	400,000	2,450,000
	903,169	2,958,531

(b) Non-current assets

(i) Loans to controlled entities

The amounts owed remain outstanding at the reporting date. Provision for impairment on amounts receivable has been raised in relation to any outstanding balances amounts owed by controlled entities. Interest is not charged on such outstanding amounts.

	2015 $	2014 $
Amounts owed by controlled entities	40,191,037	39,269,005
Provision for impairment	-	-
	40,191,037	39,269,005
Movement in loans to controlled entities		
Opening balance	39,269,005	42,633,715
Loans advanced	922,032	(3,364,710)
Closing balance	40,191,037	39,269,005
Movement in provision for impairment of receivables		
Opening balance	(6,162,416)	(6,162,416)
Provision for impairment recognised during the year	-	-
Provision for impairment on amounts receivable	(6,162,416)	(6,162,416)
	1,603,655	
(c) Reserves		
(i) Share options reserve	358,980	1,294,338

3. LOSS FOR THE YEAR

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

	2015 $	2014 $
(a) Revenue		
Interest	55,399	122,190
Foreign exchange movement (realised and unrealised)	71,420	-
	126,819	122,190
(b) Expenses		
Net loss on financial assets held at fair value through profit or loss	9,315	-
Impairment of exploration expenditure (refer to note 12)	-	557,902
Personnel		
- cash remuneration	1,198,044	1,442,946
- options remuneration (non-cash)	-	494,739
- employee benefits	28,313	50,246
Occupancy expenses	125,903	139,469
Foreign exchange movement	-	43,034
Corporate expenses	114,630	215,936
Administration expenses		
- Communications	23,316	43,664
- Consultancy fees	220,814	451,406
- Travel, accommodation and incidentals	71,376	271,948
- Professional fees	140,829	154,478
- Insurance	22,517	25,897
- Depreciation	24,835	48,867
- Net loss on disposal of fixed assets	27,283	60,446
- Other administration expenses	175,669	400,594
	2,18,844	4,401,572

4. INCOME TAX EXPENSE

	2015 $	2014 $
(a) Income tax expense		
Current tax expense/(benefit)	(292,773)	(4,754,097)
Deferred tax expense	-	-
Total income tax expense/(benefit) per statement of profit or loss and other comprehensive income	(292,773)	(4,754,097)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	(2,059,026)	(4,279,382)
Tax at the Australian tax rate of 30% (2014: 30%)	(617,707)	(1,283,815)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	12,222	207,949
Other deductible expenses	-	-
Other non-assessable income	(10,884)	8,513
Tax losses not brought to account	619,045	1,067,352
(Refund) of Research & Development Claim	(292,773)	(4,754,097)
Income tax expense/(benefit) attributable to operating profit	(292,773)	(4,754,097)
Under/(over) provision in respect to prior years	-	-
Income tax expense/(benefit)	(290,077)	(4,754,097)
(c) Deferred tax liabilities not brought to account at 30%		
Other	(918,520)	(2,866,552)
Potential tax liability at 30%	(918,520)	(2,866,552)
(d) Deferred tax assets not brought to account at 30%		
Revenue losses	2,746,977	3,682,649
Other	35,239	520,332
Potential tax benefit at 30%	2,782,216	4,202,981

The Deferred Tax Asset not brought to account for the period will only be obtained if:

(i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) The Company is able to meet the continuity of ownership and/or continuity of business tests under tax legislation.

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.

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:

	2015 $	2014 $
Grant Thornton Audit Pty Ltd - Auditors of the Consolidated Entity (Audit and review of financial reports)	39,758	77,873
Grant Thornton Australia Limited - related practice of Grant Thornton Audit Pty Ltd (Taxation services)	25,750	28,475
Moore Stephens Chartered Accountants - Auditors of Oman controlled entities (Audit and review of financial reports)	18,564	15,001
	84,072	121,349

6. EARNINGS/(LOSS) PER SHARE

	2015	2014
Basic earnings/(loss) per share cents	(0.67)	0.30
Diluted earnings/(loss) per share cents	(0.67)	0.30
Profit/(loss) $ used to calculate earnings/(loss) per share	(1,661,238)	732,003
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	248,007,500	242,007,500
Weighted average number of ordinary shares during the period used in calculation of diluted earnings/(loss) per share	248,007,500	242,007,500

Under AASB 133 "Earnings per share", potential ordinary shares such as options will only be treated as dilutive when their conversion to ordinary shares would increase loss per share from continuing operations.

7. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash in hand	4,609	2,391
Cash at bank	409,458	556,454
Term deposits	523,125	2,592,450
	937,192	3,151,295

Cash at bank includes USD$0.15 million (AUD$0.2 million) held in at call accounts.

The Consolidated Entity has granted a term deposit security bond to the value of $123,125 (2014: $142,450) which has not been called up as at the reporting date. A total of $32,000 of the security bond is in relation to its Australian tenements.

The effective interest rate on short-term bank deposits was 3.01% (2014: 3.44%) with an average maturity of 86 days.

(a) Risk exposure

The Consolidated Entity’s exposure to interest rate and foreign exchange risk is discussed in Note 21. 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.

7. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flow From Operations	2015 $	2014 $
Profit/(Loss) after income tax	(1,766,253)	474,715
Net gain/(loss) on financial assets held at fair value through profit or loss	142,956	-
Directors' and Employee options	-	494,739
Foreign exchange movement	(71,420)	43,034
Depreciation	24,835	48,867
Write off/down Fixed assets	27,283	-
(Increase)/Decrease in Assets:		
Trade and other receivables	21,428	663,773
Resource projects	-	-
Other current assets	(36,277)	(554,751)
Increase/(Decrease) in Liabilities:		
Trade and other payables	(166,559)	(833,967)
Provisions	21,977	183,890
Net cashflows from/(used in) operating activities	(1,802,030)	520,300
(c) Non-cash financing and investing activities		
Share based payments (Refer to Note 19)	-	-

8. TRADE AND OTHER RECEIVABLES

Current	2015 $	2014 $
Amounts receivable from:		
Sundry debtors	234,325	502,121
Goods and services tax recoverable	21,636	47,869
	255,961	549,990

(a) Sundry Debtors

Current period balance relates to loan receivable from KMC JV Partner Manajem $228,591 and from Bayan Mining LLC $5,734. The Manajem receivable is subject to the $1.5m Financial Liability at Note 16.

(b) Risk exposure

Information about the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 21.

(c) Impaired receivables

None of the above receivables are impaired or past due.

9. OTHER CURRENT ASSETS

	2015 $	2014 $
Prepayments	73,127	36,850
Funds held in Trust	-	639,280
	73,127	676,130

Prior period Funds held in Trust of $639,000 is the first payment of US$601,000 under the Heads of Agreement dated 21 March 2014 and held in escrow at balance date pending transfer of Mining Licences from Manajem to KMC. Refer Contingent Assets and Liabilities Note 27(c).

10. FINANCIAL ASSETS HELD AT FAIR VALUE

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2015 and 30 June 2014.

30 June 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Listed securities	-	-	-	-
Financial Liabilities	-	-	-	-
Fair Value	-	-	-	-

30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Listed securities	142,956	-	-	142,956
Financial Liabilities	-	-	-	-
Fair Value	142,956	-	-	142,956

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

11. PROPERTY, PLANT AND EQUIPMENT

At 30 June 2013	Motor Vehicles $	Office Equipment $	Plant and Equipment $	Total $
Cost or fair value	98,010	212,956	191,022	501,988
Accumulated depreciation	(68,124)	(101,769)	(89,097)	(258,990)
Net carrying amount	29,886	111,187	101,925	242,998
Year ended 30 June 2014				
Carrying amount at beginning	29,886	111,187	101,925	242,998
Additions	-	22,982	-	22,982
Disposal	(21,963)	(8,203)	(30,280)	(60,446)
Depreciation expense	(7,923)	(39,087)	(19,829)	(66,839)
Exchange Difference	-	(4,035)	(2,472)	(6,507)
Closing amount at reporting date	-	82,844	49,344	132,188
At 30 June 2014				
Cost or fair value	-	210,532	103,096	313,628
Accumulated depreciation	-	(127,688)	(53,752)	(181,440)
Net carrying amount	-	82,844	49,344	132,188
Year ended 30 June 2015				
Carrying amount at beginning	-	82,844	49,344	132,188
Additions	-	1,223	-	1,223
Disposal	-	(8,649)	(18,634)	(27,283)
Depreciation expense	-	(28,813)	(10,849)	(39,662)
Exchange Difference	-	2,466	1	2,467
Closing amount at reporting date	-	49,071	19,862	68,933
Year ended 30 June 2015				
Cost or fair value	-	184,414	55,473	239,887
Accumulated depreciation	-	(135,343)	(35,611)	(170,954)
Net carrying amount	-	49,071	19,862	68,933

12. RESOURCE PROJECTS

	2015 $	2014 $
Opening balance	31,988,077	29,306,309
- Excess of consideration of resource projects acquired	-	-
- Exploration and evaluation expenditure	1,202,144	3,239,670
- Impairment of exploration and evaluation expenditure (refer to note 3)	-	(557,902)
Closing balance	33,190,221	31,988,077

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 exist for KMC to commercially exploit the Khnaiguiyah Project. The financial statements have been prepared on this basis. Should these legal rights not be enforceable, the carrying value of Resource Projects attributable to the Khnaiguiyah Project would be impaired.

The Consolidated Entity has granted a security bond to the value of $123,125 (2014: $142,450) which has not been called up as at reporting date.

13. OTHER NON-CURRENT ASSETS

	2015 $	2014 $
Excess of consideration of resource projects acquired	341,112	341,112
Costs incurred in relation to resource projects	5,035,402	4,148,062
	5,376,514	4,489,174

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. Alara Saudi Operations Pty Limited (a wholly owned Australian subsidiary) gained a 50% shareholding interest in a jointly controlled company, Khnaiguiyah Mining Company LLC (Saudi Arabia), on 10 January 2011. The principal activity of these companies is exploration, evaluation and development of mineral licences in their respective countries.

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

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 (refer note 24 for further disclosures). Should these legal rights not be enforceable, the carrying value of Other Non-Current Assets attributable to the Daris Project would be impaired.

14. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Current		
Trade payables	339,358	387,131
Other payables	180,653	207,212
	520,011	594,343

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

(a) Risk exposure

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note 21.

PROVISIONS

	2015 $	2014 $
Current		
Employee benefits – annual leave	69,225	63,681
Non-Current		
Employee benefits – long service leave	56,542	40,109
Closing balance	125,767	103,790

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.

15. FINANCIAL LIABILITIES

	2015 $	2014 $
Non-Current		
Financial liabilities – Loan owed to shareholder	1,509,585	1,510,103
	1,509,585	1,510,103

Loan owed to shareholder is a loan owed by Khnaiguiyah Mining Company LLC (KMC) to 50% joint venture shareholder, United Arabian Mining Company LLC (Manajem). The loan to KMC from Manajem amounts to US$3 million. At 30 June 2015, an amount of $1,508,795 (50%) has been recognised on consolidation.

16. ISSUED CAPITAL

	2015 №	2014 №	2015 $	2014 $
Fully paid ordinary shares	248,007,500	242,007,500	61,018,659	60,958,659

2014	№	$
Balance as at 1 July 2013	242,007,500	60,958,659
- Share movement during the 2014 financial year	-	-
Balance as at 30 June 2014	242,007,500	60,958,659
2015	№	$
Balance as at 1 July 2014	242,007,500	60,958,659
- Share movement during the 2015 financial year	6,000,000	60,000
Balance as at 30 June 2015	248,007,500	61,018,659

Each fully paid ordinary share carries one vote per share and the right to participate in dividends. Ordinary shares have no par value and the Company does not have a limit on the amount of its capital.

Capital risk management

The Consolidated Entity's objective when managing its capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders. The Board will consider capital management initiatives as is appropriate and in the best interests of the Consolidated Entity and shareholders from time to time, including undertaking capital raisings to fund its commitments and working capital requirements. The Consolidated Entity had no external borrowings as at 30 June 2015. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

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

17. RESERVES

	2015 $	2014 $
Foreign currency translation reserve	2,449	214,384
Options reserve	358,980	1,294,338
	361,429	1,508,722

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	2015 $	2014 $
Directors' Options				
Unlisted options exercisable at $0.35; expiring 16 Sep 2013	17-Sep-08	-	-	-
Unlisted options exercisable at $0.35; expiring 25 Oct 2014	30-Nov-09	-	-	247,317
Unlisted options exercisable at $0.60; expiring 25 Oct 2014	30-Nov-09	-	-	106,698
Unlisted options exercisable at $0.60; expiring 25 May 2014	26-May-11	-	-	-
Unlisted options exercisable at $0.15; expiring 21 Nov 2016	22-Nov-13	-	-	315,344
Unlisted options exercisable at $0.20; expiring 21 Nov 2016	22-Nov-13	-	-	138,580
Unlisted options exercisable at $0.10; expiring 15 Jan 2016	16-Jan-14	10,000,000	337,067	337,067
Unlisted options exercisable at $0.15; expiring 15 Jan 2016	16-Jan-14	-	-	272,430
Employees' Options				
Unlisted options exercisable at $0.35; expiring 16 Sep 2013	17-Sep-08	-	-	-
Unlisted options exercisable at $0.35; expiring 25 Oct 2014	26-Oct-09	-	-	276,365
Unlisted options exercisable at $0.60; expiring 25 Oct 2014	26-Oct-09	-	-	147,306
Unlisted options exercisable at $0.35; expiring 22 Aug 2015	23-Aug-10	400,000	21,913	21,913
Unlisted options exercisable at $0.50; expiring 25 May 2014	02-Sep-11	-		
Unlisted options exercisable at $0.60; expiring 25 May 2014	02-Sep-11	-		
Unlisted options exercisable at $0.70; expiring 25 May 2014	02-Sep-11	-		
Unlisted options exercisable at $0.50; expiring 25 May 2014	23-Dec-11	-		
Unlisted options exercisable at $0.60; expiring 25 May 2014	23-Dec-11	-		
Unlisted options exercisable at $0.70; expiring 25 May 2014	23-Dec-11	-		
		10,400,000	358,980	1,863,020

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

(i) 2,000,000 lapsed unlisted $0.35 (25 October 2014) Options amounted to $247,317.
(ii) 1,000,000 lapsed unlisted $0.60 (25 October 2014) Options amounted to $106,698.
(iii) 1,650,000 lapsed unlisted $0.35 (25 October 2014) Options amounted to $276,365.
(iv) 1,000,000 lapsed unlisted $0.60 (25 October 2014) Options amounted to $147,306.
(v) 10,000,000 lapsed unlisted $0.15 (15 January 2016) Options amounted to $272,430.
(vi) 6,666,667 cancelled unlisted $0.15 (21 November 2016) Options amounted to $315,344.
(vii) 3,333,333 lapsed unlisted $0.20 (21 November 2016) Options amounted to $138,580.
TOTAL: $1,504,040

The Option Reserve records the consideration (net of expenses) received by the Company on the issue of listed options and the fair value of unlisted Directors' and Employees' options that were issued for nil consideration.

18. SHARE BASED PAYMENTS

During the year no options were issued to employees or directors.

A total of 25,650,000 unlisted options lapsed or were cancelled during the year being 5,650,000 unlisted (25 October 2014) options, 10,000,000 unlisted (15 January 2016) options and 10,000,000 unlisted (21 November 2016) options.

			Movement during the year					As at 30 June 2015	
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Lapsed**	**Closing balance**	**Vested and exercisable**	**Fair value $**
Directors									
30-Nov-09	25-Oct-14	$0.35	2,000,000	-	-	(2,000,000)	-	-	-
30-Nov-09	25-Oct-14	$0.60	1,000,000	-	-	(1,000,000)	-	-	-
22-Nov-13	21-Nov-16	$0.15	6,666,667	-	-	(6,666,667)	-	-	-
22-Nov-13	21-Nov-16	$0.20	3,333,333	-	-	(3,333,333)	-	-	-
16-Jan-14	15-Jan-16	$0.10	10,000,000	-	-	-	10,000,000	10,000,000	337,067
16-Jan-14	15-Jan-16	$0.15	10,000,000	-	-	(10,000,000)	-	-	-
Employees									
26-Oct-09	25-Oct-14	$0.35	1,650,000	-	-	(1,650,000)	-	-	-
26-Oct-09	25-Oct-14	$0.60	1,000,000	-	-	(1,000,000)	-	-	-
23-Aug-10	22-Aug-15	$0.35	400,000	-	-	-	400,000	400,000	21,913
Weighted average exercise price			36,050,000	-	-	(25,650,000)	10,400,000	10,400,000	358,980
Weighted average exercise price			0.19	-	-	0.22	0.11	0.11	

The weighted average balance of the contractual term of the options outstanding at the reporting date was 0.35 years.

There were no shares issued as a result of the exercise of any options during the year (2014: nil).

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

- (a) Options are granted for no consideration and vest as detailed in the table below;
- (b) Exercise price is as detailed in the table above;
- (c) Grant or issue date is as detailed in the table above;
- (d) Expiry date is as detailed in the table above;
- (e) Share price is based on the last bid price on ASX as at date of grant, as detailed in the table below;
- (f) Expected price volatility of the Company's shares has been assessed independently as described in the table below;
- (g) Expected dividend yield is nil; and
- (h) Risk-free interest rate is based on the 3/5 year Commonwealth bond yield, as detailed in the table below.

19. SHARE BASED PAYMENTS (continued)

Date of issue	Description of unlisted options	Vesting criteria	Share price at grant date	Risk free rate	Price volatility
17-Sep-08	$0.35 (16 Sep 2013) Options	75% on grant and 25% on 16 Sep 2009	$0.07	5.46%	95%
17-Sep-08	$0.35 (16 Sep 2013) Options	50% on 16 Mar 2009, 25% on 16 Sep 2009 and 16 Mar 2010	$0.07	5.46%	95%
26-Oct-09	$0.60 (24 Oct 2014) Options	Vested at the date of the issue of the options	$0.24	5.57%	95%
26-Oct-09	$0.35 (24 Oct 2014) Options	Vested at the date of the issue of the options	$0.24	5.57%	95%
30-Nov-09	$0.60 (24 Oct 2014) Options	Vested at the date of the issue of the options	$0.19	4.95%	95%
30-Nov-09	$0.35 (24 Oct 2014) Options	Vested at the date of the issue of the options	$0.19	4.95%	95%
30-Nov-09	$0.35 (24 Oct 2014) Options	Vested at the date of the issue of the options	$0.19	4.95%	95%
23-Aug-10	$0.35 (22 Aug 2015) Options	Vested at the date of the issue of the options	$0.10	4.50%	95%
26-May-11	$0.60 (25 May 2014) Options	Vested at the date of the issue of the options	$0.31	4.96%	95%
26-May-11	$0.50 (25 May 2014) Options	Vested at the date of the issue of the options	$0.31	4.96%	95%
26-May-11	$0.60 (25 May 2014) Options	Vested at the date of the issue of the options	$0.31	4.96%	95%
26-May-11	$0.70 (25 May 2014) Options	Vested at the date of the issue of the options	$0.31	4.96%	95%
02-Sep-11	$0.50 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
02-Sep-11	$0.60 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
02-Sep-11	$0.70 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
23-Dec-11	$0.50 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
23-Dec-11	$0.60 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
23-Dec-11	$0.70 (25 May 2014) Options	Vested at the date of the issue of the options	$0.27	3.12%	95%
22-Nov-13	$0.15 (21 Nov 2016) Options	Vested at the date of the issue of the options	$0.09	3.13%	95%
22-Nov-13	$0.20 (21 Nov 2016) Options	Vested at the date of the issue of the options	$0.09	3.13%	95%
16-Jan-14	$0.10 (15 Jan 2016) Options	Vested at the date of the issue of the options	$0.07	2.63%	107%
16-Jan-14	$0.15 (15 Jan 2016) Options	Vested at the date of the issue of the options	$0.07	2.63%	107%

20. 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, Oman and Peru.

	Australia	Oman	Saudi Arabia	Peru	Total
2015	**$**	**$**	**$**	**$**	**$**
Total segment revenues	55,399	-	-	-	55,399
Total Impairment charges	-	-	-	-	-
Total segment loss before tax	(1,833,778)	(55,752)	(169,496)	-	(2,059,026)
Total segment assets	33,748,295	5,899,419	254,234	-	39,901,948
Total segment liabilities	(437,787)	(68,385)	(1,649,191)	-	(2,155,363)
2014					
Total segment revenues	122,190	-	-	-	122,190
Total segment loss before tax	(3,789,705)	(42,877)	(446,800)	-	(4,279,382)
Total segment assets	33,890,848	5,526,554	1,712,408	-	41,129,810
Total segment liabilities	(517,855)	(77,970)	(1,612,411)	-	(2,208,236)

20. SEGMENT INFORMATION (continued)

(a) Reconciliation of segment information	2015 $	2014 $
(i) Total Segment Assets	39,901,948	41,129,810
Total Assets as per Statement of Financial Position	39,901,948	41,129,810

(a) Reconciliation of segment information (continued)	2015 $	2014 $
(ii) Total Segment Revenues	55,399	122,190
Total Revenue as per Statement of Profit or Loss and Other Comprehensive Income	55,399	122,190
(iii) Total Segment profit/(loss) before tax	(2,059,026)	(4,279,382)
Total Group profit/(loss) before tax	(2,059,026)	(4,279,382)

21. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable, and investments in a listed security. 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:

Financial assets	2015 $	2014 $
Cash and cash equivalents	937,192	3,151,295
Trade and other receivables	255,961	549,990
Financial assets at fair value through profit or loss	-	142,956
	1,193,153	3,844,241
Financial liabilities at amortised cost		
Trade and other payables	(520,011)	(594,343)
Loan Owed to Shareholder	(1,509,585)	(1,510,103)
	(2,029,596)	(2,104,446)
Net Financial Assets	(836,443)	1,739,795

(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.

21. FINANCIAL RISK MANAGEMENT (continued)

The Consolidated Entity has performed a sensitivity analysis on its exposure to equity securities price risk which had comprised shares in Strike Resources Limited (ASX code: SRK). The analysis demonstrates the effect on the prior year results and equity only which could result from a change in these risks, as the SRK shares were sold during the current financial period.

	2015 $	2014 $
Change in profit		
Increase by 15%	140,579	21,443
Decrease by 15%	(140,579)	(21,443)
Change in equity		
Increase by 15%	140,579	21,443
Decrease by 15%	(140,579)	(21,443)

(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. The average interest rate applicable to funds held on deposit during the year was 3.01% (2014: 3.44%).

	2015 $	2014 $
Cash at bank	409,458	556,454
Term deposits	523,125	2,592,450
	932,583	3,148,904

The Consolidated Entity has no borrowings and no liability exposure to interest rate risk. It has therefore not been included in the sensitivity analysis. However the revenue exposure to interest rate risks is material in terms of the possible impact on profit or loss or total equity. It has therefore been included in the sensitivity analysis below:

	2015 $	2014 $
Change in profit		
Increase by 3%	28,116	94,539
Decrease by 3%	(28,116)	(94,539)
Change in equity		
Increase by 3%	28,116	94,539
Decrease by 3%	(28,116)	(94,539)

21. FINANCIAL RISK MANAGEMENT (continued)

(iii) Foreign exchange risk

The Consolidated Entity is not materially exposed to foreign currency risk in cash held in Omani Rials (OMR) and Saudi Riyals (SAR) by the Consolidated Entity's foreign controlled entity, foreign resource project investment commitments and exploration and evaluation expenditure on foreign resource projects. The primary currency giving rise to this risk is US dollars (USD). 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:

	2015 USD	2014 USD
Cash and cash equivalents	145,509	93,308
Trade and other receivables	-	-
Trade and other payables	(5,045)	-
	140,464	93,308

The Consolidated Entity's exposure to foreign exchange risk is mitigated by having comparable asset and liability balances in US dollars. Therefore a sensitivity analysis has not been performed.

(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:

	2015 $	2014 $
Cash and cash equivalents		
AA-	932,583	3,148,904
No external credit rating available	4,609	2,391
	937,192	3,151,295
Trade and other receivables (due within 30 days)		
No external credit rating available	255,961	549,990

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.

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. As at 30 June 2015, the Consolidated Entity has no borrowings. 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:

2015	Less than 6 months $	6-12 months $	1-5 years $	Total $
Financial assets				
Cash and cash equivalents	937,192	-	-	937,192
Trade and other receivables	255,961	-	-	255,961
	1,193,153	-	-	1,193,153
Financial liabilities				
Trade and other payables	(520,011)	-	(1,509,585)	(2,029,596)
Net inflow/(outflow)	673,142	-	(1,509,585)	(836,443)
2014				
Financial assets				
Cash and cash equivalents	3,151,295	-	-	3,151,295
Trade and other receivables	549,990	-	-	549,990
	3,701,285	-	-	3,701,285
Financial liabilities				
Trade and other payables	(594,343)	-	(1,510,103)	(2,104,446)
Net inflow/(outflow)	3,106,942	-	(1,510,103)	1,596,839

(d) Fair Value of Financial Assets and Liabilities

The carrying amount of financial instruments recorded in the financial statements represent 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 Note 9 and Note 11. The financial liabilities at reporting date are set out in Note 16.

(e) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Consolidated Entity's assets and liabilities measured and recognised at fair value at 30 June 2015:

2015	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held at fair value through profit or loss				
Listed investments at fair value	-	-	-	-
2014				
Financial assets held at fair value through profit or loss				
Listed investments at fair value	142,956	-	-	142,956

22. COMMITMENTS

		2015 $	2014 $
(a)	**Lease Commitments**		
	Non-cancellable operating lease commitments:		
	Within 1 year	79,579	73,575
	1-5 years	168,834	220,725
	After 5 years	-	-
	Total	248,413	294,300

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. Lease expense during the period amounted to $76,518 (2014 $69,422). Subsequent to balance date the Group has signed a sub-lease for the office space hence mitigating the outstanding lease commitments remaining on the lease.

(b) A condition of the Mining Licence pertaining to the Khnaiguiyah Zinc-Copper Project in Saudi Arabia issued by the Ministry of Petroleum and Mineral Resources in January 2011 is the implementation of training programmes for Saudi nationals at a minimum cost of 20 million Saudi Riyals (SAR) (approximately A$5.1 million based on a current exchange rate of A$1.00/3.90 SAR)) over the 30 year term of the licence. KMC has not yet submitted a training programme and plan to the Ministry for approval and it is not possible to establish a time frame around this commitment as at the date of this report. The Mining Licence is also pending transfer from United Arabian Mining Company LLC (Saudi Arabia) (Manajem) to the joint venture company, Khnaiguiyah Mining Company LLC (Saudi Arabia) (KMC) (Alara: 50% and Manajem: 50%).

(c) A condition of the Khnaiguiyah Mining Licence is the payment of a nominal annual surface rental based on the area of the mining licence.

23. CONTROLLED ENTITIES

Investment in Controlled Entities	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-15	Jun-14
Hume Mining Pty Limited	Inactive	Australia	29-Mar-94	0%	100%
Alara Operations Pty Ltd (AOP)	Inactive	Australia	5-Feb-07	0%	100%
Alara Peru Operations Pty Ltd (APO)	Inactive	Australia	9-Mar-07	100%	100%
Alara Saudi Operations Pty Ltd (ASO)	Management	Australia	4-Aug-10	100%	100%
Alara Chile Operations Pty Ltd (ACO)	Inactive	Australia	28-Oct-09	0%	100%
Saudi Investments Pty Limited (SIPL) (formerly Alara Saudi Marjan Operations Pty Limited)	Development	Australia	14-Feb-11	100%	100%
Alara Oman Operations Pty Limited (AOO)	Management	Australia	28-Jun-10	100%	100%
Alara Kingdom Operations Pty Limited (AKO)	Management	Australia	5-Sep-11	100%	100%
Alara Saudi Holdings Pty Limited (ASH)	Inactive	Australia	5-Jun-13	100%	100%
Alara Resources LLC (controlled entity of AOO)	Exploration	Oman	2-Oct-10	70%	70%
Al Hadeetha Resources LLC (formerly Pilatus Resources Oman LLC) (controlled entity of AOO)	Exploration	Oman	6-Feb-07	70%	70%
Alara Resources Ghana Limited (subsidiary of AUQ)	Inactive	Ghana	8-Dec-09	100%	100%
Alara Peru S.A.C (subsidiary of APO)	Inactive	Peru	1-Mar-07	100%	100%

During the period a number of controlled entities were deregistered and no longer form part of the Group. The financial impact of these entities was determined and considered to be immaterial for both the current and prior period. The financial statements as a result have not been adjusted to reflect the removal of these entities from the group.

23. CONTROLLED ENTITIES (continued)

The Group includes the following subsidiaries with material Non-Controlling Interests ('NCI's') that is material interests held by other parties.

Name	Proportion of Ownership Interests and/or Voting Rights held by NCI		Profit Allocated to NCI		Accumulated NCI	
	Jun-15	Jun-14	Jun-15 $	Jun-14 $	Jun-15 $	Jun-14 $
Alara Resources LLC	30%	30%	(44,476)	(46,494)	159,463	114,987
Al Hadeetha Resources LLC	30%	30%	(15,187)	(35,222)	68,534	23,270

No dividends were paid to the NCI's during the years 2015 and 2014.

Summarised information for these subsidiaries is set out below:

	Alara Resources LLC 2015 $	Al Hadeetha Resources LLC 2015 $
Current assets	34,350	5,584
Non-current assets	4,473,491	3,443,291
Total assets	**4,507,841**	**3,448,875**
Current liabilities	51,912	9,547
Non-current liabilities	4,987,473	3,583,030
Total liabilities	**5,039,385**	**3,592,577**
Equity attributable to owners of the Parent	**372,081**	**75,168**
Non-controlling interests	**159,463**	**68,534**

	Alara Resources LLC 2014 $	Al Hadeetha Resources LLC 2014 $
Current assets	62,905	440
Non-current assets	4,053,141	3,187,971
Total assets	**4,116,046**	**3,188,411**
Current liabilities	36,522	12,119
Non-current liabilities	4,462,813	3,269,370
Total liabilities	**4,499,336**	**3,281,489**
Equity attributable to owners of the Parent	**268,303**	**69,809**
Non-controlling interests	**114,987**	**23,270**

	Alara Resources LLC 2015 $	Al Hadeetha Resources LLC 2015 $
Revenue	9,929	14
Profit/(loss) for the year attributable to owners of the Parent	(103,777)	(35,436)
Profit/(loss) for the year attributable to NCI	(44,476)	(15,187)
Profit for the year	**(148,253)**	**(50,623)**

	Alara Resources LLC	Al Hadeetha Resources LLC
	2014 $	2014 $
Revenue	7,505	19,326
Profit/(loss) for the year attributable to owners of the Parent	(108,486)	(105,665)
Profit/(loss) for the year attributable to NCI	(46,494)	(35,222)
Profit for the year	**(154,980)**	**(140,887)**

	Alara Resources LLC	Al Hadeetha Resources LLC
	2015 $	2015 $
Net cash from operating activities	(31,826)	5,144
Net cash used in investing activities	-	-
Net cash from/(used in) financing activities	-	-
Net cash inflow/(outflow)	**(31,826)**	**5,144**

	Alara Resources LLC	Al Hadeetha Resources LLC
	2014 $	2014 $
Net cash from operating activities	6,636	(735)
Net cash used in investing activities	-	-
Net cash from/(used in) financing activities	-	-
Net cash inflow/(outflow)	**6,636**	**(735)**

24. JOINTLY CONTROLED ENTITIES

Investment in Jointly Controlled Entities	**Principal Activity**	**Country of Incorporation**	**Date of Incorporation**	**Jun-15**	**Jun-14**
Daris Resources LLC (jointly controlled entity of AOO)	Exploration	Oman	1-Dec-10	50%	50%
Khnaiguiyah Mining Company LLC (KMC) (jointly controlled entity of ASO)	Inactive*	Saudi Arabia	10-Jan-11	50%	50%

***** pending the outcome of legal proceedings with manajem.

25. 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 23 and 24.

(a) Key management personnel compensation

Details of transaction with key management personnel are disclosed in note 26 and the remuneration report section of the directors' report.

(b) Transactions with other related parties

The following transactions occurred with related parties during the year ending 30 June 2015:

(a) Controlled and Jointly Controlled Entities

Details of the interest in controlled entities and jointly controlled entities are set out in notes 23 and 24.

(b) Key management personnel compensation

Details of transaction with key management personnel are disclosed in note 26 and the remuneration report section of the directors' report.

(c) Transactions with other related parties

The following transactions occurred with related parties during the year ending 30 June 2015:

- Saudi Investments Pty Ltd a wholly owned subsidiary of Alara Resources Ltd paid $100,000 to Bayan Mining Company LLC in connection with the establishment of a new joint venture in Saudi Arabia.

- In or around November 2014, a payment of $100k was made to Bayan Mining Company LLC. Bayan are not currently a related party, but was at the time the payment was made.

The following transactions occurred with related parties during the year ending 30 June 2014:

- Khnaiguiyah Mining Company LLC (KMC) a 50% sublet office space to the other 50% joint owner United Arabian Mining Company (Manajem)

- Alara Resources LLC a 70% owned controlled entity paid office rent to Sur United International Co LLC the other 30% shareholder of Alara Resources LLC amounting to $7,340.

Additional related party transactions which took place during the period relate to funding which has been provided to related entities for exploration activities where a non-controlling interest exists. These are disclosed within Notes 12 and 13 of the financial statements.

26. 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.

Key Management Personnel remuneration includes the following expenses:

	2015 $	2014 $
Short term employee benefits:		
Remuneration including bonuses	1,427,947	1,193,672
Social security costs	-	-
Total short term employee benefits	**1,427,947**	**1,193,672**
Long service leave		13,869
Total other long-term benefits		**13,869**
Post-employment benefits:		
Defined benefit pension plans	-	-
Defined contribution pension plans	69,585	56,397
Total post-employment benefits	**69,585**	**56,397**
Termination benefits	100,000	-
Share-based payments	-	494,739
Total remuneration	**1,597,532**	**1,758,677**

27. CONTINGENT ASSETS AND LIABILITIES

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

(a) **Shareholders' Agreement (SHA) – Khnaiguiyah Mining Company – Khnaiguiyah Zinc-Copper Project (Saudi Arabia)** – 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 ("Manajem" in Arabic) Company (Manajem) pursuant to which Alara will pay a total of US$7.5 million to Manajem in stages subject to completion of project milestones and the parties forming a new joint venture company, Khnaiguiyah Mining Company LLC (KMC), which will hold the Khnaiguiyah Zinc-Copper Project mineral licences. KMC was incorporated in Saudi Arabia on 10 January 2010. Alara has paid Manajem a total of US$3.654 million (including advance payments of US$3.388 million in respect of the tranches payable under the Shareholders Agreement with US$3.846 million payable (US$1.836 million payable in cash and US$2.01 million to be satisfied by the issue of 6,700,000 shares in Alara, at an issue price of US$0.30 per share (equivalent to A$0.32 per share based on the current A$1.00/US$0.78 exchange rate) upon KMC receiving the grant of an Environmental Permit for the commencement of mining under the Khnaiguiyah Mining Licence (subject to completion of the transfer of the Mining Licence from Manajem to KMC).

A 'Resource Bonus' is also payable to Manajem (based on Manajem's shareholding interest in KMC at the relevant time) calculated at the rate of US 0.5 cent per pound of contained zinc equivalent (within a JORC Indicated Resource at a minimum average grade of 7% zinc) discovered within the Project, in excess of a threshold Indicated Resource of 11 million tons (at the same minimum average 7% zinc grade).

Alara is entitled to fund (as loan capital to KMC) all exploration, evaluation and development costs in relation to the Project up to completion of a bankable feasibility study (BFS). Upon Alara having made a "decision to mine" following completion of a BFS, KMC will seek project financing to fund development of the Project. The difference between the amount of project financing raised and the capital costs of the Project (shortfall) shall be met by the parties as follows; Alara is entitled firstly to provide funding (which at Alara's election can be applied as debt and/or equity) to make up the shortfall, up to a maximum of US$15 million plus 25% of the project capital costs. That is, if the Project is financed as to 50% debt from external financiers with a 50% shortfall to be met by KMC shareholders, Alara is entitled to contribute its half share of the shortfall (being 25% of the project capital costs) and will also fund a maximum of US$15 million of Manajem's contribution towards the shortfall. The balance of the shortfall (and subsequent funding calls by KMC) shall be satisfied by each shareholder (pro-rata to their respective shareholding interests) providing additional capital contributions in return for new shares issued in KMC. The new shares issued shall be issued at a price equal to the sum of the capital cost of the Project as defined in the BFS, plus cumulative capital contributions made by the shareholders, divided by the number of shares on issue in KMC at that time. Where a shareholder declines to subscribe for its shares, the other shareholder may elect to subscribe for these shares in its place at the same issue price. Any loan funds advanced by Alara to KMC, together with an existing (deemed) loan of US$3 million from Manajem, shall be repayable from KMC's net profits.

27. Contingent Assets and Liabilities (continued)

In November 2014, Alara served notice on Manajem suspending Alara's obligations under the SHA and reserving Alara's rights to file claims against Manajem (in addition to the counter-claims referred to in (c) below) pursuant to Manajem's breaches under the SHA and updated JV Agreement (referred to in (b) below).

(b) **Updated Joint Venture Agreement – Khnaiguiyah Mining Company – Khnaiguiyah Zinc-Copper Project (Saudi Arabia)** – In March 2014, Alara Saudi Operations Pty Limited, a wholly owned subsidiary of the Company, entered into a series of agreements with Manajem to update the joint venture between the parties. This included amendments to the Shareholders' Agreement referred to in (a) above and provided for Alara to acquire an additional 10% of the joint venture entity, KMC, thus increasing its equity to 60% (from 50%) and have control of KMC and the Project. Under these updated joint venture agreements Alara would pay a total of US$6,664,120 to Manajem (principally) in stages conditional on attainment defined milestones (with such amount to be added to Alara's loan to KMC, repayable from KMC net profits) and issue 60 million shares to Manajem subject to Alara shareholder approval. The parties also agreed to settle and/or waive all historical claims in relation to the KMC joint venture and or the Khnaiguiyah Project. As at the date of this report, no payment has been effected as Manajem has, inter alia, not yet complied with its initial obligation under the same to notify the Deputy Ministry of Mineral Resources (DMMR) to recommence the process to effect the transfer of the ML to KMC.

(c) **'Financial Claim' – Khnaiguiyah Zinc-Copper Project (Saudi Arabia)** – In November 2014, Khnaiguiyah Project joint venture partner, Manajem, filed a 'financial claim' against Alara Saudi Operations Pty Limited before the Board of Grievance in Riyadh, Kingdom of Saudi Arabia. Manajem has purportedly claimed broadly unspecified and unsubstantiated alleged breaches by Alara under the SHA, alleged violations by Alara of Saudi Arabian law and what appears to be an allegation of not 'acting in good faith'. Alara's position is that there is no reasonable basis for Manajem to assert the alleged breaches or seek the remedies set out in its claims. Alara has lodged a counter-claim against Manajem based on a number of specific breaches of the SHA by Manajem (including via acting through Manajem company executives) pursuant to Manajem's obligations under the SHA and in relation to a number of operational matters involving the JV Company, KMC. Alara will defend Manajem's claim and pursue its counter-claims against Manajem before the Board of Grievance in accordance with due process. There have been several brief hearings to date (from December 2014 through to 8th September 2015), with a further postponement being the outcome at each session. The next hearing is scheduled for the 17th November 2015. . Management, based on the advice of external legal counsel maintain that Manajem's claims are unsubstantiated.

(d) **Introduction Fee – Net Profit Royalty Obligation – Khnaiguiyah Zinc-Copper Project (Saudi Arabia)** – A 0.5% net profit royalty is due and payable to the individual who introduced the Khnaiguiyah Zinc Copper Project (Saudi Arabia) to Alara, based on Alara's share of net profits from KMC.

(e) **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) pursuant to which Alara will invest up to a total of US$7 million into a new joint venture company ("Daris Resources LLC" (DarisCo)) to gain up to a 70% shareholding. DarisCo 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 US$4 million to DarisCo as a loan (on commercial terms and repayable as a priority before distribution of dividends) - convertible into equity in DarisCo to take Alara's interest to 70%. DarisCo has exclusive rights (to be further formalised under a management agreement with ATTE) to manage, operate and commercially exploit the concession.

DarisCo is governed by a 6 member board of directors with 3 nominees (including the Chairman) from Alara and 3 nominees from ATTE.

(f) **Shareholders' Agreement – Alara Resources LLC (Oman)** – On 8 August 2010, Alara Oman Operations Pty Limited, a wholly owned subsidiary of the Company, entered into a shareholders' agreement with Sur United International Co. LLC (SUR) pursuant to which a new joint venture company ("Alara Resources LLC" (AlaraCo)) will be established to identify, secure and commercially exploit other resource projects in Oman introduced to AlaraCo by SUR. AlaraCo was incorporated in Oman in 2 October 2010. Alara contributed 100% of the initial capital of 150,000 Omani Rials (RO) (equivalent to ~A$425,000 at that time) for its 70% shareholding interest in AlaraCo with SUR holding the balance of 30%.

Alara is entitled to advance funds to AlaraCo as a loan (on commercial terms and repayable as a priority before distribution of dividends). SUR is entitled to receive a priority payment out of net profits equivalent to 2% NSR (Net Smelter Return) – which amount is deducted from the dividend entitlement of SUR. There is a mechanism for the dilution of SUR's profit interest (ie. 30%) if SUR fails to meet capital calls after a 'Decision to Mine' has been made by Alara in respect of a proposed 'Mine' (supported by the results of any feasibility study confirming the commercial viability of the exploitation of a 'Mine'). If SUR's entitlement to dividends is diluted below 10% as above, SUR has an option to assign its dividend rights to Alara in return for a 2% NSR payment from AlaraCo, subject to AlaraCo making a net profit.

The shareholders agreement is subject to conditions precedent including, amongst other matters, the execution of an ancillary loan agreement (which is currently pending execution by the parties) and an exploration licence being granted to AlaraCo – AlaraCo has lodged several applications for exploration licences over open areas prospective for base and precious metals introduced by SUR (which are currently pending grant by the Oman Government).

AlaraCo is governed by a 5 member board of directors with 3 nominees (including the Chairman) from Alara and 2 nominees from SUR.

(g) **Introduction Fees – Net Smelter Return Royalty and Bonus Obligation – Oman Projects** – A 0.5% Net Smelter Return (NSR) royalty is due and payable to the individual who introduced the prospects the subject of exploration licence applications by Alara Resources LLC (Oman). A US$25,000 cash bonus is also due and payable to the same individual upon commencement of production from the Daris Copper-Gold Project (Oman).

(h) **Shareholders Agreement – Al Ajal-Washihi-Mullaq Copper-Gold Project (Oman)** – On 23 November 2011, Alara Oman Operations Pty Limited (a wholly owned subsidiary of the Company) entered into a shareholders agreement with the concession holder, Al Hadeetha Resources LLC ('Al Hadeetha') and the then shareholders of Al Hadeetha. An Amendment Agreement between Alara and Al Hadeetha Investments LLC dated 3 August 2013 acknowledges Alara now holds a 70% shareholding in Al Hadeetha and Al Hadeetha Investments LLC ('AHI') holds 30%.

Post completion of a definitive feasibility study, the Al Hadeetha Board may issue shareholders with payment notices requiring them to contribute equity funding in proportion to their shareholding. If AHI decline to make the required capital contribution to develop the Project's first mine, then Alara may elect to pay Al Hadeetha the amount which AHI were required to contribute under their payment notice and (subject to Omani law) Alara may increase its economic interest in Al Hadeetha to 75%. This payment shall be treated as a loan and Alara shall be entitled to 60% of all dividends in favour of AHI until such time that 25% of the total amount required under the payment notices is repaid to Alara. If a Al Hadeetha shareholder's interest falls below 10%, that party shall (subject to Omani law) assign its dividend and voting rights to the other shareholder(s) in exchange for a 2% net smelter return on production payable by Al Hadeetha.

Al Hadeetha is governed by a 3 member board of directors with 2 nominees appointed by Alara (including the Chairman) and 1 nominees appointed by the Al Hadeetha Investments LLC (30% shareholder).

(i) **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.

28. SUBSEQUENT EVENTS

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.

Directors' Declaration

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 25 to 57, 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 2015 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) on pages 14 to 22 (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 2015.

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

Justin Richard
Managing Director

30 September 2015

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

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

We have audited the accompanying financial report of Alara Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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 Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determines 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for qualified auditor's opinion

A limitation in scope of our audit work exists for the reasons described below:

Included in note 12 to the financial statements, the consolidated entity has reported resource projects relating to its exploration interests in Saudi Arabia of $31,477,634. Australian Accounting Standard AASB 136 Impairment of Assets requires an asset to be carried at no more than its recoverable amount. We have been unable to obtain sufficient appropriate audit evidence to support the Directors' assessment of the recoverable amount of the asset. In the event that the carrying value of the asset exceeds its recoverable amount, it would be necessary for the receivable to be written down to its recoverable amount.

Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the abovementioned matter:

a the financial report of Alara Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date;

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

Material uncertainty regarding continuation as going concern

Without further qualifying our opinion, we draw attention to Note 1.1 in the financial report which indicates that the consolidated entity incurred an operating loss before tax for the year ended 30 June 2015 of $2,059,026. These conditions, along with other matters as set forth in Note 1.1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 14 to 22 of the directors' report for the year ended 30 June 2015. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Alara Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner - Audit and Assurance

Perth, 30 September 2015

Saudi Arabia

Khnaiguiyah Zinc-Copper Project

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

The Khnaiguiyah Project comprised one mining licence (issued in December 2010 with an exclusive 30 year term and no mineral royalties), 2 exploration licences and 5 exploration licence applications, totalling approximately 380km^2 currently held by joint venture partner, United Arabian Mining Company LLC (**Manajem**).

The two exploration licences, Umm Al Hijja and Mutiyah, have expired and are considered by Alara to be non-core to the Khnaiguiyah Project. Similarly, Alara does not anticipate any further licences being granted to Manajem at this stage.

As at the date of this report, Manajem remains the registered holder of the mining licence.

Alara's wholly owned subsidiary, Alara Saudi Operations Pty Limited has a 50% interest[52] in the Khnaiguiyah Project, with an agreement to move to a 60% interest[53].

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

Project	Licence Owner	Status	Tenement	Grant/ Application Date	Area	Location/ Property Name	Country	Alara's Interest
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	Granted	Mining Lease No 2. Qaaf	Dec 2010 dated 6/1/1432H	5.462km^2	~170km west of Riyadh	Saudi Arabia	50%*
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	Expired/ lapsed	Exploration Licence "Qaf"/101	Oct 2007 dated 17/10/1428H	84 + 66km^2	~170km west of Riyadh	Saudi Arabia	50%*
Khnaiguiyah Zinc-Copper Project	United Arabian Mining Company LLC	Pending	Exploration Licence Application "Qaf"/99	Oct 2007 dated 17/10/1428H	24.99 + 66.71 + 65.52 + 34.65 + 30.08km^2	~170km west of Riyadh	Saudi Arabia	50%*

* Licences and applications are subject to Shareholders' Agreement and Mining Rights Agreement between Alara and Manajem.

52 Refer Alara's 5 October 2010 ASX Announcement: Project Acquisition - Khnaiguiyah Zinc Copper Project in Saudi Arabia" and 25 October 2010 ASX Announcement: Execution of Joint Venture Agreement - Khnaiguiyah Zinc Copper Project in Saudi Arabia

53 Refer Alara's 14 March 2014 ASX Announcement: Alara Moving to 60% Interest in the Khnaiguiyah Project and 4 April 2014 ASX Announcement: Completion of Agreements for Updated Khnaiguiyah Project Joint Venture

Oman

Daris and Washihi Copper-Gold Projects

Alara has joint venture interests in five copper-gold deposits located within four Exploration Licences in Oman extending over 692km². These deposits are also covered by 5 Mining Licence applications pending grant, totalling ~9km².

The Daris Copper-Gold Project[54] is located ~170km northwest of Muscat (the capital of Oman). The Washihi/Mullaq[55] prospects are located ~100km south-southeast of Daris. Both projects/prospects are located on or very close to high quality bitumen roads.

Daris Copper-Gold Project

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

Block Name	Licence Owner	Alara JV Interest	Exploration Licence					Mining Licences within EL		
			Area	Date of Grant	Date of Expiry	Application for Renewal	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50%	587km²	Nov 2009	Feb 2016	N/A	Active	Daris East 3.2km² Daris 3A-5 1.3km²	Dec 2012	Accepted in April 2013; in progress

Washihi-Mullaq-Al Ajal Copper-Gold Project

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

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Washihi	Al Hadeetha Resources LLC	70%	39km²	Jan 2008	Nov 2015	Active	2.1km²	Dec 2012	Accepted in April 2013; in progress
Mullaq	Al Hadeetha Resources LLC	70%	41km²	Oct 2009	Nov 2015	Active	1km²	Jan 2013	In progress
Al Ajal	Al Hadeetha Resources LLC	70%	25km²	Jan 2008	Nov 2015	Active	1.5km²	Jan 2013	In progress

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

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

Saudi Arabia

Khnaiguiyah Zinc-Copper Project

Table 1 - Khnaiguiyah JORC Ore Reserves[56]

Mineralised Zone	Proved			Probable			Proved + Probable		
	Mt	Zn%	Cu%	Mt	Zn%	Cu%	Mt	Zn%	Cu%
1	0.78	4.2	0.23	1.07	4.3	0.25	1.85	4.3	0.24
2	8.75	2.6	0.32	1.2	3.8	0.44	9.95	2.7	0.34
3	8.21	4.1	0.27	6.08	2.7	0.05	14.28	3.5	0.17
Total (All Pits)	**17.73**	**3.4**	**0.29**	**8.35**	**3.1**	**0.13**	**26.08**	**3.3**	**0.24**

Table 2 - Khnaiguiyah JORC Measured and Indicated Resource - Zinc (Domain 1) and Zinc-Copper (Domain 2)[57]

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Measured	**1 and 2**	1, 2	9.65	3.37	0.16	1.5
		3	6.37	5.28	0.25	1.5
Indicated		1, 2	3.12	4.45	0.3	1.5
		3	6.18	3.55	0.05	1.5
Measured and Indicated		**1, 2 and 3**	**25.32**	**4.03**	**0.17**	**1.5**

Table 3 - Khnaiguiyah JORC Measured and Indicated Resource - Copper (Domain 3)[34]

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Copper %	Cu Cut-off (%)
Measured	**3**	1, 2	4.7	0.72	0
		3	1.07	0.63	0
Indicated		1, 2	1.59	0.54	0
		3	1.16	0.43	0
Measured and Indicated		**1, 2 and 3**	**8.53**	**0.64**	**0**

Table 4 - Khnaiguiyah JORC Inferred Resource - Zinc (Domain 1) and Zinc-Copper (Domain 2)[34]

JORC Resource	Domain	Mineralised Zone	Tonnes (Mt)	Zinc %	Copper %	Zn Cut-off (%)
Inferred	1 and 2	4	4.32	2.9	0.03	1.5

The information in these JORC Reserve and Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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

57 Refer to 21 February 2012 ASX Announcement: Maiden JORC Resource – Khnaiguiyah Zinc-Copper Project, 12 October 2012 ASX Announcement: JORC Resource Upgrade for Khnaiguiyah Zinc-Copper Project, and 30 October 2012 ASX Announcement: JORC Resource Upgrade and Update for Khnaiguiyah Zinc-Copper Project

Oman

Washihi-Mullaq-Al Ajal Copper-Gold Project (Oman)

Table 5 - Washihi JORC Mineral Resources[58]

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0..85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

Daris Copper-Gold Project (Oman)

Table 6 - Daris-East JORC Mineral Resources

Ore type	Cut-off grade Cu%	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t	Tonnes	Cu%	Gold (Au) g/t
Sulphides	0.5	129,155	2.48	0.23	110,870	2.24	0.51	240,024	2.37	0.43	30,566	2.25	0.55
Oxides	0.5	96,526	0.77	0.03	86,839	0.66	0.14	183,365	0.72	0.08	1,712	0.61	0.97

The information in these JORC Resource tables was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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

JORC Competent Persons Statements

(1) The information in this report that relates to Ore Reserves in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on, and fairly represents, information and supporting documentation prepared by Mr Geoff Davidson, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Alara Resources Limited. Mr Davidson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code, 2004 edition). In assessing the appropriateness of the Ore Reserve estimate, Mr Davidson has relied on various reports, from both internal and external sources, in either draft or final version, which form part of or contribute to the Khnaiguiyah Project Detailed Feasibility Study. These reports are understood to be compiled by persons considered by Alara Resources Limited to be competent in the field on which they have reported. Mr Davidson has approved and given his consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer also to Table 5 (Estimation and Reporting of Khnaiguiyah JORC Ore Reserve Statement) of the JORC Code Competent Person Statements in Alara Resources Limited's ASX market announcement dated 18 April 2013: Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project for further information in relation to the Ore Reserve estimate for the Khnaiguiyah Project.

(2) The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zone 3 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on, and fairly represents, information and supporting documentation prepared by Mr Daniel Guibal, an employee of SRK Consulting (Australasia) Pty Ltd, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Guibal has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Guibal approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

(3) The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zones 1, 2 and 4 and other Exploration Results in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) and Mineral Resources in relation to the Daris/Washihi Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Mr Sharma was a principal consultant to Alara Resources Limited. Mr Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Sharma approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Securities Information

as at 25 September 2015

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	248,007,500	-	248,007,500
$0.10 (15 January 2016) Unlisted Options[59]	-	10,000,000	10,000,000
Total	**248,007,500**	**10,400,000**	**258,407,500**

Summary of Directors' and Employees' Unlisted Options

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria[60]	No. of Options
16 Jan 2014	$0.10 (15 January 2016) Options	$0.10	15 Jan 2016	Performance Conditions - Vested	10,000,000

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	980	339,493	0.137%
1,001 - 5,000	308	744,773	0.300%
5,001 - 10,000	177	1,502,128	0.606%
10,001 - 100,000	442	18,937,199	7.636%
100,001 - and over	243	226,483,907	91.321%
Total	**2,150**	**248,007,500**	**100%**

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	WHITECHURCH DEVELOPMENTS PTY LTD *	14,345,510	5.784%
2.	BARON NOMINEES PTY LTD	12,100,000	4.879%
3.	INKESE PTY LTD	11,500,000	4.637%
4.	MS MENG	10,409,106	4.197%
5.	CITICORP NOMINEES PTY LTD	10,397,755	4.193%
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,749,527	3.125%
7.	MR FRANK WENG THONG CHEW	7,700,000	3.105%
8.	DR JOHN HENRY ADDISON MCMAHON	5,300,000	2.137%
9.	MR WARREN WILLIAM BROWN & MRS MARILYN HELENA BROWN	4,650,000	1.875%
10.	MR BRIAN JOSEPH FLANNERY & MRS PEGGY ANN FLANNERY / FLANNERY FOUNDATION PTY LTD	4,412,390	1.779%
11.	MR MICHAEL ARCH	4,370,405	1.762%
12.	MR PETER KELVIN RODWELL	4,000,000	1.613%
13.	MR IAN EDWARD TREGONING & MRS LISA ANTONIETTA TREGONING / THORPE ROAD NOMINEES PTY LTD	3,910,000	1.577%
14.	MR FIRAS SWEITI	3,200,000	1.290%
15.	JDW INVESTMENTS AUSTRALIA PTY LTD	2,800,000	1.129%
16.	MR JASON PAUL ATKINSON	2,500,000	1.008%
17.	MR CRAIG GRAEME CHAPMAN	2,399,114	0.967%
18.	DR JOHN FRANCIS KUBA	2,200,000	0.887%
19.	MR ANTHONY BROWN	2,000,000	0.806%
20.	HOUVAN PTY LTD	2,000,000	0.806%
Total		**117,943,807**	**47.56%**

* Substantial shareholder

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

[60] Options which have vested may be exercised at any time thereafter, up to their expiry date