

## Alara Resources (AUQ)

### Alara Resources climbs 5.6% on strong volume

Alara Resources Limited, Australia's 169th largest materials company by market capitalisation, climbed 0.50c (or 5.6%) to close at 9.50c. Compared with the All Ordinaries Index which fell 8.1 points (or 0.2%) in the day, this represented a relative price increase of 5.7%. This has been propped up by strong volume of 5.6 times average.

### Introduction

**We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics**

**What makes us most bullish on the stock is the following:**

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day higher than its 26-day.
- In the last three months the number of rises outnumbered falls 25:21 or 1.2:1.
- It is beating 96% of the market the past 6 months.

### Stock Summary

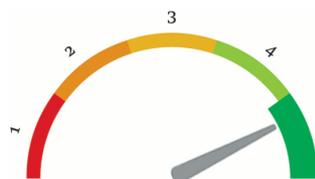
<b>Day's Range</b>	9.0c-9.50c
<b>52-Week Range</b>	3.50c-14.50c
<b>Today's Turnover</b>	\$307,707
<b>Relative Strength</b>	96
<b>Sector</b>	Materials
<b>Volume</b>	3,239,025
<b>Volume Index (1 is avg)</b>	5.6
<b>Market Cap</b>	\$23 million
<b>Shares Outstanding</b>	242,007,500
<b>ISIN</b>	AU000000AUQ7

### Long-Term Fundamental Ranking: 2 out of 5



Stocks are scored on a set of parameters reflecting fundamental analytical tools involving valuation, size and financial performance. They are ranked according to the average values of those parameters. The highest rating is 5 and the lowest rating is 1.

### Short-Term Technical Ranking: 5 out of 5



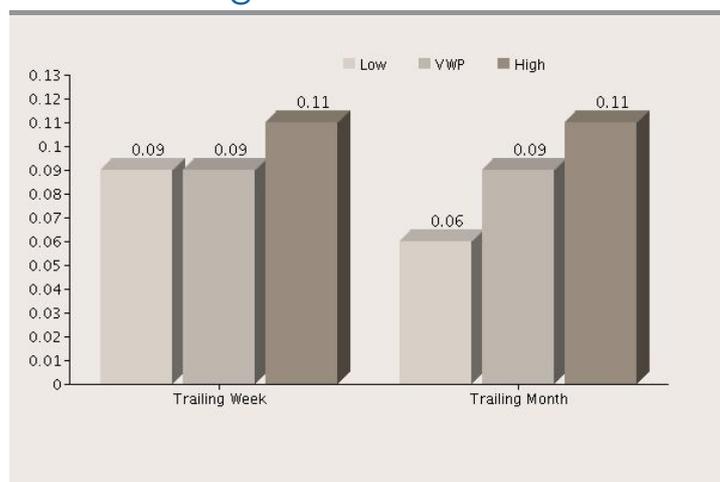
Stocks are scored on a set of technical parameters reflecting price performance and trading volumes. They are ranked according to the average values of those parameters. The highest rating is 5 and the lowest rating is 1.

## Analysis

### Bullish Signals

- The price is at a premium of 5.6% to the 1-month volume weighted average price of 9.0c. Given that this premium has been under 5.6% one hundred forty times and over 5.6% eighty-one times in the last year, the downside:upside probability is estimated at 140:81 or 1.7:1.

### Volume Weighted Price



- In the last 20 trading sessions there has been a net rise of 41.79%; the stock has advanced ten times and the biggest one day rise was 37.7% on Mar 14.
- The price soared 39.7% in the last month. This has been propped up by firm volume of 2.0 times average for the month.
- In the Australian market of 1,135 stocks and 39 units traded today, the stock has a 6-month relative strength of 96 which means it is beating 96% of the market.
- A price rise combined with a high relative strength is a bullish signal.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 0.09 minus the 26-day EMA of 0.08 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.

### Undervaluation:

- The Price to Book of 0.6 lower than average of 2.3 for the Materials sector and 2.8 for the Total Australian Market. We estimate the shares are trading at a current year Price to Book of 0.6 and a forward year Price to Book of 0.6.
- The company is cash rich with Cash to Market Capitalisation at 19.4%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 0.6. Compared with the rest of the market the stock is undervalued.

### Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "A stock price down to at least two-thirds of tangible book value per share"; the price is 0.6 times tangible book value per share of 16.3cents.
- "Current ratio of two or more"; current assets are 3.2 times current liabilities.

### Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	96	In Top 5%
Price Change %	5.6	In Top Quartile

### PRICE PERFORMANCE RANK IN SECTORS :

#### The stock is in 3 sectors:

The stock's rise was in keeping with the trend set by Materials sector of 411 stocks traded today, which was up 39.3 points or 0.7% to 6,027.

#### The stock's rise went against the trend set by the following index and sector:

All Ordinaries Index which was down 8.1 points or 0.2% to 5,395.

The Total Australian Market of 1135 stocks and 39 units traded today, which was down 7.9 points or 0.1% to 5,580.

### Price Percentile Rank and comparison:

Percentile Rank	1-day	1-month	6-months
AUQ	91	96	96
Materials	78	40	62
All Ordinaries Index	47	54	59

### Bearish Signals

- The price sank 5.0% in the last week.
- The price to 50-day EMAP ratio is 0.7, a bearish indicator. In the past 200 days this ratio has been under 0.7 42 times suggesting further downside. The 50-day EMAP has decreased to 12.90c. A decrease is another bearish indicator.
- The Price/MAP of 0.87 for AUQ is lower than the Price/MAP for the All Ordinaries Index of 1.0.
- The price to 200-day MAP ratio is 0.87, a bearish indicator. In the past 200 days this ratio has been under 0.87 176 times suggesting further downside.

## Analysis (continued)

### Overvaluation:

- Price/Sales of 81.22 versus sector average of 1.7 and market average of 1.6.

### Other Bearish Signals:

- Net Profit margin and EBIT margin have seen consecutive falls and seem to be on a slippery slope in recent years.

### Annual Trend:

[Year ended, all figures in %]

Year	Net Profit Margin	EBIT Margin
Jun 13	-2,324.5	-2,432.2
Jun 12	-182.6	-187

### Price/Moving Average Price [P/MAP]



## Note

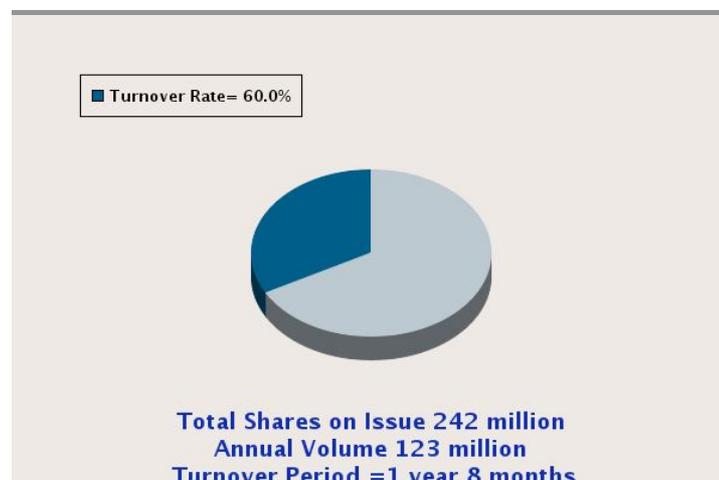
### Volatility

The stock traded between an intraday low of 9.0c and a high of 9.50c. The price range has expanded in the last two days (from 0.30c two days ago to 0.50c today) which, accompanied by a price rise, is a bullish signal. The average daily volatility of 7.0% places the stock in the 1st quartile in the market meaning it is highly volatile.

### Volume

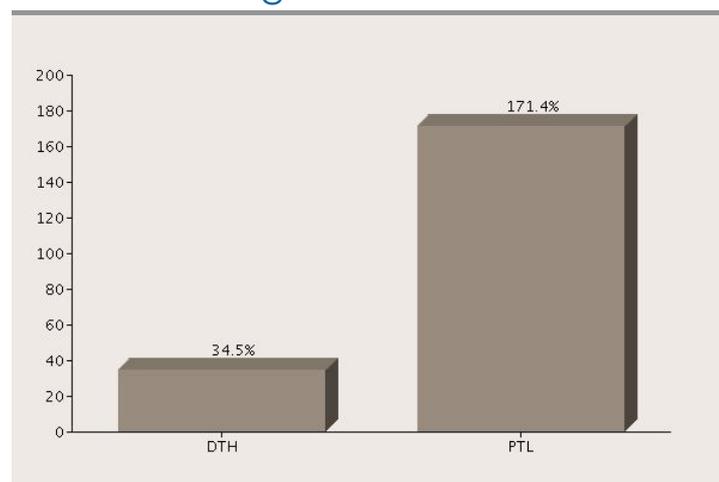
There were 3,239,025 shares worth \$307,707 traded. The volume was 5.6 times average trading of 581,246 shares.

### Turnover Rate & Turnover Period



- It is at a discount of 34.5% to the 12-month high of 14.50c on 11 Apr, 2013. It is also at a premium of 171.4% to the 12-month low of 3.50c on 26 Sep, 2013.

### Discount to High & Premium to Low



Standard Deviation (SD):SD is a statistical measure of deviation from the mean. The SD of 8.6% gives it a percentile rank of 94 meaning that 94% of stocks in the Australian market are less volatile than this stock.

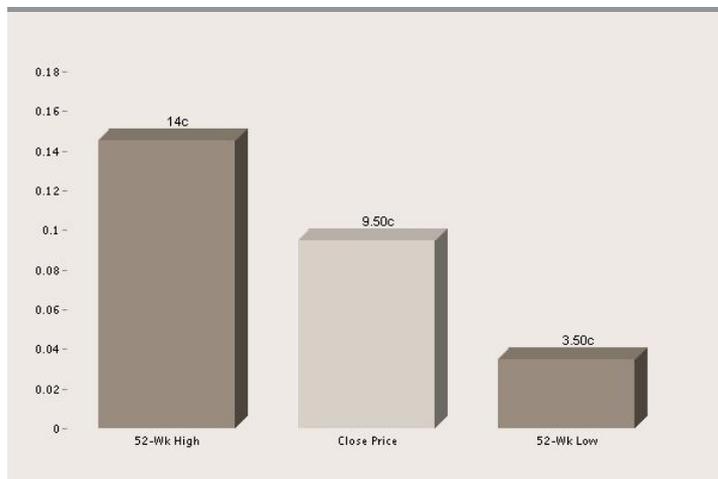
The stock meets the following value criteria:

### Neutral Indicators and Rank in Market:

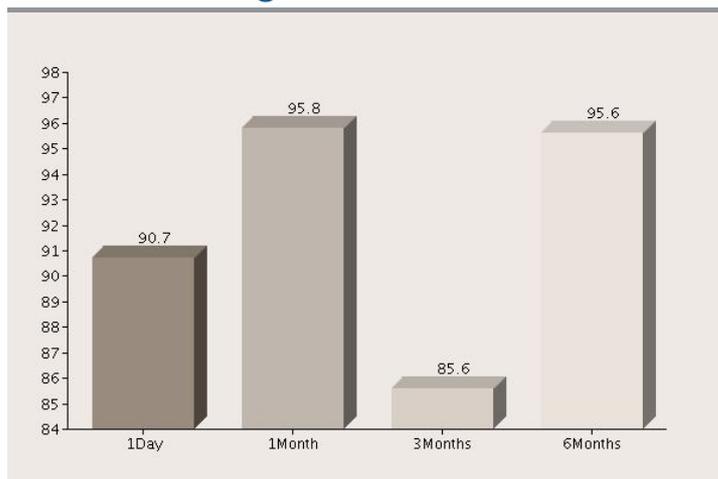
Description	Value	Rank In Market
Today's Turnover	\$307,707	In 2nd Quartile
MCAp	US\$21.3 million	In 3rd Quartile

## Analysis (continued)

### One-Year Price High, Close and Low Price



### Relative Strength



## Rankings

### Long-Term Fundamental Ranking: 2 out of 5

Alara Resources is ranked number 172 out of 769 listed materials companies [that traded today] in Australia with a market capitalization of \$23 million. In the materials companies it has the 186th highest total assets and 295th highest revenues.



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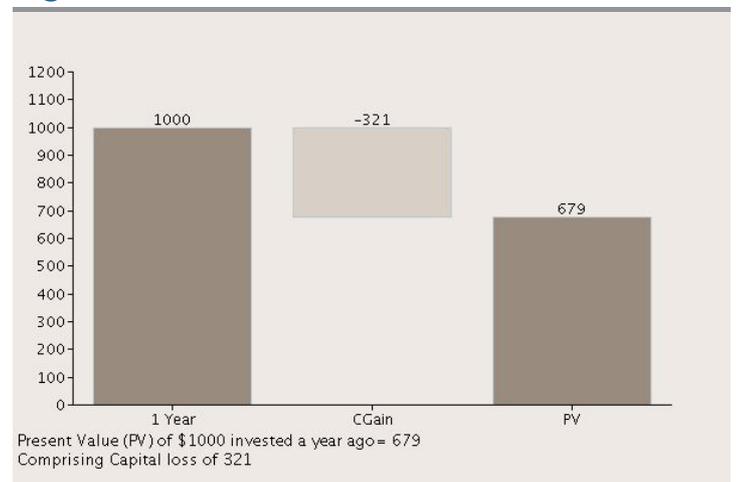
### Short-Term Technical Ranking: 5 out of 5

Its short term falls have been combined with weak volume resulting in weak momentum falls over 5 days. Significantly its price of 9.50c is at a discount of 13% to its 200-day moving average price of 10.97c. Its 52-week range has been 14.50c to 3.50c; it is trading at a discount of 34.5 % to its 52-week high and a premium of 171.4 % to its 52-week low. \$1,000 invested exactly one year ago is now worth \$679 of which \$321 is a capital loss. Recommended stop loss: 8.79c



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### Present Value of \$1000 invested a year ago



## BuySellSignals Fundamentals Valuation Table: Total Australian Market

	Total Australian Market	AUQ	Rank	Rank 1	Rank 2	Rank 3	Lowest Rank
P/Earnings	27.8x		841	1.6x DTM	1.7x MAK	1.8x ALK	
Price/Net Tangible Assets	2.8x	0.6x	229	0.1x AGG	0.1x EXM	0.1x SLT	
Discount to 52-Wk High (%)	2.2	34.5	749	99.9 AIX	96.4 SLT	96 LRL	0.4 WAA
Premium to 52-Wk Low (%)	19.6	171.4	1266	0.2 MTS	0.6 UXC	0.6 CCL	
Market Cap \$	1.5 B	23 M	794	204.4 B BHP	125.3 B RIO	124.4 B CBA	638,155 SLT
Revenue \$	681.1 M	283,074	1152	75.8 B BHP	60.1 B WES	59 B WOW	
Free Cash Flow	35.2 million		1138	25.3 B WBC	17.2 B ANZ	8.4 B FOX	

## BuySellSignals Technical Valuation Table: Total Australian Market

	PV \$1,000 (1 Yr)	Rel Strength (6m)	PEMAP50	1-Day Price (%)	5-Day Price (%)	30-Day Price (%)	3-Month Price (%)	1-Year Price (%)	30-Day Avg Volatility	Momentum
Total Australian Market Avg	1,113.3	60.3	-	-0.1	0.98	-0.4	0.2	11.5	1.7	-
AUQ	678.6	95.6	0.7x	5.6	-5	39.7	26.7	-32.1	8.4	↑
Rank	736	56	678	81	916	49	150	721	120	15
Rank 1	32,000.0 CGN	99.9 CGN	1.4x CTY			200 NXR	400 PGL	3100 CGN	41.7 CNN	↑ NXR
Rank 2	23,333.3 VMX	99.8 VMX	1.4x MEJ		125 NML	141.7 DRK	362.9 YOW	2233.3 VMX	31.4 SVL	↑ RMR
Rank 3	17,777.8 REF	99.7 ALA	1.4x REF	50 MSC	100 AWD	140 IIT	317.6 LMB	1677.8 REF	26.9 MEJ	↑ CLQ



## News and Events

## Reported Buying Selling

### February 12: Alara Resources substantial shareholder sells

Alara Resources (ASX:AUQ) substantial shareholder Antares Capital Partners Limited sold 150,000 shares worth \$121,500 on February 07, 2014. The selling price was 80.0c.

### February 12: Alara Resources substantial shareholder sells; shares at a one-month low

Alara Resources (ASX:AUQ) substantial shareholder Antares Capital Partners Limited sold 300,595 shares worth \$243,482 on December 06, 2013. The selling price was 80.0c. The shares hit a one-month low on the day.

## Recent Substantial Shareholder Buying

Date	Name	No. of Shares	Shares Held Previous	No. of Shares At Close	Price
07-11-2013	J D and K D Hopkins as Trustee for The JD and KD Hopkins Superannuation Fund	200,000 shares worth \$18,400	Not Available	200,000 shares	Na
07-08-2013	Boo Radley WA Pty Ltd (Boo Radley Super Fund A/C)	1,000,000 shares	Not Available	1,000,000 shares	Na

## Recent Substantial Shareholder Selling

Date	Name	No. of Shares	Shares Held Previous	No. of Shares At Close	Price
24-09-2013	Antares Capital Partners Limited	71,342 shares worth \$31,390.48	Not Available	Not Available	Na
06-12-2013	Antares Capital Partners Limited	300,595 shares worth \$243,481.95	Not Available	Not Available	Na

## Company Announcements: Recent Headlines and Snippets

### February 04, 2014: Alara Resources Reports Negative Cash Flow of \$1.56m for the December 2013 Quarter

Alara Resources reported negative cash flow of \$1.56m for quarter ended 31 December 2013. Operating cash flow for the period was \$(1.58m). Payments for exploration and evaluation were \$(490,000). Investing cash flow was \$21,000. Financing cash flow was nil.

### January 31, 2014: Alara Resources Reports Negative Cash Flow of \$1.56m for the December 2013 Quarter

Alara Resources reported negative cash flow of \$1.56m for quarter ended 31 December 2013. Operating cash flow for the period was \$(1.58m). Payments for exploration and evaluation were \$(490,000). Investing cash flow was \$21,000. Financing cash flow was nil. **Open Full Announcement.**

### January 30, 2014: Alara Resources Provides Oman Project Update

Alara Resources provided an update on developments at its Washihi/Daris project in Oman, reporting that there have been some key recent developments: exploration licenses renewed; mining licenses progressing; possible technology breakthrough on Washihi deposit - heavy media test work commenced; updated scoping study on hold pending heavy media test work outcomes; options analysis study commissioned due to identified new process opportunities; and strong interest from investor groups in the project.

### January 30, 2014: Alara Resources Provides Oman Project Update

Alara Resources provided an update on developments at its Washihi/Daris project in Oman, reporting that there have been some key recent developments: exploration licenses renewed; mining licenses progressing; possible technology breakthrough on Washihi deposit - heavy media test work commenced; updated scoping study on hold pending heavy media test work outcomes; options analysis study commissioned due to identified new process opportunities; and strong interest from investor groups in the project. **Open Full Announcement.**

### January 29, 2014: Alara Resources Announces Research Development Tax Incentive Scheme Refund

Alara Resources advised that it has received a refund of \$1.64m under the Federal Government's Research and Development (R&D) Tax Incentive Scheme. Under the Scheme, the Company was entitled to a cash refund of 45 cents per dollar spent on eligible R&D expenditure. **Open Full Announcement.**

## News and Events (continued)

### **January 21, 2014: Alara Resources: Appendix 3B New Issue Announcement - 20M Options**

[Company Release]

<http://www.buysellsignals.net/BuySellSignals/report/Australia/Stock/News/263670.pdf> **Open Full Announcement.**

### **January 16, 2014: Alara Resources: Results of General Meeting**

[Company Release]

<http://www.buysellsignals.net/BuySellSignals/report/Australia/Stock/News/263038.pdf> **Open Full Announcement.**

## Company Overview

### Activities

Alara Resources is an Australia-based company engaged in the exploration and evaluation of existing resource projects in Australia and Peru; the pursuit of appropriate resource projects for investment, evaluation and development, and the management of its net assets.

Further details can be found at <http://www.alararesources.com.au>.

### Issued Capital

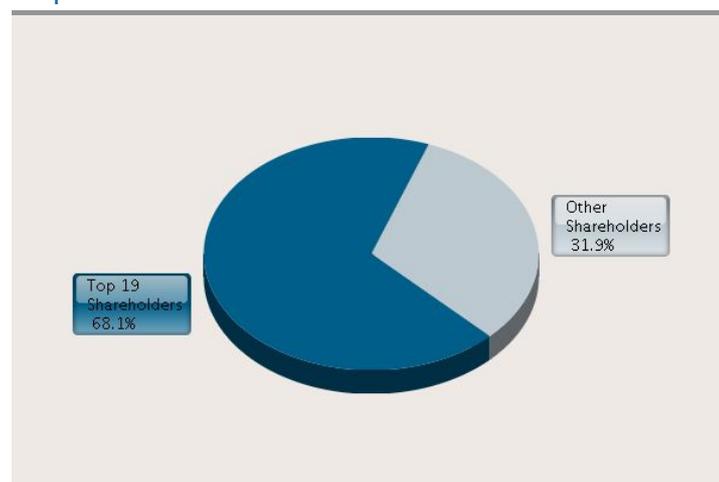
Based on 242,007,500 issued equity shares the market capitalisation is \$21.8 million. It is Australia's 295th largest Materials company by total revenue.

The top nineteen shareholders hold 68.1% of the issued capital leaving a float of 31.9%.

### Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
J P Morgan Nominees Australia Limited J P Morgan Nominees Australia Limited <Cash Income A/C>	56,133,748	23.61
National Nominees Limited	42,755,503	18.17
Absolute Investments Australia Pty Ltd	10,000,000	4.13
Gwynvill Trading Pty Ltd	7,671,468	3.17
Citicorp Nominees Pty Limited Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	7,120,981	2.94
Mrs Felicity Claire Koekoek	4,000,000	1.65
Mr Peter Kelvin Rodwell	4,000,000	1.65
Ms Meng Heng	3,931,024	1.62
Mr Warren William Brown & Mrs Marilyn Helena Brown <Wwb Investments P/L S/F A/C> Mr Warren William Brown & Mrs Marilyn Helena Brown	3,800,000	1.57
Flannery Foundation Pty Ltd <The Flannery Foundation A/C>	3,588,083	1.48
<b>Total</b>	<b>143,000,807</b>	<b>59.99</b>

### Top 19 Shareholders



## Board and Management

### Ian J. Williams Non-Executive Chairman

Mr Williams was awarded an Officer of the Order of Australia (AO) in June 2010 for distinguished service to the Indigenous community of Western Australia and Queensland through the establishment of training programmes providing sustainable employment in the mining industry, the promotion of social responsibility and as a supporter of business development initiatives.

As Managing Director of Century Zinc Ltd, Ian was responsible for planning and bringing on stream the Century lead/ zinc mine in north western Queensland. Producing some 7% of the world's demand for zinc concentrate, the Century mine is one of the largest zinc mines in the world. Mr Williams was, until July 2011, Chairman of the Port Hedland Port Authority.

His diverse experience includes executive management of open cut and underground mining operations, brownfield expansions and new major mining projects. He was responsible for the establishment of two iron ore mines and associated infrastructure for Hamersley Iron. He has also assisted the West Australian Government in the facilitation of a major new port and rail infrastructure project in the State's Mid-West Region.

#### **Creation of shareholder value in Alara Resources:**

Since appointment as Non-Executive Chairman: The present value of AUD1,000 invested on the appointment date of November 30, 2010 at close price of 26.50c is \$340, for a capital loss of \$660.

### Julian Tambyrajah CFO

Julian is a global mining executive, a qualified Accountant and Company Secretary with +22 years' experience in the resources (mining, oil & gas) and manufacturing industries, working in different environments such as operator, service contractor, explorer, construction, joint ventures and alliances. Julian's extensive experienced covers financial and techno-commercial areas such as treasury, financing, accounting, supply and logistics, business development/acquisitions, investor relations, project evaluation, feasibility studies, life of mine modelling and economics, construction and development, and operations management.

Julian has held the position of Chief Financial Officer, Director and Company Secretary at several Australian mining and petroleum companies, including Central Petroleum Limited, Crescent Gold Limited, Rusina Mining NL, DRDGold Limited, Dome Resources NL and held management and accounting roles for Hills Industries, Brown & Root, Woodside and Normandy Mining. Mr Tambyrajah has experience in raising equity and debt from national and international financial markets, some of which includes raising A\$122m whilst at Crescent Gold and A\$31m whilst at Central Petroleum.

#### **Creation of shareholder value in Alara Resources:**

Since appointment as CFO: The present value of AUD1,000 invested on the appointment date of November 12, 2013 at close price of 8.60c is \$1,047, for a capital gain of \$47.

### Philip Hopkins Managing Director

Mr Hopkins has +30 years' experience in the mining industry in leadership roles across operations, projects, commercial and executive matters. His career has included work with Cominco Limited, Falconbridge Limited, Placer Dome Inc., BHP Billiton Limited and St Barbara Limited and has included international postings in Canada, Papua New Guinea, South Africa, Brazil and Australia. Mr Hopkins has mining experience in base metals (copper and nickel), gold and iron ore.

Mr Hopkins is a mining engineer and a graduate of the Banff School of Advance Management. He is also a registered professional engineer in Canada, South Africa, Papua New Guinea and Australia and a Competent Person under the JORC Code. He also holds a First Class Mine Manager status in several jurisdictions internationally. Most recently, Mr Hopkins held the position of CEO and Executive Director for South American Ferro Metals Limited (ASX: SFZ) prior to which he was the General Manager Operations for St Barbara. He has also held a number of positions with BHP Billiton including Operations Manager - Yandi Mine, Group Manager - Regional Development and Manager of Mine Projects and Resource Development.

## Board and Management (continued)

### **John Hopkins** **Non-Executive Director**

Mr Hopkins (age 63) is a professional company director and chairman and a graduate in law of the University of Western Australia. He was admitted to practice as a barrister and solicitor in 1974.

During his professional career he has been on the board or chairman of more than 20 public listed companies (in Australia, UK and Canada) and as such has been involved in the financing and development (and subsequent M&A activities) of many gold, base metal, energy (coal and oil and gas), mineral sands and other resources projects in both Australia and Africa, Asia, Europe and North America.

In recent years Mr Hopkins has also chaired industrial and manufacturing companies listed on the ASX. He was chairman of gold producer Adamus Resources Limited (ASX: ADU) (which recently merged into Endeavour Mining Corporation (TSX: EDV, ASX: EVR). During his time as Chairman of the company he oversaw the transition of the company's Ghana operations from explorer to producer while taking its market capitalisation to +\$300m.

He is currently Chairman of ASX listed developing tungsten and tin producer Wolf Minerals Limited (ASX : WLF) and during his tenure on the Board the company has secured over \$200m debt and equity funding and is commencing development this year. He is also Chairman of ASX listed emerging South African based coal producer Universal Coal Plc (ASX: UNV) (which recently secured a major debt package from Rand Merchant Bank).

In the not for profit sector, Mr Hopkins is Chairman for Golf Australia (the national governing body for golf) and represents the national body at the international level. He is a Fellow of the Australian Institute of Company Directors.

### **Abdullah bin Mosaad bin Abdulaziz Al Saud** **Non-Executive Director**

HRH Prince Abdullah is a prominent self-made Saudi businessman and industrialist. Prince Abdullah is the Chairman of The Saudi Paper Manufacturing Company (SPM) which he established in 1989 and floated on the Saudi Stock Exchange (Tadawul) in 2006 - SPM has one of the largest waste paper collection, recycling, manufacturing and converting (consumer tissue paper products) operations in the Middle East with SAR800m annual turnover and a SAR1.3b market capitalisation.

HRH has a passion for football, English and NFL and is an avid fan of fantasy football. HRH served as President of 37 time Saudi Arabian football champions Al Hilal between 2002 and 2004 in September 2013, expanded his passion by acquiring a 50% stake in English League Club Sheffield United where he is now Co-Chairman.

## Financials

### Annual Report for the year ended June 30, 2013

year-on-year comparisons with previous corresponding period

#### Favourable Changes

- Total liabilities to total assets down 10.0% to 0.1.

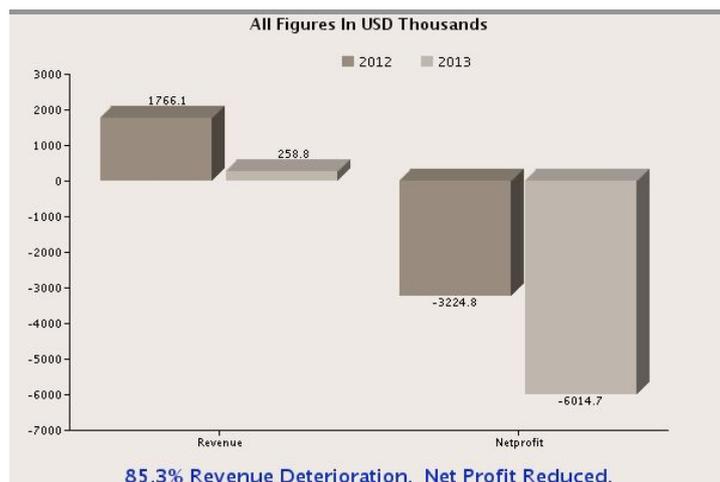
#### Unfavourable Changes

- EPS deterioration of 50.0% to -3.0 Australian cents (US-2.6c)
- EBITDA loss of \$A3.8m (\$US3.4m)
- Current ratio down 28.4% to 3.2
- Net tangible assets per share down 11.1% to \$A0.16 (US14.9c)
- Operating cash flow is negative
- Working capital to total assets down 56.6% to 9.8%.

#### Major Common Size Ratios

- Total current assets to total assets down from 28.9% to 14.1%
- Cash to total assets down from 26.3% to 4.4%
- Current debtors to total assets up from 2.4% to 3.0%
- Fixed assets to total assets down from 0.8% to 0.6%.

### Year on Year Revenue & Net Profit



## Financial Results

### INCOME STATEMENT: Year-on-year Comparisons

Currency in AUD	2013-06-30	2012-06-30	Change %
Revenue	283,074	1,725,912	Down 83.6
Net loss on financial assets held at fair value through profit or loss	-250,172	-482,475	Reduced 48.1
Impairment of exploration expenditure	-3,064,537	-432,610	Deterioration 608.4
Personnel	-2,128,383	-2,076,140	Deterioration 2.5
Options remuneration (non-cash)		-117,217	
Occupancy costs	-574,350	-480,089	Deterioration 19.6
Foreign exchange movement			
Finance expenses	18,346	21,573	Down 15.0
Borrowing costs	-1,476	-30,293	Reduced 95.1
Corporate expenses	-103,723	-87,736	Deterioration 18.2
Administration expenses	-1,045,335	-1,247,316	Reduced 16.2
LOSS BEFORE INCOME TAX	-6,903,248	-3,249,537	Deterioration 112.4
Income tax benefit			
LOSS FOR THE YEAR	-6,903,248	-3,249,537	Deterioration 112.4
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	-124,547	-36,908	Deterioration 237.5
Income tax relating to components of other comprehensive income			
Total other comprehensive income	-124,547	-36,908	Deterioration 237.5
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	-7,027,795	-3,286,445	Deterioration 113.8
Loss attributable to:			
Owners of Alara Resources Limited	-6,579,965	-3,151,331	Deterioration 108.8
Non-controlling interest	-323,283	-98,206	Deterioration 229.2
	-6,903,248	-3,249,537	Deterioration 112.4
Total comprehensive loss for the year attributable to:			
Owners of Alara Resources Limited	-6,704,512	-3,188,239	Deterioration 110.3
Non-controlling interest	-323,283	-98,206	Deterioration 229.2
	-7,027,795	-3,286,445	Deterioration 113.8
Basic loss per share (cents)	-3.0c	-2.0c	Deterioration 50.0
Diluted loss per share (cents)	-3.0c	-2.0c	Deterioration 50.0
TSO	231,392,432	210,507,500	Up 9.9

## Financial Results (continued)

### BALANCE SHEET: Year-on-year Comparisons

Currency in AUD	2013-06-30	2012-06-30	Change %
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,459,176	10,950,432	Down 59.3
Trade and other receivables	1,213,762	982,484	Up 23.5
Other current assets	121,379	108,726	Up 11.6
<b>TOTAL CURRENT ASSETS</b>	<b>5,794,317</b>	<b>12,041,642</b>	<b>Down 51.9</b>
<b>NON CURRENT ASSETS</b>			
Financial assets held at fair value through profit or loss	142,956	393,128	Down 63.6
Property, plant and equipment	242,998	314,390	Down 22.7
Resource projects	29,306,309	25,666,040	Up 14.2
Other non-current asset	5,559,508	3,265,060	Up 70.3
<b>TOTAL NON CURRENT ASSETS</b>	<b>35,251,771</b>	<b>29,638,618</b>	<b>Up 18.9</b>
<b>TOTAL ASSETS</b>	<b>41,046,088</b>	<b>41,680,260</b>	<b>Down 1.5</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,575,422	2,356,612	Down 33.1
Provisions	209,161	293,398	Down 28.7
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,784,583</b>	<b>2,650,010</b>	<b>Down 32.7</b>
<b>NON CURRENT LIABILITIES</b>			
Financial liabilities	1,810,072	1,508,795	Up 20.0
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,810,072</b>	<b>1,508,795</b>	<b>Up 20.0</b>
<b>TOTAL LIABILITIES</b>	<b>3,594,655</b>	<b>4,158,805</b>	<b>Down 13.6</b>
<b>NET ASSETS</b>	<b>37,451,433</b>	<b>37,521,455</b>	<b>Down 0.2</b>
<b>EQUITY</b>			
Issued capital	60,958,659	53,477,409	Up 14.0
Reserves	1,510,810	1,859,695	Down 18.8
Accumulated losses	-24,777,812	-18,061,494	Deterioration 37.2
Parent interest	37,691,658	37,275,610	Up 1.1
Non-controlling interest	-240,225	245,845	Deterioration
<b>TOTAL EQUITY</b>	<b>37,451,433</b>	<b>37,521,455</b>	<b>Down 0.2</b>

### CASH FLOW: Year-on-year Comparisons

Currency in AUD	2013-06-30	2012-06-30	Change %
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees (inclusive of GST)	-3,861,639	-2,828,510	Deterioration 36.5
Interest received	284,911	1,331,701	Down 78.6
<b>NET CASHFLOWS USED IN OPERATING ACTIVITIES</b>	<b>-3,576,728</b>	<b>-1,496,809</b>	<b>Deterioration 139.0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment	-17,503	-251,262	Reduced 93.0
Payments for exploration and evaluation activities	-10,291,391	-19,668,054	Reduced 47.7
<b>NET CASHFLOWS USED IN INVESTING ACTIVITIES</b>	<b>-10,308,894</b>	<b>-19,919,316</b>	<b>Reduced 48.2</b>

## Financial Results (continued)

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares	7,875,000		
Costs of issuing ordinary shares	-393,750		
NET CASHFLOWS PROVIDED BY INVESTING ACTIVITIES	7,481,250		
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD	-6,404,372	-21,416,125	Reduced 70.1
Cash and cash equivalents at beginning of the financial year	10,950,432	32,240,581	Down 66.0
Effect of exchange rate changes on cash	-86,884	125,976	Deterioration
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4,459,176	10,950,432	Down 59.3

### EBITDA AND MARGINS

	2013-06-30	2012-06-30	
Earnings from Cont. Ops. Margin %	-2,432.19	-187.03	
Net Income Margin %	-2,324.47	-182.59	

### PERFORMANCE RATIOS

	2013-06-30	2012-06-30	Change %
Return on Assets (%)	-16.03	-7.56	Deterioration 112.0
Total Liabilities to Operating Cash Flow	-1.01	-2.78	Reduced 63.8
Total Liabilities/Total Assets	0.09	0.1	Down 12.2
Interest Cover	-375.28	-149.63	Deterioration 150.8
Current Ratio	3.25	4.54	Down 28.5

### PER SHARE FIGURES

	2013-06-30	2012-06-30	Change %
Revenue from operating activities	0.12c	0.82c	Down 85.1
EBIT	-2.98c	-1.53c	Deterioration 94.0
Cash	1.93c	5.20c	Down 63.0
Working Capital	1.73c	4.46c	Down 61.2
Shareholders' Funds	16.29c	17.71c	Down 8.0
Total Liabilities	1.55c	1.98c	Down 21.4
Total Assets	17.74c	19.80c	Down 10.4
Net Tangible Assets	16.29c	17.71c	Down 8.0
EPS Final	-3.0c	-2.0c	Deterioration 50.0

USD Conversion at balance date of June 30, 2013

## Glossary

### **Current Ratio**

Current Assets/Current Liabilities (times)

### **Interest Cover**

Earnings Before Interest and Tax/Interest (times)

### **EBIT Margin**

Earnings Before Interest and Tax/Revenue (%)

### **Return on Assets**

Net Profit/Total Assets (%)

### **Price/Sales PS**

Share Price/Sales Per Share (times)

### **Price/NTA**

Closing Share Price/Net Tangible Assets Per Share (times)

### **Cash/Mcap**

Cash plus Liquids/Market Capitalisation (times)

### **Volume Index**

Number of shares traded in the period/Average number of shares traded for the period

### **Moving Average Price (n periods)**

Sum of Prices for each Period/Number of Periods

### **Price Close/Moving Av Price**

Latest Price/Moving Average Price

### **Total Liabilities/Total Assets**

Total Liabilities/Total Assets

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