FULL YEAR REPORT

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

30 June 2016

ASX Code: AUQ

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A.B.N. 27 122 892 719

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Alara Resources

Corporate Directory

Directors

James Phipps	Non-Executive Chairman
Justin Richard	Managing Director
Atmavireshwar Sthapak	Executive Director
Vikas Jain	Non-Executive Director
Ian Gregory	Alternate Director

Company Secretaries

Elizabeth Hunt
Ian Gregory

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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.

Investors wishing to receive email alerts from the Company can register their interest here: http://www.alararesources.com/irm/UserEdit.aspx?masterpage=7&title=Email%20Alerts&RID=317

Across the board, the Company has undergone some major change over the past year. A year ago, our financial position was weak, overheads were much higher than they are today, and the flagship Khnaiguiyah Zinc-Copper project in Saudi Arabia had been stuck at another impasse for over a year.

Today, Alara's market capitalisation is more than eight times its low of 2015 (and still below its project NPV), it has an improved cash position, reduced overheads, 14% increase in mining inventory at the Al Hadeetha Copper Gold Project[1] - (including 81% increase in indicated resources to 12.39MT@ 0.89%Cu & 0.22g/t Au making it the largest JORC copper resource in Oman), and reason to expect the imminent award of the Washihi mining licence.

Meanwhile, gold and zinc prices are higher than they were a year ago and World Bank forecasts rising copper prices beginning next year. Irrespective of the forecasts, the Company is clearly in a better position today than it was a year ago.

As for the Khnaiguiyah Zinc Copper Project Saudi, the Managing Director's letter of 2014 noted the impasse that was facing the Company at that time (i.e. transfer of the mining licence) had a silver lining, in that it provided a very definitive and clear picture of the obstacles ahead and allowed the Company to prepare an alternative approach to progress the Project beyond that impasse. That alternative was implemented during the period and coincided with the removal of a major roadblock when the Saudi government finally revoked the mining licence in December 2015[2].

While I am not able to provide a commencement date for production at Khnaiguiyah, Alara has established a trusted new partner in Bayan Mining Company and continues to hold the only bankable feasibility study for the project. Consequently, the Company is well positioned for when the licence is re-issued.

Back in Oman, the environment is ripe for mining development with new opportunities continuing to arise in connection with the Al Hadeetha Copper Gold project, including strong potential for new equity partners at a parent and/or project level, and potential collaboration with downstream operations including smelting and manufacturing. Alara recently presented to a government sponsored forum (Tanfeedh - National Programme for Enhancing Economic Diversification) of metal manufacturers and industry officials focussed on the development of mining and metals projects. One outcome from the presentation was a commitment to obtain a date by which the Washihi mining licence application would receive a substantive response from government.

We can all see the Company poised to take off and I look forward to including activity reports on one or more mining licences in our next annual report.

Justin Richard
Managing Director

[1] Refer Alara's ASX Announcement dated 19 September 2016.
[2] Refer Alara's ASX Announcement dated 23 December 2015.

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 2016 (the **Consolidated Entity**).

REVIEW OF OPERATIONS

Board Changes

On 31 July 2015[3]:

- Ian Williams AO resigned as Chairman.
- James Phipps was appointed Non-Executive Chairman of the Board. James 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). [4]
- H. Shanker Madan was appointed as Technical Director. After serving as Managing Director of Alara between May 2007 and June 2013, Mr Madan returned to the Board to work on, amongst other matters, the completion of a feasibility study for the Al Hadeetha Copper Gold Project in Oman. After completion of the study in March 2016, Mr Madan resigned as Technical Director and continues his association with Alara as a consultant to the Company.

On 31 August 2015[5], Elizabeth Hunt 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 a Non-Executive Director and subsequently appointed as an Executive Director on 3 February 2016[6].

On 6 April 2016[7] Vikas Jain was appointed as Non-Executive Director.

Potential Corporate Transaction

In response to an ASX price and volume query, on 16 June 2015 the Company announced it was considering a potential corporate transaction. The transaction being contemplated was a scrip merger involving another listed resources company.

While some opportunity to create synergy between the companies may remain, since announcing the feasibility study findings in April 2016, superior opportunities for collaboration with key players in Oman's mining sector have now arisen.

Capital Raising

In November 2015, the Company successfully raised $2.480m, before costs, from a renounceable rights issue. In August 2016, the Company successfully raised $1.446m, before costs, from a renounceable rights issue. Funds raised were used for the Al Hadeetha Feasibility Study, completion of the infill drilling program and positioning the Company to obtain a mining licence for the Washihi copper-gold deposit.

R & D Tax Refund

In July 2016 the Company received a refund under the Government's R&D Tax Incentive Scheme for FY2015 with a return of $0.301m before associated costs.

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3 Refer Alara's 3 August 2015 ASX Announcement: Board Changes
4 Refer Alara's 5 November 2014 ASX Announcement: Board Changes
5 Refer Alara's 28 August 2015 ASX Announcement: Change of Company Secretary and Office
6 Refer Alara's 9 February 2016 ASX Announcement: Board Changes
7 Refer Alara's 13 April 2016 ASX Announcement: Board Appointment and Appendix 3Y

Key Projects

Al Hadeetha Copper-Gold Project — Oman

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

As indicated in the June quarterly report, ~AUD$12m has already been invested into the Project. A further AUD$53m has been allocated to debt finance with expressions of interest having been received from financiers. Offtake agreements and vendor finance options are also being negotiated.

In the March 2016 quarter the Company announced an infill drilling program was being conducted to help determine the extent to which further inferred resources may be brought into the indicated category. The infill drilling program was completed during the quarter and results have now been incorporated into the Washihi resource model. In addition to testing the regions classified as JORC Inferred Resource, the program also identified additional high grade copper and gold mineralisation outside the current resource boundary which has also being incorporated into the resource model. The revised resource model was announced on 19 September 2016.

The newly established Mining Development Oman (MDO), a joint venture between four state-owned agencies – the State General Reserve Fund, the Oman Investment Fund, the Oman Oil Company and the Oman National Investments Development Company, announced plans for an IPO earlier this year with a focus on both upstream and downstream activities in the mining sector.

Alara's CEO Mr Justin Richard, along with participants from both the public and private sector recently met to discuss the upcoming international minerals and mining conference in Oman which is hoped to "ignite the industry". Mr Richard highlighted the Al Hadeetha Copper Gold Project which could be showcased to attract further investment into mineral exploration once the mining licence was issued.

The Company has previously reported on the potential for collaboration within Oman's mining sector[8]. The Al Hadeetha Copper-Gold Project is in a unique position to support downstream copper production and manufacturing in Oman having:

- the single largest JORC copper resource in the country;
- strong community support; and
- no reported environmental issues which would prevent development.

In July the Alara executed a MOU which provides a framework for collaboration on other copper assets in Oman without imposing binding obligations (other than access to conduct due diligence and confidentiality obligations) or exclusivity arrangements.

In preparation for entering the Project construction phase, the Company expects to enter further agreements in the coming months and (subject to confidentiality obligations and/or commercial sensitivity) will announce details as these agreements are finalised.

[8] Including on page 5 of its recent prospectus.

Daris Copper-Gold Projects **Oman**

(Alara - 50% with option to increase to 70%: Al Tamman Trading Establishment LLC – 50%, of Daris Resources LLC (DRL))

The Daris project includes two high grade deposits. Alara's JV partner now owns a diamond core drill rig that will be utilised for further exploration within the 587 square kilometre licence area.

A mining licence application covering 2.1km^2 has also been submitted with direct shipping of ore and/or toll treatment at the processing plant in Sohar being two of the options under consideration.

Khnaiguiyah Zinc-Copper Project **Saudi Arabia**

The Khnaiguiyah project includes the development and operation of an open-cut zinc-copper mine and associated infrastructure over an approximate 13-year mine life.

Alara Resources has invested over $30m into the Project, including:

- over $3m in payments to its former joint venture partners for transfer of the Mining Licence to the joint venture company;
- over $23m to produce a definitive feasibility study[9] with Proved and Probable JORC Reserves of 26.1Mt at 3.3% Zn and 0.24% Cu and a Base Case Project NPV of $172m[10];
- ~$1m in land acquisition costs to access ground water near the site; plus
- overheads, management, regulatory / compliance costs and other expenses.

After reaching an impasse with its former joint venture partner, United Arabian Mining Company LLC (**'Manajem'**) in June 2014[11], Alara put a hold on further investment into the project, pending resolution of the mining licence transfer to joint venture company, or an alternate arrangement enabling the project to proceed.

As a contingency against ML cancellation[12], Alara entered a new agreement with Bayan Mining Company LLC in October 2015, a company that was introduced to Alara by a former board member HRH Prince Abdullah bin Mosaad bin Abdulaziz Al Saud.

In December 2015, Alara announced it had been advised of the cancellation of the Khnaiguiyah Mining Licence and that subject to a successful appeal by Manajem over the next few months, the mining authority would be able to receive new mining licence applications. Given that Alara holds the only bankable feasibility study for the project, the Alara / Bayan team are considered to be in a unique position to advance the project ahead of other applicants who do not hold bankable feasibility studies for the project. As reported on 23 December 2015, the cancellation of the Khnaiguiyah Mining Licence (which was held by Manajem) opened the door to mining applications from other companies. In anticipation of this event, Alara entered into an agreement with Bayan Mining Company, under which Alara and Bayan would team to secure a licensed interest in the Project and other projects in the Kingdom.

On 3 May 2016, Alara issued an update providing an overview of the Project, including an outline of the rise and fall of the earlier joint venture with United Arabian Mining Company ('Manajem'), and insight into new avenues that have opened up for the Company relative to the Project. As indicated in that announcement, the matter continues to work its way through to a conclusion.

During the year, Alara and Bayan representatives met with the Deputy Minister for Mineral Resources to discuss the application process. While the Deputy Minister did go on the record as the process being followed, Saudi mining regulations clearly state that an applicant for a mining licence is required to have a feasibility study. Alara currently hold the only bankable feasibility study for Khnaiguiyah Zinc-Copper Project.

Alara, Bayan and their associate are following up through the relevant lines of government authority.

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9 Refer Alara's ASX market announcement dated 30 April 2013: Positive DFS Confirms Khnaiguiyah Project as Technically and Financially Robust

10 This Base Case NPV figure was calculated in 2013 and is based on an exchange rate of AUD $0.90 to US$1.00. Given that cash flows from Zinc sales are based on US$, this NPV figure would need to be adjusted upward (in AUD$ terms) if the current exchange rate of AUD$1.30 to US$1.00 were to be used.

11 Refer Alara's 4 June 2014 ASX Announcement: Khnaiguiyah Project Venture Agreement Has Reached an Impasse

12 Refer page 3 of Alara's Quarterly Report dated June 2015.

Legal Proceedings
In 2014, Manajem filed a legal claim against Alara for alleged breaches of the Shareholders' Agreements and Saudi Arabian law[13]. Alara submitted a response to the claim as well as a counterclaim for the return of US$3,266,000 which was paid to Manajem in advance for the transfer of the Khnaiguiyah Mining Licence to the Alara-Manajem joint venture joint venture Khnaiguiyah Mining Company LLC.

Proceedings have been perpetuated by Manajem raising procedural issues which were later dismissed.

At the Board of Grievances hearing in April, Alara were asked to provide a further evidence brief connecting the various documents which support Alara's counterclaim for the return of US$3,266,000 which was paid to Manajem for the transfer of the Khnaiguiyah Mining Licence to the Alara-Manajem joint venture company.

The requested brief was submitted to the board of grievances on 26 July 2016 and Manajem requested more time to respond. Legal counsel sought to convince the judge to close the case and submit for judgment, given the time delays, number of hearings, and the fact that Alara had been requested to provide specific items, however the judge decided to give Manajem time provide a response and scheduled the next hearing for 18 October 2016.

Alara has paid Manajem a total of US$3.654 million (including advance payments of US$3.388m under a Shareholders' Agreement in connection with Manajem's commitment to assist in the transfer of the Khnaiguiyah Mining Licence to the joint venture Khnaiguiyah Mining Company LLC.

Other Corporate Matters and Statutory Information

Share Issues
On 22 October 2015, the Company issued 10,000,000 fully paid ordinary shares[14] pursuant to its JV Framework Agreement with Bayan Mining Company LLC ('Bayan') dated 16 July 2015. This issue was undertaken within the Company's 15% share placement capacity under ASX Listing Rules.

On 11 November 2015, the Company issued 216,675,962 fully paid ordinary shares and 216,675,962 quoted options exercisable at $0.02 expiring 30 April 2017 and on 12 November 2015, the Company issued 31,331,538 fully paid ordinary shares and 31,331,538 quoted options exercisable at $0.02 expiring 30 April 2017[15]. This was pursuant to the renounceable rights issue announced on 13 October 2015[16].

Sita Mining Company LLC
During the period, the Company had no staff seconded to Sita Mining Company LLC ('Sita') and did not exercise any management control over Sita.

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 exploration and evaluation 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.

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[13] Refer Alara's ASX Announcement dated 18 November 2014
[14] Refer Alara's 22 October 2015 ASX Announcement: s708A Notice and Appendix 3B
[15] Refer Alara's 10 November 2015 ASX Announcement: Closure of Renounceable Rights Issue
[16] Refer Alara's 13 October 2015 ASX Announcement: Rights Issue to raise up to $2.48M

Operating Results

Consolidated	2016 $	2015 $
Total revenue	199,708	55,399
Total expenses	(32,613,851)	(2,114,425)
Loss before tax	(32,414,143)	(2,059,026)
Income tax benefit	301,306	292,773
Loss after tax	(32,112,837)	(1,766,253)

Loss per Share

Consolidated	2016	2015
Basic and Diluted profit/(loss) per share (cents)	(7.42)	(0.67)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	412,463,414	248,007,500

Cash Flows

Consolidated	2016 $	2015 $
Net cash flow used in operating activities	(292,905)	(1,802,030)
Net cash flow from investing activities	(1,631,567)	(485,944)
Net cash flow provided by financing activities	2,366,780	-
Net change in cash held	442,308	(2,287,974)
Cash held at year end	1,365,691	937,192

Financial Position

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

Consolidated Entity	2016 $	2015 $
Cash	1,365,691	937,192
Trade and other receivables	318,260	255,961
Exploration and evaluation	7,327,012	33,190,221
Other assets	72,482	5,518,574
Total assets	**9,083,445**	**39,901,948**
Trade and other payables	(439,903)	(2,029,596)
Provisions	(178,082)	(125,767)
Total liabilities	**(617,985)**	**(2,155,363)**
Net assets	**8,465,460**	**37,746,585**
Issued capital	63,485,425	61,018,659
Reserves	367,395	361,429
Accumulated losses	(53,309,794)	(23,073,685)
Parent interest	10,543,026	38,306,403
Non-controlling interest	(2,077,566)	(559,818)
Total equity	**8,465,460**	**37,746,585**

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	592,506,073	-	592,506,073
$0.02 (30 April 2017) Quoted Rights Issue Options[17]	233,804,321	-	233,804,321
Total	**826,310,394**	**-**	**826,310,394**

Unlisted Options

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

№ of Options	Date of Lapse/ Cancellation	Description of Options	Exercise Price	Date of Issue	Original Expiry Date
400,000	22 Aug 2015	$0.35 (22 August 2015) Unlisted Options[18]	$0.35	23 Aug 2010	22 Aug 2015

Likely Developments and Expected Results

The Consolidated Entity intends to continue exploration, evaluation and development activities in relation to its mineral exploration and evaluation 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 inappropriate to make predictions on the likely results of the Consolidated Entity's activities in Saudi Arabia prior to the Khnaiguiyah Mining licence being secured. In Oman, there is an expectation that construction of the Al Hadeetha Copper Gold Project will commence, subject to the Washihi Mining Licence being granted.

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 Consolidated Entity 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. There have been no significant breaches of the Consolidated Entity's licence conditions.

[17] Terms and conditions of issue are set out in a Prospectus dated 15 October 2015 for a rights issue and in ASX Appendix 3B Rights Issue lodged on 14 October 2015
[18] Terms and conditions of issue are set out in an ASX Appendix 3B New Issue Announcements lodged on 23 August 2010

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 (from 28 October 2013 to 1 November 2014)

Experience

James 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 was (until May 2016) 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. James also chairs Flashvote Inc., Shout TV, Inc., Delaware corporations 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 June 2016.

Justin J Richard — **Managing Director**

LLB, GradDipACG, MBA, FGIA, FCIS — Appointed 16 June 2015

Experience

Justin Richard had been the Company's General Counsel since 2011 when he took up residence in the Middle East as Alara's Country Manager for Saudi Arabia. His role later expanded to include management of Alara's joint venture companies in Oman. He has played a key role in establishing and developing international joint venture businesses and stakeholder relationships.

After being appointed CEO last year, he lead the company on a strong recovery, through capital restructuring and completion of a feasibility study in anticipation of commencing construction at the Al Hadeetha Copper Gold Project. He has established new 'partnerships' in Saudi Arabia to navigate through an impasse on the Khnaiguiyah Zinc Copper project and reposition the Company in preparation for when a mining licence is reissued. Prior to joining Alara, Mr Richard worked with UGL Limited, Bateman Engineering and Minter Ellison Lawyers. He has a MBA from London Business School, a law degree from the University of Western Australia and is a Fellow of the Governance Institute in Australia and the UK.

Alternate Director

On 22 June 2015, Justin Richard appointed Ian E. Gregory as his Alternate Director[19] (but not as Alternate Managing Director)[4]. Ian Gregory was also appointed joint Company Secretary on 30 June 2015.[20] Ian Gregory's experience and qualifications are set out below.

Other Directorships in Listed Companies in Past 3 Years

- None

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[19] Pursuant to Clause 10.1 of the Company's Constitution
[20] Refer Alara's 1 July 2015 ASX Announcement: Appointment of Joint Company Secretary

Ian E. Gregory

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

Experience

Ian 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. Ian 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. Ian 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.

Other Directorships in Listed Companies in Past 3 Years

- None

Atmavireshwar Sthapak — Executive Director

Bachelor of Applied Science and Master of Technology, Applied Geology — Appointed 22 September 2015 as Non-Executive Director; Appointed 3 February 2016 as Executive Director

Experience

Atmavireshwar 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 and recent resource upgrade at Washihi. 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 type 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

Vikas Jain — Non-Executive Director

MBA — Appointed 6 April 2016

Experience

Vikas Jain holds an MBA obtained in the USA and has a vast experience of around 15 years in the field of mineral exploration and allied activities. He is currently Managing Director and CEO of the Indian Company South West Pinnacle Exploration P/L, founded by him in 2006. Under his leadership and able guidance, this company has grown manifold and at present is a premier exploration company in India. The company started primarily as mineral exploration company and gradually added Coal Bed Methane (CBM) exploration and production, Geophysical logging, transportation and other geological activities into its domain. He also has wide experience in open cast mining of various minerals and allied activities through his earlier stint with other companies as well as existing exposure in other family run business/interest.

Special Responsibilities

Chairman of the Audit Committee and Member of the 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.
- H. Shanker Madan (Technical Director) – 31 July 2015 to 31 March 2016

Company Secretaries
Elizabeth Hunt

BSc (Sustainable Development), MAcc, 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 ASX listing 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 other ASX listed companies.

Retired Company Secretary
The following Company Secretary resigned during 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	26,678,572[21]	18,750,000[22]
Atmavireshwar Sthapak	900,000[23]	-
Vikas Jain	34,285,230[24]	30,000,000[25]
Ian Gregory	-	-

21 Refer Alara's 7 September 2016 ASX Announcement: Appendix 3Y
22 Refer Alara's 9 August 2016 ASX Announcement: Appendix 3Y
23 Refer Alara's 9 August 2016 ASX Announcement: Appendix 3Y
24 Refer Alara's 9 August 2016 ASX Announcement: Appendix 3Y
25 Refer Alara's 9 August 2016 ASX Announcement: Appendix 3Y

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 / Resignation	Board		Audit Committee		Remuneration and Nomination Committee	
		Meetings Attended	Maximum Possible Meetings	Meetings Attended	Maximum Possible Meetings	Meetings Attended	Maximum Possible Meetings
Ian Williams	Resigned 31 July 2015	1	1	-	-		
James Phipps	Appointed 1 November 2014; appointed member of Audit Committee and RemCom 30 June 2016	10	12	1	2	1	1
Justin Richard	Appointed 16 June 2015	12	12				
H. Shanker Madan	Resigned 31 March 2016	8	9	2	2	-	-
Atmavireshwar Sthapak	Appointed 22 September 2015	7	10	1	2	1	1
Vikas Jain	Appointed 6 April 2016	2	3	-	-	-	1
Ian Gregory *(Alternate Director to Justin Richard)*	Appointed 22 June 2015	-	-				

Audit Committee

The Audit Committee currently comprises Non-Executive Directors, Vikas Jain (as Chairman) (since 6 April 2016), James Phipps (since 30 June 2015) and Atmavireshwar Sthapak. Ian Williams AO was a member until his retirement as a Director on 31 July 2015. H. Shanker Madan was the Committee Chairman until his retirement as a Director on 31 March 2016.

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

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 2016.

Key Management Personnel

Directors	
Ian Williams	Non-Executive Chairman (resigned 31 July 2015)
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
H. Shanker Madan	Technical Director (appointed 31 July 2015 and resigned 31 March 2016)
Atmavireshwar Sthapak	Executive Director (first appointed 22 September 2015)
Vikas Jain	Non-Executive Director (appointed 31 March 2016)
Ian Gregory	Alternate Director to Justin Richard (appointed 30 June 2015)
Executives	
Victor Ho	Company Secretary (resigned 31 August 2015)
Elizabeth Hunt	Company Secretary (appointed 31 August 2015)
Ian Gregory	Company Secretary (appointed 30 June 2015)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee currently comprises Non-Executive Directors, James Phipps (member since 30 June 2015 and Chairman since 31 July 2015) and Vikas Jain (since 6 April 2016). Ian Williams was Committee Chairman until his retirement as a Director on 31 July 2015. H. Shanker Madan was a member until his retirement as a Director on 31 March 2016.

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

Remuneration Policy

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

The Company embodies the following principles in its remuneration framework:

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

Remuneration Structure

The structure of non-executive director and executive director remuneration is separate and distinct.

Director Remuneration

Objective

The Board seeks to set aggregate remuneration (for directors) at a level which provides the Company with the ability to attract and retain 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:

	2016	2015	2014	2013	2012
Basic earnings/(loss) per share - cents	(7.42)	(0.67)	0.30	(2.84)	(1.50)
Dividend - cents per share	-	-	-	-	-
Net Profit/(Loss) attributable to members	(30,595,088)	(1,661,238)	732,003	(6,579,965)	(3,151,331)
Market Capitalisation	$14m	$4m	$12.1m	$12.1m	$60m

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. Justin Richard was paid expat allowances, including house, school, travel and medical insurance and Atmavireshwar Sthapak was paid allowances including house, travel and medical insurance.

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: Cash Payments: Salary, Annual Leave, Fees & Allowances	Short-Term Benefits: Cash Payments: Cash Bonus	Short-Term Benefits: Non-Cash Benefit	Post- Employment Benefits: Super-annuation	Post- Employment Benefits: Termin-ation	Other Long-Term Benefits: Other	Equity Based Benefits: Options	Total
2016	%	%	%	%	$	$	$	$	$	$	$	$
Executive Directors:												
Justin Richard(i)	-	100%	-	-	608,321	-	-	-	-	-	-	608,321
H. Shanker Madan(ii)	58%	42%	-	-	77,220	-	-	-	-	-	-	77,220
Atmavireshwar Sthapak(iii)	28%	72%	-	-	130,658	50,716	-	-	-	-	-	181,374
Non-Executive Directors:												
Ian Williams(iv)	-	100%	-	-	4,167	-	-	2,177	18,750	-	-	25,094
James Phipps	-	100%	-	-	72,977	-	-	-	-	-	-	72,977
Vikas Jain(v)	-	100%	-	-	11,806	-	-	-	-	-	-	11,806
Ian Gregory	-	-	-	-	-	-	-	-	-	-	-	-
Executives:												
-	-	-	-	-	-	-	-	-	-	-	-	-
Company Secretary:												
Victor Ho(vi)	-	100%	-	-	16,781	-	-	-	-	-	-	16,781
Elizabeth Hunt(vii)	-	100%	-	-	111,947	-	-	-	-	-	-	111,947

Notes: (i) Includes AUD equivalent of salary, long service leave accrual, annual leave payout, exit entry visa fees etc, medical insurance, company car allowance, rent allowance and security bond, and school allowance received from subsidiaries and related joint venture entities (ii) Appointed 31 July 2015 and resigned 31 March 2016 (iii) Appointed 22 September 2015 with remuneration and allowances commencing January 2016 (iv) Resigned 31 July 2015, termination payment was accrued at 30 June 2015 (v) Appointed 6 April 2016 (vi) Resigned 31 August 2015 (vii) Appointed 31 August 2015 and paid to Mining Corporate Pty Ltd.

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)	-	-	-	-	-	-	-	-	-	-	-	-
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 2016 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.

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. As announced on 31 March 2016[26], the Company plans to issue options, subject to shareholder approval at the 2016 AGM for a total of up to 72,000,000 options with varying exercise prices, expiry dates and milestones to be reached to James Phipps, Justin Richard and Atmavireshwar Sthapak (including grant of mining licence and financing for the Al Hadeetha Project, and commencing construction on the Khnaiguiyah Zinc Copper Project). Refer to the ASX Announcement for further detail.

The Company has previously granted unlisted options to Key Management Personnel (refer 'Details of 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 lapsed without being exercised, as detailed below:

№ of Options	Date of Lapse	Description of Unlisted Options	Exercise Price	Date of Issue	Expiry Date
400,000	22 August 2015	$0.35 (22 August 2015) Unlisted Options[27]	$0.35	23 August 2010	22 August 2015

[26] Refer Alara's 31 March 2016 ASX Announcement: Board Changes and Employee Options

[27] Refer Alara's 26 August 2015 ASX Announcement: Board Lapse of Unlisted Options

Details of Shares Held By Key Management Personnel

2016	Ordinary Fully Paid Shares				
Name of Director/KMP	Balance at start of year (1 July 2015)	Balance at Appointment	Net Change	Balance at Cessation	Balance at end of year (30 June 2016)
Justin Richard(i)	-	-	20,500,000		20,500,000
H. Shanker Madan(ii)	713	713	-	713	713
Atmavireshwar Sthapak(iii)		-	-		-
Ian Williams(iv)	100,000	-	-	100,000	100,000
James Phipps	-		-		-
Vikas Jain(v)	-	30,000,000	-		30,000,000
Ian Gregory	-		-		-
Victor Ho(vi)	-		-	-	-
Elizabeth Hunt(vii)		-	-		-

Notes: (i) On at least 1 occasion during the relevant period, Justin Richard submitted a request for trading approval to the Company. (ii) Appointed 31 July 2015 and resigned 31 March 2016; (iii) Appointed 22 September 2015 (iv) Resigned 31 July 2015 (v) Appointed 6 April 2016 (vi) Resigned 31 August 2015 (vii) Appointed 31 August 2015.

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)	-	-	1,800,000	1,000,000**	2,800,000**

Notes: (i) Resigned 19 May 2015 (ii) Appointed Managing Director on 16 June 2015 but was previously Country Manager, Saudi Arabia and Oman. (iii) Resigned 12 June 2015 (iv) Resigned 18 December 2014. **The late John Watkins was Alara's CFO and a director of JDW Investments Australia Pty Ltd which held these shares.

The following directors retired during the 2016 year with balances at cessation:

- H. Shanker Madan - March 2016: 713 shares
- Ian Williams – July 2015: 100,000 shares

Details of Options Held By Key Management Personnel

2016 Name of Director/KMP	Balance at start of year (1 July 2015)	Granted	Exercised	Acquired	Lapsed / Cancelled	Balance at Cessation	Balance at end of year (30 June 2016)	Granted and vested during year	Vested and exercisable at 30 June 2016
Justin Richard	-	-	-	20,000,000	-		20,000,000	-	20,000,000
H. Shanker Madan(i)	-	-	-	-	-	-		-	-
Atmavireshwar Sthapak(i)	-	-	-	-	-		-	-	-
Ian Williams(iii)	-	-	-	-	-	-		-	-
James Phipps	-	-	-	-	-		-	-	-
Vikas Jain(iv)	-	-	-	30,000,000	-		30,000,000	-	30,000,000
Ian Gregory	-	-	-	-	-		-	-	-
Victor Ho(v)	-	-	-	-	-	-		-	-
Elizabeth Hunt(vi)	-	-	-	-	-		-	-	-

Notes: (i) Appointed 31 July 2015 and resigned 31 March 2016; (ii) Appointed 22 September 2015 (iii) Resigned 31 July 2015 (iv) Appointed 6 April 2016 (v) Resigned 31 August 2015 (vi) Appointed 31 August 2015.

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.

Employment Contracts

(a) Managing Director/CEO – Justin Richard

Justin 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). He was appointed as Managing Director on 16 June 2015. The terms of his employment contract were carried over from his previous agreement contract with no increase in salary or allowance the material terms of which are as follows:

- 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);
- Expatriate allowances (including housing, school and travel) totalling approximately A$175,000 per annum (subject to adjustments for exchange rate variations *);
- Provision of medical insurance cover;
- Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus any additional entitlements prescribed under Saudi Arabian Labour Law;
- 60 days long service leave after 6 years of service and 5 days long service leave in respect of each year of service thereafter;
- Compulsory statutory 'end of service' payments due under Saudi Arabian Labour and Omani Law;
- One month's notice of termination within first six months, subject to repatriation provisions which total approximately three months remuneration;
- As a short term incentive, an annual cash bonus up to the equivalent of 20% of the annual base salary will be paid as a sliding scale bonus will be paid if not all 4 of the milestones are reached and within varying timeframes; and
- As announced on 31 March 2016[28], subject to shareholder approval at the 2016 AGM, the Company will grant the following options as a long term incentive:
  - Tranche 1 – 7,000,000 $0.04 options expiring 31 October 2016 upon attainment of Milestone 2
  - Tranche 2 – 7,000,000 $0.04 options expiring 31 December 2016 upon attainment of Milestone 3
  - Tranche 3 – 10,000,000 $0.10 options expiring 31 December 2016 upon attainment of Milestone 4

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

(b) Technical Director – H. Shanker Madan

H. Shanker Madan was appointed Technical Director on 31 July 2015 and resigned on 31 March 2016. H. Shanker Madan was the Company's founding Managing Director from 2007 to 2013. The material terms of his contract were 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 ; and
- Either party may terminate this agreement by providing two months' notice.

28 Refer Alara's 31 March 2016 ASX Announcement: Board Changes and Employee Options

(c) Technical Director – Atmavireshwar Sthapak

Atmavireshwar Sthapak was appointed Non-Executive Director on 22 September 2015 and subsequently appointed as Executive Director on 3 February 2016. The material terms of his contract are as follows[29]:

- An annual base salary of OMR 43,200 per annum;
- Use of a company car;
- Provision of medical insurance cover;
- Allowances totalling approximately OMR 7,695 per annum;
- Compulsory statutory 'end of service' payments due under Oman Labour Law;
- Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus any additional entitlements prescribed under Oman Labour Law;
- One off special exertions payment of OMR 7,000;
- Separate bonuses totalling up to OMR 28,000, each bonus being payable upon achieving certain key milestones in 2016;
- Either party may terminate this agreement by providing one months' notice; and
- As announced on 31 March 2016[30], subject to shareholder approval at the 2016 AGM, the Company will grant the following options as a long term incentive:
  - Tranche 1 – 7,000,000 $0.04 options expiring 31 October 2016 upon attainment of Milestone 2
  - Tranche 2 – 7,000,000 $0.04 options expiring 31 December 2016 upon attainment of Milestone 3
  - Tranche 3 – 10,000,000 $0.10 options expiring 31 December 2016 upon attainment of Milestone 4

(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 to 31 August 2015	$100,685 annual retainer fees	• 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.
Elizabeth Hunt Company Secretary	31 August 2015 (commencement date)	$132,000 per annum (including accounting services) payable to Mining Corporate Pty Ltd, of which Elizabeth Hunt is the managing director.	• Notice period 1 month.

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 (2015: Nil).

[29] Refer Alara's 3 February 2016 ASX Announcement: Appointment of Executive Director
[30] Refer Alara's 31 March 2016 ASX Announcement: Board Changes and Employee Options

Director Loan Agreement

On 9 September 2015 Justin Richard entered into a loan agreement with the Consolidated Entity providing a $250,000 loan facility to the Consolidated Entity. $60,000 was drawn down by the Consolidated Entity during the relevant period and was settled upon the rights issue announced 12 November 2015. 20,000,000 shares were issued to Justin Richard at the issue price of $0.01, raising $200,000 in capital and extinguishing the $60,000 loan payable with no interest charged.

Securities Trading Policy

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

Voting and Comments on the Remuneration Report at the 2015 Annual General Meeting

At the Company's most recent (2015) Annual General Meeting (AGM), a resolution to adopt the 2015 Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (93.6%) support in favour of adopting the Remuneration Report.[31] 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.

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 (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)

Except for the legal proceedings in Saudi Arabia as noted above, no person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings and the Consolidated Entity was not a party to any such proceedings during and since the financial year.

[31] Refer Alara's 30 November 2015 ASX Announcement: Results of Meeting

Auditor

Details of the amounts paid or payable to the Company's auditors (Bentleys Audit and Corporate (WA) Pty Ltd for 30 June 2016, Grant Thornton Audit Pty Ltd for 31 December 2015 and Moore Stephens Chartered Accountants for the Oman entity audits) for audit and non-audit services (paid to a related party of Bentleys Audit and Corporate (WA) Pty Ltd and Grant Thornton Audit Pty Ltd) provided during the financial year are set out below (refer to Note 5):

Audit and Review Fees $	Fees for Other Non-Audit Services $	Total $
57,092	27,625	84,717

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.

Bentleys Audit and Corporate (WA) 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 23. 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 other than the following:

On 8 July 2016 the Company announced a renounceable rights issue to raise up to $1,450,000 (before costs) to advance the Company's Al Hadeetha copper-gold project in Oman. The terms of the fully underwritten renounceable rights issue were 1 new share for every 7 shares held at an issue price of $0.02 per share. The shares were issued on 9 August 2016.

On 14 July 2016 the Company issued 11,888,269 shares at $0.02 each to raise $237,765 from the conversion of options.

On 7 September 2016 the Company issued 2,314,910 shares at $0.02 each to raise $46,298 from the conversion of options.

On 19 September 2016 the Company announced a material increase to the Washihi indicated and inferred resource at the Al Hadeetha Copper Gold Project in Oman.

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

Justin Richard
Managing Director

2 October 2016

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Alara Resources Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 2nd day of October 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	3	199,708	55,399
Net loss on financial assets held at fair value through profit or loss		-	(9,315)
Provision for impairment of exploration expenditure	11	(33,906,473)	-
Personnel		(211,170)	(1,226,357)
Occupancy costs		(35,198)	(125,903)
Finance expenses		(3,949)	71,420
Corporate expenses		(173)	(114,630)
Extinguishment of financial liability	14	1,713,737	-
Administration expenses		(170,625)	(709,640)
LOSS BEFORE INCOME TAX		**(32,414,143)**	**(2,059,026)**
Income tax benefit	4	301,306	292,773
PROFIT/(LOSS) FOR THE YEAR		**(32,112,837)**	**(1,766,253)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		364,946	(211,935)
Total other comprehensive income/(loss)		364,946	(211,935)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(31,747,891)**	**(1,978,188)**
Profit/(loss) attributable to:			
Owners of Alara Resources Limited		(30,595,089)	(1,661,238)
Non-controlling interest		(1,517,748)	(105,015)
		(32,112,837)	(1,766,253)
Total comprehensive income/(loss) for the year attributable to:			
Owners of Alara Resources Limited		(30,230,143)	(1,873,173)
Non-controlling interest		(1,517,748)	(105,015)
		(31,747,891)	(1,978,188)
Earnings/Loss per share:			
Basic earnings/(loss) per share cents	6	(7.42)	(0.67)
Diluted earnings/(loss) per share cents	6	(7.42)	(0.67)

The accompanying notes form part of this consolidated financial statement.

	Note	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,365,691	937,192
Trade and other receivables	8	318,260	255,961
Other current assets	9	7,979	73,127
TOTAL CURRENT ASSETS		1,691,930	1,266,280
NON CURRENT ASSETS			
Property, plant and equipment	10	64,503	68,933
Exploration and evaluation	11	7,327,012	38,566,735
TOTAL NON CURRENT ASSETS		7,391,515	38,635,668
TOTAL ASSETS		9,083,445	39,901,948
CURRENT LIABILITIES			
Trade and other payables	12	439,903	520,011
Provisions	13	130,296	69,225
TOTAL CURRENT LIABILITIES		570,199	589,236
NON CURRENT LIABILITIES			
Financial liabilities	14	-	1,509,585
Provisions	13	47,786	56,542
TOTAL NON CURRENT LIABILITIES		47,786	1,566,127
TOTAL LIABILITIES		617,985	2,155,363
NET ASSETS		8,465,460	37,746,585
EQUITY			
Issued capital	15	63,485,425	61,018,659
Reserves	16	367,395	361,429
Accumulated losses		(53,309,794)	(23,073,685)
Parent interest		10,543,026	38,306,403
Non-controlling interest		(2,077,566)	(559,818)
TOTAL EQUITY		8,465,460	37,746,585

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2016

	Note	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlling Interest	Total
		$	$	$	$	$	$
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)
Profit 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	15	60,000	-	-	-	-	60,000
Options lapsed during the year	16	-	(935,358)	-	935,358	-	-
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
Balance as at 1 July 2015		61,018,659	358,980	2,449	(23,073,685)	(559,818)	37,746,585
Foreign currency translation reserve		-	-	364,946	-	-	364,946
Net income and expense recognised directly in equity		-	-	364,946	-	-	364,946
Loss for the year		-	-	-	(30,595,089)	(1,517,748)	(32,112,837)
Total comprehensive loss for the year		-	-	364,946	(30,595,089)	(1,517,748)	(31,747,891)
Transactions with owners in their capacity as owners:							
Share placement	15	2,580,075	-	-	-	-	2,580,075
Share placement costs	15	(113,309)	-	-	-	-	(113,309)
Options lapsed during the year	16	-	(358,980)	-	358,980	-	-
Balance as at 30 June 2016		63,485,425	-	367,395	(53,309,794)	(2,077,566)	8,465,460

The accompanying notes form part of this consolidated financial statement.

Consolidated Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(323,911)	(2,150,202)
Interest received		31,041	55,399
Interest paid		(35)	-
Income tax refunded/(paid)		-	292,773
NET CASHFLOWS USED IN OPERATING ACTIVITIES	7b	(292,905)	(1,802,030)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		-	1,167
Payments for plant and equipment		(28,777)	613
Payments for exploration and evaluation activities		(1,602,790)	(1,153,555)
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		(1,631,567)	(485,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing ordinary shares		2,480,089	-
Costs of issuing ordinary shares		(113,309)	-
NET CASHFLOWS PROVIDED BY INVESTING ACTIVITIES		2,366,780	-
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		442,308	(2,287,974)
Cash and cash equivalents at beginning of the financial year		937,192	3,151,295
Effect of exchange rate changes on cash		(13,809)	73,871
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	1,365,691	937,192

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 year the Consolidated Entity incurred an operating loss before tax of $32,414,143 (2015: $2,059,026), and has a working capital position of $1,121,731 (2015: $677,044). As described in Note 25, capital raisings subsequent to balance date raised $1,684,620, and the receipt of a research and development rebate of $301,306 was also received after year end. The ability of the entity to continue as a 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. To enable the Consolidated Entity to develop its Projects, it would be required to raise funds from debt or equity sources. Should the Consolidated Entity not be able to obtain this funding it has the ability to defer these plans and meet its contractual commitments and manage cash flow in line with its available funds. The Directors consider the basis of going concern to be appropriate given the current cash and liquid investments position of the Consolidated Entity relative to its fixed and discretionary commitments.

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.

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 2016 and the results of its subsidiaries for the year then ended. Alara Resources Limited and its subsidiaries are referred to in this financial report as the Consolidated Entity. All transactions and balances between Consolidated Entity companies are eliminated on consolidation, including unrealised gains and losses on transactions between Consolidated Entity companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Consolidated Entity perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Consolidated Entity. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Consolidated Entity. The Consolidated Entity attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1.3. Foreign Currency Translation and Balances

Functional and presentation currency

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

Transaction and balances

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

Consolidated entity

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

(a) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
(b) income and expenses are translated at average exchange rates for the period; and
(c) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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

1.4. Joint Arrangements

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 Consolidated Entity's joint arrangements are currently of one type:

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

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

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.

1.5. Comparative Figures

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

1.6. 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 17. The accounting estimates have no impact on the carrying amounts of assets and liabilities but will impact expenses and equity.

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

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

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

1.8. New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2016. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

AASB 9 Financial Institutions
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Consolidated Entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Consolidated Entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Consolidated Entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Alara Resources Limited, as at 30 June 2016.

	2016 $	2015 $
Statement of Financial Position		
Current assets	1,397,117	966,383
Non-current assets	6,888,540	36,991,176
Total assets	8,285,657	37,957,559
Current liabilities	132,017	196,090
Non-current liabilities	47,786	14,884
Total liabilities	179,803	210,974
Net assets	8,465,460	37,746,585
Issued capital	63,485,425	61,018,659
Options Reserve	-	358,980
Accumulated losses	(55,019,965)	(23,631,054)
Total equity	8,465,460	37,746,585
Profit/(loss) for the year	(31,388,911)	(4,797,730)
Other comprehensive income for the year	-	-
Total comprehensive income /(loss) for the year	(31,388,911)	(4,797,730)

3. LOSS FOR THE YEAR

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

	2016 $	2015 $
Revenue		
Interest	199,708	55,399
Foreign exchange movement (realised and unrealised)	-	71,420
	199,708	126,819

ACCOUNTING POLICY NOTE

Revenue Recognition

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

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

4. INCOME TAX EXPENSE

	2016 $	2015 $
(a) Income tax expense		
Current tax expense/(benefit)	(301,306)	(292,773)
Deferred tax expense	-	-
Total income tax expense/(benefit) per statement of profit or loss and other comprehensive income	(301,306)	(292,773)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	(32,414,143)	(2,059,026)
Tax at the Australian tax rate of 30% (2015: 30%)	(9,724,243)	(617,707)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-assessable income	(1,214)	(10,884)
Non-deductible expenses	9,743,361	14,898
(Refund) of Research & Development Claim	(301,306)	(292,773)
Tax losses not brought to account	(17,904)	619,045
Income tax expense/(benefit)	(301,306)	(292,773)
(c) Deferred tax assets		
Tax losses	431,547	883,281
Other	2,996	35,239
Potential tax benefit at 30%	434,543	918,520
Set-off deferred tax liabilities	(434,543)	(918,520)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Exploration and evaluation expenditure	(434,543)	(918,520)
	(434,543)	(918,520)
Set-off deferred tax assets	434,543	918,520
Potential tax liability at 30%	-	-
(e) Deferred tax assets not recognised		
Deferred tax assets have not been recognised in relation to the following matters:		
Tax losses	923,922	1,863,696
Capital losses	491,989	-
	1,415,911	1,863,696

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

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

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

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

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

4. INCOME TAX EXPENSE (continued)

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

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

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

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

	2016 $	2015 $
Bentleys Audit and Corporate (WA) Pty Ltd - Auditors of the Consolidated Entity (Audit and review of financial reports)	22,000	-
Grant Thornton Audit Pty Ltd - Auditors of the Consolidated Entity (Audit and review of financial reports)	29,875	39,758
Grant Thornton Australia Limited - related practice of Grant Thornton Audit Pty Ltd (Taxation services)	27,625	25,750
Moore Stephens Chartered Accountants - Auditors of Oman controlled entities (Audit and review of financial reports)	5,217	18,564
	84,717	84,072

6. EARNINGS/(LOSS) PER SHARE

	2016	2015
Basic earnings/(loss) per share cents	(7.42)	(0.67)
Diluted earnings/(loss) per share cents	(7.42)	(0.67)
Profit/(loss) $ used to calculate earnings/(loss) per share	(30,595,090)	(1,661,238)
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	412,463,414	248,007,500
Weighted average number of ordinary shares during the period used in calculation of diluted earnings/(loss) per share	412,463,414	248,007,500

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.

ACCOUNTING POLICY NOTE

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

7. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash in hand	7,245	4,609
Cash at bank	742,619	409,458
Term deposits	615,827	523,125
	1,365,691	937,192

The Consolidated Entity has granted numerous term deposit security bonds to the value of $107,044 (2015: $123,125) 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 Parent Entity also has a bank guarantee for the sublease of the former office to the value of $64,943 (2015: $Nil).

The effective interest rate on short-term bank deposits was 2.77% (2015: 3.01%) with an average maturity of 152 days.

(a) Risk exposure

The Consolidated Entity's exposure to interest rate and foreign exchange risk is discussed in Note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

ACCOUNTING POLICY NOTE

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

7. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flow From Operations	2016 $	2015 $
Profit/(Loss) after income tax	(32,112,837)	(1,766,253)
Net gain/(loss) on financial assets held at fair value through profit or loss	-	142,956
Provision for impairment of exploration expenditure	33,906,473	
Loan extinguishment	(1,713,737)	-
Foreign exchange movement	(254,544)	(71,420)
Depreciation	18,037	24,835
Write off/down fixed assets	29,424	27,283
(Increase)/Decrease in Assets:		
Trade and other receivables	(62,298)	21,428
Exploration and evaluation	-	-
Other current assets	65,148	(36,277)
Increase/(Decrease) in Liabilities:		
Trade and other payables	(220,887)	(166,559)
Provisions	52,316	21,977
Net cashflows from/(used in) operating activities	(292,905)	(1,802,030)
(c) Non-cash financing and investing activities		
Share based payments (Refer to Note 17)	(100,000)	-

8. TRADE AND OTHER RECEIVABLES

Current	2016 $	2015 $
Amounts receivable from:		
Sundry debtors	310,821	234,325
Goods and services tax recoverable	7,439	21,636
	318,260	255,961

(a) Risk exposure

Information about the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 19.

(b) Impaired receivables

None of the above receivables are impaired or past due.

ACCOUNTING POLICY NOTE

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

9. OTHER CURRENT ASSETS

	2016 $	2015 $
Prepayments	7,979	73,127
	7,979	73,127

10. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Office Equipment $	Plant and Equipment $	Total $
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
At 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
Year ended 30 June 2016				
Carrying amount at beginning	-	49,071	19,862	68,933
Additions	28,777	-	-	28,777
Write-offs	-	(10,294)	(19,130)	(29,424)
Depreciation expense	(1,692)	(14,454)	(1,891)	(18,037)
Exchange Difference	-	9,309	4,945	14,254
Closing amount at reporting date	27,085	33,632	3,786	64,503
Year ended 30 June 2016				
Cost or fair value	28,777	164,925	12,898	206,600
Accumulated depreciation	(1,692)	(131,293)	(9,112)	(142,097)
Net carrying amount	27,085	33,632	3,786	64,503

ACCOUNTING POLICY NOTE

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

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

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

11. EXPLORATION AND EVALUATION

	2016 $	2015 $
Opening balance	38,566,735	36,477,251
- Exploration and evaluation expenditure	660,647	643,135
- Exchange differences	2,006,103	1,446,349
- Impairment of exploration and evaluation expenditure	(33,906,473)	-
Closing balance	7,327,012	38,566,735

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 of previous Annual Reports were prepared on this basis with the asset carried at $33,190,221 as at 30 June 2015. Following cancellation of the Khnaiguiyah Mining Licence, a provision for impairment of the carrying value of exploration and evaluation attributable to the Khnaiguiyah Project was made. It is expected this provision for impairment will be reversed once Alara can demonstrate its exploration and evaluation expenses (relating to the Khnaiguiyah Project and the accompanying Feasibility Study) will be recovered via its agreement with Bayan Mining Company LLC or otherwise (see accounting policy note on mineral exploration and evaluation expenditure below).

Alara Oman Operations Pty Limited (a wholly owned Australian subsidiary) gained a 50% shareholding interest in a jointly controlled company, Daris Resources LLC (Oman), on 1 December 2010. The principal activity of this company is exploration, evaluation and development of mineral licences in Oman. The Consolidated Entity has a valid and legally enforceable contractual right to commercially exploit the Daris Project held by Daris Resources LLC (in which the Consolidated Entity has a 50% shareholding interest) and does not hold the legal title to the mineral exploration licence (which is held by the other 50% shareholder of Daris Resources LLC). The financial statements have been prepared on this basis (refer Note 22 for further disclosures). Should these legal rights not be enforceable, the carrying value of Exploration and Evaluation Expenditure attributable to the Daris Project would be impaired.

Assets previously classified as other non-current assets have been reclassified to exploration and evaluation expenditure. The Consolidated Entity has granted numerous security bonds to the value of $107,380 (2015: $123,125) which has not been called up as at reporting date.

ACCOUNTING POLICY NOTE

Mineral Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated (i.e. capitalised) in respect of each identifiable area of interest. These costs are only carried forward where they are expected to be recoverable through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Exploration and evaluation expenditure is written-off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the impairment loss will be measured in accordance with the Consolidated Entity's impairment policy (Note 1.6). This policy requires management to make certain estimates to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is not possible, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

Impairment of Non-Financial Assets

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

12. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Current		
Trade payables	393,435	339,358
Other payables	46,468	180,653
	439,903	520,011

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 19.

ACCOUNTING POLICY NOTE

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

13. PROVISIONS

	2016 $	2015 $
Current		
Employee benefits – annual leave	21,586	69,225
Income tax	108,710	-
Non-Current		
Employee benefits – long service leave	47,786	56,542
	178,082	125,767

Amounts not expected to be settled within the next 12 months

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

ACCOUNTING POLICY NOTE

Employee Benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is 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.

14. FINANCIAL LIABILITIES

	2016 $	2015 $
Non-Current		
Financial liabilities	1,509,585	1,510,103
Exchange differences	204,152	(518)
Extinguishment of financial liability	(1,713,737)	-
	-	1,509,585

The financial liability with United Arabian Mining Company LLC (Manajem) was extinguished pursuant to the terms of the shareholders agreement whereby repayment can only be made from profits of the joint venture and shall be discharged pro rata for funds contributed by Alara. The Company has impaired its interest in the Khnaiguiyah project upon cancellation of the Khnaiguiyah mining licence.

15. ISSUED CAPITAL

	2016 №	2015 №	2016 $	2015 $
Fully paid ordinary shares	506,015,000	248,007,500	63,485,425	61,018,659

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
2016	№	$
Balance as at 1 July 2015	248,007,500	61,018,659
- Share movement during the 2016 financial year	258,007,500	2,580,075
- Share issue costs during the 2016 financial year	-	(113,309)
Balance as at 30 June 2016	506,015,000	63,485,425

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

Capital risk management

The Consolidated Entity's objective when managing its capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders. The Board will consider capital management initiatives as is appropriate and in the best interests of the Consolidated Entity and shareholders from time to time. The Consolidated Entity had no external borrowings as at 30 June 2016. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

ACCOUNTING POLICY NOTE

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

16. RESERVES

	2016 $	2015 $
Foreign currency translation reserve	367,395	2,449
Options reserve	-	358,980
	367,395	361,429

16. RESERVES (continued)

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	2016 $	2015 $
Directors' Options				
Unlisted options exercisable at $0.10; expiring 15 Jan 2016	16-Jan-14	-	-	337,067
Employees' Options				
Unlisted options exercisable at $0.35; expiring 22 Aug 2015	23-Aug-10	-	-	21,913
		-	-	358,980

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) 400,000 lapsed unlisted $0.35 (22 August 2015) Options amounted to $21,913.
(ii) 10,000,000 lapsed unlisted $0.10 (15 January 2016) Options amounted to $337,067.
TOTAL: $358,980

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.

17. SHARE BASED PAYMENTS
During the year no options were issued to employees or directors.

A total of 10,400,000 unlisted options lapsed or were cancelled during the year being 400,000 unlisted (22 August 2015) options and 10,000,000 unlisted (15 January 2016) options.

			Movement during the year					As at 30 June 2016	
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Lapsed	Closing balance	Vested and exercisable	Fair value $
Directors									
16-Jan-14	15-Jan-16	$0.10	10,000,000	-	-	(10,000,000)	-	-	-
Employees									
23-Aug-10	22-Aug-15	$0.35	400,000	-	-	(400,000)	-	-	-
Weighted average exercise price			10,400,000	-	-	(10,400,000)	-	-	-
Weighted average exercise price			0.11	-	-	0.11	-	-	

There were no shares issued as a result of the exercise of any options during the year (2015: nil).

17. SHARE BASED PAYMENTS (continued)

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.

Date of issue	Description of unlisted options	Vesting criteria	Share price at grant date	Risk free rate	Price volatility
23-Aug-10	$0.35 (22 Aug 2015) Options	Vested at the date of the issue of the options	$0.10	4.50%	95%
16-Jan-14	$0.15 (15 Jan 2016) Options	Vested at the date of the issue of the options	$0.07	2.63%	107%

On 22 October 2015, the Company issued 10,000,000 fully paid ordinary shares, with a fair value of $100,000, pursuant to its JV Framework Agreement with Bayan Mining Company LLC ('Bayan') dated 16 July 2015.

ACCOUNTING POLICY NOTE

Director/Employee Options

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

18. SEGMENT INFORMATION

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

2016	Australia $	Oman $	Saudi Arabia $	Total $
Total segment revenues	199,262	446	-	199,708
Total segment loss before tax	(16,480,443)	(5,573,028)	(10,360,672)	(32,414,143)
Total segment assets	2,839,835	6,243,610	-	9,083,445
Total segment liabilities	(413,675)	(95,599)	(108,711)	(617,985)
2015				
Total segment revenues	55,399	-	-	55,399
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)

18. SEGMENT INFORMATION (continued)

(a) Reconciliation of segment information	2016 $	2015 $
(i) Total Segment Assets	9,083,445	39,901,948
Total Assets as per Statement of Financial Position	9,083,445	39,901,948
(ii) Total Segment Revenues	199,708	55,399
Total Revenue as per Statement of Profit or Loss and Other Comprehensive Income	199,708	55,399
(iii) Total Segment profit/(loss) before tax	(32,414,143)	(2,059,026)
Total Consolidated Entity profit/(loss) before tax	(32,414,143)	(2,059,026)

ACCOUNTING POLICY NOTE

Operating Segments

The Consolidated Entity has applied AASB 8: Operating Segments which requires that segment information be presented on the same basis as that used for internal reporting purposes. An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are reviewed regularly by 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.

19. 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:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	1,365,691	937,192
Trade and other receivables	318,260	255,961
	1,683,951	1,193,153
Financial liabilities at amortised cost		
Trade and other payables	(439,903)	(520,011)
Non-current financial liabilities	-	(1,509,585)
	(439,903)	(2,029,596)
Net Financial Assets	1,244,048	(836,443)

(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.

19. FINANCIAL RISK MANAGEMENT (continued)

(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 2.77% (2015: 3.01%).

	2016 $	2015 $
Cash at bank	742,619	409,458
Term deposits	615,827	523,125
	1,358,446	932,583

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 in terms of the possible impact on profit or loss or total equity is displayed below:

	2016 $	2015 $
Change in profit		
Increase by 3%	40,971	28,116
Decrease by 3%	(40,971)	(28,116)
Change in equity		
Increase by 3%	40,971	28,116
Decrease by 3%	(40,971)	(28,116)

(iii) Foreign exchange risk

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

	2016 USD	2015 USD
Cash and cash equivalents	-	145,509
Trade and other receivables	-	-
Trade and other payables	-	(5,045)
	-	140,464

	2016 OMR	2015 OMR
Cash and cash equivalents	80,426	8,818
Trade and other receivables	32	-
Trade and other payables	(21,632)	(5,816)
	58,825	3,002

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. The Consolidated Entity enters into forward exchange contracts with its Australian bank from time to time to hedge against foreign exchange risk.

19. FINANCIAL RISK MANAGEMENT (continued)

(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:

	2016 $	2015 $
Cash and cash equivalents		
AA-	1,358,446	932,583
No external credit rating available	7,245	4,609
	1,365,691	937,192
Trade and other receivables (due within 30 days)		
No external credit rating available	318,260	255,961

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

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. As at 30 June 2016, 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:

2016	Less than 6 months $	6-12 months $	1-5 years $	Total $
Financial assets				
Cash and cash equivalents	1,365,691	-	-	1,365,691
Trade and other receivables	318,260	-	-	318,260
	1,683,951	-	-	1,683,951
Financial liabilities				
Trade and other payables	(439,903)	-	-	(439,903)
Net inflow/(outflow)	1,244,048	-	-	1,244,048
2015				
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)

(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 10. The financial liabilities at reporting date are set out in Note 14.

19. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements

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

ACCOUNTING POLICY NOTE

Financial Instruments

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

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

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

Fair value 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".

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.

20. COMMITMENTS

	2016 $	2015 $
(a) Lease Commitments		
Non-cancellable operating lease commitments:		
Within 1 year	39,211	79,579
1-5 years	12,460	168,834
After 5 years	-	-
Total	51,671	248,413

The Consolidated Entity leases office space under a non-cancellable operating lease. On renewal, the terms of the lease are renegotiated. The Consolidated Entity does not have an option to purchase the leased asset at the expiry of the lease period. During the year the Company has signed a sub-lease for the office space hence mitigating the outstanding lease commitments remaining on the lease.

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

21. CONTROLLED ENTITIES

Investment in Controlled Entities	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-16	Jun-15
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%
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 prior year a number of controlled entities were deregistered and no longer form part of the Consolidated Entity. 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 Consolidated Entity.

22. JOINTLY CONTROLED ENTITIES

Investment in Jointly Controlled Entities	Principal Activity	Country of Incorporation	Date of Incorporation	Jun-16	Jun-15
Daris Resources LLC (jointly controlled entity of AOO)	Exploration	Oman	1-Dec-10	50%	50%
Khnaiguiyah Mining Co LLC (jointly controlled entity of ASO)	Exploration	Saudi Arabia	10-Jan-11	50%	50%

23. 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 21 and 22.

23. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with other related parties

The following transactions occurred with related parties during the year ending 30 June 2016:

(i) Controlled and Jointly Controlled Entities

Details of the interest in controlled entities and jointly controlled entities are set out in Notes 21 and 22.

(ii) Director loan agreement

On 9 September 2015 Justin Richard entered into a loan agreement with the Consolidated Entity providing a $250,000 loan facility to the Consolidated Entity. $60,000 was drawn down by the Consolidated Entity during the relevant period and was settled (with no interest charged) upon the rights issue announced 12 November 2015.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

Key Management Personnel remuneration includes the following expenses:

	2016 $	2015 $
Short term employee benefits:		
Remuneration including bonuses and allowances	1,084,592	1,427,947
Social security costs	-	-
Total short term employee benefits	**1,084,592**	**1,427,947**
Long service leave	-	-
Total other long-term benefits	**-**	**-**
Post-employment benefits:		
Defined benefit pension plans	-	-
Defined contribution pension plans	2,177	69,585
Total post-employment benefits	**2,177**	**69,585**
Termination benefits	18,750	100,000
Share-based payments	-	-
Total remuneration	**1,105,519**	**1,597,532**

24. CONTINGENT ASSETS AND LIABILITIES

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

(a) **Shareholders' Agreement (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 would 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 in connection with the transfer of the Khnaiguiyah Mining Licence to KMC.

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).

24. Contingent Assets and Liabilities (continued)

(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, former Khnaiguiyah Project joint venture partner, Manajem, filed a 'claim' against Alara Saudi Operations Pty Limited before the Board of Grievance in Riyadh, Kingdom of Saudi Arabia. Manajem alleges broad unspecified breaches of the SHA and Saudi law by Alara. Alara, based on the advice of external legal counsel maintain that Manajem's claims are unsubstantiated and 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 next court date is scheduled for October 2016.

(d) **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.

(e) **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 exploration and evaluation 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.

(f) **Introduction Fees – Net Smelter Return Royalty and Bonus Obligation – Oman Projects** – A 5.0% 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 or Al Hadeetha Resources LLC. An OMR25,000 cash bonus is also due and payable to the same individual upon commencement of production from the Daris Copper-Gold Project (Oman).

24. Contingent Assets and Liabilities (continued)

(g) **Shareholders Agreement – Al Hadeetha 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).

(h) **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.

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

25. 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 other than the following:

On 8 July 2016 the Company announced a renounceable rights issue to raise up to $1,450,000 (before costs) to advance the Company's Al Hadeetha copper-gold project in Oman. The terms of the fully underwritten renounceable rights issue were 1 new share for every 7 shares held at an issue price of $0.02 per share. The shares were issued on 9 August 2016.

On 14 July 2016 the Company issued 11,888,269 shares at $0.02 each to raise $237,765 from the conversion of options.

On 7 September 2016 the Company issued 2,314,910 shares at $0.02 each to raise $46,298 from the conversion of options.

On 19 September 2016 the Company announced a material increase to the Washihi indicated and inferred resource at the Al Hadeetha Copper Gold Project in Oman.

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 24 to 49, 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 2016 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;

2. The Remuneration Report disclosures set out (within the Directors' Report) on pages 13 to 20 (as the audited Remuneration Report) comply with section 300A of the Corporations Act 2001;

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

4. 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 2016.

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

2 October 2016

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Alara Resources Limited

We have audited the accompanying financial report of Alara Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1.1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that 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. These Auditing Standards require that we 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 judgment, 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 entity'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 entity'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 Opinion

As disclosed in note 11 to the financial statements, as at 30 June 2015 the Consolidated Entity reported capitalised exploration and evaluation expenditure in respect to the Khnaiguiyah Project in the Kingdom of Saudi Arabia of $33,190,221. The continuation of further activities in relation to the project was uncertain as a result of Alara's decision to halt further expenditure in June 2014. In December 2015, the Mining License was cancelled, and a provision for impairment of the carrying value of the Khnaiguiyah Project was made.

The 30 June 2015 audit report was qualified on the basis that due to the period of inactivity, the previous auditor was unable to obtain sufficient assurance on the recoverable amount of the capitalised exploration balance of $33,190,221. Accordingly due to the Company's decision to halt further expenditure pending resolution of the impasse and the limitation of scope opinion issued on the financial report for 30 June 2015, we are unable to obtain evidence to support the carrying value of the exploration and evaluation balance as at 30 June 2015. Since opening balances enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in the statement of profit or loss and other comprehensive income for the year ended 30 June 2016. As a result, the financial performance for the year ended 30 June 2016 is affected to the extent of the misstatement (if any) as at 30 June 2015.

Qualified Auditor's Opinion

In our opinion, except for the possible effects of the matter identified in the Basis for Qualified Opinion paragraph:

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 2016 and of its performance for the year ended on that date; and

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

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.1.

Emphasis of Matter

Without further qualifying our opinion, we draw attention to Note 24 to the financial statements. Alara Saudi Operations Pty Ltd, a wholly-owned subsidiary of Alara Resources Ltd, is the defendant in a legal claim alleging breaches of the Shareholders' Agreement and Saudi Arabian law. Alara Saudi Operations Pty Ltd has filed a counter-action. Several preliminary hearings have been held and as at the date of this report, the ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of Alara Resources Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 2nd day of October 2016

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 previously comprised one mining licence (issued in December 2010 and cancelled in or about December 2016), 2 exploration licences and 5 exploration licence applications, totalling approximately 380km^2 previously held or applied for by 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 Khnaiguiyah Project licences being granted to Manajem.

As at the date of this report, the Khnaiguiyah Mining Licence was yet to be reissued.

Project	Licence Owner	Status	Tenement	Grant/ Application Date	Area	Location/ Property Name	Country
Khnaiguiyah Zinc-Copper Project	TBA	Cancelled	Mining Lease No 2. Qaaf	TBA	5.462km^2	~170km west of Riyadh	Saudi Arabia

Oman

Daris and Al Hadeetha 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[32] is located ~170km northwest of Muscat (the capital of Oman). The Washihi/Mullaq[33] 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	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC	50%	587km²	Nov 2009	Feb 2016	Active (due to time extension from ML application)	Daris East 3.2km² Daris 3A-5 1.3km²	Dec 2012	Accepted in April 2013; in progress

Al Hadeetha Copper-Gold Project

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

Licence Name	Licence Owner	Alara JV Interest	Exploration 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 2016	Active	2.1km²	Dec 2012	Accepted in April 2013; in progress
Mullaq	Al Hadeetha Resources LLC	70%	41km²	Oct 2009	Nov 2016	Active	1km²	Jan 2013	In progress
Al Ajal	Al Hadeetha Resources LLC	70%	25km²	Jan 2008	Nov 2016	Active	1.5km²	Jan 2013	In progress

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

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

Al Hadeetha Copper-Gold Project (Oman)

Table 1 - Washihi JORC Mineral Resources[34]

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0.20	12.40	0.89	0.22	3.74	0.78	0.23
0.25	**12.39**	**0.89**	**0.22**	**3.71**	**0.79**	**0.23**
0.30	12.37	0.89	0.22	3.68	0.79	0.23
0.40	12.16	0.90	0.22	3.54	0.81	0.24
0.50	11.39	0.93	0.23	2.98	0.88	0.25
0.25	**12.39**	**0.89**	**0.22**	**3.71**	**0.79**	**0.23**

Table 2 - Gossan Hill Mineralisation - Gold[35]

Cut off Au g/t	Inferred Resource		
	Kilo Tonnes (kt)	Gold (Au) g/t	Ounces k/Oz
0.05	439.00	0.41	5.74
0.10	420.31	0.42	5.69
0.15	405.58	0.43	5.63
0.20	346.93	0.48	5.31
0.25	**307.60**	**0.51**	**5.03**
0.30	274.40	0.54	4.73
0.35	257.40	0.55	4.55
0.40	220.48	0.58	4.09
0.45	197.79	0.60	3.79
0.50	147.82	0.64	3.02

Notes
1. Mineral Resources are not Mineral Reserves. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral Resources reported in accordance with the JORC 2012.
3. Resource for Cu-Au is stated @ 0.25 % Cu cut-off grade; the mineral resource for gold in the Gossan hill (outside main ore body) has been stated @ .25 g/t Au.
4. Mineral resource tonnages have been rounded to reflect the accuracy of the estimate.
5. 1 ounce of Au = 31.1035 grams.

[34] Refer to 18 April 2013 ASX Announcement: Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project
[35] Refer Alara's 19 September 2016 ASX Announcement

Daris Copper-Gold Project (Oman)

Table 3 - 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.

JORC Competent Persons Statements

The information in this report that relates to Zinc and Copper Mineral Resources in relation to the Daris and Al Hadeetha Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by 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. Ravindra Sharma was a principal consultant to Alara Resources Limited. Ravindra 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, 2012 edition. Ravindra 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.

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	592,506,073	-	592,506,073
$0.02 (30 April 2017) Listed Options[36]	-	233,804,321	233,804,321
Total	**592,506,073**	**233,804,321**	**826,310,394**

Summary of Directors' and Employees' Unlisted Options

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria[37]	No. of Options
N/A	N/A	$Nil	N/A	N/A	Nil

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	913	311,721	0.053%
1,001 - 5,000	303	710,559	0.120%
5,001 - 10,000	154	1,283,700	0.217%
10,001 - 100,000	415	16,612,480	2.804%
100,001 - and over	317	573,587,613	96.807%
Total	**2,102**	**592,506,073**	**100%**

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	MENG MENG*	38,121,027	6.434
2.	VIKAS JAIN*	34,285,230	5.786
3.	METALS CORNERS HOLDING CO*	30,500,000	5.148
4.	MUL CHAND MALU	28,571,025	4.822
5.	VIKAS MALU	28,571,025	4.822
6.	CITICORP NOMINEES PTY LTD	27,540,045	4.648
7.	JUSTIN RICHARD	26,107,143	4.406
8.	PIYUSH JAIN	22,856,820	3.858
9.	WHITECHURCH DEVELOPMENTS PTY LTD	20,575,550	3.473
10.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,000,118	2.700
11.	INKESE PTY LTD	12,000,000	2.025
12.	WARREN WILLIAM BROWN & MARILYN HELENA BROWN / WWB INVESTMENTS PTY LTD S/F A/C	10,628,572	1.794
13.	BRIAN JOSEPH FLANNERY & PEGGY ANN FLANNERY / FLANNERY FOUNDATION PTY LTD	10,085,464	1.702
14.	PETER KELVIN RODWELL	9,142,858	1.543
15.	JOHN HENRY ADDISON MCMAHON	8,493,083	1.433
16.	TYRONE JAMES GIESE	7,364,252	1.243
17.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	7,043,416	1.189
18.	BARON NOMINEES PTY LTD	6,860,397	1.158
19.	MAHE INVESTMENTS PTY LTD	5,747,200	0.970
20.	THORPE ROAD NOMINEES PTY LTD <IAN TREGONNING FAMILY 2 A/C>	5,622,858	0.949
Total		**356,116,083**	**60.103%**

* Substantial shareholders

[36] Terms and conditions of issue are set out in a prospectus dated 15 October 2015and in Alara's 10 November 2015 ASX Announcement: Closure of Renounceable Rights Issue

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

Top 20 Listed Option Holders

Rank	Option Holder	Options Held	% Total Options
1.	VIKAS JAIN	30,000,000	12.831
2.	METALS CORNERS HOLDING CO	28,500,000	12.190
3.	MUL CHAND MALU	25,000,000	10.693
4.	VIKAS MALU	25,000,000	10.693
5.	PIYUSH JAIN	20,000,000	8.554
6.	JUSTIN RICHARD	18,750,000	8.020
7.	BRIAN JOSEPH FLANNERY & PEGGY ANN FLANNERY / FLANNERY FOUNDATION PTY LTD	5,903,851	2.525
8.	CITICORP NOMINEES PTY LTD	5,002,500	2.140
9.	WARREN WILLIAM BROWN & MARILYN HELENA BROWN / WWB INVESTMENTS PTY LTD S/F A/C	4,650,000	1.989
10.	BARON NOMINEES PTY LTD	4,000,000	1.711
11.	COVELANE GOLD COAST PTY LTD <COVELANE S/F A/C>	3,853,567	1.648
12.	INKESE PTY LTD	3,297,925	1.411
13.	JOHN HENRY ADDISON MCMAHON	3,000,000	1.283
14.	ANTHONY BROWN	3,000,000	1.283
15.	THORPE ROAD NOMINEES PTY LTD <IAN TREGONNING FAMILY 2 A/C>	2,460,000	1.052
16.	JAWAF ENTERPRISES PTY LTD	2,362,220	1.010
17.	DIMITRI JAMES ILIOPOULOS & KYLIE BETH SANDLAND <DIMITRI ILIOPOULOUS FUND A/C>	2,000,000	0.855
18.	LILIANA TEOFILOVA	1,829,200	0.782
19.	SURFLODGE PTY LTD	1,629,000	0.697
20.	CRX INVESTMENTS PTY LTD	1,500,000	0.642
Total		**191,738,263**	**82.009%**