

31 July 2015

ASX Code: AUQ

DIRECTORS

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

COMPANY SECRETARIES

Victor Ho, Ian Gregory

CAPITAL STRUCTURE (30/6/2015)

Shares: 248,007,500

Options: 10,400,000

Share Price: \$0.024

Market Cap: \$5.95m

WASHIHI (OMAN) *

Copper-Gold Resource

6.84Mt Indicated @ 0.90% Cu & 0.17g/t Au
7.27Mt Inferred @ 0.71% Cu & 0.20g/t Au

DARIS (OMAN) *

Copper-Gold Resource

Sulphides: 240,024t Measured & Indicated
@ 2.37% Cu & 0.43g/t Au

KHNAIGUIYAH (SAUDI ARABIA) *

Proved Zinc-Copper Reserves:
17.7 Mt @ 3.4% Zn and 0.29% Cu

Probable Zinc-Copper Reserves:
8.35 Mt @ 3.1% Zn and 0.13% Cu

Measured & Indicated Resources:

Zinc-Copper Resource:

25.32 Mt @ 4.03% Zn & 0.17% Cu

Copper Resource:

8.53Mt @ 0.64%Cu

CONTACT DETAILS

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*Refer JORC Statements on page 8 and 9

Summary

- In May, Alara commenced discussions with another company in relation to a potential corporate transaction, including a scheme of arrangement under which Alara shareholders could become shareholders in the other company. Alternate transactions are also being considered by the parties.
- Board changes: Ian Williams, Philip Hopkins and John Hopkins resigned. James Phipps appointed Chairman, Justin Richard appointed Managing Director and CEO and Shanker Madan appointed as Technical Director. Ian Gregory appointed Alternate Director for Justin Richard (and also joint Company Secretary).
- The last court hearing in relation to the Khnaiguiyah Zinc Project was postponed on account of Manajem's representative not being in attendance. Next hearing set for 8 September 2015.
- Exploration Licences held by Alara's JV partner ('Manajem') are no longer valid, but Khnaiguiyah Mining Licence remains on foot.
- Advancement of the Feasibility Study for the Washihi Project remains subject to funding.
- Termination of Small Holding Share Sale Facility (initiated in September 2014). Affected shareholdings reinstated on 25 May 2015.

For further information, please contact:

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Company Secretary

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Board Changes

Previously announced changes

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

On 12 June 2015, John Hopkins OAM resigned as Non-Executive Director in order to allow him to fulfil his commitments outside of Alara.²

On 16 June 2015, Justin Richard was appointed Managing Director and Chief Executive Officer.² Mr Richard has been the Company's Legal & Commercial Manager since August 2011 and also Alara's Country Manager in Saudi Arabia (since November 2012) and Oman (since December 2013).³ The terms of his current employment as Alara's Country Manager, with appropriate variations, carry over to his new role as Managing Director and CEO.⁴

On 22 June 2015, Justin Richard appointed Ian E. Gregory as his Alternate Director⁵ (but not as Alternate Managing Director).⁴ Mr Gregory was also appointed joint Company Secretary on 30 June 2015.⁶ Mr Gregory's experience and qualifications are set out in Alara's '[Company Update](#)' ASX market announcement released on 26 June 2015.⁴

Recent changes

The Company advises that Ian Williams AO has resigned as Non-Executive Chairman with effect on 31 July 2015.

The Company acknowledges Mr Williams' valuable contributions to the Board and guidance to Senior Management since his appointment in May 2011 and thanks him for his service to Alara.

Appointment of Chairman

The Board has appointed James Phipps as Non-Executive Chairman of the Board.

Mr Phipps has been a Non-Executive Director of the Company since November 2014 and was previously an Alternate Director to His Royal Highness Prince Abdullah bin Mosaad bin Abdulaziz Al Saud (since October 2013).⁷

Appointment of Director

The Board is pleased to advise that Shanker Madan has been appointed as Technical Director.

Mr Madan served as Managing Director of Alara between May 2007 and June 2013 and the Company is pleased to have him return as a member of the Board.

1 Refer Alara's 19 May 2015 ASX Announcement: [Resignation of Managing Director](#)

2 Refer Alara's 16 June 2015 ASX Announcement: [Company Update](#)

3 Refer Alara's 24 December 2013 ASX Announcement: [Corporate Update and Projects Update – Oman and Saudi Arabia](#)

4 Refer Alara's 25 June 2015 ASX Announcement: [Company Update](#)

5 Pursuant to Clause 10.1 of the Company's Constitution

6 Refer Alara's 1 July 2015 ASX Announcement: [Appointment of Joint Company Secretary](#)

7 Refer Alara's 5 November 2014 ASX Announcement: [Board Changes](#)

Potential Corporate Transaction

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

At the time of this previous announcement, discussions were at a relatively early stage. If completed, one transaction being considered (contemplated as a scheme of arrangement) would be subject to Alara shareholder approval.

The Company advises that a draft Merger Implementation Agreement has passed between the parties. However, as at the date of this Quarterly Report, no agreement has been reached and there is no assurance that a final agreement will be reached.

Status Update (Saudi Arabia)

Legal Proceedings

The Company refers to the previously reported⁹ legal matter in relation to the dispute between Alara and its Khnaiguiyah Joint Venture partner, United Arabian Mining Company LLC ('Manajem').

At the 21 April 2014 hearing before the Administrative Court (Board of Grievances) in Riyadh, Manajem raised procedural issues about Alara's legal representation.

At the 16 June 2015 hearing, the legal representative of Manajem did not appear. The Court declined to immediately dismiss the case filed by Manajem, giving Manajem's representative until the end of the day to appear, before making any determination in Manajem's absence. Manajem's representative appeared later in the day.

In relation to the substance of the dispute, Alara notes that Manajem have to date failed:

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

The next Court hearing has now been set for 8 September 2015 and will address the appointment of Alara's lawyers, which has been challenged by Manajem.

The focus on procedural matters rather than substantive ones, and the time delay in not receiving any evidence in support of Manajem's claim, indicates there is a lack of such evidence.

Licensing

As previously reported, the exploration licences held by Manajem in connection with the Khnaiguiyah Project (i.e. Umm Al Hijja and Mutiyah) have lapsed without renewal.

Similarly, Manajem are no longer registered as licence holder of Marjan Exploration Licences 1, 2 and 3, which licences were the subject of the Marjan Shareholders' Agreement¹⁰.

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

Manajem have taken steps to address some of the violations referred to in these notices, including the completion of fencing around the mining licence area. However, as at the date of this report, it is not clear whether all necessary steps have been taken to rectify the violations referred to in the notices.

⁸ Refer Alara's 16 June 2015 ASX Release: [Response to ASX Price and Volume Query](#) and ASX Announcement: [Company Update](#)

⁹ Refer ASX Announcements dated 18 November and entitled "[Khnaiguiyah Project – Update on Legal Matters](#)" and dated 13 November 2014 and entitled "[Khnaiguiyah Project Update](#)"

¹⁰ Refer Alara's 18 April 2011 ASX Announcement: [Acquisition of Interest in Marjan Project - Saudi Arabia](#)

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

New Joint Venture

Although occurring after the June quarter, it is also noted that the Company entered a new joint venture with Bayan Mining Company LLC¹¹. While the initial focus of this joint venture is on the Ash Shizm site, the agreement provides scope for the joint venture to extend to other projects.

Washihi & Daris Copper-Gold Projects (Oman)

The Daris exploration licence (Block 7) was renewed during the quarter.

The Washihi mining licence area applied for has been adjusted pursuant to a request from the Ministry of Environment to reduce the encroachment on the buffer vis a vis local communities. The amended area (2.1km²) is still in line with the proposed ore-body pit shell under the Washihi Updated Advanced Scoping Study.¹²

Final bids under a tender process for the Washihi Toll Treatment Feasibility Study (**FS**) have been received and considered by Alara. Progression of the FS is subject to securing of funding for the same. Various parties have expressed interest in funding the FS, in return for an equity investment at the project level. Management are pursuing the available options, including the 'potential corporate transaction' referred to above, to promptly advance the Oman projects while ensuring the best available outcome for stakeholders.

Alara has conducted an internal assessment of a Toll Treatment option for the Daris Project. However, progression of this smaller scale opportunity (which is separate from the Washihi Toll Treatment option) is considered less attractive as a stand-alone project. Accordingly, the hub and spoke model remains the Company's preferred option.

Alara also notes that Toll treatment of Washihi ore at Mawarid's Lasail Concentrator Process Plant remains an option¹³.

11 Refer Alara's 21 July 2015 ASX Announcement: [Alara Announces New JV Partner in Saudi Arabia](#)

12 Refer Alara's 30 April 2015 ASX Announcement: [Outcomes of Updated Advanced Scoping Study for Washihi Copper-Gold Project in Oman](#)

13 Refer Alara's 19 February 2015 ASX Announcement: [Oman Washihi Project Defined – MOU with Mawarid Mining](#)

Corporate & Finance

Cash position

Alara's cash position as at 30 June 2015 was \$0.94 million (31 March 2015: \$1.64 million).

During the quarter, the Company sold its 3,573,889 shares in Strike Resources Limited (ASX:SRK) on-market, realising gross proceeds of ~\$134k (as foreshadowed in the [March 2015 Quarterly Report](#)).

Recent changes have resulted in reduced operating expenses, including reductions in leasing costs, staffing and other operating expenses.

Share issue

On 13 April 2015, the Company issued 6 million fully paid ordinary shares at \$0.01 (one cent) each.¹⁴ This was pursuant to a share subscription which offset a 6 month retainer fee payable by the Company for corporate advisory services. This issue was undertaken within the Company's 15% share placement capacity.

Lapse of Options

During the quarter, the following unlisted options lapsed:

No of Lapsed Options	Date of Lapse	Description of Lapsed Options	Exercise Price	Date of Issue	Original Expiry Date
3,333,334	19 June 2015 ¹⁵	\$0.15 (21 November 2016) Unlisted Managing Director's Options ¹⁶	\$0.15	22 November 2013	21 November 2016
3,333,333	19 May 2015 ¹⁷	\$0.20 (21 November 2016) Unlisted Managing Director's Options ⁶	\$0.20	22 November 2013	21 November 2016

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

On 19 May 2015¹⁸, the Company announced that it had determined to terminate the Small Holding Share Sale Facility initiated in September 2014¹⁹ in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels'²⁰) valued at \$500 or less.

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

14 Refer Alara's 13 April 2015 ASX Announcement: [Appendix 3B New Issue and Application for Quotation and Cleansing Statement](#).

15 Lapse of unexercised vested options one month after the retirement of the Managing Director

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

17 Lapse of unvested options immediately upon the retirement of the Managing Director

18 Refer Alara's ASX market announcement of 18 May 2015: [Termination of Small Holding Share Sale Facility and Reinstatement of Small Holdings](#)

19 Refer Alara's ASX market announcement of 3 September 2014: [Small Holding Share Sale Facility](#)

20 While the term "unmarketable parcel" is commonly used to describe a shareholding worth \$500 or less, the holder of such a parcel of shares is still permitted to sell them on-market on the ASX.

Mineral Licences – Saudi Arabia

Khnaiguiyah Zinc-Copper Project

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

The Khnaiguiyah Project comprised one mining licence (issued in December 2010 with an exclusive 30 year term and no mineral royalties), 2 exploration licences and 5 exploration licence applications, totalling approximately 380km² currently held 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, the Company does not anticipate any further licences being granted to Manajem at this stage (refer to the 'Licencing' update above).

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

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

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

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

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

Mineral Licences – Oman

Daris and Washihi Copper-Gold Projects

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

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

Daris Copper-Gold Project

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

Block Name	Licence Owner	Alara JV Interest	Exploration Licence					Mining Licences within EL		
			Area	Date of Grant	Date of Expiry	Application for Renewal	Status	Area	Date of Application	Status
Block 7	Al Tamman Trading and Est. LLC, Oman	50%	587km ²	Nov 2009	Feb 2016	N/A	Active	Daris East 3.2km ²	Dec 2012	Accepted in April 2013; in progress
								Daris 3A-5 1.3km ²		

Washihi-Mullaq-Al Ajal Copper-Gold Project

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

Licence Name	Licence Owner	Alara JV Interest	Exploration Licence				Mining Licence within EL		
			Area	Date of Grant	Date of Expiry	Status	Area	Date of Application	Status
Washihi	Al Hadeetha Resources LLC, Oman	70%	39km ²	Jan 2008	Nov 2015	Active	2.1km ²	Dec 2012	Accepted in April 2013; in progress
Mullaq	Al Hadeetha Resources LLC, Oman	70%	41km ²	Oct 2009	Nov 2015	Active	1km ²	Jan 2013	In progress
Al Ajal	Al Hadeetha Resources LLC, Oman	70%	25km ²	Jan 2008	Nov 2015	Active	1.5km ²	Jan 2013	In progress

JORC Statements – Saudi Arabia

Khnaiguiyah Zinc-Copper Project²¹

Table 1 - Khnaiguiyah JORC Ore Reserves

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

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

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

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

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

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

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

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

²¹ Refer Alara's ASX Announcements of 21 February 2012 entitled "[Maiden JORC Resource – Khnaiguiyah Zinc-Copper Project](#)", 12 October 2012 entitled "[JORC Resource Upgrade for Khnaiguiyah Zinc-Copper Project](#)," and 30 October 2012 entitled "[JORC Resource Upgrade and Update for Khnaiguiyah Zinc-Copper Project](#)"

JORC Statements – Oman

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

Table 5 - Washihi JORC Mineral Resources²²

Cu % Cut off	Indicated Resource			Inferred Resource		
	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t	Tonnes (Million)	Copper (Cu) %	Gold (Au) g/t
0	7.16	0.87	0.17	7.77	0.67	0.2
0.25	6.84	0.9	0.17	7.27	0.71	0.2
0.5	5.66	1.01	0.18	5	0.85	0.21
0.75	4.04	1.17	0.18	2.57	1.07	0.23
1	2.39	1.37	0.2	1.24	1.31	0.27

Daris Copper-Gold Project (Oman)

Table 6 - Daris-East JORC Mineral Resources

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

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

²² Refer Alara's 16 July 2013 ASX Announcement: [Upgrade to JORC Resource at Washihi Copper-Gold Project in Oman Providing Strategic Options for the Asset](#)

JORC Competent Persons Statements

- (1) The information in this report that relates to Ore Reserves in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on, and fairly represents, information and supporting documentation prepared by Mr Geoff Davidson, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Alara Resources Limited. Mr Davidson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code, 2004 edition). In assessing the appropriateness of the Ore Reserve estimate, Mr Davidson has relied on various reports, from both internal and external sources, in either draft or final version, which form part of or contribute to the Khnaiguiyah Project Detailed Feasibility Study. These reports are understood to be compiled by persons considered by Alara Resources Limited to be competent in the field on which they have reported. Mr Davidson has approved and given his consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Refer also to Table 5 (Estimation and Reporting of Khnaiguiyah JORC Ore Reserve Statement) of the JORC Code Competent Person Statements in Alara Resources Limited's ASX market announcement dated 18 April 2013: [Maiden JORC Ore Reserves – Khnaiguiyah Zinc-Copper Project](#) for further information in relation to the Ore Reserve estimate for the Khnaiguiyah Project.
- (2) The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zone 3 in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) is based on, and fairly represents, information and supporting documentation prepared by Mr Daniel Guibal, an employee of SRK Consulting (Australasia) Pty Ltd, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Guibal has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Guibal approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- (3) The information in this report that relates to Zinc and Copper Mineral Resources within Mineralised Zones 1, 2 and 4 and other Exploration Results in relation to the Khnaiguiyah Zinc-Copper Project (Saudi Arabia) and Mineral Resources in relation to the Daris/Washihi Copper-Gold Project (Oman) is based on, and fairly represents, information and supporting documentation prepared by Mr Ravindra Sharma, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and Registered Member of The Society for Mining, Metallurgy and Exploration. Mr Sharma was a principal consultant to Alara Resources Limited. Mr Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2004 edition. Mr Sharma approves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

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

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

Securities Information

as at 30 June 2015

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	248,007,500	-	248,007,500
\$0.35 (22 August 2015) Unlisted Options ²³	-	400,000	400,000
\$0.10 (15 January 2016) Unlisted Options ²⁴	-	10,000,000	10,000,000
Total	248,007,500	10,400,000	258,407,500

Summary of Directors' and Employees' Unlisted Options

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria ²⁵	No. of Options
23 Aug 2010	\$0.35 (22 August 2015) Options	\$0.35	22 Aug 2015	100% on date of issue	400,000
16 Jan 2014	\$0.10 (15 January 2016) Options	\$0.10	15 Jan 2016	Performance Conditions - Vested	10,000,000

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

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

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

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	988	343,769	0.139%
1,001 - 5,000	311	751,220	0.303%
5,001 - 10,000	182	1,546,480	0.624%
10,001 - 100,000	467	20,317,013	8.192%
100,001 - and over	261	225,049,018	90.743%
Total	2,209	248,007,500	100%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	BARON NOMINEES PTY LTD	12,100,000	4.879%
2.	WHITECHURCH DEVELOPMENTS PTY LTD	11,869,118	4.786%
3.	MS MENG MENG	9,547,273	3.850%
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,049,608	3.649%
5.	INKESE PTY LTD	8,000,000	3.226%
6.	MR MICHAEL ARCH	6,052,386	2.440%
7.	CITICORP NOMINEES PTY LTD	5,397,755	2.176%
8.	MRS JILLAIN WILLS	5,000,000	2.016%
9.	MR WARREN WILLIAM BROWN & MRS MARILYN HELENA BROWN	4,650,000	1.875%
10.	MR BRIAN JOSEPH FLANNERY & MRS PEGGY ANN FLANNERY	4,412,390	1.779%
11.	DR JOHN HENRY ADDISON MCMAHON	4,038,000	1.628%
12.	MR PETER KELVIN RODWELL	4,000,000	1.613%
13.	MR IAN EDWARD TREGONING & MRS LISA ANTONIETTA TREGONING	3,910,000	1.577%
14.	DR JOHN FRANCIS KUBA	3,100,000	1.250%
15.	JDW INVESTMENTS AUSTRALIA PTY LTD	2,800,000	1.129%
16.	MR KERRY WILLIAM JOHN HARRIS	2,770,000	1.117%
17.	MR FIRAS SWEITI	2,431,399	0.980%
18.	MR CRAIG GRAEME CHAPMAN	2,399,114	0.967%
19.	MR IANAKI SEMERDZIEV	2,178,000	0.878%
20.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	2,110,887	0.851%
Total		105,815,930	42.666%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Alara Resources Limited

ABN

27 122 892 719

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

		Current quarter (June 2015) \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(167)	(1154)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(702)	(2,118)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	55
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Tax Refund)	-	293
	Net Operating Cash Flows	(861)	(2,924)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	532
	(b) equity investments	-	-
	(c) other fixed assets	4	1
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	134	134
	(c) other fixed assets	-	1
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	138	668
1.13	Total operating and investing cash flows (carried forward)	(723)	(2,256)

+ See chapter 19 for defined terms.

	Current quarter (June 2015) \$A'000	Year to date (12 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(723)	(2,256)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(723)	(2,256)
1.20 Cash at beginning of quarter/year to date	1,642	3,110
1.21 Exchange rate adjustments to item 1.20	18	83
1.22 Cash at end of quarter	937	937

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	(331)
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, salaries, allowances, entitlements and employer superannuation contributions for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	537	742
5.2 Deposits at call	400	900
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	937	1,642

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer to Quarterly Activities Report		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer to Quarterly Activities Report		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues	6,000,000	6,000,000	.01
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	*Ordinary securities	248,007,500	248,007,500	-
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	*Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-
7.7	Options (Unlisted Options)	400,000 10,000,000	- -	<i>Exercise price</i> 35 cents 10 cents <i>Expiry date</i> 22 August 2015 15 January 2016
7.8	Issued during quarter (Unlisted Options)	-	-	-
7.9	Exercised during quarter	-	-	-
7.10	Expired during quarter:			
	Lapsed (19 May)	3,333,334	-	15 cents 21 November 2016
	Lapsed (19 June)	3,333,333	-	20 cents 21 November 2016
7.11	Debentures (totals only)	-	-	
7.12	Unsecured notes (totals only)	-	-	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2015
(Company Secretary)

Print name: Victor Ho

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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