

ASX Code: AUQ

DIRECTORS

James Phipps
Non-Executive Chairman

Justin Richard
Managing Director

Atmavireshwar Sthapak
Executive Director

Vikas Jain
Non-Executive Director

COMPANY SECRETARY

Ian Gregory

CAPITAL STRUCTURE (AS AT 31 MARCH 2018)

Shares: 629,017,589

Options: 3,000,000 (\$0.04 exercise price)

Share Price: \$0.25

Market Cap: \$15.7m

31 March 2018

Summary

- Regulatory Mining Approvals received prior to grant of Project mining licence
- Alara participates in Tanfeedh Mining Labs
- Growing the Project Portfolio
- Joint Venture with South West Pinnacle

CONTACT DETAILS

Level 11, 216 St Georges Terrace
Perth WA 6000
Australia

PO Box 1227
West Perth WA 6872

Telephone +61 8 9322 3383
Facsimile +968 2449 2491

www.alararesources.com
ABN: 27 122 892 719

For further information, please contact:

Justin Richard
Managing Director

T | +61 8 9322 3383
E | jrichard@alararesources.com

Ian Gregory
Company Secretary

T | +61 8 9322 3383
E | cosec@alararesources.com



Oman

Regulatory Approvals & Compliance

A key focus during the quarter was finalising ministerial approvals required for Oman's Public Authority for Mining (PAM) to issue a Mining Licence for the Al Hadeetha Copper-Gold Project's Washihi site (the 'Project').

In connection with these approvals, a detailed waste management plan and water management plan were accepted via the Ministry of Commerce and Industry (MOCI) 'Invest Easy' portal.

This focus resulted in:

1. Ministry of Environment and Climate Affairs' approval being registered on the Invest Easy portal;
2. MOCI issuing an Economic Activities Licence to Alara's JV company (Al Hadeetha Resources LLC); and
3. The commercial registration of Al Hadeetha Resources being updated to include copper mining (without qualification), whereas previously the company's registration certificate listed the mining activity as 'licence pending'.

Tanfeedh Mining Labs

Alara was pleased to participate in the recent Tanfeedh mining labs¹ which considered the future of mining in Oman and how to get there. The labs were attended by 200 decision makers from the public and private sectors and aimed to raise standards of performance and execution. The mining labs worked individually and collectively to achieve the goal of increasing the mining sector's contribution to gross national income, private capital investment and jobs.

Oman's local media² reported "the Public Authority for Mining seeks to increase the Sultanate's production of mines as this will double the GDP for the sector. The Authority also seeks to attract private investments and facilitate investment procedures by the different public organisations. Eng. Hilal bin Mohammed Al Busaidi, CEO of the Public Authority for Mining hoped the mining labs would deliver implementable programs and initiatives and pointed out that the labs would consider the initial outputs of the general strategy for mining."

Among the many positive outcomes flowing from the labs, was a conditional approval from the Ministry of Water Resources received late last week. This approval clears the path to the issuance of the Project's Mining Licence by PAM.

Growing Project Portfolio & other Developments

Parallel to advancing the Al Hadeetha Copper-Gold Project toward production, the Company has been developing its Oman project portfolio by seeking ways to complement its existing projects³ and bolster the 'hub and spoke' mining model considered in Alara's previous studies. A new Exploration Licence application was also submitted to PAM⁴.

The Company is keen to support development of a broader copper strategy for Oman, including consolidation of copper assets to create project synergies and additional downstream value propositions.

A strong copper price outlook continues to provide additional upside for the Project, with the 'base case' showing solid financial returns⁵ even with a copper price \$1,000/t below the current LME price.

1 See <http://www.tanfeedh.gov.om/en/discussion-labs.php> for further information on the labs.

2 See <https://businessgateways.com/news/2018/03/19/Oman-first-Oil-and-Gas-Institute-inaugurated>.

3 E.g. refer Alara's ASX announcements dated 1 March 2018 "Project Acquisition" and 19 March 2018 "Joint Venture with South West Pinnacle Exploration."

4 Refer Alara's ASX announcement dated 29 January 2018.

5 The 'base case' financial model announced 24 January 2017 showed solid returns assuming a copper price of \$5,593/t1. Accordingly, significant upside exists when current prices, or forecast increases, are applied over the ten year mine life.

Joint Venture with South West Pinnacle

Alara Oman Operations Pty Ltd (a wholly owned subsidiary of Alara) executed a Heads of Agreement to form a joint venture with South West Pinnacle Exploration (SWPE) in Oman. The JV will begin providing drilling, exploration and other mining development services in Oman this year.

There is currently a shortage of early stage mining projects in Oman. To fill the project pipeline and achieve the mining sector's growth targets, an increase in exploration activity is needed. Alara and SWPE are positioned to help meet this growing demand and the anticipated needs of other project development announced earlier this year.

Saudi Arabia

The Company is corresponding with the Priority Project Office (PPO) regarding the Khnaiguiyah Zinc-Copper Project. The PPO is a government initiative empowered by HRH Mohammed Bin Salman, Crown Prince of Saudi Arabia in his capacity as President of Council for Economic and Development Affairs. The PPO was established to assist selected private sector projects that face implementation difficulties and provide them with needed support, as an authorised escalation entity, to obtain fast-track government approvals.

The Company does not anticipate providing further updates until a material development occurs.

Next Quarter

The Company anticipates its focus over the next quarter will be on finalising project finance, awarding the Project EPC contract and working with its JV partners to secure the Washihi Mining Licence and establish the new Project office.

Concurrently, Alara will also be advancing a Mining Licence application for the Daris Copper-Gold Project and its recent Exploration Licence application and seeking to further develop project opportunities with new and existing joint venture partners.

Securities Information

as at 29 March 2018

Issued Securities

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	629,017,589	-	629,017,589
\$0.04 (9 Mar 2020) Options	-	3,000,000	3,000,000
Total	629,017,589	3,000,000	632,017,589

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	894	305,441	0.049%
1,001 - 5,000	289	684,683	0.109%
5,001 - 10,000	140	1,166,504	0.185%
10,001 - 100,000	357	13,858,858	2.203%
100,001 - and over	281	613,002,103	97.454%
Total	1,961	629,017,589	100%

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	Mr Vikas Malu	57,142,050	9.084%
2.	Ms Meng Meng	40,620,227	6.458%
3.	Mr Vikas Jain	34,285,230	5.451%
4.	Mr Justin Richard & Mrs Debbie Richard	31,757,037	5.049%
5.	Al Hadeetha Investment Services LLC	31,500,000	5.008%
6.	Metals Corners Holding Co	28,197,973	4.483%
7.	Citicorp Nominees Pty Limited	22,985,965	3.654%
8.	Mr Piyush Jain	22,856,820	3.634%
9.	Whitechurch Developments Pty Ltd	20,575,550	3.271%
10.	Inkese Pty Ltd	19,262,968	3.062%
11.	HSBC Custody Nominees (Australia) Limited	17,602,933	2.798%
12.	Mr Tyrone James Giese	17,356,189	2.759%
13.	BNP Paribas Nominees Pty Ltd	16,853,625	2.679%
14.	Mr Warren William Brown & Mrs Marilyn Helena Brown	10,628,572	1.690%
15.	Flannery Foundation Pty Ltd / Mr Brian Joseph Flannery & Mrs Peggy Ann Flannery	10,085,464	1.603%
16.	Mr Peter Kelvin Rodwell	9,142,858	1.454%
17.	Ferguson Superannuation Pty Ltd	8,500,000	1.351%
18.	Thorpe Road Nominees Pty Ltd	5,622,858	0.894%
19.	Mr Albert Moses	5,500,000	0.874%
20.	Mrs Liliana Teofilova	5,378,200	0.855%
Total		415,854,519	66.111%

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 resources, and studies. 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 readers 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 copper, 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.

About Alara Resources

Alara Resources Limited (ASX: AUQ) is an Australian minerals exploration company with a portfolio of projects in Saudi Arabia and Oman. Alara has completed a Definitive Feasibility Study on the Khnaiguiyah Zinc-Copper Project in Saudi Arabia, an Advanced Scoping Study on the Daris Copper-Gold Project and a Feasibility Study for the Al Hadeetha Copper-Gold Project in Oman. The Company is continuing exploration activities in the Middle East and establishing itself as a mine development and production company.

For more information, please visit: www.alararesources.com.



'Alara' was generally regarded as the founder of the Napatan royal dynasty by his 25th Dynasty Nubian successors. During his lengthy reign, The Nubian King Alara was responsible for unifying the upper kingdom, with precious metals becoming an important part of his kingdom's flourishing economy.

Image: Cartouche of Alara

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

ALARA RESOURCES LIMITED

ABN

27 122 892 719

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(254)	(580)
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(252)
(e) administration and corporate costs	(104)	(353)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	56
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(386)	(1,099)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	–	–
(b) tenements (see item 10)	–	–
(c) investments	–	–
(d) other non-current assets	–	–
2.3 Cash flows from loans (to) / from other entities	64	349
2.4 Dividends received (see note 3)	–	–
2.5 Other (provide details if material)	–	–
2.6 Net cash from / (used in) investing activities	64	349
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	–	945
3.2 Proceeds from issue of convertible notes	–	–
3.3 Proceeds from exercise of share options	–	–
3.4 Transaction costs related to issues of shares, convertible notes or options	–	–
3.5 Proceeds from borrowings	–	–
3.6 Repayment of borrowings	–	–
3.7 Transaction costs related to loans and borrowings	–	–
3.8 Dividends paid	–	–
3.9 Other (provide details if material)	–	–
3.10 Net cash from / (used in) financing activities	–	945

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,400	1,886
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(386)	(1,099)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	64	349
4.4 Net cash from / (used in) financing activities (item 3.10 above)	–	945
4.5 Effect of movement in exchange rates on cash held	4	1
4.6 Cash and cash equivalents at end of period	2,082	2,082

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	770	1,301
5.2 Call deposits	1,312	1,099
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,082	2,400

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	153
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	–
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' salaries, fees and entitlements

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	–
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,039	565
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
<p>Pursuant to the Shareholders' Agreement with Al Hadeetha Investments LLC (AHI), Al Hadeetha Resources LLC (AHR) (a controlled entity of Alara Resources Limited) executed a Loan Agreement of up to USD 2 million with AHI on 16 April 2017. Under the Loan Agreement, interest accrues at a rate of LIBOR plus 2%. The loan is repayable (alongside the loan of approximately AUD 6.5 million from Alara Resources Limited and its controlled entities from profits of AHR prior to any dividends being issued to the shareholders of AHR, or in the event that AHI ceases to be a shareholder of AHR. AHI and/or Alara Resources Limited may elect to convert all or part of the loan into equity in AHR.</p>		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	90
9.2 Development	–
9.3 Production	–
9.4 Staff costs	90
9.5 Administration and corporate costs	(21)
9.6 Other (provide details if material)	–
9.7 Total estimated cash outflows	159

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interest in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.1 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 (Director/Company secretary)

Date:

30 April 2018

Print name: Justin Richard

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.