

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

ALARA RESOURCES LIMITED

ABN

Quarter ended ("current quarter")

27 122 892 719

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from Others	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	80	(137)
(c) production	-	-
(d) staff costs	(333)	(652)
(e) administration and corporate costs	(429)	(543)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Payments to suppliers and employees	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(667)	(1,307)
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	-	-
	-	-

+See chapter 19 for defined terms.

01/09/2016

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	(1)	(2)
(b) tenements (see item 10)	–	–
(c) investments & Financial assets	–	382
(d) other non – current assets	–	–
2.3 Cash flows from loans (to) / from other entities	191	216
2.4 Dividends received (see note 3)	–	–
2.5 Net payment on Disposal of Subsidiary (Loss of control)	–	–
2.6 Net cash from /(used in) investing activities	190	596

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	–	–
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	–	–

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	7,579	7,563
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(667)	(1307)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	190	596
4.4 Net cash from / (used in) financing activities (item 3.10 above)	–	–
4.5 Effect of movement in exchange rates On cash held	(238)	12
4.6 Cash and cash equivalents at end of period	6,864	6,864

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	6,461	7,178
5.2 Call deposits	403	401
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)	6,864	7,579

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
226
–

- 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

- 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

Current quarter \$A'000
–
–

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Loan facilities – SAMA
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
2,859	660
96,061	–
–	–

- 8.4 Include below description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered in too rare proposed to be entered into after quarter end, include details of those facilities as well.

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 17.9 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.

Pursuant to the Investment Agreement with SAMA Global Investment (SAMA), Al Hadeetha Resources LLC (AHR) (a controlled entity of Alara Resources Limited) executed an Investment Agreement of up to EURO 60 million with SAMA on 10 March 2019. Under the Agreement, interest accrues at a rate of 1.5% annually. However, the parties subsequently began discussing changes to the interest rate connection with proposed equity investment by SAMA and their co-investor and as yet a nil loan balance remains with SAMA.

Pursuant to ASX Announcement dated 25.11.2019, the company has decided not to proceed with the Investment agreement as previously announced.

9. Estimated cash out flows for next quarter	\$A'000
9.1 Exploration and evaluation	–
9.2 Development	1030
9.3 Production	–
9.4 Staff costs	18
9.5 Administration and corporate costs	114
9.6 Accommodation and Travel	–
9.7 Consultancy Costs	–
9.8 Premises Costs	14
9.9 Finance Costs	8
9.10 Total estimated cash out flows	1,184

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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: 

Date: 31 January 2020

(Company Secretary)

Print name: Stephen Gethin

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.