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MARKET ANNOUNCEMENT

Updated Pro-Forma Balance Sheet

The Company advises of the following updated Prospectus Pro-Forma Balance Sheet based on \$10 million funds raised under its IPO Prospectus dated 3 April 2007 (**Prospectus**).

ALARA URANIUM LIMITED CONSOLIDATED	UNAUDITED 9 MARCH 2007	PRO FORMA \$10M RAISED
Current Assets		
Receivables	94	7,659
Cash at bank	41,397	9,477,897
Total Current Assets	<u>41,491</u>	<u>9,485,556</u>
Non Current Assets		
Mining Tenements	-	5,576,221
Total Non - Current Assets	<u>-</u>	<u>5,576,221</u>
Net Assets	<u>41,491</u>	<u>15,061,777</u>
Equity		
Issued Capital	55,000	15,075,286
Accumulated Losses	(13,509)	(13,509)
	<u>41,491</u>	<u>15,061,777</u>

Basis of Preparation

The Pro Forma Balance Sheet includes the following adjustments from the unaudited 9 March 2007 position¹:

- Issue of 40,000,000 shares at 25 cents per share raising \$10,000,000.
- Issue of 28,750,000 shares to Vendor (Strike Resources Limited) to acquire all of the issued share capital of Strike Uranium Pty Ltd and Strike Uranium Peru Pty Ltd.
- Issue of 6,250,000 shares to Vendor (Orion Equities Limited) to acquire all of the share capital of Hume Mining NL.
- Vendor shares have been valued at fair value for accounting purposes as set out in the Independent Accountant's Report in the Prospectus at page 87.
- Net liabilities within the vendor companies have been discharged at settlement.
- Estimated costs of the Prospectus totalling \$563,500 is as detailed in Section 8.2 of the Prospectus.

1 Based on the Independent Accountant's Report in the Prospectus.

