

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

ALARA RESOURCES LIMITED (AUQ)

ABN

27 122 892 719

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 18,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Same rights as other fully paid ordinary shares on issue. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p>	<p>Same rights as other fully paid ordinary shares on issue.</p>							
<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 								
<p>5 Issue price or consideration</p>	<p>\$0.36 each</p>							
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Placement to professional and institutional investors. Please also refer to the Company's ASX market announcements dated:</p> <ul style="list-style-type: none"> • 21 April 2011 and entitled "Completion of Tranche 1 \$6.48 Million Share Placement and Updated Top 20 Shareholders"; and • 14 April 2011 and entitled "Completion of \$30 Million Capital Raising" 							
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>20 April 2011</p>							
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="699 1368 1027 1397">Number</th> <th data-bbox="1027 1368 1283 1397">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1417 1027 1496"> 144,507,500 (also refer Table A) </td> <td data-bbox="1027 1417 1283 1496"> ORDINARY (ASX Code: AUQ) </td> </tr> <tr> <td colspan="2" data-bbox="699 1525 1283 1554"> Refer Table A </td> </tr> </tbody> </table>	Number	+Class	144,507,500 (also refer Table A)	ORDINARY (ASX Code: AUQ)	Refer Table A		
	Number	+Class						
144,507,500 (also refer Table A)	ORDINARY (ASX Code: AUQ)							
Refer Table A								
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="699 1592 1027 1621">Number</th> <th data-bbox="1027 1592 1283 1621">+Class</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="699 1621 1283 1769"> Refer Table A </td> </tr> </tbody> </table>	Number	+Class	Refer Table A				
	Number	+Class						
Refer Table A								

+ See chapter 19 for defined terms.

TABLE A - RECONCILIATION OF QUOTED AND UNQUOTED SECURITIES:

The Company currently has the following securities on issue:

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	144,507,500	-	144,507,500
\$0.55 (26 July 2012) Unlisted Options ¹	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Options ²	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Options ²	-	1,035,000	1,035,000
\$0.35 (25 October 2014) Unlisted Options ³	-	3,650,000	3,650,000
\$0.60 (25 October 2014) Unlisted Options ³	-	2,000,000	2,000,000
\$0.35 (22 August 2015) Unlisted Options ⁴	-	400,000	400,000
Total	144,507,500	23,985,000	168,492,500

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Same rights as other fully paid ordinary shares on issue.

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? N/A
- 12 Is the issue renounceable or non-renounceable? N/A
- 13 Ratio in which the +securities will be offered N/A
- 14 +Class of +securities to which the offer relates N/A
- 15 +Record date to determine entitlements N/A
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A

¹ Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 21 June 2007](#) for a General Meeting held on 7 July 2007 and in an [ASX Appendix 3B New Issue Announcement lodged on 3 August 2007](#)

² Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 18 August 2008](#) for a General Meeting held on 17 September 2008 and in an [ASX Appendix 3B New Issue Announcement lodged on 24 September 2008](#)

³ Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 26 October 2009](#) for an Annual General Meeting held on 30 November 2009 and in ASX Appendix 3B New Issue Announcements lodged on [26 October 2009](#) and [1 December 2009](#)

⁴ Terms and conditions of issue are set out in an [ASX Appendix 3B New Issue Announcements lodged on 23 August 2010](#)

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell	N/A

+ See chapter 19 for defined terms.

- their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company Secretary)

Date: **27 April 2011**

Print name: **VICTOR HO**
=====

+ See chapter 19 for defined terms.



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NOTICE UNDER PARAGRAPH 708A(5)(E) OF THE CORPORATIONS ACT 2001 (Cth)

Pursuant to the capital raising announced on 14 April 2011 ([Completion of \\$30 Million Capital Raising](#)) and 21 April 2011 ([Completion of Tranche 1 \\$6.48 Million Share Placement and Updated Top 20 Shareholders](#)), Alara Resources Limited ACN 122 892 719 (**Company**) has issued 18,000,000 fully paid ordinary shares in the Company at an issue price of \$0.36 per share (**Shares**) to a range of professional and institutional investor clients of Petra Capital Pty Ltd, on 20 April 2011.

The Company relies on Section 708A(5) of the Corporations Act 2001 (Cth) (**Corporations Act**) in respect of the issue of the Shares without disclosure, and gives notice under paragraph 708A(5)(e) of the Corporations Act that:

1. the Company issued the Shares without disclosure to investors under Part 6D.2 of the Corporations Act;
2. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no excluded information within the meaning of sections 708A(7) and 708A(8) of the Corporations Act, save for the following information:
 - (a) The Company's cash (and investments in listed securities) position was approximately \$8 million as at 31 March 2011 (31 December 2010: 13.1 million);
 - (b) As at 31 March 2011, the Company's investment in listed securities had a total value of \$1.30 million (31 December 2010: \$1.54 million in respect of the same shareholding).

Dated: 27 April 2011

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read "Victor Ho", is written over a horizontal line.

Victor Ho
Company Secretary

