

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  | 34,000,000  |
| 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>										
<p>5 Issue price or consideration</p>	<p>23 cents 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, institutional and sophisticated investors. Please also refer to the Company's ASX market announcements dated 9 December 2010 entitled "Completion of \$7.82 Million Share Placement and Updated Top 20 Shareholders" and 27 October 2010 and entitled "Completion of \$10.58 Million Capital Raising"</p>									
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>7 December 2010</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 1346 1027 1384">Number</th> <th data-bbox="1027 1346 1283 1384">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1391 1027 1435">126,507,500</td> <td data-bbox="1027 1391 1283 1435">ORDINARY</td> </tr> <tr> <td data-bbox="699 1442 1027 1487">(also refer Table A)</td> <td data-bbox="1027 1442 1283 1487">(ASX Code: AUQ)</td> </tr> <tr> <td data-bbox="699 1494 1027 1538">Refer Table A</td> <td data-bbox="1027 1494 1283 1538"></td> </tr> </tbody> </table>	Number	+Class	126,507,500	ORDINARY	(also refer Table A)	(ASX Code: AUQ)	Refer Table A		
	Number	+Class								
	126,507,500	ORDINARY								
(also refer Table A)	(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 1570 1027 1608">Number</th> <th data-bbox="1027 1570 1283 1608">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1608 1027 1653">Refer Table A</td> <td data-bbox="1027 1608 1283 1653"></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	126,507,500	-	126,507,500
\$0.55 (26 July 2012) Unlisted Options <sup>1</sup>	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Options <sup>2</sup>	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Options <sup>2</sup>	-	1,035,000	1,035,000
\$0.35 (25 October 2014) Unlisted Options <sup>3</sup>	-	3,650,000	3,650,000
\$0.60 (25 October 2014) Unlisted Options <sup>3</sup>	-	2,000,000	2,000,000
\$0.35 (22 August 2015) Unlisted Options <sup>4</sup>	-	400,000	400,000
<b>Total</b>	<b>126,507,500</b>	<b>23,985,000</b>	<b>150,492,500</b>

- 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 their entitlements <i>in full</i> through	N/A

+ See chapter 19 for defined terms.

- 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	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: **13 December 2010**

Print name: **VICTOR HO**  
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+ 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 27 October 2010 and approved by shareholders at the Annual General Meeting held on 30 November 2010, Alara Resources Limited ACN 122 892 719 (**Company**) has issued 34,000,000 fully paid ordinary shares in the Company at an issue price of \$0.23 per share (**Shares**) to a range of professional, institutional and sophisticated investor clients of Petra Capital Pty Ltd, on 7 December 2010.

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) Alara's joint venture partner in the Khnaiguiyah Zinc Copper Project in Saudi Arabia has advised that the Mining Licence for the key Khnaiguiyah concession has been officially signed by the Minister of Petroleum and Minerals Resources. Alara is awaiting receipt of a copy of formal documentation from Saudi Arabia in this regard. An office in Riyadh has been secured and operational, accounting and administration staff have also been engaged for this joint venture in Saudi Arabia;
  - (b) Alara is in negotiations with local vendors to secure an interest in a base metals exploration project in Oman. These negotiations are incomplete and there is no assurance a concluded agreement (on terms acceptable to Alara) will be reached with the vendors;
  - (c) Alara is in negotiations with local vendors to secure an interest in a base metals exploration project in Saudi Arabia. These negotiations are incomplete and there is no assurance a concluded agreement (on terms acceptable to Alara) will be reached with the vendors;
  - (d) Alara has sought an extension of time (for up to a further 60 days from 20 December 2010) for Alara to declare satisfaction of due diligence and for the parties to complete the execution of formal agreements in relation to the El Quillay Copper Gold Project in Chile. Alara's due diligence is substantially complete but an extension has been sought in light of anticipated absences and delays during the upcoming festive season.

Dated: 13 December 2010

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read "Victor Ho".

Victor Ho  
Company Secretary

