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**Monday, 21 May 2007**

# MARKET ANNOUNCEMENT

## Completion of Agreements

The Company confirms that it has completed the Share Sale Agreements referred to in its IPO Prospectus dated 3 April 2007 (**Prospectus**) and issued a total of 35 million shares to the vendors.

### (1) STRIKE URANIUM SALE AGREEMENT

On 18 May 2006, Alara completed the acquisition of all of the issued capital in Strike Uranium Pty Ltd (**Strike Uranium** or **SU**) from Strike Resource Limited (**Strike**).

Strike Uranium is the holder of uranium tenement interests in the Northern Territory and Western Australian.

The Company has issued 18,750,000 shares to Strike in consideration thereof; such shares are subject to escrow for 24 months from the date of official quotation of Alara's shares on ASX.

### (2) HUME SALE AGREEMENT

On 18 May 2006, Alara completed the acquisition of all of the issued capital in Hume Mining NL (**Hume**) from Orion Equities Limited (**Orion**).

Hume is the holder of uranium tenement interests in the Northern Territory and Western Australian.

The Company has issued 6,250,000 shares to Orion in consideration thereof; such shares are subject to escrow for 24 months from the date of official quotation of Alara's shares on ASX.

### (3) PERU SALE AGREEMENT

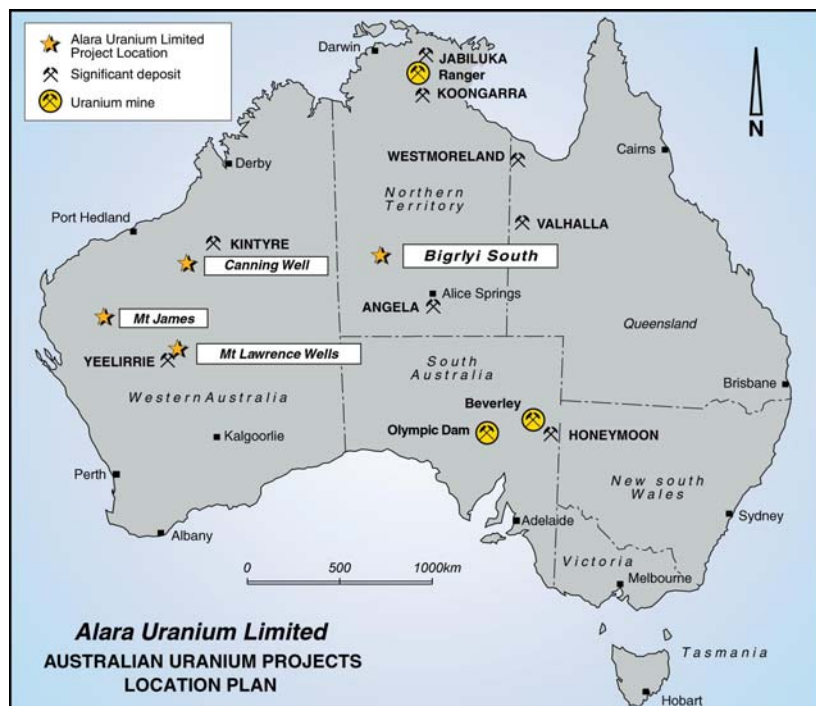
On 18 May 2006, Alara completed the acquisition of all of the issued capital in Strike Uranium Peru Pty Ltd (**Strike Uranium Peru** or **SUP**) from Strike.

Strike Uranium Peru is the beneficial holder of all the issued capital in Strike Uranium Peru S.A.C. (**SUPSAC**), a Peruvian company which in turn is the holder of the Pampacolca Project tenement applications in Peru.

The Company has issued 10,000,000 shares to Strike in consideration thereof; such shares are subject to escrow for 24 months from the date of official quotation of Alara's shares on ASX.



## ABOUT THE COMPANY'S URANIUM PROJECTS



# 1 PERUVIAN PROJECT

## 1.1 Pampacolca

(100% interest in 4 applications for metallic mineral concessions, covering 2,700 hectares, under the names "Pampacolca 1" (Code 01-01084-07, 900 hectares) and "Pampacolca 2" (Code 01-01085, 600 hectares) located in the Districts of Pampacolca and Tipan Aplao, Province of Castilla and the Districts of Aplao and Iray, Provinces of Castilla and Condesuyos, respectively, in the Department of Arequipa in the south of Peru and "Pampacolca 3" (Code 01-01852-07, 700 hectares) and "Pampacolca 4" (Code 01-01851-07, 500 hectares) located in the District of Pampacolca, Province of Castilla in the Department of Arequipa in the south of Peru)

Under the Peru Sale Agreement, the Company has acquired Strike Uranium Peru which holds the above interests in the Pampacolca Project Applications through Strike Uranium Peru's wholly owned subsidiary, SUPSAC.

The Pampacolca Project Applications are situated approximately 7 to 12 kilometres south of the town of Pampacolca, which is located approximately 136 kilometres north-west of the city of Arequipa in southern Peru. The Pampacolca 1 and 2 applications for mineral concessions cover at least six known structurally controlled occurrences of uranium, tantalum and rare earths in pegmatite veins in quartz-muscovite-feldspar schist within Precambrian gneissic terrain with known tantalum mineralisation. Reported historical work by a Canadian company returned 0.13% to 0.29% Uranium Oxide (U<sub>3</sub>O<sub>8</sub>) and up to 10.36% Tantalum – Niobium in 8 out of 15 surface rock chip samples.

The Pampacolca Project Applications are pending grant as at the date of this announcement.

# 2 NORTHERN TERRITORY PROJECT

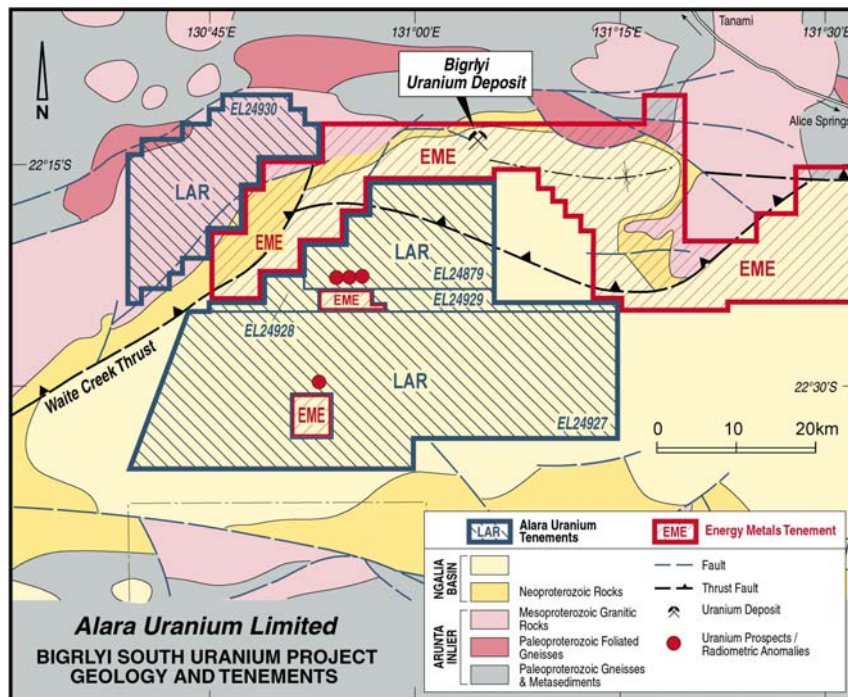
## 2.1 Bigryli South

(100% interest in Exploration Licences 24879, 24928, 24929 and 24930 and application for EL 24927)

Under the Strike Uranium Sale Agreement and Hume Sale Agreement, the Company has acquired Strike Uranium and Hume which companies collectively hold the above interests in the Bigryli South Project tenements.

These 5 exploration tenements are located principally in the northern part of the Ngalia Basin in the Northern Territory (located approximately 390 kilometres north-west of Alice Springs). These tenements, having a total area of approximately 1,666 square kilometres, are adjacent to tenements surrounding the Bigryli uranium deposit (being developed by Energy Metals Limited – ASX Code: "EME").

The application for EL 24927 is pending grant as at the date of this announcement.



### **3 WESTERN AUSTRALIA PROJECTS**

#### **3.1 Mt James (Gascoyne Region)**

(100% interest in EL 09/1253, EL 09/1257 and EL 09/1258 and 70% interest in EL 09/1245)

Under the Strike Uranium Sale Agreement and Hume Sale Agreement, the Company has acquired Strike Uranium and Hume which companies collectively hold the above interests in the Mt James Project tenements.

EL 09/1253 and EL 09/1245 cover ground previously explored by AGIP Nucleare (Australia) Pty Ltd (**AGIP**), (a subsidiary of Italian multi-national energy group ENI) where 0.14% U (equivalent to 0.17% U<sub>3</sub>O<sub>8</sub>) as uraninite in a diamond drill hole was discovered by AGIP in the 1970s. EL 09/1257 and EL 09/1258 in the Injinu Hills and the Mortimer Hills areas, southwest and west respectively from EL 09/1253 and EL 09/1245 are covered with large areas of duricrust and known to host near surface uranium mineralisation as carnotite within adjacent ground.

#### **3.2 Mt Lawrence Wells (East Murchison Region)**

(100% interest in EL 53/1203 and EL 53/1259 and 85% interest in EL 53/1115)

Under the Strike Uranium Sale Agreement and Hume Sale Agreement, the Company has acquired Strike Uranium and Hume which companies collectively hold the above interests in the Mt Lawrence Project tenements.

These exploration licences are located 25 kilometres south of Wiluna and north of a palaeo drainage that hosts the Hinkler Well, Centipede and Millipede uranium prospects.

The project area is located immediately north of the Hinkler Well tenements of ASX listed U3O8 Limited (ASX Code: "UTO") where U3O8 Limited has recently announced uranium mineralisation in calcrete extending for approximately 20 kilometres. The mineralisation extends along an east west palaeo channel. Part of this calcrete channel and also the source of the gravels that cover the northern extent of the channel extend into Alara's tenements.

#### **3.3 Canning Well (Pilbara Region)**

(100% interest in EL 46/629 and a right to earn and acquire an 85% interest in ELA 46/585 (excluding all manganese mineral rights))

Under the Strike Uranium Sale Agreement and Hume Sale Agreement, the Company has acquired Strike Uranium and Hume which companies collectively hold the above interests and rights in the Canning Well Project tenements.

The project area is located approximately 80 kilometres west of the Kintyre uranium deposit and covers approximately 20 kilometres of the Canning Fault and associated splay and intersecting faults which bring together rocks of the Archaean Fortescue Group in juxtaposition with Proterozoic rocks of the Manganese Groups, the Tacunyah Group, the Yeneena Supergroup and the Savory Group. Uranium anomalies of up to 11 times the background have been recorded in the project area in lag samples by previous explorers but were never followed up.

The application for ELA 46/585 is pending grant as at the date of this announcement.

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#### **Further information:**

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