

# Alara Resources

## Notice of Annual General Meeting and Explanatory Statement

### To Shareholders

**Date and Time of Meeting:** 9:00 am (Perth time)  
on Wednesday, 28 November 2018

**Place of Meeting:** The Office of Fortuna Advisory Group  
Suite 1.02, 110 Erindale Road  
Balcatta, Western Australia

#### PURPOSE OF THIS DOCUMENT

This Notice of Annual General Meeting and Explanatory Statement has been prepared for the purpose of providing shareholders with all the information known to the Company that is material to the shareholders' decision on how to vote on the proposed resolutions at the Annual General Meeting. Shareholders should read this Notice of Annual General Meeting and Explanatory Statement in full to make an informed decision regarding the resolutions to be considered at this Annual General Meeting.

The Chairman of the Annual General Meeting will vote open proxies received in favour of all resolutions to be considered at the Annual General Meeting.

This Notice of Annual General Meeting and Explanatory Statement is dated 15 October 2018.

#### ASX

A copy of this Notice of Meeting and Explanatory Statement has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this document.

#### ENQUIRIES

If you have any questions regarding the matters set out in this Notice of Annual General Meeting and Explanatory Statement, please contact the Company or your professional advisers.



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ABN 27 122 892 719

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## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of Alara Resources Limited ABN. 27 122 892 719 (**Alara or Company**) will be held at **Fortuna Advisory Group, Suite 1.02, 110 Erindale Road, Balcatta, Western Australia at 9:00am (Perth time) on Wednesday, 28 November 2018.**

### Agenda

#### 1. 2018 Annual Report

To consider and receive the 2018 Directors' Report, Financial Statements and Audit Report of the Company.

The 2018 Full Year Financial Report and Directors' Report (**2018 Full Year Report**) will be sent to shareholders who elected to receive a printed version, within the Company's 2018 Annual Report. Otherwise, electronic versions of the 2018 Annual Report may be viewed and downloaded from the Company's website: [www.alararesources.com](http://www.alararesources.com) or emailed to shareholders upon request to [info@alararesources.com](mailto:info@alararesources.com), when available.

#### 2. Resolution 1 – Adoption of 2018 Remuneration Report

To consider, and if thought fit, to pass the following resolution as an advisory non-binding resolution:

*"That the Remuneration Report as detailed in the Directors' Report for the financial year ended 30 June 2018 be adopted."*

**Note:** The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this resolution.

**Voting Exclusion:** The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of a "Key Management Personnel" (as defined in the Accounting Standards) and their "Closely Related Parties" (as defined in the *Corporations Act 2001 (Cth)*) (together, the **Restricted Voters**).

Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report (which is included in the 2018 Annual Report). A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company, or a company the KMP controls. However, a Restricted Voter may cast a vote on Resolution 1 as a proxy, for a person other than a Restricted Voter, and either:

- (a) the Proxy Form specifies the way the proxy is to vote on the resolution; or
- (b) the proxy is the Chair of the meeting and the Proxy Form expressly authorises the Chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Shareholders should note that if it appoints the Chair as a proxy, or the Chair is appointed by default under the Proxy Form, and the Chair is not directed as to how to vote on Resolution 1, then on a poll for that item, the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting on this resolution.

#### 3. Resolution 2 – Re-Election of Vikas Jain as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purpose of clause 5.2 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Vikas Jain, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

#### 4. Resolution 3 – Approval of 10% Placement Facility

To consider, and if thought fit, pass the following as a special resolution:

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the number of ordinary Shares on issue by way of placements over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associate of such a person. However, the Company need not disregard a vote in favour if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### 5. Resolution 4 – Approve the South West Pinnacle Joint Venture

To consider, and if thought fit, pass the following as an ordinary resolution:

*"That, for the purposes of Chapter 2E of the Corporations Act (Cth) 2001 (if approval under that Chapter is required) and for all other purposes, Shareholders approve the Company causing:*

- (a) Alara Oman Operations Pty Ltd (**AOOPL**) a wholly owned subsidiary of the Company, to enter into a joint venture agreement (**JV Agreement**) with South West Pinnacle Exploration Limited (SW Pinnacle) the terms of which are summarised in the Explanatory Statement to this Notice of Meeting, and to perform its obligations under the JV Agreement; and
- (b) AOOPL to sell a 35% shareholding in Alara Resources LLC (which will serve as the company through which the joint venture established under the JV Agreement operates) to SW Pinnacle on the terms summarised in the Explanatory Statement."

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by South West Pinnacle Exploration Limited or any of its associates.

Dated: 15 October 2018



By Order of the Board  
Stephen Gethin - Company Secretary

# Explanatory Statement

This Explanatory Statement is provided to the shareholders of Alara Resources Limited (**Alara or Company or AUQ**) pursuant to and in satisfaction of the *Corporations Act (Cth) 2001 (Corporations Act)* and the Listing Rules of the Australian Securities Exchange (**ASX**). This Explanatory Statement is intended to be read in conjunction with the Notice of Annual General Meeting (**AGM**).

## 1. 2018 Full-Year Report

Section 317 of the Corporations Act requires the Directors of the Company to lay before the AGM the Directors' Report, Financial Report and the Auditor's Report for the last financial year that ended before the AGM. These reports are contained within the Company's 2018 Financial and Directors' Report (**2018 Full Year Report**) and also within its 2018 Annual Report.

A copy of the 2018 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2018 Full Year Report and 2018 Annual Report may be viewed and downloaded from the Company's website: [www.alararesources.com](http://www.alararesources.com) or the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX Code: AUQ or emailed to shareholders upon request to [info@alararesources.com](mailto:info@alararesources.com), when available.

Shareholders will be provided with a reasonable opportunity as a whole to ask questions or make statements in relation to these reports and on the business and operations of the Company but no resolution to adopt the reports will be put to shareholders at the AGM.

## 2. Advisory Non-Binding Resolution 1 – Adoption of 2018 Remuneration Report

Resolution 1 seeks shareholder approval to adopt the 30 June 2018 Remuneration Report as disclosed in the Company's 2018 Annual Report (refer above for information on accessing the report).

Section 250R(2) of the Corporations Act requires the Company to present to its shareholders for adoption the Remuneration Report.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to "Key Management Personnel" (being the Company's Directors and Executives identified in the Remuneration Report) (**KMP**), sets out remuneration details for each KMP and any service agreements and sets out the details of any performance based and equity based benefits provided to KMP (where applicable).

Shareholders attending the AGM will be given a reasonable opportunity as a whole to ask questions about, or make comments on, the Remuneration Report.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

### Directors' Recommendations

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously<sup>1</sup> recommend that **shareholders vote in favour of Resolution 1** to adopt the Remuneration Report.

### Voting Exclusion

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of AGM. In particular, the Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP. The Chair will use any undirected/open proxies to vote in favour of this resolution.

The Company encourages shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, in relation to each resolution, including Resolution 1. If shareholders have appointed the Chair of the Meeting as their proxy (or the Chair of the Meeting becomes their proxy by default), shareholders can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on Resolution 1 by marking the appropriate Voting Direction box opposite that resolution. However, if the Chair of the Meeting is proxy under the Proxy Form and shareholders do not mark any of the Voting Direction boxes opposite Resolution 1, shareholders are, in effect, directing the Chair to vote "FOR" the resolution as the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this resolution.

## 3. Ordinary Resolution 2 – Re-Election of Mr. Vikas Jain As Director

Resolution 2 seeks shareholder approval for the re-election of Mr Vikas Jain as a Director of the Company.

The Board appointed Mr Jain as a Non-Executive Director on 6 April 2016. The Board considers Mr Jain to be a non-independent director.

In accordance with Listing Rule 14.5 and clause 5.2 of the Constitution, at every annual general meeting an election of Directors must take place. Listing Rule 14.4 and clause 5.2 of the Constitution prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

The Directors to retire are those Directors who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement and in default of agreement by ballot. Mr Jain and Chairman James Phipps are the Directors who have served the equal time in office since last being elected. Those directors determined by agreement that Mr Jain would retire with effect and this Meeting. Mr Jain retires with effect and this Meeting, accordingly. The Managing Director is exempt from retirement and re-election.

Mr Jain retires by way of rotation and agreement and, being eligible, offers himself for re-election as a Director.

Mr Jain holds an MBA obtained in the USA and has a vast experience of around 17 years in the field of mineral exploration and allied activities. He is currently Managing Director and CEO of the Indian Company South West Pinnacle Exploration Limited, founded by him in 2006. Under his leadership and able guidance, this company has grown manifold and at present is a premier exploration company in India. The company started primarily as a mineral

<sup>1</sup> Mr Stephen Gethin, who is an alternate Director to Mr Justin Richard, does not make a recommendation. Under the terms of his appointment, Mr Gethin's sole role is to act in Mr Richard's place at any Board meeting from which Mr Richard is absent.

exploration company and progressively added Coal Bed Methane (CBM) exploration and production, aquifer mapping, HDD, geophysical logging, transportation and other geological activities into its domain. He also has wide experience in open-cut mining of various minerals and allied activities through his earlier stint with other companies as well as his current involvement in other family run businesses and interests. He is Chairman of the Audit Committee and a Member of the Remuneration and Nomination Committee. In the past 3 years he has served on the board of one other listed company, South West Pinnacle Exploration Limited, which listed on the National Stock Exchange of India, Emerge Platform in February 2018.

### Recommendation

The Board (other than the Non-Recommendating Directors) supports the re-election of Mr Vikas Jain to the Board of Directors of the Company and recommends that **shareholders vote in favour of Resolution 2.**

The Non-Recommendating Directors are:

- Mr Jain, who declined to make a recommendation on his own re-election; and
- Mr Gethin, who is an alternate Director to Mr Justin Richard. Under the terms of his appointment, Mr Gethin's sole role is to act in Mr Richard's place at board meetings which Mr Richard is unable to attend.

## 4. Special Resolution 3 – Approval of 10% Placement Facility

### 1. Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be such at the date of the Annual General Meeting.

The Company is now seeking Shareholders' approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative). If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Key objectives of the Company are to continue its focus on mining project development and mineral resources exploration activities in highly prospective acreage and vertical integration of new business opportunities in high equity positions that align with the Company's exploration portfolio of interests. The Company may use the 10% Placement Facility to acquire exploration or development opportunities or investments, or for exploration activities encompassing drilling and/or feasibility studies of the Company's projects.

The Board believes that the 10% Placement Facility is beneficial for the Company as it will give the Company flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously<sup>2</sup> recommend that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of the Resolution.

### 2. Summary of Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholders' approval by way of a special resolution at an annual general meeting.

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being Shares and Options. However, Shares are the only class of Equity Securities that are quoted on an exchange - ASX.

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 sets out the prescribed formula for calculating the number of Equity Securities which may be issued under the 10% Placement Facility.

#### (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 629,017,589 Shares. Subject to Shareholders approving Resolution 3, immediately following the AGM the Company will have the capacity to issue approximately:

- (i) 94,352,638 Equity Securities under Listing Rule 7.1; and
- (ii) 62,901,759 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

<sup>2</sup> Mr Stephen Gethin, who is an alternate Director to Mr Justin Richard, does not make a recommendation. Under the terms of his appointment, Mr Gethin's sole role is to act in Mr Richard's place at any Board meeting from which Mr Richard is absent.

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume-weighted average price (**VWAP**) of Equity Securities in the same class as those to be issued, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**3. Effect of passing a resolution under Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**4. Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Any Equity Securities issued under the 10% placement facility under Listing Rule 7.1 A if Resolution 3 is passed, will be issued at an issue price not less than the minimum issue price calculated in accordance with section 2(e) above.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at 11 October 2018.
- (d) The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Scenario – Shares Issued Outside Rule 7.1A	Number of Shares			Funds Raised if Issue Price is			Dilution <sup>4</sup>
	Total After Column 1	No. Issued in 10% Placement	New Total <sup>2</sup>	50% < current (\$0.01)	= current <sup>3</sup> (\$0.023)	50% > current (\$0.035)	
<b>1 Current</b>	629,017,589	62,901,759	691,919,348	\$723,370	\$1,446,740	\$2,170,111	9.09%
<b>2 50% increase<sup>1</sup></b>	943,526,384	94,352,638	1,037,879,022	\$1,085,055	\$2,170,111	\$3,255,166	39.39%
<b>3 100% increase<sup>1</sup></b>	1,258,035,178	125,803,518	1,383,838,696	\$1,446,740	\$2,893,481	\$4,340,221	54.55%

**Notes:**

- 1 The number of Shares on issue (formula variable A) may increase before an issue under Listing Rule (**LR**) 7.1A as a result of an issue of Shares that does not require Shareholders' approval (such as under a *pro rata* rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under LR 7.1, before any issue under LR 7.1A. In that case, the maximum number of Shares that could be issued under LR 7.1A would be 10% of the new number of shares.
- 2 After the issue in Column 1 (if any) plus the issue of a further 10% of the number of shares in existence after the issue (if any) in Column 1 under LR 7.1 A.
- 3 The closing price of Alara shares on ASX on 12 October 2018 – the last day on which shares were traded before the date of this Notice.
- 4 This is the percentage by which a Shareholder's voting and economic interest in the Company which they would hold after the issue (if any) in Column 1 and a further 10% issue under LR 7.1A would be lower than the interest they held before those issues. For example, if a Shareholder held 6,290,176 Shares (a 1% voting and economic interest in the Company) before the two Share issues in "Scenario 2 - 50% increase" and they did not participate in either of the issues, after those issues their shareholding would represent only a 0.6061% voting and economic interest in the Company. Their voting and economic interest would now be 39.39% lower, as a *percentage of the percentage* which that interest was before those issues. If, however, a Shareholder participated on a *pro rata* basis in the share issue (if any) in Column 1 in Scenario 2 or 3 (for example, because that share issue was a rights, or bonus, issue) but did not participate in the 10% placement under LR 7.1A, in both cases their dilution percentage would be only 9.09% (again, as a *percentage of the percentage* which that interest was before those issues).

**The above table has been prepared on the following assumptions:**

- (i) Variable A in Scenario 1 is 629,017,589, being the number of ordinary Shares on issue at the date of this Notice of Meeting.
  - (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (iii) No Options (including any Listed Options issued under the 10% Placement Facility) are exercised resulting in the issue of Shares before the date of the issue of any Shares under LR 7.1A.
  - (iv) Shareholders approve Resolution 3.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, and other assumed issues specified in Column 1 of the table. The table does not directly consider the effect of issues under the 15% placement capacity under LR 7.1. (The table does, however, include scenarios in which there has been a 50% increase, and a 100% increase, in the number of shares on issue before an issue under the 10% Placement Facility. Any prior issue or issues resulting in that hypothetical 50%, or 100%, increase could include an issue under 15% placement facility under LR 7.1).
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised resulting in the issue of Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (e) The Company will only issue and allot any Equity Securities under LR 7.1A during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3;
  - (ii) raising cash for use as consideration for an acquisition of a new asset or construction of improvements to an existing asset, such as but not limited to the construction of mine site infrastructure in relation to one or more of the Company's mineral properties. In such circumstances, the Company intends to use the funds raised towards development of mining and associated infrastructure for the Al Hadeetha Copper Project or any other mineral tenement in which it has an interest, an acquisition of new mineral assets or investments (including expenses associated with such acquisition), continued exploration, development and drilling and feasibility study expenditure on the Company's current exploration assets and/or general working capital, consistent with the Company's publicly stated strategy; and/or
  - (iii) investment into its joint-venture with South West Pinnacle, referred to in more detail in Resolution 4.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to: rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be or include the vendors of the new resources assets or investments.
- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at last year's Annual General Meeting held on 14 November 2017.

The Company has issued a total of 31,500,000 Equity Securities during the 12 months preceding the date of this Meeting representing approximately 1.3% of the total diluted number of Equity Securities on issue in the Company on 11 October 2017, being 629,017,589 Shares.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

Issue Date	Allottee	Equity Securities	Price (and discount to market if any)	Key terms	Amount Raised: Use of Funds or non-cash Consideration
14/12/17	Al Hadeetha Investments LLC (AHI)	15,750,000 listed, fully paid, ordinary Shares	\$0.03 per Share.	The Company agreed to issue 31,500,000 fully paid, ordinary Shares to AHI, to be listed on ASX, in 2 tranches of 15,750,000 shares each (of which this issue was the first tranche) at an exercise price of \$0.03 per Share.	\$472,500. The amount was used for development of the Al Hadeetha Copper Gold project in Oman (including a contribution to the costs of associated civil works and a water treatment plant & pipeline) and ongoing working capital.
28/12/17	AHI	15,750,000 listed, fully paid, ordinary Shares	\$0.03 per Share.	This issue was the second and final tranche of a Share issue under an agreement between the Company and AHI, the key terms of which are referred to in the first row of this table.	\$472,500. The amount was used for the same purpose as that referred to in the first row of this table.

- (i) A voting exclusion statement is included in the Notice of Meeting.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A) for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Facility the subject of Resolution 3) Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

## Recommendation

The Board supports the approval of the additional placement capacity and recommends that **shareholders vote in favour of Resolution 3**.

## 5. Ordinary Resolution 4 – Approve South West Pinnacle Exploration Joint Venture Agreement

On 19 March 2018 Alara announced the entry into a heads-of-agreement (**HoA**) with South West Pinnacle Exploration Limited (**SW Pinnacle**). SW Pinnacle has been operating successfully in the field of drilling and exploration services since 2006. Today SW Pinnacle has a fleet of coring, RC and DTH rigs and in-house expertise to offer a range of geological services. Alara and SW Pinnacle hold a shared view on the future of mining in Oman and are keen to work together at a time when the Sultanate's mining industry is poised to take off.

Under the HoA the parties agreed to enter a joint venture agreement (**JV Agreement**) to pursue business opportunities in Oman's rapidly growing mineral exploration sector. Alara holds its interest in the HoA through wholly-owned subsidiary Alara Oman Operations Pty Ltd (**AOOPL**). Under the JV Agreement:

- Alara Resources LLC (**ARL**) will serve as the joint-venture vehicle. AOOPL presently holds 70% of ARL. AOOPL will transfer a 35% interest in ARL to SW Pinnacle. SW Pinnacle will pay AOOPL 60,000 Omani Rials (**OMR**) (AUD 220,000<sup>3</sup>) in connection with the transfer of those ARL shares. AOOPL will contribute the amount of OMR 60,000 that it will receive from SW Pinnacle, plus a further OMR 60,000 from its own funds to ARL. (Of this second amount of OMR 60,000 to be contributed to ARL, AOOPL will be given credit for OMR 8,000 previously contributed by it, such that AOOPL need only actually contribute OMR 52,000 to discharge its obligation to contribute OMR 60,000 from its own funds.) As a result, AOOPL and SW Pinnacle will each hold 35% of ARL. The remaining 30% of ARL will be held by a local, Omani company. ARL does not currently hold any mining or exploration licences in Oman and is separate from Alara's other JV entities in Oman.

- ARL will engage in drilling, exploration and mine development activities, and offer these services to other mining and exploration companies in Oman.

The final documents and related transactions are subject to compliance with all applicable regulatory requirements of Australia, India and Oman.

## Chapter 2E of the Corporations Act (Cth) 2001

### (a) The requirements of Chapter 2E

Under Chapter 2E of the Corporations Act (Cth) 2001 (**Corporations Act**) an entity controlled by a public company may not give a financial benefit to a Related Party of the Company (in this paragraph 2, referred to as a "**Related Party Transaction**") unless it obtains Shareholders' approval or an exemption applies<sup>4</sup>. SW Pinnacle is a Related Party of the Company because it is controlled by Mr Vikas Jain, a Director of the Company<sup>5</sup>.

The requirement to obtain Shareholders' approval is subject to a number of exceptions. Relevantly, Shareholders' approval is not required for a Related Party Transaction where the Transaction would be reasonable in the circumstances if the entity and the Related Party were dealing at arm's length<sup>6</sup>. The Directors (other than Mr Jain, who absented himself from consideration of and voting on this issue) have carefully considered the proposed JV Agreement and have concluded that it is on arm's length terms. As a consequence, the Company is not required to obtain Shareholders' approval for the proposed JV Agreement.

Nevertheless, the Directors (other than Mr Jain, who absented himself from consideration of and voting on this issue) decided to seek Shareholders' approval to the proposed Joint Venture Agreement in any case.

The remainder of this section of this Explanatory Statement sets out:

- the basis on which Directors (other than Mr Jain, who does not express an opinion on this matter) consider the transaction is on arm's length terms); and
- the information which the Company would be required to provide Shareholders in a case where Shareholders' approval under Chapter 2E of the Corporations Act was required to be obtained.

### (b) The ARL share sale is on arm's length terms

AOOPL will sell a 35% interest in ARL to SW Pinnacle. SW Pinnacle will pay AOOPL OMR 60,000 (AUD 220,000) in relation to the transfer of the 35% interest in ARL to SW Pinnacle. AOOPL will contribute that amount, plus a further OMR 60,000 (of which it will be given credit for OMR 8,000 leaving it to in fact contribute only OMR 52,000) into ARL.

A new ARL bank account will be opened with AOOPL and SW Pinnacle representatives as signatories. The JV business activities will be transacted through this account. Any existing ARL bank accounts along with any existing ARL loans (both assets and liabilities) will be accounted for separately, without SW Pinnacle having any interest in them, until those accounts and assets are transferred to another Alara-controlled entity. The economic effect of the share transfer and injection of capital into ARL will therefore be, as between AOOPL and SW Pinnacle, the same as if they had each invested the amount of OMR 60,000 (AUD 220,000) (or OMR 120,000 (AUD 440,000) in total) into a new company with no assets or liabilities.

3 At the exchange rate of 3.6729 AUD:OMR on 26 October 2018. Source: www.xe.com.

4 Corporations Act, s208.

5 The definition of Related Party is in s228 of the Corporations Act.

6 Corporations Act, s210(a).

**(c) The JV Agreement is on arm's length terms**

AOOPL and SW Pinnacle will have the same rights and obligations as each other as shareholders in the JV company, in proportion to the percentage interests which they will hold in that company. AOOPL and SW Pinnacle will be required to contribute capital to the JV when determined by the board of ARL, in equal shares. A party that elects not to contribute all or any of its required capital may have its shareholding in ARL diluted according to an industry standard, fair and reasonable formula.

**(d) The name of the related party:** South West Pinnacle Exploration Limited.**(e) The nature of the financial benefits**

The related party SW Pinnacle may obtain a financial benefit in the nature of potential to earn income from the JV company under the JV Agreement and the potential that the capital value of its investment in the JV company would increase. It is to be noted that any such financial benefit will not come directly from, or at the expense of, Alara. Due to holding the same shareholding interest in the JV company as SW Pinnacle, Alara has precisely the same potential to derive financial benefits from the JV Agreement as SW Pinnacle. This is on the basis that the terms of the JV Agreement impose mutual rights and obligations on those parties and the fact that the shareholding percentage of Alara and SW Pinnacle in the JV Company will be the same.

The parties have identified a number of drilling and business development opportunities in Oman they wish to pursue under the JV Agreement.

**(f) Directors' recommendations and interests**

Each Director of Alara (other than Mr Jain, who declined to make a recommendation on the basis of his interest in SW Pinnacle) has thoroughly considered proposed Resolution 4 and recommends that Shareholders vote in favour of it. Each Director who makes a recommendation above does so for reasons being the information about the proposal to enter into the JV Agreement in this Section 5 of this Explanatory Statement.

No Director, other than Mr Jain (whose interest is fully disclosed above) has any interest in the outcome of the proposed resolution, other than:

- an indirect interest, solely in the nature of the fact that he is remunerated by Alara as a Director; and
- in the case of those Directors who hold shares in Alara, an indirect interest solely by virtue of that shareholding.

**Other information known to Directors**

No information is known to the Company or any Directors (including Mr Jain) which is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the proposed resolution, other than the information set out above.

**2. ASX Listing Rule (LR) 10.1 does not apply****(a) What LR 10.1 requires**

LR 10.1 provides that the Company may not acquire a substantial asset from, or dispose of a substantial asset to, a related party<sup>7</sup> without Shareholders' approval. SW Pinnacle is a related party of the Company for the purposes of LR 10.1. LR 10.2 defines a "substantial asset" as one which has a value, or where the value of the consideration for its transfer, is 5% or more of the equity interests of the Company in its latest accounts given to ASX under the Listing Rules. The definition of "equity interest" in LR 19 is the sum of paid-up capital, reserves and accumulated profits or losses, disregarding outside equity interests<sup>8</sup>, as shown in the company's consolidated financial statements.

The Company's full year financial report, filed on ASX on 28 September 2018, discloses that it had net equity interests of AUD 10.497m as at 30 June 2018. Five percent (5%) of that amount is AUD 524,000.

**(b) Why LR 10.1 does not apply**

Under this transaction Alara will, through its wholly-owned subsidiary AOOPL, transfer a 35% shareholding in ARL to SW Pinnacle. As part of the proposed JV Agreement, existing assets in ARL will be quarantined, such that SW Pinnacle, as an incoming shareholder, will have no entitlement to any of those assets on the winding up of, or any return of capital from, ARL or to any dividends from ARL to the extent that they represent the return on the investment of any of ARL's existing assets. ARL's existing assets will be transferred to other entities controlled by Alara before, or as soon as possible after, the JV Agreement is executed. Therefore, the value of the ARL shares to be transferred to SW Pinnacle will be "nil" at the time they are transferred.

SW Pinnacle will pay AOOPL 60,000 Omani Rial (**OMR**) (AUD 220,000) in relation to the transfer to it of the 35% shareholding in ARL. AOOPL will be required to immediately contribute this amount received from SW Pinnacle to ARL: AOOPL will thus not retain the benefit of that amount. This transaction is the economic equivalent of SW Pinnacle subscribing OMR 60,000 for shares in ARL. At the same time AOOPL will contribute a further OMR 60,000 (AUD 220,000) to ARL from its own funds, by way of a capital contribution. (Of this second amount of OMR 60,000 to be contributed to ARL, AOOPL will be given credit for OMR 8,000 previously contributed by it, such that AOOPL need only actually contribute OMR 52,000 to discharge its obligation to contribute OMR 60,000 from its own funds.) The total of the amounts contributed by SW Pinnacle (indirectly through AOOPL) and by AOOPL from its own funds directly into ARL under the JV Agreement will thus be OMR 120,000 (AUD 440,000). Alara will not acquire any asset from SW Pinnacle under the JV Agreement.

The ARL shares which AOOPL will transfer to SW Pinnacle are not a substantial asset of Alara because they are worth (considerably) less than the minimum value for a substantial asset, namely AUD 524,000 in the case of in Alara, as calculated above. The ARL shares to be transferred to SW Pinnacle will in fact have a value of "nil". The amount of OMR 60,000 to be paid by SW Pinnacle to ARL is: (a) apparent consideration only, for the purposes of LR 10.1, because Alara will not retain the benefit of that money, but must immediately pay it to ARL; and (b) in any event, well below the substantial asset threshold.

The amount of OMR 60,000 to be paid by AOOPL to ARL from its own funds is not taken into account in determining whether the 35% interest in ARL to be transferred to SW Pinnacle is a substantial asset, because that amount is neither consideration paid by Alara to SW Pinnacle, nor consideration received by Alara from SW Pinnacle. Even if the proposed AOOPL payment to ARL from its own funds was included within the consideration for the sale of the shares, however, the total consideration for the transaction would be only the Omani Rial equivalent of AUD 440,000 – still significantly below the substantial asset threshold for Alara of AUD 524,000.

<sup>7</sup> Amongst other classes of person and company not relevant to this transaction.

<sup>8</sup> And redeemable preference share capital, of which the Company has none.

## Glossary

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In this Explanatory Statement, the following terms have the following meaning:

**2018 Annual Report** means the Company's annual report for the year ended 30 June 2018, which can be downloaded from the Company's website at [www.alararesources.com](http://www.alararesources.com).

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 724 791) or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the official Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations.

**Company** means Alara Resources Limited (ABN 27 122 892 719).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** mean a director of the Company.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Statement** means the explanatory statement to this Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

**Option** means an option to acquire a Share.

**Remuneration Report** means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2018 Annual Report.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## Time and Place of AGM and how to Vote

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### Venue

The Annual General Meeting of the shareholders of Alara Resources Limited will be held at the office of **Fortuna Advisory Group, Suite 1.02, 110 Erindale Road, Balcatta, Western Australia at 9:00am (Perth time) on Wednesday, 28 November 2018.**

### Voting Rights

*(subject to the voting exclusions noted in the Notice of AGM)*

- At any meeting of the shareholders, each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative.
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote.
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

### Voting in Person

To vote in person, attend the meeting on the date and at the place set out above.

### Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- by mail to Alara Resources Limited, PO Box 963, Balcatta WA 6914;
- by hand delivery to Alara Resources Limited, Office of Fortuna Advisory Group, Suite 1.02, 110 Erindale Road, Balcatta, Western Australia; or
- by e-mail to [cosec@alararesources.com](mailto:cosec@alararesources.com).

so that it is received **not later than 9:00 am (Perth time) on Monday, 26 November 2018.**

Proxies received after that time will not be effective.

### Bodies Corporate

A body corporate may appoint an individual as its authorised corporate representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. A properly executed original (or certified copy) of an appropriate "Appointment of Corporate Representative" should be produced for admission to the meeting. Previously lodged Appointments of Corporate Representative will be disregarded by the Company.

### Voting by Attorney

A shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Annual General Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

### Voting Entitlement

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Annual General Meeting all shares in the Company will be taken to be held by the persons who held them as registered shareholders at 4:00pm (Perth time) on Monday 26 November 2018 (**Voting Entitlement Time**). Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

# PROXY FORM

## Annual General Meeting

**Alara Resources Limited**  
 A.B.N. 27 122 892 719  
 Website: www.alararesources.com

**LODGE YOUR VOTE**  
 By Mail: Alara Resources Limited  
 PO Box 963  
 Balcatta WA 6914  
 By Email: cosec@alararesources.com

ENQUIRIES: (08) 9420 2411 or cosec@alararesources.com

{Name1}  
 {Name2}  
 {Name3}  
 {Name4}  
 {Name5}  
 {Name6}, {POSTCODE}

Our Reference: AUQ / {S-REG} / {SEQUENCE}  
 Shareholding as at 15 October 2018: {CURRENT\_UNITS}  
 Current Election to Receive Hard Copy Annual Report: {ANNUAL\_REPORT}

### A. Appointment of Proxy

I/We being a member/s of Alara Resources Limited and entitled to attend and vote hereby appoint

The Chair of the Meeting

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

or failing the person named, or if no person is named, the Chair of the Meeting (by default), as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Alara Resources Limited to be held at **Office of Fortuna Advisory Group, Suite 1.02, 110 Erindale Road, Balcatta, Western Australia at 9:00am (Perth time) on Wednesday, 28 November 2018.**

and at any adjournment of such Annual General Meeting.

#### IMPORTANT:

The Company encourages shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, against each resolution in Section B.

If you leave Section A blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy by default.

If the Chair of the Meeting becomes your proxy (by specific appointment or by default), you can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on the Resolutions by marking the appropriate Voting Direction boxes in Section B below. However, note that under Section A, if the Chair of the Meeting is your proxy and you do not mark any of the Voting Direction boxes in Section B below, you are, in effect, directing the Chair to vote "For" Resolutions 1 to 4 (inclusive) as the Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 4 (inclusive).

#### YOUR ACKNOWLEDGEMENTS ON REMUNERATION RELATED RESOLUTION

Chair's intention to vote undirected proxies: I/We acknowledge that the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Direction to Chair for voting on Resolution 1: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default), but I/we have not marked any of the boxes opposite Resolution 1 in Section B below, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolution 1 even though the Chair is, and those items are connected directly or indirectly with the remuneration of, a member of key management personnel for the Company.

### B. Voting directions to your proxy – please mark to indicate your directions

#### RESOLUTIONS

	For	Against	Abstain*
(1) Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Re-election of Mr. Vikas Jain as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Approval of South West Pinnacle JV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

\* If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

### C. Change of Address and Annual Report Election (refer notes 1 and 2 overleaf)

- mark  if you want to make any changes to your address details
- mark  if you wish to receive a printed Annual Report by post
- mark  if you wish to receive an electronic Annual Report by email and specify your email address below

### D. Please Sign Here

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

<b>Individual or Shareholder 1</b>	<b>Joint Shareholder 2</b>	<b>Joint Shareholder 3</b>
<b>Sole Director and Sole Company Secretary</b>	<b>Director</b>	<b>Director / Company Secretary</b>

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Contact Name	Contact Daytime Telephone	Date
Email Address	{EMAIL}	

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## INSTRUCTIONS FOR COMPLETING PROXY FORM

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### 1. Change of Address

Your pre-printed name and address is as it appears on the share register of Alara Resources Limited. If this information is incorrect, please mark the box at **Section C** of the proxy form and make the correction at the top of the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. Annual Report Elections

Companies are no longer required to mail out printed annual reports to shareholders. Instead, shareholders can now make an election as follows:

- (a) make a written request for a hard copy annual report to be mailed to you; or
- (b) make a written request for an electronic copy of the annual report to be emailed to you.

If you wish to update your annual report elections, please complete **Section C** of the Proxy Form.

### 3. Voting on Remuneration Matters

The Company will disregard any votes cast on Resolution 1 (Adoption of Remuneration Report) by or on behalf of a "Key Management Personnel" (as defined in the Accounting Standards) and their "Closely Related Parties" (as defined in the *Corporations Act 2001*) (**Restricted Voter**). Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company, or a company the KMP controls. The Company need not disregard a vote if a vote is cast by a KMP on Resolution 1 as a proxy, for a person other than a Restricted Voter, and either:

- (a) you directed the KMP the way they are to vote on Resolution 1; or
- (b) if the Chair is your proxy, you expressly authorise him to vote as he sees fit on Resolution 1 under the Proxy Form even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Shareholders may also choose to direct the Chair to vote against these resolutions or to abstain from voting.

4. You may direct your proxy how to vote by marking one of the voting direction boxes opposition each resolution. If you do not mark a voting direction box your proxy may, to the extent permitted by law, vote as they choose. If you mark more than one voting direction box on a resolution your vote will be invalid on that resolution.

5. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

6. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.

7. A proxy need not be a shareholder of the Company.

8. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

9. If a representative of a company shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate 'Appointment of Corporate Representative' should be produced for admission to the meeting. Previously lodged Appointments of Corporate Representative will be disregarded by the Company.

### 10. Signing Instructions

You must sign this form as follows in the spaces provided at **Section D**:

- |                           |  |
|---------------------------|--|
| <b>Individual:</b>        | Where the holding is in one name, the holder must sign.  |
| <b>Joint Holding:</b>     | Where the holding is in more than one name, all of the shareholders should sign.   |
| <b>Power of Attorney:</b> | If you are signing under a Power of Attorney, you must lodge an original or certified copy of the appropriate Power of Attorney with your completed Proxy Form and produce a properly executed original (or certified copy) of that Power of Attorney at the General Meeting.  |
| <b>Companies:</b>         | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

### 11. Lodgement of a Proxy

This Proxy Form (and the original or certified copy of any Power of Attorney under which it is signed) must be received at the address below not later than **9:00am (Perth time) on Monday, 26 November 2018** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the meeting. **Proxy Forms may be lodged** by posting, delivery or e-mail to the addresses below:

**BY POST:**  
Alara Resources Limited  
PO Box 963  
Balcatta WA 6914

**BY DELIVERY:**  
Alara Resources Limited  
C/- Fortuna Advisory Group  
Suite 1.02, 110 Erindale Road  
Balcatta, Western Australia

**BY E-MAIL:**  
[cosec@alararesources.com](mailto:cosec@alararesources.com)