

Alara Resources Limited A.B.N. 27 122 892 719

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Thursday, 9 September 2010

MARKET ANNOUNCEMENT

Lapse of Unlisted Options

The Company advises that 900,000 0.35 (16 September 2013) Director's Unlisted Options¹ (with an exercise price of 0.35 each and expiring on 16 September 2013) have lapsed.

These options were held by a former Director and lapsed in accordance with their terms of issue on 19 August 2010.

The Company has the following total securities on issue as at the date of this announcement:

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	80,507,500	-	80,507,500
\$0.55 (26 July 2012) Unlisted Options ²	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Options ¹	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Options ¹	-	1,035,000	1,035,000
\$0.35 (25 October 2014) Unlisted Options ³	-	3,650,000	3,000,000
\$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	80,507,500	23,985,000	103,842,500

Further information:

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⁴ Terms and conditions of issue are set out in an <u>ASX Appendix 3B New Issue Announcements lodged on 23 August 2010</u>



¹ Terms and conditions of issue are set out in a <u>Notice of Meeting and Explanatory Statement dated 18 August 2008</u> for a General Meeting held on 17 September 2008 and in an <u>ASX Appendix 3B New Issue Announcement lodged on 24 September 2008</u>

² Terms and conditions of issue are set out in a <u>Notice of Meeting</u> and <u>Explanatory Statement dated 21 June 2007</u> for a General Meeting held on 7 July 2007 and in an <u>ASX Appendix 3B New Issue Announcement lodged on 3 August 2007</u>

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