



Notice of Annual General Meeting and Explanatory Statement

To Shareholders

Date and Time of Meeting: 1:00 pm (Perth time)
on Monday, 30 November 2020

Place of Meeting: The Offices 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, except where not permitted to do so by a voting exclusion.

This Notice of Annual General Meeting and Explanatory Statement is dated 13 October 2020.

ASIC and ASX

A copy of this Notice of Meeting and Explanatory Statement has been lodged with ASX. Neither ASX nor any of its officers take 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

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 1:00 pm (Perth time) on Monday, 30 November 2020.**

Agenda

1. 2020 Annual Report

To consider and receive the 2020 Directors' Report, Financial Statements and Audit Report of the Company.

The 2020 Full Year Financial Report and Directors' Report (**2020 Full Year Report**) will be sent to shareholders who elected to receive a printed version, within the Company's 2020 Annual Report. Otherwise, electronic versions of the 2020 Annual Report may be viewed and downloaded from the Company's website: www.alararesources.com or emailed to shareholders upon request to info@alararesources.com, when available.

2. Resolution 1 – Adoption of 2020 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 2020 be adopted."

Note: The vote on this Resolution 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.

A **Voting Exclusion** applies to this Resolution, on the terms specified in the Explanatory Statement.

3. Resolution 2 – Election of Stephen Gethin as Director

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

"That Stephen Gethin (having been appointed as a Non-Executive Director by the Board since the last AGM and appointed by the Board as Chairman of the Board) being eligible, be elected as a Director of the Company."

4. Resolution 3 – Issue of Options to Stephen Gethin

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

"For the purposes of ASX Listing Rules 7.1 and 10.11 and all other purposes, Shareholders approve the Company issuing 4 million Options to Chairman, Stephen Gethin as part of his remuneration as Chairman, on the terms in the Explanatory Statement."

A **Voting Exclusion** applies to this Resolution, on the terms specified in the Explanatory Statement.

5. Resolution 4 – Issue of Options to Managing Director

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

"For the purposes of ASX Listing Rules 7.1 and 10.11 and all other purposes, Shareholders approve the Company issuing 5 million options to Managing Director Atmavireswar Sthapak as part of his remuneration as Managing Director, on the terms in the Explanatory Statement."

A **Voting Exclusion** applies to this Resolution, on the terms specified in the Explanatory Statement.

6. Resolution 5 – Re-Election of Vikas Jain as a Director

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

"That Vikas Jain (having retired as a Director by rotation) being eligible, be re-elected as a Director of the Company."

7. Resolution 6 – Election of Sanjeev Kumar as a Director

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

"That Sanjeev Kumar (having been appointed by the Board since the last AGM) being eligible, be elected as a Director of the Company."

8. Resolution 7 – Election of Justin Richard as a Director

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

"That Justin Richard (having been nominated) being eligible, be elected as a Director of the Company."

The Directors **recommend that Shareholders vote against this resolution**, for reasons stated in the Explanatory Statement.

9. Resolution 8 – Approval of Payment to Former Chairman James Phipps

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

"That, for the purpose of sections 200B and 208 of the Corporations Act (Cth) 2001 and for all other purposes, Shareholders approve the Company paying former Chairman James Phipps US\$110,000 as a retirement benefit."

A **Voting Exclusion** applies to this Resolution, on the terms specified in the Explanatory Statement.

10. Resolution 9 – Approve the Issue of 4,951,737 Shares to Progesys International FZC

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 4,951,737 fully paid, ordinary shares in the capital of the Company to Progesys International FZC at an issue price of \$0.037 per Share pursuant to an offer exempt from disclosure under section 708 of the Corporations Act 2001 (Cth), on the terms and conditions set out in the Explanatory Statement accompanying this Notice, to be issued within three months after the date of the Annual General Meeting."

A **Voting Exclusion** applies to this Resolution, on the terms specified in the Explanatory Statement.

11. Resolution 10 – 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.”

Dated: 13 October 2020



By Order of the Board:
Stephen Gethin
Chairman

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. 2020 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 2020 Financial and Directors' Report (**2020 Full Year Report**) and also within its 2020 Annual Report.

A copy of the 2020 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2020 Full Year Report and 2020 Annual Report may be viewed and downloaded from the Company's website: www.alararesources.com or the ASX website (www.asx.com.au) under ASX Code: AUQ or emailed to shareholders upon request to 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 2020 Remuneration Report

This Resolution seeks Shareholders approval to adopt the 30 June 2020 Remuneration Report as disclosed in the Company's 2020 Annual Report (refer above for information on accessing the report).

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

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to "Key Management Personnel" (**KMP**) being the Directors and Executives of the Company's consolidated group identified in the Remuneration Report, 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 to ask questions about, or make comments on, the Remuneration Report.

The vote on this Resolution 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 below), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that **Shareholders vote in favour of this Resolution** to adopt the Remuneration Report.

Voting Exclusion

Under s250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution (on the basis that it is connected with the remuneration of members of the Key Management Personnel of the Company's consolidated entity) if:

- the person is either:
 - a member of the Key Management Personnel of the Company's consolidated entity; or
 - a closely related party of a person referred to above; and
- the appointment does not specify the way the proxy is to vote on the resolution.

The above exclusion does not apply if:

- the person is the chairman of the meeting at which the resolution is voted on; and
- the appointment expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company's consolidated entity.

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

The Company encourages Shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, in relation to each resolution on their proxy form, including this Resolution. If a Shareholder appoints the Chairman of the Meeting as their proxy (or the Chair of the Meeting becomes their proxy by default) the Shareholder can direct the Chairman 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 Chairman of the Meeting is proxy under the Proxy Form and the relevant Shareholder does not mark any of the Voting Direction boxes opposite this Resolution, the Shareholders is, in effect, directing the Chairman to vote FOR the Resolution, because the Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution. 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 – Election of Mr Stephen Gethin as a Director

This Resolution seeks the Shareholders' vote in favour of electing Chairman, Mr Stephen Gethin, as a Director of the Company.

The Board appointed Mr Gethin as a Non-Executive Director on 28 June 2020 and as Chairman on 2 July 2020. The Board considers Mr Gethin to be a non-independent Director, as a result of his service as Company Secretary from 1 May 2018 until 2 July 2020. His term as Company Secretary was on the basis that he was an independent contractor. Directors, therefore, consider that he did not have substantial involvement in management during his term as Company Secretary. The Board therefore considers that he only does not satisfy the requirements for an Independent Director in a minor, technical way. Mr Gethin does not hold any equity interest in the Company, although options in the Company will be issued to him if Resolution 3, below, is passed and options are issued to him as a result.

The Company's Constitution requires a Director who was appointed by the Board since the last AGM to retire at the following AGM. Mr. Gethin retires at this AGM under this rule. However, being eligible, he has offered himself for election as a Director of the Company.

Mr Gethin's qualifications and experience are detailed in the Director's Report in the Company's 2020 Full-Year Report.

Directors' Recommendation

The Board (other than Mr Gethin, who makes no recommendation in relation to his own election) supports the election of Mr Gethin to the Board of Directors of the Company and recommends that **Shareholders vote in favour of this Resolution**.

4. Ordinary Resolution 3 – Issue of Options to Chairman

Alara is proposing to issue 4 million options to Chairman Mr Stephen Gethin, exercisable on or before 1 July 2022 (**Chairman's Options** or **Options**), subject to Shareholders' approval, as part of his remuneration as Chairman. Each Option would entitle the Chairman to subscribe for one fully paid, ordinary share in the Company for a price of AU\$0.03.

Shareholders' approval for the issue of the Chairman's Options is sought under ASX Listing Rule 10.11, which covers the issue of Equity Securities, including options, to persons in a position of influence, which includes Directors.

Approval for the purposes of Listing Rule 10.11

Listing Rule 10.11.1 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to a related party unless it obtains Shareholders' approval.

The Issue of the Chairman's Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Alara's Shareholders under Listing Rule 10.11.

This Resolution 3 seeks the required Shareholders' approval to the issue of the Chairman's Options under, and for the purposes of, Listing Rule 10.11. If Resolution 3 is passed, Alara will be able to proceed with the issue of the Chairman's Options. In that case, the remuneration payable by Alara to the Chairman for the first year of his term as Chairman (from 2 July 2020 to 1 July 2021) will be \$50,000 in cash and the issue of the Chairman's Options to him.

If Resolution 3 is not passed, Alara will not be able to issue the Chairman's Options. In that case, the remuneration payable by Alara to the Chairman for the first year of his term will be \$75,000 in cash only. That is, if the Chairman's Options are not issued, Alara will be liable to pay the Chairman an additional Director's fee of \$25,000 in cash for his first year in office. For full details of the Chairman's remuneration package, see the section titled "*Details of the Chairman's remuneration package*" below.

As stated above, Mr Gethin was appointed Chairman on 2 July 2020. The Chairman in office before Mr Gethin was paid a Director's fee of \$75,000 per annum. Mr Gethin has agreed to be paid a Director's fee of \$50,000 per annum for his first year in that office, and to accept the issue of the Options in lieu of the other \$25,000 per annum of his Chairman's fee for the first year of that appointment.

The Chairman's Options have a value of ~\$1500, determined according to the Black Scholes option valuation model. It is, therefore, in the Company's interests to issue the Chairman's options, as an alternative to paying the Chairman an additional \$25,000 in cash for the first year of his appointment.

Shareholders' Approval is not sought under Chapter 2E of the Corporations Act. Directors consider that approval is not required under Chapter 2E under the exception in s211, on the basis that the issue of the Chairman's Options is reasonable remuneration of the Chairman given the circumstances of the Company and of the Chairman, including the responsibilities involved in his office.

Information for the purposes of Listing Rule 10.11

ASX Listing Rule 10.13 requires the inclusion of the following information in this Notice of Meeting:

Name of recipient of Issue: Mr Stephen Gethin, Chairman.

Rule 10.11 sub-rule under which approval required: Rule 10.11.1. This rule requires the approval for the issue of equity securities (which includes options) to a "Related Party" of the Company. "Related Party" is defined in the Listing Rules as including a Director.

Number and class of securities: See above.

Proposed issue date: The Company's intention is to issue the Chairman's Options by 4 December 2020 but, in any event, they will be issued by no later than one month after the 2020 Annual General Meeting.

Price for issue: The Company will not receive a cash price for issuing the Chairman's Options, except that it will save \$25,000 otherwise payable to Mr Gethin for the first year of his term as Chairman, in that the Company will be liable to pay him only a \$50,000 cash component of his remuneration for that year, instead of \$75,000. The consideration for issuing the Options is that they are in lieu of part of the Chairman's Director's fee. If all the Options are exercised, the Company will receive \$120,000 in cash as the exercise price for the Options.

Purpose of the issue: The Options are proposed to be issued in lieu of part of the Chairman's Director's fee, as specified below. If the Options are exercised, the Company will use the money paid to it by way of the exercise price as part of its working capital.

Details of the Chairman's remuneration package:

The Chairman's Options are proposed to be issued to the Chairman under an agreement between the Company and the Chairman setting out his remuneration as Chairman. Under that agreement, the Chairman is entitled to the following remuneration:

- for his first year in office as Chairman (from 2 July 2020 to 1 July 2021) either:
 - \$50,000 cash plus the Chairman's Options, if Shareholders approve the issue of the Chairman's Options; or
 - \$75,000 cash, if Shareholders do not approve the issue of the Chairman's Options; and
- for each subsequent year in office as Chairman, \$75,000 cash.

The above remuneration is intended to compensate the Chairman in full for the performance of his ordinary duties as Chairman, including preparation for and participation in Board meetings and meetings of the Audit and Risk Management Committee and the Remuneration and Nomination Committee (**Included Duties**). The Chairman is a lawyer admitted to practice in Western Australia and is experienced in matters under the Corporations Act and the ASX Listing Rules. As part of his duties, included within his remuneration, he provides the Company with a considerable amount of advice and documentation of the kind for which the Company would otherwise require the services of an external lawyer. The Company makes considerable savings on external legal fees by having Mr Gethin serve as Chairman. The above remuneration is inclusive of any entitlement to have the Company make superannuation contributions for his benefit.

If the Chairman properly incurs any expense in the course of his duties as Chairman, the Company will reimburse him for that expense. If the Chairman is called on by the Managing Director or the Board to perform any duties over and above Included Duties, he is entitled to be remunerated at \$350 per hour plus GST for time spent performing those other duties.

Agreement under which the Options are to be issued

The Chairman's Options are to be issued under the agreement between the Company and the Chairman which sets out the Chairman's remuneration. The provisions of that agreement are as specified under the heading *Details of the Chairman's remuneration package*, above. There are no other provisions in that agreement.

Terms of the Options

The Chairman's Options are options, each entitling the Chairman to subscribe for one fully paid ordinary share in the Company for a price of A\$0.03, exercisable on or before 1 July 2022. The Chairman's Options vest immediately on issue. The Chairman's Options will otherwise be issued on the terms in Appendix A of this Explanatory Statement.

Voting Exclusions – ASX Listing Rules

Under ASX listing rules 10.13.10, and 14.11, the Company will disregard any votes cast in favour of this resolution by or on behalf of:

- Stephen Gethin; or
- any Associate of Mr Gethin.

However, this does not apply to a vote cast in favour of this resolution by:

- a person who is a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- the chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chairman to vote on the resolution as the chairman decides; or
- a holder acting solely in a nominee, trustee, custody or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Exclusion – Corporations Act

Under s250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution (on the basis that it is connected with the remuneration of a member of the Key Management Personnel of the Company's consolidated entity) if:

- the person is either:
 - a member of the Key Management Personnel of the Company's consolidated entity; or
 - a closely related party of a person referred to above; and
- the appointment does not specify the way the proxy is to vote on the resolution.

The above exclusion does not apply if:

- the person is the chairman of the meeting at which the resolution is voted on; and
- the appointment expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company's consolidated entity.

Directors' Recommendation

The Board (other than Mr Gethin, who makes no recommendation in relation to his own remuneration) supports the issue of the Chairman's Options to Mr Gethin and recommends that **Shareholders vote in favour of this Resolution**.

5. Resolution 4 – Issue of Options to Managing Director

The Company agreed to issue Managing Director Mr Atmavireshwar Sthapak 5 million options, each exercisable within one (1) year after vesting, with an exercise price of AU\$ 0.03 each, to vest upon the Company achieving the first production of saleable copper concentrate, provided this occurs by 31 March 2022 (**Managing Director's Options or Options**). If the Company:

- does not achieve the first production of saleable copper concentrate, as determined by the Board, acting reasonably, by 31 March 2022; or
- achieves the first production of saleable copper concentrate by that date (as determined by the Board, as specified above) but the Managing Director does not exercise any given Option within one (1) year after the date on which the first production of saleable copper concentrate is achieved, the Options which he has not exercised will lapse at the end of the last day of that year.

Shareholders' Approval for the issue of the Managing Director's Options is sought under ASX Listing Rule 10.11, which covers the issue of Equity Securities, including options, to persons in a position of influence, which includes Directors.

Approval for the purposes of Listing Rule 10.11

Listing Rule 10.11.1 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to a related party unless it obtains Shareholders' approval.

The Issue of the Managing Director's Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Alara's Shareholders under Listing Rule 10.11.

This Resolution 4 seeks the required Shareholder approval to the issue of the Managing Director's Options under, and for the purposes of, Listing Rule 10.11.

If Resolution 4 is passed, Alara will be able to proceed with the issue of the Managing Director's Options. In that case, the issue of the Managing Director's Options to the Managing Director will be part of his remuneration package. For full details of the Managing Director's remuneration package, see the section titled "*Details of the Managing Director's remuneration package*" below.

If Resolution 4 is not passed, Alara will not be able to issue the Managing Director's Options. In that case, the Managing Director will have the right to require the Company to negotiate with him in good faith for the purposes of determining a replacement component of his remuneration package in lieu of the Managing Director's Options (**Alternative Remuneration Component**). At this time it is not possible to predict what the Alternative Remuneration Component will be, or even what kind of remuneration it would be.

Shareholders' Approval is not sought under Chapter 2E of the Corporations Act. Directors consider that approval is not required under Chapter 2E under the exception in s211, on the basis that the issue of the Managing Director's Options is reasonable remuneration of the Managing Director given the

circumstances of the Company and of the Managing Director, including the responsibilities involved in his position.

Information for the purposes of Listing Rule 10.11

ASX Listing Rule 10.13 requires the inclusion of the following information in this Notice of Meeting:

Name of recipient of Issue: Mr Atmavireshwar Sthapak, Managing Director.

Rule 10.11 sub-rule under which approval required: Rule 10.11.1. This rule requires the approval for the issue of equity securities (which includes options) to a "Related Party" of the Company. "Related Party" is defined in the Listing Rules as including a Director.

Number and class of securities: See above.

Proposed issue date: The Company's intention is to issue the Managing Director's Options by 4 December 2020 but, in any event, they will be issued by no later than one month after the 2020 Annual General Meeting

Price for issue: The Company will not receive a cash price for issuing the Managing Director's Options. The consideration for issuing the Options is that they are part of the Managing Director's remuneration package. If the Options are exercised, the Company will receive \$150,000.

Purpose of the issue: The Options are being issued as part of the Managing Director's remuneration package. If the Options are exercised, the Company will use money paid to it by way of the exercise price as part of its working capital.

Details of the Managing Director's remuneration package: The Managing Director's Options, if approved by Shareholders, will form part of the Managing Director's remuneration package. The Managing Director's remuneration package, including the Options, consists of:

Base salary: AU\$307,580 p.a.

Housing allowance: Up to AU\$43,000 p.a.

Vehicle allowance: Up to AU\$20,475 p.a. plus running costs.

Long-term incentive: The Managing Director's Options, as detailed above, if approved by Shareholders.

The Board is yet to determine two (2) proposed additional components to Mr Sthapak's long-term incentive remuneration. These components are expected to consist of the issue of two (2) further tranches of options, each to vest upon attainment of separate milestones to be set relating to other aspects of the Company's future development. Full details will be announced on ASX when these elements of his remuneration package are finalised. Any additional options issued to the Managing Director will also be subject to receiving prior Shareholders' approval.

Agreement under which the Options are to be issued

The Managing Director's Options are to be issued under the agreement between the Company and the Managing Director which sets out the Managing Director's remuneration. The provisions of that agreement are as specified under the heading *Details of the Managing Director's remuneration package*, above. There are no other provisions in that agreement.

Terms of Options

The Managing Director's Options are options, each entitling the Managing Director to subscribe for one fully paid ordinary share in the Company for a price of A\$0.03. The options vest on the condition, and are exercisable during the period, specified in the introductory paragraphs of this section of this Explanatory Statement relating to this Resolution 4, above. The Managing Director's Options will otherwise be issued on the terms in Appendix A of this Explanatory Statement.

Voting Exclusion – ASX Listing Rules

Under ASX listing rules 11.1 and 14.11, the Company will disregard any votes cast in favour of this resolution by or on behalf of:

- Mr Atmavireshwar Sthapak; or
- any Associate of Mr Atmavireshwar Sthapak.

However, this does not apply to a vote cast in favour of this resolution by:

- a person who is a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- the chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chairman to vote on the resolution as the chairman decides; or
- a holder acting solely in a nominee, trustee, custody or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Exclusion – Corporations Act

Under s250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution (on the basis that it is connected with the remuneration of a member of the Key Management Personnel of the Company's consolidated entity) if:

- the person is either:
 - a member of the Key Management Personnel of the Company's consolidated entity; or
 - a closely related party of a person referred to above; and
- the appointment does not specify the way the proxy is to vote on the resolution.

The above exclusion does not apply if:

- the person is the chairman of the meeting at which the resolution is voted on; and
- the appointment expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company's consolidated entity.

Directors' Recommendation

The Board (other than Mr Sthapak, who makes no recommendation in relation to his own remuneration) supports the issue of the Managing Director's Options to Mr Sthapak and recommends that **Shareholders vote in favour of this Resolution**.

6. Ordinary Resolution 5 – Re-Election of Mr. Vikas Jain as a Director

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

Mr Jain was appointed a Non-Executive Director on 6 April 2016. The Board does not consider Mr Jain to be an independent Director.

In accordance with Listing Rule 14.5 and clause 5.2 of the Constitution, at every annual general meeting the re-election of at least one Director must take place. ASX 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 three (3) years, whichever is longer.

The Director(s) to retire at an AGM are those Directors who have been in office for three (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 two or more Directors have been in office for an equal length of time which is less than three (3) years, by agreement between them or, in default of agreement, by ballot. The Managing Director is exempt from retirement and re-election.

Mr Jain is the Director who has served the longest time in office since last being elected. Mr Jain retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Jain's qualifications and experience are detailed in the Director's Report in the Company's 2020 Full-Year Report.

Directors' Recommendation

The Board (other than Mr Jain, who makes no recommendation in relation to his own re-election) supports the re-election of Mr Jain to the Board of Directors of the Company and recommends that **Shareholders vote in favour of this Resolution**.

7. Resolution 6 – Election of Sanjeev Kumar as a Director

The Board appointed Mr Sanjeev Kumar as a Non-Executive Director on 13 October 2020.

The Company's constitution requires a Director who was appointed by the Board since the last AGM to stand for election at the following AGM. Mr Kumar is seeking election as a Director of the Company under this rule.

The Board considers Mr Kumar to be an independent Director. Mr Kumar does not hold any equity interest in the Company, has had no prior involvement with it and will not be employed in an executive capacity.

Qualifications and experience

Mr Kumar has extensive Australian and international business experience, with a specialisation in high-value asset finance lending. He holds an MBA (Finance & Marketing), IMT Ghaziabad, India (2008) and a BE (Metallurgy), VNIT Nagpur, India (1998).

He is currently a director of Tradexcel Global Pty Ltd, an Australian company which he co-founded in 2017. His company helps ANZ businesses in expanding into the overseas markets, assessing new markets, navigating entry barriers, providing regulatory clearance services, business strategy & planning, local partnerships etc. His previous roles include Vice President at India Factoring & Finance Solutions (a subsidiary of Fimbank), Associate Vice President at Tata Capital Financial Services, India and Manager, Infrastructure Division at ICICI Bank Limited.

Enhancing Board independence

The appointment of Mr Kumar will result in the Alara Board being comprised of two (2) independent Directors, two (2) non-independent Directors and the Chairman, who is very close to satisfying the conditions for an independent Director. It is considered good corporate governance, as reflected by the ASX Corporate Governance Principles, for a listed company to have a number of independent Directors on its Board. This ensures that a broader set of perspectives are brought to bear on strategic decisions.

As stated above under Resolution 6, Alara is required by law to have at least two (2) Australian-resident directors. As a consequence of the impending resignation of Director Mr Avi Sthapak, it will have only one Australian-resident director from 1 December 2020, unless an Australian resident is elected to the Board in addition to Mr Gethin. As an Australian resident, the election of Mr Kumar would thus enable the Company to continue to comply with its Director-residence obligation.

Directors' Recommendation

The Board (other than Mr Kumar, who makes no recommendation in relation to his own election) supports the election of Mr Kumar to the Board of Directors of the Company and recommends that Shareholders **vote in favour of this Resolution**.

8. Resolution 7 – Election of Justin Richard as a Director

Former Managing Director Mr Justin Richard nominated for election as a Director.

Directors DO NOT SUPPORT the election of Mr Richard as a Director. Directors recommend that shareholders VOTE AGAINST the election of Mr Richard, for the reasons set out below.

In the ordinary course of events, the Board proposes Directors for election by Shareholders at the Company's AGM. The Board did not propose Mr Richard for election as a Director, however. His nomination was made under a rule which entitles any Shareholder to nominate a person to stand for election to the Board.

Mr Richard was Managing Director of Alara until his resignation in July 2020. As a result of his resignation, Executive Director Mr Atmavishwar Sthapak was appointed to succeed him as Managing Director, in accordance with the Company's leadership succession plan. Mr Sthapak commenced as an Executive Director of the Company in 2015. During his tenure as Executive Director, he was second-in-command to Mr Richard, and was extensively involved in the award of the Al Hadeetha Copper Gold Project mining licence and the successful completion of the bankable feasibility study for the Project.

The transition of the Company's leadership from Mr Richard to Mr Sthapak has been very smooth. Mr Sthapak has excellent relations with the Company's key joint venture partners in the Al Hadeetha Project. Directors are firmly of the view that the unplanned reappointment of Mr Richard to the Board would not be consistent with the Company's succession plan.

A search was conducted for a person to fill the Board position left vacant by Mr Richard's departure. As a result, Mr Sanjeev Kumar was appointed as a Non-Executive Director on 23 October 2020. Mr Kumar is standing for election at this AGM, as is required of a Director appointed by the Board between AGMs. The Directors (other than Mr Kumar, who makes no recommendation on his own election) support the election of Mr Kumar election to the Board.

If Mr Kumar is elected to the Board, and the other Directors seeking election at this AGM (other than Mr Richard) are elected, the Company will have four Directors from the AGM onwards¹.

The optimum size of the Board for a company with operations of the type and scale of Alara is four to five Directors. The Directors have identified a number of candidates whom they consider would be suitable to fill a fifth position on the Board, when it is decided to increase the size of the Board to five, in the short to medium-term.

The Board considers that it is critical to increase the number of Alara's independent Directors, for reasons of good corporate governance. The ASX Corporate Governance Principles recommend that a listed company have a majority of independent directors. As a consequence, the Board proposes to fill a fifth position on the Board with an independent Director in the short to medium term. If Mr Richard is elected as a Director, he would not meet the criteria for director independence in the Corporate Governance Principles. Under the Corporate Governance Principles, a director who has held a senior management role within the past three years is not considered independent. Therefore, Mr Richard would not be considered independent under this rule. With Al Hadeetha Project development under way, the Board is considering options for Alara's next major project. Alara will need to raise substantial capital to fund the development of an existing asset or the acquisition of a new project. When investors are considering where to invest their money, they pay high regard to the standards of corporate governance of the target company.

Mr Kumar is an independent Director, having had no previous involvement with Alara. Chairman Stephen Gethin is not regarded as independent Director, having previously served as Company Secretary for two years. As he served as Company Secretary while employed by an independent consultancy under an outsourcing arrangement, he is only considered non-independent in a technical sense. Filling a fifth Directorship with an independent person would ensure that the Company has, in effect, a Board which has a majority of independent Directors. The election of Mr Richard to the Board would be inconsistent with that objective.

9. Resolution 8 – Approval of Payment to former Chairman Mr James Phipps

James Phipps was Chairman of the Company until 2 July 2020 and a non-Executive Director until 4 September 2020. Under an agreement between Mr Phipps and the Company (**Phipps Agreement**), the Company agreed to pay Mr Phipps US\$110,000 (AU\$152,152²) in relation to his departure from the Board, subject to receiving Shareholders' approval.

The payment to Mr Phipps is a retirement benefit for the purposes of section 200B of the Corporations Act. That section provides that a Company may pay a retirement benefit to a director only with Shareholders' approval. The Directors consider that the payment is within the reasonable remuneration exception to Chapter 2E of the Corporations Act and, therefore, does not require approval under section 208 of that Act.

Directors' recommendations:

Mr Stephen Gethin, Chairman – recommends that Shareholders vote in favour of this Resolution, for the reasons specified in the section headed "Grounds for supporting this Resolution", below.

Mr Atmavishwar Sthapak – Managing Director – makes the same recommendation as the Chairman for the same reasons.

Mr Vikas Jain – makes the same recommendation as the Chairman for the same reasons.

Mr Avi Sthapak – declined to make a recommendation, on the basis that he has given notice of resignation as a Director with effect on 1 December 2020.

Mr Sanjeev Kumar – unavailable to consider whether to make a recommendation, having been appointed a Director only on 23 October.

Grounds for supporting this Resolution

Mr Phipps made a valuable contribution to the Company since his appointment in 2014, including his service as Chairman from July 2015 to July 2020. During his time as Chairman, Mr Phipps led Alara through a series of critical fundraisings, enabling it to complete its Feasibility Study for the Al-Hadeetha copper-gold project and, relative to that project, to establish its first JORC Reserve and to secure the required Mining Licence in Oman, on which the Company's 1 Mtpa copper concentrate project is to be constructed. The proposed payment represents reasonable additional remuneration in reflection of his achievements.

It is a term of the Phipps Agreement that if Shareholders' approval to the payment is not given at the 2020 AGM, the Company must immediately re-appoint Mr Phipps as a non-executive director and pay him a Director's fee of \$75,000 per annum.

Voting Exclusion

A vote on this resolution must not be cast (in any capacity) by or on behalf of:

- Mr James Phipps; or
- an associate of Mr Phipps.

Nothing stated above prevents the casting of a vote, however, if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a related party or associate of a kind referred to above.

10. Resolution 9 – Approve the Issue of 4,951,737 Shares to Progesys International FZC.

Resolution 9 seeks Shareholders' approval of the proposed issue by the Company of 4,951,737 Shares (**Approval Shares**) at US\$0.0259 (A\$0.03582³) per Share to Progesys International FZC (**Progesys FZC**) pursuant to an agreement between Alara and Progesys International LLC (a related company of Progesys FZC) titled Project Management Consulting Agreement (**PMCA**) which is summarised below. The issue of the Approval Shares will raise a total of US\$128,249.99 (A\$177,395.38) (the **Approval Issue Proceeds**).

The Approval Shares will be issued to Progesys FZC under the PMCA. The PMCA is an agreement between Alara's 51% owned joint venture company Al Hadeetha Resources LLC (**AHR**) and Progesys International LLC (**Progesys LLC**), a related company of Progesys FZC. Under the PMCA, Progesys LLC is providing project management services to AHR in relation to the design and construction of AHR's 1Mtpa⁴ copper processing plant at the Wash-hi

¹ Mr Avi Sthapak has tendered his resignation as a Non-Executive Director, effective on 1 December 2020.

² At a USD:AUD exchange rate of 1:1.3832 on 13 October 2020, the date of this Notice of Meeting.

³ At a USD:AUD exchange rate of 1:1.3832 on the date of this Notice of Meeting.

⁴ Alara's ASX Announcement dated 24 January 2017 contains the information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on that date continue to apply and have not materially changed.

Majaza Mining Licence in Oman. Under the PMCA, a total of US\$1,875,000 (A\$2,593,500⁵) is payable by AHR to Progesys LLC. The Approval Shares will be issued within three (3) months after the date of the AGM, that is on or before 28 February 2021.

It is a term of the PMCA that AHR must procure that Alara issues to Progesys FZC:

- 5,868,725 Shares at US\$0.0259 (A\$0.03972⁶) per Share, which were issued on 11 May 2020, in connection with satisfaction of Milestones 1 – 4 under the PMCA (which have been satisfied) (**Progesys Tranche 1**);
- the Approval Shares (also referred to in this section as **Progesys Tranche 2**) to Progesys FZC, on the terms specified in this section of this Explanatory Statement, in connection with the completion of Milestones 5 – 9 under the PMCA (which are in progress, and which are due to be completed by March 2022; and
- a further 3,706,563 Shares, in connection with the completion of Milestones 10 – 16 under the PMCA (which due to be completed by March 2022), again for US\$0.0259 per share, (**Progesys Tranche 3**),

a total of 14,527,025 Shares. (The Company is not seeking approval to the issue of Progesys Tranche 3 at this AGM, because those Shares will not be issued within three (3) months after the date of this AGM. The Company proposes to seek approval for the issue of Progesys Tranche 3 at its 2021 AGM).

The Approval Shares will be subject to a holding lock (which is referred to as “voluntary escrow” in the ASX Listing Rules). This means that the holder of the Shares is not permitted to sell or otherwise transfer them during the period while the holding lock is in place. The holding lock will be released upon substantial completion of the mining and processing infrastructure for the company’s Al Hadeetha copper-gold mine in Oman, which is under development. Completion of this infrastructure is expected to occur in March 2022. Progesys Tranche 1 and Progesys Tranche 3 are also subject to the same holding lock.

Reason for seeking approval

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company may issue without the approval of its Shareholders over any 12 month period to the number equal to 15% of the fully paid, ordinary shares which it had on issue at the start of that 12-month period. Resolution 9 seeks the required Shareholders’ approval to the issue of the Approval Shares under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, Alara will be able to issue the Approval Shares, which will have the results specified above. In addition, the issue of the Approval Shares will be excluded from the calculation of the number of equity securities that Alara may issue without Shareholders’ approval under Listing Rule 7.1.

If Resolution 9 is not passed, the issue of the Approval Shares will not fit within any of the exceptions to Listing Rule 7.1 from the need to obtain Shareholders’ approval. Although the issue of the Approval Shares will not exceed the 15% limit in Listing Rule 7.1, and can therefore be made without Shareholders’ approval without breaching that rule, Alara wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholders’ approval under Listing rule 7.1. To do this, Alara is asking Shareholders to approve the issue of the Approval Shares under Listing Rule 7.1, so that it does not use up of any of the 15% limit on issuing equity securities without Shareholders’ approval set out in Listing Rule 7.1.

To this end, Resolution 9 seeks Shareholders’ approval to the issue of the Approval Shares under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, the issue of the Approval Shares may proceed without using up any of Alara’s 15% limit on issuing equity securities without Shareholders’ approval set out in Listing Rule 7.1.

If Resolution 9 is not passed, the issue of the Shares can still proceed, but it will reduce, to that extent, Alara’s capacity to issue equity securities without Shareholders’ approval under Listing Rule 7.1 for 12 months following the issue of the Approval Shares.

The issue of the Approval Shares will comprise approximately 0.78% of the Company’s total issued share capital, immediately before the issue of those Shares (assuming the Company does not issue any other Shares between the date of this Notice of Meeting and the date of issue of the Approval Shares).

Information required by Listing Rules

ASX LR 7.3 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under LR 7.1. In accordance with ASX LR 7.3, the following information is provided to shareholders to assist them to assess whether to approve Resolution 9:

Approval Shares

- The Company will issue 4,951,737 Shares to Progesys FZC (**Approval Shares**).
- The Company proposes to issue the Approval Shares by the date three months after the date of this AGM, that is by 28 February 2021.
- The Approval Shares will be issued at price of US\$0.0259 per Share. Assuming the USD:AUD exchange rate is the same at the date of the issue of the Approval Shares as it is at the date of this Notice of Meeting (13 October 2020) the issue price in A\$ will be A\$0.05832 per Share.
- The Approval Shares will be issued to Progesys FZC.
- The funds raised from the issue of the Approval Shares (after paying any expenses of the issue) will be applied towards the costs of advancement of exploration, evaluation and development of the Company’s resource projects and for general working capital purposes.
- The Approval Shares will be Shares, issued on the same terms as the other Shares currently on issue by the Company.
- Progesys FZC is not a related party or an associate of the Company.

Directors’ Recommendations

The Directors believe that a “refreshment” of the Company’s capacity to issue up to 15% of the securities of the Company on issue in a 12 month period under ASX LR 7.1 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 9.

Voting Exclusion

In accordance with ASX LRs 7.5 and 14.11, the Company will disregard any votes cast on Resolution 9 by Progesys LLC, Progesys FZC and any associate of either of those companies. However, this does not apply to a vote cast in favour of this resolution by:

- a person who is a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or

5 At a USD:AUD exchange rate of 1:1.3832 on 13 October 2020, the date of this Notice of Meeting.

6 At a USD:AUD exchange rate of 1:1.5337 at the date of issue.

attorney to vote on the resolution in that way;

- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custody or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

11. Special Resolution 10 – Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after its 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 still be an eligible entity at the date of the Annual General Meeting.

The Company is seeking Shareholders' approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. As a special resolution, this Resolution 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 this Resolution, 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 for one or more of: partially funding construction of a 1Mtpa⁷ copper processing plant at the Company's flagship Wash-hi-Majaza Copper Project, acquiring exploration or development opportunities or investments or for exploration activities encompassing drilling and/or feasibility studies of the Company's other projects. Potential uses of funds raised from any issue under LR 7.1A.2 are set out in more detail below.

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 this Notice, has on issue only one class of quoted Equity Securities, namely Shares (defined below as fully paid, ordinary shares).

(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 634,886,315 Shares on issue. If this resolution is passed, the Company will have the capacity to issue approximately:

- 95,232,947 Equity Securities under Listing Rule 7.1; and
- 63,488,632 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.

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of 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 between the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

Effect of passing a resolution under Listing Rule 7.1A

The effect of this Resolution, if passed will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period (defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

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:

- (f) If given, Shareholders' approval under this Resolution will last until the earlier of:

⁷ See note 5.

- 12 months after the date of this AGM;
- the time and date of the Company's 2021 AGM; or
- the time and date of the approval by Shareholders of any transaction under ASX listing rule 11.1.2 (relating to a significant change in the nature or scale of the Company's activities) or 11.2 (relating to the Company disposing of its main undertaking),

(the **10% Placement Period**).

- (g) Any Equity Securities issued under the 10% placement facility under Listing Rule 7.1A if this Resolution is passed, will be issued at an issue price not less than the minimum issue price calculated in accordance with paragraph (e) above.
- (h) If this Resolution 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, to the extent Shareholders do not receive any Shares under the issue. There is a risk that:
- 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
 - 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,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (i) The table below 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 13 October 2020.
- (j) 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 ⁵
	Total after column 1 issue	No. Issued in 10% Placement	New Total ³	50% < current (\$0.008)	= current ⁴ (\$0.016)	50% > current (\$0.024)	
1 Current	634,886,315	63,488,632	698,374,947	\$507,909	\$1,015,818	\$1,523,727	9.09%
2 50% increase¹	952,329,473	95,232,947	1,047,562,420	\$761,864	\$1,523,727	\$2,285,591	39.39%
3 100% increase²	1,269,772,630	126,977,263	1,396,749,893	\$1,269,773	\$2,031,636	\$3,047,454	54.55%

Notes:

- 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. This row shows the scenario if there was a 50% increase in the number of Shares on issue before an issue under LR 7.1A.
- This row shows the scenario if there was a 100% increase in the number of Shares on issue before an issue under LR 7.1A. Note 1 explains the circumstances in which this could occur.
- 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.
- The closing price of Alara shares on ASX on 13 October 2020 – the closing price on the date of this Notice.
- This is the percentage by which a Shareholder's voting and economic interest (by way of Shares) 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. This is the same as the percentage of the Company's total shareholding after the issue under LR 7.1A represented by the number of those Shares issued.

The above table has been prepared on the following assumptions:

- Variable A is 634,886,315, being the number of Shares on issue at the date of this Notice of Meeting.
 - The Company issues the maximum number of Equity Securities (in this case, Shares) available under the 10% Placement Facility.
 - 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.
 - Shareholders approve this Resolution 10.
 - The table shows only the effect of issues of Shares 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 of Shares under the 10% Placement Facility. Any prior issue or issues of Shares resulting in that hypothetical 50%, or 100%, increase could include an issue under the 15% placement facility under LR 7.1).
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities was comprised of, or included the issue of quoted options, each entitling the holder to be issued with one (1) Share (**Options**), it is assumed that those Options would be exercised, resulting in the issue of fully paid, Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (k) The Company will only issue and allot any Equity Securities under LR 7.1A during the 10% Placement Period. The approval under this Resolution for the issue of the Equity Securities will cease to be valid at the earliest to occur of the times and dates in paragraph (a), above.
- (l) If the Company issues Equity Securities under the 10% Placement Facility, it will do so only for the purpose of raising cash:
- for general working capital;

- (ii) to enable it to pay consideration for the direct or indirect acquisition of a new actual or potential mineral asset or an interest in a mineral asset, whether directly or by subscribing for shares in or otherwise contributing capital to or lending money to a company which directly or indirectly holds an interest in that asset;
- (iii) for construction of improvements to an existing asset, such as but not limited to the construction of mine-site or ore processing infrastructure in relation to one or more mineral assets in which the Company presently or in future has a direct or indirect interest;
- (iv) to fund exploration, development, drilling, geophysical surveying, geotechnical testing, hydrological testing, metallurgical testing or expenditure on geological, geotechnical, geophysical, water, marketing, engineering and other studies, including studies in the nature of or part of a scoping study, preliminary feasibility study or definitive/bankable feasibility study in relation to any mineral asset in which the Company presently or in future has a direct or indirect interest; and/or
- (v) to repay debt.

Without limiting the above, the Company may not issue Equity Securities under the 10% Placement Facility for a non-cash consideration.

- (m) The Company will comply with its disclosure obligations under LRs 7.1A.4 and 3.10.5A upon issue of any Equity Securities under this approval, if it is given.
- (n) The Company's allocation policy for Shares issued under this approval will be 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 any issue under the 10% Placement Facility have not been determined as at the date of this Notice, as the Board has not decided to make a specific issue under this placement facility at the date of this notice. Allottees under any issue under the placement facility but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (o) The Company obtained Shareholders' approval under LR 7.1A at its previous AGM, held on 22 November 2019 (**Prior 7.1A Approval**). Under that approval:
 - (i) the Company issued 5,868,725 Shares (**Prior 7.1A Shares**) in the 12 month period ending on the date of this Meeting (30 November 2020). The Prior 7.1A Shares represented 0.93% of the number of the Company's Shares on issue at the beginning of that 12 month period. The Company did not issue any other Equity Securities under the Prior 7.1A Approval.
 - (j) Under the Prior 7.1A Approval:
 - The Prior 7.1A Shares were issued to Progesys FZC. Progesys FZC was selected as the allottee of those Shares because the Company's 51%-owned joint venture company Al Hadeetha Resources LLC (**AHRL**) entered into a contract with Progesys International, a related company of Progesys FZC, for Progesys International to provide AHRL with project management services (the **PMCA** – detailed further above) and it was a term of the PMCA that AHRL must arrange for the Company to issue the Prior 7.1A Shares to Progesys FZC. AHRL chose to enter the PMCA with Progesys International on the basis of its reputation and demonstrated experience as a project management consultant for mineral projects of the type which include the type of copper processing infrastructure project which AHRL is developing.
 - 5,868,725 Shares (the Prior 7.1A Shares) were issued to Progesys FZC.
 - The Prior 7.1A Shares were issued at price of US\$0.0259 (A\$0.0397) per Share. The Prior Approval Shares were not issued at a discount to the closing market price of the Company's shares on the date of issue, which was \$0.012 per Share.
 - The issue of the Prior 7.1A Shares raised a total of US\$152,000.00 (A\$233,117.53). The Prior Approval Shares represented 0.93% of the Company's issued shares. The cash raised from the issue of the Prior Approval Shares has not been spent. The company retains that cash purposes of future climates working capital.

- (k) A voting exclusion statement is not required to be included in this Notice of Meeting, on the basis that the Company is not proposing to make a specific issue of Equity Securities under Listing Rule 7.1A.2 at the time of dispatch of this Notice of Meeting.

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

In these circumstances (and in accordance with the note in ASX LR 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 this Resolution) 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 the votes of any Shareholder on this resolution.

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

Consequences if Resolution is not passed

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start that period.

Under Listing Rule 7.1 A, however, an "Eligible Entity" can seek approval from its Shareholders, by way of a special resolution passed at its Annual General Meeting, to increase this 15% limit by an extra 10% to 25%.

An "Eligible Entity" means an entity which is not included in the S & P/ASX 300 Index and which has a market capitalisation of \$300 million or less. Alara is an Eligible Entity for these purposes.

Resolution 10 seeks Shareholders' approval by way of special resolution for Alara to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholders' approval.

If Resolution 10 is passed Alara will be able to issue Equity Securities up to the combined 25% limit in Listing Rule 7.1 and 7.1A without any further Shareholders' approval.

If Resolution 10 is not passed, Alara will not be able to access the additional 10% capacity to issue Equity Securities without Shareholders' approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholders' approval set out in Listing Rule 7.1.

Directors' Recommendation

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 this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour of this Resolution**.

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Glossary

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

2020 Annual Report means the Company's annual report for the year ended 30 June 2020, which can be downloaded from the Company's website at 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, Listing Rules or LRs 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 means 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 means the Directors and Executives of the Company's consolidated group, as identified in the Company's Remuneration Report (which is included in its 2020 Annual Report).

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 be issued with a Share.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2020 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.

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Appendix A – Option Terms

1. Nil Consideration Payable

No subscription or application monies will be payable for the issue of each option (**Option**).

2. Entitlement

Each Option shall entitle the holder (the **Option Holder**) to subscribe (in cash) for one (1) fully-paid ordinary share (**Share**) in the capital of Alara Resources Limited (**Company**) at the exercise price (**Exercise Price**), specified in the agreement under which the Option was issued to the Option Holder (**Option Issue Agreement**).

3. Option Period

Each Option will expire at the end of the last day of the period in which they may be exercised specified in the Option Exercise Agreement (such date being referred to as the **Option Expiry Date**). Subject to Clauses 4, 5 and 9 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire at the end of the Option Expiry Date, determined according to time in Perth, Western Australia.

4. Non-Exercise Periods

Options may be exercised only after they have vested. The Options will vest on the condition(s) stated in the Option Exercise Agreement (**Vested Options**). If the Option Exercise Agreement does not state that options vest on the happening of any particular condition, then the Options vest immediately they are issued (also **Vested Options**), as follows:

5. Lapsing of Options Prior to Option Expiry Date

Options will lapse prior to the Option Expiry Date in the circumstances described below:

5.1 Where Options are able to be exercised (that is, Options have vested under Clause 4 or clause 13):

- 5.1.1 Upon determination by the Board that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company;
- 5.1.2 Upon the Option Holder ceasing to be a Director of the Company (for whatever reason including by retrenchment, redundancy or retirement) and not exercising the option within 6 months following that event (unless a longer period is otherwise determined by the Board); or
- 5.1.3 12 months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder (unless a longer period is otherwise determined by the Board).

5.2 Where Options have not vested in accordance with Clause 4 or Clause 13, upon determination by the Board that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company.

6. Ranking of Share Issued on Exercise of Option

6.1 Each Share issued as a result of the exercise of an Option (**Option Share**) will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares in the capital of the Company on issue at the date of issue of the Share issued pursuant to the exercise of the Option.

7. Notification to Option Holders

The Option Holder will be entitled to receive - and will be sent - all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

8. Dealings in Options

- 8.1 Save as provided in clause 8.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option, unless agreed in writing by the Board and subject to any applicable law and the ASX Listing Rules.
- 8.2 The Option Holder may at any time transfer all or any of their Vested Options (that is, Options which are able to be exercised under Clause 4) to a spouse of the Option Holder, to a company in which the Option Holder or the spouse of the Option Holder are shareholders, or to a trustee of a trust in which the Option Holder or the spouse of the Option Holder have a beneficial interest (including a superannuation fund), subject to any applicable law and the ASX Listing Rules.

9. Method of Exercise of an Option

- 9.1 A certificate or holding statement will be issued by the Company with respect to Options held by the Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed by the Option Holder when exercising the Options the subject of the certificate or holding statement (**Notice of Exercise of Options**). Vested Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Vested Options exercised and the consequent number of ordinary Shares in the capital of the Company to be issued. The number of Vested Options exercised must be a multiple of 1,000 if only part of the Option Holder's total Vested Options are exercised. If the total number of Vested Options held by the Option Holder is less than 1,000, then all Vested Options held by the Option Holder must be exercised at the same time.
- 9.2 The Notice of Exercise of Options by the Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed for, being an amount equal to the Exercise Price per Share multiplied by the number of Options being exercised.

- 9.3 Subject to Clause 9.1 hereof, the exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holders remaining Options (when vested).
- 9.4 On exercise of Vested Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement for the Options being exercised.
- 9.5 If the Option Holder exercises less than the total number of Vested Options then registered in the Option Holder's name:
- 9.5.1 the Option Holder must surrender the option certificate or holding statement with respect to the Option Holder's Options to the Company; and
- 9.5.2 the Company must cancel that option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.
- 9.6 Within 14 days from the date the Option Holder properly exercises Vested Options held by the Option Holder, the Company shall issue to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- 9.7 The Company will (subject to any escrow restrictions imposed by ASX) within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the *Corporations Act (Cth) 2001* and the Listing Rules of ASX. (The Options themselves will not be quoted on ASX.)

10. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the Listing Rules of ASX applying to reconstructions at that time.

11. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlements to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

12. Change of Options Exercise Price or Number of Underlying Shares

- 12.1 If the Company makes a pro-rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of each Option shall be adjusted in accordance with the provisions of the Listing Rules of ASX. No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.
- 12.2 If the Company makes a bonus issue of Shares or other securities convertible into ordinary Shares pro rata to holders of ordinary Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the book closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.

13. Immediate Vesting

- 13.1 Upon determination by the Board, in the event of the Option Holder ceasing to be a Director of the Company (for whatever reason including by retrenchment, redundancy or retirement) before any Option has vested under clause 4 the Option will be taken to have vested immediately before the time of the occurrence;
- 13.2 In the event of the death, permanent illness or permanent physical or mental incapacity of a Director Option Holder before any Option has vested under clause 4 the Option will be taken to have vested immediately before the time of the occurrence; and
- 13.3 Where:
- 13.3.1 a takeover bid is made for the Company;
- 13.3.2 a Court orders that a meeting of Shareholders of the Company be held to consider a scheme of arrangement between the Company and its Shareholders; or
- 13.3.3 some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,
- any Option that has not become vested in accordance with clause 4 will immediately become vested.

Time and Place of AGM and how to Vote

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 1:00 pm (Perth time) on Monday, 30 November 2020.**

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.

so that it is received **not later than 1:00 pm (Perth time) on Saturday, 28 November 2020.**

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 4:00 pm (Perth time) on Friday, 27 November 2020 (**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: +61 8 9420 2411 or cosec@alararesources.com

[This is a sample proxy form only. Please do not use this proxy form. Each shareholder will either receive their own link to their own personalised proxy form by email or a personalised proxy form will be mailed to them, depending on their previously selected preference.]

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

Our Reference: AUQ / {S-REG} / {SEQUENCE}

Shareholding as at 28 October 2020: {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 1:00pm (Perth time) on Monday, 30 November 2020.**

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 6 and 8 to 10 (end numbers inclusive) as the Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 6 and 8 to 10 (end numbers inclusive); and

- "Against" Resolution 7 as the Chair of the Meeting intends to vote undirected proxies against Resolution 7.

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) Election of Mr. Stephen Gethin as Director	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(3) Issue of Options to Chairman	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(4) Issue of Options to Managing Director	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(5) Re-Election of Mr. Vikas Jain as Director	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(6) Election of Mr. Sanjeev Kumar as Director	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(7) Election of Mr. Justin Richard as Director The Directors Recommend that Shareholders VOTE AGAINST this Resolution	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(8) Approval of Payment to Former Chairman Mr James Phipps	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(9) Approval of Progesys Share Issue	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
(10) Approval of 10% Placement Facility	<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

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sample – do not use

Sample – do not use

Sample – do not use

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name

{PHONE}

Contact Daytime Telephone

Date

Email Address

{EMAIL}

Instructions for Completing Proxy Form

1. Change of Address

Your pre-printed name and address is shown 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**:

- | | |
|---------------------------|---|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the shareholders should sign. |
| Power of Attorney: | 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 copy of the proxy certified as correct by a lawyer or other person authorised by law to be a witness to a statutory declaration or equivalent type of document under the law of the place of residence of the Shareholder) of that Power of Attorney at the General Meeting. |
| Companies: | Where the company has a sole Director who is also the sole Company Secretary, this form must be signed by that person.

Where the company has a sole Director but <i>does not have a Company Secretary</i> , the Director can sign alone, <i>but only if they are authorised to do so by a resolution of the sole Director</i> giving themselves that power. (We reserve the right to request evidence of the sole Director's authority to sign a proxy for a company of that kind, and to exclude the proxy if that evidence is not provided by the cut-off time for proxies – below.)

Otherwise this form must be signed by a Director and either: 1) another Director, or 2) the Company Secretary. Please indicate the office held by the signatories by signing in the appropriate box. |

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 **1:00pm (Perth time) on Saturday, 28 November 2020** (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:
cossec@alararesources.com