



**Alara Resources Limited**  
 A.B.N. 27 122 892 719  
 Level 14, The Forrest Centre  
 221 St Georges Terrace  
 Perth Western Australia 6000

Telephone | **+61 8 9214 9787**  
 Facsimile | **+61 8 9322 1515**  
 Web | **www.alararesources.com.au**  
 Email | **info@alararesources.com.au**

## 30 SEPTEMBER 2008 QUARTERLY REPORT

### CONTENTS

Summary of Exploration Programme for December 2008 Quarter .....	2
Company Profile.....	3
Project Location .....	4
Company Projects:	
1. Crucero Uranium .....	6
2. Mt James Uranium .....	7
3. Bigrlyi Uranium .....	8
4. Canning Well Base Metals/Uranium .	9
5. Kimberley Phosphate .....	10
6. King Sound Mineral Sands .....	10
7. Santa Rosa Uranium .....	11
8. Pampacolca Uranium.....	12
9. Coasa Uranium.....	13
10. Mt Lawrence Wells Uranium.....	14
Corporate.....	15
Australian Tenements.....	16
Peruvian Concessions.....	17
Securities Information .....	18
Appendix 5B Mining Exploration Entity Quarterly Report.....	21

**Dated: 31 October 2008**

#### Further information:

Shanker Madan  
 Managing Director  
 T | (08) 9214 9787  
 E | smadan@alararesources.com.au

### SUMMARY

- **Cash position:** remains strong at \$8.34 million (as at 30 September 2008)
- **Change of Name:** from “Alara Uranium Limited” to “Alara Resources Limited” effective 23 September 2008. ASX Code – AUQ- remains unchanged
- **Crucero Uranium:** The anomalous areas identified from a previous radiometric survey were grouped into zones and a more detailed radiometric survey (structural mapping of the mineralised fractures via gamma-spectrometric analysis) was completed on a 10 x 10 metre grid in each zone. Anomalies were re-contoured. Alara will commence a ~2,000 metre drilling programme within the Lithuania 3 concession to test these anomalies.
- **Mt James Uranium:** Geophysical interpretation of previous airborne radiometric and magnetic surveys suggest uranium mineralisation in carnotite as targets for testing by widely-spaced drilling. Alara will commence a 128 hole ~2,000 metre RC drilling programme, subject to receipt of heritage and regulatory approvals.
- **Canning Well Base Metals/Uranium:** Mag/lag soil sample data were evaluated by a geochemical consultant who identified a high priority 1.2 x 0.5km base metals target zone as well as high priority Manganese anomalies traced over 3.5km. Alara will conduct a ~2,000 metre RC drilling programme, subject to receipt of heritage and regulatory approvals.
- **Kimberley Phosphate:** Alara applied for 5 exploration licences (E04/1855-59) in the Kimberley region of Western Australia that now forms the Kimberley Phosphate Project. A previous explorer has reported a phosphatic nodule bed at Langey Crossing in the project area. Recent dramatic price rises in phosphate have led Alara to revisit this vicinity as being a region of potential economic significance.
- **New Projects:** Alara continues to investigate prospective mineral resources in Australia, Peru, and other countries

ASX Code | **AUQ**





# SUMMARY OF EXPLORATION PROGRAMME FOR DECEMBER 2008 QUARTER

## 1. **Crucero Uranium Project (Peru)**

- (a) Commence a ~2,000 metre drilling programme within the Lituania 3 and Rosita Dos 2007 concessions to test anomalies identified from detailed ground radiometric surveying and geological mapping;
- (b) Lodge drilling permit application for the Rosita Dos 2007 concession;
- (c) Continue detailed ground radiometric surveying and associated rock sampling over high priority anomalies identified in the Lituania 3 and Rosita Dos 2007 concessions to define further drill targets.

## 2. **Mt James Uranium Project (Western Australia)**

- (a) Complete Heritage survey for a 128 hole ~2,000 metre RC drilling programme.
- (b) Complete base line radiation data collection programme prior to commencement of ground disturbance works.
- (c) Complete the proposed drilling programme, subject to receipt of heritage and regulatory approvals.

## 3. **Bigirlyi South Uranium Project (Northern Territory)**

Conduct a soil sampling programme, subject to receipt of heritage and regulatory approvals.

## 4. **Canning Well Base Metals / Uranium Project (Western Australia)**

- (a) Review the analytical results of rock chip samples collected from field verification of base metals mineralisation.
- (b) Conduct a ~2,000 metre RC drilling programme to test the base metals and manganese anomalies subject to receipt of heritage and regulatory approvals.

## 5. **Kimberley Phosphate Project (Western Australia)**

Conduct a systematic exploration programme consisting of soil sampling followed by drilling, upon the grant of the 3 tenements.

## 6. **King Sound Mineral Sands Project (Western Australia)**

Conduct extensive sampling for test work to produce and characterise the heavy minerals, upon the grant of the 4 tenements.

## 7. **Santa Rosa Uranium Project (Peru)**

Secure agreements with local communities and landowners to conduct Alara's exploration programme.

## 8. **Pampacolca Uranium Project (Peru)**

As the Company continues to focus on the high priority Crucero Project in Peru, no new work is proposed to be carried out at Pampacolca during the December quarter.

## 9. **Coasa Uranium Project (Peru)**

As the Company continues to focus on the high priority Crucero Project in Peru, no new work is proposed to be carried out at Coasa during the December quarter.

## 10. **Mt Lawrence Wells Uranium Project (Western Australia)**

As the Company continues to focus on the higher priority Mt James and Canning Well Projects in Australia, no field based exploration works are planned at Mt Lawrence Wells during the December 2008 quarter.



# COMPANY PROFILE

Alara Resources Limited (ASX Code: AUQ) is an Australian based mineral exploration and development company with a prospective portfolio of uranium, gold and mineral sands exploration projects in Peru and Australia (Northern Territory and Western Australia):

PROJECTS	LOCATION	AREA (HECTARES)
(1) Crucero Uranium	Peru	4,100
(2) Mt James Uranium	Gascoyne, Western Australia	99,861
(3) Bigryli South Uranium	Northern Territory	166,565
(4) Canning Well Base Metals/Uranium	Pilbara, Western Australia	26,400
(5) Kimberley Phosphate	Kimberley, Western Australia	132,701
(6) King Sound Mineral Sands	Kimberley, Western Australia	65,200
(7) Santa Rosa Uranium	Peru	4,400
(8) Pampacolca Uranium	Peru	4,400
(9) Coasa Uranium	Peru	9,600
(10) Mt Lawrence Wells Uranium	East Murchison, Western Australia	7,600

The Australian uranium tenements occur in the geologically prospective Ngalia Basin in the Northern Territory (**NT**) and the Gascoyne, East Pilbara and Murchison regions of Western Australia (**WA**). The Bigryli South and Mt James tenements cover areas previously identified with largely untested radiometric anomalies or are located in close proximity to uranium anomalies and/or uranium occurrences.

The Peruvian concessions encompass uranium mineralisation targets delineated through work conducted by the Peruvian Institute of Nuclear Energy (**IPEN**) and others over the past 20 years in a prospective region in southern Peru where uranium mineralisation has been previously identified. The Company's Peruvian geological team is led by a former exploration manager of IPEN.

Alara continues to investigate prospective mineral resources in Peru, Australia and other countries. This includes applying for mineral concessions, entering into joint ventures and taking options over and acquiring concessions or tenements.

The Alara Board comprises members with extensive experience in the resources sector, being **Chairman, Dr John Stephenson**, previously Exploration Director for Rio Tinto Australasia with more than 35 years experience in mineral exploration and **Managing Director, Mr H. Shanker Madan**, an experienced senior geologist with more than 30 years of world-wide experience in the exploration and evaluation of mineral deposits for various commodities and **Executive Director, Mr Farooq Khan** who has extensive experience in corporate law, the securities industry, capital markets and the executive management of ASX listed companies.

On 23 September 2008, the Company changed its name from Alara Uranium Limited to Alara Resources Limited.

Alara currently has the following securities on issue:

	Quoted	Not Quoted or Subject to Escrow	Total
Fully paid ordinary shares	56,011,285	24,496,215	80,507,500
\$0.25 (30 June 2009) Listed Options	60,367,500	-	60,367,500
\$0.55 (26 July 2012) Unlisted Employees' Options	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Executive Directors' Options	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Non-Executive Director's Options	-	900,000	900,000
\$0.35 (16 September 2013) Unlisted Employees' Options	-	1,485,000	1,485,000
<b>Total</b>	<b>116,378,785</b>	<b>43,781,215</b>	<b>160,160,000</b>

# PROJECT LOCATION

## PERUVIAN PROJECTS

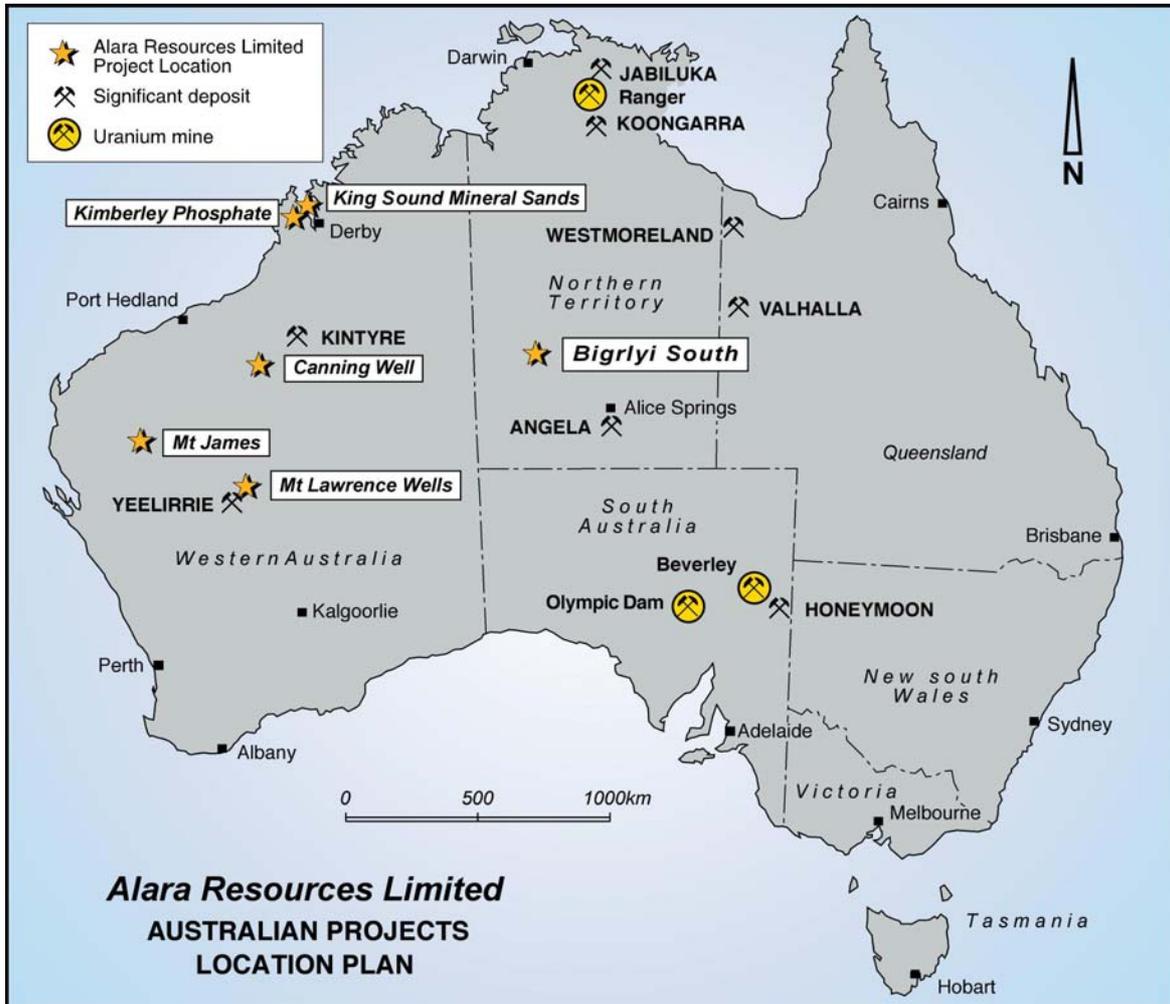
The location of Alara's uranium project areas in Peru are shown on the map below.



# PROJECT LOCATION

## AUSTRALIAN PROJECTS

The location of Alara's Australian projects in the Northern Territory and Western Australia are shown on the map below.



# COMPANY PROJECTS

## 1. CRUCERO PROJECT (PERU)

The Crucero Project comprises 5 concessions covering an area of 4,100 hectares. The concessions are located 45 kilometres southeast of the town of Crucero, in the Macusani district in southern Peru.

Alara is targeting uranium mineralisation hosted by rhyolitic ignimbrites and ash flows of the Picotani Formation of Miocene-Pliocene age. This formation hosts several occurrences of uranium in the Macusani district.

### Exploration Activities and Programme

Alara has drill permits for 20 holes in the Lituania 3 concession and accordingly, Alara has focused its exploration efforts on this concession by conducting ground radiometric surveys and geological mapping works to identify anomalies for drill testing.

A radiometric survey has been completed on the Lituania 3 concession, comprising 19 lines (with a grid of 50 x 20 metres) covering line 20 kilometres with 946 points of radiometric measurements taken (including a radiometric sweep between lines).

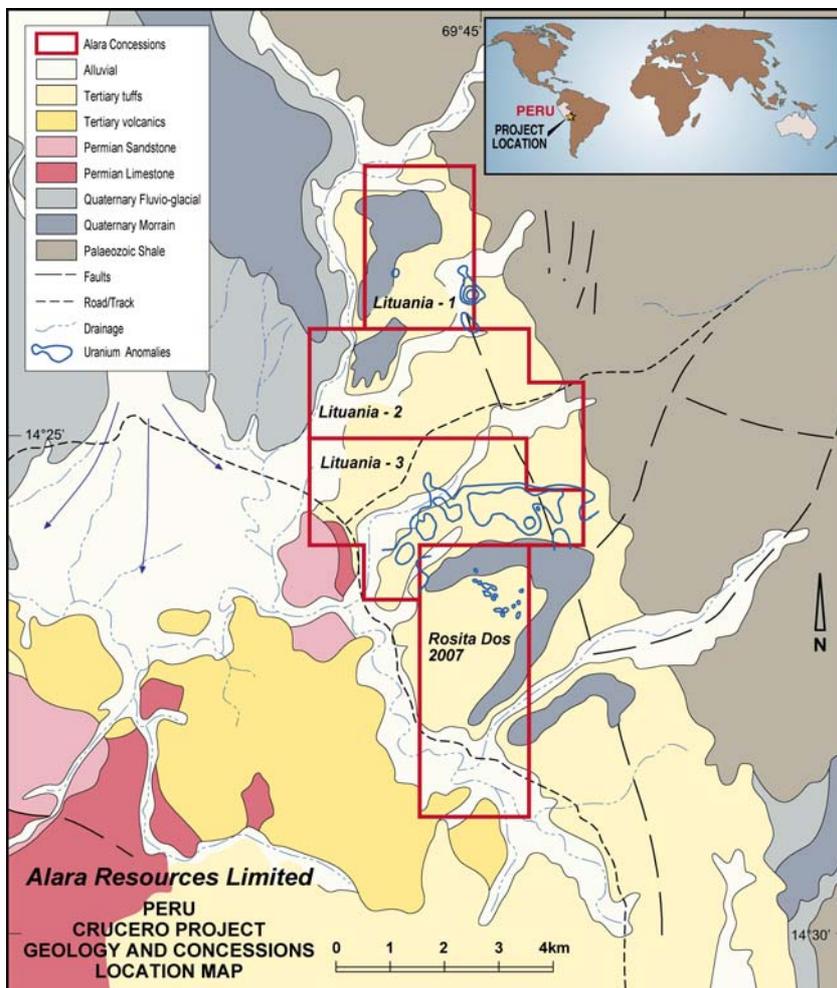
In these zones, the uranium mineralisation occurs in volcanic tuffs as disseminated autunite in sub-vertical fractures up to several centimeters wide either side of the fractures. The fractures are oriented north-south and east-west. The mineralisation is often associated with smoky quartz.

During the quarter:

- (i) The anomalous areas identified from the previous radiometric survey were grouped into zones and a more detailed radiometric survey (structural mapping of the mineralised fractures via gamma-spectrometric analysis) was completed on a 10 x 10 metre grid within each zone. Anomalies were re-contoured.
- (ii) Alara Peru continued to advance community relations activities, including the construction of a community centre.

Proposed exploration programme for the December 2008 quarter is outlined below:

- (a) Commence a ~2,000 metre drilling programme within the Lituania 3 concession to test anomalies identified from ground radiometric surveying and geological mapping;
- (b) Lodge drilling permit application for the Rosita Dos 2007 concession;
- (c) Continue detailed ground radiometric surveying and associated rock sampling over high priority anomalies identified in the Lituania 3 and Rosita Dos 2007 concessions to define further drill targets;

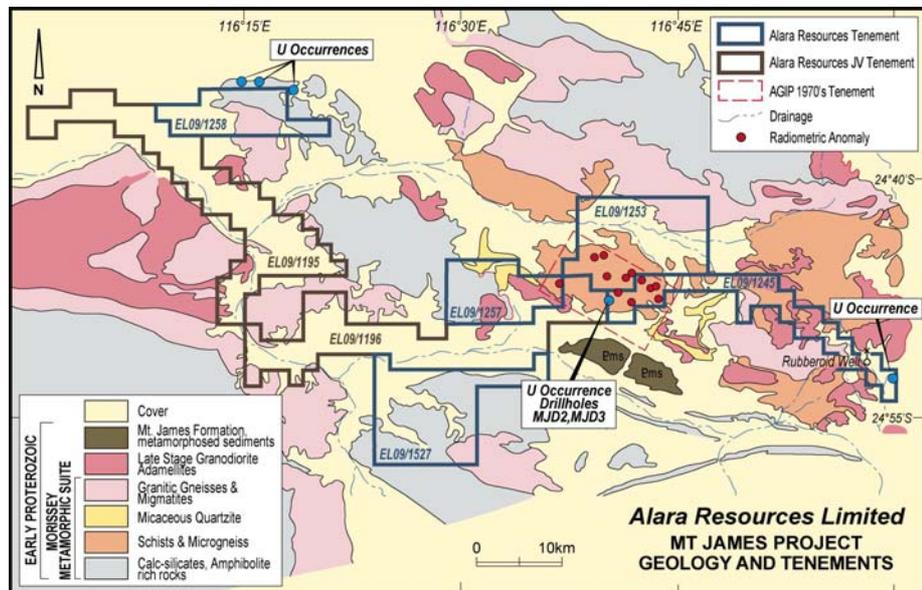


# COMPANY PROJECTS

## 2. MT JAMES (GASCOYNE, WESTERN AUSTRALIA)

Alara is exploring for uranium mineralisation using detailed structural analysis coupled with aerial and ground radiometric surveys.

The exploration focus will be on high priority radiometric anomalies selected from an airborne geophysical survey conducted during the year. In addition, known historical workings (drill holes and costeans) that encountered uranium mineralisation and the untested anomalies identified by AGIP Nucleare (Australia) Pty Ltd (AGIP), (a subsidiary of Italian multi-national energy group ENI) will be targeted.



As well as testing for primary mineralisation at depth, Alara will review the potential for mineable deposits of carnotite at shallow depths in the deeply weathered saprolite zone in the duricrust. Subject to heritage and regulatory approval, Alara proposes to commence an initial drilling programme over selected anomalies.

### Exploration Activities and Programme

During the quarter:

- (i) Geophysical interpretation of airborne radiometric and magnetic survey suggests uranium mineralisation in carnotite as targets for testing by widely-spaced drilling.
- (ii) A Programme of Work (**POW**) application was submitted to the Department of Industry and Resources (**DOIR**) for a 128 hole ~2,000 metre RC drilling programme.
- (iii) A Heritage Working Group Committee was convened and has approved the proposed drilling programme.
- (iv) Initiated a programme for the collection of base line radiation data with the installation of continuous radon monitors.

Proposed exploration programme for the December 2008 quarter is outlined below:

- (a) Complete Heritage survey for the proposed 128 hole ~2,000 metre RC drilling programme.
- (b) Complete base line radiation data collection programme prior to commencement of ground disturbance works.
- (c) Complete the proposed drilling programme, subject to receipt of heritage and regulatory approvals.

# COMPANY PROJECTS

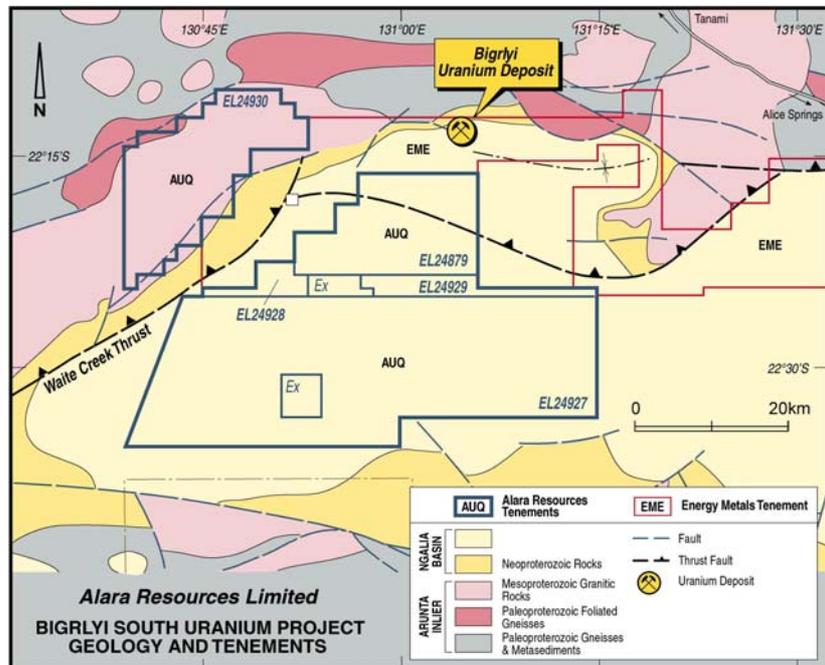
## 3. BIGRLYI SOUTH (NORTHERN TERRITORY)

This project comprises 5 exploration tenements (with a total area of approximately 1,666 square kilometres) located principally in the northern part of the Ngalia Basin in the Northern Territory (located approximately 390 kilometres north-west of Alice Springs).

Alara has completed an aerial radiometric and magnetic survey in EL24879, EL24928, EL24929 and EL24930.

Results indicate that the Southwark Granite Suite has a strong radiometric signature in all channels. These are “hot” granites and are good source rocks for sedimentary uranium deposits – as in the Bigrlyi deposit. Field verification of the radiometric anomalies within EL24879, EL24928 and EL24929 identified several uranium anomalies coinciding with the outcropping Mt Eclipse Sandstone unit (host to the Bigrlyi deposit).

The majority of the other anomalies were located within predominantly sand covered terrain.



### Exploration Activities and Programme

During the quarter:

- (i) Submitted a Mine Management Plan to the Central Land Council (CLC) seeking heritage approval to conduct a drilling programme of selected anomalous targets. Negotiations with the CLC are on-going.
- (ii) Preliminary geochemical assessment on a soil sampling programme.

Proposed exploration programme for the December 2008 quarter is outlined below:

- (a) Conduct a soil sampling programme, subject to receipt of heritage and regulatory approvals.

# COMPANY PROJECTS

## 4. CANNING WELL (PILBARA, WESTERN AUSTRALIA)

The project area is located approximately 80 kilometres west of the Kintyre uranium deposit and covers approximately 20 kilometres of the north-south trending Canning Fault and associated splay and intersecting faults which bring together rocks of the Archaean Fortescue Group in juxtaposition with Proterozoic rocks of the Manganese Groups, the Tacunyah Group, the Yeneena Supergroup and the Savory Group.

Alara is exploring for uranium, gold, copper and base metal mineralisation within the project tenements.

A mag/lag sampling programme targeting gold and copper anomalies has been completed and analysis highlights include 52ppb Au, 16.2ppb Au, 1690ppm Pb, 580ppm Zn, 98ppm Cu and 9.6% Mn.

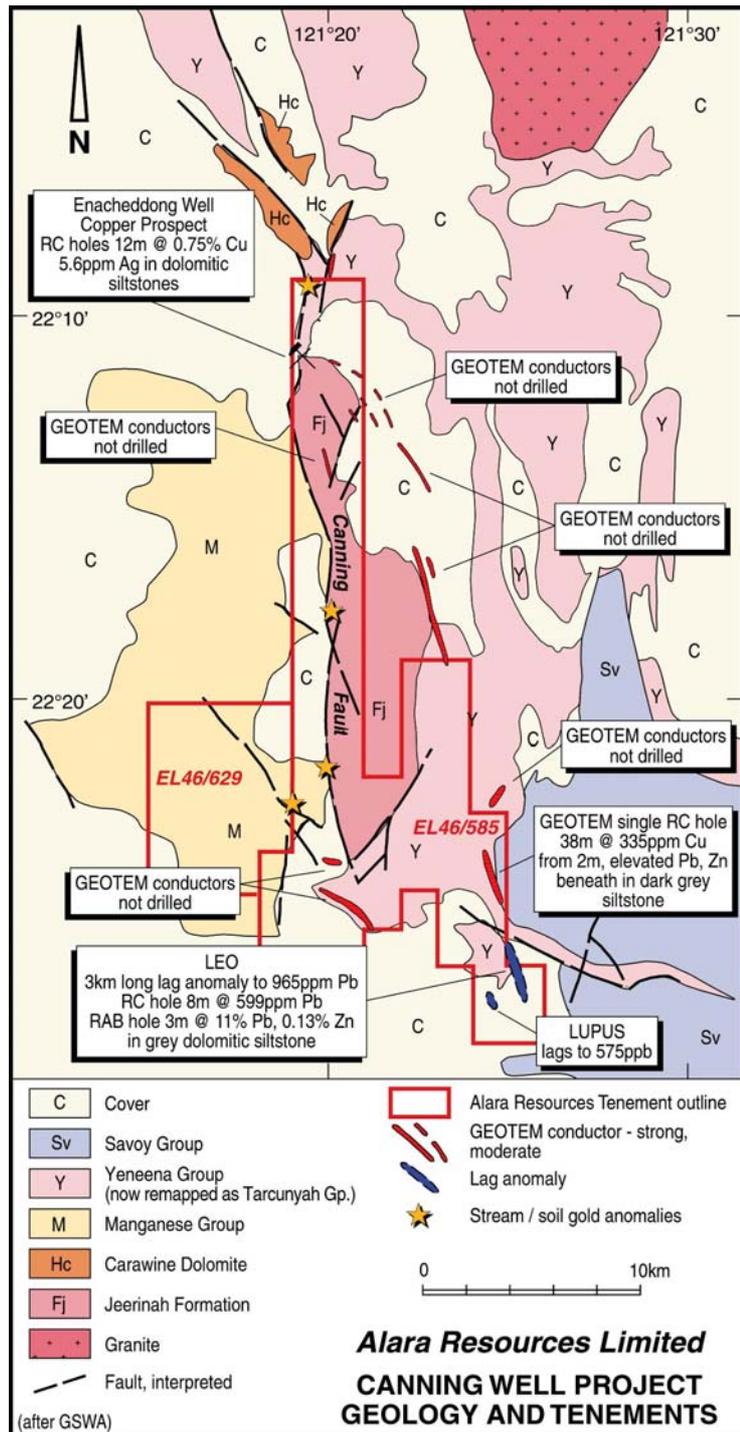
### Exploration Programme

During the quarter:

- (i) Completed a third mag/lag sampling programme comprising the collection of an additional 190 samples to complement the 2,143 samples previously collected.
- (ii) The mag/lag soil sample data were evaluated by a geochemical consultant who identified high priority 1.2 x 0.5km base metals target zone as well as high priority Manganese anomalies traced over 3.5km.
- (iii) Conducted field verification of these anomalies and rock chip samples collected have been sent for analysis.
- (iv) A Programme of Works application for a proposed ~2,000 metre RC drilling programme (to test the anomalies) has been submitted to DOIR.
- (v) Heritage consultations have been initiated to seek all necessary approvals.

Proposed exploration programme for the December 2008 quarter is outlined below:

- (a) Review the analytical results of rock chip samples collected from field verification of base metals mineralisation.
- (b) Conduct a ~2,000 metre RC drilling programme (to test the base metals and manganese anomalies), subject to receipt of heritage and regulatory approvals.



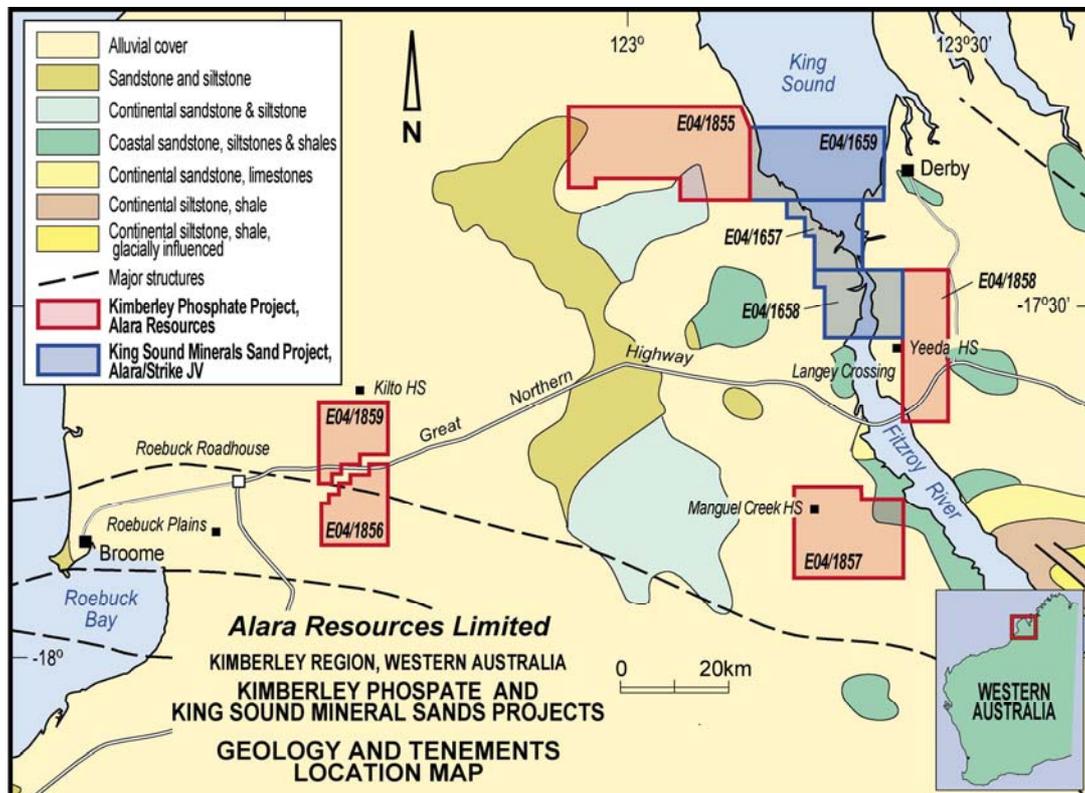
# COMPANY PROJECTS

## 5. KIMBERLEY PHOSPHATE PROJECT (KIMBERLEY, WESTERN AUSTRALIA)

Alara has identified areas of the West Kimberley region of Western Australia as being favourable geological environments where economic concentrations of phosphate may occur. Alara has recently applied for 5 exploration licences (E04/1855-59) that now form the Kimberley Phosphate Project. Within Alara's E04/1859 tenement application, the Geological Survey of Western Australia reports on WAPET Barlee bore that a 10 metre interval of the Jarlemai Siltstone intersected an elevated interval of P<sub>2</sub>O<sub>5</sub> averaging 5.7% P<sub>2</sub>O<sub>5</sub>.

A previous explorer in 1967, Mines Exploration Pty Ltd, reported a phosphatic nodule bed at Langey Crossing. Recent dramatic price rises in phosphate have led Alara to revisit this vicinity as being a region of potential economic significance.

Alara intends to conduct a systematic exploration programme consisting of soil sampling followed by drilling, upon the grant of these tenements.



## 6. KING SOUND MINERAL SANDS PROJECT (KIMBERLEY, WESTERN AUSTRALIA)

Alara has through a joint venture (JV) with ASX listed Strike Resources Limited (Strike) a 70% interest in the King Sound Mineral Sands Project, currently comprising three tenement applications covering a total area of 652 square kilometres, located approximately 10 kilometres west of the port town of Derby in the West Kimberley region of Western Australia.

The JV has identified the King Sound area as being prospective for the accumulation of heavy minerals, such as zircon, rutile and ilmenite.

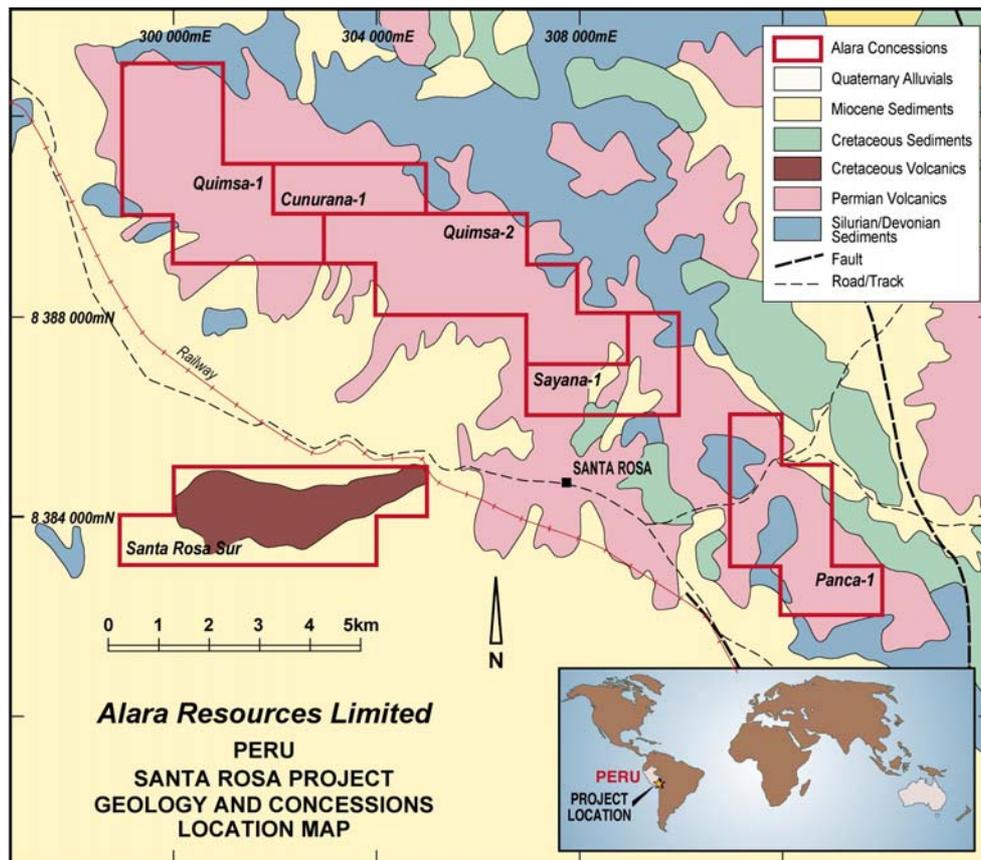
Alara intends to conduct extensive sampling for test work to produce and characterise the heavy minerals, upon the grant of these tenements. This will determine an effective processing pathway and development of a flow sheet as part of an overall scoping study on the feasibility of the project.

# COMPANY PROJECTS

## 7. SANTA ROSA PROJECT (PERU)

The Santa Rosa Project comprises 6 concessions covering an area of 4,400 hectares. The concessions are located between 2 and 5 kilometres north-west of the town of Santa Rosa, in the Macusani district of southern Peru.

Rhyolitic lava flows of the Permian Mitu Group lie adjacent to an unconformity with Lower Paleozoic schist. The lavas are the main targets for uranium mineralisation. Large geochemical anomalies of over 1500ppm uranium have been reported by IPEN from chip samples adjacent to the unconformity in the region.



### Exploration Activities and Programme

Alara has completed a reconnaissance survey and commenced negotiations with local communities to secure approvals to conduct further exploration on the concessions.

During the quarter:

- (i) Continued community relations process.

Proposed exploration programme for the December 2008 quarter is outlined below:

- (a) Secure agreements with local communities and landowners to conduct Alara's exploration programme.

# COMPANY PROJECTS

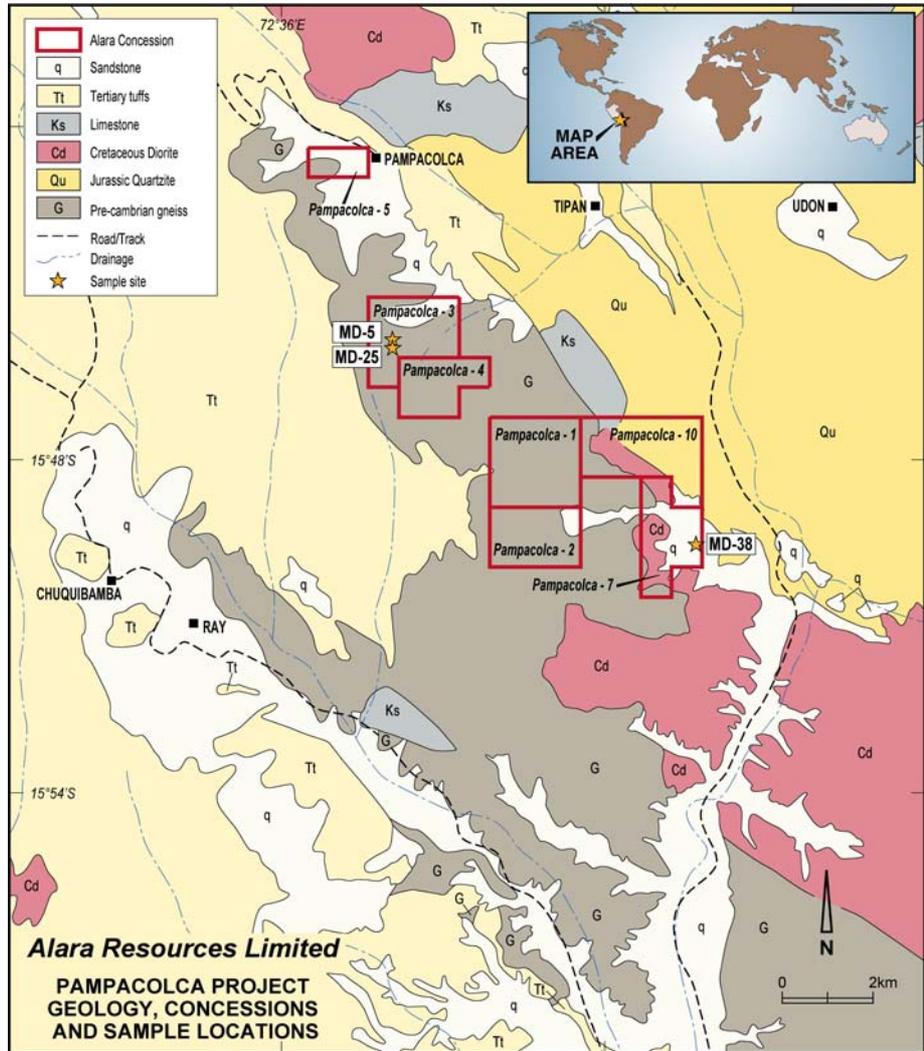
## 8. PAMPACOLCA PROJECT (PERU)

The Pampacolca Project comprises 7 concessions covering an area of approximately 4,400 hectares. The concessions are situated approximately 4 to 12 kilometres south of the town of Pampacolca, which is located approximately 136 kilometres northwest of the city of Arequipa in southern Peru.

The Pampacolca Project comprises structurally controlled occurrences of uranium, tantalum and rare earths in pegmatite veins and dykes hosted by quartz-muscovite-feldspar schist. These occurrences lie within Pre-Cambrian gneissic terrain with known tantalum mineralisation.

Alara has completed a sampling and ground radiometric surveying programme of anomalous areas identified as being prospective for uranium mineralisation.

Analytical results are pending.



### Exploration Activities and Programme

No field based exploration works were conducted during the quarter.

As Alara continues to focus on the high priority Crucero project, no new work is proposed to be carried out at Pampacolca during the December quarter.

# COMPANY PROJECTS

## 9. COASA PROJECT (PERU)

The Coasa Project comprises 11 concessions covering an area of 9,600 hectares. The concessions are centred on the town of Coasa, located in the Macusani district in southern Peru.

The target is pegmatite veins and dykes. Historic IPEN data indicate anomalies up to 1900ppm uranium within the project area.

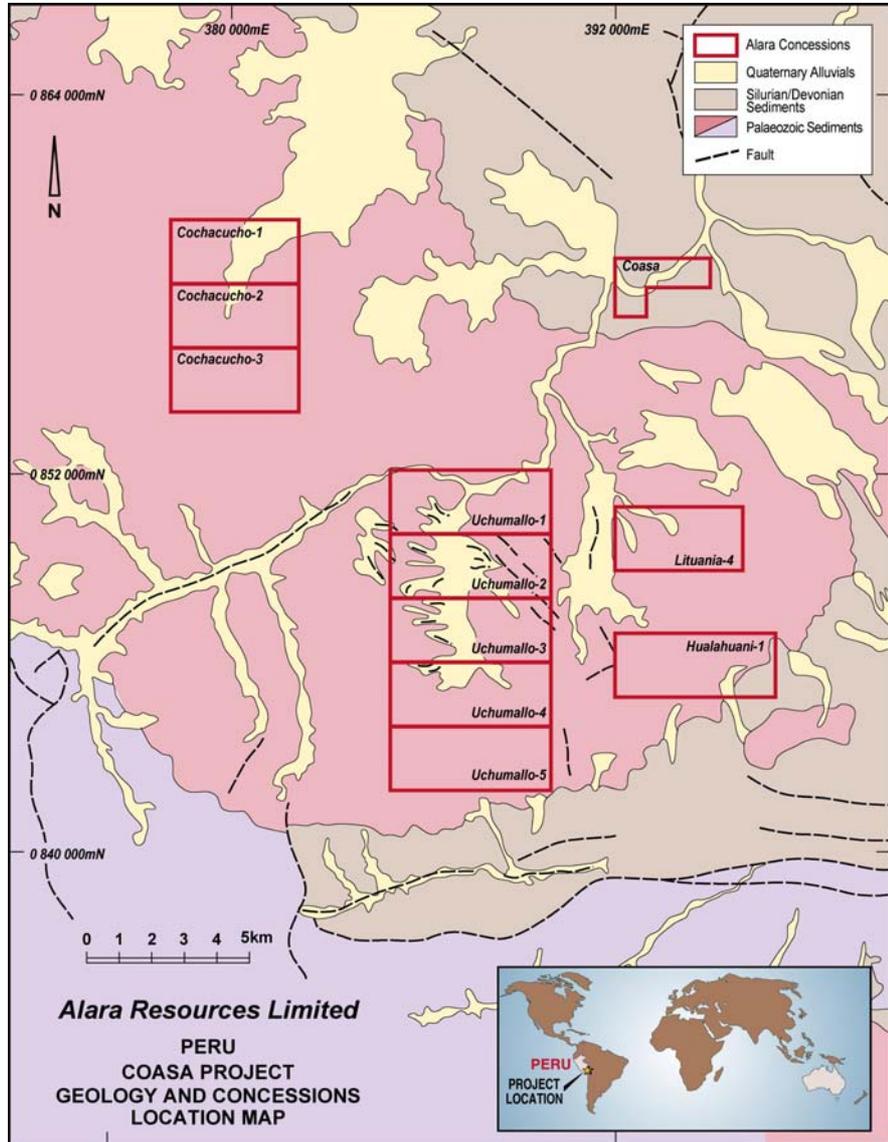
Reconnaissance mapping and sampling has identified pegmatitic zones of several metres width with 2 rock chip samples returning 500ppm and 470ppm uranium.

Alara has completed an Aster interpretation over the project area and the data are currently being reviewed and assessed to identify priority targets for detailed exploration.

### Exploration Activities and Programme

A review of the Aster data was put on hold as the Company continued to focus on the high priority target at Crucero.

No field based exploration works were conducted during the quarter.



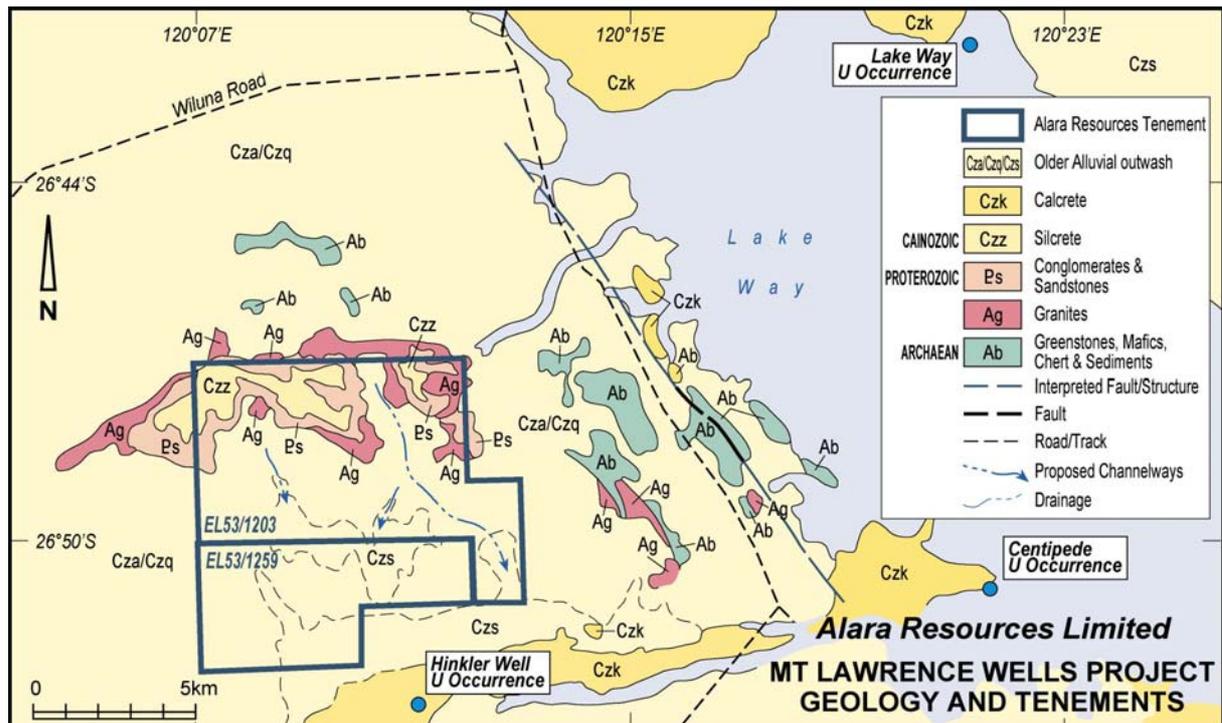
No new work is proposed to be carried out at Coasa during the December quarter.

# COMPANY PROJECTS

## 10. MT LAWRENCE WELLS (EAST MURCHISON, WESTERN AUSTRALIA)

The project tenements are located 25 kilometres south of Wiluna and north of a palaeo drainage that hosts the Hinkler Well, Centipede and Millipede uranium prospects.

Alara's main focus is to target the calcrete palaeo-channel hosting the Hinkler Well uranium occurrence to determine whether the uranium mineralisation extends upstream from the palaeo-drainage into Alara's tenements.



### Exploration Activities and Programme

As the Company continues to focus on the higher priority Mt James and Canning Well Projects in Australia, no field based exploration works were conducted at Mt Lawrence Wells during the quarter.

Exploration Licence EL 53/1115 (in which Alara had an 85% interest) was relinquished to the original vendor for surrender.

No exploration is planned for this project during the December 2008 quarter.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



# CORPORATE

## Cash Position

The Company's cash (and investments in listed securities) position as at 30 September 2008 was \$8.34 million.

The Company's cash (and investments in listed securities) position as at 31 October 2008 is \$8.15 million.

## Conversion of Listed Options (ASX Code: AUQO)

During the quarter ending 30 September 2008, no listed \$0.25 (30 June 2009) options were exercised and converted into shares.

## General Meeting on 17 September 2008

Shareholders approved all resolutions at a general meeting held on 17 September 2008<sup>1</sup> to consider the following matters:

- (1) Approval for a change of company name and modification of Constitution (to reflect the change of name) from "Alara Uranium Limited" to "Alara Resources Limited". The change of name became effective on 23 September 2008.
- (2) Approval for the Company to enter into an updated directors' deed with the three directors of the Company.
- (3) Approval for the issue of 900,000 options to Non-Executive Chairman, Dr John Stephenson. Each option will entitle the holder to subscribe for one ordinary share in the Company at an exercise price of \$0.35; each option is exercisable at any time on or before 5 years from the date of issue (subject to 25% of the options vesting at 12 months after the date of issue). These options were granted on 17 September 2008.
- (4) Approval for the issue of 8,200,000 options to each of Mr Shanker Madan (Managing Director) and Mr Farooq Khan (Executive Director). Each option will entitle the holder to subscribe for one ordinary share (each with one free attaching option issued on the same terms other than a free attaching option and vesting period) in the Company at an exercise price of \$0.35; each option is exercisable at any time on or before 5 years from the date of issue (subject to 25% of the options vesting at 12 months after the date of issue). These options were granted on 17 September 2008.
- (5) Approval for the issue of 1,735,000 options to seven employees of the Company. Each option will entitle the holder to subscribe for one ordinary share in the Company at an exercise price of \$0.35; each option is exercisable at any time on or before 5 years from the date of issue (subject to 50%, 25% and 25% of the options vesting at 6, 12 and 18 months after the date of issue, respectively). 1,485,000 options were granted on 17 September 2008. 250,000 options were not granted to one employee, who had given notice of resignation prior to the general meeting.

The terms and conditions of the above option issues to employees and directors and the directors' deed are set out in the Explanatory Statement accompanying the [Notice of Meeting dated 18 August 2008](#) and released on ASX on 19 August 2008 and in an ASX [Appendix 3B New Issue Announcement lodged on 24 September 2008](#).

---

<sup>1</sup> Refer ASX market announcement dated [17 September 2008](#) and entitled "Results of General Meeting"



# AUSTRALIAN TENEMENTS

Project	Status	Tenement	Grant / Application Date	Expiry Date	Area (Blocks)	Area (km <sup>2</sup> )	Area (hectares)	Location / Property Name	State	Company's Interest
Bigrlyi South	Granted	EL 24879	15/08/06	14/08/12	82	260.5	26,050	Mount Doreen	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Application	EL 24927	12/09/05	N/A	338	998.7	99,870	Haasts Bluff	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Granted	EL 24928	24/08/06	23/08/12	15	34.95	3,495	Mount Doreen	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Granted	EL 24929	24/08/06	23/08/12	26	56.8	5,680	Mount Doreen	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Granted	EL 24930	24/08/06	23/08/12	99	314.7	31,470	Mount Doreen	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
Mt James	Granted	EL 09/1195	28/03/06	27/03/11	70	TBD	21,784.43	Mt James	WA	Right to earn up to a 60% interest (from Epsilon Energy Limited)
	Granted	EL 09/1196	28/03/06	27/03/11	70	TBD	21,757.06	Mt James	WA	Right to earn up to a 60% interest (from Epsilon Energy Limited)
	Application	E09/1527	28/04/08	N/A	49	152	15,220	Mt James	WA	100% held by Alara Operations Pty Ltd
	Granted	E 09/1253	29/06/06	28/06/11	49	147	14,700	Mt James	WA	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Granted	E 09/1245	23/03/07	22/03/11	35	105	10,500	Rubberoid Well	WA	70% held by Alara Operations Pty Ltd (30% retained by Uranium Oil & Gas Limited/Helen Mary Ansell)
	Granted	E 09/1257	28/06/06	27/06/11	27	81	8,100	Injinu Hills	WA	100% held by Alara Operations Pty Ltd
	Granted	E 09/1258	29/09/06	28/09/11	26	78	7,800	Mortimer Hills	WA	100% held by Alara Operations Pty Ltd
Mt Lawrence Wells	Granted	E 53/1259	02/03/07	01/03/12	8	24	2,400	Millgool Camp	WA	100% held by Alara Operations Pty Ltd
	Granted	E 53/1203	02/08/06	01/08/11	17	52	5,200	Mt Wilkinson	WA	100% held by Alara Operations Pty Ltd
Canning Well	Granted	E 46/629	02/08/05	01/08/10	19	57	5,700	Canning Well	WA	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Application	E 46/585	17/10/03	N/A	69	207	20,700	Canning Well	WA	Right to earn 85% (excluding all manganese mineral rights) (63.75% held by Alara Operations Pty Ltd and 21.25% held by Hume Mining NL)
King Sound Mineral Sands	Application	E 04/1657	26/02/07	N/A	43	141	14,100	King Sound	WA	Right to earn 70% (100% held by Strike Resources Limited)
	Application	E 04/1658	26/02/07	N/A	58	190	19,000	King Sound	WA	Right to earn 70% (100% held by Strike Resources Limited)
	Application	E 04/1659	26/02/07	N/A	98	321	32,100	King Sound	WA	Right to earn 70% (100% held by Strike Resources Limited)
Kimberley Phosphate	Application	E 04/1855	14/08/08	N/A	150	490	48,992	Kimberley	WA	100% held by Alara Operations Pty Ltd
	Application	E 04/1856	14/08/08	N/A	45	146	14,649	Kimberley	WA	100% held by Alara Operations Pty Ltd
	Application	E 04/1857	14/08/08	N/A	95	309	30,922	Kimberley	WA	100% held by Alara Operations Pty Ltd
	Application	E 04/1858	14/08/08	N/A	75	245	24,456	Kimberley	WA	100% held by Alara Operations Pty Ltd
	Application	E 04/1859	14/08/08	N/A	42	137	13,682	Kimberley	WA	100% held by Alara Operations Pty Ltd



# PERUVIAN CONCESSIONS

## Crucero Project (4,100 hectares):

Concession	Code	Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Lituania 1	01-02481-07	31 July 2007	600	29-X	Crucero	Carabaya	Puno
Lituania 2	01-02482-07	10 September 2007	1000	29-X	Crucero	Carabaya	Puno
Lituania 3	01-02483-07	25 September 2007	1000	29-X	Crucero	Carabaya	Puno
Lituania 8	10029708	27 June 2008	500	29-X	Putina	Sn. Antonio de Putina	Puno
Rosita Dos 2007*	01-00306-07	TBA	1000	29-X	Crucero	Carabaya	Puno

\* 100% of uranium rights and vanadium, phosphates, and other radioactive mineral rights associated with uranium production

## Santa Rosa Project (4,400 hectares):

Concession	Code	Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Sayana 1	01-02465-07	5 September 2007	400	30-U	Santa Rosa	Melgar	Puno
Quimsa 1	01-02480-07	7 September 2007	1000	30-U	Santa Rosa	Melgar	Puno
Quimsa 2	01-02460-07	9 August 2007	1000	30-U	Santa Rosa	Melgar	Puno
Cunurana 1	01-02451-07	7 September 2007	300	30-U	Santa Rosa	Melgar	Puno
Panca 1	01-02479-07	5 September 2007	700	30-U	Santa Rosa	Melgar	Puno
Santa Rosa Sur	01-03647-07	Application Pending	1,000	30-U	Santa Rosa, Macarí	Melgar	Puno

## Pampacolca Project (4,400 hectares):

Concession	Code	Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Pampacolca 1	01-01084-07	Application Pending	900	32Q	Pampacolca / Tipan Aplao	Castilla	Arequipa
Pampacolca 2	01-01085-07	28 May 2008	600	32Q	Aplao / Iray	Castilla / Condesuyos	Arequipa
Pampacolca 3	01-01852-07	18 July 2008	700	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 4	01-01851-07	9 August 2007	500	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 5	01-03649-07	12 May 2008	200	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 7	01-04637-07	Application Pending	600	32Q	Aplao	Castilla	Arequipa
Pampacolca 10	01-06361-07	Application Pending	900	32Q	Aplao	Castilla	Arequipa

## Coasa Project (9,600 hectares):

Concession	Code	Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Cochacucho 1	01-02461-07	5 September 2007	800	28-V	Ituata/Coasa	Carabaya	Puno
Cochacucho 2	01-02463-07	31 July 2007	800	28-V	Coasa/Ituata	Carabaya	Puno
Cochacucho 3	01-02463-07	31 July 2007	800	28-V	Ituata/Coasa	Carabaya	Puno
Umachullo 1	01-02449-07	31 July 2007	1000	29-V	Coasa	Carabaya	Puno
Umachullo 2	01-02450-07	14 August 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 3	01-02445-07	14 August 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 4	01-02447-07	31 July 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 5	01-02446-07	6 September 2007	1000	29-V	Coasa / Usicayos	Carabaya	Puno
Coasa 1	01-02464-07	31 July 2007	400	28-X	Coasa	Carabaya	Puno
Lituania 4	01-02484-07	5 September 2007	800	29-X	Coasa	Carabaya	Puno
Hualahuani 1	01-02448-07	10 September 2007	1000	29-X	Usicayos / Coasa	Carabaya	Puno

# SECURITIES INFORMATION

as at 31 October 2008



## ISSUED SECURITIES

	Quoted	Not Quoted or Subject to Escrow	Total
Fully paid ordinary shares	56,011,285	24,496,215 <sup>2</sup>	80,507,500
\$0.25 (30 June 2009) Listed Options <sup>3</sup>	60,367,500	-	60,367,500
\$0.55 (27 July 2012) Unlisted Directors' Options <sup>4</sup>	-	18,550,000	18,550,000
\$0.55 (27 July 2012) Unlisted Employees' Options <sup>3</sup>	-	1,425,000	1,425,000
<b>Total</b>	<b>116,378,785</b>	<b>44,471,215</b>	<b>160,850,000</b>

## SUMMARY OF UNLISTED DIRECTORS' AND EMPLOYEE OPTIONS

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria <sup>5</sup>	No. of Options
27 July 2007	\$0.55 (27 July 2012) Employees' Options	\$0.55	26 July 2012	1/3 <sup>rd</sup> on 27 January 2008, 1/3 <sup>rd</sup> on 27 July 2008 and 1/3 <sup>rd</sup> on 27 January 2009	500,000
17 September 2008	\$0.35 (16 September 2013) Unlisted Executive Directors' Options	\$0.35	16 September 2013	75% on grant and 25% on 17 September 2009	16,400,000
17 September 2008	\$0.35 (16 September 2013) Unlisted Non-Executive Director's Options	\$0.35	16 September 2013	75% on grant and 25% on 17 September 2009	900,000
17 September 2008	\$0.35 (16 September 2013) Unlisted Employees' Options	\$0.35	16 September 2013	50% on 17 March 2009, 25% on 17 September 2009 and 25% on 17 March 2010	1,485,000

2 Escrowed shares comprise:

- (i) 4,488,750 shares held by related parties and promoters (founding shareholders) escrowed until 24 May 2009;
- (ii) 12,750,000 vendor shares issued to Strike Resources Limited pursuant to settlement of the Strike Uranium and Peru Sale Agreements, as defined in the IPO Prospectus, escrowed until 24 May 2009;
- (iii) 1,007,465 (formerly vendor shares issued to Strike Resources Limited pursuant to settlement of the Strike Uranium and Peru Sale Agreements, as defined in the IPO Prospectus) distributed in specie under a capital return effected by Strike Resources Limited on 13 December 2007 to various related parties and promoters of Strike Resources Limited and Alara Uranium Limited (and their associates), escrowed until 24 May 2009; and
- (iv) 6,250,000 vendor shares issued to Orion Equities Limited pursuant to settlement of the Hume Sale Agreement, as defined in the IPO Prospectus, escrowed until 24 May 2009.

3 Terms and conditions of \$0.25 (30 June 2009) listed options are set out in a [Rights Issue Options Prospectus dated 3 September 2007](#) and in an [ASX Appendix 3B New Issue Announcement lodged on 3 September 2007](#)

4 Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 21 June 2007](#) for a General Meeting held on 7 July 2007 and in an [ASX Appendix 3B New Issue Announcement lodged on 3 August 2007](#)

5 Options which have vested may be exercised at any time thereafter, up to their expiry date

# SECURITIES INFORMATION

as at 31 October 2008



## DISTRIBUTION OF LISTED AND UNLISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	1,589	732,459	0.910
1,001	-	5,000	544	1,309,305	1.626
5,001	-	10,000	412	3,495,226	4.341
10,001	-	100,000	549	17,115,694	21.260
100,001	-	and over	100	57,854,816	71.863
<b>Total</b>			<b>3,194</b>	<b>80,507,500</b>	<b>100.000%</b>

## TOP 20 LISTED AND UNLISTED ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Shares	% Issued Capital
1	STRIKE RESOURCES LIMITED	12,750,000	15.837
2	ORION EQUITIES LIMITED	9,332,744	11.592
3	BRW CONSULTING SERVICES PTY LTD	219,269	
	KATANA EQUITY PTY LTD	1,681,263	
	LISA SHALLARD AND LINDA SALA TENNA	2,824,144	
	CLASSIC CAPITAL PTY LTD	1,287,304	
	KB33 CAPITAL PTY LTD	200,000	
	Sub-total	6,211,980	7.772
4	DATABASE SYSTEMS LIMITED	2,712,021	3.369
5	NATIONAL NOMINEES LIMITED	2,264,709	2.813
6	ANZ NOMINEES LIMITED	1,724,236	2.142
7	RAMSA PTY LTD <BAILEY SUPERFUND A/C>	1,071,925	1.331
8	BLUE CRYSTAL PTY LTD	829,751	1.031
9	MS ROSANNA DE CAMPO	800,000	0.994
10	CITYSIDE INVESTMENTS PTY LTD	727,210	0.903
11	MANNHEIM INVESTMENTS PTY LTD	725,000	0.901
12	RENMUIR HOLDINGS LIMITED	668,402	0.830
13	HSBC CUSTODY NOMINEES	664,938	0.826
14	TWINLAND HOLDINGS PTY LTD	631,024	0.784
15	CHARLES FOTI CORPORATION PTY LTD <CHARLES FOTI CORPORATION A/C>	625,000	0.776
16	S JONES & R JONES & C JONES <THE SCOPA FAMILY ACCOUNT>	603,708	0.750
17	ZHIVAN PTY LTD	566,814	0.704
18	MR BRIAN PETER BYASS	518,537	0.644
19	MISS HEI YE LAM	410,000	0.509
20	MIDAS INVESTMENTS (WA) PTY LTD	356,600	0.443
<b>Total</b>		<b>44,194,599</b>	<b>54.951</b>

# SECURITIES INFORMATION

as at 31 October 2008



## DISTRIBUTION OF LISTED \$0.25 (30 JUNE 2009) OPTIONS

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	4	2,045	0.003
1,001	-	5,000	51	151,963	0.252
5,001	-	10,000	370	2,325,971	3.853
10,001	-	100,000	282	9,038,803	14.973
100,001	-	and over	53	48,848,718	80.919
<b>Total</b>			<b>760</b>	<b>60,367,500</b>	<b>100.000%</b>

## TOP 20 LISTED \$0.25 (30 JUNE 2009) OPTIONS

Rank	Optionholder	Total Options	% Total Options On Issue
1	STRIKE RESOURCES LIMITED	21,562,500	35.719
2	ORION EQUITIES LIMITED	9,131,205	15.126
3	RENMUIR HOLDINGS LIMITED	3,200,475	5.302
4	BRW CONSULTING SERVICES PTY LTD	157,500	
	KATANA EQUITY PTD LTD	423,600	
	LISA SHALLARD AND LINDA SALA TENNA	1,626,000	
	CLASSIC CAPITAL PTY LTD	750,000	
	KB33 CAPITAL PTY LTD	105,000	
	Sub-total	2,312,400	0.838
5	M & K KORKIDAS PTY LTD <SUPERANNUATION A/C>	1,200,400	1.988
6	DATABASE SYSTEMS LIMITED	730,430	1.210
7	MS ROSANNA DE CAMPO	600,000	0.994
8	CITYSIDE INVESTMENTS PTY LTD	506,250	0.839
9	MS SUE LYNN WONG	426,000	0.497
10	ANZ NOMINEES LIMITED	416,400	0.690
11	CHARLES FOTI CORPORATION PTY	393,750	0.652
12	BLUE CRYSTAL PTY LTD	375,000	0.621
13	MR BRIAN PETER BYASS	375,000	0.621
14	MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	363,500	0.602
15	TWINLAND HOLDINGS PTY LTD	360,767	0.598
16	MR KIERAN ARNOLD	300,000	0.497
17	EZR SYSTEMS PTY LTD	270,625	0.448
18	MRS JOANNE JOHNSON	267,500	0.443
19	MIDAS INVESTMENTS (WA) PTY LTD	265,960	0.441
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	250,833	0.416
<b>Total</b>		<b>43,308,995</b>	<b>68.542</b>

## Appendix 5B

### Mining Exploration Entity Quarterly Report

Name of entity

**Alara Resources Limited and controlled entities**

ACN or ARBN

**122 892 719**

Quarter Ended

**30 September 2008**

#### Consolidated statement of cash flows

	Consolidated	
	Current Quarter Sep 2008 \$' 000	Year to Date 3 months \$' 000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	<b>(398)</b>	<b>(398)</b>
(b) development	-	-
(c) production	-	-
(d) administration	<b>(168)</b>	<b>(168)</b>
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	<b>158</b>	<b>158</b>
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	<b>(25)</b>	<b>(25)</b>
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(433)</b>	<b>(433)</b>

	<b>Consolidated</b>	
	Current Quarter Sep 2008 \$' 000	Year to Date 3 months \$' 000
1.8 Net operating cash flows (carried forward)	<b>(433)</b>	<b>(433)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	<b>(447)</b>	<b>(447)</b>
(c) other fixed assets	<b>(18)</b>	<b>(18)</b>
	-	-
1.10 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(465)</b>	<b>(465)</b>
1.14 <b>Total operating and investing cash flows</b>	<b>(898)</b>	<b>(898)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(898)</b>	<b>(898)</b>
1.21 Cash at beginning of quarter/year to date	<b>9,239</b>	<b>9,239</b>
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>8,341</b>	<b>8,341</b>

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the  
related entities**

		Current Quarter Sep 2008 \$' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	(77)
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

\$77,185 - Directors' fees, salaries and superannuation for the quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

**Financing facilities available**

		Amount available \$' 000	Amount used \$' 000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

<b>Estimated cash outflows for next quarter</b>		Next Quarter \$' 000
4.1	Exploration and evaluation	<b>(533)</b>
4.2	Development	-
<b>Total</b>		<b>(533)</b>

<b>Reconciliation of cash</b>		<b>Consolidated</b>	
Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows		Current Quarter \$' 000	Previous Quarter \$' 000
5.1	Cash on hand and at bank	<b>741</b>	<b>539</b>
5.2	Deposits at call	<b>7,600</b>	<b>8,700</b>
5.3	Bank overdraft	-	-
5.4	Other (Bank Bills)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>8,341</b>	<b>9,239</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to Quarterly Activities Report		
6.2	Interests in mining tenements acquired or increased	Refer to Quarterly Activities Report		

## Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (see note 5) (cents)	Amount paid up per security (see note 5)
7.1 Preference securities+				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities+	80,507,500	56,011,285	25 cents	25 cents
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities+				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Listed AUQO \$0.25 (30 June 2009) Options	60,367,500	60,367,500	25 cents	30 June 2009
Unlisted \$0.55 (26 July 2012) Employees' Options	500,000	-	55 cents	26 July 2012
7.8 Issued during quarter				
2013) Executive Directors' Options	16,400,000	-	35 cents	16 September 2013
2013) Non-Executive Director's Options	900,000	-	35 cents	16 September 2013
Unlisted \$0.35 (26 July 2012) Employees' Options	1,485,000	-	35 cents	16 September 2013
7.9 Exercised during quarter		-	-	-
7.10 Cancelled during quarter				
Unlisted \$0.55 (26 July 2012) Directors' Options	18,550,000	-	55 cents	26 July 2012
Unlisted \$0.55 (26 July 2012) Employees' Options	1,425,000	-	55 cents	26 July 2012
7.11 Debentures (totals only)				
7.12 Unsecured notes				

## Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement **does** give a true and fair view of the matters disclosed.



**Victor Ho**  
Company Secretary

31 October 2008

+ See Chapter 19 for defined terms

## NOTES

- 1) The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note
- 2) The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent
- 3) Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4) The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5) Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6) The Company currently holds listed securities with a market value of \$250,000 as at 31 October 2008.

Share investments are regarded as liquid assets to supplement the Company's cash reserves.