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ASX/MEDIA RELEASE

Monday, 10 November 2014

LAPSE OF UNLISTED OPTIONS - CORRECTED

This is an updated replacement announcement to the version dated 7 November 2014 to correct typographical errors in the description of the class of lapsed options and a class of existing options.

Perth: Alara Resources Limited (ASX: AUQ) (**Alara**) advises that the following unlisted options have recently lapsed:

№ of Lapsed Options	Date of Lapse	Description of Lapsed Options	Exercise Price	Date of Issue	Original Expiry Date
10,000,000	1 November 2014[1]	$0.15 (15 January 2016) Unlisted Director's Options[2]	$0.15	16 January 2014	15 January 2016

The Company confirms the current total securities on issue as follows:

Class of Security	Listed Shares	Unlisted Options	Total
Fully paid ordinary shares	242,007,500	-	242,007,500
$0.35 (22 August 2015) Unlisted Options[3]	-	400,000	400,000
$0.10 (15 January 2016) Unlisted Options[2]	-	10,000,000	10,000,000
$0.15 (21 November 2016) Unlisted Managing Director's Options[4]	-	3,333,334	3,333,334
$0.20 (21 November 2016) Unlisted Managing Director's Options[4]	-	3,333,333	3,333,333
Total	**242,007,500**	**17,066,667**	**259,074,167**

The Company notes that:

- The number and classes of unlisted options historically issued to previous Directors and employees have decreased significantly from in excess of 20 million options (as at 30 June 2013) to 400,000 options currently;
- Save for 400,000 $0.35 (22 August 2015) Unlisted Options, the remaining current unlisted options have been issued in the past year (since the 2013 AGM) with defined milestones to be achieved prior to vesting;
- 13,333,333 (out of 30,000,000) of these more recently issued unlisted options have also lapsed or been cancelled, thus further reducing the number of unlisted options on issue; and
- 3,333,333 (21 November 2016) Unlisted Managing Director's Unlisted Options are still subject to vesting upon attainment of a defined milestone (on or before 31 December 2015).

– ENDS –

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1 Lapse of unvested options immediately upon retirement of Director

2 Terms and conditions of issue are set out in a Notice of Meeting and Explanatory Statement dated 18 November 2013 for a General Meeting held on 16 January 2014 and in ASX Appendix 3B New Issue Announcement lodged on 21 January 2014

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

4 Terms and conditions of issue are set out in a Notice of Annual General Meeting and Explanatory Statement dated 10 October 2013 for an Annual General Meeting held on 22 November 2013 and in ASX Appendix 3B New Issue Announcement lodged on 28 November 2013