



NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

TO SHAREHOLDERS

Date and Time of Meeting: 10:30 am (Perth time)
on Thursday, 6 November 2008

Place of Meeting: Fremantle Room
Parmelia Hilton Hotel
14 Mill Street
Perth, Western Australia

IMPORTANT NOTICE

It is recommended that shareholders read this Notice of Annual General Meeting and Explanatory Statement booklet in full and if there is any matter that you do not understand, you should contact your financial adviser, stockbroker or solicitor for advice.

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.

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www.alararesources.com.au

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EMAIL US AT:
info@alararesources.com.au

The Company changed its name from Alara Uranium Limited to Alara Resources Limited on 23 September 2008

CORPORATE DIRECTORY

BOARD

John Stephenson	Chairman
H. Shanker Madan	Managing Director
Farooq Khan	Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

Level 14, The Forrest Centre
221 St Georges Terrace
Perth Western Australia 6000
Telephone: (08) 9214 9787
Facsimile: (08) 9322 1515
Email: info@alararesources.com.au
Web: www.alararesources.com.au

SHARE REGISTRY

Advanced Share Registry Services
Suite 2, 150 Stirling Highway
Nedlands Western Australia 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871
Email: admin@advancedshare.com.au
Web: www.advancedshare.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODES

Shares - AUQ
\$0.25 (30 June 2009) Options - AUQO

AUDITORS

Grant Thornton (WA) Partnership
Level 1, 10 Kings Park Road
West Perth, Western Australia 6005
Internet: www.grantthornton.com.au

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.

This Notice of Annual General Meeting and Explanatory Statement is dated 1 October 2008.

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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting (**AGM**) of shareholders of Alara Resources Limited A.C.N. 122 892 719 (**Company** or **Alara** or **AUQ**) will be held in the Fremantle Room at Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia at 10:30 am (Perth time) on Thursday, 6 November 2008.

AGENDA

ORDINARY BUSINESS

1. Annual Reports

To consider and receive the 2008 Directors' Report, Financial Statements and Audit Report of the Company, which are contained in the Company's 2008 Annual Report.

The 2008 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2008 Annual Report may be viewed and downloaded from the Company's website: www.alararesources.com.au or emailed to shareholders upon request to info@alararesources.com.au, when available.

2. Resolution 1 - Re-Election of Farooq Khan as Director

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

"That Farooq Khan, having retired by rotation pursuant to clause 5 of the Company's constitution, be and is hereby re-elected as a Director of the Company"

3. Resolution 2 – Adoption of Employee Share Option Plan

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

"That, for the purposes of ASX Listing Rule 7.2 exception 9 and for all other purposes, the Alara Resources Limited Employee Share Option Plan tabled at the meeting (and signed by the Chairman of the meeting for the purpose of identification), and the issue of securities under that Plan, is approved."

4. Resolution 3 - Adoption of 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 year ended 30 June 2008 be adopted"

DATED THIS 1st DAY OF OCTOBER 2008

BY ORDER OF THE BOARD



**VICTOR HO
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement is provided to the shareholders of Alara Resources Limited (**Alara** or **Company** or **AUQ**) pursuant to and in satisfaction of the *Corporations Act 2001 (Cth)* (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. RESOLUTION 1 – RE-ELECTION OF FAROOQ KHAN AS DIRECTOR

Resolution 1 seeks the re-election of Farooq Khan as a Director of the Company.

The Company's Constitution requires one third of the Directors (or if that is not a whole number, the whole number nearest to one third) to retire at each AGM. The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire.

Farooq Khan retires at the AGM under this rule. However, being eligible, Farooq Khan has offered himself for re-election as a Director of the Company.

Farooq Khan has been a Director of the Company since 18 May 2007 and was most recently re-elected a Director at the 2007 AGM held on 30 November 2007. Farooq Khan's qualifications and experience are detailed in the Directors' Report in the Company's 2008 Annual Report.

2. RESOLUTION 2 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

The Company proposes to establish an Employee Share Option Plan (the **Plan**) to assist in the recruitment, reward, retention and motivation of employees (excluding Directors) of the Alara group. Under the Plan, the Board will nominate employees to participate in the Plan and will offer options to subscribe for shares to those employees. A summary of the terms of the Plan is set out in Annexure A to this Notice.

Shareholder approval is not required for the adoption of the Plan, however without Shareholder approval of the Plan issues of options under the Plan would count towards the 15% limit in Listing Rule 7.1.

Under Listing Rule 7.1, the Company is prohibited from issuing securities representing more than 15% of its share capital in a 12 month period without shareholder approval, subject to certain exceptions.

Listing Rule 7.2 exception 9 permits issues of securities under an employee incentive scheme for a maximum 3 year period if shareholders approve those issues under the scheme.

Accordingly, Shareholder approval is sought to ensure that any options issued under the Plan are excluded from the calculations in determining the number of securities the Company can issue without shareholder approval under the 15% limit.

As the Plan is yet to be established, no options have been issued under it as at the date of despatch of this Notice. The Plan does not extend to the issue of options to Directors.

Directors' Recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

3. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

Sections 249L and 250R of the Corporations Act requires that a resolution be put to the shareholders to adopt the Remuneration Report as disclosed in the Directors' Report. The vote on this resolution is advisory only and does not bind the directors or the Company.

The Remuneration Report is set out in the Directors' Report section of the Company's 2008 Annual Report. Shareholders will also be provided with a reasonable opportunity to ask questions or make statements in relation to the Remuneration Report.

Annexure A

SUMMARY OF THE TERMS OF THE ALARA RESOURCES LIMITED EMPLOYEE SHARE OPTION PLAN THE SUBJECT OF RESOLUTION 2

1. The Plan is managed and administered for the Company by the board or a committee established by the board for that purpose.
2. The Plan is open to all employees (full time or part time but excluding directors) of the Company or of any related body corporate of the Company.
3. In its discretion, the board decides whether an employee is eligible to participate in the Plan. In so deciding, the board must consider:
 - 3.1. the employee's position within the Alara group and the services provided to the Alara group by the employee;
 - 3.2. the employee's record and length of employment or service with the Alara group;
 - 3.3. the employee's potential contribution to the growth of the Alara group;
 - 3.4. the employee's remuneration level; and
 - 3.5. any other matters which tend to indicate the employee's merit.
4. Each invitation to an employee to accept options must specify (among other things) the number of options the employee is invited to accept, the exercise price or (if applicable) method of calculation of the exercise price, the period in which the options vest and the period during which they may be exercised.
5. The board must not invite an application for an option or grant an option if that would exceed the share limit. In basic terms (and subject to certain exceptions), the share limit is exceeded if the total number of shares the subject of options issued under any employee share or option plan operated by the Company immediately following an issue of options under the Plan exceeds 5% of the then issued share capital of the Company.
6. The Plan will continue in operation until the board decides to terminate it.
7. Options issued under the Plan:
 - 7.1. may be issued to a nominee of the relevant employee, with the board's prior consent;
 - 7.2. are to subscribe for one fully paid ordinary share in the capital of the Company which rank equally in every way with those then issued fully paid ordinary shares in the capital of the Company;
 - 7.3. may be exercised:
 - 7.3.1. any time after they have vested but before they have expired;
 - 7.3.2. during a bid period of a takeover bid for the Company;
 - 7.3.3. during the 3 month period following a change in control of the Company not arising from a takeover bid; and
 - 7.3.4. during the period following a court order convening a meeting of the members of the Company concerning a proposed compromise or arrangement between the Company and its members and ending on the earlier of (A) the date that is 3 Business Days after the date on which an office copy of the court order approving the proposed compromise or arrangement is lodged with ASIC, and (B) the date on which the Company announces to ASX that the proposed compromise or arrangement will not be proceeding;

- 7.4. if they have not vested, lapse on termination of employment;
 - 7.5. if they have vested and the employee ceases to be an employee for any reason (including retrenchment, retirement or redundancy, but not including death, permanent illness, permanent physical incapacity or permanent mental incapacity), the options lapse 30 days after cessation of employment;
 - 7.6. if they have vested and the employee ceases to be an employee by reason of death, permanent illness, permanent physical incapacity or permanent mental incapacity, the options lapse 6 months after the cessation of employment;
 - 7.7. are not transferable, except with the board's prior consent, or, in circumstances where the options have vested, the options may (be transferred to the spouse of the optionholder, a company in which the optionholder (or the spouse of the optionholder) is a shareholder or the trustee of a trust in which the optionholder (or the spouse of the optionholder) has a beneficial interest.
8. Optionholders may not participate in new issues of securities to Shareholders, but will be given notice of new issues in accordance with the Listing Rules. If there is a bonus share issue, the number of shares over which an option is exercisable will be increased accordingly. Options will be reorganised in accordance with the Listing Rules if the Company's capital is reorganised.

TIME AND PLACE OF AGM AND HOW TO VOTE

Venue

The AGM of the shareholders of Alara Resources Limited will be held at:

Fremantle Room	commencing	10:30 am (Perth time)
Parmelia Hilton Hotel		Thursday, 6 November 2008
14 Mill Street		
Perth, Western Australia		

How to Vote

You may vote by attending the meeting in person, by proxy or by authorised representative.

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 AGM as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (08) 9322 1515; or
- deliver the proxy to the registered office of the Company at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia 6000.

so that it is received by the Company **not later than 10:30 am (Perth time) on Tuesday, 4 November 2008**.

Your proxy form is enclosed.

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.

Powers of Attorney

A person appearing as Power of Attorney for a shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the 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 AGM all shares in the Company will be taken to be held by the persons who held them as registered shareholders at 5 pm (Perth time) on 4 November 2008 (**Voting Entitlement Time**). Subject to the voting exclusions noted below, all holders of shares in the Company as at the Voting Entitlement Time will be entitled to vote at the AGM.

www.alararesources.com.au

ALARA RESOURCES LIMITED

A.B.N. 27 122 892 719

Registered Office:

Level 14, The Forrest Centre
221 St Georges Terrace
Perth Western Australia 6000
T | (08) 9214 9787
F | (08) 9322 1515
E | info@alararesources.com.au

ASX Code: AUQ



Advanced Share Registry Services:

Suite 2, 150 Stirling Highway
Nedlands Western Australia 6009
T | (08) 9389 8033
F | (08) 9389 7871
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

PROXY FORM

ALARA RESOURCES LIMITED
A.B.N. 27 122 892 719

www.alararesources.com.au

PLEASE RETURN TO:
The Company Secretary
Alara Resources Limited
Level 14, The Forrest Centre
221 St Georges Terrace, Perth WA 6000
Enquiries: (08) 9214 9787
Facsimile: (08) 9322 1515
Email: info@alararesources.com.au

Name1
Name2
Name3
Name4
Name5
Name6

Holder ID: {}
Shares held as at 6 October 2008: {}
Current Election to Receive Hard-Copy 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 Chairman of the Meeting (mark with an "X") *(If you have appointed the Chairman of the Meeting to exercise your proxy, by marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote all Chairman's Open Proxies in favour of all resolutions.)*

OR

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

or failing the person named, or if no person is named, the Chairman of the Meeting, 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 AGM of Alara Resources Limited to be held **Fremantle Room, at Parmelia Hilton Hotel, 14 Mill Street, Perth**, Western Australia at **10:30 am (Perth time) on Thursday, 6 November 2008** and at any adjournment of such AGM

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

RESOLUTIONS

	For	Against	Abstain*
(1) Re-election of Farooq Khan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Adoption of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Adoption of Remuneration Report	<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 your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

C. Change of Address and Annual Report Elections (see notes 1 and 2 overleaf)

- Mark 'X' if you want to make any changes to your address details
- Mark this box with an 'X' if you wish to receive a printed Annual Report by post
- Mark this box with an 'X' 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

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name

Contact Daytime Telephone

Date

Email

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Change of Address

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

2. Annual Report Elections

The Australian Government has introduced legislation changing the default option for receiving annual reports. 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. 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.

4. 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.

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

6. 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.

7. 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.

8. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or certified copy) of an appropriate Power of Attorney should be produced for admission to the meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

9. Signing Instructions

You must sign this form as follows in the spaces provided in **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 photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

10. Lodgment 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 **10:30 am (Perth time) on 4 November 2008** (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 facsimile to the address below:

Alara Resources Limited
Level 14, The Forrest Centre
221 St Georges Terrace
Perth Western Australia 6000

By Facsimile: (08) 9322 1515