

Alara Resources

Notice of Annual General Meeting and Explanatory Statement

To Shareholders

Date and Time of Meeting: 1:00 PM (Australian Western Standard Time or Perth time)
on Monday, 20 December 2021

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 information known to the Company that is material to 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 19 November 2021.

ASX and ASIC

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. There is no requirement to lodge a copy of this Notice of Meeting and Explanatory Statement at ASIC.

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 the **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, 20 December 2021.**

Agenda

1. 2021 Annual Report

To consider and receive the 2021 Directors' Report, Financial Statements and Audit Report of the Company.

The 2021 Full Year Financial Report and Directors' Report (**2021 Full Year Report**) will be sent to shareholders who elected to receive a printed version, within the Company's 2021 Annual Report. Otherwise, electronic versions of the 2021 Annual Report may be viewed and downloaded from the Company's website: www.alararesources.com.

2. Resolution 1 – Adoption of 2021 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 2021 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 – 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 7.5 million options to Managing Director Atmavireshwar 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.

4. Resolution 3 – Re-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 being eligible, be re-elected as a Director of the Company."

5. Resolution 4 – Approve a 10% Share Placement Facility

To consider, and if thought fit, pass the following Resolution 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."

6. Resolution 5 – Ratify the Prior Issue of 35,271,462 Sares to Al Tasnim Infrastructure LLC

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify (approve) the prior issue of 35,271,462 fully paid, ordinary shares in the capital of the Company to Al Tasnim Infrastructure LLC, which was made on 2 March 2021 at an issue price of \$0.027 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."

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

Dated: 19 November 2021


By Order of the Board
Stephen Gethin
Chairman

Explanatory Statement

This Explanatory Statement is provided to the Shareholders of Alara Resources Limited (**Alara** or the **Company**) 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. 2021 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 2021 Financial and Directors' Report (**2021 Full Year Report**) and also within its 2021 Annual Report.

A copy of the 2021 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2021 Full Year Report and 2021 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.

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. Resolution 1 (Advisory, Non-Binding) – Adoption of 2021 Remuneration Report

This Resolution seeks Shareholders' approval to adopt the 30 June 2021 Remuneration Report as disclosed in the Company's 2021 Annual Report (please see 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's 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 if 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 the Chairman intends to vote any undirected proxies in favour of this Resolution on a poll for 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 Chairman of the Meeting becomes their proxy by default) the Shareholder may direct the Chairman to vote FOR or AGAINST, or to ABSTAIN from voting on this Resolution by marking the appropriate Voting Direction box opposite that resolution. However, if the Chairman of the Meeting is proxy under the Proxy Form and a 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. Resolution 2 – Issue of Options to Managing Director

The Company agreed to issue Managing Director Mr Atmavireshwar Sthapak 7.5 million options, in 5 separate tranches detailed below (each a **Tranche**) each exercisable within one (1) year after vesting, with an exercise price of AU\$ 0.03 each, with each Tranche to vest upon the Company achieving the Target specified for that Tranche below (**Managing Director's Options** or **Options**). If the Company:

- does not achieve the relevant Target for a Tranche by the Target Date for that Tranche the Options in that Tranche are not capable of being exercised (subject to the continued availability of a reducing number of the Options in the Tranche for a period after the Target Date if the Target is met within a certain period after the Target Date, specified below); or
- achieves a Target for a Tranche by its Target Date but the Managing Director does not exercise any given Option in the relevant Tranche within 12 months after the date on which the Target was achieved, the Options in that Tranche which have not been exercised will lapse at the end of that 12-month period.

The Managing Director is also entitled to a cash bonus if the Company achieves a Target for a Tranche by the Target Date for that Tranche. The Company is not required to obtain, and is not seeking, Shareholders' approval for the cash bonuses connected with the Company achieving any Target. The cash bonuses are detailed here to provide Shareholders with full disclosure of the Managing Director's remuneration package. If the Managing Director becomes entitled to a cash bonus referred to below, it will be paid only when in the opinion of the Board (acting reasonably) Alara has sufficient free cash, whether from dividends from the Wash-hi Majaza Project or otherwise, to pay the cash bonus, and will carry interest at 5% per annum (non-compounding) from the date of achievement of the relevant Target until payment.

Tranche 1: 2.5 million options and a A\$60,000 cash bonus if the Wash-hi Majaza Project achieves first copper concentrate production (**Target**) on or before 28 February 2023 (**Target Date**).

Tranche 2: 2.5 million options and a A\$60,000 cash bonus if Alara or a JV company in which Alara has at least a 50% interest is awarded a mining or exploration licence for the Khnaiguiyah Project in Saudi Arabia (**Target**) on or before 31 March 2023 (**Target Date**).

Tranche 3: 833,000 options and a A\$20,000 cash bonus if the exploration license for the Daris project is transferred to Alara's JV company Daris Resources LLC by Alara's partner in that JV (**Target**) on or before 31 December 2022 (**Target Date**).

Tranche 4: 833,000 options and a A\$20,000 cash bonus if Alara or a JV company in which Alara holds at least a 50% interest acquires interests in other copper mineral licences in Oman acceptable to the Board (**Target**) on or before 31 December 2022 (**Target Date**).

Tranche 5: 833,000 options and a A\$20,000 cash bonus if the exploration license for mining Block 8 in Oman is renewed and is transferred to Alara or a JV company in which Alara holds at least a 10% interest (**Target**) on or before 31 March 2023 (**Target Date**).

In each of the above cases, if the Target is achieved:

- within two (2) months after the Target Date, 66.66% of the Options are exercisable and 66.66% of the cash bonus is payable for that Target;
- more than (2) months after, but within four (4) months of, the Target Date, 33.33% of the Options are exercisable and 33.33% of the cash bonus is payable for that Target; or
- not achieved within four (4) months after the Target Date, no Options are exercisable and no cash bonus is payable for that Target.

The cash bonuses, if paid in full, will total \$180,000, which is equal to 58% of the Managing Director's base remuneration (and, for clarity, would be paid in addition to that base remuneration). After conducting extensive research, Directors are satisfied that this proposed options and cash bonus package is in keeping with bonus packages for the Managing Director or Chief Executive Officer of other ASX listed resource companies at Alara's stage in the project development cycle.

Purpose of seeking Shareholders' approval

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 a related party, which includes a Director.

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 without 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 seeks required Shareholders' approval to the issue of the Managing Director's Options under, and for the purposes of, Listing Rule 10.11.

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 to assist Shareholders to determine how to vote on this Resolution:

Name of recipient of Issue: Mr Atmavireswar 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 23 December 2021 but, in any event, they will be issued by no later than one month after the 2021 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 in each Tranche are exercised, the Company will receive the amounts specified below:

Tranche 1:	\$75,000.00
Tranche 2:	\$75,000.00
Tranche 3:	\$25,000.00
Tranche 4:	\$25,000.00
Tranche 5:	\$25,000.00
Total:	\$225,000.00

Purpose of the issue: If any of the Options are exercised, the funds raised will applied towards the costs of the development of the Company's resource projects and for general working capital purposes.

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 Managing Director is entitled to amounts up to the specified amounts to pay for rental of a residence in Oman and incidental costs, and for leasing and incidental costs of a vehicle, respectively).

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 material 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 each. 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, above. The Managing Director's Options will otherwise be issued on the terms in Appendix A of this Explanatory Statement.

Consequences if Resolution is passed

If this Resolution 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*" above.

Consequences if Resolution is not passed

If this Resolution 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 purpose 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 would be. The Alternative Remuneration Component may consist of increased cash amounts paid to the Managing Director on the Company meeting the Targets specified above for which it is proposed that he be entitled to exercise Options.

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 Atmavireswar Sthapak; or
- any Associate of Mr Atmavireswar 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**.

4. Resolution 3 – Re-Election of Sanjeev Kumar as a Director

The Board appointed Mr Sanjeev Kumar as a Non-Executive Director on 13 October 2020 and his appointment was confirmed by Shareholders electing him as a Director at the Company's 2020 Annual General Meeting. Mr Kumar is standing for re-election as a Director at the 2021 AGM, despite Directors ordinarily being entitled to a three-year term, because:

- two (2) more senior Directors of the Company, Chairman Mr. Stephen Gethin and Non-Executive Director Mr. Vikas Jain, were also elected at the Company's 2020 AGM, and
- one-third of the Board of Directors is required by the Company's Constitution to retire and submit themselves for re-election by Shareholders every year, even if no Director has served a three-year term.

Therefore, Mr Kumar submits himself for re-election by Shareholders 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 the Company as an executive or a consultant and there is no intention on the part of the Company to employ him in an executive capacity or engage him as a consultant.

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 and 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 assists Australian and New Zealand businesses expand into overseas markets, including assessing new markets, navigating entry barriers, providing regulatory clearance services, business strategy and planning and local partnerships etc. His previous roles include Vice President at India Factoring and 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

With Mr Kumar as a Director, the Alara Board will be comprised of one (1) independent Director (namely Mr Kumar) two (2) non-independent Directors and the Chairman, who does not meet the criteria for being an independent Director solely due to his previous service as Company Secretary to the Company, on a consultancy basis. 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.

Alara is required by law to have at least two (2) Australian-resident directors. Mr Kumar is an Australian resident. Chairman Mr. Stephen Gethin is the Company's only other Australian-resident Director. Managing Director Mr. Sthapak resides in Oman, to enable him to manage the Company's major projects. The re-election of Mr Kumar will, in addition to the other benefits he brings to the Company, enable it to meet the requirement for two (2) Australian-resident Directors.

Directors' Recommendation

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

5. Resolution 4 (Special Resolution) – 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 which 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 remain 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 which 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, the practical effect of which is explained below.

The key objectives of the Company are to continue its focus on mining project development and mineral resources exploration activities in highly prospective acreage, and the vertical integration of new business opportunities in high equity positions which align with the Company's exploration portfolio. The Company may use the 10% Placement Facility for one or more of: partially funding construction of a 1Mtpa¹ copper processing plant at the Company's flagship Wash-hi-Majaza Copper/Gold Project and 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 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 705,429,239 Shares on issue. If this Resolution is passed, the Company will have the capacity to issue approximately:

- 105,814,386 Equity Securities under Listing Rule 7.1; and
- 70,542,924 Equity Securities under Listing Rule 7.1A.

¹ Alara's ASX Announcements dated 1 April 2016 (Definitive Feasibility Study results initial announcement), 24 January 2017 (DFS update), 28 June 2018 (NPV update) and 29 March and 7 April 2021 (NPV updates) contain the information required by ASX Listing Rule 5.16 regarding the stated production target. All material assumptions underpinning the production target as announced on those dates continue to apply and have not materially changed, except to the extent that a relevant assumption in an earlier announcement referred to above has been updated by an assumption in a later announcement referred to.

The actual number of Equity Securities that the Company will have the 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 Company 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

The following information is provided under Listing Rule 7.3A in relation to the approval of the 10% Placement Facility:

- (f) If given, Shareholders' approval under this Resolution will last until the earlier of:
- 12 months after the date of this AGM;
 - the time and date of the Company's 2022 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:
- (i) 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
 - (ii) 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 19 November 2021.
- (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 (\$0.0135)	= current ⁴ (\$0.027)	50% > current (\$0.0405)	
1 Current	705,429,239	70,542,924	775,972,163	\$952,329	\$1,904,659	\$2,856,988	9.09%
2 50% increase¹	1,058,143,859	105,814,386	1,163,958,244	\$1,428,494	\$2,856,988	\$4,285,483	39.39%
3 100% increase²	1,410,858,478	141,085,848	1,551,944,326	\$1,904,659	\$3,809,318	\$5,713,977	54.55%

Notes:

- 1 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.
- 2 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.
- 3 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.
- 4 The closing price of Alara shares on ASX on 16 November 2021.
- 5 This is the percentage by which a Shareholder's percentage voting and economic interest (held via 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 percentage interest which 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:

- (i) Variable A is 705,429,239, being the number of Shares on issue at the date of this Notice of Meeting.
- (ii) The Company issues the maximum number of Equity Securities (in this case, Shares) available under the 10% Placement Facility.
- (iii) 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.

- (iv) Shareholders approve this Resolution.
- (v) 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, also 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).
- (vi) 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:
 - (i) 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 issues or other issues 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 proposed 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.

- (i) The Company obtained Shareholders' approval under LR 7.1A at its previous AGM, held on 30 November 2020 (**Prior 7.1A Approval**). The Company did not issue any Shares under Listing Rule 7.1A in the 12-month period ending on the date of this notice of Meeting (19 November 2021) and has no proposal to issue any Equity Securities under LR 7.1 A between the date of this Notice of Meeting. The Company does not anticipate any proposal to issue any Equity Securities under LR 7.1 A before the date of the Meeting (20 December 2021).
- (j) 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 this 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 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 to be issued under any future decision to use 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 from this Resolution under the voting exclusion in this Notice.

Consequences if this Resolution is passed

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of Equity Securities that a listed company may issue without Shareholders' approval 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" may 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.

This Resolution 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 this Resolution 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.

Consequences if this Resolution is not passed

If this Resolution 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 in Listing Rule 7.1.

Directors' Recommendation

The Board believes that the 10% Placement Facility will be 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**.

6. Resolution 5 – Ratify (Approve) the Prior Issue of 35,271,462 Shares to Al Tasnim Infrastructure LLC

This Resolution seeks Shareholders' ratification (approval) under ASX Listing Rule (LR) 7.4 of the prior issue by the Company of 35,271,462 Shares (**Approval Shares**) at A\$0.027 per Share to Al Tasnim Infrastructure LLC (ATI) on 2 March 2021. The issue of the Approval Shares was authorised at the time under ASX Listing Rule LR 7.1, and nothing has occurred since then to affect the validity of the issue of those Shares at that time. The reason for the Company seeking Shareholders' ratification (approval) for the issue of the Approval Shares, despite the issue being authorised by the Listing Rules without Shareholders' approval at the time of issue, is also explained below.

The Approval Shares were issued under an agreement between Alara and ATI (**Issue Agreement**) which is summarised below. The issue of the Approval Shares raised a total of A\$952,329.00 (the **Approval Issue Proceeds**).

ATI is a leading construction contractor and building materials supplier in the Sultanate of Oman. It employs over 30,000 people and has constructed some of the most recognisable landmarks in the Sultanate. ATI is a joint venture partner with Alara in two of the company's Omani joint ventures:

- Al Hadeetha Resources LLC (**AHRL**), in which ATI holds a 19% interest; and
- Alara Resources LLC (**ARL**), in which ATI holds a 30% interest.

ATI also holds a mining services subcontract from ARL. ARL holds the mining services head contract for copper mining operations for AHRL. ARL has subcontracted its obligations under the mining services head contract to ATI.

Under the Issue Agreement, Alara issued 70,542,924 fully paid ordinary shares to ATI in two tranches of 35,271,462 shares each. The Approval Shares represent Tranche 2 of the Shares issued to ATI under the Issue Agreement. (Tranche 1 of the shares issued under the Issue Agreement – 35,271,462 Shares – were issued to ATI on 25 November 2020. The Company is not seeking Shareholders' ratification for the issue of the Tranche 1 Shares).

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 period. Shares issued in 12-month period which were approved by Shareholders under LR 7.4 after they were issued are not included in the 15% limit.

Although the issue of the Approval Shares did not cause Alara to exceed the 15% limit in Listing Rule 7.1, and therefore did not require Shareholders' approval at the time it was made, 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 7.4, so that it does not use up any of the 15% limit on issuing equity securities without Shareholders' approval set out in Listing Rule 7.1.

The issue of the Approval Shares comprised approximately 5.26% of the Company's total issued share capital, immediately before the issue of those Shares.

Information required by Listing Rules

ASX LR 7.5 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under LR 7.5. In accordance with ASX LR 7.5, the following is the remaining information required under that rule to assist Shareholders to assess whether to approve this Resolution:

Summary of Approval Share issue

(a) The Shares for which Shareholders' ratification (approval) is sought (Approval Shares) were issued to Al Tasnim Infrastructure LLC.

(a) There were 35,271,462 Approval Shares.

(b) The Company issued the Approval Shares on 2 March 2021.

(c) The Approval Shares were issued at a price of \$0.027 per Share, raising \$952,329.

(f) The funds raised from the issue of the Approval Shares (there were no expenses of the issue) were applied towards the costs of advancement of development of the Company's resource projects and for general working capital purposes.

(g) The Approval Shares were fully paid, ordinary shares (Shares) and were issued on the same terms as the other Shares currently on issue by the Company.

Consequences if Resolution is passed

If this Resolution is passed, the issue of the Approval Shares will be excluded from the calculation of whether Alara has used up any of the 15% limit on issuing equity securities without Shareholders' approval set out in Listing Rule 7.1. If this Resolution is passed, the Company would have the ability to issue 105,814,386 Shares under LR 7.1 without Shareholders' further approval (assuming no other shares are issued, which would affect the way in which the 15% limit is calculated).

Consequences if Resolution is not passed

If this Resolution is not passed, the issue of the Approval Shares will not fall within any of the exceptions to Listing Rule 7.1 to the need to obtain Shareholders' approval. If this Resolution is not passed, the issue of the Approval Shares reduces Alara's capacity to issue equity securities by the number of the Issue Shares (35,271,462) without Shareholders' approval under Listing Rule 7.1 for 12 months following the issue of the Approval Shares; that is, until 1 March 2022. If this Resolution is not passed:

- the Company would have the ability to issue 70,542,823 Shares under LR 7.1 without Shareholders' approval until and including 1 March 2022 (the day before the anniversary of the issue of the Approval Shares); and
- on and from 2 March 2022, the Company would have the ability to issue 105,814,386 Shares under LR 7.1 without Shareholders' approval.

The above assumes that no other shares are issued, which would affect the way in which the 15% limit is calculated.

Directors' Recommendations

The Directors believe that "refreshing" 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 this Resolution.

Voting Exclusion

In accordance with ASX LRs 7.5 and 14.11, the Company will disregard any votes cast on this Resolution by Al Tasnim Infrastructure LLC and any associate of that company. However, this does not apply to a vote cast in favour of this Resolution by Al Tasnim Infrastructure LLC in any of the following circumstances, being a vote 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 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.

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Glossary

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

2021 Annual Report means the Company's annual report for the year ended 30 June 2021, 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 2021 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 which entitles the holder to be issued with a Share on electing to do so (**Exercising** the Option) within a specified period, which also requires the holder to pay a specified amount. The option holder's right to exercise the option may also be subject to one or more conditions being satisfied which, if they exist, are specified as part of the terms of the Option.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" in the 2021 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, 20 December 2021.**

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, 18 December 2021.**

Proxies received after that time, or received by fax or other method, 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 7:00 pm, Australian Eastern Daylight (Sydney) time on **Thursday, 16 December 2021 (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 6914
Western Australia
AUSTRALIA
By email: cosec@alararesources.com

Enquiries: +61 8 9420 2411 or cosec@alararesources.com

Sample only – do not complete. Individualised Proxies are being sent to Shareholders

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

Our Reference: AUQ / {S-REG} / {SEQUENCE}
Shareholding as at 18 November 2021: {CURRENT_UNITS}
Current Election to Receive Hard Copy Annual Report: {ANNUAL_REPORT}

A. Appointment of Proxy

I/We being a Shareholder(s) of Alara Resources Limited and entitled to attend and vote hereby appoint

The Chair of the Meeting

OR

Sample only

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 (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 1:00 PM, Australian Western Standard (Perth) time, on Monday, 20 December 2021** 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" all Resolutions.

YOUR ACKNOWLEDGEMENTS ON REMUNERATION RELATED RESOLUTION

Chairman's intention to vote undirected proxies: I/We acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Direction to Chairman for voting on Resolution 1: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman 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 Chairman of the Meeting to exercise my/our proxy in respect of Resolution 1 even though the Chairman 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) Issue of Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Re-Election of Mr. Sanjeev Kumar as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Approve 10% Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Ratify Prior Issue of 35,271,462 Sares to Al Tasnim Infrastructure LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If (2) 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 only – do not sign

Sole Director and Sole Company Secretary

Sample only – do not sign

Director

Sample only – do not sign

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 Chairman 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 Chairman 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 (2) proxies. Where two (2) proxies are appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two (2) proxies and the appointments do not specify each proxy's proportion of the Shareholder's votes, each proxy may exercise half of those 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 Shareholder which is a company is to attend the meeting and the Shareholder does not appoint the representative as a proxy, the representative must produce a properly executed original (or copy certified as correct by a lawyer) of an "Appointment of Corporate Representative" for admission to the meeting instead. Appointments of Corporate Representative lodged for previous meetings will be disregarded by the Company.

10. Signing Instructions

You must sign this form as follows in the spaces provided at **Section D**, depending on which type of Shareholder you are:

Individual Shareholder: Where the shareholding is the name of one individual, that individual must sign.

Two or more individuals are joint Shareholders: Where the holding is in the name of two or more individuals, all of those individuals must sign.

Shareholder which is a company:

- **Sole Director Company (with a Secretary)** Where the Shareholder is a company which has a sole Director who is also the sole Company Secretary, that person must sign this form.
- **Sole Director Company (with no Secretary)** Where the Shareholder is a company which has a sole Director but *does not have* a Company Secretary, the Director must sign by their sole signature, *but the proxy is valid only if they are authorised to sign so by a resolution of the sole Director 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.)
- **Two or more Directors** This form must be signed by a Director and either: a) another Director, or b) the Company Secretary. Please indicate the office which is held by each signatory by them signing in the appropriate box.

Signing the Proxy under a 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.

11. Cut-off time for new Shareholders

Under regulation 7.11.37 of the Corporations Regulations, for the purposes of this Annual General Meeting (**AGM**), Shares in the Company will be taken to be held by the companies or individuals who are the registered holders of the Shares at **7:00 PM**, Australian Eastern Daylight (Sydney) Time, on **Thursday, 16 December 2021**. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at this AGM.

12. How and when to lodge 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 **1:00 PM (Perth time) on Saturday, 18 December 2021** (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. Proxies are not accepted by fax:

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:
cosec@alararesources.com