

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

ARAFURA PEARLS HOLDINGS LIMITED

ACN

092 266 067

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | SHARES AND OPTIONS |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 213,214,696 SHARES &
106,607,348 OPTIONS |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | FULLY PAID ORDINARY SHARES
56,607,348 OPTIONS WITH AN EXERCISE PRICE OF \$0.05 EACH ON OR BEFORE 31 MAY 2012
50,000,000 OPTIONS WITH AN EXERCISE PRICE OF \$0.04 EACH ON OR BEFORE 31 MAY 2013 |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>YES</p>												
<p>5 Issue price or consideration</p>	<p>\$0.015 – 213,214,696 SHARES \$0.00 – 106,607,348 OPTIONS</p>												
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>RIGHTS ISSUE</p> <ul style="list-style-type: none"> - SHORTFALL APPLICATIONS 113,214,696 SHARES PRIVATE PLACEMENT FOR WORKING CAPITAL PURPOSES - 100,000,000 SHARES 												
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>1 FEBRUARY 2011</p>												
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1482 995 1518">Number</th> <th data-bbox="995 1482 1291 1518">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1518 995 1554">1,071,430,635</td> <td data-bbox="995 1518 1291 1554">ORDINARY SHARES</td> </tr> <tr> <td data-bbox="695 1554 995 1590">191,580,372</td> <td data-bbox="995 1554 1291 1590">OPTIONS \$0.05 ex</td> </tr> <tr> <td data-bbox="695 1590 995 1626"></td> <td data-bbox="995 1590 1291 1626">On or before 31/5/12</td> </tr> <tr> <td data-bbox="695 1626 995 1662">50,000,000</td> <td data-bbox="995 1626 1291 1662">OPTIONS \$0.04 ex</td> </tr> <tr> <td data-bbox="695 1662 995 1697"></td> <td data-bbox="995 1662 1291 1697">on or before 31/5/13</td> </tr> </tbody> </table>	Number	+Class	1,071,430,635	ORDINARY SHARES	191,580,372	OPTIONS \$0.05 ex		On or before 31/5/12	50,000,000	OPTIONS \$0.04 ex		on or before 31/5/13
Number	+Class												
1,071,430,635	ORDINARY SHARES												
191,580,372	OPTIONS \$0.05 ex												
	On or before 31/5/12												
50,000,000	OPTIONS \$0.04 ex												
	on or before 31/5/13												

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9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		2,000,000	CONVERTIBLE NOTES 30/06/10
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NOT APPLICABLE	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

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- | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale | |

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through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company Secretary

Date: 4 February 2011

Print name:

Annabelle Bechta

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+ See chapter 19 for defined terms.

Shareholder Spread & Top 20 Listing

ARAFURA PEARLS HOLDINGS LIMITED

- Current Status -

	<u>Holder name</u>	<u>Designation</u>	<u>Units</u>	<u>% of issued</u>
1	FARJOY PL		133,333,333	12.44%
2	GROWTH PLUS FINCL GRP PL		105,400,001	9.84%
3	INTRASIA CAP PL		79,881,363	7.46%
4	IP WA PL		54,450,000	5.08%
5	NATIONAL NOM LTD		48,752,000	4.55%
6	DAVIES MARK J + E M	PRACTICE SUPER A/C	37,100,000	3.46%
7	DIXSON TRUST PL		29,565,452	2.76%
8	CITICORP NOM PL		27,641,366	2.58%
9	BAYWEALTH PL		27,608,267	2.58%
10	PREMIUM CHINA FUNDS MGNT		25,500,000	2.38%
11	ONE STOP MORTGAGE BROKERS		24,480,953	2.28%
12	IP WA PL	AMR HEWITT S/F A/C	20,781,053	1.94%
13	DAVIES MARK JONATHAN		19,650,000	1.83%
14 *	HOWELLS PETER		17,124,500	1.60%
15	J TAYLOR NOM PL		13,416,667	1.25%
16	PIKACHU PL	ZELIA NOM PL S/F A	11,860,494	1.11%
17	MILLER CO PL		10,546,667	.98%
18	JP MORGAN NOM AUST LTD	CASH INCOME A/C	9,308,920	.87%
19	VAN ZYL DESMOND		8,950,590	.84%
20 *	ORAN NOM PL	S/F A/C	8,820,000	.82%
	*** Top 20 total ***		<u>714,171,626</u>	<u>66.65%</u>

** All holders included

* - Denotes merged holder

<u>Spread of holdings</u>	<u>Holders</u>	<u>Securities</u>	<u>% of issued capital</u>
NIL holding			
1 - 1,000	28	6,594	.00 %
1,001 - 5,000	47	181,328	.02 %
5,001 - 10,000	82	776,542	.07 %
10,001 - 100,000	330	15,167,399	1.42 %
100,001 -	368	1,055,298,772	98.49 %
	<u>855</u>	<u>1,071,430,635</u>	<u>100.00 %</u>
Total on register			

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- Current Status -

	<u>Holder name</u>	<u>Designation</u>	<u>Units</u>	<u>% of issued</u>
1	GROWTH PLUS FINCL GRP PL		35,533,334	18.55%
2	FARJOY PL		35,399,278	18.48%
3	INTRASIA CAP PL		21,208,070	11.07%
4	BAYWEALTH PL		13,804,134	7.21%
5	ONE STOP MORTGAGE BROKERS		12,240,477	6.39%
6	IP WA PL		10,600,000	5.53%
7	CITICORP NOM PL		7,974,733	4.16%
8	DIXSON TRUST PL		6,141,226	3.21%
9	HAWKSTONE GRP PL	HAWKSTONE INVEST A	5,300,000	2.77%
10	CRANSWICK STEWART		4,204,384	2.19%
11	GOFFACAN PL	KMM FAM A/C	3,533,334	1.84%
12 *	HOWELLS PETER		3,500,000	1.83%
13	KEY INTNL PL		3,304,600	1.72%
14	MILLER CO PL		3,003,334	1.57%
15	J TAYLOR NOM PL		3,003,334	1.57%
16	PRESTON GARRY		2,120,000	1.11%
17	JP MORGAN NOM AUST LTD	CASH INCOME A/C	2,000,000	1.04%
18	XEEN PL	FRENCH S/F A/C	1,526,283	.80%
19	MALPELI NICHOLAS		1,066,667	.56%
20	SCOTT NEIL TEMPLE		1,000,000	.52%
			<hr/>	<hr/>
	*** Top 20 total ***		176,463,188	92.12%

** All holders included

* - Denotes merged holder

<u>Spread of holdings</u>	<u>Holder</u>	<u>Securities</u>	<u>% of issued capital</u>
NIL holding			
1 - 1,000	6	3,691	.00 %
1,001 - 5,000	16	49,008	.03 %
5,001 - 10,000	20	156,475	.08 %
10,001 - 100,000	58	2,271,346	1.19 %
100,001 -	60	189,099,852	98.71 %
	<hr/>	<hr/>	<hr/>
Total on register	160	191,580,372	100.00 %

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- Current Status -

	<u>Holder name</u>	<u>Designation</u>	<u>Units</u>	<u>% of issued</u>
1	FARJOY PL		31,267,389	62.53%
2	INTRASIA CAP PL		18,732,611	37.47%
	*** Top 20 total ***		<u>50,000,000</u>	<u>100.00%</u>

** All holders included

* - Denotes merged holder

Spread of holdings

	<u>Holder</u>	<u>Securities</u>	<u>% of issued capital</u>
NIL holding			
1 - 1,000			.00 %
1,001 - 5,000			.00 %
5,001 - 10,000			.00 %
10,001 - 100,000			.00 %
100,001 -	2	50,000,000	100.00 %
	<u>2</u>	<u>50,000,000</u>	<u>100.00 %</u>
Total on register	2	50,000,000	100.00 %