

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Alcyone Resources Limited (**Company**)

ABN

056 776 160

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

Unlisted Convertible Securities

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1,590,000 Convertible Securities

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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)

Convertible Securities

- The face value of each Convertible Security is A\$1.
- The Convertible Securities are unsecured.
- The Convertible Securities do not carry interest except default interest of 15%pa upon a default event occurring.
- The Convertible Notes are convertible at the Conversion Price, provided that 1,340,000 of the Convertible Notes are only convertible subject to shareholder approval.
- The face value of the Convertible Securities are convertible at either:
Conversion Price A
Being the lesser of \$0.01 OR 85% of the 5 day VWAP immediately prior to receipt of the conversion notice; or
Conversion Price B
Being the lesser of \$0.005 OR 85% of the 5 day VWAP immediately prior to receipt of the conversion notice.
Provided that only 25% of the Convertible Securities are Convertible at Conversion Price B.
- The holder may elect to redeem all or any of the outstanding face value of the Convertible Securities into the Shortfall Offer under the recently announced Rights Issue.
- Upon the holder providing a conversion notice, the Company may elect to satisfy such conversion by payment of cash in lieu of Shares.
- In the absence of a conversion notice or agreement otherwise:
 - A. 375,000 Convertible Securities are repayable 45 days from the issue date.
 - B. 375,000 Convertible Securities are repayable 60 days from the issue date.
 - C. 375,000 Convertible Securities are repayable 90 days from the issue date.
 - D. All other outstanding Convertible Securities are repayable 120 days from the issue date (**Maturity Date**).
- All shares issued on conversion of the Convertible Securities will rank pari passu with existing fully paid ordinary shares.
- The Convertible Securities do not carry any voting rights or participation rights in Share issues by the Company.

+ See chapter 19 for defined terms.

<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>The Convertible Securities do not currently rank equally any other class of quoted securities. The Convertible Securities do not entitle the holder to participate in the next interest or dividend payment.</p> <p>Any Shares issued on conversion of the Convertible Securities will rank pari passu with existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>1,500,000 Convertible Securities were issued in consideration for \$1,000,000 cash.</p> <p>90,000 Convertible Securities were issued for nil cash consideration as payment for the holder's legal fees in connection with the transaction.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to Jacob Trading LLC to raise \$1,000,000 in bridge financing to satisfy general corporate and working capital expenses and to satisfy legal expenses incurred by the holder in connection with the transaction.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2012</p>

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6c	Number of +securities issued without security holder approval under rule 7.1	<p>375,000 Convertible Securities (being convertible without shareholder approval).</p> <p>The remaining 1,340,000 Convertible Securities are only convertible into Shares upon shareholder approval being obtained.</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	Nil
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>7.1 – 6,116,848 securities</p> <p>7.1A – 162,509,271 securities</p>
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	2 August 2013
Number		+Class

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8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	1,751,739,775	Fully paid ordinary shares.
		60,839,105	Options exercisable at \$0.06 each expiring 14 May 2015
		Number	⁺Class
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	1,000,000	Options \$0.11 each, expiring 31.03.2015
		1,000,000	Options \$0.15 each, expiring 31.08.2015
		166,666	Performance share rights expiring 29.11.2015
		26,000,000	Options \$0.0496 each, expiring 26.02.2016
		36,000,000	Options \$0.01 each, expiring 31.07.2015 (application for quotation to be made upon lifting of suspension)
		1	Convertible security with a face value of A\$1,112,500.
		1	Convertible security with a face value of A\$1,062,500.
		1	Convertible security with a face value of A\$250,000.
		1	Convertible security with a face value of A\$750,000.
		1,800,000	Convertible debt securities each with a face value of A\$1.
1	Debt security with a face value of \$1,200,000.		
	1,590,000	Convertible Securities with a face value of \$1.	

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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
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13	Ratio in which the +securities will be offered	N/A
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14	+Class of +securities to which the offer relates	N/A
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15	+Record date to determine entitlements	N/A
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
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17	Policy for deciding entitlements in relation to fractions	N/A
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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>	N/A
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19	Closing date for receipt of acceptances or renunciations	N/A
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+ See chapter 19 for defined terms.

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

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- 32 How do ⁺security holders dispose of their entitlements (except by sale 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

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
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought	N/A				
40	<p>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 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left; padding: 2px;">Number</th> <th style="width: 50%; text-align: left; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">N/A</td> <td style="padding: 2px;"></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

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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.

 - 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.

- 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: Date:8.8.13.....
(Company secretary)

Print name:TREVOR HARRIS.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,443,066,626
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period 	82,229,041 81,149,990
Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	1,625,092,716

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Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	243,763,907
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>126,647,059 Shares on 1/08/13</p> <p>36,000,000 Options on 1/08/13</p> <p>375,000 Convertible Securities on 1/08/13 each with a face value of A\$1 and convertible into up to 75,000,000 (being converted at \$0.005 by utilising Conversion Price B). The actual number of Shares to be issued on conversion of the Convertible Securities may vary depending on the Conversion Price used and the market price of Shares.</p>
“C”	237,647,059
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	243,763,907
Subtract “C”	237,647,059
Total [“A” x 0.15] – “C”	6,116,848 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,625,092,716
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	162,509,271
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	162,509,271
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
<p>Total ["A" x 0.10] – "E"</p>	<p>162,509,271</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.