

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

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 | (a) Ordinary fully paid shares (<i>Ordinary shares</i>)
(b) Listed options over ordinary shares (<i>options</i>)
(c) Unlisted convertible security (<i>convertible securities</i>)
(d) Unlisted convertible security (<i>convertible security</i>) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 17,647,059 ordinary shares
(b) 8,823,529 options exercisable at \$0.06 expiring 14 May 2015
(c) 1 Convertible security with a face value of \$250,000
(d) 1 Convertible security with a face value of \$750,000 |

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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)

Ordinary shares

Ordinary shares will rank parri passu with existing ordinary shares.

Options

The options will be exercisable at \$0.06 per option into ordinary shares on or before 14 May 2015. The options will be quoted. Upon exercise of the options, the ordinary shares issued will rank parri passu with existing ordinary shares.

Convertible Securities

Convertible Note 1

- The face value of the Convertible Note 1 is A\$250,000 (the *Principal Amount*), and its maturity date is 26 March 2015.
- The Convertible Note is secured by a general security interest over all of the assets of the Company but subordinated in priority to the Company's existing senior secured obligations.
- The Convertible Note does not bear interest and will not be quoted.
- The Convertible Note is convertible into new Ordinary Shares of the Company determined by dividing the Principal Amount to be converted by, at the election of the holder: 81% of the average of three daily VWAPs per share during a specified period prior to the conversion date of the Convertible Note; or the average of the daily VWAPs per share during the two trading days prior to 27 March 2013.
- The Ordinary Shares issued upon conversion of each Convertible Note will rank pari passu with existing Ordinary Shares.
- The Convertible Note does not carry any voting rights at meetings of shareholders of the Company, and has no rights of participation in any rights issues undertaken by the Company prior to the conversion of the Convertible Note.

Convertible Note 2

- The face value of the Convertible Note 2 is A\$750,000.

The Convertible Note is otherwise on terms that are substantially the same as those of the Convertible Note 1.

+ 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 Ordinary Shares will rank pari passu with existing Ordinary Shares.</p> <p>The options will be quoted. On exercise of the Options, the ordinary shares issued will rank parri passu with existing ordinary shares.</p> <p>On conversion of the Convertible Notes, the Ordinary Shares will rank pari passu with existing Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>(a) 17,647,059 ordinary shares – issue price of \$0.01275 per ordinary share, totalling \$225,000</p> <p>(b) 8,823,529 listed options – issued for nil consideration.</p> <p>(c) Convertible security - \$250,000</p> <p>(d) Convertible security - \$750,000</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Capital for general corporate and working capital purposes and satisfaction of outstanding obligations</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>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>17,647,059 Ordinary shares 8.823.529 listed options exercisable at \$0.06 expiring 14 May 2015</p>

⁺ See chapter 19 for defined terms.

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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	N/A						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	26 March 2013						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,576,501,346</td> <td>Fully paid ordinary shares.</td> </tr> <tr> <td>60,839,105</td> <td>Options exercisable at \$0.06 each expiring 14 May 2015</td> </tr> </tbody> </table>	Number	+Class	1,576,501,346	Fully paid ordinary shares.	60,839,105	Options exercisable at \$0.06 each expiring 14 May 2015
Number	+Class							
1,576,501,346	Fully paid ordinary shares.							
60,839,105	Options exercisable at \$0.06 each expiring 14 May 2015							

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	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
	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.

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?	Not Applicable
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12 Is the issue renounceable or non-renounceable?	Not Applicable
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13 Ratio in which the +securities will be offered	Not Applicable
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14 +Class of +securities to which the offer relates	Not Applicable
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15 +Record date to determine entitlements	Not Applicable
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| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not Applicable |
| 17 | Policy for deciding entitlements in relation to fractions | Not Applicable |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. | Not Applicable |
| 19 | Closing date for receipt of acceptances or renunciations | Not Applicable |

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20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not Applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not Applicable
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	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

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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	Not Applicable				
39	Class of +securities for which quotation is sought	Not Applicable				
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 	Not Applicable				
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>	Not Applicable				
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%; padding: 2px;">Number</th> <th style="width: 50%; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Not Applicable</td> <td style="padding: 5px;"></td> </tr> </tbody> </table>	Number	+Class	Not Applicable	
Number	+Class					
Not Applicable						

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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:27 March 2013.....
(Director/Company secretary)

Print name:TREVOR HARRIS.....

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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	1,324,399,821
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 	96,837,639 72,916,666
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”	1,494,254,126

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Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	224,138,119
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>Note:</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>175,546,449 securities comprising:</p> <p>82,247,220 Ordinary shares</p> <p>26,000,000 Options exercisable at A\$0.0496 each expiring 26 February 2016.</p> <p>8,823,529 Listed options exercisable at \$0.06 expiring 14 May 2015.</p> <p>Convertible Securities</p> <p>(a) 1 Convertible Security with a remaining face value of \$1,112,500, and convertible into up to 31,074,223 ordinary shares if converted at \$0.029 each (being 90% of the market price at the date of issue of the Convertible Securities). The actual number of Ordinary shares issued on conversion of the Convertible Securities will depend on the market price of Ordinary Shares at the time of conversion.</p> <p>(b) 1 Convertible Security with a remaining face value of \$1,062,500, and convertible into up to 27,401,477 ordinary shares if converted at \$0.029 each (being 90% of the market price at the date of issue of the Convertible Securities). The actual number of Ordinary shares issued on conversion of the Convertible Securities will depend on the market price of Ordinary Shares at the time of conversion.</p>
“C”	175,546,449
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	224,138,119
Subtract “C”	175,546,449
Total [“A” x 0.15] – “C”	48,591,670 <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>	1,494,254,126
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
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 <i>Notes:</i> <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	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	149,425,412
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	149,425,412 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.