

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 | <ul style="list-style-type: none">a) Fully Paid Ordinary Shares (Shares)b) Listed Options exercisable at \$0.01 on or before 31 July 2015 (Listed Options) (AYNOA).c) Unlisted Options exercisable at \$0.0064 on or before 14 August 2018 (Unlisted Options).d) Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none">a) 1,793,314,755 Sharesb) 778,217,769 Listed Options (AYNOA)c) 88,000,000 Unlisted Optionsd) 354,505,452 Performance Rights |

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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)

Shares

The Shares will rank parri passu with existing fully paid ordinary shares.

Listed Options

Listed Options exercisable at \$0.01, expiring 31 July 2015.

Unlisted Options

Listed Options exercisable at \$0.0064, expiring 14 August 2018.

Performance Rights

Exercise of the Performance Rights are subject to the following vesting conditions:

- 177,252,726 Performance Rights will vest on completion of the Rights Issue;
- 88,626,363 Performance Rights will vest upon the Company achieving production of 100,000oz of silver in any 1 month, at any time up to 15 July 2014; and
- 88,626,363 Performance Rights will vest upon the Company achieving production of 500,000oz of silver in any 6 month period, at any time up to 15 July 2014.

+ See chapter 19 for defined terms.

4	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: <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>Shares rank equally in all respects from the date of issue with the existing class of fully paid ordinary shares.</p> <p>The Listed Options rank equally in all respects with the listed options (AYNOA) issued on 1 August 2013.</p> <p>The Unlisted Options and Performance Rights do not currently rank equally with any other class of quoted securities. Upon exercise of the Unlisted Options and Performance Rights, the issued shares will rank equally with all fully paid ordinary shares. The Unlisted Options and Performance Rights do not entitle the holder to participate in the next interest or dividend payment.</p>
5	Issue price or consideration	<ul style="list-style-type: none">a) 1,484,435,537 Shares issued for \$0.005 per Share.b) 308,879,218 Shares issued for issued for nil cash consideration.c) Listed Options issued for nil cash consideration.d) Unlisted Options issued for nil cash consideration.e) Performance Rights issued for nil cash consideration.

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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) 635,846,562 Shares and 317,923,281 free attaching Listed Options issued under the recent pro-rata non-renounceable entitlement issue (Rights Issue).</p> <p>b) 848,588,975 Shares and 424,294,488 free attaching Listed Options issued as shortfall to the Rights Issue.</p> <p>c) 308,879,218 Shares and 36,000,000 Listed Options to Celtic Capital Pty Ltd (Celtic):</p> <ul style="list-style-type: none"> • 266,176,471 Shares as collateral Shares under the convertible security agreements dated 10 April 2013 and 30 May 2013; • 30,996,865 Shares as the remaining capital raising fee under the Equity Placement Facility; • 4,705,882 in satisfaction of legal fees incurred by Celtic; and • 36,000,000 Listed Options as part of the capital raising fee for the 1,800,000 Convertible Securities issued on 15 April 2013, <p>as approved by shareholders on 15 July 2013.</p> <p>d) 88,000,000 Unlisted Options to Bergen Global Opportunities Fund II LLC (Bergen) in consideration for forbearance in relation to alleged defaults by the Company under the convertible security agreement dated 24 February 2013 (approved by shareholders on 15 July 2013).</p> <p>e) 354,505,452 Performance Rights issued to Directors of the Company and employees under the Employee Performance Rights Plan and Non-Executive Director Performance Rights Plan, as approved by shareholders on 15 July 2013.</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>1,484,435,537 Shares and 742,217,768 Listed Options.</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	308,879,218 Shares, 36,000,000 Listed Options and 88,000,000 Unlisted Options as approved by shareholders on 15 July 2013.											
6f	Number of securities issued under an exception in rule 7.2	1,484,435,537 Shares and 742,217,768 Listed Options being issued under the Entitlement Issue and shortfall to the Entitlement Issue. 354,505,452 Performance Rights issued under an employee incentive scheme approved by shareholders.											
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	7.1 – 275,114,061 securities 7.1A – 341,840,747 securities											
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	13 August 2013											
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3,545,054,530</td> <td>Fully paid ordinary shares.</td> </tr> <tr> <td style="text-align: center;">60,839,105</td> <td>Options exercisable at \$0.06 each expiring 14 May 2015 (AYNO).</td> </tr> <tr> <td style="text-align: center;">814,217,769</td> <td>Options exercisable at \$0.01 each expiring 31 July 2015 (AYNOA).</td> </tr> <tr> <th>Number</th> <th>+Class</th> </tr> </tbody> </table>		Number	+Class	3,545,054,530	Fully paid ordinary shares.	60,839,105	Options exercisable at \$0.06 each expiring 14 May 2015 (AYNO).	814,217,769	Options exercisable at \$0.01 each expiring 31 July 2015 (AYNOA).	Number	+Class
Number	+Class												
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814,217,769	Options exercisable at \$0.01 each expiring 31 July 2015 (AYNOA).												
Number	+Class												

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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
		354,505,452	Performance share rights expiring 15.07.2014
		26,000,000	Options \$0.0496 each, expiring 26.02.2016
		88,000,000	Options \$0.0064 each, expiring 14.08.2018
		1	Convertible security with a face value of A\$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.
		1,800,000	Convertible securities each with a face value of A\$1.
1,590,000	Convertible Securities with a face value of \$1.		
1	Debt security with a face value of \$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?	Yes – obtained on on 15 July 2013.
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12	Is the issue renounceable or non-renounceable?	Non-Renounceable
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+ See chapter 19 for defined terms.

13	Ratio in which the ⁺ securities will be offered	2 Shares offered for every 1 Share. 1 free attaching Listed Option for 1 Share subscribed for.
14	⁺ Class of ⁺ securities to which the offer relates	a) Fully Paid Ordinary Shares. b) Listed Options exercisable at 1c on or before 31 July 2015.
15	⁺ Record date to determine entitlements	7 June 2013.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded up to the nearest whole number.
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>	Entitlement offer restricted to residents of Australia, New Zealand, Germany, Hong Kong, Singapore, Switzerland, the United Kingdom or Thailand.
19	Closing date for receipt of acceptances or renunciations	5:00 pm (EST) on 2 August 2013.

⁺ See chapter 19 for defined terms.

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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	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	Corporate Advisory Fee : \$80,000 Subscription fee: 6% of the dollar amount raised by the Rights Issue. Selling Fee: 6% of the dollar amount sold as a shortfall to the Rights Issue Option Fee: that number of listed options (exercisable at \$0.01 on or before 31 July 2015) equivalent to 6% of the total number of shares issued under the Rights Issue.
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	14 June 2013.
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	29 May 2013.
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

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 +Despatch date 15 August 2013

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

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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"> <thead> <tr> <th data-bbox="710 1417 1013 1456">Number</th> <th data-bbox="1013 1417 1302 1456">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 1456 1013 1637">N/A</td> <td data-bbox="1013 1456 1302 1637"></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:14.8.13.....
(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 <p><i>Note:</i></p> <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> 	1,567,664,578 407,676,267
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	3,418,407,471

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	512,761,120
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. 36,000,000 Options on 1/08/13. 375,000 Convertible Securities on 1/08/13 each with a face value of A\$1 and convertible into up to 75,000,000 (the actual number of Shares to be issued on conversion of the Convertible Securities may vary).</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	512,761,120
Subtract “C”	237,647,059
Total [“A” x 0.15] – “C”	275,114,061 <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>	3,418,407,471
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	341,840,747
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

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10 <i>Note: number must be same as shown in Step 2</i></p>	<p>341,840,747</p>
<p>Subtract “E” <i>Note: number must be same as shown in Step 3</i></p>	<p>Nil</p>
<p>Total [“A” x 0.10] – “E”</p>	<p style="text-align: center;">341,840,747</p> <p style="text-align: center;"><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.