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Directors / Officers

Grant Button:
Non-Executive Chairman

Michael Cartwright:
Non-Executive Director

Stockley Davis:
Non-Executive Director

Carey Smith:
Non-Executive Director

David Parker:
Company Secretary

Issued Capital

22,500,001 ordinary Shares

11,250,000 listed options
(ALGO) exercisable at 20
cents each on or before 31
March 2013

1,000,000 unlisted options
exercisable at 20 cents each
on or before 30 June 2011

ASX Code: ALG; ALGO

Alamar Resources Ltd

Acquisition of MRCMGL LLC (MRC or Mongolian Resource Company)

27 October 2010

The directors of Alamar Resources Limited (ASX Code ALG, "Alamar", or the "Company") are pleased to announce the Company has entered into a conditional agreement to acquire 100% of MRCMGL LLC ("Mongolian Resource Company" or "MRC").

The Agreement is conditional upon the completion of a capital raising of not less than AUD 5,000,000, due diligence on MRC and its assets to the sole satisfaction of Alamar and all necessary shareholder and regulatory approvals.

The directors of Alamar believe that the MRC business provides an attractive opportunity to complement the current assets and strategies of Alamar. To date, Alamar has entered into direct tenement acquisitions and joint ventures to explore for natural resources, namely Gold and other base metals such as Copper and Uranium. The proposed acquisition strategy of MRC is considered in line with Alamar current strategy.

About MRC

Mongolian Resource Company is a growth-oriented Mongolian-based diversified resource company engaged in the acquisition, development and operation of resource properties in Mongolia.

MRC's major assets include:

- Up to 85% interest in the Blue Eyes Gold Project
- 90% interest in the Sujigtei Gold Project

Other assets included in acquisition:

- 13 exploration leases and 1 mining lease prospective for alluvial gold
- 1 exploration lease prospective for iron ore (coarse grained skarn hosted magnetite)
- 1 exploration lease prospective for thermal coal
- 240m³/hr IHC alluvial gold plant (not operational)

Due Diligence

- The Company has initiated due diligence on the MRC assets, however due diligence remains ongoing.
- The agreement remains highly conditional on the completion on a successful due diligence program, completion of a capital raising, and all necessary shareholder and regulatory approvals.



The Proposed Transaction

Alamar has signed a conditional Share Purchase Agreement to purchase 100% of the shares in MRCMGL LLC ("Mongolian Resource Company" or "MRC") in exchange for the issue of shares in Alamar.

The consideration for the acquisition is as follows:

To the Vendors (the shareholders of Mongolian Resources Corporation):

- Alamar will provide an advance of up to US\$1,000,000 to continue the development of the Blue Eyes Gold Mine and provide for working capital upon the Company receiving satisfactory security for its advance and Alamar completing a placement to raise A\$500,000 through the issue of 3,375,000 shares at 15 cents each (**Placement**). The Company has received best endeavour commitments from sophisticated investors for the full amount of the proposed placement.
- In the event the agreement to acquire MRC is terminated the advance becomes a loan and is repayable within 90 days accruing interest at the rate of 15%.
- The issue of 50,000,000 fully paid ordinary shares in Alamar upon successful due diligence, shareholder and ASX and all necessary approvals
- The issue of performance shares convertible into 50,000,000 fully paid ordinary shares in Alamar once a JORC compliant resource on MRC's projects has reached or exceeded 1,000,000 ounces of gold with at least 300,000 ounces in the Indicated category on or before 3 years from Settlement.

To the Introducers

- The issue of 5,000,000 fully paid ordinary shares in Alamar upon Settlement

Under the terms of the agreement, management changes have been proposed however not yet agreed. It is anticipated that after Settlement Alamar's board will consist of two existing Alamar directors (with two current directors to resign), two incoming director from MRC, and one independent director.

Capital Raising

The proposed transaction is also conditional on a capital raising of not less than \$5,000,000 at \$0.25 per Share or not less than 80% of the average market price for Shares on the 5 days before lodgement of the prospectus.



Timetable

The proposed timetable for completion of the transaction is as follows:

Announcement of Transaction and Due Diligence period commences	25 October 2010
Security provided by MRC to the satisfaction of Alamar	8 November 2010
Placement completed (subject to Security being provided)	10 November 2010
Due Diligence Completed	15 November 2010
Notice of General Meeting mailed to Alamar shareholders seeking approval for Transaction	15 November 2010
Prospectus lodged with ASIC for Capital Raising	26 November 2010
General Meeting of Alamar shareholders held to approve the Transaction	15 December 2010
Suspension of Alamar's shares from trading on ASX	15 December 2010
Close of offer under Prospectus	17 December 2010
Settlement of Transaction and issue of shares to vendors and subscribers under the Prospectus	22 January 2010
Anticipated date Alamar shares recommence trading on ASX	30 January 2010

Please note the timetable is indicative only and may be varied in consultation with ASX.

Subject to consultation with the ASX, shareholders should also note Alamar's securities may be suspended from trading on the day of the general meeting and if approval for the transaction is obtained from shareholders may remain suspended until such time as Alamar has satisfied Chapters 1 and 2 of the ASX Listing Rules.

Proposed Pro Forma Capital Structure

	Shares (FPO)	Options Ex 20c	Totals (Fully Diluted)
Existing Alamar Capital Structure	22,500,001	12,250,000	34,750,001
Alamar Placement (at \$0.15)	3,375,000	-	3,375,000
Sub Total (post placement)	25,875,000	12,250,000	38,375,000
Issued to Vendors (Consideration)	50,000,000	-	50,000,000
Issued to Introducers (Introduction Fee)	5,000,000	-	5,000,000
Capital Raising (at proposed \$0.25)	20,000,000	-	20,000,000
Sub Total - Post Consideration	100,875,000	12,250,000	113,875,000
Issued to Vendors (Performance Shares)	50,000,000	-	50,000,000
Total - Post Performance Hurdle Capital Structure	150,875,000	12,250,000	163,337,000



Summary of MRC's Major Assets

Blue Eyes Gold Project (85%)

The Blue Eyes Project is located in the central north of Mongolia, in the Territory of Bornuur Soum in Tov Province. The project is 150km from Ulaanbaatar, and 15km from the main National Trans-Siberian Highway. The closest residential town is the agricultural town of Bornuur, located 12km west of the project and is principally an urban centre for growing potatoes and in the last few years as a centre to administer the many gold and mineral occurrences in the province.

The Blues Eyes Project is situated in the North Khentei gold belt which forms part of the northeast trending North Khentei tectonic belt of north central Mongolia. The North Khentei gold belt has a long history of alluvial placer mining and includes several bedrock gold deposits including the Boroo and Gatsuurt gold mines, Bumbat, Erren, Khargant (Blue Eyes), and Sujigtei.

The known gold deposits of Boroo and Gatsuurt are located 20km north west and 10km north east respectively.

The Blue Eyes Project contains an existing mining operation that has been active for over 80 years but has only recently been mined at scale.

Significant underground development has occurred in the mine with three levels having been development at 60m, 120m and 150m depth.

No JORC compliant resources exist at the project and a drilling and sampling program is anticipated to begin following Settlement to define a resource.

The existing plant at Blue Eyes consists of a Jaw Crusher, Hammer Mill, two Ball Mills, four shaking tables, and a tailings dam. Current capacity of the plant is 50tpd (tonnes per day). It is planned to upgrade the plant to 200tpd and add a CIP/CIL circuit.

A third party has an option to acquire a 20% interest in the Blue Eyes Project. In the event this options is exercised Alamar will acquire a 65% interest in the Blue Eyes Project and receive US\$1.2mn.

Photos of Blue Eyes Project



Main Haulage Adit
(Level 2)



Access Adit
(Level 1)



Photos of Blue Eyes Project (Cont.)



Gold bearing quartz vein
(Blue Eyes Mine Level 1)



Gold bearing quartz vein
(Blue Eyes Mine Level 3)



Looking down on Blue Eyes Treatment Plant



Blue Eyes Treatment Plant

Sujigtei Gold Project (90%)

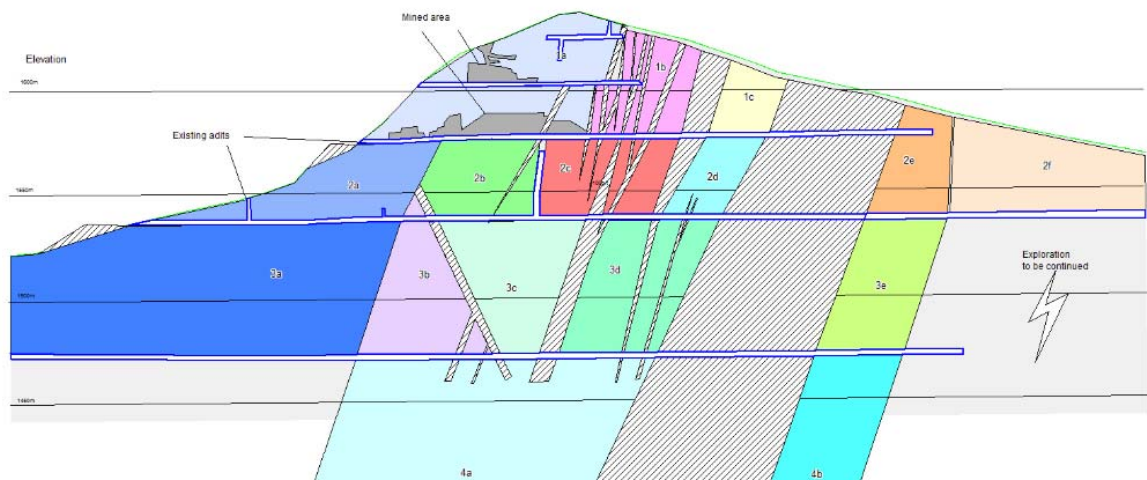
The Sujigtei Project is located approx. 7km North East of the Blue Eyes Project and is situated on the same mineralised trend.

Sujigtei was intensively explored in the late 1960's by the East German Geological Department, with exploration adits driven along the main mineralised vein on 5 levels (approx. 150m vertical extent).

In recent years the Sujigtei project has been worked by various artisanal mining groups, with vein material treated at the Bornuur community milling facility.

No JORC compliant resources exist at the project and a drilling and sampling program is anticipated to begin following Settlement to define a JORC compliant resource.

Schematic and Photos of Sujigtei



Schematic Long Section of Sujigtei
(showing Russian exploration adits, and mined out areas)



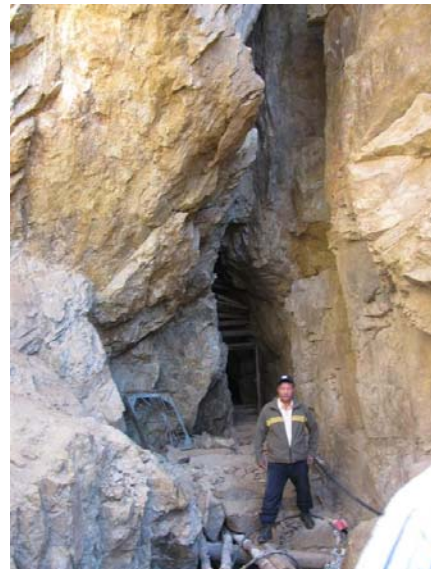
Artisanal Costeans
(looking SW from top of hill)



Artisanal Costeans
(looking NE from top of hill)



Historic Mining Workings
(Approx. 2 level)



Historic Mining Workings
(Approx. 3 level)



Conclusion

The directors of Alamar believe that the MRC business is an attractive opportunity to complement the current business model and strategies of Alamar.

The agreement, however, remains subject to various conditions including Due Diligence, capital raisings, shareholder and regulatory approvals.

The board will update shareholders of developments in the due diligence process as information comes to hand.

Scientific or technical information in this news release has been prepared under the supervision of Don Maclean, a consultant to the Company and a Member of the Australasian Institute of Geoscientists. Mr Maclean has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Maclean consents to the inclusion in this report of the Information, in the form and context in which it appears.