

21 August 2017



Upcoming Board Changes To Be Effective 1 September 2017

- **Nic Earner to be appointed as Managing Director**
- **Ian Chalmers to continue on the Board as Technical Director**
- **Ian Gandel to be appointed Chairman on the retirement of John Dunlop**

Alkane Resources Ltd (ASX: ALK, OTCQX: ANLKY) ("**Alkane**" or the "**Company**") advises that as of 1 September 2017, Mr Ian Chalmers will be stepping down as Managing Director of the Alkane Resources Ltd Group ("**Group**"), making way for the appointment of Nic Earner in his place.

Mr Earner joined the Group as Chief Operations Officer in August 2013, with responsibility for the safe and efficient management of the Company's operations at Tomingley (Tomingley Gold Operations, or "**TGO**") and Dubbo ("**Dubbo Project**", or "**DP**"). Under his supervision, the successful development of TGO transitioned to profitable and efficient operations. His guidance also drives the engineering and metallurgical aspects of the Dubbo Project, overseeing optimisation of plant design and product and marketing development. The Board considers the Company to be immensely fortunate to retain his energy and expertise in his new role as Managing Director. Mr Earner's background is summarised in Appendix A and the key terms of his new appointment in Appendix B.

Mr Chalmers will remain on the Board as Technical Director providing ongoing support to the Group's management team with regard to the DP and the Group's technical activities, ensuring the Group continues to benefit from his geological expertise and his substantial intellectual data base of knowledge on the DP, its products and their markets. The key terms of his new engagement are summarised in Appendix C.

In addition Mr John Dunlop will be retiring effective from 1 September 2017.

The Board wishes to thank Mr Dunlop for his leadership over the past 11 years and in particular for his input into the feasibility study, construction and commissioning of the Company's Tomingley gold processing plant and mining operation. The Board wishes him well for the future.

The Company has publicly stated on a number of occasions that it has been actively seeking to appoint additional independent members to the Board who will bring complementary skill sets and diversity to the Group's leadership team. These efforts continue with appropriate candidates shortlisted with a view to augmenting the Board in the near future.

As part of the rejuvenation process, Mr Ian Gandel will assume the role of non-executive Chairman, steering the Company through the crucial funding stage of the Dubbo Project.

CONTACT : **IAN CHALMERS, MANAGING DIRECTOR, ALKANE RESOURCES LTD, TEL +61 8 9227 5677**
INVESTORS : NATALIE CHAPMAN, CORPORATE COMMUNICATIONS MANAGER, TEL +61 418 642 556
MEDIA : HILL KNOWLTON STRATEGIES, CONTACT: IAN WESTBROOK, TEL +61 2 9286 1225 OR +61 407 958 137



Appendix A – Nic Earner, summary of experience

Nic Earner is a chemical engineer (B.Eng, Honours 1st Class from the University of Queensland) with 21 years' experience in technical and operational optimisation and management, and has held a number of executive roles in mining and processing.

Prior to his appointment as the Group's Chief Operations Officer in August 2013 he spent four years at Straits Resources Ltd including two years as Executive General Manager – Operations, supervising up to 1,000 employees in open cut and underground gold mines and an underground copper mine.

During the eleven years before that he had various roles at Rio Tinto Coal Australia's Mount Thorley Warkworth coal mine and BHPB/WMC Olympic Dam copper-uranium-gold operations. His eight years at Olympic Dam included roles managing the Concentrator and Hydromet functions which included substantial milling, leaching and solvent extraction circuits. His other positions included Production Superintendent – Smelting, and Senior Engineer – Process Control, Instrumentation and Communications.



Appendix B – Summary of material terms of Executive Employment Agreement between Alkane Resources Ltd and Nic Earner

1. POSITION

Managing Director

2. COMMENCEMENT DATE

1 September 2017

3. TERM

No fixed term. The appointment is ongoing until terminated by either party in accordance with the Employment Agreement, as outlined in item 5 below.

4. REMUNERATION

a. Total Fixed Remuneration

\$490,000 (inclusive of statutory superannuation) per annum, reviewed from time to time.

b. Short Term and Long Term Incentives

Mr Earner will be eligible to participate in the Company's incentive programs, as determined by the Board.

This includes the Alkane Resources Performance Rights Plan (last approved by the Alkane's shareholders at its 2016 annual general meeting) and/or any other employee incentive arrangements adopted by the Board and approved by Alkane's shareholders in general meeting from time to time.

5. TERMINATION

Either party may terminate the Employment Agreement by giving three months' written notice. Alkane may require Mr Earner to serve out the notice period or may elect to pay Mr Earner in lieu of notice. Subject to any necessary shareholder approval, Mr Earner will also be eligible for an additional payment equivalent to 12 months total fixed remuneration on termination, and any incentives granted or issued but not yet vested will become vested in accordance with the terms of the relevant incentive arrangements.

Mr Earner may terminate the Employment Agreement if, for any reason, at the instigation of the Board, there is a material diminution in his status as Managing Director (including where there is a material diminution in his authority, duties or responsibilities, among other things). Mr Earner may terminate the Employment Agreement at any time during the 12 months following the occurrence the material diminution. In this case, and subject to any necessary shareholder approval, Mr Earner is entitled to a payment equivalent to 12 months total fixed remuneration, and any incentives granted or issued but not yet vested will become vested in accordance with the terms of the relevant incentive arrangements.

Alkane retains the right to terminate the employment of Mr Earner without notice or payment in lieu of notice in certain circumstances (including serious misconduct).



Appendix C – Summary of material terms of Executive Employment Agreement between Alkane Resources Ltd and Ian Chalmers

1. POSITION

Technical Director

2. COMMENCEMENT DATE

1 September 2017

3. TERM

Initial term of one year, extendable on an annual basis.

4. REMUNERATION

a. Total Fixed Remuneration

Technical Services Salary of \$120,000 per annum, reviewed from time to time.

Director's fee payable for any period in which Mr Chalmers is appointed an executive Director of the Company (currently payable at a rate of \$75,000 per annum).

Board committee fee of \$5,000 fee per annum for membership of each Board committee, or a \$7,500 fee per annum if the Technical Director is the chair of a Board committee, which is payable only for any period in which the Technical Director is appointed to any such Board committee.

In all cases the fees are inclusive of statutory superannuation contributions.

b. Short Term and Long Term Incentives

Mr Chalmers will be eligible to participate in the Company's incentive programs, as determined by the Board.

This includes the Alkane Resources Performance Rights Plan (last approved by the Alkane's shareholders at its 2016 annual general meeting) and/or any other employee incentive arrangements adopted by the Board and approved by Alkane's shareholders in general meeting from time to time.

5. TERMINATION

The Company may terminate Mr Chalmers' employment by giving six months' written notice, payment in lieu of notice or a combination. Mr Chalmers may resign by giving the Company one month's written notice.

Alkane retains the right to terminate the employment of Mr Chalmers without notice or payment in lieu of notice in certain circumstances (including serious misconduct).



ABOUT ALKANE - www.alkane.com.au - **ASX: ALK and OTCQX: ANLKY**

Alkane is a multi-commodity company focused in the Central West region of NSW, Australia. Currently Alkane has two advanced projects - the Tomingley Gold Operations (TGO) and the nearby Dubbo Project (DP). Tomingley commenced production early 2014. Cash flow from the TGO has provided the funding to maintain the project development pipeline and will assist with the pre-construction development of the DP.

The NSW Planning Assessment Commission granted development approval for the DP on 28 May 2015 and on 24 August 2015 the Company received notification that the federal Department of the Environment gave its approval for the development. Mining Lease 1724 was granted on 18 December 2015 and the Environment Protection Licence was approved on 14 March 2016. Financing is in progress and this project should make Alkane a strategic and significant world producer of zirconium, hafnium and rare earth products with production targeted for 2019.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Bodangora, Wellington and Elsenora prospects. Wellington has a small copper-gold deposit which can be expanded, while at Bodangora a large monzonite intrusive complex has been identified with porphyry style gold copper mineralisation. Gold and base metal mineralisation has been identified at Elsenora.

