



26 April 2016

The Manager  
Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**Notification under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84**

Alkane Resources Ltd ABN 35 000 689 216 (ASX: ALK) (**Alkane**) has today announced a pro rata traditional non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary share in Alkane (**New Shares**) for every 5 Alkane shares held at 7.00pm (Sydney time) on 29 April 2016 by eligible shareholders with a registered address in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand (**Eligible Shareholders**).

Alkane gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 that:

1. Alkane will offer the New Shares for issue pursuant to the Entitlement Offer without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice:
  - (a) Alkane has complied with the provisions of Chapter 2M of the Corporations Act as they apply to Alkane;
  - (b) Alkane has complied with section 674 of the Corporations Act; and
  - (c) at the date of this notice, there is no "excluded information" of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed under section 708AA(7)(d) of the Corporations Act.
3. The effect that the issue of the New Shares under the Entitlement Offer will have on the control of Alkane, and the consequences of that effect, will depend upon a number of factors, including investor demand.

However, given the structure of the Entitlement Offer as a pro rata offer, the potential effect that the issue of the New Shares will have on the control of Alkane is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, there will be no material effect on the control of Alkane;
- (b) to the extent that any Eligible Shareholder fails to take up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Alkane shares will be diluted by the issue of the New Shares under the Entitlement Offer;



- (c) the percentage holding in Alkane shares of Alkane shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand will be diluted as a result of the issue of the New Shares under the Entitlement Offer; and
- (d) Eligible Shareholders who receive an offer to participate in the Entitlement Offer may also apply for New Shares in excess of their entitlement (**Additional New Shares**). The issue of any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full entitlements. Although the issue of Additional New Shares may increase the voting power of one or more existing shareholders, it is not expected to have any material effect on the control of Alkane.

So far as Alkane is aware and based on substantial holding notices that have been lodged prior to the date of this notice, there are no shareholders with voting power of 20% or more as at the date of this notice other than Abbotsleigh Pty Ltd (**Abbotsleigh**), a company associated with Alkane director, Mr Ian Gandel. Abbotsleigh has voting power in approximately 22.10% of the Alkane shares on issue as at the date of this notice.

Abbotsleigh has committed to take up its full pro rata entitlement under the Entitlement Offer, provided that the number of New Shares it has agreed to subscribe for is to be limited so that its voting power immediately following completion of the Entitlement Offer does not exceed 25.10%. Whether Abbotsleigh is able to take up its full pro rata entitlement will depend upon the extent to which other Eligible Shareholders take up their entitlements and apply for Additional New Shares. Abbotsleigh has also agreed not to apply for any Additional New Shares.

Accordingly, Alkane does not expect the Entitlement Offer to give rise to any material effect on the control of Alkane other than as set out above.

Yours faithfully,  
for **ALKANE RESOURCES LTD**

Karen E V Brown  
**Company Secretary**