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26 May 2016

Manager Announcements  
ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**ASX ANNOUNCEMENT  
RESULTS OF ENTITLEMENT OFFER**

On 26 April 2016, Alkane Resources Ltd (the **Company**) announced a 1 for 5 pro rata traditional non-renounceable entitlement offer (**Entitlement Offer**). The Entitlement Offer closed on 23 May 2016 and the Company received applications for a total of 61,940,820 new shares and additional new shares under the Entitlement Offer, raising approximately A\$12.4 million. The shortfall under the Entitlement Offer was 20,707,196 shares.

The proceeds under the Entitlement Offer will be used for the following:

- acquisitions of the remaining key parcels of land within the Dubbo Zirconia Project (**DZP**) project area;
- perform DZP pilot plant run(s) to confirm front end engineering & design and other process changes and produce product samples for potential offtake customers;
- development of strategic partnerships to provide value enhancement to published project financials;
- other DZP related expenditures; and
- general working capital requirements including fees associated with the Entitlement Offer.

Allotment of the new shares and additional new shares is scheduled to take place on 30 May 2016 with holding statements being sent on 2 June 2016. Following such allotment the Company's largest shareholder, Abbotsleigh Pty Ltd, will hold 23.07% of the shares in issue.

The Company reserves the right to place the Shortfall Shares at the discretion of the Board within three months of the close of the Entitlement Offer in accordance with ASX Listing Rule 7.2 (exception 3). The Shortfall Shares will be offered at the same Offer Price as offered under the Entitlement Offer.

Yours faithfully,  
for **ALKANE RESOURCES LTD**

Karen E V Brown  
**Company Secretary**