

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

# ASX Announcement

26 April 2016

## Entitlement Offer Booklet

The following documents relating to Alkane Resources Limited's traditional non-renounceable pro rata entitlement offer (**Entitlement Offer**) will be mailed to Eligible Shareholders and are attached for release to the market (in accordance with ASX Listing Rule 3.17):

- Entitlement Offer Booklet; and
- Sample Entitlement and Acceptance Form.

Only Eligible Shareholders may participate in the Entitlement Offer. Eligible Shareholders may also apply for additional shares in excess of their Entitlement on and subject to the terms set out in the Entitlement Offer Booklet.

A notification which was sent to Ineligible Shareholders will be released to ASX separately.

### **Not for distribution or release in the United States**

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer or sale would be unlawful. The securities to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act or an exemption from registration. Accordingly, the securities to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in accordance with Regulation S under the U.S. Securities Act.

# Alkane Resources Ltd

ABN 35 000 689 216

## Entitlement Offer

**Details of a 1 for 5 traditional non-renounceable pro rata Entitlement Offer of Alkane Resources Ltd ordinary shares at an offer price of A\$0.20 per share**

**Entitlement Offer closes at 7.00pm (Sydney time) on Monday, 23 May 2016**

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**).

You should call your stockbroker, accountant or other independent and appropriately licensed professional adviser if you have any questions.

# Important Information

---

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

## **Not investment advice or financial product advice**

The Entitlement Offer to which the information in this Booklet relates is being made in reliance on section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The information in this Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Alkane is not licensed to provide financial product advice in respect of the New Shares or Additional New Shares. Neither ASIC or ASX take responsibility for the contents of this Booklet.

The information in this Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Alkane's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

The information in this Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Entitlement Offer. If, after reading this Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

You should also consider the "Key risks" section of the Investor Presentation which is included in this Booklet in the ASX Announcements section at Section 5.2 on pages 22 to 38.

## **No cooling-off rights**

No cooling-off rights apply to the Entitlement Offer – you cannot in most circumstances withdraw your application once it has been accepted.

## **Forward-looking statements**

This Booklet contains certain "forward looking statements". Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions. Any forward looking statements, opinions and estimates provided in this Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Alkane, including the risks and uncertainties described in the "Key risks" section of the Investor Presentation which is included in this Booklet in the ASX Announcements section at Section 5.2. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements may include indications, projections, forecasts and guidance on project development costs, production, sales, earnings, dividends and other estimates. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of Alkane's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Alkane's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be

realised in the period for which the forward looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, Alkane assumes no obligation to update these forward looking statements.

To the maximum extent permitted by law, Alkane and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

### **Past performance**

Past performance and any historical financial information given in this Booklet is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Booklet is, or is based upon, information that has been released to ASX. For further information, please see past announcements released to ASX.

### **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet. Any information or representation that is not in this Booklet may not be relied on as having been authorised by Alkane, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Alkane, or any other person, warrants or guarantees the future performance of Alkane or any return on any investment made pursuant to this Booklet.

### **Foreign jurisdictions**

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

### **United States**

This Booklet and any material accompanying it may not be released or distributed in the United States. This Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold to persons in the United States or persons who are acting for the account or benefit of a person in the United States absent registration under the U.S. Securities Act or an exemption from registration. The Entitlements described in this Booklet may only be taken up by, and the New Shares and Additional New Shares may only be offered or sold to, certain persons outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

Unless otherwise stated, all dollar values in this booklet are in Australian dollars.

# Contents

---

## CONTENTS

CHAIRMAN'S LETTER ..... 5

1. KEY DATES ..... 7

2. DETAILS OF ENTITLEMENT OFFER ..... 8

3. HOW TO APPLY ..... 10

4. OTHER IMPORTANT INFORMATION ..... 14

5. ASX ANNOUNCEMENTS ..... 17

6. GLOSSARY ..... 39

CORPORATE DIRECTORY ..... 41

# Chairman's Letter

---

26 April 2016

Dear Shareholder,

On behalf of the Board of Alkane Resources Ltd ABN 35 000 689 216 (**Alkane**), I am pleased to invite you to participate in an equity issue to raise approximately \$16 million. This equity is being issued through a traditional non-renounceable entitlement offer (**Entitlement Offer**) of new Alkane shares at an issue price of A\$0.20 per New Share (**Offer Price**). Under the Entitlement Offer, all Eligible Shareholders (as defined in Section 4.2 of the Booklet) are being offered the opportunity to subscribe for 1 New Share for every 5 existing Shares held at 7.00pm (Sydney time) on Friday, 29 April 2016 (**Record Date**) at an Offer Price of A\$0.20 per New Share. All Eligible Shareholders who apply to take up their entire entitlement may also apply to subscribe for New Shares in excess of their entitlement.

## Purpose of the equity raising

The proceeds raised by the Entitlement Offer are intended to be used to meet anticipated expenditures to progress the Dubbo Zirconia Project (**DZP**) in accordance with the published timetable until the main financing process is scheduled to complete. Proceeds from the Entitlement Offer will supplement existing cash reserves and be utilised as follows:

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

Alkane is seeking to raise \$16 million under the Entitlement Offer.

The Entitlement Offer is not underwritten, however, Alkane's largest shareholder, Abbotsleigh, an entity associated with Mr Ian Gandel, a director of Alkane, which has a shareholding of approximately 22.10%, has committed to subscribe for its full pro-rata entitlement, 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%. Abbotsleigh has also agreed not to apply for any Additional New Shares (as defined below). These limitations are to ensure that Abbotsleigh complies with relevant provisions of the Corporations Act.

In addition, all Directors who are shareholders intend to participate in the Entitlement Offer to the full extent of their entitlement, subject to compliance with the Corporations Act.

## Your Entitlement

Provided you are an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 5 Shares held at 7.00pm (Sydney time) on the Record Date (**Entitlement**) at an Offer Price of A\$0.20 per New Share, on and subject to the terms of the Entitlement Offer. The Offer Price represents a discount of approximately 7.8% to the closing price of \$0.217 per Share on 22 April 2016, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer and a 7.7% discount to the 10 day VWAP to the closing price of the Shares on ASX on 22 April 2016.

You may also subscribe for New Shares in excess of your Entitlement (**Additional New Shares**). The allocation of Shares in excess of Entitlements will be made in Alkane's absolute discretion and limited to the extent there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement.

New Shares and Additional New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares.

### **Actions required to take up your Entitlement**

If you are an Eligible Shareholder and wish to take up your Entitlement, either in whole or in part, you will need to complete and return your personalised Entitlement and Acceptance Form which accompanies this Booklet and pay the application monies (**Application Monies**) or make a payment by BPAY®. The closing date for the receipt of Entitlement and Acceptance Forms and Application Monies is 7.00pm (Sydney time) on Monday, 23 May 2016. If you are paying by cheque, bank draft or money order, please ensure that you allow sufficient time for delivery of applications by mail, which must be received by no later than 7.00pm (Sydney time) on Monday, 23 May 2016. Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 7.00pm (Sydney time) on Monday, 23 May 2016. Please refer to the instructions in the How to Apply section at Section 3 in this Booklet for further information.

If you do not wish to take up any of your Entitlement, you do not have to take any action. As the Entitlement Offer is non-renounceable, Entitlements will not be tradeable on ASX or otherwise transferable. If you do not take up your full Entitlement, those Entitlements that you do not take up will lapse and you will not receive any payment or value for them.

Alkane shareholders with a registered address outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand are not eligible to participate in the Entitlement Offer, subject to the discretion of Alkane to treat such shareholders as Eligible Shareholders,.

### **Further information**

Details of the Entitlement Offer, as well as the risks associated with investing in Shares, are contained in the ASX announcements included in Section 5 of this Booklet which you should read carefully and in their entirety.

If you have any doubt as to how you should respond to this Entitlement Offer, you should seek professional financial advice before making any investment decision.

For further information regarding the Entitlement Offer, please contact your stockbroker, accountant or other independent and appropriately licensed professional adviser or the Share Registry on [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) or +61 8 9389 8033 or the Company Secretary, Karen Brown on [kbrown@alkane.com.au](mailto:kbrown@alkane.com.au) or +61 8 9227 5677.

On behalf of the Board, I thank you for your continued support of Alkane and invite you to consider this opportunity for further investment in your Company.

Yours sincerely



Mr John SF Dunlop  
Chairman

# 1. Key Dates

---

Event	Date
Announcement of Entitlement Offer	Tuesday, 26 April 2016
Lodgement of Appendix 3B, Cleansing Statement and Offer Booklet with ASX	Tuesday, 26 April 2016
Record Date for the Entitlement Offer	Friday, 29 April 2016 at 7.00pm (Sydney time)
Mailing of personalised Entitlement and Acceptance Form and this Booklet to Eligible Shareholders and Entitlement Offer opens	Wednesday, 4 May 2016
Entitlement Offer closes	Monday, 23 May 2016 at 7.00pm (Sydney time)
Issue of New Shares and Additional New Shares under the Entitlement Offer	Monday, 30 May 2016
Normal trading of New Shares and Additional New Shares issued under the Entitlement Offer expected to commence on ASX	Tuesday, 31 May 2016
Dispatch of holding statements	Thursday, 2 June 2016

Dates and times in this Booklet are indicative only and subject to change. Alkane reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to withdraw or vary the dates and times of the Entitlement Offer without notice. In particular, Alkane reserves the right to extend the closing date of the Entitlement Offer or accept late applications, either generally or in particular cases, without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens. No cooling-off rights apply to applications submitted under the Entitlement Offer – you cannot, in most circumstances, withdraw your application once it has been accepted. The commencement of quotation of New Shares and Additional New Shares is subject to confirmation from ASX.

## Enquiries

If you:

- have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please contact the Share Registry on [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) or +61 8 9389 8033 or the Company Secretary, Karen Brown on [kbrown@alkane.com.au](mailto:kbrown@alkane.com.au) or +61 8 9227 5677. We recommend you consult your stockbroker, accountant or other independent and appropriately licensed professional adviser if you are in any doubt as to whether to participate in the Entitlement Offer.

## Website

[www.alkane.com.au](http://www.alkane.com.au)



## 2. Details of Entitlement Offer

---

### 2.1 Overview

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 5 existing Shares held at the Record Date of 7.00pm (Sydney time) on Friday, 29 April 2016, at the offer price of A\$0.20 per New Share (**Offer Price**), subject to the terms of the Entitlement Offer outlined in this Booklet.

The Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market, on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Entitlement Offer, when read with this Booklet and the accompanying information, is publicly available.

This Booklet does not contain all of the information which may be required in a prospectus or product disclosure statement. As a result, it is important for Eligible Shareholders to carefully read and understand publicly available information on Alkane and the Entitlement Offer, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please read this Booklet in its entirety, Alkane's annual and interim reports and other announcements made available at [www.asx.com.au](http://www.asx.com.au).

### 2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 5 Shares you held as at the Record Date rounded up to the nearest whole New Share.

***Note:** the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States.*

If you have more than one registered holding of Shares, you will be sent more than one

personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

You should note that not all Alkane shareholders as at the Record Date will be eligible to participate in the offer of New Shares. Please refer to Section 4.4.

### 2.3 Additional New Shares

Eligible Shareholders 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.

Additional New Shares will be allocated to Eligible Shareholders in Alkane's absolute discretion, having regard to circumstances as at the time of the close of the Entitlement Offer. Alkane may apply any allocation policy or scale-back to applications for Additional New Shares in any manner it decides and in its absolute discretion.

There is no assurance that Eligible Shareholders who apply for Additional New Shares will be allocated all or any of those Additional New Shares.

### 2.4 Non-renounceable Entitlement Offer

The Entitlement Offer is non-renounceable, which means that the Entitlements are non-transferable and cannot be sold or traded, and Alkane shareholders will not receive any value in respect of Entitlements that they do not take up or which they are ineligible to receive.

### 2.5 No underwriting

The Entitlement Offer is not underwritten however Petra Capital Pty Ltd has been appointed lead manager and has undertaken, on a best endeavours basis, to assist the Board in placing any Shortfall Shares (see below).

### 2.6 Shortfall Shares

Alkane reserves the right to place the balance of any New Shares or Additional New Shares which are not applied for by Eligible Shareholders (**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.

The Board may, in its absolute discretion, invite other new investors and/or existing Alkane shareholders to apply for these Shortfall Shares. If there are Shortfall Shares and the number of such shares is insufficient to satisfy applications, the Board's decision as to the number of Shortfall Shares to be issued, and to whom, is final.

## 2.7 Capital structure

The potential effect of the Entitlement Offer on the capital structure of Alkane depends on the level of take up of Entitlements by Eligible Shareholders under the Entitlement Offer and any Shortfall Shares by other new investors and/or existing Alkane shareholders (if applicable).

The effect of the Entitlement Offer on Alkane's capital structure is set out in the table below:

Securities	Number
Alkane shares on issue as at the date of this Booklet	414,218,670
Maximum number of New Shares and Additional New Shares to be issued under the Entitlement Offer (subject to rounding)	82,843,734
Total Alkane shares on issue immediately following completion of the Entitlement Offer (assuming no other issues of Alkane shares)	497,062,404

## 2.8 Impact of the Entitlement Offer on the control of Alkane

Alkane has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Entitlement Offer on the control of Alkane.

In summary, the effect that the Entitlement Offer will have on the control of Alkane, and the consequences of that effect, will depend

upon a number of factors, including the level of take up of Entitlements by Eligible Shareholders under the Entitlement Offer and any Shortfall Shares by other new investors and/or existing Alkane shareholders (if applicable).

Given no nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeover prohibition in section 606 of the Corporations Act.

As such, Alkane's largest shareholder, Abbotsleigh Pty Ltd (**Abbotsleigh**), an entity associated with Mr Ian Gandel, a director of Alkane, 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 agreed not to apply for any Additional New Shares.

## 2.9 Impact of the Entitlement Offer on your shareholding

If you do not wish to take up your Entitlement under the Entitlement Offer or you are an Ineligible Shareholder, your percentage shareholding in Alkane will be diluted to the extent other shareholders take up some or all of their Entitlements, apply for Additional New Shares and the extent to which other investors and/or existing Alkane shareholders are issued with Shortfall Shares (if applicable).

## 3. How to apply

---

### 3.1 What options do I have?

If you are an Eligible Shareholder, you may take one of the following three options:

1. take up some or all of your Entitlements;
2. take up all of your Entitlements and also apply for Additional New Shares in excess of your Entitlement; or
3. do nothing and allow your Entitlements to lapse and you will not receive any payment or value for your Entitlement.

Before deciding which option to take, you should read this booklet in its entirety, the Entitlement and Acceptance Form and also other publicly available information about Alkane. In particular you should consider the "Key risks" section of the Investor Presentation which is included in this Booklet in the ASX Announcements section at Section 5.2.

### 3.2 How to take up some or all of your Entitlements or apply for Additional New Shares

If you do decide to take up all or part of your Entitlement, or apply for Additional New Shares, please:

- pay your Application Monies via BPAY; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies,

by following the instructions set out on the personalised Entitlement and Acceptance Form.

Alkane will treat you as applying for as many New Shares as your payment will pay for in full, subject to the application of any allocation policy or scale-back it may determine to implement in its absolute discretion in respect of Additional New Shares. Amounts received by Alkane in excess of your Entitlement may be treated as an application to apply for as many Additional New Shares as your excess amount will pay for in full.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer, you will be issued your New Shares on

or about Monday, 30 May 2016. If you apply for Additional New Shares then, subject to Alkane's absolute discretion to apply any application policy or scale-back your application for Additional New Shares (in whole or part), you will be issued these on that same date. Alkane's decision on the number of New Shares and Additional New Shares to be allocated to you will be final.

Your application for Additional New Shares may not be successful (wholly or partially). Any surplus Application Monies received for more than your final allocation of Additional New Shares will be refunded at the time of despatch of holding statements on or around Thursday, 2 June 2016 (except for where the amount is less than \$2.00, in which case it will be retained by Alkane as it is not practicable or cost effective to return such amendments. No interest will be paid to Eligible Shareholders on any Application Monies received or returned (wholly or partially).

Alkane also reserves the right (in its absolute discretion) to reduce the number of New Shares and Additional New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims to Alkane's satisfaction.

If you take no action you will not be issued New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

**To participate in the Entitlement Offer, your payment must be received by one of the payment methods described in Section 3.3 by the stated time on Monday, 23 May 2016.**

### 3.3 Payment methods

#### BPAY

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution

that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares (and Additional New Shares, if any) as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (ie where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares, if any) on the Entitlement to which that CRN applies.

**Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 7.00pm (Sydney time) on Monday, 23 May 2016.** You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Alkane takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Entitlement Offer closes, as a result of, among other things, delays in postage or processing of payments by financial institutions.

#### **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you must also complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Alkane Resources Ltd" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.20 multiplied by the number of New Shares and Additional New Shares (if any) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

The completed Entitlement and Acceptance Form, together with Application Monies, should be mailed using the reply paid envelope provided with this Booklet or otherwise to the following address:

Alkane Entitlement Offer  
c/o Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands WA 6009

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque for Application Monies is insufficient to pay for the number of New Shares (and Additional New Shares, if any) you have applied for in your personalised Entitlement and Acceptance Form, your cheque will be dishonoured and you will not receive any New Shares or Additional New Shares. If, however, the amount for your bank draft or money order for Application Monies is insufficient to pay for the number of New Shares (and Additional New Shares, if any) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and Additional New Shares, if any) as your cleared Application Monies will pay for and to have specified that number of New Shares (and Additional New Shares, if any) on your personalised Entitlement and Acceptance Form. Alternatively, your application may not be accepted in Alkane's discretion.

**Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Share Registry by no later than 7.00pm (Sydney time) on Monday, 23 May 2016.** Cash payments will not be accepted. Receipts for payment will not be issued.

### 3.4 Warranties made on acceptance of the Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted, for the benefit of Alkane that you:

- agree to be bound by the terms of the Entitlement Offer, this Booklet and Alkane's constitution;
- authorise Alkane to register you as the holder(s) of the New Shares and any Additional New Shares allotted to you;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- acknowledge that once Alkane receives the Entitlement and Acceptance Form or your payment by BPAY, you may not withdraw it except as provided by law;
- agree to apply for, and be issued with up to, the number of New Shares and Additional New Shares that you apply for at the Offer Price per New Share;
- authorise Alkane, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares or Additional New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are the current registered holder(s) of the shares in your name at the Record Date;
- acknowledge that the information contained in this Booklet is not investment advice or a recommendation that New Shares or Additional New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information you may require in order to assess an investment in Alkane and is given in the context of Alkane's past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any other place does not prohibit you from being given this Booklet or making an application for New Shares or Additional New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant that you are an Eligible Shareholder and have read and understood this booklet and the Entitlement and Acceptance Form in their entirety and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Booklet and the Entitlement and Acceptance Form;
- represent and warrant that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not acting for the account or benefit of a person in the United States and is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered;
- acknowledge that none of Alkane or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Alkane, nor do they guarantee the repayment of capital;
- agree to provide any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of shares on the Record Date; and
- authorise Alkane to correct any errors in your Entitlement and Acceptance Form or other form provided by you.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted, for the benefit of Alkane on your

own behalf and on behalf of each person on whose account you are acting that:

- you are not in the United States and you are not acting for the account or benefit of a person in the United States, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares and Additional New Shares under the Entitlement Offer and under any applicable laws and regulations;
- you and each person on whose behalf who are acting are acquiring the Entitlements, New Shares and Additional Shares in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U. S. Securities Act;
- you understand and acknowledge that the Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand, and, accordingly, the Entitlements may not be taken up, and the New Shares and Additional New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. Notwithstanding the foregoing, after the quotation of the Shares commences, you may sell Securities in standard (regular way) brokered transactions on the ASX if neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the United States; and
- you and each person on whose behalf you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States.

## 4. Other important information

---

This Booklet (including the ASX announcements and the Investor Presentation in relation to the Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by Alkane. The information in this Booklet is dated 26 April 2016.

No party other than Alkane has authorised or caused the issue of the information in this Booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this Booklet.

### 4.1 Please consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent and appropriately licensed professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to the "Key risks" section of the Investor Presentation which is included in this Booklet in the ASX Announcements section at Section 5.2.

An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Alkane, including possible loss of income and principal invested. Alkane does not guarantee any particular rate of return or the performance of Alkane, nor does it guarantee the repayment of capital from Alkane or any particular tax treatment.

Alkane does not consider it appropriate to give shareholders advice regarding the taxation consequences of participating in the Entitlement Offer.

Alkane does not accept any responsibility in this regard, and shareholders should consult with their professional tax adviser.

### 4.2 Eligible Shareholders

This Entitlement Offer is being extended to eligible Alkane shareholders (**Eligible Shareholders**). Eligible Shareholders are those who:

- are registered as a holder of Shares as at 7.00pm (Sydney time) on the Record Date;
- have a registered address on the share register in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand;
- are not in the United States or a US Person or acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in the Company for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Subject to the following, the Entitlement Offer is not being extended to any Alkane shareholder with a registered address outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

In Alkane's absolute discretion, Alkane may elect to treat as Eligible Shareholders certain shareholders who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand.

### 4.3 Offer jurisdictions

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares or the Additional New Shares, or otherwise permit a public offering of the New Shares or Additional New Shares, in any jurisdiction outside of Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore,

the Philippines or Thailand. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by Alkane to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Booklet (including an electronic copy) outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand is restricted by law. If you come into possession of this Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

See the "Foreign Selling Restrictions" section of the Investor Presentation for more information.

### **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares (and Additional New Shares) are not being offered to the public within New Zealand other than to existing shareholders of Alkane with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### **United States**

This Booklet and any material accompanying it may not be released or distributed in the

United States. This Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold to persons in the United States or persons who are acting for the account or benefit of a person in the United States absent registration under the U.S. Securities Act or an exemption from registration. Accordingly, the Entitlements may only be taken up by, and the New Shares and Additional New Shares may only be offered or sold to, persons that are not in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

### **4.4 Ineligible Shareholders**

Alkane is of the view that it is unreasonable to extend the Entitlement Offer to certain Alkane shareholders (**Ineligible Shareholders**), having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, and subject to the discretion of Alkane set out under the "Eligible Shareholders" section above, the Entitlement Offer is not being extended to any Alkane shareholders with a registered address outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand, or to any Shareholder who is in the U.S. or is, or is acting for the account or benefit of, a U.S. Person. Alkane will send Ineligible Shareholders details of the Entitlement Offer and advise that Alkane is not extending the Entitlement Offer to Ineligible Shareholders. The Entitlement Offer is also not being extended to any holders of Alkane American Depositary Receipts (**ADRs**) or The Bank of New York Mellon (as the ADR sponsor).



#### **4.5 Notice to nominees and custodians**

Nominees and custodians which hold shares on behalf of other persons will have received or will shortly receive, a letter from Alkane. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is only being made to Eligible Shareholders and that they may participate on behalf of that person if that person is otherwise eligible under applicable securities laws to receive an offer, and be issued New Shares and Additional New Shares under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Alkane is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, complies with applicable foreign laws. Alkane is not able to advise on foreign laws. By completing and returning an Entitlement and Acceptance Form or making a payment by BPAY, a nominee or custodian will be deemed to have represented and warranted for the benefit of Alkane that each beneficial holder on whose behalf it is submitting the Entitlement and Acceptance Form is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Nominees and custodians may not distribute any part of this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand, Philippines, Singapore and Thailand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may

determine it is lawful and practical to make the Offer.

Eligible Shareholders who are nominees or custodians are therefore advised to seek independent professional advice as to how to proceed.

#### **4.6 Rights attaching to New Shares and Additional New Shares**

New Shares and Additional New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares then on issue. New Shares and Additional New Shares will be entitled to any dividends on ordinary shares with a record date after the date of issue.

#### **4.7 Governing law**

The information in this Booklet, the Entitlement Offer and the contracts formed on acceptance of Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in Western Australia. Each shareholder who applies for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

#### **4.8 Confirmation of your application and managing your holding**

You may access information on your holding, including your Record Date balance and the issue of New Shares (and Additional New Shares, if any) from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Investor Centre website [www.advancedshare.com.au](http://www.advancedshare.com.au). To access the Investor Centre you will need your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

## 5. ASX Announcements

---

### 5.1 ASX Equity Raising Announcement dated Tuesday, 26 April 2016



26 April 2016

## ***ALKANE LAUNCHES \$16M CAPITAL RAISING TO PROGRESS DZP***

---

### **Key Metrics of the Offer**

- **Alkane to raise approximately \$16 million through a pro-rata traditional non-renounceable entitlement offer of one new share for every five existing shares held, at an issue price of \$0.20 per share**
- **Offer open to eligible Alkane shareholders with a registered holding as at 7.00pm Sydney time on 29 April 2016**
- **The funds raised will be applied to the advancement of the Dubbo Zirconia Project through to receipt of project financing funds**

### **Background**

Alkane Resources Ltd (**Alkane** or the **Company**) (ASX: ALK) announces a raising of approximately \$16 million in new capital through a pro-rata traditional non-renounceable entitlement offer (the **Entitlement Offer** or **Offer**).

Alkane is a multi-commodity company focused in the Central West region of NSW, Australia. The Company successfully developed and operates a gold mine at Tomingley (Tomingley Gold Operations) and is progressing the development of the nearby Dubbo Zirconia Project (**DZP**) which is a world class deposit of zirconium, hafnium, niobium and rare earths for which the Company has received:

- Approval from the New South Wales Planning Assessment Commission, as delegate for the NSW Minister of Planning and Environment (announced 2 June 2015),
- Federal environmental approval for mining of the Toongi deposit (announced 25 August 2015),
- Approval from NSW Department of Industry, Division of Resources and Energy for the granting of the necessary mining lease (announced 21 December 2015), and
- Approval from the NSW Environmental Protection Agency covering the construction period of the DZP (announced 14 March 2016).

Other recent milestones achieved in the path to development of the DZP include:

- Front end engineering and design (**FEED**) investigations completed confirming robust economics of the project (announced 27 August 2015),
- Commencement of Early Contractor Involvement to find further value in project design (announced 29 September 2015), and
- Toll treatment Letter of Intent with Vietnam Rare Earth JSC to process the rare earth concentrate recovered by the DZP, to produce a suite of marketable separated rare earth products (announced 7 April 2016).

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

**Ground Floor, 89 Burswood Road, Burswood WA 6100, AUSTRALIA (PO Box 4384, Victoria Park WA 6979, AUSTRALIA)**

**Telephone: +61 8 9227 5677 Facsimile: +61 8 9227 8178**

**[www.alkane.com.au](http://www.alkane.com.au) [mail@alkane.com.au](mailto:mail@alkane.com.au)**



## Purpose of the Offer

The proceeds of the Offer will be used to meet anticipated expenditures to progress the DZP in accordance with the published timetable until the main financing process is scheduled to complete. Proceeds from the Entitlement Offer will supplement existing cash reserves and be utilised used for:

- (a) Acquisitions of the remaining key parcels of land within the DZP project area;
- (b) Perform DZP pilot plant run(s) to confirm FEED and other process changes and produce product samples for potential offtake customers;
- (c) Development of strategic partnerships to provide value enhancement to published project financials
- (d) Other DZP related expenditures; and
- (e) General working capital requirements including fees associated with the Offer

## Entitlement Offer

The Offer consists of an entitlement offer to all eligible shareholders to raise approximately \$16 million.

Under the Offer, eligible shareholders will be entitled to apply for 1 new share for every 5 Alkane shares held by them at the record date of 7.00 pm (Sydney time) on 29 April 2016 at a price of \$0.20 per new share. Eligible shareholders may also apply for additional new shares in excess of their entitlement at the offer price, although any application for additional new shares may be scaled back at the Company's discretion.

The offer price represents a discount of approximately 7.8% to the closing price of \$0.217 on Friday 22 April 2016, the last trading day before the announcement of the Offer.

The Offer is not underwritten, however, Alkane's largest shareholder, Abbotsleigh, an entity associated with Mr Ian Gandel, a director of Alkane, which has a shareholding of approximately 22.1%, has committed to subscribe for its pro-rata entitlement, 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 25.1%. In addition, all directors of the Company who are shareholders intend to participate in the Offer to the full extent of their entitlement, subject to compliance with the *Corporations Act 2001* (Cth).

The Company has 414,218,670 shares on issue. The maximum number of shares that may be issued under the Offer is 82,843,734 new shares. New shares issued under the Offer will rank equally with existing shares. The Company will apply for official quotation on ASX of the new shares issued under the Offer.

The entitlements are non-renounceable therefore not transferrable and cannot be sold or traded, and Alkane shareholders will not receive any value in respect of entitlements that they do not take up or which they are ineligible to receive.

Any shortfall from the Offer may be placed at the Company's discretion, at a price not less than the offer price, within 3 months of the closing date of the Offer. Petra Capital Pty Ltd has been appointed as lead manager of the Offer and has undertaken, on a best endeavours basis, to assist the Board in placing any shortfall shares.

## Eligible Shareholders

Eligible Shareholders are those persons who:

- are the registered holder of Alkane shares at 7.00 pm (Sydney time) on 29 April 2016
- have a registered address in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand;
- are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person (to the extent such person holds ordinary shares in the Company for the account or benefit or such person in the United States); and



- are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered.

Subject to the following, the Offer is not being extended to any Alkane shareholders with a registered address outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand. In Alkane's absolute discretion Alkane may elect to treat as Eligible Shareholders certain shareholders who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand.

### No Prospectus/Shareholder approval

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 which permits Alkane to conduct the Offer without issuing a prospectus. Instead, Alkane will today lodge with ASX a notice in accordance with section 708AA(2)(f) of the Corporations Act and Eligible Shareholders will receive the offer booklet that contains information detailing how to participate in the Entitlement Offer.

Shareholder approval is not required for the Offer.

### Indicative Timetable

Event	Date
Lodgement of Appendix 3B, Offer Cleansing Notice and Offer Booklet with ASX	Tuesday, 26 April 2016
Existing Alkane shares quoted on an ex-Entitlements basis	Thursday, 28 April 2016
Record Date for determining Entitlements under the Offer	Friday, 29 April 2016
Offer Booklet and Entitlement and Acceptance Forms despatched, and Offer open for acceptances	Friday, 29 April 2016
Offer closes at 5pm Perth time (7pm Sydney time)	Monday, 23 May 2016
New shares under the Offer quoted on a deferred settlement basis	Tuesday, 24 May 2016
Shortfall notification	Thursday, 26 May 2016
New Shares under the Offer issued and updated Appendix 3B lodged	Monday, 30 May 2016
New Shares under the Offer commence trading on ASX on a normal settlement basis	Tuesday, 31 May 2016
Holding statements despatched	Thursday, 2 June 2016

The timetable is indicative only and may change without notice, subject to the requirements of the ASX Listing Rules and the Corporations Act.



ABOUT ALKANE - [www.alkane.com.au](http://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 Zirconia Project (DZP). 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 DZP.

The NSW Planning Assessment Commission granted development approval for the DZP 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 will make Alkane a strategic and significant world producer of zirconium, hafnium and rare earth products when it commences production anticipated to be in 2018.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects, and Elsenora farm-in. Wellington has a small copper-gold deposit which can be expanded, while at Bodangora a large 12km<sup>2</sup> monzonite intrusive complex has been identified with porphyry style gold copper mineralisation. Encouraging gold mineralisation was drilled at Elsenora early in 2015.



#### Disclaimer

This report may contain certain forward looking statements and forecasts, including possible or assume, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.

5.2 Investor Presentation dated Monday, 26 April 2016

# Equity Raising: Investor Presentation

26 April 2016



## Equity Raising

### Offer structure

- Alkane is conducting a pro-rata non-renounceable entitlement offer (the "Offer") of fully paid ordinary shares on the basis of 1 New Share for every 5 existing shares held at the record date 29 April 2016
- The maximum number of New Shares which may be issued under the Offer is approximately 82.8 million shares at \$0.20 per New Share to raise approximately A\$16.6 million
  - New Shares issued will rank equally with existing Alkane shares on issue
  - Issue of the New Shares does not require shareholder approval
- The Offer is not underwritten
- Eligible shareholders may apply for additional New Shares under the Offer
- The Lead Manager for the Offer is Petra Capital

### Offer pricing

- Fixed offer price of \$0.20 per New Share under the Offer ("**Offer Price**")
  - 7.8% discount to Alkane closing price on the ASX as at 22 April 2016
  - 7.7% discount to Alkane 10 day VWAP on the ASX as at 22 April 2016

### Use of proceeds

- The proceeds of the Offer will supplement existing cash reserves and are intended to be used to fund:
  - Acquisitions of the remaining key parcels of land within the Dubbo Zirconia Project (DZP) area;
  - Perform DZP pilot plant run(s) to confirm front end engineering and design and other process changes and produce product samples for potential offtake customers;
  - Development of strategic partnerships to provide value enhancement to published DZP financials;
  - Other DZP related expenditures; and
  - General working capital requirements including fees associated with the Offer.

### Major shareholder and Directors

- Alkane's largest shareholder, Abbotsleigh (associated with Mr Ian Gandel, a director of Alkane) has committed to take up its full pro rata entitlement under the Offer, provided that its voting power immediately following completion of the Offer does not exceed 25.1%
- Each other director has committed to take up their pro rata entitlement under the Offer

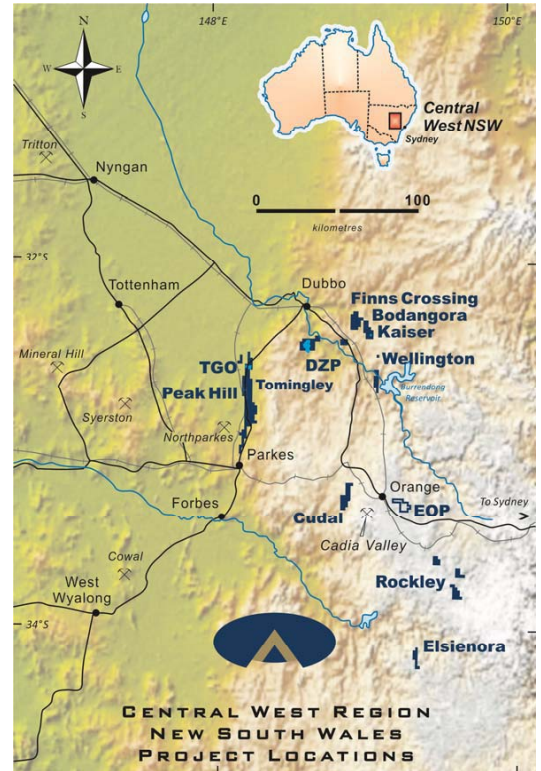




**ALKANE**  
RESOURCES LTD

# Corporate Profile

- Listed on ASX since 1969, also listed on OTCQX (US)
- ~6,300 shareholders
- Multi commodity explorer, miner and developer focused on Central West of NSW, Australia
- Active in region for more than 20 years
- Developed Peak Hill Gold Mine in 1996, operated to 2005 being the end of mine life
- Tomingley Gold Operations (TGO) construction completed on time/budget; first gold production February 2014; providing cash flow to assist with DZP development
- World-class Dubbo Zirconia Project (DZP) front end engineering and design completed; project approval received; project at pre-construction stage; financing in progress
- Successful ongoing exploration program to provide a pipeline of development projects



**ALKANE**  
RESOURCES LTD

# Board & Management

## Board

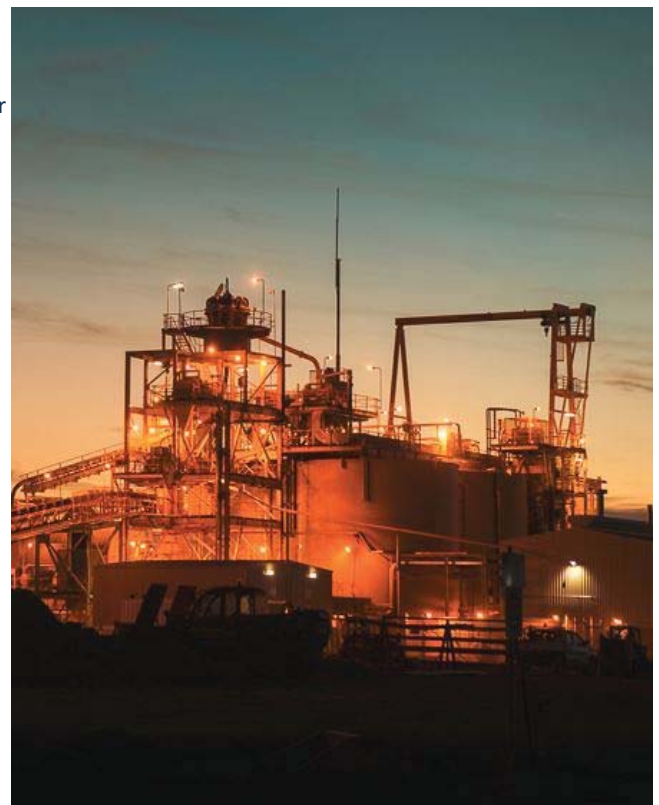
- John S F Dunlop (Chairman) BE(Min), MEngSc(Min). Mining Engineer
- D Ian Chalmers (Managing Director) MSc. Geologist
- Ian J Gandel (Director) LLB, BEc. Businessman
- Anthony D Lethlean (Director) BAppSc. Geologist/Banker
- Karen Brown (Company Secretary) BEc








## Senior Management

- Nic Earner (Chief Operations Officer) BEng (Honours)
- Michael Ball (Chief Financial Officer) CA BCom
- Terry Ransted (Chief Geologist) BSc
- Michael Sutherland (General Manager NSW) BSc
- Brendan Ward (Commercial Manager) LLB, BA
- Sean Buxton (TGO Operations Manager) BEng
- Natalie Chapman (Corporate Communications) BSc, MBA

## DZP Marketing Consultants

- Alister MacDonald (Marketing TCMS) - Ceramic Engineer
- Jeff Swingler (Special Strategic Advisor) - CA, MEI
- Dudley Kingsnorth (REE Markets IMCOA) - BMet (Hons), MSc.,



- 
**DZP a highly strategic asset**
  - Globally significant resource of zirconium, hafnium, niobium (tantalum), yttrium and rare earths (RE)
  - Significant hafnium, yttrium and heavy rare earth content
  - Polymetallic product suite providing greater revenue and customer diversification than other pure RE producers
- 
**Front End Engineering & Design (FEED) completed: long mine life, low cost project indicated**
  - Robust technical and financial feasibility complete, engineering and design completed to bankable level
  - Based on proven flow sheet from demonstration pilot plant (operating since 2008)
  - Simple open pit mine; 20 year mine life modelled for DFS compared to 35 years by Reserves and 70 years by Resources
- 
**Development of EPC Construction Contracts**
  - Appointment of Outotec for Early Contractor Involvement (ECI) for process infrastructure and equipment in Sept 2015
  - Appointment of ECI for remaining earthworks and infrastructure to be made
- 
**Attractive market fundamentals**
  - Markets characterised by few major suppliers
  - Significant demand from a wide and expanding range of product applications
  - Limited new significant supply prospects provide attractive returns
- 
**Expert management team**
  - Significant specialist personnel to aid DZP project delivery
  - Additions of senior management personnel to aid DZP project delivery
- 
**Strong market interest in products and supportive partners**
  - LOI with established operator for RE toll processing; JV with Treibacher to produce FeNb
  - Development of strategic partnerships to provide value enhancement to published project financials & revenue security
  - Project level investment(s) progressing
- 
**Tomingley Gold Operation (TGO) provides near term cash flows**
  - In production since February 2014; generated \$32.9M in free cash since July 2014 (refer slide 13)
  - Proves capability of Alkane to develop assets in NSW and provides ongoing cashflows and exposure to gold price

Indicative Shareholder Base as at 31 March 2016

## 1H FY2016 Financials

- Total income A\$56.2 million
- Profit before income tax A\$8.9 million
- Operating cash flow A\$19.1 million
- Total equity A\$178.1 million
- Market cap at 21 April ~A\$90 million
- Issued capital 414.2 million shares
- Cash and bullion A\$19.2 million

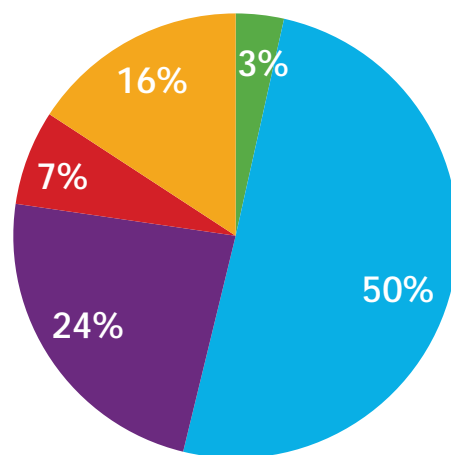
## Tomingley Gold Operations

- Production 35,136 ounces
- Gold revenue A\$55.4 million
- AISC<sup>(1)</sup> A\$1,270/oz (expected LOM average ~A\$1,000 - A\$1,100)
- Profit before income tax A\$12.9 million
- Capital A\$10.9 million (A\$9.4M deferred waste)

## Dubbo Zirconia Project

- ECI, process development, marketing, land acquisitions
- 1H FY16 total outflows A\$7.0 million (FY15 A\$15.8 million)
- Funded from TGO cash flows

<sup>(1)</sup> Refer to ASX Quarterly Activities Report dated 20 April 2016 for definition



- Hedge Funds
- Retail & others
- Directors & Management
- Foreign Institution
- Domestic Institutions

**Major Shareholders:**  
~22% Abbotsleigh (Gandel Metals)  
~10% Fidelity Group

## ➤ Project Information

- \$115M construction capex funded without debt
- Resource – ~688,000oz of gold (ASX 21 Sept 2015)
- Mine Method – open cut & underground
- Mine Life – 6 years (targeting 10+ yrs)
- Processing plant throughput – 1.0Mtpa
- 1.9g/t Au and 91% recovery standard CIL
- Gold Production – ~350,000oz over base case life

## ➤ Operating Strategy

- **Extend mine life (targeting 10+ yrs)**
  - Commence underground operations
  - Exploration for near mine ore sources
- **Reduce operating unit costs**
  - Continuous improvement programs in progress
  - “Emeco Better Solution” project has to date delivered a 20% increase in payload and 13% increase in operating efficiency lifting TGO’s fleet into the first or second quartile of similar mining fleets in Australia across most standard productivity metrics
  - Processing focussed on stable recovery and lowering unit costs with significant reduction over the last 12 months

## ➤ FY 2016 Guidance:

- **Production 60,000 – 70,000oz**
- **AISC<sup>(1)</sup> A\$1,250 – A\$1,350/oz**

<sup>(1)</sup> Refer to ASX Quarterly Activities Report dated 20 April 2016 for definition

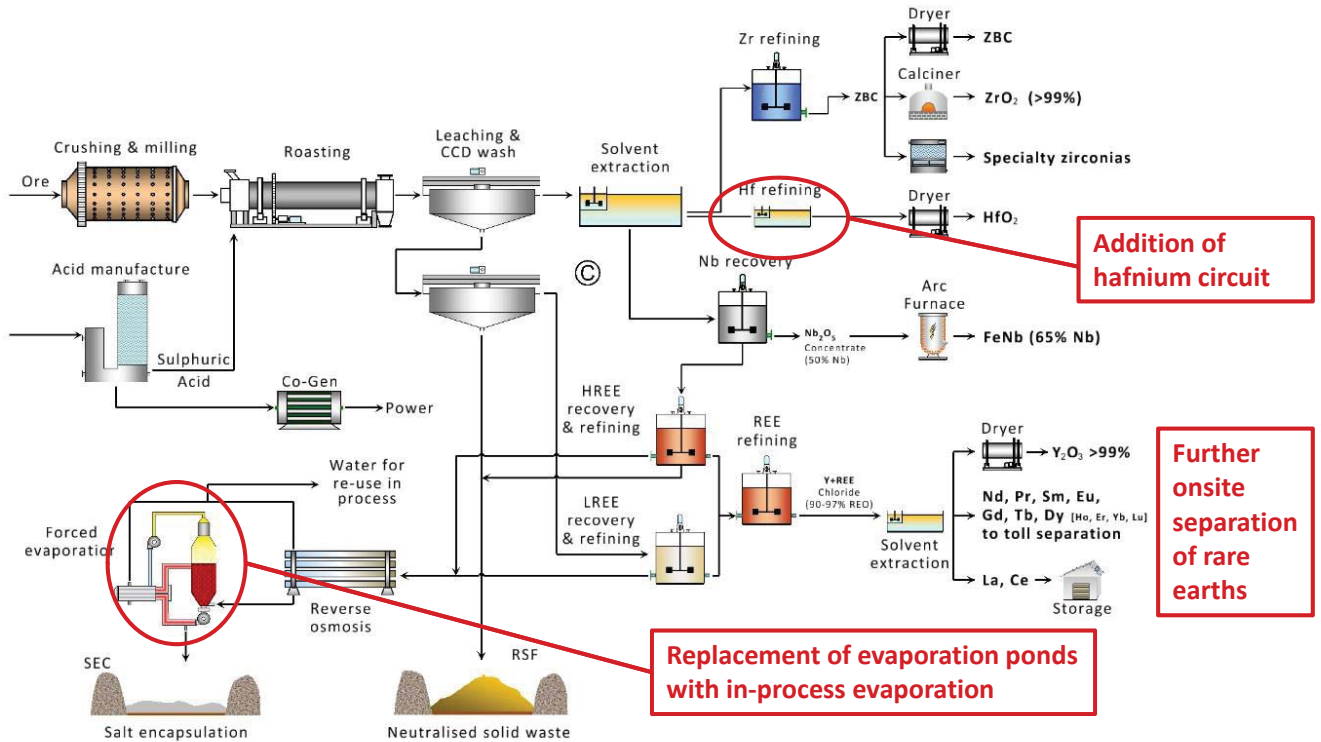


# Dubbo Zirconia Project

- Located 400km northwest of Sydney within a region that has substantial infrastructure – roads, rail, power, gas, light engineering, people (~100,000), being a large agricultural and mining area
- A very large polymetallic resource of the metals zirconium hafnium, niobium (tantalum), yttrium and rare earths
- Important and strategic metal mix
- Reserve supports 35 year mine life at 1 million tonne ore processing per annum with defined resource supporting an 80 year open pit operation
- Demonstrated flow sheet with pilot plant and products for market evaluation operated at ANSTO since 2008
- August 2015 FEED study confirmed the robust technical and financial DFS of April 2013
- State and Federal environment approvals in May and August 2015
- Finnish technology/engineering company Outotec appointed for Early Contractor Involvement (ECI) in September 2015 to present a fixed price EPC



# Process Flowsheet – 2015 Changes



# DZP Financial Summary

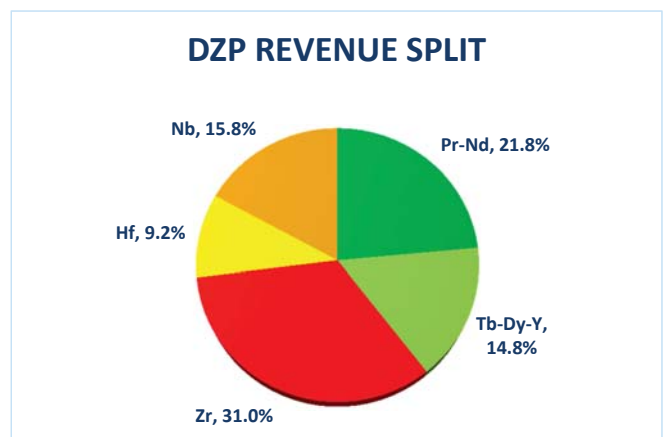
## ➤ FEED completed August 2015

### Project Financials:

Capex A\$1.3B / A\$103M contingency  
 Revenue A\$550 - \$600Mpa  
 Opex A\$260Mpa  
 EBITDA A\$290 - \$340Mpa  
 20 year pre-tax NPV A\$1.2B (8%) and 17.5% IRR

Revenue projections based upon Chinese domestic rare earth prices and current spot ranges for Zr, Hf and Nb

Rare earth projected revenues largely derived from Pr, Nd, Tb, Dy and Y (for production of RE magnets and special ceramics/alloys)



Projected operating costs to produce a kilogram of product range from US\$7.50 to US\$8.00/kg

Projected revenue averages US\$17.00/kg (REO US\$23/kg or US\$56/kg without La/Ce; Zr US\$8.26/kg; Hf US\$500/kg; Nb US\$40/kg)

Capital intensity ~ US\$35/kg of product

- **State Approval 28 May 2015**
- **Federal Department of Environment Approval 25 August 2015**
- **Front end engineering design completed 27 August 2015**
- **Revamped flowsheet, with specific rare earth separation on site, improved waste management and reduced water consumption**
- **Technology engineers Outotec appointed 29 September 2015 for early contractor involvement to produce EPC (fixed price) construction cost**
- **Mining Lease approved 18 December 2015**
- **Environmental Protection Licence (EPL) approved 14 March 2016**
- **LOI with Vietnam Rare Earth JSC (VTRE) to secure rare earth toll processing 7 April 2016**

- 
- **Financing and product off-take agreements – continued progress**

- **To purchase the remaining parcels of land within the DZP project area**
  - AZL will own all land required for the fully permitted Dubbo Zirconia Project (~3,400ha after planned acquisitions)
  - Several parcels of land outside the project footprint remain as contingent liabilities
- **DZP pilot plant batch run**
  - Produce product samples for potential customers to enable finalisation of offtake contracts and LOI's
  - Timely with the recent LOI with VTRE which provides clear processing pathway to rare earth products with established producer
  - Provide technical data for process improvements from FEED and ECI to withstand financing technical due diligence
- **Advance value enhancements and product development with strategic partners**
  - Opportunities with VTRE to further process rare earth oxides into value added products potentially increasing the DZP financials and enhancing offtake appeal
  - Establishment of joint marketing company for VTRE to enhance relationships with planned DZP customers
  - Investigate other market penetration opportunities
- **Other DZP related expenditures**
- **General working capital requirements including fees associate with the Offer**

NB Assumes target funds raised and satisfactory due diligence with VTRE. Activities will be restricted to available funding.

- **Strong cash generation from TGO has been utilised to fund DZP development**
- **Currently seeking to increase the group working capital facility**
  - Acceleration of exploration activities for highly prospective targets and enhance Group working capital base

**From 1 July 2014 to 31 March 2016:**

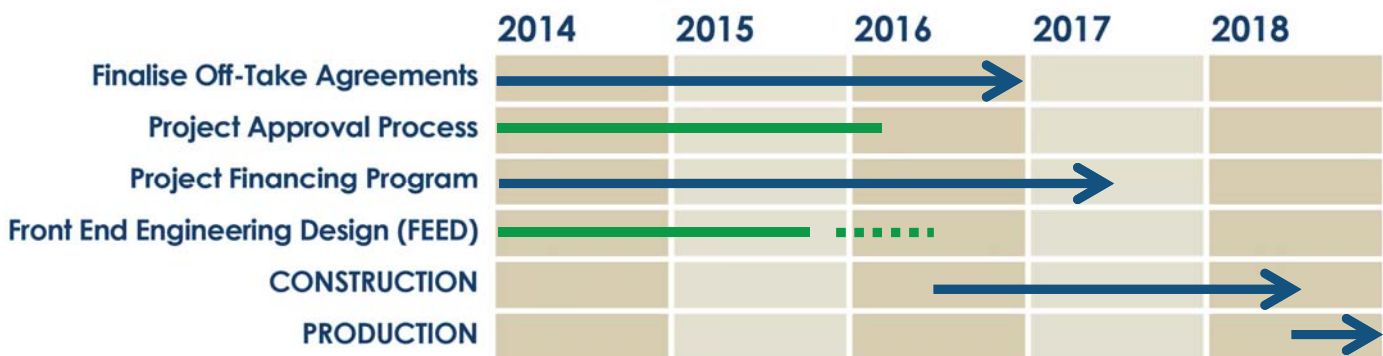
Opening cash balance 1 July 2014	<u>\$15.8M</u>
<b>TGO net cash generated</b>	<b>\$32.9M</b>
Inflows from the sale of investments	\$4.0M
Working capital facility	\$4.0M
DZP expenditures:	
● FEED and ANSTO research and development	(\$12.7M)
● Project area land purchases	(\$11.0M)
● Capitalised employee costs	(\$1.5M)
● Marketing expenditures	(\$1.1M)
● Environmental expenditures	(\$0.9M)
● Net other expenditures	(\$0.4M)
<b>Total DZP expenditures</b>	<b>(\$27.6M)</b>
Corporate and Exploration expenditures	<u>(\$12.4M)</u>
Net increase in cash balance	<u>\$0.9M</u>
Closing cash balance 31 March 2016	<b>\$16.7M</b>

Milestone	Timing*
<b><u>Project Resources</u></b>	
<ul style="list-style-type: none"> <li>▪ Acquire remaining key land parcels to secure project footprint</li> <li>▪ Secure remaining water resources</li> <li>▪ Powerline easement option fees</li> </ul>	Q2 2016 Project funding Project funding
<b><u>Key Agreements</u></b>	
<ul style="list-style-type: none"> <li>▪ Rare earth toll processing agreement</li> <li>▪ Agreement with VTRE for AZL to market existing VTRE products</li> <li>▪ Product offtake agreements (Zr, Hf and REEs)</li> <li>▪ Zirconium marketing and sales agreement</li> <li>▪ Development of EPC construction contract package(s)</li> </ul>	Q2 2016 Q2 2016 Q2-Q4 2016 Q2 2016 In progress
<b><u>Engineering, Design &amp; Product Development</u></b>	
<ul style="list-style-type: none"> <li>▪ Engineering and design at bankable level</li> <li>▪ Engineering &amp; design improvements from ECI (CP to Funding)</li> <li>▪ Pilot plant run to confirm Hf circuit and produce marketing samples</li> </ul>	Q2 2016 In progress Q2/Q3 2016

\* Estimates of times are based on a current assessment of the stage of negotiations and are indicative only and are subject to change.

Investment at Project Level	Government Assistance Programs	Commercial Bank Debt (CBD)	Equity Capital Markets (ALK)
<ul style="list-style-type: none"> <li>• Strategic Investment(s)</li> <li>• Advisor: Sumitomo Mitsui Banking Corp (SMBC)</li> <li>• Strategic interest(s) in long term supply of critical metals</li> <li>• Intro of cornerstone investor(s)</li> </ul>	<ul style="list-style-type: none"> <li>• ECA Style Funding</li> <li>• Lead coordinator: SMBC</li> <li>• Attractive Project               <ul style="list-style-type: none"> <li>• Long life, low cost</li> <li>• Long term off-take-agreements with international companies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Advisors: SMBC</li> <li>• Attractive Project               <ul style="list-style-type: none"> <li>• Long life, low cost</li> <li>• Strong operating cash flows</li> <li>• Diversified revenue stream</li> <li>• New markets</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Advisors: Petra Capital</li> <li>• Attractive Project               <ul style="list-style-type: none"> <li>• Significant capital growth expected as DZP development progresses</li> <li>• Strong operating cash flows for future dividends</li> <li>• Low cost allows cash generation through market cycles</li> </ul> </li> </ul>

- Total project capex ~US\$1.0B (including ~10% contingency)
- Advisor financial modelling indicates Export Credit Agency/CBD capacity 60% - 70%
- ECA discussions suggest 30% - 40% of capex requirements possible
- Strategic investment will be an important catalyst to funding
- Discussions have advanced since Project approval in May 2015



FEED provided ~30% detail design and the Project engineering design is now at construction stage awaiting finance. Construction timeline includes remaining detailed design and project infrastructure – access road; power line and water supply.

Estimates of times are indicative only and are subject to change.  
Alkane reserves the right to vary the timetable without notice.

- Internationally strategic with supply of several critical metals from non-Chinese sources
- Business case has robust revenues, even at current Chinese domestic RE and Zr prices
- Full spectrum of rare earth magnet materials – neodymium, praseodymium, didymium (neodymium-praseodymium), dysprosium and terbium produced, as well as other “heavy” rare earths and yttrium which have developing advanced materials applications
- The DZP’s diversified output gives a very different revenue profile to Lynas’ Mt Weld and Molycorp’s Mt Pass pure rare earth operations, providing increased stability in variable markets
- Production of zirconium chemicals not related to zircon or the mineral sands industry. New high purity zirconium product indicated through hafnium recovery testing.
- Potential to be the world’s largest hafnium producer and supply long term stable production and pricing into the expanding aerospace and industrial gas turbine industries, not related to the production of reactor grade zirconium metal
- Current estimated operating cost structure very competitive @ US\$7 - \$8/kg of product produced, which places the project in the lowest quartile of producers

---

## Equity Raising Overview





**ALKANE**  
RESOURCES LTD

# Equity Raising

## Offer structure

- Alkane is conducting a pro-rata non-renounceable entitlement offer (the Offer) of fully paid ordinary shares on the basis of 1 New Share for every 5 existing shares held at the record date 29 April 2016
- The maximum number of New Shares which may be issued under the Offer is approximately 82.8 million shares at \$0.20 per New Share to raise approximately A\$16.6 million
  - New Shares issued will rank equally with existing Alkane shares on issue
  - Issue of New Shares does not require shareholder approval
- The Offer is not underwritten
- Eligible shareholders may apply for additional New Shares under the Offer
- The Lead Manager for the Offer is Petra Capital

## Offer pricing

- Fixed offer price of \$0.20 per New Share under the Offer (“Offer Price”)
  - 7.8% discount to Alkane closing price on the ASX as at 22 April 2016
  - 7.7% discount to Alkane 30 day VWAP on the ASX as at 22 April 2016

## Major shareholder and Directors

- Alkane’s largest shareholder, Abbotsleigh (associated with Mr Ian Gandel, a director of Alkane) has committed to take up its full pro rata entitlement under the Offer, provided that its voting power immediately following completion of the Offer does not exceed 25.1%
- Each other director has committed to take up their pro rata entitlement under the Offer

## Sources

	A\$M
Cash and bullion on hand <sup>(2)</sup>	21.0
Other sources	0.9
Offer proceeds	16.6
<b>Total Sources</b>	<b>38.5</b>

- (1) TERP is based on the total shares to be issued.  
 (2) As at 31 March 2016, bullion at fair value using end of month spot.

## Intended uses

	A\$M
DZP funding uses <sup>(3)</sup>	18.6
Transaction costs <sup>(4)</sup>	0.7
Apply to group working capital	19.2
<b>Total Uses</b>	<b>38.5</b>

- (3) Further breakdown beyond that provided in slides 2 and 13 is not practical due to the commercially sensitive nature of expenditures.  
 (4) Transaction costs represent an estimate of advisor and legal fees for this transaction.



**ALKANE**  
RESOURCES LTD

# Equity Raising

## Indicative timetable<sup>(1)</sup>

Announcement of Entitlement Offer	Tuesday, 26 April 2016
Lodgement of Appendix 3B, Cleansing Statement and Offer Booklet with ASX	Tuesday, 26 April 2016
Record Date for the Entitlement Offer	Friday, 29 April 2016 at 7.00pm
Mailing of personalised Entitlement and Acceptance Form and this Booklet to Eligible Shareholders and Entitlement Offer opens	Wednesday, 4 May 2016
Entitlement Offer closes	Monday, 23 May 2016 at 7.00pm
Issue of New Shares and Additional New Shares under the Entitlement Offer	Monday, 30 May 2016
Normal trading of New Shares and Additional New Shares issued under the Entitlement Offer expected to commence on ASX	Tuesday, 31 May 2016
Dispatch of holding statements	Thursday, 2 June 2016

(1) Dates and times are indicative only and subject to change without notice. All times refer to Sydney, Australia time.

# Key Risks

# Key Risks

- There are a number of risks, both specific to Alkane and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of Alkane, the development of its projects and the value of its shares.
- The risks set out below are not, and should not be considered to be, an exhaustive list of all the risks relevant to an investment in Alkane. Alkane, however, considers that these risks represent key risks to an investment in Alkane. Additional risks and uncertainties that Alkane is unaware of, or that Alkane considers to be immaterial, may also become key risks that can adversely affect Alkane's operational and financial performance in the future. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.
- Before investing, or increasing your investment, in Alkane, you should consider whether this investment is suitable for you having regard to the risk factors set out below, publicly available information, your investment objectives, and personal financial and other circumstances. You should consult your independent and appropriately licensed professional advisor if you have any doubts about an investment in Alkane.

<b>Exploration and ore reserves and mineral resources estimate risk</b>	<ul style="list-style-type: none"> <li>• Certain Alkane projects are at an evaluation or development stage. Mine exploration, evaluation and development generally involves a high degree of risk and is subject to a range of hazards and uncertainty that may impact on ultimate project viability. Further, Alkane's Ore Reserves and Mineral Resources are estimates and based on assumptions and hence subject to uncertainty. Resource estimates are stated in compliance with the 2012 Edition of the JORC Code and are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available. For example, further exploration may result in changes to the estimated size and quality of Reserves and the estimated costs of recovering the Reserves from Alkane's projects, affecting the viability of those projects. There can be no assurance that Alkane's proposed exploration and evaluation program will successfully convert Resources into Reserves or that Reserves will be commercially exploited.</li> </ul>
<b>Mine development cost overruns and mining risk</b>	<ul style="list-style-type: none"> <li>• Alkane's development of the Dubbo Zirconia Project may be delayed, may be more costly than currently estimated and may be less profitable than currently anticipated. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. In respect of its business activities, Alkane has made estimates of capital expenditures, operating costs and working capital requirements based on current circumstances, and its current understanding of those matters. There is a risk that actual circumstances may differ from Alkane's estimates and current understanding, with adverse consequences. Accordingly, no assurance can be given that Alkane will be able to develop its projects for their estimated capital expenditure costs.</li> <li>• If Alkane is successful in bringing its projects into production, those operations will also be subject to operating risks that could result in increased costs and reduced revenues and, as a result, one or more mineral deposits becoming unprofitable or uneconomic. These risks include (among other things) inaccurate Ore Reserves and Mineral Resources estimates, failing to locate mineral deposits, failing to achieve predicted ore grades, failure to achieve the projected recoveries of product through processing, failure to produce products to customers specifications, losing key personnel, unforeseen geological operating difficulties, unexpected maintenance or mechanical failures, shortages of critical reagents, industrial and environmental accidents or disputes, unforeseen difficulties associated with power supply and infrastructure, changes to applicable laws and regulations, or adverse weather conditions.</li> </ul>
<b>Gold and other commodity prices and currency fluctuations</b>	<ul style="list-style-type: none"> <li>• Alkane's future revenues will be dependent on commodity prices, including in particular gold, zirconium, niobium, hafnium and other rare earth prices. Fluctuations in these prices could have an adverse impact on Alkane's ability to secure additional funding for its projects, its financial performance and future prospects. The prices Alkane may receive for its product depend on numerous factors beyond its control including, but not limited to demand for its products, competition and government regulations.</li> <li>• Alkane's sales are generally expected to be denominated in US dollars. Funding and certain contracts for the Dubbo Zirconia Project may be denominated in US dollars or other foreign currencies. Although steps may be taken to manage currency risk via hedging of a proportion of the US dollars or other foreign currency expected to be received from sales or paid under contracts, adverse movements in the Australian dollar against the US dollar or other foreign currency can have an adverse impact on Alkane.</li> </ul>
<b>Reliance on key personnel and employees</b>	<ul style="list-style-type: none"> <li>• Alkane's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.</li> </ul>



**ALKANE**  
RESOURCES LTD

## Key Risks (cont.)

<b>Product sales agreements</b>	<ul style="list-style-type: none"> <li>Alkane is in the process of negotiating contracts with various counterparties with respect to the sale of products from its Dubbo Zirconia Project. Whilst Alkane has entered into non-binding memoranda of understanding for its zirconium products and a sales and marketing agreement for its niobium product, there are no binding agreements in place for the sale of these products nor any of the other products from this project. There is no guarantee that the Company will be able to reach agreement on terms satisfactory to it. If it cannot reach agreement on satisfactory terms, this may have an adverse effect on the viability of the project, the ability of Alkane to obtain further financing for it and Alkane's future revenues.</li> </ul>
<b>Regulatory approvals and licences</b>	<ul style="list-style-type: none"> <li>In relation to the Dubbo Zirconia Project, Alkane has obtained state and federal project approval, the mining lease, and the environment protection licence. However it must still obtain numerous licences, permits and approvals issued by various government agencies and regulatory bodies that regulate operational, environmental and safety matters. The applicable rules and regulations are complex and may change over time. Failure to obtain, or delays in obtaining, such approvals and licences (or the loss or revocation of, or adverse conditions or variations to conditions attached to obtained approvals and licences) may adversely affect Alkane's ability to commence and complete development of, and operate, its projects or increase the costs of doing so.</li> </ul>
<b>Environmental risks</b>	<ul style="list-style-type: none"> <li>Alkane's development and construction of its projects and subsequent mining operations may substantially impact the environment or cause exposure to hazardous materials. Mine construction, mineral exploration and production can affect the environment and result in substantial costs being incurred for environmental risk management, rehabilitation and damage control.</li> <li>Alkane may also be subject to claims due to environmental damage arising out of current or former activities at sites that Alkane owns or operates. This could subject Alkane to potential liability and have an adverse effect on Alkane's financial and operational performance.</li> </ul>
<b>Joint venture partners and contractors</b>	<ul style="list-style-type: none"> <li>Alkane may rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. For example, Alkane is currently negotiating off-take agreements with key customers for its Dubbo Zirconia Project and may partner with parties for project development in the future. Alkane may also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. Alkane could be adversely affected by changes to such relationships or difficulties in forming new ones.</li> </ul>
<b>Future capital requirements</b>	<ul style="list-style-type: none"> <li>Alkane requires substantial further financing for the development of the Dubbo Zirconia Project, in addition to amounts raised pursuant to this Offer. Any additional equity financing may be dilutive to Alkane shareholders, may be undertaken at lower prices than the New Shares or may involve restrictive covenants which limit Alkane's operations and business strategy.</li> <li>Alkane is currently seeking approximately \$1.3 billion in project financing for the Dubbo Zirconia Project, and has engaged Sumitomo Mitsui Banking Corporation and Petra Capital Pty Limited provide investment banking services. Any project financing will be subject to agreeing commercial terms and definitive documentation, which will also likely include certain conditions precedent. There is no assurance that Alkane will be able to secure project financing on commercially acceptable terms, to agree definitive documentation or satisfy the conditions precedent. In these circumstances, the Company would be required to seek alternate sources of funding for development of the Dubbo Zirconia Project. There is no guarantee that alternate sources of funding will be available on terms acceptable to the Company.</li> <li>No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Alkane or at all. If Alkane is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Alkane's activities and could affect Alkane's ability to continue as a going concern.</li> </ul>
<b>Operating history</b>	<ul style="list-style-type: none"> <li>Alkane is currently conducting gold mining operations at the Tomingley Gold operation. While Alkane aims to generate working capital through future mining operations at Tomingley Gold, there is no assurance that Alkane will be capable of producing positive cash flow on a consistent basis or that any such funds will be available for further development and exploration programs.</li> </ul>



**ALKANE**  
RESOURCES LTD

## Key Risks (cont.)

<b>Adverse changes to Government policy and legislation and limited geographical distribution</b>	<ul style="list-style-type: none"> <li>Changes in government policy may have an adverse impact on Alkane's operational performance as well as actual or potential profitability. Changes which may have an adverse impact on Alkane include (but are not limited to):             <ul style="list-style-type: none"> <li>Changes in taxation laws;</li> <li>Changes in the royalty regimes applicable to Alkane;</li> <li>Introduction of increased environmental legislation, including increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees;</li> <li>Introduction of increased safety legislation that may result in a heightened degree of responsibility for companies, their directors and employees; and</li> <li>Changes in legislation that may impact Alkane's ability to obtain or retain the necessary approvals and permits to develop its projects.</li> </ul> </li> <li>Alkane's projects are located in New South Wales. Any circumstance or event which negatively impacts the ownership, development or operation of these projects in those states, could materially affect the financial performance of Alkane more significantly than if it had a more diversified asset base.</li> </ul>
<b>General economic risks</b>	<ul style="list-style-type: none"> <li>Alkane's funding position, financial performance and ability to execute its development strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to product prices and currency fluctuations (see previous section), factors that have potential to impact Alkane's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Alkane's financial position and/or financial performance.</li> </ul>
<b>Landholder and resource tenure</b>	<ul style="list-style-type: none"> <li>Alkane's land and resource tenure may be disputed by various parties such as community action groups resulting in disruption and/or impediment in the operation or development of a resource. Any new mine development or expansion of existing operations will require landholder, native title and cultural heritage issues to be addressed, which can have significant timing and cost implications.</li> </ul>
<b>Claims, liability and litigation</b>	<ul style="list-style-type: none"> <li>The risk of litigation is a general risk of Alkane's business. Alkane may incur costs in making payments to settle any such claims or complying with any court order which may not be adequately covered by insurance or at all. Such payment may have an adverse impact on Alkane's profitability and/or financial position and may impact Alkane's ability to execute its development plans in part or in full.</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>Insurance against all risks associated with mine development and operation are not always available or affordable. The Company intends to maintain insurance where it is considered appropriate for its needs. However, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive in the circumstances.</li> </ul>
<b>Equity investment and liquidity risk</b>	<ul style="list-style-type: none"> <li>The market price of Alkane's shares may fluctuate due to various factors including general movements in commodity prices, the Australian and international investment markets, Australian and international economic conditions and outlook, changes in interest rates and the rate of inflation, changes in government regulation and policies, global geopolitical events and hostilities, consumer confidence, investor perceptions and other factors that may affect Alkane's position. The market price of Alkane's shares could trade on ASX at a price below their issue price. Returns from an investment in Alkane will depend on general share market and economic conditions as well as the specific performance of Alkane. There can be no guarantee that an active market in the shares will continue or that the price of the shares will increase. In particular, no assurances can be given that the New Shares will trade at or above the offer price under the Offer. None of Alkane, its Board or any other person guarantees the market performance of the New Shares.</li> <li>There can be no guarantee that there will continue to be an active market for Alkane's shares. There may be relatively few buyers or sellers of Alkane shares on ASX at any given time. This may affect the volatility of the market price of these shares. It may also affect the prevailing market price at which Alkane shareholders are able to sell their shares.</li> </ul>

## Important Notes and Disclaimer

## Important Notes & Disclaimer

**Not for distribution or release in the United States or any other jurisdiction in which distribution would be unlawful**

This presentation is issued by Alkane Resources Limited ABN 35 000 689 216 ("Company" or "Alkane" or "ALK").

### Summary information

This presentation contains summary information about Alkane and its subsidiaries and their activities current as at 26 April 2016. The information in this presentation is of a general nature and does not purport to be complete or to provide all information that an investor should consider when making an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). No representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Alkane is not responsible for updating, nor undertakes to update, this presentation. It should be read in conjunction with Alkane's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at [www.asx.com.au](http://www.asx.com.au). Alkane reserves the right to withdraw the equity raising or vary the timetable for the equity raising without notice.

### Not financial product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation is not a financial product or investment advice, a recommendation to acquire ordinary shares in Alkane ("New Shares") or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Alkane is not licensed to provide financial product advice in respect of an investment in New Shares. Cooling off rights do not apply to the acquisition of New Shares.

### Financial data

All dollar values are in Australian dollars ("\$" or "A\$") unless stated otherwise. Investors should be aware that certain financial data included in this presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230. Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission. Alkane believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Alkane. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this presentation. This presentation includes unaudited financial information for Alkane that has been prepared by Alkane management and has been adjusted by management based on their due diligence, where appropriate, and based on Alkane management estimates. Investors should note that this information has not been audited and is based on management estimates and not financial statements prepared in accordance with applicable statutory requirements.

### Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

### Past performance

Past performance and pro-forma financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Alkane's views on its future financial performance or condition. Investors should note that past performance of Alkane, including the historical trading price of the New Shares, cannot be relied upon as an indicator of (and provides no guidance as to) future Alkane performance, including the future trading price of New Shares. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

### Future performance and forward-looking statements

This presentation contains certain 'forward-looking statements'. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'indicated', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. The forward-looking statements in this presentation include statements regarding the outcome of the equity raising (and the use of the proceeds thereof) and Alkane's strategies. Any forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Alkane and its directors, including the risks and uncertainties described in the 'Key Risk Factors' section of this presentation. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include indications, projections, forecasts and guidance on capital expenditure costs, sales, earnings, production, dividends, distributions and other estimates.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of Alkane's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Alkane's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, Alkane assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, Alkane (including its subsidiaries), the lead manager and their respective related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this presentation, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement;



**ALKANE**  
RESOURCES LTD

**Future performance and forward-looking statements (cont.)**

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation liability for negligence).

**Investment risk**

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Alkane. Alkane does not guarantee any particular rate of return or performance, nor does it guarantee the repayment of capital from Alkane or any particular tax treatment. Readers should have regard to the risks outlined in the "Key Risk Factors" section of this presentation when making their investment decision.

**Not an offer**

This presentation is not an offer or an invitation to acquire New Shares or any other financial products in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law or any other law. The information in this presentation does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. This presentation may not be distributed or released in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended or the securities laws of any state or other jurisdiction of the United States. Accordingly, New Shares may not be offered or sold, directly or indirectly, in the United States are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and any other applicable US state securities laws.

The distribution of this presentation (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this presentation, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Refer to Appendix - Foreign Selling Restrictions of this presentation for more information. By accepting this presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

**Advisors**

None of Alkane's advisors nor any of their related bodies corporate and affiliates and their officers, employees, agents or associates ("Parties") have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation, make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. The Parties, as well as their respective affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this presentation or the equity raising, including without limitation for any expenses, losses, damages or costs incurred by you as a result of your participation in the equity raising and information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. No Party guarantees the repayment of capital or any particular rate of income or capital return on an investment in Alkane. Readers agree, to the maximum extent permitted by law, that they will not seek to sue or hold the Parties liable in any respect in connection with this presentation.

**Disclosure**

The lead manager, together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The lead manager in conjunction with its affiliates, is acting as sole Lead Manager to the equity raising for which it has received or expects to receive fees and expenses. The lead manager and/or its affiliates have performed, and may perform, other financial or advisory services for Alkane, and/or may have other interests in or relationships with Alkane, and its related entities for which they have received or may receive customary fees and expenses.

In the ordinary course of its various business activities, the lead manager and its affiliates may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Alkane, its related entities and/or persons and entities with relationships with Alkane and/or its related entities. The lead manager and/or its affiliates, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned herein. The lead manager and/or its affiliates currently hold, and may continue to hold, equity, debt and/or related derivative securities of Alkane and/or its related entities.

None of the lead manager nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the equity raising, nor do they make any representations or warranties to you (or other statements upon which you may rely) concerning the equity raising or any such information. The engagement of the lead manager by Alkane is not intended to and does not create any agency, custodial, fiduciary or other legal relationship between the underwriter and any shareholder or other investor.

**Competent Person**

Unless otherwise stated the information in this presentation that relates to mineral exploration, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAUSIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Chalmers consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears The information contained in this presentation was prepared and first disclosed under the 2012 Edition of the JORC Code.

**Acceptance**

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the terms set out above and on the previous page.



**ALKANE**  
RESOURCES LTD

# Foreign Selling Restrictions

**International Offer Restrictions**

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

**European Economic Area - Belgium, Germany and Luxembourg**

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual consolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

**Hong Kong**

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**New Zealand**

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

**Philippines**

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER THE PHILIPPINE SECURITIES REGULATION CODE (THE "CODE"). ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

The New Shares are being offered or sold to existing shareholders of the Company in an exempt transaction under Section 10.1(e) of the Code. The Company has not sought confirmation, and the SEC has not confirmed, whether the Offer qualifies as an exempt transaction under the Code.

**Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

**Thailand**

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Thailand.

**United Kingdom**

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.



## Dubbo Zirconia Project – Mineral Resources

Toongi Deposit	Tonnage (Mt)	ZrO <sub>2</sub> (%)	HfO <sub>2</sub> (%)	Nb <sub>2</sub> O <sub>5</sub> (%)	Ta <sub>2</sub> O <sub>5</sub> (%)	Y <sub>2</sub> O <sub>3</sub> (%)	REO (%)
Measured	35.70	1.96	0.04	0.46	0.03	0.14	0.75
Inferred	37.50	1.96	0.04	0.46	0.03	0.14	0.75
<b>Total</b>	<b>73.20</b>	<b>1.96</b>	<b>0.04</b>	<b>0.46</b>	<b>0.03</b>	<b>0.14</b>	<b>0.75</b>

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Alkane Chief Geologist) who is a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.

## Dubbo Zirconia Project – Ore Reserves

Toongi Deposit	Tonnage (Mt)	ZrO <sub>2</sub> (%)	HfO <sub>2</sub> (%)	Nb <sub>2</sub> O <sub>5</sub> (%)	Ta <sub>2</sub> O <sub>5</sub> (%)	Y <sub>2</sub> O <sub>3</sub> (%)	REO (%)
Proved	8.07	1.91	0.04	0.46	0.03	0.14	0.75
Probable	27.86	1.93	0.04	0.46	0.03	0.14	0.74
<b>Total</b>	<b>35.93</b>	<b>1.93</b>	<b>0.04</b>	<b>0.46</b>	<b>0.03</b>	<b>0.14</b>	<b>0.74</b>

These Ore Reserves are based upon information compiled by Mr Terry Ransted MAusIMM (Alkane Chief Geologist) who is a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The reserves were calculated at a 1.5% combined ZrO<sub>2</sub>+Nb<sub>2</sub>O<sub>5</sub>+Y<sub>2</sub>O<sub>3</sub>+REO cut off using costs and revenues defined in the notes in ASX Announcement of 16 November 2011. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Resource & Reserves: Tomingley

TOMINGLEY GOLD OPERATIONS MINERAL RESOURCES (as at 30 June 2015)									
DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Open Pittable Resources (cut off 0.50g/t Au)									
Wyoming One	2,171	1.7	442	1.5	735	1.1	3,348	1.5	167
Wyoming Three	206	1.7	122	1.7	2	1.1	330	1.7	18
Caloma	2,163	1.8	582	1.7	2,008	1.5	4,753	1.7	254
Caloma Two	-	-	1,085	2.4	704	1.3	1,789	2.0	112
Sub Total	4,540	1.8	2,231	2.0	3,450	1.4	10,220	1.7	551
Underground Resources (cut off 2.50g/t Au)									
Wyoming One	168	4.8	205	4.4	361	4.2	735	4.4	104
Wyoming Three	12	3.6	20	4.5	25	3.3	57	3.8	7
Caloma	0	3.1	4	2.9	81	3.2	84	3.2	9
Caloma Two	-	-	92	3.5	63	3.2	155	3.3	17
Sub Total	180	4.7	321	4.1	530	3.9	1,031	4.1	136
<b>TOTAL</b>	<b>4,720</b>	<b>1.9</b>	<b>2,552</b>	<b>2.3</b>	<b>3,979</b>	<b>1.7</b>	<b>11,251</b>	<b>1.9</b>	<b>687</b>

TOMINGLEY GOLD OPERATIONS OPEN PIT ORE RESERVES (as at 30 June 2015)							
DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Wyoming One	1,665	1.6	202	1.3	1,867	1.5	94
Wyoming Three	173	1.6	5	1.4	178	1.5	9
Caloma	1,247	1.9	72	1.5	1,319	1.8	80
Caloma Cut Back	222	1.5	66	1.4	288	1.4	14
Caloma Two	-	-	243	3.5	243	3.5	27
Stockpiles	468	0.8	-	-	468	0.8	12
<b>TOTAL</b>	<b>3,775</b>	<b>1.6</b>	<b>588</b>	<b>2.2</b>	<b>4,363</b>	<b>1.6</b>	<b>235</b>

TOMINGLEY GOLD OPERATIONS UNDERGROUND ORE RESERVES (as at 10 December 2015)							
DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Wyoming One(+Caloma)	224	4.0	300	3.4	514	3.7	62
<b>TOTAL</b>	<b>224</b>	<b>4.0</b>	<b>300</b>	<b>3.4</b>	<b>514</b>	<b>3.7</b>	<b>62</b>

## 6. Glossary

---

TERM	MEANING
<b>Abbotsleigh</b>	means Abbotsleigh Pty Ltd (ACN 005 612 377), a company associated with Alkane director, Mr Ian Gandel.
<b>Additional New Shares</b>	has the meaning given to it in Section 2.3.
<b>Alkane</b>	Alkane Resources Ltd (ABN 35 000 689 216).
<b>Application Monies</b>	a payment or payments made to subscribe for New Shares and Additional New Shares (if any).
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or a financial market operated by it.
<b>Board</b>	the board of directors of Alkane.
<b>Booklet</b>	this document, including the Entitlement and Acceptance Form.
<b>Closing Date</b>	Monday, 23 May 2016 at 7.00pm (Sydney time), unless extended.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>CRN</b>	your unique Customer Reference Number, as described in Section 3.3.
<b>Eligible Shareholders</b>	has the meaning given to it in Section 4.2.
<b>Entitlement</b>	the number of New Shares which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	the personalised entitlement and acceptance form accompanying this Booklet which Eligible Shareholders may use to apply for New Shares.
<b>Entitlement Offer</b>	the 1 for 5 traditional non-renounceable pro rata entitlement offer to subscribe for New Shares at the Offer Price set out in this Booklet and announced to ASX by Alkane on Tuesday, 26 April 2016.
<b>Entitlement Offer Period</b>	the period from and including the Opening Date until and including the Closing Date.
<b>GST</b>	Australian Goods and Services Tax.
<b>Ineligible Shareholders</b>	has the meaning given to it Section 4.4.
<b>Investor Presentation</b>	the investor presentation relating to the Entitlement Offer, which was released to ASX by Alkane on Tuesday, 26 April 2016 and a copy of which is set out in Section 5.2 of this Booklet.
<b>New Share</b>	a Share issued under the Entitlement Offer.
<b>Offer Price</b>	has the meaning given to it in the Overview section at section 2.1.
<b>Opening Date</b>	Wednesday, 4 May 2016.
<b>Petra Capital</b>	Petra Capital Pty Ltd (ABN 95 110 952 782).
<b>Record Date</b>	Friday, 29 April 2016 at 7.00pm (Sydney time).
<b>Share</b>	a fully paid ordinary share in the capital of Alkane.
<b>Shareholder</b>	a holder of Shares.
<b>Share Registry</b>	Advanced Share Registry Limited (ABN 14 127 175 946).



<b>TERM</b>	<b>MEANING</b>
<b>Shortfall Shares</b>	has the meaning given to it in Section 2.6.
<b>U.S. Securities Act</b>	means U.S. Securities Act of 1933 (as amended).

# Corporate Directory

---

## Directors

John SF Dunlop  
Anthony (Tony) D Lethlean  
Ian J Gandel  
D Ian Chalmers

## Australian Legal Adviser

Ashurst Australia  
Level 10 & 11, Brookfield Place Tower II  
123 St Georges Terrace  
Perth WA 6000

## Company Secretary

Karen EV Brown

## Share Registry

Advanced Share Registry Limited  
Unit 2, 110 Stirling Highway  
Nedlands WA 6009

## Registered office and Principal place of business:

Ground Floor, 89 Burswood Road  
Burswood WA 6100

Telephone: +61 8 9227 5677  
Facsimile: +61 2 9227 8178

Website: [www.alkane.com.au](http://www.alkane.com.au)

Telephone: + 61 8 9389 8033  
Facsimile: + 61 8 9262 3723

Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)

## Stock Exchange Listings:

### Australian Securities Exchange

Ordinary fully paid shares  
Code: ALK

### OTCMarkets – OTCQX International

American Depositary Receipts (ADR)  
Code: ANLKY  
Ordinary Shares  
Code: ALKEF



## ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT OR YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER, ACCOUNTANT OR OTHER INDEPENDENT AND APPROPRIATELY LICENSED PROFESSIONAL ADVISER.

[Ref #]

Name1  
Name2  
Address1  
Address2  
City State Postcode  
Country

Sub-Register	
HIN / SRN	
Number of existing Shares held as at 7.00pm (Sydney time), 29 April 2016	
Entitlement to New Shares (on a 1 for 5 basis)	
Amount payable on full acceptance at A\$0.20 per New Share	

This Entitlement and Acceptance Form relates to a traditional pro-rata non-renounceable offer of New Shares to Eligible Shareholders of Alkane Resources Ltd. Eligible Shareholders are entitled to apply for 1 New Share for every 5 existing Shares held as at 7.00pm (Sydney time) on 29 April 2016 at an Offer Price of A\$0.20 per New Share. Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement, at the Offer Price.

IMPORTANT: The Offer is being made under the Entitlement Offer Booklet dated 26 April 2016. The Entitlement Offer Booklet contains information about, and the risks associated with, investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet. Capitalised terms used but not defined in this Entitlement and Acceptance Form have the same meaning given to them in the Entitlement Offer Booklet, unless the context requires otherwise.


**TRADITIONAL PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER CLOSING 7.00pm (Sydney time) 23 May 2016.**

To the Directors  
**ALKANE RESOURCES LTD**

I/We the above mentioned, being registered on the Record Date as the holder(s) of ordinary shares in the Company hereby accept the below mentioned New Shares and Additional New Shares (as applicable) in accordance with the enclosed Entitlement Offer Booklet.

Note: The Company will treat you as applying for as many New Shares as your payment will pay for in full. Amounts received in excess may be treated as an application to apply for as many Additional New Shares as your excess amount will pay for in full.

ENTITLEMENT			
(A)	(B)	(C)=(A)+(B)	Total
Number of New Shares applied for <i>(being not more than your Entitlement shown above)</i>	Number of Additional New Shares applied for <i>(in excess of your Entitlement shown above)</i>	Total New Shares and Additional New Shares applied for	Amount Payable (C) x A\$0.20
			\$

METHOD OF ACCEPTANCE				
You can apply for New Shares and Additional New Shares and make your payment utilising either cheque, bank draft, money order or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.				
<input type="checkbox"/>	Please enter cheque, bank draft or money order details	Drawer	Bank	Branch
				Amount
				\$
OR				
<input type="checkbox"/>	 Biller Code: Ref No:	You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.		

CONTACT DETAILS	
Name:	<input type="text"/>
Telephone:	<input type="text"/>
Email:	<input type="text"/>

NOTE: Your cheque, bank draft or money order should be made payable to "ALKANE RESOURCES LTD", crossed "NOT NEGOTIABLE" and delivered to an address on the reverse of this form so as to arrive no later than 7.00pm (Sydney time) 23 May 2016.

**PLEASE REFER OVERLEAF FOR INSTRUCTIONS**

# ALKANE RESOURCES LTD

REGISTERED OFFICE: Ground Floor, 89 Burswood Road, Burswood, Western Australia 6100  
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. If you do not take up your Entitlement in part or in full you will not receive any value in respect of the Entitlements you do not take up.
4. You can apply for more New Shares than your Entitlement. Your application for Additional New Shares may not be successful (wholly or partially). The decision of the Company on the number of Additional New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.
5. The price payable on acceptance of each New Share and each Additional New Share is A\$0.20.
6. Please complete the Entitlement and Acceptance Form overleaf.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you are an Eligible Shareholder and have read and understood the Entitlement Offer Booklet and this Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in the Entitlement Offer Booklet (including section 3.4 "Warranties made on acceptance of the Entitlement Offer") and the Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares and Additional New Shares (as applicable) acquired by you and agree to be bound by the Constitution of Alkane Resources Ltd.

## APPLICATION INSTRUCTIONS

### Payment Details

You can apply for New Shares and Additional New Shares (as applicable) by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY. By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Alkane Resources Ltd Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Entitlement Offer Booklet.

Your cheque, bank draft or money order should be made payable to "Alkane Resources Ltd" in Australian currency, crossed "Not Negotiable" and drawn on an Australian branch of a financial institution. Please complete your cheque, bank draft or money order with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s), bank draft(s) or money order(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for Additional New Shares.

### Contact Details

Please enter your contact details where requested overleaf. These details will only be used in the event that the Share Registry has a query regarding this Entitlement and Acceptance Form.

### Lodgement of Application

If you are applying for New Shares and Additional New Shares (as applicable) and your payment is being made by BPAY, you do not need to return this Entitlement and Acceptance Form. Your payment must be received by no later than **7.00pm (Sydney time) on 23 May 2016**. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, your Application must be received by the Share Registry by no later than **7.00pm (Sydney time) on 23 May 2016**. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque, bank draft or money order attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

### Overseas Shareholders

The Entitlement Offer to which this Entitlement and Acceptance Form relates does not constitute an offer of New Shares or Additional New Shares (as applicable) in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. This Entitlement and Acceptance Form and the Entitlement Offer Booklet may not be distributed to any person, and the New Shares and Additional New Shares may not be offered or sold, in any country outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines and Thailand. In particular, the Entitlement Offer is not being made to any person in the United States or a person acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in the Company for the account or benefit of such person in the United States).

The distribution of this Entitlement and Acceptance Form and the Entitlement Offer Booklet in jurisdictions outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines and Thailand may be restricted by law and therefore persons who come into possession of this document outside Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines and Thailand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws. It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand.

**If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on telephone +61 8 9389 8033 or fax +61 8 9262 3723.**

### Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account.  
More info: [www.bpay.com.au](http://www.bpay.com.au)



### By Mail

Alkane Entitlement Offer  
c/- Advanced Share Registry Ltd  
PO Box 1156  
Nedlands WA 6909

### Hand Delivered

Alkane Entitlement Offer  
c/- Advanced Share Registry Ltd  
110 Stirling Highway  
Nedlands WA 6009