



1 March 2012

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Notification under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Alkane Resources Ltd ABN 35 000 689 216 (**Alkane**) has today announced a non-renounceable pro rata entitlement offer of 1 new fully paid ordinary share in Alkane (**New Share**) for every 10 Alkane shares held at 4.00 pm (Perth time) on 9 March 2012 by Alkane shareholders with a registered address in Australia and New Zealand (**Entitlement Offer**).

Contemporaneously with the Entitlement Offer, Alkane announced:

- an institutional placement of 40.3 million fully paid ordinary shares in Alkane to raise approximately \$44 million (**Unconditional Placement**); and
- subject to obtaining shareholder approval, an institutional placement of 30 million fully paid ordinary shares in Alkane to raise approximately \$33 million (**Conditional Placement**).

Alkane gives notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**Corporations Act**) as notionally modified by the Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**) that:

1. the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act;
2. as at the date of this notice, Alkane has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to Alkane; and
 - section 674 of the Corporations Act;
3. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by CO 08/35; and
4. the issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of Alkane. Taking into account:
 - the voting power of Alkane's largest shareholder, Abbotsleigh Proprietary Limited (**Abbotsleigh**), a company associated with Alkane director, Mr Ian Gandel, as at the date of this notice, being 26.36%; and
 - the sub-underwriting commitment of Gandel Metals Pty Ltd (**Gandel Metals**) as trustee for the Gandel Metals Trust, an investment company associated with Mr Ian Gandel (who has agreed to subscribe for any shortfall under the Entitlement Offer up to an amount of approximately \$12.2 million),



the maximum voting power of Mr Ian Gandel and his associates at each stage of the capital raising will be:

- 22.92% upon completion of the Unconditional Placement, (but prior to completion of the Entitlement Offer and the Conditional Placement);
- 27.20% upon completion of the Entitlement Offer (but prior to completion of the Conditional Placement); and;
- subject to obtaining shareholder approval under ASX Listing Rule 10.11 and pursuant to an irrevocable undertaking from Abbotsleigh, 25% immediately following completion of the Entitlement Offer (including the underwriting and sub-underwriting of the Entitlement Offer by Gandel Metals as discussed above), Unconditional Placement and Conditional Placement.

The actual voting power of Mr Ian Gandel and his associates upon completion of the Entitlement Offer depends upon the degree to which eligible shareholders take up their entitlements.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D Ian Chalmers'.

D Ian Chalmers
Managing Director
Alkane Resources Ltd