



Alkane Resources Ltd

ACN 000 689 216

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF THE RESOLUTIONS TO BE PUT AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT HOLIDAY INN CITY CENTRE, 778-788 HAY STREET, PERTH WA ON WEDNESDAY, 23 MAY 2012 AT 11.00am (Perth time)

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

FOR THOSE SHAREHOLDERS WHO HAVE ELECTED TO RECEIVE A PRINTED COPY OF THE ANNUAL REPORT, THE 2011 ANNUAL REPORT ACCOMPANIES THIS NOTICE. THE REPORT IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE:

www.alkane.com.au/reports/annual



Alkane Resources Ltd

ACN 000 689 216

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders will be held at Holiday Inn City Centre, 778-788 Hay Street, Perth WA on Wednesday, 23 May 2012 at 11.00am (Perth time) for the purpose of transacting the following business: -

ORDINARY BUSINESS

Annual Report

To receive and consider the Annual Report for the year ended 31 December 2011 which includes the Financial Report, the Directors' Report and the Auditors' Report.

Remuneration Report

To consider and if thought fit to pass the following resolution as an **ordinary resolution**: -

- 1 That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Directors' Report in the 2011 Annual Report be adopted.

Note this resolution shall be determined as if it were an ordinary (majority) resolution, but under s250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

Directors

To consider and if thought fit to pass the following resolutions as **ordinary resolutions**: -

- 2 To elect as a director Mr J S Dunlop who retires in accordance with the Constitution and, being eligible, offers himself for re-election.
- 3 To elect as a director Mr I J Gandel who retires in accordance with the Constitution and, being eligible, offers himself for re-election.

Dated this 20th day of April 2012
By order of the Board of Directors

L A Colless
Secretary

Voting Exclusion – Resolution 1

In accordance with the Corporations Act 2001, the Company will disregard any votes cast on resolution 1 (in any capacity) by any key management personnel of the Company and any of their closely related parties (both as defined in section 9 of the Corporations Act) (**KMP**) whose remuneration is included in the Remuneration Report. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

If you are a KMP or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be guilty of an offence for breach of voting restrictions that apply to you under the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include Directors and certain senior executives. In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on **resolution 1** by any Key Management Personnel (KMP) and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Notes:

Information about voting

In accordance with regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 5.00pm (Perth time) on 21 May 2012 will be entitled to attend and vote at the Annual General Meeting.

If more than one joint holder of shares is present at the Annual General Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Information about voting by proxy is set out in instructions included in the Proxy Form.

Corporate representatives

A body corporate which is a Shareholder may appoint an individual to act as its representative at the Annual General Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Annual General Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed.



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EXPLANATORY STATEMENT

This Explanatory Statement is prepared for the benefit of Shareholders to better understand the resolutions put to the Annual General Meeting of the Company to be held on Wednesday, 23 May 2012 at 11.00am (Perth time).

ANNUAL REPORT

The Corporations Act requires the annual Financial Report, the Directors' Report and the Auditors' Report (**Annual Report**) to be laid before the Annual General Meeting. There is no requirement for Shareholders to approve those reports. However, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

REMUNERATION REPORT - RESOLUTION 1

The Corporations Act requires listed companies to put a resolution to shareholders to adopt a company's remuneration report. The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the outcome of the vote will be considered by the Remuneration and Nomination Committees when evaluating the remuneration arrangements of the Company.

The Remuneration Report is set out on pages 16 to 20 of the 2011 Annual Report. This report includes information about the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director and key management personnel.

Shareholders will be given a reasonable opportunity to ask questions about, or comment on, the Remuneration Report at the Annual General Meeting.

Under recent reforms to the Corporations Act, if 25% or more of the vote on this resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action is proposed to be taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the new legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to Resolution 2. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual

general meetings, then at the Company's second of those meetings, an extra resolution must be put to that meeting proposing that another general meeting should be held within 90 days of the second annual general meeting. A simple majority of over 50% of the votes cast at that second annual general meeting is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the second annual general meeting, will be required to resign and offer themselves for re-election. These provisions are referred to as the "two strikes rule" and the "spill resolution" to be put to the "spill meeting".

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the Managing Director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the following annual general meeting.

The Directors unanimously recommend Shareholders vote in favour of adopting the Remuneration Report.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report.

DIRECTORS - RESOLUTION 2

In accordance with the Constitution, Mr Dunlop retires as a director of the Company and, being eligible, offers himself for re-election.

Mr John Stuart Ferguson Dunlop (BE (Min), MEng Sc (Min), FAusIMM (CP), FIMM, MAIME, MCIMM) (61) is a consultant mining engineer with over 40 years surface and underground mining experience both in Australia and overseas. He is a former director of the Australian Institute of Mining and Metallurgy (2001 - 2006) and is currently chairman of its affiliate, MICA the Mineral Consultants Society.

Mr Dunlop has held a number of directorships of listed public companies over the years and is currently non-executive chairman of Alliance Resources Ltd and an executive director of Gippsland Ltd and of Copper Strike Ltd.

He was appointed as a non-executive Director and Chairman of the Company on 3 July 2006 and is a member of the Audit Committee and Chairman of the Remuneration and Nomination Committees.

The Directors (other than Mr Dunlop) recommend that Shareholders vote in favour of Mr Dunlop's re-election.

The Chairman intends to vote all available proxies in favour of re-electing Mr Dunlop.

DIRECTORS - RESOLUTION 3

In accordance with the Constitution, Mr Gandel retires as a director of the Company and, being eligible, offers himself for re-election.

Mr Ian Jeffrey Gandel (LLB, BEc, FCPA, FAICD) (54) is a successful Melbourne businessman with extensive experience in retail management and retail property. He has been a director of the Gandel Retail Trust and has had an involvement in the construction and leasing of Gandel shopping centres. He has previously been involved in the Priceline retail chain and the CEO chain of serviced offices.

Through his private investment vehicles, Mr Gandel has been an investor in the mining industry since 1994. He is currently a substantial holder in a number of publicly listed Australian companies and, through his private investment vehicles, now holds and explores tenements in his own right in Victoria, Western Australia and Queensland. Mr Gandel is also a non-executive director of Alliance Resources Ltd, non-executive chairman of Gippsland Limited and non-executive chairman of Octagonal Resources Limited.

He was appointed as a non-executive Director of the Company on 24 July 2006 and is a member of the Audit, Remuneration and Nomination Committees.

The Directors (other than Mr Gandel) recommend that Shareholders vote in favour of Mr Gandel's re-election.

The Chairman intends to vote all available proxies in favour of re-electing Mr Gandel.

INSTRUCTIONS FOR COMPLETION OF PROXY APPOINTMENT FORM

Appointment of proxy

If you are entitled to vote at the Annual General Meeting you have a right to appoint a proxy and should use this Proxy Form to do so. The proxy need not be a member of the Company and can be an individual or a body corporate.

If you wish to appoint someone other than the Chairman of the Annual General Meeting as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you leave the box blank, the Chairman of the Annual General Meeting will be appointed your proxy and vote on your behalf.

Your proxy's authority to speak and vote for you at the Annual General Meeting is suspended if you are present at the Annual General Meeting.

Voting directions to your proxy

You may direct your proxy how to vote by marking **X** in 1 of the 3 boxes opposite each item of business. If you specify the way your proxy is to vote on a particular Resolution:

- your proxy need not vote on a show of hands, but if your proxy does so, your proxy must vote that way (ie as directed); and
- if your proxy has two or more appointments that specify different ways to vote on the Resolution – your proxy must not vote on a show of hands; and
- if your proxy is the chair of the Annual General Meeting – your proxy must vote on a poll, and must vote that way (ie as directed); and
- if your proxy is not the chair – your proxy need not vote on the poll, but if your proxy does so, your proxy must vote that way (ie as directed).

If:

- your appointment of a proxy specifies the way your proxy is to vote on a particular Resolution; and
- your appointed proxy is not the chair of the Annual General Meeting; and
- at the Annual General Meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
 - your proxy is not recorded as attending the Annual General Meeting; or
 - your proxy does not vote on the Resolution,

the chair of the Annual General Meeting is taken, before voting on the Resolution closes, to have been appointed as your proxy for the purposes of voting on the Resolution.

Appointing a second proxy

If you are entitled to cast 2 or more votes you may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form. Both Proxy Forms should be lodged together.

If you appoint 2 proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, section 249X of the *Corporations Act 2001* (Cth) will take effect so that each proxy may exercise half of the votes (ignoring fractions).

If you appoint 2 proxies, neither proxy will have a right to vote on a show of hands.

If you appoint another member as your proxy, that person will have only 1 vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

Signing instructions

This Proxy Form must be signed and dated by the member or the member's attorney. Any joint member may sign.

If this form is signed by an attorney and you have not previously lodged the power of attorney with Advanced Share Registry Limited or the Company for notation, please attach a certified copy of the power of attorney to this Proxy Form when you return it.

If the member is a company that has a sole director or a sole director who is also the sole company secretary, this form must be signed by that person.

Otherwise, this form must be signed by 2 directors or 1 director and a company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of Proxy Form

Proxy Forms and proxy appointment authorities, for example, the original or a certified copy of the power of attorney (if the Proxy Form is signed by an attorney) must be received:

By delivery	By post	By facsimile
65 Burswood Rd Burswood WA 6100	PO Box 4384 Victoria Park WA 6979	Fax: +61 8 9227 8178

not later than 11.00am (Perth time) on 21 May 2012.

Documents received after that time will not be valid for the Annual General Meeting.

Privacy

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act 2000* (Cth). Information is collected to administer your shareholding which may not be possible if some or all of the information is not collected. Your information is collected by Advanced Share Registry Limited on behalf of the Company.