



26 April 2016

Dear Shareholder

**Alkane Resources Ltd Entitlement Offer – Notification to ineligible shareholders**

Alkane Resources Ltd ABN 35 000 689 216 (**Alkane**) has announced a traditional non-renounceable pro rata entitlement offer (**Entitlement Offer**) to raise up to approximately A\$16 million. Details of the Entitlement Offer were announced to the Australian Securities Exchange (**ASX**) on Tuesday, 26 April 2016. Under the Entitlement Offer, new fully paid ordinary shares in Alkane (**New Shares**) are being offered at an offer price of A\$0.20 per New Share (**Offer Price**).

This notice is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer and you will not be sent a copy of the disclosure materials relating to the Entitlement Offer. This notice is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. **You are not required to do anything in response to this notice.**

**1. Details of the Entitlement Offer**

The Entitlement Offer is being made pursuant to an offer document sent to eligible shareholders on or about Wednesday, 4 May 2016 (**Booklet**). The Entitlement Offer is being made to eligible shareholders, as outlined below, on the basis of 1 New Share for every 5 existing Alkane shares held at 7.00pm (Sydney time) on Friday, 29 April 2016 (**Record Date**). Eligible shareholders may also subscribe for New Shares in excess of their entitlement.

**2. Eligibility criteria**

Shareholders who are eligible to participate in the Entitlement Offer are Alkane shareholders who:

- a) are registered as a shareholder of Alkane as at 7.00pm (Sydney time) on the Record Date;
- b) 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;
- c) are not in the United States 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



- d) 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.

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia, New Zealand, the United Kingdom, Switzerland, Germany, Luxembourg, Belgium, Hong Kong, Singapore, the Philippines or Thailand and the potential costs to Alkane of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Alkane ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. Alkane has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), that it would be unreasonable to make or extend offers to shareholders in certain countries under the Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an eligible shareholder stated above. Accordingly, Alkane is unable to extend to you the opportunity to subscribe for New Shares in the Entitlement Offer, and you will not be sent a copy of the Booklet.

### 3. Further information

If you have any questions in relation to any of the above matters and this notice, please contact either the share registry, Advanced 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 or contact your stockbroker, accountant or other independent professional adviser.

On behalf of the directors of Alkane, I thank you for your continued support of Alkane.

Yours faithfully,  
for **ALKANE RESOURCES LTD**

Karen E V Brown  
**Company Secretary**

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This notice is issued by Alkane Resources Ltd ABN 35 000 689 216 (**Alkane**). This notice is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Alkane in any jurisdiction.

This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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