



28 November 2019

Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

ALKANE RESOURCES LIMITED – NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT

This notice is given by Alkane Resources Limited (ACN 000 689 216) (ASX:ALK) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Company has today announced its intention to undertake an equity raising via an institutional placement of ordinary shares in the Company (**Shares**) at \$0.55 per Share to raise \$20,000,000 (before costs) (**Placement**) and a pro rata non-renounceable rights issue to eligible shareholders of the Company (**Shareholders**) on the basis of one (1) new Share (**New Share**) for every eight (8) existing Shares held by Shareholders on the record date of 3 December 2019 (**Record Date**) at an issue price of \$0.55 per New Share to raise approximately \$34,794,115 (before costs) (**Offer**) (the Placement and Offer together being the **Capital Raising**).

Based on the current capital structure (and assuming no performance rights are exercised prior to the Record Date) a total of 63,262,028 New Shares will be issued if the Offer is fully subscribed.

Any shortfall under the Offer will be dealt with by the Company at its absolute discretion.

The Company hereby confirms that in respect of the Offer (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

- (a) the Company will offer the New Shares under the Offer for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act;
- (c) as at the date of this notice the Company has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
 - section 674 of the Corporations Act as it applies to the Company;



- (d) 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;
- (e) the potential effect that the issue of the New Shares pursuant to the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. If all Shareholders subscribe for their entitlements under the Offer (**Entitlements**), then all Shareholders will retain their percentage ownership in the Company, and the issue of New Shares under the Offer is not expected to have any material effect on the control of the Company. To the extent that any eligible Shareholder fails to take up their Entitlement, that eligible Shareholder's percentage ownership in the Company will be diluted by those other Shareholders who take up some, all or more than their Entitlement. Abbotsleigh Pty Ltd (a substantial Shareholder and an entity associated with Mr Ian Gandel, a director of the Company) (**Abbotsleigh**) may, as a result of the Capital Raising, increase its relevant interest in the Company (currently 22.38%) depending on the uptake of Entitlements. Various corresponding scenarios are set out as follows:

	Entitlement Take Up Scenarios			
	25%	50%	75%	100%
Entitlements taken up in New Shares	15,815,507	31,631,014	47,446,521	63,262,028
Shares on completion of the Capital Raising	558,275,366	574,090,873	589,906,380	605,721,887
Abbotsleigh voting power	24.36%	23.69%	23.06%	22.46%

Note: The above table shows the potential impacts to the voting power of Abbotsleigh on completion of the Capital Raising and assumes that Shareholder approval is obtained in respect of Abbotsleigh's participation in the Placement.

Having regard to the composition of the Company's share register and the terms of the Offer, the Company does not expect the issue of New Shares under the Offer to have a material effect on the control of the Company.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Dennis Wilkins', with a stylized flourish at the end.

Dennis Wilkins
Company Secretary
ALKANE RESOURCES LIMITED