



Alkane Resources Ltd

ACN 000 689 216

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

FOR THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD
AT THE WESTIN SYDNEY, 1 MARTIN PLACE, SYDNEY NSW 2000
ON WEDNESDAY, 21 NOVEMBER 2018 AT 10.30am (SYDNEY TIME)

THIS DOCUMENT IS IMPORTANT

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

FOR THOSE SHAREHOLDERS WHO HAVE ELECTED TO RECEIVE A PRINTED COPY OF THE ANNUAL REPORT, THE 2018 ANNUAL REPORT ACCOMPANIES THIS NOTICE.

THE REPORT IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE:

www.alkane.com.au

For personal use only



Alkane Resources Ltd

ACN 000 689 216

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Alkane Resources Ltd (**Alkane** or the **Company**) will be held at The Westin, 1 Martin Place, Sydney NSW 2000 on Wednesday, 21 November 2018 at 10.30am (Sydney time) (**Annual General Meeting** or **Meeting**).

ORDINARY BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the financial report of the Company, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the year ended 30 June 2018.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following ordinary resolution:

That the remuneration report, which forms part of the Directors' report for the financial year ended 30 June 2018, be adopted.

Note: In accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this Resolution will be advisory only and does not bind the directors or the Company (each a **Director** and together the **Directors**).

A Voting Exclusion Statement for this Resolution is set out below.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR ANTHONY DEAN LETHLEAN

To consider and, if thought fit, pass the following ordinary resolution:

That Mr Anthony Dean Lethlean, who retires in accordance with rule 3.6(a) of the Company's constitution and, being eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 3: RE-ELECTION OF DIRECTOR – MR GAVIN MURRAY SMITH

To consider and, if thought fit, pass the following as an ordinary resolution:

That Mr Gavin Murray Smith, who retires in accordance with rule 3.6(a) of the Company's constitution and, being eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 4: APPROVAL OF THE GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR

To consider and, if thought fit, pass the following ordinary resolution:

That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant 3,032,369 Performance Rights to Mr Nicholas Earner (or his nominee) (including the issue of Shares on the vesting and exercise of those Performance Rights) under the terms of the Alkane Resources Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.

A Voting Exclusion Statement for this Resolution is set out below.

RESOLUTION 5: APPROVAL OF THE GRANT OF PERFORMANCE RIGHTS TO THE TECHNICAL DIRECTOR

To consider and, if thought fit, pass the following ordinary resolution

That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant 371,310 Performance Rights to Mr David Ian Chalmers (or his nominee) (including the issue of Shares on the vesting and exercise of those Performance Rights) under the terms of the Alkane Resources Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.

A Voting Exclusion Statement for this Resolution is set out below.

Dated: 10 October 2018

By order of the Board of Directors

Dennis Wilkins
Company Secretary

VOTING EXCLUSIONS AND PROHIBITIONS

Resolution 1: Pursuant to section 250R(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of:

- a member of the key management personnel of the Company's consolidated group (at the date of the meeting or whose remuneration is disclosed in the remuneration report) (**KMP**); and
- their closely related parties (such as close family members and any controlled companies), (each a **Prohibited Person**).

However, the Company will not disregard a vote if the vote is cast:

- by a Prohibited Person as proxy appointed in writing, that specifies how the proxy is to vote on a proposed Resolution, and the vote is not cast on behalf of a Prohibited Person; or
- by the Chairman of the Meeting as proxy for a person entitled to vote and who does not specify a voting direction on the proxy form provided that the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

Resolutions 4 and 5: The Company will disregard any votes cast in favour of Resolutions 4 and 5 by, or on behalf of:

- any Director of the Company (except one who is ineligible to participate in the Alkane Resources Performance Rights Plan) and their associates; or
- a member of KMP (and their closely related parties), acting as proxy; or
- nominees of Messrs Earner or Chalmers,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to vote undirected proxies as the Chairman sees fit and exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the KMP.

For the purposes of these voting exclusions and prohibitions:

- the KMP for the Company's consolidated group are those persons having authority and responsibility for planning, directing and controlling the activities of the Company's consolidated group, directly or indirectly, including any director (whether executive or otherwise) of a member of the Company's consolidated group;
- a closely related party of a member of KMP means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependant of the member or of the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - a company the member controls.

NOTES

Intention of Chairman

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of all Resolutions.

Eligibility to vote

The board of Directors of the Company (**Board**) has determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that persons who are registered holders of shares of the Company (**Shares**) as at 7.00 pm (Sydney time) on Monday, 19 November 2018 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.

Appointment of proxies

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify this proportion, each proxy may exercise half the votes.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Generally, these sections mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

Information about voting by proxy, including appointing a proxy and lodging a Proxy Form, is set out in instructions included in the Proxy Form that accompanies this Notice of Meeting.

Votes by proxy must be received no later than 10.30 am (Sydney time) on Monday, 19 November 2018.

Proxy forms received later than this time will be invalid.

Corporate representatives

A body corporate which is a Shareholder, or that has been appointed as a proxy, may appoint a person 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, unless it has previously been given to the Company.

SHAREHOLDER MEETINGS FOR VICTORIA AND WESTERN AUSTRALIA

Alkane will be hosting Shareholder information meetings in Melbourne, Victoria and Perth, Western Australia, and invite all Shareholders to attend. These meetings may be of particular interest to Shareholders resident in Victoria or Western Australia, or who are otherwise unable to attend the AGM in person in Sydney, New South Wales.

Please refer to the back page for details about these Shareholder information meetings.



Alkane Resources Ltd

ACN 000 689 216

EXPLANATORY STATEMENT

This Explanatory Statement is prepared for the benefit of shareholders of Alkane (**Shareholders**) to better understand the Resolutions to be put to the Annual General Meeting of the Company to be held at The Westin, 1 Martin Place, Sydney NSW 2000 on Wednesday, 21 November 2018 at 10.30am (Sydney time).

This Explanatory Statement forms part of, and should be read together with, the notice of meeting and proxy form (together, the **Notice or Notice of Meeting**).

ACCOUNTS AND REPORTS

The Company's financial report, the Directors' report (including the remuneration report) and the Auditor's report for the year ended 30 June 2018 will be laid before the Annual General Meeting. A copy of the Company's 2018 Annual Report, which includes these reports, is available on the Company's website at www.alkane.com.au and on ASX's website www.asx.com.au.

There is no requirement for Shareholders to approve these reports. Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's 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.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Corporations Act requires the Company to put a resolution to Shareholders that the remuneration report be adopted. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the outcome of the vote will be considered by the Company's Remuneration Committee and Nomination Committee when evaluating the remuneration arrangements of the Company in the future. However, the Corporations Act requires that, if a company's remuneration report receives an "against" vote of 25% or more at two consecutive annual general meetings, a resolution must be put at the later of the two annual general meetings that another meeting be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. In summary, members will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives "two strikes".

The Remuneration Report of the Company for the period ended 30 June 2018 is set out in the Company's 2018 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 member of KMP.

As set out in the Remuneration Report, in determining executive remuneration, the Board aims to ensure that remuneration practices:

- (a) are competitive and reasonable, enabling the Company to attract and retain key talent while building a diverse, sustainable and high achieving workforce;
- (b) are aligned to the Company's strategic and business objectives and the creation of Shareholder value;
- (c) promote a high performance culture recognising that leadership at all levels is a critical element in this regard;
- (d) are transparent; and
- (e) are acceptable to Shareholders.

Further details regarding the Company's remuneration policy and structure as to executive and non- executive remuneration are set out in the 2018 Annual Report.

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

Directors' recommendation: The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

RESOLUTIONS 2 and 3: RE-ELECTION OF DIRECTORS

Rule 3.6(a) of the Company's constitution provides that at each annual general meeting of the Company, one third of the Directors (other than the Managing Director) must retire from office. The Directors to retire at an annual general meeting are those who have held office the longest since their last election. If two or more Directors have held office for the same period, those Directors may agree between themselves which of them will retire otherwise they are to draw lots, and in any event no Director may hold office for more than three years without standing for re-election.

Mr Anthony Dean Lethlean

In accordance with the Company's constitution, Mr Anthony Dean Lethlean retires as a Director of the Company and, being eligible, offers himself for re-election.

Mr Lethlean (BAppSc (Geology)) is a geologist with over 10 years' mining experience, including 4 years underground on the Golden Mile in Kalgoorlie. In later years, he has worked as a resources analyst with various stockbrokers and investment banks including CIBC World Markets. He was a founding director of Helmsec Global Capital Limited which seeded, listed and funded a number of companies in a range of commodities. He retired from the group in 2014. Mr Lethlean is also a non-executive director of Alliance Resources Ltd.

Mr Lethlean was appointed as a non-executive Director of the Company on 30 May 2002 and was last re-elected by rotation in November 2015. He is chairman of the Audit Committee and a member of the Remuneration and Nomination Committees. Mr Lethlean also holds the position of senior independent director which includes the responsibilities of assuming the role of Chair when the Chairman is unable to act and co-ordinating the activities of the independent directors.

Directors' recommendation: The Directors (other than Mr Lethlean because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

Mr Gavin Murray Smith

In accordance with the Company's constitution, Mr Gavin Murray Smith retires as a Director of the Company and, being eligible, offers himself for re-election.

Mr Smith is an accomplished senior executive and non executive director within multinational business environments. He has more than 35 years' experience in information technology, business development, and general management in a wide range of industries and sectors. Mr Smith has worked for the Bosch group for the past 28 years in Australia and Germany and is the current Chair and President of Robert Bosch Australia. In this role Mr Smith has led the restructuring and transformation of the local Bosch subsidiary. Concurrent with this role, he is a non executive director of the various Bosch subsidiaries, joint ventures, and direct investment companies in Australia and New Zealand. In addition, Mr Smith is the Chair of the Internet of Things Alliance Australia (IoTTA), the peak body for organisations with an interest in the IoT.

Directors' recommendation: The Directors (other than Mr Smith because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 3.

RESOLUTIONS 4 AND 5: APPROVAL OF THE GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS

Resolutions 4 and 5 seek approval for

- (a) the grant of performance rights (pursuant to the terms of Alkane's Performance Rights Plan (**Plan**)) (**Performance Rights**); and
- (b) the issue of Shares upon the vesting and exercise of those Performance Rights,

to the Company's executive Directors, Messrs Nicholas Paul Earner and David Ian Chalmers under the Company's Executive Incentive Scheme (**Scheme**) for executive long term incentives.

The terms of the Plan were approved by Shareholders at the Company's 2016 annual general meeting, and were summarised and set out in Annexure B to the Company's notice of 2016 annual general meeting. That notice is available at the Company's website.

In line with market practice, performance based incentive programs form a key component of total remuneration for Messrs Earner and Chalmers. A significant portion of total annual remuneration has been placed at-risk to better align the executive Directors' interests with those of Shareholders, to encourage long term sustainable growth and to assist with retention.

Resolutions 4 and 5 seek Shareholder approval for the grant of the following long term incentive (**LTI**) allocations for the financial year ending 30 June 2019 (**FY2019**) and the issue of Shares (upon the vesting and exercise of those Performance Rights) in accordance with the Plan and Scheme:

Nicholas Paul Earner 3,032,369 Performance Rights

David Ian Chalmers 371,310 Performance Rights

Details regarding the Performance Rights are set out below.

FY2019 LTI (for the three year period ending 30 June 2021)

The Scheme is an annual LTI scheme based on financial years, with performance periods of three years' duration set at the start of each financial year. The Scheme uses the Plan (as updated and approved by shareholders from time to time) as the vehicle for granting the appropriate incentives.

Under the Scheme, the LTIs are granted in two tranches of Performance Rights each year. Each tranche of Performance Rights has separate vesting conditions being share price growth and company milestone events, with the executives' LTI weighted more heavily to the share price growth tranche.

Performance period

The FY2019 LTI grant will be performance tested from 1 July 2018 to 30 June 2021.

Vesting conditions and performance hurdles

The FY2019 LTI grant to be made to Messrs Earner and Chalmers will vest (and be capable of exercise) subject to satisfaction of the following performance hurdles, described below:

- (a) one tranche of Performance Rights will be subject to the "share price growth" performance hurdles, being the **Share Price Growth Performance Rights**; and
- (b) the second tranche of the Performance Rights will be subject to the "milestone events" performance hurdles, being the **Milestone Performance Rights**.

Each of the performance hurdles are mutually exclusive so that if only one of the hurdles is satisfied, vesting may still occur for that tranche of the FY2019 grant (that is, each of the Share Price Growth Performance Rights and Milestone Rights are tested and may vest separately).

Share Price Growth

In this section:

- (a) **Starting Share Price** is the monthly volume weighted average price (**VWAP**) of the June immediately prior to the financial year to which the LTI applies. The FY2019 LTI has the starting Share price of the June 2018 VWAP;
- (b) **Final Share Price** is used to determine vesting, which is the VWAP over 10 trading days following the release of the full year results of the third financial year of the relevant LTI period. The FY2019 LTI has the final share price of the 10 trading days following the release of the FY2021 full year results (which will be approximately the start of September 2021).

Allocation methodology and number of Share Price Growth Performance Rights The number of Performance Rights allocated for grant in the Share Price Growth tranche is determined by the following formula:

$$\text{Number of Performance Rights} = \frac{A \times E \times B}{C \times D}$$

where:

- A** executive's "Base Salary Package" (as noted above in "Footnote 1", in the case of Mr Chalmers, "A" refers only to the Technical Services Salary component of his fixed remuneration package)
- B** tranche weighting (70%)
- C** "Right Value", which has the same as the Starting Share Price above – that is, the June VWAP of the month prior to the financial year in which the LTI applies
- D** % vesting at target (50%)
- E** "Target LTI %", as per the following table:

Financial Year	N P Earner Target LTI %	D I Chalmers Target LTI %
FY2019 and subsequent years	100%	50%

Vesting conditions and performance hurdles: Vesting occurs in accordance with the following table:

Final Share Price vs Starting Share Price	% of Tranche to Vest
Final Share Price < 3 year growth at 10% cumulative annual growth rate (CAGR) (i.e. Final Share Price < Starting Share Price x 133%)	0%
3 year growth at 10% CAGR ≤ Final Share Price < 3 year growth at 15% CAGR (i.e. Starting Share Price x 133% ≤ Final Share Price < Starting Share Price x 152%)	Pro-rata from 0% to 50%
Final Share Price = 3 year growth at 15% CAGR (i.e. Final Share Price = Starting Share Price x 152%)	50%
3 year growth at 15% CAGR ≤ Final Price < 3 year growth at 30% CAGR (i.e. Starting Share Price x 152% ≤ Final Share Price < Starting Share Price x 220%)	Pro-rata from 50% to 100%
3 year growth at 30% CAGR ≤ Final Share Price (i.e. Starting Share Price x 220% ≤ Final Price)	100%

Milestone Events

Allocation methodology and number of Milestone Performance Rights: The number of Performance Rights allocated for grant the "milestone events" tranche is determined by the following formula:

$$\text{Number of Performance Rights} = \frac{A \times E \times B}{C \times D}$$

where:

- A** executive's "Base Salary Package" (as noted above in "Footnote 1", in the case of Mr Chalmers, "A" refers only to the Technical Services Salary component of his fixed remuneration package)
- B** tranche weighting (30%)
- C** "Right Value" is the same as the Starting Share Price in the Share Price Growth section above – that is, the June VWAP of the month prior to the financial year in which the LTI applies
- D** % vesting at target (100%)
- E** Target LTI % is as per the following table:

Financial Year	N P Earner Target LTI%	D I Chalmers Target LTI%
FY2019 and subsequent years	100%	50%

Vesting conditions and performance hurdles: The milestone targets are set by the Board as part of the yearly budget cycle, and determined by the end of June for the LTI being offered in the following financial year.

The milestone targets and vesting criteria for the three year LTI period commencing and including FY2019 are those in the following table:

Milestone Target	% of tranche to vest
Financing obtained and development commenced of the DP by the end of the LTI period	33.33%
Commissioning of the DP commenced by the end of the LTI period	33.33%
Production of the DP at modelled rates of 65% capacity (which is the end of production year one target)	33.33%

For clarity, if the milestone target is not met, then the % of Milestone Performance Rights to vest is 0%.

ASX Listing Rule approval

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a Director of a company or his or her associates. As Messrs Earner and Chalmers are Managing Director and Technical Director (respectively) of the Company, approval is being sought for the purposes of ASX Listing Rule 10.14 and for all other purposes, to grant the Performance Rights to Mr Earner and Mr Chalmers (and the issue or transfer of any Shares on vesting and exercise of the relevant Performance Rights) in accordance with the terms and conditions of the Plan.

Further, if Resolutions 4 and 5 are approved for the purposes of ASX Listing Rule 10.14, pursuant to ASX Listing Rule 7.2 (Exception 14) a grant of Performance Rights or an issue of Shares (upon the vesting and exercise of those Performance Rights) will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1 and separate approval of Resolutions 4 and 5 is not required under ASX Listing Rule 7.1. In addition, approval under Listing Rule 10.14 is an exception to the prohibition on a company issuing shares to related parties without member approval under ASX Listing Rule 10.11.

Information required by ASX Listing Rule 10.15A

In accordance with ASX Listing Rule 10.15A, the Company provides the following information:

- (a) The Performance Rights will be granted to:
 - (i) in respect of Resolution 4, Mr Nicholas Paul Earner, the Managing Director of the Company; and
 - (ii) in respect of Resolution 5, Mr David Ian Chalmers, the Technical Director of the Company.
- (b) The maximum number of securities proposed to be issued in connection with Resolution 4 to Mr Earner is 3,032,369 Performance Rights (upon vesting and exercise, and in circumstances where all of these Performance Rights vest and are exercised, this entitles Mr Earner to 3,032,369 Shares).
The maximum number of securities proposed to be issued in connection with Resolution 5 to Mr Chalmers is 371,310 Performance Rights (upon vesting and exercise, and in circumstances where all of these Performance Rights vest and are exercised, this entitles Mr Chalmers to 371,310 Shares).
- (c) No cash consideration is payable by either Mr Earner or Mr Chalmers at the time of the grant of the Performance Rights, or upon the issue of Shares, as they are granted as part of the remuneration for Mr Earner's and Mr Chalmers' services to the Company as Managing Director and Technical Director (respectively). That is, the issue price for the grant of Performance Rights to each of Mr Earner and Mr Chalmers, and issue of Shares on vesting (and exercise) of those Performance Rights, is nil.
- (d) The Plan was last approved by Shareholders at the Company's 2016 annual general meeting. Since that time, the Company has issued:
 - (i) Mr Ian Chalmers 133,333 Shares under the terms of the Plan on the vesting and exercise of 133,333 FY2015 LTI Performance Rights. These Shares related to Performance Rights approved by Shareholders at the Company's 2014 annual general meeting; and
 - (ii) Mr Nic Earner 146,666 Shares under the terms of the Plan on vesting and exercise of 146,666 FY2015 LTI Performance Rights. These Shares related to Performance Rights that were granted to Mr Earner before he became a Director. The Shares were also issued to Mr Earner prior to him becoming a Director.

In accordance with the terms of the Plan, the Shares were issued for nil consideration.

- (e) The only persons referred to in ASX Listing Rule 10.14, who are entitled to participate in the Plan are Mr Nicholas Earner and Mr D Ian Chalmers.
- (f) Voting exclusion statements for Resolutions 4 and 5 are included in this Notice.
- (g) No loan will be provided by the Company in relation to the grant of the relevant Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) to Messrs Earner or Chalmers.

- (h) Details of any securities (being, Performance Rights and Shares (upon the vesting and exercise of Performance Rights) issued under the Plan will be published in each annual report relating to a period in which the securities have been issued, with a statement that approval for the issue of those securities was obtained, if required, under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Plan after Resolutions 4 and 5 are approved and who were not named in this Notice, will not participate until Shareholder approval is obtained under ASX Listing Rule 10.14.
- (i) If Resolutions 4 and 5 are approved, the Company proposes to issue the Performance Rights to Messrs Earner and Chalmers as soon as practicable and, in any event, within three years from the date of this Annual General Meeting.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act also regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Earner, being the Managing Director, and Mr Chalmers, being the Technical Director, are "related parties" of the Company and the grant of the Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) pursuant to the Performance Rights will constitute the giving of "financial benefits".

The Board (other than Mr Earner in respect of Resolution 4 and Mr Chalmers in respect of Resolution 5) considers that the grant of the Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) to Mr Earner and Mr Chalmers (respectively) is an appropriate and reasonable component of their remuneration, and that the financial benefit represented by the grant of the Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, it is unnecessary to seek specific member approval of Resolution 4 or Resolution 5 for the purposes of Chapter 2E of the Corporations Act (as mentioned above, approval is being sought under ASX Listing Rule 10.14).

Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company, or its related bodies corporate, if it is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The term "benefit" is open to a wide interpretation and may include the early or accelerated vesting (allowing for subsequent exercise by the holder, where relevant) of Performance Rights under the Plan. As outlined in the summary of the Plan in the Company's 2016 notice of annual general meeting, early or accelerated vesting may occur, subject to the Directors' absolute discretion, in various circumstances including the end of employment with the Group, or on a change of control.

If the Board were to exercise its discretion to vest some or all of the Performance Rights early in the circumstances referred to above, this may amount to the giving of a termination benefit requiring Shareholder approval in accordance with the Corporations Act. Shareholder approval of Resolutions 4 and 5 are also being sought so that early or accelerated vesting (allowing for subsequent exercise by the holder, where relevant) of the Performance Rights and the issue of Shares (upon the vesting and exercise of the Performance Rights) do not count towards such maximum termination amounts for the purposes of the Corporations Act.

Details of Mr Earner's and Mr Chalmers and remuneration, including other termination benefits, are set out in the Company's 30 June 2018 Annual Report, released to ASX on [**to be inserted**] 2018.

The value of any benefits cannot be ascertained at the present time. The benefits will be the market value of Shares issued or transferred to Mr Earner or Mr Chalmers on vesting (and exercise, where relevant) of such benefits. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefits:

- (a) the performance criteria determined to apply to the Performance Rights;
- (b) the reasons for cessation of employment;
- (c) the number of Performance Rights granted to Mr Earner or Mr Chalmers;
- (d) employee and Company performance factors used to determine vesting of Performance Rights;
- (e) the amount of other remuneration payable to Mr Earner or Mr Chalmers; and
- (f) the exercise of the Directors' discretion at the relevant time.

Directors' recommendation: The Directors (other than Mr Earner in respect of Resolution 4 and Mr Chalmers in respect of Resolution 5) unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5. As Mr Earner has an interest in the outcome of Resolution 4 and Mr Chalmers has an interest in the outcome of Resolution 5, they make no recommendation to Shareholders as to how to vote on those Resolutions, respectively.



Alkane Resources Ltd

ACN 000 689 216

ANNEXURE

SHAREHOLDER INFORMATION MEETINGS

In addition to the Annual General Meeting being held in Sydney, New South Wales, Shareholders will also have the opportunity to attend information meetings in Melbourne, Victoria and Perth, Western Australia. Shareholders will be able to meet some of the Directors and Alkane staff, be provided an update on the business and the Company's progress and ask questions of management about its plans for the Company.

See below for details.

	Date	Local Time	Venue
MELBOURNE	22 November 2018	10:00am – 12:30pm	Sheraton Melbourne Monash Room 27 Little Collins Street Melbourne Victoria
PERTH	23 November 2018	10:00am – 1:00pm	Holiday Inn Perth City Centre 778-788 Hay Street Perth Western Australia



Alkane Resources Ltd

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LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2018 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Alkane Resources Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **The Westin, 1 Martin Place, Sydney NSW 2000 on Wednesday, 21 November 2018 at 10.30am (Sydney time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though these Items are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. I/we acknowledge the Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items

		For	Against	Abstain*
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Mr Anthony Dean Lethlean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Director – Mr Gavin Murray Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of the Grant of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of the Grant of Performance Rights to the Technical Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

For personal use only
STEP 1
STEP 2
STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Items 1, 4 and 5, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1, 4 and 5.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chairman may vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. 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 and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.30am (Sydney time) on 19 November 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033