



Alkane Resources Ltd

ACN 000 689 216

INFORMATION MEMORANDUM

including

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT
AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT PAVILION
ROOM, SEASONS OF PERTH, 37 PIER STREET, PERTH WA
ON MONDAY, 10 MAY 2010 AT 11.00am WST

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 2009 ANNUAL REPORT ACCOMPANIES THIS
NOTICE. THE REPORT IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE:

www.alkane.com.au/reports/annual

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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 Pavilion Room, Seasons of Perth, 37 Pier Street, Perth WA on Monday, 10 May 2010 at 11.00am WST for the purpose of transacting the following business:-

ORDINARY BUSINESS

Accounts

To receive and consider the Financial Report for the year ended 31 December 2009.

Remuneration Report

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

- 1 To receive and adopt the remuneration report for the financial year ended 31 December 2009.

The vote on this resolution is advisory only.

Directors

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

- 2 To elect Mr I R Cornelius who retires in accordance with the Constitution and, being eligible, offers himself for re-election.

SPECIAL BUSINESS

Amendment to the Constitution

To consider and if thought fit to pass the following resolution as a **special resolution**:-

- 3 That the constitution of the Company be altered by inserting the following new rule 37 immediately after existing rule 36:

"37 PROPORTIONAL TAKEOVER APPROVAL

37.1 Special definitions

The following definitions apply in this rule.

Accepted Offer means an offer under a proportional takeover bid that has been accepted and from the acceptance of which a binding contract has not resulted as at the end of the Resolution Deadline.

Approving Resolution means a resolution to approve the proportional takeover bid passed in accordance with rule 37.4.

Corporations Act means the *Corporations Act 2001* (Cth).

Resolution Deadline means the day that is 14 days before the last day of the bid period of the proportional takeover bid.

A reference to an associate of another person is a reference to a person who is an associate of the first person because of sections 11, 12 or 15 of the Corporations Act.

37.2 Limited life of rule

This rule ceases to apply by force of section 648G(1) of the Corporations Act at the end of three years starting when this rule was inserted in the constitution or starting when this rule was last renewed in accordance with that section.

37.3 Restriction on registration of transfers

The Company must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid until an Approving Resolution is passed.

37.4 Approving Resolution

If offers have been made under a proportional takeover bid for securities in a class issued by the Company:

- a) an Approving Resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution;
- b) the Board must ensure that an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the bid;
- c) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held securities included in that class is entitled to vote on an Approving Resolution;
- d) the bidder or an associate of the bidder is not entitled to vote on an Approving Resolution; and
- e) an Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

37.5 General meeting provisions apply

The rules in this constitution relating to general meetings apply, modified as necessary, to any meeting convened under this rule, except that:

- a) a meeting may be convened on less than 28 days' notice and on at least 14 days' notice if the Board considers that should be done to ensure that the meeting is held before the Resolution Deadline; and
- b) the holder of a security that carries no right to vote at a general meeting of the Company has one vote for each security held at a meeting convened under this rule.

37.6 Notice of meeting outcome

If an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the proportional takeover bid, the Company must, on or before the Resolution Deadline, give a written notice stating that an Approving Resolution has been voted on and that the resolution has been passed or rejected to:

- a) the bidder; and
- b) ASX and any other relevant financial market.

37.7 Failure to propose resolution

If, as at the end of the day before the Resolution Deadline for a proportional takeover bid, no Approving Resolution has been voted on in accordance with this rule, an Approving Resolution is taken to have been passed in accordance with this rule.

37.8 Rejected resolution

If an Approving Resolution is voted on, in accordance with this rule, before the Resolution Deadline for the proportional takeover bid and is rejected:

- a) despite section 652A of the Corporations Act, all offers under the bid that have not, as at the end of the Resolution Deadline, been accepted, and all Accepted Offers are taken to be withdrawn at the end of the Resolution Deadline;
- b) as soon as practical after the Resolution Deadline, the bidder must return to each person who accepted an Accepted Offer any documents that were sent by the person to the bidder with the acceptance of the offer;
- c) the bidder may rescind, and must rescind, as soon as practical after the Resolution Deadline, each contract resulting from the acceptance of an offer made under the bid; and
- d) a person who has accepted an offer made under the bid may rescind the contract (if any) resulting from that acceptance."

Dated this 8th day of April 2010
By order of the Board of Directors

L A Colless
Secretary



Alkane Resources Ltd

ACN 000 689 216

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 Monday, 10 May 2010 at 11.00am WST.

FINANCIAL REPORT

The Corporations Act requires the financial statements and the reports of the Directors and Auditor be laid before the Annual General Meeting. There is no requirement for shareholders to approve those reports. However, in accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the independent audit report.

REMUNERATION REPORT - RESOLUTION 1

The Corporations Act requires listed companies to put a resolution to shareholders to adopt the 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 20 to 25 of the 2009 Annual Report. This report describes the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director.

Shareholders will be given a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

DIRECTORS - RESOLUTION 2

Mr Cornelius retires by rotation and offers himself for re-election.

The experience, qualifications and other information about the candidate appear in the Annual Report.

AMENDMENT TO THE CONSTITUTION - RESOLUTION 3

Resolution to amend constitution to insert proportional takeover approval provisions

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer.

Resolution 3 would amend the constitution of the Company to insert a new rule 37 about proportional takeover approval under section 648D of the Corporations Act. The amendment would operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders.

Resolution 3 is a special resolution which means that a vote to pass this Resolution is decided on a 75% majority of the votes cast by Shareholders entitled to vote on this Resolution.

If Resolution 3 is passed, then for 21 days after the meeting the holders of 10% of the Company's shares would have the right to apply to the court to have the resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. That information is set out below.

a) Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's shares.

b) Effect of the proposed takeover provisions

If a proportional takeover bid is made, the Directors must ensure that a resolution of Shareholders to approve the takeover bid is voted on more than 14 days before the last day of the bid period. The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the constitution).

The proportional takeover approval provisions do not apply to full takeover bids.

c) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

To assess the merits of these provisions, Shareholders should make a judgement as to what events are likely to occur to the Company during the three year life of the proposed rule 37.

d) Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders of the proportional takeover provisions include the following:

- i) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- ii) they may assist Shareholders from being locked in as a minority;
- iii) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- i) proportional takeover bids for shares in the Company may be discouraged;
- ii) Shareholders may lose an opportunity to sell some of their shares at a premium; and
- iii) the likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions.

e) Knowledge of any acquisition proposals

As at the date on which this notice of meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

f) Recommendation of the Board

The Directors consider that proposed rule 37 is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

PROXY APPOINTMENT FORM
ALKANE RESOURCES LTD
ACN 000 689 216

Enquiries
(within Australia) 9227 5677
(outside Australia) +618 9227 5677

[Shareholder name]

[Shareholder address]

I/We, as named above, being a member/s of Alkane Resources Ltd and entitled to attend and vote hereby appoint

..... of
Name of proxy Address of proxy

or if that person fails to attend or, if no person is named, the Chairman of the meeting to attend, act generally and vote as directed below, or, if no directions are given, as the proxy or the Chairman sees fit, at the general meeting of the Company to be held on 10 May 2010 at 11.00am WST, and at any adjournment.

Appointing a second proxy

If appointing a second proxy, state the percentage of your voting rights applicable to the proxy appointed by this form.

%

Voting directions to your proxy – please mark ✕ to indicate your directions

	For	Against	Abstain*
Ordinary resolutions			
1. Remuneration report	☐	☐	☐
2. Re-election of I R Cornelius as a director	☐	☐	☐
Special resolution			
3. Amendment to the constitution	☐	☐	☐

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

IMPORTANT

If you appoint the Chairman of the meeting as your proxy, or he is appointed as your proxy by default, and you have not directed your proxy how to vote, please mark this box with ✕.

- By marking this box, you acknowledge that the Chairman of the meeting may vote as your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest.
- If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the meeting will not cast any votes as your proxy on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.
- The Chairman of the meeting intends to vote all undirected proxies in favour of the resolution/s.

Signatures of individual member, joint individual member, attorney or company member

Member, Attorney or Joint Member

Sole director and sole company secretary

Director

Director/Company secretary (delete one)

/ /

Contact name

Contact daytime telephone

Date

INSTRUCTIONS FOR COMPLETION OF PROXY APPOINTMENT FORM

Appointment of proxy

If you are entitled to vote at the meeting you have a right to appoint a proxy and should use this Proxy Appointment Form. 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 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, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and vote on your behalf.

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

As permitted by the Corporations Act, the Company has determined that, for the purposes of the meeting, all securities of the Company will be taken to be held by the persons who held them as registered members at 5.00pm WST on 8 May 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the 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. All your votes will be cast in accordance with your direction, unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by this Proxy Appointment Form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy will vote as he or she chooses. If you mark more than 1 box relating to the same item of business any vote by your proxy on that item will be invalid.

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 Appointment Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form. Both Proxy Appointment 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 Appointment 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/the Company for notation, please attach a certified copy of the power of attorney to this 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 Appointment Form

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

- at 129 Edward Street, Perth WA 6000; or
- by fax, on fax number +61 8 9227 8178,

not later than 11.00 WST on 8 May 2009.

Documents received after that time will not be valid for the scheduled 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.

ALKANE RESOURCES LTD		
129 Edward Street Perth WA 6000	PO Box 8178, Perth Business Centre Perth WA 6849	Tel: +61 8 9227 5677 Fax: +61 8 9227 8178 Email: mail@alkane.com.au