



ALKANE EXPLORATION LTD

A.B.N 35 000 689 216

16 March 2007

Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

NOTICE OF GENERAL MEETING

Please find attached as despatched to shareholders today a notice of a General Meeting to be held on 19 April 2007.

Yours faithfully,
for **ALKANE EXPLORATION LTD**

L A Colless
Secretary

Alkane Exploration Ltd

ACN 000 689 216

INFORMATION MEMORANDUM

including

NOTICE OF GENERAL MEETING AND PROXY FORM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT
AT THE GENERAL MEETING OF THE COMPANY TO BE HELD
AT SEASONS OF PERTH, 37 PIER STREET, PERTH
ON THURSDAY, 19 APRIL 2007 AT 11am 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.

ALKANE EXPLORATION LTD
ACN 000 689 216

NOTICE OF GENERAL MEETING

Alkane Exploration Ltd (**Company**) gives notice that a general meeting of members will be held at Seasons of Perth 37 Pier Street, Perth on 19th April 2007 at 11 am WST.

BUSINESS

1. **Change of Company name**

To consider and, if thought fit, pass the following special resolution.

That the Company change its name to Alkane Resources Ltd with effect from the day on which the Australian Securities and Investments Commission issues a new certificate of registration.

2. **Ratification of past placements**

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

That the Company ratify under rule 7.4 of the Listing Rules of ASX Limited the issue of 24,899,925 fully paid ordinary shares to Abbotsleigh Pty Ltd on 4 July 2006 which were fully paid to 15 cents per share.

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

That the Company ratify under rule 7.4 of the Listing Rules of ASX Limited the issue of 100,000 fully paid ordinary shares to Golden Cross Resources Limited on 9 November 2006 which were credited as fully paid to 20 cents per share.

3. **Issue of options to employees and consultants**

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

That the Company approve under rule 7.1 of the Listing Rules of ASX Limited the issue of an aggregate of 3,200,000 options to subscribe for shares in the Company to the persons and on the terms set out in the explanatory memorandum accompanying the notice convening this meeting.

4. **Issue of options to Lindsay Colless**

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

That the Company approve under rule 7.1 of the Listing Rules of ASX Limited the issue to Lindsay Colless and/or his nominee(s) of:

(a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*

(b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

5. **Issue of options to John Dunlop**

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

That the Company approve under rule 10.11 of the Listing Rules of ASX Limited and section 208 of the Corporations Act 2001 the issue to John Dunlop and/or his nominee(s) of:

- (a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*
- (b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

6. **Issue of options to Ian Gandel**

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

That the Company approve under rule 10.11 of the Listing Rules of ASX Limited and section 208 of the Corporations Act 2001 the issue to Ian Gandel and/or his nominee(s) of:

- (a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*
- (b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

7. **Issue of options to Ian Chalmers**

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

That the Company approve under rule 10.11 of the Listing Rules of ASX Limited and section 208 of the Corporations Act 2001 the issue to Ian Chalmers and/or his nominee(s) of:

- (a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*
- (b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

8. **Issue of options to Tony Lethlean**

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

That the Company approve under rule 10.11 of the Listing Rules of ASX Limited and section 208 of the Corporations Act 2001 the issue to Tony Lethlean and/or his nominee(s) of:

- (a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*
- (b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

9. **Issue of options to Ian Cornelius**

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

That the Company approve under rule 10.11 of the Listing Rules of ASX Limited and section 208 of the Corporations Act 2001 the issue to Ian Cornelius and/or his nominee(s) of:

- (a) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "C" to the explanatory memorandum accompanying the notice convening this meeting (**Explanatory Memorandum**); and*
- (b) *500,000 options to subscribe for shares in the Company on the terms and conditions set out in annexure "D" to the Explanatory Memorandum.*

10. **Other business**

To consider any other business brought forward in accordance with the Company's constitution or the law.

VOTING EXCLUSION STATEMENTS

Under Rule 14.11 of the Listing Rules of ASX Limited, the Company will disregard any votes cast on the resolutions contained in items 2 to 9 by the following persons:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Item 2A – Ratification of Abbotsleigh Placement	<ul style="list-style-type: none"> • Abbotsleigh Pty Ltd; and • any of its associates.
Item 2B – Ratification of Golden Cross Placement	<ul style="list-style-type: none"> • Golden Cross Resources Limited; and • any of its respective associates.
Item 3 – Issue of options to employees and consultants	<ul style="list-style-type: none"> • Terry Ransted, Geoff Meates, Mike Sutherland, Rimas Kairaitis, Karen Brown, Steve Woodham, Glen Morgan, David Meates and David Moyses; • any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and • any of their respective associates.
Item – 4 Issue of options to Lindsay Colless	<ul style="list-style-type: none"> • Lindsay Colless; • any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and • any of their respective associates.
Item 5 – Issue of options to John Dunlop	<ul style="list-style-type: none"> • John Dunlop and any of his associates.
Item 6 – Issue of options to Ian Gandel	<ul style="list-style-type: none"> • Ian Gandel and any of his associates.
Item 7 – Issue of options to Ian Chalmers	<ul style="list-style-type: none"> • Ian Chalmers and any of his associates.
Item 8 – Issue of options to Tony Lethlean	<ul style="list-style-type: none"> • Tony Lethlean and any of his associates.
Item 9 – Issue of options to Ian Cornelius	<ul style="list-style-type: none"> • Ian Cornelius and any of his associates.

However, the Company need not disregard a vote if :

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy appointment form; or
- it is cast by the Chairman of the meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy appointment form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

Date 28 February 2007

By order of the Board
Lindsay Colless
Company Secretary

NOTES

These notes form part of the notice of general meeting.

Right to vote

The directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 5pm WST on 17 April 2007.

Appointment of proxies

Each member entitled to vote at the general meeting may appoint a proxy to attend and vote at the general meeting.

A proxy need not be a member of the Company and can be an individual or a body corporate.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the general meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A member entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Lodgement of proxy documents

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

By mail or delivery:		By fax:
129 Edward Street Perth WA 6000	or	PO Box 8178 Perth Business Centre Perth WA 6000
		+61 8 9227 8178

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

ALKANE EXPLORATION LTD
ACN 000 689 216

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared to provide the shareholders of the Company with information in connection with the general meeting to be held on Thursday, 19th April 2007 at Holiday Inn City Centre Perth, 778 Hay Street, Perth at 11am WST.

At the general meeting, shareholders will be asked to approve:

- (a) **(item 1)** – the change of the Company's name;
- (b) **(item 2A)** – the ratification of Abbotsleigh Placement;
- (c) **(item 2B)** – the ratification of Golden Cross Placement;
- (d) **(item 3)** – the issue of options to employees and consultants of the Company;
- (e) **(item 4)** – the issue of options to Lindsay Colless;
- (f) **(item 5)** – the issue of options to John Dunlop;
- (g) **(item 6)** – the issue of options to Ian Gandel;
- (h) **(item 7)** – the issue of options to Ian Chalmers;
- (i) **(item 8)** – the issue of options to Tony Lethlean; and
- (j) **(item 9)** – the issue of options to Ian Cornelius.

Each of the resolutions, except the resolution in item 1, is an ordinary resolution requiring it to be passed by a simple majority of votes cast by shareholders entitled to vote on the resolution. The resolution in item 1 is a special resolution requiring it to be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

The purpose of this Explanatory Memorandum is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve each of the resolutions.

This Explanatory Memorandum is an important document and should be read carefully in its entirety by all shareholders. Capitalised terms in this Explanatory Memorandum are defined where they appear in the document or in the glossary in section 8.

2. CHANGE OF COMPANY NAME

The Directors have determined to change the Company's name to "Alkane Resources Ltd" and the resolution in item 1 seeks shareholder approval for that change in accordance with section 157 of the Corporations Act.

This proposed change is considered appropriate to reflect the Company's multi commodity resource development strategy and the more advanced stage of its projects beyond exploration and evaluation.

3. **RATIFICATION OF PAST PLACEMENTS**

3.1 **Abbotsleigh Placement**

On 4 July 2006, the Company advised ASX that it had completed the Abbotsleigh Placement comprising the issue of 24,899,925 Shares to Abbotsleigh Pty Ltd at an issue price of 15 cents per Share to raise approximately \$3,734,989 before transaction costs.

At the time of the Abbotsleigh Placement, Abbotsleigh Pty Ltd was not a related party of the Company for the purposes of the Corporations Act or the Listing Rules.

From their date of issue, the Abbotsleigh Shares ranked equally in all respects with the Company's then existing Shares.

The purpose of the Abbotsleigh Placement was to provide funds for:

- (a) feasibility studies at the Company's Wyoming project;
- (b) further development work at the Dubbo zirconia project; and
- (c) additional working capital.

3.2 **Golden Cross Placement**

On 14 November 2006, the Company advised ASX that it had completed the Golden Cross Placement comprising the issue of 100,000 Shares to Golden Cross Resources Limited at an issue price of 20 cents per Share.

Golden Cross Resources Limited is parent to Golden Cross Operations Pty Ltd and neither entity is or was a related party of the Company for the purposes of the Corporations Act or the Listing Rules.

The Golden Cross Shares were issued pursuant to an agreement reached with Golden Cross Operations Pty Ltd to roll the area previously comprising Mining Lease 1387 into the royalty agreement with Golden Cross Operations Pty Ltd covering the surrounding Exploration Licence 5830. This area was excluded from the initial agreement between the parties dated 8 August 2001. The Golden Cross Shares were issued as reimbursement for the previous exploration expenditure by Golden Cross Operations Pty Ltd and therefore no cash consideration was received by the Company.

From their date of issue, the Golden Cross Shares ranked equally in all respects with the Company's then existing Shares.

3.3 **Details**

Items 2A and 2B seek shareholder approval under Listing Rule 7.4 to ratify the Abbotsleigh Placement and the Golden Cross Placement, respectively. The effect of such ratification will be that the Abbotsleigh Shares and the Golden Cross Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% limit imposed by Listing Rule 7.1 (ie the 15% limit is "renewed" to the extent of the ratification).

4. **ISSUE OF OPTIONS TO EMPLOYEES AND CONSULTANTS**

Item 3 seeks shareholder approval under Listing Rule 7.1 to issue a total of 3,200,000 options to subscribe for Shares to employees and consultants of the Company and/or their respective nominees.

Under Listing Rule 7.1, the Company cannot (subject to certain exceptions) issue securities (including options) equal to more than 15% of the Company's issued capital in a 12 month period without shareholder approval. The effect of shareholder approval under Listing Rule 7.1 is that the options will not be counted as reducing the number of securities which the Company can issue in the future for the purposes of the 15% limit imposed by that rule.

Details of the options are summarised below:

Name	Number and type of options	Exercise Price	Vesting Period	Expiry Date
Terry Ransted	250,000 annexure "A" options	25 cents	n/a	30 September 2008
	250,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Geoff Meates	250,000 annexure "A" options	25 cents	n/a	30 September 2008
	250,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Mike Sutherland	250,000 annexure "A" options	25 cents	n/a	30 September 2008
	250,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Rimas Kairaitis	250,000 annexure "A" options	25 cents	n/a	30 September 2008
	250,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Karen Brown	250,000 annexure "A" options	25 cents	n/a	30 September 2008
	250,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Steven Woodham	150,000 annexure "A" options	25 cents	n/a	30 September 2008
	150,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
Glen Morgan	50,000 annexure "A" options	25 cents	n/a	30 September 2008
	50,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
David Meates	100,000 annexure "A" options	25 cents	n/a	30 September 2008
	100,000 annexure "B" options	30 cents	12 months from issue	30 September 2009
David Moyses	50,000 annexure "A" options	25 cents	n/a	30 September 2008
	50,000 annexure "B" options	30 cents	12 months from issue	30 September 2009

The full terms of the annexure "A" options are set out in annexure "A" to this Explanatory Memorandum.

The full terms of the annexure "B" options are set out in annexure "B" to this Explanatory Memorandum.

The options are being issued to employees and consultants of the Company in recognition of past services and to encourage these employees and consultants to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company. The combination of vesting dates, exercise price and expiry dates were designed as an incentive to perform for the longer term.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of the options, is a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The number and terms of the options proposed to be issued to the employees and consultants were determined by the Directors and are considered by the Directors to be appropriate incentives in light of their skill, experience and contributions to the activities of the Company and their existing remuneration packages.

The options will be issued to the employees and consultants of the Company on a single occasion as soon as possible and, in any event, within 3 months, after the date of the meeting.

As the options will be allotted and issued for no cash consideration, no cash funds will be raised by the Company from their issue. Any funds received on exercise of the options will be used by the Company to augment its working capital.

5. ISSUE OF OPTIONS TO LINDSAY COLLESS

Item 4 seeks shareholder approval under Listing Rule 7.1 to issue a total of 1,000,000 options to subscribe for Shares to Lindsay Colless, the Company Secretary, and/or his nominee(s).

As with the resolution in item 3, the effect of shareholder approval of the resolution in item 4 is that the options will not be counted as reducing the number of securities which the Company can issue in the future for the purposes of the 15% limit imposed by that rule.

Details of the options are summarised below:

Name	Number and type of options	Exercise Price	Vesting Period	Expiry Date
Lindsay Colless	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009

The full terms of the annexure "C" options are set out in annexure "C" to this Explanatory Memorandum.

The full terms of the annexure "D" options are set out in annexure "D" to this Explanatory Memorandum.

The options are being issued to Mr Colless in recognition of past services and to encourage future involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company. The combination of vesting date, exercise price and expiry dates were designed as an incentive to perform for the longer term.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of the options, is a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The number and terms of the options proposed to be issued to Mr Colless were determined by the Directors and are considered by the Directors to be an appropriate incentive in light of his skill, experience and contributions to the activities of the Company and his existing remuneration package.

The options will be allotted and issued to Mr Colless on a single occasion as soon as possible and, in any event, within 3 months, after the date of the meeting.

As the options will be issued for no cash consideration, no cash funds will be raised by the Company from their issue. Any funds received on exercise of the options will be used by the Company to augment its working capital.

6. ISSUE OF OPTIONS TO DIRECTORS

6.1 Details of options

Items 5 to 9 seek shareholder approval under Listing Rule 10.11 and section 208 of the Corporations Act to issue a total of 5,000,000 options to subscribe for Shares to Directors (and/or their respective nominees).

Details of the options are summarised below:

Name	Number and type of options	Exercise Price	Vesting Period	Expiry Date
John Dunlop	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009
Ian Gandel	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009
Ian Chalmers	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009
Tony Lethlean	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009
Ian Cornelius	500,000 annexure "C" options	25 cents	n/a	30 September 2008
	500,000 annexure "D" options	30 cents	12 months from issue	30 September 2009

The full terms of the annexure "C" options are set out in annexure "C" to this Explanatory Memorandum.

The full terms of the annexure "D" options are set out in annexure "D" to this Explanatory Memorandum.

The options will all be allotted and issued on a single occasion as soon as possible and, in any event, within 1 month, after the date of the meeting.

As the options will be issued for no cash consideration, no cash funds will be raised by the Company from their issue. Any funds received on exercise of the options will be used by the Company to augment its working capital.

6.2 Listing Rules and Corporations Act

Listing Rule 10.11 requires the Company to obtain shareholder approval for the issue of securities (including options) to a related party of the Company. Each of the Directors is a related party of the Company for the purposes of Listing Rule 10.11. Accordingly, shareholder approval is required for the issue of options under the resolutions in items 5 to 9 to those Directors.

As approval is being sought for each of the resolutions in items 5 to 9 under Listing Rule 10.11, approval is not required for those resolutions under Listing Rule 7.1.

Subject to certain exceptions, section 208 of the Corporations Act requires a public company to obtain shareholder approval for the giving of a financial benefit to a related party of the public company. Each of the Directors is a related party of the Company for the purposes of the Corporations Act and the issue of options to those Directors constitutes the giving of a financial benefit to each of them within the meaning of the Corporations Act. Accordingly, shareholder approval is required under section 208 for the issue of options under the resolutions in items 5 to 9 to those Directors.

6.3 Effect on Company's capital structure

- (a) As at the date of this Explanatory Memorandum, the issued capital of the Company on an undiluted basis comprises:

SHARES

200,543,468 fully paid ordinary shares

OPTIONS

Number	Exercise Price	Expiry Date
500,000	\$0.40	24 May 2007
4,750,000	\$0.60	24 May 2007
975,000	\$0.45	29 May 2008

- (b) As at the date of this Explanatory Memorandum, the issued capital of the Company on a fully diluted basis comprises:

SHARES

206,768,468 fully paid ordinary shares

- (c) Immediately after the issue of options to Directors pursuant to the resolutions in items 5 to 9 (assuming no other securities in the Company are issued in the meantime), the issued capital of the Company on an undiluted basis will comprise:

SHARES

200,543,468 fully paid ordinary shares

OPTIONS

Number	Exercise Price	Expiry Date
500,000	\$0.40	24 May 2007
4,750,000	\$0.60	24 May 2007

975,000	\$0.45	29 May 2008
2,500,000	\$0.25	30 Sept 2008
2,500,000	\$0.30	30 Sept 2009

- (d) Immediately after the issue of all options pursuant to the resolutions in items 3 to 9, (assuming no other securities in the Company are issued in the meantime), the issued capital of the Company on an undiluted basis will comprise:

SHARES

200,543,468 fully paid ordinary shares

OPTIONS

Number	Exercise Price	Expiry Date
500,000	\$0.40	24 May 2007
4,750,000	\$0.60	24 May 2007
975,000	\$0.45	29 May 2008
4,600,000	\$0.25	30 Sept 2008
4,600,000	\$0.30	30 Sept 2009

- (e) Immediately after the issue of all options pursuant to the resolutions in items 3 to 9, (assuming no other securities in the Company are issued in the meantime), the issued capital of the Company on a fully diluted basis will comprise:

SHARES

215,968,468 fully paid ordinary shares

6.4 Directors' interests in Company's issued capital

- (a) As at the date of this Explanatory Memorandum, the Directors' interests in the issued capital of the Company are:

Name	No. of shares held directly	No. of shares held indirectly	No. of options held directly	No. of options held indirectly
John Dunlop	Nil	Nil	Nil	Nil
Ian Gandel	Nil	34,245,674	Nil	Nil
Ian Chalmers	3,780	805,958	Nil	1,000,000
Tony Lethlean	Nil	Nil	Nil	1,000,000
Ian Cornelius	7,875	1,291,500	Nil	1,000,000

- (b) Immediately after the issue of options to Directors pursuant to the resolutions in items 5 to 9 (assuming no other securities in the Company are issued to Directors in the meantime), the Directors' interests in the issued capital of the Company will be:

Name	No. of shares held directly	No. of shares held indirectly	No. of options held directly	No. of options held indirectly
John Dunlop	Nil	Nil	Nil	1,000,000
Ian Gandel	Nil	34,245,674	Nil	1,000,000
Ian Chalmers	3,780	805,958	Nil	2,000,000
Tony Lethlean	Nil	Nil	Nil	2,000,000
Ian Cornelius	7,875	1,291,500	Nil	2,000,000

6.5 Directors' remuneration

The existing remuneration packages of the Directors are:

Name	Salary/ fees	Cash bonuses Non-monetary benefits Superannuation	Share/ option based payments	Termination benefits	Other benefits
John Dunlop	Retainer payable to John S Dunlop & Associates Pty Ltd of \$50,000pa plus per diem of \$1200 per day for up to 4 days per month for consulting services over and above normal director's duties	There are no cash bonuses, non-monetary benefits or superannuation payable to the director or to his consulting company	Other than as contemplated by the resolutions to be considered at this meeting, there are no share/ option based payments applicable	There is no policy in place in regard to termination benefits	There are no other benefits payable to the director
Ian Gandel	Retainer payable to Gandel Metals Pty Ltd of \$40,000pa plus per diem of \$1200 per day for up to 4 days per month for consulting services over and above normal director's duties	There are no cash bonuses, non-monetary benefits or superannuation payable to the director or to his consulting company	Other than as contemplated by the resolutions to be considered at this meeting, there are no share/ option based payments applicable	There is no policy in place in regard to termination benefits	There are no other benefits payable to the director
Ian Chalmers	Managing Director's retainer payable to Leefab Pty Ltd of \$60,000pa. Also, in accordance with a Consultancy	There are no cash bonuses, non-monetary benefits or superannuation payable to the director or to his consulting company	Other than as contemplated by the resolutions to be considered at this meeting, there are no share/	Fees of up to six months "Notice Amount" are payable should the Consultancy Agreement	Reasonable motor vehicle expenses and other disbursements in the conduct of the Company's business are

Name	Salary/ fees	Cash bonuses Non-monetary benefits Superannuation	Share/ option based payments	Termination benefits	Other benefits
	Agreement, consultancy fees are payable to MultiMetal Consultants Pty Ltd for professional services of Mr Chalmers and other technical personnel (a daily rate of \$910 is applicable to services provided by Mr Chalmers) plus a facility fee of \$1,500 per month and rent of \$2,000 per month		option based payments applicable	with MultiMetal Consultants Pty Ltd be terminated	reimburseable to Mr Chalmers. Disbursements by MultiMetal Consultants Pty Ltd are reimburseable in the ordinary course of business
Tony Lethlean	Retainer payable to Rocky Rises Pty Ltd of \$40,000pa plus per diem of \$1200 per day for up to 4 days per month for consulting services over and above normal director's duties	There are no cash bonuses, non-monetary benefits or superannuation payable to the director or to his consulting company	Other than as contemplated by the resolutions to be considered at this meeting, there are no share/ option based payments applicable	There is no policy in place in regard to termination benefits	There are no other benefits payable to the director
Ian Cornelius	Retainer payable to Goldtrek Pty Ltd of \$40,000pa plus per diem of \$1200 per day for up to 4 days per month for consulting services over and above normal director's duties	There are no cash bonuses, non-monetary benefits or superannuation payable to the director or to his consulting company	Other than as contemplated by the resolutions to be considered at this meeting, there are no share/ option based payments applicable	There is no policy in place in regard to termination benefits	There are no other benefits payable to the director

During the year ended 31 December 2006 the following amounts were due and payable in respect of the directors named above:

John Dunlop	\$32,288 retainer and per diem payable to John S Dunlop & Associates Pty Ltd for the period from his appointment on 3 July 2006
Ian Gandel	\$16,667 retainer payable to Gandel Metals Pty Ltd for the period from his appointment on 24 July 2006
Ian Chalmers	\$15,000 retainer payable by the Company and its subsidiaries to Leefab Pty Ltd for the period from Mr Chalmers' appointment as Managing Director on 5 October 2006, \$521,662 professional fees payable to MultiMetal Consultants Pty Ltd for services provided by Mr Chalmers and other personnel and contributions to rent of \$6,000

Tony Lethlean	\$57,300 retainer and per diem payable to Rocky Rises Pty Ltd for the year
Ian Cornelius	\$75,000 Executive Chairman's fees payable to Goldtrek Pty Ltd for the period to his retirement as Executive Chairman on 3 July 2006, a one-off termination fee of \$80,000 in appreciation of his long period of service in that role and \$21,200 retainer and per diem for the period from 3 July 2006 for his role as a non-executive director of the Company

6.6 Directors' other interests in the Company

The Company pays premiums in respect of a contract insuring all directors of the Company and its related entities against liability incurred in their capacity as directors.

The Company has entered into deeds of indemnity, insurance and access with each of the Directors. These deeds:

- indemnify a Director to the fullest extent permitted by law against any liability incurred by the Director:
 - as an officer of the Company or of a related body corporate; and
 - to a person other than the Company or a related body corporate, unless the liability arises out of conduct on the part of the Director which involves a lack of good faith;
- provide for insurance against liability incurred as a director; and
- provide a director with continuing access, while in office and for a specified period after the Director ceases to be a Director, to certain Company documents which related to the Director's period in office.

In addition, the Company's constitution provides for the indemnity of officers of the Company and its wholly owned subsidiaries from liability.

Prior to his being appointed a Director on 24 July 2006, Abbotsleigh Pty Ltd, a company associated with Ian Gandel, participated in the Abbotsleigh Placement described in section 3.1 of this Explanatory Memorandum.

Gandel Metals Pty Ltd as trustee for the Gandel Metals Trust (an entity associated with Ian Gandel) underwrote the non-renounceable rights issue of Shares undertaken by the Company in September 2006 and was paid an underwriting fee of approximately \$71, 580 for these services. Full details of the underwriting agreement were set out in the Company's prospectus for the rights issue dated 27 September 2006.

6.7 Valuation of the options

The Black and Scholes option pricing model (**B&S Model**) has been applied in providing valuation information in respect to the options to be issued to Messrs Dunlop, Gandel, Chalmers, Lethlean and Cornelius.

The B&S Model is based on a number of assumptions, including an assumption that the options being valued are American call options, in that they can be exercised on or before the expiry date (subject to the vesting conditions). In addition, the B&S Model assumes that there is a liquid market for the options. Because the B&S Model assumes a liquid market, the amount calculated by the B&S Model represents a maximum theoretical value. In assessing the indicative fair value of the options, no discount factors have been applied to take into account that the options are unlisted.

The B&S Model attributes an indicative fair value of \$0.126 to the options to be issued to directors which have an exercise price of \$0.25 and an expiry date of 30 September 2008, and an indicative fair value of \$0.145 to the options proposed to be issued to directors which have an exercise price of \$0.30 and an expiry date of 30 September 2009.

These values have been calculated for the options using the B&S Model based on the following assumptions and variables:

Assumptions

- that the options are American call options (i.e. they can be exercised at any time during the period)
- there are no transaction costs, options and Shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying Shares do not currently pay a dividend; and
- Share prices behave in a manner consistent with a random walk in continuous time.

Variables

- Share price of \$0.25 (based on the Company's closing share price on 23 February 2007);
- a risk free interest rate of 6.00% based on the Reserve Bank of Australia's cash rate;
- expiry dates of 30 September 2008 (tranche 1) and 30 September 2009 (tranche 2);
- exercise price of \$0.25 (tranche 1) and \$0.30 (tranche 2); and
- volatility factor of 101% based on the Company's historical volatility.

Any change in the variables applied in the B&S Model between the date of the valuation and the date the options are granted would have an impact on their value.

Applying the volatility factor of 101%, the indicative value of the options proposed to be issued to each of the Directors are as follows:

	Number of options (exercisable at \$0.25)	\$	Number of options (exercisable at \$0.30)	\$
Value per option		\$0.126		\$0.145
Value of options to be issued to Mr Dunlop	500,000	63,000	500,000	72,500
Value of options to be issued to Mr Gandel	500,000	63,000	500,000	72,500
Value of options to be issued to Mr Chalmers	500,000	63,000	500,000	72,500
Value of options to be issued to Mr Lethlean	500,000	63,000	500,000	72,500
Value of options to be issued to Mr Cornelius	500,000	63,000	500,000	72,500

6.8 Reasons for the proposed issue of options

The grant of options is designed to recognise past services and to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company. The combination of vesting date, exercise price and expiry dates were designed as an incentive to perform for the longer term.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of options, is a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The number and terms of the options proposed to be issued to the Directors pursuant to resolutions 5 to 9 was negotiated by the Directors and is considered by the Directors in each case to be appropriate for the Director concerned in light of their total remuneration package, the remuneration packages of directors performing similar roles within companies of similar size and circumstances to the Company in the mineral exploration and development industry, the challenges facing the Company going forward and their skill, experience and reputation.

The Company recognises the issue of options to non-executive directors is contrary to recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations, however, the Board considers the grant of the options pursuant to resolutions 5 to 9 to be reasonable in the circumstances given the Company's size and stage of development and the necessity to attract and retain the highest calibre of professionals to the role whilst maintaining the Company's cash reserves.

6.9 **Potential costs**

The potential cost to the Company of the proposed issue of an aggregate of 5,000,000 options to Directors pursuant to resolutions 5 to 9 is that there will be a dilution of the issued share capital of the Company if the options are exercised.

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in respect of the proposed issue of options pursuant to resolutions 5 to 9 other than, if the options are exercised at a time when the market price of the Company's shares is greater than the exercise price of the options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

As at the date of the notice of meeting which this Explanatory Memorandum accompanies, there is no other information known to the Directors that is reasonably required by shareholders of the Company to make a decision whether or not it is in the Company's interests to pass the resolutions proposed in items 5 to 9, other than as set out in this Explanatory Memorandum.

6.10 **Share trading history**

The last closing sale price of Shares on ASX on the trading day immediately preceding the date of this Explanatory Memorandum was 25.50 cents. The highest and lowest closing sale prices of Shares on ASX during the last 12 months were:

Highest Price	Date
32.00c	8 Nov 2006
Lowest Price	Date
13.38c	21 Jun 2006

7. **RECOMMENDATIONS**

7.1 **Item 1**

Each Director recommends that shareholders vote in favour of the special resolution in item 1 for the reasons outlined in section 2 of this Explanatory Memorandum.

7.2 **Item 2A**

Each Director recommends that shareholders vote in favour of the resolution in item 2A for the reasons set out in section 3.3 of this Explanatory Memorandum.

7.3 **Item 2B**

Each Director recommends that shareholders vote in favour of the resolution in item 2B for the reasons set out in section 3.3 of this Explanatory Memorandum.

7.4 **Item 3**

Each Director recommends that shareholders vote in favour of the resolution in item 3 for the reasons set out in section 4 of this Explanatory Memorandum.

7.5 **Item 4**

Each Director recommends that shareholders vote in favour of the resolution in item 4 for the reasons set out in section 5 of this Explanatory Memorandum.

7.6 **Items 5 – 9**

As the proposed recipients of options to be issued under the resolutions in items 5 to 9 each of the Directors has an interest in these resolutions and therefore makes no recommendation in regard to them.

8. **GLOSSARY**

Abbotsleigh Placement means the issue of 24,899,925 Shares to Abbotsleigh Pty Ltd at an issue price of 15 cents per Share to raise approximately \$3,734,989 before transaction costs.

Abbotsleigh Shares means the Shares issued to Abbotsleigh Pty Ltd under the Abbotsleigh Placement.

ASX means Australian Securities Exchange or ASX Limited as the context requires.

Board means the board of Directors.

Company means Alkane Exploration Ltd ACN 000 689 216.

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

Director means a director of the Company.

Golden Cross Placement means the issue of 100,000 Shares to Golden Cross Resources Limited at an issue price of 20 cents per Share pursuant to the royalty arrangements between the Company and Golden Cross Operations Pty Ltd.

Golden Cross Shares means the Shares issued to Golden Cross Resources Limited under the Golden Cross Placement.

Listing Rules means the listing rules of ASX.

Shares means fully paid ordinary shares in the Company.

WST means Western Standard Time in Perth, Western Australia.

ANNEXURE A

- (a) Each option will be issued for no consideration.
- (b) Each option entitles the holder to subscribe for and be issued a fully paid ordinary share in the capital of the Company. The exercise price is twenty five cents (\$0.25) per option.
- (c) The options are exercisable wholly or in part, at any time on and from the date of issue of the options, until 5pm WST on 30 September 2008 (**Expiry Date**), by notice in writing to the Company accompanied by payment of the exercise price. Any options not exercised on or before the Expiry Date will automatically lapse.
- (d) The options are not transferable and will not be listed for official quotation on ASX.
- (e) Shares issued on exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all shares issued pursuant to the exercise of options not later than 10 business days after the date of issue.
- (f) There are no participating rights or entitlements inherent in the options and holders of the options will not be entitled to participate in new issues of capital offered or made to shareholders of the Company during the currency of the options. However, the Company must give to holders of the options at least 7 business days notice of any new issue before the record date for determining entitlements to participate in any proposed issue of capital of this kind.
- (g) There will be no change to the exercise price of the options or the number of shares over which the each option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (i) If prior to the Expiry Date, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.
- (j) Unless otherwise determined by the Board, if the employee or consultant who holds, or for whom the options are held on behalf of, ceases to be an employee or consultant of the Company at any time after the options have been issued, then:
 - (i) if the employee or consultant concerned ceases to be an employee or consultant of the Company for any reason other than retirement, total and permanent disablement, redundancy or death (**Specified Reason**), any options held by, or on behalf of the former employee or consultant, automatically lapse on the day the employee or consultant ceases to be an employee or consultant of the Company; and
 - (ii) if the employee or consultant ceases to be an employee or consultant of the Company for a Specified Reason, the employee or consultant, or if applicable, his or her nominee(s) is entitled to exercise any options at any time prior to the Expiry Date.
- (k) A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an employee or consultant shall (in the absence of manifest error) be conclusive for the purposes of paragraph (j), as to the happening, date and reason for such occurrence.
- (l) Subject to paragraph (j)(i), if at any time prior to the Expiry Date a holder of the options dies, the deceased holder's personal representative may:
 - (i) elect to be registered as the new holder of the deceased holder's options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms and conditions as if he were the holder of them; and
 - (iii) if the deceased holder had already given the Company a notice of exercise of his or her options, pay the exercise price (or any part of it which is outstanding) in respect of those options.

ANNEXURE B

- (a) Each option will be issued for no consideration.
- (b) Each option entitles the holder to subscribe for and be issued a fully paid ordinary share in the capital of the Company. The exercise price is thirty cents (\$0.30) per option.
- (c) The options are exercisable wholly or in part, at any time on and from the date which is 12 calendar months from the date of issue of the options (**Vesting Date**), until 5pm WST on 30 September 2009 (**Expiry Date**), by notice in writing to the Company accompanied by payment of the exercise price. Any options not exercised on or before the Expiry Date will automatically lapse.
- (d) The options are not transferable and will not be listed for official quotation on ASX.
- (e) Shares issued on exercise of the options will rank *pari passu* in all respects with the Company's then existing fully paid ordinary shares. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all shares issued pursuant to the exercise of options not later than 10 business days after the date of issue.
- (f) There are no participating rights or entitlements inherent in the options and holders of the options will not be entitled to participate in new issues of capital offered or made to shareholders of the Company during the currency of the options. However, the Company must give to holders of the options at least 7 business days notice of any new issue before the record date for determining entitlements to participate in any proposed issue of capital of this kind.
- (g) There will be no change to the exercise price of the options or the number of shares over which the each option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (i) If prior to the Expiry Date, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.
- (j) Unless otherwise determined by the Board, if the employee or consultant who holds, or for whom the options are held on behalf of, ceases to be an employee or consultant of the Company at any time after the options have been issued, then:
 - (i) if the employee or consultant concerned ceases to be an employee or consultant of the Company for any reason other than retirement, total and permanent disablement, redundancy or death (**Specified Reason**), any options held by, or on behalf of the former employee or consultant, automatically lapse on the day the employee or consultant ceases to be an employee or consultant of the Company; and
 - (ii) if the employee or consultant ceases to be an employee or consultant of the Company for a Specified Reason, the employee or consultant, or if applicable, his or her nominee(s) is entitled to exercise any options at any time on and from the Vesting Date and prior to the Expiry Date.
- (k) A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an employee or consultant shall (in the absence of manifest error) be conclusive for the purposes of paragraph (j), as to the happening, date and reason for such occurrence.
- (l) Subject to paragraph (j)(i), if at any time prior to the Expiry Date a holder of the options dies, the deceased holder's personal representative may:
 - (i) elect to be registered as the new holder of the deceased holder's options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms and conditions as if he were the holder of them; and
 - (iii) if the deceased holder had already given the Company a notice of exercise of his or her options, pay the exercise price (or any part of it which is outstanding) in respect of those options.
- (m) Notwithstanding paragraph (c), all options may be exercised prior to the Vesting Date:
 - (i) in relation to a takeover bid in respect of the shares in the Company, during the bid period, as defined in section 9 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the bid period will be deemed to have commenced at the date of that announcement;
 - (ii) at any time after a shareholder, or a group of associated shareholders, becomes entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the board of directors of the Company;
 - (iii) at any time after, on an application under section 411 of the Corporation Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company, or its amalgamation with any other company.

ANNEXURE C

- (a) Each option will be issued for no consideration.
- (b) Each option entitles the holder to subscribe for and be issued a fully paid ordinary share in the capital of the Company. The exercise price is twenty five cents (\$0.25) per option.
- (c) The options are exercisable wholly or in part, at any time on and from the date of issue of the options, until 5pm WST on 30 September 2008 (**Expiry Date**), by notice in writing to the Company accompanied by payment of the exercise price. Any options not exercised on or before the Expiry Date will automatically lapse.
- (d) The options are not transferable and will not be listed for official quotation on ASX.
- (e) Shares issued on exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all shares issued pursuant to the exercise of options not later than 10 business days after the date of issue.
- (f) There are no participating rights or entitlements inherent in the options and holders of the options will not be entitled to participate in new issues of capital offered or made to shareholders of the Company during the currency of the options. However, the Company must give to holders of the options at least 7 business days notice of any new issue before the record date for determining entitlements to participate in any proposed issue of capital of this kind.
- (g) There will be no change to the exercise price of the options or the number of shares over which the each option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (i) If prior to the Expiry Date, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.

ANNEXURE D

- (a) Each option will be issued for no consideration.
- (b) Each option entitles the holder to subscribe for and be issued a fully paid ordinary share in the capital of the Company. The exercise price is thirty cents (\$0.30) per option.
- (c) The options are exercisable wholly or in part, at any time on and from the date which is 12 calendar months from the date of issue of the options (**Vesting Date**), until 5pm WST on 30 September 2009 (**Expiry Date**), by notice in writing to the Company accompanied by payment of the exercise price. Any options not exercised on or before the Expiry Date will automatically lapse.
- (d) The options are not transferable and will not be listed for official quotation on ASX.
- (e) Shares issued on exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all shares issued pursuant to the exercise of options not later than 10 business days after the date of issue.
- (f) There are no participating rights or entitlements inherent in the options and holders of the options will not be entitled to participate in new issues of capital offered or made to shareholders of the Company during the currency of the options. However, the Company must give to holders of the options at least 7 business days notice of any new issue before the record date for determining entitlements to participate in any proposed issue of capital of this kind.
- (g) There will be no change to the exercise price of the options or the number of shares over which the each option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (i) If prior to the Expiry Date, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.
- (j) Notwithstanding paragraph (c), all options may be exercised prior to the Vesting Date:
 - (i) in relation to a takeover bid in respect of the shares in the Company, during the bid period, as defined in section 9 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the bid period will be deemed to have commenced at the date of that announcement;
 - (ii) at any time after a shareholder, or a group of associated shareholders, becomes entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the board of directors of the Company;
 - (iii) at any time after, on an application under section 411 of the Corporation Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company, or its amalgamation with any other company.

PROXY APPOINTMENT FORM

ALKANE EXPLORATION LTD
ACN 000 689 216

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

I/We of
Name of shareholder Address of shareholder

being a member/s of Alkane Exploration 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 19th April 2007 at 11am 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 **X** to indicate your directions

Business

Item	For	Against	Abstain*
1. Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2A. Ratification of Abbotsleigh Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2B. Ratification of Golden Cross Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of options to employees and consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of options to Lindsay Colless	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of options to John Dunlop	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of options to Ian Gandel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of options to Ian Chalmers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of options to Tony Lethlean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of options to Ian Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

If you appoint the Chairman of the meeting as your proxy, and you do not direct him how to vote on items 2 to 9, the Chairman of the meeting will vote in favour of each of those items.

If you appoint the Chairman of the meeting as your proxy, or he is appointed as your proxy by default, and you do not wish to direct the Chairman of the meeting how to vote as your proxy in relation to items 2 to 9, please mark **X** in the box.

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 items 2 to 9 and that votes cast by him for items 2 to 9 other than as a proxy will be disregarded because of that interest.

If you do not mark this box and you have not directed the Chairman of the meeting how to vote, he will not cast any votes as your proxy in relation to items 2 to 9 and your votes will not be counted in calculating the required majority if a poll is called on items 2 to 9.

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.

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 Services 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 Services/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 11am WST on 17th April 2007.

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 Services on behalf of the Company.