



Policy on Assessing the Independence of Directors

Alkane Resources Ltd ACN 000 689 216 (Company)

An independent director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

It is the Board's policy that in determining a director's independence, the Board considers the factors relevant to assessing the independence of a director as set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) as follows and will disclose in accordance with Corporate Governance Principles and Recommendations:

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder¹;
- (e) has close personal ties with any person who falls within any of the categories described above; or;
- (f) has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

In addition, the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent. However, the Board should regularly assess whether that might be the case for any director who has served in that position for more than 10 years.

¹ For this purpose a "substantial security holder" is a person with a substantial holding as defined in section 9 of the Corporations Act. As at 19/09/2014 equals 5%.