

Alkane Exploration Ltd

ACN 000 689 216

INFORMATION MEMORANDUM

including

NOTICE OF ANNUAL GENERAL MEETING 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 THE
WANDU ROOM, HOLIDAY INN CITY CENTRE PERTH, 788 HAY STREET, PERTH
ON WEDNESDAY, 24 MAY 2006 AT 11.30 AM

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.

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Alkane Exploration Ltd

ACN 000 689 216

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders will be held at the Wandu Room, Holiday Inn City Centre Perth, 788 Hay Street Perth WA on Wednesday, 24 May 2006 at 11.30 am for the purpose of transacting the following business:-

ORDINARY BUSINESS

Accounts

To receive and consider the Financial Report for the year ended 31 December 2005.

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 2005.

The vote on this resolution is advisory only.

Directors

To consider and if thought fit to pass the following resolutions as ordinary resolutions:-

- 2 To elect Mr D I Chalmers who retires in accordance with the Constitution and, being eligible, offers himself for re-election.
- 3 To elect Mr A D Lethlean who retires in accordance with the Constitution and, being eligible, offers himself for re-election

SPECIAL BUSINESS

Ratification of past placement

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

4. That, for the purposes of Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, and for all other purposes, the Company ratify and confirm the issue of 10,000,000 fully paid ordinary shares in the Company at an issue price of 19 cents (\$0.19) as announced to Australian Stock Exchange Limited on 15 December 2005. These funds were raised pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act, 2001 and were intended to provide funding for pre-feasibility studies at Wyoming, for further development work at the Dubbo Zirconia Project and for other working capital.

The shares were issued to the following applicants:

Applicant	Number of shares
Mr Richard William Grenside	10,000
Lohsum Pty Ltd	100,000
Crest Medical Administration Pty Ltd <Craib Super Fund a/c>	150,000
Mr Thomas Loh	75,000
Ron J & Bernadette A Hurdle <Hurdle Super Fund a/c>	40,000
Alnus Pty Ltd <Ian Dorrington Super a/c>	150,000
Mr John Morris Rae	150,000
Pure Grace Enterprises Pty Ltd <Jenny Lee Super Fund a/c>	100,000
Mr Bruce Graham & Mrs Wendy Ann Barker <The Barker Retirement Fund a/c>	200,000
Mr Ernie Sampson Cooley <ESC Discretionary a/c>	50,000
Showcoast Pty Ltd	50,000
Pretain Pty Ltd	50,000
Mr Craig Andrew Robson & Mrs Lisa Marie Harrison <Harbinger Super Fund a/c>	60,000

Applicant	Number of shares
Duketon Consolidated Limited	150,000
Pathfinder Investments Pty Ltd	200,000
Kongming Investments Limited	100,000
Tao Yuan Ltd	100,000
Greensea Investments Pty Ltd	150,000
Ms Jennifer Fui Soon Lee	270,000
Westwood Management Pty Ltd <Walther Super Fund a/c>	105,000
Mrs Anna Marie Weldon	105,000
Mrs Janice Margaret Nicholson	135,000
Dr Rosemary Alison Mclaren & Mr Donald Malcolm Black <The Mclaren-Black Super Fund a/c>	265,000
HNC Pty Ltd <The Sagers Super Fund a/c>	620,000
Ms Jesse Greene & Ms Rebecca Susan Byrne <Jesse Greene Super Fund a/c>	160,000
Mrs Wendy Patricia Cohn & Mrs Gabrielle Quinn <The Cohn Pension Fund a/c>	210,000
Muffet Pty Ltd	500,000
Mr Dennis Patrick & Mrs Mee Lee Casey	50,000
Mr Geoffrey Peter Webb <Jogo a/c>	200,000
Mr Mitchell John Edwards & Wildbeat Resources <West Coast Exploration a/c>	30,000
Mr Anthony Terrible	150,000
Mr Ian William Dorrington	150,000
Tekoma Holdings Pty Ltd	600,000
Oregonwood Pty Ltd	100,000
Northgrove Holdings Pty Ltd <Cooper Super Fund a/c>	10,000
Mr Gregory Robert Baker <The Baker Family a/c>	135,000
Mr Ernest Adrian & Mrs Dorothy Jean Stephen	50,000
Mr Marshall Brian Nathanson	100,000
Graham & Jill Bolton <Bolton Super Fund a/c>	50,000
Mikado Corporation Pty Ltd <JFC Superannuation a/c>	300,000
Northdale Pty Ltd <Freeman Employees Super a/c>	50,000
L&E Fisher Nominees Pty Ltd <Fishers Super Fund a/c>	100,000
Mr Karl Baker	50,000
Mrs Clara Manning	25,000
Laurie & Ann Gornall	50,000
Mr Leonid Charuckyj	120,000
Mr Mark Correia	40,000
Oak Stream Pty Ltd <Ian Dorrington Family a/c>	200,000
Alnus Pty Ltd	100,000
Brian & Linda Elliott <BW Elliott Super Fund a/c>	100,000
Mario Correia Nominees Pty Ltd <Correia Family Super a/c>	65,000
Jaminecca Pty Ltd <The Jaminecca Unit a/c>	100,000
Ashbay Holdings Pty Ltd	100,000
Ionikos Pty Ltd <The McGown Super Fund a/c>	50,000
Balfes (QLD) Pty Ltd <The Balfes No 1 a/c>	185,000
INXS Pty Ltd	185,000
Warnford Nominees Pty Ltd <No 3 a/c>	263,158
Mrs Patricia Thomas	157,895
Mr George Selwyn Chomley	105,263
Ms Rosemary Havill Norman	157,895
Mrs Rosalind Bernadette Kakoschke	97,368
Ebony Park Nominees Pty Ltd <The Birches S/F a/c>	110,500
Mr Duncan Francis Smith & Mrs Heather Margaret McCarthy	52,658

Applicant	Number of shares
Mr Hamish Robbins Hughes	50,000
Ms Katherine Robbins Met	105,263
Mr John Charles Grattan	200,000
Aquatic Resources Limited	350,000
Mingcourt Holdings Limited	450,000
Kirke Securities Limited <BS Trading a/c>	100,000
Dongarra Limited	100,000
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Total shares placed	<u>10,000,000</u>

The Company will disregard any votes cast on this resolution by any shareholder who participated in the placement and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Dated this 20th day of April 2006
By order of the Board of Directors

L A Colless
Director/Secretary

Alkane Exploration Ltd

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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 Wednesday, 24 May 2006 at 11.30 am.

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 22 of the 2005 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 - RESOLUTIONS 2 and 3

Messrs Chalmers and Lethlean retire by rotation and offer themselves for re-election. The experience, qualifications and other information about the candidates appear in the Annual Report.

RATIFICATION OF SHARE PLACEMENT - RESOLUTION 4

Listing Rule 7.1 of Australian Stock Exchange Limited Listing Rules provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the Company in general meeting of the terms and conditions of the proposed issue.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and shareholders subsequently approve the issue.

Resolution 4 seeks shareholder approval for the purpose of Listing Rule 7.4 for the issue of a total of 10,000,000 fully paid ordinary shares in the Company as announced to Australian Stock Exchange Limited on 15 December 2005. These funds were raised pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act, 2001. This issue was not in breach of Listing Rule 7.1. The issue price of the shares was 19 cents each.

The following additional information is provided to shareholders to assist in assessing resolution 3:

- a) The number of securities allotted was 10,000,000 fully paid ordinary shares.
- b) The price at which the shares were issued was 19 cents (\$0.19) each.
- c) The terms of the ordinary shares are the same as those governing the current issued ordinary shares in the Company.
- d) The shares were issued to the applicants (as listed in the notice of meeting) in accordance with "excluded offer" provisions (Section 708) of the Corporations Act, 2001.
- e) The funds raised were intended to be used for pre-feasibility studies at Wyoming, for further development work at the Dubbo Zirconia Project and for other working capital.

10,000,000 shares were allotted on 28 December 2005 and application for quotation of these shares was made to Australian Stock Exchange Ltd on that date.

This resolution is an ordinary resolution requiring a simple majority.

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PROXY FORM

Iof
Name of shareholder Address of shareholder
being a member of Alkane Exploration Ltd hereby appoint

..... of
Name of proxy Address of proxy
or failing him

..... of
Name of proxy Address of proxy
or failing them, the Chairman of the meeting as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on 24 May 2006 and at any adjournment thereof.

If no person is named above or if the person named does not attend the meeting or is not a legally effective choice the Chairman of the meeting will be my/our proxy to vote for me/us on my/our behalf at the meeting or any adjournment of the meeting.

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on a particular resolution, please place a mark in the box to the right. By marking this box, you acknowledge that the Chairman of the meeting may exercise your undirected proxies even if he has an interest in the outcome of that resolution and that votes cast by him, other than as proxy holder, will 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 your votes on the resolution and your votes will not be counted in computing the required majority if a poll is called on the resolution. The Chairman's intention is to vote any undirected proxies FOR each of the resolutions.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adopting the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr D I Chalmers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Mr A D Lethlean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of past placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2006

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented. Companies affix Common Seal if appropriate.

Individual or Shareholder 1

Sole Director and Sole
Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Alkane Exploration Ltd

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NOTES

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 48 hours before the time appointed for the meeting will be taken for purposes of the meeting, to be held by the persons who are the registered holders thereof at 11.30am on 22 May 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
7. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 129 Edward Street, Perth WA 6000 or mailed to PO Box 8178, Perth Business Centre, Perth WA 6849 or facsimiled to +61 8 9227 8178 no later than 48 hours before the time fixed for holding the meeting.

ALKANE EXPLORATION LTD

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