



ALKANE
RESOURCES LTD

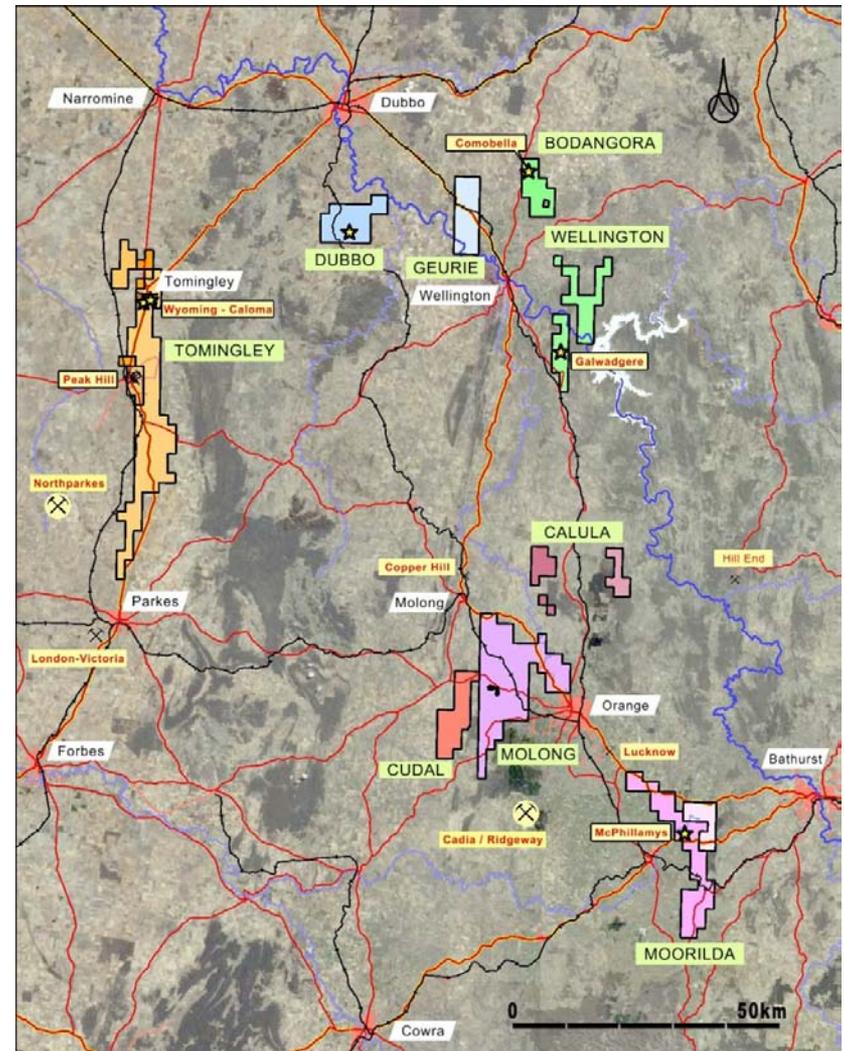
***Alkane's Multi Commodity Program
in the Central West***

SMEDG MEETING
Sydney 28 June 2012



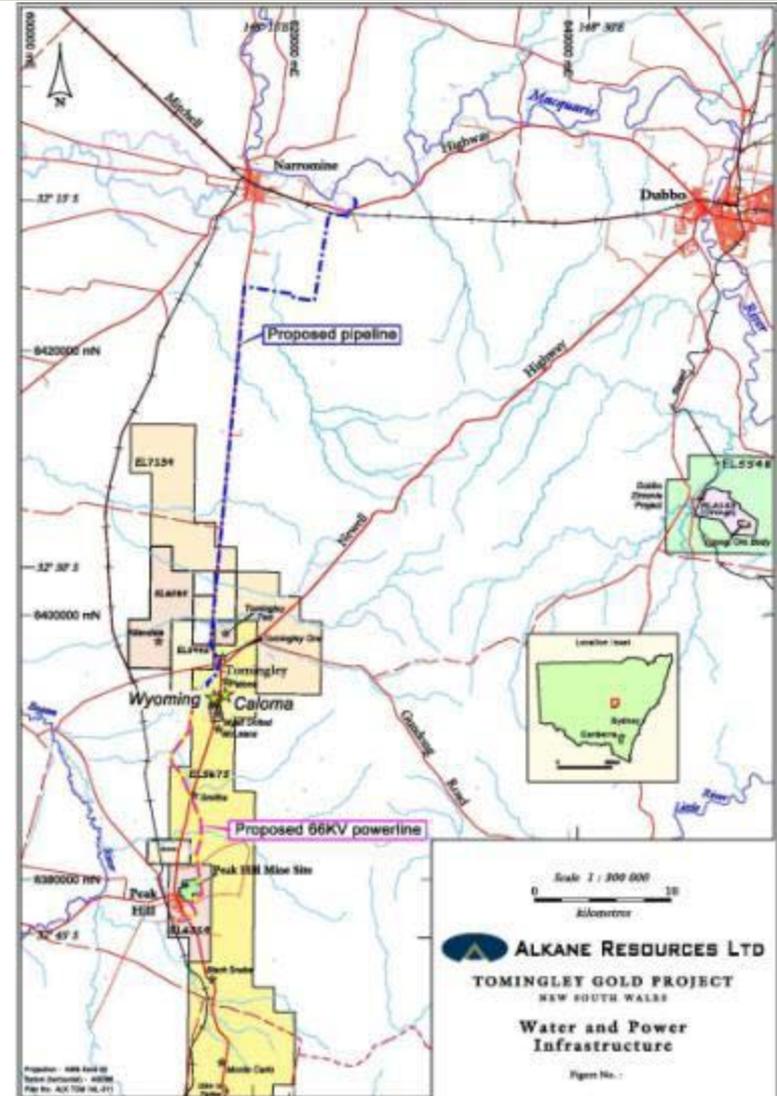
Location

- Multi commodity explorer and miner – focused in the Central West of New South Wales, Australia Region with substantial existing infrastructure.
- Dubbo Zirconia Project – world class resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earths.
- Peak Hill Gold mine – gold production from 1996 - 2005. Site substantially rehabilitated.
- Tomingley Gold project – new gold development planned to commence 2013 based upon 812,000 oz resource.
- McPhillamys Gold project – major gold discovery (~3 million oz). Joint Venture with Newmont .
- Develop multiple operations over next five years – within tight geographic area. New discoveries at Cudal (Au-Zn) , Bodangora (Au-Cu) and Galwadgere (Cu-Au).

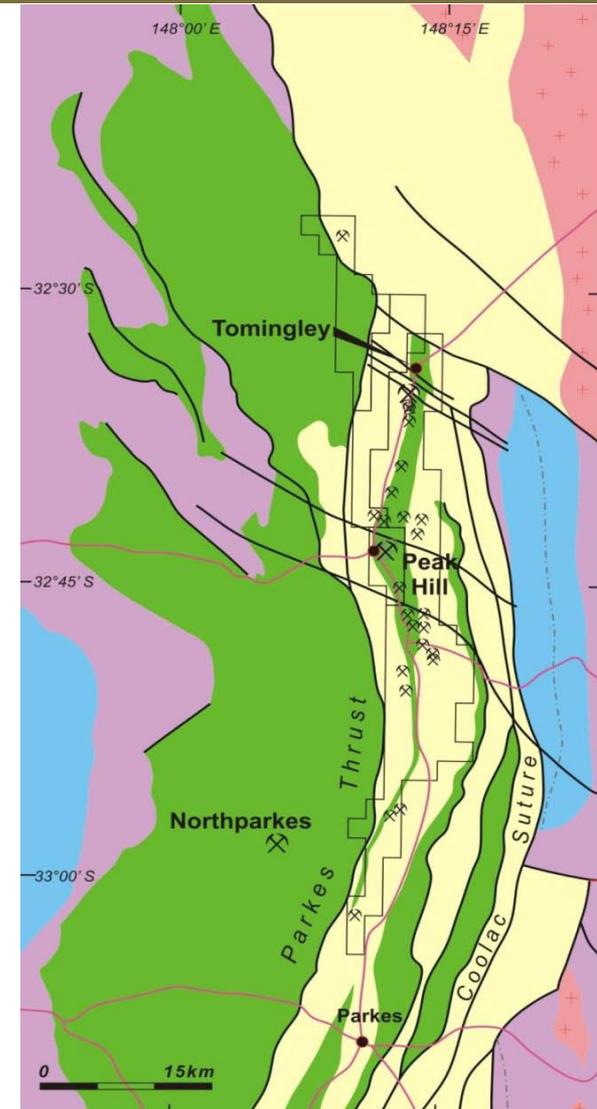


Location / Infrastructure / Resources

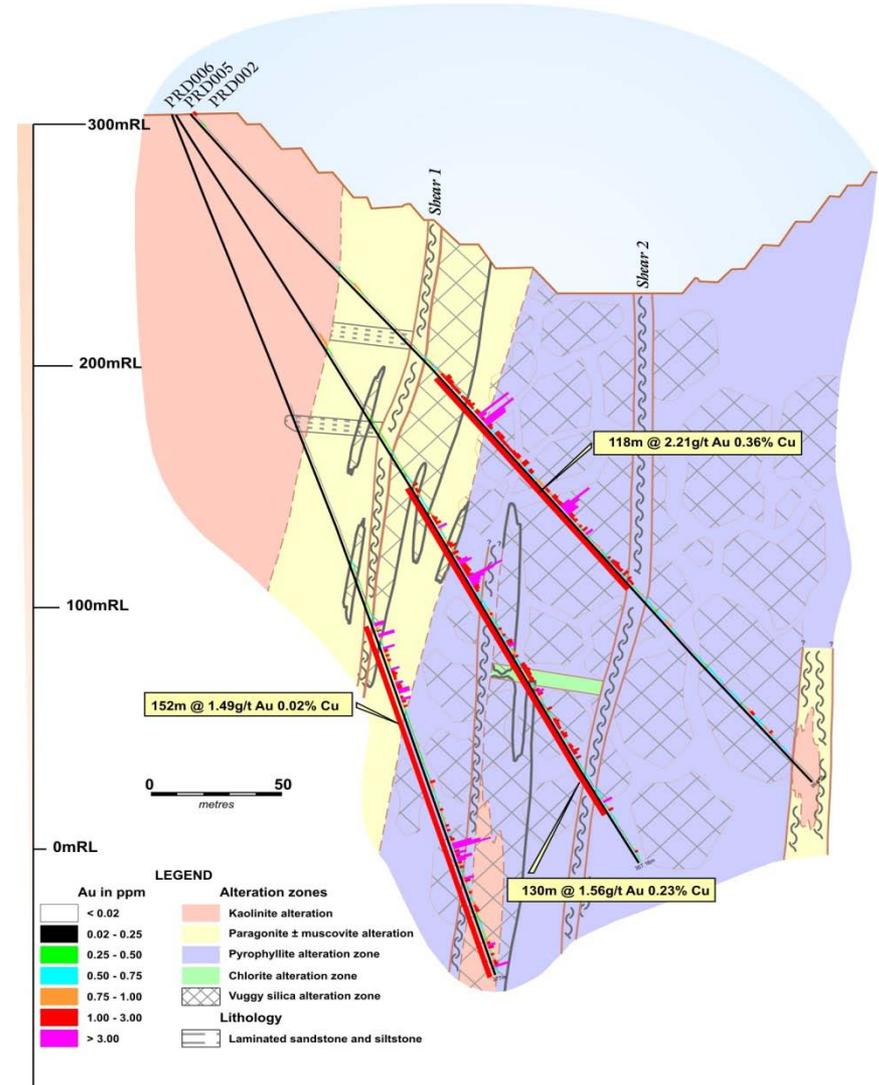
- TGP located 50km south west of Dubbo on the Newell Highway
- 15km north of Alkane's Peak Hill Gold Mine (467,000oz)
- Resource – 12.6 Mt @ 2.0g/t (812,000oz)
- Three deposits – Wyoming One; Wyoming Three; Caloma, with Caloma Two a potential resource
- Exploration – significant upside
- Infrastructure
 - **water** - 45km pipeline
 - **power** - State Grid with 20km 66Kv power line
 - **roads** - primary & secondary access
- **Skilled local workforce**
 - 150,000 population within 120km diameter area
 - no accommodation required (no fly-in / fly-out)



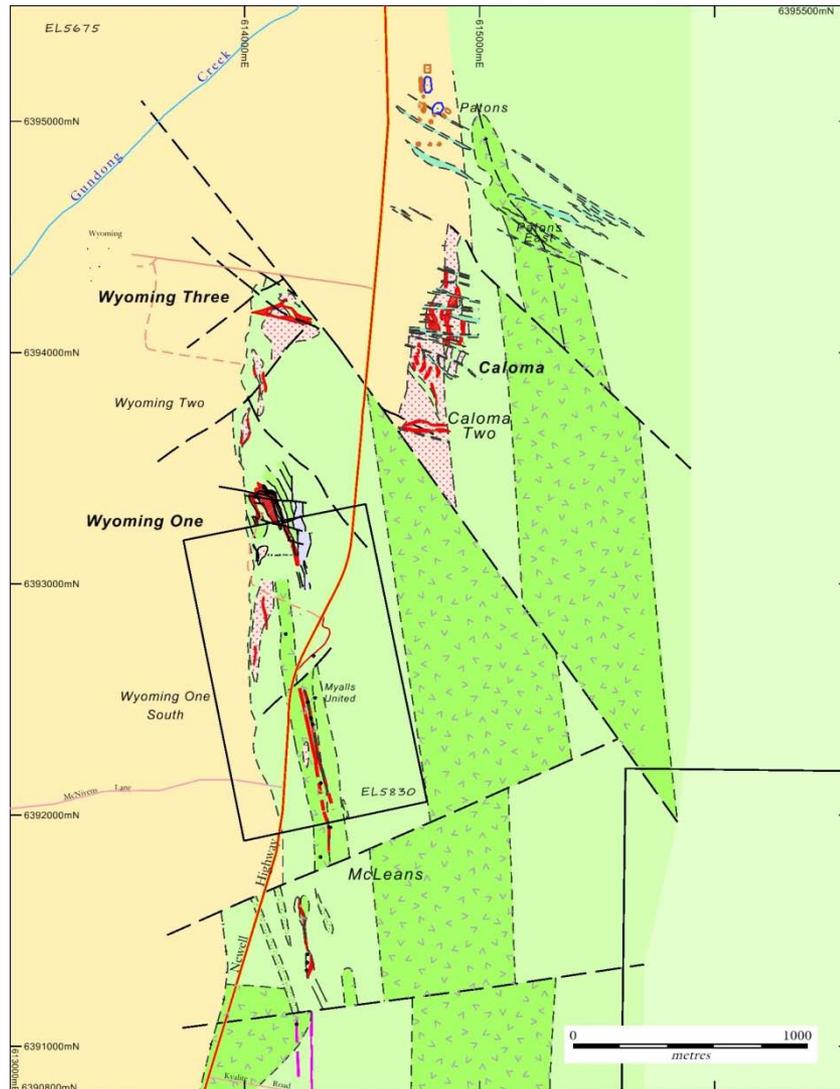
Regional Geological Interpretation

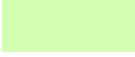
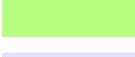
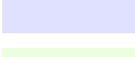


- Mined 1996 to 2002, recovered 152,000 ounces of gold through to 2005 from heap leach operation
- Oxidised cap of a high sulphidation epithermal system
- Substantial but only partly tested large sulphide mineralisation that is moderately refractory (467,000oz)
- Where is the porphyry source?
- Could become part of “Plan Z” to provide sulphur for DZP acid plant and feed oxidised product into TGP CIL plant



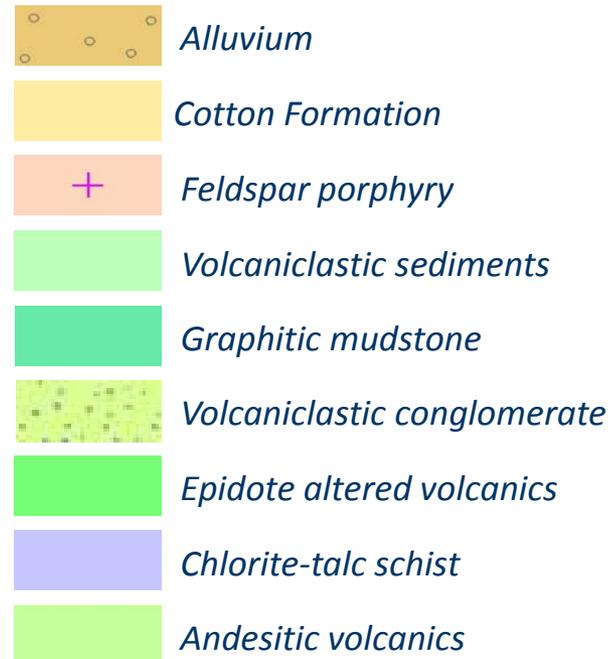
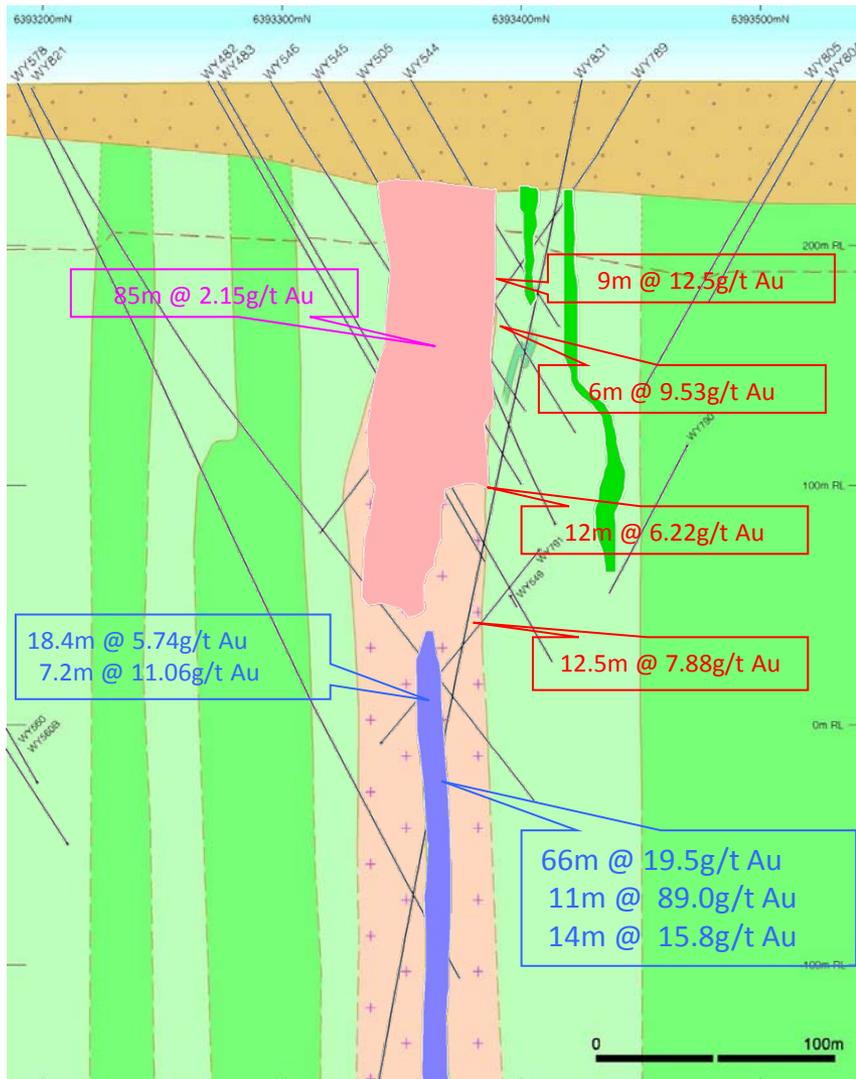
Geological Summary Wyoming - Caloma

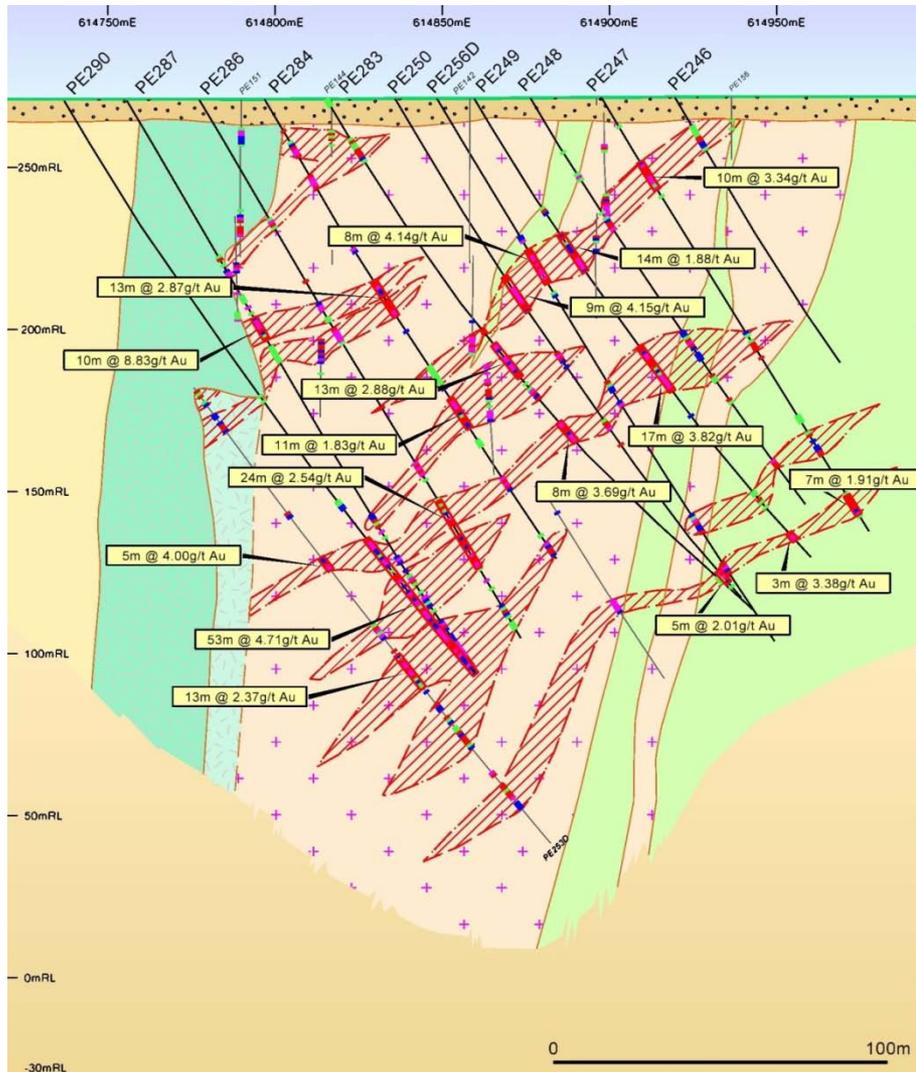


-  *Pelitic Sediments*
-  *Feldspar porphyry*
-  *Volcaniclastic sediments*
-  *Graphitic mudstone*
-  *Volcaniclastic conglomerate*
-  *Epidote altered volcanics*
-  *Chlorite-talc schist*
-  *Andesitic volcanics*
-  *Mineralisation*

Typical Orogenic style gold deposits

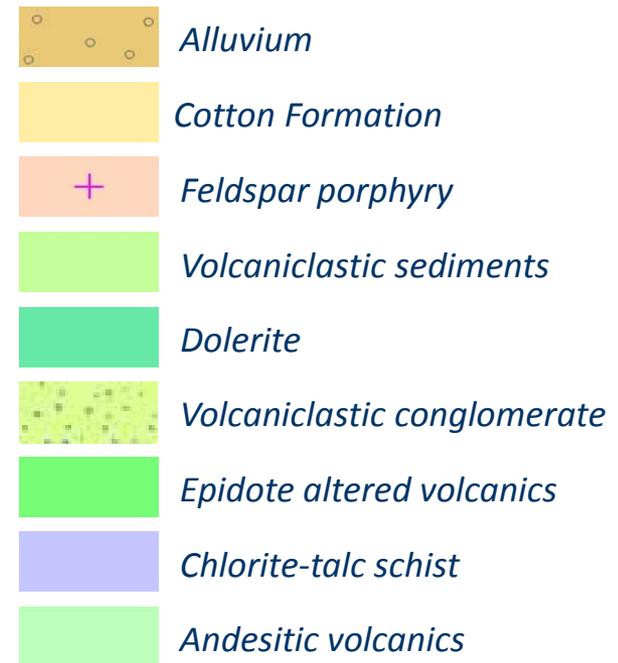
Wyoming One North – South Section 614075mE





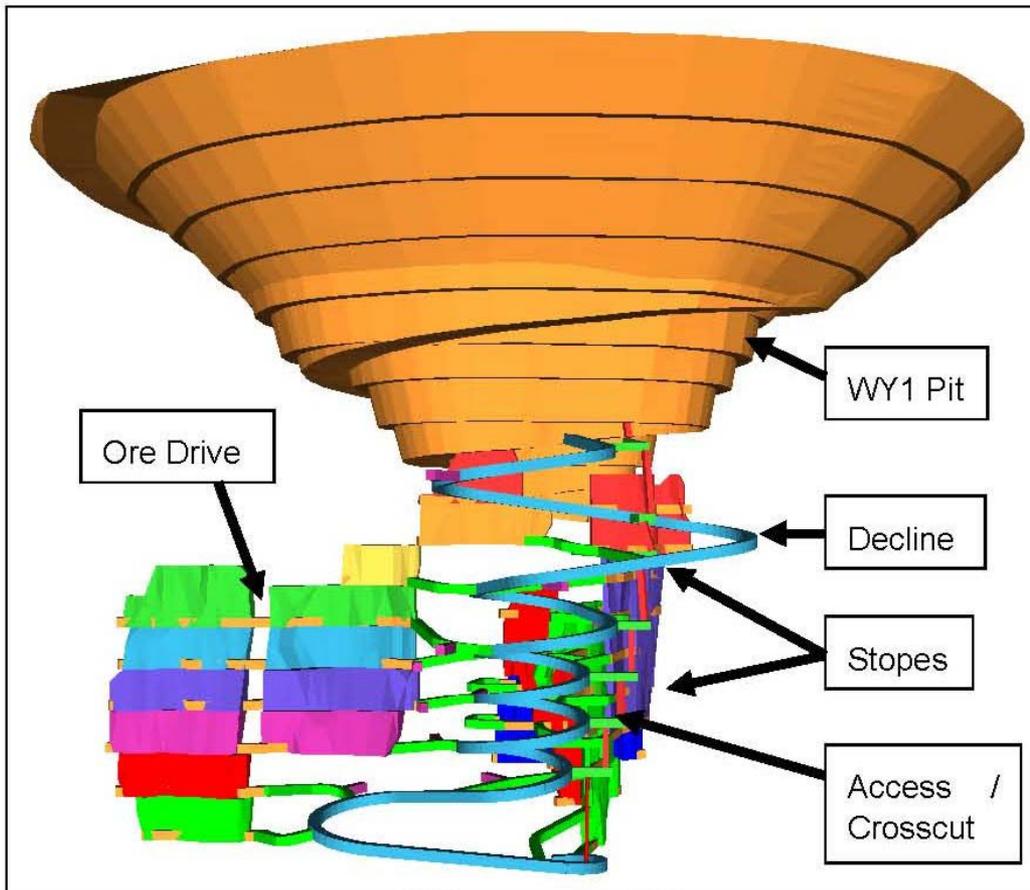
Caloma

East – West Section 6394100



Wyoming One

Conceptual underground development

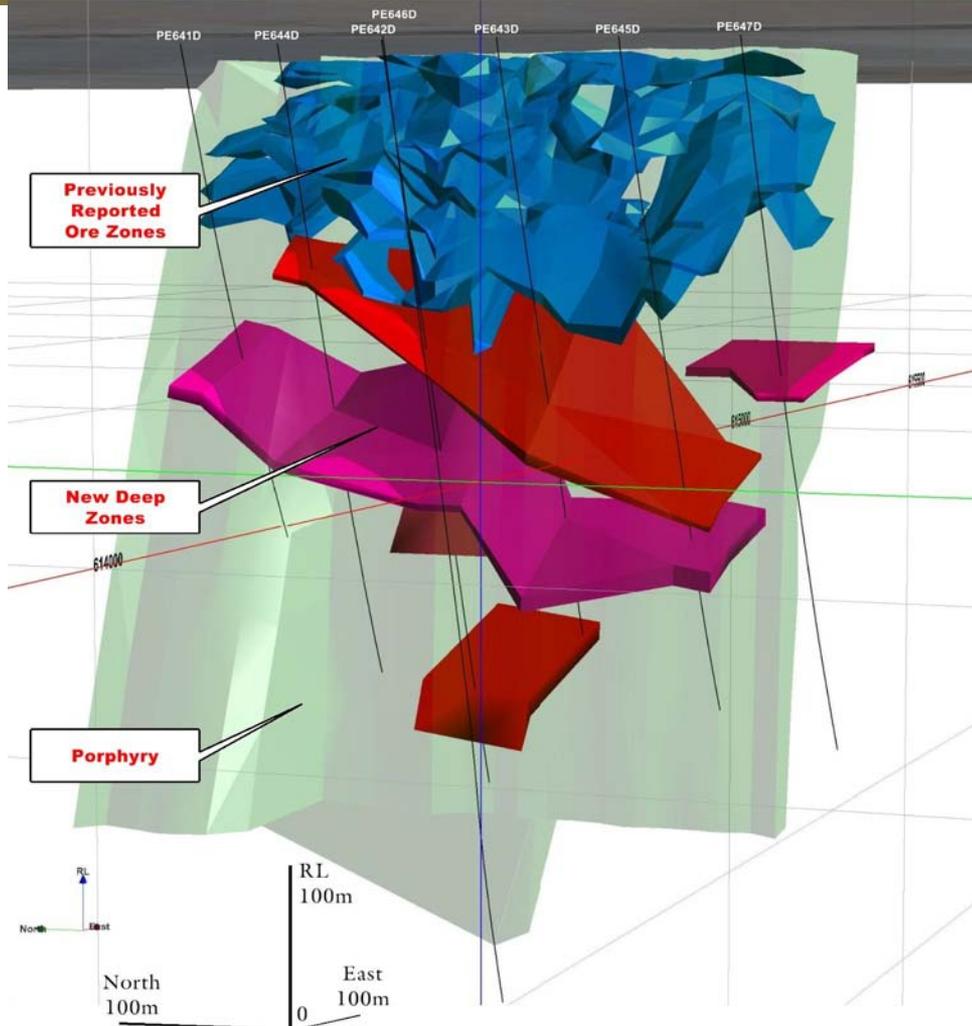


Ore Inventory:

- 679,000 tonnes @ 3.98g/t Au (87,000 oz)

Prefeasibility study:

- Decline development near base of pit
- Sub level long hole open stoping
- Only three ore bodies '376', '831' and 'Hangingwall' targetted
- > 80,000 oz recovered



Caloma Deposit 3D Ore Model

Project Upside

Caloma Underground

- Seven core holes 3,500m
- Numerous mineralised intercepts

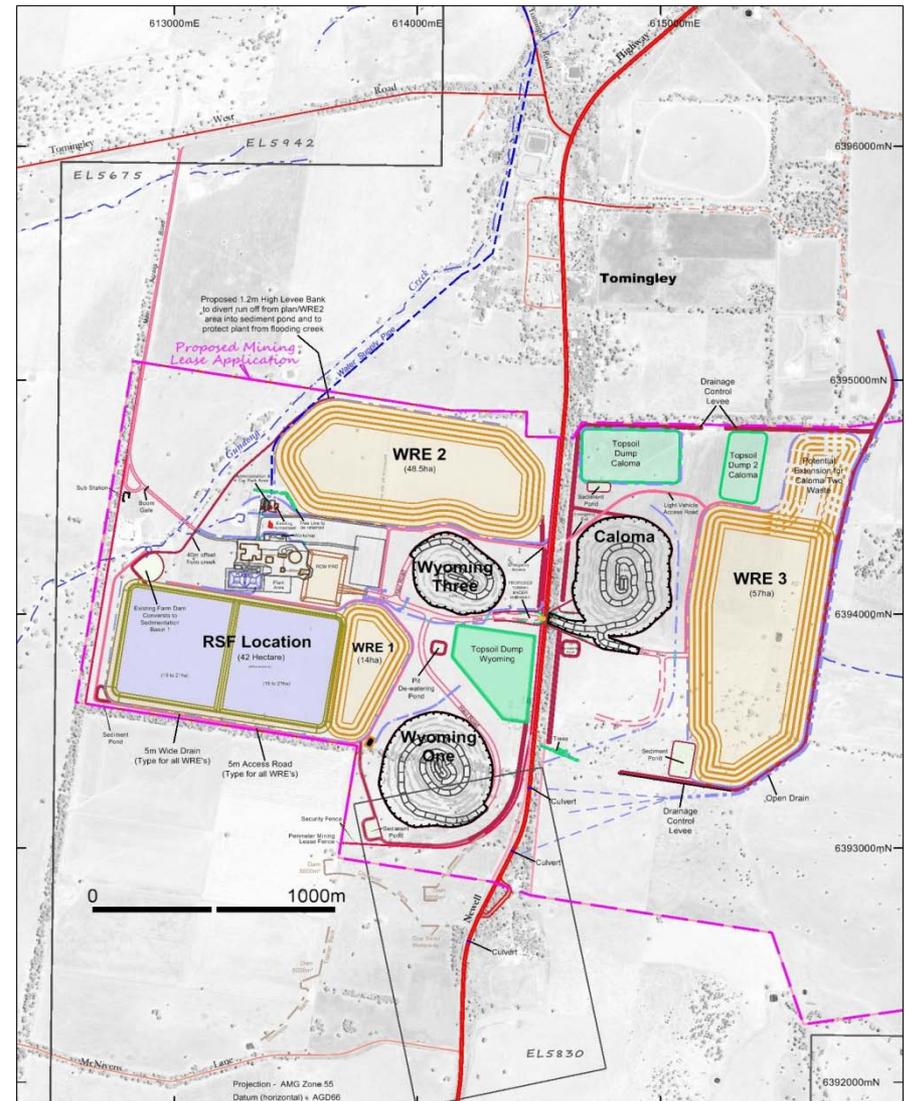
PE 641D	7.1m @ 12.9g/t Au
PE 645D	4.4m @ 4.76g/t Au
PE 647D	3.0m @ 5.53g/t Au
- Geological modelling for resource potential
- Shallow south plunging system, not tested at depth

Caloma Two

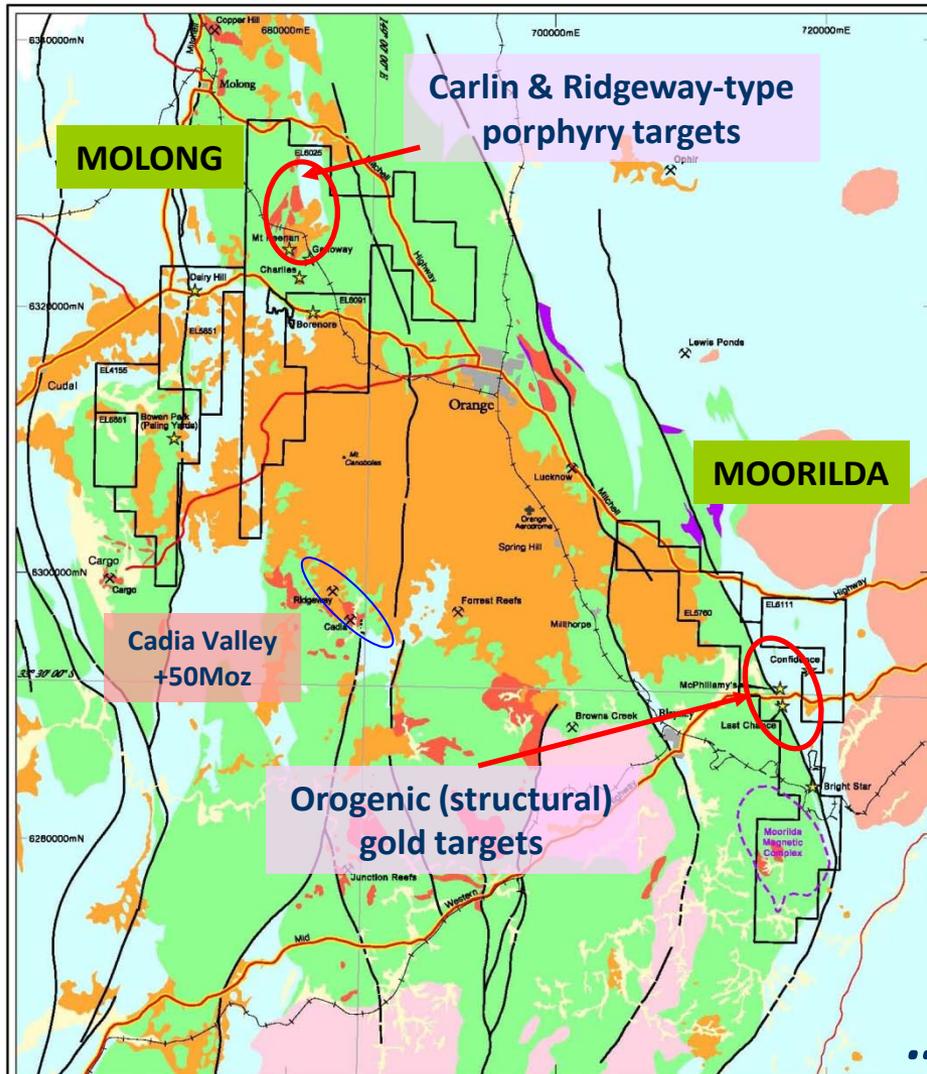
Open pit potential

Current Project Activities

- Project waiting for approval from NSW Department of Planning and Infrastructure
- Review of capital and operating costs in progress
- Long lead construction items ordered (ball mill, water supply, tenders for earth works and other infrastructure)
- CAPEX – A\$107M (\$54M plant; \$30M infrastructure; \$23M owners costs)
- Throughput – 1.0Mtpa
- Head Grade – 2.00g/t
- Recoveries – 93%
- Gold Production – 50 - 60,000ozpa
- Operating Costs – being reviewed
- Life – 7.5years (targeting +10 years)
- Mine method – open cut & underground
- Caloma Two resource estimate
- Production anticipated mid 2013







ORANGE DISTRICT EXPLORATION JOINT VENTURE (ODEJV)

Gold, Copper – Orange, NSW | Alkane Resources: 49%, Newmont Australia: 51%

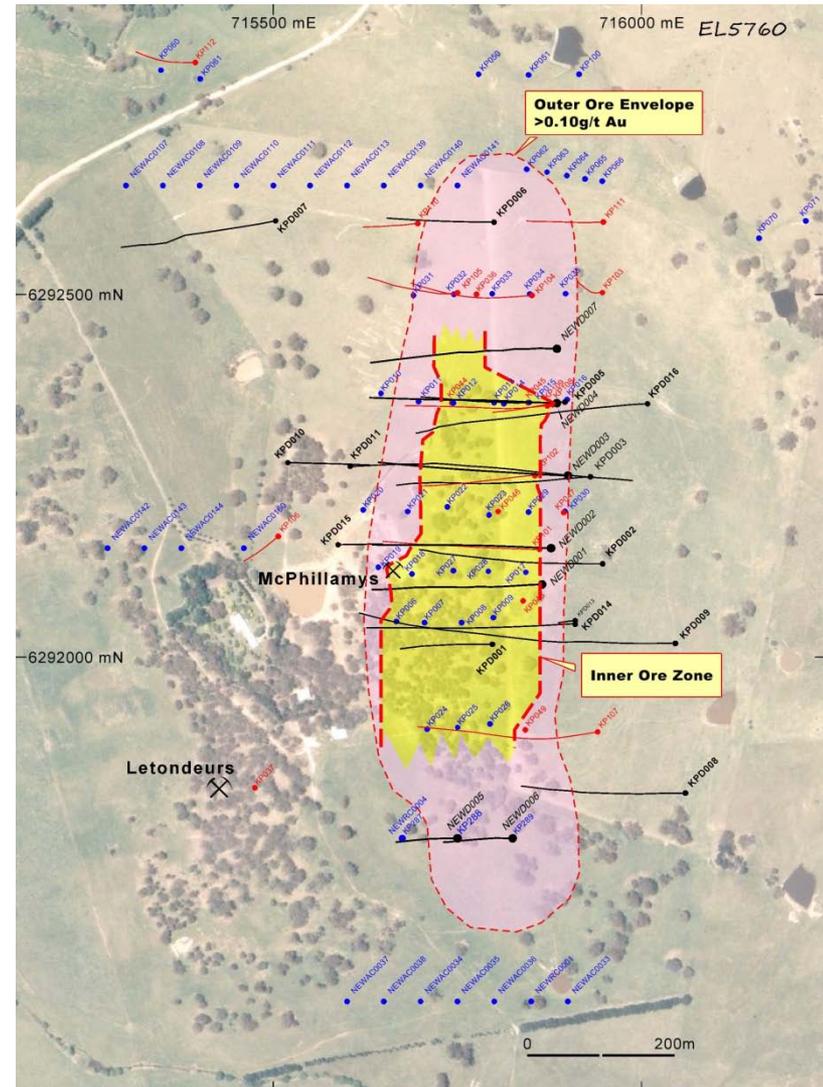
TWO FOCUS AREAS:

- **Molong**
 - targeting copper-gold porphyry-style gold mineralisation (Ridgeway-type) and Carlin style
- **Moorilda**
 - drilling confirms a major gold system @ McPhillamy's
- Newmont have earned 51%, to go to 75% by carrying all expenditures through to completion of final BFS

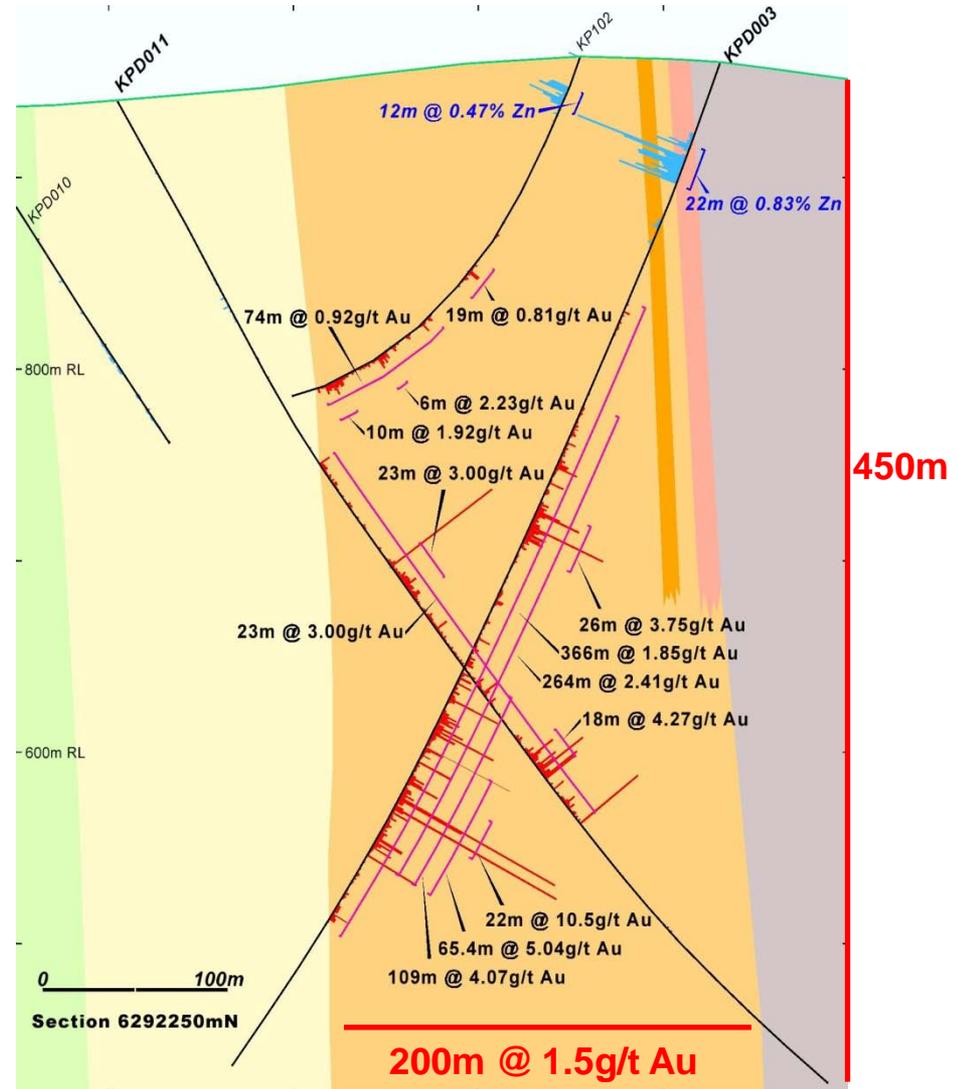
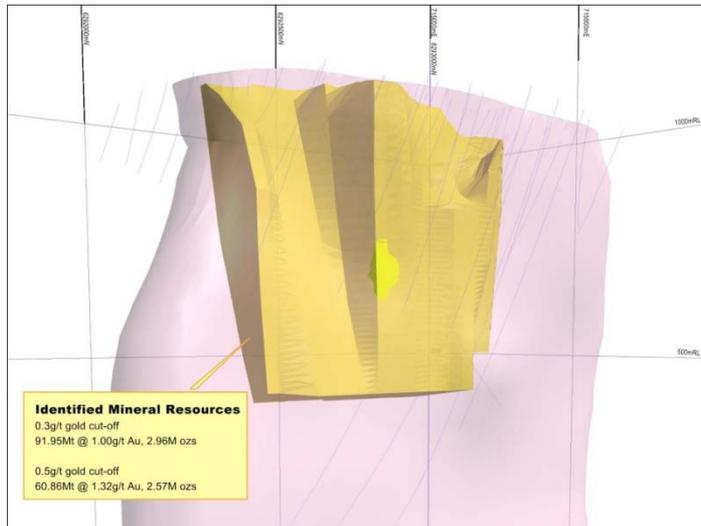
...significant upside + 4moz system

Project Highlights

- Joint venture – Newmont has 51% but may go to 75% by completing a bankable feasibility study
- Resource (0.3g/t cut) – 92Mt @ 1.0g/t gold (3.0Moz)
- Resource (0.5g/t cut) – 61Mt @ 1.3g/t gold (2.6Moz)
- Copper credits (<0.1%)
- Mining method – open cut or block cave
- Recoveries – +90% from CIL (preliminary metallurgy)
- Strip ratio – low
- Exploration – upside (open at depth)
- McPhillamys dimensions:
 - Outer ore envelope 1,000m x 260m 0.1g/t Au
 - Inner ore zone 600m x 200m to 450m depth
- Comparison with Barrick’s “Cowal Gold Mine”:
 - 64Mt @ 1.2g/t gold at start up
 - 8Mtpa for ~ 250,000ozpa currently



-  Strongly foliated dacitic schist
-  Med-coarse grained dacitic volcaniclastic
-  Coarse grained volcaniclastic conglomerate (Epiclastic)
-  Intensely sericite-altered schist
-  Gold histogram
-  Zinc histogram



VMS - orogenically modified deposit??

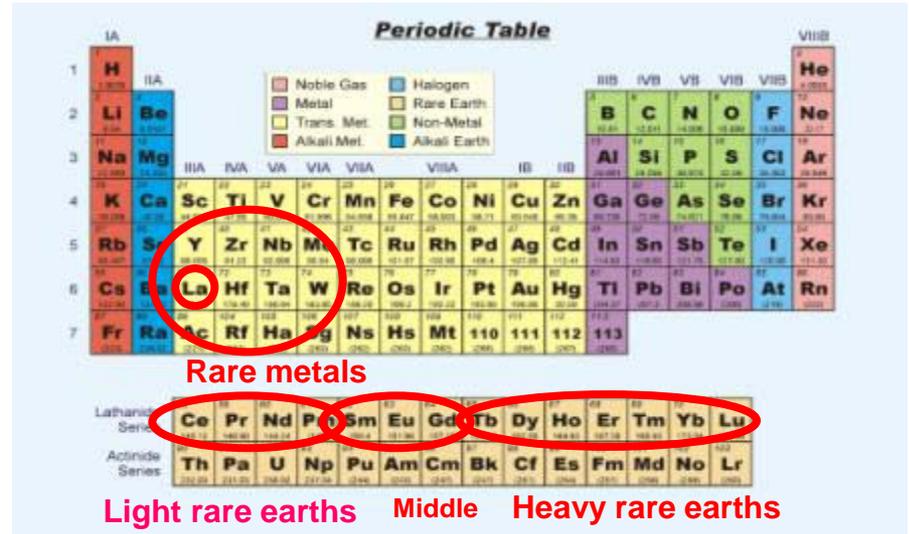


Demonstration Pilot Plant at ANSTO (2008)

Rare Metals – Rare Earths

- China produces 90% of world downstream zirconium chemicals
- China currently produces 95% of world REE output
- China is limiting the export of raw rare earths materials
- Brazil produces 90% of world niobium

Periodic Table



Rare metals

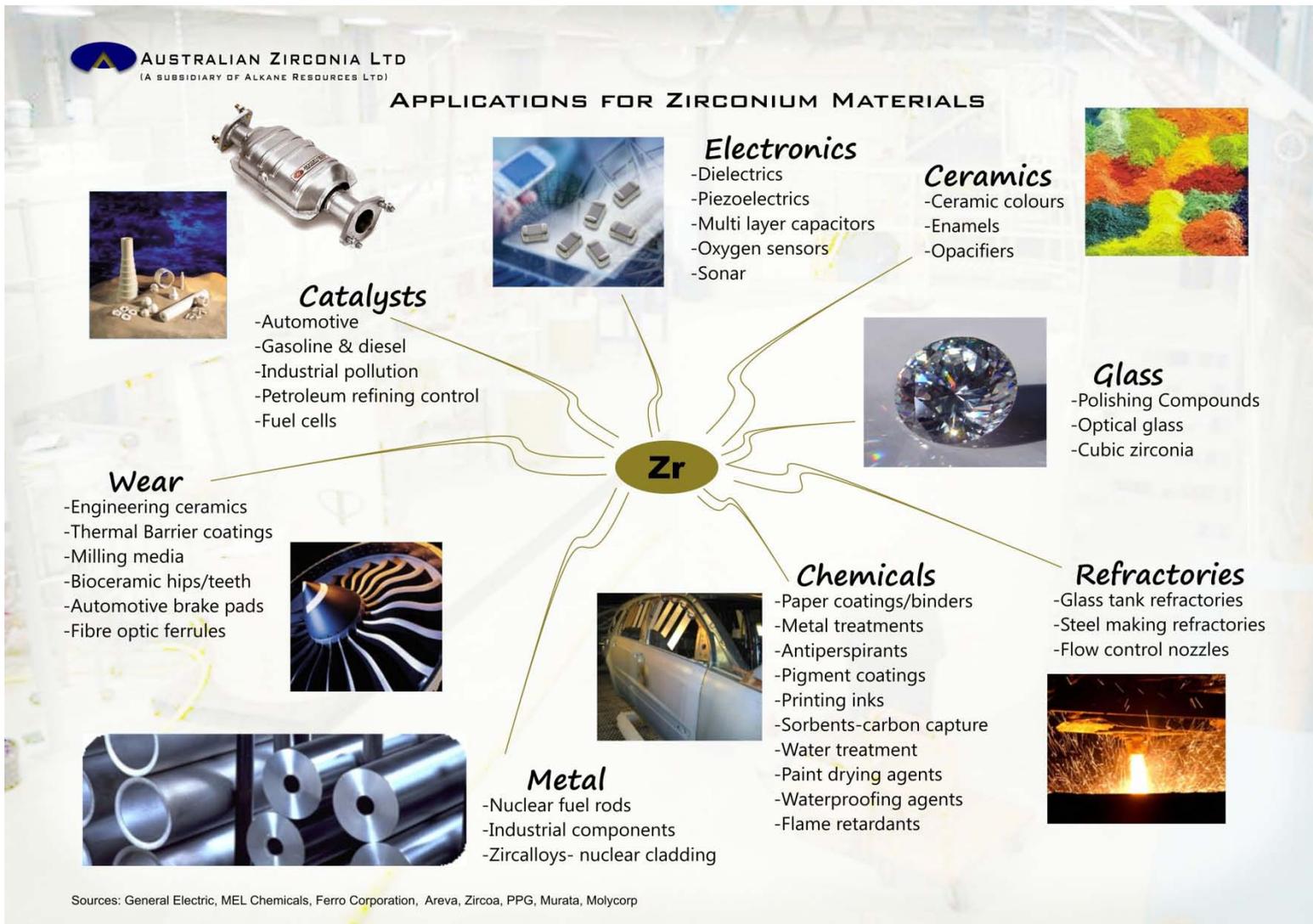
Light rare earths Middle Heavy rare earths

Yttrium "powered" compact fluoro light



- ◆ **Green technology** is dependent on *rare metals and rare earths*
- ◆ **Increased demand** also driven by **changes in legislation**
- ◆ China has dominant position

...not so rare, but increasingly valuable



Sources: General Electric, MEL Chemicals, Ferro Corporation, Areva, Zircoa, PPG, Murata, Molycorp

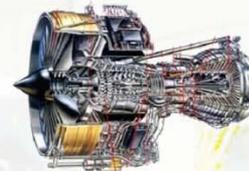
 **AUSTRALIAN ZIRCONIA LTD**
(A SUBSIDIARY OF ALKANE RESOURCES LTD)

APPLICATIONS FOR NIOBIUM MATERIALS



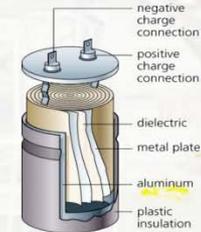
Special Steels - HSLA*

- Weight reduction for fuel efficiency
- Pipelines
- Bridges



Alloys

- turbine blades



Capacitors

- Electric motors
- Mobile electronics



Glass

- Camera lens and TV glass
- Optical glass

Nb

Jewellery



Coinage

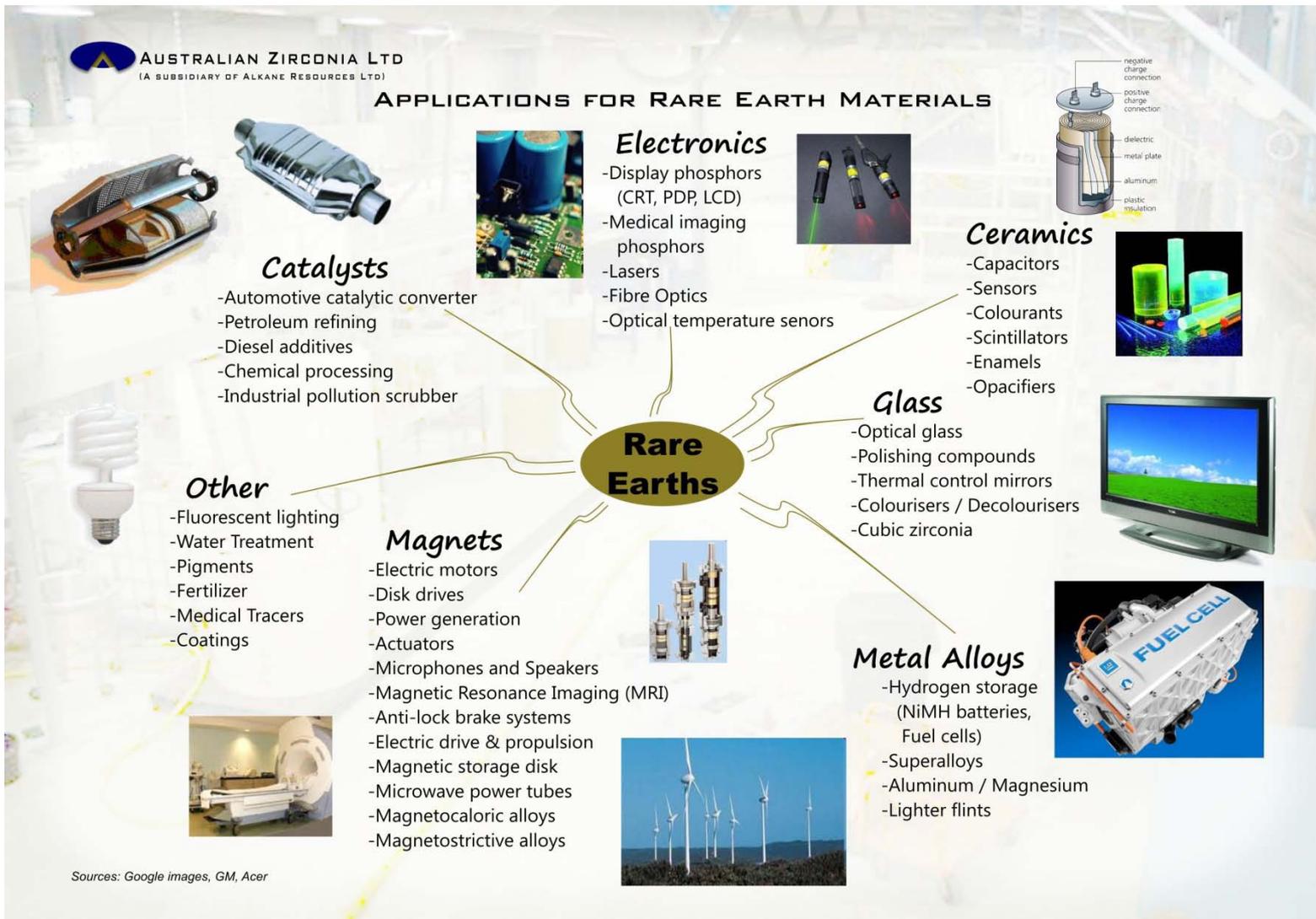


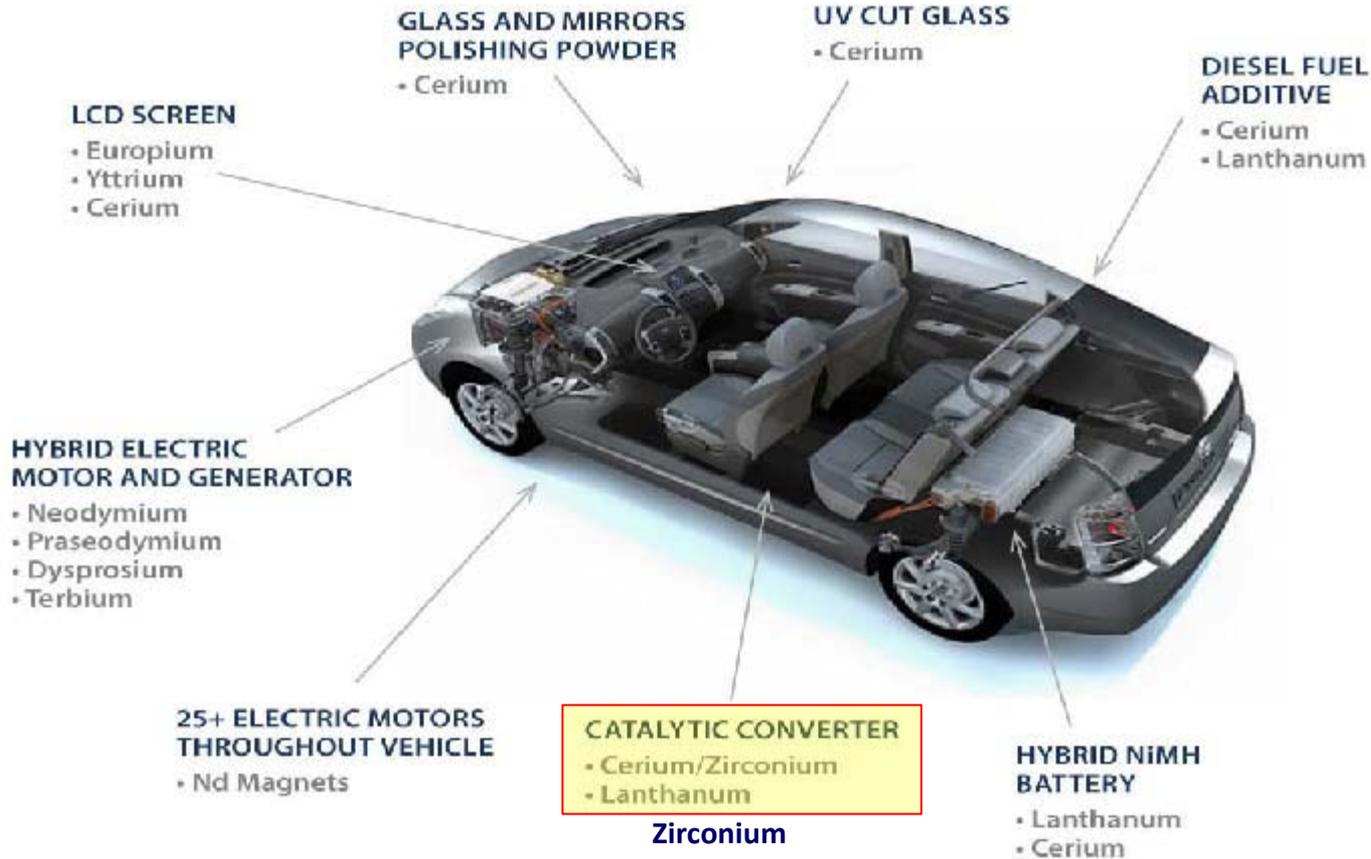
Superconducting Magnets

- Particle accelerators
- Maglev transport
- Magnetic Resonance Imaging



Sources: Ford MC, CBMM, Google images
* (High Strength Low Alloy)



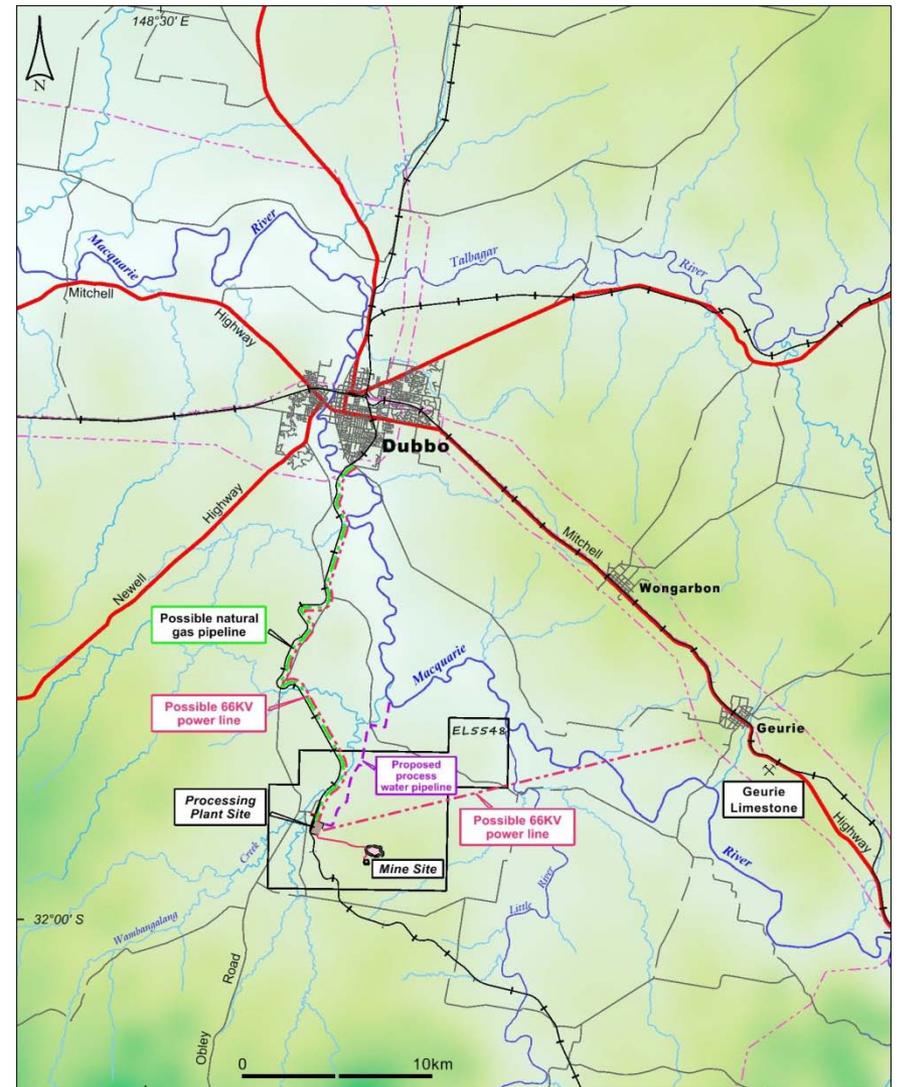


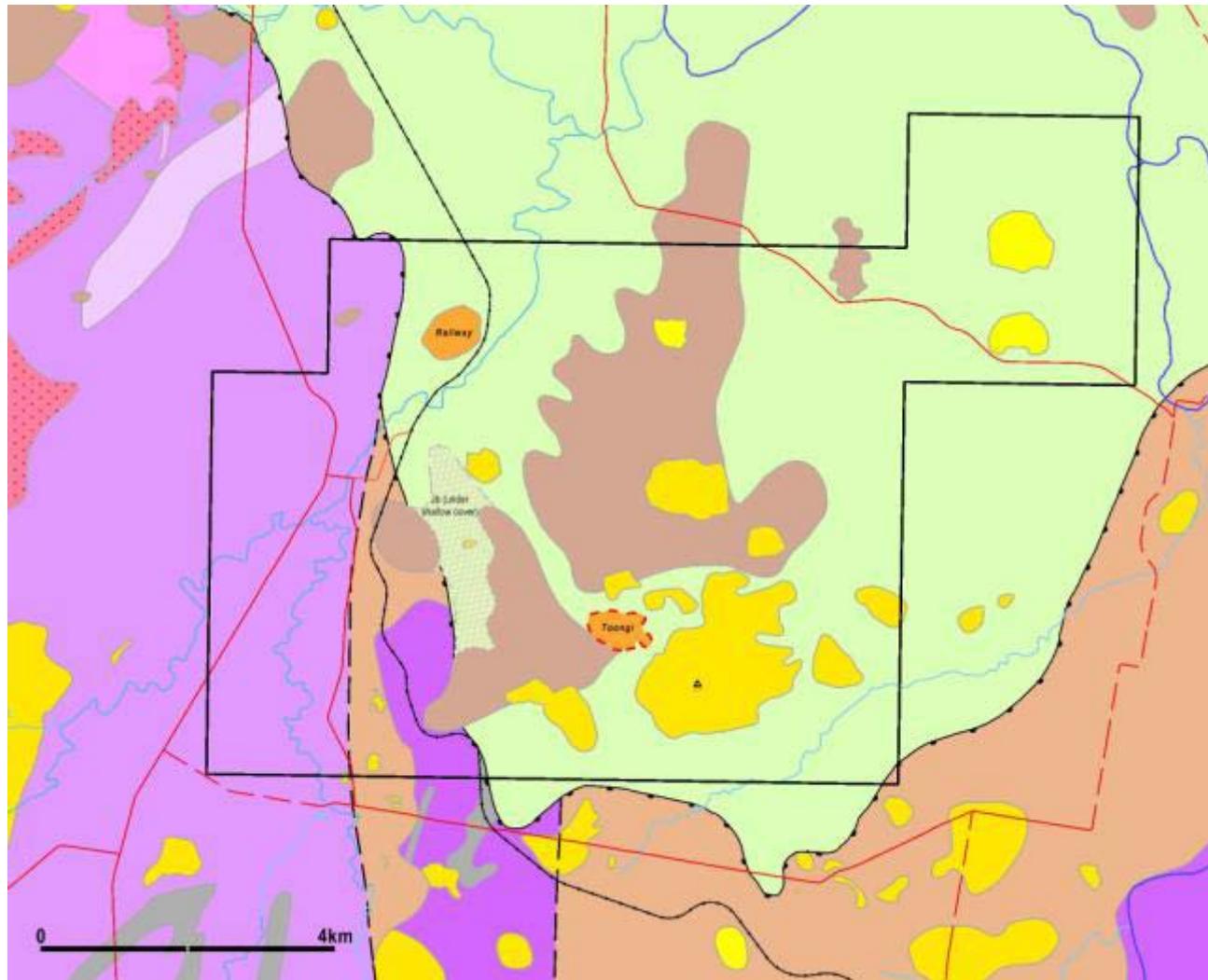
Small content of niobium in chassis steel can lighten vehicle by 10% - fuel efficiencies; emissions minimisation

Potential for solid oxide fuel cells power plant which use zirconia ceramic (+ yttrium and cerium)

Infrastructure

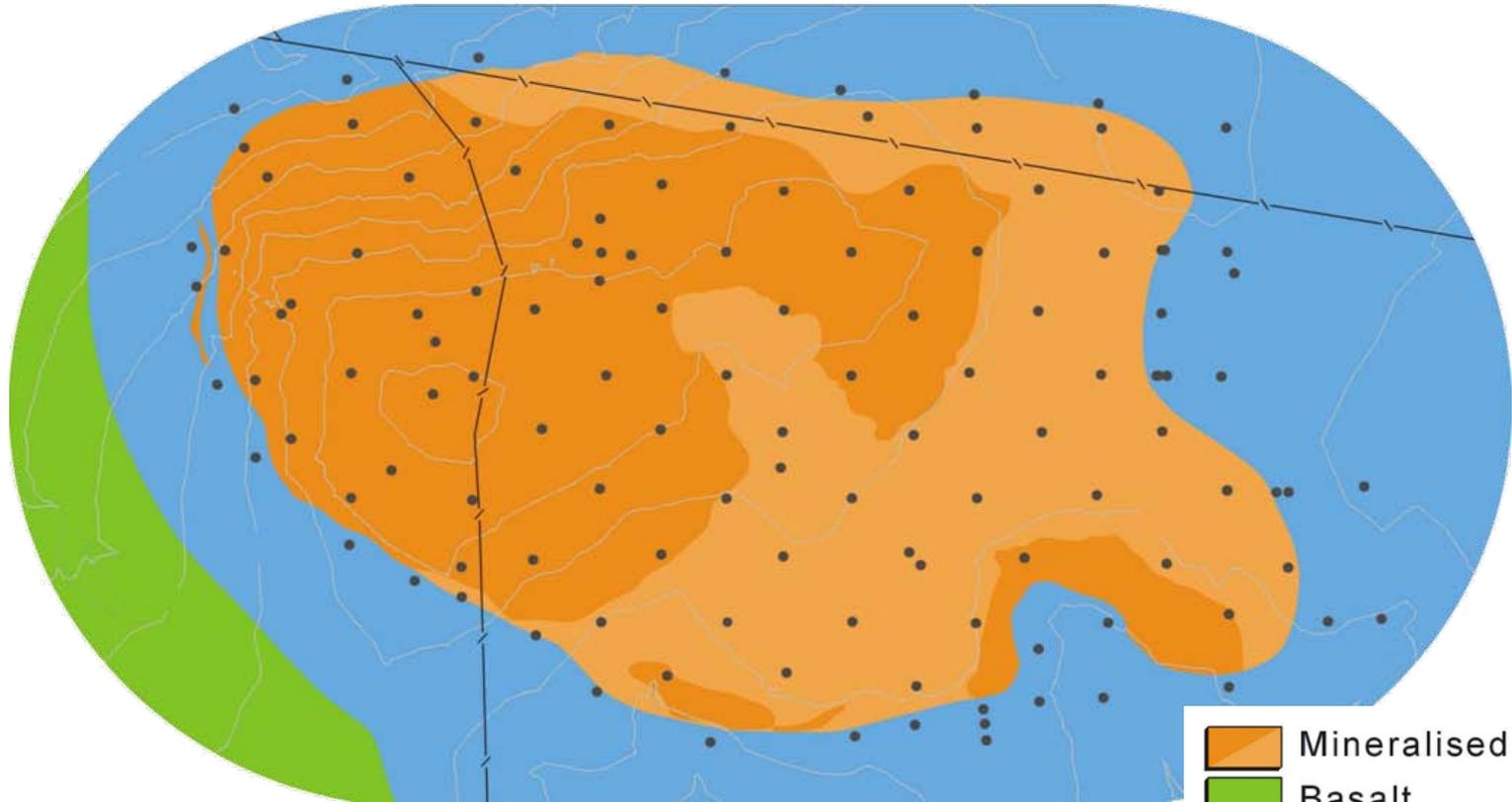
- Population – 80,000 Dubbo regional
- Rail – railway hub
- Road – major highways intersection/hub
- Water – numerous sources
- Electricity – NSW State power grid
- Gas – NSW State gas grid
- Industrial – substantial light industry
- Agriculture – major agricultural hub
- Process chemicals available from multiple sources in eastern Australia
- Limestone available at Geurie





Regional Geology



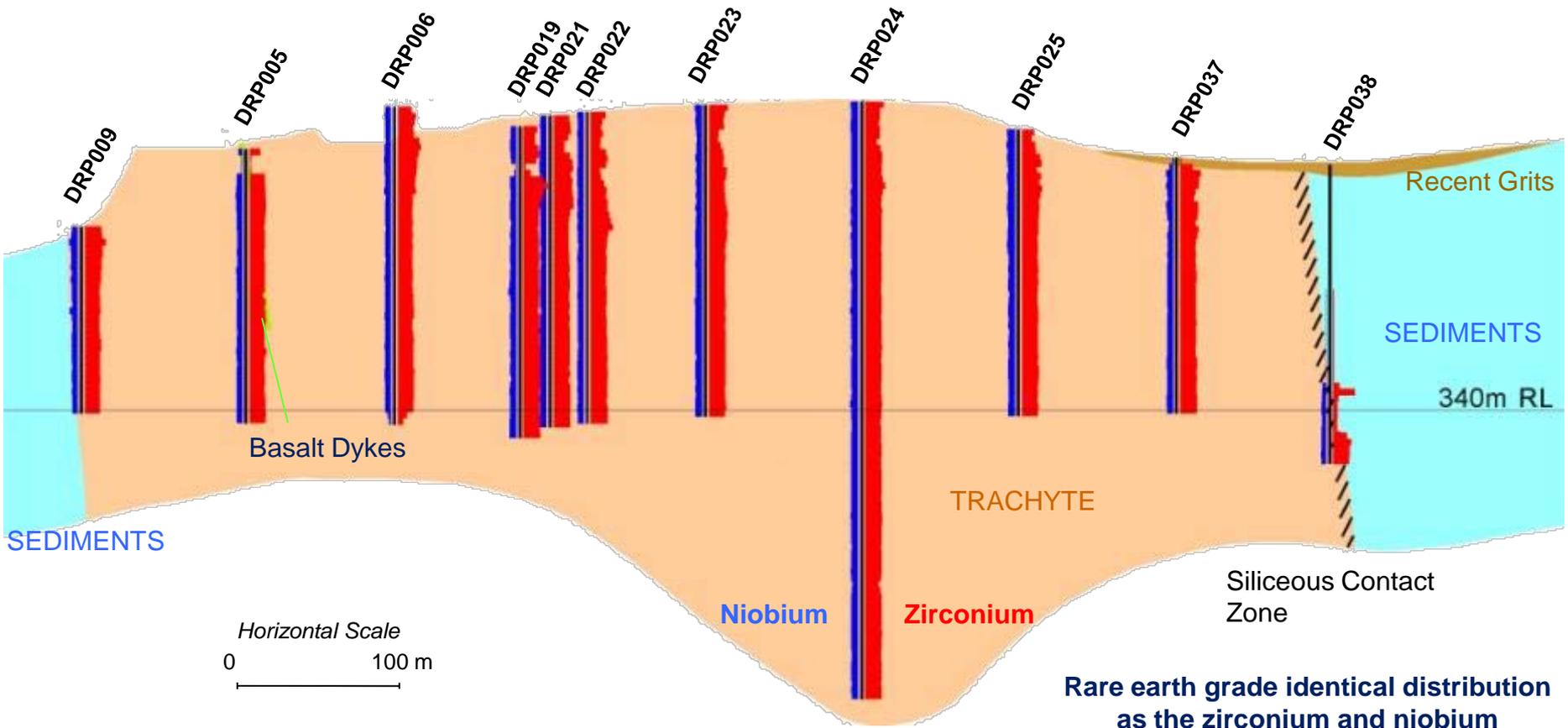


**Jurassic aged trachyte intrusive or
lava flow**

- Mineralised Trachyte
- Basalt
- Napperby Formation
- Drill hole collar

0 200
metres

East-west cross section through centre of deposit



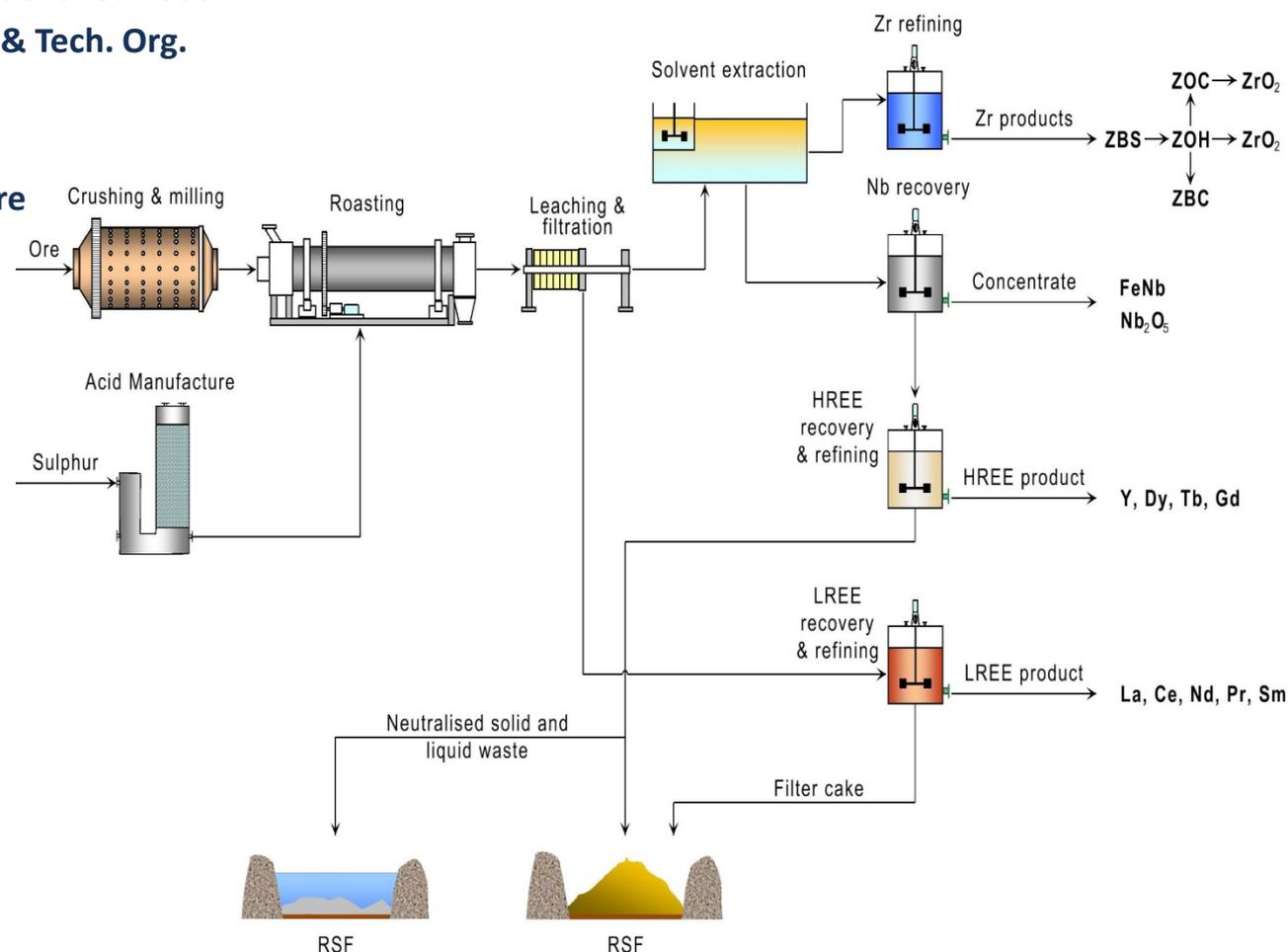
Resources & Reserves

- Resources & Reserves – open at depth
- Life – +20 years but can support longer life and higher production rates
- Major world resource - zirconium, hafnium, niobium, tantalum, yttrium & rare earth elements
- Important heavy rare earth distribution of 25% of total rare earth content

Resources	Depth (m)	Tonnes (Mt)	Grade
Measured	0-55	35.7	1.94% ZrO ₂ , 0.04%HfO ₂ , 0.46% Nb ₂ O ₅ , 0.03% Ta ₂ O ₅ , 0.14% Y ₂ O ₃ , 0.74% REO (0.9% TREO)
Inferred	55-100	37.5	As above
Total	0-100	73.2	As above
Reserves			
Proven	0-26	8.1	1.93% ZrO ₂ , 0.04%HfO ₂ , 0.46% Nb ₂ O ₅ , 0.03% Ta ₂ O ₅ , 0.14% Y ₂ O ₃ , 0.75% REO (0.9% TREO)
Probable	26-45	27.9	As above
Total	0-45	35.9	As above

Processing

- Demonstration Pilot Plant – established 2008
- ANSTO – Aust. Nuclear Science & Tech. Org.
- Process – unique & advanced
- Optimization – ongoing
- Sulphuric acid leach whole of ore
- Solvent extraction, separation & refining
- Chemical precipitation
- Zirconium products
- Niobium products
- Heavy RE product
- Light RE product



Off-take

- Zirconium (39% of revenue) – 100% under MOU
- Niobium (22% of revenue) – 100% under MOU
- LREE (21% of revenue) – advanced negotiations
- YHREE (18% of revenue) – advanced negotiations
- Throughput – there are four MOU's which virtually guarantee production at 1Mtpa
- Revenue update in progress, which will see shift in % distribution

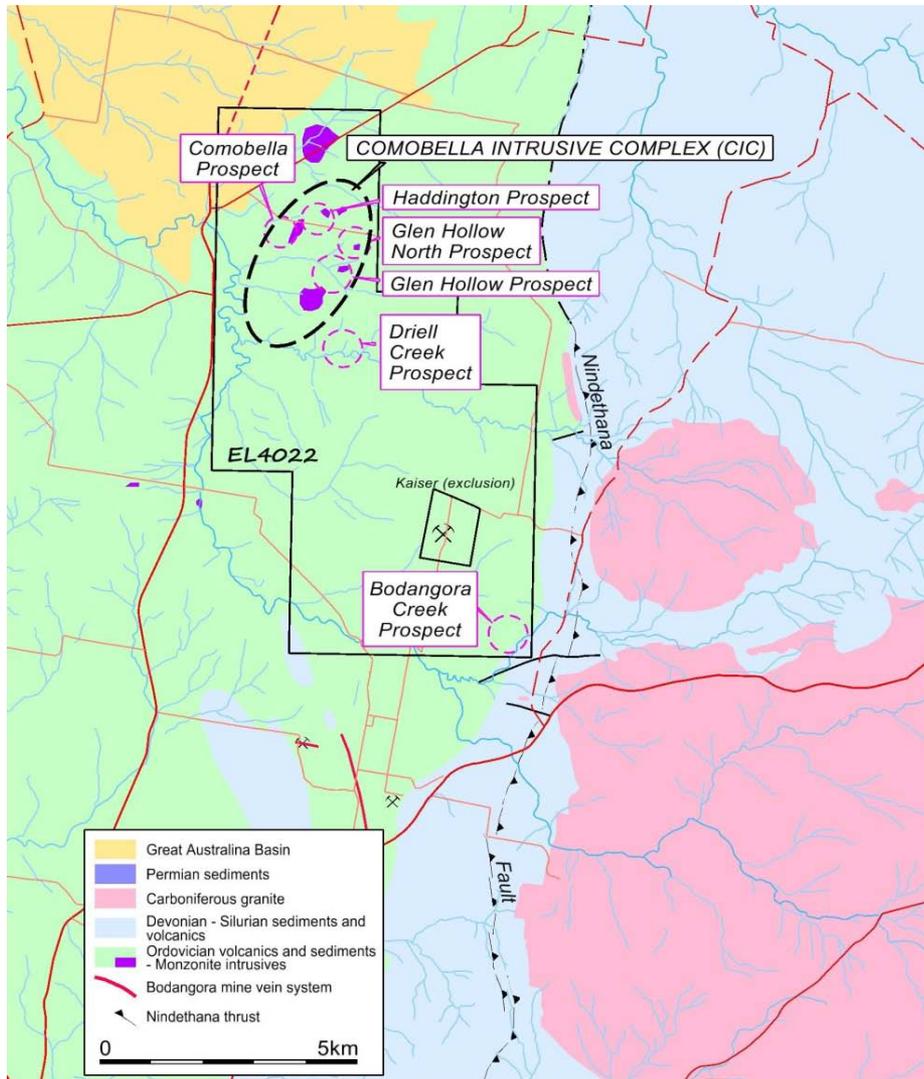
Memorandums of Understandings (MOU's)

MOU	Date Announced	Product	Details
1	16 May 2011	Zirconium	Leading chemical company & trading company to produce zirconium oxychloride
2	26 July 2011	Zirconium	JV with Australia's Mintech Chemical Industries to produce zirconium oxychloride
3	15 August 2011	Zirconium	JV with leading European manufacturing / trading company to market DZP products
4	26 October 2011	Niobium	European company to produce and market ferro-niobium

- Primary filter cake contains ~ 200ppm Ta₂O₅. At 1Mtpa this equates to about 200tpa (>400,000lbs pa). A program has commenced to review recovery of this valuable Ta₂O₅ product



Core drilling at Bodangora



Comobella Intrusive Complex
4km x 3km monzonite intrusives /
skarn / hydrothermal breccias

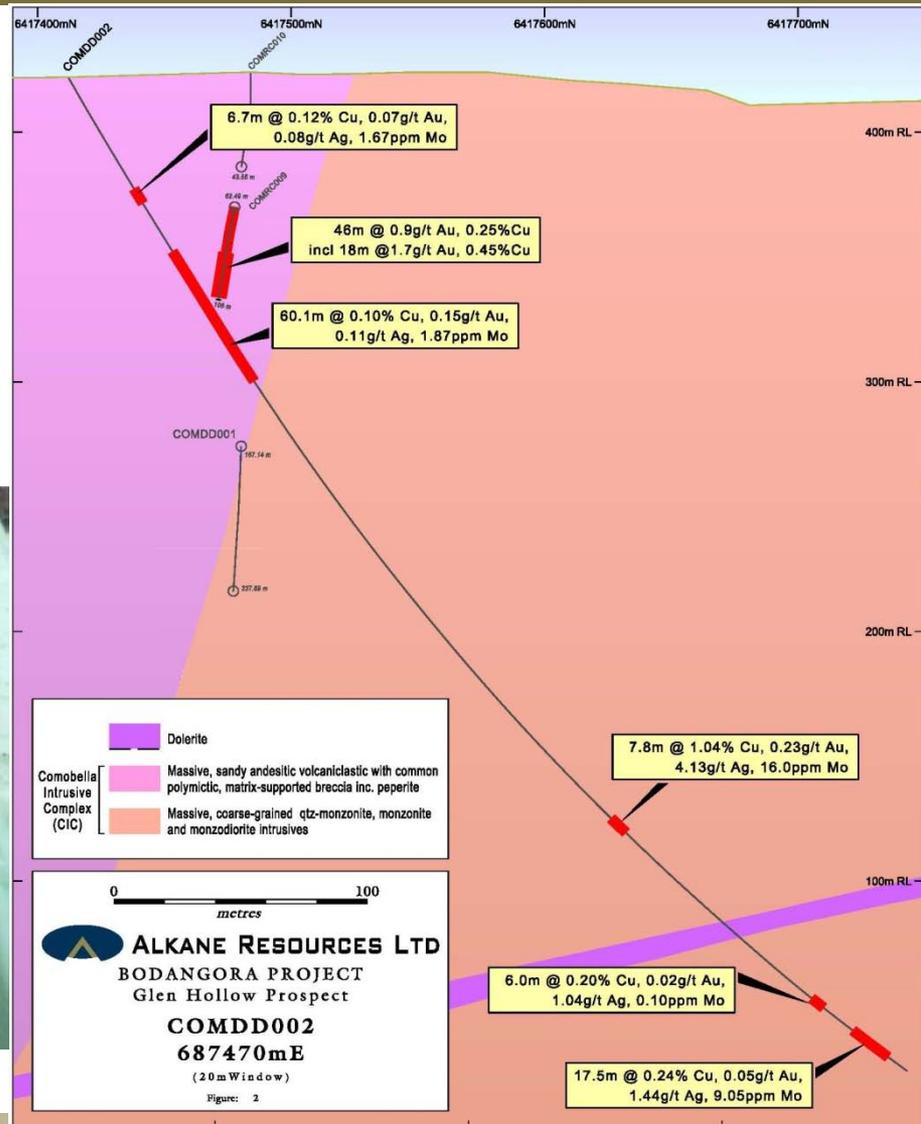
Comparable to Cadia – Ridgeway
(Newcrest) system near Orange

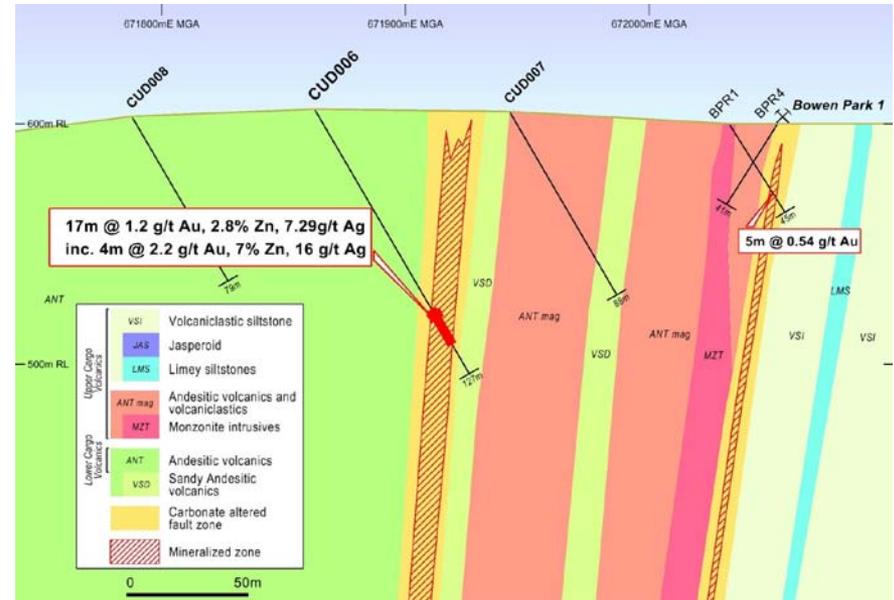
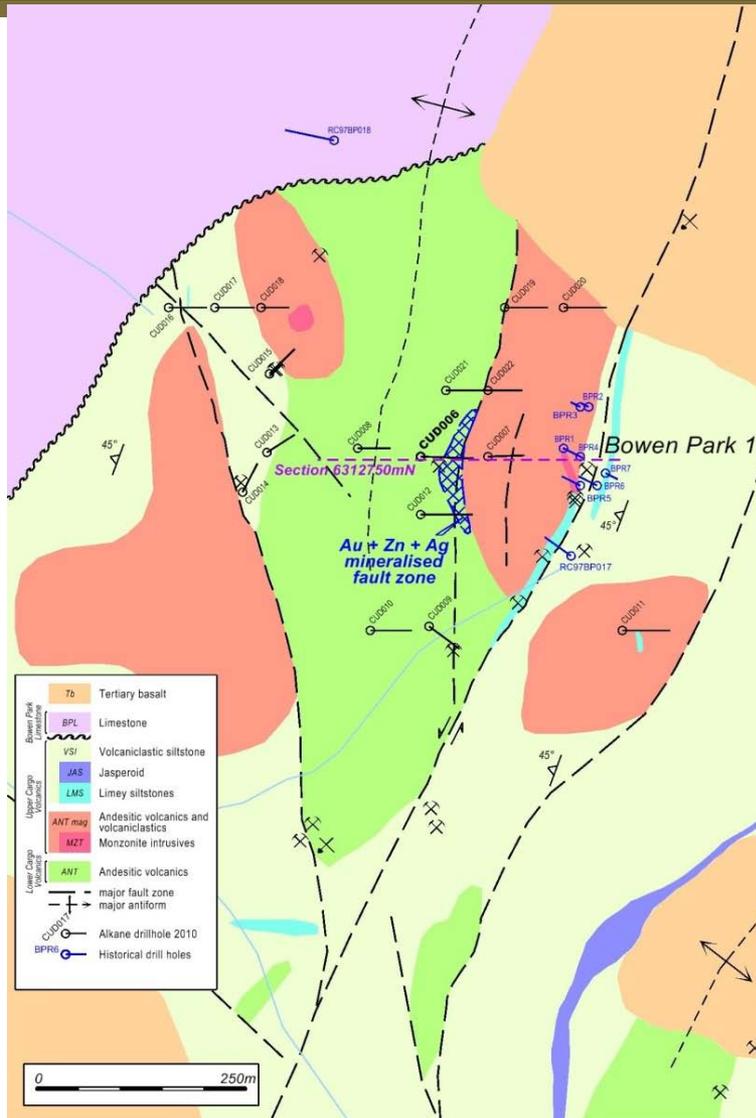
Intensely hematite altered
monzonite intrusives with
disseminated chalcopyrite, bornite
and native copper

Other targets outside of the CIC

Glen Hollow recent intercepts

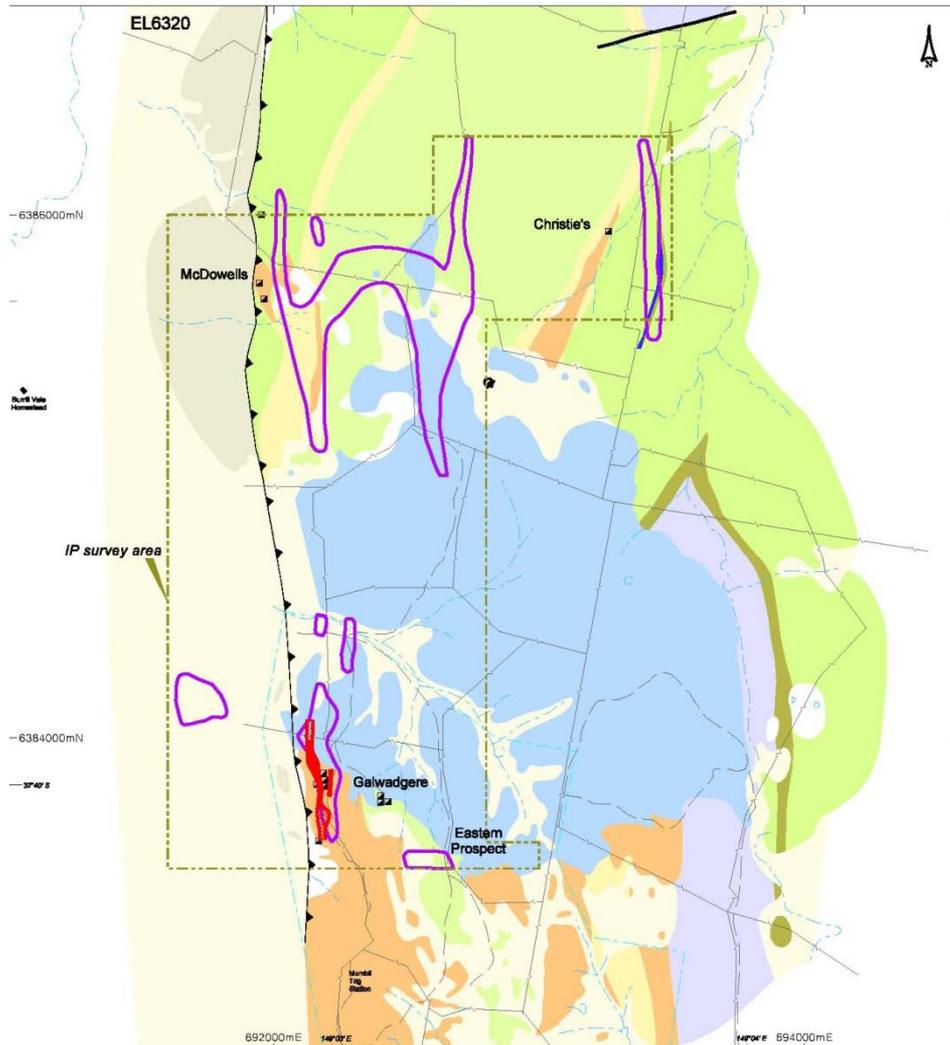
- 46m @ 0.9g/t gold & 0.25% copper
- 18m @ 1.7g/t gold & 0.45% copper
- 7m @ 0.23g/t gold & 1.04% copper





**New (?) style of mineralisation
– structural / replacement**

Many exploration targets to be tested



Silurian Felsic Volcanic

VMS style Cu-Pb-Zn mineralisation
with structural Au overprint

Indicated Resource defined 2004

2.09Mt @ 0.99% Cu and 0.3g/t Au

Potential to open pit mine bulk of
existing resource to produce 27%
Cu and 3g/t Au clean concentrate

Disclaimer

This presentation contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.

Competent Person

The information in this presentation that relates to mineral exploration, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Chalmers consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.



Tomingley (TGP) – Mineral Resources

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Gold (koz)
2.5x2.5x5.0m model									
Wyoming One	2,316,550	2.2	890,340	2.2	3,117,350	1.7	6,324,240	1.9	392.4
Wyoming Three	642,470	2.0	63,225	2.0	102,820	1.3	808,510	1.9	49.9
Caloma	2,690,530	2.3	567,860	2.1	2,194,490	1.9	5,452,870	2.1	369.4
Total	5,649,550	2.2	1,521,420	2.1	5,414,660	1.8	12,585,630	2.0	811.7

These Mineral Resources are based upon information compiled by Mr Richard Lewis MAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology are given in the ASX Reports dated 25 March 2009, 2 October 2010 and 29 March 2012.

Tomingley (TGP) – Ore Reserves

DEPOSIT	PROVED		PROBABLE		TOTAL		Ounces
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
Wyoming One	1,700,000	1.6	200,000	1.3	1,900,000	1.6	94,500
Wyoming Three	500,000	1.6	0	0.0	500,000	1.6	28,100
Caloma	1,100,000	2.3	100,000	1.7	1,200,000	2.2	86,500
Total	3,300,000	1.8	300,000	1.5	3,600,000	1.8	209,100

These Ore Reserves are based upon information compiled under the guidance of Mr Dean Basile MAusIMM (Mining One Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Reserves and Resources are estimated at an effective A\$1,540 per ounce gold price. Dean Basile consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Peak Hill – Mineral Resources

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	k Ounces
0.5g/t gold cut off									
Proprietary			9,440,000	1.35	1,830,000	0.98	11,270,000	1.29	467.4
3.0g/t gold cut off									
Proprietary P					810,000	4.40	810,000	4.40	114.6

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.

Dubbo Zirconia Project – Mineral Resources

Toongi Deposit	Tonnage (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	REO (%)	U ₃ O ₈ (%)
Measured	35.70	1.96	0.04	0.46	0.03	0.14	0.75	0.014
Inferred	37.50	1.96	0.04	0.46	0.03	0.14	0.75	0.014
Total	73.20	1.96	0.04	0.46	0.03	0.14	0.75	0.014

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.

Dubbo Zirconia Project – Ore Reserves

Toongi Deposit	Tonnage (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	REO (%)
Proved	8.07	1.91	0.04	0.46	0.03	0.14	0.75
Probable	27.86	1.93	0.04	0.46	0.03	0.14	0.74
Total	35.93	1.93	0.04	0.46	0.03	0.14	0.74

These Ore Reserves are based upon information compiled by Mr Terry Ransted MAusIMM (Alkane Chief Geologist) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The reserves were calculated at a 1.5% combined ZrO₂+Nb₂O₅+Y₂O₃+REO cut off using costs and revenues defined in the notes in ASX Announcement of 16 November 2011. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Wellington – Galwadjere – Mineral Resources

DEPOSIT 0.5% Cu cut off	MEASURED			INDICATED		
	Tonnage (t)	Grade (% Cu)	Grade (g/t)	Tonnage (t)	Grade (% Cu)	Grade (g/t)
Galwadjere	-	-	-	2,090,000	0.99	0.3

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2005 Annual Report

Moorilda – McPhillamys – Mineral Resources

DEPOSIT McPhillamys	INDICATED			INFERRED			TOTAL				
	Tonnage	Grade	Grade	Tonnage	Grade	Grade	Tonnage	Grade	Grade	k Ounces	tonnes
0.3g/t Au cut-off	(t)	(g/t)	% Cu	(t)	(g/t)	% Cu	(t)	(g/t)	% Cu	gold	copper
Inner Ore Zone	51,650,000	1.10	0.07	23,504,000	1.19	0.07	75,154,000	1.13	0.07	2,723.6	55,091
Outer Ore Envelope	9,624,000	0.44	0.04	7,167,000	0.43	0.03	16,791,000	0.43	0.03	234.7	5,729
Total	61,274,000	0.99	0.07	30,671,000	1.01	0.06	91,945,000	1.00	0.07	2,958.3	60,820

DEPOSIT McPhillamys	INDICATED			INFERRED			TOTAL				
	Tonnage	Grade	Grade	Tonnage	Grade	Grade	Tonnage	Grade	Grade	k Ounces	tonnes
0.5g/t Au cut-off	(t)	(g/t)	% Cu	(t)	(g/t)	% Cu	(t)	(g/t)	% Cu	gold	copper
Inner Ore Zone	41,260,000	1.27	0.08	16,097,000	1.57	0.09	57,357,000	1.36	0.08	2,499.9	46,933
Outer Ore Envelope	2,169,000	0.69	0.03	1,338,000	0.62	0.03	3,507,000	0.66	0.03	74.6	1,170
Total	43,429,000	1.24	0.08	17,435,000	1.50	0.08	60,864,000	1.32	0.08	2,574.5	48,104

These Mineral Resources are based upon information compiled by Mr Richard Lewis MAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the ASX Announcement 5 July 2010. Totals may not tally due to rounding.0