



1 February 2010

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

Dear Sir,

PRESENTATION

Attached is a copy of a presentation to the BBY Limited Rare Earth Conference held in Sydney.

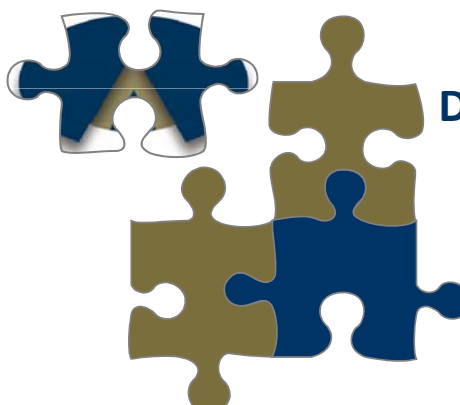
A copy of this presentation will also be available on the Company's website www.alkane.com.au.

Yours faithfully,
for **ALKANE RESOURCES LTD**

A handwritten signature in black ink, appearing to read 'D I Chalmers'. The signature is written in a cursive, flowing style.

D I Chalmers
Managing Director

...putting the pieces together



Dubbo Zirconia Project

NSW Australia

A strategic supply for the zirconium, niobium and rare earths industries

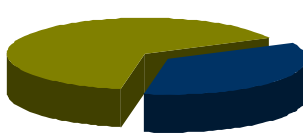


BBY Limited Rare Earth Conference
Sydney 1 February 2010



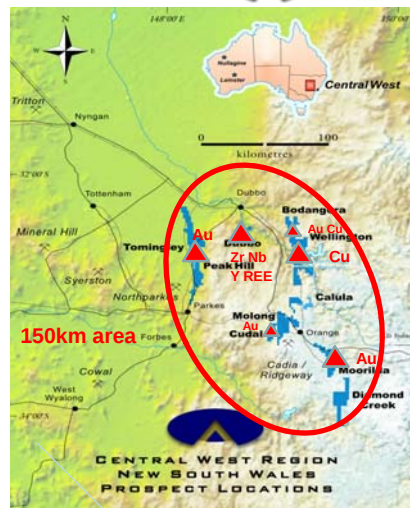
Corporate snapshot




Exchanges ASX: ALK Share Price (29 January 2010) A\$0.335 Shares 249m Fully Diluted Market Cap ~A\$85m Cash (at December 31 2009) ~A\$4.5m Investments (BCI) ~A\$6.5m No debt 12 Month High / Low A\$0.50 / \$0.15  Source: FT	Shareholder profile*  *at 30 June 2009 <table style="width: 100%;"> <tr> <td style="width: 60%;"> Top 20 ~60% Directors & Management 3% Abbotsleigh (Gandel Metals) 29% </td> <td style="width: 40%;"></td> </tr> </table> Directors & Management <table style="width: 100%;"> <tr> <td style="width: 60%;"> J. S. F. Dunlop D. I. Chalmers I. R. Cornelius A. D. Lethlean I. J. Gandel L.A. Colless K.E. Brown </td> <td style="width: 40%; text-align: right; vertical-align: top;"> Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director CFO Joint Secretary Joint Secretary </td> </tr> </table>	Top 20 ~60% Directors & Management 3% Abbotsleigh (Gandel Metals) 29%		J. S. F. Dunlop D. I. Chalmers I. R. Cornelius A. D. Lethlean I. J. Gandel L.A. Colless K.E. Brown	Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director CFO Joint Secretary Joint Secretary
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Develop multiple operations within tight geographic area over next five years


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Periodic Table

Legend:

- Noble Gas
- Halogen
- Metals
- Non-Metals
- Transition Metals
- Alkali Metals
- Alkaline Earth Metals

Labels on the periodic table:

- Rare metals:** A red circle highlights the elements in the f-block (lanthanides and actinides).
- Light rare earths:** A red circle highlights the elements from La to Lu in the lanthanide series.
- Heavy rare earths:** A red circle highlights the elements from Sm to Lu in the lanthanide series.



- ...not so rare, but increasingly valuable*



Dubbo Zirconia Project Location



Dubbo region pop 80,000

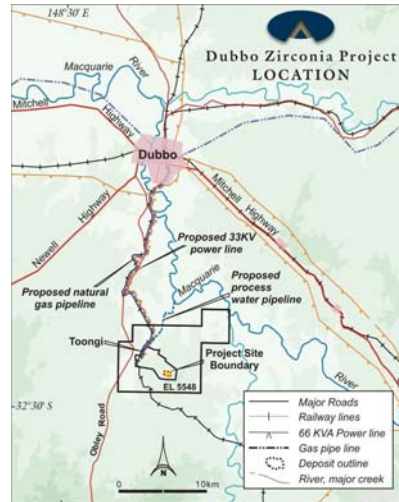
State power grid

State gas grid

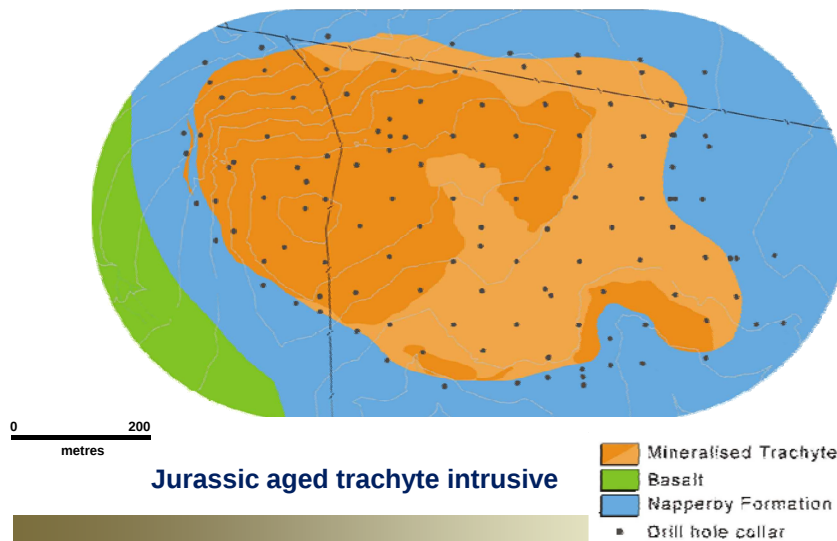
Major mixed agriculture

Transport hub

Substantial light industry



DZP Geology





DZP Resources



Measured Resource 0 - 55 metres	:	35.7 million tonnes grading 1.96% 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 and 0.014% U ₃ O ₈
Inferred Resource 55 - 100 metres	:	37.5 million tonnes at similar grades
TOTAL	:	73.2 million tonnes

Major world resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements

Although the ore is not classified as a radioactive deposit, it contains 23 million lbs (10,200t) of uranium

Production of uranium is currently prohibited in NSW



DZP Program



Resource drilling completed 2001. Flow sheet developed 1999 to 2002, with trials to mini pilot plant scale. Detailed feasibility study completed in 2002.

AusIndustry Commercial Ready Grant of A\$3.29M in April 2006 on dollar for dollar basis to complete process optimisations, and construct and operate the Demonstration Pilot Plant (DPP).

Laboratory program commenced at ANSTO Lucas Heights (Australian Nuclear Science and Technology Organisation) July 2006, with Demonstration Pilot Plant commissioned March 2008

Substantial product samples from DPP distributed in second half of 2009

Continual market update – strong growth predicted in most products

Revise and update the 2002 feasibility study by Q3 2010. DFS managed by Perth based consultants **TZ Minerals International Pty Ltd (TZMI)**.



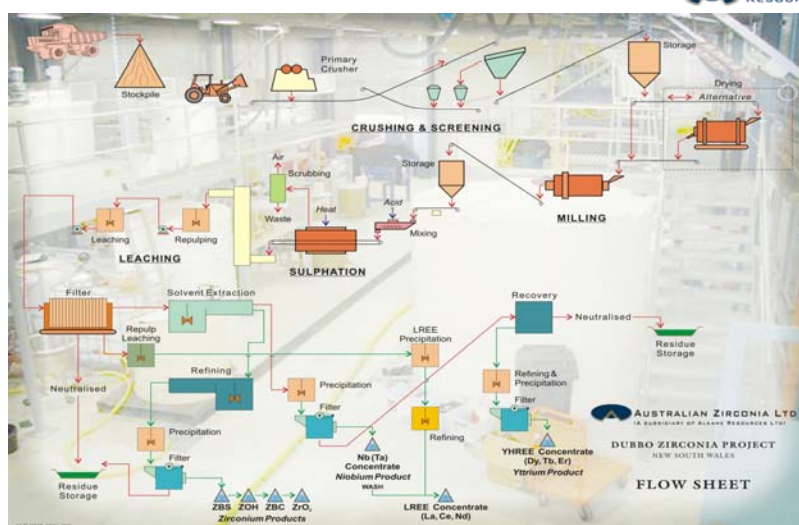
DZP Feasibility Team



DFS study manager:	Steve Gilman TZ Minerals International Pty Ltd Gavin Diener - Engineering TZMI
Marketing:	Alister MacDonald TCMS - Zirconium + Nb + REE Philip Murphy TZMI
Special Marketing Consultant:	Dudley Kingsnorth IMCOA - REE
ANSTO Minerals:	Bob Ring, Doug Collier, Karin Soldenoff, Des Levins, Chris Griffiths
DPP Operations:	Adrian Manis, Peter Fletcher, Prakash Rajalingam + the crew
DPP Ext Engineering:	Worley Parsons



DZP Flow Sheet





Market Summary



Zirconium:	drying agent in paints; primer coat of vehicle metalwork; ceramic pigments; engineering ceramics ; auto catalysts ; electronics; solid oxide fuel cells; fuel rods in nuclear power plants ; special alloys and glasses
Hafnium:	alloys, control rods for nuclear reactors; nextgen microprocessors
Niobium:	HSLA steels ; special alloys and glasses
Yttrium:	stabilizer in ceramics; phosphors for TV/computer screens; lasers; and compact fluoro lights = energy efficient bulbs
Rare earths:	speciality glasses; phosphors ; fertilizers; catalysts; lasers; permanent magnets/rechargeable batteries , particularly for hybrid vehicle motors

Increased demand for many of the metals is driven by environmental legislation to ensure emissions minimisation and energy consumption efficiency



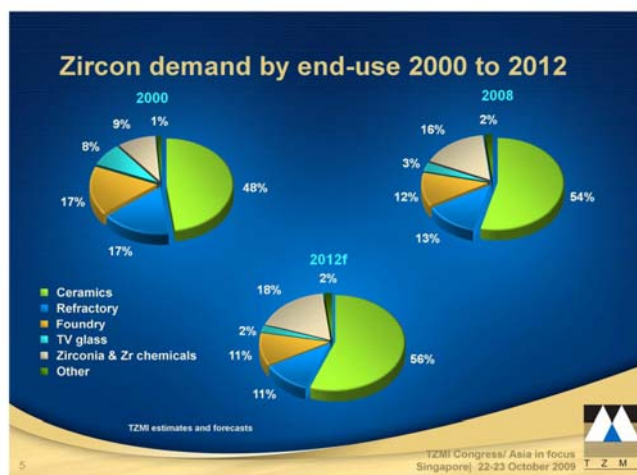
Zircon Usage



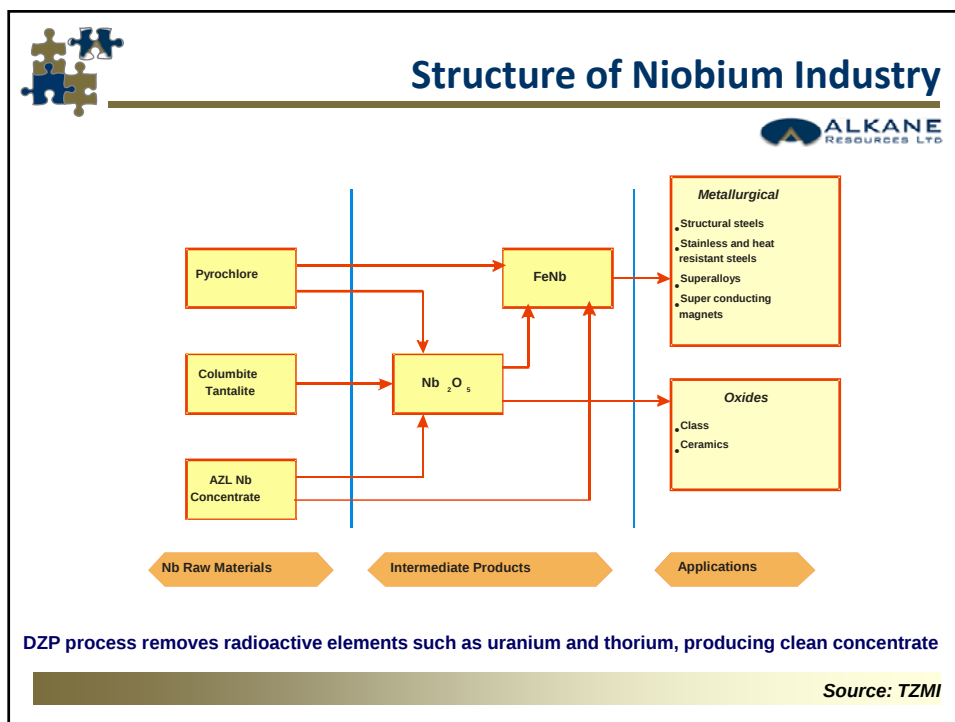
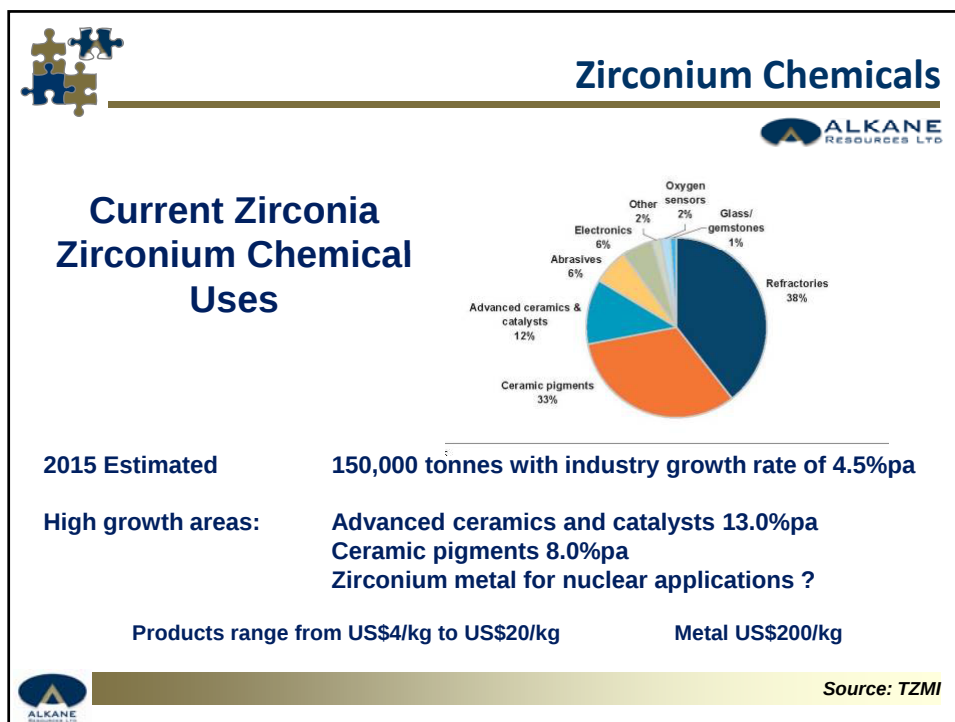
Zircon provides the feedstock for the zirconium industry

2012 Global consumption estimate
1,400,000tpa

= 250,000t zircon for zirconia and zirconium chemicals



Source: TZMI





Niobium Demand

Global demand for niobium units: 1980 to 2006

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Niobium 2007
(Ferroniobium units)
consumption
~63,000t – 90% Brazil
Estimate for 2012
~100,000t

© TZMI 2007

Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$35 - 40/kg

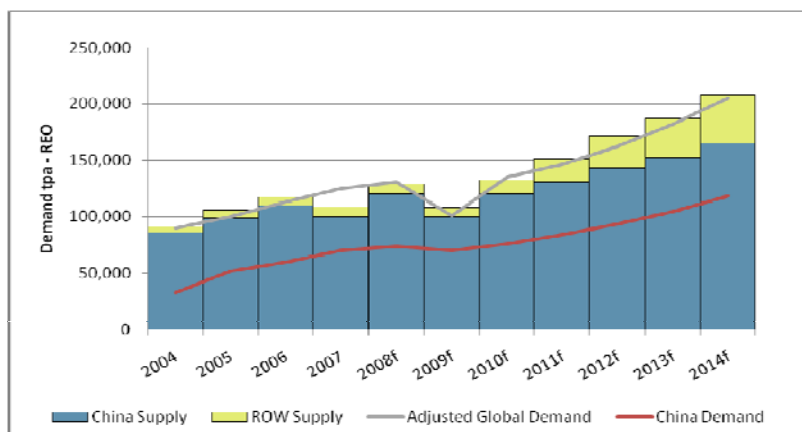
Long term expected to be in US\$25 - \$35/kg

Source: TZMI

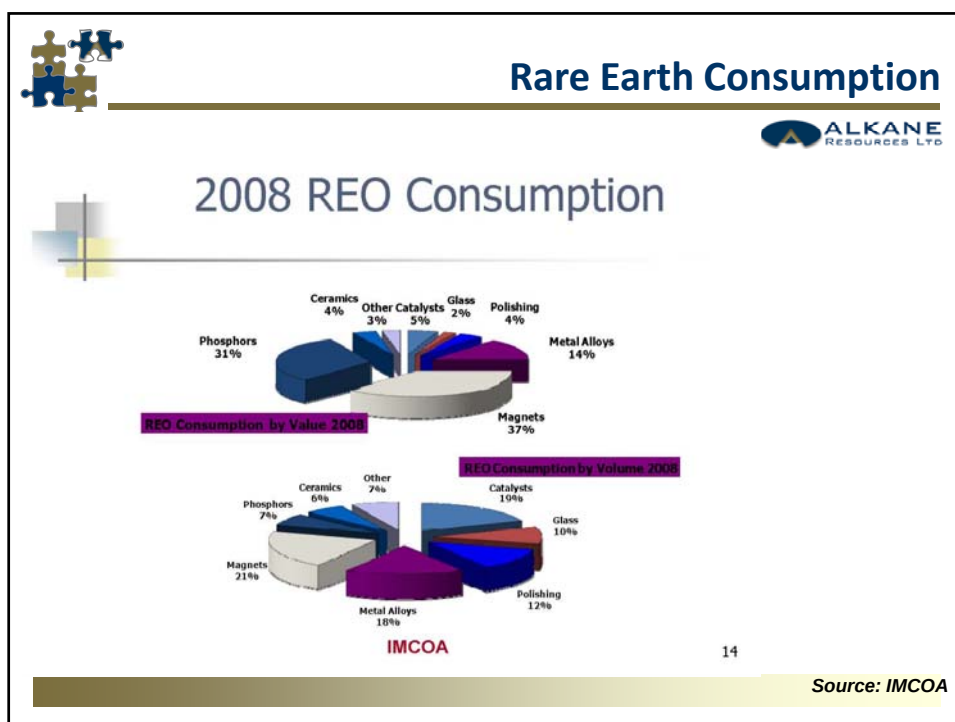


Rare Earth Supply - Demand

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Source: IMCOA



Rare Earth Demand

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Some Key Drivers of Rare Earths Demand

Application	Rare Earths	Demand drivers
Magnets	Nd, Pr, Sm, Tb Dy	Drives for computers, mobile phones, mp3 players, cameras. Voice coil motors. Hybrid vehicle electric motors. Cordless power tools. Mag-lev trains. Wind turbines. Medical imaging (MRIs).
LaNiH Batteries	La, Ce, Pr, Nd	Hybrid vehicle batteries. Hydrogen absorption alloys for re-chargeable batteries
Phosphors	Eu, Y, Tb, La, Dy, Ce, Pr, Gd	LCDs. PDPs. LEDs. Energy efficient fluorescent lights/lamps.
Fluid Cracking Catalysts	La, Ce, Pr, Nd	Petroleum production – greater consumption by 'heavy' oils and tar sands
Polishing Powders	Ce, La, Nd	Mechano-chemical polishing powders for TVs, monitors, mirrors and (in nano-particulate form) silicon chips.
Auto Catalysts	Ce, La, Nd	Tighter NO _x and SO _x standards – platinum is re-cycled, but for rare earths it is not economic
Glass Additive	Ce, La, Nd, Er	Cerium cuts down transmission of uv light. La increases glass refractive index for digital camera lens.
Fibre Optics	Er, Y Tb, Eu	Signal amplification

★ ★ ★ ★ ★ ★ ★ ★

Total YREE demand 2014 estimated to be 200,000 tonnes

Source: IMCOA



DZP Product Output



Base case models of 200,000 to 500,000 tonnes per year of ore processed

Product	200ktpa	500ktpa
ZBS, ZOH, ZBC, ZrO_2	9,000tpa (3ktpa ZrO_2)	22,500tpa (7.5ktpa ZrO_2)
Nb-Ta concentrate	1,000tpa (0.7ktpa Nb_2O_5)	2,500tpa (1.75ktpa Nb_2O_5)
LREE concentrate	990tpa (REOs)	2,475tpa (REOs)
YREE concentrate	300tpa (REOs)	750tpa (REOs)

Base case revenues ~US\$50m
Open pit life 400 years

Expanded ~US\$125m
Open pit life 160 years

- ZBS = zirconium basic sulphate; ZOH = zirconium hydroxide; ZBC = zirconium carbonate Equivalent ~99% $\text{ZrO}_2 + \text{HfO}_2$
- Nb-Ta concentrate = ~80% Nb_2O_5 ; 1.5% Ta_2O_5 calcined basis ▪ LREE = La, Ce, Nd @ 86% ▪ YHREE = Y, Gd, Dy, Tb @ 90%



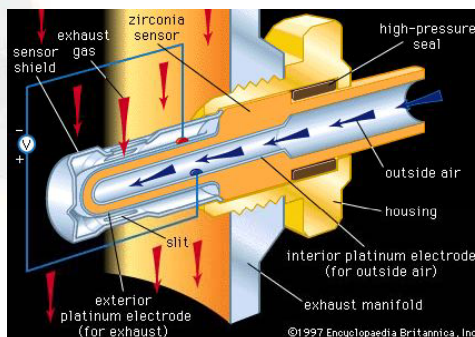
Zr Applications



Emission control – *zirconia ceramics*



Catalytic converter



Oxygen sensors

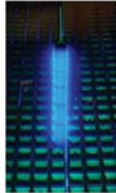


Zr Applications

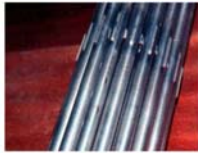


Zirconium metal and alloys for nuclear power plants

Fuel Rods - Zirconium Metal Use



Spent Fuel Rod



Today there are 436 reactors, with 40 under construction, 110 planned and 272 proposed. Depending upon reactor type, each uses 10 to 45 tonnes Zr metal. Fuel rod has life of 5 to 6 years, and then must be replaced

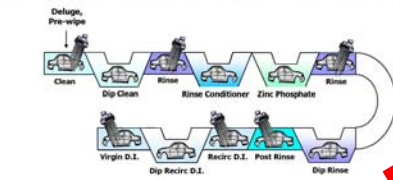


Zr Applications



Zircobond™ – zirconium chemical replacement for traditional zinc phosphate metal pretreatment

Automotive Pretreatment Manufacturing "Foot Print"

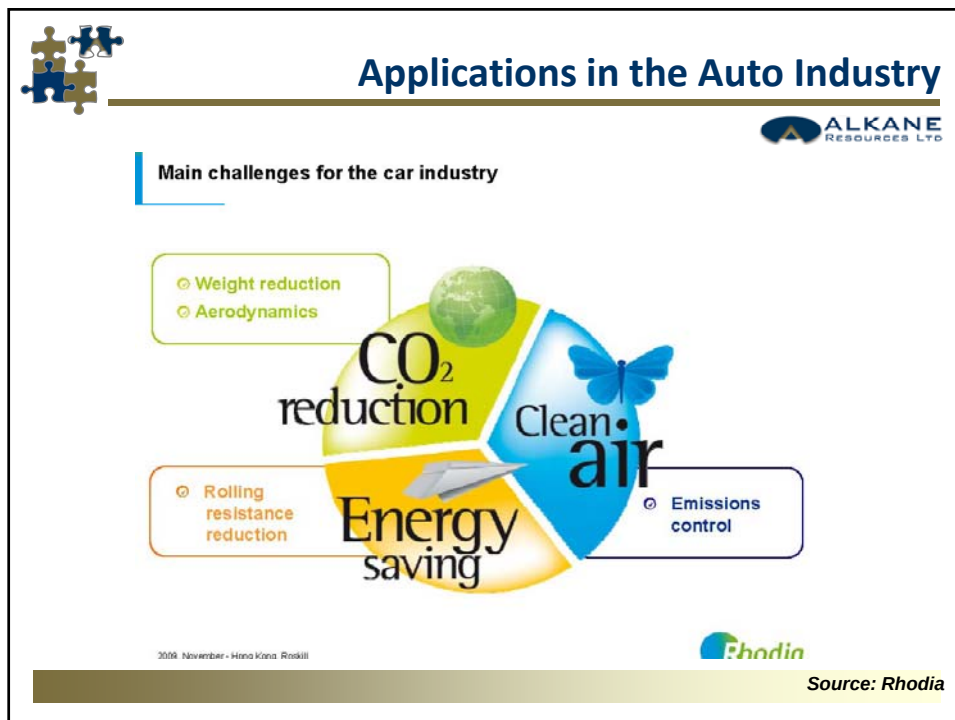
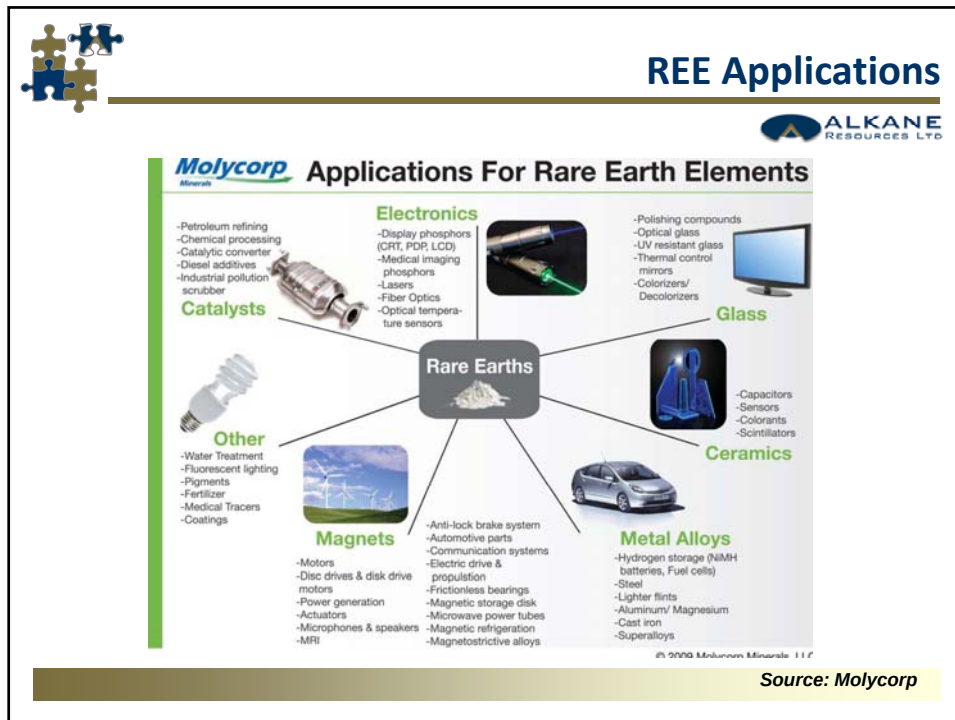


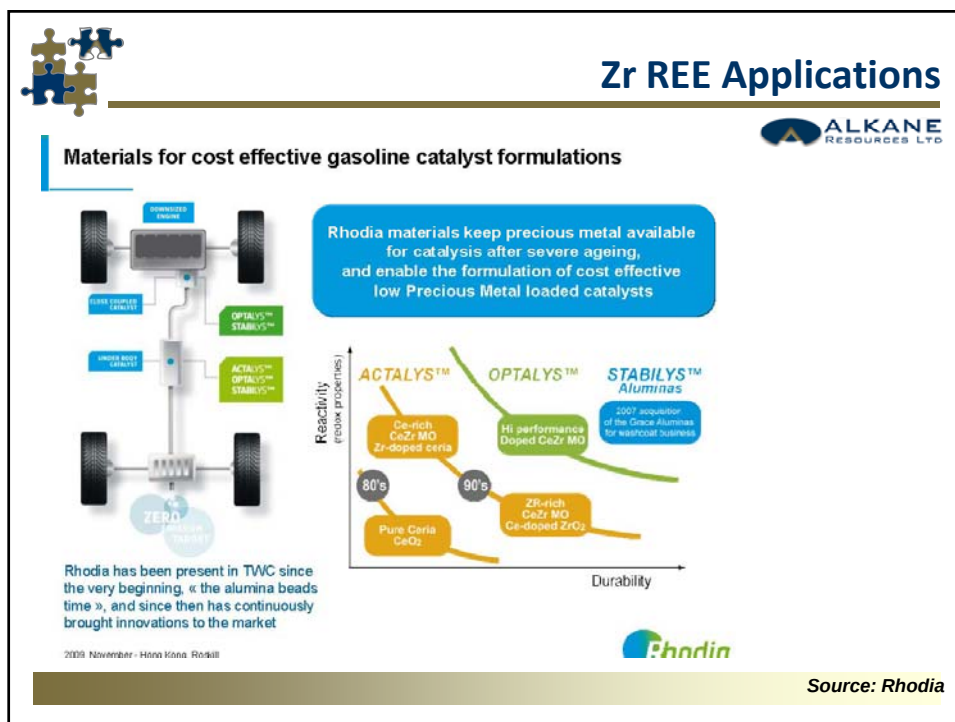
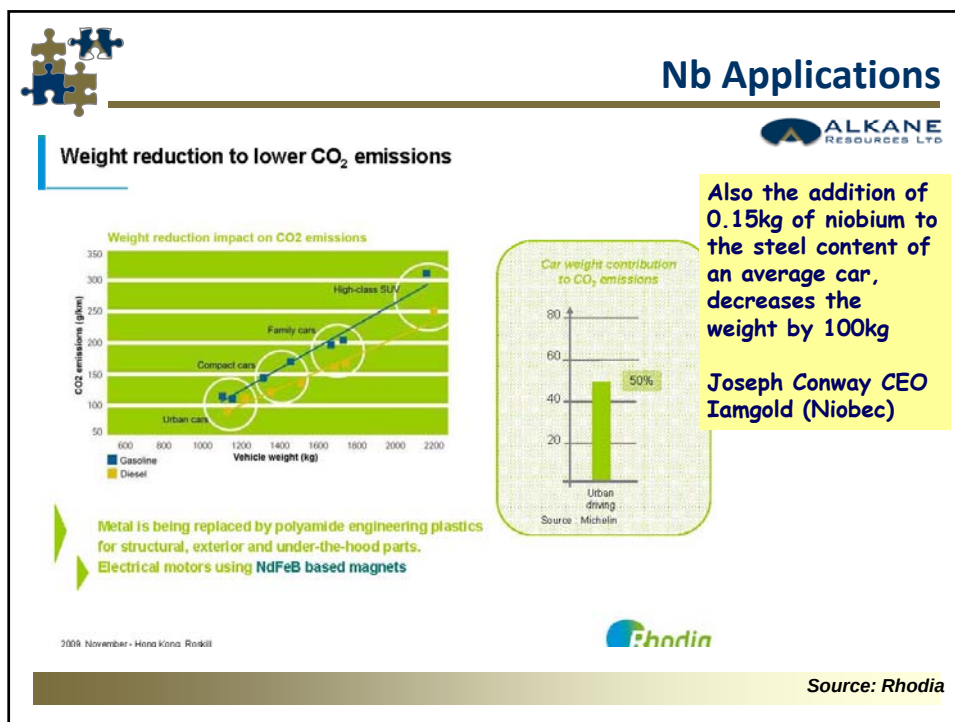
- Zircobond™ requires less stages than conventional zinc phosphate pretreatments

Environmental Benefits

- Energy Savings
 - Ambient temperature operation
- Waste Generation
 - Reduced by over 80%
 - No Nickel or Chromium
- Materials Usage
 - Coating thickness is reduced by at least a factor of ten relative to conventional zinc phosphates

Source: PPG website





Zr REE Applications

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In combination with BioDiesels and Hybridisations, Rhodia's Materials Platform can do more for less CO₂ emissions

2009 November - Hono Kona - Rodill

Source: Rhodia

Zr REE Applications

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Rhodia's Diesel Materials Platform for EURO6

- **EOLYS PowerFlex™** for Diesel Particulate Filter Regeneration assistance
 - DPF regeneration quality
 - Fuel economy
 - Fuel injection cleaning
 - Cost reduction: ~20% Pt/Pd reduction at the DOC / ~100% Pt reduction at the DPF
 - Fuel flexibility (biodiesels, Sulfur contents)
- **Acidic Zirconia for NH₃-SCR Catalysts: ACILYS™***
 - Precious metals savings
 - Fuel efficiency and CO₂ emission reductions
 - Flexibility in exhaust integration
- **Advanced Alumina/Zirconia for Diesel Oxidation Catalysts: STABILYS™**
 - Highly sulfur resistant support
 - Precious metals saving with high thermalstable materials

*ACILYS™ is a joint development with MEL Chemicals

2009 November - Hono Kona - Rodill

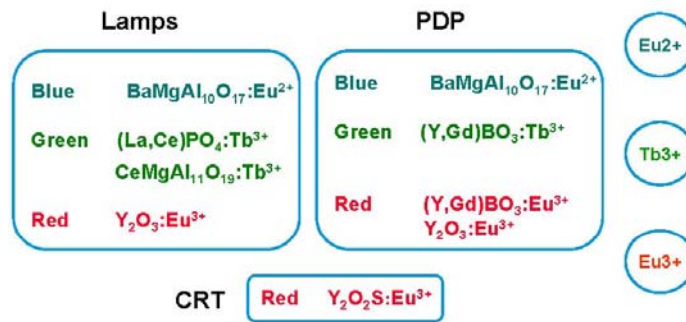
Source: Rhodia



REE Applications



Main industrial rare earth phosphors: Europium and Terbium are strategic elements for phosphors. Yttrium to a lesser extent.



2008, November - Hana Kono, Roskill



Source: Rhodia

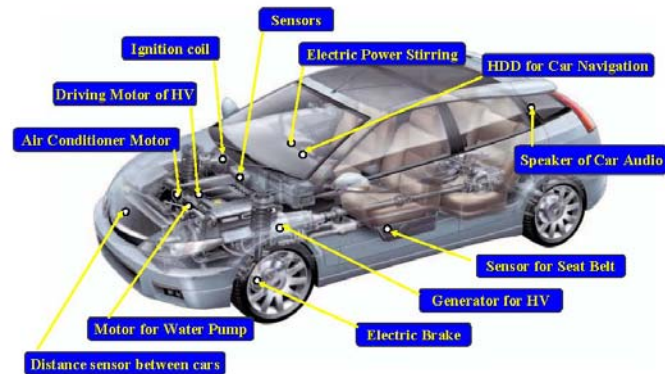


Nd Magnet Applications

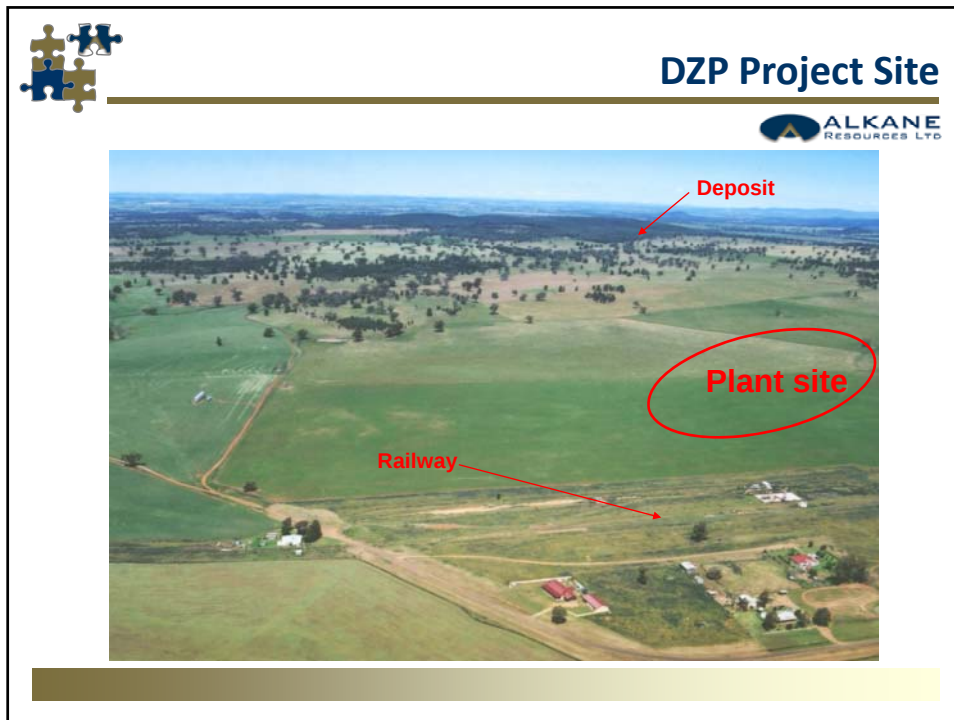


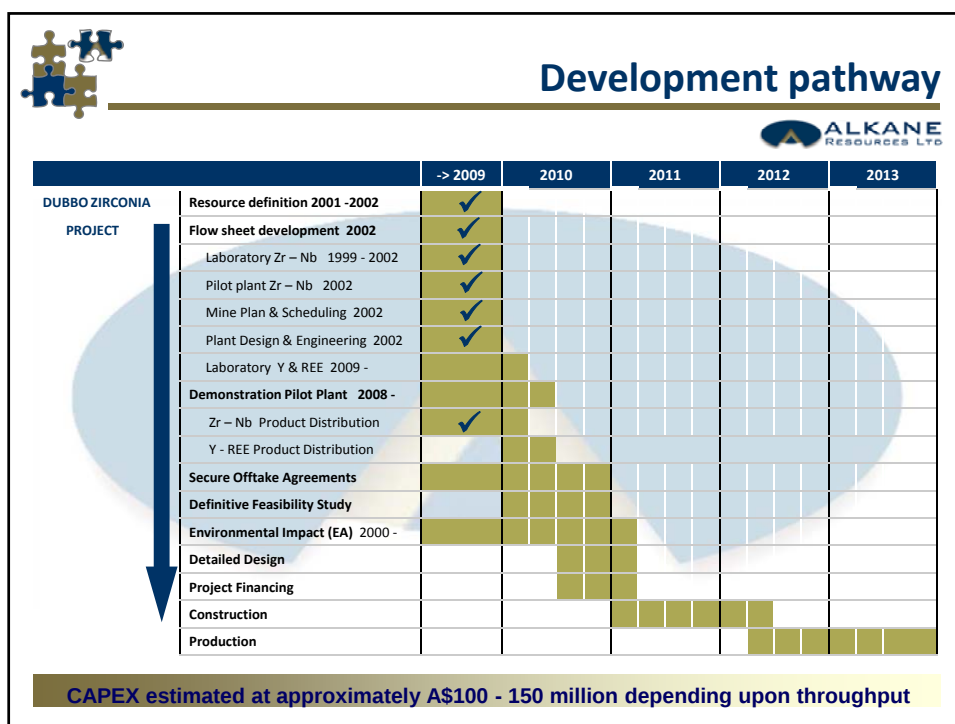
Shinetsu Rare Earth Magnets

Nd Magnet Applications in an Automobile



Source: Shinetsu





DZP Strategic Significance

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Majority of “downstream” zirconium products are derived from zircon, whose output is governed by ilmenite/rutile from mineral sands mining operations.

China dominates downstream zirconium business at ~90% but feed is zircon.

Niobium production dominated by one company, CBMM in Brazil with 90% of market.

Rare earth and yttrium production dominated by China (95%). DZP offers new source particularly for important Y and HREE.

Production costs are spread across the four metal outputs – zirconium (hafnium), niobium (tantalum), light rare earths and yttrium-heavy rare earths.

Project located in region with very favourable infrastructure and legislative framework, both at a State and Federal level.

The DZP provides an alternative and strategic source for a number of important metals, and is capable of producing for hundreds of years from one ore body.



Conclusion



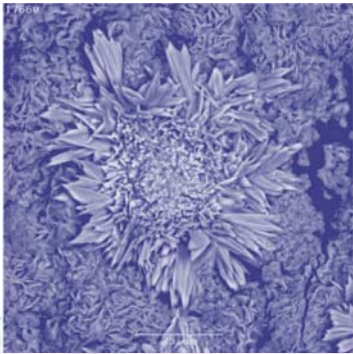
Dubbo Zirconia Project

Moving Forward

A world class project



www.alkane.com.au



Zirconium sulphate crystals



Disclaimer



Disclaimer

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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.