



11 November 2011

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

Dear Sir,

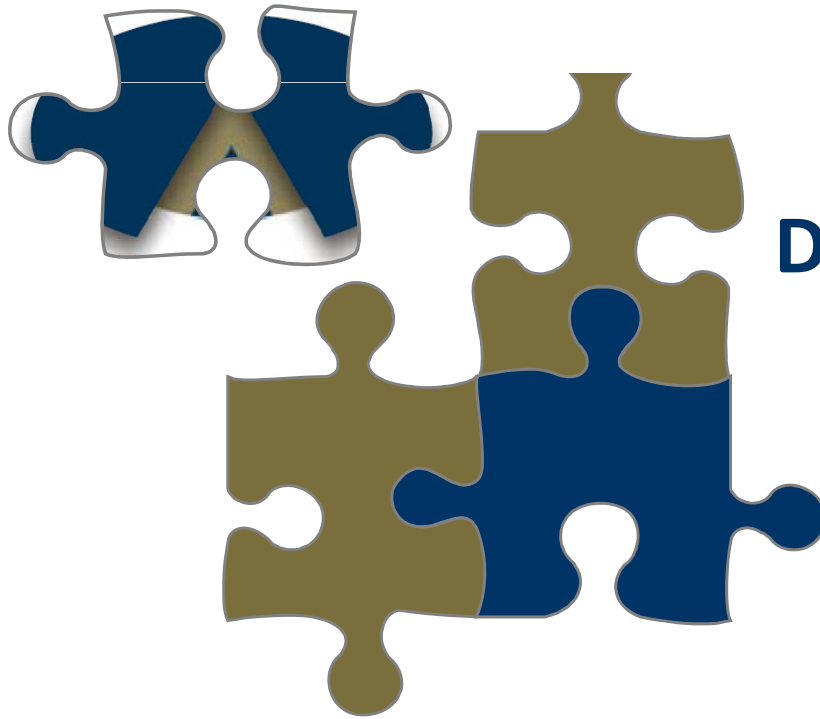
PRESENTATION – DUBBO ZIRCONIA PROJECT

Attached is a copy of the Company's presentation at the TZMI Congress 2011 "Asia in Focus".

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

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director

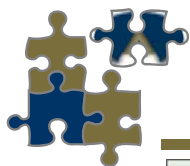


Dubbo Zirconia Project

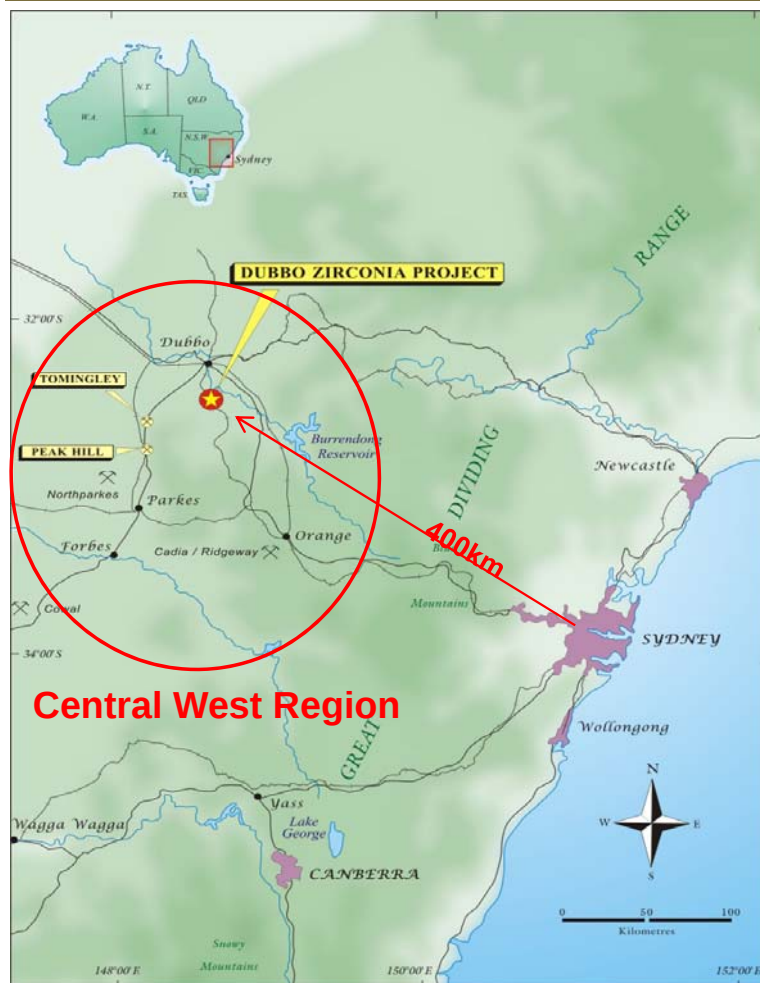
NSW Australia

*An alternate source of
zirconium, rare earth and
niobium products*





Location and Business Strategy



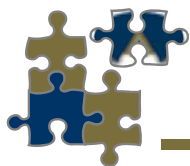
Multi commodity explorer and miner, focussed in the Central West of New South Wales, Australia Region with substantial existing infrastructure

Dubbo Zirconia Project – world class resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earths

Gold production from Peak Hill mine 1996 – 2005. New gold development planned at Tomingley based upon 650,000 oz resource

Major gold discovery at McPhillamys (~3 million oz) Joint Venture with Newmont

Develop multiple operations within tight geographic area over next five years. New discoveries at Cudal (Au-Zn), Bodangora (Au-Cu) and Galwadgere (Cu-Au)



Corporate snapshot



Exchanges	ASX: ALK OTCQX: ANLKY
Share Price (8 November 2011)	A\$1.14
Shares	269m
Fully Diluted Market Cap	~A\$300m
Cash (at 30 September 2011)	~A\$13m

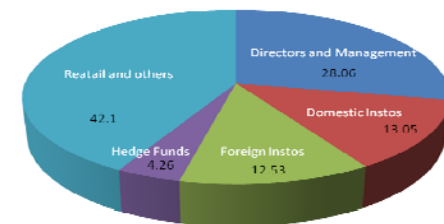
No debt

12 Month High / Low A\$2.73/ \$0.65



Source: FT

Shareholder profile*



*at 30 Sept 2011

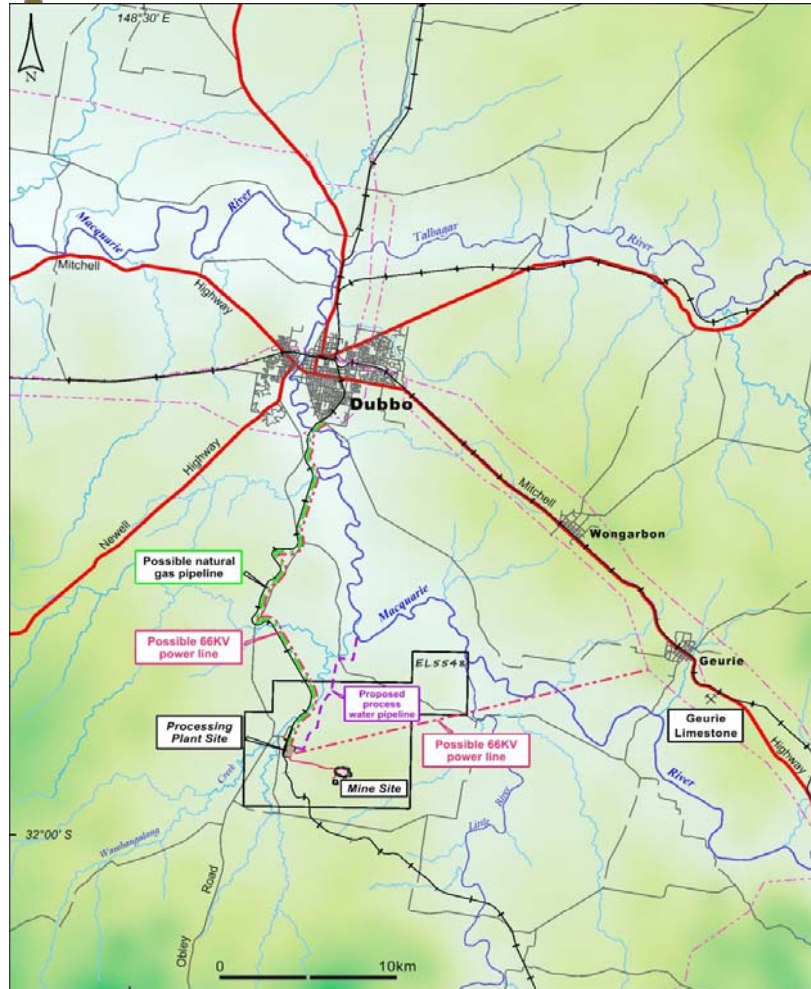
Top 20 ~60%
Abbotsleigh (Gandel Metals) 26%

Directors & Management

J S F Dunlop	Chairman
D I Chalmers	Managing Director
A D Lethlean	Non-Executive Director
I J Gandel	Non-Executive Director
L A Colless	CFO Joint Secretary
K E Brown	Joint Secretary
T W Ransted	Chief Geologist
M D Sutherland	General Manager NSW
A Wright	Commercial Manager
A MacDonald	DZP Marketing



DZP Infrastructure



Dubbo region pop 80,000

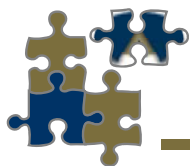
State power grid

State gas grid

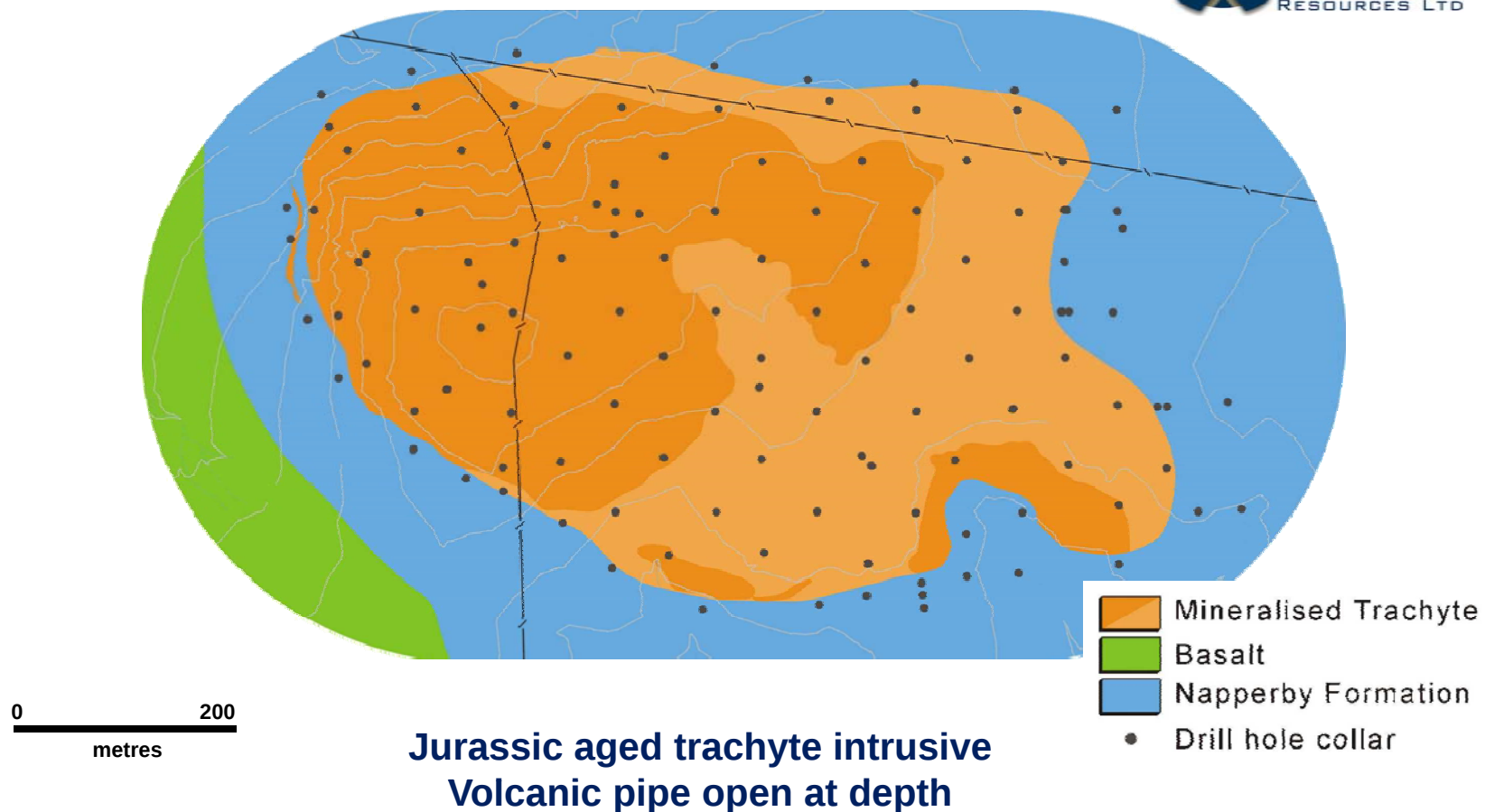
Major mixed agriculture

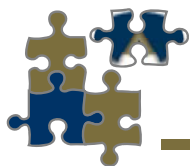
Transport hub

Substantial light industry



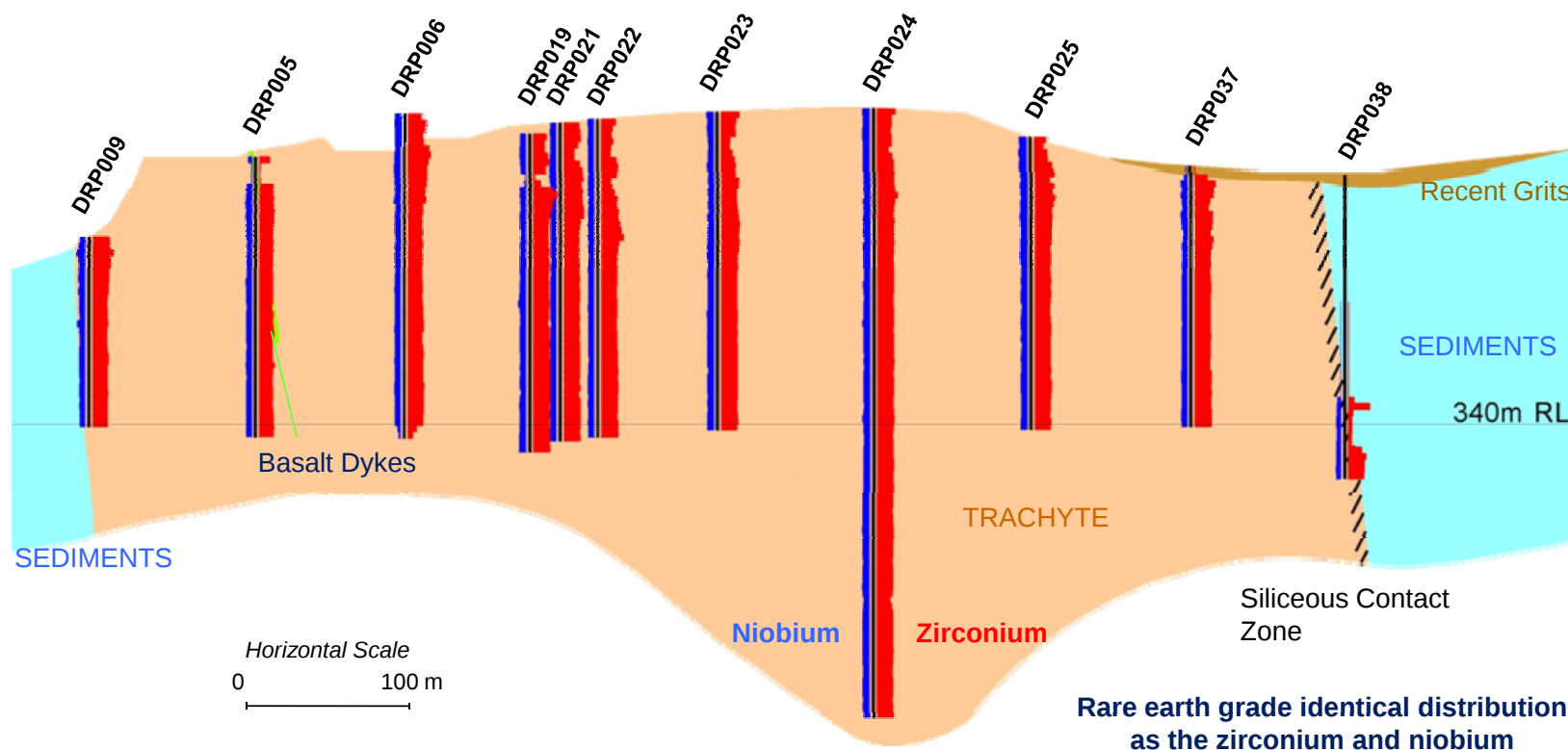
DZP Geology

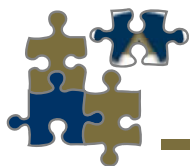




DZP Geology

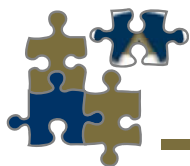
East-west cross section through centre of deposit





DZP Western contact of deposit





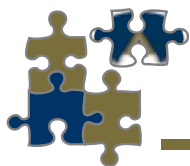
DZP Ore Mineralogy



Zirconium Heavy REs	eudialyte armstrongite	$\text{ZrSiO}_4 \pm \text{Ca, Y, HREE, H}_2\text{O} + ?\text{U}$	$< 2\mu\text{m} - 50\mu\text{m}$
Niobium/ Tantalum	natroniobite	$\text{NaNbO}_3 + \text{Ta} + ?\text{Th}$ also NbFeSiO_4	$< 30\mu\text{m}$
Rare Earths	calcian basnaesite	$\text{Ca(REE)(CO}_3\text{)F}$	$< 100\mu\text{m}$
	rare ancylite	$\text{Sr(REE)(CO}_3\text{)H}_2\text{O}$	

The deposit does not contain zircon; pyrochlore; columbite; monazite or xenotime





DZP Resources and Reserves



Measured Resource

0 - 55 metres

:

35.7 million tonnes grading

1.94% ZrO_2 , 0.04% HfO_2 , 0.46% Nb_2O_5 ,
0.03% Ta_2O_5 , 0.14% Y_2O_3 , 0.74% REO (0.9% TREO)

Inferred Resource

55 - 100 metres

:

37.5 million tonnes at similar grades

TOTAL

:

73.2 million tonnes

Proved Reserves

0 – 26 (max) metres

:

8.07 million tonnes grading

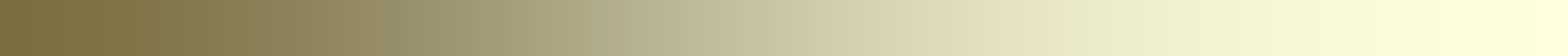
1.91% ZrO_2 , 0.04% HfO_2 , 0.46% Nb_2O_5 ,
0.03% Ta_2O_5 , 0.14% Y_2O_3 , 0.75% REO (0.9% TREO)

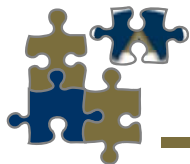
These reserves are for the 400,000tpa operation over a 20 year life.

The reserves for the 1Mtpa, 20 year life will be a direct conversion of resources, to give 20Mt

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

The deposit contains low levels of U and Th. Production of uranium is currently prohibited in NSW





DZP Metallurgy

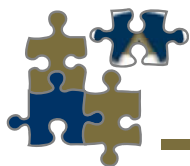


Process development work began in 1999 and the basic flow sheet trialed at mini-pilot plant stage in 2001 - 2002

- Preliminary test work on HCl, HF, NaOH leaching, and H₂SO₄ roasting and leaching
- Preliminary flotation to assess potential for pre-concentration
- Scan of various physical separation processes
- Definitive flotation test work for pre-concentration

Only H₂SO₄ roast/leach gave potentially viable process

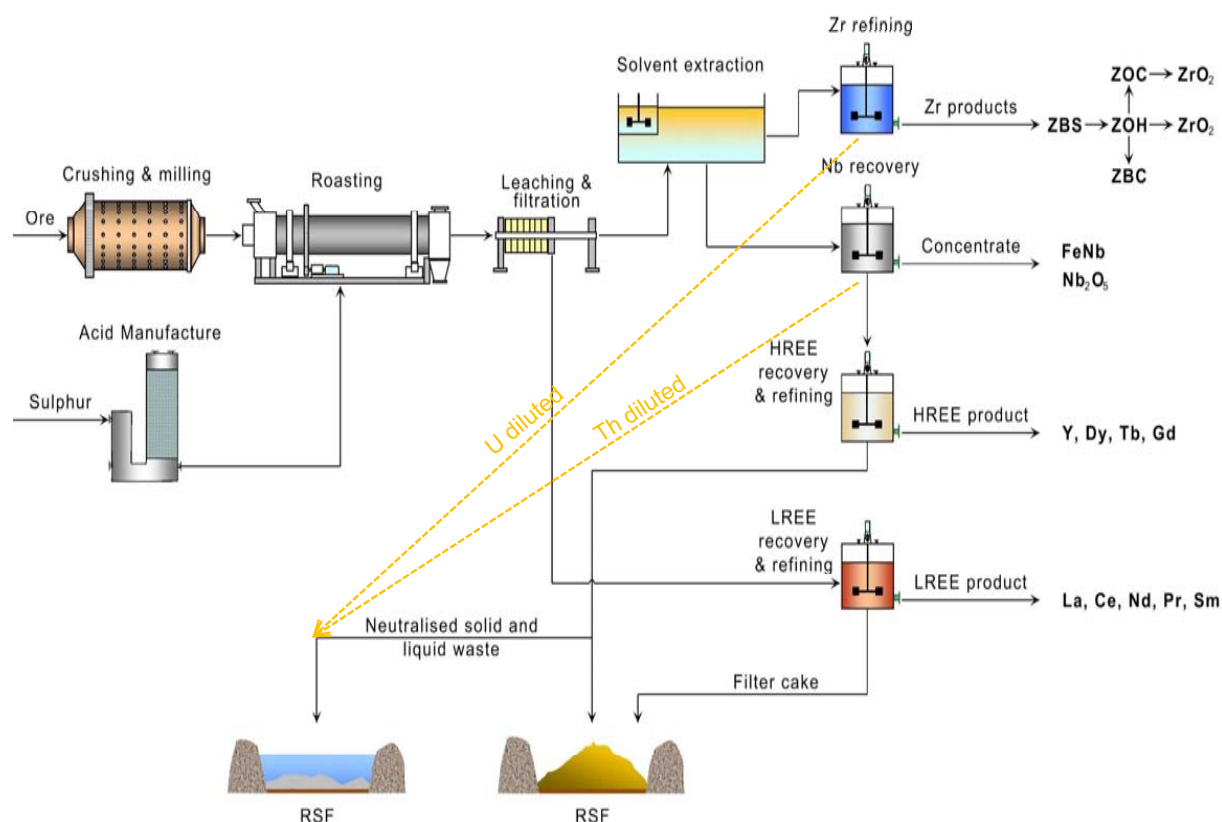




DZP Flow Sheet



Flow sheet has been tested by demonstration pilot plant since 2008



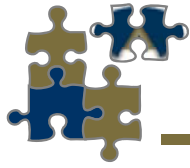
PROCESS

Whole of ore sulphuric acid leach, solvent extraction separation and refining, with chemical precipitation to produce final products.

Unique in the world today.

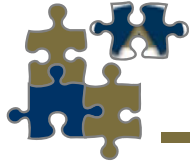
The process does not produce a mineral concentrate and does not concentrate the uranium and thorium.

These waste products are neutralised and dispersed in the residue storage facilities at less concentration than in the primary deposit.

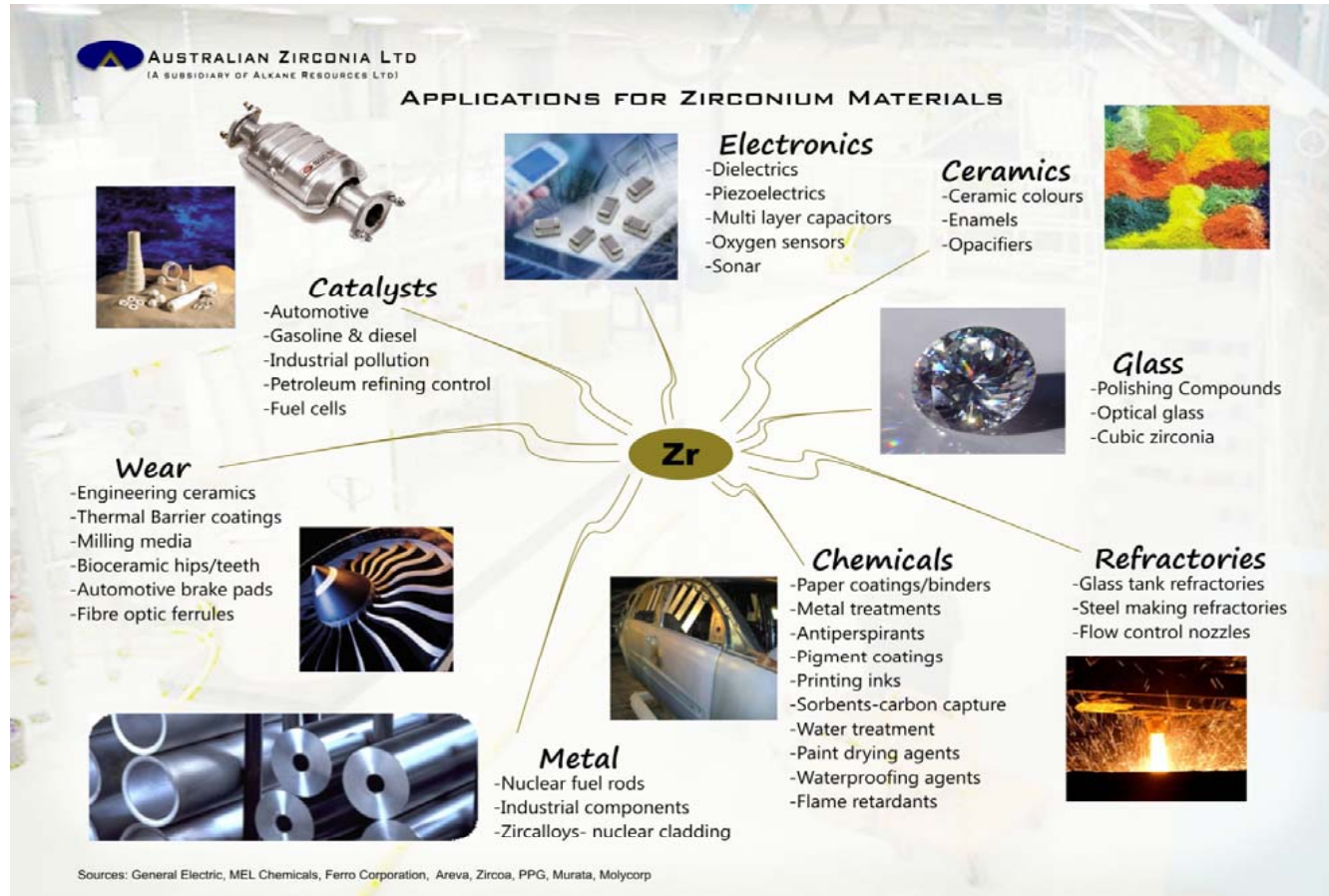


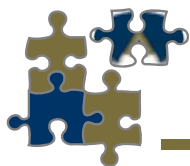
DZP Demonstration Pilot Plant 2008





Marketing - Zirconium Applications

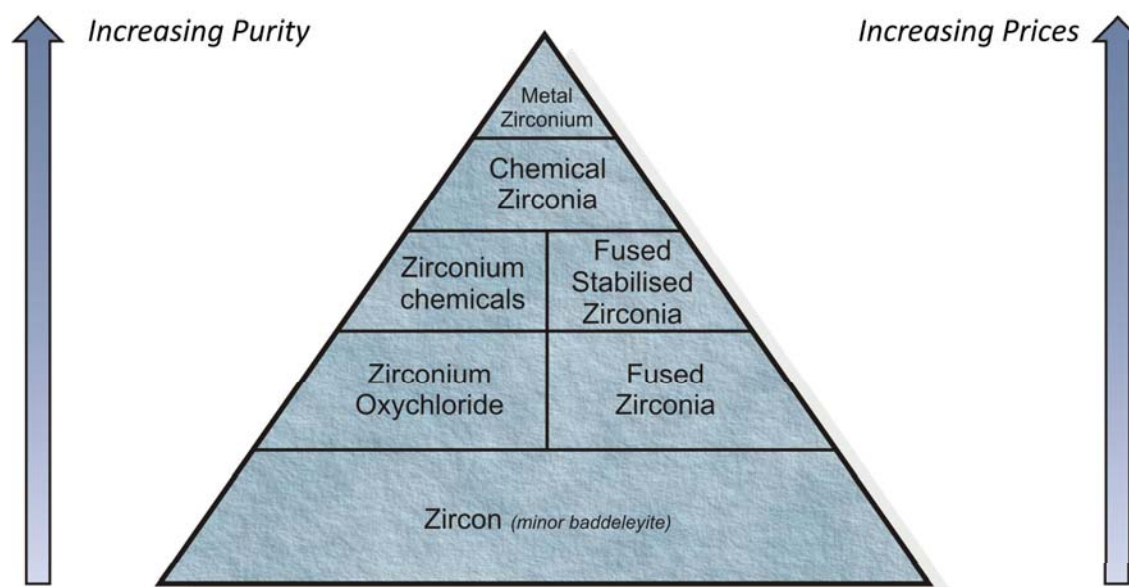




Zirconium Industry



ZIRCONIUM MATERIALS PYRAMID



China consumes about 50% of world's zircon output.

About 30% of that zircon is converted to downstream products.

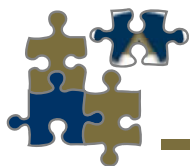
China currently produces about 90% of world's ZOC and 60% of FZA.

China has limited domestic supply of zircon and acquire from major producers (Aust and S Africa).

DZP is the only short to medium term substitute for zircon as a source of Zr

Zircon	Zirconium silicate $ZrSiO_4$	Primary Zr mineral source	Value
2010	1.2 million tonnes	~US\$1.6 billion	→ US\$3.0B
Zirconium products	Zirconia ZrO_2 , Zirconium chemicals, Zr metal		
2010	120,000 tonnes	~US\$0.7 billion	→ US\$1.4B

Source: TCMS



DZP Zircon - Zirconium Chemicals Pricing

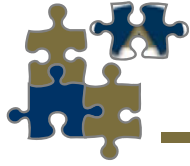


PRODUCT	ZrO ₂	Q2 2010 US\$/T	Q1 2011 US\$/T	Q2 2011 US\$/T	Q3 2011 US\$/T
Zircon (producer/trader)	65%	\$900 -\$1,150	\$1,500 -\$2,100	\$1,700 -\$2,750	\$2,200 -\$2,800
(100% ZrO ₂ basis)	100%	(\$1,380 - \$1,770)	(\$2,310 - \$3,230)	(\$2,620 - \$4,230)	(\$3,380 - \$4,310)
ZOC (zirconium oxychloride)	36%	\$1,350 -\$1,450	\$2,300 -\$2,600	\$3,600 -\$4,000	\$3,500 -\$3,900
(100% ZrO ₂ basis)	100%	(\$3,750 - \$4,030)	(\$6,390 - \$7,220)	(\$10,000 - \$11,110)	(\$9,720 - \$10,830)
ZBS (zirconium basic sulphate)	33%	\$1,770	\$3,000	\$6,000	\$4,800
(100% ZrO ₂ basis)	100%	(\$5,360)	(\$9,090)	(\$18,180)	(\$14,550)
ZBC (zirconium basic carbonate)	40%	\$2,100	\$3,400	\$5,400	\$5,300
(100% ZrO ₂ basis)	100%	\$5,250	\$8,500	\$13,500	\$13,250
Fused Zirconia	98.50%	\$2,900 -\$3,100	\$4,100 -\$4,400	\$6,000-\$7,000	\$6,000-\$7,000
Chemical Zirconia	99.50%	\$4,200 -\$4,400	\$7,200 -\$7,500	\$10,000-\$12,000	\$10,000-\$12,000
Chemical Zirconia	99.90%	\$5,300 -\$5,500	\$8,500 -\$10,500	\$12,000-\$15,000	\$13,000-\$15,000

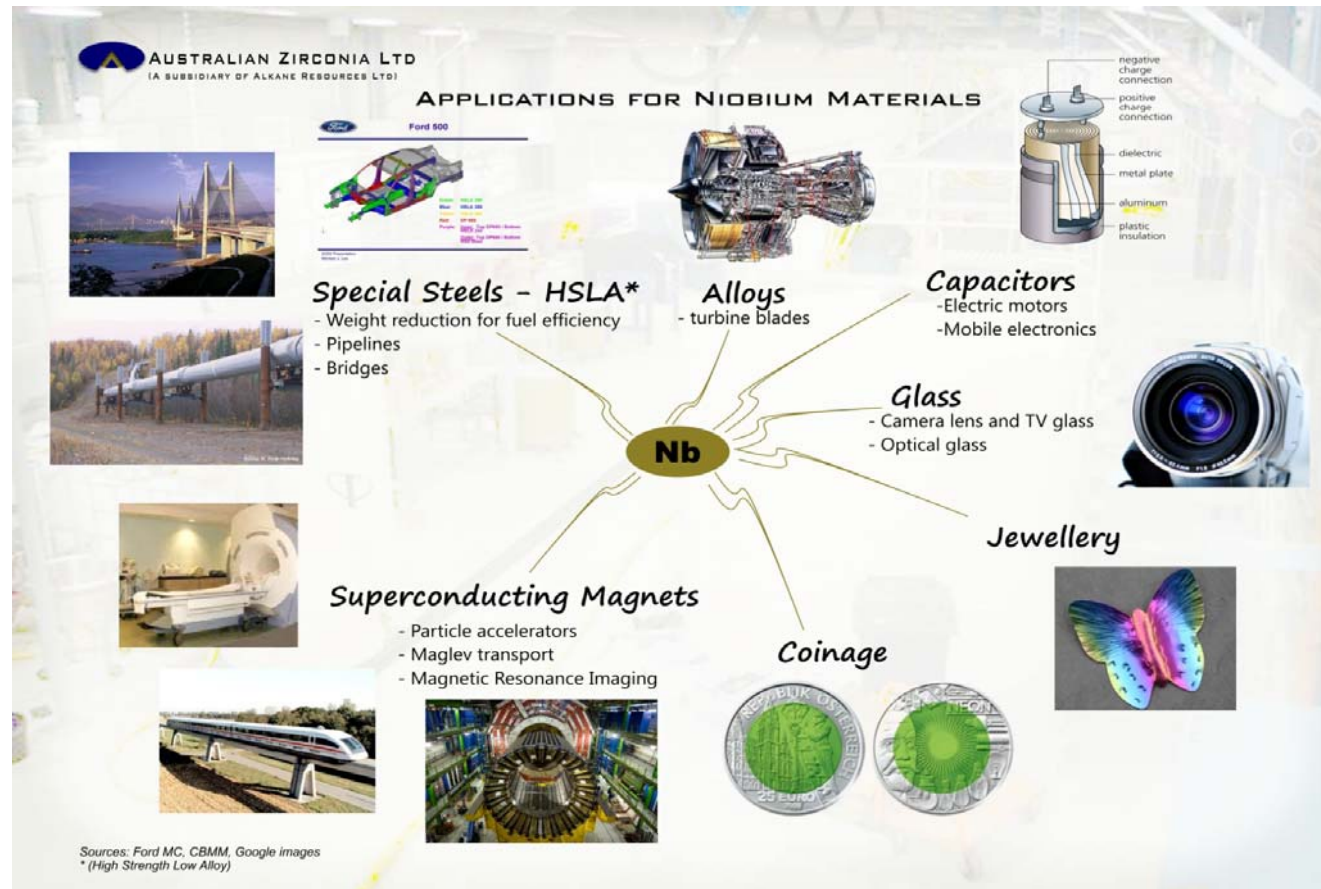
Source: TCMS

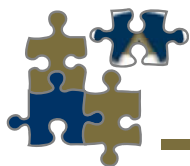
Averaged quarterly prices as compiled from multiple sources

Source: TCMS

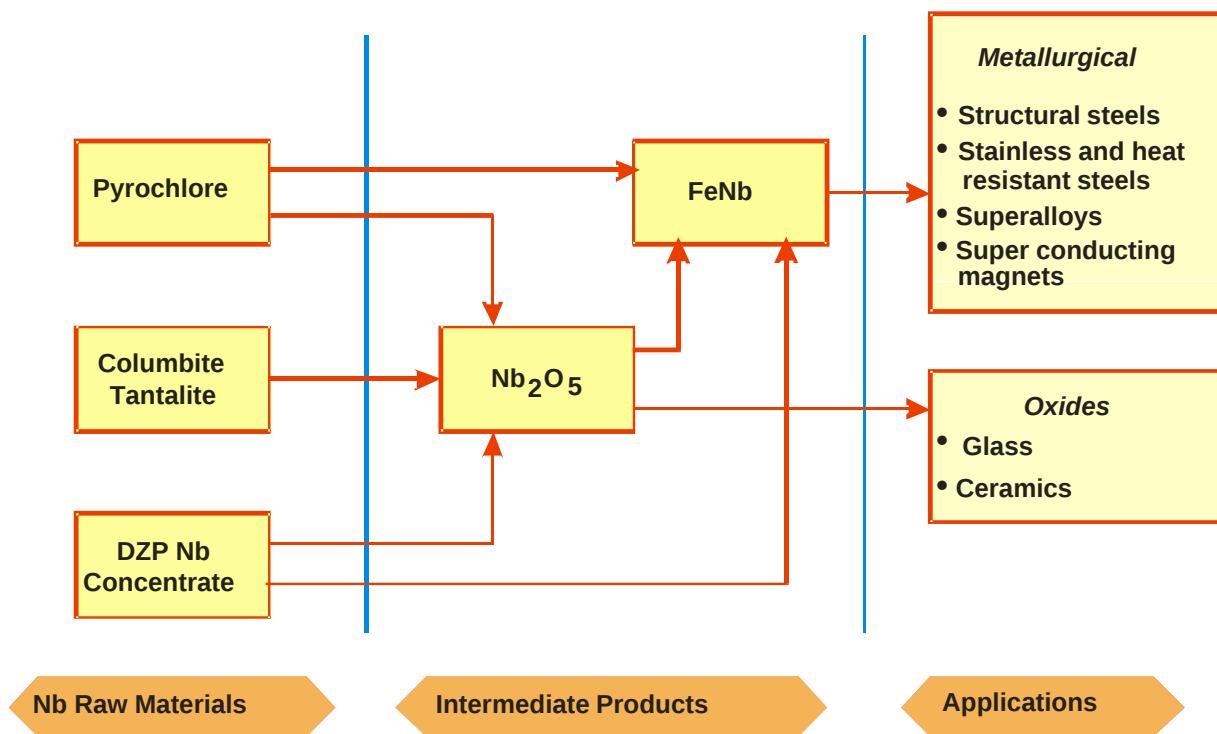


Marketing - Niobium Applications





Structure of Niobium Industry



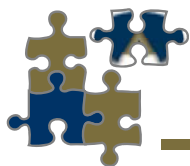
CBMM in Brazil produces about 90% of world demand.

Early 2011 a Japanese Korean consortium acquired 15% of CBMM for US\$1.95B

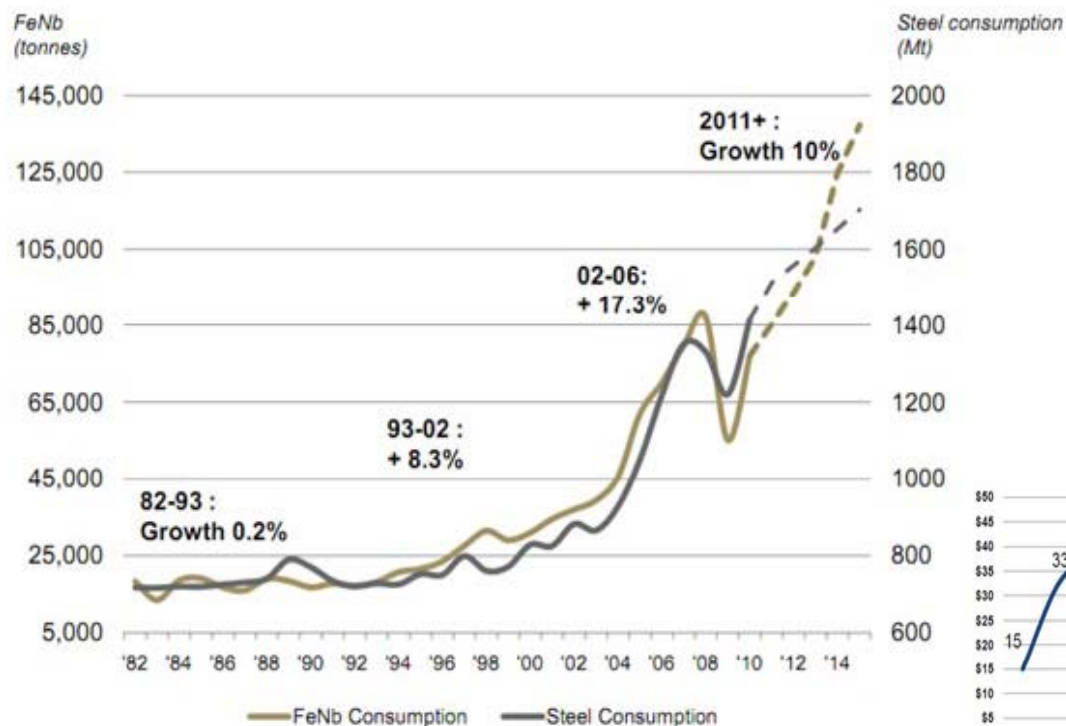
September 2011 a Chinese consortium acquired 15% of CBMM for US\$1.95B

Ferro-niobium FeNb Niobium pentoxide Nb₂O₅ Value
2010 85,000 tonnes ~US\$2.0 billion → US\$3B

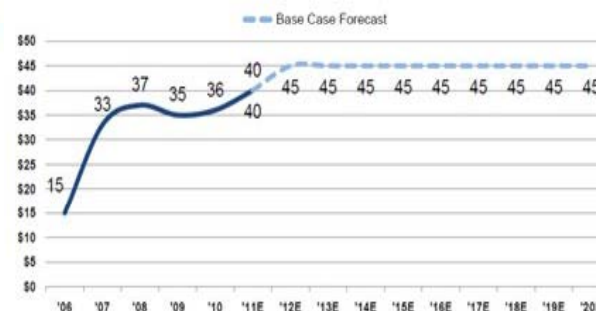
Source: TZMI



Niobium Demand and Price

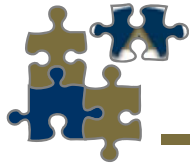


Niobium 2010
 (Ferroniobium units)
 consumption
 ~85,000t – 90% Brazil
 Estimate for 2012
 ~100,000t

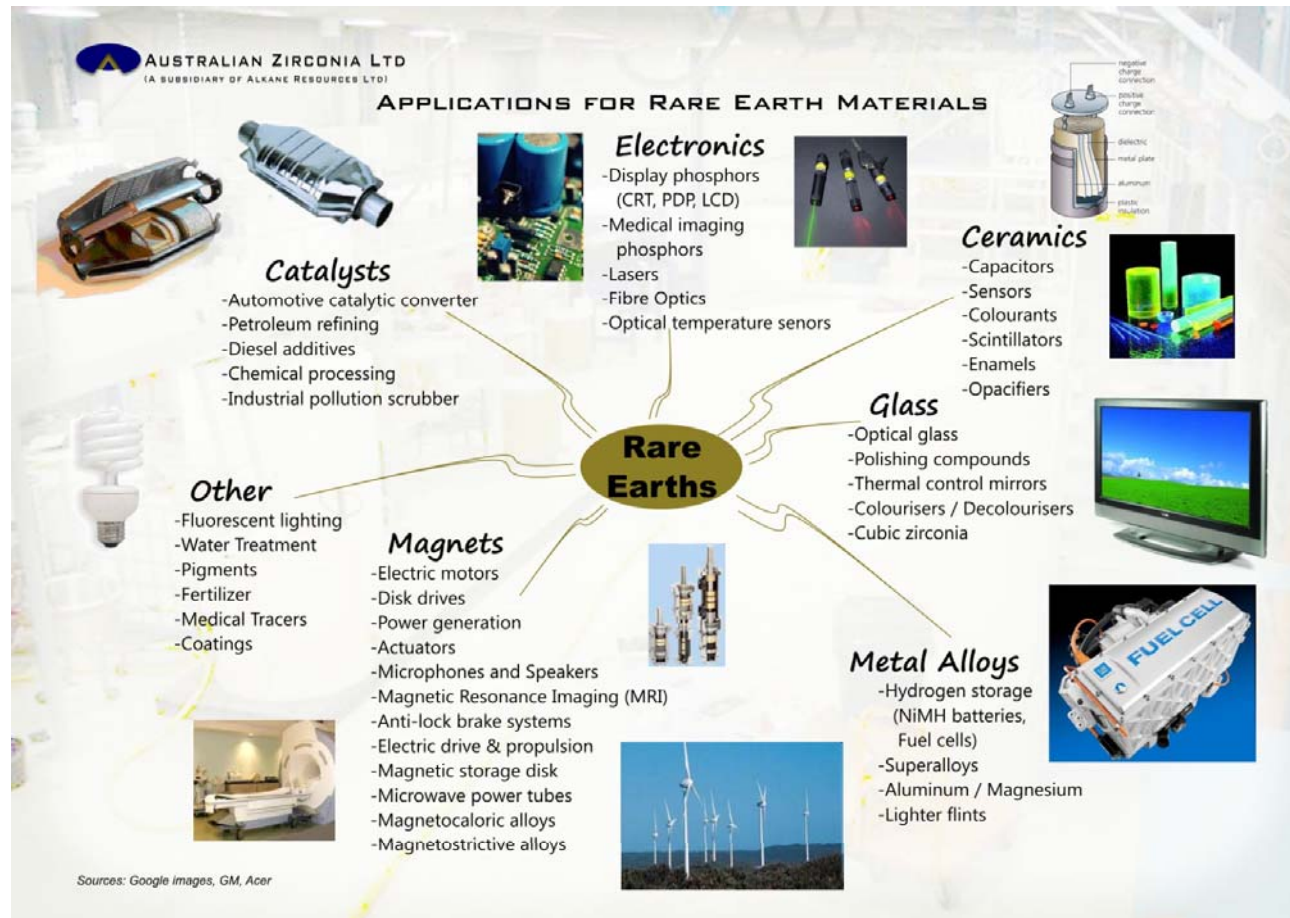


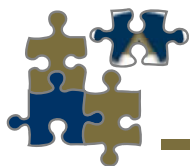
Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$40 - 45/kg

Sources: IAMGOLD / TZMI

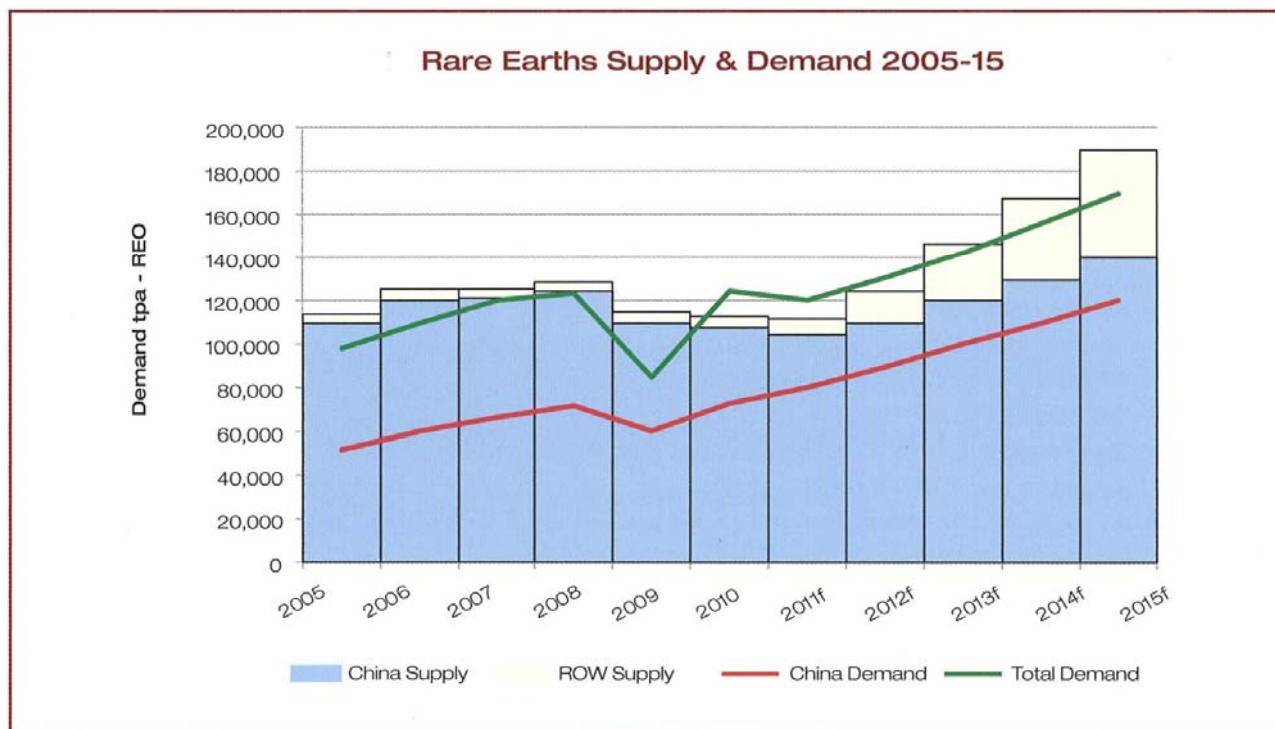


Marketing - REE Applications





Rare Earth Supply - Demand



Will rare earth supply demand be in balance from 2015 with Lynas and Molycorp producing?

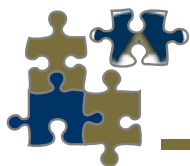
High probability for LREE but not HREE

The DZP has a 75% LREE - 25% HREE split which gives it a demand advantage

Separated rare earth products
2010 120,000 tonnes

Value
~US\$2.0 billion → US\$6B ?

Source: IMCOA



DZP Rare Earth Pricing

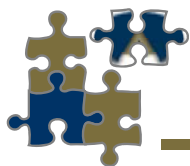


Rare Earths Prices (US\$/kg FOB China REO)							
Source: Metal Pages© Numbers have been rounded							
Light Rare Earth	DZP Distribution	Q2 2010 Average	Q3 2010 Average	Q4 2010 Average	Q1 2011 Average	Q2 2011 Average	Q3 2011 Average
Lanthanum Oxide	19.51%	\$7.13	\$25.75	\$53.00	\$75.00	\$138.00	\$128.00
Cerium Oxide	36.70%	\$5.58	\$24.50	\$50.00	\$77.00	\$138.00	\$126.00
Praseodymium Oxide	4.05%	\$30.60	\$48.25	\$77.00	\$118.00	\$215.00	\$242.00
Neodymium Oxide	14.12%	\$31.13	\$49.50	\$80.00	\$125.00	\$253.00	\$313.00
Samarium Oxide	2.20%	\$4.50	\$22.25	\$34.00	\$69.00	\$120.00	\$128.00
Heavy Rare Earth							
Europium Oxide	0.07%	\$521.67	\$570.00	\$625.00	\$723.00	\$1867.00	\$5133.00
Gadolinium Oxide	2.15%	\$8.25	\$28.75	\$44.00	\$81.00	\$167.00	\$192.00
Terbium Oxide	0.34%	\$545.00	\$570.00	\$605.00	\$693.00	\$1767.00	\$3967.00
Dysprosium Oxide	2.05%	\$196.67	\$275.00	\$295.00	\$405.00	\$983.00	\$2433.00
Ho, Er, Tm, Yb, Lu	2.89%						
Yttrium Oxide	15.84%	\$11.42	\$26.25	\$56.00	\$93.00	\$158.00	\$172.00
DZP LREE	76.68%	\$12.06	\$30.58	\$57.20	\$81.00	\$163.00	\$167.00
DZP YHREE	23.32%	\$42.23	\$62.34	\$78.70	\$119.00	\$240.00	\$421.00
DZP LREE Concentrate		\$8.44	\$21.41	\$40.00	\$61.00	\$114.00	\$117.00
DZP YHREE Concentrate		\$29.59	\$43.64	\$55.00	\$83.00	\$168.00	\$295.00

Compiled by IMCOA

These prices are for individual separated rare earth oxides at 99% purity, and the actual value for DZP concentrates will depend on market acceptance of the concentrate, but for this table 70% of the value has been assumed. The prices quoted above are averaged for the full quarter.

Source: IMCOA



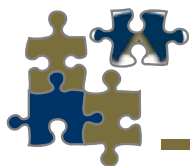
Financial – DZP Product Output and Revenues



1 million tonnes pa of ore processed

Anticipated Production and Revenues			
Product	1,000,000 tonnes per annum		
	Output	Revenue	% of total
ZBS, ZOH, ZOC, ZrO ₂	15,700tpa	A\$196M	39%
Nb -Ta conc / FeNb	3,005tpa	A\$111M	22%
LREE concentrate	3,050tpa	A\$108M	21%
YHREE concentrate	1,120tpa	A\$90M	18%
TOTALS	22,875tpa	A\$505Mpa	
Tonnage based upon recoveries developed from mass balances of the demonstration pilot plant, and revenues based upon flat long term pricing and an exchange rate of A\$:US\$ of 0.85. Numbers are rounded. Product prices predicted Q2 2011 averages or as determined by specific industry consultants			

- ZBS = zirconium basic sulphate; ZOH = zirconium hydroxide; ZOC = zirconium oxychloride Equivalent ~99% ZrO₂ + HfO₂
- Nb-Ta conc / FeNb = ~70% Nb₂O₅ + Ta₂O₅ calcined basis ▪ LREE = La, Ce, Nd, Pr ▪ YHREE = Y, Gd, Dy, Tb



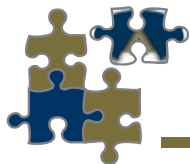
DZP DFS Financials



DUBBO ZIRCONIA PROJECT		
DFS Financial Summary		
Project Capacity	400,000 tonnes pa	1,000,000 tonnes pa
Capex – Plant ¹	\$278M	\$543M
Infrastructure + Owners	\$84M	\$165M
SUB TOTAL	\$362M	\$708M
EPCM	\$36M	\$43M
Contingency	\$72M	\$142M
TOTAL	\$470M	\$893M
Revenue	\$189M	\$505M
Operating Costs	\$97M	\$196M
EBITDA ²	\$92M	\$309M
IRR ³	16.8%	30.2%
NPV ⁴	\$181M	\$1,207M

1 - Includes acid plant; 2 - Annual average after ramp up; 3 - 20 year life, pre-tax; 4 - 20 year life after tax

DFS was completed on the 400,000tpa case but costs and revenues factored for the 1Mtpa.
Actuals for the 1Mtpa being documented



DZP Marketing Developments



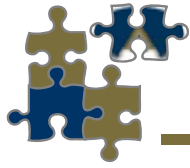
Three MOUs completed that should take all of the 1Mtpa zirconium output.

- 1. Joint venture with major chemical company and trading company to produce 15,000 – 20,000tpa of ZOC (5,400 – 7,200tpa ZrO_2) from DZP feed, for internal consumption and potential expansion.**
- 2. Joint venture with Mintech Pty Ltd to produce 10,000 – 12,000tpa of ZOC (3,600 – 4,300tpa ZrO_2) for existing customers**
- 3. Joint venture with European manufacturing and trading company to market a variety of zirconium products into Europe and North America 3,500 – 4,000tpa ZrO_2**

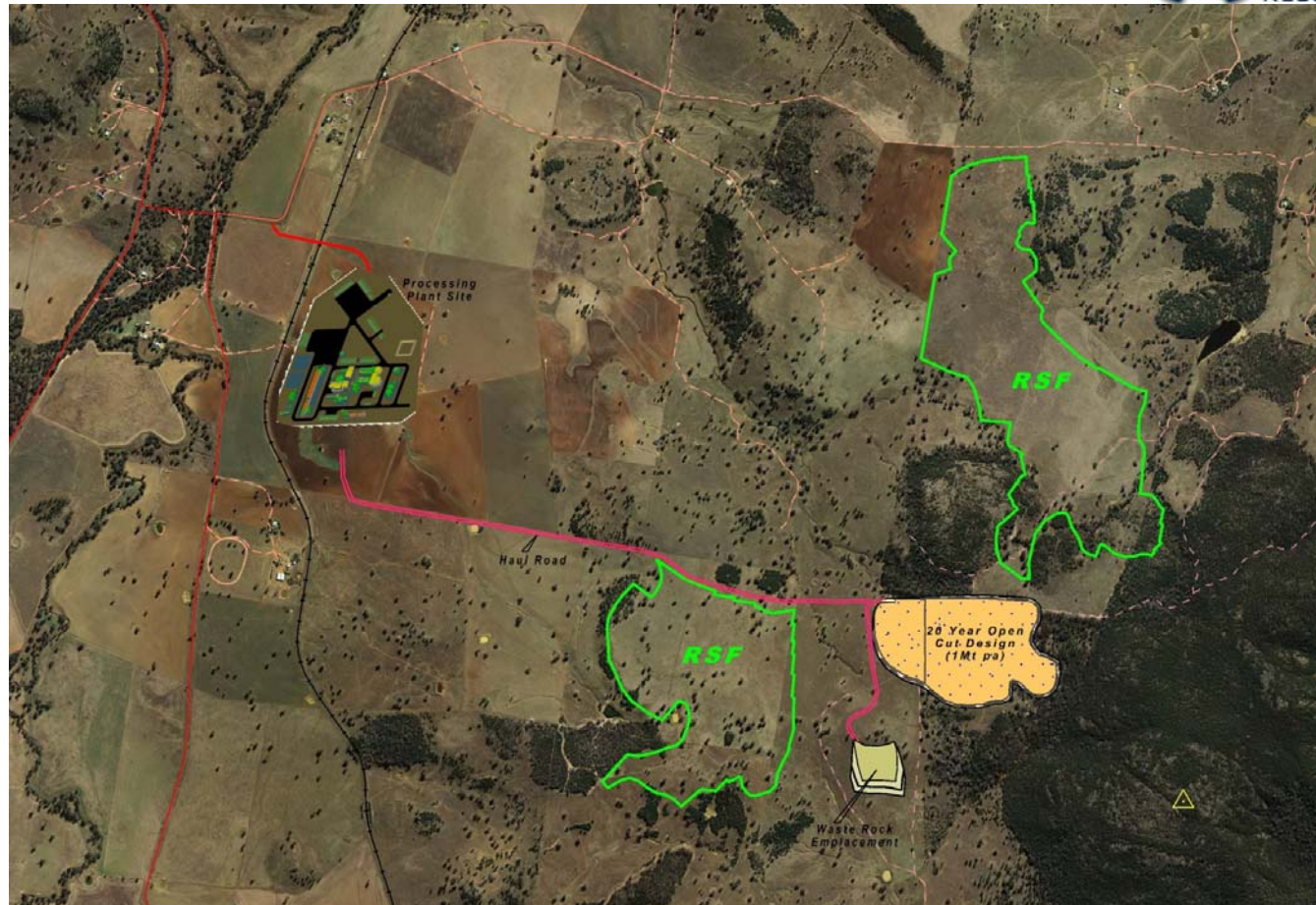
MOU completed for 100% of niobium concentrate output. A JV to produce FeNb with a European alloy manufacturer and distributor.

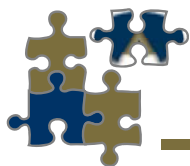
Various MOUs in discussion for light rare earth concentrate and heavy rare earth concentrate.





DZP Site Infrastructure





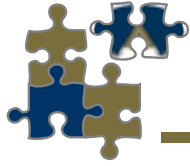
DZP Development pathway



		-> 2009	2010	2011	2012	2013	2014
DZP 	Resource definition 2001 - 2002	✓					
	Flow sheet development 2002	✓					
	Laboratory Zr – Nb 1999 – 2002	✓					
	Pilot plant Zr – Nb 2002	✓					
	Mine Plan & Scheduling 2002	✓					
	Plant Design & Engineering 2002	✓					
	Laboratory Y & REE 2009 -	✓	✓				
	Demonstration Pilot Plant 2008 -						
	Zr – Nb Product Distribution	✓	✓	✓			
	Y - REE Product Distribution			✓			
	Secure Offtake Agreements						
	Definitive Feasibility Study	2002					
	Environmental Impact (EA)	2000 ->					
	Detailed Design						
	Financing / Development Consent						
	Construction						
	Production						

Continued product development

Detail costs for expanded development



DZP Strategic Significance



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



DZP is the only short to medium term substitute for zircon as a source of Zr

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.

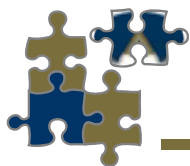


Production costs are spread across the four metal outputs – zirconium (hafnium), niobium (tantalum), light rare earths and yttrium-heavy rare earths.

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

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

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Definitive Feasibility Study

TZ Minerals International Pty Ltd

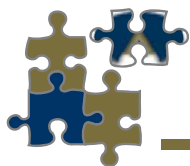
Study managers: *Steve Gilman and Gavin Diener*

Marketing: *Alister MacDonald (TCMS) and Dudley Kingsnorth (IMCOA)*

Engineering: *EPMS and Mintrex*

DPP Operations: *ANSTO Minerals Group Bob Ring, Doug Collier, Karin Soldenoff, Des Levins, Adrian Manis, Chris Griffiths, Peter Fletcher, Prakash Rajalingam*

Environmental Assessment: *R W Corkery & Co Pty Ltd*



Disclaimer



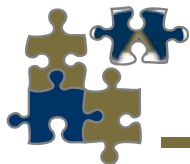
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Competent Person

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.





DZP – Resource / Reserve Statements



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

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 nominal 1.0% ZrO₂ cut off using costs derived from vendor quotes and revenue documented within the ASX Announcement 19 august 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