

29 March 2012



Tomingley Gold Project - Resource increased 24% to 812,000 ounces

- Recent RC drilling at Caloma (TGP) has increased the identified Mineral Resource total from:

3.86Mt grading 1.8g/t for 218,300 ounces
to 5.45Mt grading 2.1g/t for 369,400 ounces

an increase of 69% in total ounces for the deposit

- The increase in the Caloma resources has taken the total TGP identified Mineral Resource from:

11.29Mt grading 1.8g/t for 659,100 ounces
to 12.59Mt grading 2.0g/t for 811,700 ounces

an increase of 24% in total ounces for the project

- Caloma will be one of three open cut operations within the TGP, which is centred 50km southwest of Dubbo.
- These increases have the potential to extend the mine life of the project and the resource will be incorporated in to a new mine plan for Caloma, with overall grade increased by 10%.
- The Project is awaiting development approval from the NSW Department of Planning and Infrastructure which should lead to annual production of 50 – 60,000 ounces of gold.

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TOMINGLEY GOLD PROJECT (TGP) - gold

Alkane Resources Ltd 100%

The TGP is located in the Central West of New South Wales and is based on three gold deposits (Wyoming One, Wyoming Three and Caloma) located 14 kilometres north of the Company's Peak Hill Gold Mine (figure 1). Previously reported Identified Mineral Resources totalled approximately 660,000 ounces of gold (ASX Reports dated 25 March 2009 and 2 October 2009) and a Definitive Feasibility Study (DFS) was completed late 2010 (ASX Report dated 13 December 2010).

Mineral Resources

RC drilling at Caloma (figure 2) in August and October 2011 was within the current planned open pit and was designed to raise Inferred Resources to higher classification and increase the ore reserves available for the mining model. The drilling confirmed that the Caloma deposit consists of a series of shallow west dipping mineralised structures within the steep west dipping feldspar porphyry host. These structures trend north-south over a strike length of 500 metres and range in width from a few metres to in excess of 20 metres, and appear to extend across the full width of the porphyry.

The new drilling data was incorporated into the geological model to enable revised resources and ore reserve estimates. Mr Richard Lewis of Lewis Mineral Resource Consulting Pty Ltd (LMRC), who completed the original resource assessment for the project, has compiled the revised models for the Caloma deposit.

To standardise the reporting of the Project's resources and present the data in a format suitable for mine planning and ore reserve estimation, LMRC also revised the Wyoming One and Wyoming Three resource estimates using a sub-block modelling technique and the comparative tables are presented below. The regular block models previously reported contained edge dilution. As additional dilution was being added during the pit design process, both resources and reserves are now based on sub-block models (with added dilution in the case of the reserves). This modelling has also increased the resource grade by about 10%.

Table 1: 31 December 2009 TGP Mineral Resource

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
Top Cut	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	kOunces
2.5x2.5x2.5m model	(t)	(g/t)	(t)	(g/t)	(t)	(g/t)	(t)	(g/t)	
Wyoming One	2,226,688	2.1	881,900	2.2	3,478,191	1.6	6,586,779	1.9	393.4
Wyoming Three	629,714	1.9	57,698	1.7	154,798	1.3	842,209	1.7	47.4
Caloma	2,047,755	2.0	440,045	1.7	1,371,624	1.4	3,859,424	1.8	218.3
Total	4,904,157	2.0	1,379,643	2.1	5,004,613	1.5	11,288,412	1.8	659.1

Table 2: 29 March 2012 TGP Mineral Resource

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
Top Cut	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	kOunces
sub-block model	(t)	(g/t)	(t)	(g/t)	(t)	(g/t)	(t)	(g/t)	
Wyoming One	2,316,553	2.2	890,337	2.2	3,117,348	1.7	6,324,238	1.9	392.4
Wyoming Three	642,468	2.0	63,225	2.0	102,821	1.3	808,514	1.9	49.9
Caloma	2,690,528	2.3	567,855	2.1	2,194,490	1.9	5,452,874	2.1	369.4
Total	5,649,549	2.2	1,521,417	2.1	5,414,659	1.8	12,585,626	2.0	811.7

These Mineral Resources are based upon information compiled by Mr Richard Lewis FAusIMM (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 (JORC Code). 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 the methodology are given in the Notes 1 and 2 appended.



The revised resources have added 1.59 million tonnes (3.86 to 5.45 million tonnes) to the Caloma total, and more importantly raised the Measured and Indicated Resources by 0.77 million tonnes from 2.49 to 3.26 million tonnes. This is an increase of 80,000 ounces.

The revised total Project resources have risen from 11.29 to 12.59 million tonnes, adding 159,185 ounces to the resource inventory.

A revised open pit plan for Caloma will be completed as soon as practical and revised ore reserves published.

Significant mineralisation was also recently intersected at Caloma Two (figure 2), which is located about 250 metres south of the planned Caloma open pit, confirming a total strike length of at least 300 metres. At least three near vertical east-west zones of mineralisation were modelled, but LMRC consider the drilling data are not close enough for other than Inferred Resources to be estimated until more drilling is completed. Alkane's geological modelling indicates a conceptual potential similar to the Wyoming Three deposit.

Development

Response to the submissions on the Environmental Assessment (EA) following public exhibition were returned to the NSW Department of Planning and Infrastructure and development approval is anticipated. Depending upon the approval timing the project should commence production in the first half of 2013 at an average annualised rate of 50-60,000 ounces.

In the interim, Alkane has continued to advance long lead time items such as the ball mill, production water supply, tendering for civil works and detailed design.

Competent Person

Unless otherwise advised above, the information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who 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 a 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 this report of the matters based on his information in the form and context in which it appears

Disclaimer

This report 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 report 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.



Note 1 to Accompany Resource Statement for Wyoming One and Three deposits

- **drilling technique** – the resource is based on reverse circulation, air core and diamond core drill holes completed by Alkane between May 2001 and December 2007;
- **drilling density** - drill holes completed on both EW and NS sections depending on the ore zone being evaluated. Sections are nominally spaced 25m apart with drill holes at a nominal 20m intervals along these sections;
- **drill locations** - All drill hole collars are surveyed by DGPS to obtain X Y Z position to $\pm 0.1\text{m}$;
- **down hole surveys** – most holes are surveyed down hole using a single shot camera. Air core holes were surveyed at bottom of hole only however RC and diamond holes are surveyed at a nominal 50m down hole interval;
- **sampling technique** - RC and air core samples are collected at one metre intervals and initially composited to 3m for initial assay. All composites returning grades of $\geq 0.2\text{g/t Au}$ are subsequently riffle split and appropriate sized samples bagged for despatch to the laboratory. NQ, HQ and PQ diamond drill core was halved;
- **sample recovery** - RC sample recovery is usually very good ($>80\%$). Samples are usually dry. Core recovery was usually very good;
- **assay technique** – samples were submitted to commercial laboratories for preparation by drying, grinding and sub-sampling and then analysed by industry standard Fire Assay techniques. 3m composite RC and air core samples are analysed from a 30g charge whilst the 1m RC and AC resplits and half diamond core from a 50g charge;
- **specific gravity** – specific gravity measurements were completed by commercial laboratories on core samples. Values recorded for Wyoming One are
 - 2.75 t/m³ fresh
 - 2.18 t/m³ oxide
 - 1.72 t/m³ saprolite
 - 1.96 t/m³ alluvials
- **estimation techniques** - Estimations used a 3D pseudo-wireframe geological model as a basis for inverse distance squared grade extrapolation into a block model. Block size is 2.5m x 2.5m x 5.0m but sub-blocking was used (Wyoming One: 1.25m to 2.5m in X and Y and 0.25m to 5m in Z, Wyoming Three: 0.625m to 2.5m in X and Y and 0.25m to 5m in Z). Wireframes/ore zones are constrained by boundaries defined by geology, structure and a 0.25 g/t Au grade envelope. The estimation search filters were dynamically re-orientated to follow the changing orientations of the wireframes.
- **Previously reported models** – The previously reported models were estimated with sub-blocks but then regularized to fixed-size blocks for reporting which introduced some edge dilution. The regularization step was not carried out in the revised models reported here as dilution is specifically added during the reserve process.

Comparative techniques such variable block size, Nearest Neighbour and Kriging, were used to generate additional estimates for validation of the quoted resources.

As sample intervals for Wyoming One ranged from 0.1m to 5.0m, assays were composited to 1m intervals for the modelling. A total of 16,716 samples are within the wireframe.

Sample intervals for Wyoming Three ranged from 0.2m to 4.0m, and these assays were composited to 1m intervals for the modelling. A total of 12,836 samples are within the wireframes;
- **top cut** – Top Cuts were selected for the 8 individual mineralized domains (ore zones) within Wyoming One using a combination of cutting plots, histograms and probability plots. Top Cuts ranged from 8g/t Au to 45g/t Au. For Wyoming Three there are 4 mineralized domains and Top Cuts ranged from 17g/t Au to 30g/t Au.



- **Note 2 to Accompany Resource Statement for the Caloma deposit**

- **drilling technique** –the resource is based on reverse circulation, air core and diamond core drill holes completed by Alkane between May 2006 and June 2008;
- **drilling density** - drill holes completed on both EW nominally spaced 20m apart with drill holes at a nominal 20m intervals along these sections. In areas peripheral to the central part of the ore zone sections are nominally 40m apart with holes spaced at 40m along these lines. Several NS holes were completed to assist in the geological interpretation;
- **drill locations** - All drill hole collars are surveyed by DGPS to obtain X Y Z position to $\pm 0.1\text{m}$;
- **down hole surveys** – most holes are surveyed down hole using a single shot camera. Air core holes were surveyed at bottom of hole only however RC and diamond holes are surveyed at a nominal 50m down hole interval;
- **sampling technique** - RC and air core samples are collected at one metre intervals and initially composited to 3m for initial assay. All composites returning grades of $\geq 0.2\text{g/t Au}$ are subsequently riffle split and appropriate sized samples bagged for despatch to the laboratory. HQ and PQ diamond drill core was halved or quartered;
- **sample recovery** - RC sample recovery is usually very good ($>80\%$). Samples are usually dry. Core recovery was usually very good except in portions of the oxide zone where some core loss was observed;
- **assay technique** – samples were submitted to commercial laboratories for preparation by drying, grinding and sub-setting and then analysed by industry standard Fire Assay techniques. 3m composite RC and air core samples are analysed from a 30g charge whilst the 1m RC and AC resplits and half diamond core from a 50g charge;
- **specific gravity** – specific gravity measurements were completed by commercial laboratories on core samples. Values recorded are
 - 2.78 t/m^3 fresh
 - 2.38 t/m^3 oxide
 - 1.72 t/m^3 saprolite
 - 1.96 t/m^3 alluvials
- **estimation techniques** - Estimations used a 3D pseudo-wireframe geological model as a basis for inverse distance squared grade extrapolation into a block model. Block size is 2.5m x 2.5m x 2.5m but sub-blocking was used (0.25m to 2.5m in X and 0.625m to 2.5m in Y and Z). Wireframes/ore zones are constrained by boundaries defined by geology, structure and a 0.25 g/t Au grade envelope. The estimation search filters were dynamically re-orientated to follow the changing orientations of the wireframes.
- **Previously reported models** – The previously reported model was estimated with sub-blocks but then regularized to fixed-size blocks for reporting which introduced some edge dilution. The regularization step was not carried out in the new model reported here as dilution is specifically added during the reserve process.

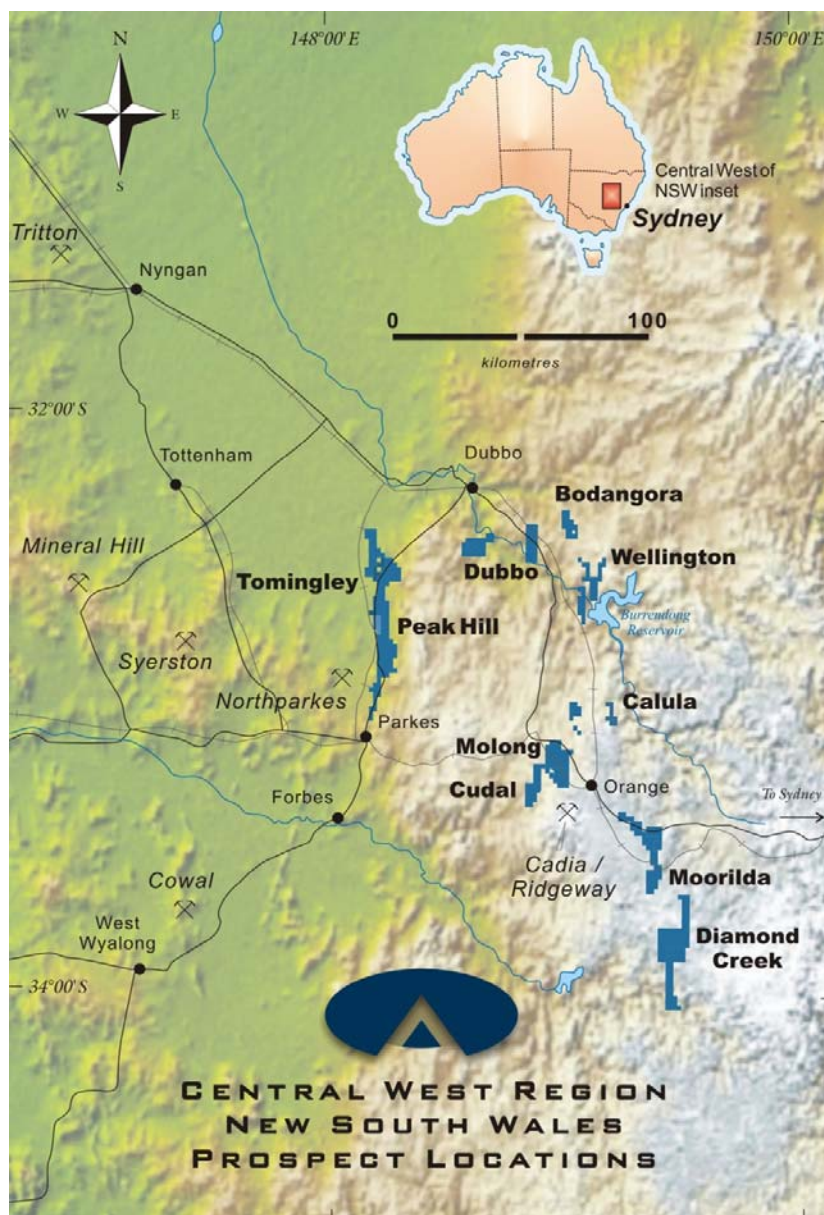
Comparative techniques such as Nearest Neighbour and Kriging, were used to generate additional estimates for validation of the quoted resources.

As sample intervals ranged from 0.2m to 6.0m, assays were composited to 1m intervals for the modelling. A total of 19,922 samples are within the wire frames;
- **top cut** – Top Cuts were selected for the 17 individual mineralized domains and sub-domains (ore zones) using a combination of cutting plots, histograms and probability plots. Top Cuts ranged from 4.5g/t Au to 40g/t Au.



ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

Alkane's strategy is to be focused on a single geographic area, the central west of New South Wales in Australia, allowing it to apply its geological, exploration and mining expertise across multiple commodities to achieve a spread of risk and return. Currently Alkane has two projects heading towards production in 2013/2015 - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley is an 818,000 ounce gold resource currently awaiting development approval. Cash flow from Tomingley will provide the funding to maintain the project development pipeline and to contribute to development of the DZP. The DZP has a completed definitive feasibility study giving it a net present value of \$1.2 billion. This project will make Alkane a significant world producer of zirconium products and heavy rare earths. Both projects are wholly owned by Alkane while at Orange, Alkane is in a joint venture with Newmont Australia over an area containing a 3 million ounce gold resource at McPhillamys, with Newmont having elected to proceed towards a bankable feasibility study. Alkane's most advanced gold copper exploration projects in the region are at the 100% Alkane owned Wellington and Bodangora properties.





Mineral Resource and Ore Reserve Statement March 2012

Dubbo Zirconia Project – Mineral Resources (2011)

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 (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. 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 (2012)

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.

Tomingley Gold Project – Mineral Resources (2012)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
Top Cut	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 FAusIMM (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 (JORC Code). 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 Report dated 25 March 2009 and 2 October 2010, and this announcement.

Tomingley Gold Project – Ore Reserves (2011)

DEPOSIT	PROVED		PROBABLE		TOTAL		
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Ounces (minable)
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. The Caloma reserves are based on the 2009 resources, not the updated resources.

Peak Hill Gold Mine – Mineral Resources (2011)

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

Wellington – Galwadgere – Mineral Resources (2011)

DEPOSIT		MEASURED		INDICATED		
0.5% Cu cut off	Tonnage	Grade	Grade	Tonnage	Grade	
	(t)	(% Cu)	(g/t)	(t)	(% Cu)	(g/t)
Galwadgere	-	-		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 (ODEJV) – Mineral Resources (2011)

DEPOSIT	INDICATED			INFERRED			TOTAL				
McPhillamys	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu	k oz gold	tonnes copper
0.3g/t Au cut-off											
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

These Mineral Resources are based upon information compiled by Mr Richard Lewis FAusIMM (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 (JORC CODE). 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.

