



Corporate Presentation

Poised for significant growth

December 2012



Location and Business Strategy

- Alkane is a public company (listed on ASX since 1969)
- 6,100 shareholders (85% Australian)
- Multi commodity exploration and development in the Central West of NSW
- Active in region for more than 20 years with strong community recognition and support
- Developed Peak Hill Gold Mine in 1996, operated to 2005. Site almost fully rehabilitated
- Tomingley Gold Project waiting approval, several other significant discoveries
- World class Dubbo Zirconia Project in final stages of feasibility

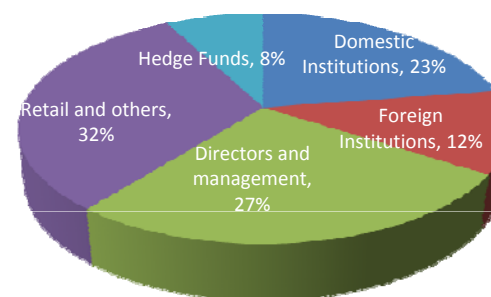


Equity and Ownership

Equity

- Shares – 372,539,000
- Options – 4,000,000
- Market Capitalisation – A\$250M
- Cash – A\$92M (30 September 2012)
- Investments - ~A\$95M
- Debt – nil
- Share turnover – ~0.6M / day current
- 12 Month Low/High – A\$0.61/\$1.62
- Top 20 – 58%
- Codes – ALK (ASX)
– ANLKY (OTCQX)

Ownership



As at 30 Sept 2012

Major Shareholder: Abbotsleigh (Gandel Metals) – 25%

Fidelity Investments – 5%

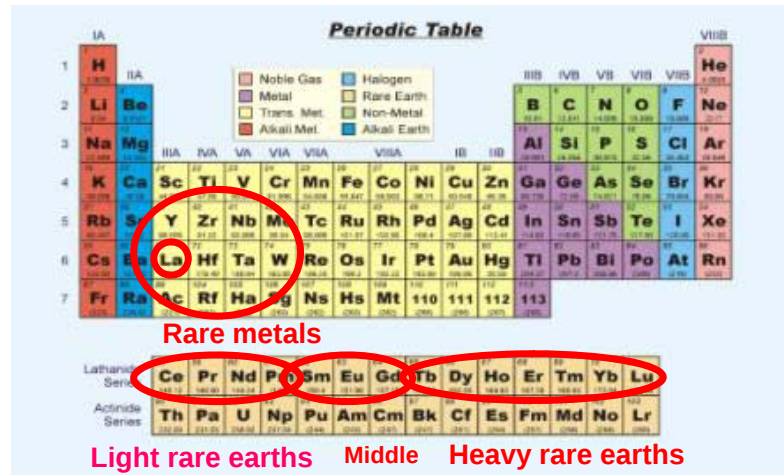


Source: ASX

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



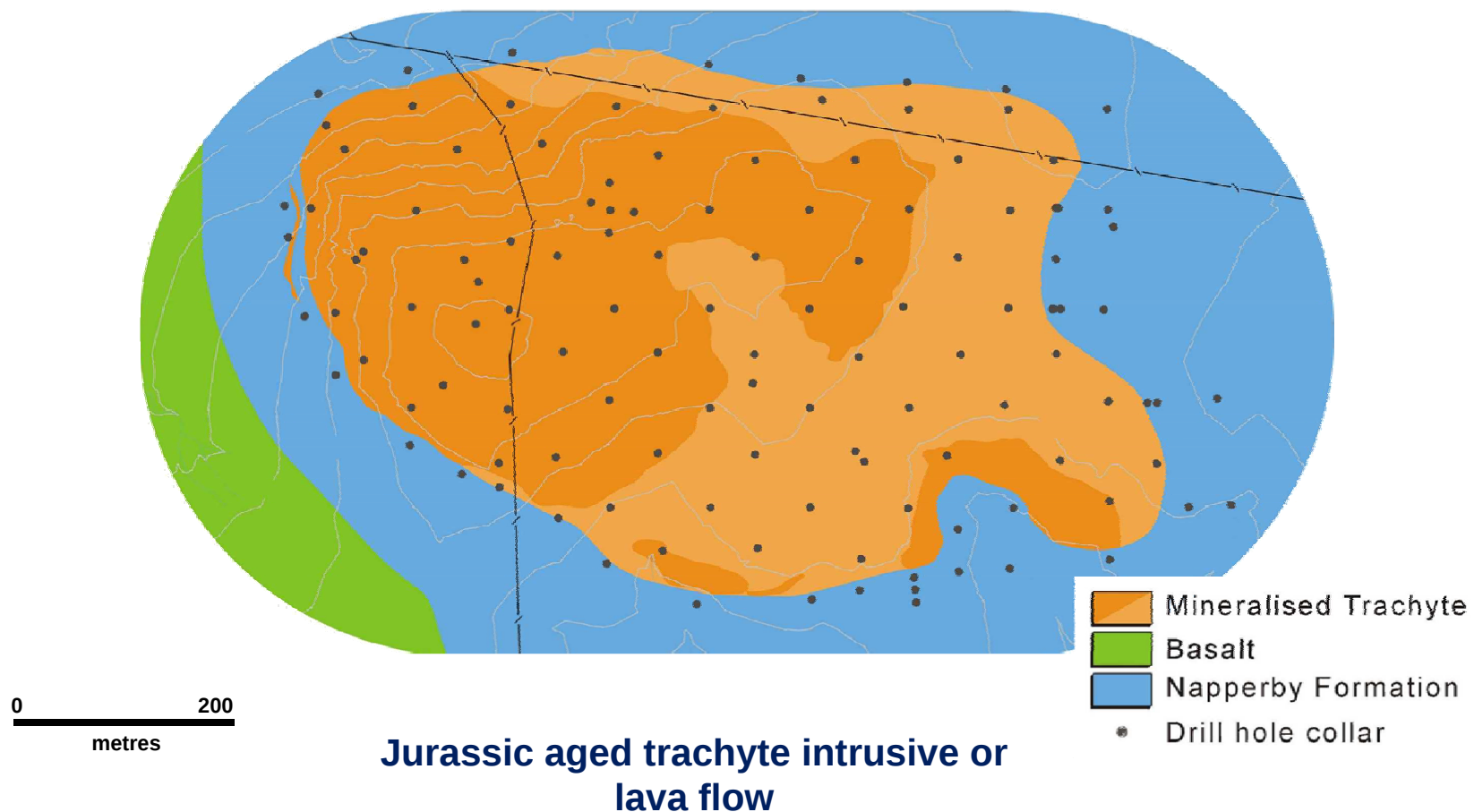
Rare metals

Light rare earths Middle Heavy rare earths

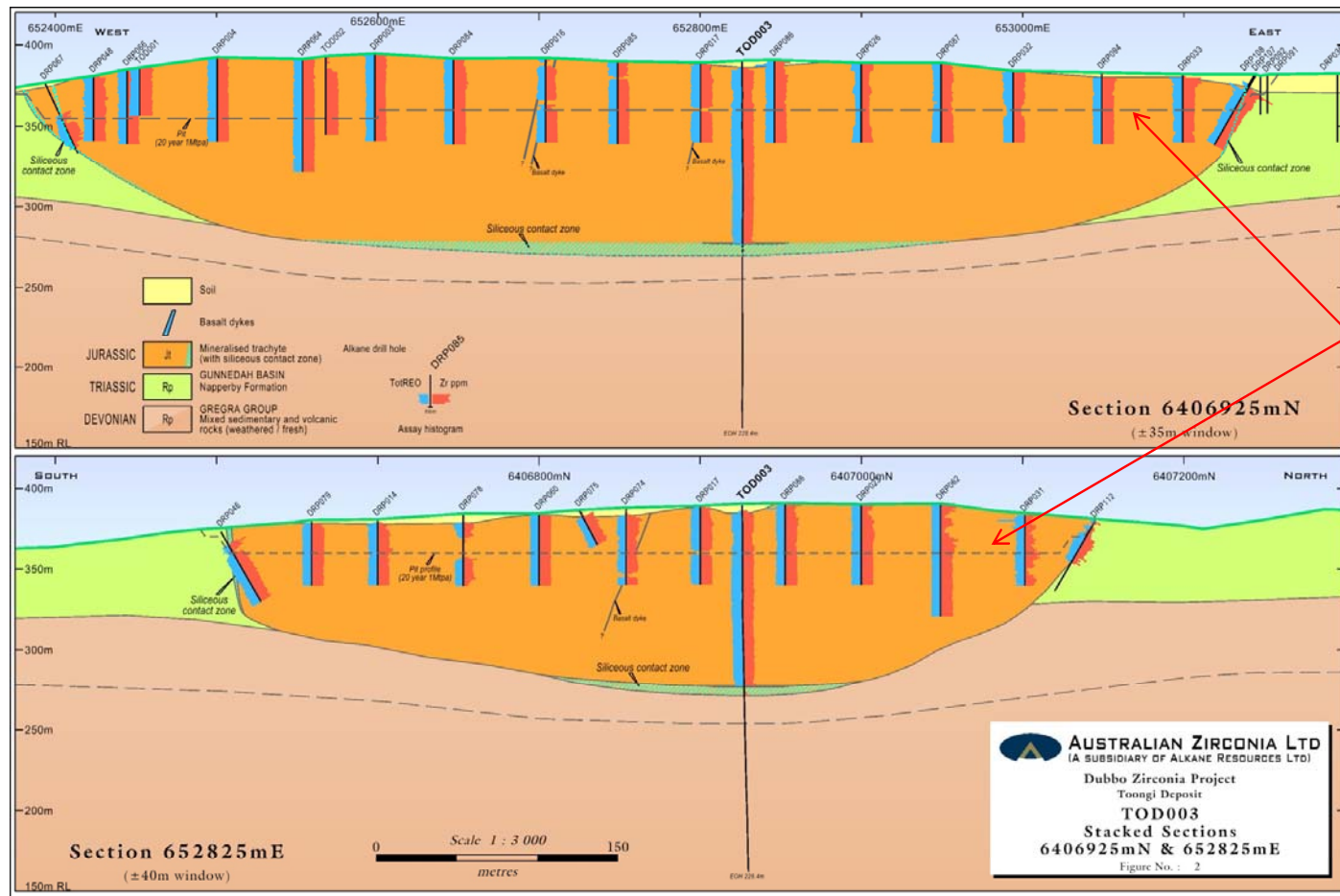


- ◆ **Green technology** is dependent on *rare metals and rare earths*
- ◆ **Increased demand** also driven by **changes in legislation**
- ◆ China has dominant position

...not so rare, but increasingly valuable



DZP Geology sections



20 year
pit floor

Resources & Reserves

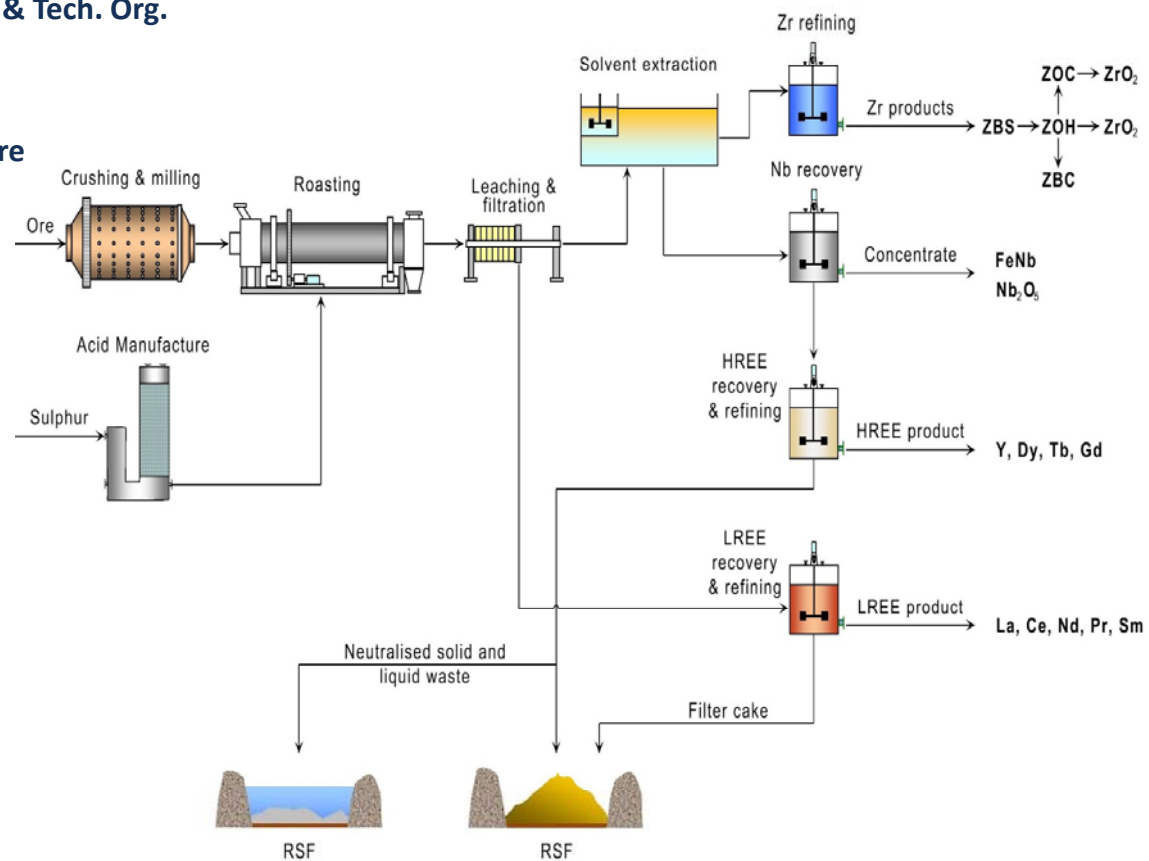
- Resources & Reserves – open at depth. Additional resource potential at nearby Railway deposit
- Life – +40 years but can support longer life and higher production rates
- Major world resource - zirconium, hafnium, niobium, tantalum, yttrium & rare earth elements

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

- The deposit contains about 100ppm uranium and 350ppm thorium, and would be classified as weakly radioactive
- The deposit contains about 25% high value heavy rare earths

DZP Process Flow Sheet

- 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



Demonstration Pilot Plant



DPP Filtration, PLS, SX, Zr and Nb recovery



Y and HREE refining and recovery



Zirconium refining and precipitation



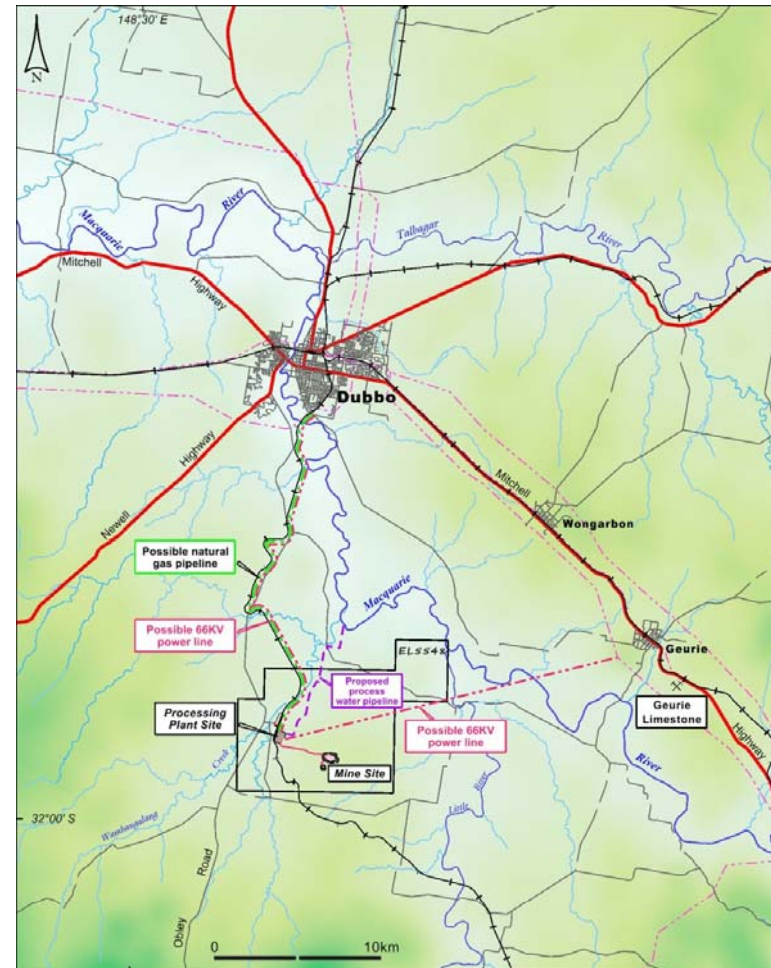
Reverse osmosis and water recycle

Operating at ANSTO since 2008

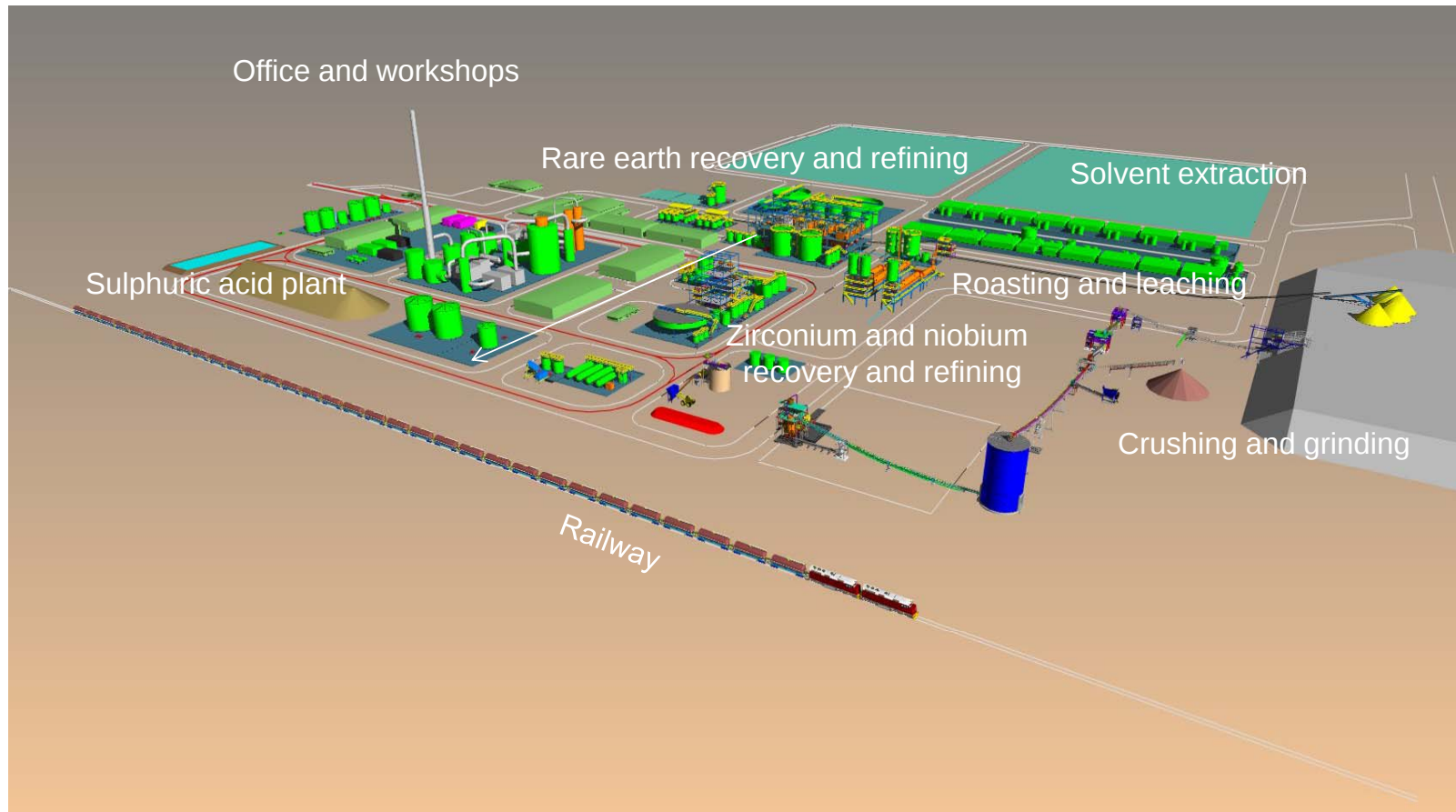
DZP Location and Infrastructure

Infrastructure

- Population – 80,000 Dubbo region
- Rail – railway hub
- Road – major highways intersection/hub
- Water – numerous sources 10km
- Electricity – NSW State power grid 25km
- Gas – NSW State gas grid 30km
- Industrial – substantial light industry
- Agriculture – major agricultural hub
- Process chemicals available from multiple sources in eastern Australia
- Limestone for waste neutralisation available at Geurie



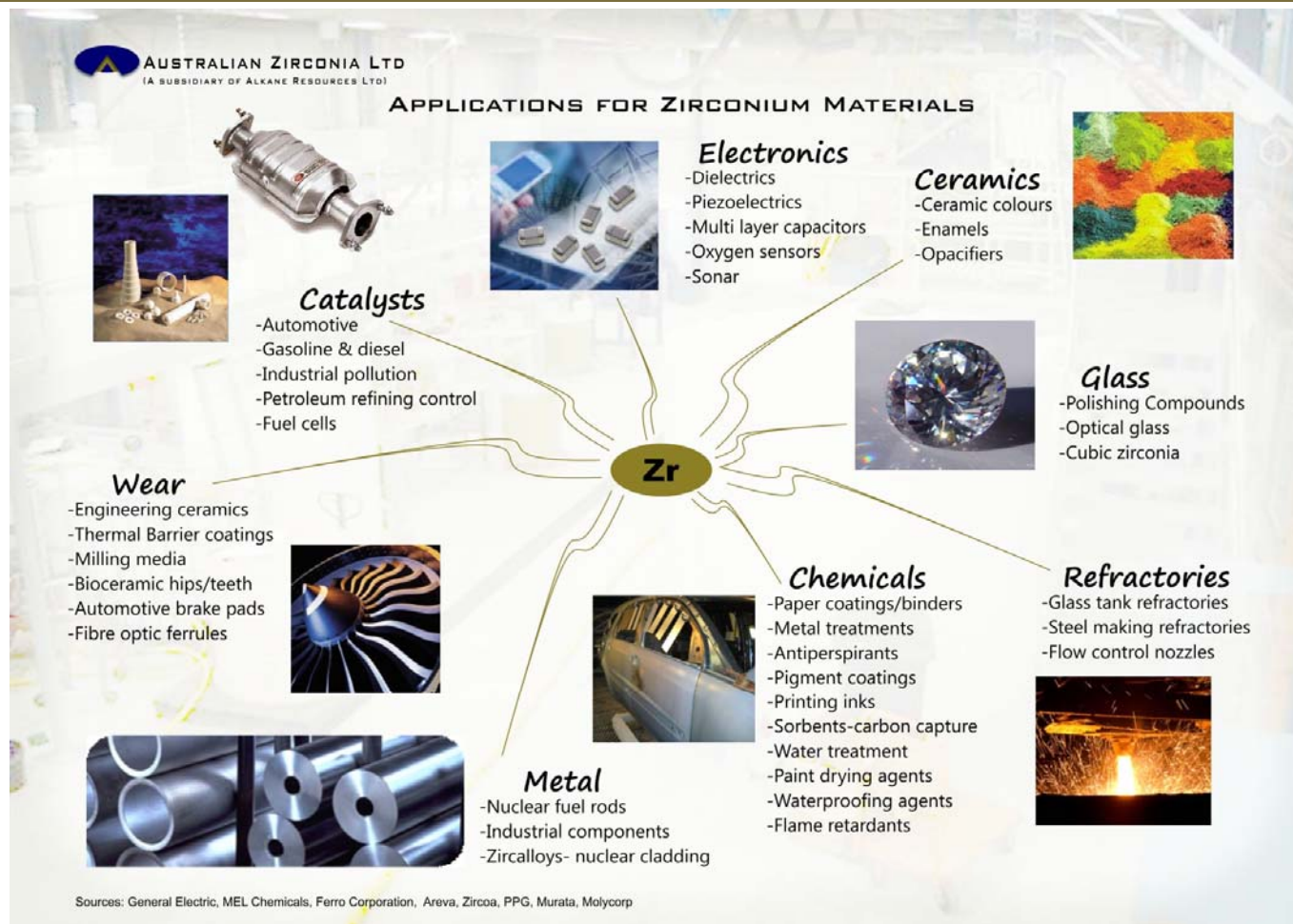
DZP Plant Layout

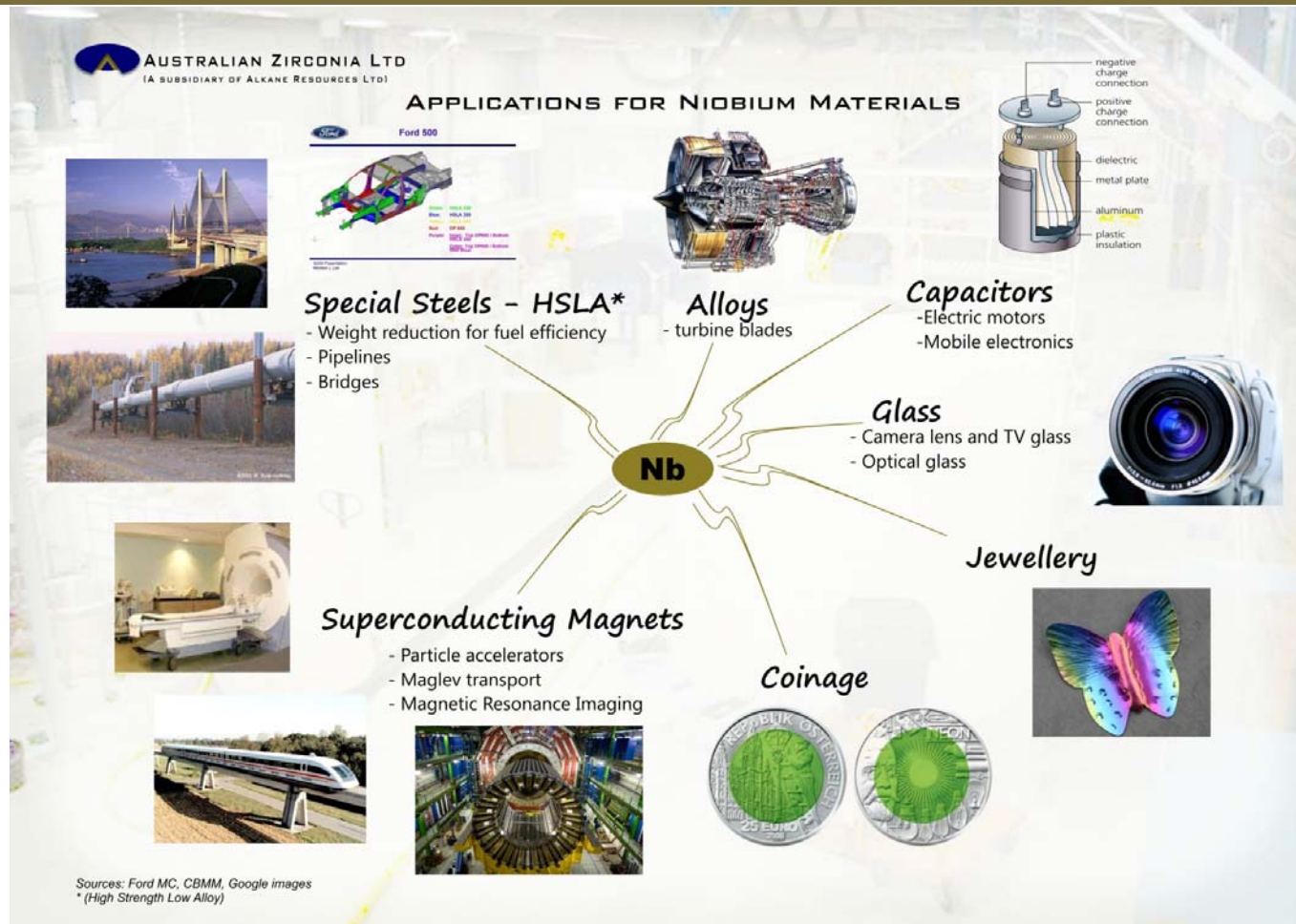


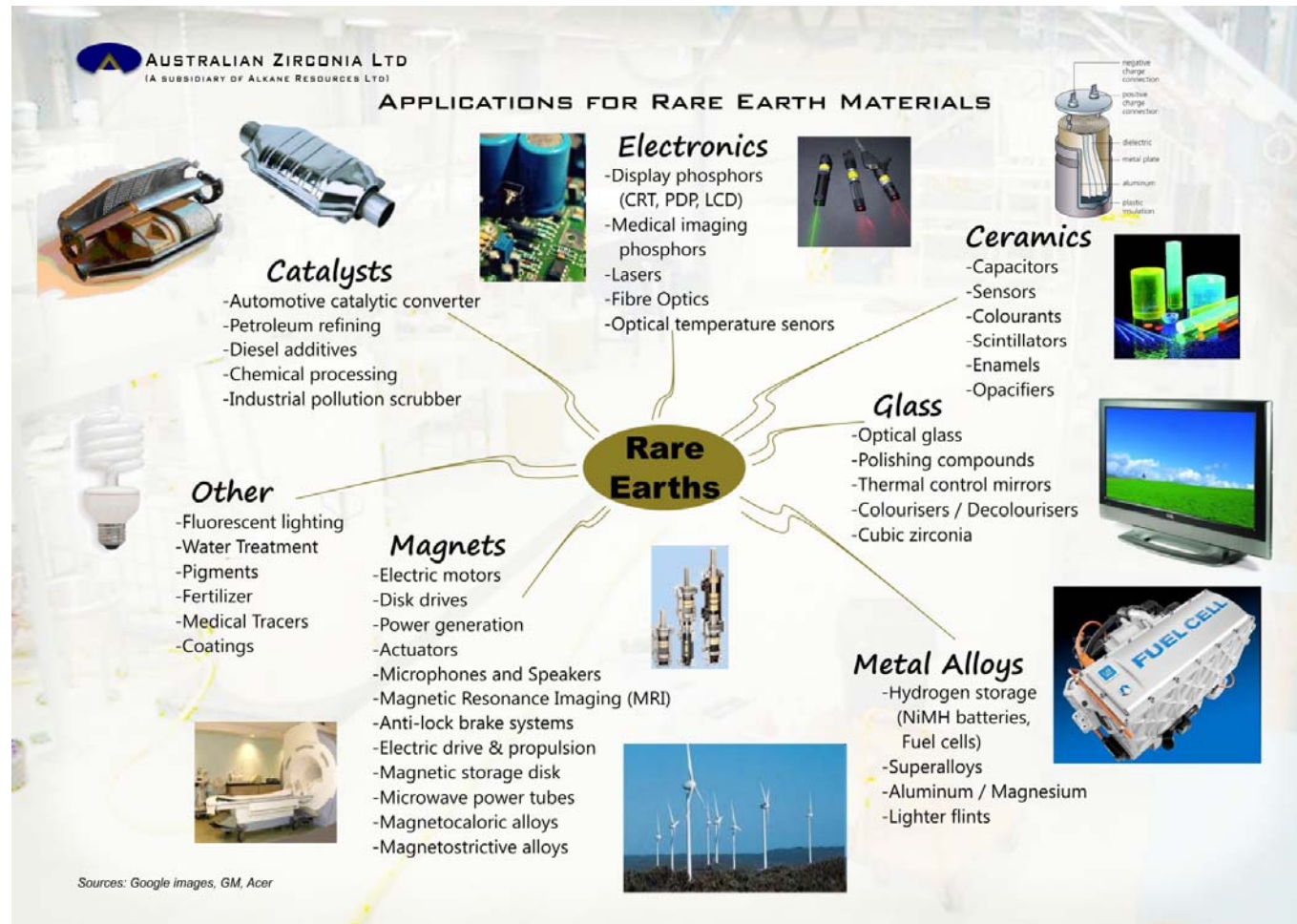
Environmental Impact Statement – key areas of focus

- Existing land use (agriculture)
 - Socio-economic
 - Air quality
 - Noise and vibration
 - Surface and ground water
 - Soil stability
 - Flora and fauna
 - Biodiversity
 - Visibility
 - Rail freight movements
 - Road traffic
 - Aboriginal and European heritage
 - Natural radioactivity
-
- EIS scheduled to be lodged with NSW Dept of Planning and Infrastructure early 2013









Anticipated Production at 1,000,000 ore processed per year	
Product	Output
ZBS, ZOH, ZBC, ZOC, ZrO ₂ (+99% ZrO ₂ + HfO ₂)	15,700tpa
Nb -Ta concentrate / FeNb (70% Nb)	3,005tpa
LREE concentrate (REO)	3,772tpa
YHREE concentrate (REO)	1,019tpa
TOTALS	23,496tpa
Tonnage based upon recoveries developed from mass balances of the demonstration pilot plant	

Product output at 1 million tonnes pa of ore processed as estimated September 2012.

Process improvements should see increased output of zirconium and heavy rare earth products

Off-take

- Zirconium – 100% under MOU (subject to review)
- Niobium – 100% under MOU
- LREE – MOU to JV process concentrate
- YHREE – MOU to JV process concentrate
- Throughput – five MOU's which target production at 1Mtpa

Memorandums of Understandings (MOU's)			
MOU	Date Announced	Product	Details
1	16 May 2011	Zirconium	Leading Chemical Company to produce zirconium oxychloride – under review
2	26 July 2011	Zirconium	Australian Mintech Chemical Industries to produce zirconium oxychloride
3	15 August 2011	Zirconium	European manufacturing / trading company to market DZP products
4	26 October 2011	Niobium	European alloy manufacturer JV to produce and market ferro-niobium
5	16 July 2012	YREE	Japan Shin-Etsu Toll treatment JV for separation and sale

- Separate project to produce chemical zirconia for ceramics industries ramped up by AZL
- 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

Definitive Feasibility Study – September 2011

DFS	0.4Mtpa ore processed	Capex (incl EPCM and Contingency)	A\$470M
		Revenue per annum	A\$189M
		NPV (20 years)	A\$181M
Scaled estimates	1.0mtpa	Capex (incl EPCM and Contingency)	A\$893M
		Revenue per annum	A\$504M
		NPV (20 years)	A\$1,207M

Definitive Feasibility Study – scheduled Q1 2013

Interim estimates	1.0mtpa	Capex (incl EPCM and Contingency)	A\$1,064M
(July - September 2012)		Revenue per annum	A\$452M
		NPV (20 years)	A\$739M

The interim results reflect an Australian industry wide increase of 10-15% in capex and opex, and current spot prices for revenues. Process optimisation, value engineering in progress and combined with more long term price projections should improve financial returns.

DZP Financing Program

Credit Suisse (Australia) Limited (“CS”), Sumitomo Mitsui Banking Corporation (“SMBC”) and Petra Capital Pty Limited (“Petra”) to provide investment banking services, including the arrangement of project financing to fund the development of the Dubbo Zirconia Project as follows:

Credit Suisse and SMBC appointed financial advisors to provide general financial and strategic advisory services

- *for the potential sale of a strategic minority interest in the DZP*
- *for the arrangement of a commercial debt facility*

SMBC as the sole lead coordinator of Export Credit Agency and other available government assistance programs; and

Credit Suisse and Petra as joint lead managers and joint book runners in connection with a potential equity raising, which Credit Suisse is engaged to underwrite, subject to customary terms, conditions and due diligence. The equity component should be the last step in the process.

Securing the finance package is expected to take up to 12 months to coincide with final project approvals allowing the construction program for the DZP to commence in Q4 2013.

DZP Development pathway

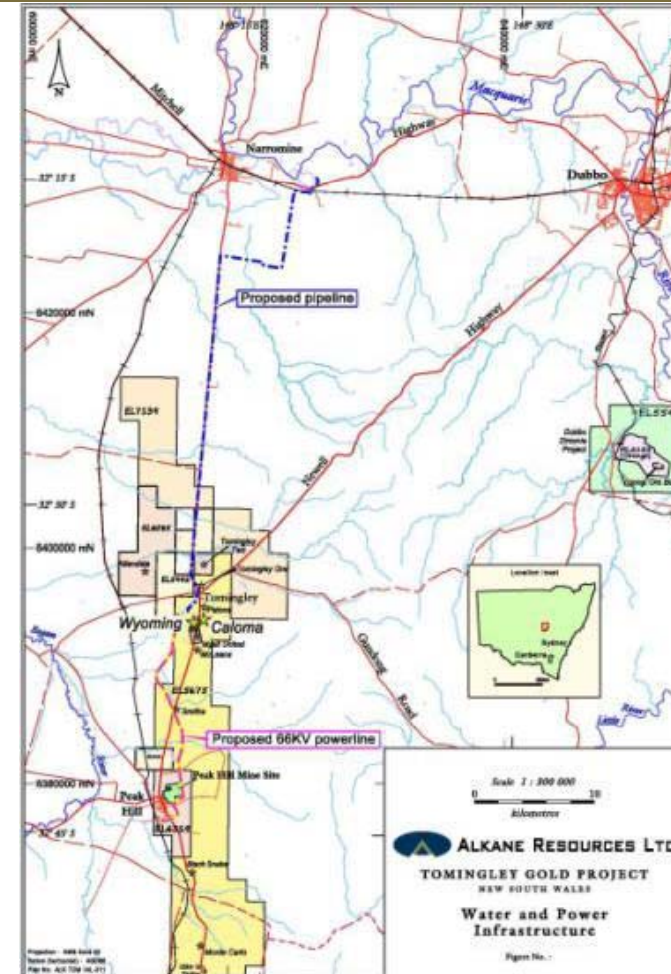
	2009	2010	2011	2012	2013	2014	2015	2016
Resource definition 2001 - 2002	✓							
Flow sheet development 2002	✓							
Laboratory Zr – Nb 1999 –2002	✓							
Pilot plant Zr – Nb 2002	✓							
Mine Plan & Scheduling 2002	✓							
Plant Design & Engineering 2002	✓							
Laboratory Y & REE 2009 -				✓				
Demonstration Pilot Plant 2008 -	✓							
Zr – Nb Product Distribution		✓	✓	✓				
Y - REE Product Distribution			✓		✓			
Secure Offtake Agreements								
Definitive Feasibility Study	2002							
Environmental Impact (EIS)	2000							
Detailed Design								
Financing								
Development Consent						?		
Construction						?		
Production							?	

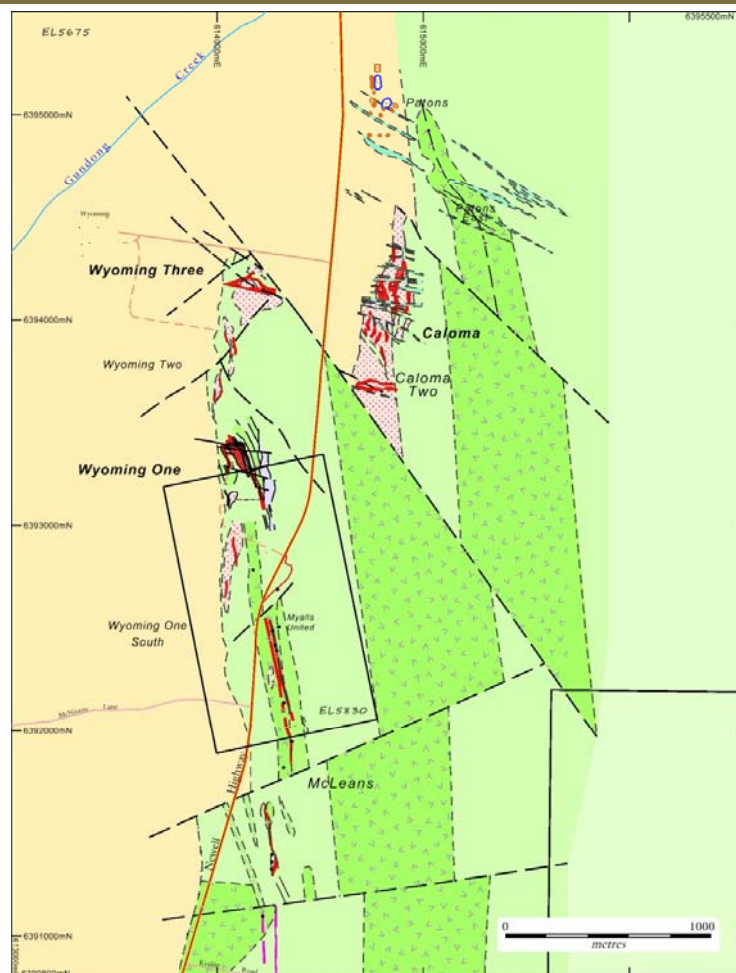
Continued product development

Detail costs for expanded development

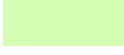
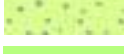
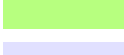
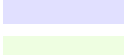
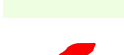
Location / Infrastructure / Resources

- 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)





Geological Summary – Wyoming / Caloma

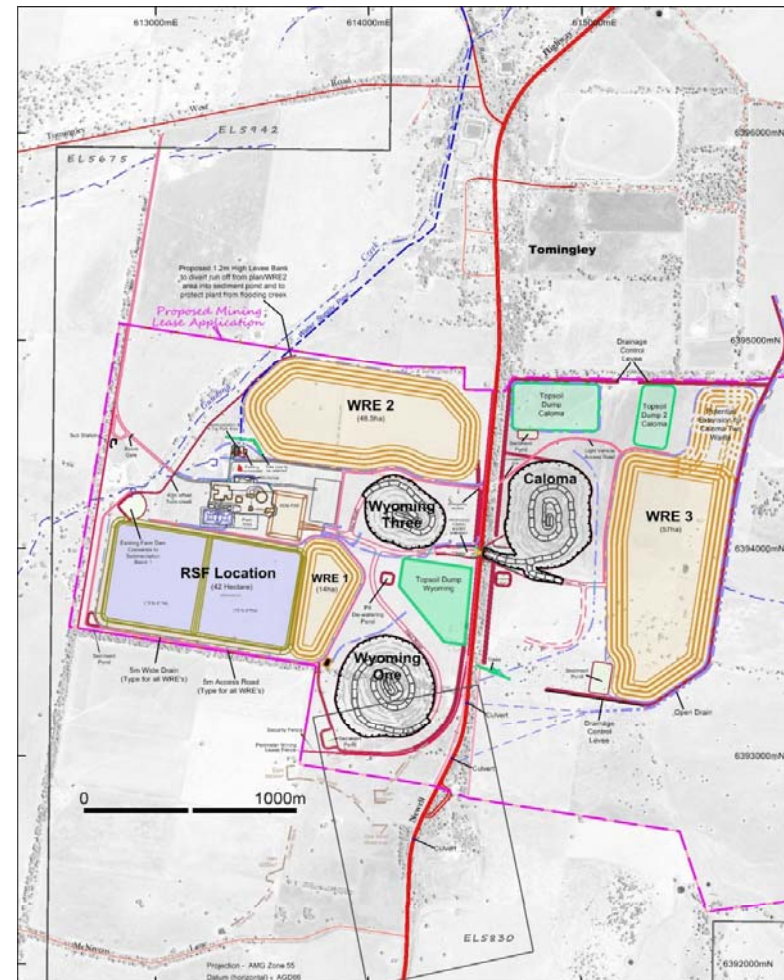
-  Pelitic Sediments
-  Feldspar porphyry
-  Volcaniclastic sediments
-  Graphitic mudstone
-  Volcaniclastic conglomerate
-  Epidote altered volcanics
-  Chlorite-talc schist
-  Andesitic volcanics
-  Mineralisation

Additional Resource Potential
Caloma underground
Caloma Two open pit and underground
Myalls underground
Wyoming Two underground
McLeans

Typical Orogenic style gold deposits

Current Project Activities

- Project approval by NSW Department of Planning and Infrastructure late July 2012. Waiting for Mining Lease approval
- 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 – average 50 - 60,000ozpa
- Operating Costs – ~\$1000/oz
- EBITDA - \$200M (base case at \$1,600/oz)
- Life – 7.5years (targeting +10 years)
- Mine method – open cut & underground
- Caloma Two resource estimate
- Production anticipated late 2013





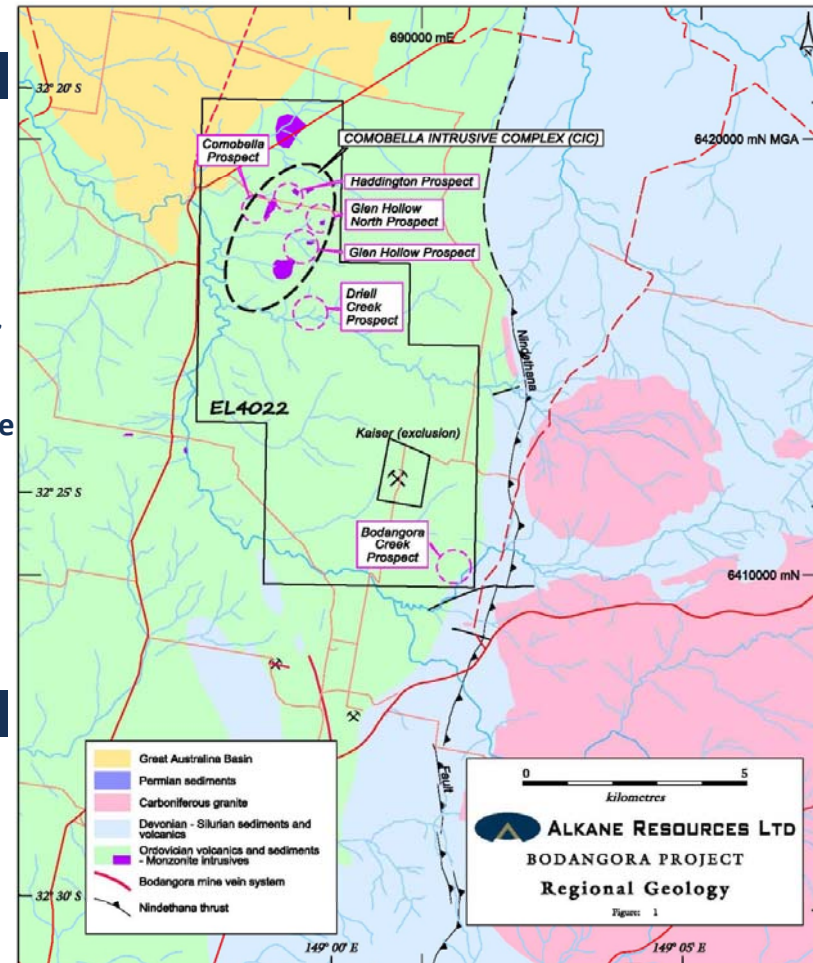
Core drilling at Bodangora

Discoveries in 2010-2011

- **Bodangora (100%) – NSW. *Glen Hollow* gold-copper:**
 - 46m @ 0.9g/t gold & 0.25% copper
 - 18m @ 1.7g/t gold & 0.45% copper
- **Wellington (100%) – NSW. *Galwagere* copper-gold:**
 - 2Mt @ 1.0% copper & 0.3g/t gold (with upside)
 - 14m @ 0.9% copper & 1.1g/t gold-recent deep hole
- **Cudal (100%) – NSW. *Bowen Park* gold-zinc:**
 - 17m @ 1.2g/t gold & 2.9% zinc
 - 4m @ 2.2g/t gold 7.0% zinc

Other Projects

- **Calula (100%) – NSW McPhillamys type Au – base metal mineralisation**
- **Leinster Area (21%) – WA (Xstrata JV)**



- **Dubbo Zirconia Project (DZP):**

Global Strategic Significance – a long term, significant project in the zirconium and heavy rare earth industries, which can generate substantial cash flows

Production costs – spread across the four metal outputs which will assist to insulate the DZP from price instability in certain sectors. Four outputs:

(i) zirconium

(ii) niobium (tantalum)

(iii) light rare earths

(iv) heavy rare earths (plus yttrium)

- Tomingley Gold - provides cash flow insurance against any DZP delays and possible slow down in world growth. It also has mine life upside and provides operating expertise.
- Exploration - a tight geographical focus in NSW with exploration success, provides further development potential.
- Currently cash and RRL shares total ~\$180 million.
- **CONCLUSION** - Alkane is a long term investment opportunity with a clear development strategy of multiple operations with substantial emerging cash flow, and capacity to pay dividends.

Alkane has suffered multiple negative market impacts like many of its peers



Compared to Lynas



Compared to Iluka

The Company is in a strong financial position and is poised to grow substantially over the next four years

Alkane's current cash resources are 70% of its market capitalisation

Less than \$100M value attributed to the DZP and TGP???

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		
Top Cut 2.5x2.5x5.0m model	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Gold (koz)
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		
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Ounces
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		
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 Ounces
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 Ounces
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 – Galwadgere – Mineral Resources

DEPOSIT 0.5% Cu cut off	Tonnage (t)	MEASURED Grade (% Cu)	Grade (g/t)	Tonnage (t)	INDICATED Grade (% Cu)	Grade (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