ASX and MEDIA RELEASE

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ALKANE
RESOURCES LTD
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APPOINTMENT OF FEED ENGINEER
ANOTHER STEP TO DZP CONSTRUCTION

The Dubbo Zirconia Project (DZP) has reached another milestone with the award of the Front End Engineering Design (FEED) contract to Hatch Pty Ltd (Hatch). Hatch is an internationally recognised company supplying engineering, project and construction management services as well as process and business consulting and operational services to the mining, metallurgical, energy and infrastructure industries. Hatch has significant project experience relevant to the DZP in both complex metallurgical plants and rare earths projects. Hatch also has recent construction experience in NSW, with projects such as the NCIG coal terminal in Newcastle.

The FEED for DZP will deliver capital and operating cost estimates to a target ±10% accuracy and a detailed schedule for the Project, building on the work of the Definitive Feasibility Study (DFS) for the DZP as released to the ASX on 11 April 2013.

The deliverables for the FEED include all engineering to enable an estimate of this accuracy to occur, including infrastructure, water treatment, acid plant, process plant and final product preparation. The deliverables also include the preparation of purchasing packages, long lead items, vendor evaluation and the compilation of a preferred vendors list.

Completion of the FEED will provide the Company with the core cost estimate for use in its bankable feasibility study, which will also include updated marketing and financial information and is an important step to securing the funding for the Project through international Export Credit Agency (ECA) sources and project debt.

While the FEED is expected to be formally complete in early Q4 2014, and will give the cost and schedule estimates for the entire Project, work packages will be completed over the duration of the contract, steadily increasing the accuracy of the estimate from DFS level and enabling the Project to proceed to the construction phase on receipt of development approval and financing.

During the contract period work will continue in parallel at the DZP Demonstration Pilot Plant at ANSTO, providing ongoing product development and confirmation of design parameters for the FEED.

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

Alkane is a multi-commodity company focused in the Central West region of NSW Australia. Currently Alkane has two major projects in development or progressing towards development - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production in February 2014. Cash flow from the TGP will provide the funding to maintain the project development pipeline and will assist with the development of the DZP.

The DZP environmental impact statement has been completed and a development decision is anticipated in the second half of 2014. This project will make Alkane a strategic and significant world producer of zirconium products and heavy rare earths.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects. Wellington has a small copper-gold resource which can be expanded, while at Bodangora a large 12km^2 monzonite intrusive complex has been identified with porphyry style copper-gold mineralisation. Encouraging gold-zinc mineralisation and alteration associated with a monzonite intrusive, has been identified at Cudal.