

16 June 2014



COMPLETION OF INSTITUTIONAL EQUITY PLACEMENT

Alkane Resources Ltd (ASX: ALK) is pleased to announce that it has completed a placement to institutional and sophisticated investors to raise approximately A\$10.4 million of additional capital (**Placement**). The Placement received strong interest from Australian and international investors and Alkane welcomes various funds managed by Fidelity Worldwide Investment as substantial shareholders in the Company. Credit Suisse (Australia) Ltd and Petra Capital Pty Ltd were joint-lead managers of the Placement.

The Placement of 40.0 million shares is within Alkane's issuing capacity under ASX Listing Rule 7.1 and was made at a price of A\$0.26 per share, representing a 4% discount to the last sale price prior to the Company's shares entering a trading halt on 12 June 2014 and a 6% discount to the 5 day VWAP.

Settlement of the Placement is scheduled to occur on 19 June 2014 and the new shares are expected to be allotted and begin trading on 20 June 2014. New shares issued under the Placement will rank equally with existing Alkane shares.

The funds raised from the Placement will supplement existing cash reserves and are intended to be used for:

- Progression of the Dubbo Zirconia Project (**DZP**) front end engineering design (**FEED**) for bankable standard capital and operating costs to assist with Project funding;
- Further DZP product development, enhancement and marketing;
- Development and acquisition of certain water resources for the DZP;
- Certain acquisitions of land within the DZP area;
- Other DZP related expenditures; and
- General working capital requirements including fees associated with the offer.

These funds should enable the Company to advance the DZP towards achieving the current development schedule and production in 2016. The anticipated timetable remains dependent upon Project Approval from the NSW Department of Planning and Environment (**DPE**). Currently the application is being assessed by DPE and the Company expects that the Project will be referred to the Planning Assessment Commission for review shortly, with subsequent Determination completed by October.

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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 deposit which can be expanded, while at Bodangora a large 12km² 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. The Elsiehora and Rockley prospects are prospective for McPhillamys felsic volcanic associated gold mineralisation.

