

25 August 2015



Financial Results - Summary Year Ended 30 June 2015

- **Net loss after tax for the Group of \$4.09 million includes gross profit from operations of \$1.10 million**
- **Revenue from gold sales totalled A\$101.9 million from sale of 70,734 ounces which generated cash flow from operations of \$28.61 million**
- **\$15.4 million expended on the advancement of the Dubbo Zirconia Project**
- **Net assets for the Group of \$170.45 million**

TOMINGLEY GOLD OPERATIONS (TGO)

Alkane Resources Ltd 100%

The gold operations at Tomingley are based on gold resources located approximately 50 kilometres south-west of Dubbo in the Central West of NSW. The operation is currently based on four gold deposits – Wyoming One, Wyoming Three, Caloma One and Caloma Two. The recently defined Caloma Two resource has been incorporated into the open pit development schedule and options for commencing underground operations on all resources are being evaluated.

Mining during the year occurred in three pits Wyoming Three, Caloma One and Wyoming One for total material movements of 6.4M bcm at a stripping ratio of 9.2. Ore was sourced from the Wyoming Three and Caloma One pits, with the Wyoming Three pit scheduled to complete in the September 2015 quarter. Activity in Wyoming One commenced in the June 2015 quarter and constituted waste stripping, with no ore production.

Production for the year was within market guidance at 69,612 ounces at an all in sustaining cost of \$1,249 per ounce.

The key cost driver for the operations remains the efficiency of the mining fleet. TGO continues to work collaboratively with its dry hire equipment supplier to lift the payload, utilisation and overall efficiency of the fleet. Processing costs have stabilised after the introduction of fresh rock with significant unit cost reductions in key consumables and reagents experienced in the June 2015 quarter.

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Full year sales totalled 70,734 ounces for revenues of \$101,941,000 million at an average price of \$1,441 per ounce. At 30 June 2015, the Group had 24,000 ounces of A\$ gold forward contracts at an average price of \$1,577 per ounce to provide a level of protection against any short term gold price weakness experienced.

DUBBO ZIRCONIA PROJECT (DZP) – zirconium, niobium, yttrium, rare earth elements

Australian Zirconia Ltd (AZL) 100%

The Dubbo Zirconia Project is a potential strategic supply of critical minerals for a range of ‘high-tech’ and sustainable technologies. It is based on a large resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earths, located at Toongi, 30 kilometres south of the large regional centre of Dubbo in the Central West of New South Wales.

The DZP is a unique, long-life asset with a potential mine life of 70 plus years. Unlike many projects of this kind, it is a polymetallic deposit providing potential revenue from multiple product streams.

The NSW Planning and Assessment Commission advised the final development approval for the Project on 28 May 2015. This is a significant milestone for the project, enabling the Company to move ahead with applications for the Environmental Protection Licence, Mining Lease and other minor permits.

Process and product evaluation and development continue in Australia and overseas to optimise recoveries and product qualities.

Evaluation and design of a process pathway to recover hafnium as an additional product for the DZP is underway and has been developed to piloting level by Australian Nuclear and Science Technology Organisation (ANSTO). This piloting is planned for the September 2015 quarter. The developed hafnium process is expected to have little impact on the existing flow sheet with hafnium extracted from the zirconium refining circuit. Preliminary capital and operating estimates of the inclusion of this circuit into the final design suggest its incorporation will add significant value to the project.

Marketing activities continued throughout the year with dispatch of further samples, plus meetings with major companies from Europe, Japan, Korea, USA and China for DZP products. Significant focus continues to be applied to securing offtake partners and an agreement to toll process the separation of rare earth elements.

The financing program led by Sumitomo Mitsui Banking Corporation and Credit Suisse is progressing with the immediate focus on achieving a small strategic sale at project level and attracting the support of Export Credit Agency funding.

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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr 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.

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 advanced projects - the Tomingley Gold Operations (TGO) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production early 2014. Cash flow from the TGO will provide the funding to maintain the project development pipeline and will assist with the pre-construction development of the DZP.

The DZP Environmental Impact Statement has been completed and development consent granted by the Planning Assessment Commission. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium products, hafnium and heavy rare earths when it commences production in 2017.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects, and Elsienera farm-in. 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 gold copper mineralisation. Encouraging gold mineralisation was recently drilled at Elsienera.

