

29 September 2015



ALKANE APPOINTS OUTOTEC TO COMMENCE EARLY CONTRACTOR INVOLVEMENT FOR DZP DEVELOPMENT

DUBBO ZIRCONIA PROJECT (DZP) – zirconium, hafnium, niobium, yttrium, rare earth elements
Australian Zirconia Ltd (AZL) 100%

EARLY CONTRACTOR INVOLVEMENT (ECI)

AZL has entered into an agreement with Outotec, a global minerals and metals processing technology supplier, to conduct an Early Contractor Involvement (ECI) process in order to find further value in the project design produced by the extensive FEED completed in August 2015 (ASX Announcement 27 August 2015). Through the tendering process for the project conducted during the FEED, AZL identified Outotec as a preferred supplier for many of the processing packages. The intention of the ECI is to identify further value opportunities for project execution, both in application of technology and cost reductions.

After the initial phase of the ECI, the intention is for Outotec to execute the process plant segment of the scope for AZL on an Engineering, Procurement & Construction (EPC) basis. This has the dual advantages of developing a key technology and support relationship and capping the execution risk for AZL.

The signing of the ECI is another important step in the development of the Project and will aid compilation of the financing package. Discussions on the financing are advancing and are run in parallel and in conjunction with completing product off-take agreements.

About Outotec:

Outotec designs and delivers tailored solutions for minerals and metals processing, water treatment, and producing energy from biomass and wastes. Outotec's unique position at the forefront of these industries is founded on a century of scientific and operational knowledge and a wide range of applications for virtually all types of ores and minerals.

Outotec has a strong market position across the entire value chain from ore to metals. Outotec, headquartered in Finland, operates globally, has offices or operative units in 30 countries and sells products and services to over 80 countries. Outotec has been listed on the NASDAQ OMX Helsinki Oy since 2006.

Outotec has a current market capitalisation of €776 million (A\$1.23B) and sales revenue averaged €1.8 billion (A\$2.8B) over the last three years. Further information about Outotec can be found on their website at: <http://www.outotec.com/>

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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 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 NSW Planning Assessment Commission granted development approval for the DZP on 28 May 2015 and on 24 August 2015 the Company received notification that the federal Department of the Environment has assessed the mining project and its impacts, and has given its approval for the development. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium, hafnium and rare earth products when it commences production in 2018.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects, and Elsenora 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 drilled at Elsenora early in 2015.



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