



## ALCYONE'S TEXAS EXPLORATION PUSH TAKES OFF WITH DRILLING AT HARRIER COPPER PROSPECT

**DIAMOND DRILLING UNDERWAY TARGETING EXTENSIONS OF KNOWN COPPER MINERALISATION**

Alcyone Resources Limited (ASX: AYN; 'Alcyone' or 'The Company') is pleased to advise that diamond drilling has commenced at its 100%-owned **Texas Project** in south-east Queensland. This forms part of its recently announced **regional exploration program** to test the potential for additional base metal mineralisation outside of the known heap leach silver resources.

The Company's drilling contractor, Lennard Drilling, has commissioned a diamond drill rig to conduct a program of 3,000 metres of drilling, with an initial 9-hole program (850 metres) underway at the priority **Harrier copper prospect**, located approximately 5.5km north-east of the Twin Hills Silver Mine (see *Figure 1*).

The first hole is targeting the central zone to improve the integrity of the interpretation of the mineralisation in that area and assess the potential for additional parallel zones. The next holes will systematically test the known down-plunge development of the copper-zinc mineralisation before investigating strike extensions to the north and south (see *Figure 2*).

Drilling by the former owner of the Texas Project returned a best intercept of **5m @ 6.0% Cu and 3.4% Zn** from 93m down hole (Hole TUD002). Additional holes delivered **9m @ 2.5% Cu and 0.4% Zn** from 40m down hole (TUD001) and **9m @ 2.3% Cu and 0.5% Zn** from 32m down hole (TUP007) (see *Figure 2*) as reported previously in an ASX announcement dated 30 September 2004.



The initial drilling is designed to verify and extend the known copper mineralisation at Harrier and underpin an initial JORC compliant Mineral Resource estimate. The Harrier prospect includes old shallow copper workings (to a maximum depth of 40 metres) over a strike length of approximately 500 metres, where Government records suggest that only 81 tonnes of ore at 11% Cu was mined between 1920 and 1922.

In addition to drilling, geophysics will be employed to enhance both the current targets and identify any adjacent targets. The geological modelling developed to date will be used to further improve the targeting of drill holes for the program.

Harrier is one of several base metal and polymetallic targets identified by Alcyone following a review of the available historical information from its 275 sq km tenement portfolio at Texas (see *Figure 1*).

Once drilling has been completed at Harrier, the drill rig will be relocated to test the **Mt Gunyan** and **Silver Spur** base metal targets. Geophysics will be utilised to improve target definition at **Tomcat**, before moving on to drill out extensions to the known heap leach silver mineralisation at the **Mt Gunyan and Twin Hills** prospects.

The new exploration programs are designed to unlock the broader exploration potential of the **Texas Project** for **epithermal** and **massive sulphide base metal mineralisation**, as well as to increase its existing inventory of heap leach silver resources.

Alcyone looks forward to reporting results from this exploration program, which opens up an exciting new growth opportunity for Alcyone to be pursued in parallel with its plans to resume mining operations and silver production at Twin Hills by the end of 2010.

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## About Alcyone

*Alcyone Resources Limited (ASX Ticker: AYN) is an Australian-based resource company focused on the reassessment and re-development of the Twin Hills Silver Mine, located south-west of Brisbane near the town of Texas in south-east Queensland.*

*Alcyone has commenced work on a program targeting the resumption of silver production at Twin Hills by the end of 2010. This includes metallurgical test work to confirm the parameters for a re-design of the processing system, as well as a complete review of all available geological data. Based on this review, the Company delivered a JORC-compliant resource statement on the 29th March 2010. This Resource statement can be viewed on the Company web site.*

*The Twin Hills mine remains fully developed and is in a position to immediately recommence operations following a decision to start commercial silver extraction. Alcyone is aiming to recommence mining at Twin Hills in the Fourth Quarter of calendar 2010.*

*In addition to the resumption of production at Twin Hills, Alcyone is also focused on assessing and capitalising on the significant exploration potential within its 275 sq km tenement package at Texas, including the potential for polymetallic and base metal mineralisation.*

## Competent Person Statements

*The information in this report that relates to data used for and the resultant mineral resources for the Texas Silver project is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy and Director of DataGeo a mining and exploration consultancy.*

*Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".*

*Mr Ball consents to the inclusion in this Report of the information compiled in the form and context in which they appear.*

*The information in this Report that relates to Exploration is based on information also compiled by Mr Ball.*

## Forward-Looking Statement

*Certain statements made during or in connection with this communication, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding Alcyone's exploration operations, economic performance and financial condition. Although Alcyone believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Alcyone undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.*

Figure 1 – Texas Project tenements showing geophysics coverage and location of key exploration targets, including the Harrier prospect

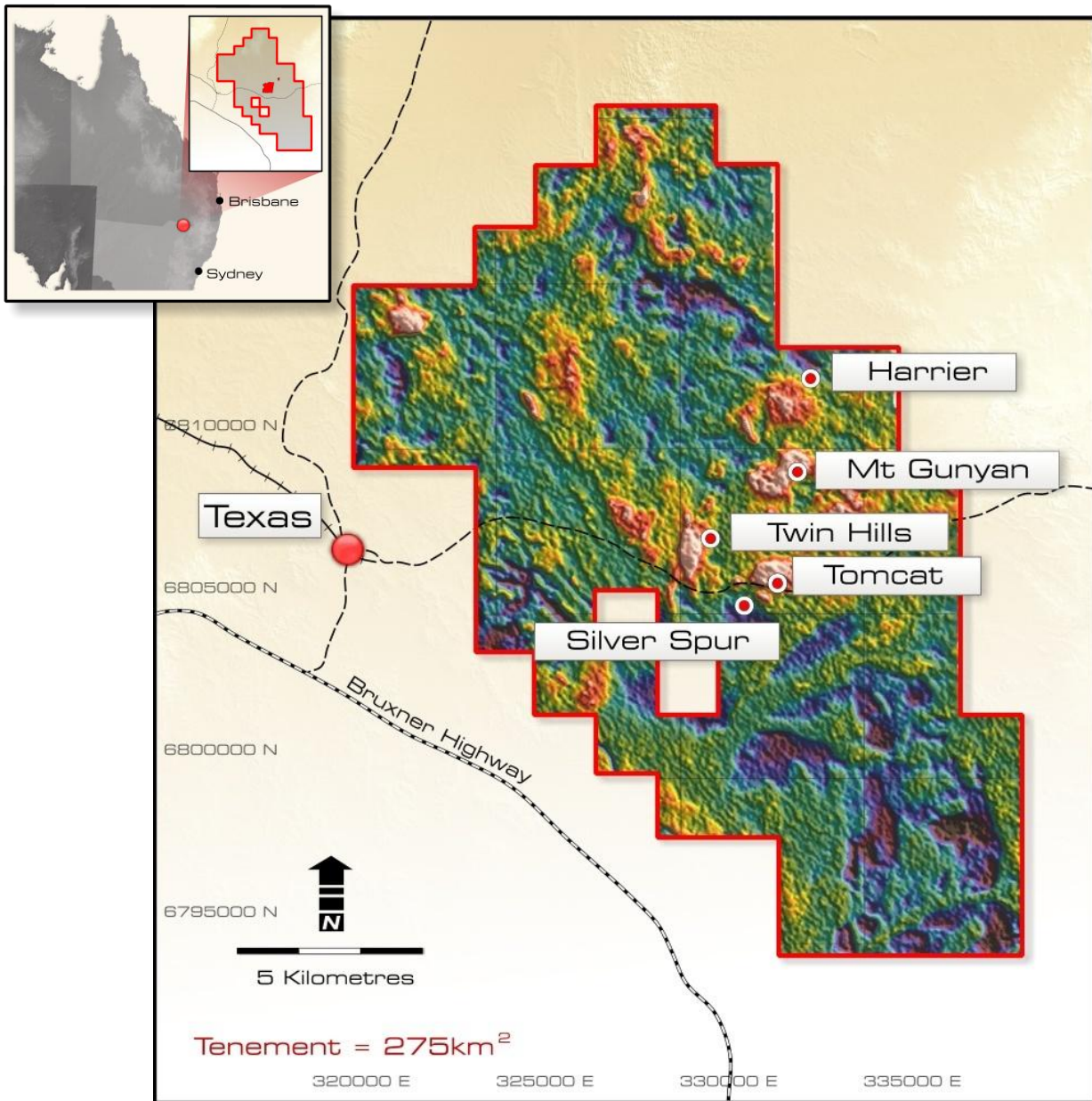


Figure 2 – Harrier copper prospect showing historic intercepts and planned new drilling

