



**ALCYONE**  
RESOURCES LTD

ASX Code: AYN

## Resources Rising Stars

Andrew King,  
*Managing Director*

September 2010



# Disclaimer and Key Information

## Disclaimer

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## Competent Person Statements

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

## Forward-Looking Statements

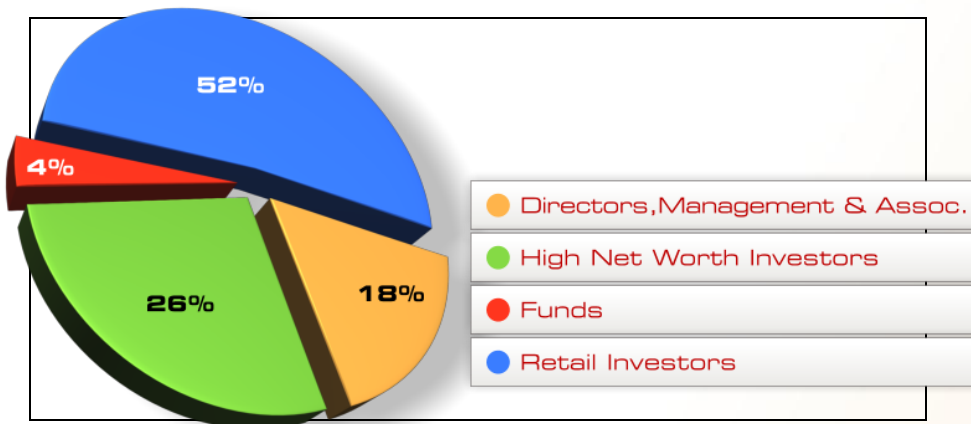
- Certain statements made during or in connection with this communication, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding *Alcyone*’s exploration operations, economic performance and financial condition. Although *Alcyone* 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.

# Corporate Overview

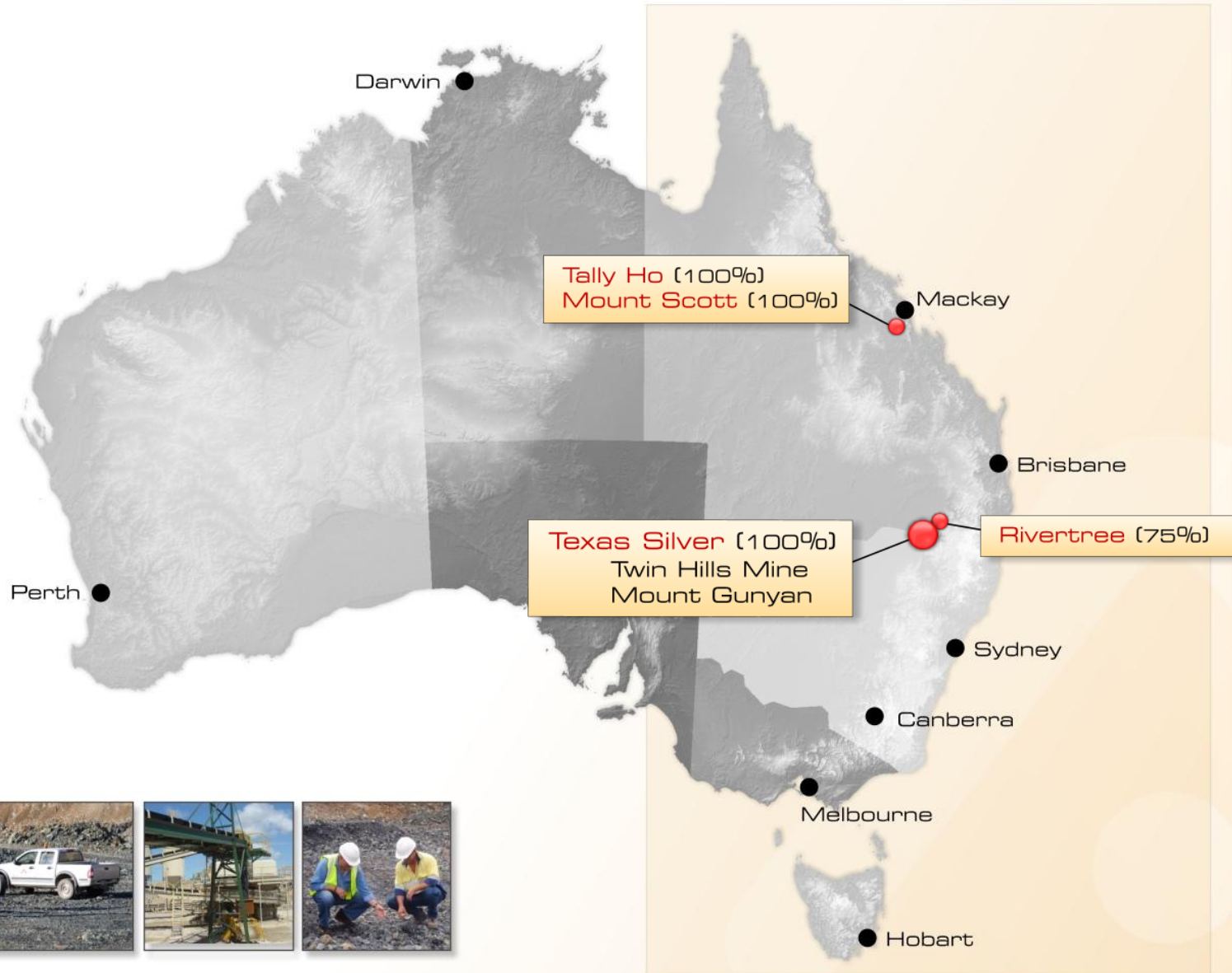
- Shareprice: **3.0c**
- Market Capitalisation
  - *Undiluted ~A\$23M*
  - *Cash ~A\$3.6M (no debt)*
- Top 20: **53%**
- Free float: **300-400M shares**
- Average daily volume: **11.0M (Sept)**

	Shares	Options
<b>Total</b>	<b>769.555M</b>	<b>140.6.M*</b>
<i>* Management &amp; Associates options, strike price of 1 cent, expiring 30 Sep 2012</i>		

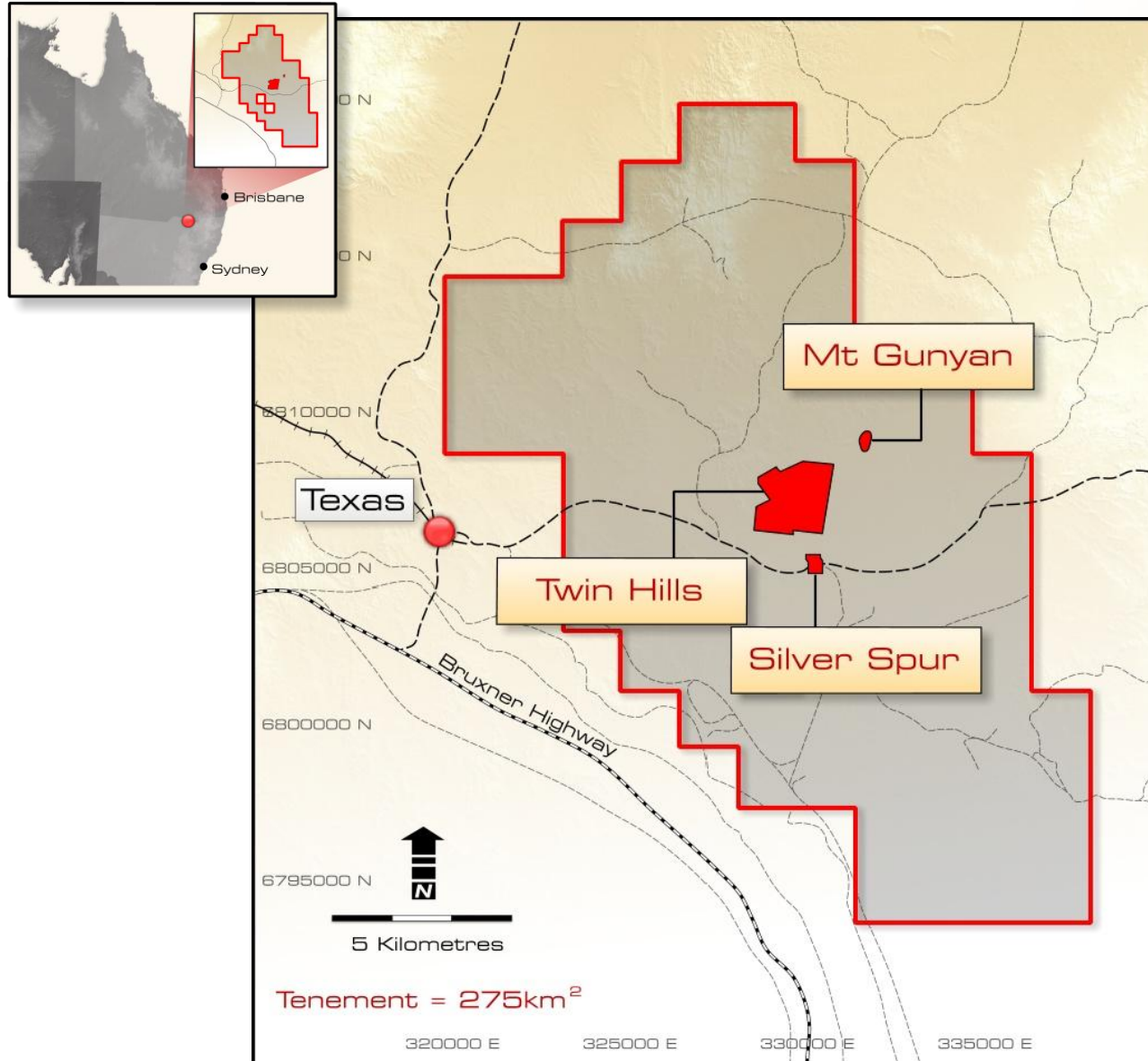
- Board & Management
  - *Charles Morgan*  
*Non Executive Chairman*
  - *Andrew King*  
*Managing Director*
  - *Eric de Mori*  
*Non Executive Director*
  - *Peter Ball*  
*Manager Geology*
  - *Bob Markovich*  
*Project Manager (Operations)*



# Projects



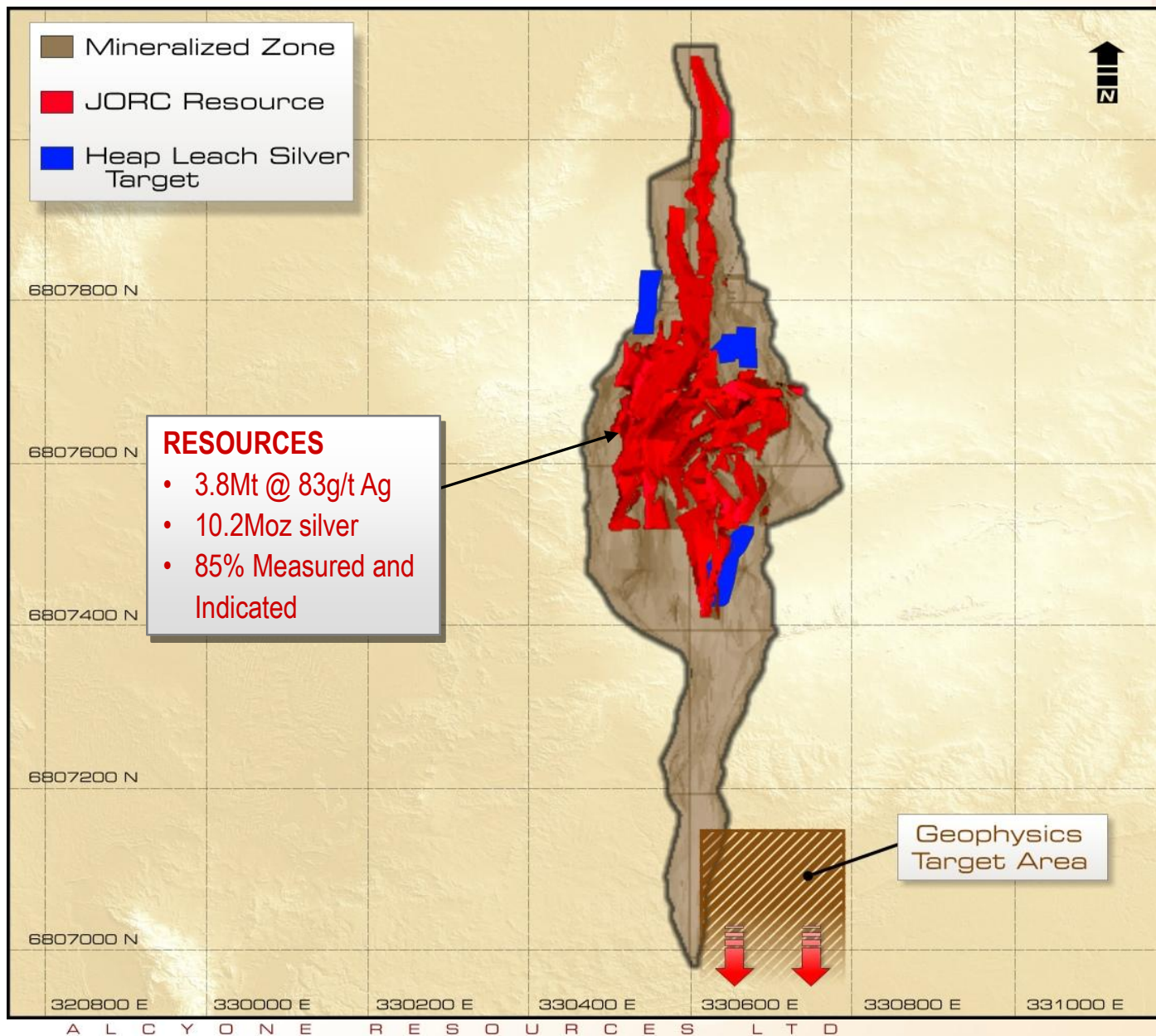
# Texas Silver Project



# Twin Hills Mine – Aerial View



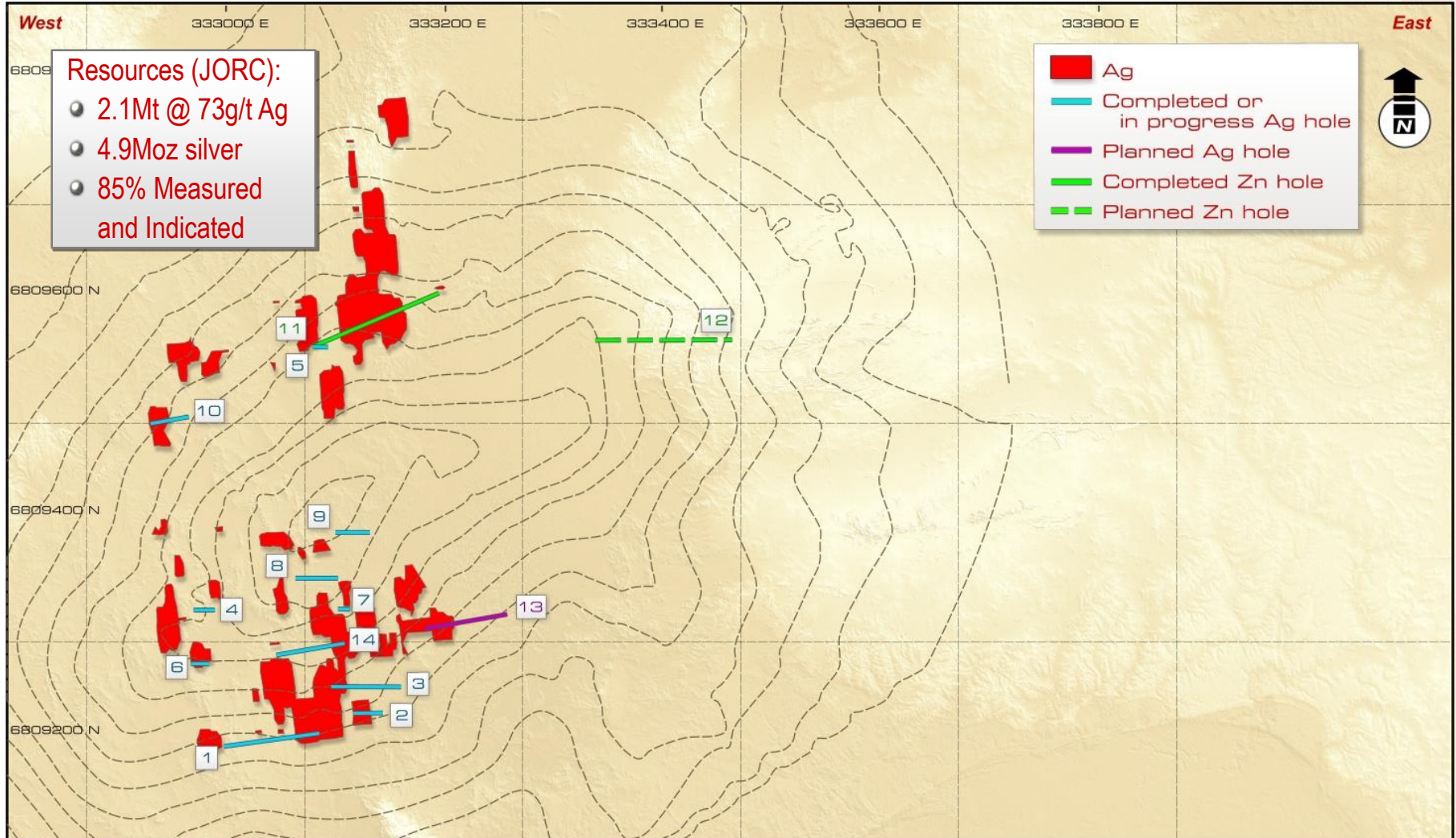
# Twin Hills Heap Leach Target



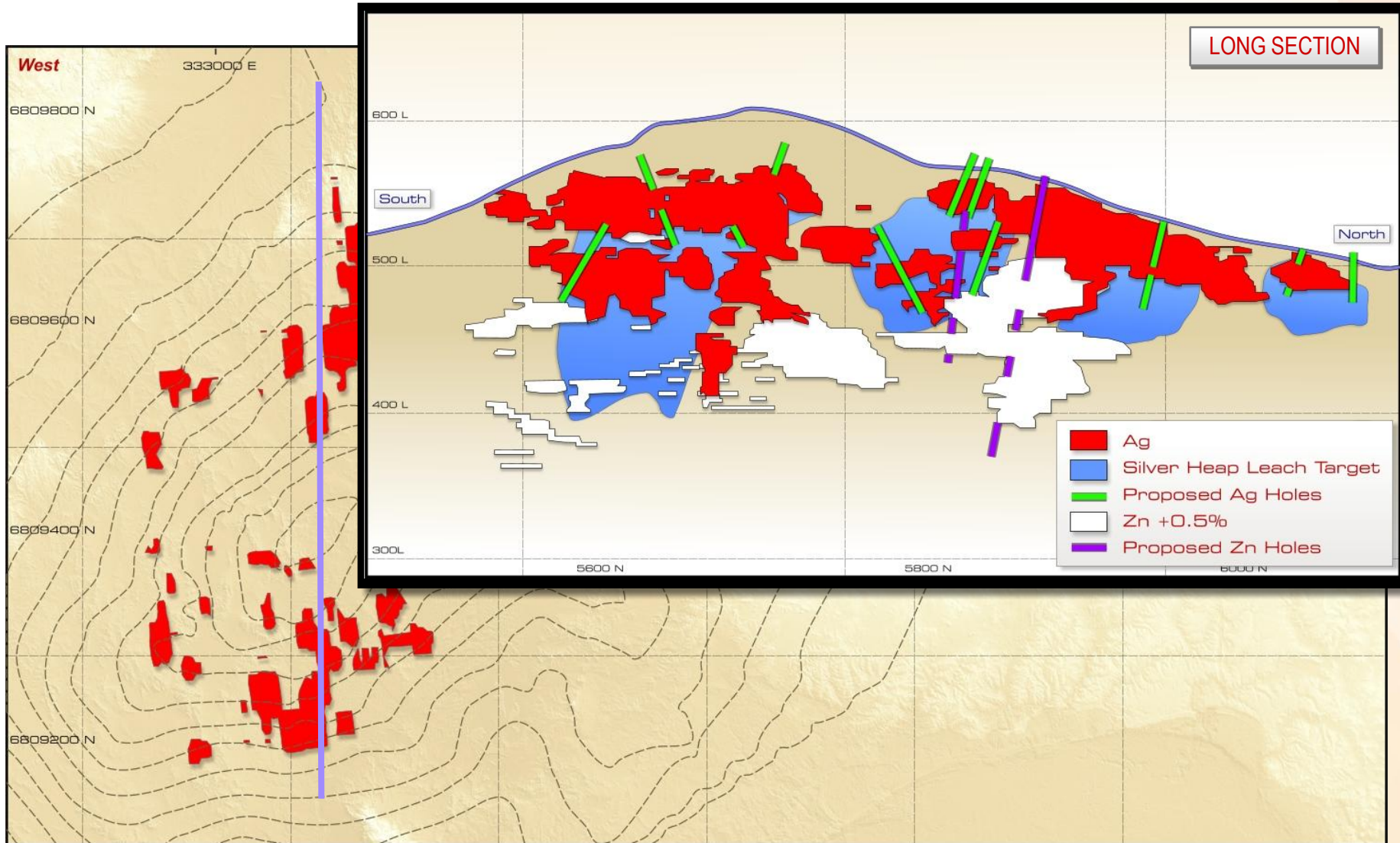




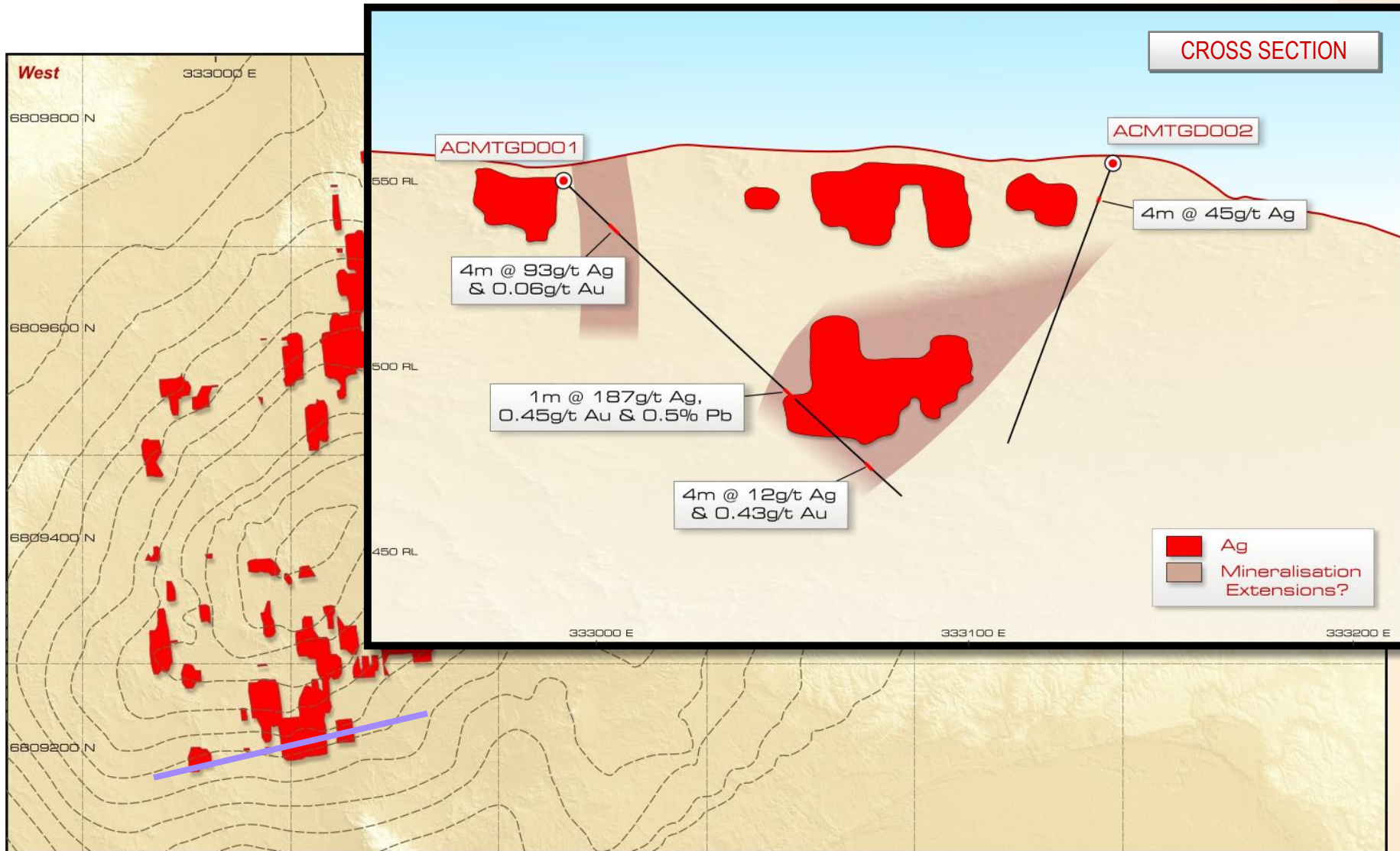
# Mt Gunyan Deposit – Plan View Drill



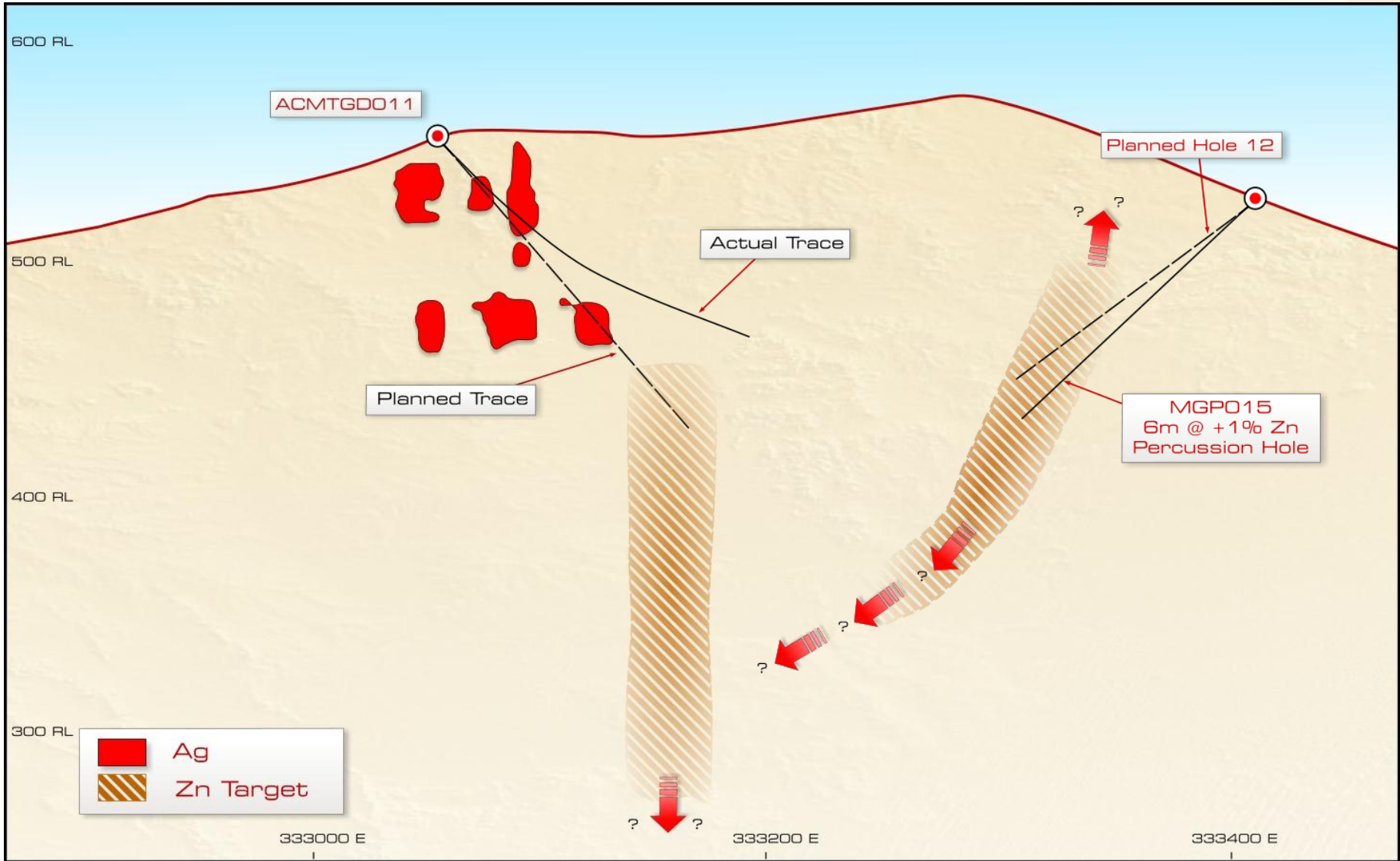
# Mt Gunyan Deposit – Heap Leach & Base Metals



# Mt Gunyan Deposit – Heap Leach & Base Metals



# Mt Gunyan Deposit – Cross Section

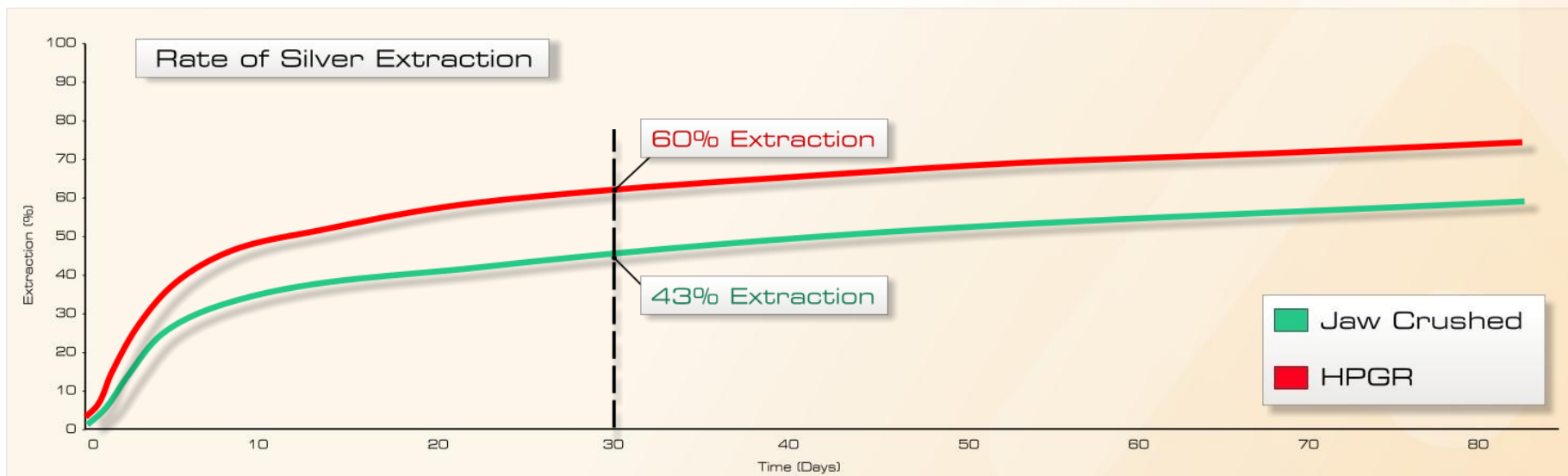
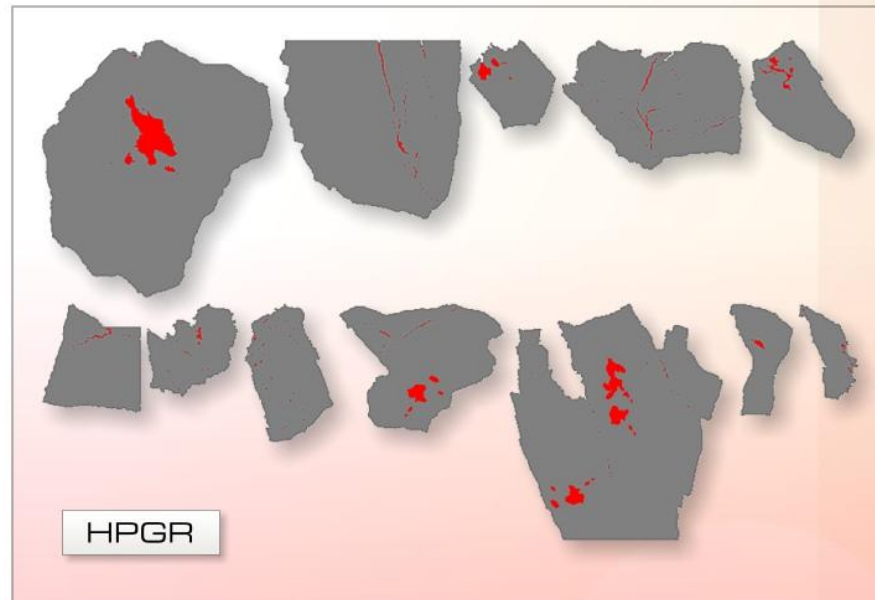
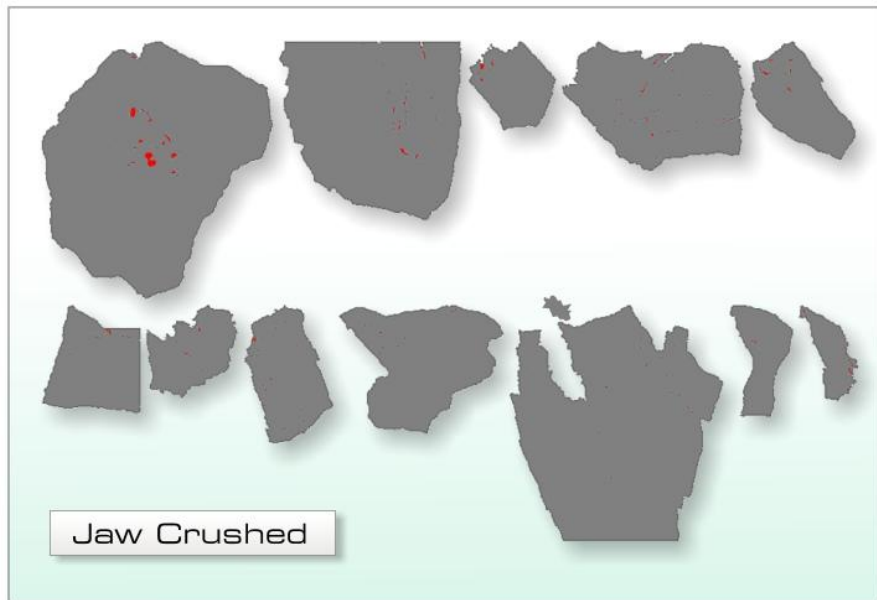


# Texas Project – Resource Inventory



Deposit	Resource Category	Tonnes	Grade (g/t Ag)	Contained Silver (oz)
<b>Twin Hills</b>	Measured	1,762,000	86	4,868,000
	Indicated	1,466,000	79	3,722,000
	Inferred	614,000	81	1,602,000
	<b>TOTAL:</b>	<b>3,842,000</b>	<b>83</b>	<b>10,192,000</b>
<b>Mount Gunyan</b>	Indicated	1,756,000	76	4,267,000
	Inferred	350,000	58	650,000
	<b>TOTAL:</b>	<b>2,106,000</b>	<b>73</b>	<b>4,917,000</b>
<b>PROJECT TOTAL</b>	<b>All Categories</b>	<b>5,948,000</b>	<b>79</b>	<b>15,109,000</b>

# Twin Hills – Jaw Crush vs Grinding Rolls

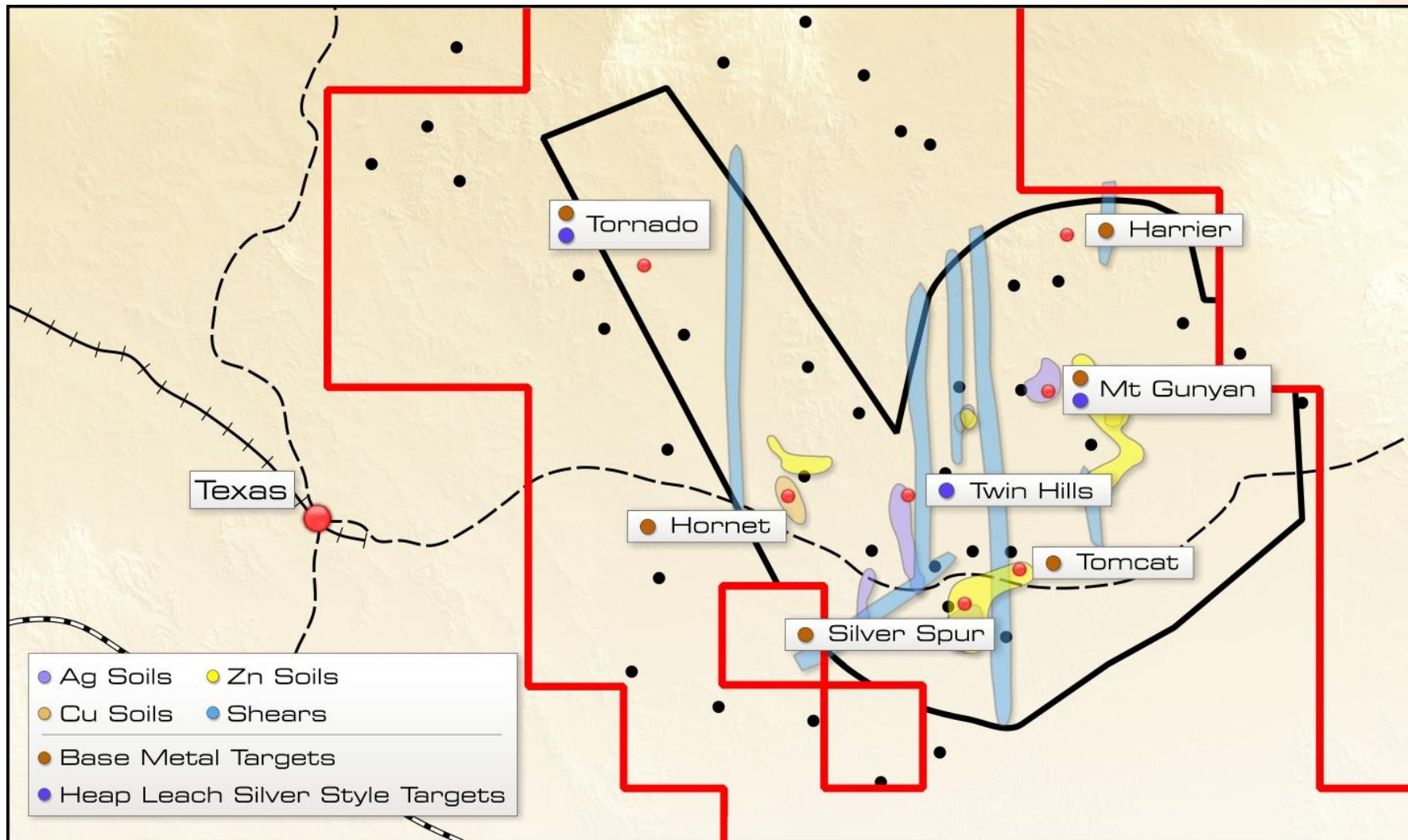


# Twin Hills Mine – Infrastructure (~\$20 Million spent)



# Priority Exploration Targets – Silver Spur Beds

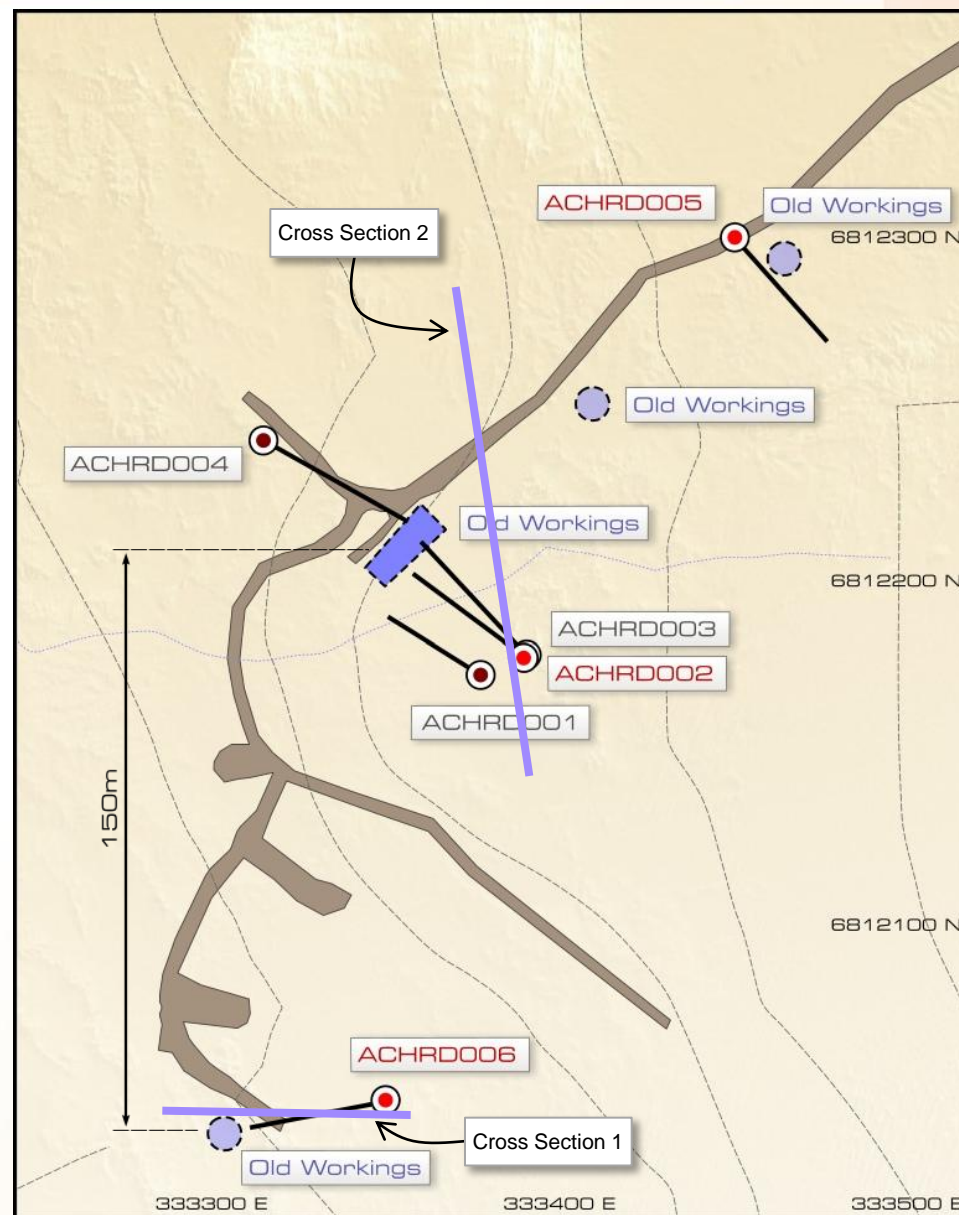
- Epithermal and underlying massive sulphides





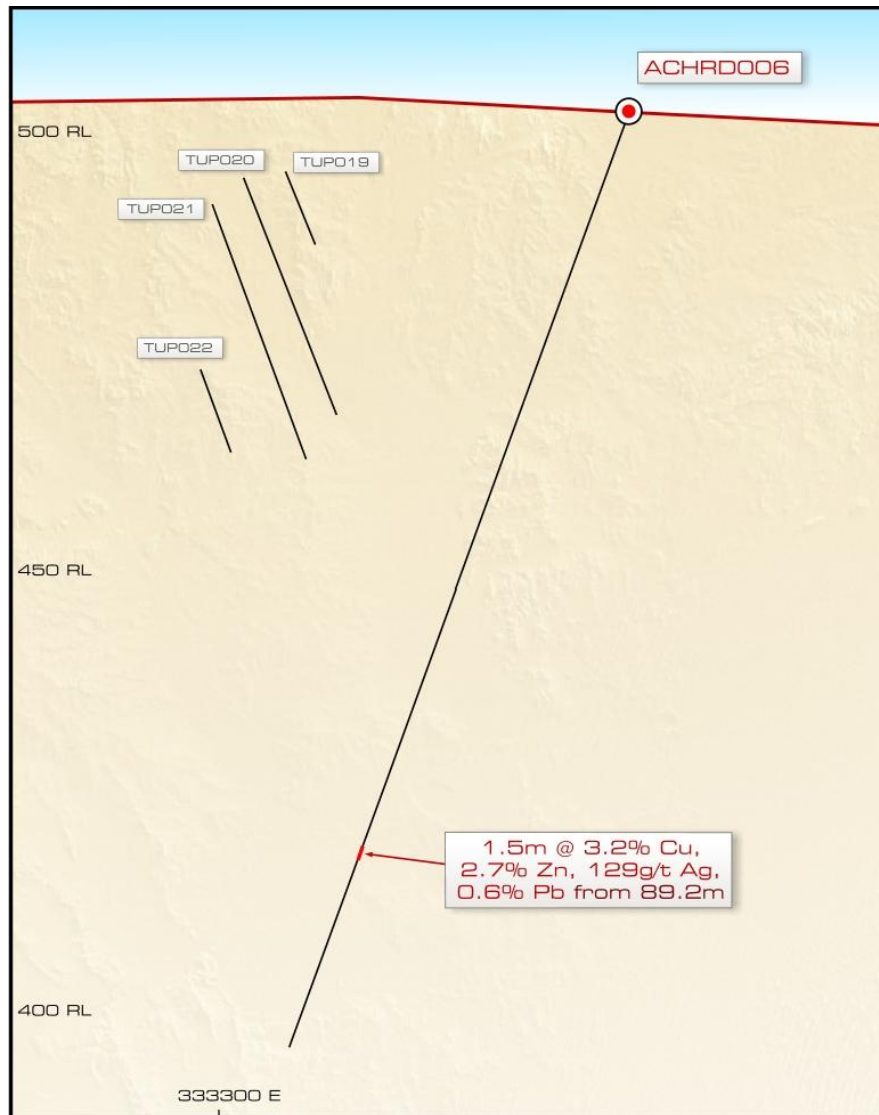
# Harrier Base Metals Target

- Current 9 hole work program:  
6 holes completed
- Best intercept of **1.5m @ 3.2% Cu, 2.7% Zn, 129g/t Ag, 0.6% Pb** from **89.2m (Hole ACHRD006)**
- Strike length now 650m (150m extension)
- Review underway

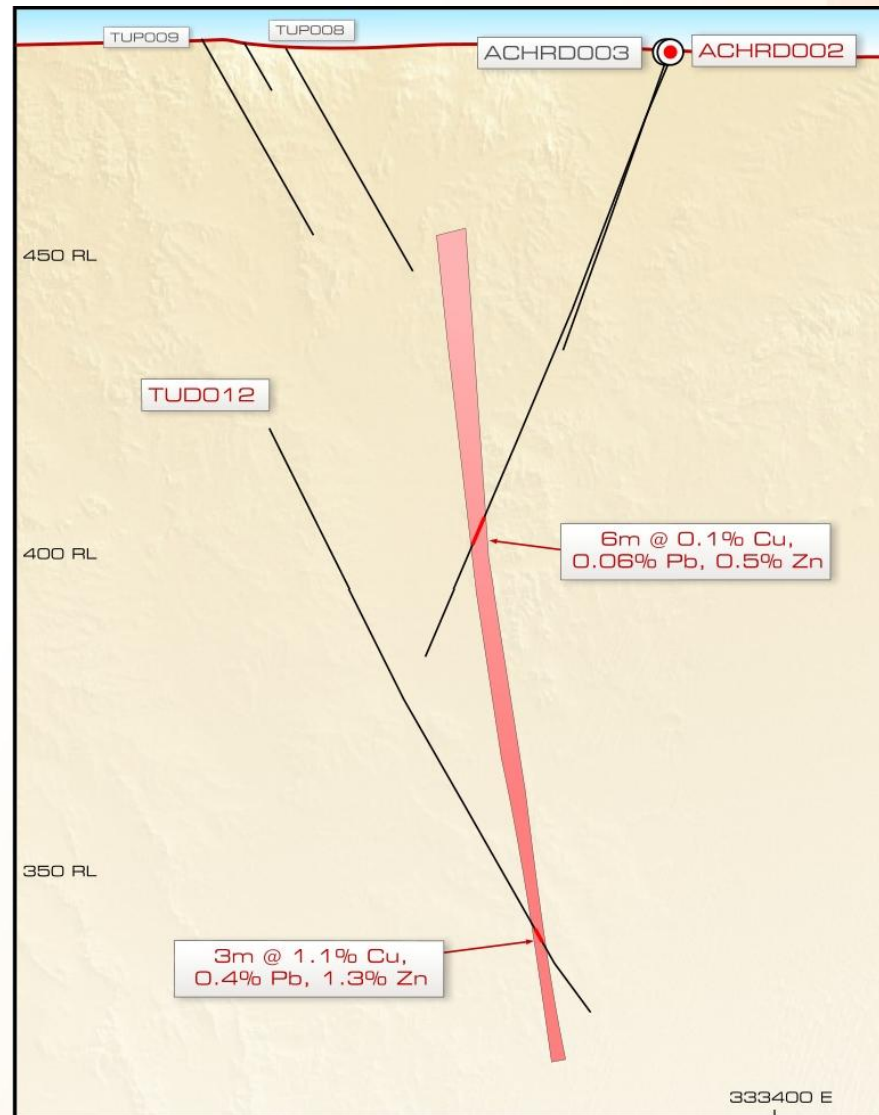


# Harrier Base Metals Target

## ● Cross Section 1



## ● Cross Section 2



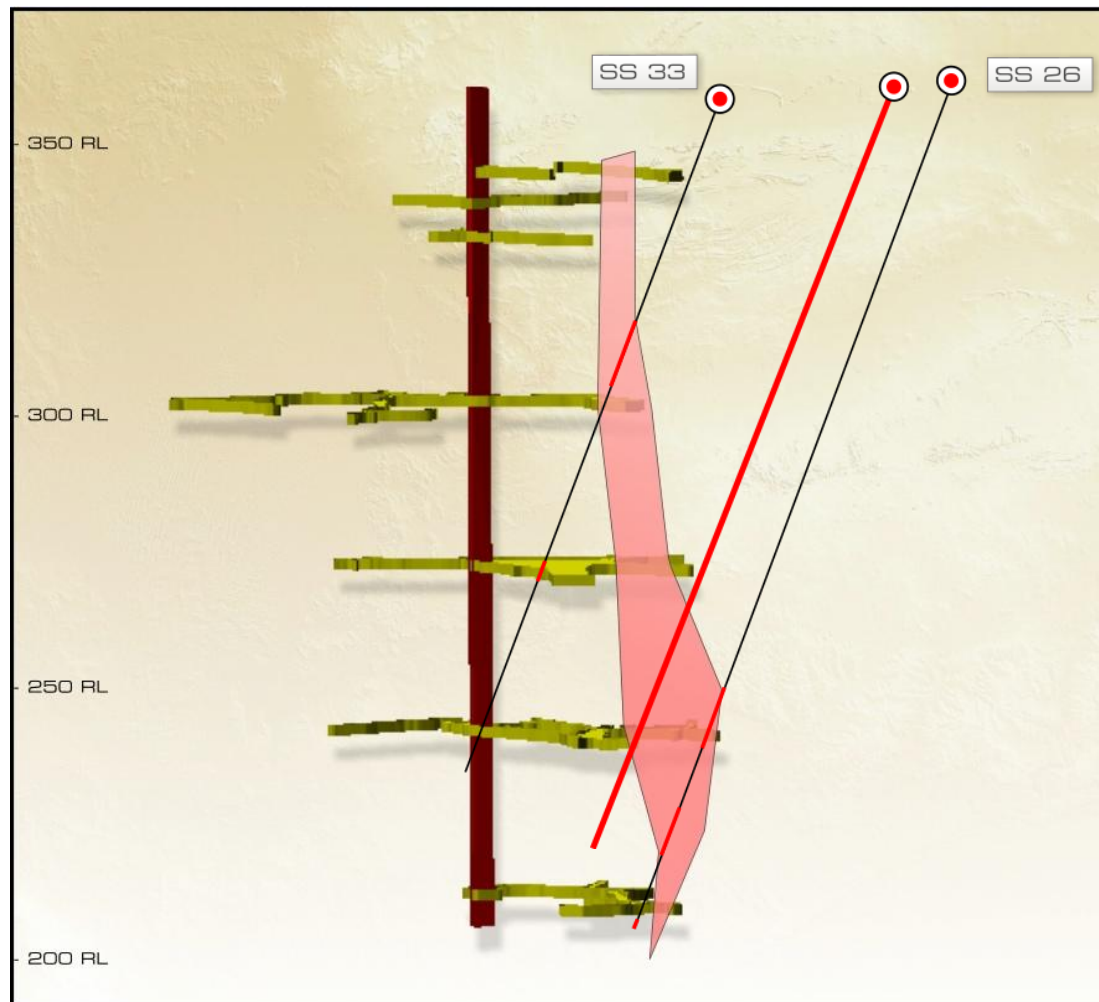
# Silver Spur Base Metals Target

- Previously reported massive sulphide inferred JORC resource of **808,000t @ 3.56% Zn, 1.25% Pb, 70g/t Ag** (above 2% ZnEq cut-off)\*
- Historical records – previous mining 90-100,000t at 25% Zn, 13% Pb and 800g/t Ag



# Silver Spur Base Metals Target

## Proposed Work Program



## SS26

- 126 to 138m 12m @ 108g/t Ag, 0.29%Cu, 2%Pb and 3.6%Zn
- 148m to 160m 12m @ 101g/t Ag, 0.22%Cu, 2.4%Pb and 6.2%Zn
- 166m to 175m 9m @ 78g/t Ag, 0.06%Cu, 0.3%Pb and 0.8%Zn

## SS33

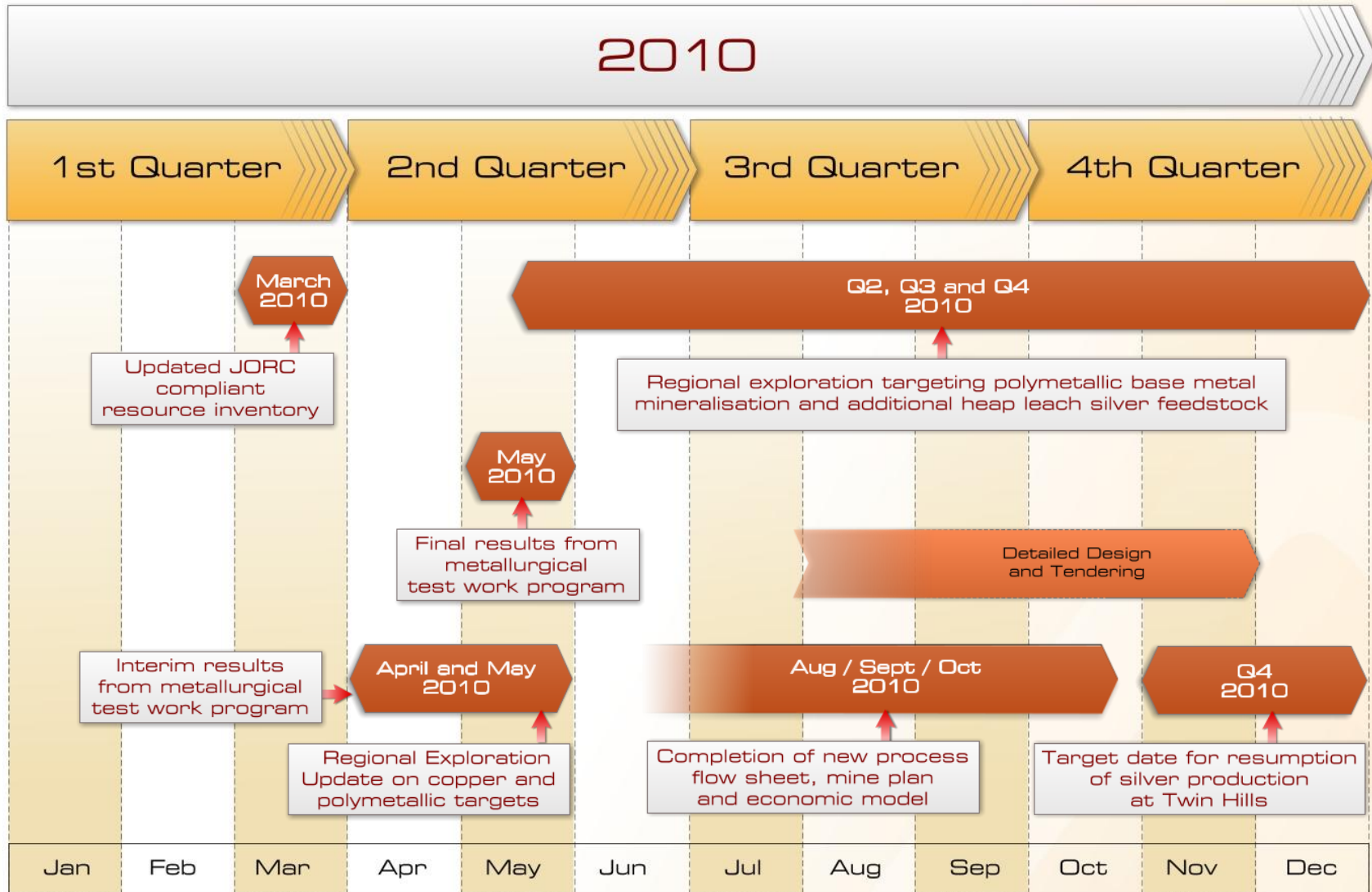
- 46 to 60m 14m @ 373g/t Ag, 3.7%Pb and 7.4%Zn

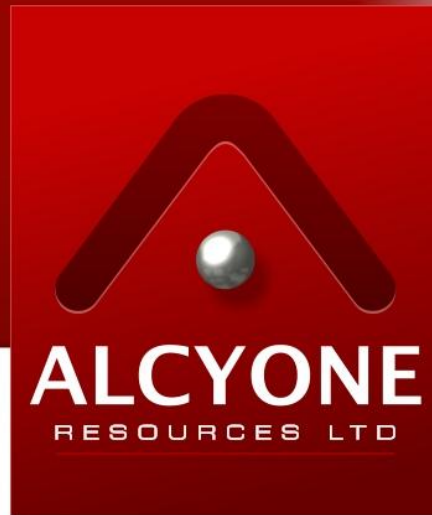
# The Outlook for Silver



- Gold: silver price ratio fell from 15.5:1 in 1700s to an average of 47:1 in the 20th century (currently approx 61)
- Silver price has risen strongly since September 2005, from around US\$7/oz to around US\$21/oz currently
- Rising gold price suggests the outlook for silver is robust

# Timeline to Production





## CONTACT

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