



## ASX ANNOUNCEMENT & MEDIA RELEASE

23 June 2010



# ALCYONE CHAIRMAN INJECTS \$1 MILLION AS PART OF \$3.7M CAPITAL RAISING

**STRONG VOTE OF CONFIDENCE IN COMPANY'S FUTURE GROWTH PROSPECTS**

Alcyone Resources Limited (ASX: AYN; 'Alcyone' or 'The Company') is pleased to confirm the allotment of 40 million shares at 2.5 cents to its non-executive Chairman, prominent Perth businessman **Mr Charles Morgan**, who has subscribed for shares worth **\$1 million**, representing more than a quarter of the Company's current \$3.7 million capital raising.

The allotment of the shares to Mr Morgan follows the receipt of shareholder approval at an Extraordinary General Meeting held on 18 June for Tranche Two of the share placement, comprising 56,000,000 shares (\$1.4 million), and approval for Mr Morgan as a Director to participate in the placement.

As a result of his participation in the share placement, Mr Morgan will have increased his holding in Alcyone from 3,000,000 previously to 43,000,000 shares.

The Board is delighted with Mr Morgan's participation in the capital raising, which represents a very strong vote of confidence in Alcyone's assets, management team and growth strategy as an emerging Australian resource company focused on the re-commissioning of the Twin Hills heap leach silver mine in south-east Queensland as well as a major new base metal exploration initiative.

The proceeds of the raising are primarily being used to underpin this exploration initiative at Alcyone's 100%-owned **Texas Project** in south-east Queensland (see *ASX Announcement – 4 May 2010*), where drilling is now underway at the Harrier copper prospect (see *ASX Announcement – 22 June 2010*).

*"It is fantastic as an emerging mining company when one of your Directors – in this case our Chairman – puts his hand in his pocket in such a show of confidence in your future,"* said Alcyone's Managing Director, Mr Andrew King.

*"I would like to take this opportunity to thank Mr Morgan for his support. We have recently commenced an exciting new drilling program at Texas in parallel with ongoing work to progress towards a restart of mining operations at the Twin Hills silver mine by the end of this year,"* he added. *"We are very positive about the future of this Company and we are delighted that Mr Morgan shares our enthusiasm for the future."*

Mr Morgan has extensive experience in equity capital markets and has been involved in with numerous projects over a 25 year period in the resources and oil & gas industries. He holds or has previously held the positions of Founder, Chairman, Director and/or Major Shareholder with companies including Nido Petroleum NL, Grand Gulf Energy Ltd, West Oil NL, Wildhorse Energy Limited and Latent Petroleum Pty Ltd.

**ENDS**

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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.*

## **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.*