



ALCYONE
RESOURCES LTD

ASX Code: AYN

*Investment growth with a
silver lining...*

Andrew King,
Managing Director

May 2011



Disclaimer and Key Information

Disclaimer

- This presentation has been prepared by the Directors of *Alcyone Resources Ltd* (“*Alcyone*” or the “*Company*”) from currently available public domain information to provide background information to enable recipients to review the business activities of *Alcyone*. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities.
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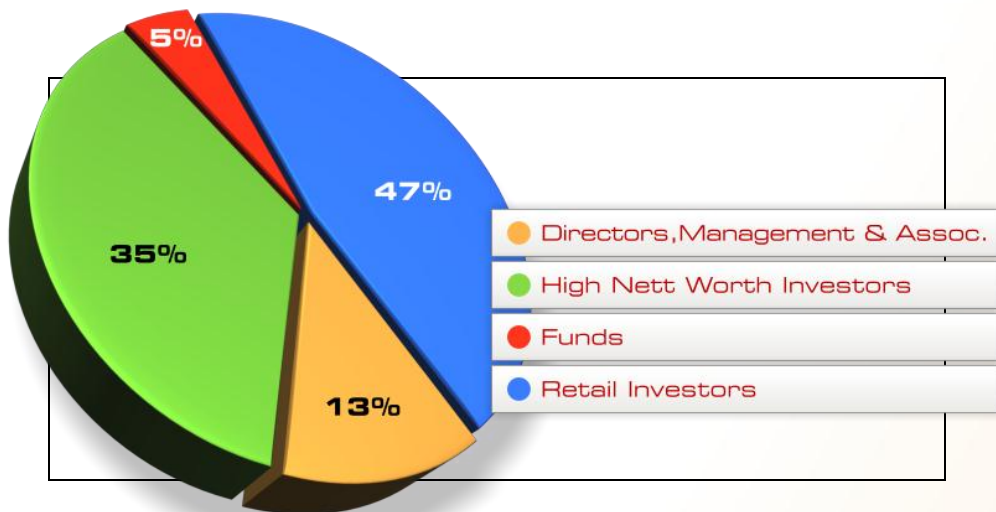
Competent Person Statements

- 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 Australasian 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.
- The information in this report that relates to data used for and the resultant Ore Reserve for the Texas Silver project is based on information compiled by Mr Bill Frazer who is a Member of the Australasian Institute of Mining and Metallurgy and Director of Mining One Pty Ltd a mining and geotechnical consultancy.
- Mr Frazer is a mining engineer with over 30 years experience in underground and open pit environments and has sufficient experience which is relevant to this type of mineral deposit and mining methodology 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 Frazer consents to the inclusion in this Report of the information compiled in the form and context in which they appear.

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.

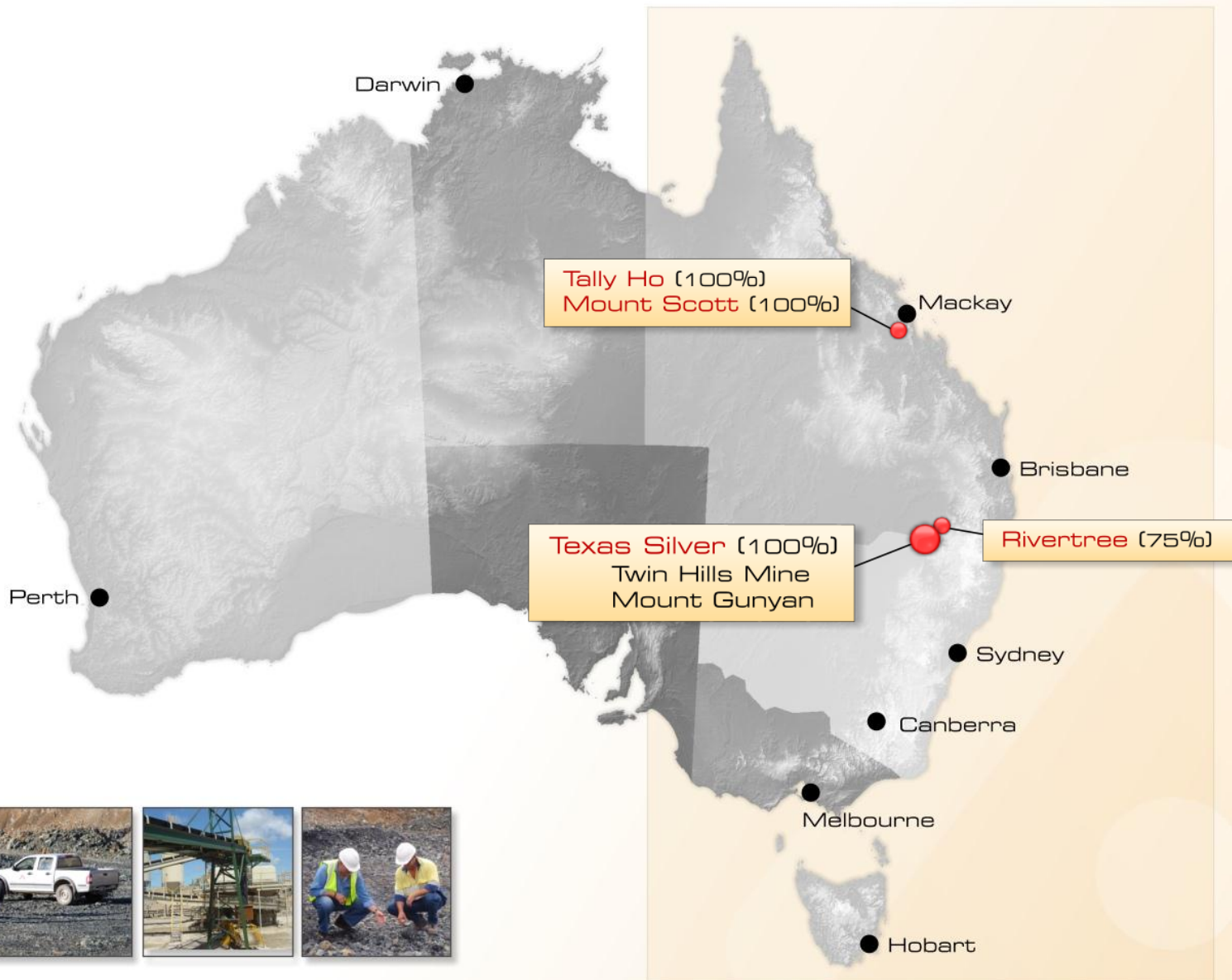
Shareprice:	12.0c
Market Capitalisation	
<i>Undiluted</i>	~A\$158M
<i>Cash (March 31st 2011)</i>	~A\$9.6M (no debt)
Top 20:	58%
Free float:	400-500M shares
Ave. Daily Volume:	35M shares



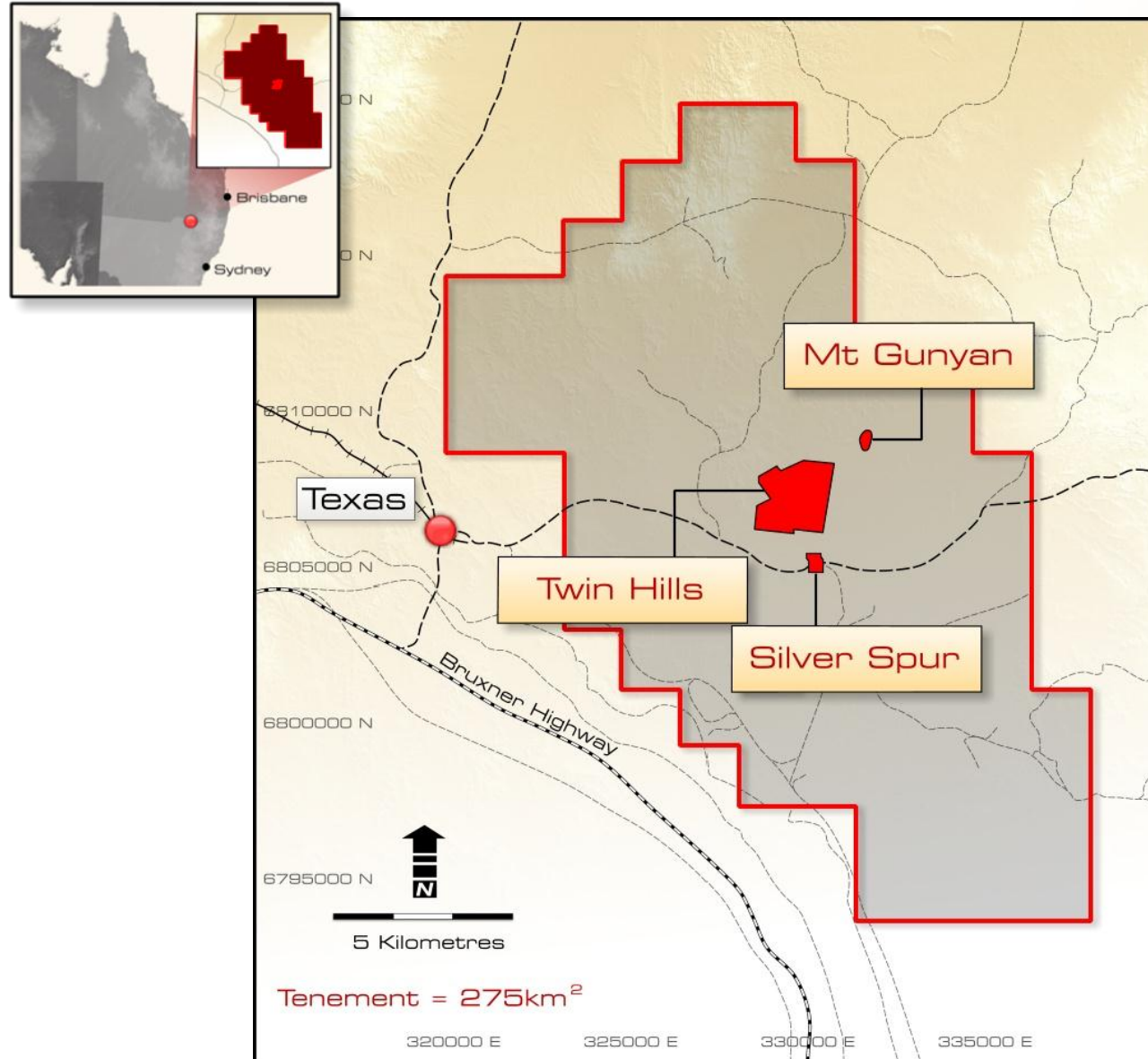
	Shares	Options
Total	1,312.7M	72.8.M*
<i>* Management & Associates options, strike price of 1 cent, expiring 30 Sep 2012</i>		

• Board & Management

- Charles Morgan
Non Executive Chairman
- Andrew King
Managing Director
- Andrew Richards
Non Executive Director
- Trevor Harris
Chief Financial Officer
- Michael Reed
Operations Manager
- Peter Ball
Manager Geology
- Bob Markovich
Project Manager (Operations)

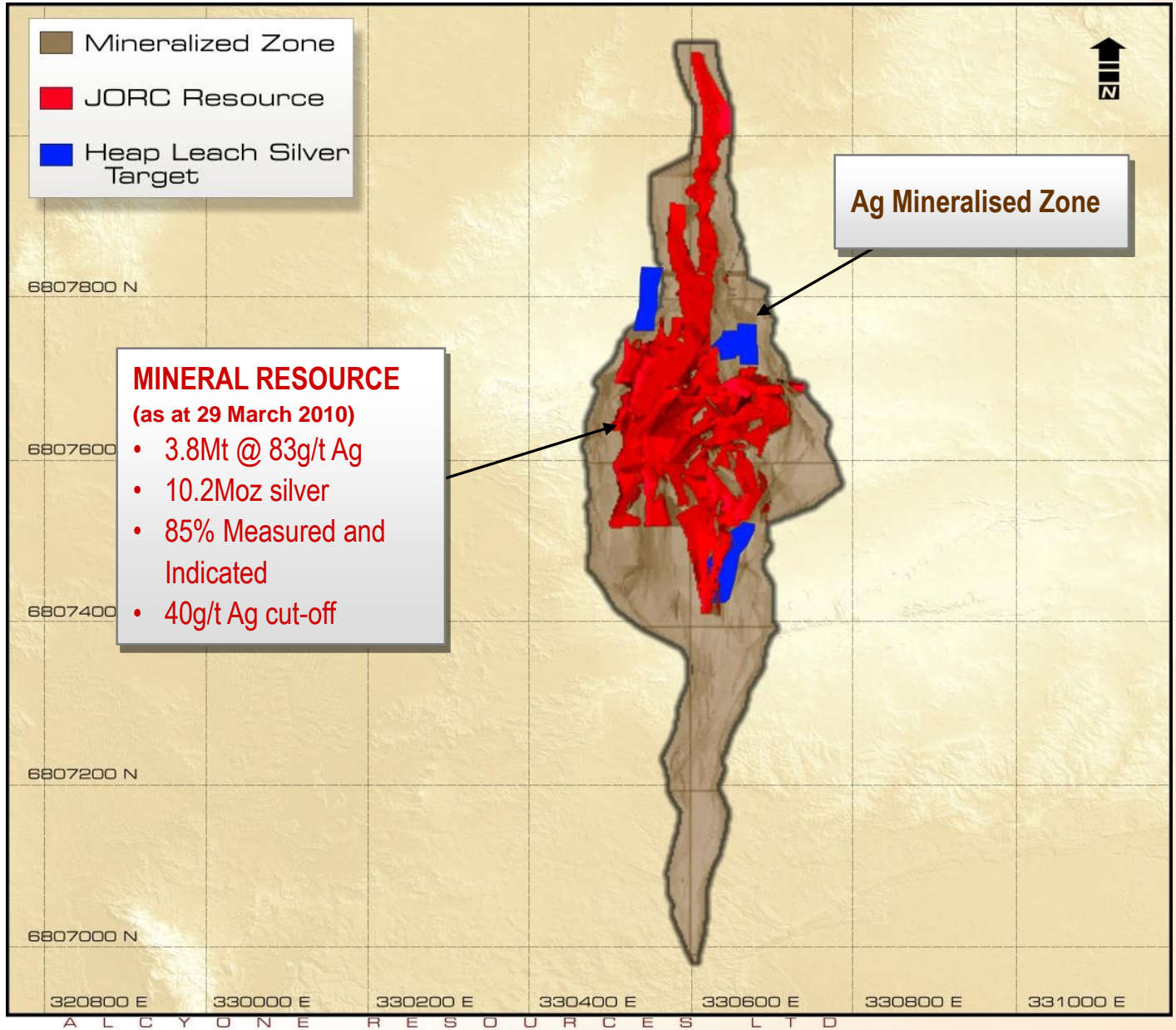


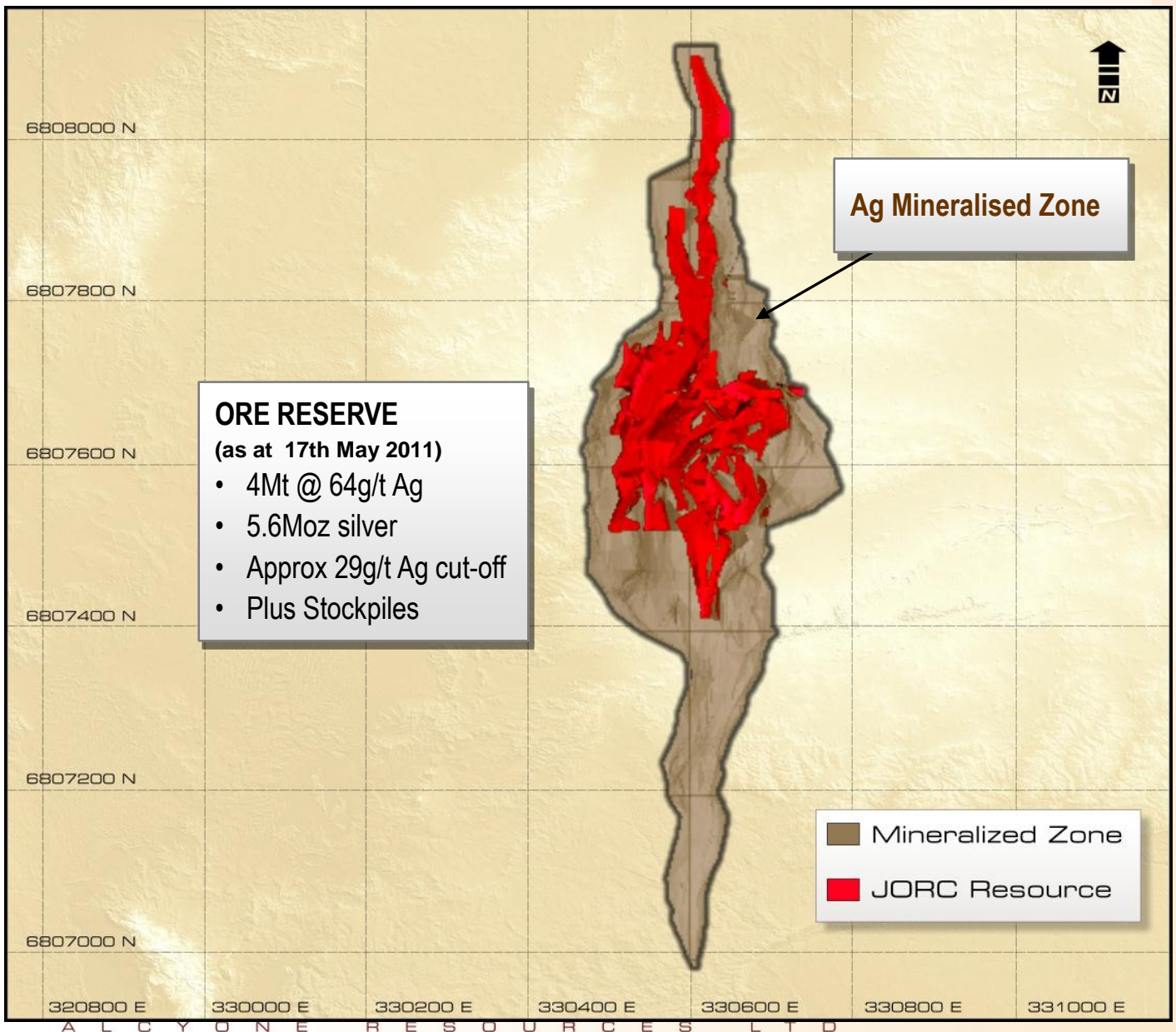
Texas Silver Project





Twin Hills Resource & Heap Leach Target





Twin Hills Reserve – Plan View

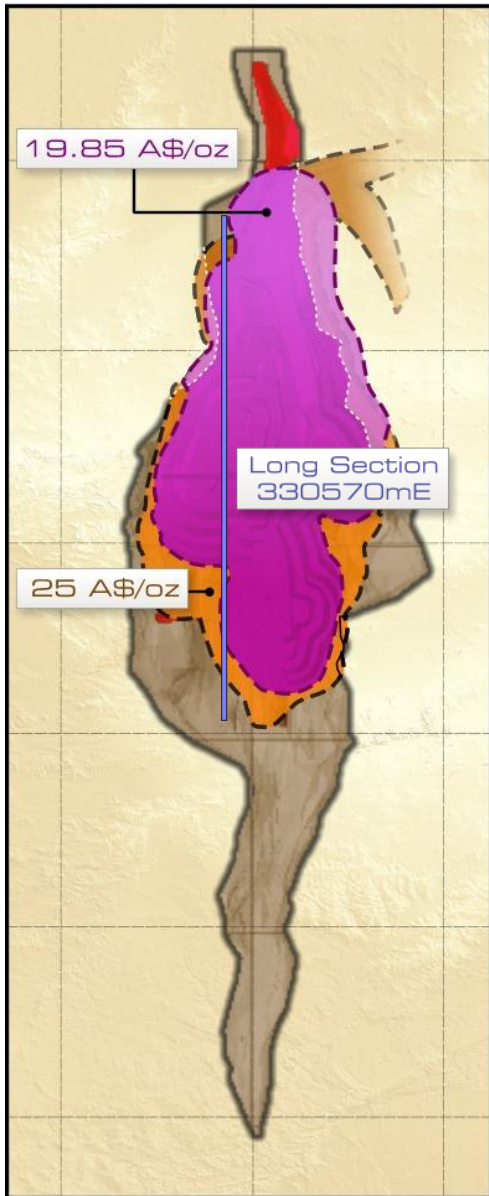


ORE RESERVE and PIT SCOPING FIGURES

Ag AUD\$/oz	Tonnes	Ag g/t	Ag oz recovered	Strip Ratio
19.85	2,325,000	82	4,125,000	2.17
25	4,016,000	64	5,637,000	1.65
30*	5,929,000	54	7,056,000	1.41

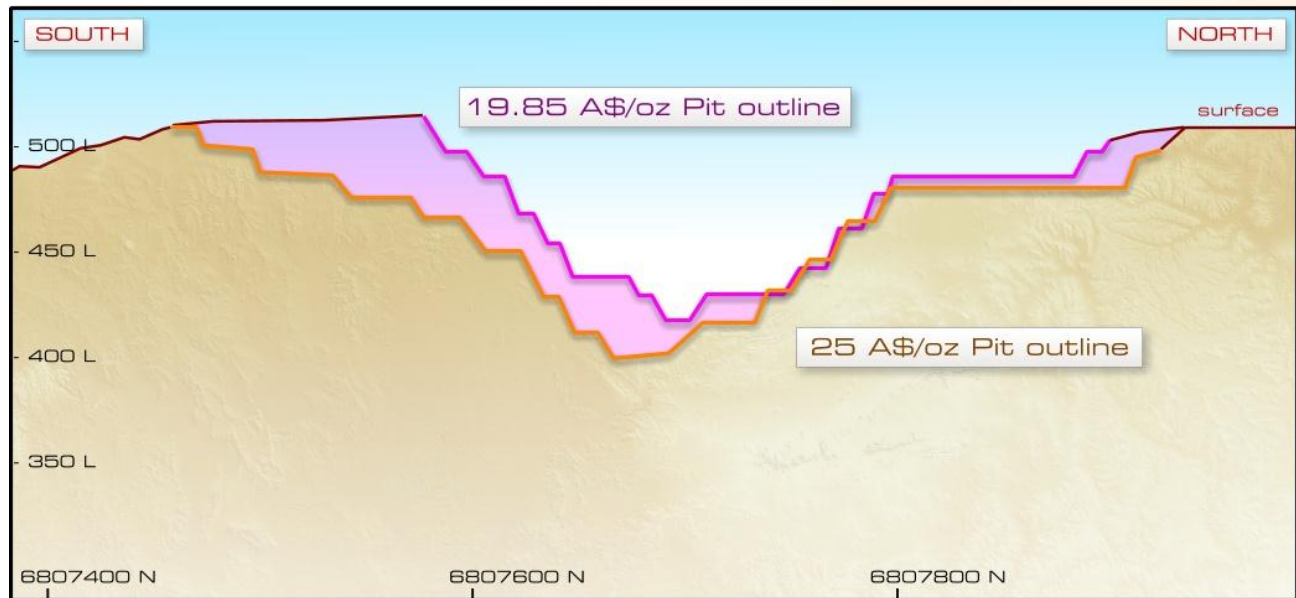
* The \$30/oz case is based on the highest cash flow optimal shell and is not an ore reserve

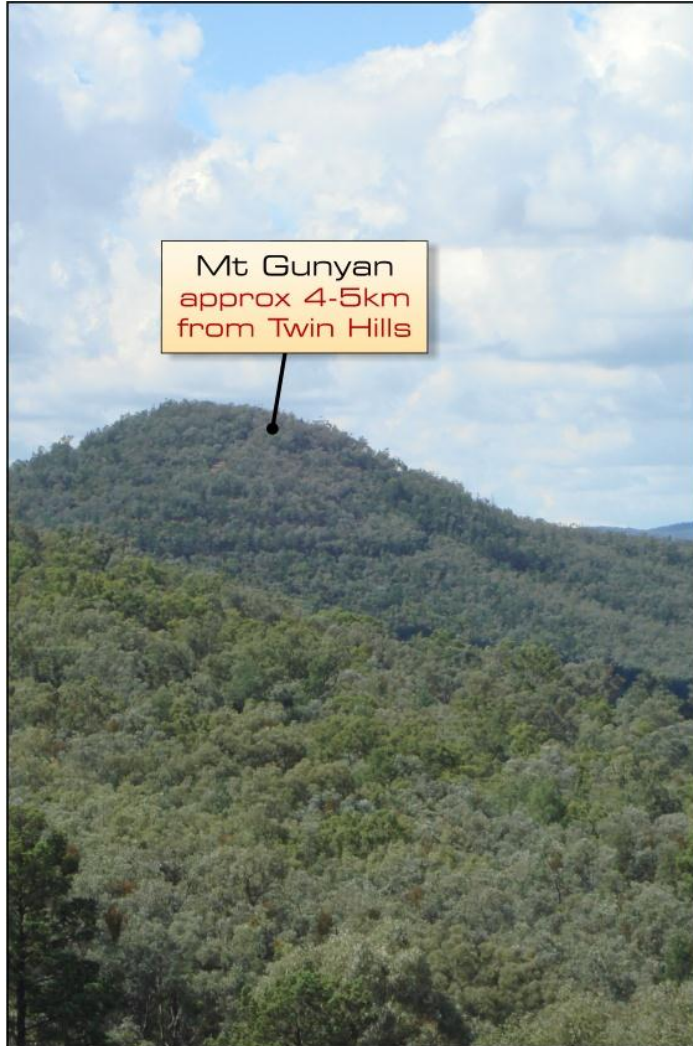
Twin Hills Ore Reserve Metrics – A\$25 Ag oz



Cash Cost Ag A\$/oz	~\$15.00
Mining cost A\$/tonne ore	~\$7.00 - \$8.00
Processing cost A\$/tonne	~\$13.00
Current Stockpiles	~200kt @ > 60g/t Ag
Future Stockpiles	~860kt @ 25g/t Ag
Mine Life	4 to 5 years

Excludes current Heaps under irrigation





Mt Gunyan
approx 4-5km
from Twin Hills

Mt Gunyan Mineral Resource			
Category	Tonnes	Ag g/t	Au g/t
<i>Measured</i>	242,000	69	0.16
<i>Indicated</i>	1,777,000	69	0.08
Sub-total	2,018,000	69	0.09
<i>Inferred</i>	329,000	69	0.05
Total*	2,347,000	69	0.08

* 40g/t Ag reporting cut-off

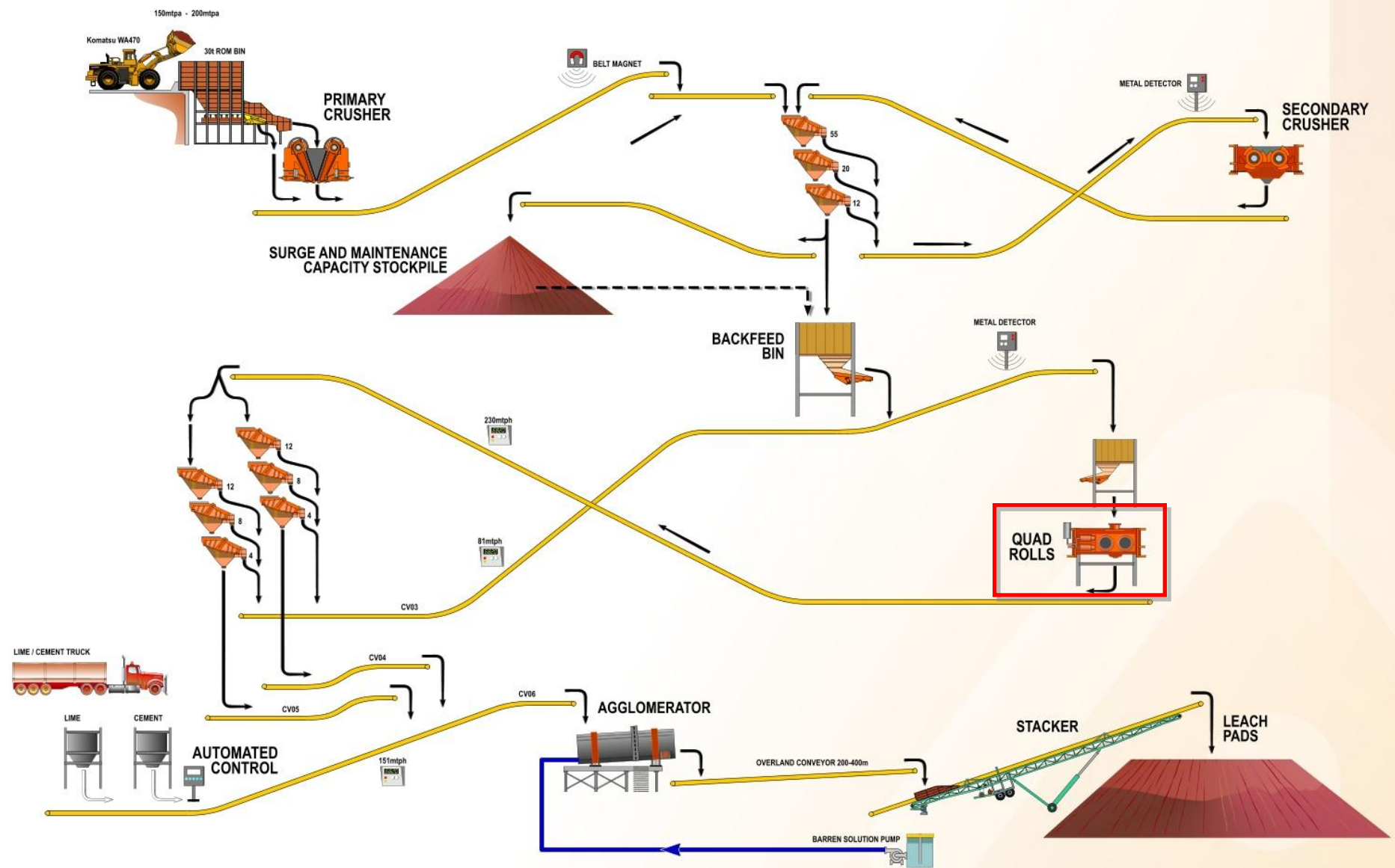


Deposit	Category	Tonnes	Silver (g/t Ag)	Gold (g/t Au)	Contained Silver (oz)	Contained Gold (oz)
Twin Hills	Measured	1,762,000	86	0.08	4,868,000	4,700
	Indicated	1,466,000	79	0.12	3,722,000	5,400
	Inferred	614,000	81	0.08	1,602,000	1,600
	TOTAL:	3,842,000	83	0.09	10,192,000	11,700
Mount Gunyan	Measured:	242,000	69	0.16	537,000	1,300
	Indicated	1,777,000	69	0.08	3,925,000	4,400
	Inferred	329,000	69	0.05	728,000	500
	TOTAL:	2,347,000	69	0.08	5,189,000	6,200
PROJECT TOTAL*	All Categories	6,189,000	77	0.09	15,382,000	17,900

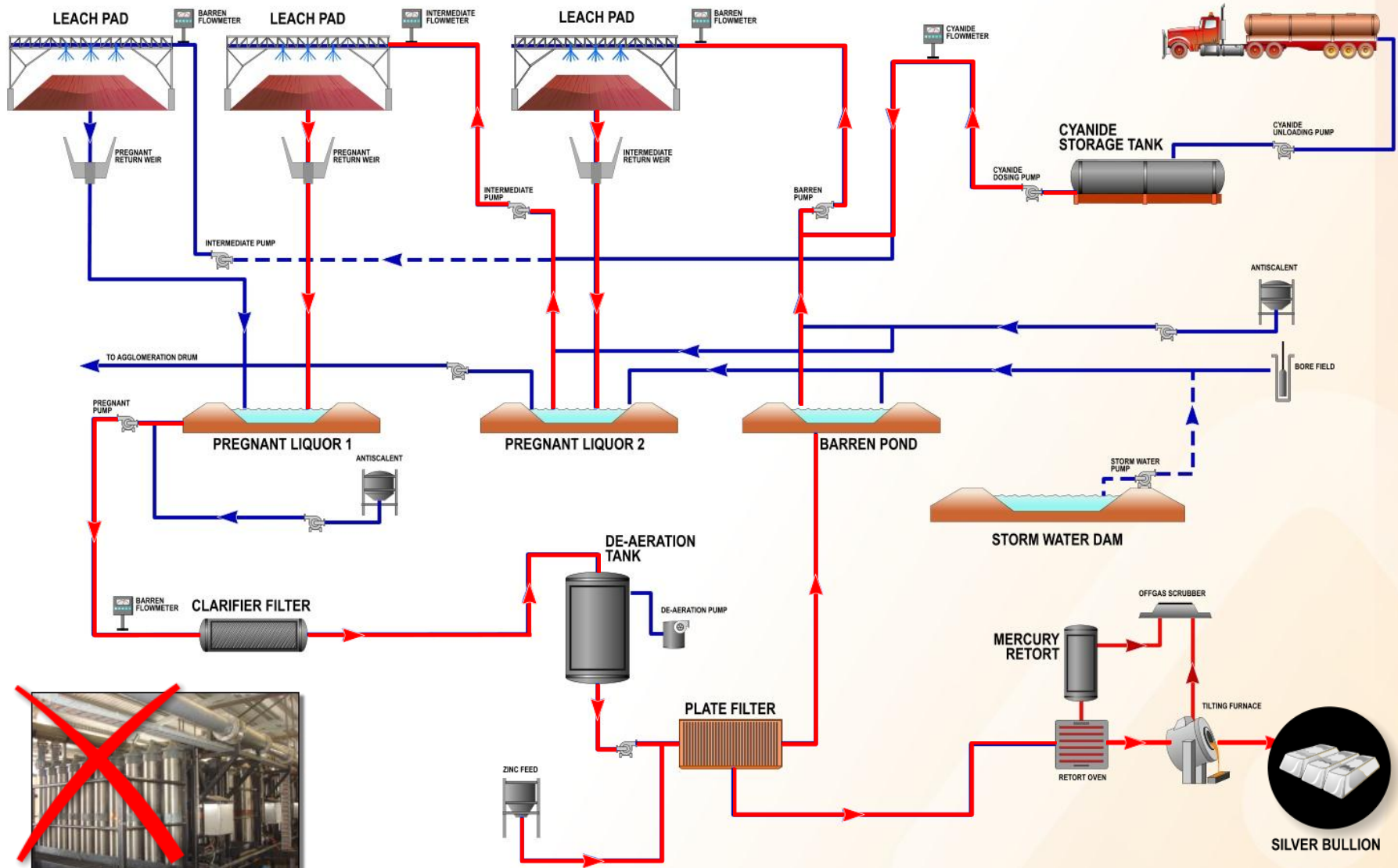
The Twin Hills Mineral Resource is inclusive of the Ore Reserve

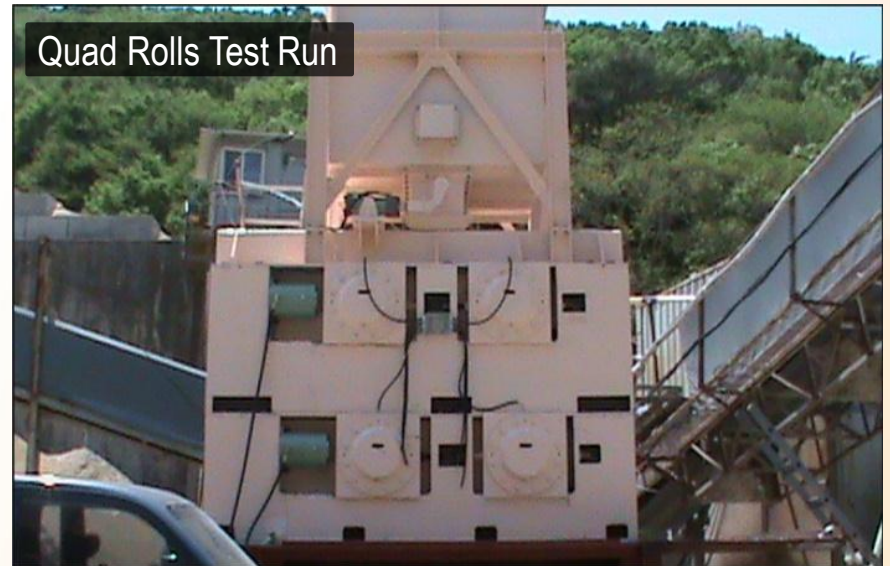
* 40g/t Ag reporting cut-off

Twin Hills – Upgraded Crushing Plant

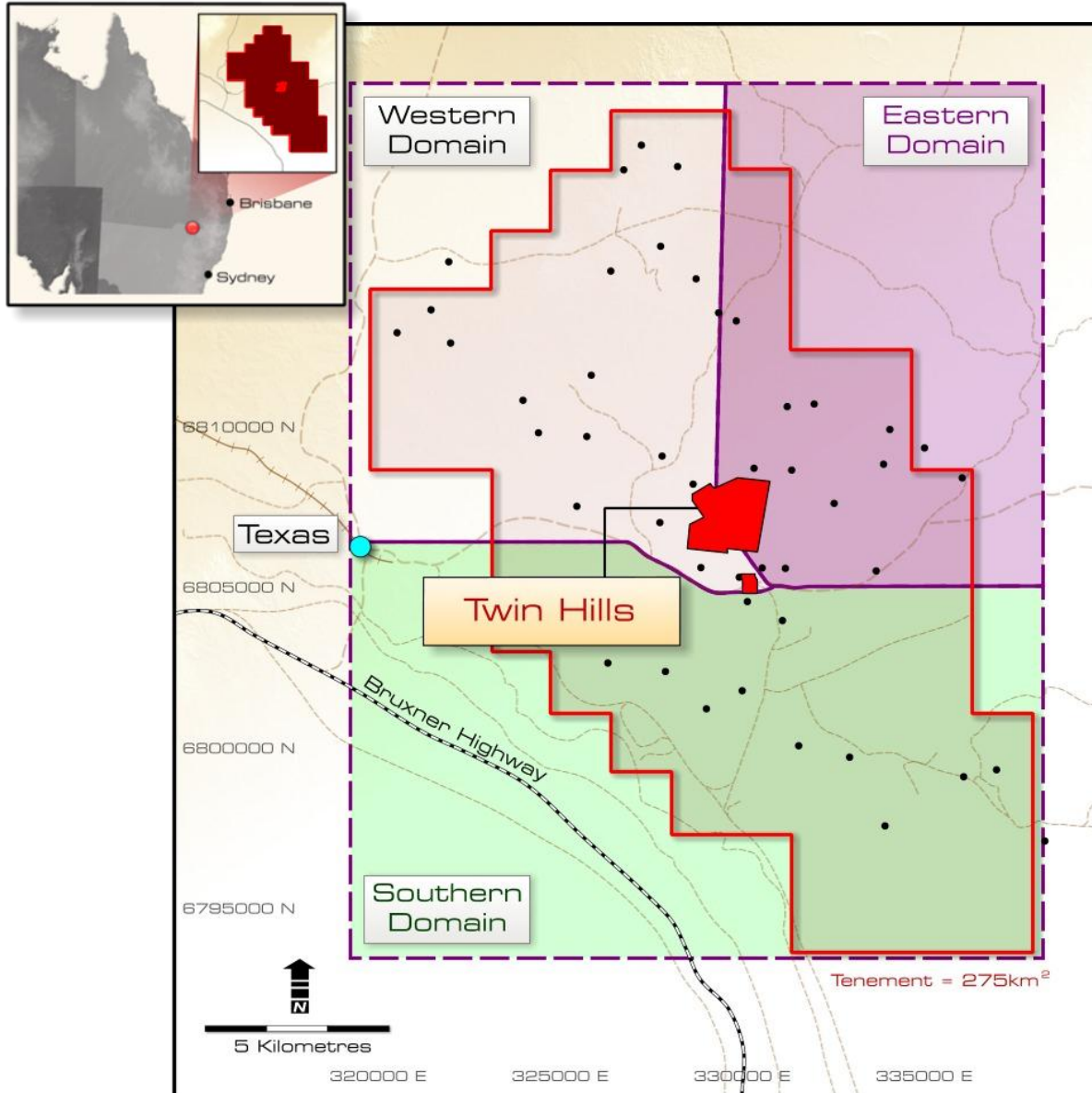


Twin Hills – Heap Leach and Recovery Schematic





Priority Exploration Domains



Western Domain

- Epithermal
- Precious and base metals
- Target size* –
 - 10Mt near surface
 - +20Mt at depth

Eastern Domain

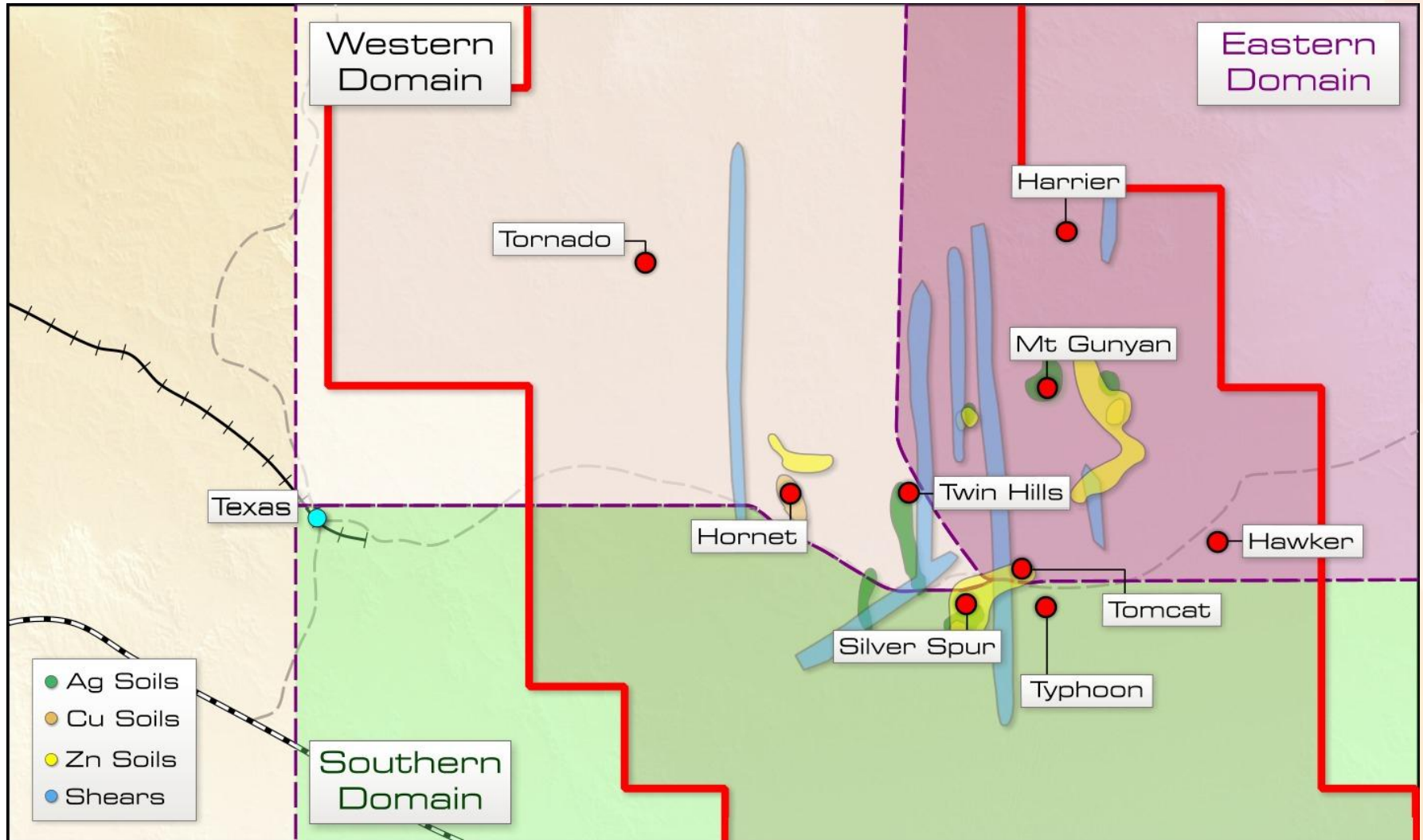
- Outcropping Epithermal
- Precious but with associated base metals
- Target size* –
 - 10Mt near surface
 - +20Mt at depth

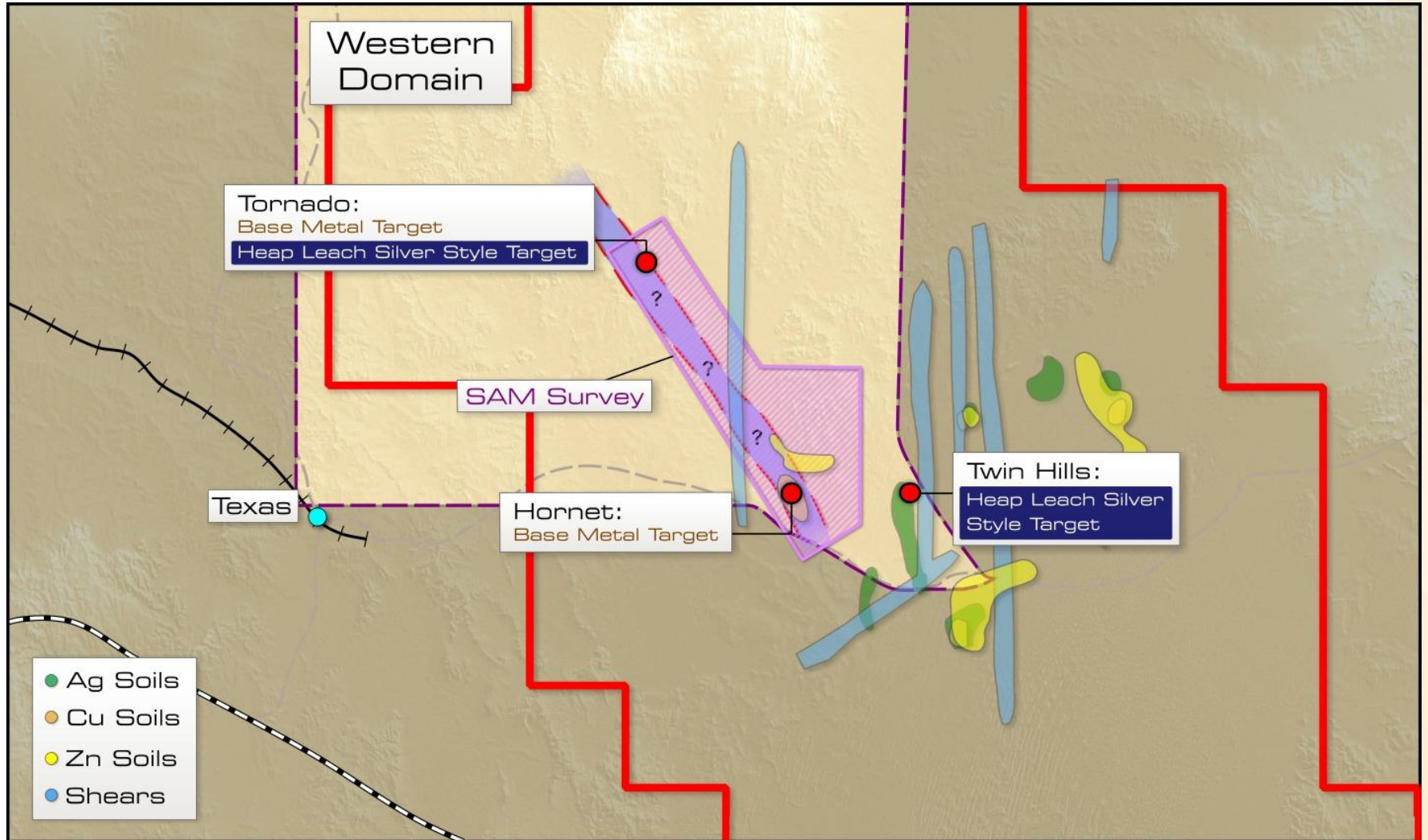
Southern Domain

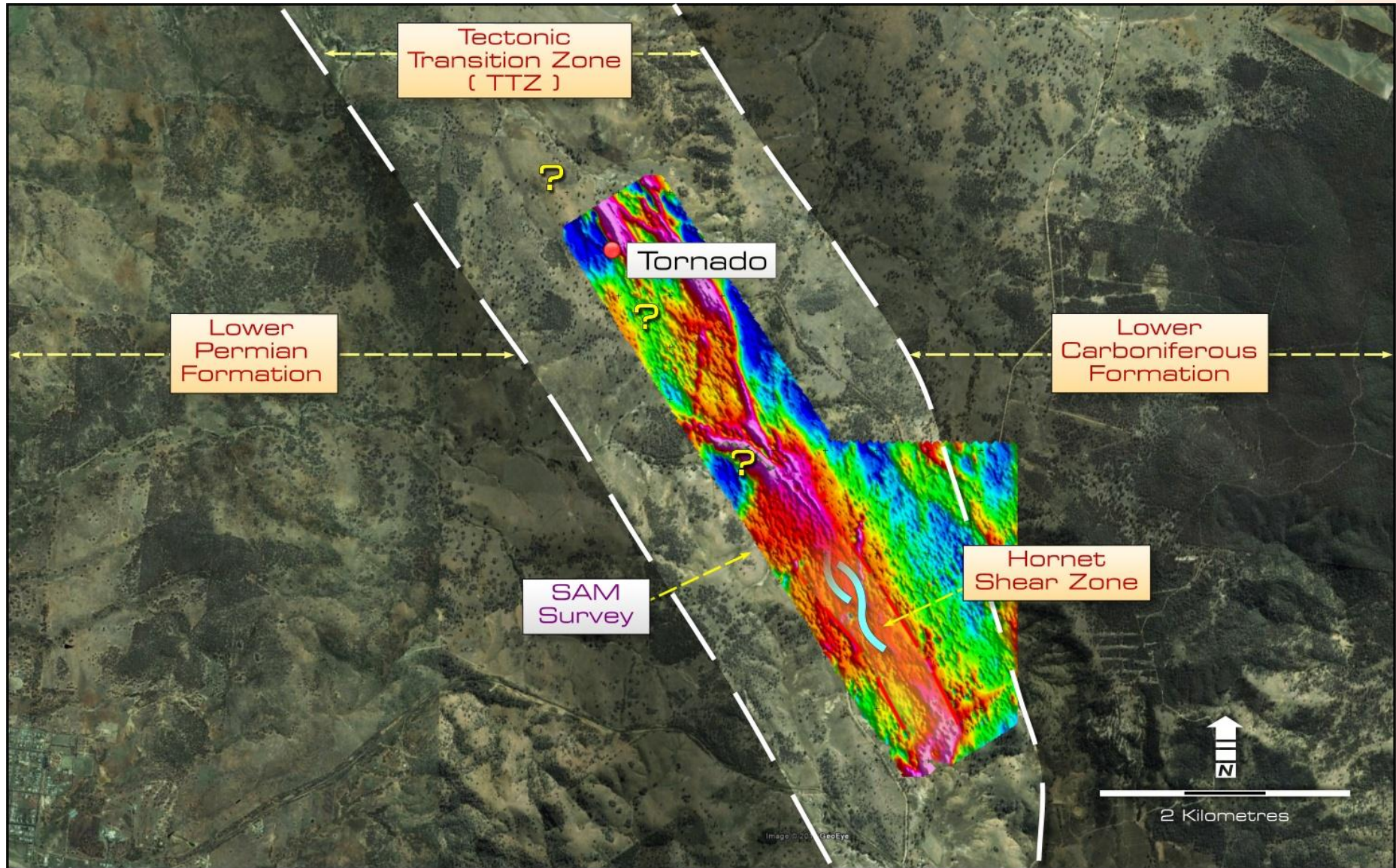
- Undercover Epithermal
- Base metals targets
- Target size* –
 - 1 to 5Mt massive sulphides
 - 0.5Mt in quartz veins

* Grade range of 40 to 150g/t Ag. The exploration target potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

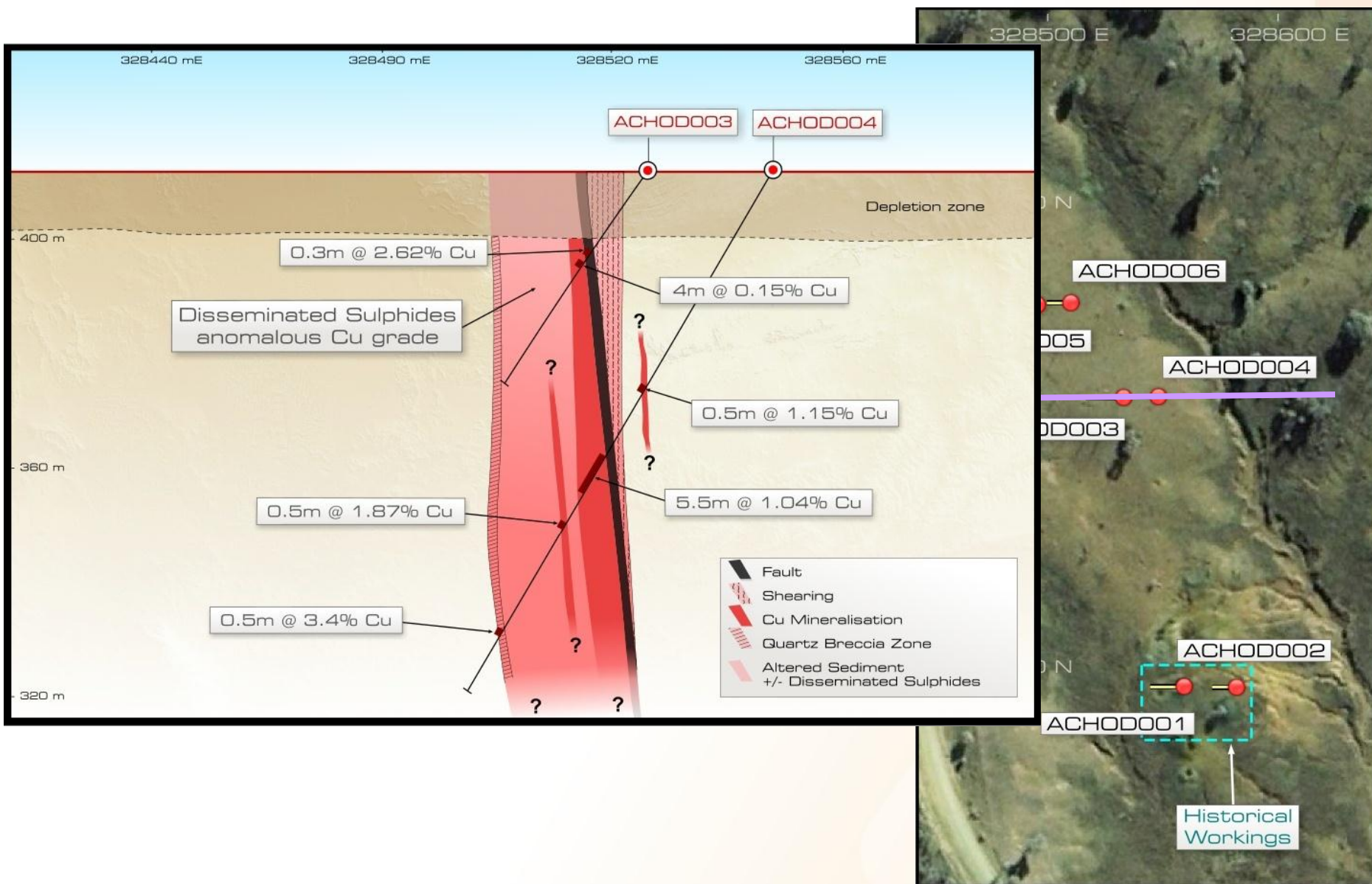
Priority Exploration Domains



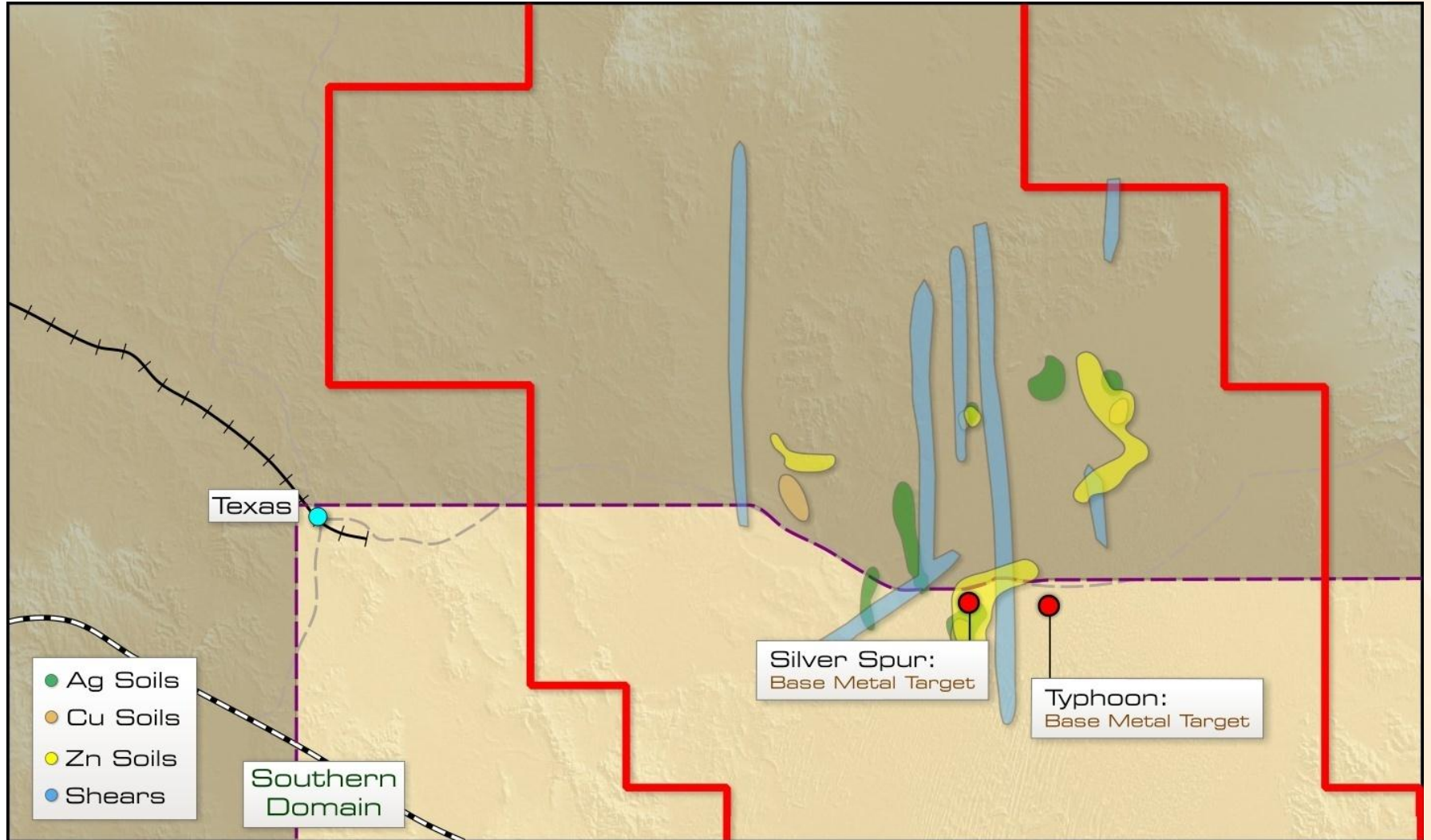




Western Domain: Hornet – Base Metals Targets



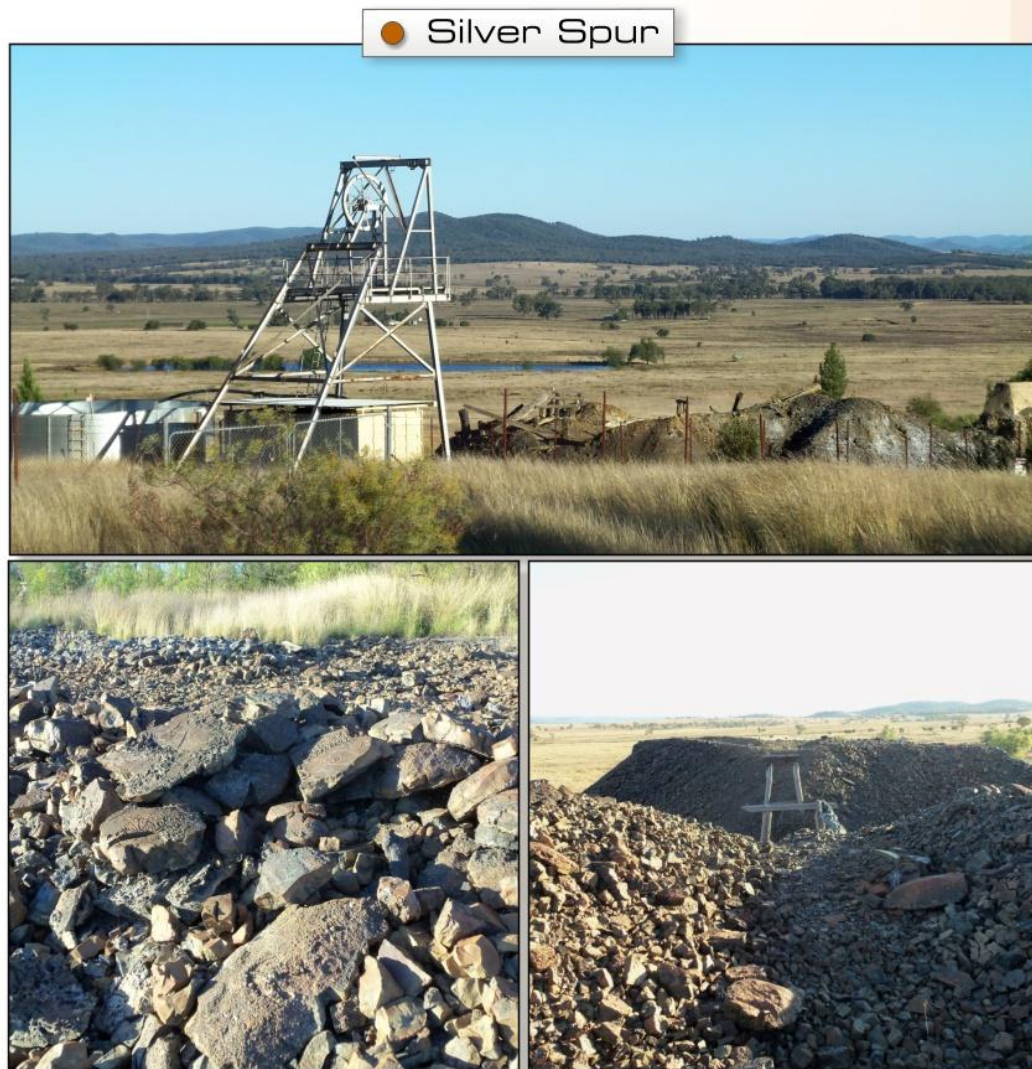
Southern Domain: Silver Spur – Base Metals Target



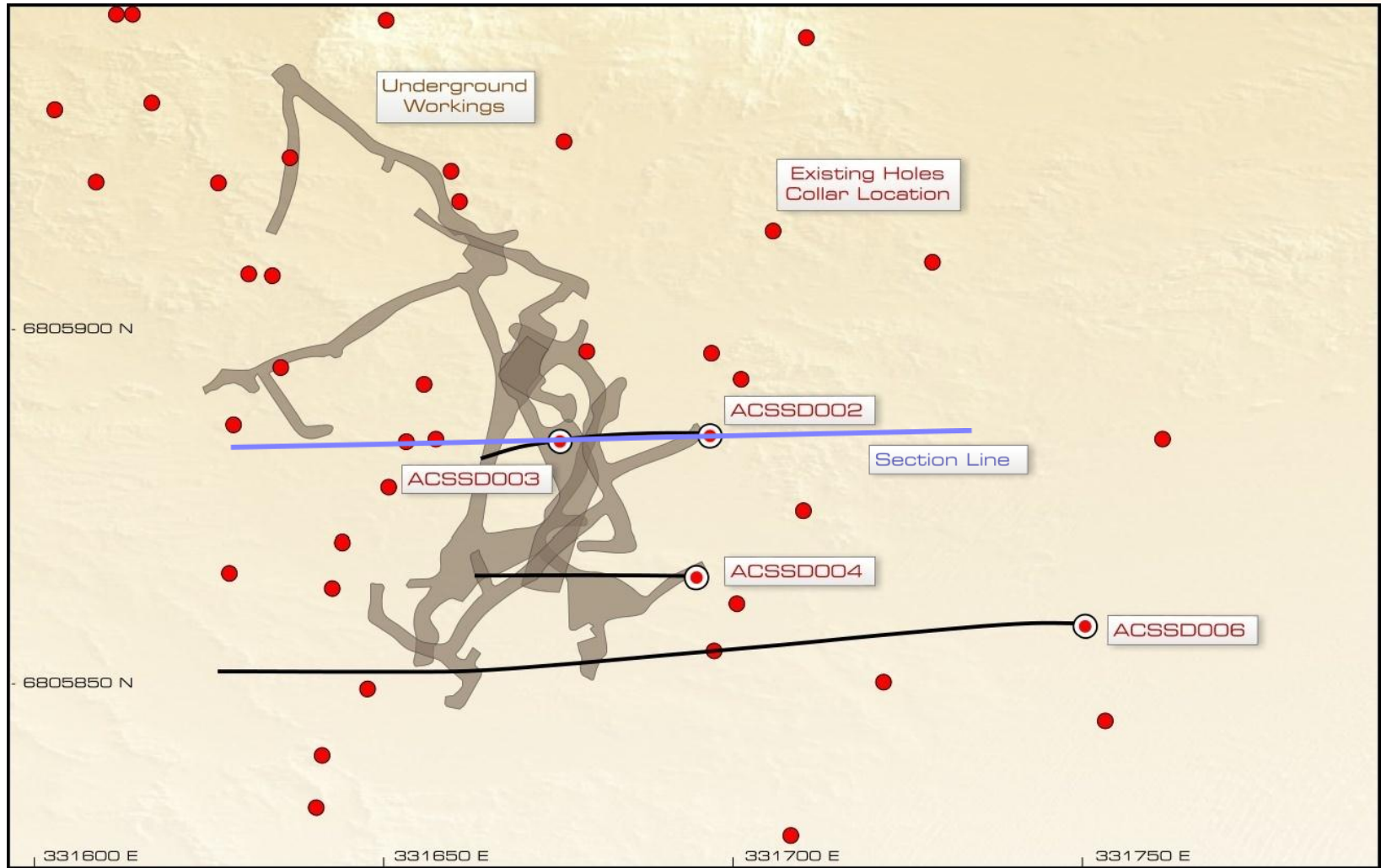
Southern Domain: Silver Spur – Base Metals Target

- Inferred JORC resource of **808,000t @ 3.56% Zn, 1.25% Pb, 70g/t Ag** (above 2% ZnEq cut-off)*
- Historical mining – **90-100,000t at 25% Zn, 13% Pb and 800g/t Ag**
- Remnant slag ~40,000 m³ @ ~13.9% Zn, ~3%Pb, ~0.7% Cu, ~260g/t Ag and ~0.8g/t Au

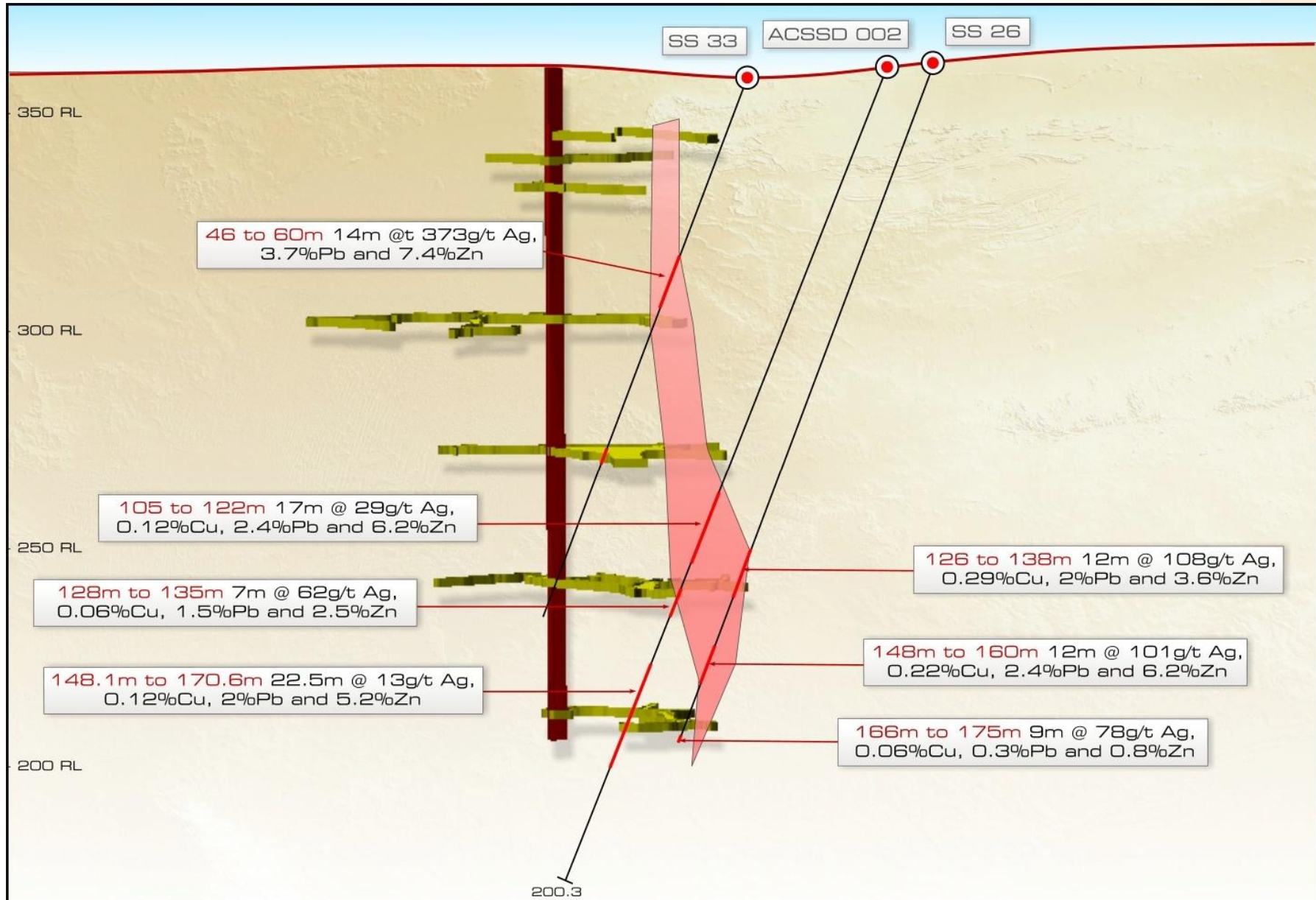
* As published in ASX announcement 14/07/04



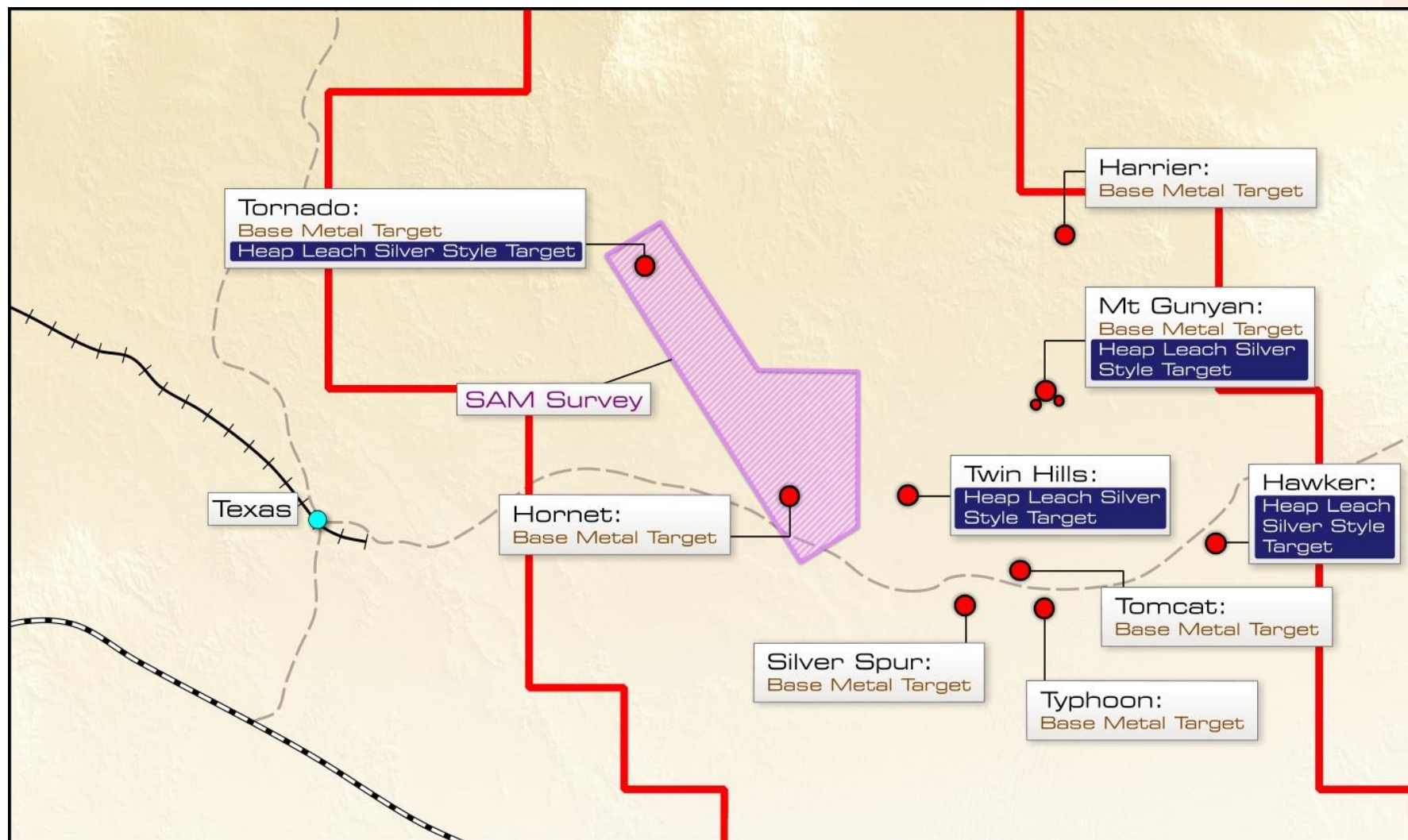
Silver Spur Base Metals Target



Silver Spur Base Metals Target



Exploration – The next Steps

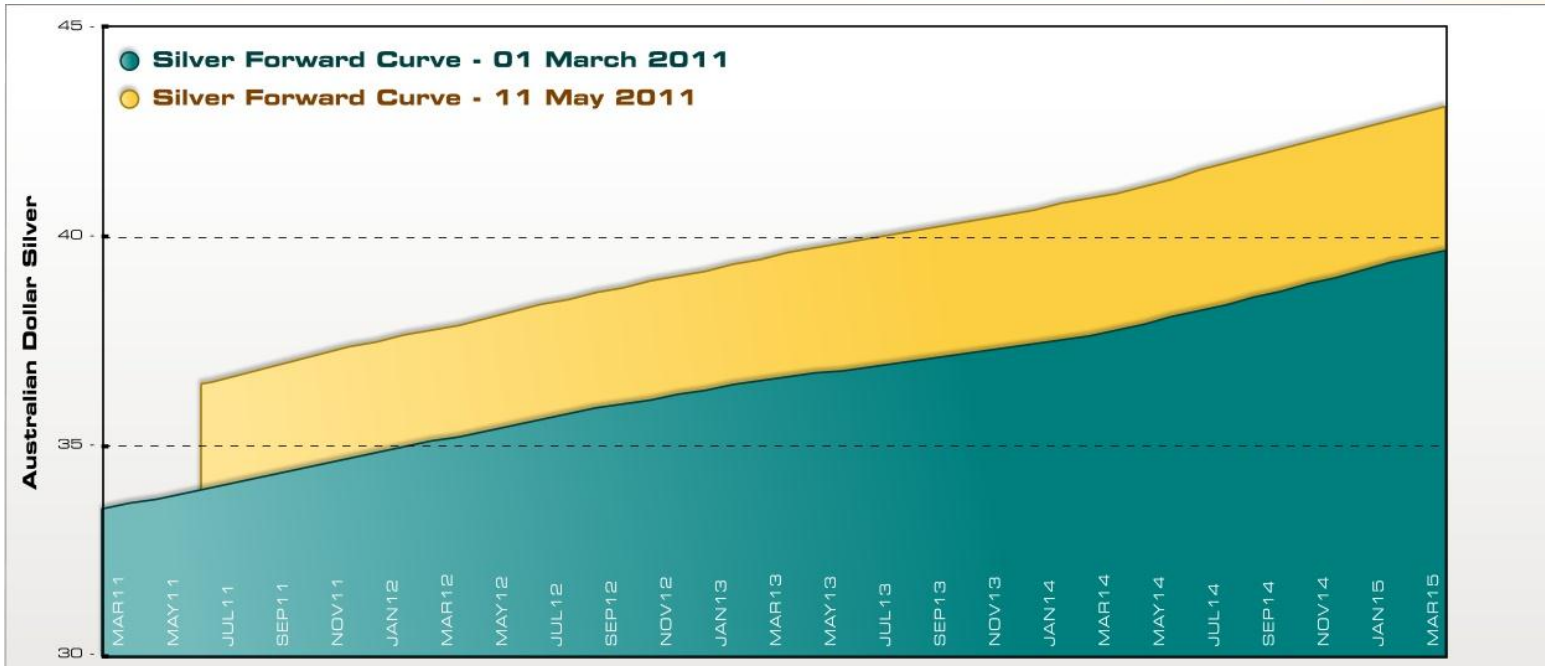


Heap Leach Silver Targets – forward programme

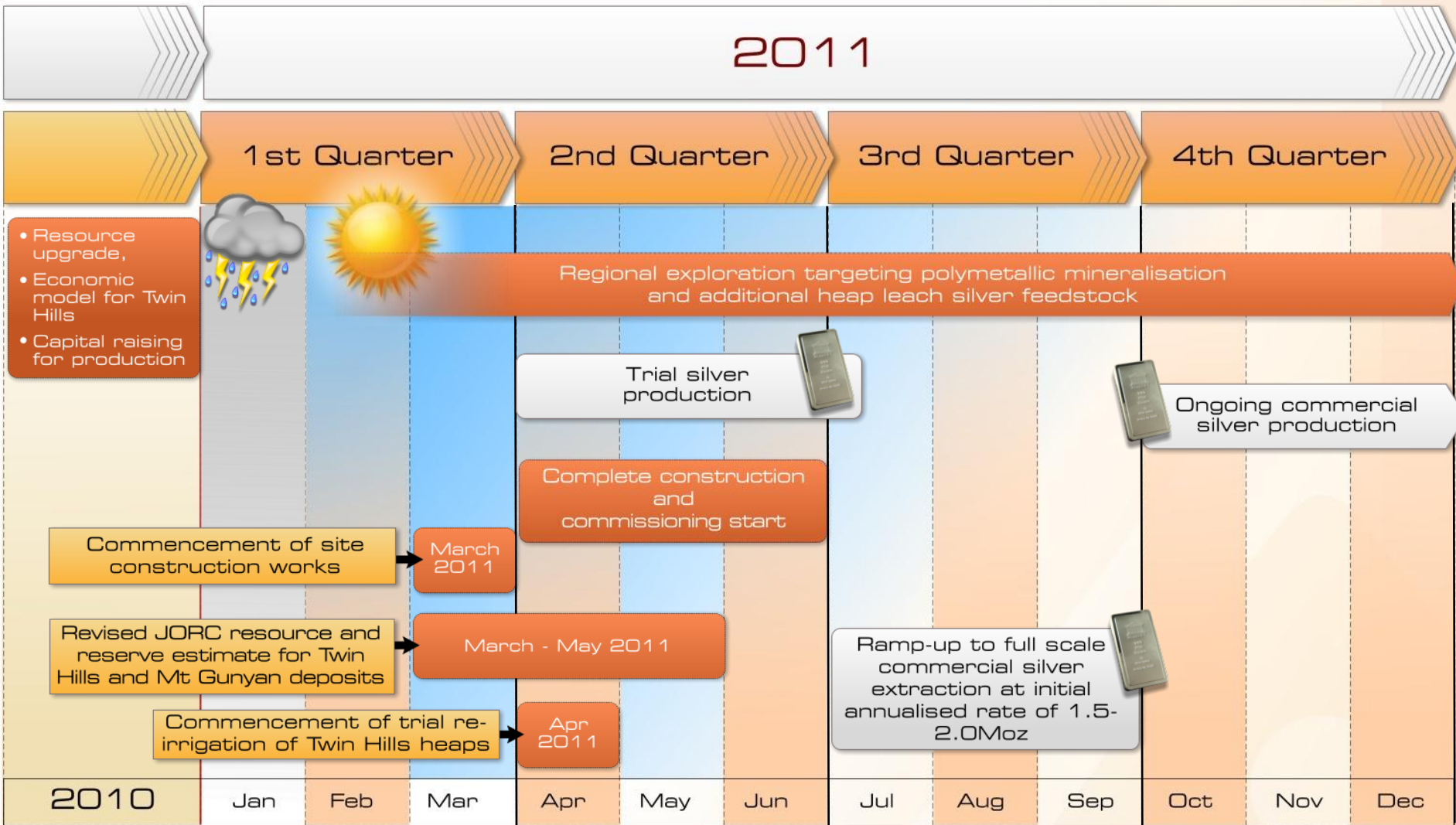
Location	Mineral Resource / Ore Reserve	Target Size	Timing and Status
Twin Hills	4.0Mt	n/a	In Ore Reserve; east wall update may add a max 250k tonnes
Mt Gunyan	1.5M – 2Mt	n/a	In Mineral Resource, Scoping Study underway
Mt Gunyan SE and SW	n/a	0.25 to 0.5Mt*	Drill planning stage
Western Tectonic zone	n/a	1.0M – 1.5Mt*	2011 – complete assessment; drilling underway
Tomcat	n/a	0.5M – 1.0Mt*	2011 – complete assessment; plan drilling
Hawker	n/a	0.5M – 1.0Mt*	2011 – complete assessment, plan drilling
TARGET / TOTAL	5.5M to 6Mt	2.25Mt to 4.0Mt*	

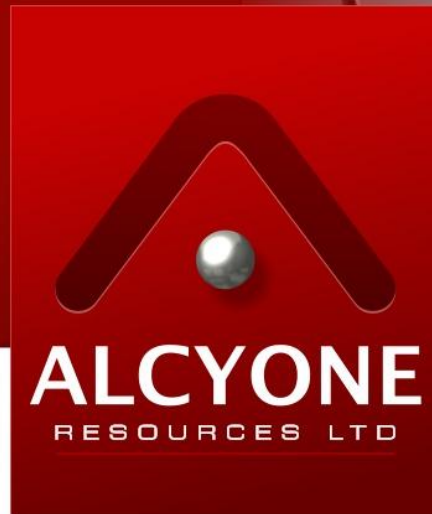
* Grade range of 40 to 150g/t Ag. The exploration target potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

The Outlook for Silver



Timeline to Production





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