

1 JULY 2013



ENVIRONMENTAL IMPACT STATEMENT LODGED DUBBO ZIRCONIA PROJECT

- **EIS for the DZP has been lodged with the NSW Department of Planning and Infrastructure**
- **EIS will be examined for Adequacy before being distributed to relevant State and local authorities**
- **Indicative timetable has the project approval before the middle of 2014**

The Environmental Impact Statement (EIS) for the Dubbo Zirconia Project (DZP) was delivered to the NSW Department of Planning and Infrastructure (DP&I) on 28 June and will be assessed against all the requirements issued by the Director General of DP&I (DGRs) prior to public exhibition. The DZP is classified as a State Significant Development.

The EIS was managed and compiled by R. W. Corkery & Co. Pty Limited (RWC), an environmental consultancy based in Orange with over 30 years' experience in the assessment of mining development proposals, and incorporated the expertise of 15 separate specialist consultants.

The components and features of the existing environment within and surrounding the DZP site have been studied and the development proposal is designed to avoid or minimise impacts on that environment. This work commenced in 2000 and data collection has continued up to the current time. The key areas of the study were:

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|-------------------------------|--|
| 1. Noise and vibration | 8. Aboriginal and non-Aboriginal heritage |
| 2. Air quality | 9. Visual amenity |
| 3. Radiation | 10. Traffic |
| 4. Surface water | 11. Soil and land capability |
| 5. Groundwater | 12. Hazards |
| 6. Terrestrial ecology | 13. Socio-economic climate |
| 7. Aquatic ecology | 14. Agricultural impact |

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The proposal and associated activities have been assessed in terms of a wide range of biophysical, social and economic issues. Environmental benefits in the form of the conservation and enhancement of over 1,000ha of regionally significant vegetation and habitat, including specific measures to protect, conserve and enhance habitat important to the NSW and Commonwealth listed vulnerable species, the Pink-tailed Worm-lizard will also be provided.

Potential residual impacts have been justified in terms of the positive economic and social benefits to the local communities of the Dubbo and surrounding local government areas, NSW and Australia. In addition, these rare metal and rare metal products are important internationally as they are critical inputs to the development of advanced technologies including in the areas of modern energy efficiency and emissions minimisation and are core to achieving ecologically sustainable development.

RWC has provided an indicative timeline based upon the DP&I guidelines (see link below) to achieve development approval. While significant effort has been directed towards providing a comprehensive assessment of the Project and its potential impacts, it is acknowledged that this timeline could extend by two to three months should any of the components below require further detailed input during the approval process.

<http://www.planning.nsw.gov.au/LinkClick.aspx?fileticket=98uOayvIK10%3d&tabid=522&language=en-AU>

Indicative Approval Timeline	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Review of EIS for Adequacy	█								
Response to Adequacy submissions		█	█						
Public Exhibition				█					
Prepare response to submissions					█				
Prepare assessment report						█	█	█	
Determination									█

The lodgement of the EIS is one of the major milestones for the DZP to achieve production in 2016. The financing program is in progress and initiation of the engineering requirement is expected to progress over the next six months.

Product development continues and progressive conversion of existing MoUs into formal JV and off-take agreements is anticipated through 2013 and 2014.

Major Milestones	2013	2014	2015	2016
Product development & off-take	█	█		
Environmental Impact Statement	█			
Project Approval Process		█		
Project Financing Program	█	█		
EPC / EPCM tender → award		█		
Detailed design / Long lead orders		█	█	
CONSTRUCTION			█	█
PRODUCTION				█



Competent Person

Unless otherwise advised above, the information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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. Ian Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appear

Disclaimer

This report contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.

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 projects heading towards production in 2014/2016 - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley received project approval for its development early 2013 and is scheduled to commence production early 2014. Cash flow from the TGP will provide the funding to maintain the project development pipeline and will assist with the development of the DZP.

The DZP environmental impact statement has been completed and a development decision is anticipated early 2014. This project will make Alkane a strategic and significant world producer of zirconium products and heavy rare earths.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects. Wellington has a small Cu-Au resource which can be expanded, while at Bodangora a large 12km² monzonite intrusive complex has been identified with porphyry style Cu-Au mineralisation.

Sale of Alkane's interest in the Orange District Exploration Joint Venture, host to the McPhillamys gold deposit, was completed in November 2012 with the issue of 17.5 million Regis Resources Ltd shares

