



Primary Crusher Commissioned at Twin Hills Mine, Queensland

Highlights:

- **New primary crusher now assembled and commissioned.**
- **Primary circuit has a new nameplate capacity to crush 1.1Mtpa.**
- **Crushing levels expected to improve by ~40%.**
- **New circuit to improve output, create cost savings and increase stacked ounces for leaching.**

Queensland silver producer Alcyone Resources (**ASX: AYN**) ("**Alcyone**" or "**Company**") is pleased to advise that the new primary crusher has been assembled and commissioned at the Twin Hills mine in Queensland, thereby completing the primary crushing circuit upgrade and installing a new nameplate capacity of 1.1 million tonnes per annum.

With a new crushing level approximately 40% higher, the Company expects to achieve cost savings through economies of scale and increase stacked ounces for leaching. The additional ounces stacked at an accelerated rate will allow the leaching department to manipulate the amount of ore in primary leaching and increase the grade in the pregnant pond, which will result in faster ounces for recovery.

A recent review of operations identified a number of operational changes including the requirement to increase production. In recent years, bottlenecks and a lack of infrastructure in the primary crushing circuit at the Twin Hills mine resulted in the mine failing to meet key production performance indicators.

Commenting on the completion of the crusher upgrade, Alcyone Managing Director Michael Reed said: "I am delighted to report the successful completion of our primary crushing circuit upgrade which allows us to increase our production volumes to nameplate capacity, reduce costs at the mine and provides the foundation for producing ~100,000 ounces of silver per month."

Figure 1. Crusher Upgrade



Figure 2. Aerial View of Crusher Upgrade



ENDS

For further information:

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Appendix 3B

New issue announcement , application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Alycone Resources Limited (**Company**)

ABN

056 776 160

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

- a) Fully Paid Ordinary Shares (**Shares**)
- b) Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- a) 160,427,808 Shares
- b) 176,574,988 Performance Rights

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>The Shares will rank parri passu with existing fully paid ordinary shares.</p> <p>Exercise of the Performance Rights are subject to the following vesting conditions:</p> <ul style="list-style-type: none"> • 88,287,492 Performance Rights vested on 4 December 2013 on completion of the shortfall offer to the Company’s recent rights issue, and are now convertible into Shares (on a 1:1 basis); • 44,143,748 Performance Rights will vest and be convertible into Shares (on a 1:1 basis) upon the Company achieving production of 100,000oz of silver in any 1 month, at any time up to 27 November 2014; and • 44,143,748 Performance Rights will vest and be convertible into Shares (on a 1:1 basis) upon the Company achieving production of 500,000oz of silver in any 6 month, at any time up to 27 November 2014.
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The Shares rank equally in all respects from the date of issue with the existing classes of fully paid ordinary shares on issue.</p> <p>The Performance Rights do not currently rank equally with any other class of quoted securities. Upon exercise of the Performance Rights, the issued shares will rank equally with all fully paid ordinary shares. The Performance Rights do not entitle the holder to participate in the next interest or dividend payment.</p>
<p>5 Issue price or consideration</p>	<p>The Shares were issued for nil cash consideration upon conversion of \$300,000 convertible securities.</p> <p>The Performance Rights issued for nil cash consideration.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Shares were issued to Platinum Partners Liquid Opportunity Master Fund, LLP upon conversion of 300,000 Convertible Securities.</p> <p>The Performance Rights were issued to Directors of the Company and employees under the Employee Performance Rights Plan and Non-Executive Director Performance Rights Plan, as approved by shareholders on 15 July 2013.</p>

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2013
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	<p>160,427,808 Shares issued under exception 4</p> <p>176,574,988 Performance Rights issued under exception 9 (Shareholder approval was obtained under rule 10.14 for the Directors)</p>
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>7.1 – 812,671,597 securities</p> <p>7.1A – 575,679,865 securities</p>

+ See chapter 19 for defined terms.

7	Dates of entering +securities into uncertificated holdings or despatch of certificates	27 November 2013
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		Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	5,800,546,852	Fully paid ordinary shares.
		60,839,105	Options exercisable at \$0.06 each expiring 14 May 2015 (AYNO).
		1,493,790,333	Options exercisable at \$0.01 each expiring 31 July 2015 (AYNOA).

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	1,000,000	Options \$0.11 each, expiring 31.03.2015
		1,000,000	Options \$0.15 each, expiring 31.08.2015
		166,666	Performance share rights expiring 29.11.2015
		177,252,724	Performance share rights expiring 15.07.2014
		176,574,988	Performance share rights expiring 27.11.2014
		26,000,000	Options \$0.0496 each, expiring 26.02.2016
		88,000,000	Options \$0.0064 each, expiring 14.08.2018
		1	Convertible security with a face value of A\$12,500.
		1	Convertible security with a face value of A\$1,062,500.
		1,800,000	Convertible securities each with a face value of A\$1.
2,290,000	Convertible Securities with a face value of \$1.		
1	Debt security with a face value of \$1,050,000.		

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
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13	Ratio in which the +securities will be offered	N/A
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14	+Class of +securities to which the offer relates	N/A
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15	+Record date to determine entitlements	N/A
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
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17	Policy for deciding entitlements in relation to fractions	N/A
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18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
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19	Closing date for receipt of acceptances or renunciations	N/A
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+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A

33 ⁺Despatch date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A					
39	Class of +securities for which quotation is sought	N/A					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="715 1391 1013 1429">Number</th> <th data-bbox="1018 1391 1311 1429">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="715 1429 1013 1608">N/A</td> <td data-bbox="1018 1429 1311 1608"></td> </tr> </tbody> </table>	Number	+Class	N/A		
Number	+Class						
N/A							

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:5 December 2013.....
(Company secretary)

Print name:TREVOR HARRIS.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,494,254,126
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	3,438,074,141 824,470,385
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	5,756,798,652

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	863,519,797
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>12,000,000 Shares and 6,000,000 AYNOA Options on 10/10/13.</p> <p>29,548,200 Shares on 5/11/13.</p> <p>2,200,000 Shares and 1,100,000 AYNOA Options on 15/11/2013.</p>
“C”	50,848,200
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	863,519,797
Subtract “C”	50,848,200
Total [“A” x 0.15] – “C”	812,671,597 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	5,756,798,652
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	575,679,865
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	575,679,865
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	575,679,865 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.