



## ***Alcyone Silver Streaming and Operations Update***

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- **Alternative Silver Streaming deal well advanced**
  - **Silver Recoveries re-commenced**
  - **Shutdown to complete Crusher upgrade scheduled**
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Alcyone Resources Limited ("Alcyone" or "the Company") is pleased to report that it is currently in discussions with a number of precious metal streaming funds with respect to a silver purchase agreement ("SPA"). The Company's low-cost and long-life silver mine, in a politically stable jurisdiction, coupled with an experienced management team has proved to be an attractive precious metal streaming opportunity to a number of significant international parties since the company announced the Termination of the Preciosa agreement on 14 August 2013.

The anticipated agreement will, on completion, deliver an upfront payment to the Company of up to US\$10 million in exchange for the right to purchase up to 15% of the Company's silver production from its Texas silver project at a low fixed cost over the life of the mine. The Company is advancing to definitive transaction documents with one such party and expects documentation to be agreed and completed within 4 weeks. The expected SPA will further accelerate the production growth of the Company with significant development and operational expansion forecast upon completion.

The Company remains fully committed to delivering shareholder value from its Texas Silver Mine, located in QLD, Australia, and is focused in the short term on ramping up production to nameplate capacity of in excess of 1M oz pa. The Company is pleased to advise that following the re-start of crushing operations several weeks ago, silver recovery operations have recommenced over the weekend, with the first shipment of doré bars expected prior to the end of August. The initial stages of the upgrade to the crushing circuit were undertaken during the recent suspension of operations, and the final works are now expected to occur during an operational shutdown in the last two weeks of September. Once the upgrade is completed, the crushing circuit is expected to deliver 85,000t of crushed ore to the leach heaps every month, providing the basis for a significant increase to historical production levels in early 2014. Focus will move to the implementation of the previously announced reductions in power and mine input costs as soon as practical.

Alcyone will provide further updates to shareholders with respect of its Texas Silver Mine and corporate activities in the coming weeks.

**ENDS**

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## About Alcyone

*Alcyone Resources (ASX:AYN) is a pure play low cost silver producer based in south-east Queensland. Alcyone's Texas Silver Project (100% owned) which includes the Twin Hills Mine and Mount Gunyan commenced silver production in July 2011, with targeted annual silver production levels in excess of 1Moz.*

## 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.*