



30 January 2014

Quarterly Report to 31 December 2013

Tomingley Gold Project Construction Completed on Time and Budget

Dubbo Zirconia Project (DZP)

- **Product development continued with successful production of a yttria stabilised zirconia for value added applications.**
- **The response to 70 submissions from government agencies, the public and special interest groups resulting from the EIS public exhibition was lodged with the DP&I, and the approval process will proceed to the Planning Assessment Commission.**
- **Five major engineering companies invited to tender for the Front End Engineering and Design (FEED) as part of the commencement of the construction phase.**
- **Two diamond core holes completed in each of the main Toongi ore body and nearby Railway deposit. The results confirmed additional resource potential.**

Tomingley Gold Project (TGP)

- **Construction of the CIL plant and associated infrastructure is nearing completion and the Project is on schedule and within budget.**
- **Plant commissioning is advanced with ore feed commenced and first gold anticipated before the end of February. Pre-strip commenced and the mining equipment hire contract was awarded.**
- **Initial gold production to 30 June 2014 anticipated to be 22,000 – 27,000 ounces.**
- **Resource at Caloma Two defined as 1.7 million tonnes grading 2.0g/t gold for 109,300 ounces, with total Project increased by 13.5% to 14.29 million tonnes grading 2.0g/t gold for 921,000 ounces.**

Exploration

- **A core hole tested the down plunge Galwadgere deposit within the Wellington Project, intersecting extensive gold, copper and zinc mineralisation:**
 - 51.75m grading 0.70g/t Au, 0.56% Cu and 0.50% Zn from 238.4m**
 - incl 2.95m grading 2.61g/t Au, 2.02% Cu and 5.29% Zn from 248.65m**
 - and 2.30m grading 2.11g/t Au, 2.66% Cu and 2.84% Zn from 287.8m**

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DUBBO ZIRCONIA PROJECT (DZP) – zirconium, niobium, yttrium, rare earth elements

Australian Zirconia Ltd (AZL) 100%

The Dubbo Zirconia Project (DZP) is located 30 kilometres south of the large regional centre of Dubbo in the Central West Region of New South Wales. The DZP is based upon the large in-ground resources of the metals **zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements**. Over many years the Company has developed a flow sheet consisting of sulphuric acid leach followed by solvent extraction recovery and refining to produce several products, including trialling the process at demonstration pilot plant scale.

Environmental Impact Statement (EIS)

The EIS was on public exhibition from 18 September to 18 November 2013 and the Company received submissions from 13 Local, NSW and Commonwealth Government agencies or authorities, 48 public and 9 special interest groups. The main community concerns related to the increased traffic proposed for the Obley Road (main site access) and to the potential emissions from the Project on the surrounding environment.

In responding to these submissions AZL has made further modifications to the project design, in particular numerous additional improvements to the Obley Road to minimise noise and maximise road safety.

The Response to the Submissions document, which identifies and responds to each of the issues raised in the submissions received, can be viewed on the NSW Department of Planning & Infrastructure's (DP&I) State Significant Development register at:

http://majorprojects.planning.nsw.gov.au/page/development-categories/mining--petroleum---extractive-industries/mining/?action=view_job&job_id=5251

The Company has also added a DZP Progress page to the website to further active engagement with the Dubbo and regional community. Content on this page provides additional information on the EIS and proactive response to community concerns and questions. These can be viewed at:

<http://www.alkane.com.au/index.php/community/dzpprogress>

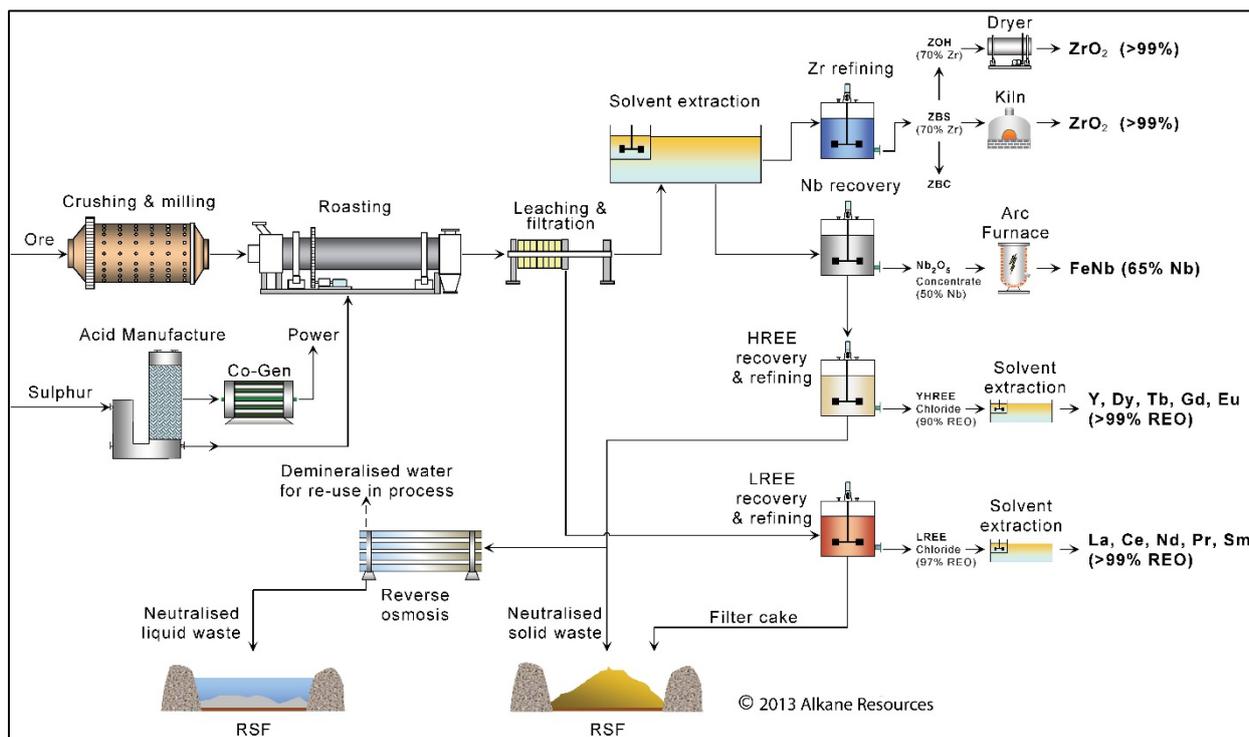
Advice from DP&I indicates the Project will proceed to Planning Assessment Commission (PAC) review but the timing for this has not yet been determined. Allowance for the PAC was made in the schedule for Project Approval and the Company believes that obtaining approval by the end of June date remains achievable.

Process and Product Development

Process optimisation and product development continued on the demonstration pilot plant (DPP) at ANSTO in Sydney and at the AML laboratory in Perth. These programs included modifications to the roaster to improve energy efficiency and recovery of metals in the leach circuit. Modifications to the primary solvent extraction circuit were also trialled with encouraging results that could lead to capital and operating cost savings. Further zirconia samples were produced at AML and sent to customers for testing and approval.

A yttria (Y₂O₃) stabilised zirconia product has also been successfully developed. This offers potential for the Project to consume some of the yttrium and/or cerium produced from the rare earth processing and adding value to the zirconium product suite. Work on the purification of the niobium concentrate to facilitate production of high quality ferro-niobium in partnership with Treibacher continued, with further technical and marketing meetings scheduled for Q2.

Following the substantial increase in rare earth recoveries to the light rare earth chloride concentrate and heavy rare earth chloride concentrate reported in the September Quarterly Report (ASX 29 October 2013) further improvements are being trialled.



DZP Flowsheet

Marketing

AZL presented at both the TZMI Congress 2013 and Roskill 9th International Rare Earth Conference in Hong Kong in November, where a number of meetings were held with customers from Asia, Europe and the US. Additional marketing visits were made to Japan and Korea. AZL has also been invited to present at the Industrial Minerals International Congress and Exhibition 2014 in Vancouver in April, and will use that opportunity to revisit potential customers in North America.

Zirconium

As with the previous 2013 Quarters, the zirconium industry remains flat with zircon demand and price showing a few signs of recovery. The downstream zirconium industry is showing similar trends but is anticipated to pick up later in 2014, as stocks return to normal levels.

Rare Earths

The rare earth market remains flat with slow demand and pricing. A sustained recovery for rare earths will require a more positive international economic outlook.

The MoU with Shin-Etsu Chemical Co. Ltd for toll treatment and off-take of separated rare earths has been extended to 30 June 2014 to enable finalisation of commercial terms and conversion to a binding agreement.

Niobium

As mentioned in the September Quarter report, the ferro-niobium market has also shown signs of weakness, despite strong steel production output in China. This market is expected to improve later in 2014.

Treibacher are proceeding with their market study as part of the Ferro-niobium production and marketing joint venture.

Financing

The financing program led by Sumitomo Mitsui Banking Corporation (SMBC) and Credit Suisse (CS) is progressing. A number of positive meetings with Export Credit Agencies (ECA) were held during the Quarter, and this financing option will be advanced over the next few months.



TOMINGLEY GOLD PROJECT (TGP)

Tomingley Gold Operations Pty Ltd (TGO) 100%

The TGP is based on three gold deposits (Wyoming One, Wyoming Three and Caloma) located 14 kilometres north of the Company's inactive Peak Hill Gold Mine, and approximately 50 kilometres south west of Dubbo.

Development

Construction commenced on the site after grant of the Mining Lease on 11 February 2013 and was nearing completion at the end of the Quarter. The Project has been effectively completed on time and within budget, and reflects the highly professional approach of Alkane's Project Manager, Mr Henry Kaye and the EPCM contractor, Mintrex Pty Ltd.

At the end of the Quarter, capital expenditure on the Project was within the total project budget of \$116 million including contingencies.

Completion of the crushing circuit was the only outstanding major plant component to be fully constructed, along with the Newell Highway underpass connecting the Caloma deposit with the CIL plant on the west of the Highway. The highway was fully operational mid-January, and the underpass should be in operation by the end of the month.

Plant commissioning commenced late December and initial ore is currently being supplied to the mill from the Wyoming Three pit. The construction team will formally hand the Project over to Tomingley Gold Operations (TGO) at the end of January.

Operations

Pre-stripping of the waste overburden by Maas Civil Pty Ltd advanced during the quarter with 1.1 million BCM removed from the planned Wyoming Three and Caloma open pits.

The "dry-hire" mining contract was awarded to Emeco International Pty Ltd for a three year term. Expenditure under this contract is estimated at ~\$12M per annum which includes the provision of TGO mining fleet and associated maintenance facilities and personnel. Mining has commenced at Wyoming Three and will move to Caloma once the Newell underpass is operational.

Most other major operations contracts, including power, process reagents and fuel have also been awarded.

Schedule optimisation continued to ensure efficient use of the mining fleet and to ensure optimum cash flow. Gold production to the end of June 2014 is anticipated to be 22,000 to 27,000 ounces of gold. The base case life of mine production over 7.5 years is estimated to total 350,000 to 400,000 ounces at an average sustaining cash cost of around \$1,000 per ounce. This cost will vary on a quarterly basis depending upon the waste removal schedule. The base case does not include potential additional production from the Caloma Two deposit.



CIL plant and crushed ore conveyor



Central CIL Plant



Waste stripping Wyoming Three pit



CIL Plant, Office and Wyoming Three Pit

Resource Development

As previously advised (ASX 11 November 2013) the resource at Caloma Two, as constrained by an optimum pit and at a cut-off grade of 0.75g/t gold, was defined as **1.7 million tonnes grading 2.00 g/t gold for 109,300 ounces**, increasing the total resource inventory at Tomingley to **14.29 million tonnes grading 2.0g/t gold for 921,000 ounces**.

TGP Mineral Resource Inventory 31 December 2013

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnage (Mt)	Grade (g/t)	Gold (koz)						
Wyoming One ²	2.32	2.2	0.89	2.2	3.12	1.7	6.32	1.9	392.4
Wyoming Three ²	0.64	2.0	0.06	2.0	0.10	1.3	0.81	1.9	49.9
Caloma ²	2.69	2.3	0.57	2.1	2.19	1.9	5.45	2.1	369.4
Caloma Two ¹			1.0	2.4	0.7	1.4	1.70	2.0	109.3
Total	5.65	2.2	2.52	2.25	6.11	1.73	14.29	2.0	921.0

¹These Mineral Resources are based upon information compiled by Mr Richard Lewis FAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Richard Lewis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The full details of methodology are given in the ASX release of 11 November 2013

² These Mineral Resources are based upon information compiled by Mr Richard Lewis FAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a Competent Person as defined in the 2004 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Richard Lewis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The details of methodology for estimating the Wyoming One, Wyoming Three and Caloma resources are given in ASX releases of 25 March 2009, 2 October 2009 and 29 March 2012.

The JORC 2012 requirements for Resource and Reserve reporting came into effect as from 1 December 2013. Alkane is of the opinion that the Resources defined for Wyoming One, Wyoming Three and Caloma will not change as they are part of the Tomingley Gold Operation and are already subject to economic review, however the Project's Resources and Reserves will be reviewed and revised for the 30 June 2014 Annual Report reflecting material changes for the year.

BODANGORA (copper-gold)

Alkane Resources Ltd 100%

Kaiser

Alkane purchased the Kaiser Project (EL6209) from Ajax Joinery Pty Ltd and will acquire a 100% interest in the tenement for payment of \$10,000 on transfer of the licence, and payment of \$200,000 and a 2% net smelter return on saleable products following expenditure of \$500,000 on exploration within two years. If Alkane does not wish to proceed following this expenditure the licence reverts back to Ajax.



Exploration licence 6209 is a small licence (approx 127ha) which is fully enclosed by Alkane's existing tenure (EL4022) and is situated in the northern Molong Belt of the Macquarie Arc, an area considered highly prospective for alkali porphyry Au-Cu mineralisation e.g. Cadia Valley, Northparkes. The licence is host to the Kaiser Deposit. Re-evaluation of existing exploration data suggests that mineralisation at Kaiser is associated with well-developed hydrothermal alteration zonation typical of alkali porphyry hydrothermal systems and may represent an example of a high-grade intrusion-centred porphyry (e.g. Ridgeway) at the edge of a major multiphase monzonite complex.

Alkane's technical review, in particular a preliminary structural interpretation based on high resolution ground magnetic data, has highlighted several untested areas which may represent structural repetitions of the Kaiser mineralisation where a pipe-like geometry is likely but has not been adequately tested. These targets will be drill tested in the March 2014 quarter.

Driell Creek

Results have been received from the small RC drilling program completed at the Driell Creek Prospect (three holes for 553 metres) during the September quarter. The results are moderately encouraging (18m @ 0.18% Cu from 3m – COMRC037), with a pyrite + sericite +silica phyllic-alteration zone now defined over an area of 400 x 250m. This zone is open to the south and shows an increasing trend in copper and porphyry pathfinder element levels towards the south. Further target definition work, including expansion of the induced polarisation geophysical coverage is warranted and will be scheduled for later this year.

WELLINGTON (copper-gold)

Alkane Resources Ltd 100%

Galwadgere

A 303.3m diamond drill hole (GAL035D) was completed at the North Galwadgere prospect to test an induced polarisation chargeability high targeting the down plunge continuation of Galwadgere mineralisation beneath 200 metres of Permian cover.

The drill hole intersected a broad 52 metre thick zone of pyrite, with associated chalcopyrite and sphalerite, stringer mineralisation including four narrower (2-7 metre) zones of semi-massive sulphide stringer mineralisation within a package of felsic tuffs. The strong stringer mineralisation is associated with varying degrees of silica-chlorite alteration within the upper part of a VHMS mineralisation system demonstrating the continuation of the Galwadgere mineralisation. This northern zone of mineralisation contains generally higher levels of gold, zinc and other trace elements compared to the main Galwadgere deposit and may represent a second feeder centre to the Galwadgere VHMS system and further drill testing is warranted.

Summary 2013 diamond core drill results for Wellington at 31 December 2013

Hole No	East	North	RL (m)	Azim	Incl	Intcpt (m)	Grade g/t Au	Grade % Cu	Grade % Zn	Grade % Pb	Grade g/t Ag	Interval (m)	EOH (m)
GAL035D	692511	6384471	431	270°	-57°	51.75	0.70	0.56	0.50	-	2.29	238.4-290.1	303.0
Including the following higher grade intercepts													
and						2.65	0.47	0.22	0.84	-	3.07	238.4-241.0	
incl						0.65	1.30	0.66	1.17	0.13	8.06	238.4-239.0	
and						2.95	2.61	2.02	5.29	0.26	7.26	248.65-251.6	
incl						2.00	3.12	2.04	7.73	0.38	8.70	249.0-251.0	
incl						1.00	4.38	1.54	11.8	0.66	10.25	249-250.0	
and						4.00	0.25	1.85	-	-	4.09	261.0-265.0	
and						8.00	2.25	0.61	-	-	1.47	269.0-277.0	
incl						3.00	2.93	1.15	-	-	2.45	270.0-273.0	
and						2.30	2.11	2.66	2.84	0.61	19.9	287.8-290.1	
incl						1.20	3.85	0.94	1.16	5.40	33.4	288.9-290.1	
and						1.10	0.21	4.55	-	-	5.15	287.8-288.9	

See attached JORC Table 1 regarding drilling and analytical detail



CUDAL (gold-zinc)

Alkane Resources Ltd 100%

Results have been received from a small RC program completed at the Kurrajong Prospect (4 holes for 1128m) during the September quarter. Drilling has defined east verging thrusts disrupting a folded sequence of Upper Cargo Volcanics and Bowen Park Limestone. Whilst encouraging alteration trends are identified, the assay results are disappointing. Further work will be dependent upon a thorough reassessment of all existing drilling data.

CALULA (base metals-gold), ELSIENORA (gold) and ROCKLEY (gold) were inactive during the Quarter.

LEINSTER REGION JOINT VENTURE (nickel-gold)

*Alkane Resources Ltd 20% diluting, Xstrata Nickel Australasia 80% Two prospects - **Miranda** and **McDonough Lookout**.*

Xstrata have not advised any field activities for the Quarter to date.

CORPORATE

During the Quarter, Alkane halted its program of selling its holding in Regis Resources Limited and retains 3.015M shares. A total of 14,485,000 shares had previously been sold at an average price of \$3.95

JORC 2012

The JORC 2012 requirements for Resource and Reserve reporting came into effect from 1 December 2013. These new requirements impose a complex and conditional economic review on resources defined by the 2004 guidelines. As stated in the TGP section above, the Company is of the opinion that these Resources comply, as do those Resources defined for the Dubbo Zirconia Project. Formal revisions of Resources and Reserves for both Projects will be completed for the 30 June 2014 Annual Report.

However the previously defined Resources for the Peak Hill Gold Mine sulphide body and for the Galwadgere deposit within the Wellington Project will have to be reviewed, re-evaluated and restated in compliance with JORC 2012.

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 appears

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.

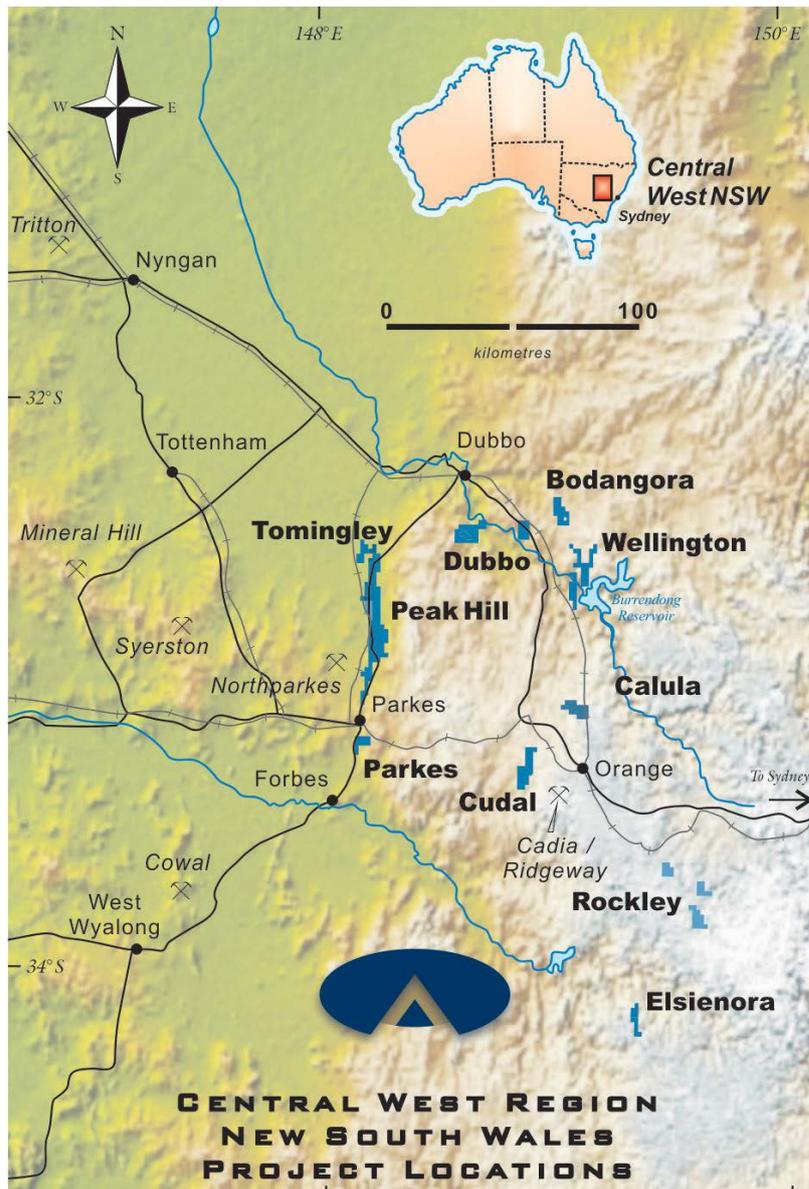


ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

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 copper-gold deposit which can be expanded, while at Bodangora a large 12km² monzonite intrusive complex has been identified with porphyry style copper-gold mineralisation. Encouraging gold-zinc mineralisation and alteration associated with a monzonite intrusive, has been identified at Cudal.





JORC Table 1 Checklist of Assessment and Reporting Criteria

DUBBO – Exploration Drilling Results

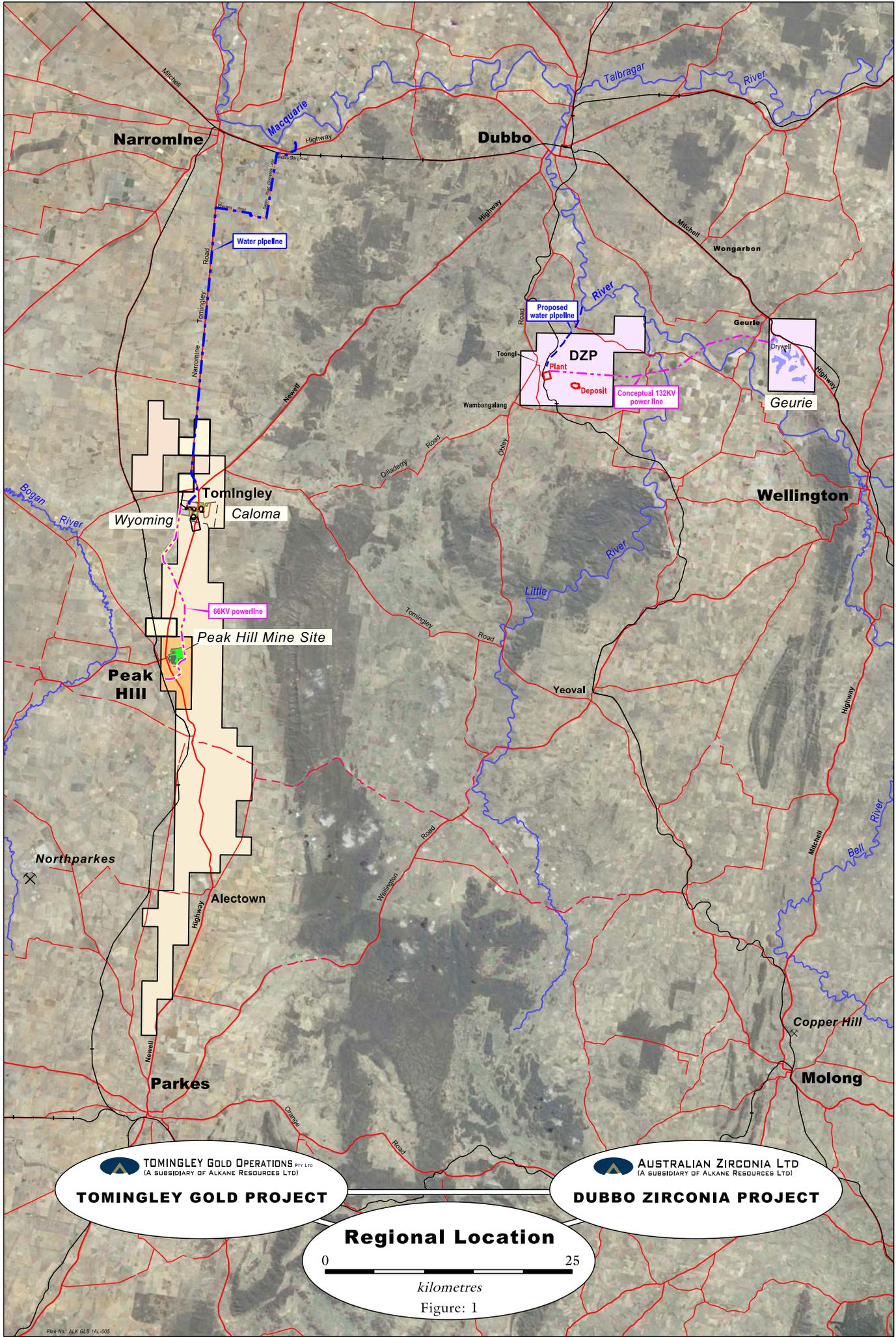
Sampling Techniques and Data	
<i>Drilling Techniques</i>	All holes were 'pre-collared' to competent material using un-oriented PQ3 core and completed using un-oriented HQ3 core.
<i>Sampling Techniques</i>	All core is laid out in suitably labelled core trays. A core marker (core block) is placed at the end of each drilled run (nominally 3 or 6m) and labelled with the hole number, down hole depth, length of drill run and core returned from drill run.
<i>Drill Sample Recovery</i>	Measured by drillers and noted on the core blocks then calculated by geologists when logging. Generally $\geq 95\%$
<i>Logging</i>	All core is laid out in core trays and geologically logged for characteristics such as lithology, weathering, alteration (type, character and intensity), veining (type, character and intensity) and mineralisation (type, character and volume percentage). A brief geotechnical log is also undertaken collecting parameters such as core recovery, RQD, fracture count, and fracture type and orientation. All unsampled core is retained for reference purposes.
<i>Sub-sampling Techniques and sample preparation</i>	Trachyte intersection are marked up by the geologist and cut in half using an Almonté (or equivalent) core cutting saw. Sampling intervals are generally based on geology but do not exceed 1.2 metres in length. Laboratory Preparation – Drill core is first crushed using a jaw crusher to <6mm, split to 3kg if required then pulverised in an LM5 (or equivalent) to $\geq 85\%$ passing 75 μm . Bulk rejects for all samples are discarded. A pulp packet ($\pm 100\text{g}$) is stored for future reference.
<i>Quality of assay data and laboratory tests</i>	Zr, Hf, Nb, Ta & Y and major elements such as Si, Al, Fe & Na are determined by Multielement Analysis - Method ME-XRF30 at ALS Chemex Laboratories in Brisbane. A finely pulverized sample is fused with 12:22 lithium borate flux containing an oxidizing agent, and poured to form a fused disk. The resultant disk is in turn analysed by XRF spectrometry. Rare earth elements are determined by Multielement Analysis- Method ME-MS81h at ALS Chemex Laboratories in Brisbane. A finely pulverised sample is fused in a lithium borate flux. The resultant melt is leached in dilute aqua regia and made to volume. Elemental concentrations are determined by ICP mass spectrometry. Internal standard is used to improve accuracy and precision of results. Ore elements Zr, Zr, Hf, Nb, Ta & Y are also analysed by Method ME-MS81h as a check however only results from Method ME-XRF30 are reported. Commercially prepared Certified Reference Materials (CRM) are inserted at 1 in 50 samples. CRM's are not identifiable to the laboratory. Field duplicate samples were not used in this drill hole. Laboratory QAQC sampling includes insertion of CRM samples, internal duplicates and screen tests. This data is reported for each sample submission. Failed standards result in re assaying of portions of the affected sample batches.
<i>Verification of sampling and assaying</i>	Drill data is compiled into an electronic database with verification protocols in place. Drill data is compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary.
<i>Location of data points</i>	Drill holes are laid out using hand held GPS (accuracy $\pm 2\text{m}$) then surveyed accurately ($\pm 0.1\text{m}$) by licenced surveyors on completion. Drill holes were surveyed at 6m intervals on retrieval of rod string using a multi shot electronic camera.
<i>Data spacing and distribution</i>	The drill holes are exploration scout holes completed to further understand the geological nature of the base of the trachytic bodies at Railway and Toongi.
<i>Orientation of data in relation to geological structure</i>	The drill holes are vertical to give the best intersection of the flat lying bodies. True widths are estimated to be about 100% of the drilled intercepts.
<i>Sample security</i>	The Company has in place protocols to ensure data security
<i>Audits or reviews</i>	The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary.
Reporting of Exploration Results	
<i>Mineral tenement and land tenure status</i>	EL5548 wholly owned by Australian Zirconia Limited a wholly owned subsidiary of Alkane Resources Ltd.
<i>Exploration done by other parties</i>	All reported drilling completed by Australian Zirconia Limited.
<i>Geology</i>	Mineralisation identified in the drill holes lies within altered sub-volcanic trachytic intrusives.
<i>Drill hole information</i>	All material information is included in the table. Do data has been excluded.
<i>Data aggregation methods</i>	Intercepts quoted are for uncut grades Grades are calculated by length weighted average.
<i>Relationship between mineralisation and intercept lengths</i>	True widths of mineralisation are estimated to be about 95-100% of the drilled intercepts.
<i>Diagrams</i>	Plans of drill location and a representative cross sections are included
<i>Balanced reporting</i>	All exploration data is reported for the period.
<i>Other substantive exploration data</i>	
<i>Further work</i>	No further exploration drilling is recommended. Development of the Dubbo Zirconia Project is continuing.



JORC Table 1 Checklist of Assessment and Reporting Criteria

WELLINGTON – GAL035

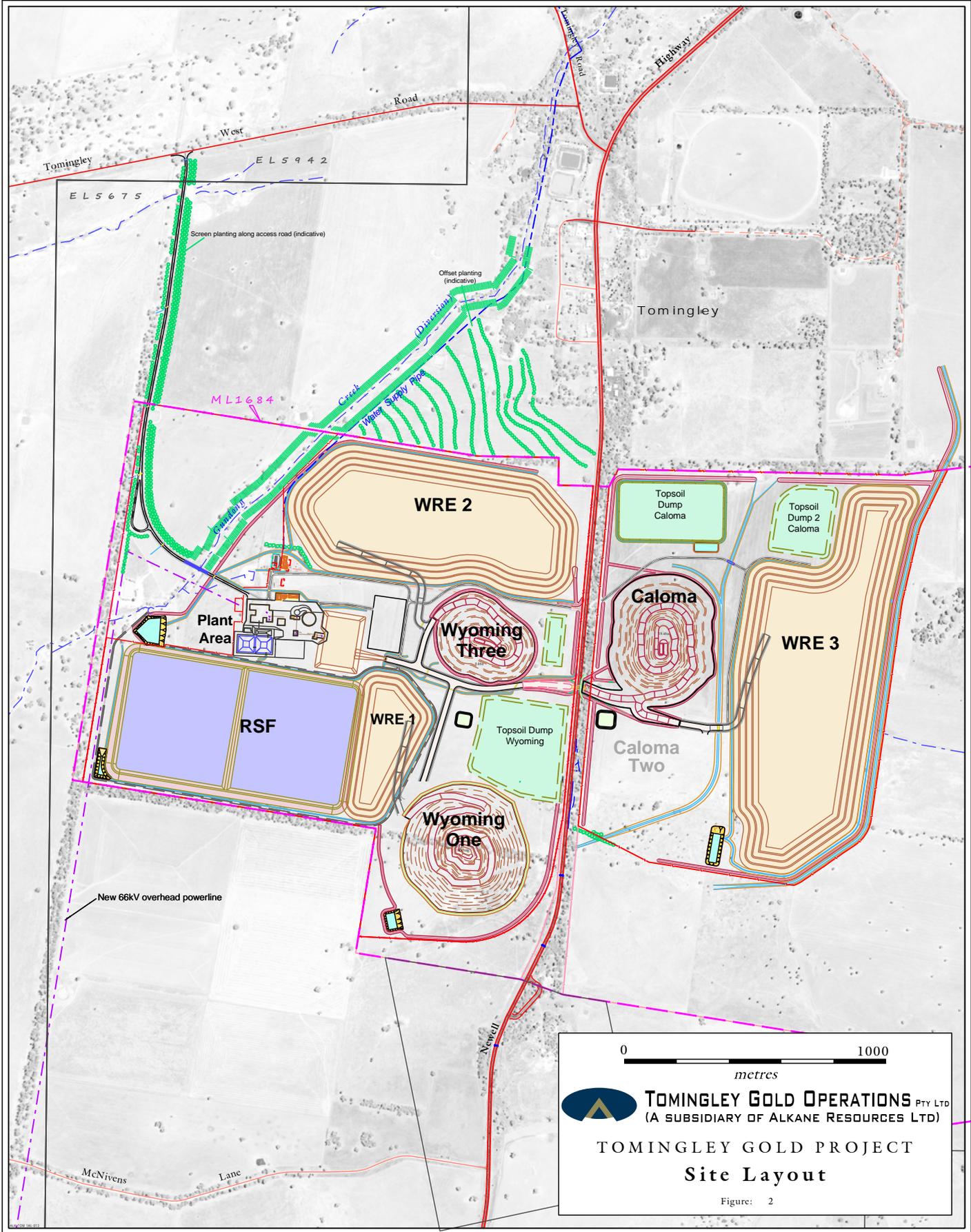
Sampling Techniques and Data	
<i>Drilling Techniques</i>	GAL035D was 'pre-collared' to competent material using un-oriented PQ3 core. The hole was completed using oriented HQ3 core. Core orientation using the "Ace" orientation tool.
<i>Sampling Techniques</i>	All core is laid out in suitably labelled core trays. A core marker (core block) is placed at the end of each drilled run (nominally 3 or 6m) and labelled with the hole number, down hole depth, length of drill run and core returned from drill run.
<i>Drill Sample Recovery</i>	Measured by drillers and noted on the core blocks then calculated by geologists when logging. Generally $\geq 95\%$
<i>Logging</i>	All core is laid out in core trays and geologically logged for characteristics such as lithology, weathering, alteration (type, character and intensity), veining (type, character and intensity) and mineralisation (type, character and volume percentage). A brief geotechnical log is also undertaken collecting parameters such as core recovery, RQD, fracture count, and fracture type and orientation. All unsampled core is retained for reference purposes.
<i>Sub-sampling Techniques and sample preparation</i>	Zones of visual mineralisation and/or alteration are marked up by the geologist and cut in half using an Almonté (or equivalent) core cutting saw. Sampling intervals are generally based on geology but do not exceed 1.2 metres in length. Laboratory Preparation – Drill core is first crushed using a jaw crusher to <6mm, split to 3kg if required then pulverised in an LM5 (or equivalent) to $\geq 85\%$ passing 75 μm . Bulk rejects for all samples are discarded. A pulp packet ($\pm 100\text{g}$) is stored for future reference.
<i>Quality of assay data and laboratory tests</i>	Gold is determined by Method Au-AA26 at ALS Chemex laboratory in Orange, NSW. Up to a 50g sample is fused at approximately 1100oC with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900oC. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia and the gold concentration determined by flame AAS. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. Other geochemical elements are analysed by Multielement Analysis - Method ME-MS41 at ALS Chemex laboratory in Orange, NSW. A 0.5g sample is digested with aqua regia in a temperature and pressure controlled environment for one hour. The solution is cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured using ICP Atomic Emission and ICP Mass Spectrometry. Samples assaying >1% for ore elements are re-analysed by Multielement Analysis – Method ME-OG46 at ALS Chemex laboratory in Orange, NSW. A 0.4g sample is predigested in nitric and hydrobromic acids, then in aqua regia followed by dissolution in strong hydrochloric acid. The solution is transferred to a volumetric flask and made to volume. Elemental concentrations are measured by ICP Atomic Emission Spectrometry using matrix matched standards. Commercially prepared Certified Reference Materials (CRM) are inserted at 1 in 50 samples. CRM's are not identifiable to the laboratory. Field duplicate samples were not used in this drill hole. Laboratory QAQC sampling includes insertion of CRM samples, internal duplicates and screen tests. This data is reported for each sample submission. Failed standards result in re assaying of portions of the affected sample batches.
<i>Verification of sampling and assaying</i>	Drill data is compiled into an electronic database with verification protocols in place. Drill data is compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary.
<i>Location of data points</i>	Drill hole was surveyed at nominal 30m down hole during drilling to maintain drilling direction and then at 6m intervals on retrieval of rod string using a multi shot electronic camera. Drill holes are laid out using hand held GPS (accuracy $\pm 2\text{m}$) then surveyed accurately ($\pm 0.1\text{m}$) by licenced surveyors on completion.
<i>Data spacing and distribution</i>	GAL035 is an exploration drill hole targeting a geophysical anomaly (induced polarisation charbeability high) situated north of the Galwadgere ore body.
<i>Orientation of data in relation to geological structure</i>	Much care is given to attempt to intersect structure at an optimal angle. True widths are estimated to be about 80-90% of the drilled intercepts
<i>Sample security</i>	The Company has in place protocols to ensure data security
<i>Audits or reviews</i>	The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary.
Reporting of Exploration Results	
<i>Mineral tenement and land tenure status</i>	EL6320 wholly owned by Alkane Resources Ltd
<i>Exploration done by other parties</i>	All reported drilling completed by Alkane Resources Ltd
<i>Geology</i>	Mineralisation identified in GAL035 is interpreted to lie within an overturned VHMS environment which has been intensely deformed
<i>Drill hole information</i>	All material information is included in the table. Do data has been excluded.
<i>Data aggregation methods</i>	Intercepts quoted are for uncut grades Grades are calculated by length weighted average.
<i>Relationship between mineralisation and intercept lengths</i>	True widths of mineralisation in GAL035 are estimated to be about 80-90% of the drilled intercepts.
<i>Diagrams</i>	Plan of drill location and a representative cross section are included
<i>Balanced reporting</i>	All exploration data is reported for the period.
<i>Other substantive exploration data</i>	
<i>Further work</i>	It has been recommended that further drilling of the geophysical target be undertaken at a later date..




TOMINGLEY GOLD OPERATIONS PVTY LTD
(A SUBSIDIARY OF ALKANE RESOURCES LTD)
TOMINGLEY GOLD PROJECT


AUSTRALIAN ZIRCONIA LTD
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DUBBO ZIRCONIA PROJECT

Regional Location
 0  25
 kilometres
 Figure: 1

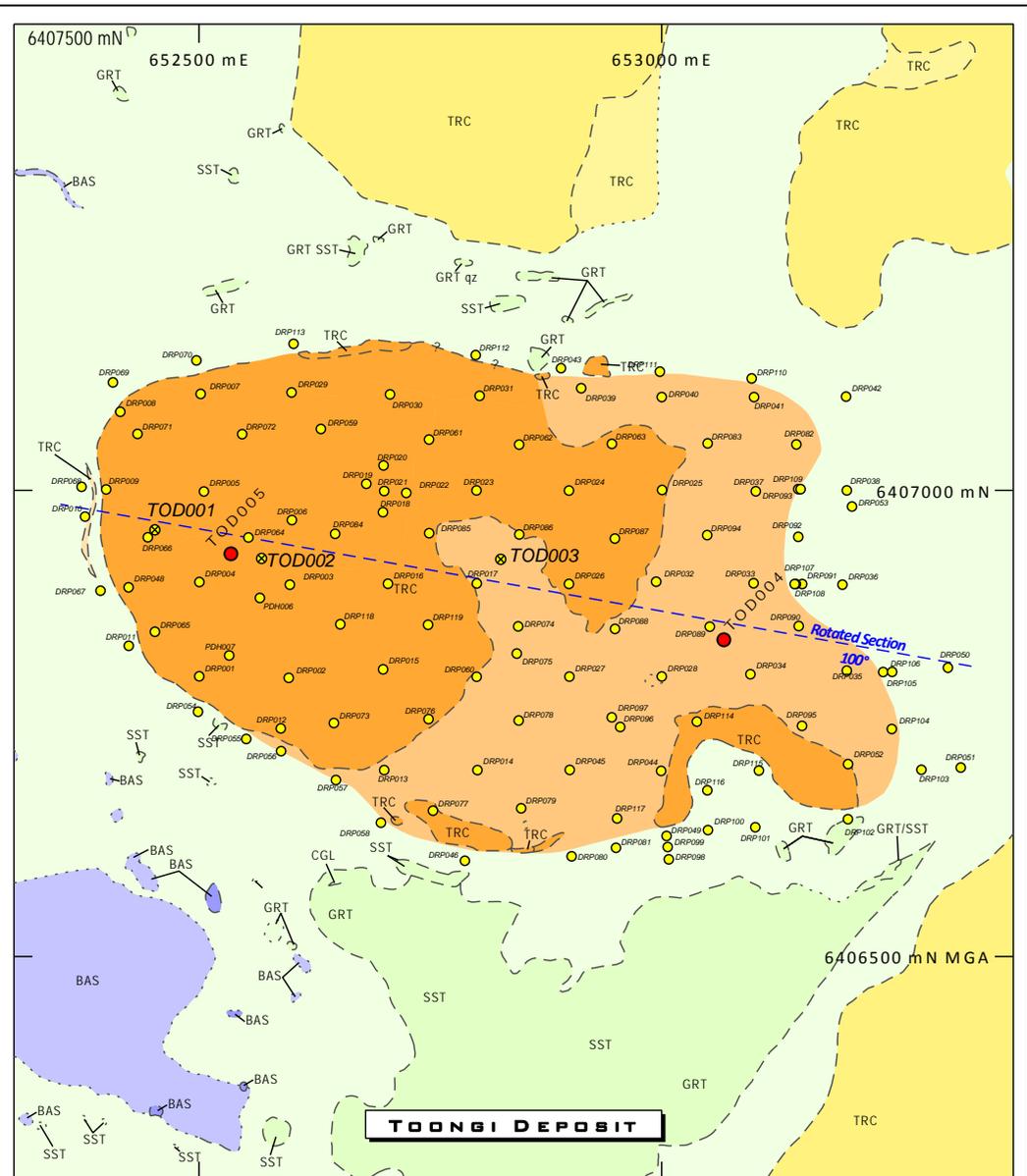
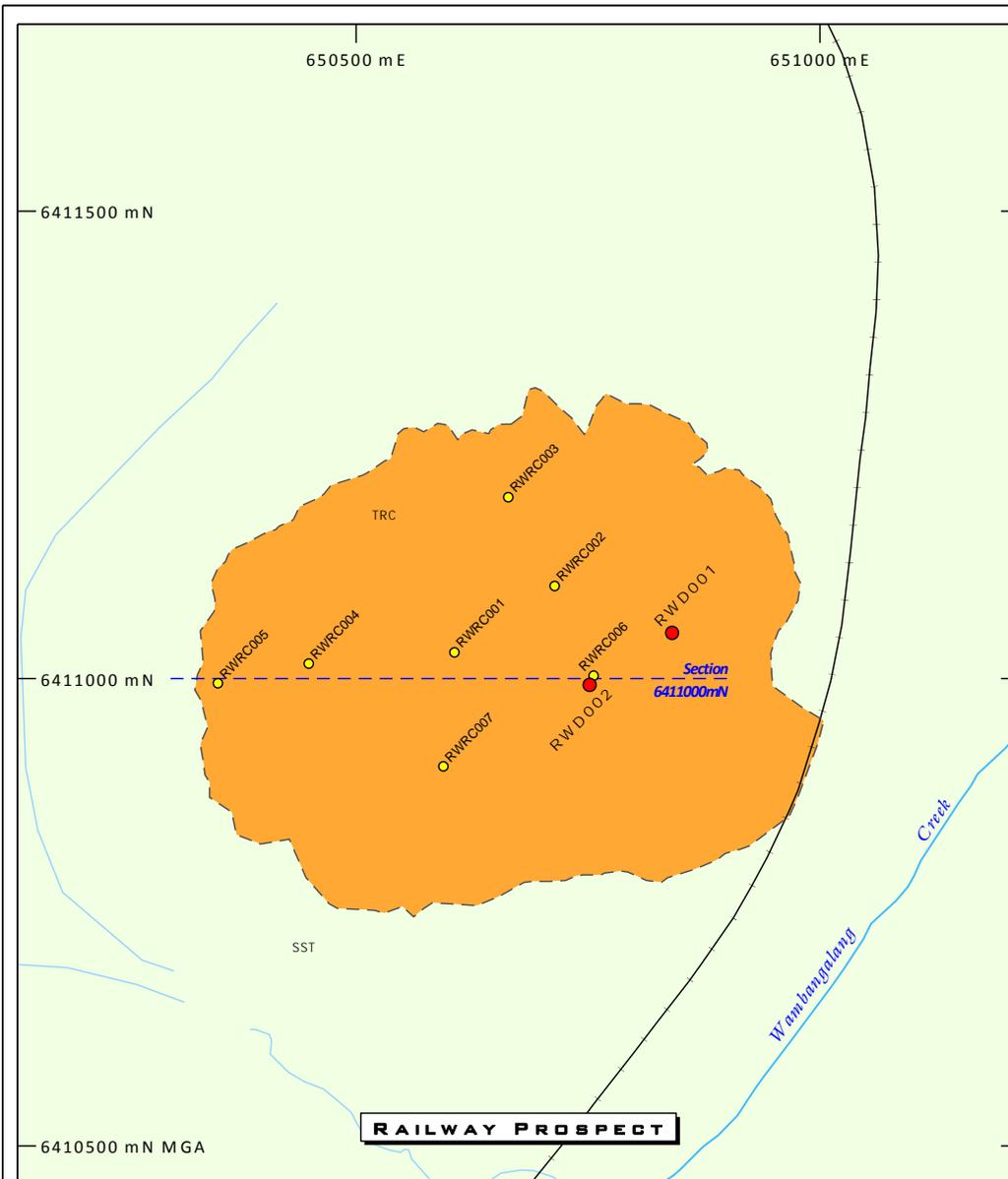


0 1000
metres

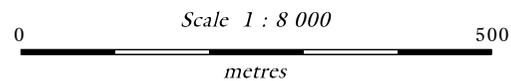
TOMINGLEY GOLD OPERATIONS PTY LTD
(A SUBSIDIARY OF ALKANE RESOURCES LTD)

TOMINGLEY GOLD PROJECT
Site Layout

Figure: 2



- TOD004 Alkane drillhole 2013
- Alkane drillhole pre 2013

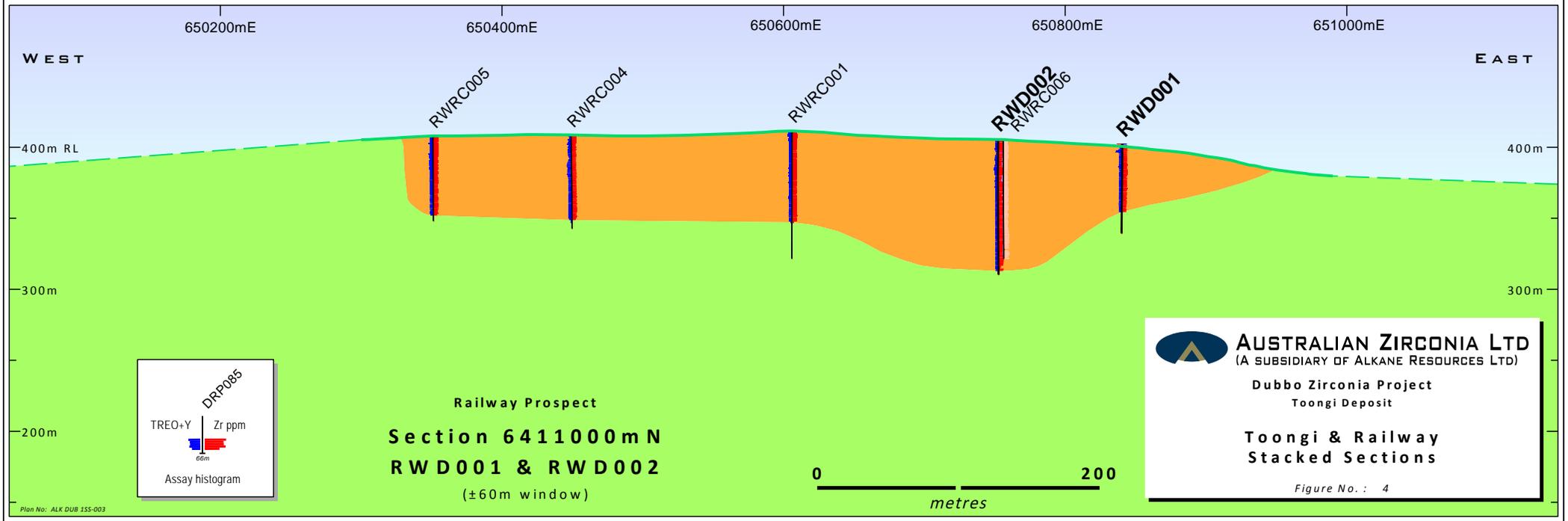
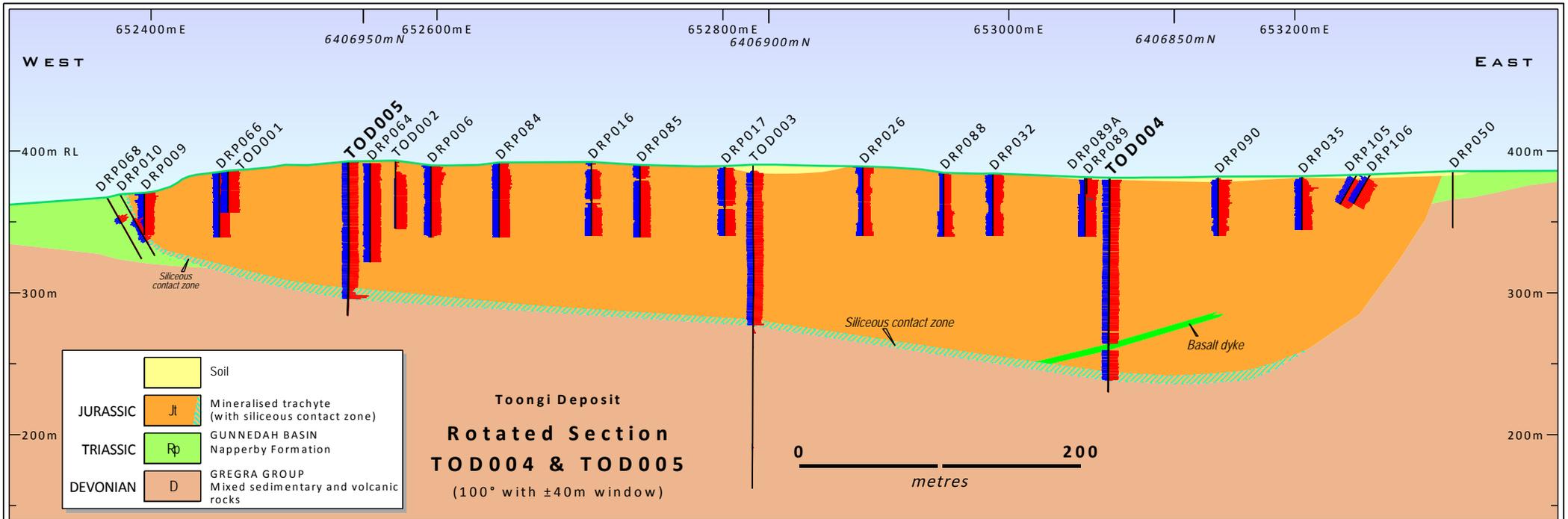


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DUBBO ZIRCONIA PROJECT

2013 Drilling

Figure: 3

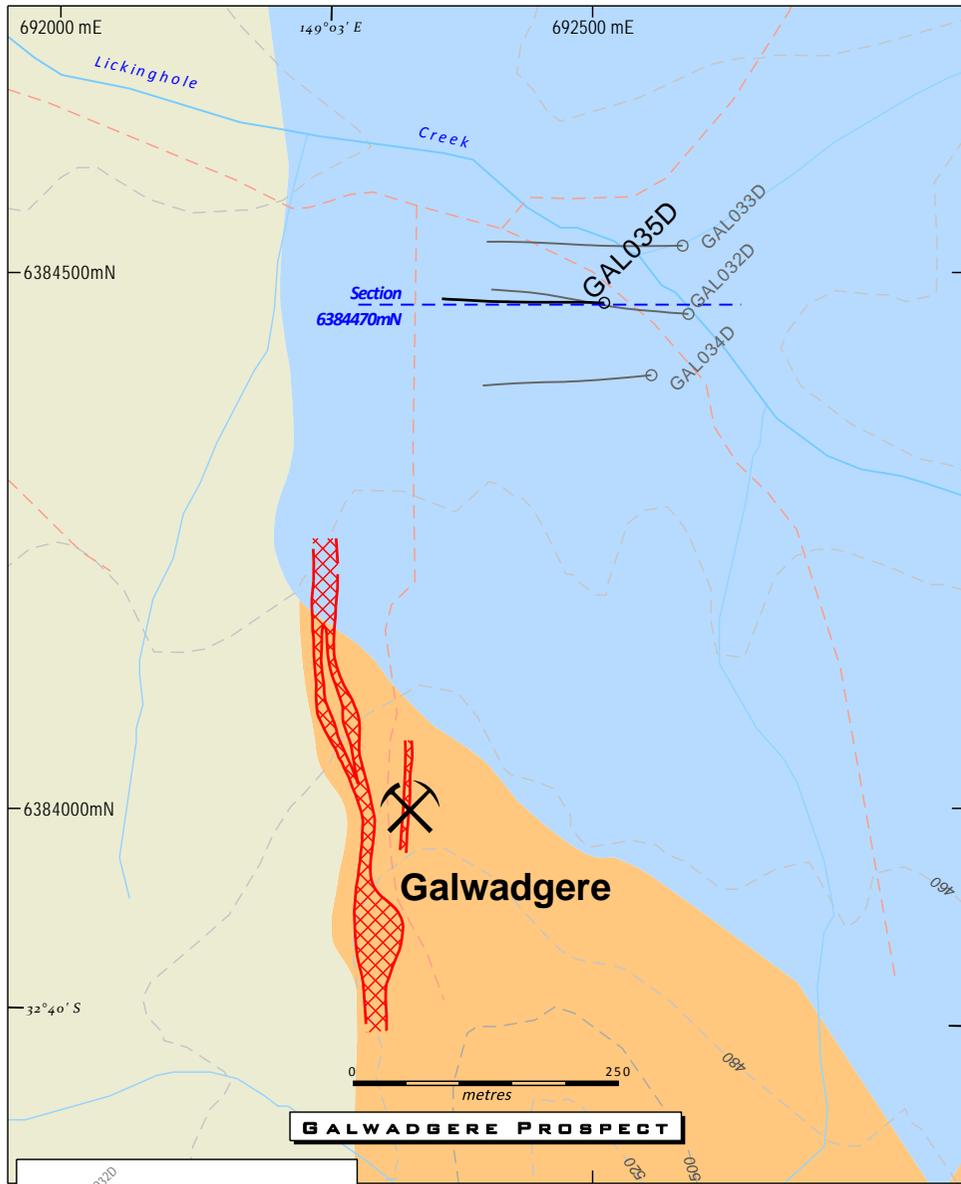


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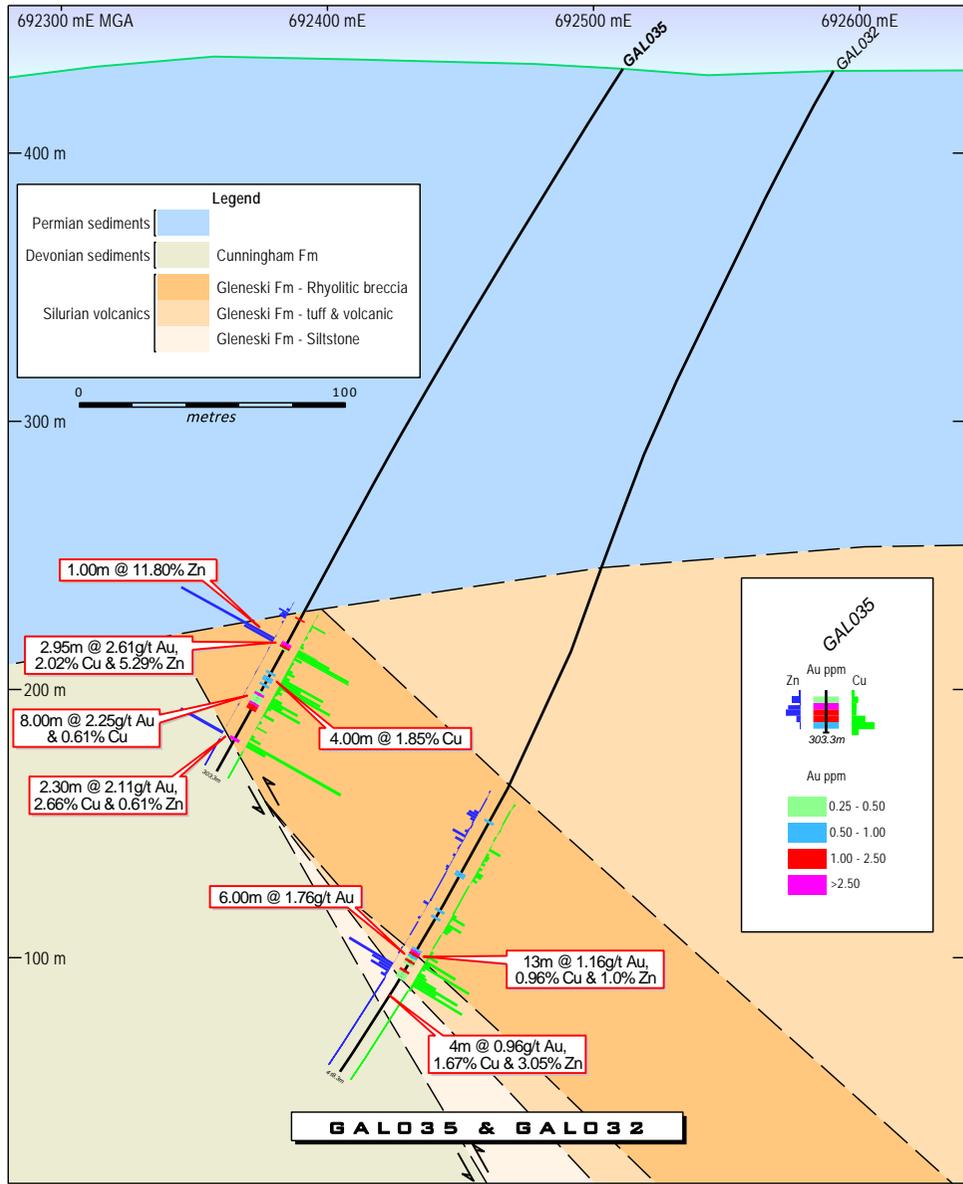
Dubbo Zirconia Project
 Toongi Deposit

Toongi & Railway Stacked Sections

Figure No.: 4



- GAL037D Alkane drillhole 2011-12
- GAL035D Alkane drillhole 2013
- Surface projection of mineralisation (2005)



ALKANE RESOURCES LTD
 WELLINGTON PROJECT
Galwadgere Prospect
GAL035 & GAL032