

6 June 2014



TOMINGLEY GOLD OPERATIONS AT DESIGN CAPACITY

TOMINGLEY GOLD OPERATIONS (TGO) - Alkane Resources Ltd 100%

At the end of May, the Tomingley Gold Operation (TGO) had completed ramp-up and was operating at design capacity with an annualised rate of 1 million tonnes per annum ore throughput. 10,340 oz of gold was poured over the two months of April and May.

Mining operations have continued in the two active pits; Wyoming 3 and Caloma. The closing ROM ore stockpile is now over 140,000 tonnes.

As stated in previous announcements (Quarterly Report 28 April 2014, Company Interview 30 May 2014) reconciliations for mine to mill have been positive for both grade and tonnage for the project to date, giving an uplift of 15% on milled gold ounces above the reserve to date. This continues to be monitored to confirm it is a long term trend.

Production April – May 2014		
Ore mined	Tonnes	259,130
Grade*	g/t	1.34
Ore milled	Tonnes	140,506
Head grade	g/t	2.15
Recovery	%	91.5
Gold poured	Ounces	10,340
Stockpiles		
Ore for immediate milling	Tonnes	158,000
Grade*	g/t	1.40
Bullion on hand	Ounces	2,329

* Grade as per reserve model

Processing throughput had been constrained by the cyanide detoxification circuit, in particular the oxygen supply capacity. A temporary liquid oxygen facility was installed in late April and the plant subsequently ramped to design capacity throughout May. A permanent, low capital cost, liquid oxygen facility is currently being designed for installation.

With TGO at design capacity, focus continues on stabilising the business; in particular site safety and environmental performance, mining productivity, further improvement in processing recovery and improving the resultant cash costs of the site. As a result of several significant rain events, and the cyanide detoxification circuit modifications, total gold production will be at the lower end of the financial year target of 22,000 to 27,000 ounces.

The group currently has hedging in place for 24,000 ounces at an average price of A\$1,444/oz deliverable over the next ten months. Production can be pre-delivered into hedges if required as a result of short term price weakness

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TGO Plant and RSF 110514. Image courtesy Judy Unger (Peak Hill)



Wyoming Three pit, 110514. Image courtesy Judy Unger (Peak Hill)



Newell Highway Underpass 110514. Image courtesy Judy Unger (Peak Hill)



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 2012 Edition of the Australasian Code for Reporting of Exploration Targets, 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

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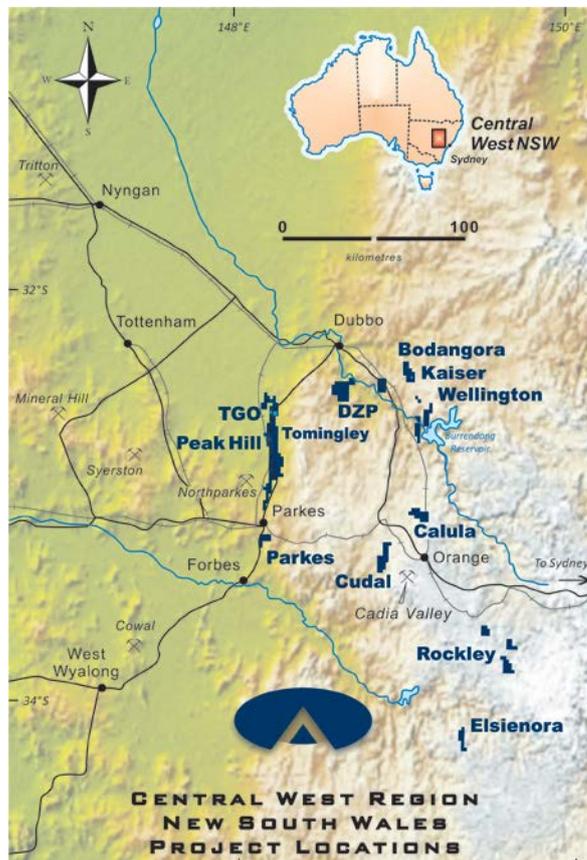
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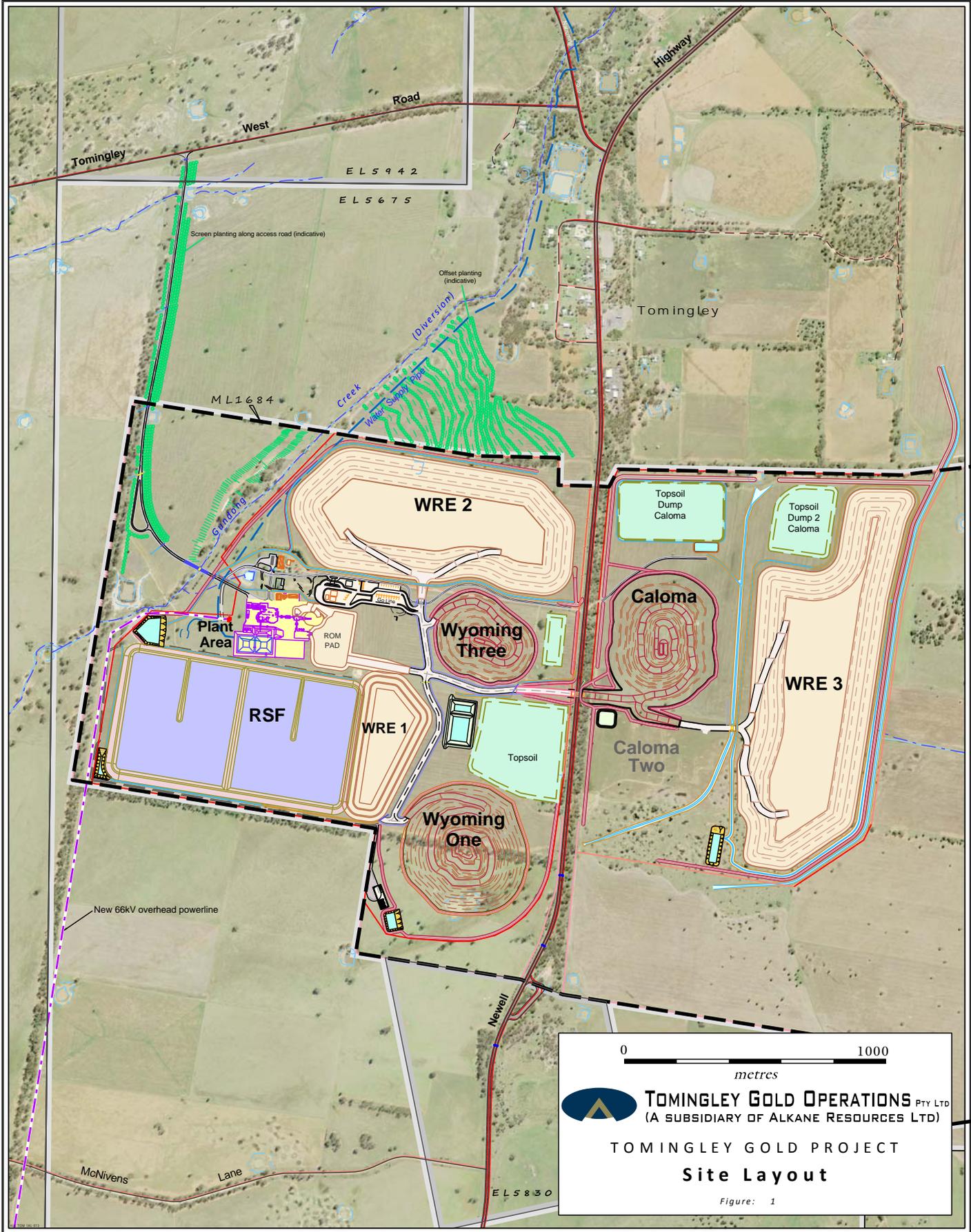
ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

Alkane is a multi-commodity company focused in the Central West region of NSW Australia. Currently Alkane has two advanced projects - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production early 2014. Cash flow from the TGP will provide 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 Q3 2014. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium products and heavy rare earths when it commences production in 2016.

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, have been identified at Cudal.





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metres

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

TOMINGLEY GOLD PROJECT
Site Layout

Figure: 1