



16 September 2011

Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

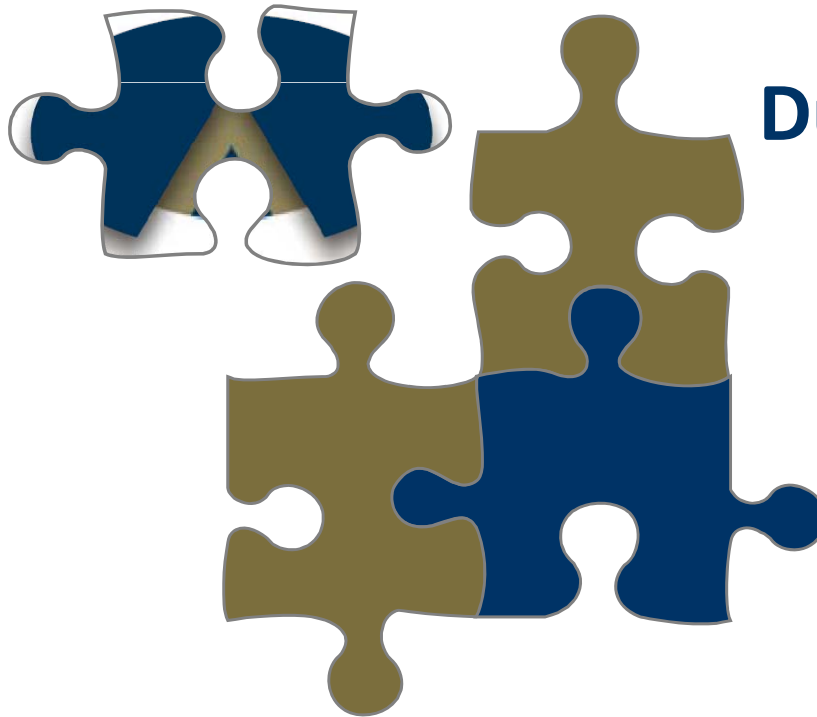
PRESENTATION

Attached is a copy of the Company's presentation to the Metals Pages Rare Earths 2011 Conference being held in Beijing.

A copy of this presentation will also be available on the Company's website www.alkane.com.au.

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director



Dubbo Zirconia Project

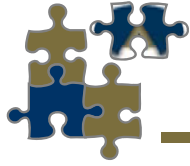
NSW Australia

*An alternate source of rare
earth and zirconium
products*

Alister MacDonald and Ian Chalmers



METAL • PAGES Rare Earths 2011 Beijing 14 - 17 September

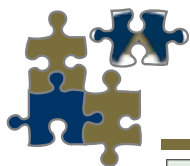


Project Evaluation

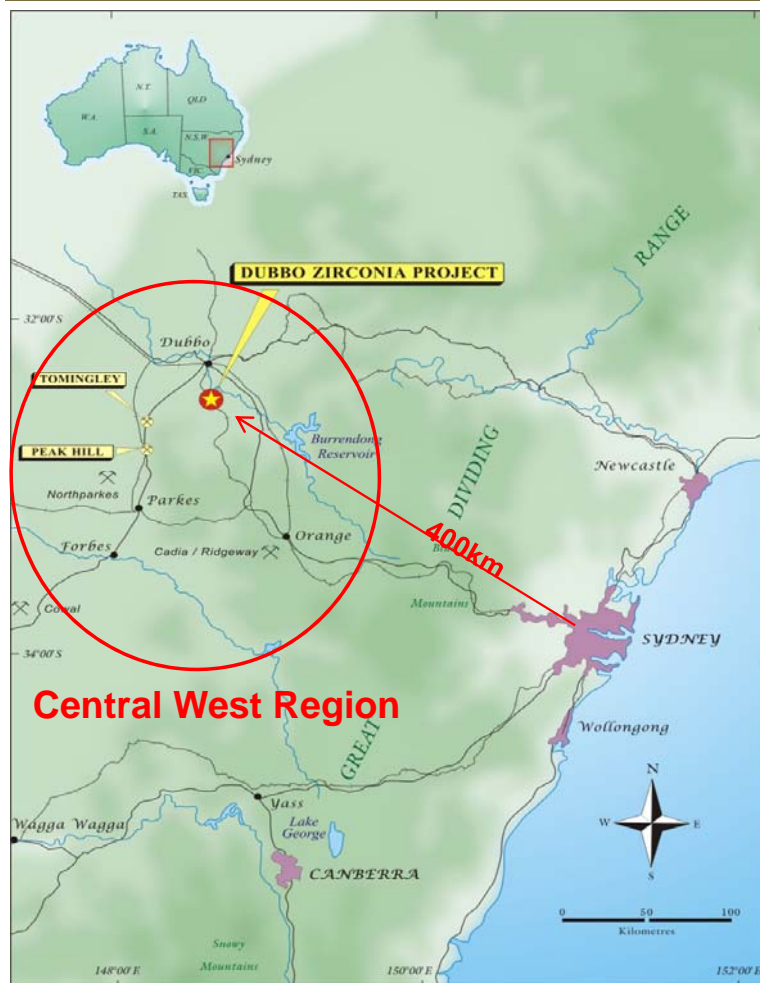


1. The Resource – the ore minerals and the host rock
2. Process Development
3. Large scale confirmation of flow sheet – pilot plant
4. Market Development
5. Environmental Assessment
6. Financing
7. Production





Location and Business Strategy



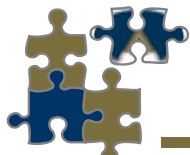
Multi commodity explorer and miner, focussed in the Central West of New South Wales, Australia Region with substantial existing infrastructure

Dubbo Zirconia Project – world class resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earths

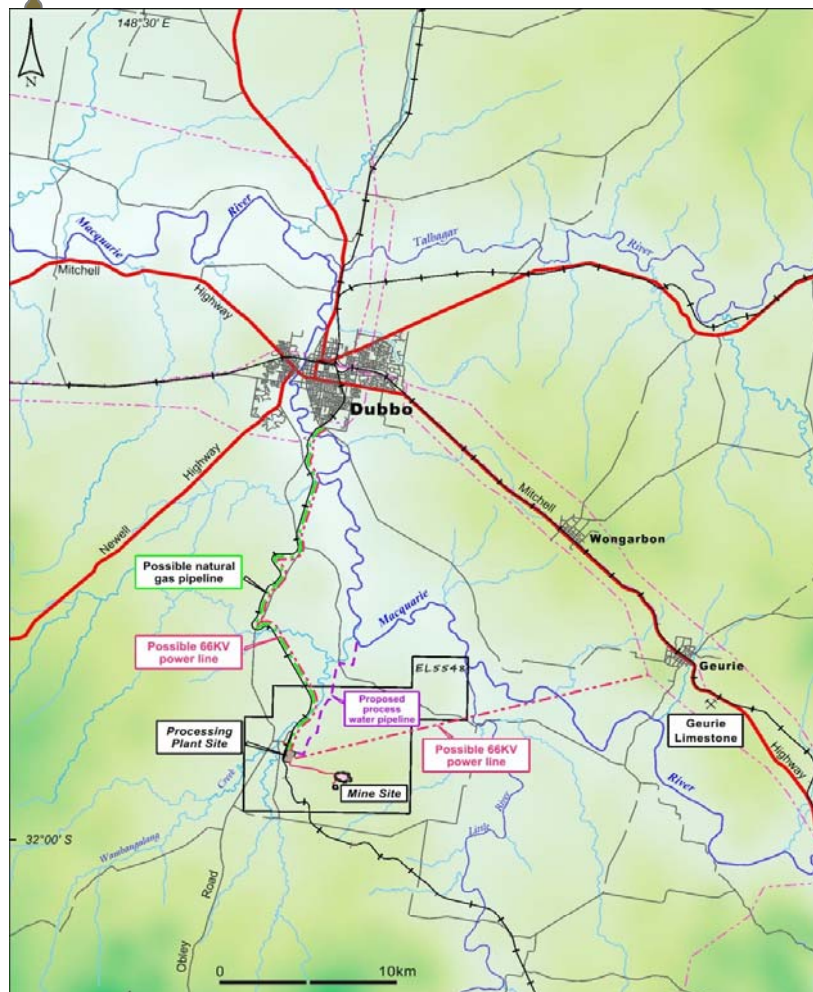
Gold production from Peak Hill mine 1996 – 2005. New gold development planned at Tomingley based upon 650,000 oz resource

Major gold discovery at McPhillamys (~3 million oz) Joint Venture with Newmont

Develop multiple operations within tight geographic area over next five years. New discoveries at Cudal (Au-Zn), Bodangora (Au-Cu) and Galwagere (Cu-Au)



DZP Infrastructure



Dubbo region pop 80,000

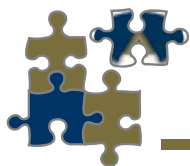
State power grid

State gas grid

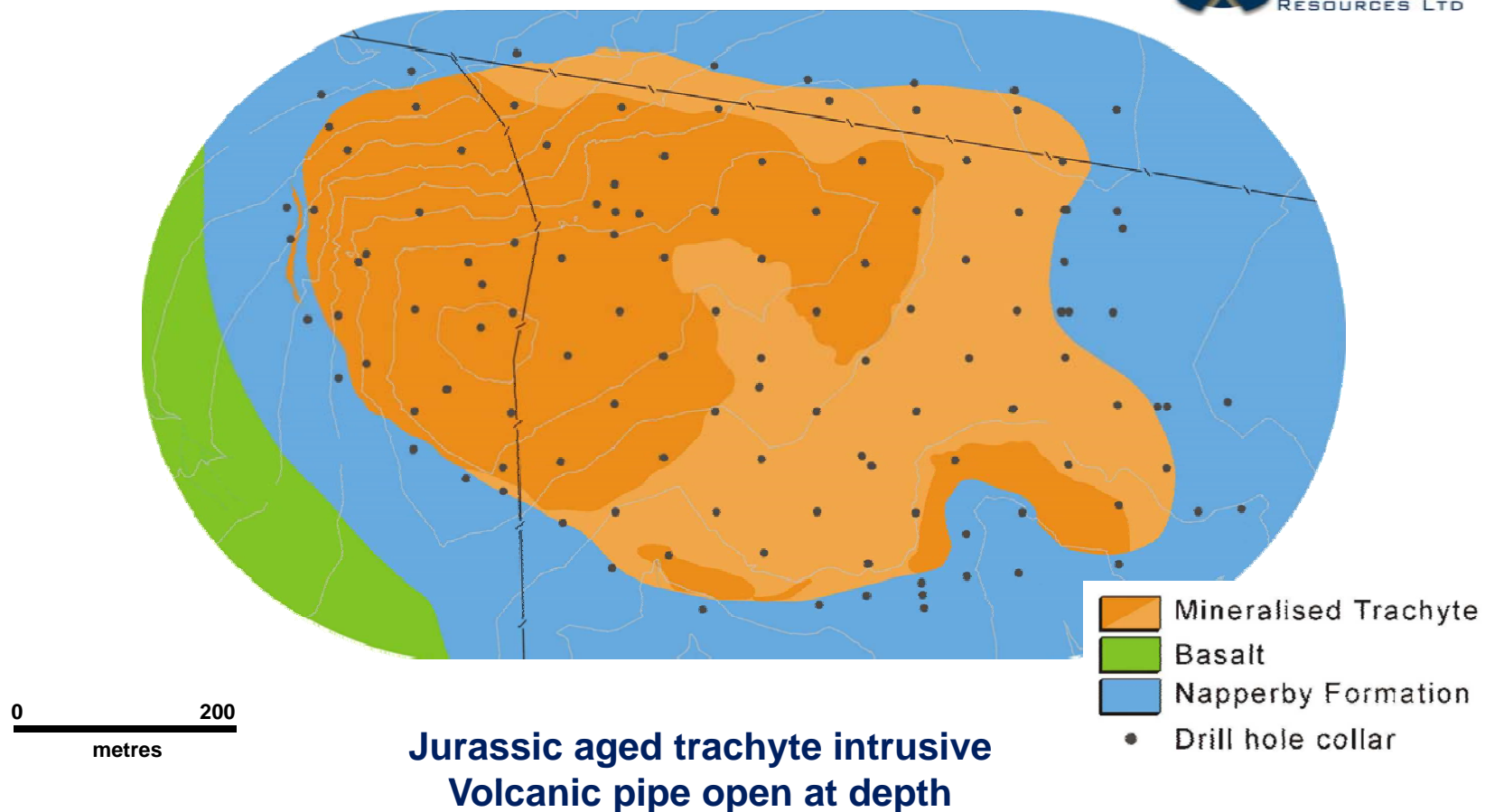
Major mixed agriculture

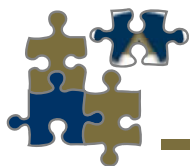
Transport hub

Substantial light industry



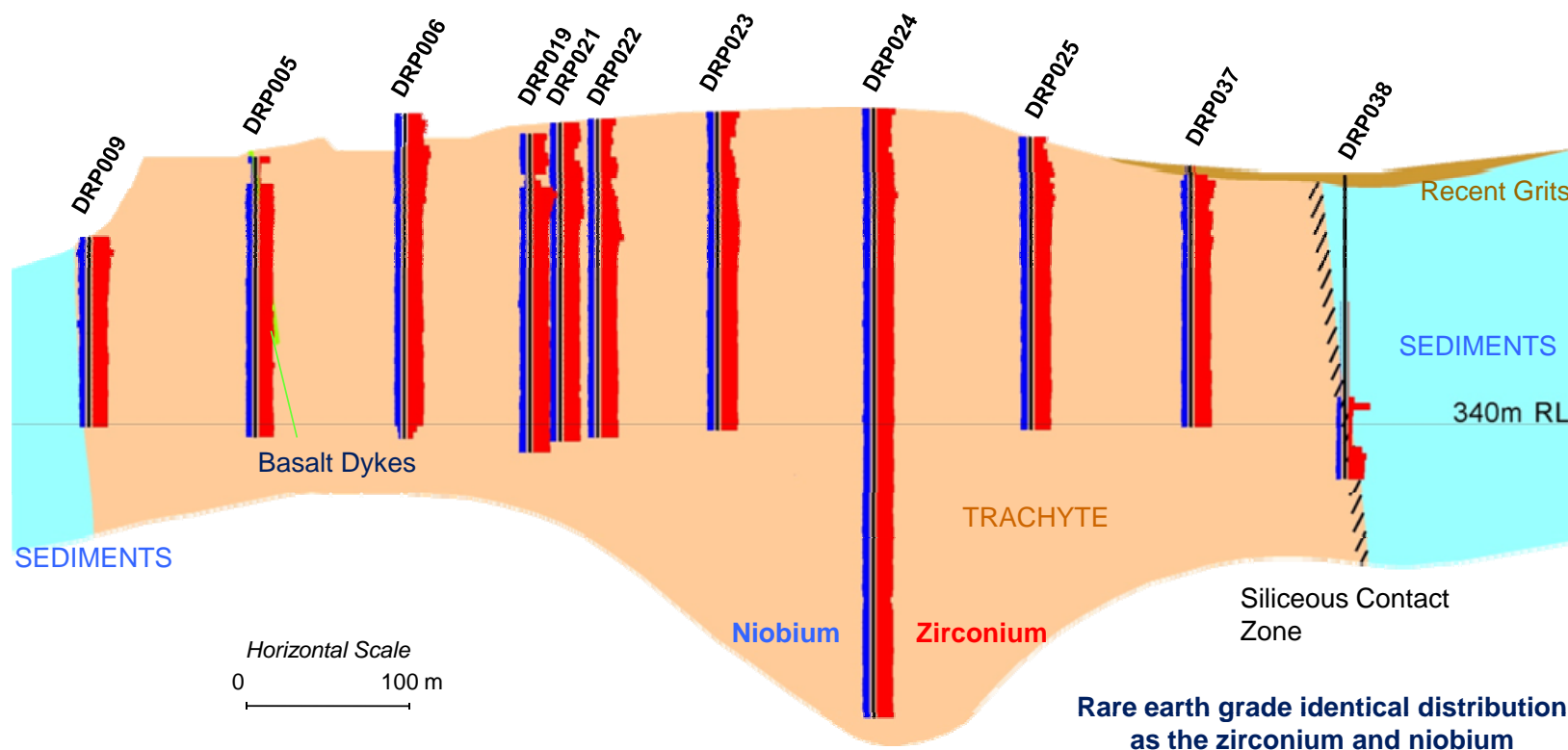
DZP Geology

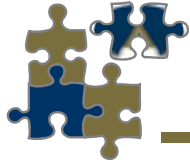




DZP Geology

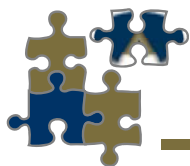
East-west cross section through centre of deposit





DZP Western contact of deposit





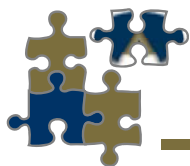
DZP Ore Mineralogy



Zirconium Heavy REs	eudialyte armstrongite	$\text{ZrSiO}_4 \pm \text{Ca, Y, HREE, H}_2\text{O} + ?\text{U}$	$< 2\mu\text{m} - 50\mu\text{m}$
Niobium/ Tantalum	natroniobite	$\text{NaNbO}_3 + \text{Ta} + ?\text{Th}$ also NbFeSiO_4	$< 30\mu\text{m}$
Rare Earths	calcian basnaesite	$\text{Ca(REE)(CO}_3\text{)F}$	$< 100\mu\text{m}$
	rare ancylite	$\text{Sr(REE)(CO}_3\text{)H}_2\text{O}$	

The deposit does not contain zircon; pyrochlore; or columbite
All ore minerals are soluble in H_2SO_4





DZP Resources



Measured Resource

0 - 55 metres

:

35.7 million tonnes grading

1.96% ZrO_2 , 0.04% HfO_2 , 0.46% Nb_2O_5 ,
0.03% Ta_2O_5 , 0.14% Y_2O_3 , 0.75% REO
(0.9% TREO)

Inferred Resource

55 - 100 metres

:

37.5 million tonnes at similar grades

TOTAL

:

73.2 million tonnes

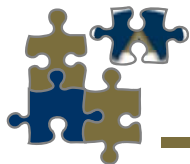
Resource defined by 120 RC and diamond core, mostly vertical drill holes drilled on a staggered 50m grid

Major world resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements

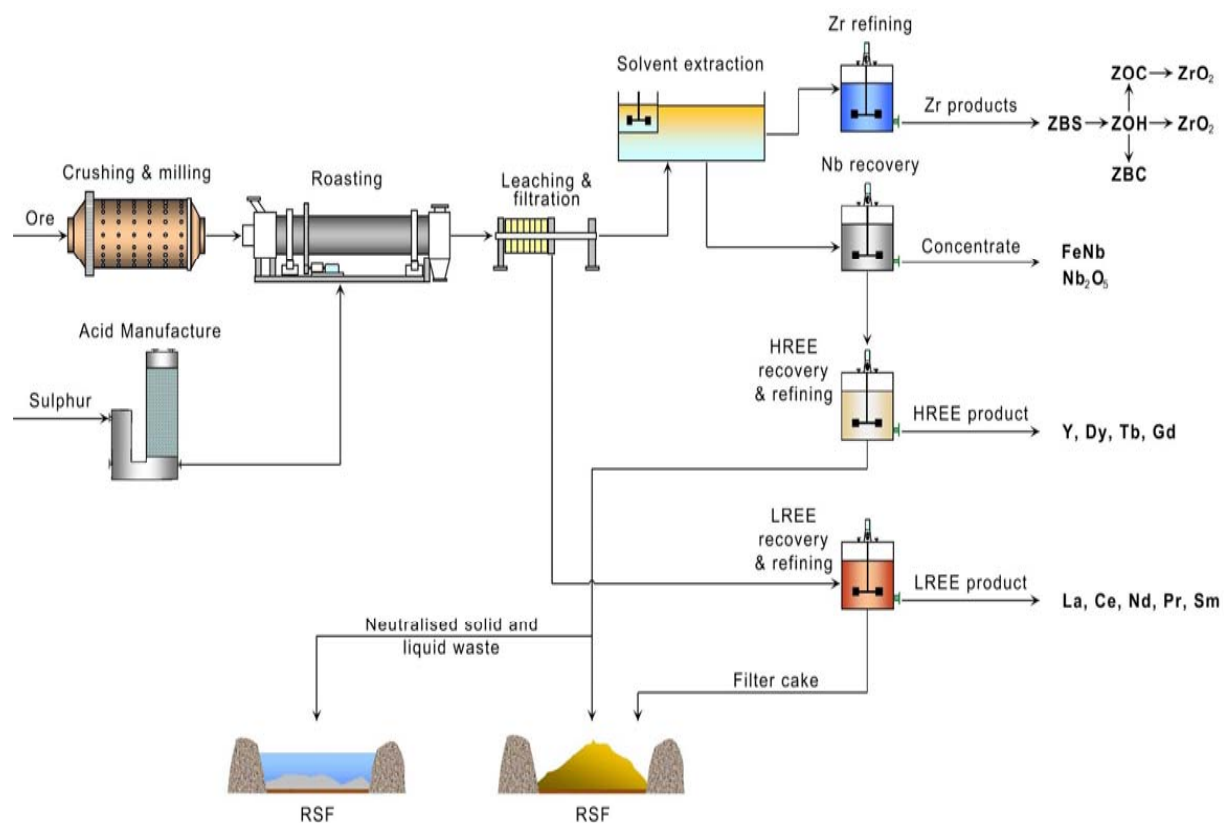
The ore contains low levels of uranium and thorium.

Production of uranium is currently prohibited in NSW





DZP Flow Sheet

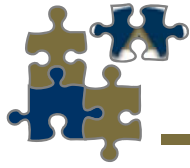


Whole of ore sulphuric acid leach, solvent extraction separation and refining, with chemical precipitation to produce final products.

Unique in the world today.

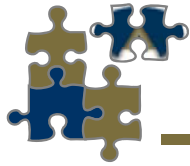
The process does not produce a mineral concentrate and does not concentrate the uranium and thorium.

These waste products are neutralised and dispersed in the residue storage facilities at less concentration than in the primary deposit.

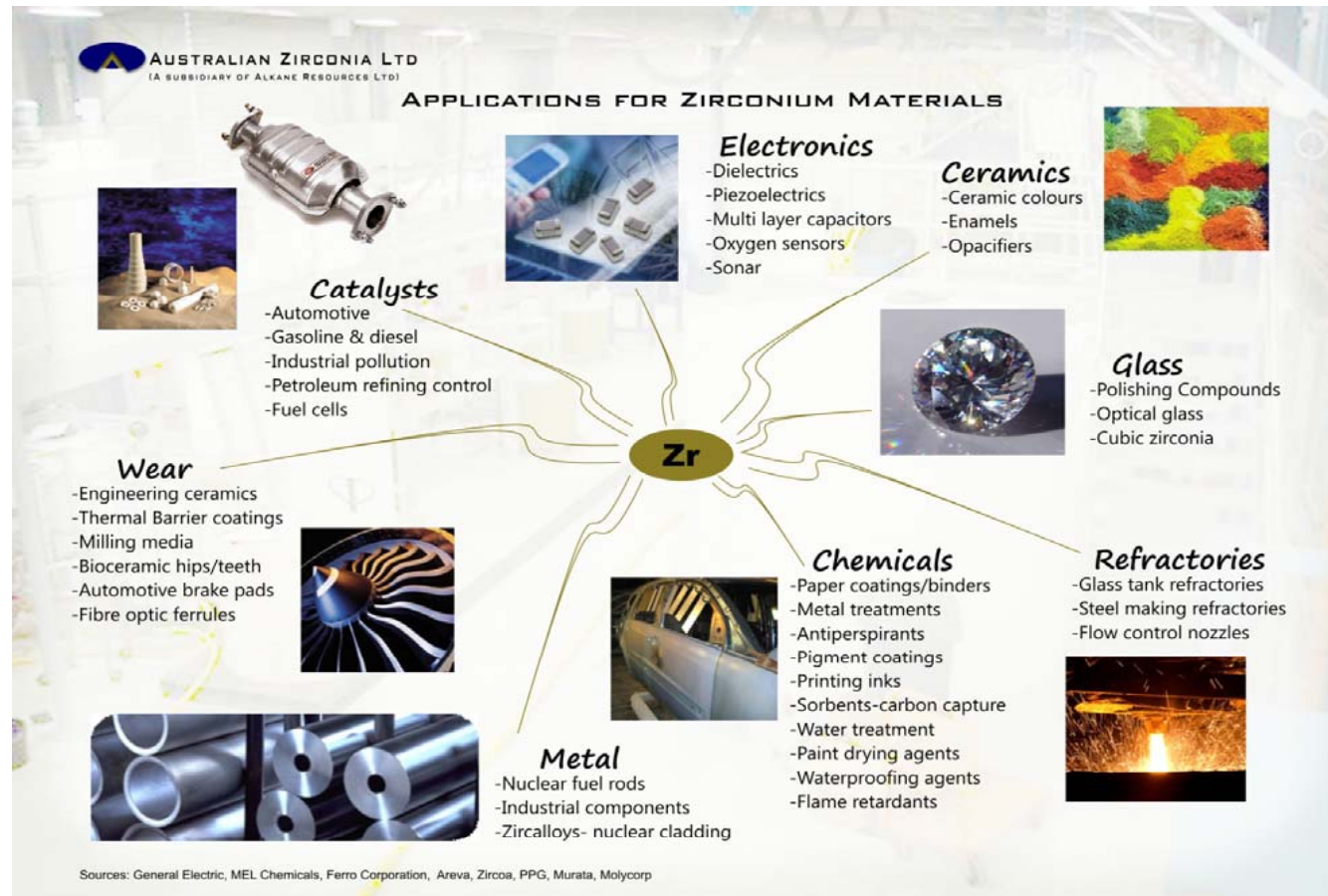


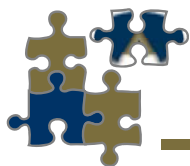
DZP Demonstration Pilot Plant 2008





Marketing - Zirconium Applications

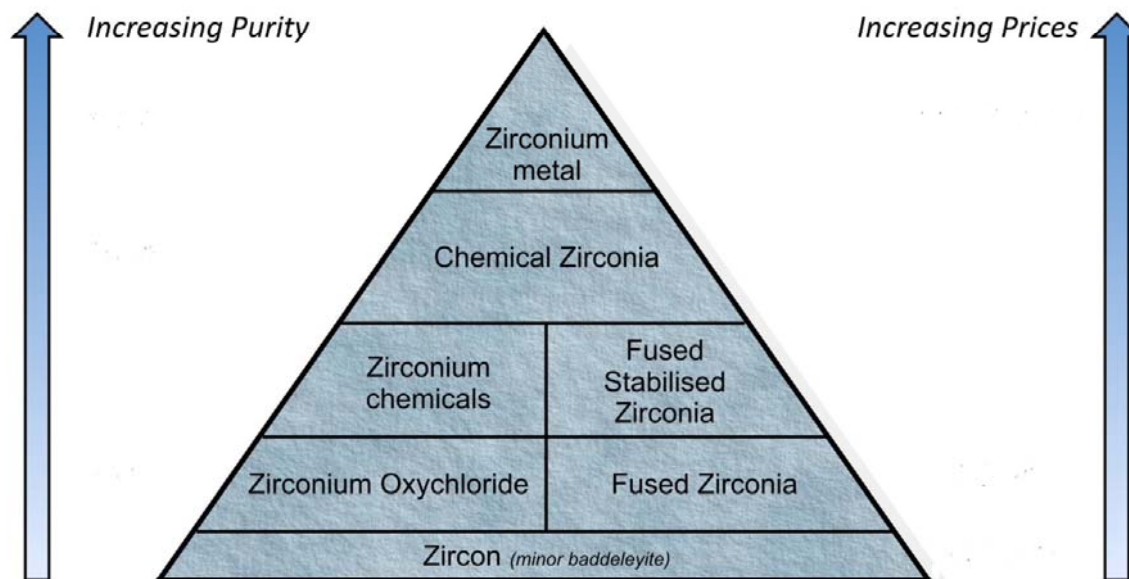




Zirconium Industry



ZIRCONIUM MATERIALS PYRAMID



China consumes about 50% of world's zircon output.

About 30% of that zircon is converted to downstream products.

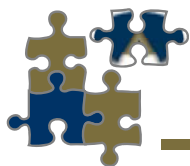
China currently produces about 90% of world's ZOC and 60% of FZA.

China has limited domestic supply of zircon and acquire from major producers (Aust and S Africa).

DZP is the only short to medium term substitute for zircon as a source of Zr

Zircon	Zirconium silicate ZrSiO_4	Primary Zr mineral source	Value
2010	1.2 million tonnes	~US\$1.6 billion	→ US\$3.2B
Zirconium products	Zirconia ZrO_2 , Zirconium chemicals, Zr metal		
2010	120,000 tonnes	~US\$0.7 billion	→ US\$1.4B

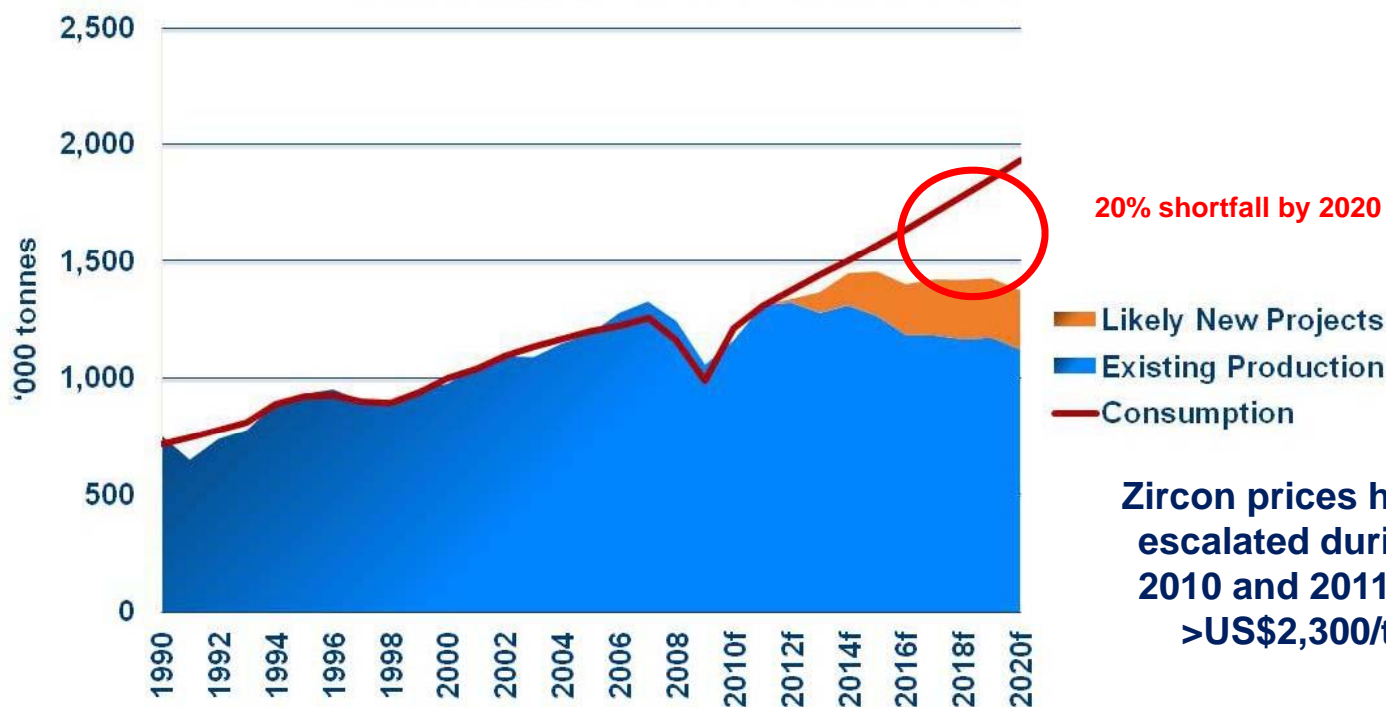
Source: TCMS



Zircon Supply Demand Price



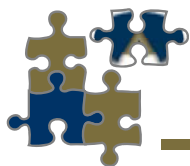
Zircon supply and demand: 1990-2020f



Zircon prices have escalated during 2010 and 2011 to >US\$2,300/t

Zircon price and supply will have a major impact on the cost and availability of zirconium chemicals, zirconia and zirconium metal. China and Japan have declared zirconium a strategic metal.

Source: TZMI

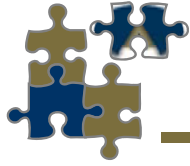


DZP Zircon - Zirconium Chemicals Pricing

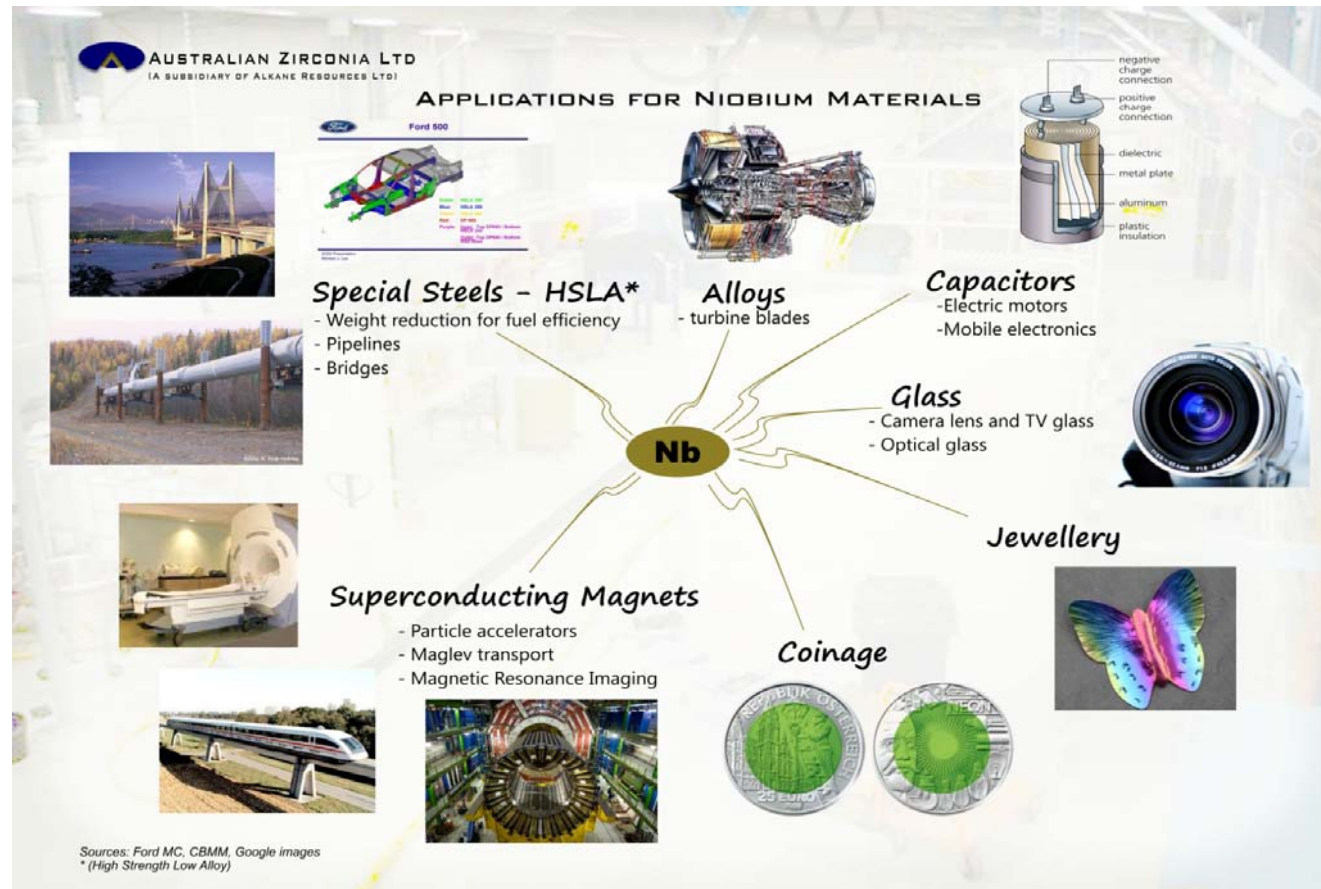


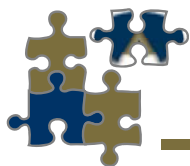
PRODUCT	ZrO ₂	Q2 2010 US\$/T	Q1 2011 US\$/T	Q2 2011 US\$/T
Zircon (producer/trader) (100% ZrO ₂ basis)	65% 100%	\$900 - \$1,150 (\$1,440 - \$1,840)	\$1,500 - \$2,100 (\$2,400 - \$3,360)	\$1,700 - \$2,750 (\$2,720 - \$4,400)
ZOC (zirconium oxychloride) (100% ZrO ₂ basis)	36% 100%	\$1,350 - \$1,450 (\$3,750 - \$4,025)	\$2,300 - \$2,600 (\$6,400 - \$7,200)	\$3,600 - \$4,000 (\$10,000 - \$11,111)
ZBS (zirconium basic sulphate) (100% ZrO ₂ basis)	33% 100%	\$1,770 \$5,360	\$3,000 \$9,100	\$6,000 \$18,200
ZBC (zirconium basic carbonate) (100% ZrO ₂ basis)	40% 100%	\$2,100 \$5,250	\$3,400 \$8,500	\$5,400 \$13,500
Fused Zirconia	98.50%	\$2,900 - \$3,100	\$4,100 - \$4,400	\$6,000 - \$7,000
Chemical Zirconia	99.50%	\$4,200 - \$4,400	\$7,200 - \$7,500	\$10,000 - \$12,000
Chemical Zirconia	99.90%	\$5,300 - \$5,500	\$8,500 - \$10,500	\$12,000 - \$15,000

Source: TCMS

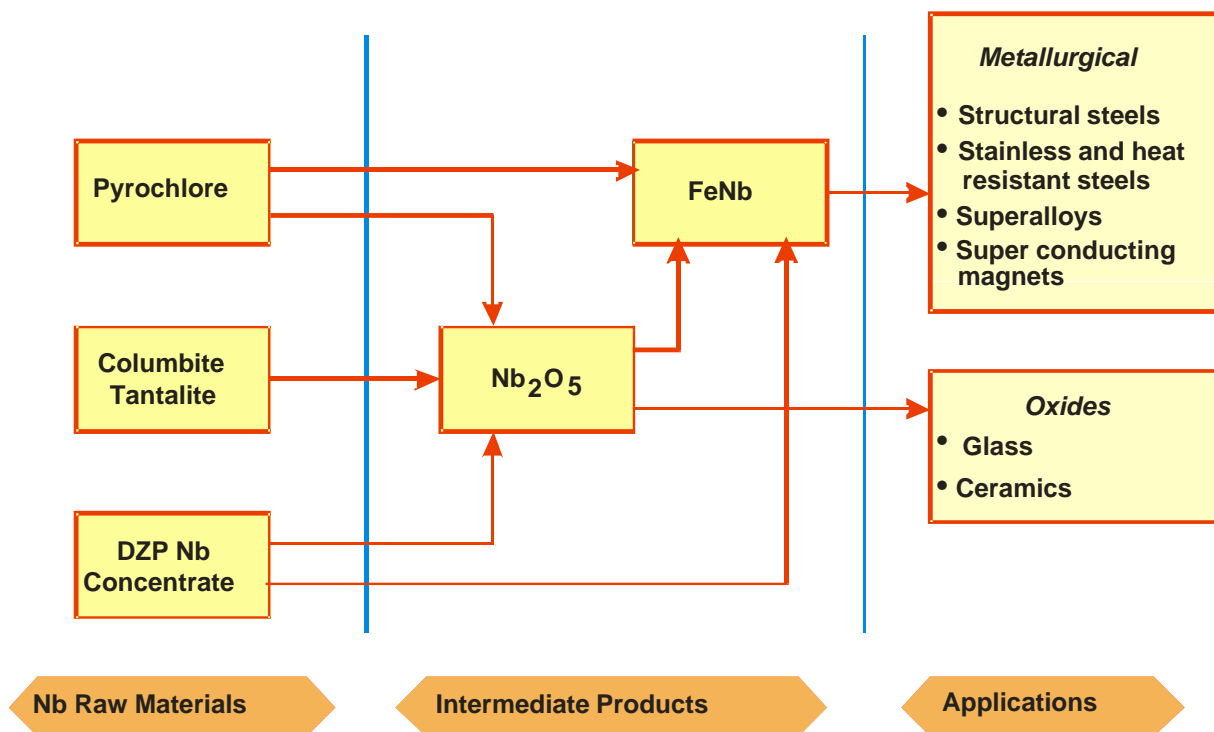


Marketing - Niobium Applications





Structure of Niobium Industry



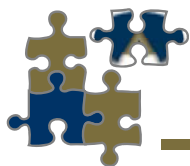
CBMM in Brazil produces about 90% of world demand.

Early 2011 a Japanese Korean consortium acquired 15% of CBMM for US\$1.95B

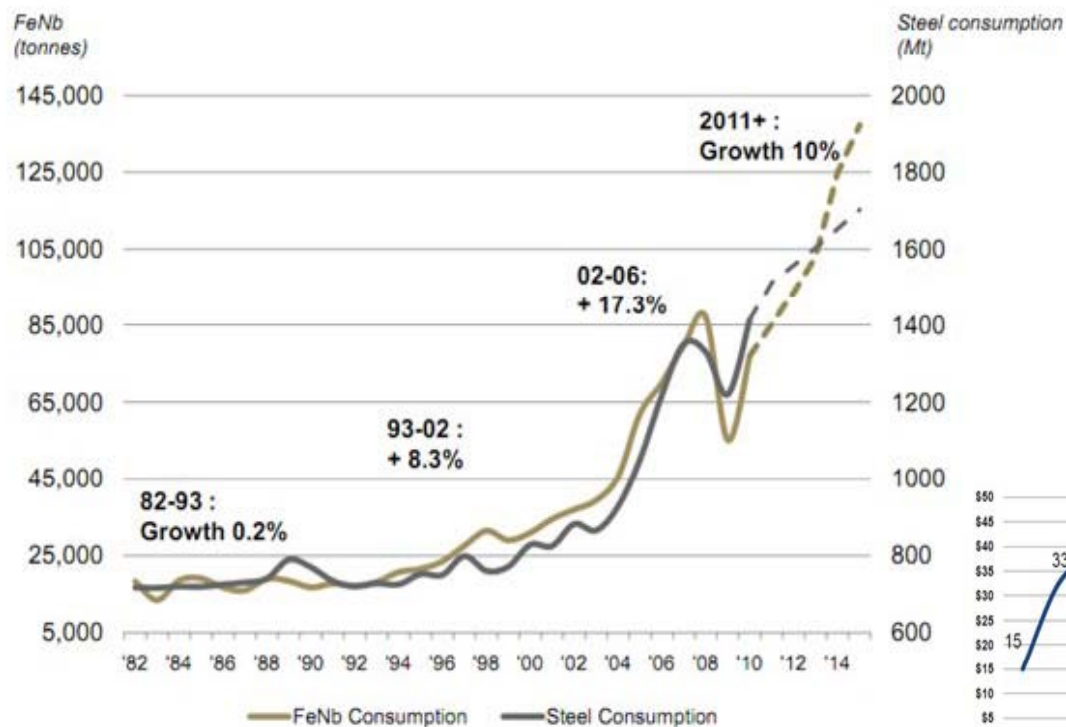
September 2011 a Chinese consortium acquired 15% of CBMM for US\$1.95B

Ferro-niobium FeNb Niobium pentoxide Nb₂O₅ Value
2010 85,000 tonnes ~US\$2.0 billion → US\$3B

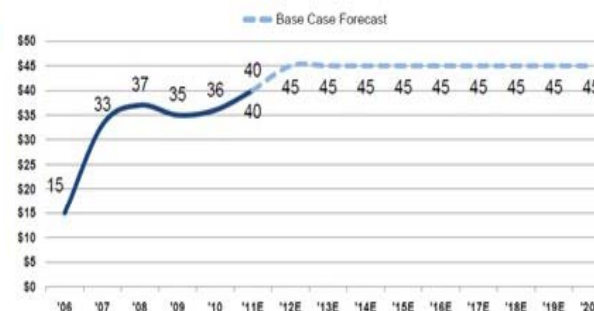
Source: TZMI



Niobium Demand and Price

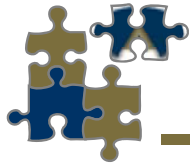


Niobium 2010
 (Ferroniobium units)
consumption
 ~85,000t – 90% Brazil
Estimate for 2012
 ~100,000t

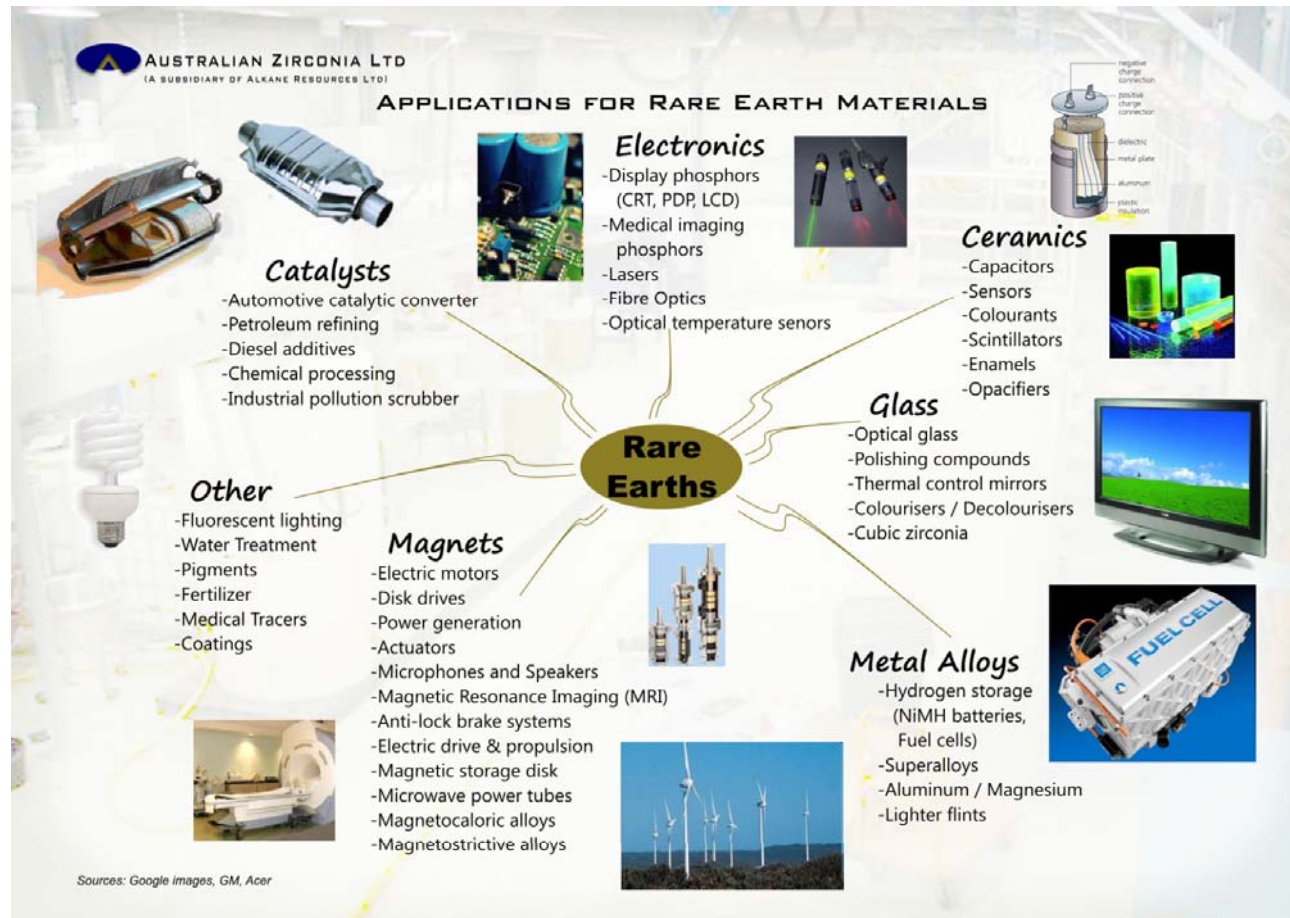


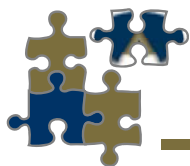
Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$40 - 45/kg

Sources: IAMGOLD / TZMI

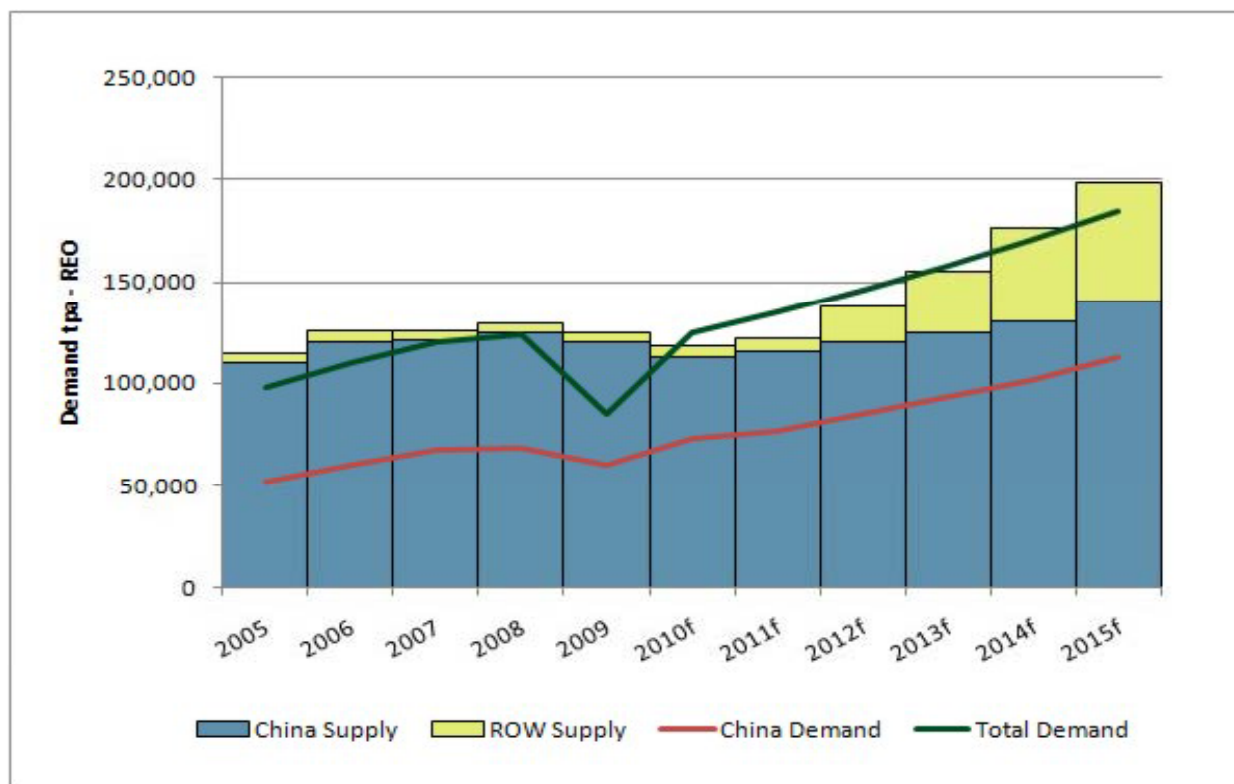


Marketing - REE Applications





Rare Earth Supply - Demand



Will rare earth supply demand be in balance from 2015 with Lynas and Molycorp producing?

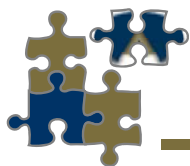
High probability for LREE but not HREE

The DZP has a 75% LREE - 25% HREE split which gives it a demand advantage

Separated rare earth products
2010 130,000 tonnes

Value
~US\$2.0 billion → US\$6.5B??

Source: IMCOA



Financial – DZP Product Output and Revenues

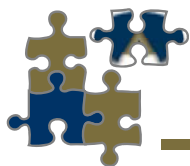


Base case of 400,000 tonnes pa and expanded 1 million tonnes pa of ore processed

Potential Production and Revenues				
Product	400,000 tonnes per annum		1,000,000 tonnes per annum	
ZBS, ZOH, ZBC, ZrO ₂	6,000tpa	US\$42M*	15,000tpa	US\$105M*
Nb -Ta concentrate	1,400tpa	US\$42M*	3,500tpa	US\$105M*
LREE concentrate	1,415tpa	US\$57M**	3,540tpa	US\$142M**
YHREE concentrate	425tpa	US\$24M**	1,070tpa	US\$63M**
AVERAGED TOTALS	9,240tpa	US\$160 - 170Mpa	23,110tpa	US\$400 - 450Mpa
<small>*Zr @ US\$7.00/kg and Nb @ US\$30/kg as intermediate average prices ** Price average of Q4 2010 for REO basket and assumes concentrate at 70% of total separated REO value REO output based on average 50% recovery</small>				

**Full operating and capital costs will be detailed in the feasibility study
nearing completion**

- ZBS = zirconium basic sulphate; ZOH = zirconium hydroxide; ZBC = zirconium carbonate Equivalent ~99% ZrO₂ + HfO₂
- Nb-Ta concentrate = ~70% Nb₂O₅ + Ta₂O₅ calcined basis ▪ LREE = La, Ce, Nd, Pr ▪ YHREE = Y, Gd, Dy, Tb



DZP Marketing Developments



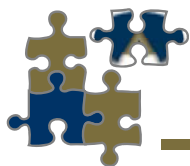
Three MOUs completed that should take all of the 1Mtpa zirconium output.

	Zirconium	Niobium	LREE	YHREE
100%	US\$125 – 150M			
75%				
50%		In Progress	In Progress	In Progress
25%				
0%				

Several other MOUs in discussion that will cover all niobium and rare earth outputs.

Resource is capable of supporting at least 100 year open pit life





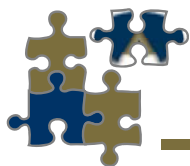
Development pathway



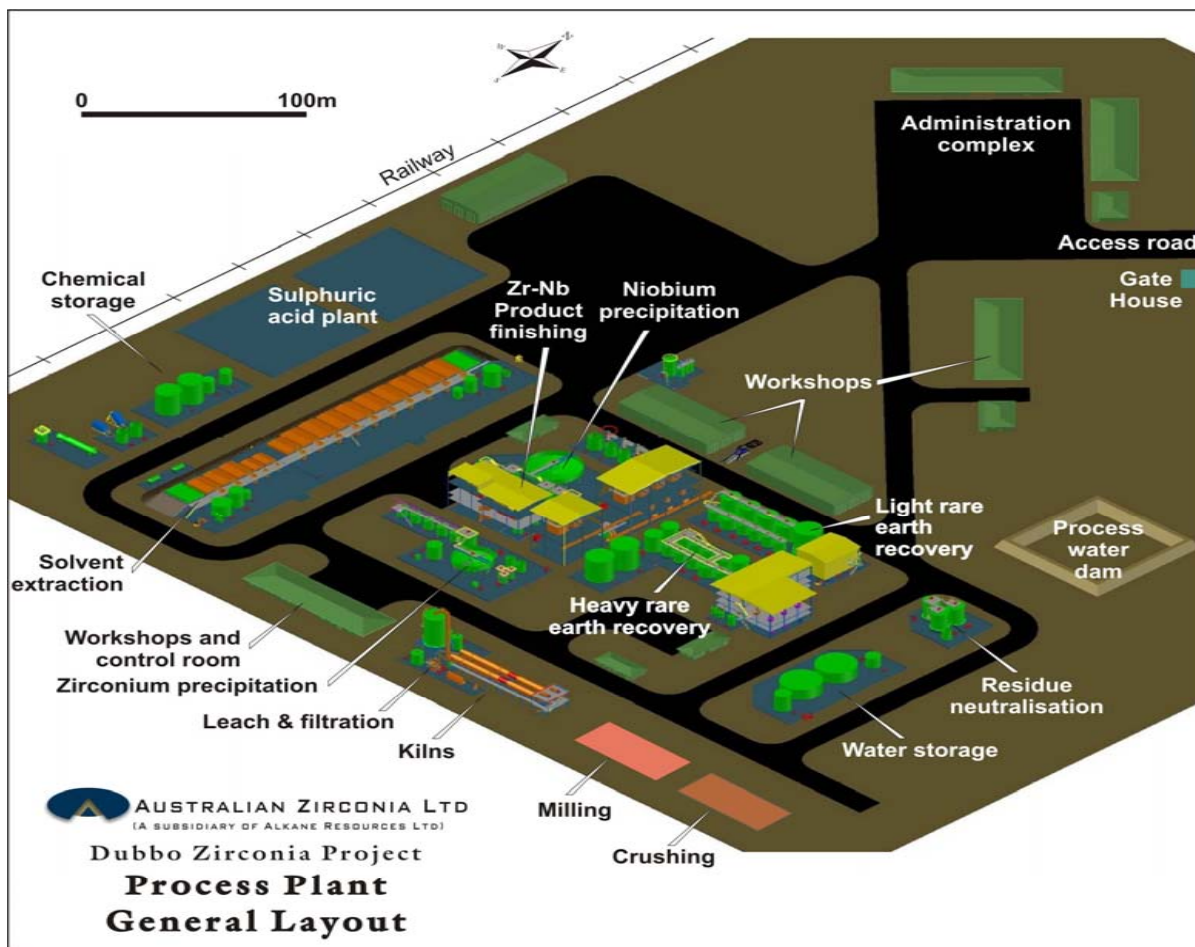
		-> 2009	2010	2011	2012	2013	2014
DZP 	Resource definition 2001 - 2002	✓					
	Flow sheet development 2002	✓					
	Laboratory Zr – Nb 1999 – 2002	✓					
	Pilot plant Zr – Nb 2002	✓					
	Mine Plan & Scheduling 2002	✓					
	Plant Design & Engineering 2002	✓					
	Laboratory Y & REE 2009 -	✓	✓				
	Demonstration Pilot Plant 2008 -						
	Zr – Nb Product Distribution	✓	✓	✓			
	Y - REE Product Distribution			✓			
	Secure Offtake Agreements						
	Definitive Feasibility Study	2002					
	Environmental Impact (EA)	2000 ->					
	Detailed Design						
	Financing / Development Consent						
	Construction						
	Production						

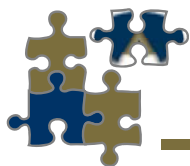
Continued product development

Detail costs for expanded development



DZP Production Plant Layout





The Summary



1. The Resource – the ore minerals and the host rock ✓
2. Process Development ✓
3. Large scale confirmation of flow sheet – pilot plant ✓
4. Market Development ✓
5. Environmental Assessment ✓
6. Financing ✓
7. Production

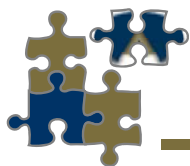


Completed or nearing completion



In progress





DZP Strategic Significance



Majority of “downstream” zirconium products are derived from zircon, whose output is governed by ilmenite/rutile from mineral sands mining operations.



DZP is the only short to medium term substitute for zircon as a source of Zr

China dominates downstream zirconium business at ~90% but feed is zircon.

Niobium production dominated by one company, CBMM in Brazil with 90% of market.

Rare earth and yttrium production dominated by China (95%). DZP offers new source particularly for important Y and HREE.

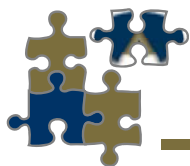


Production costs are spread across the four metal outputs – zirconium (hafnium), niobium (tantalum), light rare earths and yttrium-heavy rare earths.

Project located in region with very favourable infrastructure and legislative framework, both at a State and Federal level.

The DZP provides an alternative and strategic source for a number of important metals, and is capable of producing for hundreds of years from one ore body.





Corporate snapshot



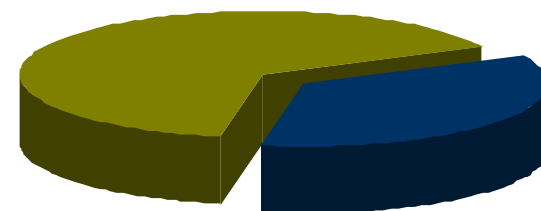
Exchanges	ASX: ALK OTCQX: ANLKY
Share Price (7 September 2011)	A\$1.93
Shares	269m
Fully Diluted Market Cap	~A\$520m
Cash (at 30 June 2010)	~A\$18m
No debt	

12 Month High / Low A\$2.73/ \$0.57



Source: FT

Shareholder profile*

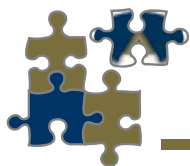


Retail	Top 20	~60%
Institutions	Directors & Management	3%
	Abbotsleigh (Gandel Metals)	26%

*at 30 June 2010

Directors & Management

J. S. F. Dunlop	Chairman
D. I. Chalmers	Managing Director
A. D. Lethlean	Non-Executive Director
I. J. Gandel	Non-Executive Director
L.A. Colless	CFO Joint Secretary
K.E. Brown	Joint Secretary
T W Ransted	Chief Geologist
M D Sutherland	General Manager NSW
T Wright	Commercial Manager
A MacDonald	DZP Marketing Consultant



Conclusion



Dubbo Zirconia Project

***A strategic and alternate supply for the zirconium,
niobium and rare earths industries***

www.alkane.com.au

Definitive Feasibility Study TZ Minerals International Pty Ltd

Study managers: *Steve Gilman and Gavin Diener*

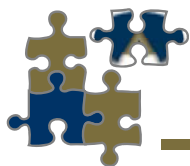
Marketing: *Alister MacDonald (TCMS) and Dudley Kingsnorth (IMCOA)*

ANSTO Minerals Group: *Bob Ring, Doug Collier, Karin Soldenoff, Des Levins, Chris Griffiths*

DPP Operations: *Adrian Manis, Peter Fletcher, Prakash Rajalingam*

Environmental Assessment: *R W Corkery & Co Pty Ltd*





Disclaimer



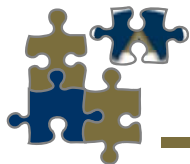
Disclaimer

This presentation 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 presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

Competent Person

The information in this presentation that relates to mineral exploration, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) 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 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 the presentation of the matters based on his information in the form and context in which it appears.





DZP Resource Statement



Dubbo Zirconia Project

Toongi Deposit	Tonnage (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	REO (%)	U ₃ O ₈ (%)
Measured	35.70	1.96	0.04	0.46	0.03	0.14	0.75	0.014
Inferred	37.50	1.96	0.04	0.46	0.03	0.14	0.75	0.014
TOTAL	73.20	1.96	0.04	0.46	0.03	0.14	0.75	0.014

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.