



21 June 2011

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

Dear Sir,

PRESENTATION

Attached is a copy of presentation to the Rare Earths and Strategic Metals 2011 conference being held in Sydney this week.

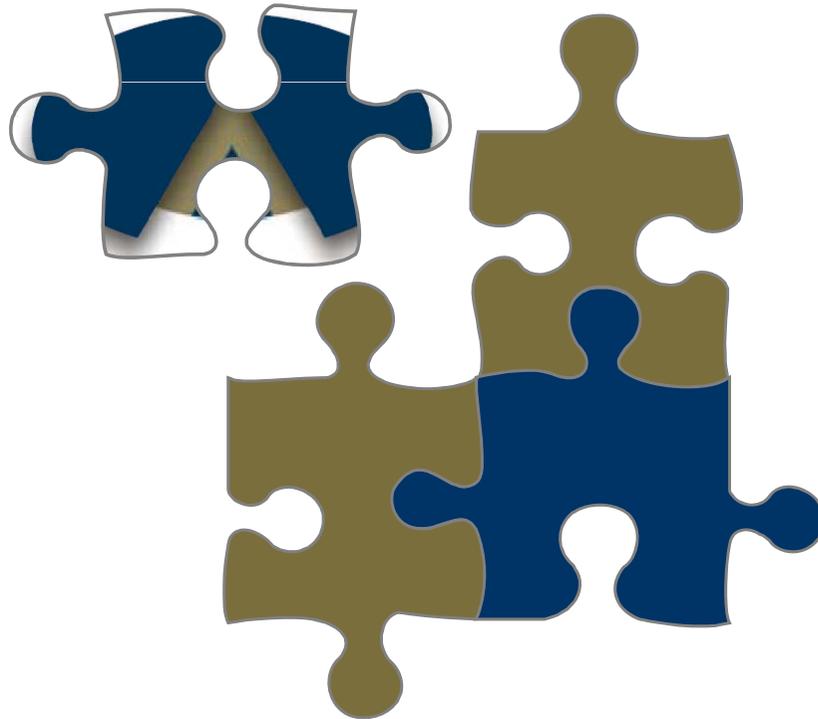
A copy of this presentation will also be available on the Company's website www.alkane.com.au.

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director

Dubbo Zirconia Project

NSW Australia

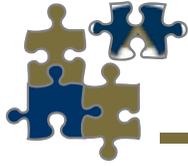


*An example of the process
required to take a next
generation polymetallic rare
metal and rare earth deposit
into production*

Rare Earths and Strategic Metals 2011

21 - 22 June, 2011, WatersEdge, Sydney, NSW



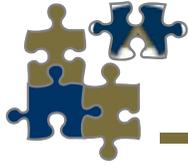


The Process in Summary



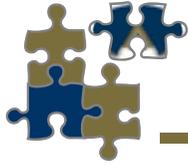
- 1. The Resource – the ore minerals and the host rock**
- 2. Process Development**
- 3. Large scale confirmation of flow sheet – pilot plant**
- 4. Market Development**
- 5. Environmental Assessment**
- 6. Financing**
- 7. Production**





Location





Dubbo Zirconia Project Location



Dubbo region pop 80,000

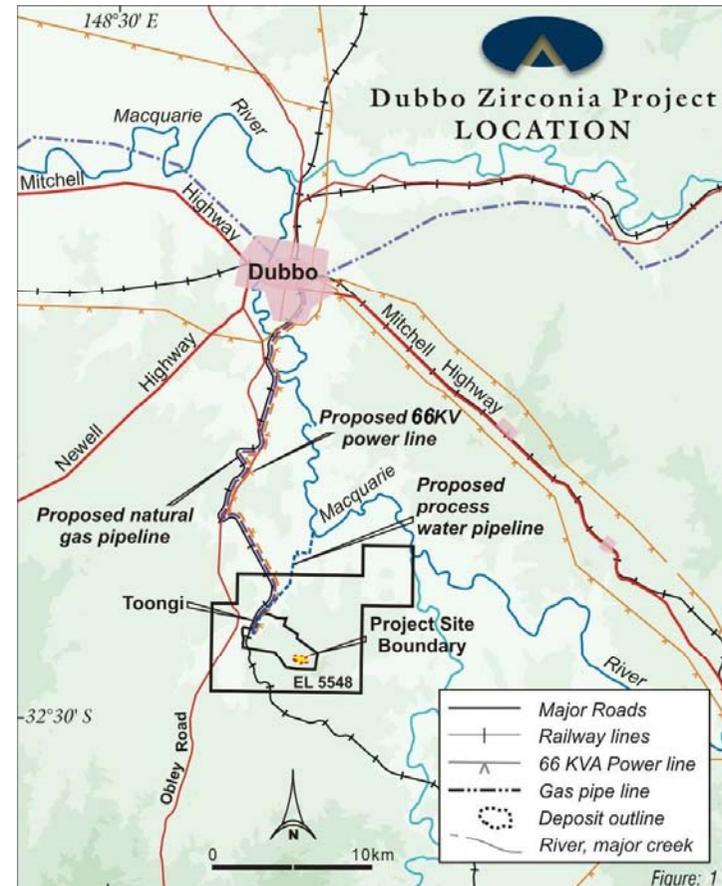
State power grid

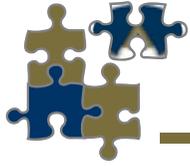
State gas grid

Major mixed agriculture

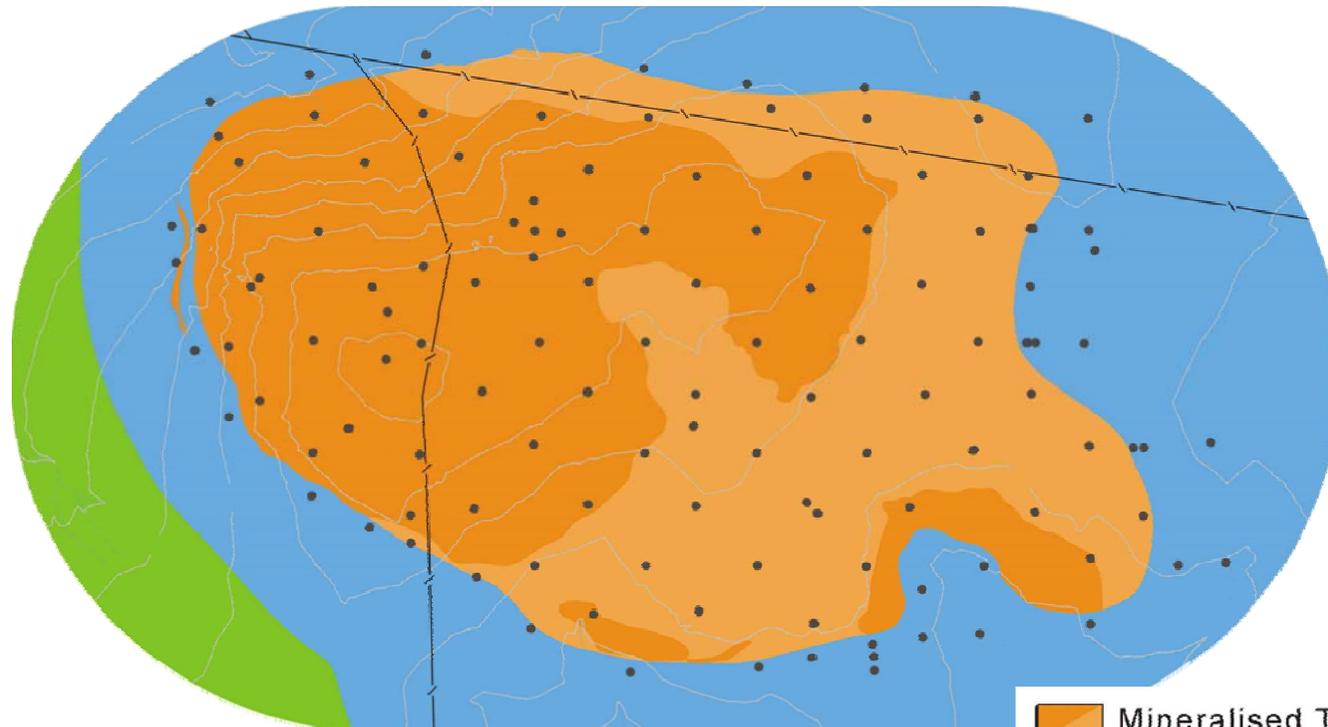
Transport hub

Substantial light industry





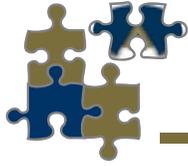
DZP Geology



0 200
metres

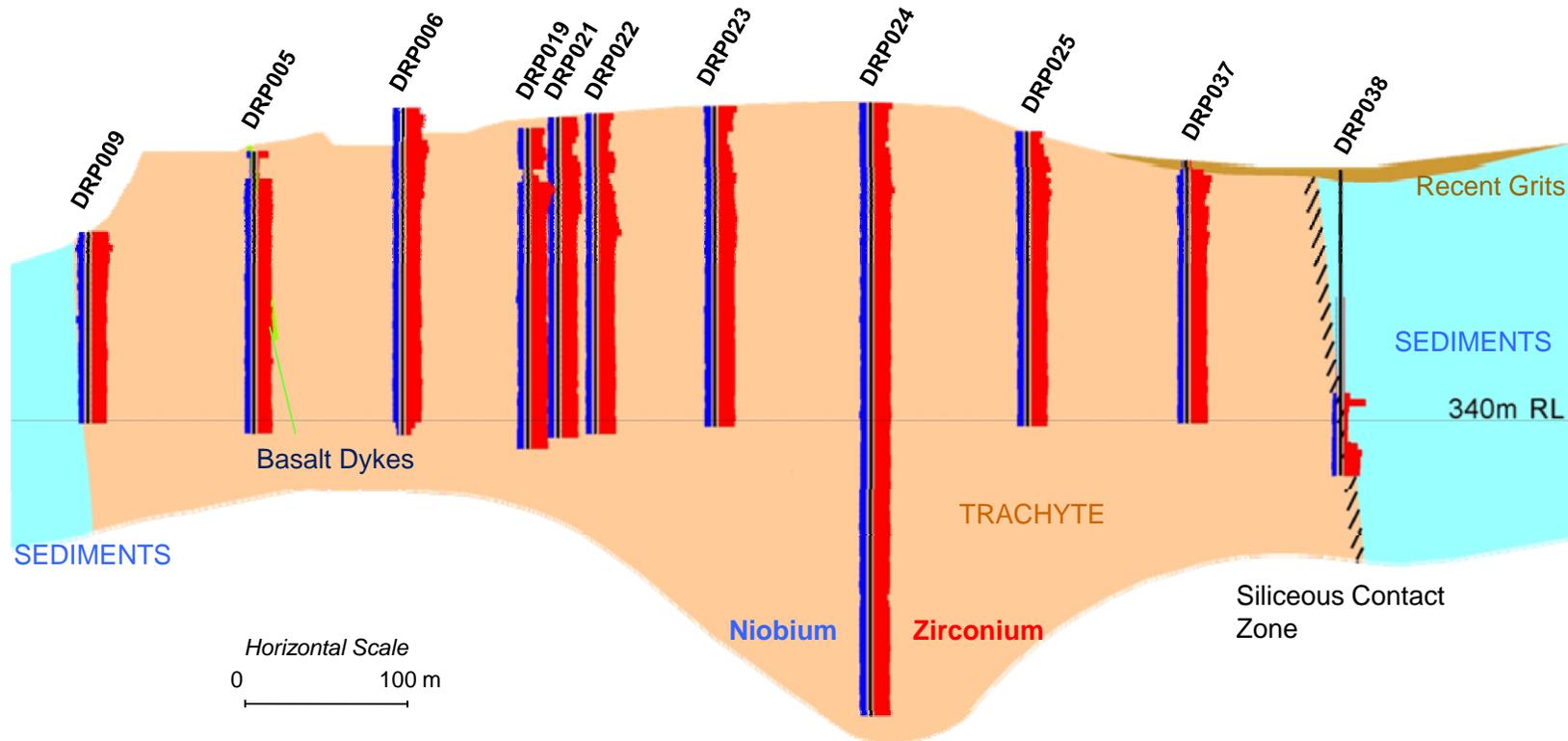
Jurassic aged trachyte intrusive

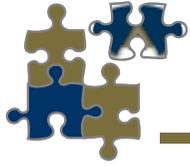
- Mineralised Trachyte
- Basalt
- Napperby Formation
- Drill hole collar



DZP Geology

East-west cross section through centre of deposit



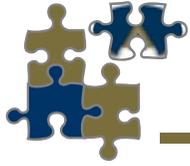


DZP Western contact of deposit



Sediments

Trachyte



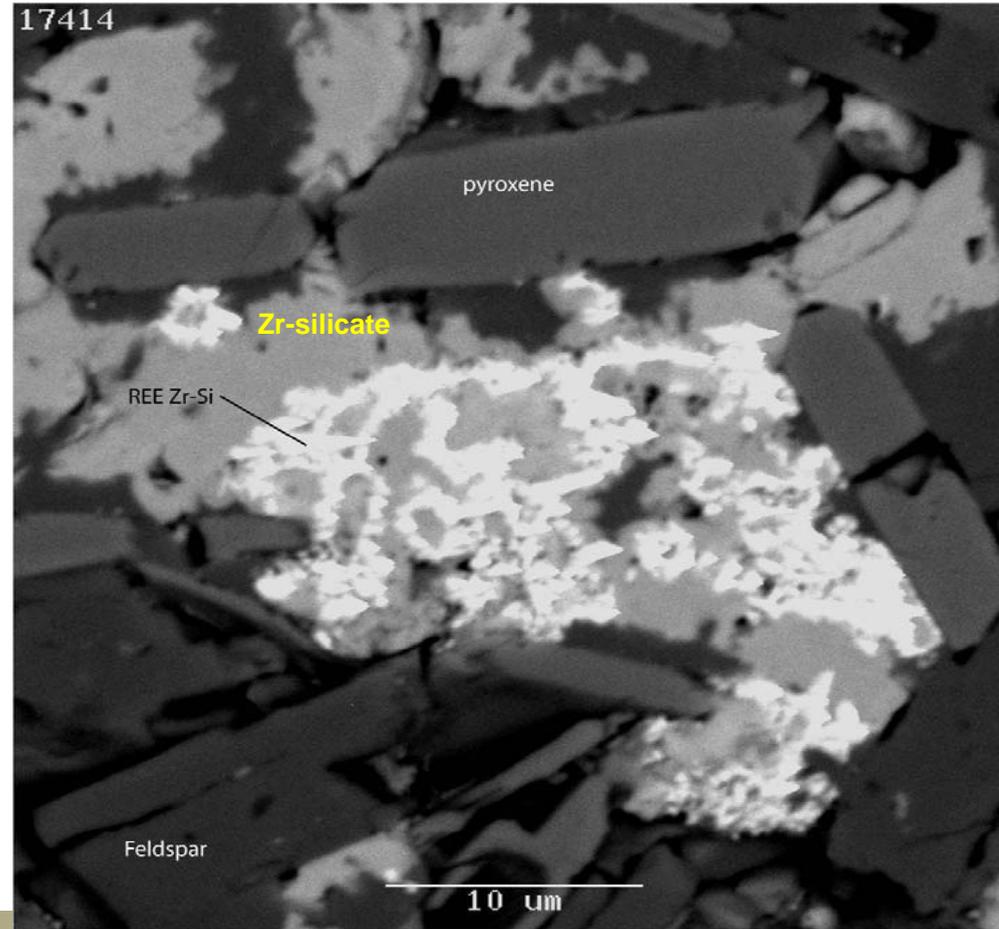
DZP Ore Mineralogy

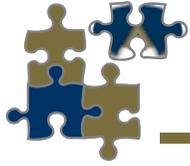


Zirconium Minerals

**BSE image x 2300: HREE-rich
Zr-Si hosted within Zr-silicate**

ANSTO March 2007





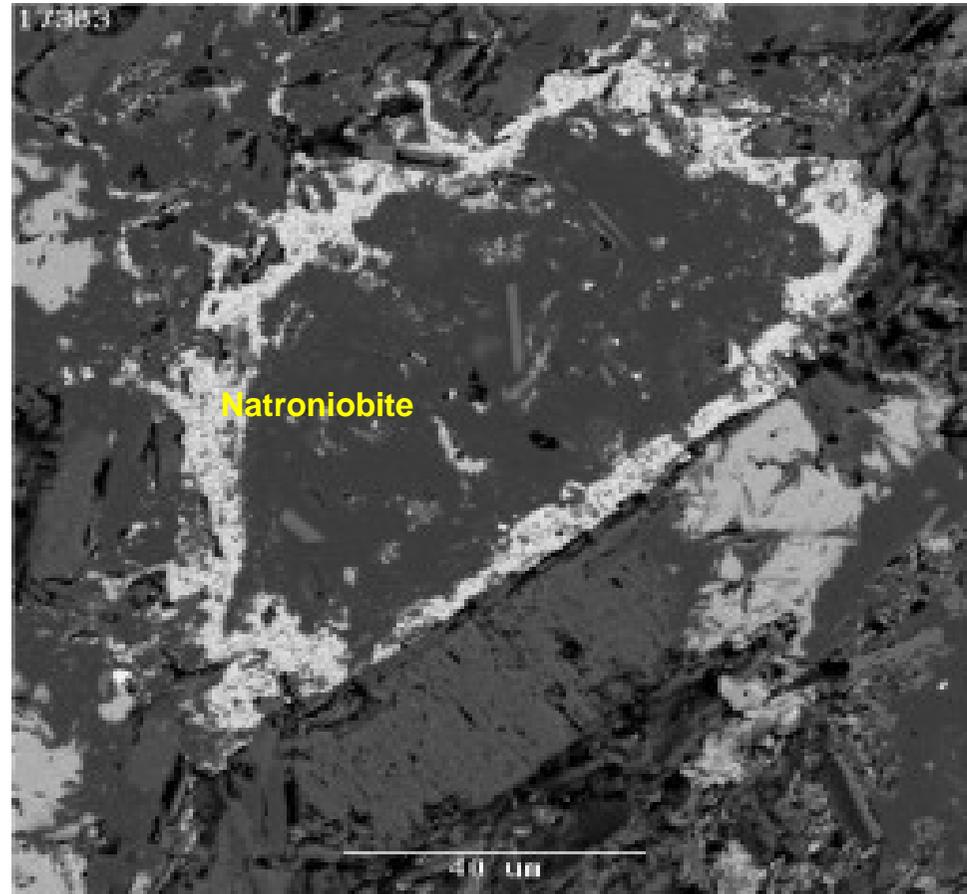
DZP Ore Mineralogy

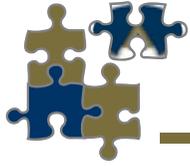


Niobium Minerals

BSE image x 600:
Nb mineral in Fe-Mn
carbonate

ANSTO March 2007





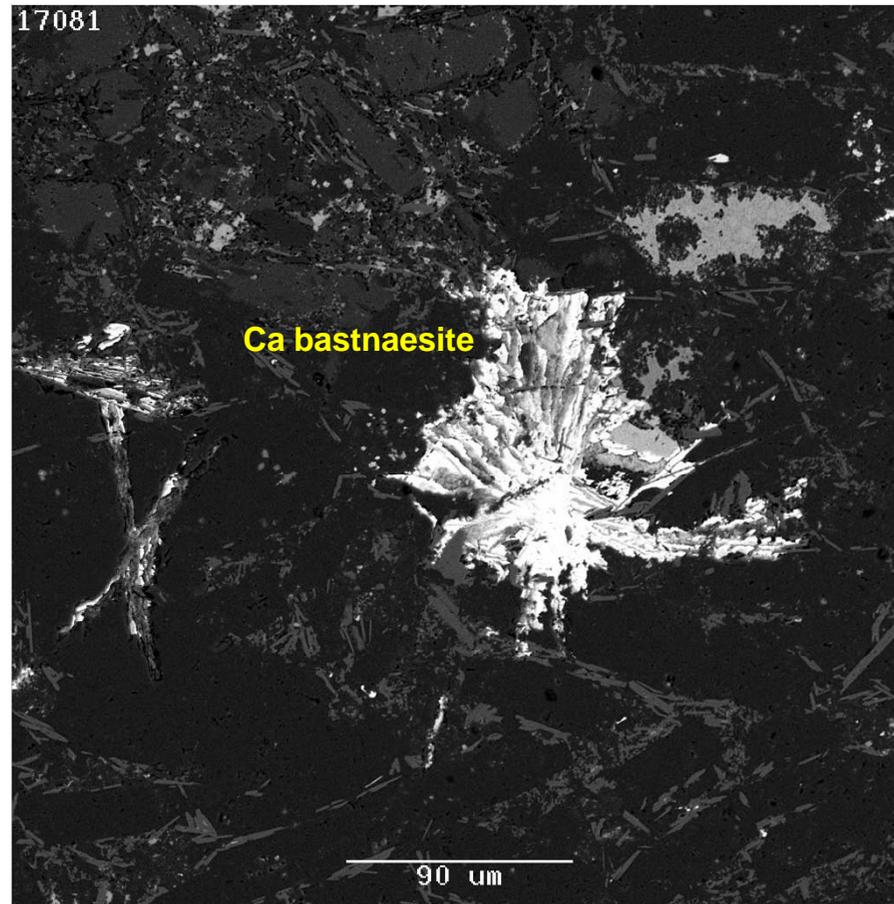
DZP Ore Mineralogy

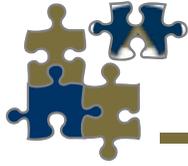


Light Rare Earth Minerals

BSE image x 250:
Altered Ca-bastnaesite

ANSTO March 2007



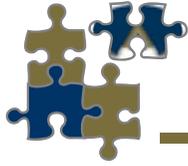


DZP Ore Mineralogy



Zirconium Heavy REs	eudialyte armstrongite	$ZrSiO_4 \pm Ca, Y,$ HREE, $H_2O + ?U$	$< 2\mu m - 50\mu m$
Niobium/ Tantalum	natroniobite	$NaNbO_3 + Ta + ?Th$ also $NbFeSiO_4$	$< 30\mu m$
Rare Earths	calcian basnaesite	$Ca(REE)(CO_3)F$	$< 100\mu m$
	rare ancylite	$Sr(REE)(CO_3)H_2O$	

All ore minerals are soluble in H_2SO_4



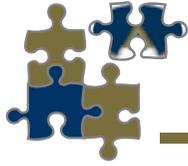
DZP Host Rock Mineralogy



- **K-feldspar - partly sericitised ~30 - 40%**
- **albite (sodic feldspar) ~30 - 40%**
- **aegerine (sodic clinopyroxene) ~15 - 20%**
- **minor calcite, siderite, quartz, rhodocrosite**

**Weathering down to 10-15 metres depth
No impact on mineral assemblage**

**Only calcite, siderite and rhodocrosite dissolve in H₂SO₄,
so only minor contaminants in solution**



DZP Resources



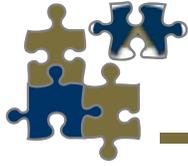
Measured Resource 0 - 55 metres	:	35.7 million tonnes grading 1.96% ZrO ₂ , 0.04% HfO ₂ , 0.46% Nb ₂ O ₅ , 0.03% Ta ₂ O ₅ , 0.14% Y ₂ O ₃ , 0.75% REO (0.9% TREO)
Inferred Resource 55 - 100 metres	:	37.5 million tonnes at similar grades
TOTAL	:	73.2 million tonnes

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 is contains low levels of uranium and thorium. Production of uranium is currently prohibited in NSW





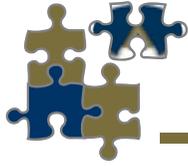
Process Development - DZP Metallurgy



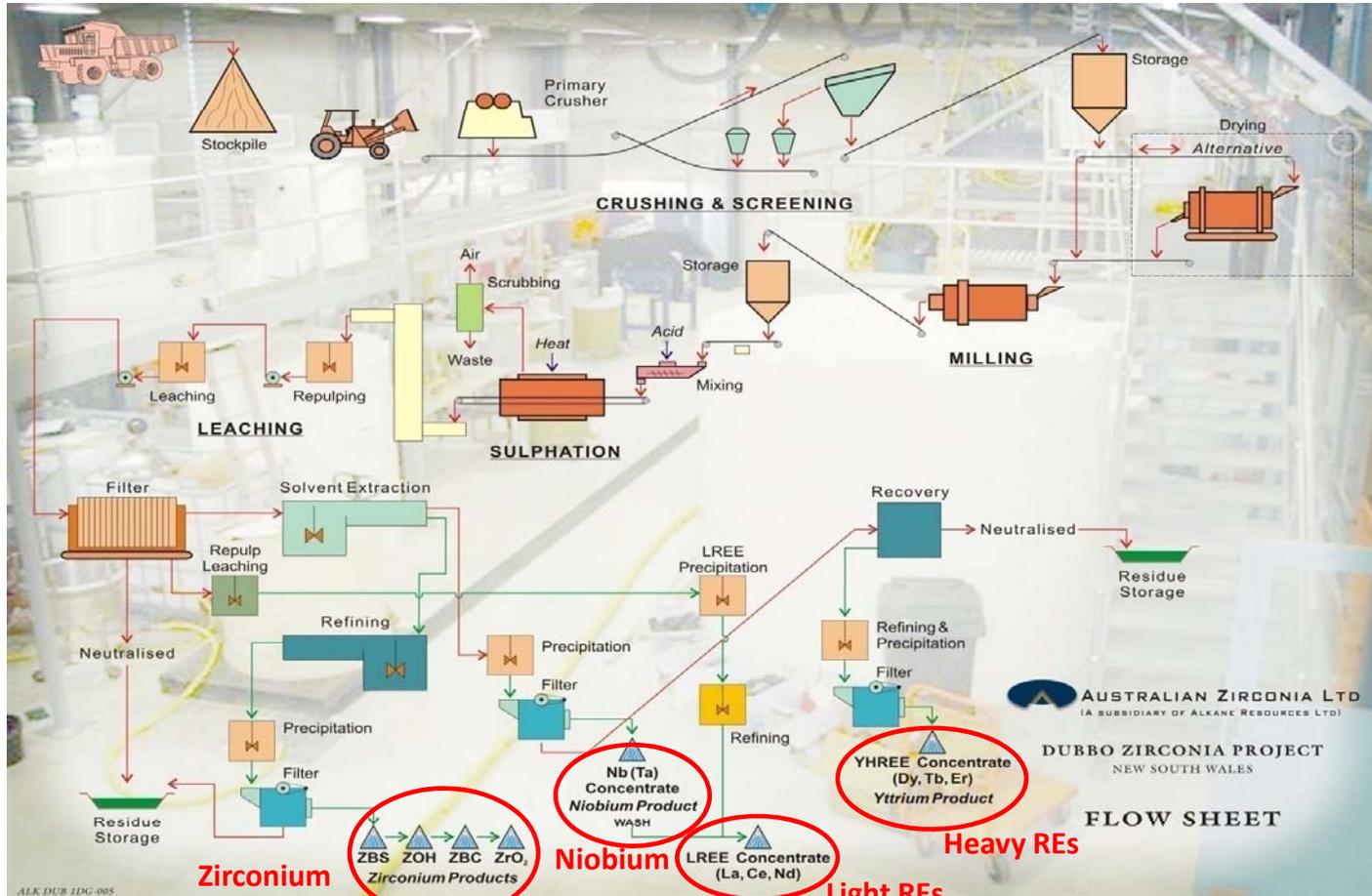
- Preliminary test work on HCl, HF, NaOH leaching, and H₂SO₄ roasting and leaching
- Preliminary flotation to assess potential for pre-concentration
- Scan of various physical separation processes
- Definitive flotation test work for pre-concentration

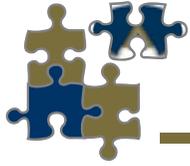
Only H₂SO₄ leach gave potentially viable process

- Current flow sheet can be described as a selective sulphuric acid leach, with value metals solubilised and only minor contaminants going into solution. Solvent extraction and refining produces a suite of high purity end products.



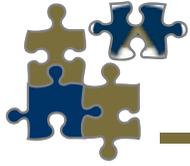
DZP Flow Sheet





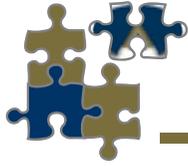
DZP Mini pilot plant 2002



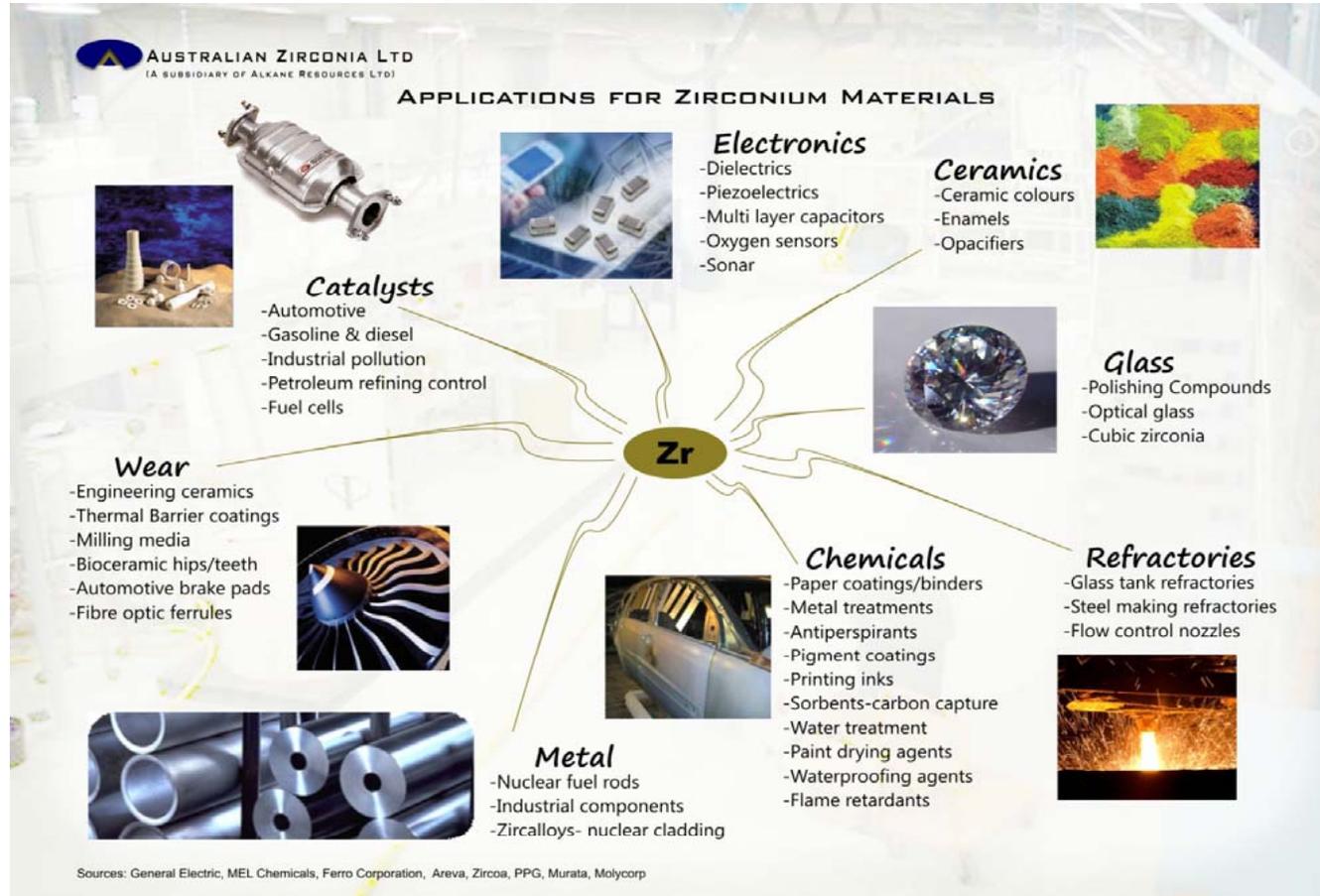


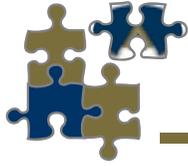
DZP Demonstration Pilot Plant 2008





Marketing - Zirconium Applications

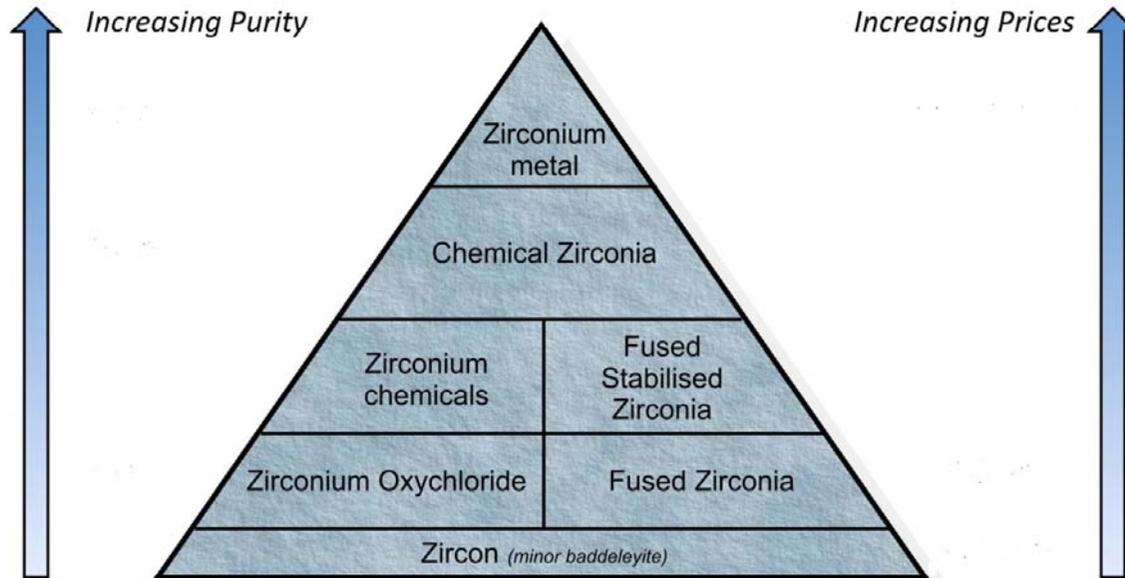




Zirconium Industry



ZIRCONIUM MATERIALS PYRAMID



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

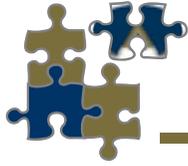
About 30% of that zircon is converted to downstream products.

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).

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

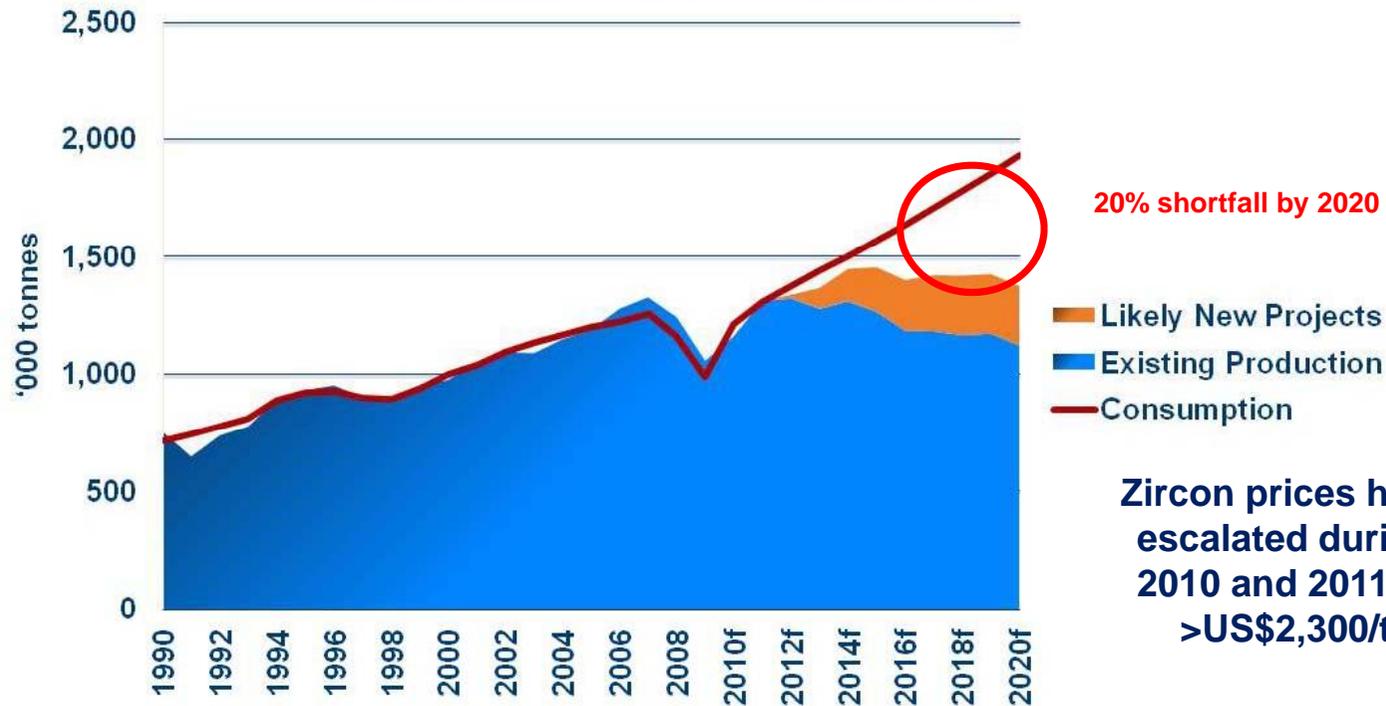
Source: TCMS



Zircon Supply Demand Price



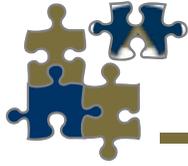
Zircon supply and demand: 1990-2020f



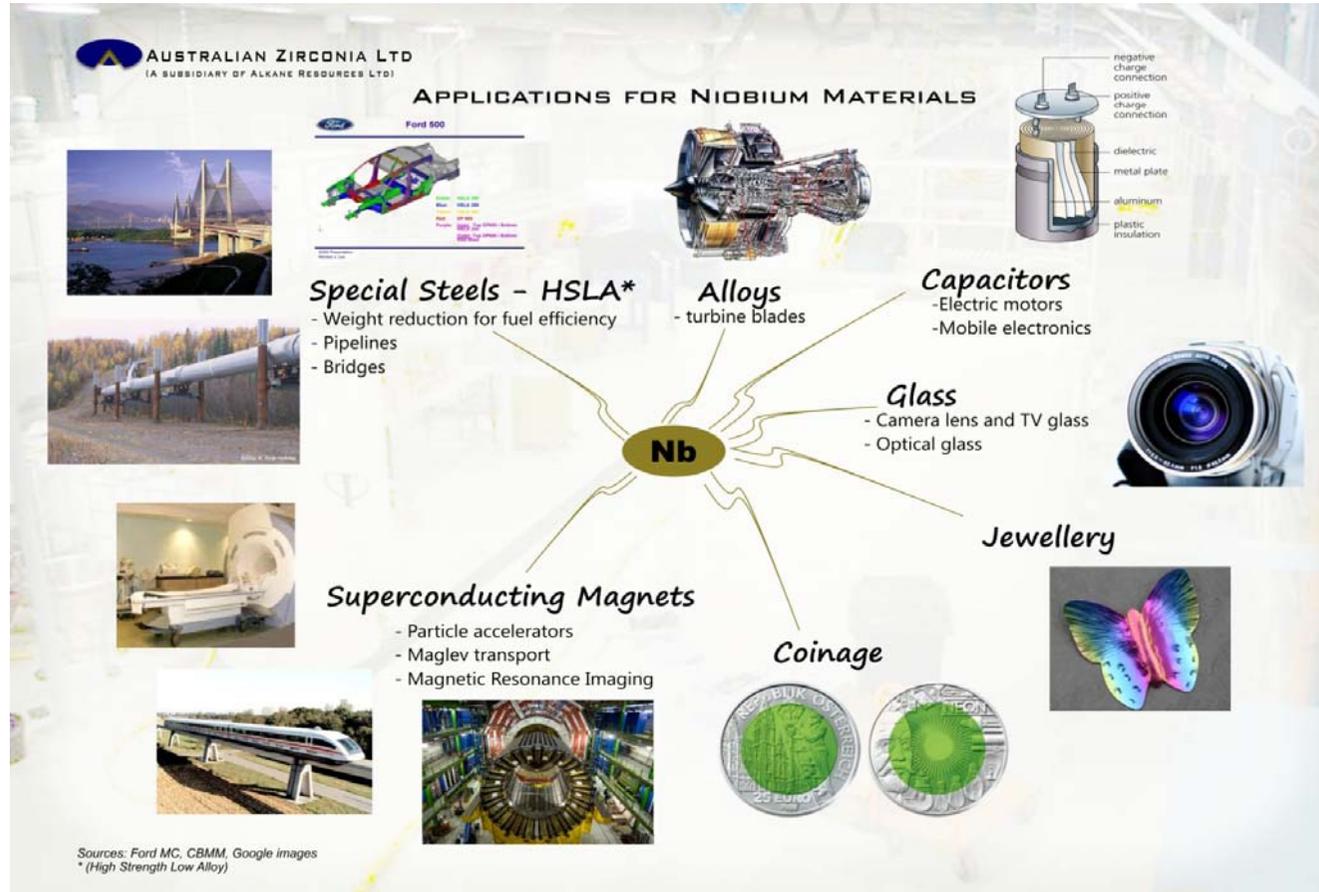
Zircon prices have escalated during 2010 and 2011 to >US\$2,300/t

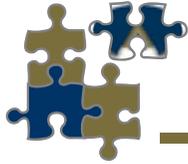
Zircon price and supply will have a major impact on the cost and availability of zirconium chemicals, zirconia and zirconium metal. China and Japan have declared zirconium a strategic metal.

Source: TZMI

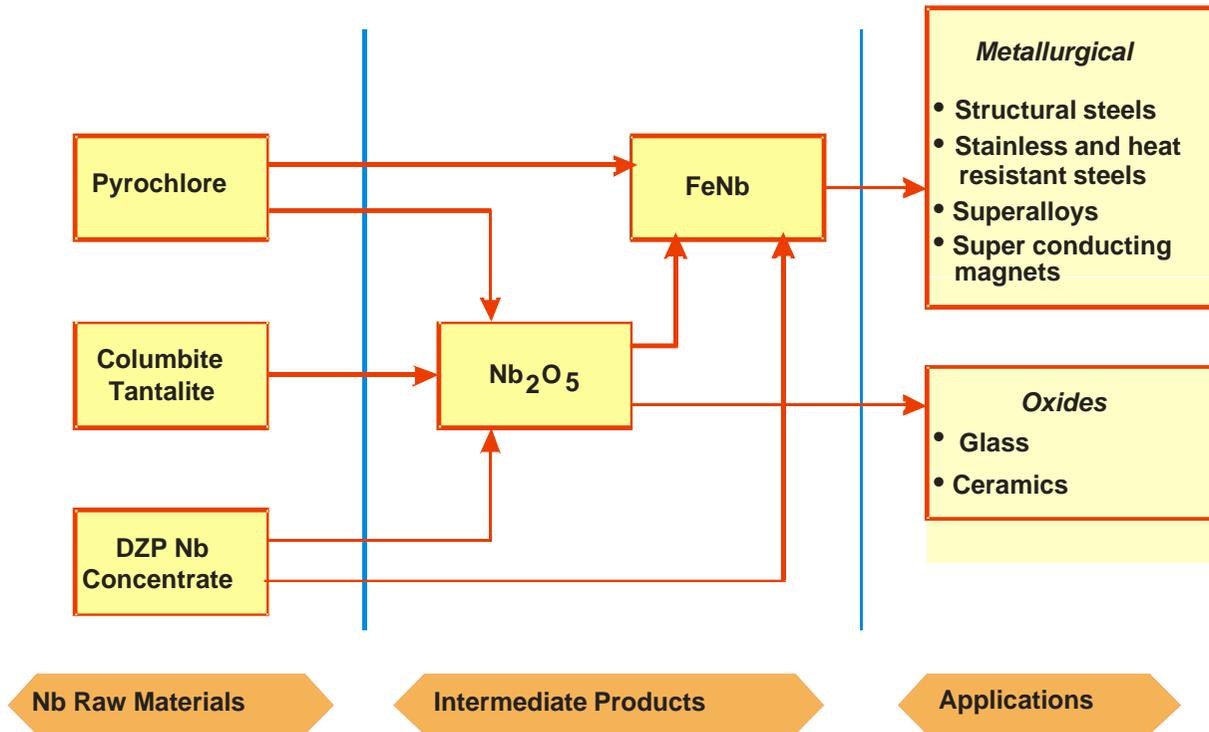


Marketing - Niobium Applications





Structure of Niobium Industry



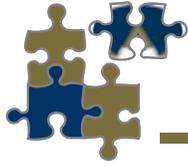
CBMM in Brazil produces about 90% of world demand.

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

DZP process removes radioactive elements such as uranium and thorium, producing clean concentrate

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

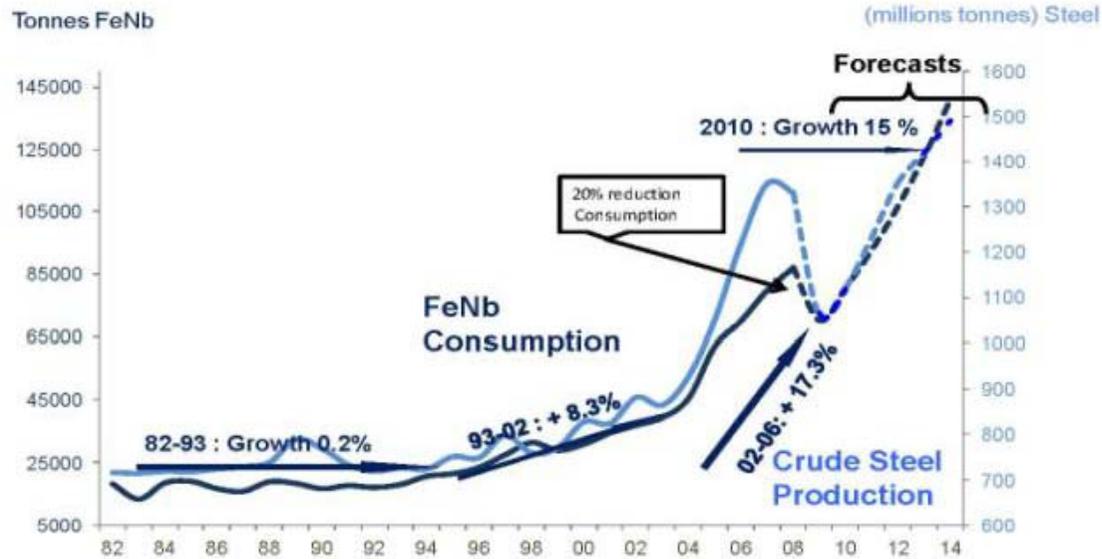
Source: TZMI



Niobium Demand



World Consumption Forecast (FeNb)



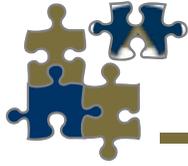
Nb Actuals: Compilation (by IAMGOLD) of Export data and Brazilian consumption
Nb Forecast: by IAMGOLD
Steel Actuals: World Steel Assn.
Steel Forecasts: Compilation (by IAMGOLD) of Metals Bulletin, CRU, Steel Analyst Report.



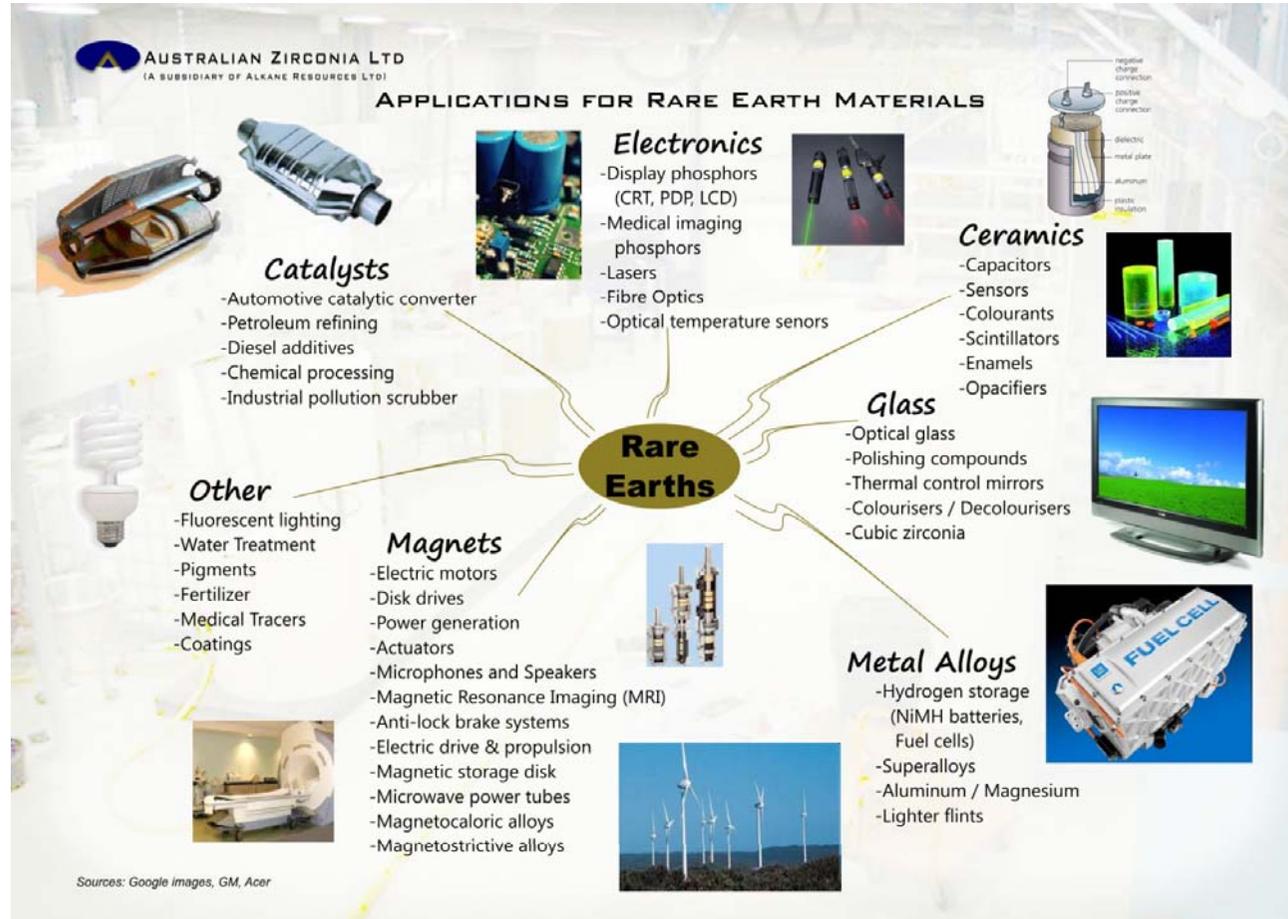
**Niobium 2008
(Ferroniobium units)
consumption
~85,000t – 90% Brazil
Estimate for 2012
~100,000t**

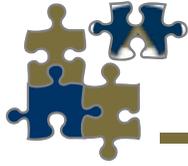
Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$40 - 45/kg

Sources: IAMGOLD / TZMI

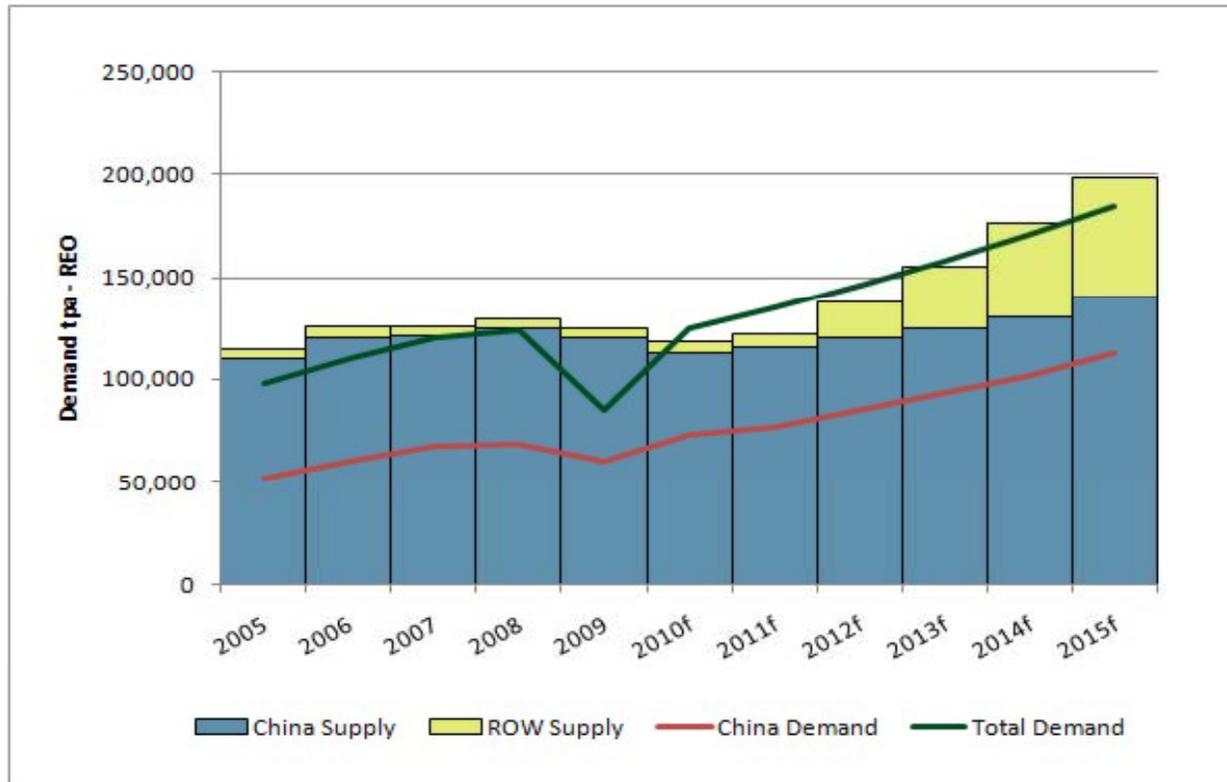


Marketing - REE Applications





Rare Earth Supply - Demand



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

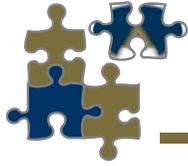
High probability for LREE but not HREE

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



DZP Rare Earth Pricing



Rare Earths Prices 2010 (US\$/kg REO)

(Source: Metal Pages©)

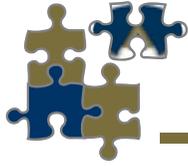
Light Rare Earth	DZP Distribution	Q2 Average 2010	Q3 Average 2010	Q4 Average 2010	Q1 Average 2011	Spot 8 June
Lanthanum Oxide	19.5%	\$7.13	\$25.75	\$53.00	\$95.00	\$149
Cerium Oxide	36.7%	\$5.58	\$24.50	\$50.00	\$96.00	\$150
Praseodymium Oxide	4.0%	\$30.60	\$48.25	\$77.00	\$155.00	\$240
Neodymium Oxide	14.1%	\$31.13	\$49.50	\$80.00	\$170.00	\$320
Samarium Oxide	2.2%	\$4.50	\$22.25	\$34.00	\$95.00	\$130
Heavy Rare Earth						
Europium Oxide	0.07%	\$521.67	\$570.00	\$625.00	\$820.00	\$3,000
Gadolinium Oxide	2.15%	\$8.25	\$28.75	\$44.00	\$130.00	\$195
Terbium Oxide	0.34%	\$545.00	\$570.00	605.00	\$830.00	\$2,920
Dysprosium Oxide	2.05%	\$196.67	\$275.00	\$295.00	\$520.00	\$1,490
Ho, Er, Tm, Yb, Lu	2.9%					
Yttrium Oxide	15.8%	\$11.42	\$26.25	\$56.00	\$125.00\$165.....
DZP LREE	76.68%	\$12.06	\$30.58	\$57.20	\$112.00	\$195
DZP YHREE	23.32%	\$42.23	\$62.34	\$78.70	\$157.00\$312.....
DZP LREE Concentrate Value		\$8.44	\$21.41	\$40.04	\$79.00	\$136
DZP YHREE Concentrate Value		\$29.59	\$43.64	\$55.09	\$110.00	\$219

Compiled by IMCOA

DZP REE Concentrates expected to return 70% of separated prices

Q4 average prices currently used in revenue projections

Source: IMCOA



DZP Marketing Developments



Major MoU just announced: JV to develop 15,000t to 20,000t ZOC production (~6,000 – 7,000t of ZrO₂ equivalent) facility using DZP intermediate zirconium feed. This JV would consume all the Base Case Zr output and almost assures the development of the 1Mtpa operation.

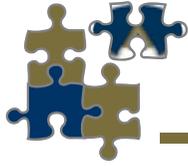
Target markets in Japan, Europe and North America.

Advanced discussions with other zirconium consumers / marketing specialists to secure sales for all remaining 1Mtpa Zr output. Many product samples distributed for evaluation.

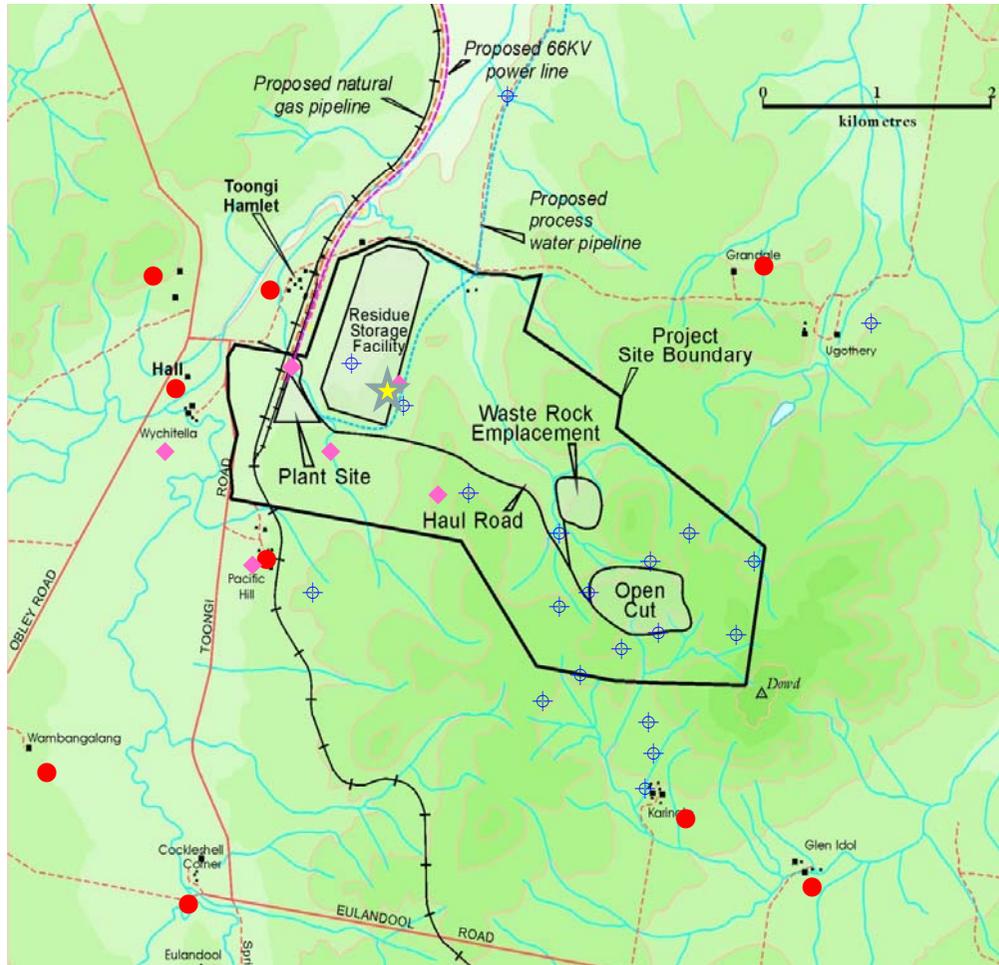
MoU advanced with niobium consumer to look at JV to produce ferro-niobium from DZP niobium concentrate for specialised alloy markets.

Numerous discussions for sale or JV of light rare earth concentrate and heavy rare earth concentrate. Samples distributed for consumer evaluation.





DZP Environmental Monitoring Stations



● Noise Monitoring Site

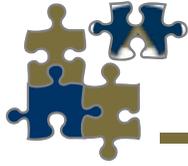
◆ Dust Monitoring Site

⊠ Water Monitoring Site

★ Permanent Weather Station

Environmental Studies
Completed 2002 and now
being updated

Flora
Fauna
Transport
Surface and groundwater
Social impact
Aboriginal heritage
Natural radioactivity



DZP Radioactive Elements



All rare metal – rare earth deposits contain some radioactive elements such as uranium and thorium.

The Toongi deposit contains low levels of radioactive elements, uranium and thorium, and has low level natural emissions.

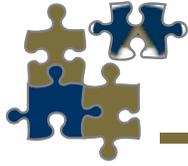
The DZP flow sheet does not produce a mineral concentrate from the ore, and hence does not generate increased radioactivity.

The DZP flow sheet does not focus radioactive elements internally to a level that requires specific management and produces clean chemical concentrates in final products.

The DZP waste streams are diluted with limestone/lime for neutralisation, which further dilutes any contained radioactive elements such that they are of lower concentration than in the deposit. All wastes are contained within the project site.

The deportment and concentration of “daughter products” (radionuclides) within the process streams is an important consideration. Not just uranium and thorium.





Financial – DZP Product Output and Revenues



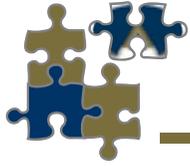
Base case of 400,000 tonnes pa and expanded 1 million tonnes pa of ore processed

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

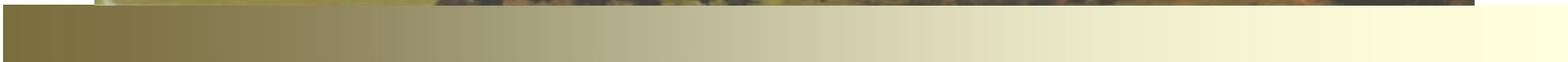
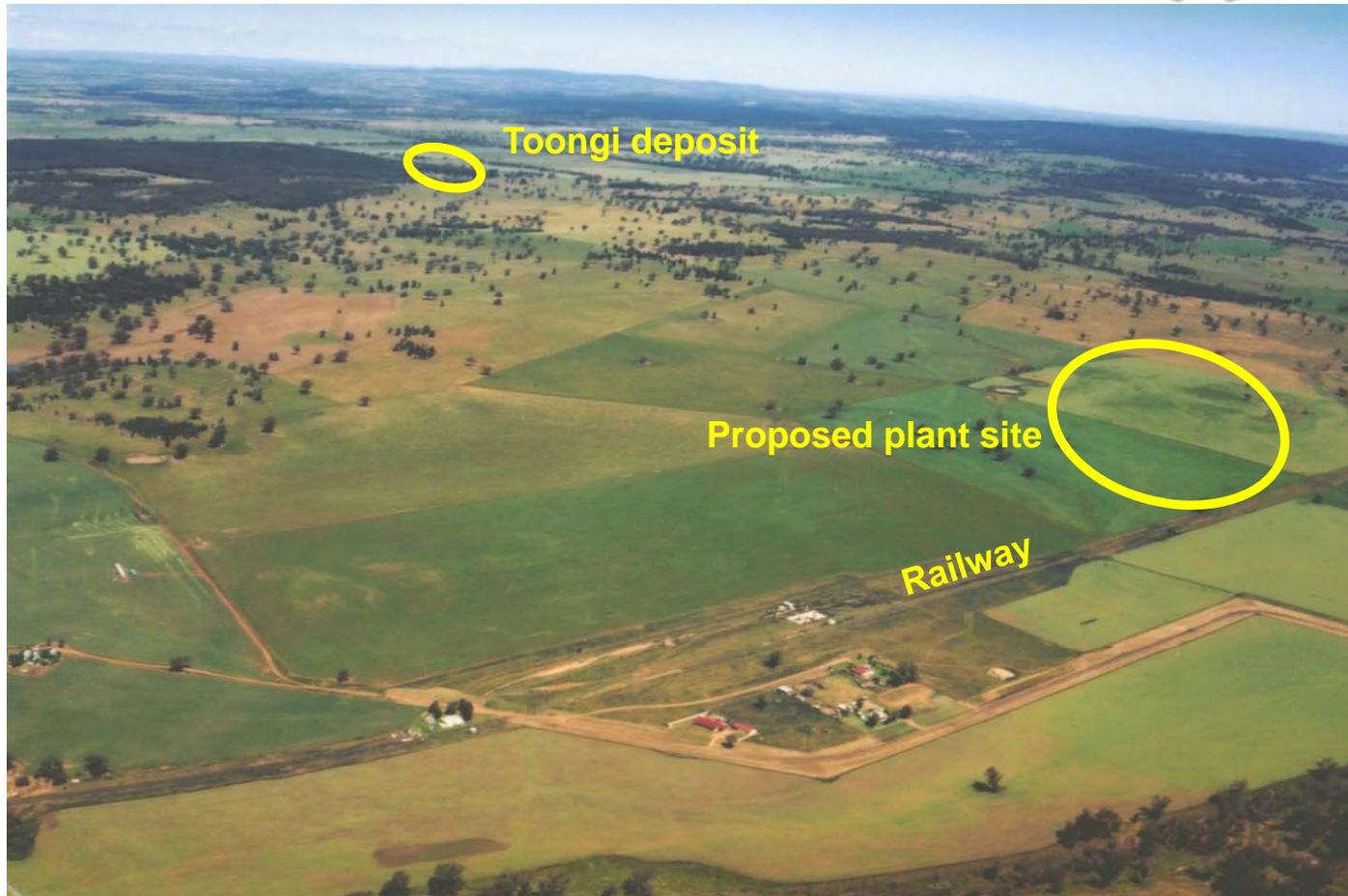
*Zr @ US\$7.00/kg and Nb @ US\$30/kg as intermediate average prices
 ** Price average of Q4 2010 for REO basket and assumes concentrate at 70% of total separated REO value
 REO output based on average 50% recovery

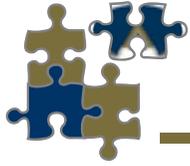
Full operating and capital costs will be detailed in the feasibility study due later in July

- 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

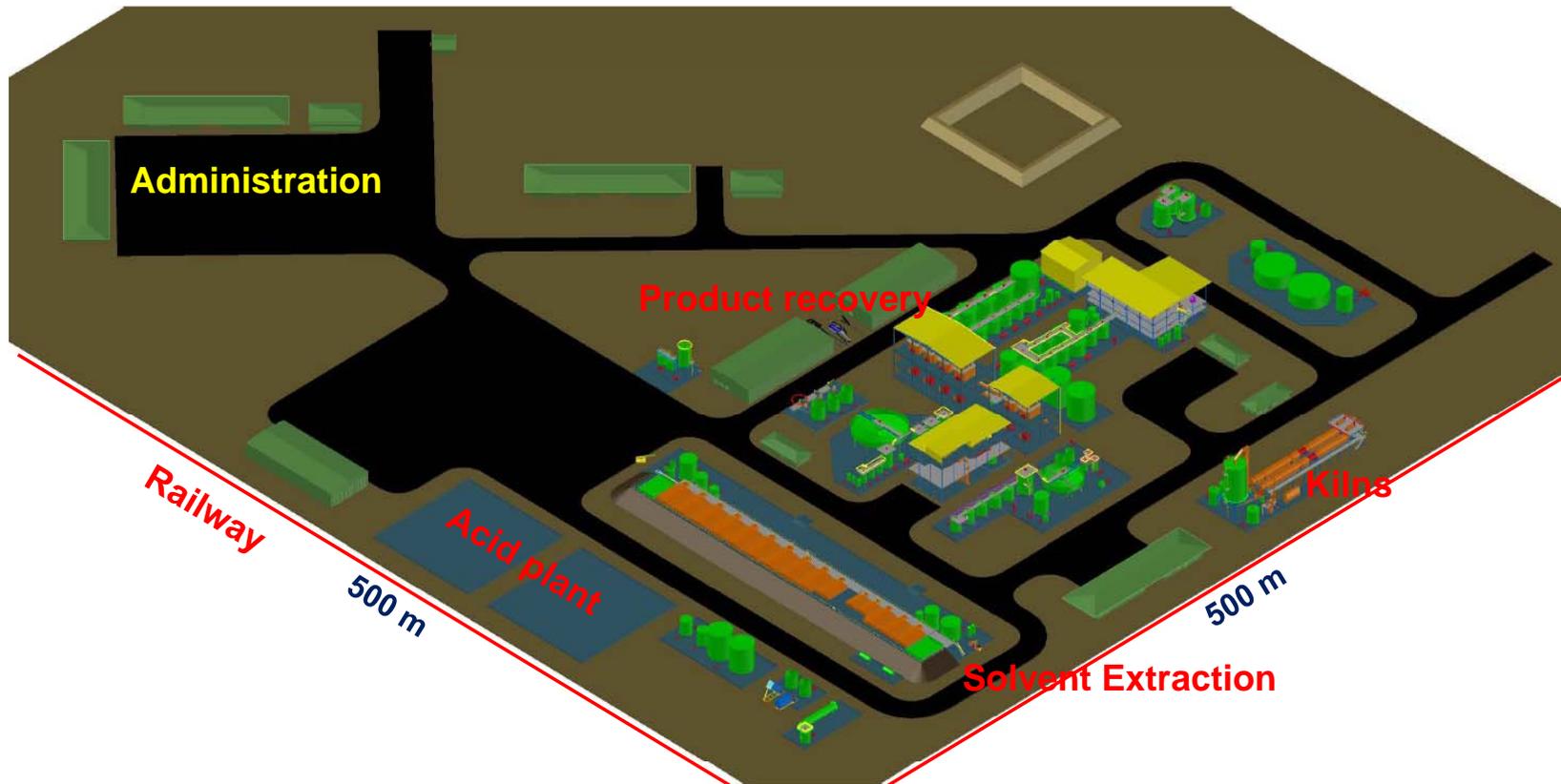


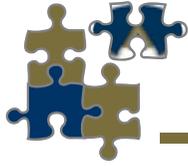
Construction - DZP Site aerial Image





DZP Plant Layout





Development pathway

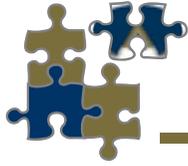


		-> 2009	2010	2011	2012	2013	2014
DZP 	Resource definition 2001 - 2002	✓					
	Flow sheet development 2002	✓					
	Laboratory Zr – Nb 1999 – 2002	✓					
	Pilot plant Zr – Nb 2002	✓					
	Mine Plan & Scheduling 2002	✓					
	Plant Design & Engineering 2002	✓					
	Laboratory Y & REE 2009 -	✓	✓				
	Demonstration 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





The Summary

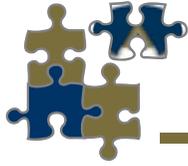


1. The Resource – the ore minerals and the host rock ✓
2. Process Development ✓
3. Large scale confirmation of flow sheet – pilot plant ✓
4. Market Development ✓
5. Environmental Assessment ✓
6. Financing ✓
7. Production

✓ Completed or nearing completion

✓ In progress





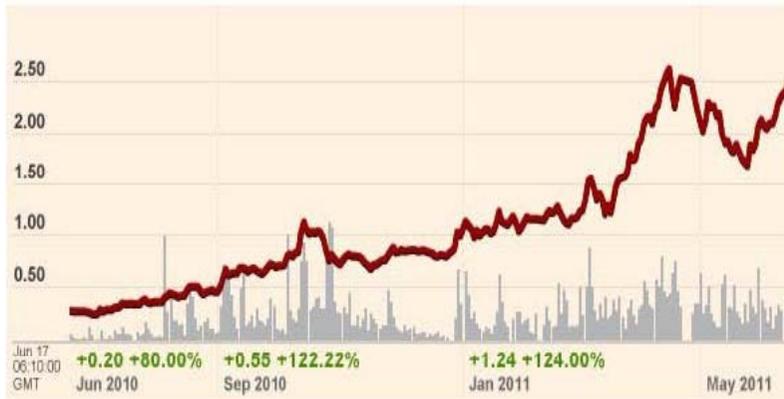
Corporate snapshot



Exchanges	ASX: ALK OTCQX: ANLKY
Share Price (17 June 2011)	A\$2.40
Shares	269m
Fully Diluted Market Cap	~A\$650m
Cash (at 31 March 2010)	~A\$22m

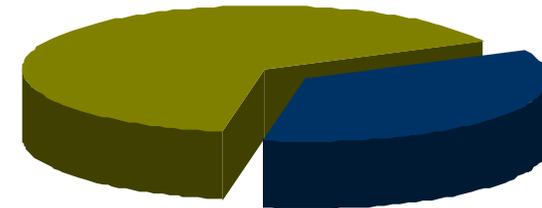
No debt

12 Month High / Low A\$2.73/ \$0.23



Source: FT

Shareholder profile*

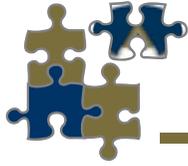


Retail	Top 20	~60%
Institutions	Directors & Management	3%
	Abbotsleigh (Gandel Metals)	26%

*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



Conclusion



Dubbo Zirconia Project

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

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Definitive Feasibility Study TZ Minerals International Pty Ltd

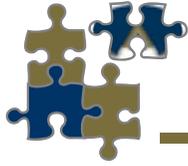
Study managers: *Steve Gilman and Gavin Diener*

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



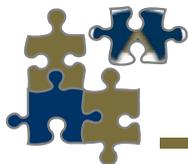
Disclaimer

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.