

11 February 2013



TOMINGLEY (TGP) MINING LEASE GRANTED - CONSTRUCTION TO COMMENCE IMMEDIATELY

CALOMA TWO DRILLING RETURNS FURTHER STRONG RESULTS

- The NSW Government has granted the Tomingley Gold Project's (TGP) Mining Lease
- The Alkane Board has approved development and construction should commence immediately
- First gold output anticipated late 2013 following an 11 month construction
- A review of the planned mining operation based on the existing resource was completed, resulting in a revamped schedule with anticipated improved gold production of 380,000 ounces over a seven year life
- Further RC drilling results from the Caloma Two deposit:
 - PE 809 20 metres grading 4.05g/t gold from 143 metres
 including 9 metres grading 6.73g/t gold from 147 metres
 - PE 812 17 metres grading 3.94g/t gold from 135 metres
 including 7 metres grading 6.62g/t gold from 136 metres
 - PE 813 12 metres grading 6.10g/t gold from 158 metres
 - PE 821 19 metres grading 2.82g/t gold from 246 metres
 including 3 metres grading 6.76g/t gold from 353 metres
 - PE 822 10 metres grading 4.50g/t gold from 147 metres
 - PE 823 37 metres grading 3.11g/t gold from 165 metres
 including 2 metres grading 10.8g/t gold from 170 metres
 and 34 metres grading 2.78g/t gold from 222 metres
 including 2 metres grading 9.59g/t gold from 238 metres
- The Caloma mineralisation can add to the TGP resource potential and extend the project mine life

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TOMINGLEY GOLD PROJECT (TGP)

Tomingley Gold Operations Pty Ltd 100% (TGO is a wholly owned subsidiary of Alkane Resources Ltd)

The TGP is based on three defined gold resources, Wyoming One, Wyoming Three and Caloma (see attached resource/reserve statement), located 14 kilometres north of the Company's Peak Hill Gold Mine, and approximately 50 kilometres south west of Dubbo (Figures 1 & 2). A Definitive Feasibility Study (DFS) was completed late 2010 (*ASX Report dated 13 December 2010*) and development of a 1 million tonne per annum project to produce 50-60,000 ounces per annum over a minimum mine life of 7 years has been advanced.

Mining Lease

The TGP received project approval from the NSW Department of Planning and Infrastructure on 24 July 2012 and the Environmental Protection Licence for construction was approved by the EPA on 23 October 2012. Grant of the Mining Lease by the NSW Department of Trade and Investment, Division of Resources and Energy was advised today, 11 February 2013.

The Alkane Board has now given its full approval to the Project development and site construction work should commence immediately.

Development

Capital and operating costs for the Project were updated in September 2012 leading to the revised capital estimate of \$116 million, including contingencies (September 2012 Quarterly Report). At the end of the December Quarter \$12.10 million had been expended on development and capital costs, including \$3.53 million for EPCM expenditure. As previously advised the acquisition of several long lead items such as the Ball Mill and site water supply had been initiated. At the end of December, 95% of the detailed plant design had been completed by the EPCM contractor Mintrex Pty Ltd.

Total construct time has been estimated to be 11 months from commencement of site works.

To incorporate the increased operating costs, the three deposits at Wyoming One, Wyoming Three and Caloma were re-optimised at a A\$1,600 per ounce gold price. The pits were redesigned and production rescheduled based upon the in-pit Measured, Indicated and Inferred Resources. The Ore Reserves are currently being revised. The reschedule was particularly useful in smoothing gold production but also in providing 70,000 ounce per annum output in the first two years to accelerate capital returns.

While the base case mine life, including stage one of the Wyoming One underground operation, was reduced slightly to 7 years, anticipated total gold production increased to 380,000 ounces from 360,000 ounces previously, generating an EBITDA of A\$217 million. Estimates of the cash costs* of production, excluding state royalties, dropped to A\$980 per ounce over the life of mine.

The Company believes that the Project has significant additional upside with the mineralisation currently being drilled at Caloma Two, extensions to the Wyoming One underground and further expansion of the Caloma open pit and underground.

Resource Expansion – Caloma Two

An RC drilling program commenced in October last year to define resources within the Caloma Two deposit which is located immediately to the south of the planned Caloma open pit. The Caloma Two mineralisation is located within the feldspar porphyry sub-volcanic intrusive which hosts the Caloma and Wyoming deposits.

Results for a further 20 RC holes (3,329m) completed in 2012 have been received (see 26 November 2012 for initial 30 RC holes) which were drilled to test the western half of the target zone at Caloma Two. Results are summarised in Table 1. Eight core holes were also completed but these are yet to be sampled.

The detailed drilling has continued to advance the geological interpretation and currently gold mineralisation appears to be associated with quartz-sulphide veins within a near vertical 100 metre wide east-west



structural corridor that cuts across the north-south trending porphyry. The quartz veins pinch and swell both down dip and along strike and can range from very narrow intervals up to zones in excess of 20 metres in width (Figure 4). Very broad zones of mineralisation are observed where cross linking vein structures appear to be flat to shallow north dipping and where the veins intersect bands of siltstone within the porphyry body.

Mineralisation has previously been confirmed over a 300 metre strike length (Figure 3) but it is possible that it will extend an additional 150 metres east to the eastern contact of the porphyry host.

Further RC and core drilling is in progress to complete the detailed drilling of the target zone to enable resource estimation and incorporation into the development schedule. This drilling is scheduled for completion in the first quarter of 2013.

*Cash costs: All site operating and administration costs, but exclude state royalties, income tax, financing, capital and head office administration, averaged over the base case 7 year operation.

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 2013/2015 - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley recently received project approval for its development. Cash flow from the TGP will provide the funding to maintain the project development pipeline and will contribute to development of the DZP.

The DZP revised feasibility study and environmental impact statement are nearing completion and a development decision is anticipated late 2013. 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 Cu-Au resource which can be expanded, while at Bodangora a large 12km² monzonite intrusive complex has been identified with porphyry style Cu-Au mineralisation.

Sale of Alkane's interest in the Orange District Exploration Joint Venture, host to the McPhillamys gold deposit, was completed in November 2012 with the issue of 17.5 million Regis Resources Ltd shares.



Table 1: TGP – Caloma Two RC drill results, greater than 1.0g/t gold @ 22 January 2013

Hole No.	East	North	RL (m)	Azimuth	Dip	Intercept (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE807	614677	6393719	269.5	180°	60°	3	1.12	58 - 61	150	
and				180°	60°	5*	0.99	87 - 92		
PE808	614697	6393666	269.7	180°	60°	4	2.76	53 - 57	90	
and						2	1.44	82 - 84		
PE809	614697	6393805	269.8	180°	60°	1	2.30	130 - 131	222	
and						20	4.05	143 - 163		
incl						9	6.73	147 - 156		
and						2	2.56	166 - 168		
and						4	2.84	190 - 162		



Hole No.	East	North	RL (m)	Azimuth	Dip	Intercept (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE810	614759	63937.9	270.2	180°	60°	1	2.62	76 - 77	150	
and						11	1.78	104 - 115		
and						1	1.89	119 - 120		
and						1	2.63	123 - 124		
and						4	1.45	133 - 137		
PE811	614759	63937.49	270.2	180°	60°	2	14.7	85 - 87	192	
incl						1	28.0	85 - 86		
and						7	3.45	96 - 103		
and						2	1.79	113 - 115		
and						1	2.48	131 - 132		
and						1	1.04	143 - 144		
and						1	1.92	150 - 151		
PE812	614758	63937.88	270.3	180°	60°	17	3.94	135 - 152	222	
incl						7	6.62	136 - 143		
and						3*	1.62	165 - 168		
and						1	1.02	215 - 216		
PE813	614758	63938.09	270.2	180°	60°	12	6.10	158 - 170	187	
incl						2	20.4	164 - 166		
and						6	3.12	173 - 179		
incl						1	14.0	178 - 179		
and						3*	1.00	180 - 183		
PE814	614759	63938.31	270.3	180°	60°	3*	8.35	27 - 30	205	
PE817	614778	63937.00	270.4	180°	60°	1	1.04	25 - 26	139	
and						4	4.15	67 - 71		
PE818	614778	63937.21	270.4	180°	60°	8	3.52	67 - 75	145	
incl						1	15.7	70 - 71		
and						1	3.20	96 - 97		
and						1	3.97	112 - 113		
and						2	1.86	127 - 129		
PE819	614778	63937.39	270.4	180°	60°	6	1.40	81 - 87	175	
and						2	4.84	92 - 94		
and						8	4.39	96 - 104		
incl						4	7.46	98 - 102		
PE820	614778	63937.59	270.3	180°	60°	6*	1.61	21 - 27	211	
and						1	26.5	100 - 101		
and						1	1.04	149 - 150		
PE821	614777	63937.79	270.4	180°	60°	4	2.35	123 - 127	277	
and						4	2.49	191 - 195		
and						19	2.82	246 - 266		
incl						3	6.76	253 - 2256		
PE822	614777	63937.9	270.4	180°	60°	10	4.50	147 - 157	235	
and						2	1.83	164 - 166		
and						15	1.86	195 - 210		
and						6	1.88	218 - 224		
PE823	614777	63938.19	270.5	180°	60°	37	3.11	165 - 202	301	
incl						2	10.8	170 - 172		
incl						1	33.2	183 - 184		
and						34	2.78	222 - 256		
incl						2	9.59	238 - 240		
and						4	2.41	269 - 273		
PE824	614819	63936.40	270.7	180°	60°	5	0.93	55 - 60	85	
PE825	614819	63936.60	270.6	180°	60°	8	3.85	59 - 67	97	
PE826	614820	63936.80	270.7	180°	60°	6	2.55	72 - 78	121	

Gold analysis of generally one metre RC riffle split samples (* 3m composite samples to be re-assayed) by 50g fire assay. True widths are approximately 80 - 90% of intersected intervals



Mineral Resource and Ore Reserve Statement December 2012

Dubbo Zirconia Project – Mineral Resources (2011)

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 (Alkane Chief Geologist) 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.

Dubbo Zirconia Project – Ore Reserves (2012)

Toongi Deposit	Tonnage (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	REO (%)
Proved	8.07	1.91	0.04	0.46	0.03	0.14	0.75
Probable	27.86	1.93	0.04	0.46	0.03	0.14	0.74
Total	35.93	1.93	0.04	0.46	0.03	0.14	0.74

These Ore Reserves are based upon information compiled by Mr Terry Ransted MAusIMM (Alkane Chief Geologist) 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. The reserves were calculated at a 1.5% combined ZrO₂+Nb₂O₅+Y₂O₃+REO cut off using costs and revenues defined in the notes in ASX Announcement of 16 November 2011. 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.

Tomingley Gold Project – Mineral Resources (2012)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Gold (koz)
Top Cut 2.5x2.5x5.0m model	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
Wyoming One	2,316,550	2.2	890,340	2.2	3,117,350	1.7	6,324,240	1.9	392.4
Wyoming Three	642,470	2.0	63,225	2.0	102,820	1.3	808,510	1.9	49.9
Caloma	2,690,530	2.3	567,860	2.1	2,194,490	1.9	5,452,870	2.1	369.4
Total	5,649,550	2.2	1,521,420	2.1	5,414,660	1.8	12,585,630	2.0	811.7

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 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Richard Lewis 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 are given in the ASX Report dated 25 March 2009 and 2 October 2010, and this announcement.

Tomingley Gold Project – Ore Reserves (2011)

DEPOSIT	PROVED		PROBABLE		TOTAL		Ounces (minable)
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
Wyoming One	1,700,000	1.6	200,000	1.3	1,900,000	1.6	94,500
Wyoming Three	500,000	1.6	0	0.0	500,000	1.6	28,100
Caloma	1,100,000	2.3	100,000	1.7	1,200,000	2.2	86,500
Total	3,300,000	1.8	300,000	1.5	3,600,000	1.8	209,100

These Ore Reserves are based upon information compiled under the guidance of Mr Dean Basile MAusIMM (Mining One 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. The Reserves and Resources are estimated at an effective A\$1,540 per ounce gold price. Dean Basile consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The Caloma reserves are based on the 2009 resources, not the updated resources.

Peak Hill Gold Mine – Mineral Resources (2011)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		k oz
0.5g/t gold cut off	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
Proprietary			9,440,000	1.35	1,830,000	0.98	11,270,000	1.29	467.4
3.0g/t gold cut off	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	k oz
Proprietary					810,000	4.40	810,000	4.40	114.6

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.

Wellington – Galwagdere – Mineral Resources (2011)

DEPOSIT	MEASURED		INDICATED		TOTAL	
0.5% Cu cut off	Tonnage (t)	Grade (% Cu)	Grade (g/t)	Tonnage (t)	Grade (% Cu)	Grade (g/t)
Galwagdere	-	-		2,090,000	0.99	0.3

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 2005 Annual Report.

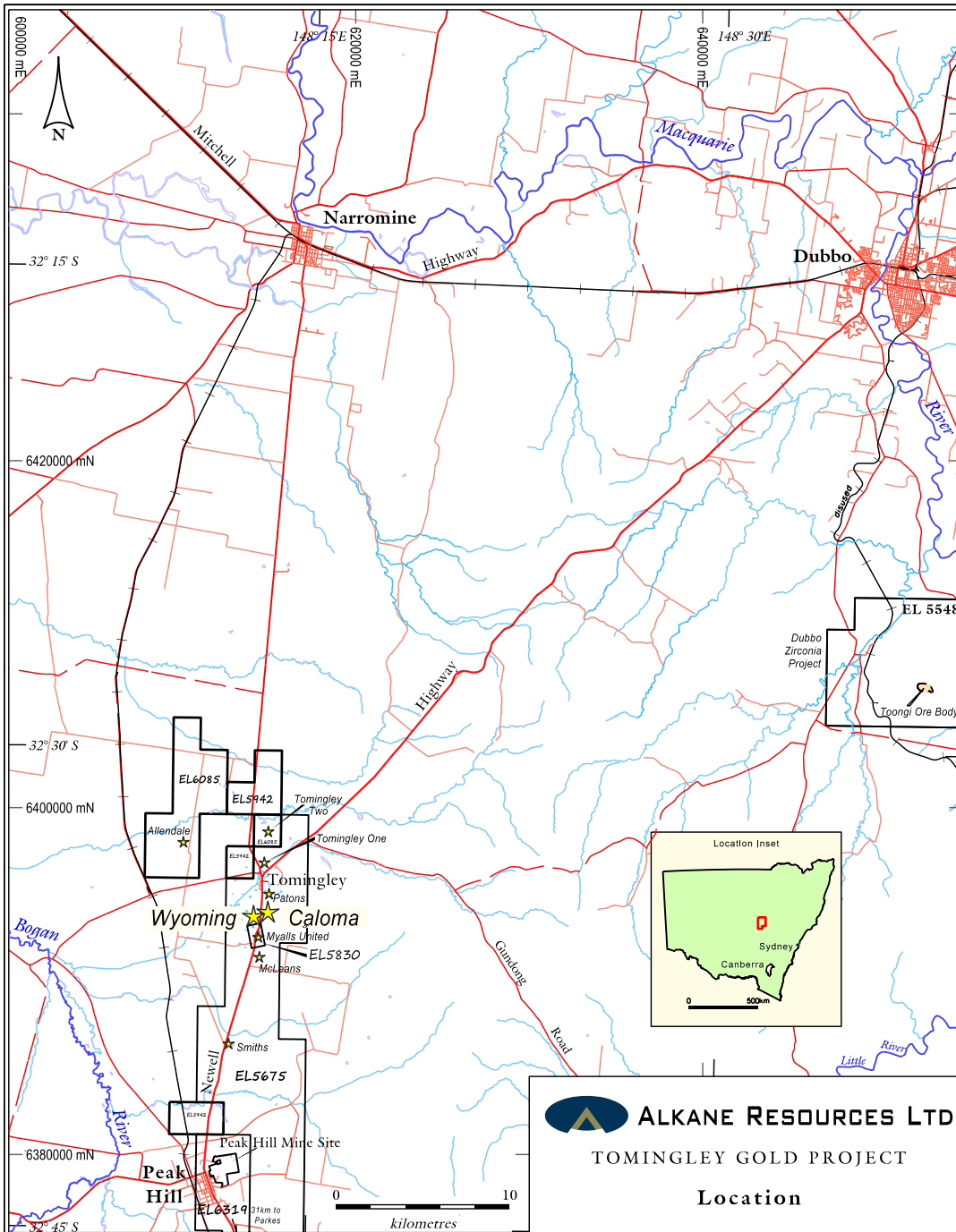


Figure: 1

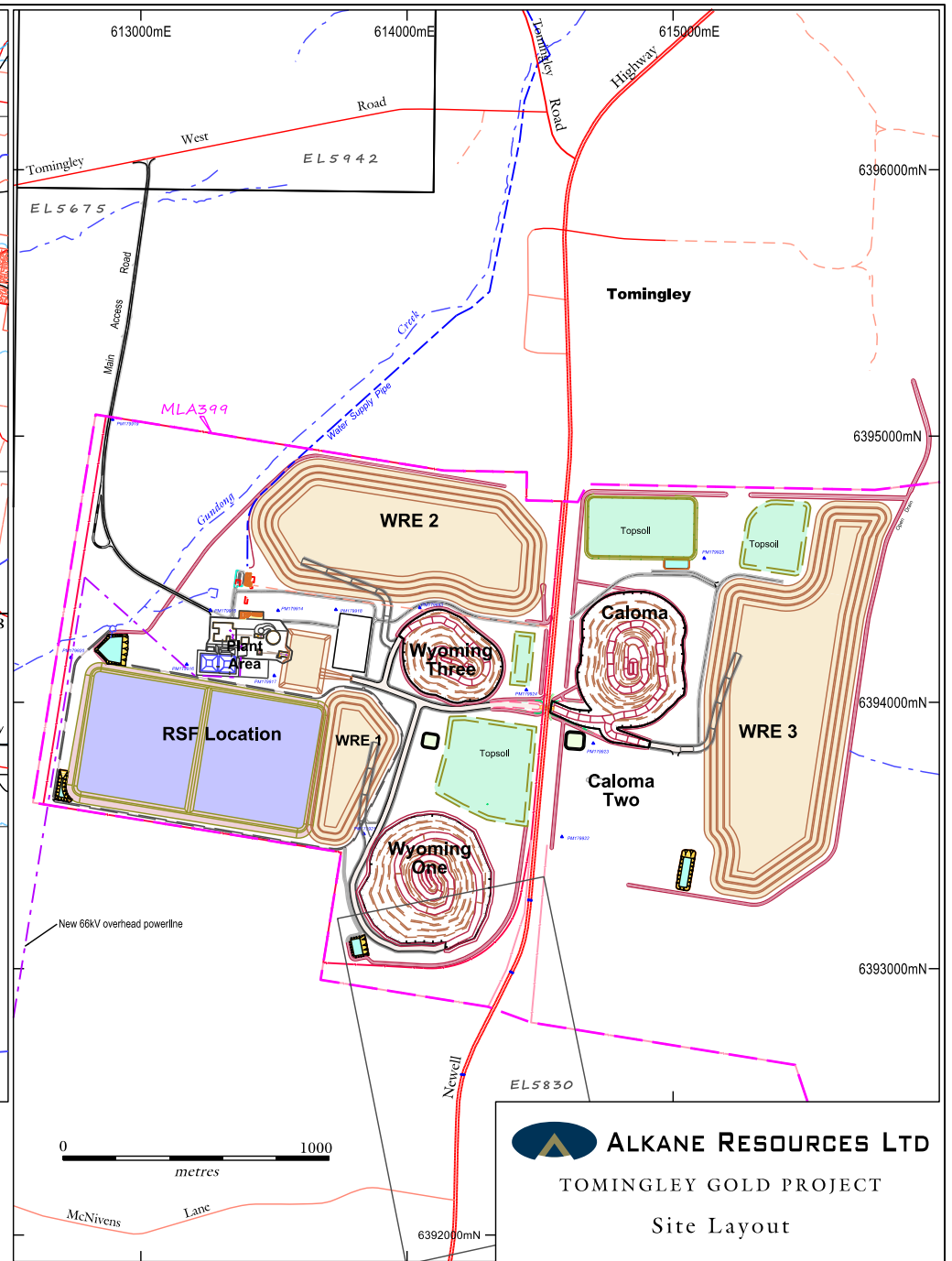


Figure: 2

