



ASX Code: AYN

*"Targeting Near-Term Production for Long-Term Growth"*

Andrew King, Managing Director

17<sup>th</sup> November 2009

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*Technical information related to geology and exploration in this report is compiled by a Competent Person as defined in the Code being Mr Peter Ball (B.Sc MAusIMM) of Datageo Geological Consultants who holds the position of Consulting Geologist for Alcyone Resources Ltd. Mr Ball has sufficient experience in the exploration and assessment relevant to the style of mineralisation and type of deposit under consideration, and consents to the inclusion of the information in the form and context in which it appears.*

# Alcyone Resources – Snapshot

- Re-list on ASX – 17 Nov 2009 (AYN)
- Recapitalisation of former Macmin Silver Ltd
- \$4M capital raising completed @ 1c
- Texas Silver Project in SE Queensland
  - *Produced ~500,000oz to July 09*
  - *Currently on Care & Maintenance*
  - *Extensive plant & infrastructure*
- Targeting re-commencement of silver production in 2010
- Experienced Board & Management



# Capital Structure



- *Reconstruction and recapitalisation of Macmin Silver Limited completed in October 2009, ending a 12-month administration....*

	Shares	Options
Post 1-for-20 Share Consolidation	25,555,407	1,601,652
Issued under the Recapitalisation	575,000,000	150,000,000*
<b>Total</b>	<b>600,555,407</b>	<b>151,601,652</b>

- Market Capitalisation (Undiluted) @ 1c: ~A\$6.0m
- Net Cash after Recapitalisation: ~A\$3.0m



\* Issue price \$0.01 – Expiry 30<sup>th</sup> September 2012

# Directors



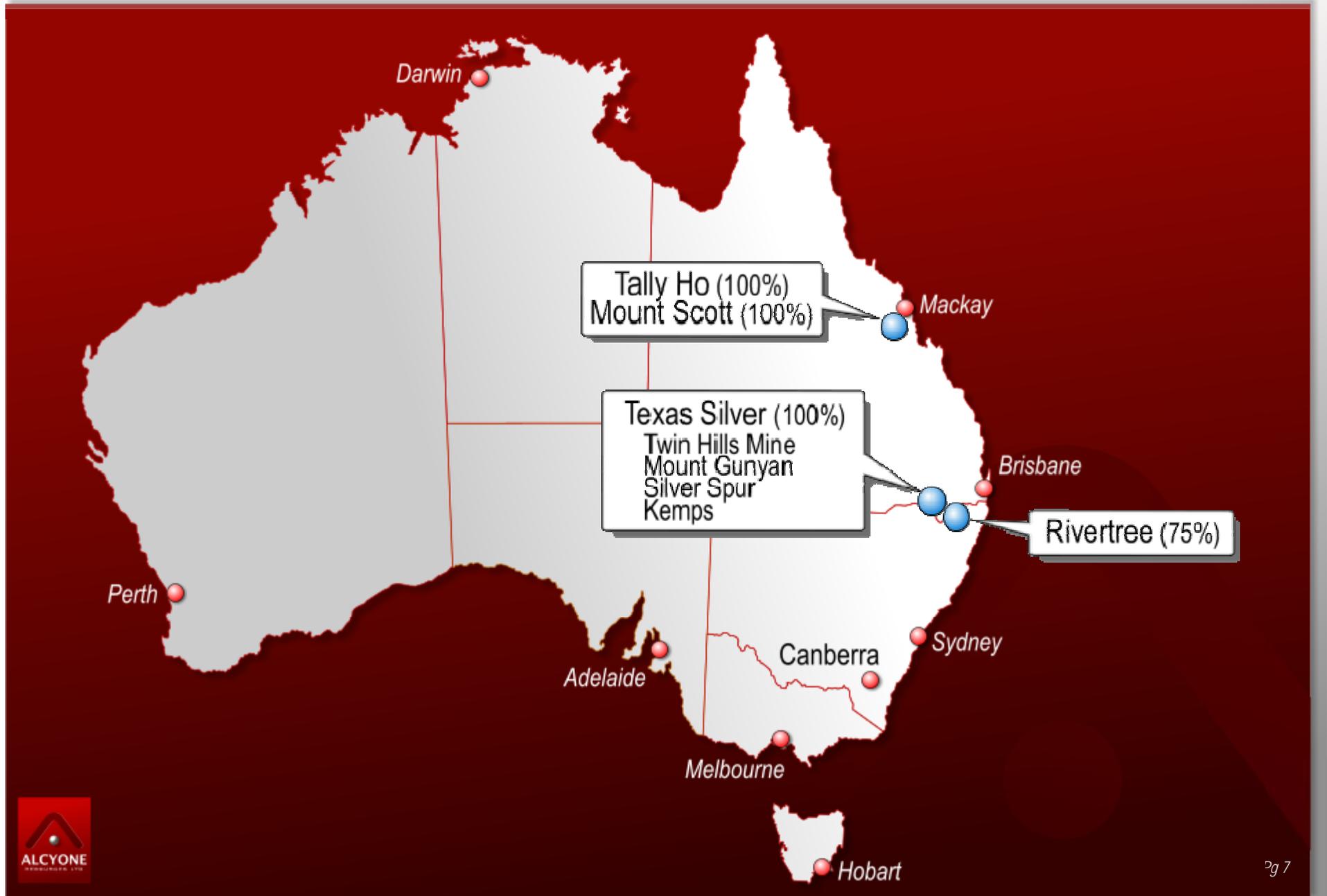
- **Charles Morgan** – Non-Executive Chairman
  - *25 years experience in equity capital markets*
  - *Successful resource strategist and experienced Company Director*
- **Andrew King** – Managing Director
  - *Mining Engineer with 34 years of corporate and operational experience*
  - *Involved in several company and project start-ups*
- **Richard Harris** – Executive Director (Business Development)
  - *Mining engineer and international mining analyst*
  - *25 years plus of corporate experience in the mining & finance industries*

# Senior Management Team



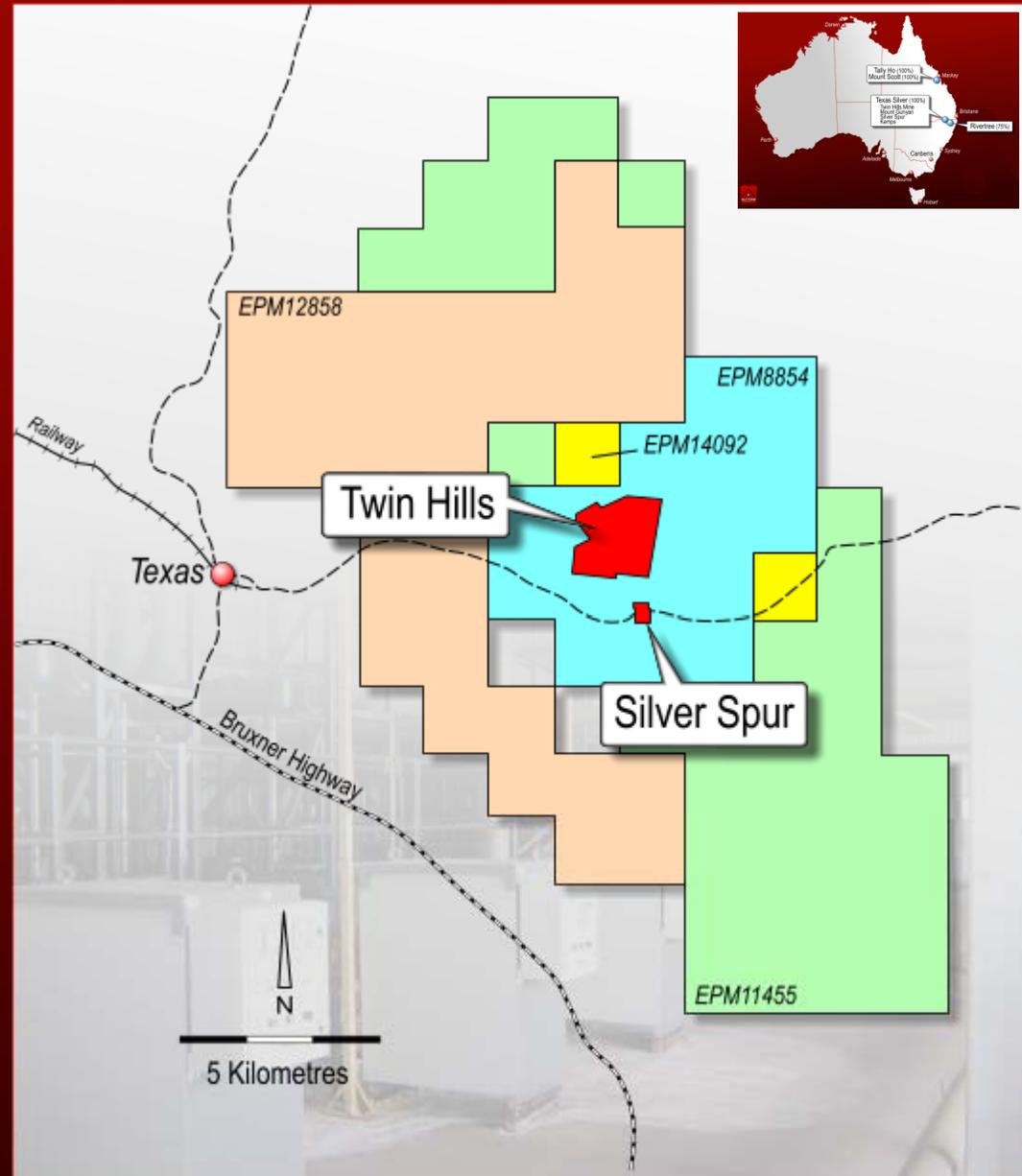
- **Bob Markovich – Project Manager**
  - *Mechanical engineer, plus 25 years in plant operation and design*
  - *Specialist in contract process operations, optimisation & troubleshooting*
- **Peter Ball – Geological Manager**
  - *Geologist, 34 years in exploration, mining and project management*
  - *Resource modelling, reserve determination, feasibility studies and project optimisation*
- **Phil Townsend – Mine Management Consultant**
  - *MD of Straitline Drilling and partner in Meridien Mining Services*
  - *Straitline: drill and blast contracting and general support services*
  - *Meridien: surveying, mine planning and site supervision*

# Projects and Tenements



# Texas Silver Project

- +250 sq km portfolio of resource and exploration assets
- Located near Texas ~3hrs SW of Brisbane
- ~0.5Moz of silver production from Twin Hills Mine to July 09
- Extensive existing plant & infrastructure
- Potential to re-start production under review

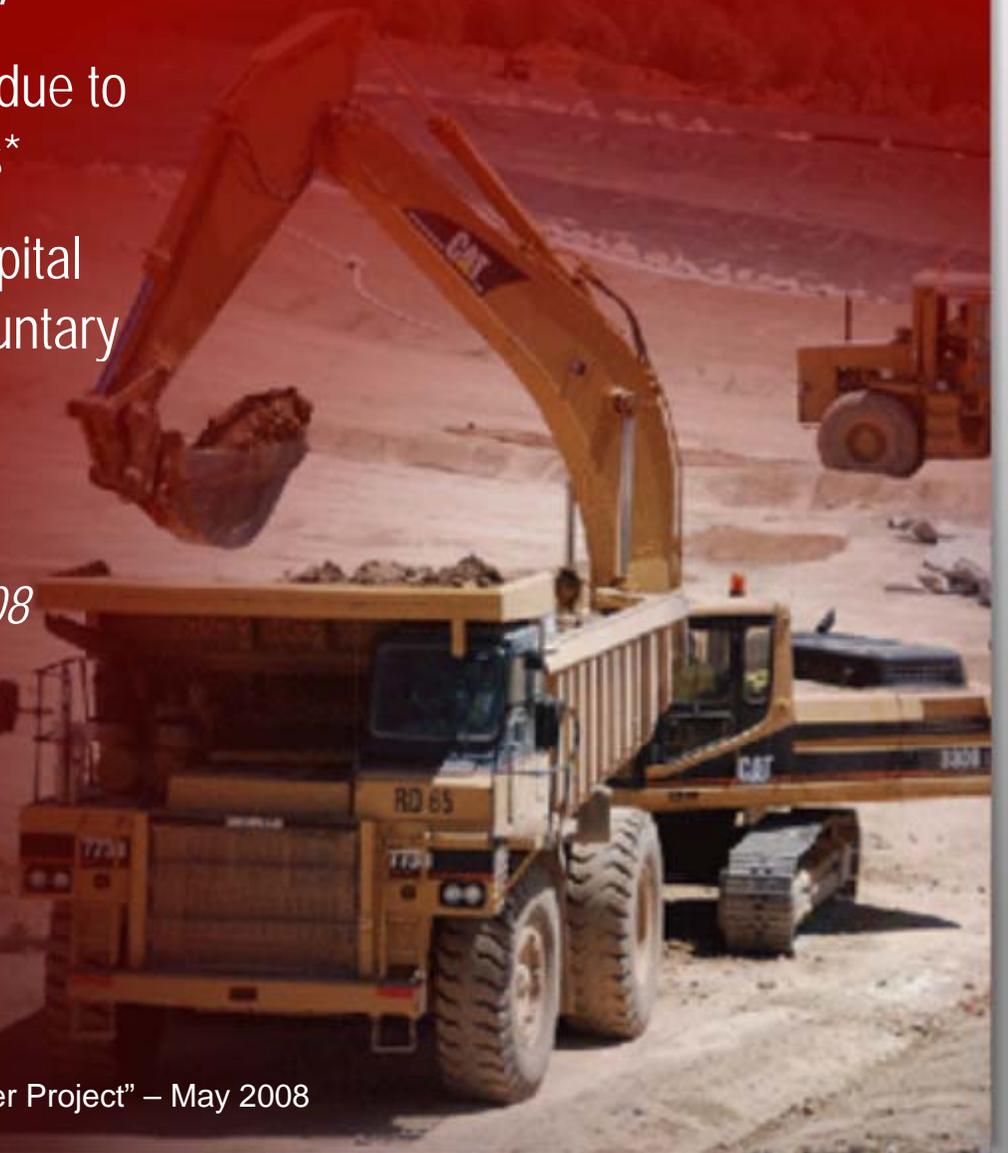


# *Twin Hills Mine – Aerial View*



# *Twin Hills Mine – Background*

- Commenced production March 2007
- Silver recovery below expectations due to crushing and electro-winning issues\*
- Global Financial Crisis restricted capital raisings – Company placed into voluntary administration 3 November 08
- Alcyone Team
  - *Due Diligence commenced – Dec 08*
  - *Negotiations finalised – 31 July 09*
  - *DOCA approved – 1 October 09*
  - *Recapitalisation – 13 October 09*



\* ASX release "Twin Hills mine update – Texas Silver Project" – May 2008

# *Twin Hills Mine – Site Infrastructure (~\$20 Million spent)*

- Pre-stripped open pit mine
- Ore stockpiles
- Processing facilities equipment:
  - *Excavator and Loader*
  - *Crushers and Screens*
  - *Agglomerator*
  - *Electro-winning plant*
  - *Merrill Crowe Silver Recovery Plant*
- Leach Pads
- Administration offices & Workshops
- Laboratory
- Generator Sets
- Diamond Drill Rig
- Freehold land and buildings



Electrowinning Plant



Leach Pad

# *Twin Hills Mine – Infrastructure*



Merrill Crowe



Screen



Agglomerator



Tertiary Crusher

# *Twin Hills Mine – The Future*

- Work program underway to assess potential to commence commercial silver production
- Test work to confirm process system redesign including:
  - *Crushing circuit rectification*
  - *Silver extraction circuit improvements*
- Assess upside through potential conversion of resources into reserves plus exploration program
- Review future growth opportunities



# *Texas Silver Project – The Future*

- Mt Gunyan
  - *4km from Twin Hills*
  - *Incorporate extra drill data*
  - *Resource updating underway*
  - *Drill if required*
- Silver Spur Underground Mine
  - *Located ~2km south of Twin Hills*
  - *Produced ~2Moz Ag (1891 – 1925)*
  - *Polymetallic mineralisation requires metallurgical review*



# Silver Price



# *Post Re-listing Work Program*

- Metallurgical test work – started 10 November
- Mineral Resource re-estimation – 1<sup>st</sup> Qtr 2010
- Define process flow sheet – 2<sup>nd</sup> Qtr 2010
- Establish project economics and funding parameters – Mid 2010
- Tenement Review and possible consolidation
- Establish exploration strategy:
  - *Leachable ore*
  - *Other metals*



# Summary & Outlook



- Australian resource company now re-listed on ASX (Code: AYN)
- Recapitalisation complete with ~\$3M cash to underpin work programs
- Metallurgical testwork, resource assessment, design work and economic review underway to determine viability to re-start Twin Hills Silver Mine
- Potential exploration upside in other projects in QLD and NSW



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