

25 August 2015



Dubbo Zirconia Project Receives Federal Environmental Approval

DUBBO ZIRCONIA PROJECT (DZP)

Zirconium, hafnium, niobium, yttrium, rare earth elements

Australian Zirconia Ltd (AZL) 100%

The Company has received notification of approval under the Environment Protection and Biodiversity Conservation Act 1999 for the proposed mining of the Toongi deposit.

The federal Department of the Environment has assessed the mining project and its impact on the Pink-tailed Worm-lizard (PTWL), a threatened species within the provisions of the Act, and yesterday notified the Company of its approval of the development.

This approval incorporates a schedule of conditions including a maximum limit of ground clearance of the defined extent of the PTWL habitat; submission of a mine site PTWL Management Plan; submission of a Biodiversity Offset Management Plan and securing of the lands identified as the Offset Area as a biodiversity offset by legal instrument. Compliance conditions also include requirements for reporting and publication on the Company's website of the annual compliance report.

The PTWL, or Aprasia Parapulchella, is a small legless lizard found in fragmented populations in New South Wales, Australian Capital Territory and Victoria. The species lives in ant burrows beneath loose rocks of a specific size and shape, soil pH, landscape and habitat and only spends a short time outside of its burrows under flat dinner plate-sized rocks when conditions are optimal, such as in spring and autumn after rain.



The initial discovery of the Pink-tailed Worm-lizard living on the outcropping orebody at Toongi was made in 2001 and since then the Company initiated a multidisciplinary research program to monitor and understand the population and to develop an innovative solution for its conservation. The Company's General Manager NSW, Michael Sutherland, has been named as a finalist in the NSW Minerals Council's 2015 Health, Safety, Environment & Community Awards for his leadership role in this environmental project.

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A comprehensive PTWL Plan of Management was submitted as part of the Environmental Impact Statement (EIS) in the application process for State government development consent for the Dubbo Zirconia Project (granted 28 May 2015). This set out the proposed measures for management of the PTWL population on the project site and the areas proposed for biodiversity offset.

Disclaimer

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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 Operations (TGO) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production early 2014. Cash flow from the TGO will provide the funding to maintain the project development pipeline and will assist with the pre-construction development of the DZP.

The DZP Environmental Impact Statement has been completed and development consent granted by the Planning Assessment Commission. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium products, hafnium and heavy rare earths when it commences production in 2017.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects, and Elsenora farm-in. 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 gold copper mineralisation. Encouraging gold mineralisation was recently drilled at Elsenora.

