



18 November 2009

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

Dear Sir,

PRESENTATION

Attached is a copy of a presentation to the 5th International Rare Earth Conference held in Hong Kong.

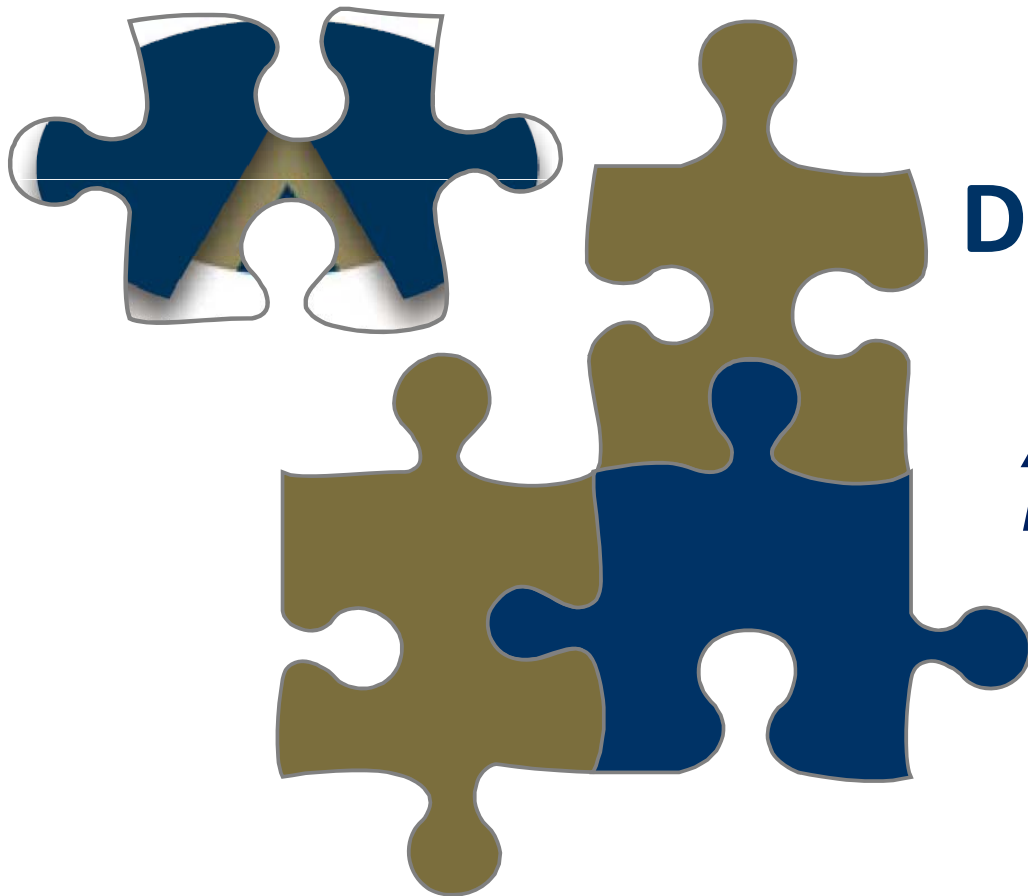
A copy of this presentation will also be available on the Company's website www.alkane.com.au.

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director

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...putting the pieces together

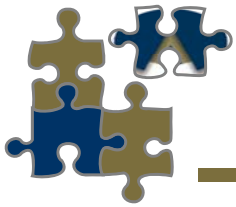


Dubbo Zirconia Project

NSW Australia

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

**5th International Rare Earth Conference
Hong Kong 18 November 2009**



Corporate Snapshot



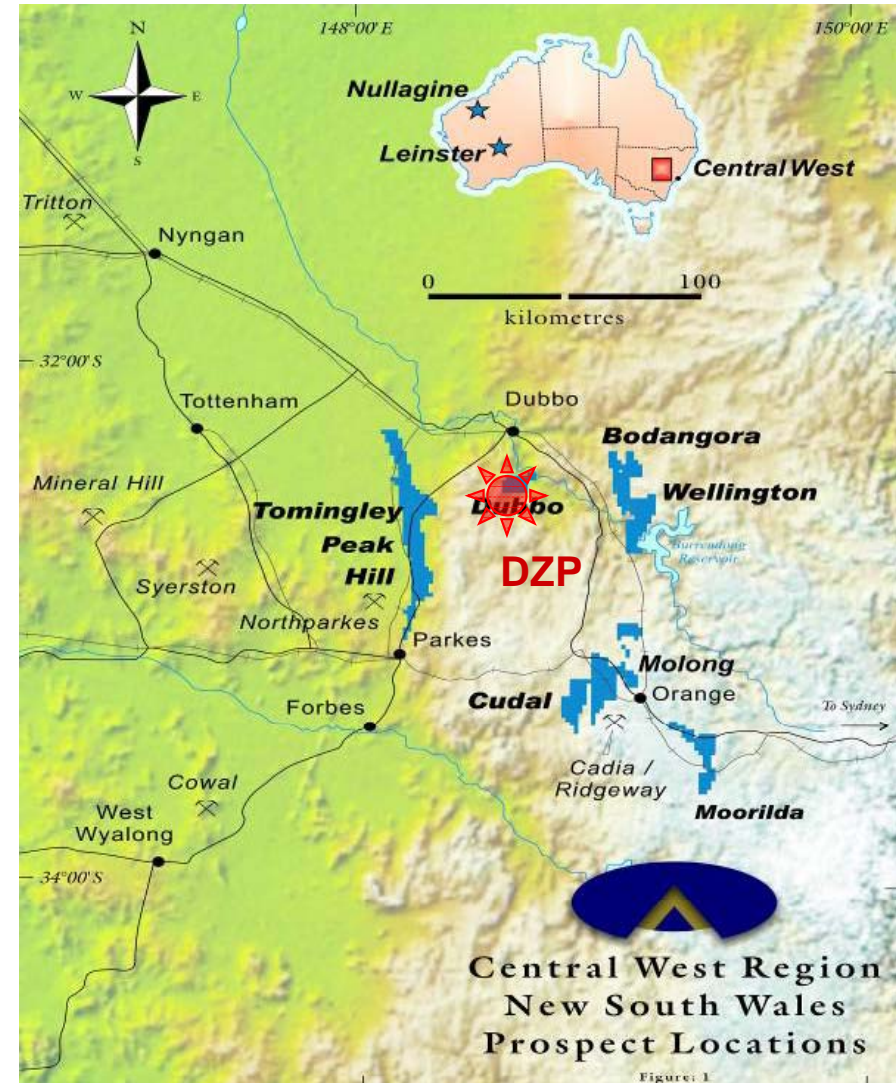
Public company listed on the ASX since 1969

2,700 mostly Australian shareholders

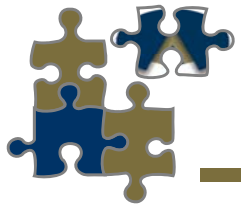
Multi commodity explorer and miner, focussed in the Central West of New South Wales, Australia

Gold production from Peak Hill mine 1996 – 2005. New gold (+1Moz) development planned at Tomingley

Major gold discovery at McPhillamys (+2.5Moz) - JV with Newmont



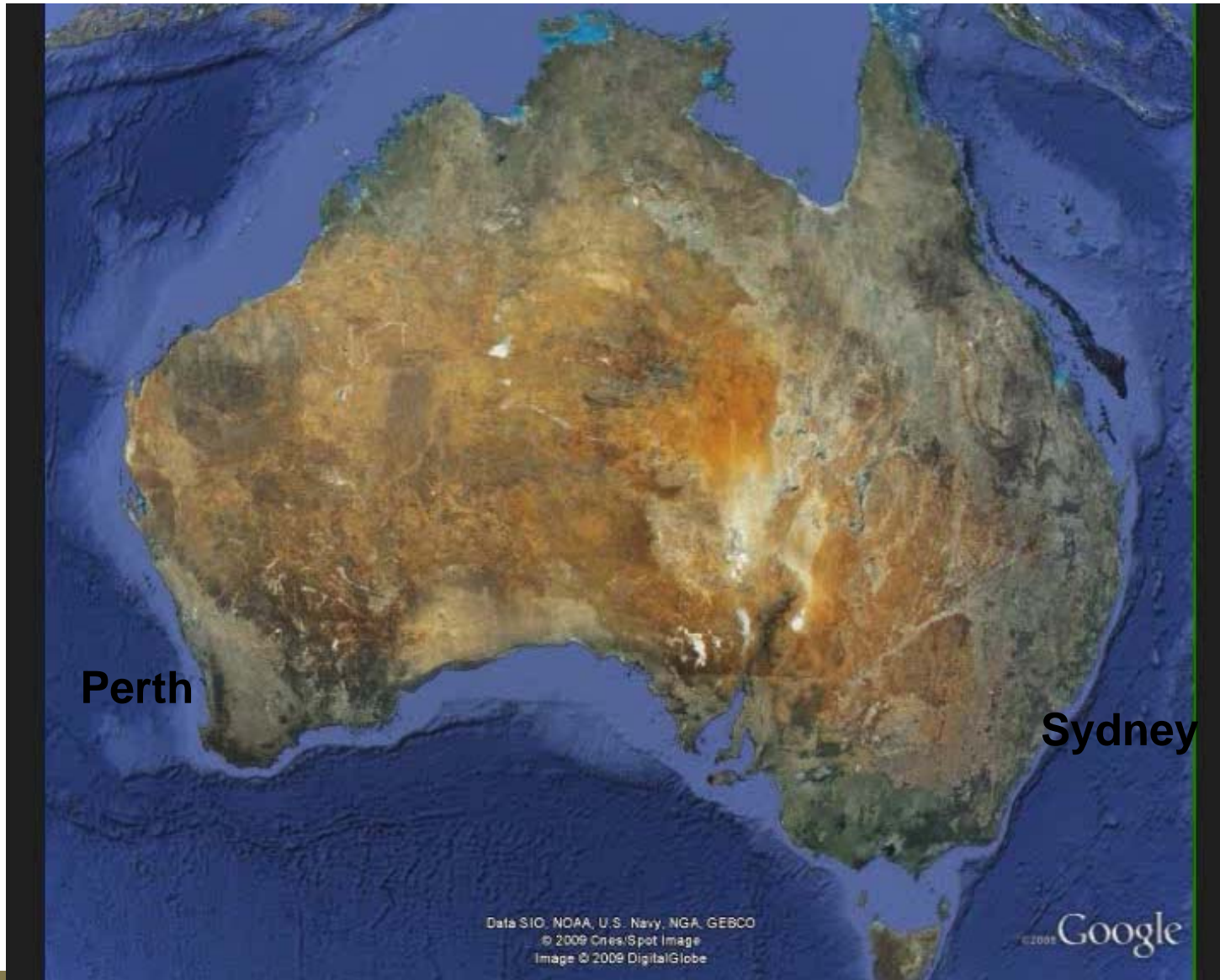
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DZP Location Movie



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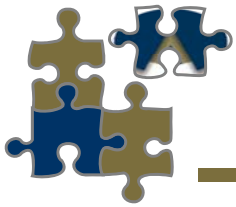


Perth

Sydney

Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2009 Cnes/Spot Image
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DZP Location



Dubbo region pop 80,000

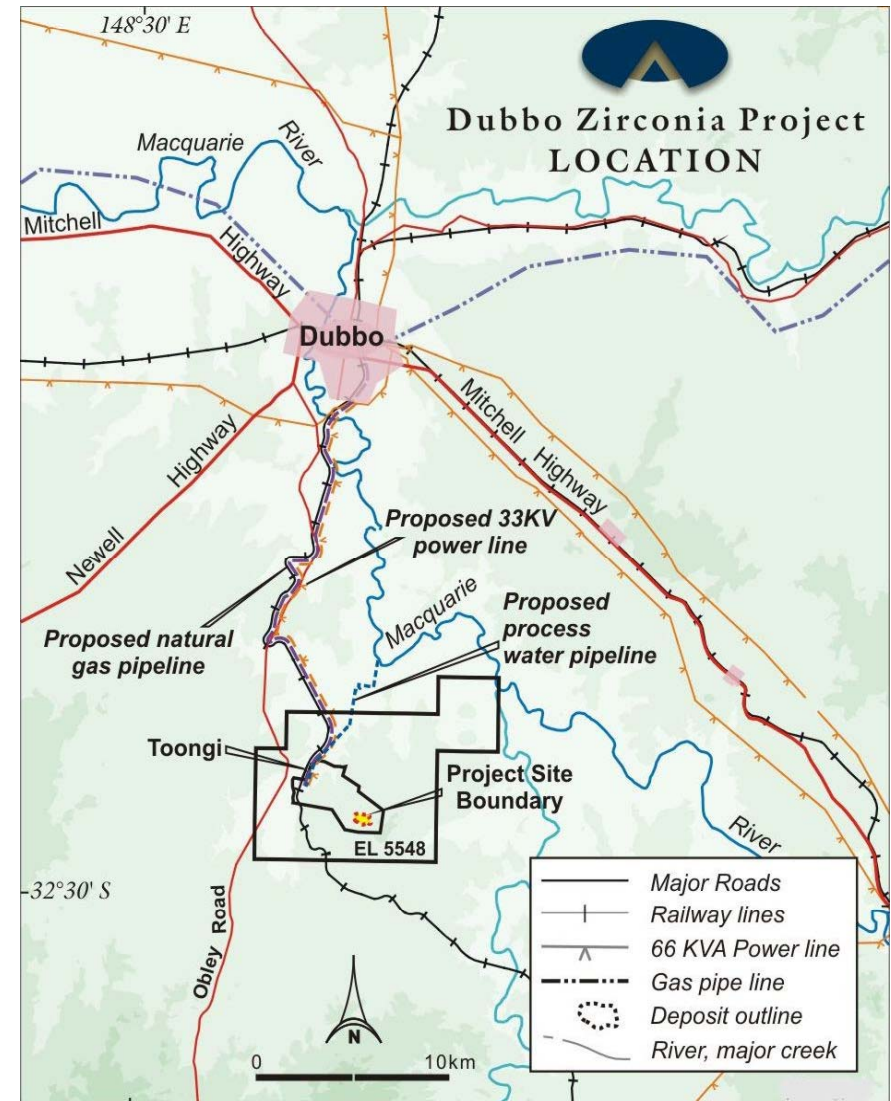
State power grid

State gas grid

Major mixed agriculture

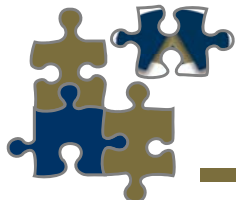
Transport hub

Substantial light industry



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DZP Program



Resource drilling completed 2001. Flow sheet developed 1999 to 2002, with trials to mini pilot plant scale. Detailed feasibility study completed in 2002.

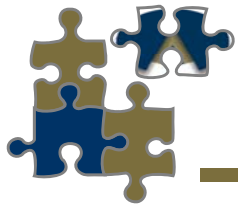
AusIndustry Commercial Ready Grant of A\$3.29M in April 2006 on dollar for dollar basis to complete process optimisations, and construct and operate the Demonstration Pilot Plant (DPP).

Laboratory program commenced at ANSTO Lucas Heights (Australian Nuclear Science and Technology Organisation) July 2006, with Demonstration Pilot Plant commissioned March 2008

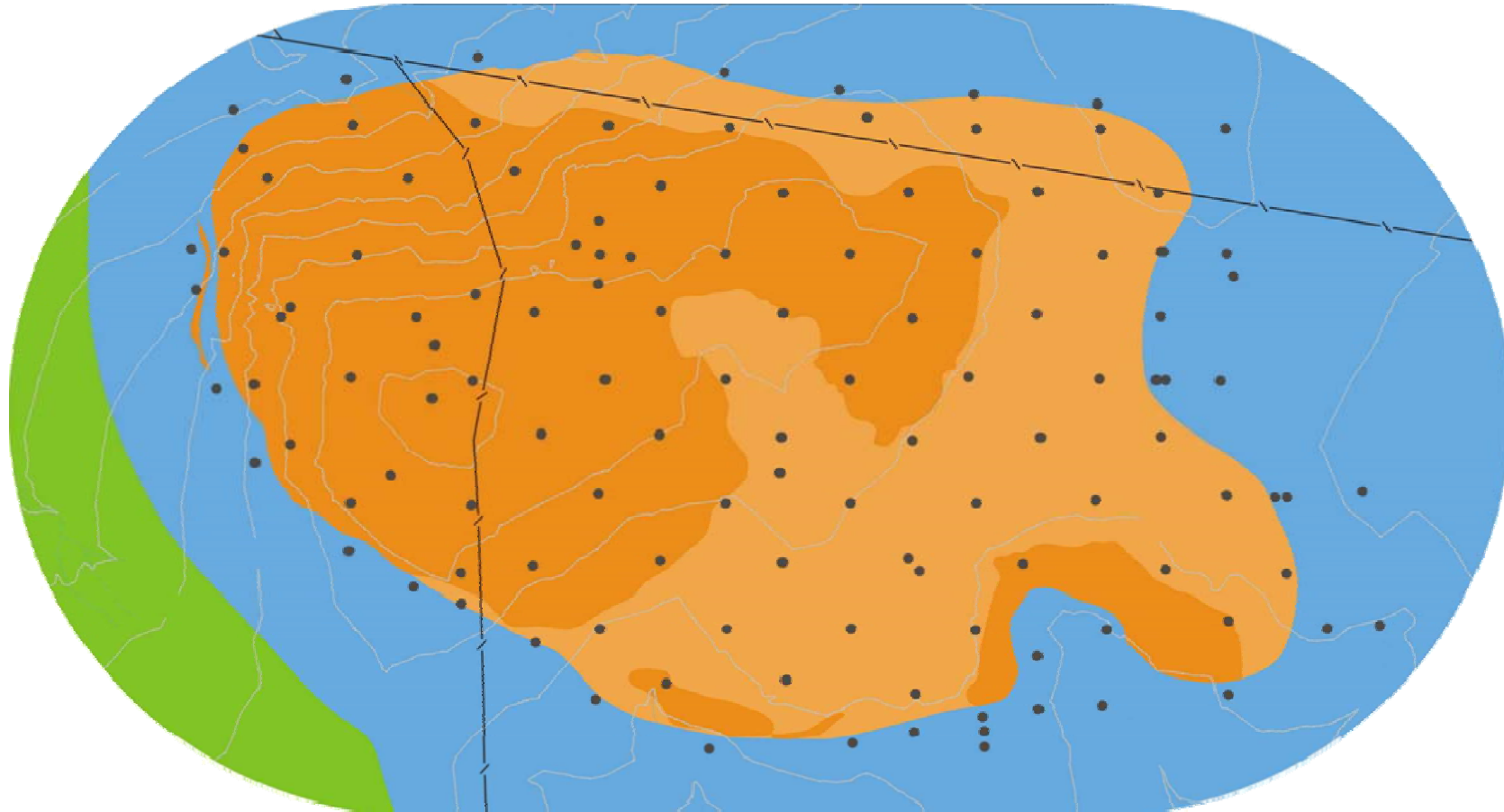
Substantial product samples from DPP distributed in second half of 2009

Market update completed late 2007 – strong growth predicted in most products

Revise and update the 2002 feasibility study by Q3 2010. DFS managed by Perth based consultants **TZ Minerals International Pty Ltd (TZMI).**



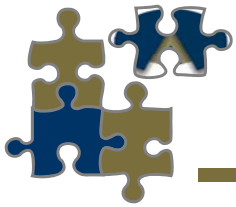
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0 200
metres

Jurassic aged trachyte intrusive

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



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 and 0.014% U ₃ O ₈
Inferred Resource 55 - 100 metres	:	37.5 million tonnes at similar grades
TOTAL	:	73.2 million tonnes

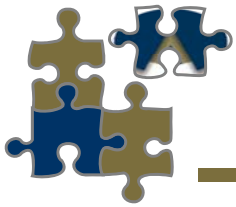
Major world resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements

Although the ore is not classified as a radioactive deposit, it contains 23 million lbs (10,200t) of uranium

Production of uranium is currently prohibited in NSW



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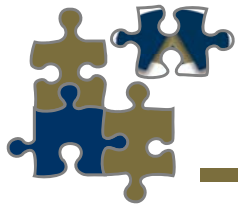


Ore Mineralogy

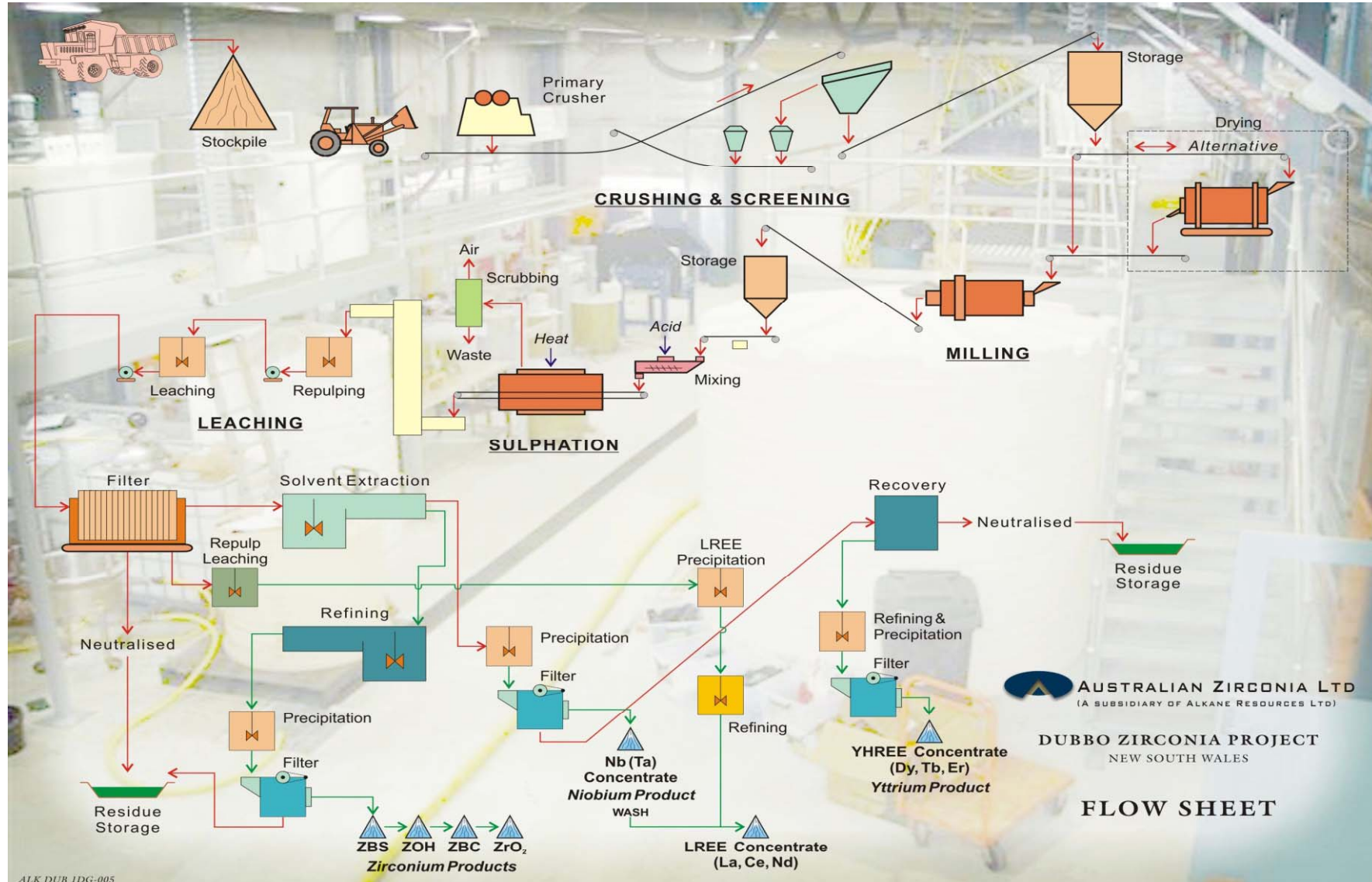


Zirconium	eudialyte armstrongite	$ZrSiO_4 \pm Ca, Y,$ $REE, H_2O + ?U$	$< 2\mu m - 50\mu m$
Yttrium	yttrium silicates and with Zr	$YSiO_4 \pm REE, Be,$ Fe, As, Nb	$< 50\mu m$
Niobium/ Tantalum	natroniobite	$NaNbO_3 + Ta ? Th$ also $NbFeSiO_4$	$< 30\mu m$
Rare Earths	calcian basnaesite	$Ca(REE)(CO_3)F$	$< 100\mu m$
	rare ancylite	$Sr(REE)(CO_3)H_2O$	

All ore minerals are readily soluble in sulphuric acid, with only very limited dissolution of host rock minerals



DZP Flow Sheet



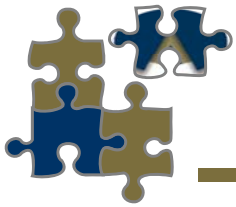
ALK DUB 1DG-005

AUSTRALIAN ZIRCONIA LTD
(A SUBSIDIARY OF ALKANE RESOURCES LTD)

DUBBO ZIRCONIA PROJECT
NEW SOUTH WALES

FLOW SHEET

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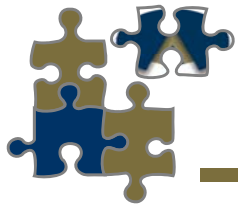


Market Summary



- Zirconium:** drying agent in paints; primer coat of vehicle metalwork; ceramic pigments; **engineering ceramics**; **auto catalysts**; electronics; solid oxide fuel cells; **fuel rods in nuclear power plants**; special alloys and glasses
- Hafnium:** alloys, control rods for nuclear reactors; nextgen **microprocessors**
- Niobium:** **HSLA steels**; special alloys and glasses
- Yttrium:** stabilizer in ceramics; **phosphors** for TV/computer screens; lasers; and **compact fluoro lights** = energy efficient bulbs
- Rare earths:** speciality glasses; **phosphors**; fertilizers; catalysts; lasers; **permanent magnets/rechargeable batteries**, particularly for **hybrid vehicle** motors

Increased demand for many of the metals is driven by environmental legislation to ensure emissions minimisation and energy consumption efficiency



Zircon Usage



**Global consumption
1,400,000 tpa**

**Zirconia &
Zr Chemicals
12%**

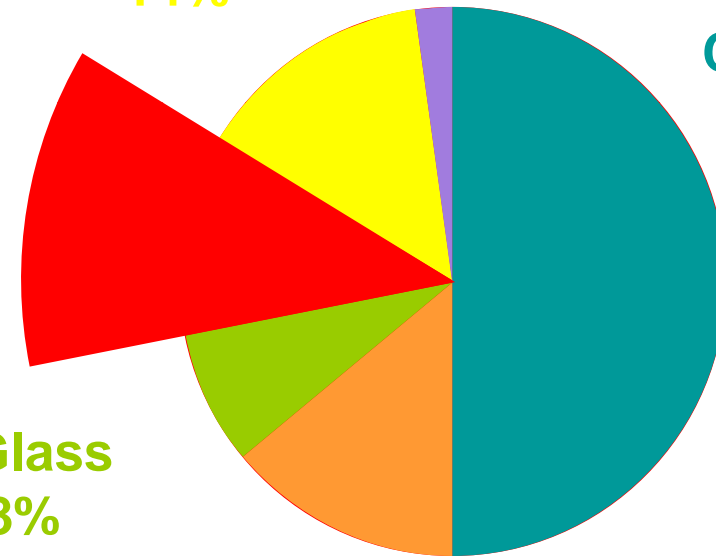
**TV Glass
8%**

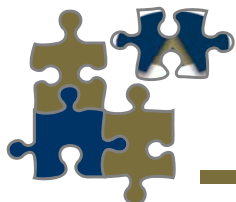
**Refractory
14%**

**Foundry
14%**

**Other
2%**

**Ceramics
50%**

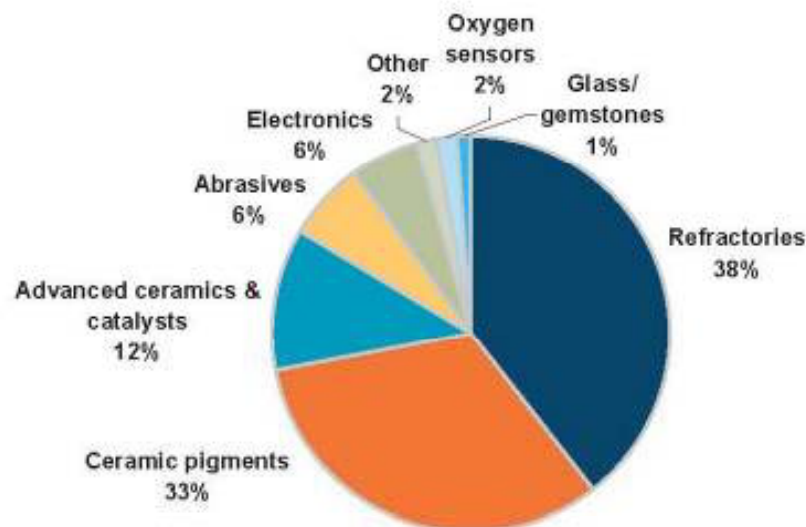




Zirconium Chemicals



Current Zirconia Zirconium Chemical Uses



2007 Consumption
2015 Estimated

96,000 tonnes (ZrO₂ units)
150,000 tonnes with industry growth rate of 4.5%pa

High growth areas:

Advanced ceramics and catalysts 13.0%pa
Ceramic pigments 8.0%pa
Zirconium metal for nuclear applications ?

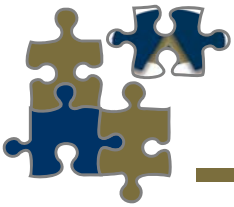
Products range from US\$4/kg to US\$20/kg

Metal US\$200/kg

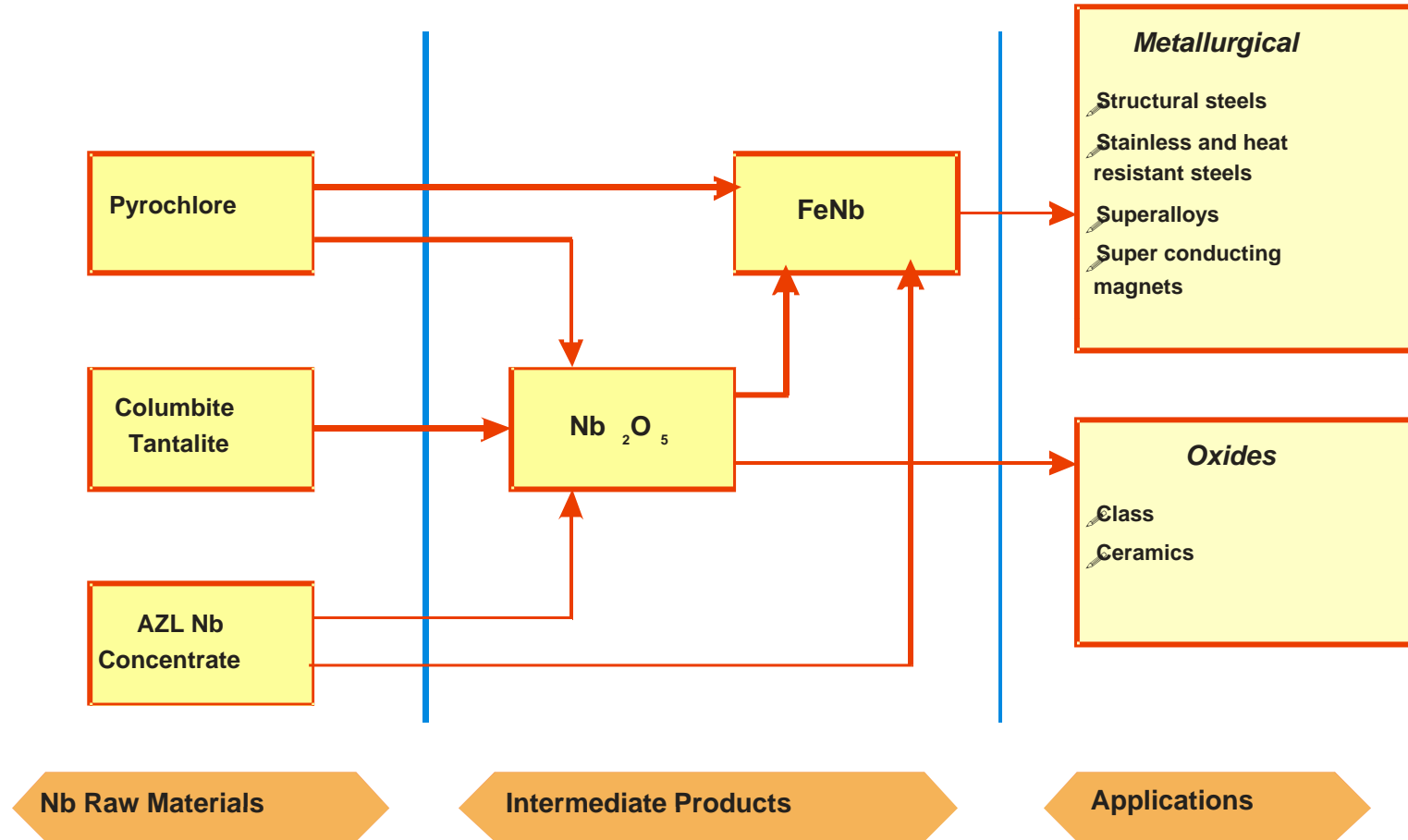


Source: TZMI

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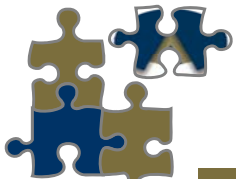


Structure of Niobium Industry



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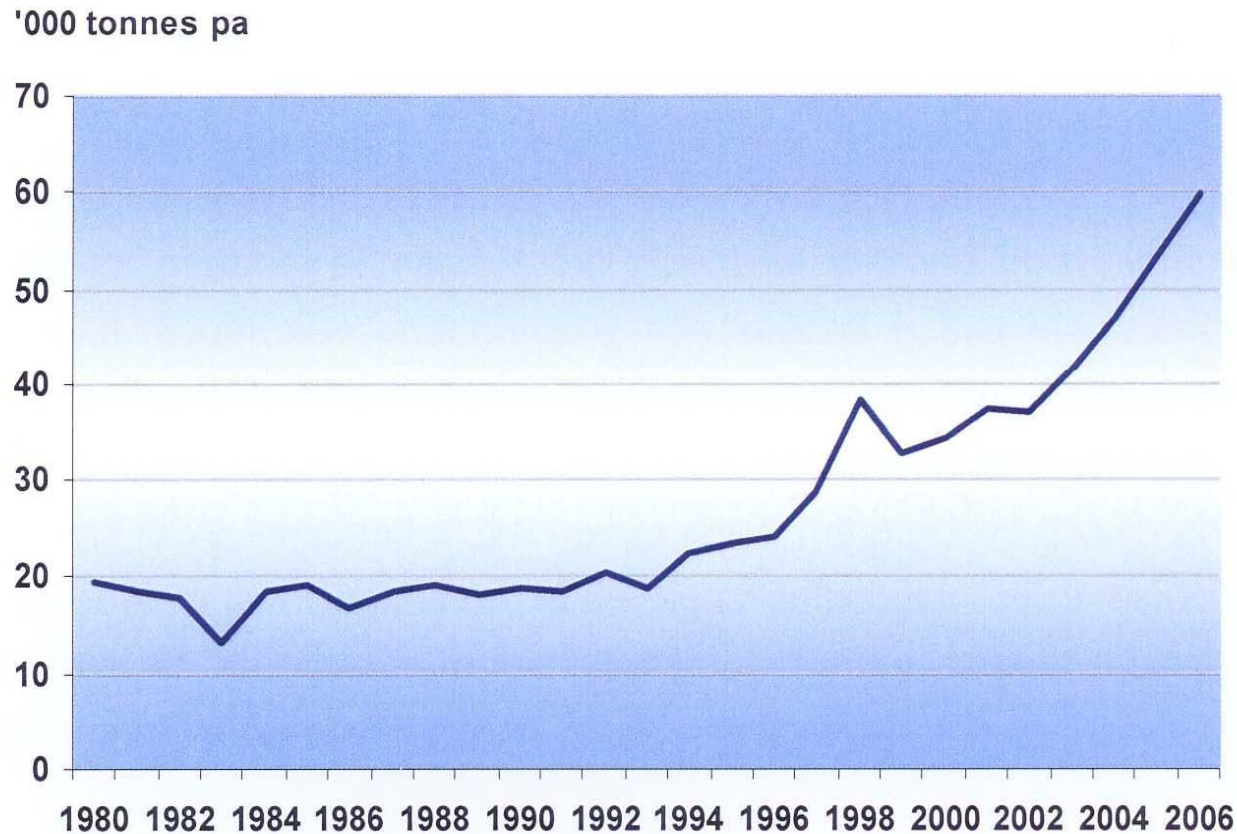
DZP process removes radioactive elements such as uranium and thorium, producing clean concentrate



Niobium Demand

Global demand for niobium units: 1980 to 2006

LKANE
SOURCES LTD



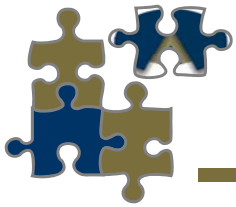
Niobium 2007
(Ferroniobium units)
consumption
~63,000t – 90% Brazil
Estimate for 2012
~100,000t

© TZMI 2007

Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$35 - 40/kg

Long term expected to be in US\$25 - \$35/kg

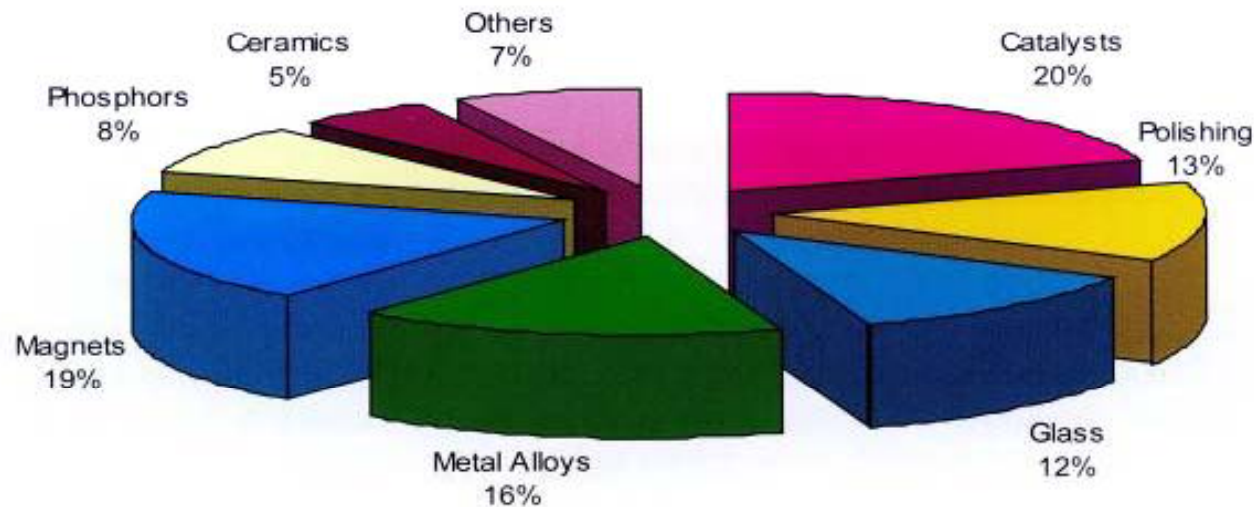
Source: TZMI



Rare Earth Consumption

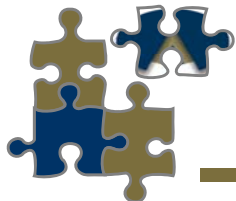


World: Estimated rare earths consumption by end-use, 2006



Growth areas are magnets Dy-Tb-Nd-Sm and rechargeable batteries Nd (metal alloys) for electric and hybrid vehicles. Also phosphors Y-Tb-Eu (phosphors for TV, computer, LCD's and energy efficient lighting), and ceramics Y-Tb and catalysts Ce

Total YREE demand 2014 estimated to be 200,000 tonnes



DZP Product Output

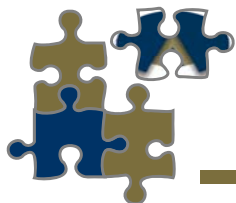


Base case models of 200,000 to 500,000 tonnes per year of ore processed

Product	200ktpa	500ktpa
ZBS, ZOH, ZBC, ZrO ₂	9,000tpa (3ktpa ZrO ₂)	22,500tpa (7.5ktpa ZrO ₂)
Nb-Ta concentrate	1,000tpa (0.7ktpa Nb ₂ O ₅)	2,500tpa (1.75ktpa Nb ₂ O ₅)
LREE concentrate	990tpa (REOs)	2,475tpa (REOs)
YREE concentrate	301tpa (REOs)	753tpa (REOs)

Base case of 200,000 tpa would have an open pitable life of 400 years

- ZBS = zirconium basic sulphate; ZOH = zirconium hydroxide; ZBC = zirconium carbonate Equivalent ~99% ZrO₂ + HfO₂
- Nb-Ta concentrate = ~80% Nb₂O₅; 1.5% Ta₂O₅ calcined basis

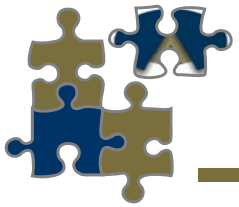


YREE Output at 70% recovery

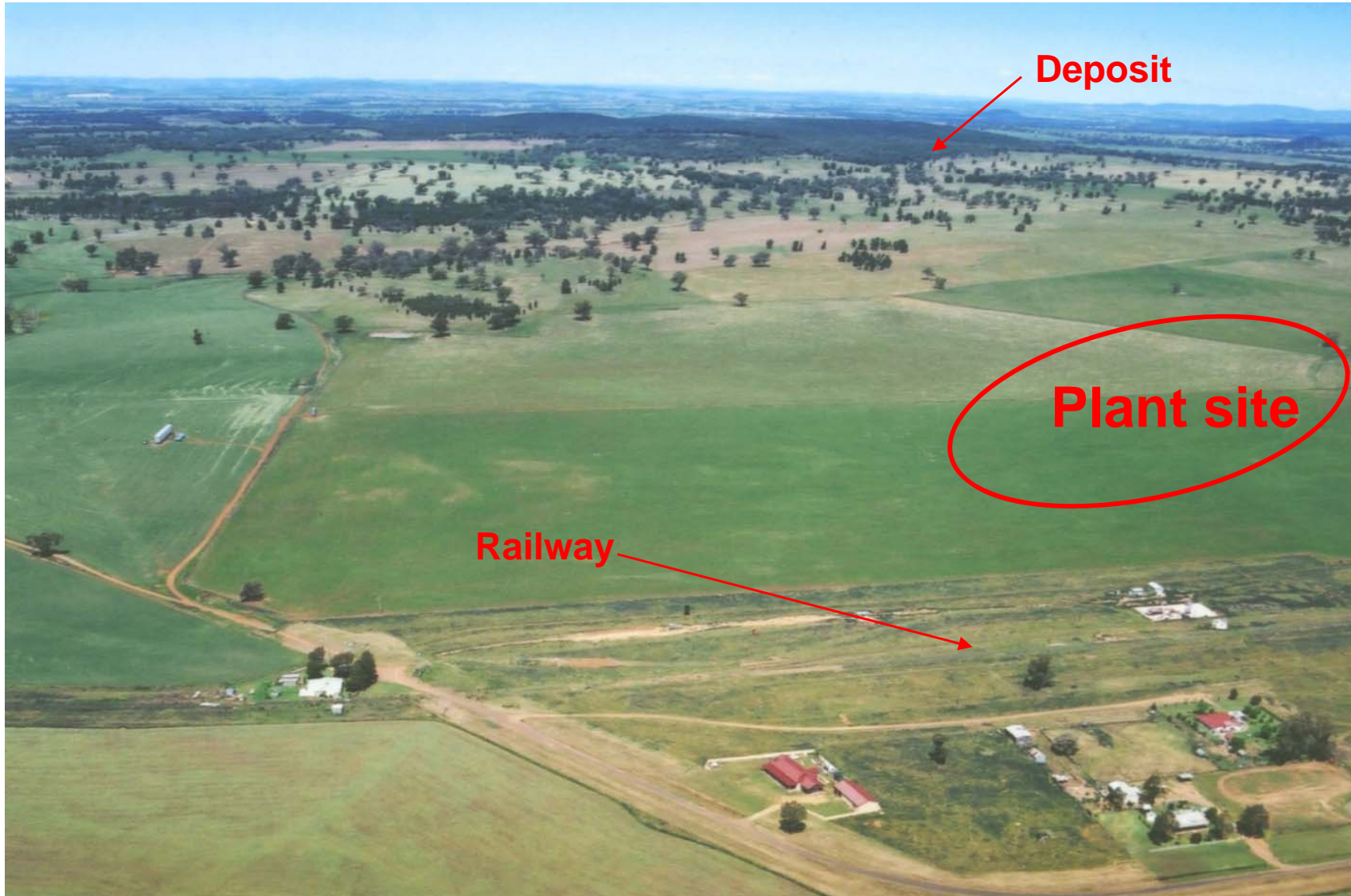


	200kpta	500kpta
La_2O_3	252	630
CeO_3	475	1188
Pr_6O_{11}	52	131
Nd_2O_3	182	456
Sm_2O_3	28	71
Total LREE	990tpa	2475tpa
Eu_2O_3	1	2
Gd_2O_3	28	69
Tb_4O_7	4	11
Dy_2O_3	26	66
Ho_2O_3	5	14
Er_2O_3	15	37
Tm_2O_3	2	5
Yb_2O_3	13	32
Lu_2O_3	2	5
Y_2O_3	204	511
Total YHREE	301tpa	753tpa
Total YREE	1291tpa	3228tpa

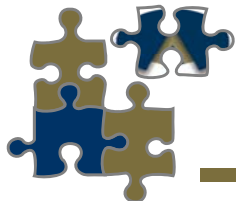
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Project Site



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Distribution of Zr and Nb products to potential world markets 2H 2009.

Complete DPP with LREE and YHREE recovery, and distribute products Q1 2010.

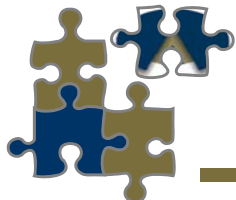
Complete product Off-take Agreements or Letters of Intent for all products Q1 2010

Review engineering and process with prefeasibility of project economics by end 2009.

Reactivate Definitive Feasibility Study 1H 2010 – scheduled completion Q3 2010.

Decision to develop Q3 – Q4 2010. Production anticipated late 2011 early 2012.

**Base case CAPEX estimated at approximately A\$100 - 150 million
depending upon throughput.**



DZP Strategic Significance



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

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

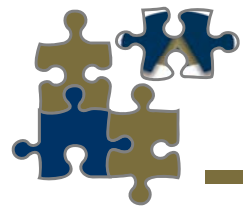
Niobium production dominated by one company, CBMM in Brazil with 90% of market.

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.

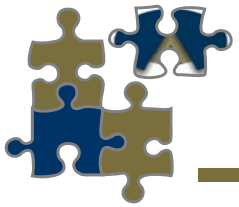
The DZP provides an alternative and strategic source for a number of important metals, and is capable of producing for hundreds of years from one ore body.



Demonstration Pilot Plant Movie



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Conclusion



Dubbo Zirconia Project

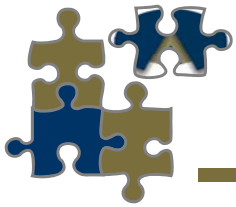
The pieces are coming together



...a perfect fit

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Disclaimer



Disclaimer

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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.