

For personal use only



ALCYONE

RESOURCES LTD

ASX Code: AYN

**Positioned for Production:
Exploring for Growth**

**Andrew King,
Managing Director**

May 2010



Disclaimer and Key Information

Disclaimer

- This presentation has been prepared by the Directors of *Alcyone Resources Ltd* ("*Alcyone*" or the "*Company*") from currently available public domain information to provide background information to enable recipients to review the business activities of *Alcyone*. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities.
- This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating *Alcyone*. *Alcyone* and its respective affiliates or any of its directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability for any statement made in, or omitted from, this presentation.
- Prospective investors should make their own independent evaluation of an investment in *Alcyone* including, without limitation, seeking professional advice.

Competent Person Statements

- The information in this presentation that relates to data used for and the resultant mineral resources for the Texas Silver project is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy and Director of DataGeo a mining and exploration consultancy.
- Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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".
- Mr Ball consents to the inclusion in this Report of the information compiled in the form and context in which they appear.
- The information in this presentation that relates to Exploration is based on information also compiled by Mr Ball.

Forward-Looking Statements

- Certain statements made during or in connection with this communication, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding *Alcyone's* exploration operations, economic performance and financial condition. Although *Alcyone* believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. *Alcyone* undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Corporate Overview

	Shares	Options
Total	621.6M	140.0M

- Shareprice: **3.0c**
- Market Capitalisation
 - Undiluted ~A\$19M
 - Cash ~A\$1.6M (no debt)

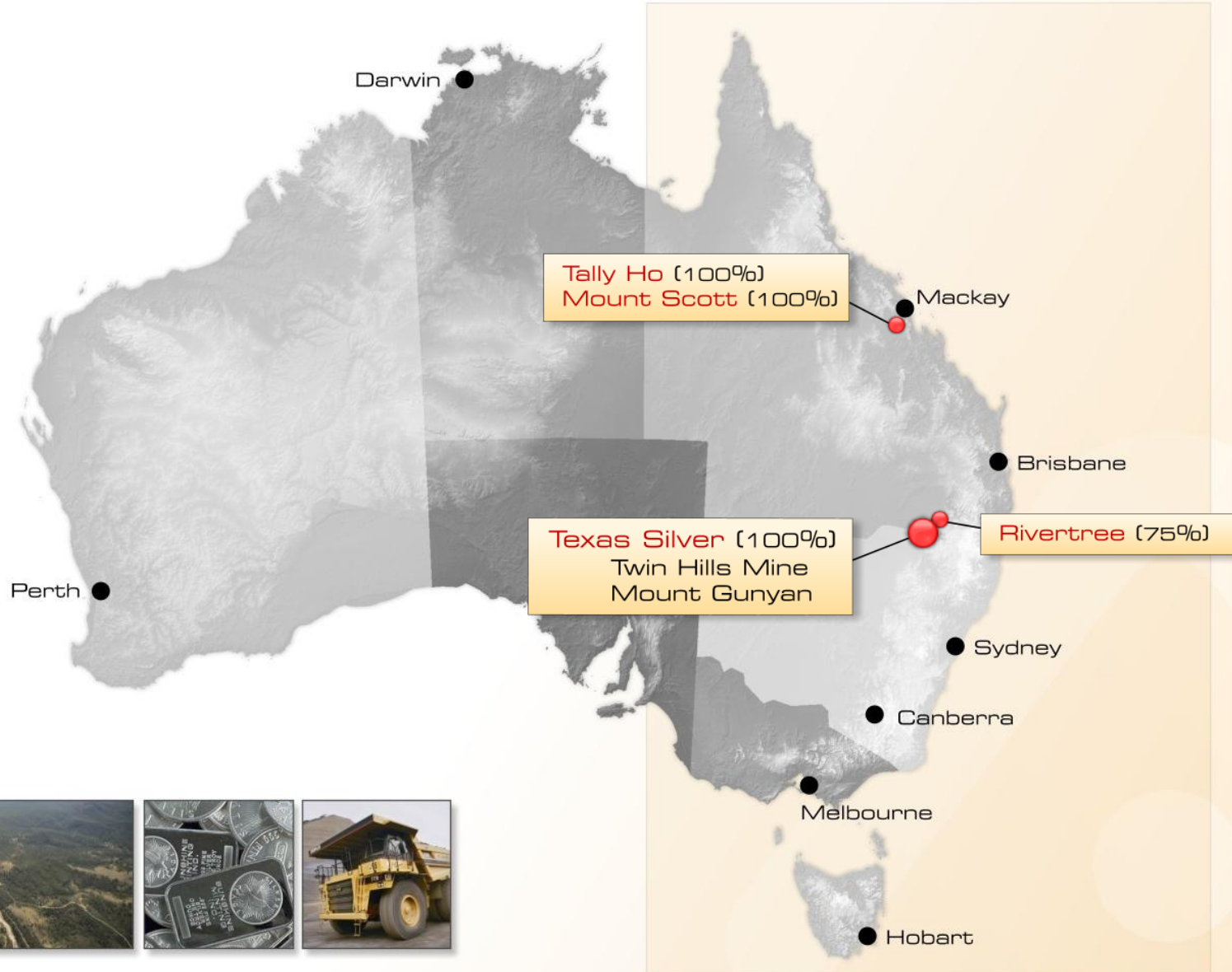
- Board & Management
 - Charles Morgan
Non Executive Chairman
 - Andrew King
Managing Director
 - Eric de Mori
Non Executive Director
 - Peter Ball
Manager Geology
 - Bob Markovich
Project Manager (Operations)



Projects

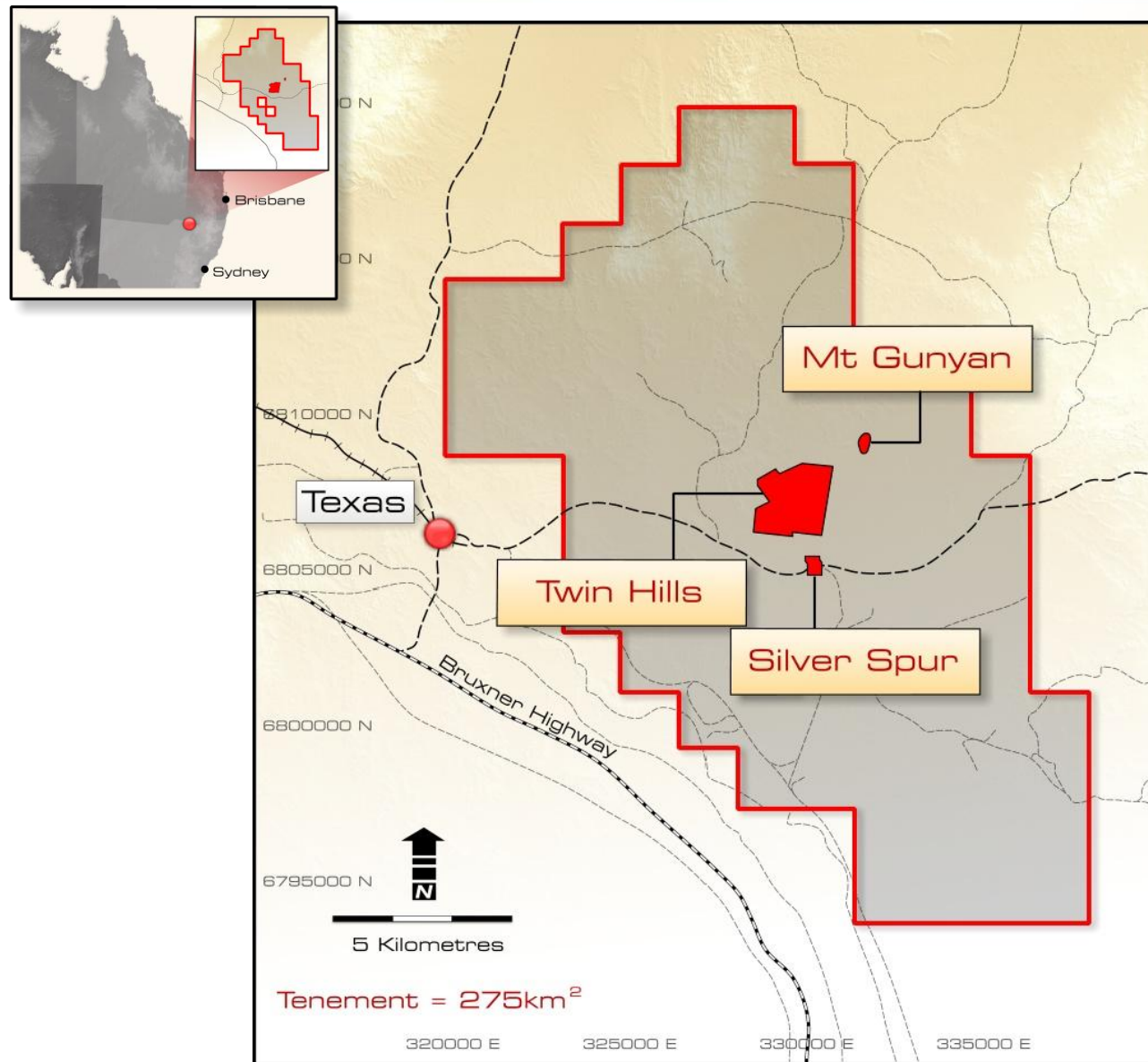


For personal use only



Texas Silver Project

For personal use only



Twin Hills Mine – Aerial View



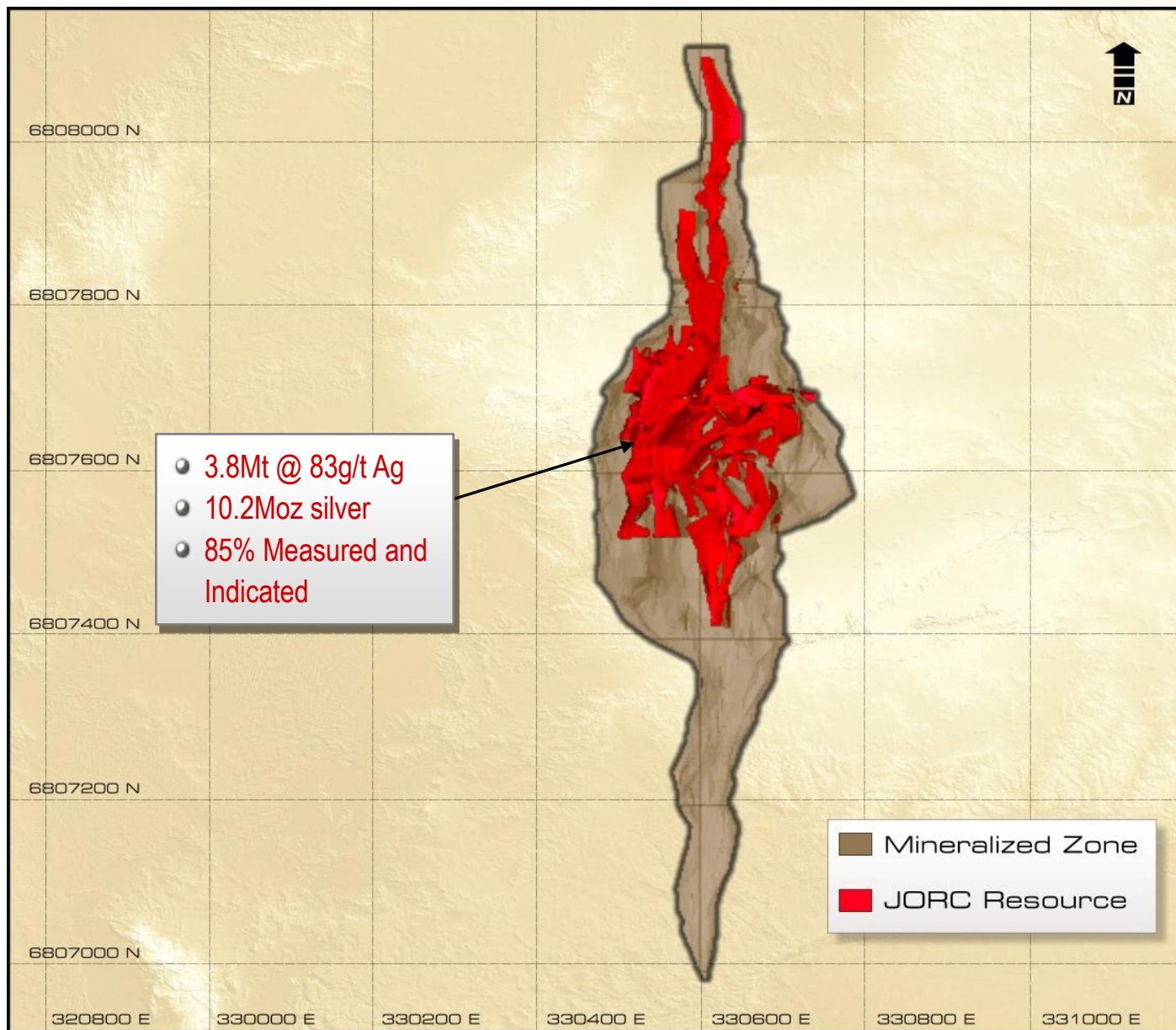
For personal use only



Twin Hills Deposit – Plan View

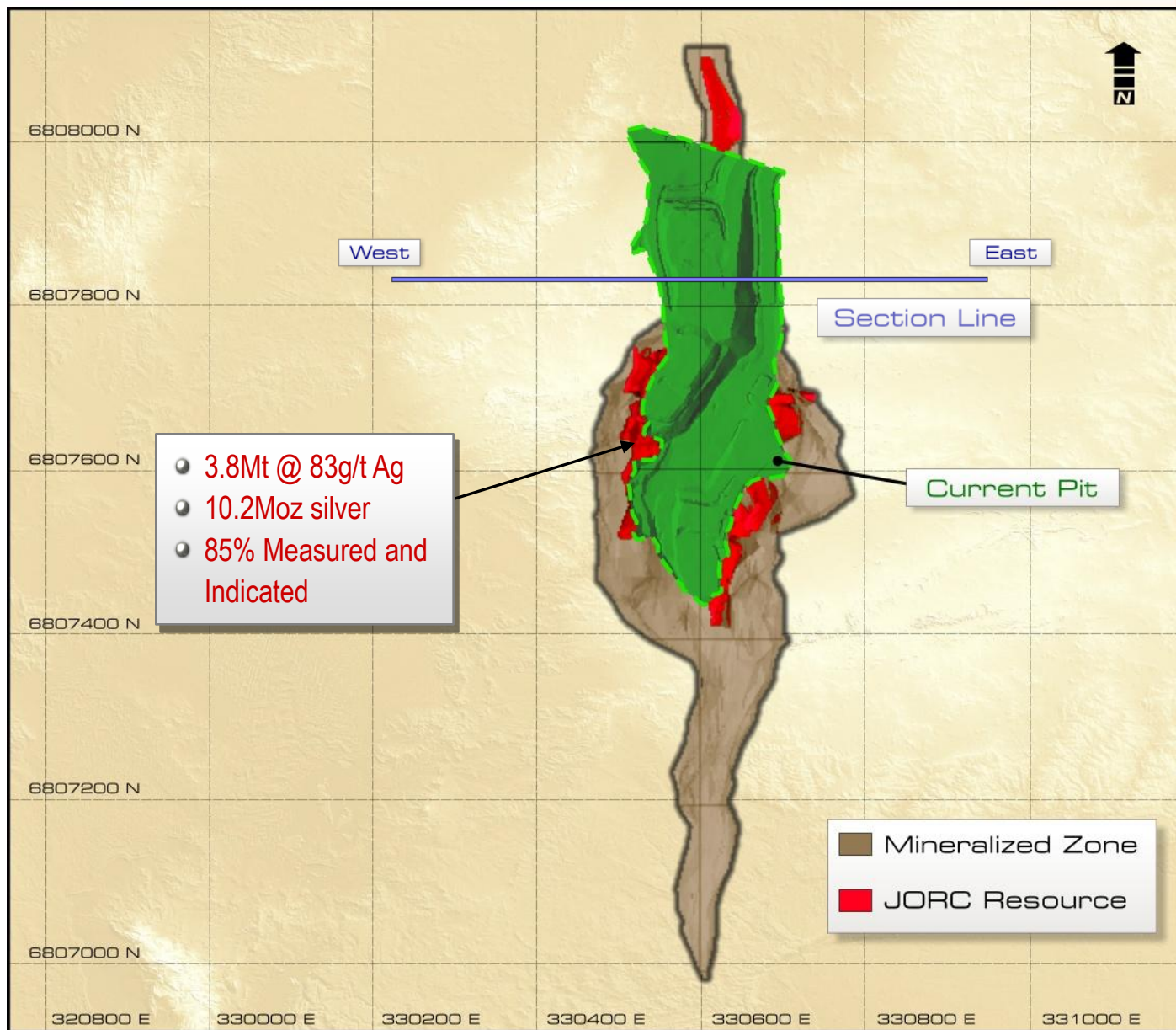


For personal use only



Twin Hills Deposit – Plan View

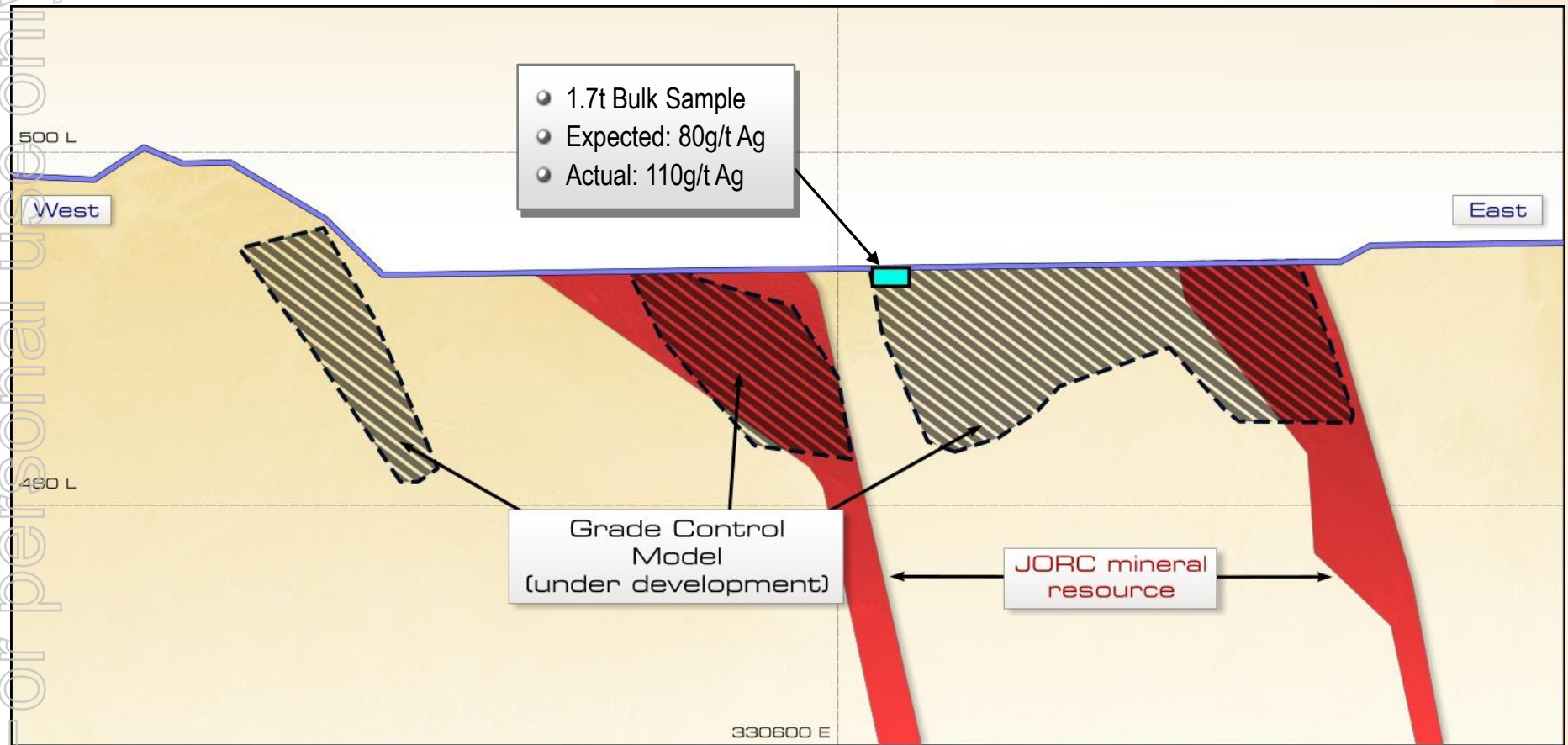
For personal use only



Twin Hills Deposit – Cross Section



For personal use only



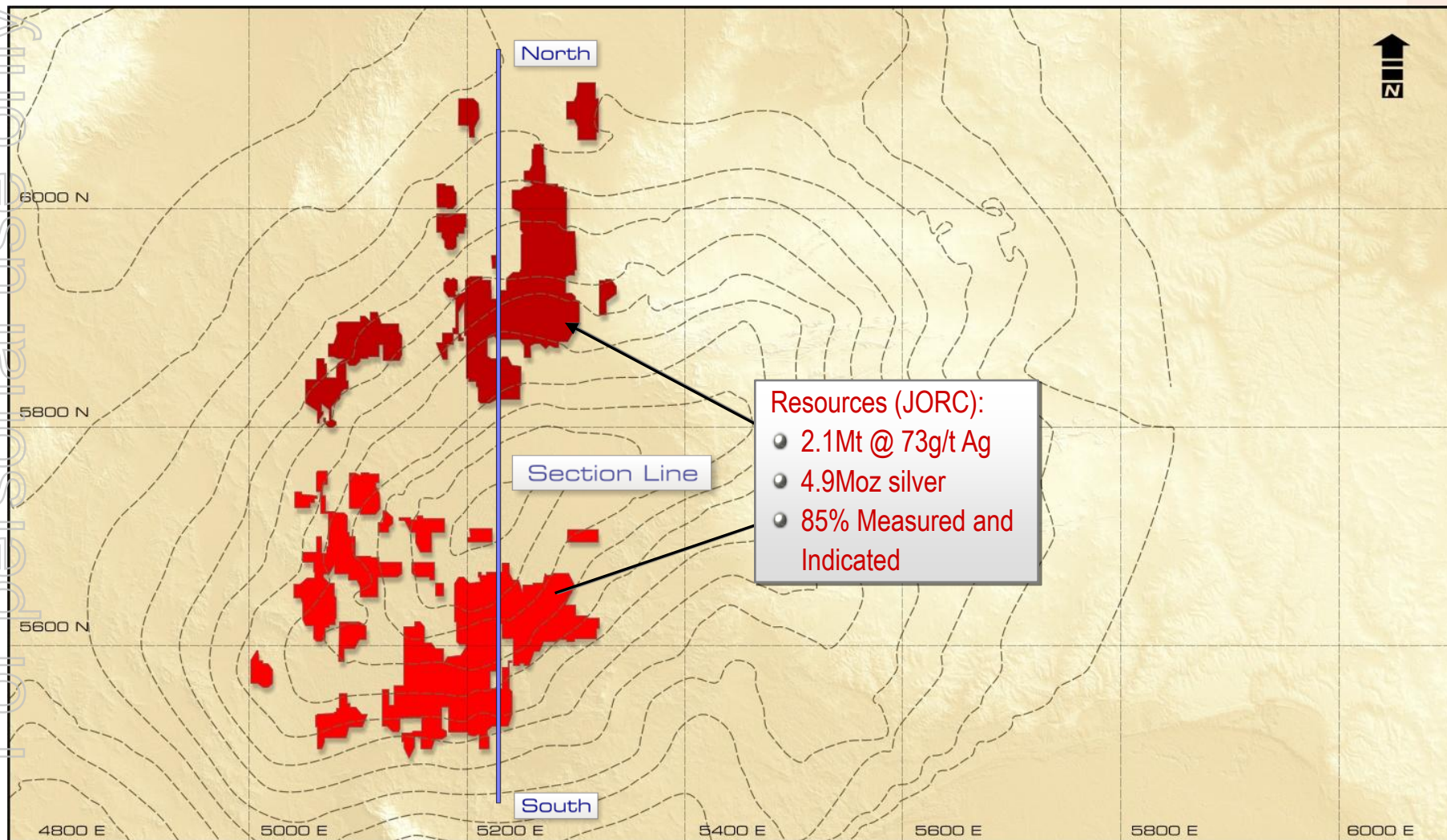
Mt Gunyan



For personal use only

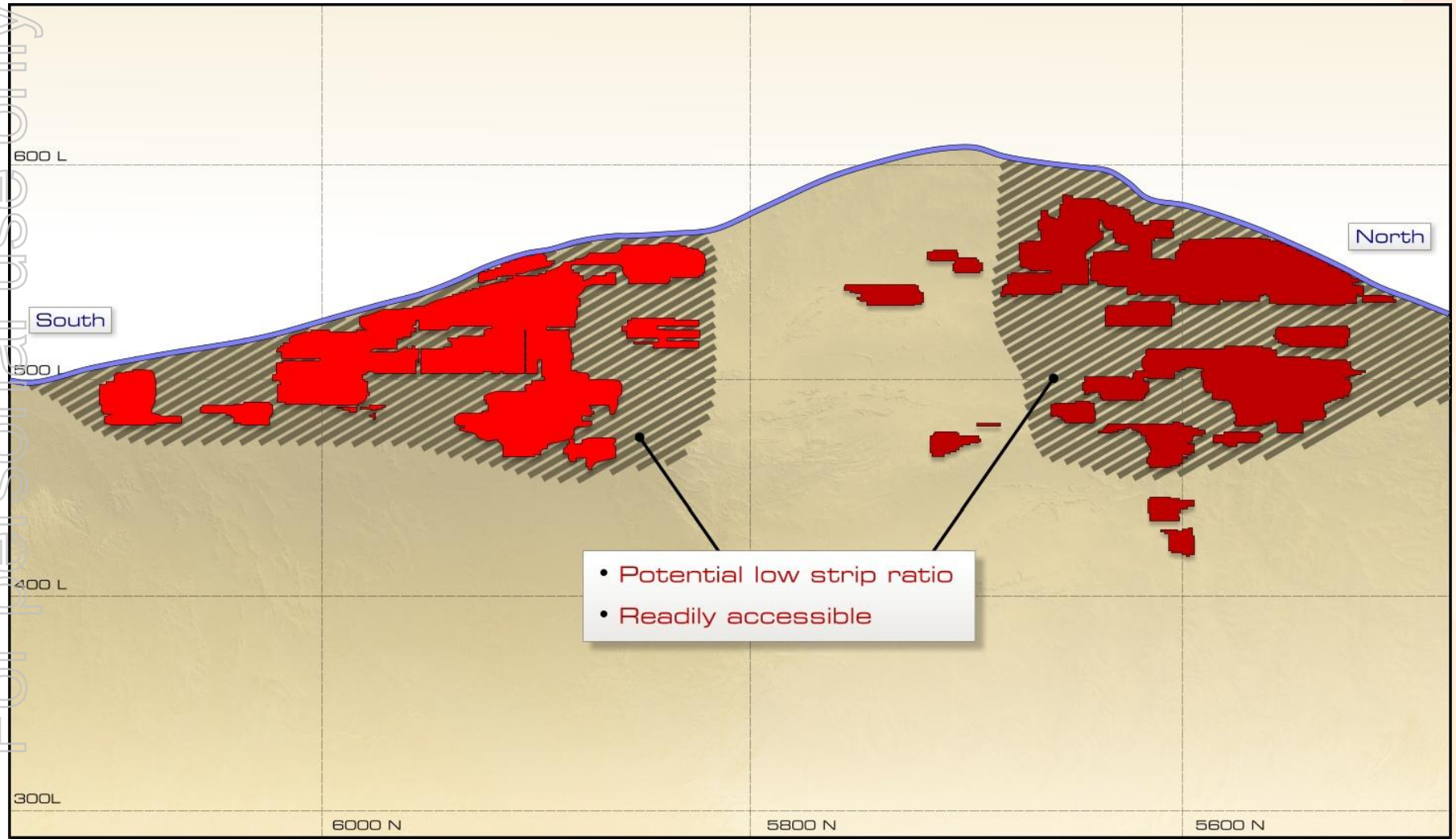


Mt Gunyan Deposit – Plan View



For personal use only

Mt Gunyan Deposit – Long Section



For personal use only

Texas Project – Resource Inventory



For personal use only

Deposit	Resource Category	Tonnes	Grade (g/t Ag)	Contained Silver (oz)
Twin Hills	Measured	1,762,000	86	4,868,000
	Indicated	1,466,000	79	3,722,000
	Inferred	614,000	81	1,602,000
	TOTAL:	3,842,000	83	10,192,000
Mount Gunyan	Indicated	1,756,000	76	4,267,000
	Inferred	350,000	58	650,000
	TOTAL:	2,106,000	73	4,917,000
PROJECT TOTAL	All Categories	5,948,000	79	15,109,000

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

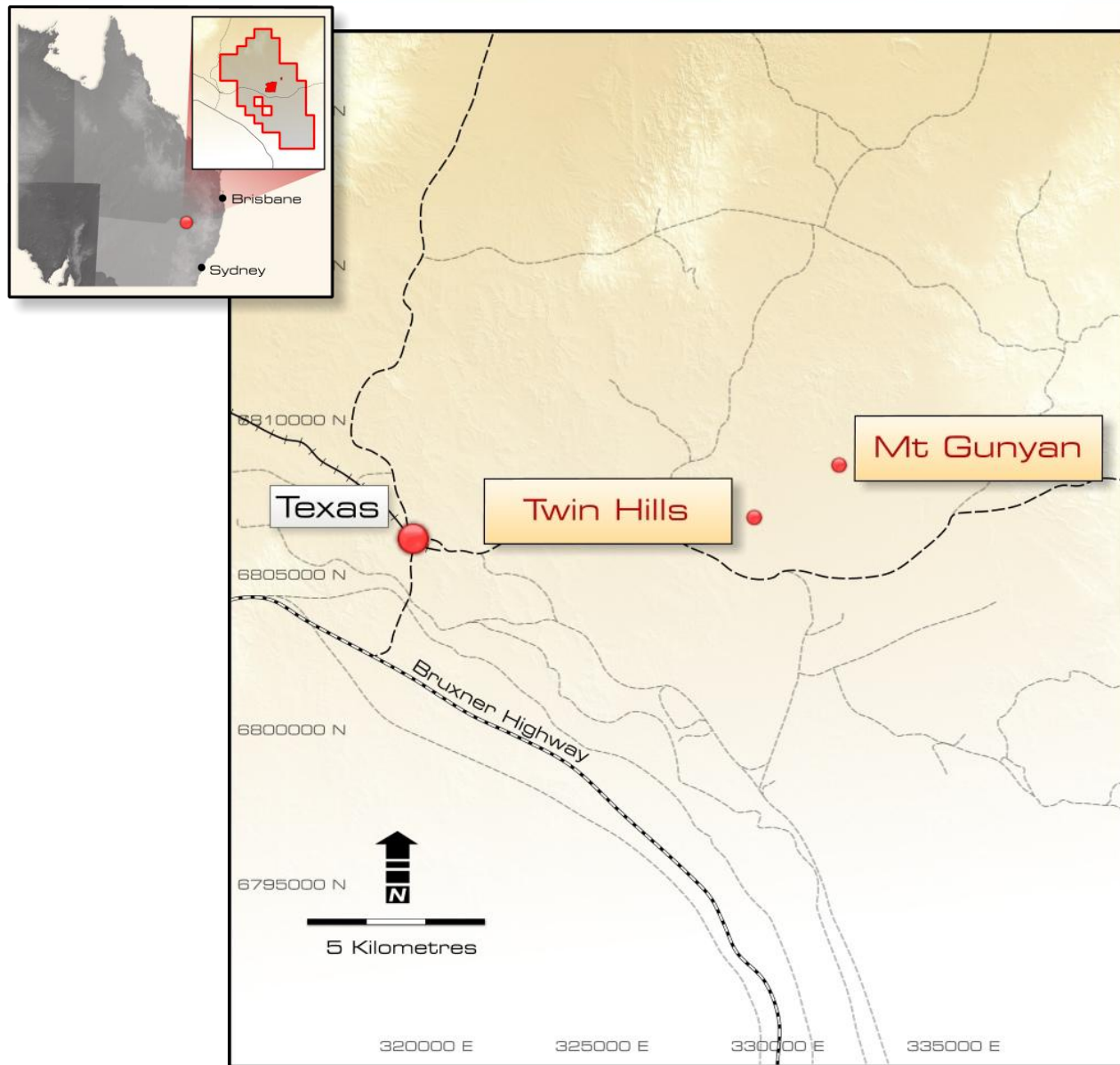
For personal use only



Exploration Potential

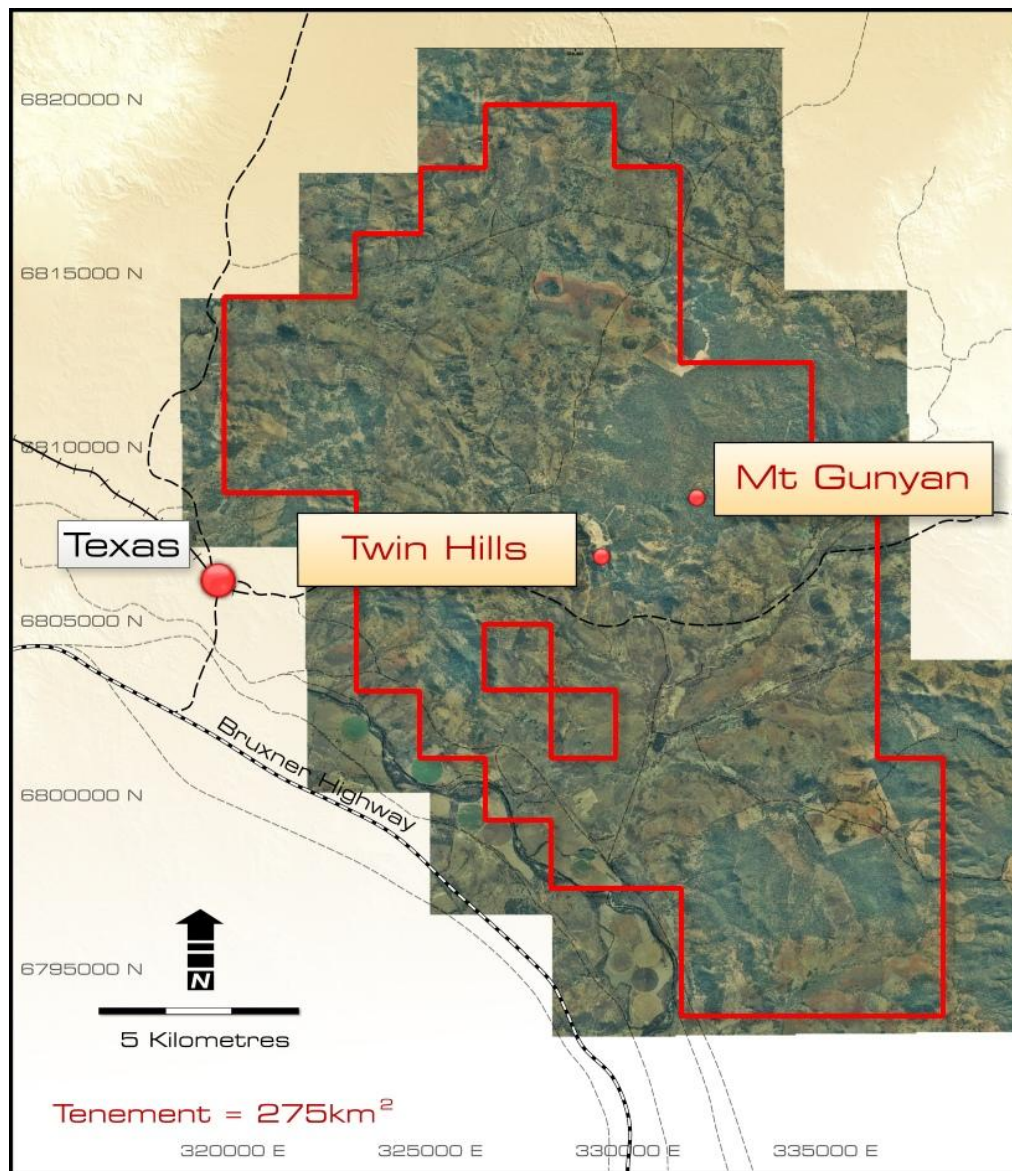


For personal use only



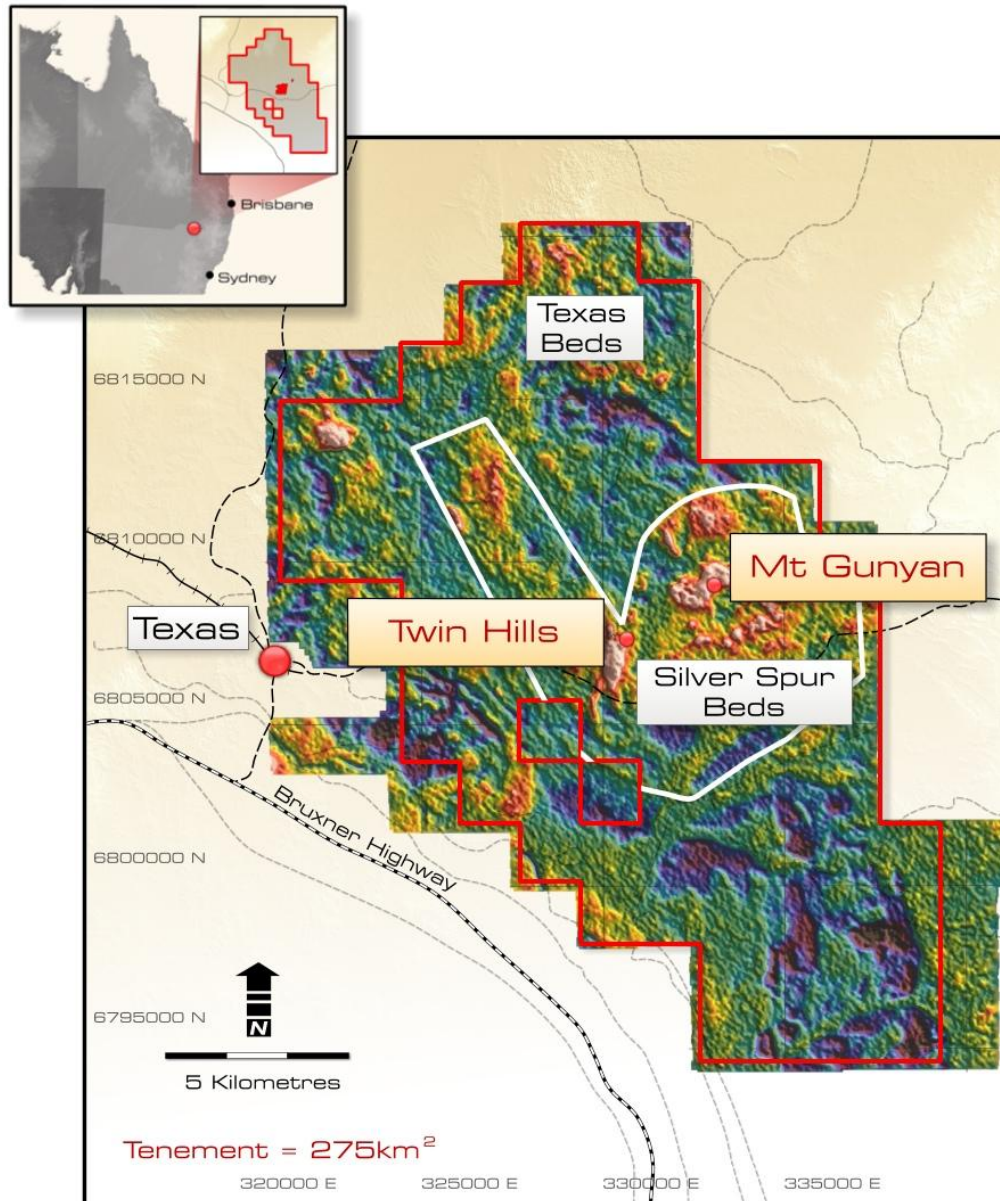
Exploration Potential – Aerial Photo of Tenements

For personal use only



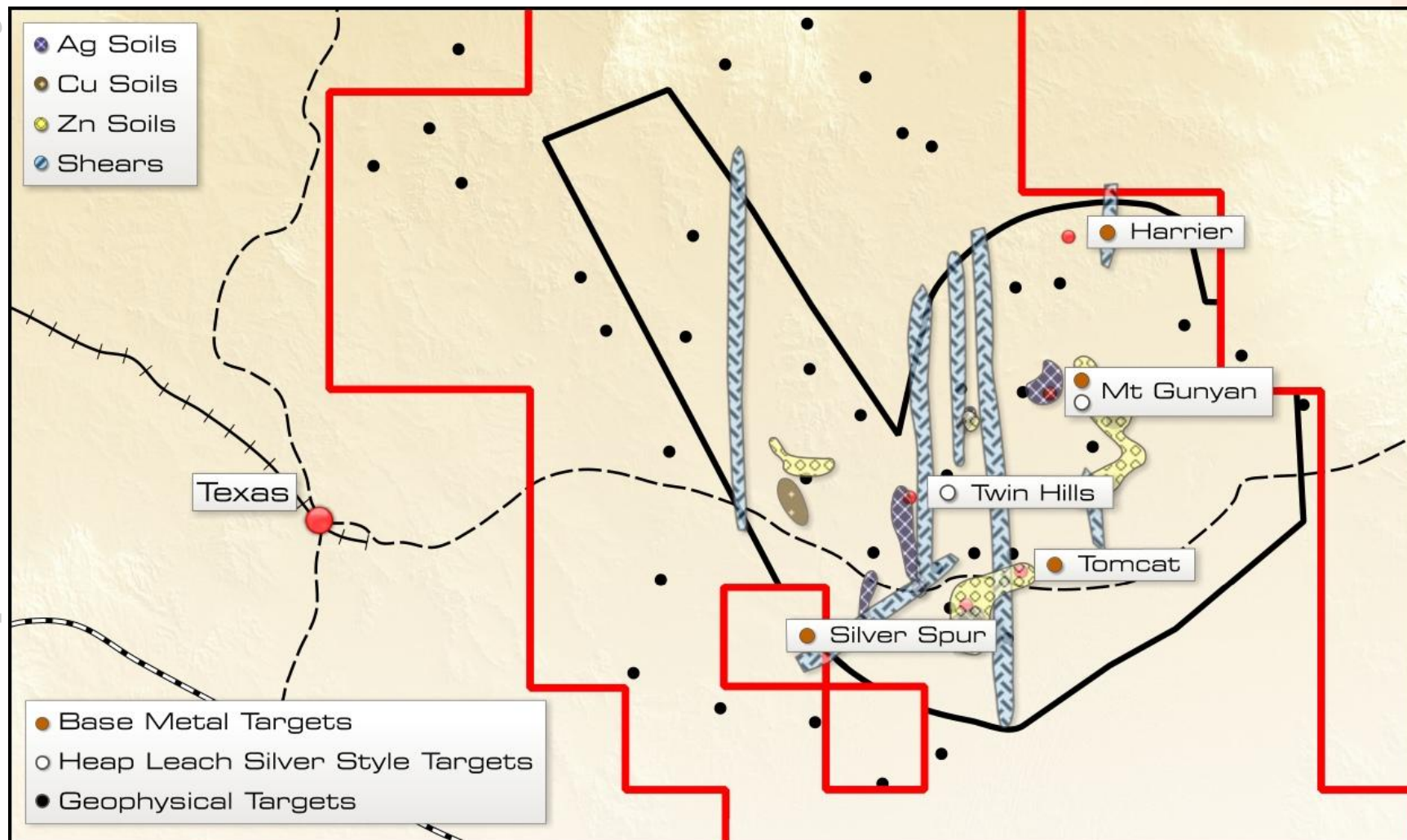
Exploration Potential

For personal use only



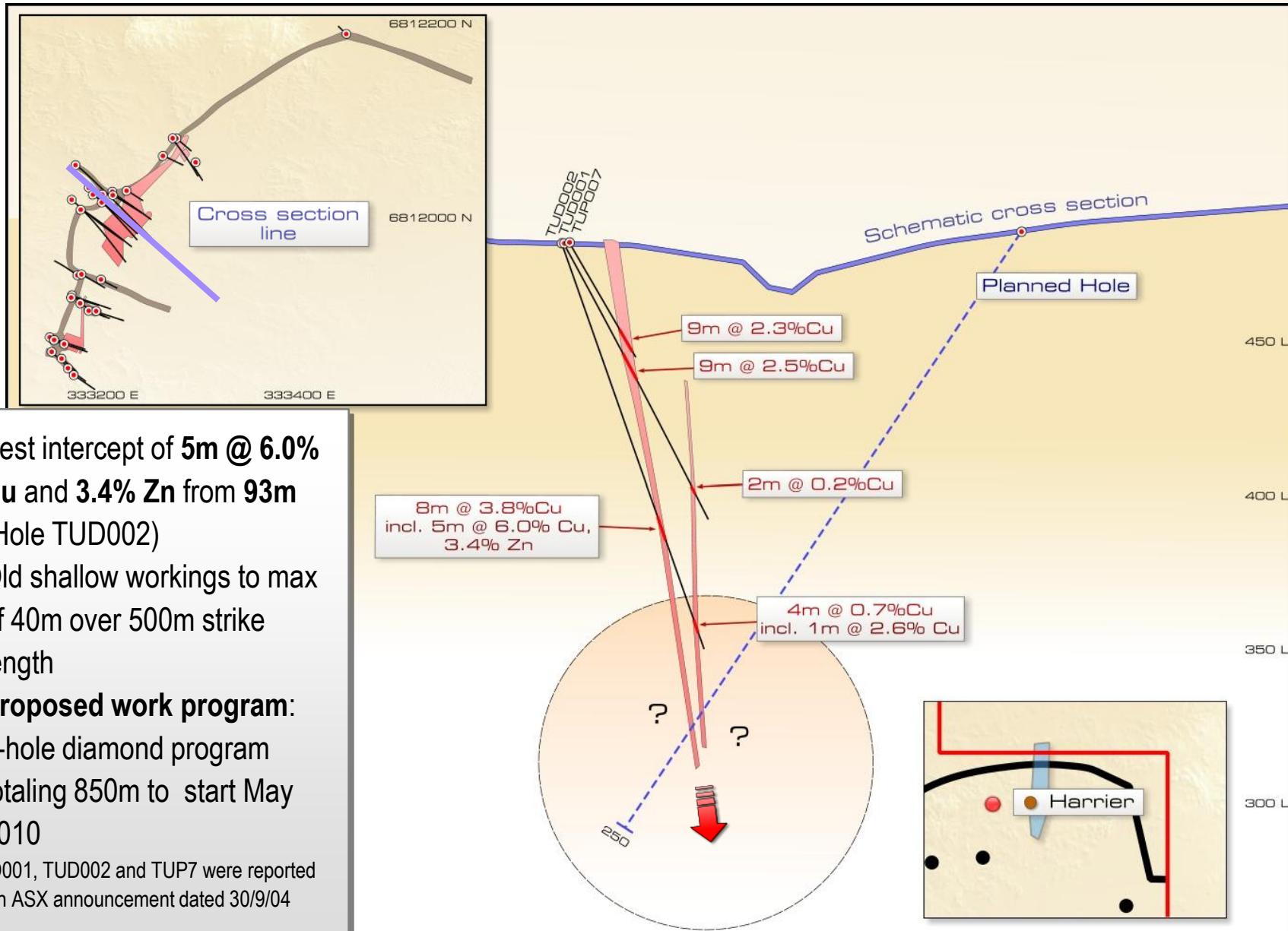
Priority Exploration Targets

For personal use only



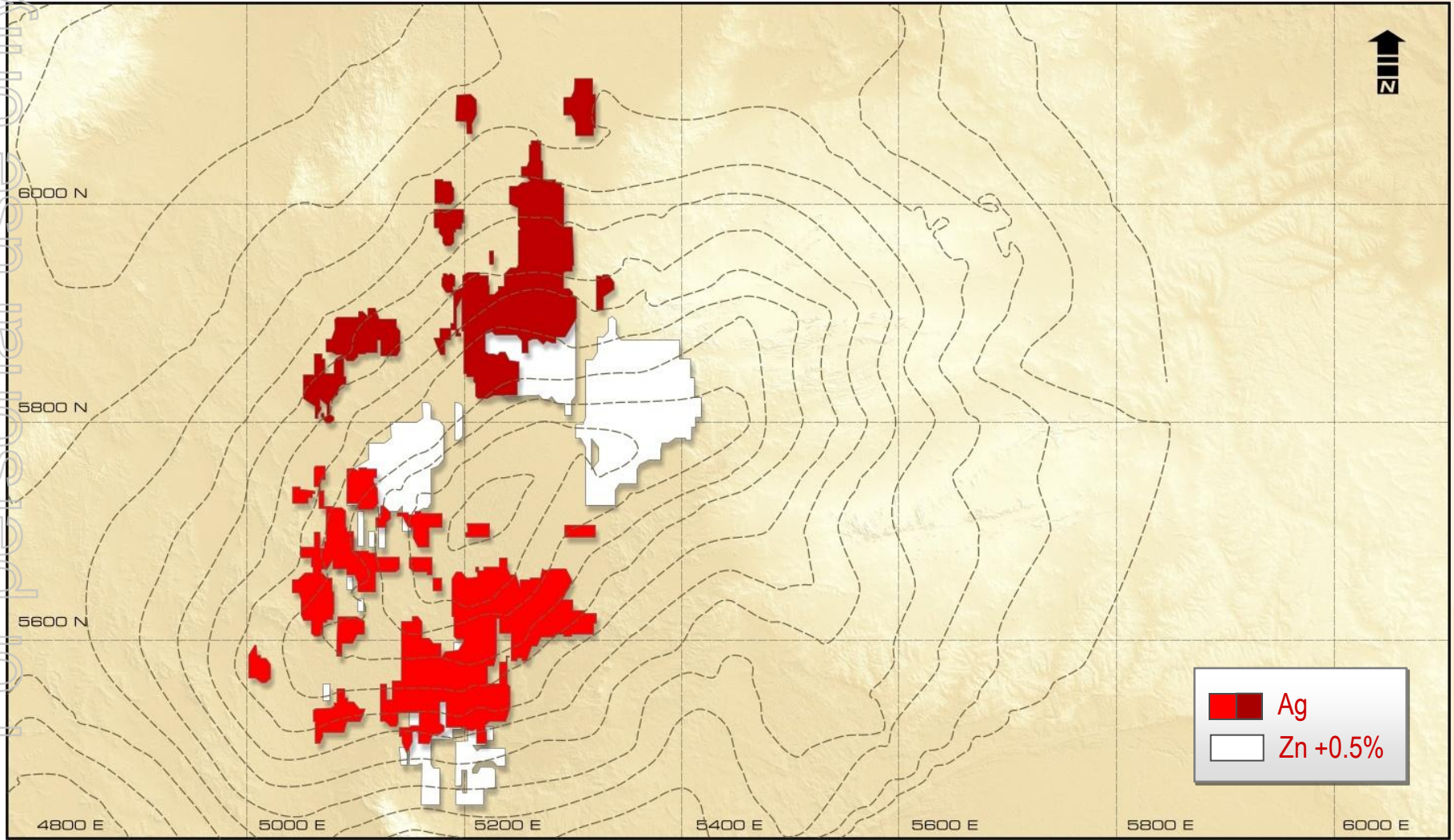
Harrier Base Metals Target

For personal use only

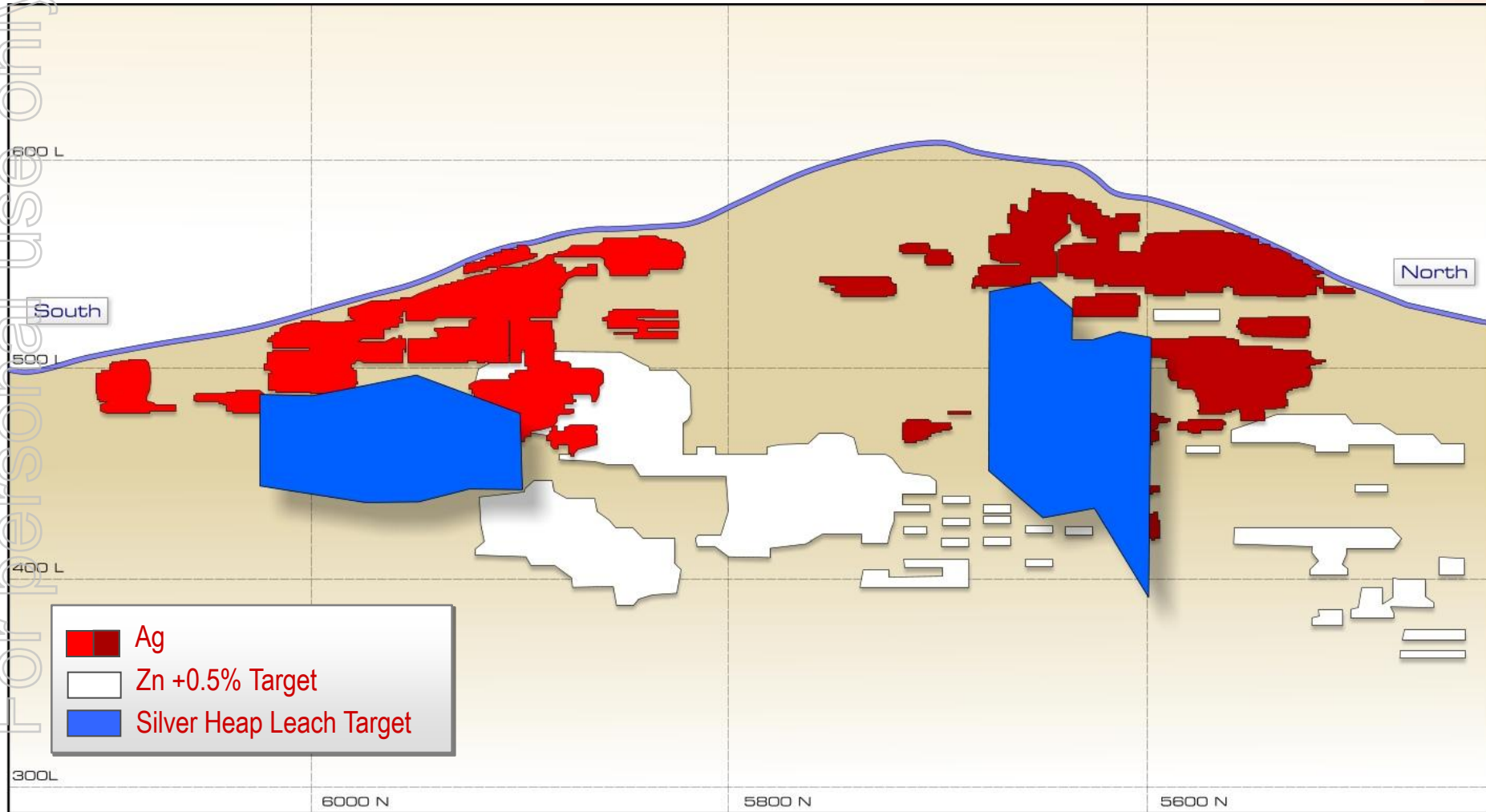


Mount Gunyan Base Metals Target

For personal use only



Mount Gunyan Base Metals & Heap Leach Targets



Silver Spur Base Metals Target

For personal use only

- Previously reported massive sulphide inferred JORC resource of **808,000t @ 3.56% Zn, 1.25% Pb, 70g/t Ag** (above 2% ZnEq cut-off)*
- Historical records – previous mining 90-100,000t at 25% Zn, 13% Pb and 800g/t Ag*
- **Proposed work program:** confirm mineral resource, geophysics to enhance targets. Approximately 500-600m of diamond drilling to commence in June/July 2010

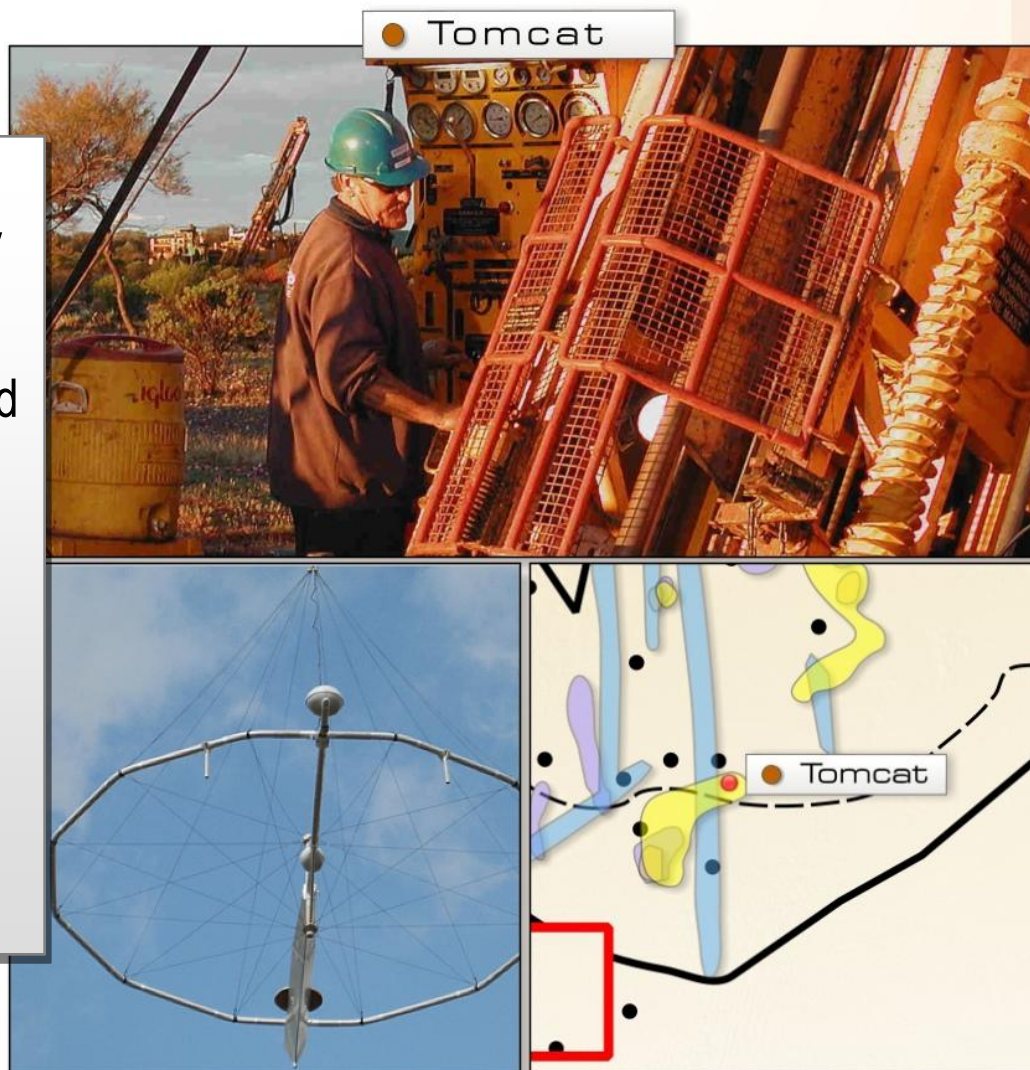
* As published in ASX announcement 14/07/04



Tomcat Base Metals Target

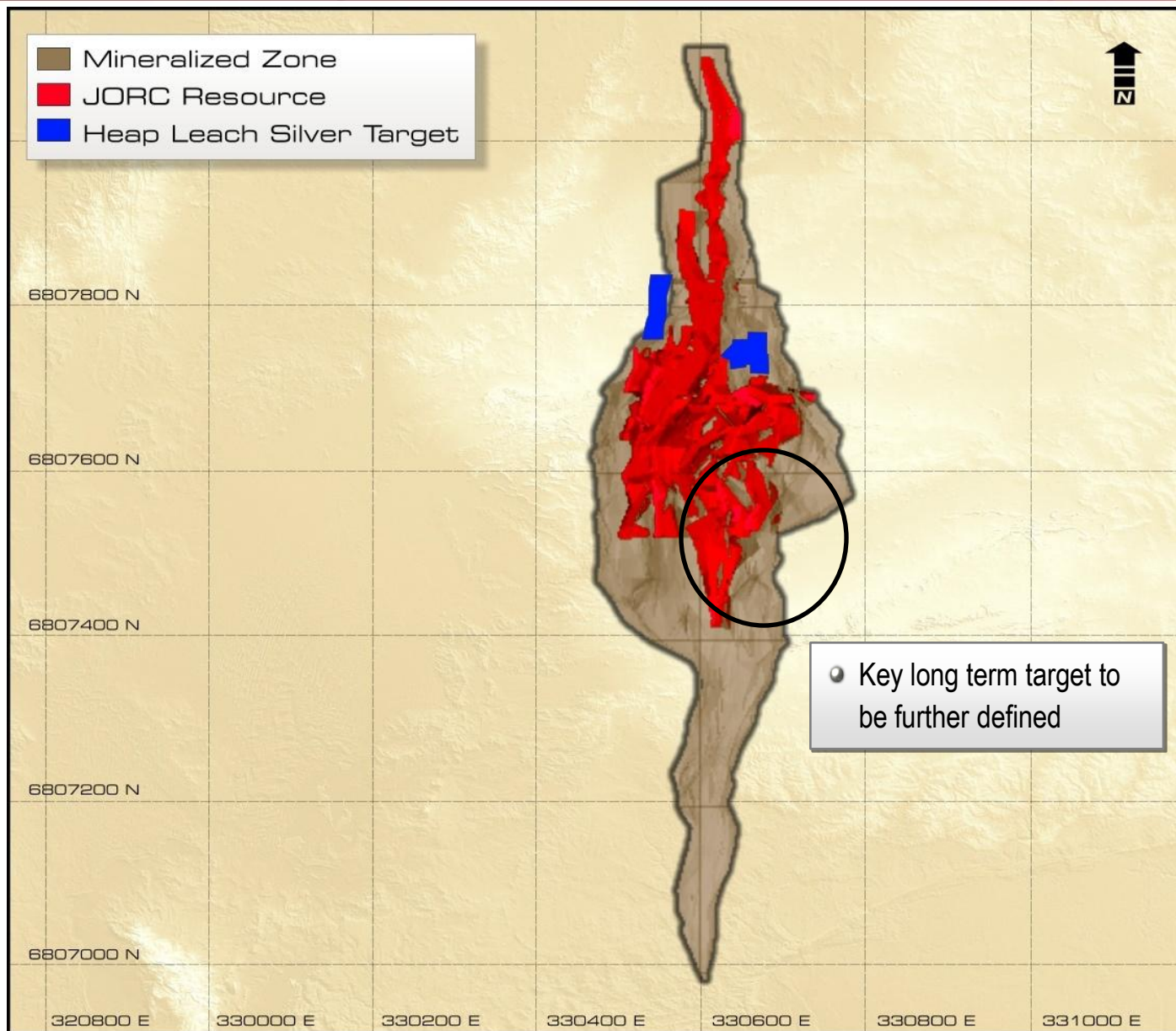
For personal use only

- Zinc soil and geophysical anomaly
~1.5km ENE of Silver Spur
- **Proposed work program:** detailed geophysical target enhancement required to target for drilling following Silver Spur program
- Potentially 400-500m of diamond drilling following on from Silver Spur.



Twin Hills Heap Leach Target

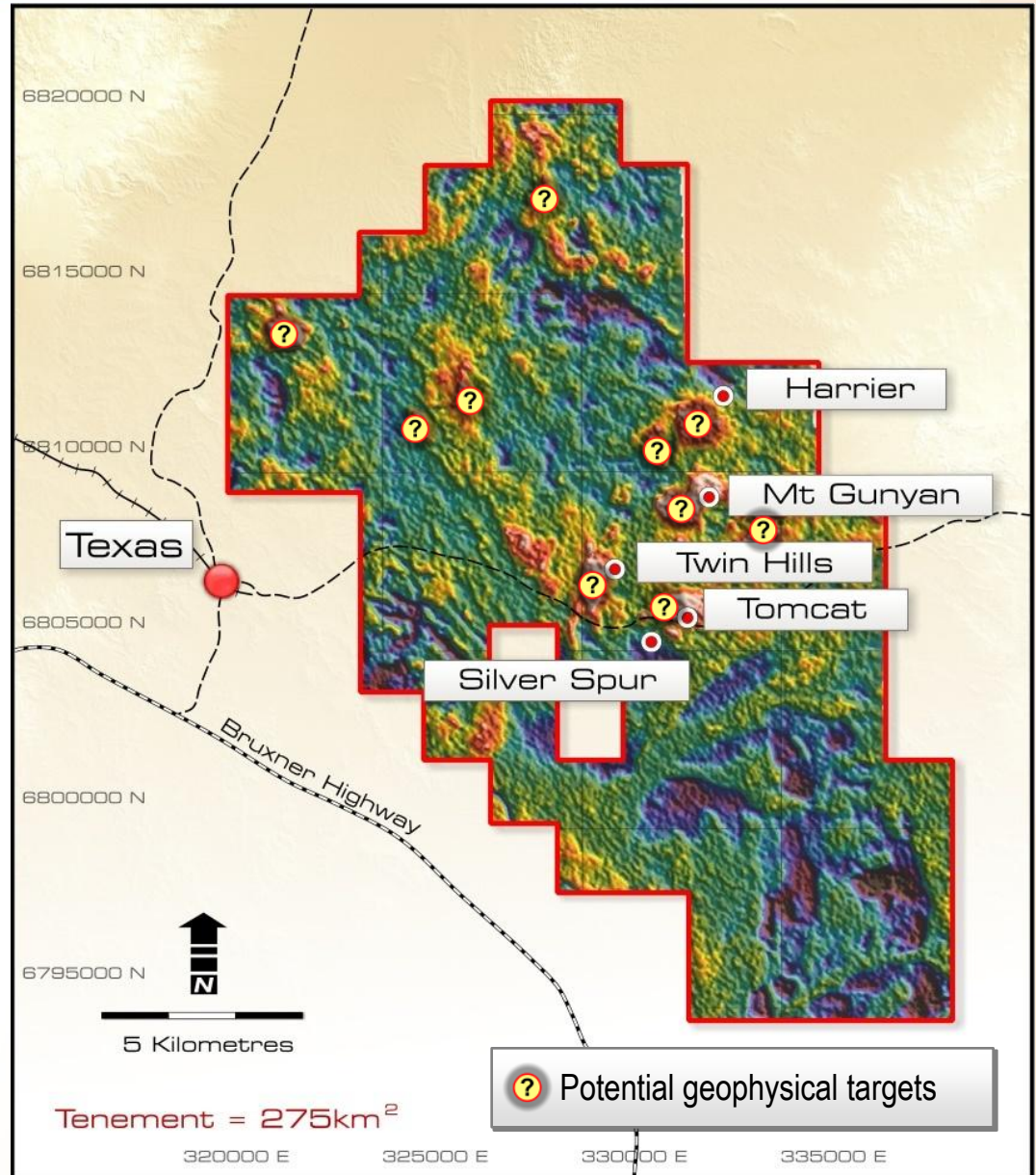
For personal use only



Exploration Potential

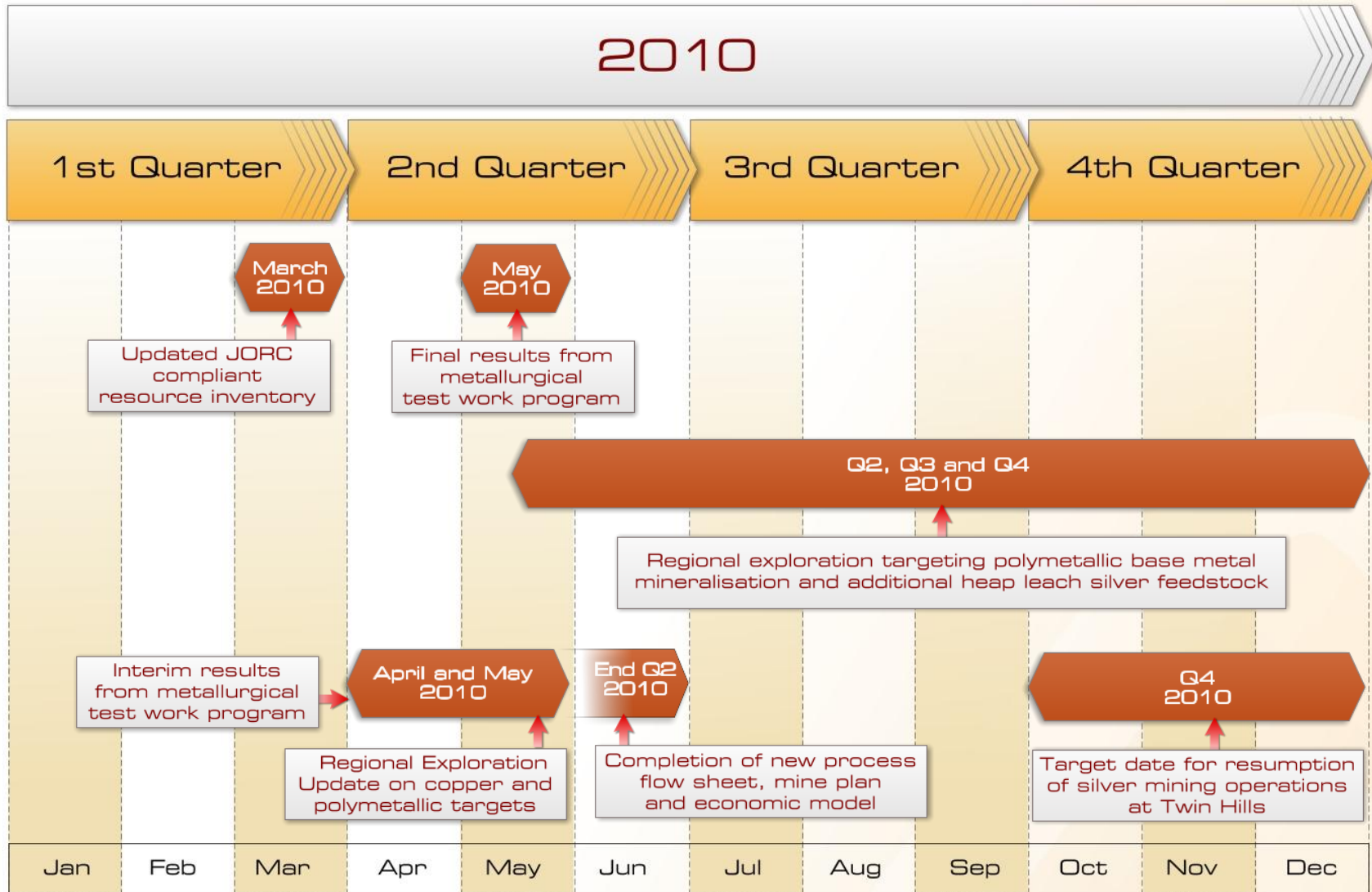
For personal use only

• What's next?



Timeline to Production

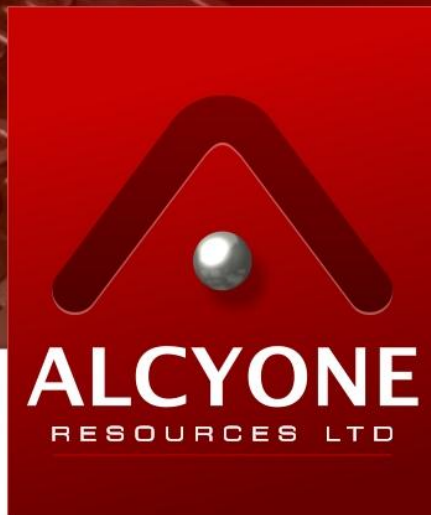
For personal use only



Summary & Outlook



- Robust 15.1Moz JORC silver resource inventory defined
- Metallurgical testwork progressing well – final results May 2010
- On track to finalise new process flow sheet, mine plan and economic model by mid-2010
- Targeting resumption of silver production by end 2010
- Substantial upside potential from exploration for base metals and polymetallic mineralisation



CONTACT

Alcyone Resources Ltd

Andrew King – Telephone Number: (08) 9322 3000