



10 February 2011

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

Dear Sir,

ALKANE RAISES \$21 MILLION BY WAY OF SHARE PLACEMENT

Alkane Resources Ltd (ASX:ALK) is pleased to announce that it has completed a placement to institutional and sophisticated investors to subscribe for 20 million shares at \$1.05 per share to raise \$21 million before costs of the issue.

The placement, managed by Petra Capital Pty Ltd, is within the Company's 15% capacity in accordance with ASX Listing Rule 7.1 and is consistent with the "excluded offer" provisions of section 708 of the Corporations Act. No director or their associates participated in the placement.

The Company is pleased with the response from investors and has been advised by the manager that the placement was substantially oversubscribed. The issue price of \$1.05 represents a 9.9% discount to the closing price on the last day of trading on Australian Securities Exchange.

The funds raised under the Placement will be used for:

- i) completion of the DFS on the Dubbo Zirconia Project and for ongoing marketing development
- ii) preliminary development costs of the Tomingley Gold Project and further resource evaluations
- iii) continuing evaluation of the Company's other existing gold and copper exploration projects
- iv) the costs of the issue
- v) working capital.

This is the announcement referred in the Company's request for trading halt dated 8 February 2011.

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director