



12 April 2011

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

Dear Sir,

PRESENTATION

Attached is a copy of the Company's presentation to the BBY Limited Rare Earth Conference in Sydney.

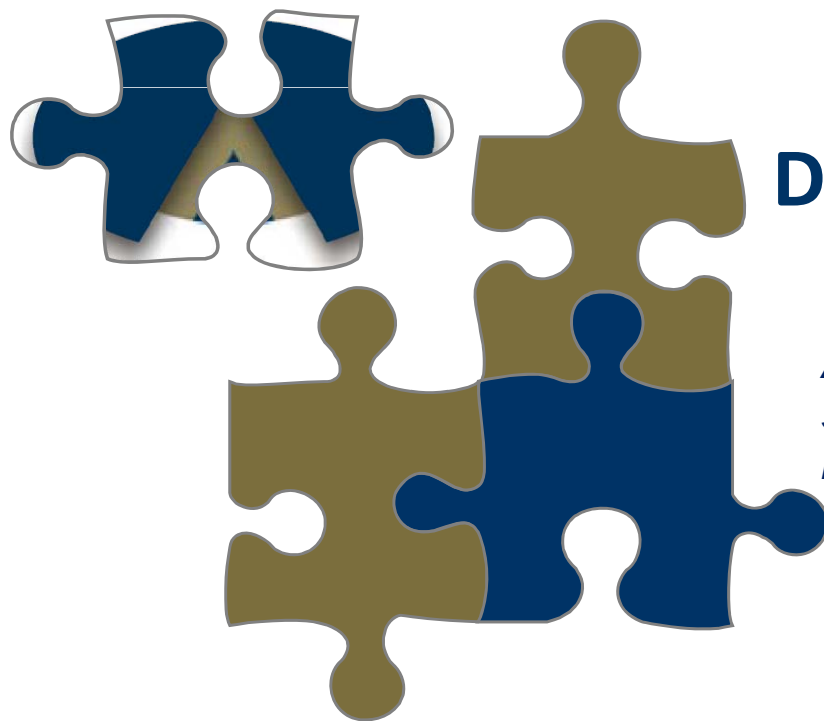
A copy of this presentation will also be available on the Company's website www.alkane.com.au.

Yours faithfully,
for **ALKANE RESOURCES LTD**

D I Chalmers
Managing Director

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...putting the pieces together



Dubbo Zirconia Project

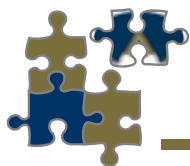
NSW Australia

An advanced development and strategic supply for the zirconium, niobium and rare earths industries



**BBY Limited Rare Earth Conference
Sydney 12 April 2011**





Corporate snapshot



Exchanges	ASX: ALK OTCQX: ANLKY
Share Price (9 April 2011)	A\$2.25
Shares	269m
Fully Diluted Market Cap	~A\$605m
Cash (at 28 February 2010)	~A\$22.2m

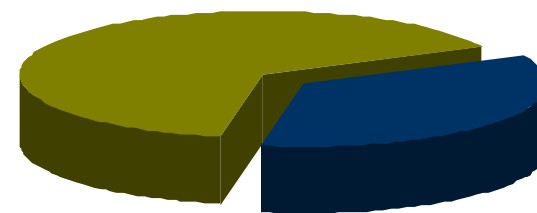
No debt

12 Month High / Low A\$2.30/ \$0.23



Source: FT

Shareholder profile*

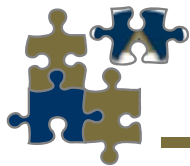


■ Retail	Top 20	~60%
■ Institutions	Directors & Management	3%
	Abbotsleigh (Gandel Metals)	26%

*at 30 June 2010

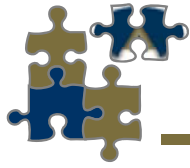
Directors & Management

J. S. F. Dunlop	Chairman
D. I. Chalmers	Managing Director
A. D. Lethlean	Non-Executive Director
I. J. Gandel	Non-Executive Director
L.A. Colless	CFO Joint Secretary
K.E. Brown	Joint Secretary
T W Ransted	Chief Geologist
M D Sutherland	General Manager NSW



DZP Location





Business Strategy



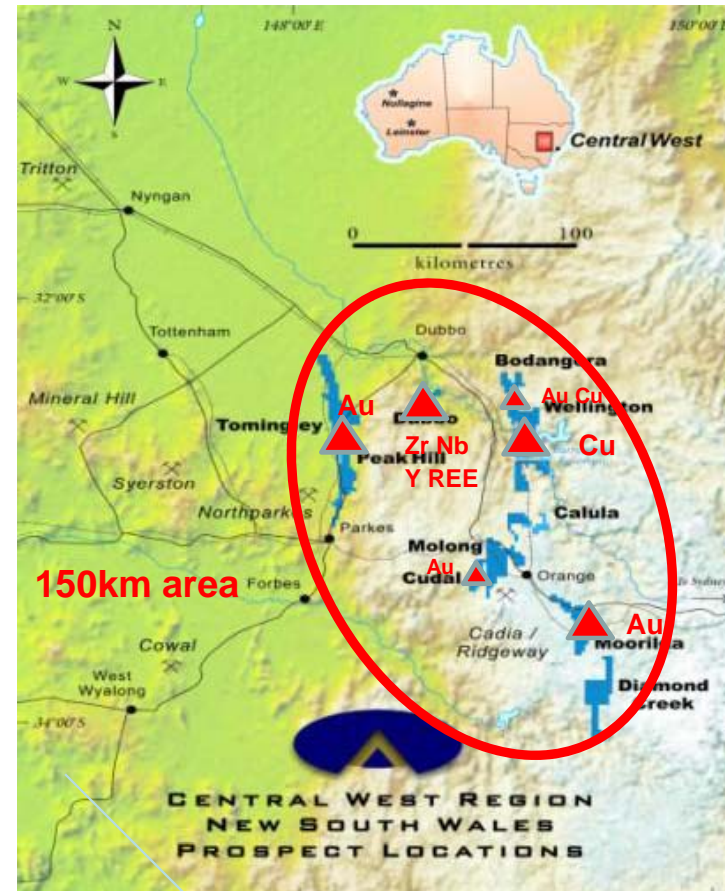
Multi commodity explorer and miner, focussed in the Central West of New South Wales, Australia

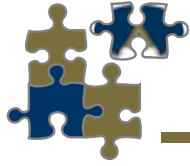
Dubbo Zirconia Project – world class resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earths

**Gold production from Peak Hill mine 1996 – 2005.
New gold development planned at Tomingley based upon 800,000 oz resource**

**Major gold discovery at McPhillamys (~3 million oz)
Joint Venture with Newmont**

Develop multiple operations within tight geographic area over next five years





Dubbo Zirconia Project

Zirconium, niobium, yttrium, rare earth elements

Definitive Feasibility Study

TZ Minerals International Pty Ltd

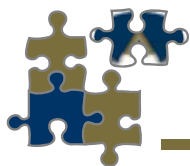
Study managers: *Steve Gilman and Gavin Diener*

Marketing: *Alister MacDonald (TCMS) and Dudley Kingsnorth (IMCOA)*

DPP Operations: *ANSTO Minerals Group Bob Ring, Doug Collier, Karin Soldenoff, Des Levins, Adrian Manis, Chris Griffiths, Peter Fletcher, Prakash Rajalingam*

Environmental Assessment: *R W Corkery & Co Pty Ltd*



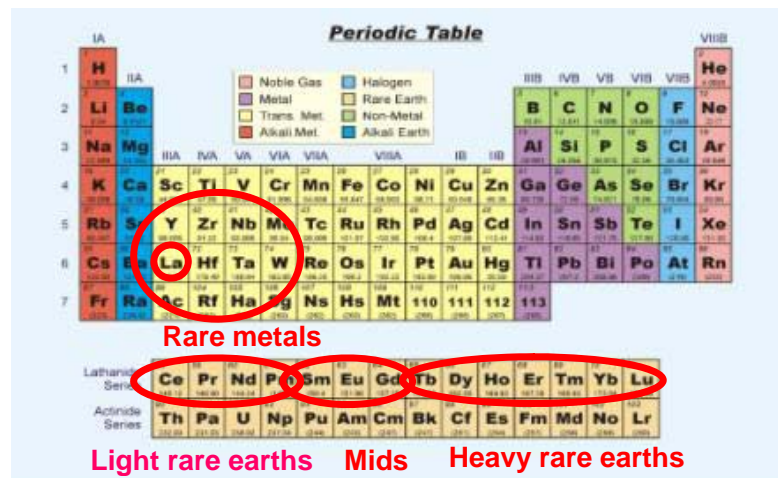


Rare Metals - Rare Earths



Rare Metals – Rare Earths

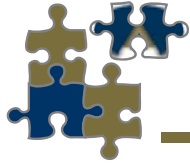
- China produces 90% of world downstream zirconium chemicals
- China currently produces 95% of world REE output
- China is limiting the export of raw rare earths materials
- Brazil produces 90% of world niobium



Yttrium "powered" compact fluoro light

- ◆ **Green technology** is dependent on *rare metals and rare earths*
- ◆ **Increased demand** also driven by **changes in legislation**
- ◆ China has dominant position

...not so rare, but increasingly valuable



Dubbo Zirconia Project Location



Dubbo region pop 80,000

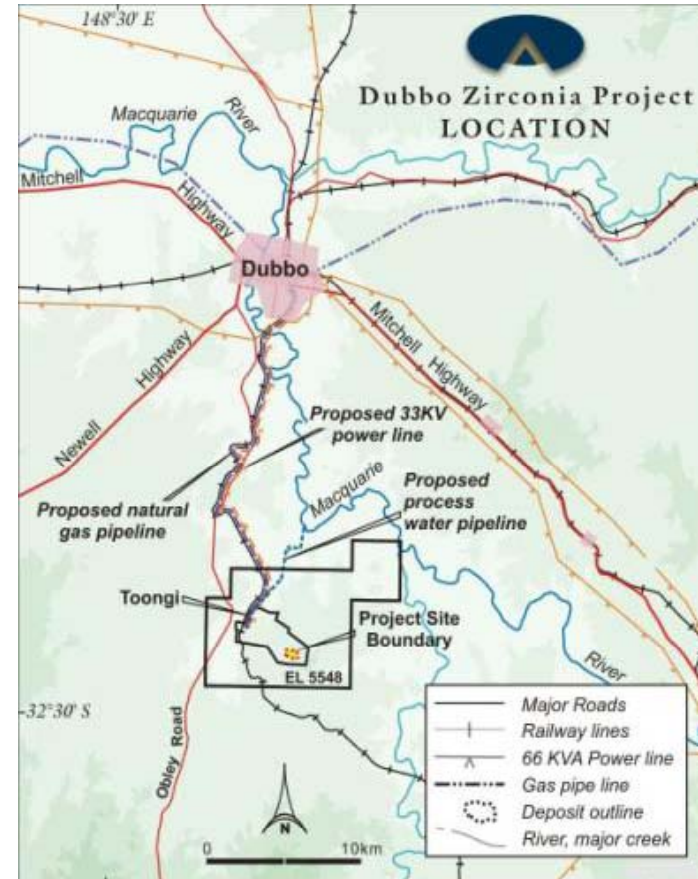
State power grid

State gas grid

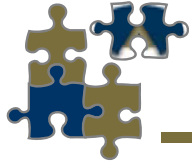
Major mixed agriculture

Transport hub

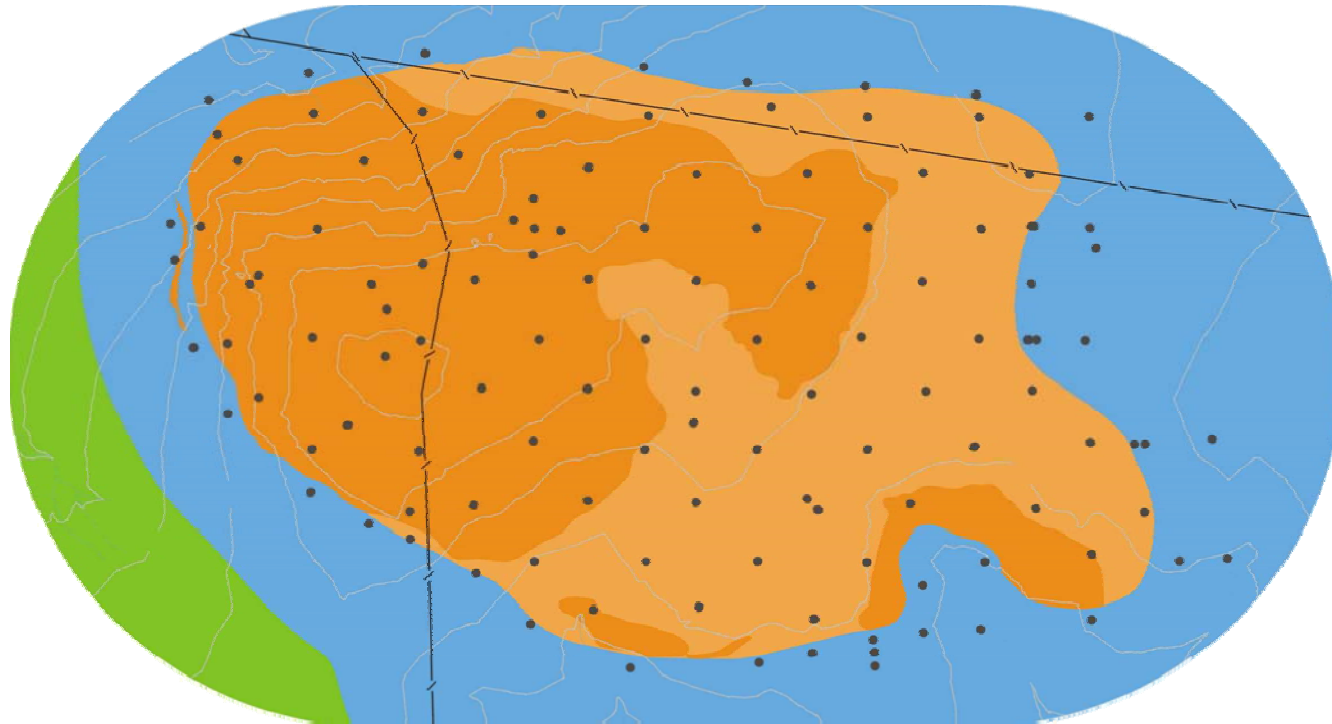
Substantial light industry



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




DZP Geology

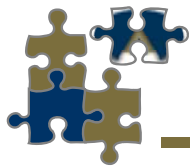


0 200
metres

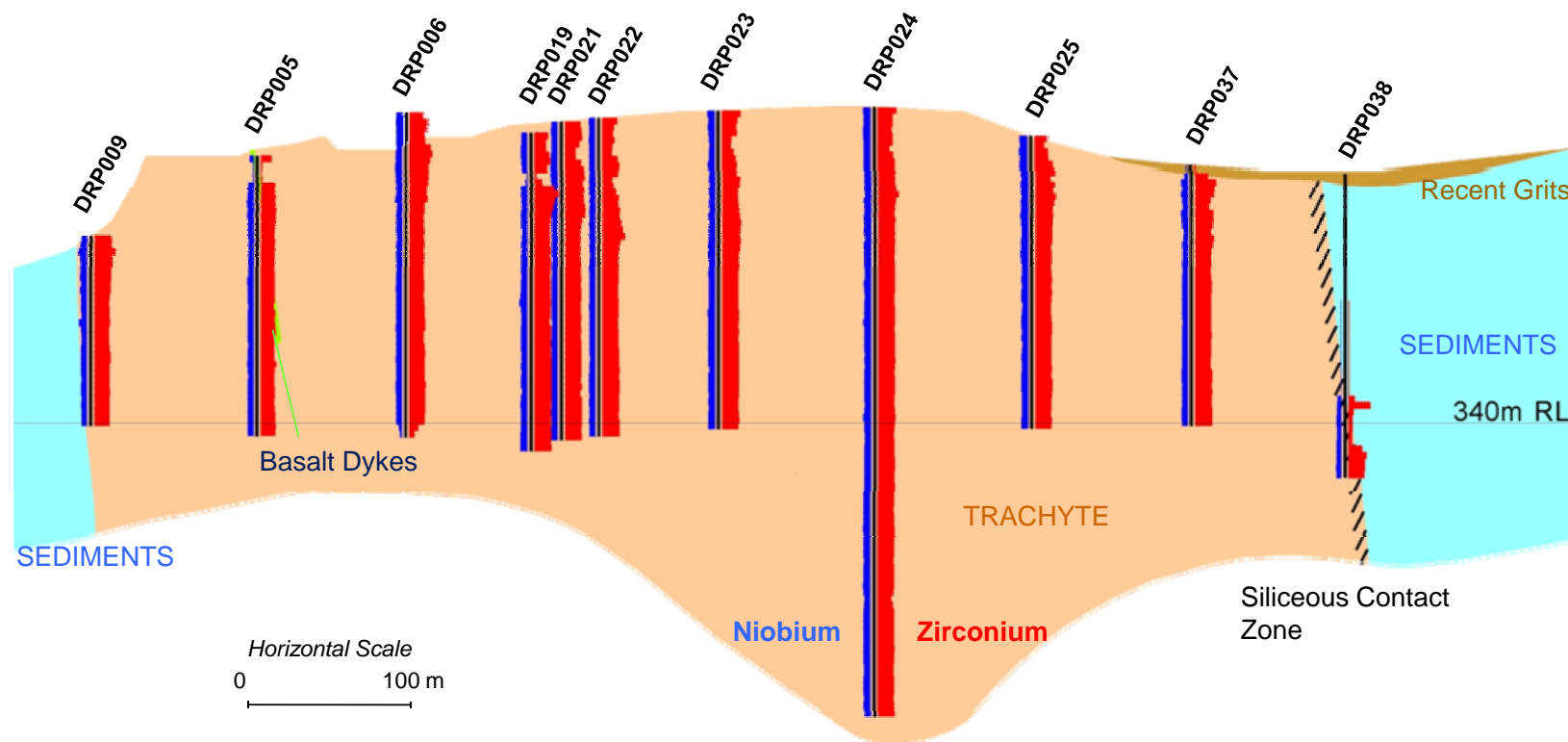
Jurassic aged trachyte intrusive

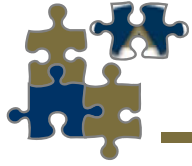
-  Mineralised Trachyte
-  Basalt
-  Napperby Formation
-  Drill hole collar





DZP Geology





DZP Resources

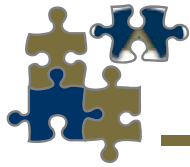


Measured Resource 0 - 55 metres	:	35.7 million tonnes grading 1.96% ZrO ₂ , 0.04% HfO ₂ , 0.46% Nb ₂ O ₅ , 0.03% Ta ₂ O ₅ , 0.14% Y ₂ O ₃ , 0.75% REO and 0.014% U ₃ O ₈
Inferred Resource 55 - 100 metres	:	37.5 million tonnes at similar grades
TOTAL	:	73.2 million tonnes

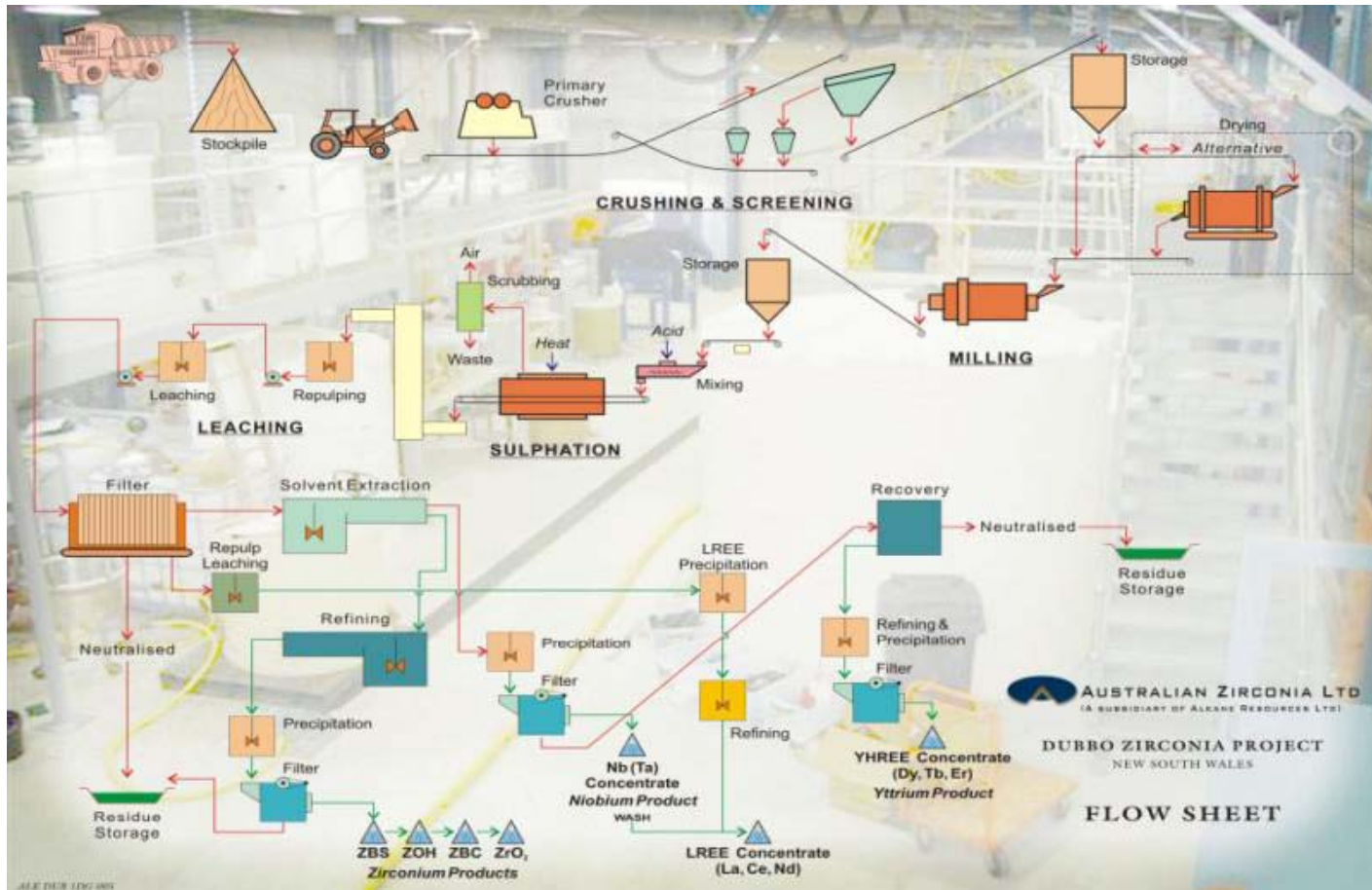
Major world resource of zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements

The ore is not classified as a radioactive deposit, and production of uranium is currently prohibited in NSW



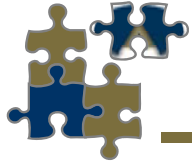


DZP Flow Sheet



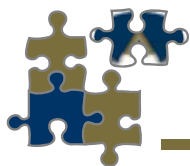
ALK DZP 1201 005

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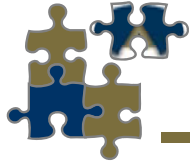
DZP Demonstration Pilot Plant





Zirconium Applications

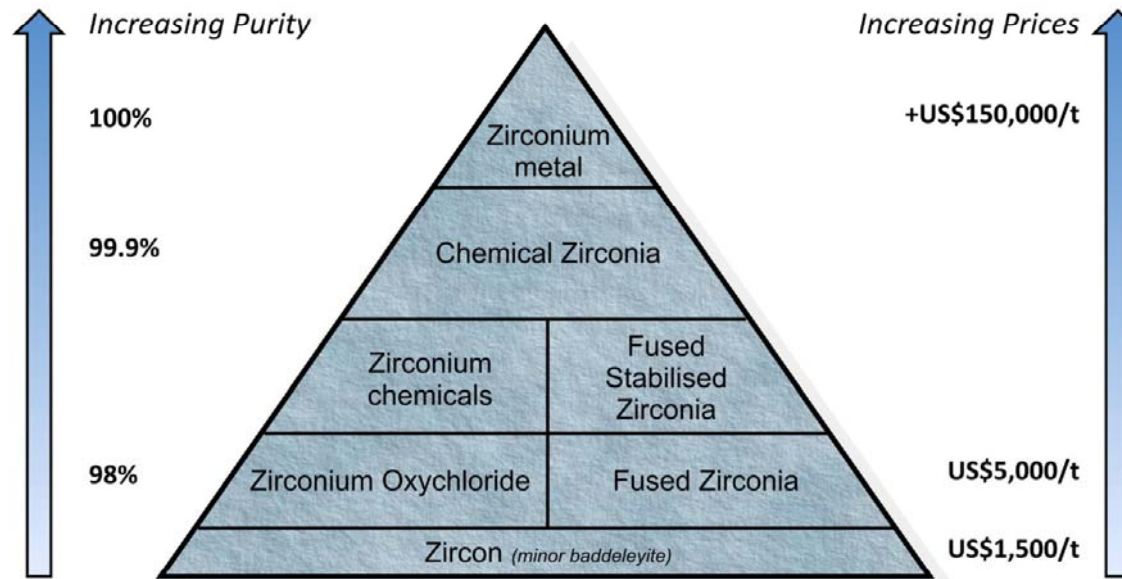




Zirconium Industry

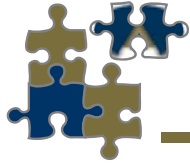


ZIRCONIUM MATERIALS PYRAMID



Zircon	Zirconium silicate $ZrSiO_4$	Primary Zr mineral source	Value
	2010	1.4 million tonnes	~US\$1.6 billion → US\$2B
Zirconium products	Zirconia ZrO_2, Zirconium chemicals, Zr metal		
	2010	120,000 tonnes	~US\$0.7 billion → US\$1B

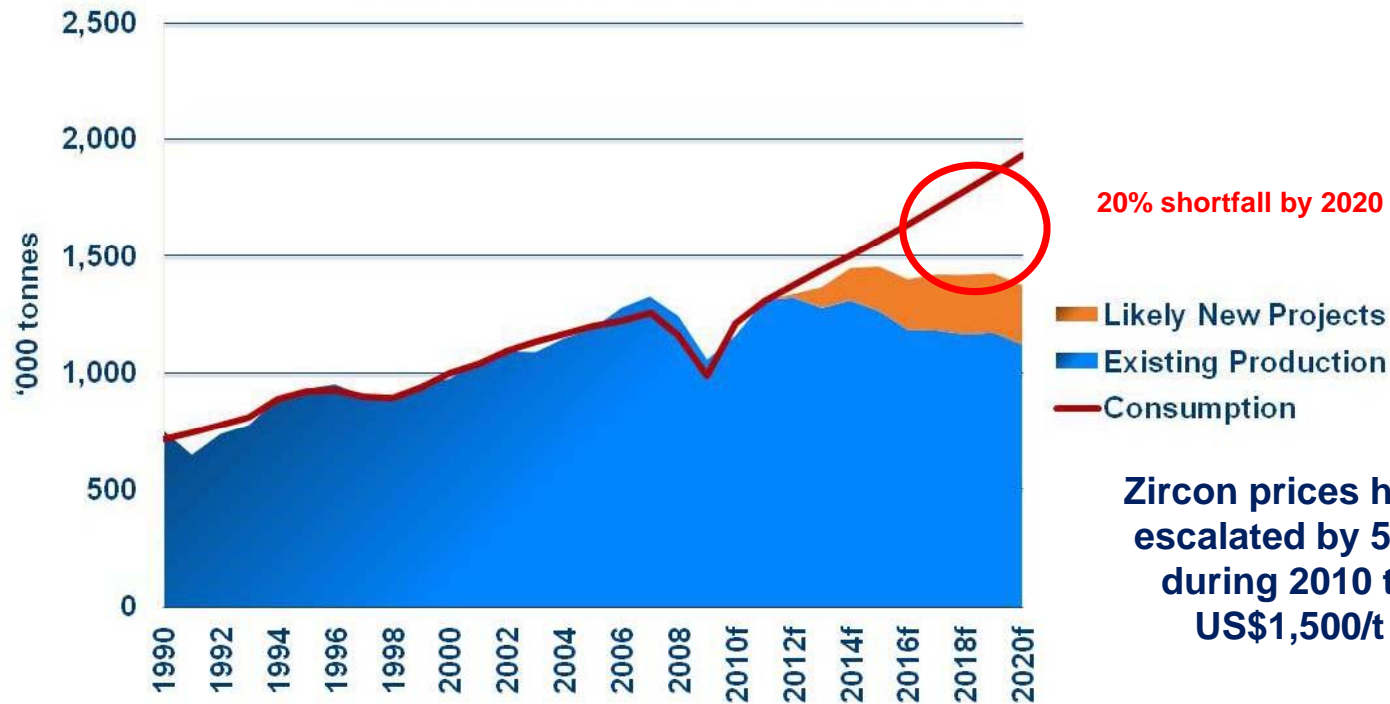
Source: TCMS



Zircon Supply Demand Price



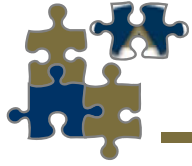
Zircon supply and demand: 1990-2020f



Zircon prices have escalated by 50% during 2010 to US\$1,500/t

Zircon price and supply will have a major impact on the cost and availability of zirconium chemicals, zirconia and zirconium metal. China has declared zirconium a strategic metal.

Source: TZMI



Downstream Zirconium Usage



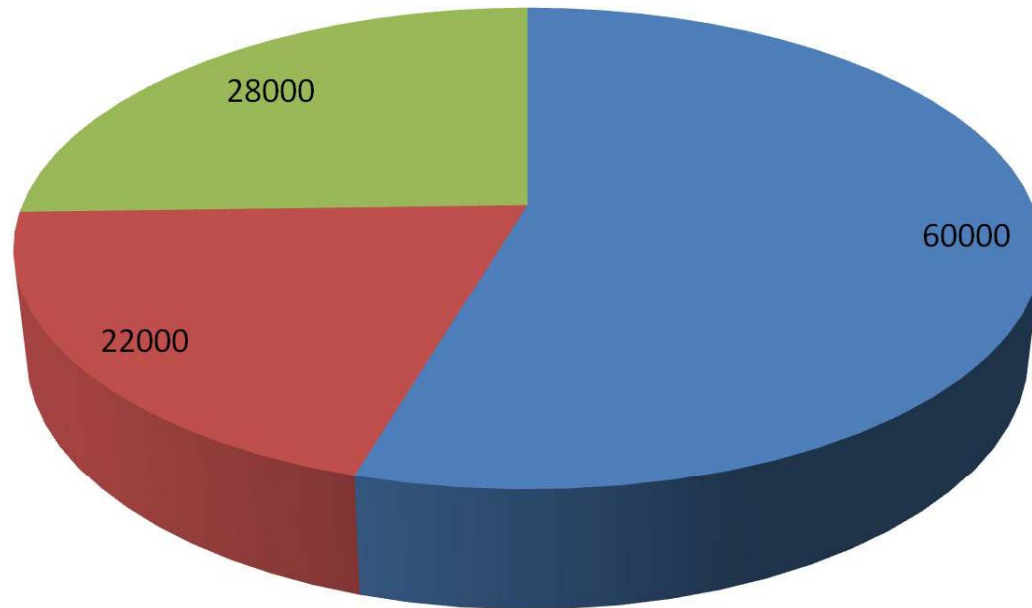
Zircon provides the feedstock for the zirconium industry

Zr products consumption 2008 ~110,000 tonnes

**2012 Global Zircon
consumption
estimate 1,400,000tpa**

**18% = 250,000t zircon
for zirconia and
zirconium chemicals**

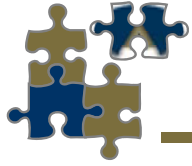
140,000tpa Zr products



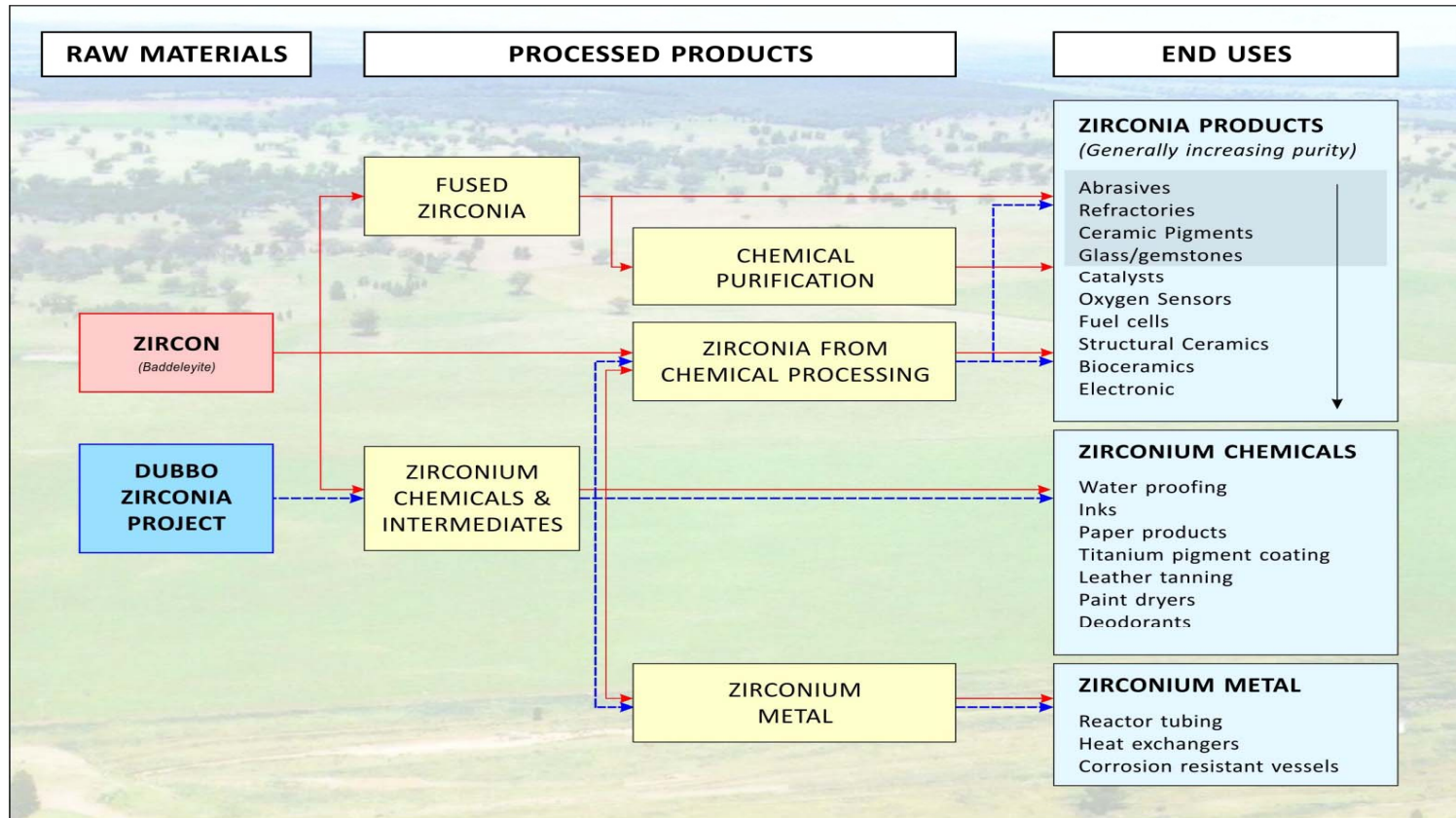
■ Fused ■ Chemicals ■ Chemical ZrO2

Source: TZMI

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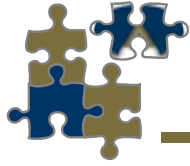


Downstream Zirconium Industry



China supplies about 90% of the world's downstream zirconium products

Source: TZMI / TCMS

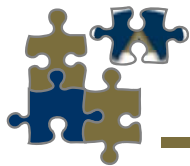


DZP Zircon - Zirconium Chemicals Pricing



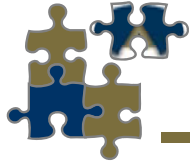
Product	ZrO2	Q2 2010 US\$/T	Q1 2011 US\$/T
Zircon (miner/trader) (100% ZrO2 basis)	65% 100%	\$900-1150 (\$1,440-1,840)	\$1,500-2,100 (\$2,400-3,360)
ZOC (zirconium oxychloride) (100% ZrO2 basis)	36% 100%	\$1,350-1,450 (\$3,750-4,027)	\$2,300-2,600 (\$6,389-7,222)
ZBS (zirconium basic sulphate) (100% ZrO2 basis)	33% 100%	\$1,770 (\$5,364)	\$3,000 (\$9,090)
ZBC (zirconium basic carbonate) (100% ZrO2 basis)	40% 100%	\$2,100 (\$5,250)	\$3,400 (\$8,500)
Fused Zirconia	98.5%	\$2,900-3,100	\$4,100-4,400
Chemical Zirconia	99.5%	\$4,300-4,400	\$7,250-7,500
Chemical Zirconia	99.9%	\$5,300-5,500	\$8,500-10,500

Source: TCMS

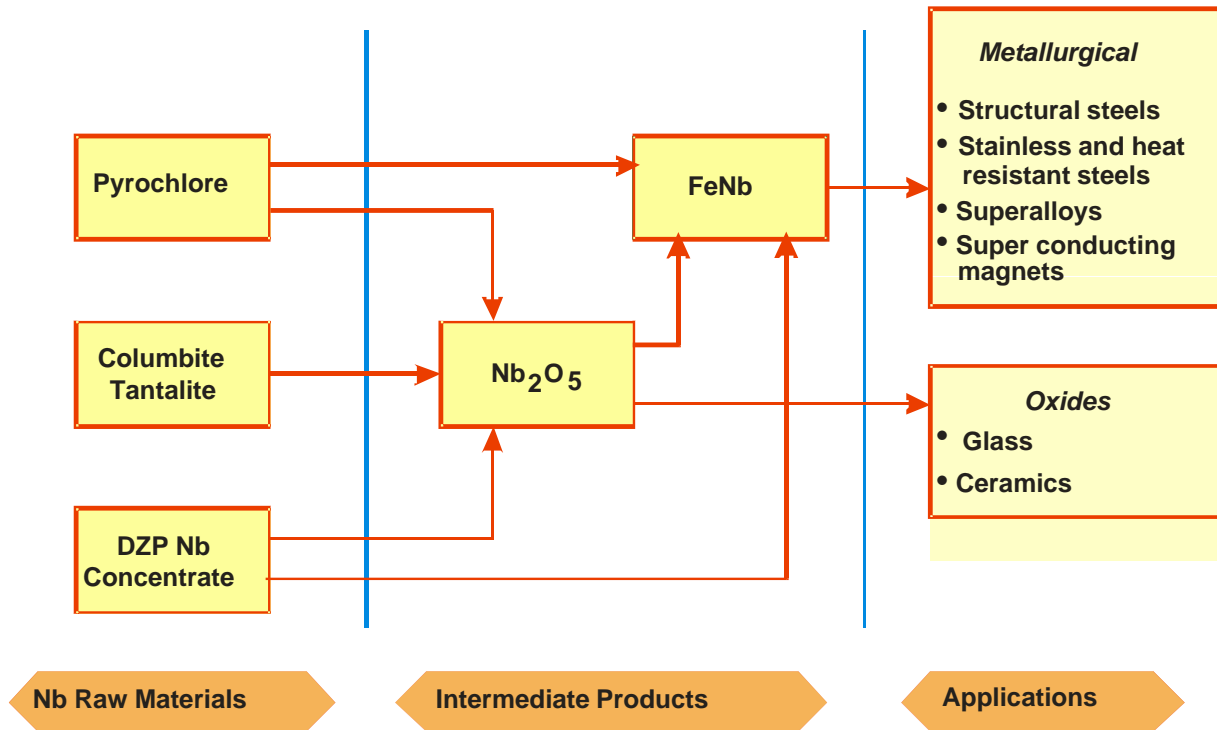


Niobium Applications





Structure of Niobium Industry



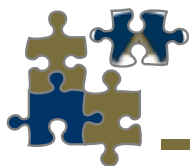
CBMM in Brazil produces about 90% of world demand.

Early 2011 a Japanese Korean consortium acquired 15% of CBMM for US\$1.95B

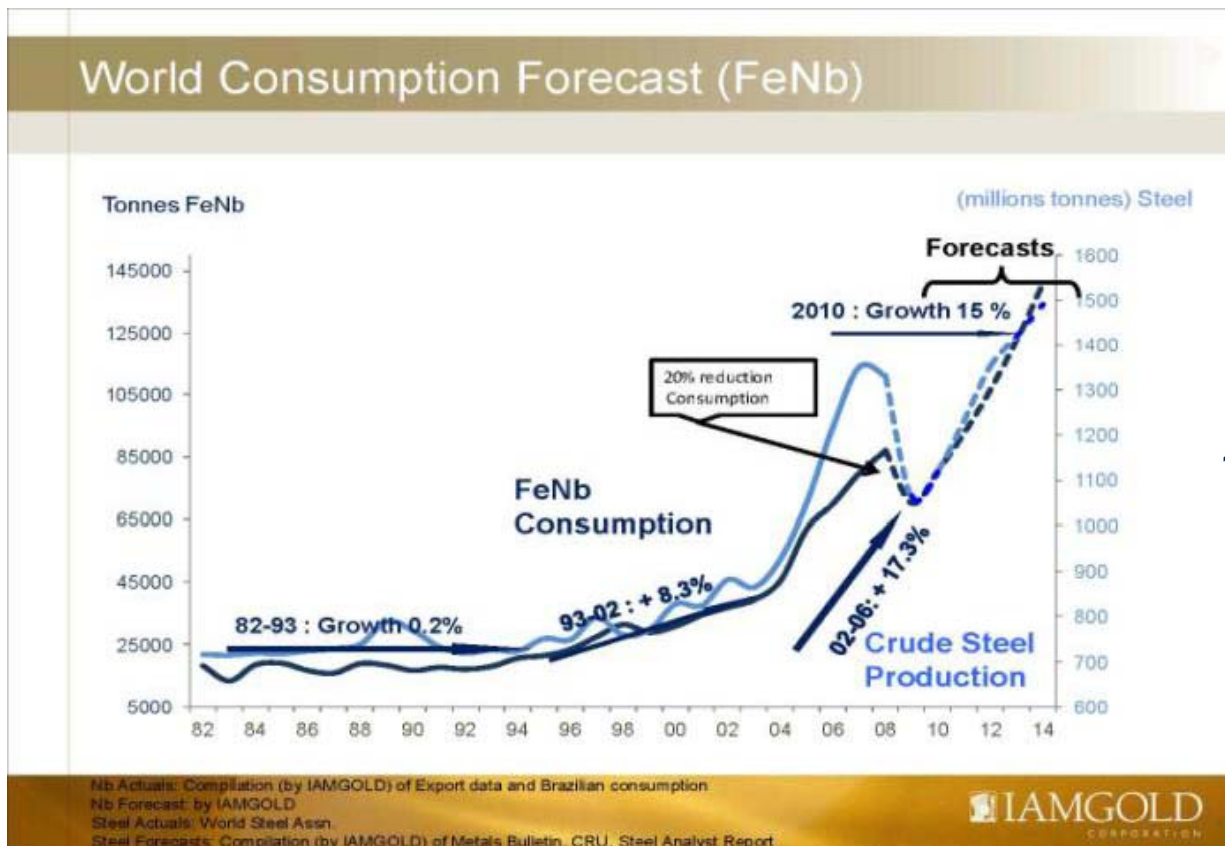
DZP process removes radioactive elements such as uranium and thorium, producing clean concentrate

**Ferro-niobium FeNb Niobium pentoxide Nb₂O₅ Value
2010 85,000 tonnes ~US\$2.0 billion → US\$3B**

Source: TZMI



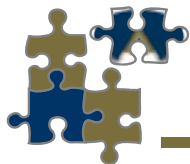
Niobium Demand



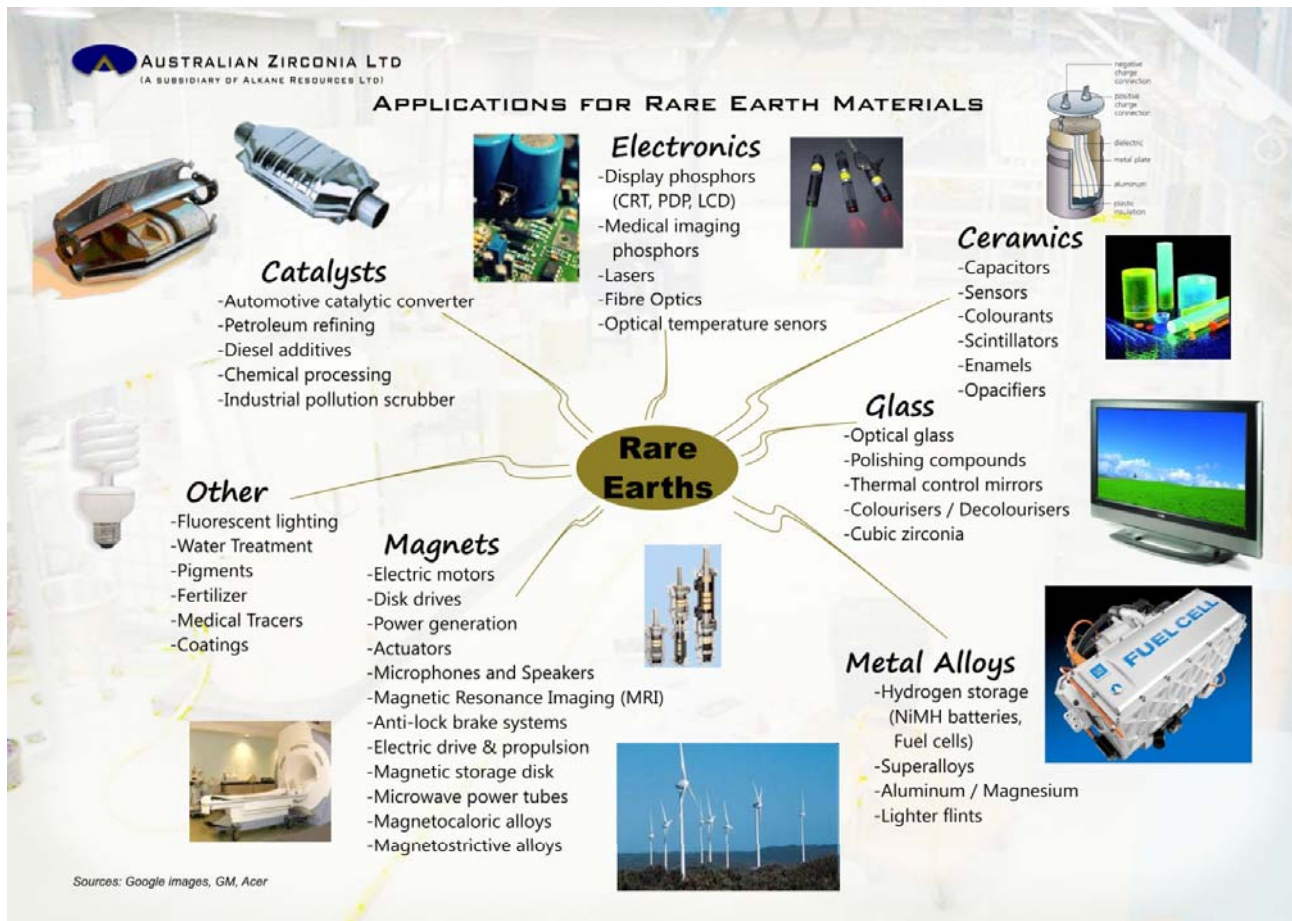
**Niobium 2008
(Ferroniobium units)
consumption
~85,000t – 90% Brazil
Estimate for 2012
~100,000t**

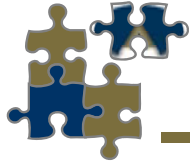
Ferroniobium price spiralled to US\$60/kg in March 07 and is currently around US\$43/kg

Sources: IAMGOLD / TZMI

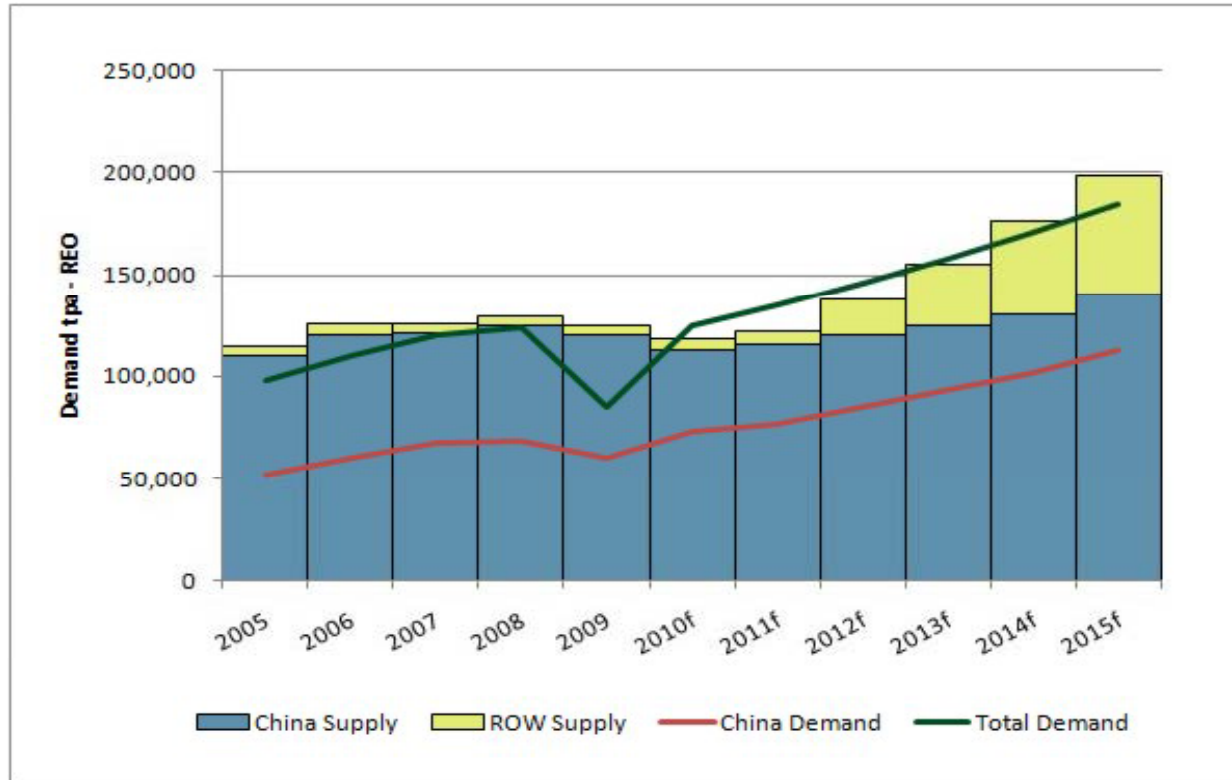


REE Applications





Rare Earth Supply - Demand



Will rare earth supply demand be in balance from 2015 with Lynas and Molycorp producing?

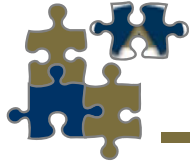
High probability for LREE but not HREE

The DZP has a 75% LREE - 25% HREE split which gives it a demand advantage

Separated rare earth products
2010 130,000 tonnes

Value
~US\$2.0 billion → US\$4B

Source: IMCOA



REE Demand Drivers

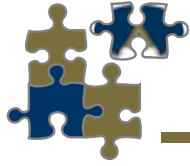


Key Drivers of Demand

Application	Rare Earths	Demand Drivers	Growth
Magnets	Nd, Pr, Sm, Tb Dy	Drives for computers, mobile phones, mp3 players, cameras. Hybrid vehicle electric motors. Electric motors for luxury vehicles. Mag-lev trains.	10 – 15%
LaNiH Batteries	La, Ce, Pr, Nd	Hybrid vehicle batteries. Hydrogen absorption alloys for re-chargeable batteries	5 - 10%
Phosphors	Eu, Y, Tb, La, Dy, Ce, Pr, Gd	LCDs. PDPs. LEDs. Energy efficient fluorescent lights/lamps.	5 – 10%
Fluid Cracking Catalysts	La, Ce, Pr, Nd	Petroleum production – greater consumption by 'heavy' oils and tar sands	4 - 8%
Polishing Powders	Ce, La, Nd	Mechano-chemical polishing powders for TVs, monitors, mirrors and (in nano-particulate from) silicon chips.	8 -12%
Auto Catalysts	Ce, La, Nd	Tighter NO _x and SO ₂ standards – platinum is re-cycled, but for rare earths it is not economic	4 – 8%
Glass Additive	Ce, La, Nd, Er	Cerium cuts down transmission of uv light. La increases glass refractive index for digital camera lens.	
Fibre Optics	Er, Y, Tb, Eu	Signal amplification	

IMCOA

Source: IMCOA



DZP Rare Earth Pricing



Rare Earths Prices 2010 (US\$/kg REO)					
(Source: Metal Pages©)					
Light Rare Earth	DZP Distribution	Q2 Average 2010	Q3 Average 2010	Q4 Average 2010	Q1 Average 2011
Lanthanum Oxide	19.5%	\$7.13	\$25.75	\$53.00	\$95.00
Cerium Oxide	36.7%	\$5.58	\$24.50	\$50.00	\$96.00
Praseodymium Oxide	4.0%	\$30.60	\$48.25	\$77.00	\$155.00
Neodymium Oxide	14.1%	\$31.13	\$49.50	\$80.00	\$170.00
Samarium Oxide	2.2%	\$4.50	\$22.25	\$34.00	\$95.00
Heavy Rare Earth					
Europium Oxide	0.07%	\$521.67	\$570.00	\$625.00	\$820.00
Gadolinium Oxide	2.15%	\$8.25	\$28.75	\$44.00	\$130.00
Terbium Oxide	0.34%	\$545.00	\$570.00	605.00	\$830.00
Dysprosium Oxide	2.05%	\$196.67	\$275.00	\$295.00	\$520.00
Ho, Er, Tm, Yb, Lu	2.9%				
Yttrium Oxide	15.8%	\$11.42	\$26.25	\$56.00	\$125.00
DZP LREE	76.68%	\$12.06	\$30.58	\$57.20	\$112.00
DZP YHREE	23.32%	\$42.23	\$62.34	\$78.70	\$157.00
DZP LREE Concentrate Value		\$8.44	\$21.41	\$40.04	\$79.00
DZP YHREE Concentrate Value		\$29.59	\$43.64	\$55.09	\$110.00

Spot 1 April

\$121
\$121
\$196
\$201
\$106

\$940
\$150
\$990
\$640

.....\$140.....

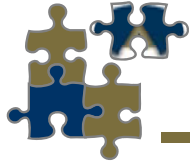
\$139
.....\$182.....
\$97
\$127

Compiled by IMCOA

DZP REE Concentrates expected to return 70% of separated prices

Q4 average prices currently used in revenue projections

Source: IMCOA



DZP Product Output and Revenues



Base case model of 400,000 tonnes pa and expanded 1 million tonnes pa of ore processed

Potential Production and Revenues				
Product	400,000 tonnes per annum		1,000,000 tonnes per annum	
ZBS, ZOH, ZBC, ZrO ₂	6,000tpa	US\$42.0M*	15,000tpa	US\$105.0M*
Nb -Ta concentrate	1,400tpa	US\$42.0M*	3,500tpa	US\$105.0M*
LREE concentrate	1,415tpa	US\$56.7M**	3,540tpa	US\$141.7M**
YHREE concentrate	425tpa	US\$23.4M**	1,070tpa	US\$63.1M**
TOTAL	9,240tpa	US\$164.1Mpa	23,110tpa	US\$414.8Mpa

*Zr @ US\$7.00/kg and Nb @ US\$30/kg as intermediate average prices
 ** Price average of Q4 2010 for REO basket and assumes concentrate at 70% of total separated REO value
 REO output based on average 50% recovery

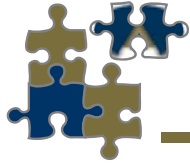
Current spot price revenues approximately US\$370M and \$970M for the two development alternatives

Base Case Operating costs ~ A\$60m
Open pit life 200 years
Capex ~ A\$200m

Expanded Opex ~ A\$120m
Open pit life +80 years
Capex ~ A\$400m

- ZBS = zirconium basic sulphate; ZOH = zirconium hydroxide; ZBC = zirconium carbonate Equivalent ~99% ZrO₂ + HfO₂
- Nb-Ta concentrate = ~70% Nb₂O₅ + Ta₂O₅ calcined basis ▪ LREE = La, Ce, Nd, Pr ▪ YHREE = Y, Gd, Dy, Tb





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.

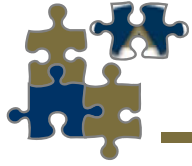
Project located in region with very favourable infrastructure and legislative framework, both at a State and Federal level.

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

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.



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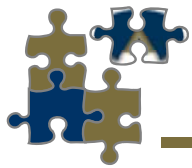
Development pathway



		-> 2009	2010	2011	2012	2013	2014
DZP 	Resource definition 2001 - 2002	✓					
	Flow sheet development 2002	✓					
	Laboratory Zr – Nb 1999 – 2002	✓					
	Pilot plant Zr – Nb 2002	✓					
	Mine Plan & Scheduling 2002	✓					
	Plant Design & Engineering 2002	✓					
	Laboratory Y & REE 2009 -	✓					
	Demonstration Pilot Plant 2008 -						
	Zr – Nb Product Distribution	✓	✓	✓			
	Y - REE Product Distribution						
	Secure Offtake Agreements						
	Definitive Feasibility Study	2002					
	Environmental Impact (EA)	2000 ->					
	Detailed Design						
	Project Financing / Consent						
Construction							
Production							



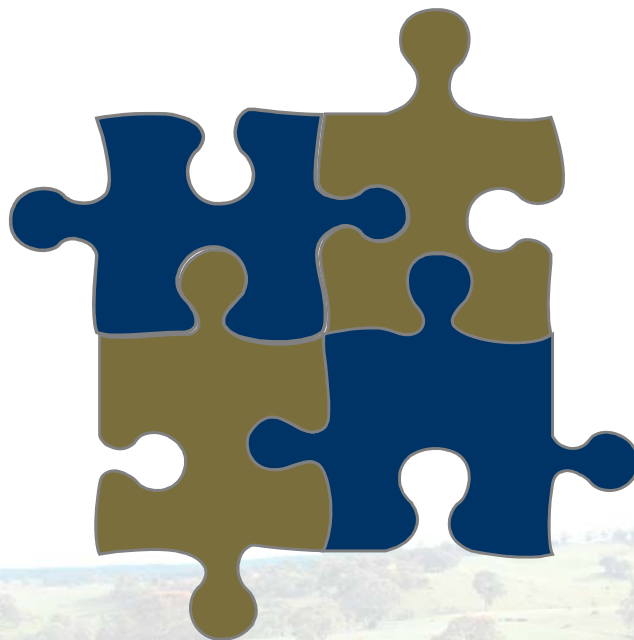
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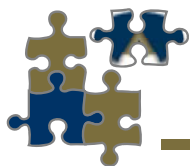


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...a perfect fit





Disclaimer



Disclaimer

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