



Alcyone Funding and Operations Update

- **Conditions to Rights Issue completed, allotment to occur shortly**
- **Company to apply for Re-quotation of Company's Securities on August 13, 2013**
- **US\$10M Offtake Agreement with Powerline Value Fund now Unconditional**
- **Crushing at Texas Silver Mine recommences**

Alcyone Resources (ASX: AYN) ("Alcyone" or the "Company") is pleased to announce that all of the conditions to the Rights Issue have been completed and that the Company will today apply to the ASX to have the Company's securities will re-quoted on the Australian Securities Exchange.

Funding Update

As announced to the market on 9 August, 2013 the Company received \$7.4M under the Rights Issue and Shortfall, exceeding the \$6M minimum. In addition, further to the announcement of 6 June, 2013, the Company entered into a US\$10M silver purchase agreement with the Powerline Value Fund. The Company is pleased to advise that access to funding under this Silver Purchase Agreement is now unconditional and the Company has 45 days within which to start accessing funding under this Agreement in its sole discretion. The Company's decision to access funds under the Powerline Facility will be dependent in part on the completion of the Preciosa Metal Streaming transaction, the deadline for completion of which has been extended from COB August 9 to COB August 13.

Operations Update

The Company has now initiated site works for the installation of the new crushing plant at the Texas Silver mine. As previously announced the upgrades to the crusher will bring the crushing capacity of the mine up to the nameplate capacity of 1.1 million ounces per year. The Company has successfully crushed approximately 20,000 tonnes in the previous week and anticipates that silver production will recommence shortly. The Company is well positioned to benefit from the recent rally in silver prices, with prices having risen by more than 14% since the end of June and trading yesterday at AUD\$23. The Company is confident that with a sustained rally in silver prices, it will achieve its forecast earnings.

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About Alcyone

Alcyone Resources (ASX:AYN) is a pure play low cost silver producer based in south-east Queensland. Alcyone's Texas Silver Project (100% owned) which includes the Twin Hills Mine and Mount Gunyan commenced silver production in July 2011, with targeted annual silver production levels in excess of 1Moz.

Forward-Looking Statement

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.