ASX and MEDIA RELEASE

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ALKANE RESOURCES LTD
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Dubbo Zirconia Project
Progress in the approvals process

DUBBO ZIRCONIA PROJECT (DZP) – zirconium, hafnium, niobium, yttrium, rare earth elements

Australian Zirconia Ltd (AZL) 100%

The Company has received advice that the Planning Assessment Commission (PAC) has completed its review of the Dubbo Zirconia Project in accordance with the Minister of Planning & Environment's terms of reference.

The PAC has recommended that the project can be approved subject to certain conditions. The PAC has also made a number of recommendations that must be considered by the Department of Planning & Environment (DPE) before the development application is determined.

As anticipated, the key areas considered by PAC related to air quality, water impacts, transport, long term landform and land use. Other issues considered included impacts on Taronga Western Plains Zoo, the pink-tailed worm lizard and Fossil Hill, hazards and risk (including radiation) and loss of agricultural land for biodiversity offsets. The Company's initial internal review of the PAC recommendations indicates that there is nothing that raises any material concerns for the development of the project.

The PAC's full report is available on their website at *http://www.pac.nsw.gov.au/Projects/Current/tabid/102/ctl/viewreview/mid/439/pac/416/view/readonly/myctl/rev/Default.aspx*

The Company has further been advised that DPE is currently finalising its assessment, including recommended conditions of consent. Once this assessment is complete, DPE will forward the application to PAC for determination.

This is a major milestone in the approvals process and the Company is optimistic that consent to the project will be received within the budgeted timeframe.

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