ASX and MEDIA RELEASE

8 April 2014

ALKANE RESOURCES LTD
ABN 35 000 689 216

NEW PORPHYRY GOLD-COPPER MINERALISATION IN THE KAISER PROJECT

An initial 1,094 metre RC drilling program has been completed at the Kaiser Project in NSW.

- **A new zone of porphyry style gold-copper mineralisation has been identified at the McGregor Prospect:**
  - **KSRC003** **8m @ 1.06% Cu, 0.34g/t Au from 109 metres**
    including **5m @ 1.42% Cu, 0.51g/t Au from 110 metres**
    and **9m @ 0.32% Cu, 0.13g/t Au from 132 metres**

    within **32m @ 0.39% Cu, 0.13g/t Au from 109 metres**

    and **1m @ 9.69g/t Au from 171 metres**

- **The drilling also confirmed porphyry style mineralisation at the Kaiser Prospect:**
  - **KSRC001** **60m @ 0.81g/t Au, 0.91% Cu from 0 metres**
    including **41m @ 1.15g/t Au, 1.24% Cu from 18 metres**
    and **22m @ 1.63g/t Au, 1.64% Cu from 37 metres**

- **Kaiser East Prospect:**
  - **KSRC002** **18m @ 0.50g/t Au, 0.15% Cu from 68 metres**
    including **7m @ 0.73g/t Au, 0.26% Cu from 68 metres**

The Kaiser Project lies within the broader Bodangora Project where similar porphyry style gold-copper mineralisation associated with the Comobella Intrusive Complex (CIC) was identified by drilling in 2012 and highlights the potential of the area to host significant mineralisation.

65 Burswood Road, Burswood WA 6100, AUSTRALIA (PO Box 4384, Victoria Park WA 6979, AUSTRALIA)
Telephone: +61 8 9227 5677 Facsimile: +61 8 9227 8178
www.alkane.com.au mail@alkane.com.au

The Kaiser Project (EL6209) is located at the northern extent of the Molong Volcanic Belt and is encompassed by Alkane's Bodangora Project (EL4022). The Molong Volcanic Belt is a well-defined geological region considered highly prospective for and host to several economically important examples of porphyry gold-copper mineralisation e.g. Cadia Valley alkalic porphyry deposits.

A technical review of EL6209 highlighted the association of existing mineralisation at the Kaiser Prospect with a hydrothermal alteration zonation typical of an alkalic porphyry gold-copper mineralised system. In particular, it was noted that the Kaiser mineralisation, being hosted within a volcaniclastic-dominated package at the edge of a major Ordovician intrusive complex, has a similar geological setting to the Ridgeway porphyry deposit (Newcrest Mining Ltd's Cadia Valley Operations), which is hosted within volcaniclastics of the Forest Reefs Volcanics at the margin of the Cadia Intrusive Complex.

Alkane has the right to earn a 100% interest in EL6209 from Ajax Joinery Pty Ltd for payment of $10,000 on transfer of the licence, payment of $200,000 following expenditure of $500,000 on exploration within two years and a 2% net smelter return on saleable products.

An initial RC drilling program comprising 5 holes for a total of 1,094 metres tested the Kaiser, Kaiser East and the recently identified McGregor targets.

McGregor Discovery

The newly identified McGregor Prospect comprises chalcopyrite + bornite mineralisation within an intensely hematite ± epidote ± magnetite ± sericite-altered volcaniclastic and porphyry host rock.

The McGregor host package and alteration assemblage appears very similar to that observed at the nearby mineralised Kaiser Prospect.

The discovery of the McGregor zone has validated a geological interpretation where the high grade Kaiser alkalic porphyry system appears to have been displaced to the west-northwest by a complex fault system. The McGregor mineralisation appears to be broadly coincident with and at the southern extent of a lenticular magnetic high feature striking northwards for greater than 400m. This magnetic feature is currently interpreted to represent a magnetite-altered mineralised porphyry body similar to that at the Kaiser Prospect.

The McGregor discovery was made through geological/structural modelling and recognition of strongly encouraging 'near miss' hematite-epidote porphyry alteration located towards the base of KSRC001 (inner-propylitic alteration zone).

Kaiser Prospect

The Kaiser Prospect was subject to limited historical mining activity between 1875 and the 1930s with intermittent exploration activity conducted since the 1960s.

Recent drill hole KSRC001 was drilled across the Kaiser mineralised zone to characterise its geochemical signature before testing the McGregor zone at depth. The intercept of **41m @ 1.15g/t Au, 1.24% Cu from 18m, within 60m @ 0.81g/t Au, 0.91% Cu from 0m (KSRC001)** represents a positive result compared with that reported in the closest historical drill hole (ck26: 40m @ 0.57g/t Au, 0.64% Cu from 16m). See Table 1 for further information on historical activity in the Kaiser region.

Bodangora Project

As stated, the Kaiser Project lies within the Bodangora Project where similar porphyry style gold-copper mineralisation associated with the Comobella Intrusive Complex (CIC) was identified by drilling in 2012. The CIC is a 4km by 3km monzonite intrusive with associated alteration and skarn mineralisation located about 7km northwest of Kaiser. These prospects highlight the potential of the area to host economic porphyry style mineralisation.

KAISER PROJECT RC DRILLING – 7 April 2014

Hole ID	Easting (MGA)	Northing (MGA)	Dip	Azimuth (Magnetic)	Total Depth	Interval From (m)	Interval To (m)	Intercept (m)	Au (g/t)	Cu (%)	Mo (ppm)	Comments
KSRC001	689543	6412039	-50	248	322	0	60	60	0.81	0.91	10.17	Kaiser Prospect
					inc.	18	59	41	1.15	1.24	9.88	
					inc.	37	59	22	1.63	1.64	6.64	
KSRC002	689708	6412009	-50	212	223	3	29	26	0.11	0.17	8.37	Kaiser East
					and	34	54	20	0.15	0.16	12.61	
					and	68	86	18	0.50	0.15	44.15	
					Inc.	68	75	7	0.73	0.26	40.40	
					and	136	140	4	0.19	0.27	13.41	
					and	143	152	9	0.14	0.23	6.32	
KSRC003	689462	6412078	-50	267	241	109	141	32	0.13	0.39	1.71	McGregor Prospect
					inc	110	115	5	0.51	1.42	2.17	
					and	132	141	9	0.13	0.32	2.25	
					and	171	172	1	9.69	-	-	
KSRC004	689547	6412119	-50	217	121	NO SIGNIFICANT RESULTS						Kaiser Prospect
KSRC005	689745	6411899	-50	125	187	NO SIGNIFICANT RESULTS						Kaiser Extended

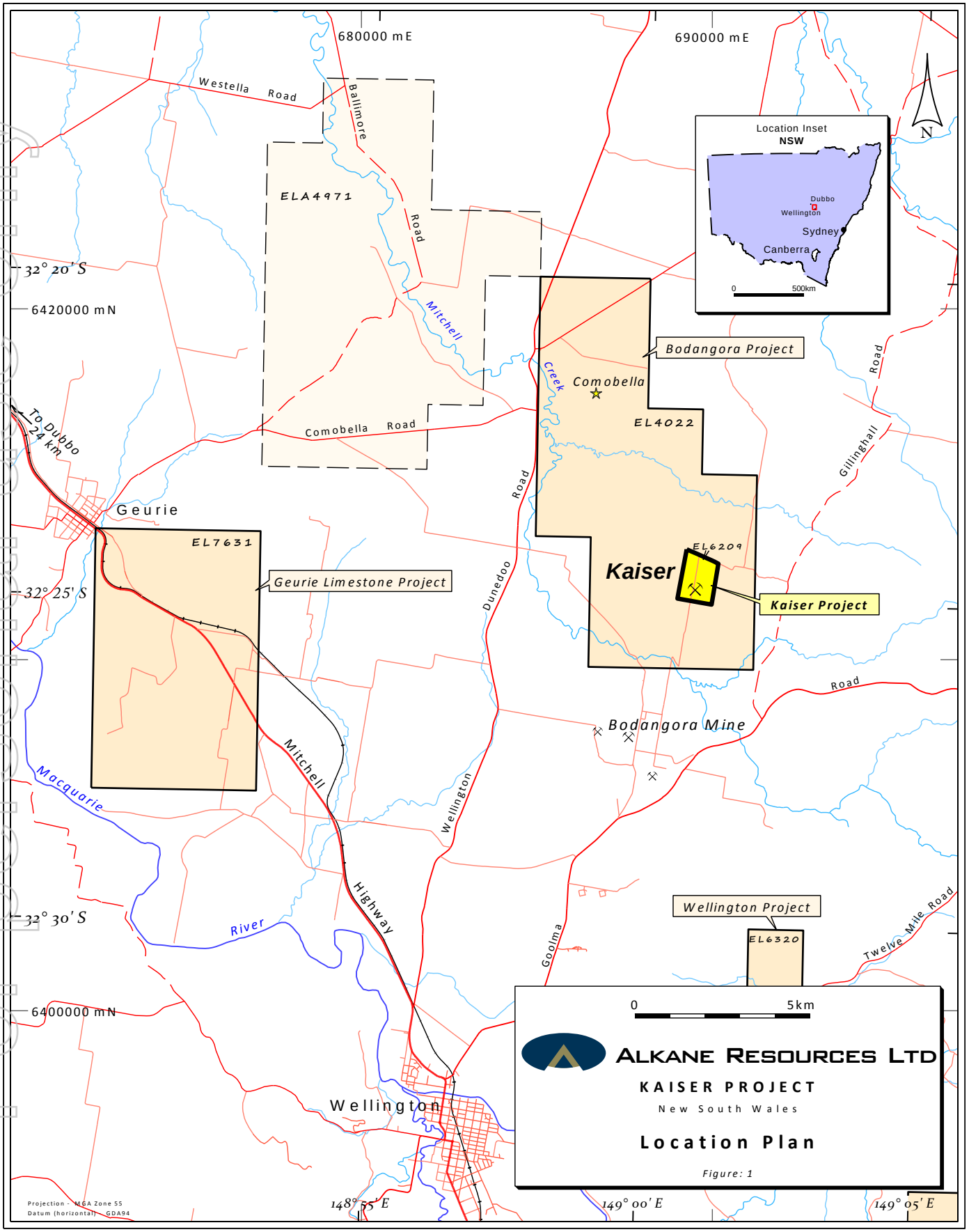
Competent Person

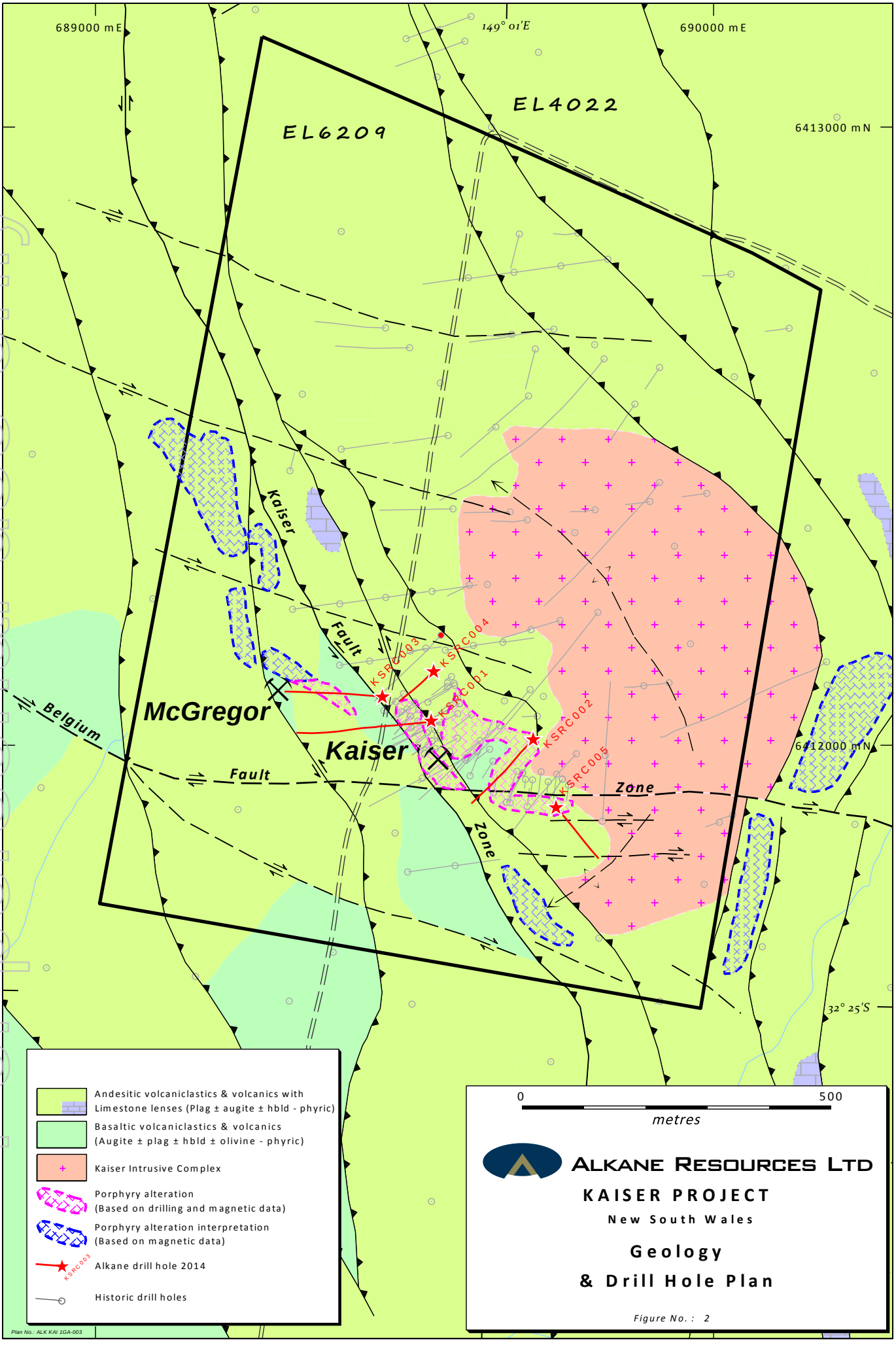
Unless otherwise advised above, the information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears

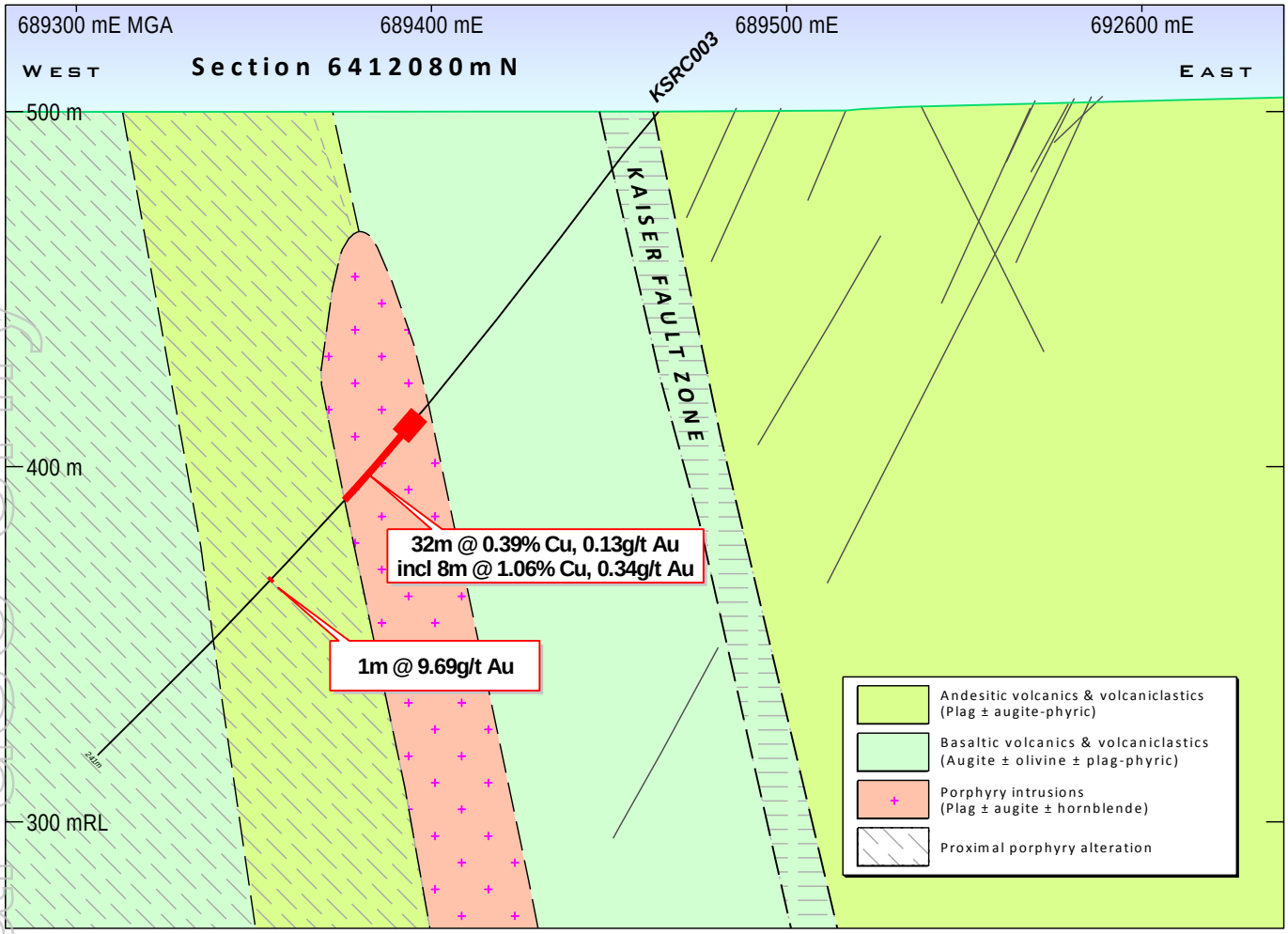
Disclaimer

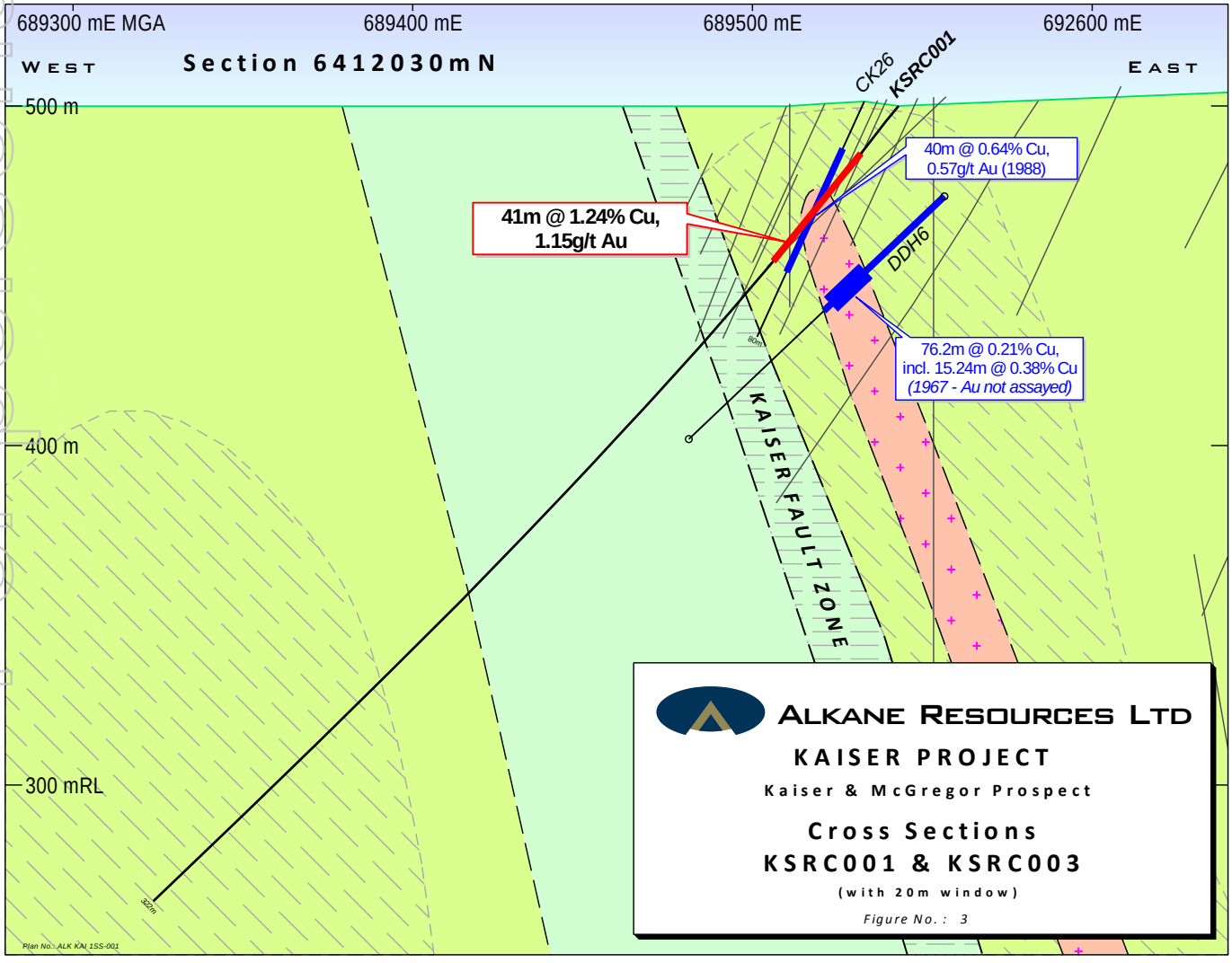
This report contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.









ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

Alkane is a multi-commodity company focused in the Central West region of NSW Australia. Currently Alkane has two major projects in development or progressing towards development - the Tomingley Gold Project (TGP) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production in February 2014. Cash flow from the TGP will provide the funding to maintain the project development pipeline and will assist with the development of the DZP.

The DZP environmental impact statement has been completed and a development decision is anticipated in the second half of 2014. This project will make Alkane a strategic and significant world producer of zirconium products and heavy rare earths.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects. Wellington has a small copper-gold resource which can be expanded, while at Bodangora a large 12km^2 monzonite intrusive complex has been identified with porphyry style copper-gold mineralisation. Encouraging gold-zinc mineralisation and alteration associated with a monzonite intrusive, has been identified at Cudal.

The following tables are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Reverse Circulation (RC) samples are collected at one metre intervals via a cyclone and riffle or cone splitter. Intervals outside of visual ore zones are composited to 3 metres.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	RC drilling completed to industry standards.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	RC Drilling - approximately 10% (3kg) of total sample is delivered via cone or riffle splitter into a calico bag with the remaining sample delivered into a large plastic bag and retained for future use if required. All samples sent to laboratory are crushed and or pulverised to produce a ~100g pulp for assay process. All samples are fire assayed using 50g charge.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Conventional RC drilling using 100mm rods and 144mm face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	RC - sample recovery is visually estimated and generally very good (>90%) aided by the use of oversized shrouds through oxide material. Samples are even sized. Samples are rarely damp or wet. Sample quality is assessed by the sampler by visual approximation of sample recovery and if the sample is dry, damp or wet. Riffle and cone splitters were used to ensure a representative sample was achieved on all 1 metre samples. For wet samples a spear sample is taken.

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	RC drilling completed using oversized shrouds to maintain sample return in oxide zone and all samples are split using riffle or cone splitters. Use of RC rigs with high air capacity assists in keeping samples dry.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	There is no known relationship between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	RC - each one metre interval is geologically logged for characteristics such as lithology, weathering, alteration (type, character and intensity), veining (type, character and intensity) and mineralisation (type, character and volume percentage).
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	All logging is qualitative with visual estimates of the various characteristics. A representative sample of each one metre interval is retained in chip trays for future reference.
	• *The total length and percentage of the relevant intersections logged.*	All RC chip samples have been geologically logged by qualified geologists.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable to this report.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	RC - for each one metre interval with visual mineralisation and/or alteration the calico sample bag is numbered and submitted to the laboratory for analysis. Intervals without visual mineralisation and/or alteration are spear sampled and composited over three metres. Rare damp or wet samples are recorded by the sampler. Laboratory Preparation – the entire RC sample (~3kg) is dried and pulverised in an LM5 (or equivalent) to ≥85% passing 75µm. Bulk rejects for all samples are discarded. A pulp packet (±100g) is stored for future reference.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	ALK sampling techniques are of industry standard and considered adequate.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Field duplicate samples collected at every stage of sampling to control procedures.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	Duplicate samples are riffle split from the riffle/conical split calico from the drill rig. Duplicates generally show excellent repeatability.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample sizes are industry standard and considered appropriate.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Gold is determined using a 50g charge fused at approximately 1100°C with alkaline fluxes, including lead oxide. The resultant prill is dissolved in aqua regia and gold determined by flame AAS. For other geochemical elements, samples are digested by mixed acid digest (ore zones and zones of interest), or aqua regia for lower priority zones, with each element concentration determined by ICP Atomic Emission Spectrometry or ICP Mass Spectrometry. Apart from copper, these additional elements are generally only used for geological interpretation purposes, are not of economic significance and are not routinely reported.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Not applicable to this report.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Commercially prepared Certified Reference Materials (CRM) are inserted at 1 in 50 samples. CRM's are not identifiable to the laboratory. Field duplicate samples are inserted at 1 in 50 samples (alternate to CRM's). Laboratory QAQC sampling includes insertion of CRM samples, internal duplicates and screen tests. This data is reported for each sample submission. Failed standards result in re-assaying of portions of the affected sample batches.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Drill data is compiled and collated, and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary.
	• *The use of twinned holes.*	No twinned holes have been drilled at this early stage of exploration.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	All drill hole logging and sampling data is entered directly into field data entry spreadsheets for transfer and storage in an access database with verification protocols in place. All primary assay data is received from the laboratory as electronic data files which are imported into sampling database with verification procedures in place. QAQC analysis is undertaken for each laboratory report. Digital copies of Certificates of Analysis (COA) are stored in a central database with regular (daily) backup. Original survey data is stored on site. Data is also verified on import into various software packages.
	• *Discuss any adjustment to assay data.*	No assay data was adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill holes are laid out using hand held GPS (accuracy ± 2m) then DGPS surveyed accurately (± 0.1m) by licenced surveyors on completion. Downhole orientation surveys were completed at a nominal 30m down hole interval using a Reflex Instruments: EZ-Trac multishot survey instrument.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.*	MGA (Zone 55), GDA94
	• *Quality and adequacy of topographic control.*	As noted above, all drill holes DGPS surveyed accurately (± 0.1m) by licenced surveyors on completion.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	At this early exploration stage, the data spacing is variable as the focus is on identifying new zones of mineralisation.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	Not applicable.
	• *Whether sample compositing has been applied.*	Not applicable.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Much care is given to attempt to intersect structure at an optimal angle.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	It is not thought that drilling direction will bias assay data significantly.
Sample security	• *The measures taken to ensure sample security.*	All samples are bagged in tied in numbered calico bags, grouped into larger tied polyweave bags and transported 1 hour to Orange, to ALS in Orange. All sample submissions are documented via ALS tracking system and all assays are reported via email. Sample pulps are returned to site and stored for an appropriate length of time (minimum 3 years). The Company has in place protocols to ensure data security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Alkane can acquire a 100% interest in EL6209 for payment of $10,000 on transfer of the licence, and payment of $200,000 and a 2% net smelter return on saleable products following expenditure of $500,000 on exploration within two years.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	See above – an application for renewal of the licence to 11 March 2017 has been lodged with NSW Department of Industry, Trade, Regional Infrastructure and Services.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Significant historical drilling activity has been conducted within the bounds of EL6209. We have records of 14 AC (170m), 78 RC (7591m) and 45 DD holes (7833m) = 15,594m. ~48% of this drilling activity was focussed at the Kaiser, Kaiser East and Kaiser Extended Prospect areas, where there have been a total of 32 DD (4558m), 39 RC drill holes (2939m) for a total of 7497m. The remainder of drilling activity was focussed on the Kaiser Intrusive Complex (KIC). As outlined previously it is the margin of the KIC which is considered prospective and is where the McGregor discovery is located. As shown on the attached map, the Kaiser Prospect is marked by an approximately 95m x 45m anomalous zone at surface, which has been extensively drill- tested to a depth of ~70m. The Kaiser Prospect mineralisation requires further drill testing to define its depth extents and geometry.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The area is located at the northern extent of the Molong Volcanic Belt, a well-defined geological region considered highly prospective for and host to several economically important examples of porphyry Au-Cu mineralisation e.g. Cadia Valley alkalic porphyry cluster. In particular, the Ridgeway Deposit mineralisation at Cadia, which is localised along the margin of the Cadia Intrusive Complex shows similarities with the metal tenor and geological setting of the Kaiser-McGregors mineralisation, located at the margin of the Kaiser Intrusive Complex.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	See body of announcement and figures

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	All drill holes have been reported in this announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Exploration results reported – for uncut gold grades; grades are calculated by length weighted average.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	Gold and copper intercepts are calculated using a lower cut of 0.1g/t and 0.1% respectively. No top cut has been used. Internal waste (i.e. < cut off) is limited to single samples between mineralised samples that exceed either the Au of Cu cut off grade. Short intervals of high grades that have a material impact on overall intersection are highlighted separately (see attached).
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results -* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Current interpretation is based on historical diamond drilling activity at the nearby Kaiser Prospect, which suggests a subvertical to steeply east dipping orientation to stratigraphy. Therefore, at this early exploration stage the general westward directed drilling direction is deemed appropriate.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Cross sections and a plan showing geology with drill collars are attached.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Comprehensive reporting has been undertaken with all holes listed in the attached table.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Not applicable.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	It is recommended that further drilling be undertaken within the Kaiser, Kaiser East and McGregor Prospect areas.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	See Figures 2 and 3 attached.