ASX and MEDIA RELEASE

23 March 2015

ALKANE RESOURCES LTD
ABN 35 000 689 216

Encouraging Mineralisation from Scout Drilling at Elsienora Project

A 1,516 metre scout RC drilling program has been completed at the Elsienora Project in NSW testing surface geochemical and geological targets.

- **A zone of gold mineralisation has been identified at the Cuddyong Prospect:**
  - ***ELRC001*** ***29m @ 1.53g/t Au from surface***
    including ***4m @ 5.86g/t Au from 10 metres***
  - ***ELRC003*** ***8m @ 3.14g/t Au from 30 metres***
    including ***4m @ 5.72g/t Au from 30 metres***
    and ***5m @ 2.03g/t Au from 69 metres***
- ***A second, unrelated zone of gold-silver-barium mineralisation identified at the Picker Prospect:***
  - ***ELRC008*** ***18m @ 0.44g/t Au, 5.4g/t Ag and 0.18% Ba from 27 metres***
  - ***ELRC012*** ***8m @ 0.55g/t Au, 23.2g/t Ag and 0.24% Ba from 26 metres***
    including ***3m @ 0.94g/t Au, 32.5g/t Ag and 0.24% Ba from 26 metres***

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In August 2013, Alkane reached agreement with Isabella Minerals Pty Ltd ("Isabella"), a wholly owned subsidiary of Balamara Resources Limited ("Balamara") (ASX: BMB) to farm into the Elsienora Project (EL 6082 and EL 6767) located approximately 75 kilometres south of Blayney and the McPhillamys gold deposit (Regis Resources).

Under the agreement, Alkane can acquire an 80% interest in EL 6082 and EL 6767 by spending $500,000 on exploration over three years from August 2013, with a minimum $250,000 spend over two years. After Alkane has earned the 80% interest, Isabella will have the option to pro-rata contribute or dilute.

The geology of the project area comprises a package of variably pyritic, intermediate to felsic volcaniclastics which hosts several zones of elevated gold geochemistry. Two broad styles of gold mineralisation are recognised, the most common are typically small, sulphide poor quartz veins. A less common style is characterised by sulphide-rich disseminated mineralisation associated with pervasively argillic-altered volcaniclastics. This second style appears to be related to earlier sub-seafloor processes, with several similarities to McPhillamys-style mineralisation and with greater bulk tonnage mining potential.

Drill holes ELRC001-004 and ELRC010–011 were completed at the Cuddyong Prospect and intersected variable widths of mineralisation hosted by quartz veining within a moderately west dipping unit of very strongly clay weathered mafic to intermediate volcanics. Holes ELRC001 and 003 drilled down dip within this geology. The results are broadly consistent with those reported by previous explorers Telberth NL and Cluff Minerals (Australia) Ltd. Previous explorers also reported higher grade results from sampling of underground workings in the area however due to the rehabilitation of these historic workings and the poor location records of this sampling it is not known if the current holes tested these zones of mineralisation. Further work is required to assess the strike extents of the Cuddyong Prospect mineralisation which lies within the broad low level soil geochemistry anomaly (Au >10ppb, up to 1750ppb) extending over 400-500 metres.

Two drill holes, ELRC005 and 006 tested the Nobbs Reef Prospect but did not replicate results reported by previous explorers and this prospect has been downgraded.

The remaining drill holes were completed as single scout holes testing surface geochemical anomalies along the previously designated Picker-Barite Trend, a zone of sulphide rich argillic altered volcaniclastic rocks with an intermittent barite rich horizon. This zone had not been subject to any previous drilling. The mineralisation identified along this trend is characteristically different to that at Cuddyong being associated with anomalously high silver and barium values. The drilling returned a broad zone of low grade gold: 18m @ 0.44g/t Au from 27m in hole ELRC008 and 8m grading 0.55g/t Au, 23.2g/t Ag and 0.24% Ba from 26m in ELRC012. The mineralisation does not report anomalous lead or zinc values that would normally be associated with a volcanic hosted massive sulphide (VHMS) style of mineralisation however it does appear to be situated at or near the same stratigraphic level as the Elsienora Prospect, located 1km to the southeast, where previous explorers have intersected base metal grades such as 1.78m grading 7.54% Zn & 3.48% Pb (DDH001) and 2.6m grading 8.54% Zn & 3.16% Pb (DDH004) (Planet Metals Ltd, 1969-1974).

ELSIENORA PROJECT RC DRILLING – 23 March 2015 (>0.1g/t Au)											
Hole ID	**Easting (MGA)**	**Northing (MGA)**	**Dip**	**Azimuth (Magnetic)**	**Total Depth**	**Interval From (m)**	**Interval To (m)**	**Intercept (m)**	**Au (g/t)**	**Ag (g/t)**	**Prospect**
ELRC001	714772	6219775	-55	277	132	0	29	29	1.53		Cuddyong
incl						10	14	4	5.86		
ELRC002	714692	6219788	-60	097	72	47	58	11	1.47		Cuddyong
ELRC003	714740	6219780	-55	275	82	30	38	8	3.14		Cuddyong
incl						30	34	4	5.72		
and						50	59	9	1.79		
and						69	74	5	2.03		
ELRC004	714652	6219795	-60	100	96	36	39	3	1.20		Cuddyong
and						45	49	4	0.90		
ELRC005	714095	6219896	-70	100	151	No significant results					Nobbs Reef
ELRC006	714237	6219874	-65	266	151	No significant results					Nobbs Reef
ELRC007	714088	6219322	-55	096	97	No significant results					Picker-Barite Trend
ELRC008	713862	6218998	-55	090	123	27	45	18*	0.44	**5.4**	Picker-Barite Trend
ELRC009	713820	6218689	-55	088	138	No significant results					Picker-Barite Trend
ELRC010	714601	6219802	-60	096	126	74	76	2	1.70		Cuddyong
and						80	81	1	2.08		
ELRC011	714750	6219779	-55	100	48	0	2	2	0.80		Cuddyong
and						13	21	8	0.88		
ELRC012	713974	6219492	-55	092	150	26	34	8	0.55	23.2	Picker-Barite Trend
incl						26	29	3	0.94	32.5	
and						117	124	7	0.56		
ELRC013	714228	6218095	-55	082	150	No significant results					Phantom

- ***Three metre composite samples***

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. Mr 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.

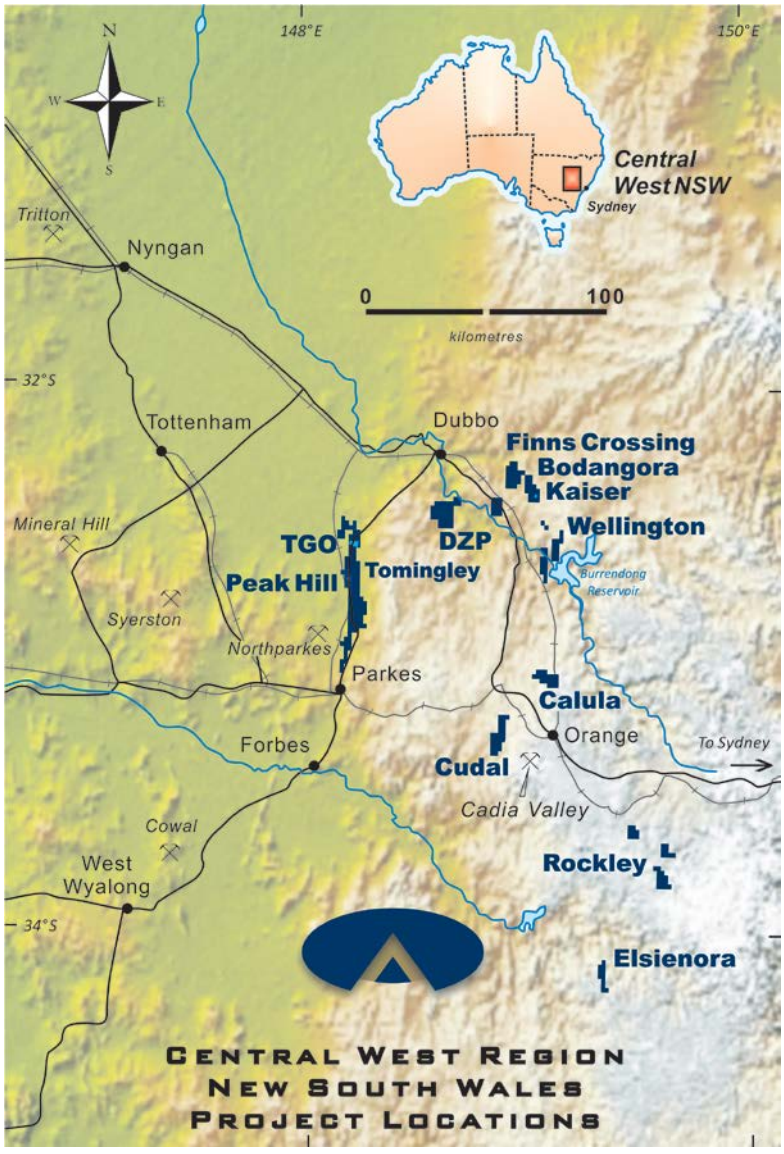
This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference 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.

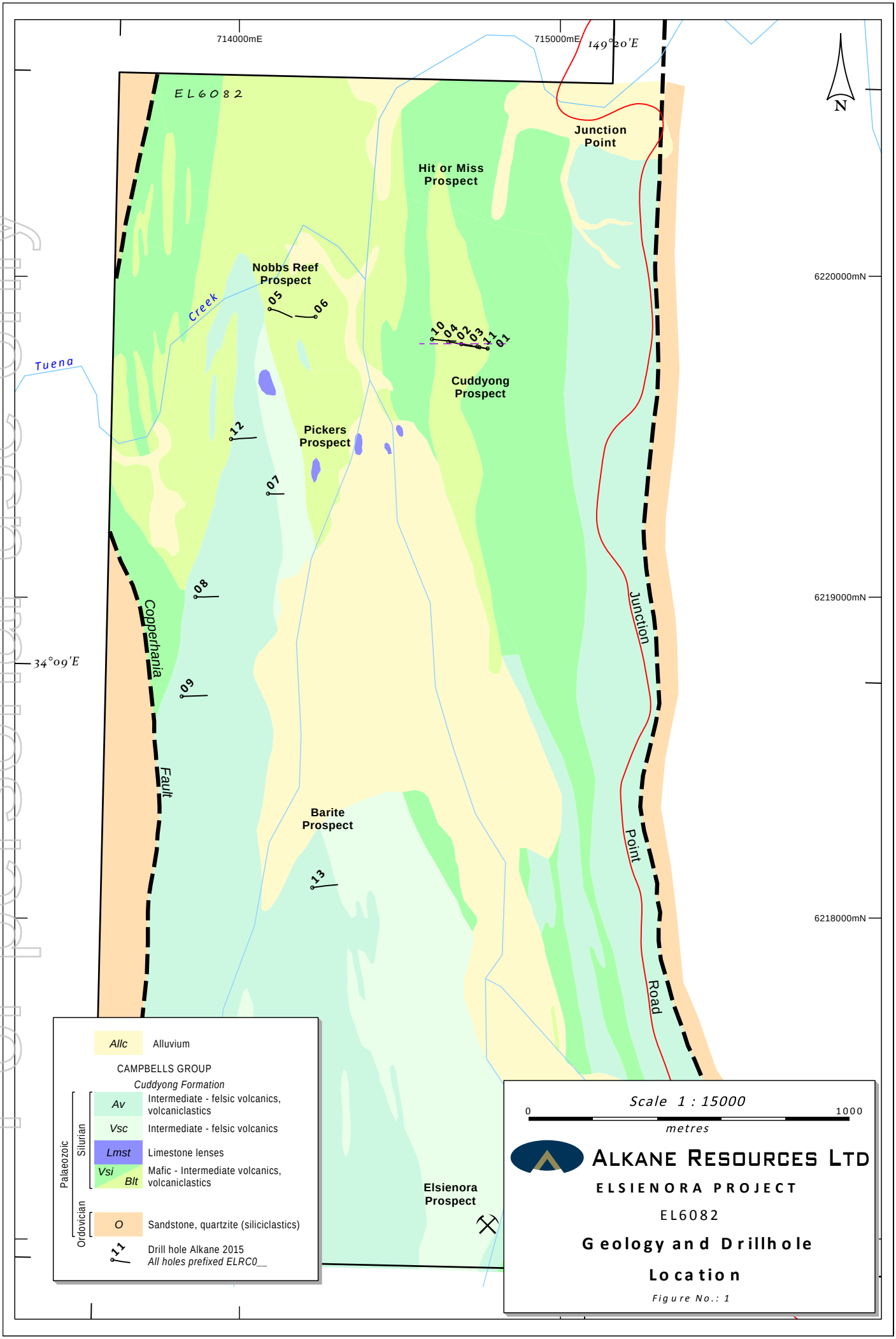
ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

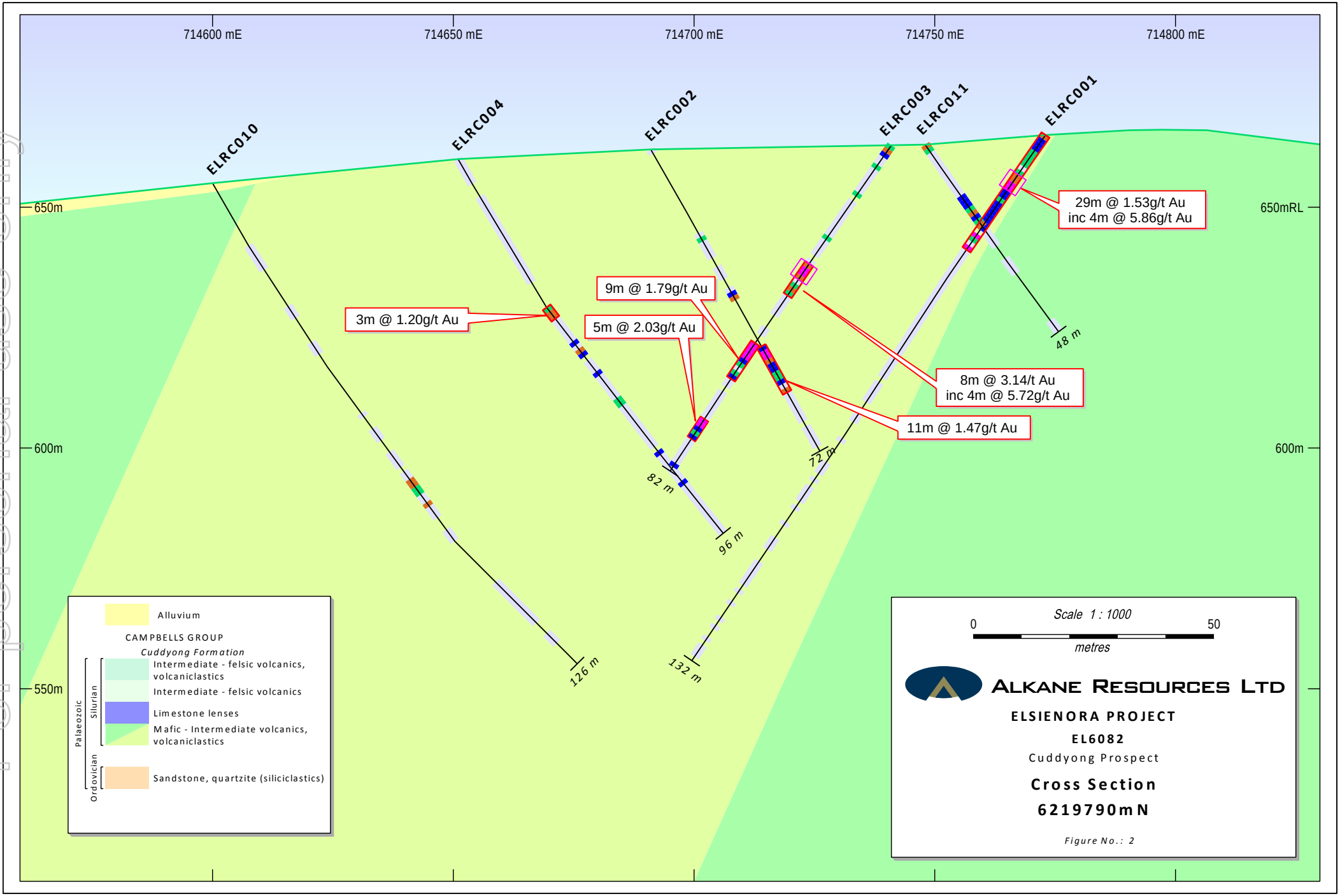
Alkane is a multi-commodity company focused in the Central West region of NSW Australia. Currently Alkane has two advanced projects - the Tomingley Gold Operations (TGO) and the nearby Dubbo Zirconia Project (DZP). Tomingley commenced production early 2014. Cash flow from the TGO will provide the funding to maintain the project development pipeline and will assist with the pre-construction development of the DZP.

The DZP Environmental Impact Statement has been completed and a development decision is anticipated Q1 2015. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium products and heavy rare earths when it commences production in 2017.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects. Wellington has a small copper-gold deposit which can be expanded, while at Bodangora a large 12km^2 monzonite intrusive complex has been identified with porphyry style gold copper 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 Elsienora Drilling Results – March 2015

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 (e.g. 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 cone splitter at the rig. These 1m samples were submitted for analysis from high priority mineralised or altered zones. Lower priority zones were sampled using 3m composite spear sampling.
	• *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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	RC Drilling - approximately 10% (3kg) of total sample is delivered via cone 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 a 50g charge.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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.
	• *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 a cone splitter. Use of RC rigs with high air capacity assists in keeping samples dry however some water flows were encountered at the base of holes ELRC012, ELRC0007 and 008 and were eventually abandoned.
	• *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)

Criteria	JORC Code explanation	Commentary
	• *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.
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 with each element concentration determined by ICP Atomic Emission Spectrometry or ICP Mass Spectrometry. Apart from barium, these additional elements are generally only used for geological interpretation purposes 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. 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.
	• *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.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *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 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 importing 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. Down hole orientation surveys were completed at a nominal 30m down hole interval using a digital surveying instrument: Reflex EZ-Trac multishot survey instrument.
	• *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.*	The intersections reported from ELRC001 and ELRC003 appear to be representing a significant sampling bias of the mineralised zone. Based on the additional drilling completed, these early stage drillholes have likely drilled down dip within the broad mineralised body. Generally it is not thought that drilling direction has resulted in significant bias to minerlaised zones elsewhere.
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.*	Exploration Licences 6082 and 6767 are held by Isabella Minerals Pty Ltd a wholloy owned subsidiary of Balamara Resources Limited. Alkane can acquire a 80% interest in EL6082 and EL6767 by spending $500,000 on exploration over three years from September 2013, with a minimum $250,000 spend over two years. After Alkane have earned the 80% interest, Isabella will have the option to pro-rata contribute or dilute according to a standard industry formula
	• *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.*	Expiry date of EL6082 is 18 May 2017 and for EL6767 is 29 April 2015
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Some historical drilling activity has been conducted within the bounds of EL6082. 75% of this drilling is focussed at the northern extent of the Elsienora Prospect. The remainder comprises sporadic drilling of the remaining prospects and comprises 402m DDH (Ironstone Prospect) and 843m RC at Cuddyong and Nobbs Reef Prospects.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The geology of the project area comprises a package of variably pyritic, intermediate to felsic volcaniclastics which hosts several zones of elevated gold geochemistry. Two broad styles of gold mineralisation are recognised within the area, the most common are typically small, sulphide poor quartz veins, being developed within a late-stage brittle-ductile strain regime. A less common style is characterised by sulphide-rich disseminated mineralisation associated with pervasively argillic-altered volcaniclastics. This second style appears to be related to earlier subseafloor processes, with several similarities to McPhillamys-style mineralisation.
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
	• *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 (e.g. 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 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.

Criteria	JORC Code explanation	Commentary
		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 (e.g. 'down hole length, true width not known').*	Significant efforts have been placed on understanding the geometry of bedding and mineralised zones. The current results suggest that the mineralised zone at Cuddyong is moderately west dipping and subparalel to bedding. The dominant fabric evident at the surface, best developed within the shales, shows a steeply east dipping geometry and probably represents a later developed cleavage unrelated to mineralisation. Elsewhere the drilling indicates that broad scale bedding dips moderately to the west.
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.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	It is recommended that further drilling be undertaken within the licence.
	• *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 1 and 2 attached.