



QUARTERLY REPORT TO 30 JUNE 2011

(ASX : ALK) (OTCQX : ANLKY)

HIGHLIGHTS

➤ DUBBO PROJECT - TWO MOU's SIGNED

- Memorandum of Understanding (MOU) signed with a leading international chemical company and a leading trading company to produce zirconium oxychloride (ZOC) from a new joint venture facility, using DZP zirconium chemical intermediate feed.
- MOU signed with Australian company, Mintech Chemical Industries Pty Ltd (Mintech), for a joint venture to produce zirconium oxychloride (ZOC) at its existing plant at East Rockingham, Western Australia.
- These MOU's could lead to 25,000 to 32,000 tonnes per annum of ZOC production, which accounts for about 75% of the total zirconium output from the DZP, and 25-30% of the total revenue potential of the project.
- The MOU's ensure that the DZP is now expected to be expanded to the 1 million tpa scenario.
- Several additional MOU's are in negotiation that will cover all remaining DZP product output.
- Zirconium product prices continue to increase on the back of escalating world zircon prices and the market opportunity for zirconium products continues to expand. Rare earth prices also continued to increase as result of Chinese Export Quotas and limited non-Chinese production.
- The definitive feasibility study is nearing completion.

➤ TOMINGLEY GOLD PROJECT – FINANCE MANDATE

- Documentation for the project loan and gold hedging facilities for the TGP development continued.
- An initial hedging facility for the forward sale of 90,000 ounces of gold has been completed.
- RC drilling of the Caloma Two mineralisation and the Caloma deposit is in progress to improve the resource base of the TGP.

➤ OTHER GOLD-COPPER PROJECTS

- Newmont continues to review development options for the substantial gold-copper resource at McPhillamys.
- Initial promising drill results at Bodangora to be followed up

Corporate Profile

Alkane Board
J S F Dunlop (Chairman)
D I Chalmers (Managing Dir)
A D Lethlean (Director)
I J Gandel (Director)
L A Colless (Joint Secretary)
K E Brown (Joint Secretary)

Contact
Ian Chalmers
Managing Director
Email: ichalmers@alkane.com.au

12 month share price range
A\$0.32 - \$2.73

Market Cap 27 July 2011
~A\$545 million

ASX Code: **ALK**
269 million shares

OTCQX Code: **ANLKY**
ADR ratio 1:10

30 June 2011 Cash
Cash ~A \$18.3 million
No debt

Senior Management
Terry Ransted – Chief Geologist
Mike Sutherland – GM NSW
Tony Wright – Commercial Manager

Media Relations
Westbrook Communications
Level 1, 17 Castlereagh Street
SYDNEY NSW 2000
Telephone +61 2 9231 0922
Facsimile +61 2 9231 0131
Web: www.westbrookfin.com.au



PREAMBLE

Alkane is a multi commodity explorer and miner. For many years the focus of operations has been the Central West of New South Wales, while retaining some minor interests in Western Australia. The Company's involvement in NSW goes back to the early 1980s, and between 1996 and 2005 Alkane developed the Peak Hill Gold Mine which produced 153,000 ounces of gold. Alkane's history of exploration in NSW has given it a familiarity with the geology of the region which guides its multi commodity strategy. While the Dubbo Zirconia Project promises to be a considerable project of international significance, Alkane's other projects in the region will contribute to the spread of revenues across several commodities and to the overall economics of all projects, across production and continued exploration.

NEW SOUTH WALES

TOMINGLEY GOLD PROJECT (TGP) - gold

Alkane 100%

The TGP is located in the Central West of New South Wales, about 400 kilometres northwest of Sydney. The TGP is based on three gold deposits located 14 kilometres north of the Company's Peak Hill Gold Mine (Figures 1 & 2). Identified Mineral Resources total 689,000 ounces of gold (*ASX Reports dated 25 March 2009 and 2 October 2009*) and a Definitive Feasibility Study (DFS) was completed late 2010 (*ASX Report dated 13 December 2010*).

As advised in the ASX Announcement of 20 April 2011, the Company granted a mandate for Credit Suisse (CS) to act exclusively as arranger and underwriter in respect of a Project Loan Facility and associated Gold Hedging Facility for use in the construction, start-up and operation of the Company's TGP operation. This financing will indicatively comprise of a Project Loan Facility of up to **A\$45 million** and a Gold Hedging Facility of up to **163,000 ounces**.

Noah's Rule Pty Ltd is advising the Company on the appropriate financing strategies for the development of the TGP.

During the Quarter, as a strategic hedge to manage the material gold price risk on the TGP, Alkane has entered into a 90,000 ounce gold forward sale that will underwrite a minimum price of approximately A\$1,600 per ounce for the first two and a half years of production from the Project. The current mark to market on this hedge is negative A\$2.7 million.

The Environmental Assessment (EA) for the project has been "reviewed for adequacy" by the NSW Department of Planning and Infrastructure, and is scheduled to go on public display shortly.

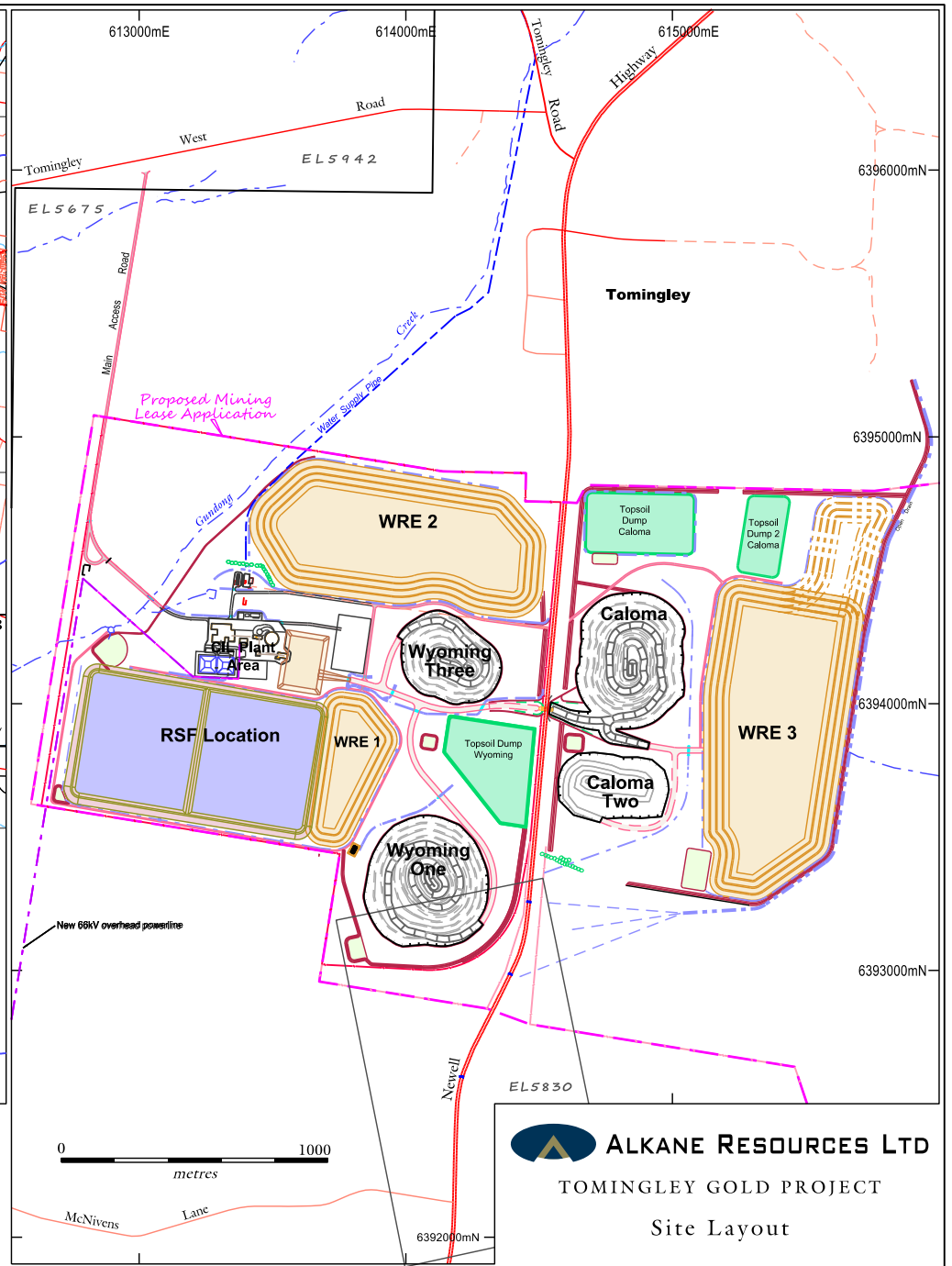
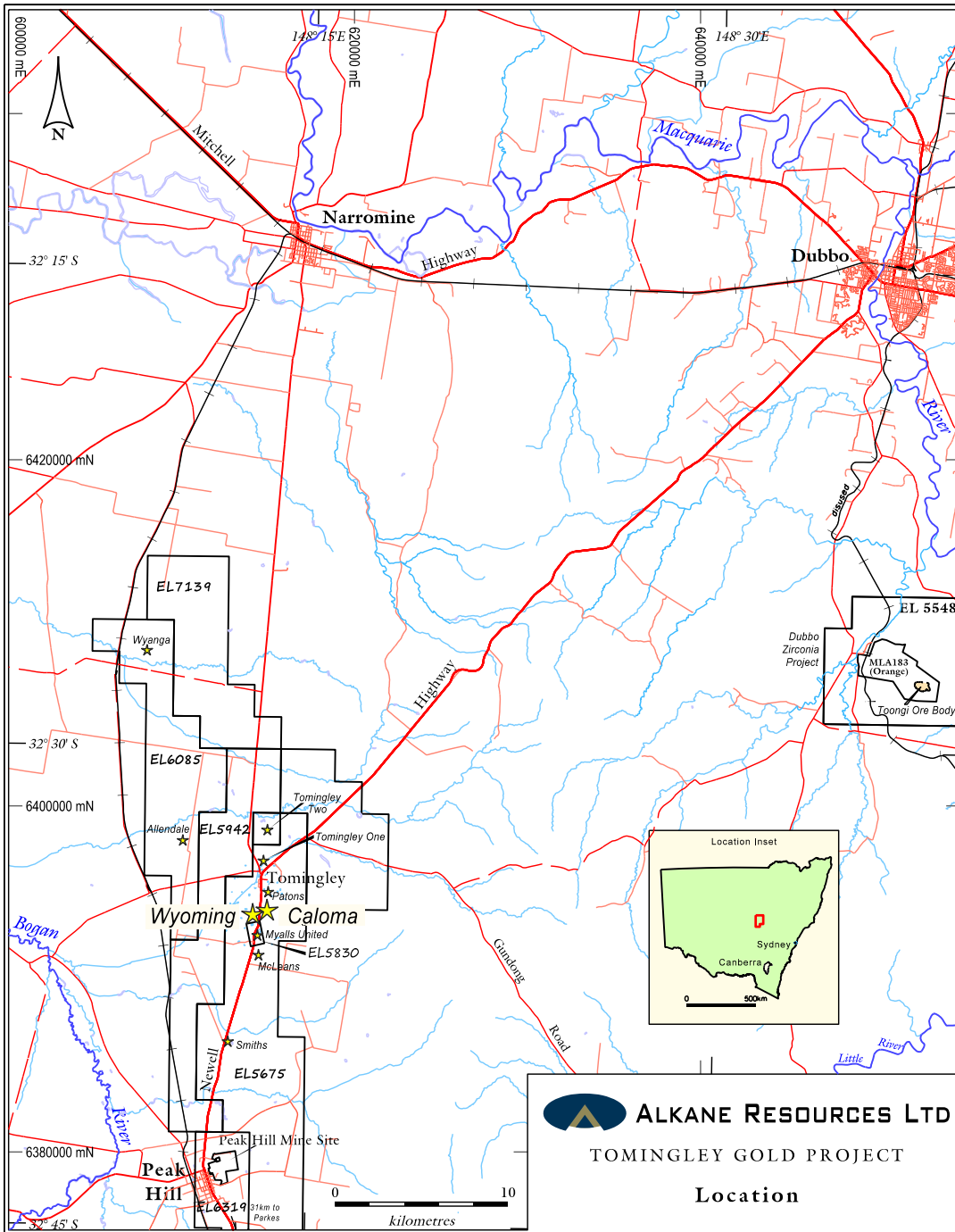
The Compass Resources Limited (subject to Deed of Company Arrangement) (Receivers and Managers Appointed) royalty remains unresolved.

Exploration

RC drilling has commenced to test the Caloma Two mineralisation and to raise the status of Inferred Resources within the Caloma deposit to Indicated Resources (Figure 2).

Aircore drilling is also in progress to test near mine and other regional targets to determine the potential for additional resources within trucking distance of the project site.

Results will be released as they become available.





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

Australian Zirconia Ltd (AZL) 100%

The Dubbo Zirconia Project (DZP) is located 30 kilometres south of the large regional centre of Dubbo (Figure 1) in the Central West Region of New South Wales. The DZP is based upon one of the world's largest in-ground resources of the metals **zirconium, hafnium, niobium, tantalum, yttrium, and rare earth elements**. Over several years the Company has developed a flow sheet consisting of sulphuric acid leach followed by solvent extraction recovery and refining to produce several products.

The **Demonstration Pilot Plant (DPP)** has been operating at the laboratory facilities of **ANSTO Minerals** at Lucas Heights south of Sydney since May 2008 and to date has recovered substantial quantities of zirconium products and niobium concentrate. The DPP has continued to operate for short periods to trial engineering and process innovations, and recently has demonstrated recovery of an yttrium rich heavy rare earth concentrate and a light rare earth concentrate.

Separate programs to improve the quality of existing zirconium and niobium products continued with success in minimising contaminants with the zirconium product suite, and production of a ferro-niobium product which is a primary additive for HSLA (high strength low alloy) steels.

The yttrium and heavy rare earth (HREE = gadolinium, terbium and dysprosium) concentrate and light rare earth (LREE = lanthanum, cerium, neodymium, praseodymium and samarium) concentrate have been dispatched to selected end users for evaluation.

Market Developments – MOU's

As previously advised (ASX Announcement 16 May 2011), a non-binding Memorandum of Understanding (MOU) was signed with a leading international chemical company and a leading trading company. The basis of the MOU is to establish a joint venture to produce zirconium oxychloride (ZOC) using a zirconium chemical intermediate from the DZP. The MOU followed extensive dialogue and testing of samples over several years, including visits by the companies to the Dubbo site and the demonstration pilot plant at ANSTO (Australian Nuclear Science and Technology Organisation) near Sydney.

A condition of the MOU, to prevent disruption to the companies' current supply arrangements, is that their names are kept confidential until a commercial development is finalised.

Alkane's partners have already produced samples of ZOC from a DZP zirconium intermediate which is equivalent to Chinese produced ZOC and suitable for Japanese, European and the North American markets. A prefeasibility study will determine the size and location of the ZOC facility, but it is likely that the plant will be **15,000 - 20,000 tonnes per annum**. This production rate would require all of the zirconium production from the DZP base case development of 400,000 tonnes per annum of ore, or about 50% of the zirconium production from the expanded 1 million tonnes per annum case.

Following agreement between the parties, the terms and conditions will be incorporated into a Heads of Agreement (HOA), including off take agreements for the ZOC production, ownership structure, management of the joint venture, and location of the ZOC production facility. A working group has been established to progress the HOA with the aim of obtaining a signed HOA by 31 December 2011

Subsequently, a second non-binding MOU was signed (ASX Announcement 26 July 2011) with Mintech Chemical Industries Pty Ltd (Mintech) for a joint venture to process and treat a zirconium chemical intermediate from the DZP to also produce ZOC.

Mintech has plant and equipment at its East Rockingham (Western Australia) site which currently uses ZOC, and previously produced other zirconium chemicals and zirconium dioxide products. Mintech has extensive chemical manufacturing expertise and a ready supply of low cost hydrochloric acid available nearby, which is a key reagent for producing ZOC.



The Mintech joint venture will undertake a scoping study to reconfigure the plant to produce **10,000 - 12,000 tonnes per annum ZOC**, which will require half of the uncommitted 50% of zirconium output from the expanded 1 million tonnes per annum development scenario of the DZP. The scoping study will include a study of the ZOC market both domestically and overseas and is expected to be completed within three months.

At current prices the ZOC production from these two joint ventures would generate revenue potential of around **US\$100 million to US\$120 million per year**, representing about 25% of total projected DZP revenue.

Market Developments - Zirconium

Zircon, derived from mineral sands mining operations in conjunction with the recovery of ilmenite and rutile, is the primary source of all downstream zirconium products. The zircon industry is experiencing a major supply deficit which continued to deteriorate throughout 2010 and early 2011 and has flowed on to the downstream zirconium industry with prices escalating substantially. These developments are documented in Table 1 below.

Table 1: Zircon and zirconium products pricing mid July 2011

PRODUCT	ZrO ₂	Q2 2010 US\$/T	Q1 2011 US\$/T	Q2 2011 US\$/T
Zircon (producer/trader) (100% ZrO ₂ basis)	65% 100%	\$900 - \$1,150 (\$1,440 - \$1,840)	\$1,500 - \$2,100 (\$2,400 - \$3,360)	\$1,700 - \$2,750 (\$2,720 - \$4,400)
ZOC (zirconium oxychloride) (100% ZrO ₂ basis)	36% 100%	\$1,350 - \$1,450 (\$3,750 - \$4,025)	\$2,300 - \$2,600 (\$6,400 - \$7,200)	\$3,600 - \$4,000 (\$10,000 - \$11,111)
ZBS (zirconium basic sulphate) (100% ZrO ₂ basis)	33% 100%	\$1,770 \$5,360	\$3,000 \$9,100	\$6,000 \$18,200
ZBC (zirconium basic carbonate) (100% ZrO ₂ basis)	40% 100%	\$2,100 \$5,250	\$3,400 \$8,500	\$5,400 \$13,500
Fused Zirconia	98.50%	\$2,900 - \$3,100	\$4,100 - \$4,400	\$6,000 - \$7,000
Chemical Zirconia	99.50%	\$4,200 - \$4,400	\$7,200 - \$7,500	\$10,000 - \$12,000
Chemical Zirconia	99.90%	\$5,300 - \$5,500	\$8,500 - \$10,500	\$12,000 - \$15,000
Source TCMS				

Market Developments – Rare Earth Elements

As has been well documented, rare earth prices rose dramatically from a very low base at the beginning of 2010 through to mid 2011, in some instances reflecting increases up to 25 times due to restrictions of supply coming from China, the world's dominant producer of rare earths (Table 2).

The Chinese Ministry of Commerce (Mofcom) has determined that export quotas for rare earth products for 2011 would be similar to 2010 levels which has maintained the upward pressure on pricing.

As stated below Table 2, AZL has adopted the Quarter Four 2010 average prices for the separated rare earth oxides as the long term sustainable prices. If these are sold as a light rare earth concentrate and a heavy rare earth concentrate, then 70% of the cumulative value has been assumed for revenue estimates.



Table 2: Rare earth pricing Q2 2010 to Q2 2011

Rare Earths Prices (US\$/kg FOB China REO)						
Source: Metal Pages© Numbers have been rounded						
Light Rare Earth	DZP Distribution	Q2 2010 Average	Q3 2010 Average	Q4 2010 Average	Q1 2011 Average	Q2 2011 Average
Lanthanum Oxide	19.51%	\$7.13	\$25.75	\$53.00	\$75.00	\$138.00
Cerium Oxide	36.70%	\$5.58	\$24.50	\$50.00	\$77.00	\$138.00
Praseodymium Oxide	4.05%	\$30.60	\$48.25	\$77.00	\$118.00	\$215.00
Neodymium Oxide	14.12%	\$31.13	\$49.50	\$80.00	\$125.00	\$253.00
Samarium Oxide	2.20%	\$4.50	\$22.25	\$34.00	\$69.00	\$120.00
Heavy Rare Earth						
Europium Oxide	0.07%	\$521.67	\$570.00	\$625.00	\$723.00	\$1867.00
Gadolinium Oxide	2.15%	\$8.25	\$28.75	\$44.00	\$81.00	\$167.00
Terbium Oxide	0.34%	\$545.00	\$570.00	\$605.00	\$693.00	\$1767.00
Dysprosium Oxide	2.05%	\$196.67	\$275.00	\$295.00	\$405.00	\$983.00
Ho, Er, Tm, Yb, Lu	2.89%					
Yttrium Oxide	15.84%	\$11.42	\$26.25	\$56.00	\$93.00	\$158.00
DZP LREE	76.68%	\$12.06	\$30.58	\$57.20	\$81.00	\$163.00
DZP YHREE	23.32%	\$42.23	\$62.34	\$78.70	\$119.00	\$240.00
DZP LREE Concentrate		\$8.44	\$21.41	\$40.00	\$61.00	\$114.00
DZP YHREE Concentrate		\$29.59	\$43.64	\$55.00	\$83.00	\$168.00

Compiled by IMCOA

These prices are for individual separated rare earth oxides at 99% purity, and the actual value for DZP concentrates will depend on market acceptance of the concentrate, but for this table 70% of the value has been assumed. The prices quoted above are averaged for the full quarter and currently spot prices are considerably higher than the average Q2 2011 figures quoted.

The high prices are unlikely to be reduced until the two new anticipated large non-Chinese producers, Lynas Corporation and Molycorp come on stream through 2012 and 2013. These producers have largely light rare earth output and the DZP, while smaller in total production, has a significant heavy rare earth component of approximately 25% HREE and is likely to attract a premium for that output.

Like the zirconium market, the developments in the rare earth sector have had a positive flow on effect to the potential DZP revenue stream.

Table 3: Summary of the DZP Product Marketing Program

	Zirconium	Niobium	LREE	YHREE
100%				
75%	US\$100 – 120M			
50%		In Progress	In Progress	In Progress
25%				
0%				

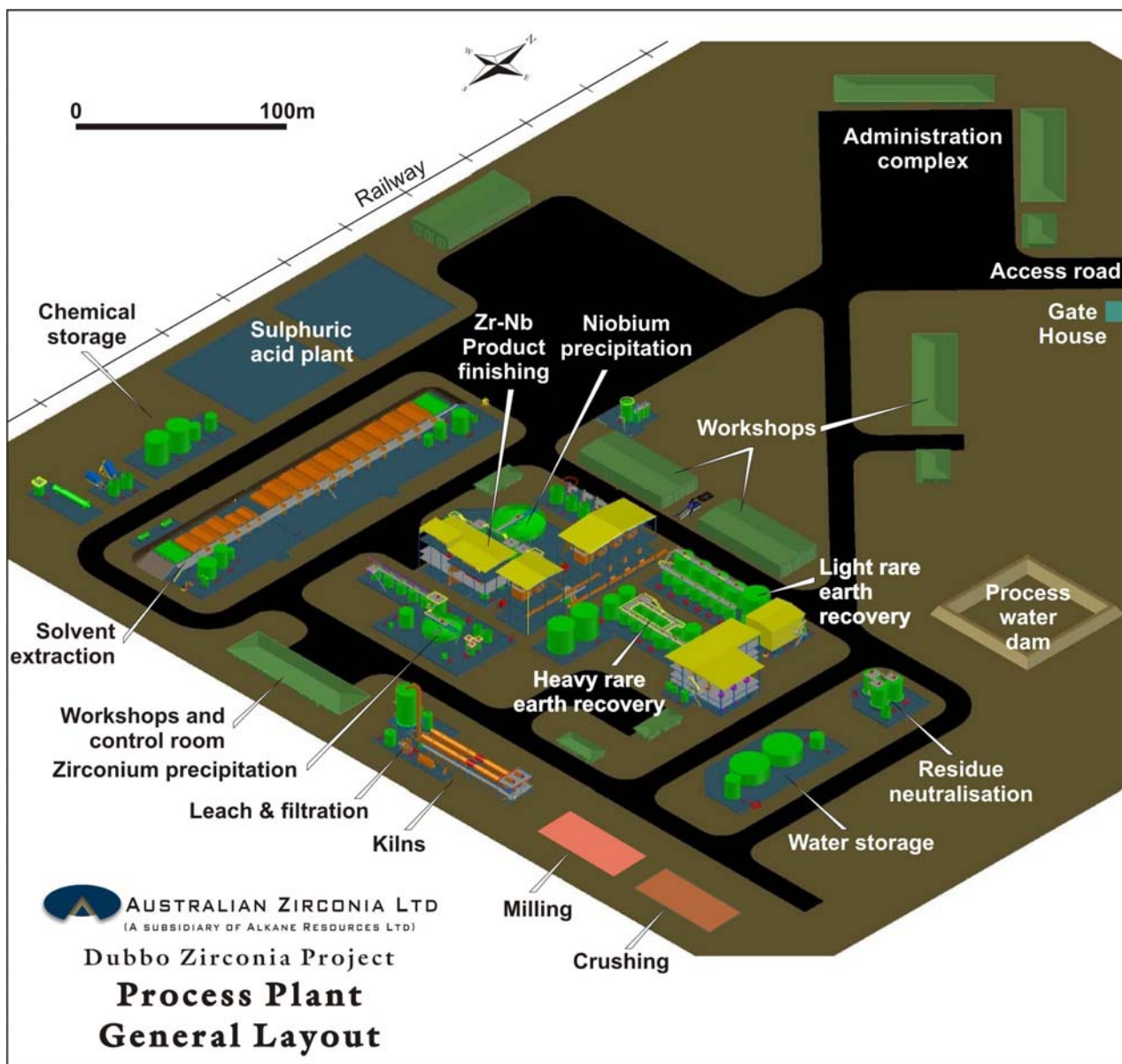


Definitive Feasibility Study (DFS)

The DFS is being managed by TZ Minerals International Pty Ltd (TZMI) in Perth. The DFS is nearing completion and should be available in the next few weeks. TZMI has used flow diagrams and mass balances developed from the DPP to estimate capital and operating costs, and to provide the treatment plant layout (Figure 3).

The base case for the development is a 400,000 tonnes per annum ore throughput with all processing facilities located on-site at Toongi, about 30 kilometres south of Dubbo. As a result of expanding markets for all the Project's output, the 1 million tonne per annum ore throughput model is also being examined as part of the DFS and is currently considered to be the likely development concept.

Figure 3 DZP Plant Layout





ORANGE DISTRICT EXPLORATION JOINT VENTURE - ODEJV (gold-copper)

Alkane Resources Ltd 49%, Newmont Australia Limited 51%

The **ODEJV** includes Alkane's **Molong** and **Moorilda** tenements located near the city of Orange in the Central West of New South Wales, adjacent to Newcrest Mining Ltd's Cadia Valley Operations.

Newmont Australia Limited (NAL) earned a 51% interest in the ODEJV in August 2009. In March 2010 NAL elected to proceed to 75% by completing a Bankable Feasibility Study (BFS) on the **McPhillamys Project**. NAL is a subsidiary of the US based Newmont Mining Corporation (**NYSE:NEM**).

Moorilda - McPhillamys

NAL have advised that they have continued to review development options for the McPhillamys deposit.

Molong

NAL have completed a review of the Charlies and Galloway prospects, previously drilled in 2006, which continued to highlight the potential for monzonite hosted porphyry copper-gold mineralisation, typical of the nearby Cadia-Ridgeway deposits. Further drill testing has been scheduled for the second half of this year.

BODANGORA (gold-copper)

Alkane Resources Ltd 100%

As advised in the March Quarterly Report a reconnaissance RC drilling program at the Glen Hollow prospect intersected significant porphyry style gold-copper mineralisation with **COMRC009** returning **45 metres @ 0.9g/t gold, 0.24% copper from 50 metres including a zone of 21 metres @ 1.5g/t gold, 0.41% copper from 84 metres**.

Follow up drilling was scheduled but extensive cropping activity has delayed the program until later in the year.

WELLINGTON (copper-gold), CUDAL (gold-copper), CALULA (gold-base metals) and DIAMOND CREEK (gold-base metals) were inactive.

WESTERN AUSTRALIA

LEINSTER REGION JOINT VENTURE (nickel-gold)

Alkane Resources Ltd 22% diluting, Xstrata Nickel (Jubilee) 78%

*The three prospects - **Leinster Downs, Miranda and McDonough Lookout** - are subject to a farm-in agreement with Xstrata Nickel (Jubilee).*

Xstrata Nickel has advised that no field work was completed during the Quarter.

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 2004 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.

BACKGROUND

Alkane is a multi commodity explorer and miner with its operations focused in the **Central West** of **New South Wales**, about 400 kilometres northwest of Sydney. Alkane has built a substantial resource base over several years, including experience in developing the Peak Hill Gold Mine, and is proceeding towards several developments.

The **Dubbo Zirconia Project** is based upon a world class resource of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements. Over several years Alkane has developed a flow sheet which can recover a variety of products which have expanding applications in electronics, ceramics, catalysts, special alloys and glasses, fuel cells, special batteries and permanent magnets, nuclear power and as environmental drying agents. A \$3.3 million Commercial Ready Grant from AusIndustry in 2006 enabled the feasibility study to include the construction and operation of a Demonstration Pilot Plant. Development commitment is anticipated in Q4 2011 leading to production possibly in late 2013 or early 2014.

The **Tomingley Gold Project** currently has a **659,000 ounce gold resource** within the **Wyoming and Caloma deposits**, (full details are in the 2008 Annual Report and the ASX announcements of 2 October and 16 December 2009). A feasibility study for the development of the project with potential 50,000 to 60,000 ounce per annum production was completed in late 2010 and development financing options are well advanced.

Near **Orange**, the Company has a joint venture (**ODEJV**) with Newmont, one of the world's largest gold miners, which resulted in the discovery in 2006 of a significant gold deposit at **McPhillamys** within the **Moorilda Project**. An initial resource of Indicated plus Inferred resources containing **2.96 million ounces of gold and 60,000 tonnes of copper** has been defined (full details ASX announcement of 5 July 2010). Newmont is proceeding to complete a Bankable Feasibility Study for the possible development of the deposit.

Elsewhere within the region, at **Galwagere** within the **Wellington Project**, Alkane has defined a 2 million tonne 1.00% copper Indicated Resource (details 2005 Annual Report) which is being reviewed for its development potential and several other advanced exploration projects which have encouraging drill intercepts. New exploration targets have been identified at several other locations.

In **Western Australia** the Company hold a diluting 22% residual interest in a nickel sulphide joint venture with **Xstrata Nickel (Jubilee)** near **Leinster**.





Resource Statement July 2011

Dubbo Zirconia Project

Toongi Deposit	Tonnage (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	REO (%)	U ₃ O ₈ (%)
Measured	35.70	1.96	0.04	0.46	0.03	0.14	0.75	0.014
Inferred	37.50	1.96	0.04	0.46	0.03	0.14	0.75	0.014
TOTAL	73.20	1.96	0.04	0.46	0.03	0.14	0.75	0.014

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.

Tomingley Gold Project

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Gold (koz)
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
Top Cut 2.5x2.5x5.0m model									
Wyoming One	2,227,000	2.07	882,000	2.25	3,478,000	1.62	6,587,000	1.86	393.2
Wyoming Three	630,000	1.87	58,000	1.73	154,000	1.25	842,000	1.75	47.3
Caloma	2,047,750	2.04	440,050	1.71	1,371,620	1.36	3,859,420	1.76	218.5
Total	4,904,750	2.03	1,380,050	2.06	5,003,620	1.54	11,288,420	1.82	658.9

These Mineral Resources are based upon information compiled by Mr Richard Lewis MAusIMM (Lewis Mineral Resource Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology are given in the ASX Report dated 25 March 2009 and 2 October 2009.

Peak Hill Gold Mine

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		k Ounces
	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	Tonnage (t)	Grade (g/t)	
0.5g/t gold cut off									
Proprietary			9,440,000	1.35	1,830,000	0.98	11,270,000	1.29	467.4
3.0g/t gold cut off									
Proprietary					810,000	4.40	810,000	4.40	114.6

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2004 Annual Report.

Wellington – Galwadgere

DEPOSIT	MEASURED		INDICATED		TOTAL	
	Tonnage (t)	Grade (% Cu)	Grade (g/t)	Tonnage (t)	Grade (% Cu)	Grade (g/t)
0.5% Cu cut off						
Galwadgere	-	-		2,090,000	0.99	0.3

These Mineral Resources are based upon information compiled by Mr Terry Ransted MAusIMM (Principal, Multi Metal Consultants Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Terry Ransted consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the 2005 Annual Report.

Moorilda – McPhillamys (ODEJV)

DEPOSIT	INDICATED			INFERRED			TOTAL			k Ounces gold	tonnes copper
	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu		
McPhillamys 0.3g/t Au cut-off											
Inner Ore Zone	51,650,000	1.10	0.07	23,504,000	1.19	0.07	75,154,000	1.13	0.07	2,723.6	55,091
Outer Ore Envelope	9,624,000	0.44	0.04	7,167,000	0.43	0.03	16,791,000	0.43	0.03	234.7	5,729
Total	61,274,000	0.99	0.07	30,671,000	1.01	0.06	91,945,000	1.00	0.07	2,958.3	60,820

DEPOSIT	INDICATED			INFERRED			TOTAL			k Ounces gold	tonnes copper
	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu	Tonnage (t)	Grade (g/t)	Grade % Cu		
McPhillamys 0.5g/t Au cut-off											
Inner Ore Zone	41,260,000	1.27	0.08	16,097,000	1.57	0.09	57,357,000	1.36	0.08	2,499.9	46,933
Outer Ore Envelope	2,169,000	0.69	0.03	1,338,000	0.62	0.03	3,507,000	0.66	0.03	74.6	1,170
Total	43,429,000	1.24	0.08	17,435,000	1.50	0.08	60,864,000	1.32	0.08	2,574.5	48,104

These Mineral Resources are based upon information compiled by Mr Richard Lewis MAusIMM (Lewis Mineral Resource Consulting Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Lewis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The full details of methodology were given in the ASX Announcement 5 July 2010. Totals may not tally due to rounding.