

Dubbo Zirconia Project (DZP) Community Newsletter

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Development

Dubbo Zirconia Project receives Federal Environmental Approval

Following project approval from the NSW Department of Planning and Environment on 28 May, Alkane has now received approval under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 for the proposed mining of the Toongi deposit.

The Commonwealth Department of the Environment assessed the mining project and its impact on the Pink-tailed Worm-lizard (PTWL), a threatened species within the provisions of the Act, and approved the development on 24 August 2015. The approval incorporates a schedule of compliance conditions designed to limit the impact on PTWL habitat and manage biodiversity offsets.

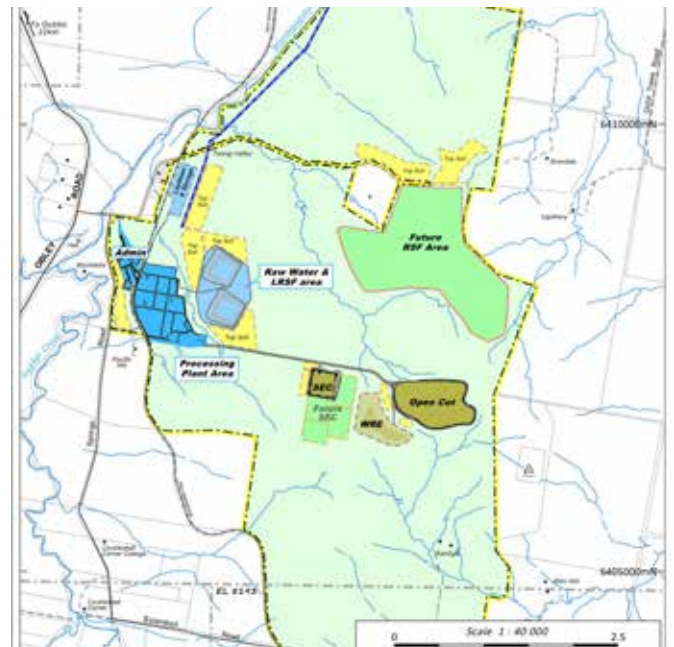
Alkane's award-winning* multidisciplinary research program to monitor and understand the PTWL population, and to develop an innovative solution for its conservation, played a key role in securing this approval.

The Company is currently finalising both the Mine Operations Plan (MOP) required to secure the Mining Lease, as well as the application for the Environmental Protection Licence (EPL).

** Alkane Resources recently won two NSW Mining 2015 Health, Safety, Environment & Community Awards for 'Environment and Community Leadership' and 'Environment Excellence'. See article later in this newsletter.*

Environment to reap benefits from DZP process improvements

Alkane recently announced the completion of the DZP front-end engineering design (FEED), which incorporates a substantial number of project improvements and process enhancements. In addition to demonstrating the DZP as a world-class polymetallic project, the enhancements will result in a reduction of both water consumption and site footprint by 50%.



New and improved planned layout of the DZP site

The incorporation of an advanced water recovery circuit, including forced evaporation, has significantly reduced the fresh water that will be required for

the process. It has also enabled the adoption of advanced waste treatment processes, reducing the area required for liquid residue storage facilities by 90%. Consequently, projected water consumption has been reduced from 4 gigalitres per annum to just 2Glpa, and the site footprint halved to around 500 hectares.

While the changes to the site layout represent a reduction in environmental impact, Alkane has commenced discussions with the Department of Planning & Environment (DPE) to modify the State Significant Development approval received in May this year. The proposed modification has been received positively by the DPE, with an Environmental Assessment of the proposed modifications expected to be available for public review in early 2016.

On top of these environmental benefits, the FEED also demonstrates a number of significant improvements to product recoveries and outlines the DZP's strong overall economic potential. The project is now ready for detailed design and construction to commence, contingent on financing and achievement of the Environment Protection Licence, Mining Lease and other minor permits.

Alkane wins two Environment & Community Awards

Alkane Resources is delighted to have been named the winner in two separate categories at the NSW Mining 2015 Health, Safety, Environment & Community Awards – announced at an awards dinner in the Hunter Valley on Monday 31 August.

Mike Sutherland, Alkane's General Manager NSW, was named winner in the 'Environment and Community Leadership' category, and Alkane also won the 'Environment Excellence' category for 'Leaving No Stone Unturned to Conserve the Pink-Tailed Worm-Lizard' at the DZP site.

Winner – Environment and Community Leadership

Mike was lauded for his leadership role across Alkane's operations in Central West NSW – including the Peak Hill Gold Mine, Tomingley Gold Operations (TGO) and Dubbo Zirconia Project (DZP) – which have led him to

become "the face of Alkane" in Dubbo. His community and environment work over a period of 20 years, notably with the conservation of the PTWL, has laid foundations of trust for the Company among the local community. A long-time local, Mike is a former farmer, passionate environmentalist and supporter of indigenous cultural heritage and employment.

"I am delighted to receive this recognition from my peers for doing work that I love. I am grateful to Alkane for investing in my continued education and for having the vision to explore the Lachlan Fold Belt in the Central West of NSW. I also owe a lot to the support of my wife Kylie, who encouraged me to start working off-farm twenty years ago." – Mike Sutherland



Mike Sutherland, Alkane General Manager NSW, won the Environment and Community Leadership award

Winner – Environment Excellence

Alkane's considerable efforts to conserve the vulnerable PTWL were also honoured at the awards dinner. First discovered living on the DZP orebody in 2001, the PTWL is a small legless lizard found in fragmented populations in New South Wales, Australian Capital Territory and Victoria.

Alkane has committed significant energy and resources to a multidisciplinary research program for monitoring and understanding the population and developing an innovative solution for its conservation. This led to re-design of the mine schedule to provide a ten-year window for the passive translocation of the PTWL population to nearby suitable natural and artificial habitats. The Company will have the privilege of managing and conserving the largest known PTWL population in NSW.

The project was instigated and managed by Mike Sutherland, who engaged the services of one of the leading herpetologists in NSW to lead the search for additional populations of PTWL and set-up artificial habitat trials. The project was supported by additional consultants and Alkane staff. The local Dubbo Field Naturalists and Conservation group (approx. 20 volunteers) was also enlisted to help with local surveys and provide local knowledge into the PTWL management plan.

Dr David Goldney, Dr Arthur White (Biosphere Environmental Consultants), Phil Cameron (Ozark EHM), Addy Watson (formerly Tomingley Gold Operations) and Dr Gilbert Whyte (Kleinfelder) have all been integral to conservation of the PTWL.



Alkane won the 'Environment Excellence' category for Pink-tailed Worm-Lizard conservation efforts

Watch the NSW Mining video about the project:

<https://youtu.be/aqdEf9JGT7w>

Community

Independent Chairperson appointed for DZP Community Consultative Committee

The NSW Department of Planning and Environment has appointed Peter Stanford as the Independent Chairperson of the Dubbo Zirconia Project Community Consultative Committee (CCC). Mr Stanford served in Australia's diplomatic corps for three decades, including as Ambassador, with postings in Papua New Guinea, Malaysia, Fiji, Micronesia and Thailand. Now retired, he settled in Dubbo in 2011.

With vast experience in mediation and public policy, Mr Stanford is extremely well positioned to balance resource, environmental and community interests as the Chairperson of the DZP CCC. Alkane welcomes him to the role.

The purpose of the CCC is to facilitate communication about mine operations and environmental performance, providing a forum for open discussion between mining companies and the community. In addition to the independent chairperson, the CCC will comprise representatives of the local community, local council, AZL and other key stakeholders. (See next article re calls for nominations.)



*Peter Stanford, Independent Chairperson of the DZP Community Consultative Committee
Photo by: The Dubbo Weekender*

Call for nominations to the CCC

The newly appointed Chairperson of the DZP Community Consultative Committee (CCC), Peter Stanford, is now seeking nominations from the local community and other stakeholders for membership to the CCC. The NSW Department of Planning and Environment will appoint the successful candidates in accordance with its Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects 2007 (refer to www.planning.nsw.gov.au).

The CCC will meet quarterly at Toongi or in Dubbo.

Nominations must be received by close of business Wednesday 16 September 2015.

They should be marked "Private and Confidential" Dubbo Zirconia Project – CCC, and sent to: PO Box 910, DUBBO NSW 2830. Interested parties are encouraged to read the guidelines before applying. Applications should include name, contact details and a brief statement on why you would make a good committee member.

For further information please contact the Chair on 0429 308 367 or email dzpcccchair@gmail.com.

Clontarf Southern NSW Regional Employment Forum 2015

Alkane representatives, including General Manager NSW Mike Sutherland and Nicole Widdison, participated at the recent Employment Forum hosted by the Clontarf Foundation. The event consisted of a speed-dating style of question/answer session, where students could find out about local employment opportunities – such as the Dubbo Zirconia Project.

With numerous academies around Australia, the Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal men and by doing so equips them to participate meaningfully in society. The Dubbo College Clontarf Academies were established in 2014, operating from Dubbo College Delroy, South and Senior Campuses, and cater for students from Years 7 to 12.



Alkane participated in a recent Employment Forum hosted by the Clontarf Foundation

Interview with Alkane Managing Director

Ian Chalmers, Managing Director Alkane Resources, has been interviewed by Tracy Weslosky, Publisher of InvestorIntel. In the interview, available on YouTube, Ian talks frankly about celebrating 29 years with Alkane and discusses the DZP in the context of the global rare earths market. The 10 minute interview can be accessed at <http://investorintel.com/technology-metals-intel/alkane-resources-ian-chalmers-on-becoming-the-global-rare-earth-market-cap-leader/>

