



ASX ANNOUNCEMENT –20 JUNE 2008

BONANZA CALOMA RC GOLD INTERCEPTS

- **Results for the final 13 RC holes from the resource drilling program at Caloma have been received returning bonanza high grade results from near surface, including 4 metres grading 293g/t gold.**

- **Selected results include:**

PE 401	12 metres grading 4.22g/t gold from 39 metres
PE 403	22 metres grading 6.46g/t gold from 8 metres
PE 405	13 metres grading 91g/t gold from 9 metres
including	4 metres grading 293g/t gold from 15 metres
PE 409	11 metres grading 2.60g/t gold from 25 metres

- **The high grade intercepts in PE 403 and 405 are located at the current eastern edge of the resource target and remain open to the south.**

- **Detailed logging and sampling of the 19 diamond core holes drilled at Caloma and Wyoming is in progress and results will be released as available.**

Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean (Director)

I. J. Gandel (Director)

I. R. Cornelius (Director)

L A Colless (Joint Secretary)

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12 month share price range

A\$0.515 - \$0.25

Market Cap 19 June 08

~A\$97 million

ASX Code: **ALK**

242.4 million shares (June 08)

March 2008 Cash

~ \$12.3 million

No debt

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Caloma – Tomingley Gold Project

The major reverse circulation (RC) and diamond core resource definition drilling program at Caloma was completed in May and a total of 186 RC holes (PE 215 – 410) for 22,034 metres were drilled. The drilling program focussed on a 400 metre long central section of the 1,000 metre north-south trending Wyoming style feldspar porphyry host which is located at the contact of pelitic sediments in the west and an andesitic volcanic and volcanoclastic sequence to the east. Results have now been received for the final 13 RC holes (PE 398 – 410, figure 1) of this program and are summarised in Table 1.

The RC program was completed on a 20 metre by 20 metre pattern to ensure the definition of a Measured and Indicated Resource to a depth of about 150 metres. Gold mineralisation is known to extend further to the north and south within the porphyry host but it was decided to focus on the central section to compile the resource and open pit mining model as soon as possible. This should enable completion of the feasibility study by early 2009.

Multiple mineralised structures have been defined within the main feldspar porphyry host which is 80 to 100 metres in width. As a result of the current drilling a robust geological model has been developed and it is apparent that most of the mineralised structures within the porphyry have an approximate northerly orientation, with a shallow westerly dip. These structures range in width from a few metres to in excess of 20 metres and appear to extend across the full width of the porphyry host. Intersecting structures, or structures intersecting lithological contacts, occasionally generate substantial intercepts. East-west, and apparently vertical, cross cutting dolerite dykes displace the mineralisation at irregular intervals. The drilling has also demonstrated that the mineralised structures project through the eastern contact of the porphyry into the volcanoclastic sediments and have expanded the resource potential into that area. For example PE 403 and PE 405 (figure 1 and table 1), and this mineralisation appears to remain open to the south. The high grade intercepts in these holes are from 3 metre composite samples and will be checked with 1 metre riffle splits.

This high grade mineralisation may also be the up-dip extensions of zones intersected in deeper RC and core drilling within what appears to be lithologies footwall (east) to the porphyry. This structure is continuous over several sections at a depth of around 200 metres with an average width of about 10 metres, and in core displays extensive alteration, quartz veining and coarse pyrite/arsenopyrite, with occasional visible gold.

Ten core holes (PE 253D – 257D, PE 271D – 272D, PE 289D and PE 292D – 293D) totalling 2,571 metres have been drilled at Caloma and nine core holes (WY 840D – 848D) totalling 3,720 metres have also been completed at the Wyoming One and Wyoming Three deposits. The core drilling was designed to provide confirmatory geological information, and samples for metallurgical testing and geotechnical data. Results will be released as they become available.

Prior to final mine planning, further drilling would be scheduled to determine possible north and south extensions to the Caloma deposit.

Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) 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 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 the report of the matters based on his information in the form and context in which it appears.



Table 1: Caloma results greater than 1.0g/t gold PE 398 - PE 410 @ 20 June 08

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 399	614956	6394039	~270	090°	60°	21*	1.38	9 – 30	36	
PE 400	614789	6394259	~270	090°	60°	3	1.24	102 – 105	132	
PE 401	614754	6394037	~270	090°	60°	10	1.11	18 – 28	168	
also						12*	4.22	39 - 51		
also						3*	2.31	147 – 150		
PE 402	614960	6394175	~270	090°	60°	3*	3.12	15 – 18	36	
PE 403	614920	6394020	~270	090°	60°	22*	6.46	8 – 30	72	
PE 405	614980	6394040	~270	090°	60°	13*	90.73	9 – 22	30	
incl						4*	292.88	15 - 19		
PE 406	614880	6394045	~270	090°	60°	8	1.30	34 – 42	102	
also						4	1.54	79 - 83		
PE 407	614800	6394060	~270	090°	60°	7*	1.93	8 – 15	100	
PE 408	614740	6394060	~270	090°	60°	6*	1.48	33 – 39	108	
PE 409	614910	6394160	~270	090°	60°	11	2.60	25 – 36	60	

Gold analysis by 30g fire assay of 1 metre riffle split samples, or *rarely 3 metre composite samples. True widths are approx 90 - 95%.

BACKGROUND

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

The **Tomingley Gold Project** currently has a **606,000 ounce gold resource** within the **Wyoming deposits**, of which 75% is in the Measured and Indicated categories (full details 2007 Annual Report). The recent discovery at **Caloma** could add significantly to the resource base and a substantial drilling program has been completed to define this resource. A feasibility study for the development of the project is anticipated to be completed early 2009.

The **Dubbo Zirconia Project** is based upon a world class resource of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements. The deposit also contains significant uranium. 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. Following a \$3.3 million Commercial Ready Grant from AusIndustry in 2006, the feasibility study was reactivated. The study includes the construction and operation of a Demonstration Pilot Plant, and a development commitment is anticipated mid 2009.

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 potentially significant gold deposit at **McPhillamys** within the **Moorilda Project**. This discovery includes intersections of 123 metres grading 1.96g/t gold and 77 metres at 1.65g/t gold within a 300 metre by 200 metre mineralised zone. Late in 2007 two deep core holes produced substantial gold intercepts in KPD002 of 225 metres grading 1.16g/t gold and KPD003 with 263 metres at 1.30g/t gold, and within both holes there were several higher grade intervals (e.g. KPD002 51 metres at 1.67g/t gold and 52 metres at 1.55g/t gold; KPD003 26 metres at 3.75g/t gold and 48.7 metres at 2.74g/t gold)

Elsewhere within the region, Alkane has defined a 2 million tonne 1.00% copper Indicated Resource (details 2007 Annual Report) which is being reviewed for its development potential at **Galwagere** within the **Wellington Project**, and several other advanced exploration projects with encouraging drill intercepts.

In **Western Australia** the Company holds 9 million shares (15.15%) of listed iron ore explorer **BC Iron Limited** and a diluting 25% residual interest in a nickel sulphide joint venture with **Xtrata Nickel (Jubilee)** near **Leinster**.

