



ASX ANNOUNCEMENT – 29 August 2007

**TOMINGLEY GOLD PROJECT
SCOPING STUDY RECOMMENDS PROJECT PROCEEDS TO
DEFINITIVE FEASIBILITY STUDY**

- § **Geological interpretation of the recent infill RC and reconnaissance AC drilling at the Caloma prospect has identified a potential of 120,000 to 190,000 ounces of gold. This potential is located within the central 300 metre zone of mineralisation which extends over a strike length of at least 600 metres.**
- § **A scoping study based upon the 2006 pre-feasibility study for the development of the Wyoming gold deposits and incorporating the Caloma potential, has indicated that the Project can support a 1 million tonne per annum open pit operation with a life of at least four years, producing about 70,000 ounces a year at a cash operating cost of A\$420 to A\$460 per ounce.**

The **Tomingley Gold Project (TGP)** extends over 60 kilometres from near Parkes in the south, to north of Tomingley in the Central West of New South Wales and covers a narrow sequence of Ordovician volcanic rocks. The **Wyoming Prospect**, within the TGP, is situated about 14 kilometres north of the Company's Peak Hill Gold Mine (figure 1).

As at 31 December 2006, total identified Measured, Indicated and Inferred Resources within the Wyoming deposits stood at **7.13 million tonnes grading 2.70g/t gold for 606,400 ounces** (see 2006 Annual Report for details). In 2006 reconnaissance exploration drilling identified a new zone of mineralisation at the **Caloma** prospect, which is located about 500 metres to the east of Wyoming (figure 2). Within the immediate Wyoming-Caloma project area, gold mineralisation is now known over a strike length of at least 4 kilometres.

During the June 2007 Quarter, a program of 40 RC holes and 21 AC holes were drilled to infill and extend the mineralisation at Caloma and this program intersected significant gold mineralisation below shallow clay cover within and adjacent to a Wyoming style porphyry intrusive body (see June 30 Quarterly Report). This body appears to be several hundred metres in north-south extent and 80 to 100 metres in width. The porphyry is hosted by andesitic volcanic and volcanoclastic sediments to the east and pelitic sediments to the west. Within the porphyry, altered and mineralised zones have both a north-south and east-west orientation with generally steep dips (figure 3). Substantial widths of high grade mineralisation are often recorded where these structures intersect. Mineralisation is also evident on or near the east and west contacts of the porphyry.

Geological interpretation of the central 300 metre sector of the mineralised porphyry has enabled a potential tonnage and grade model to be developed for that area. The drilling detail at this time is not sufficient for this body to be assigned as an Identified Mineral Resource but a conceptual range was determined to be 1.5 to 2.0 million tonnes grading 2.5g/t gold to 3.0g/t gold (120,000 to 190,000 ounces). This potential was assigned within a depth of about 100 metres from the surface.



As stated above, the Company would like to make it clear that the potential quantity and grade referred to in this report is conceptual and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Scoping Study

As a result of the potential identified at Caloma, the geological model was incorporated into the overall development scenario for the Wyoming deposits and using the pre-feasibility study and costs generated in 2006, a scoping study was run to determine the impact of this discovery.

The scoping study escalated the 2006 costs but demonstrated that the resource potential of the combined deposits could enable a 1 million tonne per annum open pit mining operation to feed a standard CIL recovery plant for a minimum of four years. This operation could produce around 70,000 ounces per year at a cash cost of about A\$420 to A\$460 per ounce.

The previous study indicated a capital cost for the 1 million tpa operation of around A\$40 million. While capital costs are believed to have also escalated, the TGP is located in an area of substantial existing infrastructure with the major Newell Highway transecting the project, linking a number of towns with a regional population base exceeding 150,000. No camp facilities are required and the workforce can be sourced locally. A natural gas pipeline and railway are located five kilometres west of Tomingley, and power is available from the New South Wales state grid. These factors should help minimise the impact of rising costs. Water supply remains an issue but it is thought that a pipeline could be laid from the Macquarie River at Narromine, 40 kilometres to the north of the project site.

Definitive Feasibility Study (DFS)

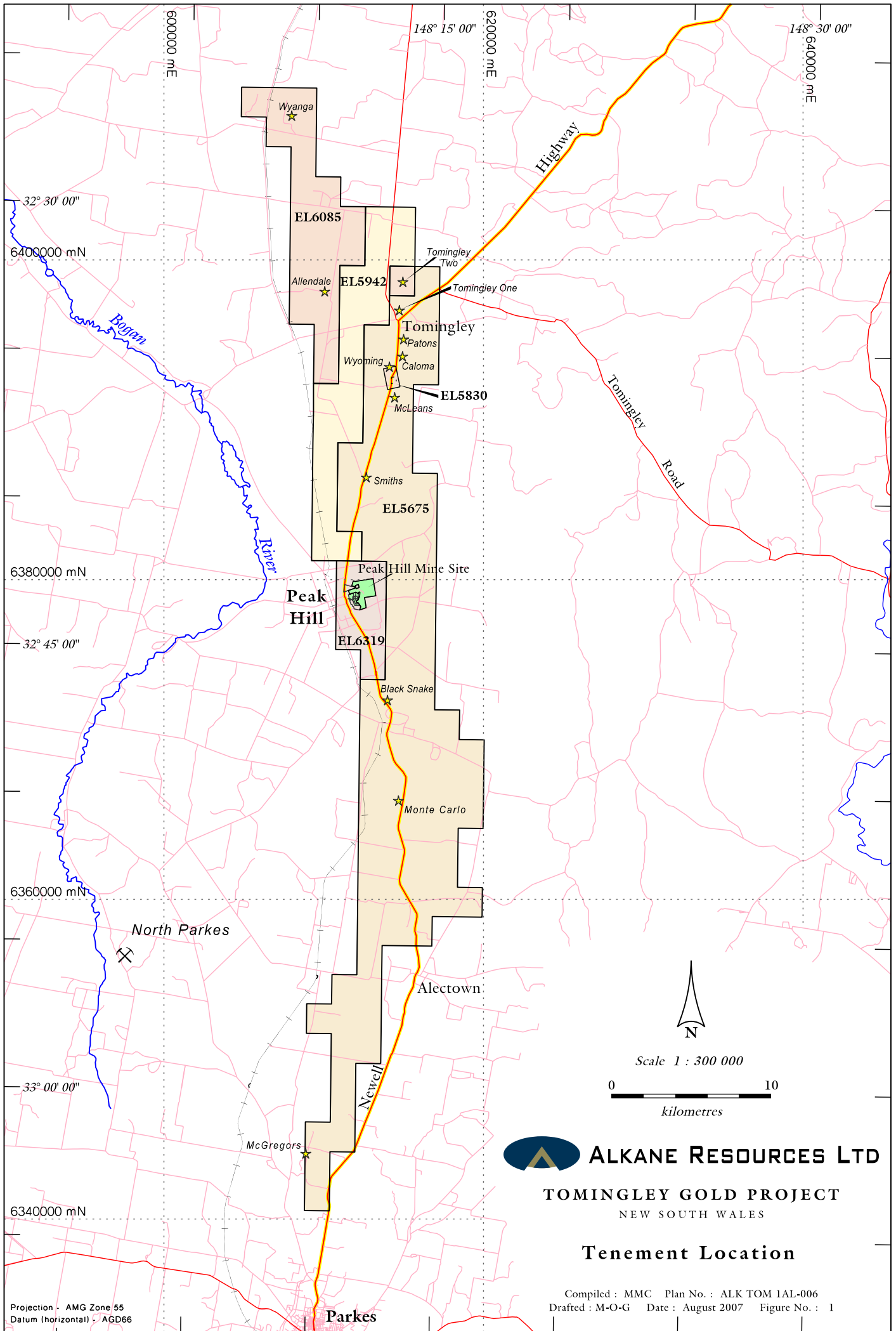
The results of the scoping study have recommended that the Project proceed to DFS to confirm the viability of the open pit model and examine in more detail the longer term strategy of developing an underground operation on the deposits. A major resource drill out program for Caloma has been scheduled to commence in October. To assist the resource drill out, two diamond core drill holes are currently being drilled to confirm the orientation of the mineralised structures. Reconnaissance AC drilling is also in progress testing extensions to shallow mineralised zones to assist with the geological model.

The detail and timing of the DFS has not yet been fully determined but it is anticipated that it could be completed by mid 2008.

DI Chalmers
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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.



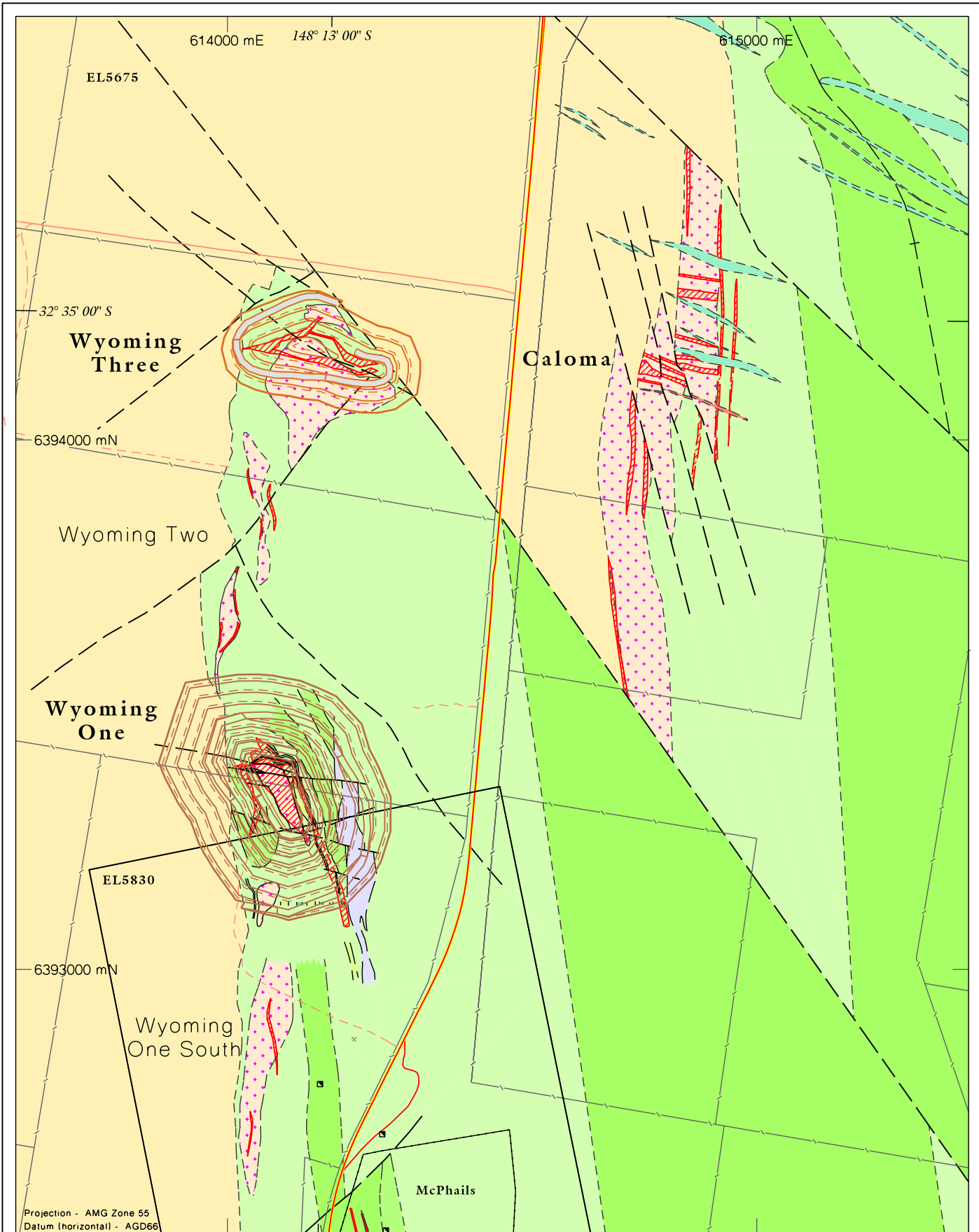
Projection - AMG Zone 55
 Datum (horizontal) - AGD66

Compiled : MMC Plan No. : ALK TOM 1AL-006
 Drafted : M-O-G Date : August 2007 Figure No. : 1

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TOMINGLEY GOLD PROJECT
 NEW SOUTH WALES

Tenement Location



Legend

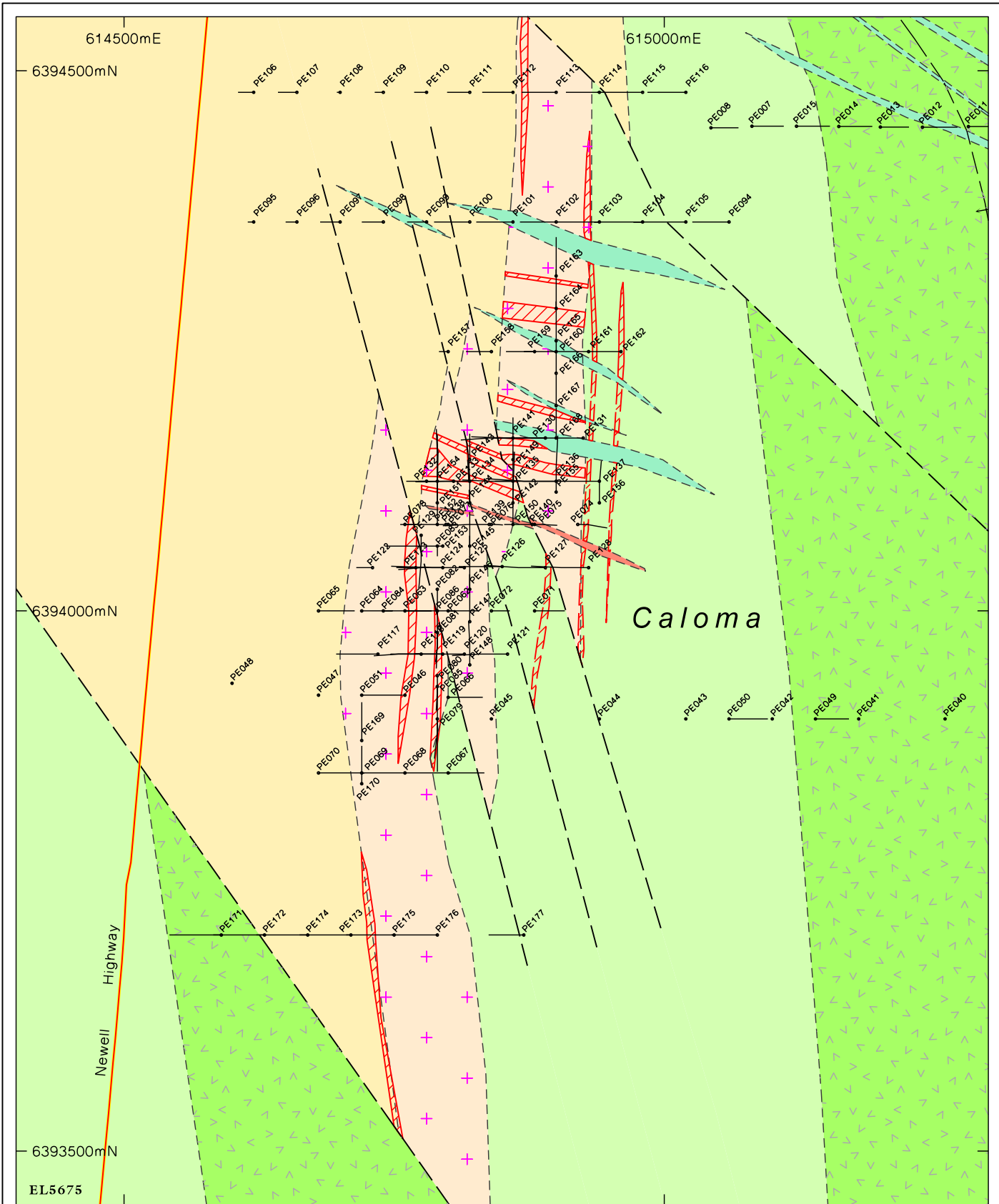
- | | |
|--------------------------------------|--|
| Geology | |
| | Massive, well foliated pelitic siltstone (Cotton Formation) |
| | Feldspar porphyry |
| | Undifferentiated volcaniclastic sediments |
| | Undifferentiated black graphitic shales and grey foliated siltstones |
| | Black graphitic shales |
| | Quartz and volcaniclastic sandstone pebble conglomerate |
| | Feldspar ± hornblende phyric andesitic lava |
| | Strongly sheared, chlorite-talc schist |
| | Mineralisation |
| Geological Symbols and Ornamentation | |
| | Fault, inferred |
| | Shear zone |
| | Geological boundary, inferred |
| | Quartz zone |



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TOMINGLEY GOLD PROJECT
WYOMING PROSPECT
Proposed Pit Locations
& Geology

Wyoming One to 100m RL
 Wyoming Three to 210m RL

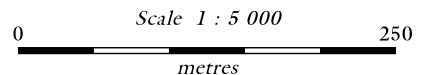
Figure No.:



Legend

- Magnetite bearing fine to medium grained dolerite (late stage) cross-cuts mineralisation
- Pegmatite
- Massive, well foliated pelitic siltstone (Cotton Formation)
- Feldspar porphyry - sub volcanic feldspar ± augite porphyritic intrusive
- Undifferentiated volcanoclastic sediments with minor volcanics
- Feldspar ± augite phric andesitic lava
- Mineralisation

Projection - AMG Zone 55
Datum (horizontal) - AGD66



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**TOMINGLEY GOLD PROJECT
CALOMA PROSPECT**

**Preliminary Geology and
Drill Hole Location**

Geology: MMC Plan No.: ALK TOM 1GA-012
Drafted: DJM Date: July 2007 Figure No.: