ALKANE
RESOURCES LTD
ABN 35000689216

ASX ANNOUNCEMENT – 7 November 2007

SECOND DIAMOND CORE RESULTS FROM CALOMA CONFIRM GOLD MINERALISATION

- **Two core holes were completed in September at Caloma to assist with the geological interpretation and orientation of the multiple mineralised structures.**
- **Results from the second core hole confirm multiple gold mineralised zones.**
- **Results include:**

PE 178D	**22.1 metres grading 2.33g/t gold from 94 metres**
including	**7 metres grading 4.21g/t gold from 95 metres**
and	**3 metres grading 4.00g/t gold from 112 metres**
also	**3 metres grading 2.66g/t gold from 152 metres**
and	**1 metre grading 4.52g/t gold from 201 metres**

- **A 10,000 metre RC resource drill out has commenced.**
- **2,500 metres of core drilling for additional geological, metallurgical and geotechnical data anticipated to commence later in the year.**
- **Basic data compilation for the Definitive Feasibility Study is underway.**

Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean

I. J. Gandel

I. R. Cornelius

L A Colless (Secretary)

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12 month share price range

A$0.45 - $0.20

Market Cap 7 November 07

~A$70 million

ASX Code: ALK

200.9 million shares (Sept 07)

September 2007 Cash

~ $2.5 million

No debt

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As previously reported, the gold mineralisation identified at Caloma to date is associated with a Wyoming style feldspar porphyry intrusive, which appears to be several hundred metres in north-south extent and 80 to 100 metres in width (figure 1). Within the porphyry, altered and multiple mineralised zones have both north-south and east-west orientation. Substantial widths of high grade mineralisation are often recorded where these structures intersect (eg PE133 37m @ 8.63g/t gold from 14m depth). Mineralisation is also evident on or near the east and west contacts of the porphyry, and within the adjoining volcaniclastic sediments.

Two diamond core holes were drilled near the centre of the Caloma porphyry to assist with geological interpretation and determine the orientation of the mineralisation at depth. Hole PE178D was drilled towards the north while PE179D was drilled towards the west. Detailed geological logging and sampling of the core was completed in October and several zones of alteration and sulphide mineralisation with visible gold have been observed. Results for PE179D were reported to ASX on 23 October and available results for PE178D are summarised in the table below.

Table 1: TGP Results from PE178D greater than 0.5g/t gold @ 7 November 2007

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE178D	**614860**	**6394040**	**~270**	**360°**	**60°**	**22.1**	**2.33**	**94 – 116.1**	**303**	
including						**7.0**	**4.21**	**95 - 102**		
and						**3.0**	**4.00**	**112 – 115**		
also						**3.0**	**2.66**	**152 - 155**		
also						**1.0**	**4.52**	**201 – 202**		

Gold analysis by 30g fire assay of half core samples at geological defined intervals. All true widths are not clear at this time.

The results from the two core holes have confirmed that Caloma porphyry contains multiple mineralised structures and extends to at least 200 metre vertical depth. The results demonstrate the potential of the Caloma body to host a substantial resource.

The results of a scoping study released to ASX (29 August 2007) indicated that geological interpretation of the central 300 metre sector of the mineralised porphyry at Caloma 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.

Recent aircore drilling (ASX Announcement 27 September 2007) has extended this main mineralised zone to at least 700 metres north south strike extent.

A major RC resource drilling program of about 10,000 metres has commenced and it is anticipated that an initial resource assessment will be available in the first quarter of 2008. Also a 2,500 metre diamond core program is planned to confirm geological characteristics and continuity of the mineralisation, as well as to provide geotechnical and metallurgical data.

A Definitive Feasibility Study for the development of the Wyoming-Caloma deposits has commenced.

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. A recent discovery at **Caloma** could add significantly to the resource base and a substantial drilling program is scheduled to be completed by early 2008 to define this resource. A feasibility study for the development of the deposits is anticipated in the second half of 2008.

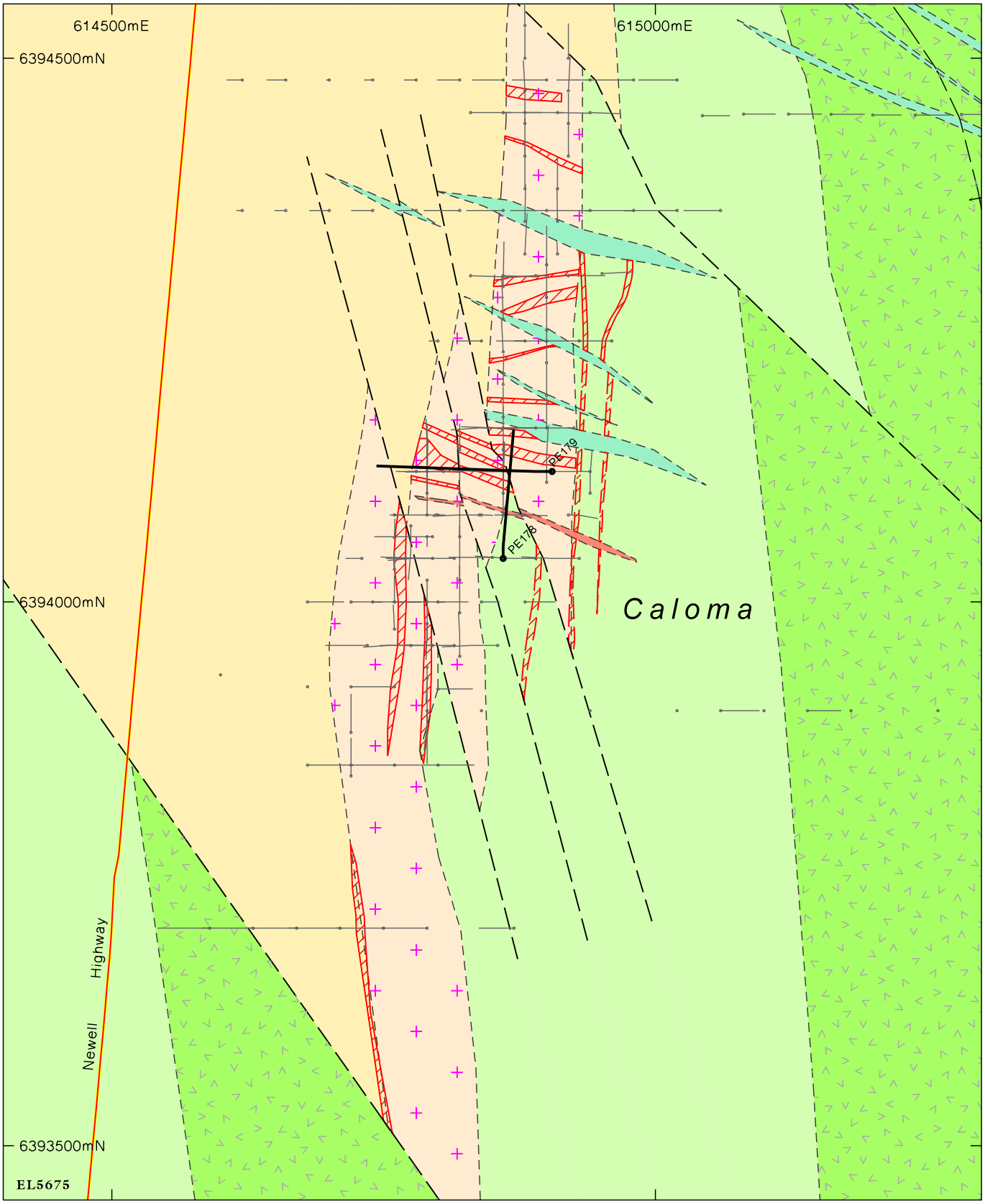
The **Dubbo Zirconia Project** is based upon a world class resource of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements. The deposit also contains significant uranium. Over several years Alkane has developed a flow sheet which can recover a variety of products which have expanding applications in electronics, ceramics, special alloys and glasses, fuel cells, nuclear power and as environmental drying agents and catalysts. A feasibility study is in progress, which includes the construction and operation of a Demonstration Pilot Plant, and a development commitment is anticipated by the end of 2008.

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. Exploration is continuing.

Elsewhere within the region, Alkane has defined a 2 million tonne 1.00% copper deposit which is being reviewed for its development potential at **Galwadgere** within the **Wellington Project**, and several other advanced exploration projects with encouraging drill intercepts.

In **Western Australia** the company holds 9 million shares (17%) of listed iron ore explorer **BC Iron Limited** and a diluting 25% residual interest in a nickel sulphide joint venture with **Jubilee Mines** near **Leinster**.

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.



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 volcaniclastic sediments with minor volcanics
- Feldspar ± augite phyric andesitic lava
- Mineralisation

Projection - AMG Zone 55
Datum (horizontal) - AGD66

Scale 1 : 5 000

0 250

metres

ALKANE RESOURCES LTD

TOMINGLEY GOLD PROJECT

CALOMA PROSPECT

Preliminary Geology and Drill Hole Location

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