



ASX ANNOUNCEMENT – 19 November 2007

A\$12.9 MILLION 1 FOR 5 ENTITLEMENT ISSUE OF FULLY PAID ORDINARY SHARES

Alkane Resources Ltd (**Alkane**) is pleased to announce it is making a fully underwritten pro rata one (1) for five (5) non-renounceable entitlement issue (**Offer**) of approximately 40,178,694 new fully paid ordinary shares in Alkane (**New Shares**) at \$0.32 per New Share to raise up to A\$12,857,182 (**Entitlement**). This price is a discount of approximately 8% to the volume weighted average price (vwap) \$0.35 of Alkane's shares over the period of 4 October 2007 to 16 November 2007.

The proceeds of the Offer will be used for the following purposes:

- Tomingley Gold Project (**TGP**) – advancing the definitive feasibility study for the development of the Wyoming and Caloma gold deposits;
- Dubbo Zirconia Project (**DZP**) – funding the definitive feasibility study on the Dubbo Zirconia Project;
- other priority targets in the region, including the Wellington Project – funding continuing exploration; and
- funding the costs of the Offer and other working capital requirements.

KEY DATES

Event	Proposed date
Lodgement of Prospectus with ASIC and ASX	19 November 2007
Notice to shareholders	20 November 2007
Shares quoted ex entitlement	21 November 2007
Record date	27 November 2007
Despatch of entitlement documentation	30 November 2007
Acceptances close (5.00pm WDT)	21 December 2007
Securities quoted on a deferred settlement basis	24 December 2007
Notification to ASX of undersubscriptions	28 December 2007
Allotment and despatch	2 January 2008

These dates are indicative only and subject to change. Alkane reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable law and in consultation with the Underwriter, to vary the dates of the Offer without notifying you. This may include extending the Offer, closing the Offer early or accepting late applications, either generally or in particular cases.

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)

Contact

Ian Chalmers

Managing Director

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PERTH WA 6000

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Web – www.alkane.com.au

12 month share price range

A\$0.45 - \$0.20

Market Cap 16 Nov 07

~A\$67 million

ASX Code: ALK

200.9 million shares (Sept 07)

September 2007 Cash

~ \$2.5 million

No debt

Media Relations

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Shareholders who hold ordinary shares in Alkane (**Existing Shares**) as at 5.00pm Australian Western Daylight Time (WDT) on Tuesday, 27 November 2007 (excluding certain foreign shareholders) (**Eligible Shareholders**) will be entitled to participate in the Offer. All Eligible Shareholders will be offered one New Share for every five (5) Existing Shares held at an issue price of A\$0.32,

The Offer is fully underwritten by Gandel Metals Pty Ltd as trustee of the Gandel Metals Trust (**Gandel**). Abbotsleigh Limited (**Abbotsleigh**) is Alkane's largest shareholder and currently holds 36,685,674 shares in the capital of Alkane, which equates to approximately 18.26% of Alkane's issued share capital. Gandel Metals Pty Ltd and Abbotsleigh are entities related to Alkane Director, Mr Ian Gandel.

The proceeds of the Offer will be used to fund the two feasibility studies for the development of the TGP and the DZP which have been announced in earlier ASX releases. The funds will also be directed towards other advanced exploration projects in the region, including the Wellington Project, and the costs of the Offer and other normal operational expenses.

The **TGP** is centred near Alkane's Peak Hill Gold Mine site in the Central West of New South Wales and is focussed on the identified 606,000 ounce gold resources defined on the Wyoming One and Three deposits. The recent discovery of the nearby Caloma mineralisation has the potential to expand this resource and provide the necessary addition open pitable reserves to secure an acceptable financial return for the project.

A major reverse circulation resource drilling program of 10,000 metres is underway at Caloma and an additional 2,500 metres of diamond core drilling will commence before the end of the year. These programs are designed to provide the data necessary for open pit mines to be planned for Wyoming-Caloma and generate geotechnical and metallurgical information to incorporate into a feasibility study for the development of the project.

At this stage the conceptual development for the TGP comprises three open pit mines producing one million tonnes per year of ore feed to a conventional carbon-in-leach gold recovery circuit with an output of 70,000 ounce a year for a minimum of five years. Longer term, the project may support an underground mining operation.

The feasibility study is anticipated to be completed by the third quarter of 2008 and a decision to develop the Project by the end of 2008. This could see first production by the end of 2009.

The **DZP** is located 30 kilometres south of the large regional centre of Dubbo, also in the Central West of New South Wales. The project is centred on the world class resource of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements. Over several years Alkane has developed a process that recovers a suite of high value products from the ore. These products have expanding applications in electronics, ceramics, special alloys and glasses, fuel cells, nuclear power and as environmental drying agents and catalysts.

In April 2006, Alkane received an Australian Federal Government Commercial Ready Grant of \$3.28 million to assist with commercialisation of the DZP process. This Grant was given on a dollar-for-dollar basis over a 27 month period. As a result, Alkane commenced in July 2006 a program of process optimisation, and construction and operation of a Demonstration Pilot Plant (**DPP**) at the facilities of ANSTO Minerals at Lucas Heights in the south of Sydney. ANSTO Minerals is a division of the Australian Nuclear Science Technology Organisation, one of Australia's premier research establishments.

The DPP is nearing completion and should be operating by the end of year, and is designed to produce several tonnes of product for distribution to potential customers around the world. The process, engineering and market data gathered by the operation of the DPP will be used to produce a feasibility study on the development of the project by the end of 2008. With favourable outcomes, it is anticipated that a decision to develop the DZP could be concluded in 2009 and production later in 2010.

Exploration is scheduled for **other priority targets** in the region, including the Wellington Project where an Indicated Resource of 2.09 million tonnes grading 0.99% copper and 0.3g/t gold has been identified.

The Appendix 3B application for quotation of the additional securities is attached to this announcement

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.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

ALKANE RESOURCES LTD

ABN

35 000 689 216

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares (ALK) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 40,178,694 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | As for existing ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>32 cents each</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To provide funds for the following:</p> <ul style="list-style-type: none"> ▪ Tomingley Gold Project (TGP) – advancing the definitive feasibility study for the development of the Wyoming and Caloma gold deposits; ▪ Dubbo Zirconia Project (DZP) – funding the definitive feasibility study on the Dubbo Zirconia Project; ▪ Other priority targets in the region, including the Wellington Project – funding continuing exploration; and ▪ Funding the costs of the Offer and other working capital requirements. 				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>2 January 2008</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">241,072,162</td> <td>Ordinary fully paid shares (ALK)</td> </tr> </tbody> </table>	Number	+Class	241,072,162	Ordinary fully paid shares (ALK)
Number	+Class				
241,072,162	Ordinary fully paid shares (ALK)				

+ See chapter 19 for defined terms.

	Number	+Class										
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 20%;">3,000,000</td> <td>Directors/officers options exercisable at 25 cents up to 30/09/2008 (ALKAS)</td> </tr> <tr> <td style="text-align: center;">3,000,000</td> <td>Directors/officers options exercisable at cents up to 30/09/2009 (ALKAU)</td> </tr> <tr> <td style="text-align: center;">850,000</td> <td>Employee/consultants options exercisable at 25 cents on or before 30/09/2008 (ALKAW)</td> </tr> <tr> <td style="text-align: center;">1,200,000</td> <td>Employee/consultants options exercisable at 30 cents on or before 30/09/2009 (ALKAY)</td> </tr> <tr> <td style="text-align: center;">975,000</td> <td>Staff/consultants options exercisable at 45 cents on or before 29 May 2008 (ALKAK)</td> </tr> </table>	3,000,000	Directors/officers options exercisable at 25 cents up to 30/09/2008 (ALKAS)	3,000,000	Directors/officers options exercisable at cents up to 30/09/2009 (ALKAU)	850,000	Employee/consultants options exercisable at 25 cents on or before 30/09/2008 (ALKAW)	1,200,000	Employee/consultants options exercisable at 30 cents on or before 30/09/2009 (ALKAY)	975,000	Staff/consultants options exercisable at 45 cents on or before 29 May 2008 (ALKAK)
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1,200,000	Employee/consultants options exercisable at 30 cents on or before 30/09/2009 (ALKAY)											
975,000	Staff/consultants options exercisable at 45 cents on or before 29 May 2008 (ALKAK)											

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends have been paid by the company during this financial year and any dividends on the increased capital will depend on profits earned
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non renounceable
13	Ratio in which the +securities will be offered	One for five
14	+Class of +securities to which the offer relates	Ordinary fully paid shares
15	+Record date to determine entitlements	27 November 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractional entitlement will be rounded down to the nearest whole number

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United States and Canada
19	Closing date for receipt of acceptances or renunciations	21 December 2007
20	Names of any underwriters	Gandel Metals Pty Ltd as trustee for the Gandel Metals Trust
21	Amount of any underwriting fee or commission	3.5% of funds to be raised
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	n/a
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	30 November 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	19 November 2007
28	Date rights trading will begin (if applicable)	n/a
29	Date rights trading will end (if applicable)	n/a

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements <i>in full</i> through a broker?	n/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	n/a
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	n/a
33	+Despatch date	2 January 2008

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ...[signed]..... Date: ..19/11/2007.....
 (Director/Company secretary)

Print name: L A Colless.....

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+ See chapter 19 for defined terms.