



ASX ANNOUNCEMENT – 27 November 2007

INITIAL CALOMA RESOURCE DRILLING RESULTS CONFIRM POTENTIAL

- **The 10,000 metre RC resource definition drilling program commenced late October.**
- **Results have been received for the first six holes.**
- **Results include:**
 - PE 215 4 metres grading 4.54g/t gold from 59 metres**
 - and 4 metres grading 14.00g/t gold from 80 metres**
 - and 7 metres grading 9.12g/t gold from 132 metres**
 - PE 216 9 metres grading 3.97g/t gold from 49 metres**
 - PE 217 3 metres grading 5.54g/t gold from 24 metres**
 - PE 218 11 metres grading 2.92g/t gold from 30 metres**
 - PE 224 6 metres grading 2.49g/t gold from 12 metres**
- **The drilling has confirmed that the Caloma body contains a number of mineralised structures and has potential to host a substantial gold resource.**
- **The current drilling program will extend into the New Year and results will be released as they come to hand.**

Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean

I. J. Gandel

I. R. Cornelius

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12 month share price
range

A\$0.45 - \$0.20

Market Cap 26 Nov 07

~A\$64 million

ASX Code: ALK

200.9 million shares (Sept 07)

September 2007 Cash

~ \$2.5 million

No debt

Media Relations

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The 10,000 metre reverse circulation (RC) resource definition drilling program commenced at Caloma late October and 23 holes (PE 215 – 237) have been completed to date (2,254m). Results have been received for the first six holes (PE 215-219 and PE 224) and are summarised in Table 1.

Multiple mineralised structures have previously been identified within the Caloma target area and the main host is a Wyoming style porphyry which is 80 to 100 metres in width and 1,000 metres in north-south extent (figure 1). Gold mineralisation has been intersected over the full length of the porphyry. Grid line 6394000mN is centre to the target area and to the north the porphyry has up to 10 metres of transported clay cover, while to the south the cover deepens up to about 30 metres. The current program is targeting the area of shallower cover to prove up an open pitable resource as a priority for the feasibility study underway for the development of the Wyoming and Caloma deposits.

The scoping study reported to the ASX on 29 August focussed on the central 300 metre zone around 6394000mN but subsequent reconnaissance drilling (ASX 27 September) extended this central zone to near 600 metres in north-south strike extent. This expanded the resource potential target area.

Table 1: Caloma results greater than 0.5g/t gold @ 27 November 2007

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 215	614790	6394065	~270	360°	60°	5	1.20	9 – 14	150	
and						4	4.54	59 - 63		
and						3	1.34	69 - 72		
and						4	14.00	80 – 84		
and						2	1.28	103 - 105		
and						2	3.80	120 - 122		
and						7	9.12	132 – 139		
and						2	1.32	148 - 150	150*	in min'sation
PE 216	614745	6394040	~270	090°	60°	1	1.97	30 – 31	78	
and						9	3.97	49 - 58		
PE 217	614695	6394040	~270	090°	60°	3	5.54	24 – 27	114	
and						3	0.54	42 - 45		
PE 218	614765	6394040	~270	090°	60°	9	0.99	12 – 21	48	
and						11	2.92	30 – 41		
PE 219	614790	6394000	~270	090°	60°	3	1.01	30 – 33	60	
and						1	0.67	37 - 38		
PE 224	614610	6394000	~270	090°	60°	6	2.49	12 – 18	48	

Gold analysis by 30g fire assay of 3 metre composite or specific 1 metre samples as determined by geological logging. All true widths are not clear at this time.

These results continue to highlight the potential of the Caloma body to host a substantial resource.

Further results will be reported as they come to hand, and it is anticipated that the drilling will continue well into the New Year.



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. The 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.

