



*ASX ANNOUNCEMENT – 11 March 2008*

## **CALOMA CONTINUES TO PRODUCE HIGH GRADE GOLD INTERCEPTS**

- **The RC resource definition drilling program is continuing and results for a further twelve holes have been received. Significant high grade intercepts continue to be recorded.**
- **Currently one core and two RC drill rigs are on site at Caloma with the aim of completing the resource drill out by the end of April.**
- **As at early March, 34 RC holes (4,925 metres) and 7 diamond core holes (1,822 metres) of the 2008 program had been completed.**

- **Results include:**

<b>PE 260</b>	<b>5 metres grading 10.93g/t gold from 57 metres</b>
<b>PE 262</b>	<b>15 metres grading 3.30g/t gold from 27 metres</b>
<b>including</b>	<b>8 metres grading 4.59g/t gold from 31 metres</b>
<b>PE 269</b>	<b>3 metres grading 7.30g/t gold from 8 metres</b>
<b>and</b>	<b>8 metres grading 2.18g/t gold from 18 metres</b>
<b>including</b>	<b>5 metres grading 3.14g/t gold from 21 metres</b>
<b>PE 274</b>	<b>5 metres grading 7.06g/t gold from 181 metres</b>
<b>PE 275</b>	<b>13 metres grading 10.42g/t gold from 32 metres</b>
<b>including</b>	<b>7 metres grading 17.86g/t gold from 35 metres</b>

### **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

96 Parry Street

PERTH WA 6000

Telephone +61 8 9328 9411

Facsimile +61 8 9227 6011

Email [ichalmers@alkane.com.au](mailto:ichalmers@alkane.com.au)

Web – [www.alkane.com.au](http://www.alkane.com.au)

12 month share price  
range

A\$0.515 - \$0.20

Market Cap 10 March 08

~A\$100 million

ASX Code: ALK

241.6 million shares (Jan 08)

January 2008 Cash

~ \$14 million

No debt

Media Relations

Westbrook Communications

Level 1, 17 Castlereagh Street

SYDNEY NSW 2000

Telephone +61 2 9231 0922

Facsimile +61 2 9231 0131

Web – [www.westbrookfin.com.au](http://www.westbrookfin.com.au)



The reverse circulation (RC) resource definition drilling program commenced at Caloma late October and 38 holes (PE 215 – 252) were completed to the end of 2007 (4,378m). The RC program recommenced mid-January after a Christmas-New Year break and 34 RC holes (PE258 – 270, PE 274 – 288, PE 290 – 291, PE 294 - 297 for 4,925 metres) have been completed to early March. Results for the first 12 holes of 2008 are summarised in Table 1. To accelerate completion of the program a second RC rig was positioned on site mid-February. Diamond core drilling for geological confirmation and metallurgical samples also commenced mid-January and 7 holes PE 253 – 257, PE 271 – 271 have been completed totalling 1822 metres.

Multiple mineralised structures have previously been identified within the Caloma target area and the main host is a Wyoming style feldspar porphyry which is 80 to 100 metres in width and 1,000 metres in north-south extent. As a result of the recent drilling a more robust geological model is developing and it is apparent that most of the mineralised structures within the porphyry have an approximate north and north-northwest 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. There is also apparent steeper dipping mineralisation in north-south structures that lie at and near the footwall contact (east) of the porphyry and/or within the underlying volcanics and sediments.

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 targeting the central area of shallower cover has been expanded to 20,000 metres due to encouraging results. The drilling has been programmed to ensure the definition of a Measured and Indicated Resource. This open pitable resource is a priority for the feasibility study underway for the development of the Wyoming and Caloma deposits (Tomingley Gold Project).

## 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 2006 Annual Report). 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. Late in 2007 two deep core 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 deposit (details 2006 Annual Report) 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 (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**.

**Table 1: Caloma results greater than 0.5g/t gold PE 258 – PE 262, PE 266 – PE 270, PE 274, PE 275 @ 10 March 08**

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 258	614900	6394040	~270	090°	60°	2	2.78	28 - 30	72	
and						4	1.85	64 - 68		
PE 259	614720	6393923	~270	090°	60°	1	0.61	29 - 30	135	
and						2	0.77	33 - 35		
also						2	0.81	47 - 49		
also						11	1.06	84 - 95		
also						3	1.48	119 - 122		
also						1	1.15	126 - 127		
PE 260	614640	6394039	~270	090°	60°	5	10.93	57 - 67	126	
also						3	1.81	99 - 102		
PE 261	614750	6394065	~270	090°	60°	3	0.80	21 - 24	174	
and						8	1.37	49 - 57		
also						3	2.26	78 - 81		
also						1	0.65	98 - 99		
PE 262	614730	6393923	~270	090°	60°	15	3.30	27 - 42	66	
incl						8	4.95	31 - 39		
also						3*	3.18	51 - 54		
PE 269	614910	6394140	~270	096°	60°	3	7.30	8 - 11	36	
also						8	2.18	18 - 26		
incl						5	3.14	21 - 26		
PE 270	614830	6394120	~270	090°	60°	2	2.41	22 - 26	104	
and						4	2.05	72 - 76		
also						1	0.90	115 - 116		
also						6	2.55	132 - 139		
also						5	1.03	141 - 146		
PE 274	614810	6394120	~270	096°	60°	4	2.85	21 - 25	210	
and						1	1.89	34 - 35		
also						4	0.67	77 - 81		
also						6	2.20	91 - 97		
also						3	1.45	119 - 123		
also						1	2.38	129 - 130		
also						5	7.06	181 - 186		
PE 275	614920	6394180	~270	089°	60°	13	10.42	32 - 45	96	
incl						7	17.86	35 - 42		

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

*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.*