



ASX ANNOUNCEMENT – 11 JUNE 2008

## CALOMA AND McPHILLAMYS PROJECT UPDATES

- **CALOMA: Results for another 23 RC holes from the resource drilling program have been received, while results for the remaining 13 RC holes and 19 core holes will be released as they become available.**
  
- **Selected results include:**
  - PE 378            9 metres grading 5.91g/t gold from 106 metres**
  - including       5 metres grading 10.24g/t gold from 107 metres**
  - PE 384            6 metres grading 8.11g/t gold from 66 metres**
  - PE 385            17 metres grading 2.69g/t gold from 41 metres**
  - including       3 metres grading 7.24g/t gold from 50 metres**
  - PE 392            15 metres grading 12.29g/t gold from 125 metres**
  - including       3 metres grading 52.77g/t gold from 133 metres**
  - PE 393            11 metres grading 8.02g/t gold from 95 metres**
  - including       6 metres grading 12.80g/t gold from 96 metres**
  - PE 394            8 metres grading 6.54g/t gold from 115 metres**
  - including       3 metres grading 12.33g/t gold from 120 metres**
  
- **McPHILLAMYS: An induced polarisation survey has extended the McPhillamys chargeability anomaly by a further 600 metres to the south.**
  
- **A 5,000 metre RC and 1,500 metre core drilling program scheduled to commence this week to scope the continuity of the McPhillamys gold mineralisation and test nearby regional targets.**

### Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean (Director)

I. J. Gandel (Director)

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12 month share price  
range

A\$0.515 - \$0.25

Market Cap 10 June 08

~A\$97 million

ASX Code: **ALK**

242.4 million shares (June 08)

March 2008 Cash

~ \$12.3 million

No debt

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### ***Caloma – Tomingley Gold Project***

The major reverse circulation (RC) and diamond core resource definition drilling program at Caloma was completed in May and a total of 186 RC holes (PE 215 – 410) for 22,034 metres were drilled. The drilling program focussed on a 400 metre long central section of the 1,000 metre north-south trending Wyoming style feldspar porphyry host. Results have now been received for another 23 holes (PE 375 – 397, figure 1) and are summarised in Table 1.

The RC program was completed on a 20 metre by 20 metre pattern to ensure the definition of a Measured and Indicated Resource to a depth of about 150 metres. Gold mineralisation is known to extend further to the north and south within the porphyry host but it was decided to focus on the central section to compile the resource and open pit mining model as soon as possible. This will enable completion of the feasibility study by early 2009, proceeding towards development.

Several of these recent holes have been drilled as a step out to the gold mineralisation in the north of the central section and have intersected significant mineralisation (eg PE 392, 384 and 390) confirming the 400 metre strike length to the resource potential area. This mineralisation also remains open to the north where earlier aircore drilling had recorded encouraging intercepts.

Prior to final mine planning, further drilling would be scheduled to determine possible north and south extensions to the Caloma deposit.

Ten core holes (PE 253D – 257D, PE 271D – 272D, PE 289D and PE 292D – 293D) totalling 2,571 metres have been drilled at Caloma and nine core holes (WY 840D – 848D) totalling 3,720 metres have also been completed at the Wyoming One and Wyoming Three deposits. The core drilling was designed to provide confirmatory geological information, and samples for metallurgical testing and geotechnical data. No core results are available to date.

### ***McPhillamys – Moorilda Project ODEJV***

The McPhillamys prospect forms part of the ODEJV with Newmont Australia and is the site of several significant gold intersections (see Background below).

A ten line kilometre pole-dipole induced polarisation (IP) survey has been completed covering the southern extensions to McPhillamys and other target areas to the south at McPhillamys East, McPhillamys South and Kings Plains (figure 2). Preliminary observation of the data has indicated that the McPhillamys chargeability anomaly (usually associated with sulphide mineralisation) has extended this target zone 600 metres to the south but also indicates that the top of the target is deepening towards the south. The chargeability anomaly remains open to the north and south. Other weaker chargeability features were defined at McPhillamys East and Kings Plains prospects.

Drilling is scheduled to recommence this week with approximately 5,000 metres of RC and 1,500 metres of core drilling. This program will target nearby regional mineralisation at McPhillamys North, McPhillamys South, McPhillamys East and Kings Plains. The drilling will also scope the main McPhillamys area by testing for grade variation and continuity along strike and up-down plunge within the broad mineralised envelope that is known to extend over an open north-south 600 metre strike and 200 metre width.

Results will be released as they become available.



## 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 2007 Annual Report). The recent discovery at **Caloma** could add significantly to the resource base and a substantial drilling program has been completed to define this resource. A feasibility study for the development of the project is anticipated to be completed early 2009.

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, catalysts, special alloys and glasses, fuel cells, special batteries and permanent magnets, nuclear power and as environmental drying agents. Following a \$3.3 million Commercial Ready Grant from AusIndustry in 2006, the feasibility study was reactivated. The study includes the construction and operation of a Demonstration Pilot Plant, and a development commitment is anticipated mid 2009.

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 holes 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 Indicated Resource (details 2007 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**.

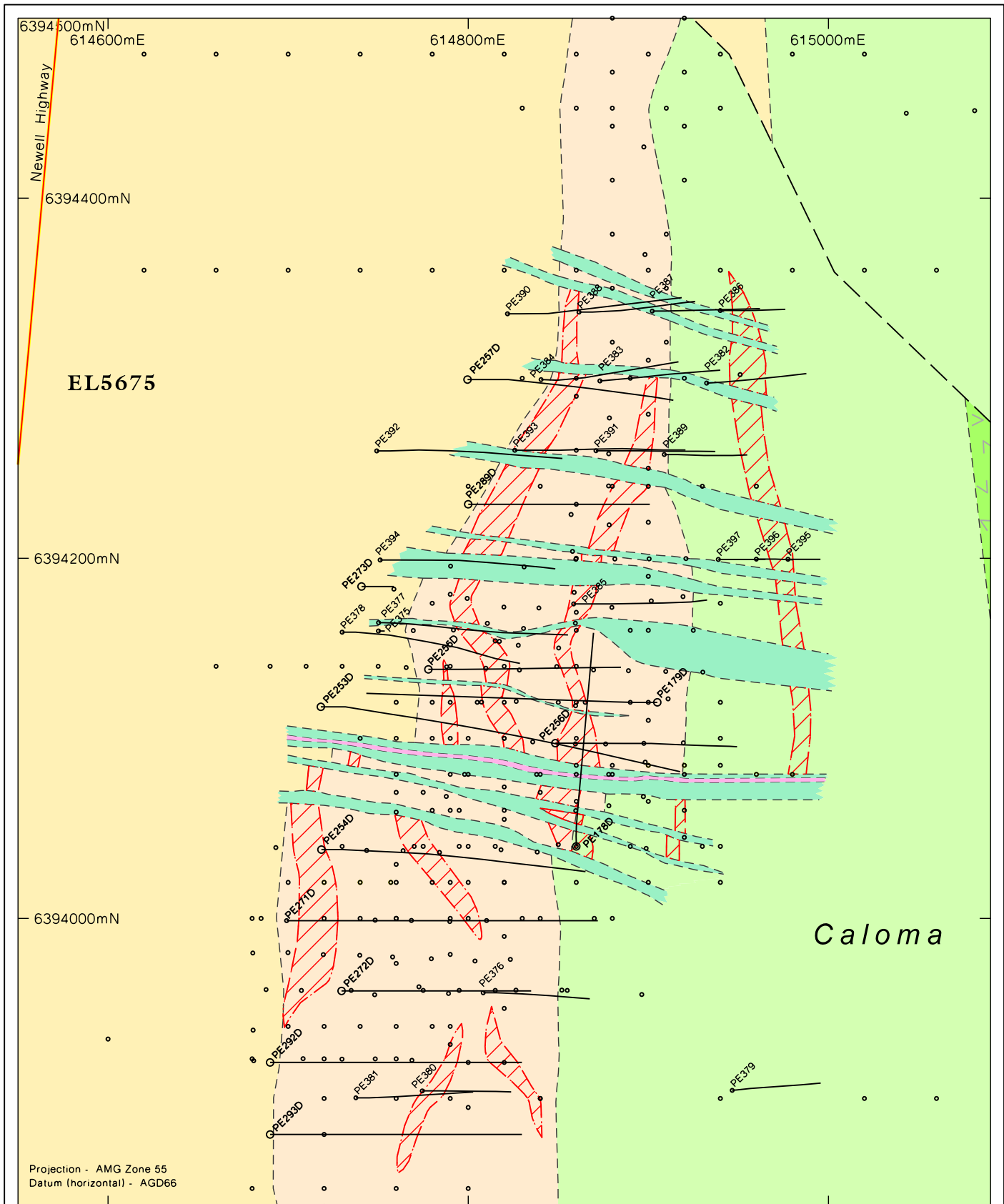
*Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code 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.*



Table 1: Caloma results greater than 1.0g/t gold PE 375 - PE 397 @ 11 June 08




Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 377	614750	6394165	~270	090°	60°	3	1.80	54 – 57	162	
and						4	5.70	94 - 98		
also						2	2.46	111 – 113		
also						3	5.26	118 - 121		
also						9	1.55	131 – 140		
PE 378	614730	6394160	~270	090°	60°	3*	1.19	84 – 87	162	
and						9	5.91	106 - 115		
incl						5	10.24	107 – 112		
also						7	2.91	126 - 133		
incl						2	8.25	126 – 128		
also						15	1.90	140 - 155		
PE 380	614780	6393900	~270	090°	60°	4	2.25	55 – 59	108	
PE 381	614740	6393900	~270	090°	60°	9*	1.95	66 – 75	126	
and						3	2.09	109 – 112		
PE 383	614875	6394300	~270	090°	60°	21*	1.78	48 – 69	120	
incl						6*	3.20	60 – 66		
PE 384	614840	6394300	~270	090°	60°	3*	2.20	57 – 60	132	
and						6*	8.11	66 - 72		
also						2*	1.03	81 - 83		
also						1	1.29	86 - 87		
also						3	7.86	103 – 106		
also						5	5.58	118 – 123		
PE 385	614860	6394175	~270	090°	60°	2	2.84	27 – 29	148	
and						17	2.69	41 - 58		
incl						3	7.24	41 – 44		
also						4	1.15	103 – 107		
also						3	2.65	126 – 129		
PE 389	614910	6394260	~270	090°	60°	4	6.99	40 – 44	90	
PE 390	614820	6394340	~270	090°	60°	5	3.09	112 – 117	180	
and						7	1.17	122 – 129		
PE 391	614870	6394260	~270	090°	60°	16	1.62	77 – 93	122	
incl						4	3.41	82 – 86		
also						6	4.46	108 - 114		
incl						2	11.75	108 – 110		
PE 392	614750	6394260	~270	090°	60°	15	12.29	125 – 140	172	
incl						3	52.77	133 – 136		
and						17*	1.93	148 – 165		
PE 393	614830	6394260	~270	090°	60°	11	8.02	95 – 106	164	
incl						6	12.80	96 – 102		
also						26*	1.04	121 - 147		
PE 394	614750	6394200	~270	090°	60°	8	6.54	115 – 123	192	
incl						3	12.33	120 – 123		
also						3*	1.30	138 - 141		
also						3*	1.41	162 – 169		

Gold analysis by 30g fire assay of 1 metre riffle split samples, or \*rarely 3 metre composite samples. True widths are approx 90 - 95%.

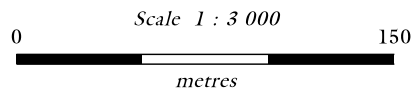


Projection - AMG Zone 55  
Datum (horizontal) - AGD66

- Dolerite
- Pegmatite
- Massive, well foliated pelitic siltstone (Cotton Formation)
- Feldspar porphyry
- Undifferentiated volcanoclastic sediments
- Feldspar ± augite phyric andesitic lava

-  Drill holes - current phase
-  Drill hole collars
-  Diamond drill holes collars

Plan No. - ALK TOM 1GA-014

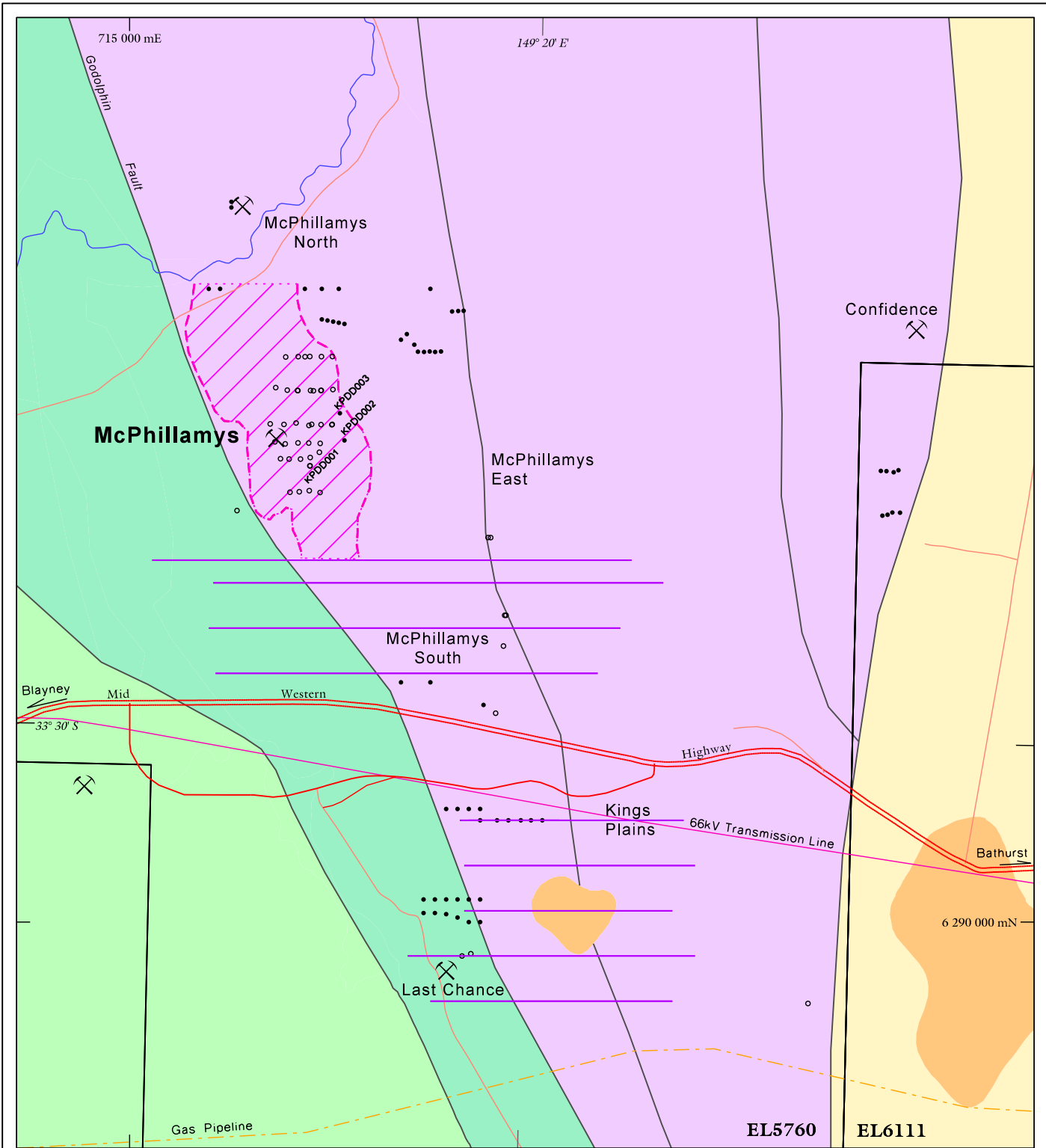


**ALKANE RESOURCES LTD**












**TOMINGLEY GOLD PROJECT  
CALOMA PROSPECT**

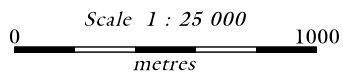
**Preliminary Geology and  
Drill Hole Location**

Figure No.: 1



**Legend**

- |            |   |   |   |                      |
|------------|---|---|---|----------------------|
| Tertiary   |  | Basalt  |  | IP Survey Line       |
| Devonian   |  | Sediments & volcanics                           |  | IP survey line, 2008 |
| Silurian   |  | Felsic volcanics & sediments                    |   |                      |
| Ordovician |  | Blayney Volcanics - mafic volcanics & sediments |   |                      |
|            |  | Byng Volcanics - mafic volcanics & sediments    |   |                      |
|            |  | IP anomaly - 2007                               |   |                      |
|            |  | Historic workings                               |   |                      |
|            |  | Alkane drill hole                               |   |                      |
|            |  | Alkane Drill hole pre 2007                      |   |                      |



**ALKANE RESOURCES LTD**  
**ODEJV**  
**MOORILDA PROJECT**  
 NEW SOUTH WALES  
**McPhillamys Prospect**

**Geology and Drill Hole Location**