



## ASX ANNOUNCEMENT – 23 June 2003

### RECONNAISSANCE DRILLING RESULTS FROM MOORILDA

A small five hole RC drilling programme has been completed at the Moorilda project which is located 5km east of Blayney, and about 30km southeast of Orange in the Central West of New South Wales. Moorilda is held by LFB Resources NL, a wholly owned subsidiary of Alkane Exploration Ltd.

Moorilda straddles the structural contact between the Ordovician aged Molong Volcanic Belt in the west and the Siluro-Devonian sediments and volcanics of the Hill End Trough to the east. Numerous historical gold workings are scattered along 60km of the structure of which about 30km is held by LFB Resources. An intrusive monzonite complex (Moorilda Complex) is covered in the south. The giant Cadia-Ridgeway gold-copper monzonite associated orebodies of Newcrest Mining are located 30km to the west while the major historic producer at Lucknow (~500,000 ounces of gold) is 5km to the northwest.

Recent exploration of the area has been sporadic with limited, shallow drill testing of some historic prospects during the 1980's and regional surface sampling in the 1990's. Data compilation and review identified several prospects which had potential for gold resources and three areas - two historic producers (**Bright Star** and **Last Chance**) and a previously untested magnetic anomaly - were selected for reconnaissance drill testing during this programme. The holes were designed to test and confirm the geological controls and down dip extent of the gold mineralisation at the **Bright Star** and **Last Chance** mines, and to identify the source of the magnetic anomaly.

At **Bright Star** previous drilling had traced mineralisation over a 120 metre strike length with results such as:

|        |                                                   |
|--------|---------------------------------------------------|
| NBP 12 | 6 metres grading 3.52g/t gold from 20 metres, and |
| NPB 26 | 13 metres grading 2.20g/t gold from 11 metres.    |

Two drill holes were completed to test the down dip and down plunge extent of mineralisation.

|              |                                                      |
|--------------|------------------------------------------------------|
| <b>KP001</b> | <b>30 metres grading 1.21g/t gold from 96 metres</b> |
| including    | <b>9 metres grading 2.69g/t gold from 117 metres</b> |

This intercept is vertically below the known mineralisation, which is located within a broad shear zone/quartz lode system at the contact between Silurian sediments and Ordovician mafic volcanics.

The **Last Chance** workings are located 7km north of Bright Star and mineralisation had been identified over a 100 metre strike length with results of:

|        |                                                     |
|--------|-----------------------------------------------------|
| LCP 23 | 6 metres grading 2.37g/t gold from 25 metres, and   |
| LCP 24 | 5 metres grading 2.06g/t gold from 81 metres (EOH). |

The mineralisation is again situated with a broad shear zone/quartz lode system located at or near the contact however trace element geochemistry of the footwall rocks suggest a more ultramafic composition similar to Lucknow. Two drill holes were completed on the same section line to assess the down dip extent of mineralisation.

|              |                                                      |
|--------------|------------------------------------------------------|
| <b>KP003</b> | <b>15metres grading 1.30 g/t gold from 102metres</b> |
|--------------|------------------------------------------------------|

|              |                                                                              |
|--------------|------------------------------------------------------------------------------|
| <b>KP005</b> | <b>3 metres grading 1.34 g/t gold from 114 metres in a hanging wall zone</b> |
| and          | <b>9 metres grading 2.53g/t gold from 156 metres within the main lode .</b>  |

Approximately 2metres of the up dip side of the main zone had been mined out.

The magnetic anomaly is situated about 1km east of Last Chance and is comprised of two bodies. The northern body is interpreted as having an east-west trend dipping south at 45° while the southern body has a 340° trend (parallel to the major Godolphin Fault) dipping 50° to the east. One drill hole was completed to test the northern anomaly and intersected a broad chlorite-magnetite-epidote alteration zone within volcanics which are transected by felsic porphyritic rocks. The southern anomaly was not drilled due to access problems however in outcrop the area exhibits extensive quartz veining on the margins of the anomaly. Numerous shallow historic workings are scattered throughout the area.

Preliminary results of samples grading greater than 1g/t gold are:

| Hole No | East   | North   | Azimuth | Intercept (m) | Grade (g/t Au) | Interval (m) | EOH (m) | Target Zone |
|---------|--------|---------|---------|---------------|----------------|--------------|---------|-------------|
| KP 001  | 719045 | 6283680 | 270°    | 30            | 1.21           | 96 - 126     | 138     | Bright Star |
| incl    |        |         |         | 9             | 2.69           | 117 - 126    |         |             |
| KP 003  | 716470 | 6289850 | 245°    | 15            | 1.30           | 102 - 117    | 200     | Last Chance |
| KP 005  | 716509 | 6289860 | 245°    | 3             | 1.70           | 93 - 96      | 200     | Last Chance |
|         |        |         |         | 3             | 1.34           | 114 - 117    |         |             |
| and     |        |         |         | 9             | 2.53           | 156 - 165    |         |             |

All holes drilled at a nominal inclination of -60°

Gold analysis by 30g fire assay of 3 metre composites.

The drilling results indicate that ore grades are persistent at depth within this structural setting, and that the numerous prospects along the Godolphin Fault or splays from it, are excellent targets for structurally controlled, shear hosted quartz lode gold deposits.

At the **Confidence Mine**, situated 3km north east of Last Chance and along a north-south splay fault, historic workings are found along a 600 metre strike length. Gold mineralisation is hosted by a north-south quartz veined and stockworked felsic unit from which limited earlier drilling returned results such as:

BRC005      6 metres grading 2.53g/t gold from 24 metres;  
 CGR004      7 metres grading 2.85g/t gold from 40 metres

Due to access problems this prospect was not evaluated during the recent drilling programme.

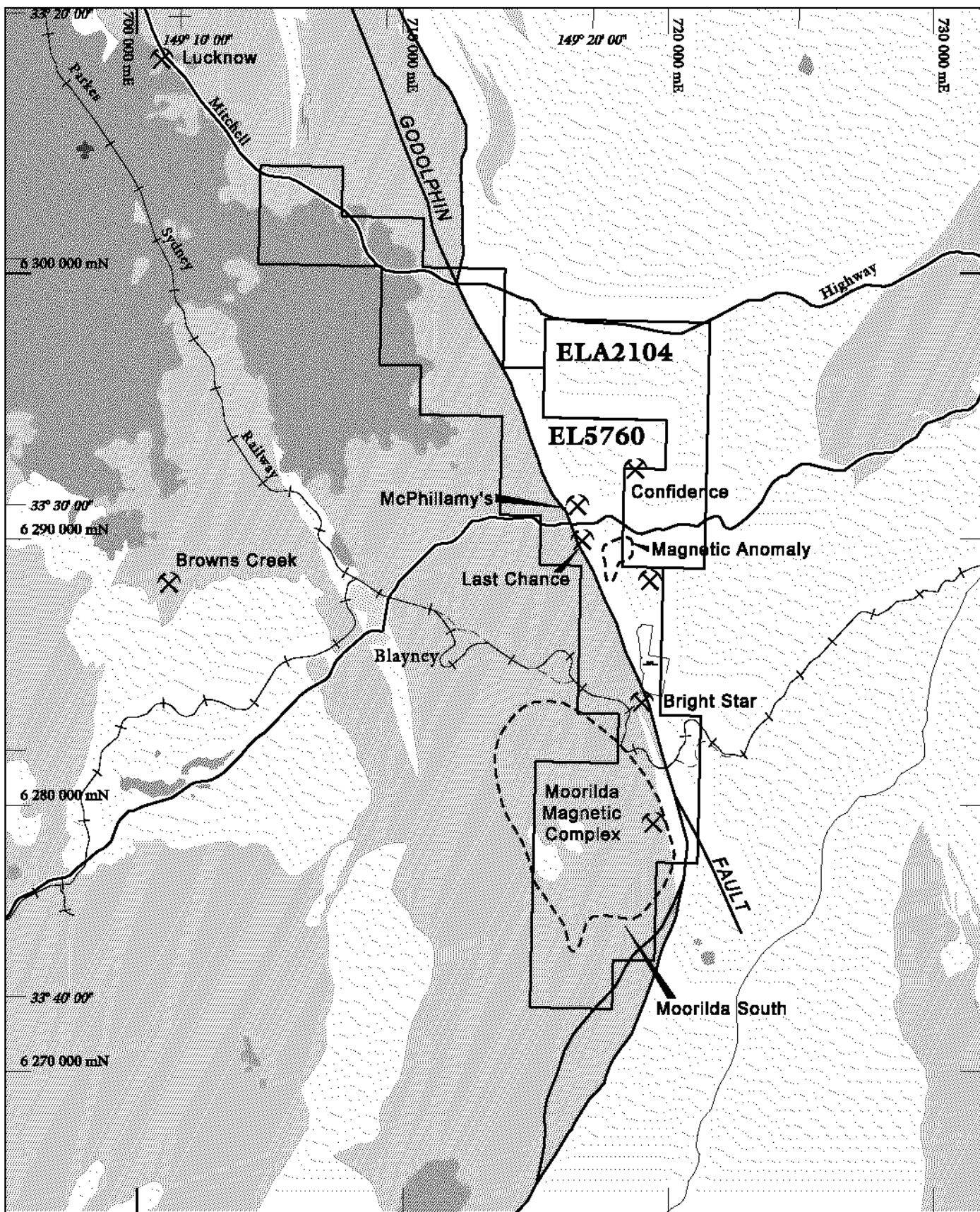
Many other prospects remain partially or not tested including the McPhillamy's Prospect where regoleach soil sampling has identified a broad gold-tellurium anomaly covering some 2-3km strike and up to 1km in width. The anomaly is coincident with the Godolphin Fault where it is cut by north-east trending structures.

Recent explorers have focussed on the **Moorilda Magnetic Complex** located in the southern part of the licence. The complex is interpreted as a large scale magnetite accumulation associated with monzonitic intrusive rocks and lies within the north-west trending Lachlan Transverse Zone. RC and core drilling by Hargreaves Resources returned 19m grading 1.23g/t gold and 0.20% copper from 100 metres (MORCD028) from the southern part of the complex. Reprocessing of the magnetics and regoleach geochemistry has identified other areas within the complex which require additional work.

A more extensive evaluation programme for the project is being considered.

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*Unless otherwise stated this report is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, a director of the Company, who is a competent person as defined in The Australian Code for Reporting of Identified Mineral Resources and Ore Reserves, September 1999, and accurately reflects information compiled by the competent person.*



-  Tertiary basalt
-  Siluro-Devonian sediments
-  Ordovician volcanics
-  Intrusive granitoids

SCALE 1 : 200 000

2.5 0 2.5 5.0 7.5

kilometres

Projection - MGA Zone 55  
Datum (horizontal) - GDA94



**LFB Resources NL**  
(A subsidiary of Alkano Exploration Ltd)

**MOORILDA PROSPECT**

**ORANGE  
NEW SOUTH WALES**

**EL5760**

**Location Plan**

COMPILED : Multi Metal Consultants Pty Ltd PLAN No. : ALK MOO 1AL-002  
DRAFTED : Map-O-Graphics Date : March 2002 FIGURE No. :