



# ALKANE EXPLORATION LTD

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## ASX ANNOUNCEMENT – 14 December 2004

### FURTHER DEEP HIGH GRADE DRILL INTERCEPTS AT WYOMING

- Several high grade intercepts recorded in deep diamond core hole WY 821D within the Wyoming One deposit targeting the Porphyry and '376' structure

WY 821D      18.40 metres grading 5.74g/t gold from 292.8 metres  
including      7.20 metres grading 11.06g/t gold from 292.8 metres  
and              1.35 metres grading 13.66g/t gold from 305.35 metres  
Also             4.59 metres grading 4.59g/t gold from 336.9 metres

- Major altered and mineralised zone intersected at depth in the Hangingwall by WY 811D

### TOMINGLEY GOLD PROJECT (TGP)

#### Wyoming Resource Development Drilling

A 14 hole RC drilling program (3,448m) was completed in September to test the potential for extensions to the high grade shoots identified by the resource drilling programs at Wyoming One. The RC results were reported to ASX on 12 October. Two RC holes, WY 811D and WY 821D, were pre-collars for deep diamond core holes.

WY 821D was completed at 366.7 metres targeting mineralisation with the **Porphyry** host and the cross cutting '376' structure, 50 metres below the previous deepest intercept (230 metres). Alteration, veining and mineralisation were intersected in several zones within the porphyry and the distinctive east-west mineralised and near vertical '376' structure was intercepted between 336 and 341 metres. The porphyry exhibits a complex vein array with several orientations measured which makes estimates of true widths difficult and variable throughout.

Preliminary core results summary:

| Hole No   | East   | North   | Azimuth | Intercept (m)        | Grade (g/t Au) | Interval (m)   | EOH (m) | Target Zone |
|-----------|--------|---------|---------|----------------------|----------------|----------------|---------|-------------|
| WY 811D   | 614422 | 6393215 | 267°    | Sampling in progress |                |                | 591     | Hangingwall |
| WY 821D   | 614082 | 6393195 | 360°    | 22.0                 | 1.34           | 247.0 – 269.0  | 336.6   | Porphyry    |
| incl      |        |         |         | 5.0                  | 3.04           | 260.0 – 265.0  |         |             |
| and       |        |         |         | 1.0                  | 7.39           | 260.0 - 261.0  |         |             |
| Also      |        |         |         | 18.4                 | 5.74           | 292.8 - 311.2  |         | Porphyry    |
| including |        |         |         | 7.2                  | 11.06          | 292.8 - 300.0  |         |             |
| and       |        |         |         | 1.35                 | 13.66          | 305.35 - 306.7 |         |             |
| Also      |        |         |         | 4.1                  | 4.59           | 336.9 - 341.0  |         | '376'       |

Holes drilled at a nominal inclination of -60°. Gold analysis by 50g fire assay of 0.5 to 1 metre half core intervals.

**WY 811D** targeted the apparent north plunging high grade shoot within the linear north north-west striking **Hangingwall Zone (HWZ)**. The hole has just terminated at 591 metres and first intersected the shoot at 516 metres. Alteration and mineralisation are evident through to 571 metres, with quartz veining and sulphides prominent in the initial 40 metres. Deviation of the hole to the north-west however, has indicated that it may be running at a low to moderate angle to the target structure and true widths are probably in the range of 30-50% of the drilled interval. The intersection is 120 metres below the previous deepest intersection in the HWZ. Sampling of this core is underway but results are not anticipated till early January.

### ***Background***

The TGP hosts the **Wyoming** gold deposits. Geological modelling has identified a bulk resource of **6.38 million tonnes grading 2.43g/t gold** at 0.75g/t gold cut off (**498,000 ounces**) or **5.26 million tonnes grading 2.76g/t gold** at 1.00g/t gold cut off (**467,000 ounces**).

Resource modelling with the aim of improving open pitable grades and to determine the continuity of higher grade structures for possible underground mining continued as part of the pre-feasibility study. The RC and core program was undertaken to test some of the concepts and to test the down dip – down plunge extensions to the higher grade zones

The positive results generated by this drilling program continue to support the continuity of high grade shoots within Wyoming One with an intersection in the **Hangingwall Zone** of **17m @ 4.72g/t gold including 9m @ 6.70g/t gold (WY 812)** and the substantial altered and mineralised intersection recorded with **WY 811D**.

Several intersections in the '376' structure including **12m @ 3.45g/t gold including 6m @ 5.93g/t gold (WY 816)**, **9m @ 2.94g/t gold including 3m @ 7.54g/t gold (WY 817)** and **4.1m @ 4.59g/t gold (WY 821D)**, and the intercepts in the **Porphyry** of **18.4m @ 5.74g/t gold including 7.2m @ 11.06g/t gold (WY 821D)**, continue to demonstrate the potential for high grade shoots at depth in the system.

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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 Australasian Code for Reporting of Mineral Resources and Ore Reserves, September 1999, and accurately reflects information compiled by the competent person.