



ASX ANNOUNCEMENT –22 December 2004

DEEP DRILL INTERCEPTS IN HANGINGWALL AT WYOMING

- Initial results from deep diamond core hole WY 811D adds 200 metres to the vertical extent of the Hangingwall Zone within the Wyoming One deposit:

WY 811D 10 metres grading 5.39g/t gold from 521 metres
including 4.6 metres grading 9.85g/t gold from 522 metres

- Screen fire assay to check high grades within diamond core hole WY 821D

TOMINGLEY GOLD PROJECT (TGP)

Wyoming Resource Development Drilling

A 14 hole RC drilling program (3,448m with pre-collars for core holes **WY 811D** and **WY821D**) 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 and diamond core hole WY 821D was reported 14 December.

WY 811D targeted the apparent north plunging high grade shoot within the linear north north-west striking **Hangingwall Zone (HWZ)**. The hole 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.

Gyroscopic down hole surveys recently completed have given a more accurate location of the hole than the information reported 14 December. The intersection is 200 metres below the previous deepest intersection in the HWZ (**WY 812 17m @ 4.72g/t Au, including 9m @6.70g/t Au**) and is approximately 450 metres below ground surface. This new intercept adds significant potential to the total resources at Wyoming One and demonstrates that Hangingwall ore shoot has the tonnage/grade potential to support an underground development.

Preliminary results are available for part of the core sampled to date:

Hole No	East	North	Azimuth	Intercept (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Target Zone
WY 811D	614422	6393215	267°	521 – 538	3.42	17	591	Hangingwall
incl				521 – 531	5.39	10		
and				522 – 526.6	9.85	4.6		

Hole drilled at a nominal inclination of -60°. Gold analysis by 50g fire assay of half core samples.

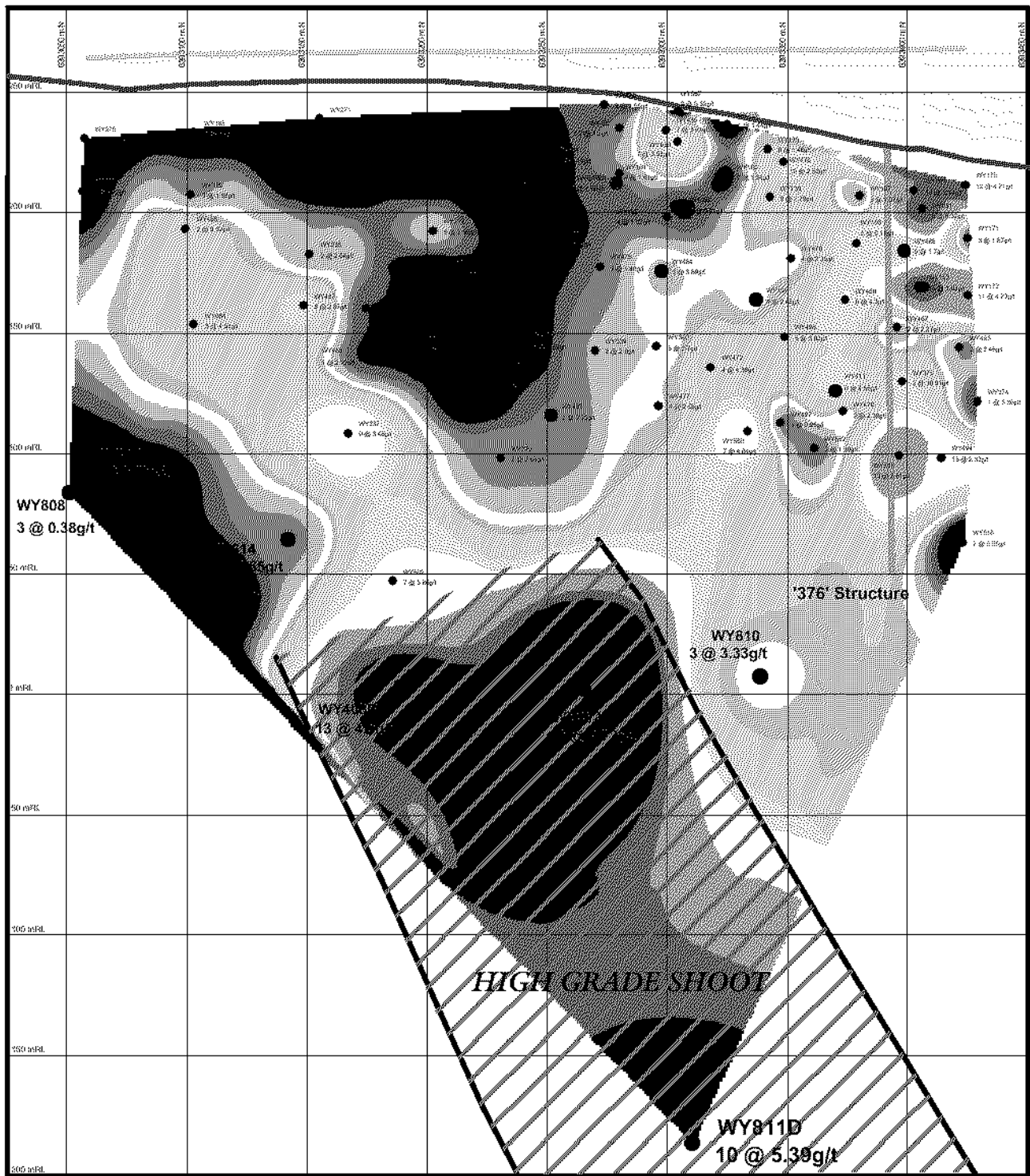
Further results are not anticipated until early January.

As a result of visible gold observed in several sections and the spread of repeat assays in core hole **WY 821D**, for example: **296.0 metres to 296.4 metres** **0.4 metres** **84g/t Au to 184g/t Au**; several samples have been selected for screen fire assay checking. Depending upon results of this verification program, other previous visible gold zones will be re-assayed.


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.

Enquiries: Ian Chalmers, Technical Director
Tel: +61 8 9328 9411 Fax: +61 8 9227 6011
Email: ichalmers@alkane.com.au

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, December 2004, and accurately reflects information compiled by the competent person.



GEOLOGICAL LEGEND

 Alluvials

DRILL HOLE LEGEND

- WY170 ● RC/AC drill hole showing intercept & grade
12 @ 4.21g/t
- WY411D ● Diamond drill hole showing intercept & grade
6 @ 4.56g/t
- WY811D ● Recently completed drill hole showing intercept & grade
10 @ 5.39g/t



ALKANE EXPLORATION LTD

**TOMINGLEY GOLD PROJECT
NEW SOUTH WALES**

**Wyoming One Prospect
Hangingwall Zone
Long Section**

