



ASX ANNOUNCEMENT –7 August 2008

CORE RESULTS FROM THE CALOMA AND WYOMING THREE GOLD DEPOSITS

- **Results have been received for eight of the nineteen diamond core holes completed at the Caloma, Wyoming One and Wyoming Three deposits within the Tomingley Gold Project**
- **These core holes were designed to confirm the geology of the deposits and provide samples for metallurgical test work.**

- **Selected results include:**

PE 253D	13 metres grading 2.37g/t gold from 207 metres
including	5 metres grading 4.84g/t gold from 212 metres
PE 254D	5.7 metres grading 3.79g/t gold from 177.5 metres
PE 255D	3.9 metres grading 12.02g/t gold from 33.1 metres
and	4 metres grading 6.44g/t gold from 166 metres
PE 256D	17 metres grading 2.64g/t gold from 49 metres
including	8 metres grading 4.14g/t gold from 56 metres
PE 271D	12 metres grading 2.15g/t gold from 186 metres
including	7 metres grading 3.04g/t gold from 190 metres
WY 840D	2.7 metres grading 33.0g/t gold from 66.3 metres
WY 842D	21 metres grading 3.18g/t gold from 89 metres
including	5 metres grading 4.28g/t gold from 92 metres
and	4 metres grading 7.86g/t gold from 101 metres

Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean (Director)

I. J. Gandel (Director)

I. R. Cornelius (Director)

L A Colless (Joint Secretary)

K E Brown (Joint Secretary)

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12 month share price
range

A\$0.515 - \$0.25

Market Cap 6 August 08

~A\$73 million

ASX Code: **ALK**

242.4 million shares (June 08)

June 2008 Cash

~ \$9.7 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 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 which is located at the contact of pelitic sediments in the west and an andesitic volcanic and volcanoclastic sequence to the east (figure 1). RC results have been summarised in previous Quarterly Reports.

Ten core holes (PE 253D – 257D, PE 271D – 272D, PE 289D and PE 292D – 293D) totalling 2,571 metres have also been drilled at Caloma to check the geology, structures and mineralisation defined by the RC drilling and to provide samples for metallurgical testing. Results have been received for five holes 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 should enable completion of the feasibility study by early 2009.

Multiple mineralised structures have been defined within the main feldspar porphyry host which is 80 to 100 metres in width. As a result of the current drilling a robust geological model has been developed and it is apparent that most of the mineralised structures within the porphyry have an approximate northerly 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. Intersecting structures, or structures intersecting lithological contacts, occasionally generate substantial intercepts. East-west, and apparently vertical, cross cutting dolerite dykes displace the mineralisation at irregular intervals. The drilling has also demonstrated that the mineralised structures project through the eastern contact of the porphyry into the volcanoclastic sediments and have expanded the resource potential into that area.

Wyoming Three – Tomingley Gold Project

Nine core holes (WY 840D – 848D) totalling 1,213 metres have also been completed at the Wyoming One and Wyoming Three deposits located to the south west and west of Caloma. As with Caloma, the drilling was designed to provide confirmatory geological information and samples for metallurgical testing. Results have been received for three of the four holes drilled at Wyoming Three and are summarised in Table 2.

Gold mineralisation at Wyoming Three also shows a strong relationship with feldspar porphyry, although at this location the porphyry forms an irregular shaped body roughly 150 metres by 150 metres (figure 1). The mineralisation is localised within three to four separate quartz rich lodes which strike about 105°, dip steeply to the north and appear to be controlled within a narrow shear plane. The lodes are hosted within the feldspar porphyry as well as andesitic volcanics and fine grained volcanoclastic siltstones on the northern margin of the porphyry.

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: TGP - Caloma Core results greater than 1.0g/t gold @ 7 August 08

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 253D	614718	6394118	~270	090°	60°	3	1.35	107 – 110	339.5	Caloma
and						7	0.96	116 – 123		
also						8	2.18	171 – 179		
also						5	4.00	198 – 203		
also						13	2.37	207 – 220		
inlc						5	4.84	212 – 217		
also						3	1.16	228 – 231		
also						7	1.26	239 – 246		
also						15	1.19	258 – 273		
incl						6	1.80	260 – 266		
also						1	1.74	309 – 310		
PE 254D	614718	6394038	~270	090°	60°	1	2.20	175 – 176	282.5	Caloma
and						5.7	3.79	177.5 – 183.2		
PE 255D	614778	6394138	~270	090°	60°	10	1.67	8.4 – 18.4	210.6	Caloma
and						3.9	12.02	33.1 - 37		
also						2	1.05	50 - 52		
also						2	2.35	74 - 76		
also						3	1.46	78 - 81		
also						2	1.00	85 - 87		
also						6	3.05	108 - 114		
also						2	1.89	141 - 143		
also						2	2.83	152 - 154		
also						4	6.44	166 - 170		
also						4	2.69	175 - 179		
also						8	1.33	186 - 194		
incl						1	4.15	193 - 194		
PE 256D	614848	6394097	~270	090°	60°	17	2.64	49 - 66	195.6	Caloma
incl						8	4.14	56 - 64		
also						1.7	1.16	100.7 – 102.4		
also						2	1.54	108 - 110		
also						7.15	1.13	149 – 156.15		
also						4.5	1.85	166.5 - 171		
PE 271D	614699	6393999	~270	090°	60°	3.5	2.13	57.5 - 61	345.6	Caloma
and						4	3.45	69 - 73		
also						1	1.61	179 - 180		
also						12	2.15	186 - 198		
incl						7	3.04	190 - 197		
also						10	1.32	212 - 222		
incl						3	2.99	215 - 218		
also						1	1.42	276 - 277		
also						1	3.18	288 - 289		
also						3.4	1.76	294 – 297.4		
also						2.35	1.05	303.65 - 306		

Gold analysis of quarter core by 50g fire assay. True widths are approx 90 - 95%.



Table 2: TGP - Wyoming Core results greater than 1.0g/t gold @ 7 August 08

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
WY840D	614099	6394195	~270	180°	60°	6.2	1.78	24.8 - 31	81.5	Wyoming 3
also						2.7	33.00	66.3 - 69		
WY842D	614174	6394199	~270	180°	60°	1.5	1.41	12.9 – 14.4	123.4	Wyoming 3
also						2	1.75	32 - 34		
also						21	3.18	89 - 100		
incl						5	4.28	92 - 97		
and						4	7.86	101 - 105		
also						3	1.99	115 - 118		
WY843D	614225	6394165	~270	180°	60°	2	5.58	41 - 43	108.6	Wyoming 3
also						0.4	2.25	45 – 45.4		
also						12	1.92	47 - 59		
also						6	1.45	64 - 70		
also						1	1.07	87 - 88		
also						3	1.89	94 - 97		

Gold analysis of quarter core samples by 50g fire assay. True widths are approx 70 - 75%.

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:

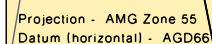
The **Tomingley Gold Project** currently has a **606,000 ounce gold resource** within the **Wyoming deposits**, of which 75% is in the Measured and Indicated categories (full details 2007 Annual Report). The recent discovery at **Caloma** could add significantly to the resource base and a substantial 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 **Xstrata Nickel (Jubilee)** near **Leinster**.



Geology

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Mineralisation

Geological Symbols and Ornamentation

— Fault, inferred

 Shear τ

— Geological boundary, inferred

 Quartz zone

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Figure No.: 1