



ASX ANNOUNCEMENT – 4 June 2009

TOMINGLEY GOLD PROJECT PIT INFILL DRILLING

- **33 RC holes have been completed within the conceptual pit shell of the Caloma deposit to upgrade the resource status. Results have been received for 20 holes.**

- **Selected results include:**

PE 418 including	19 metres grading 2.81g/t gold from 137 metres 7 metres grading 5.54g/t gold from 143 metres
PE 419 including	10 metres grading 4.49g/t gold from 119 metres 5 metres grading 7.89g/t gold from 122 metres
PE 423 including and including	12 metres grading 3.00g/t gold from 57 metres 4 metres grading 6.90g/t gold from 60 metres 19 metres grading 3.27g/t gold from 77 metres 4 metres grading 10.28g/t gold from 83 metres
WY 425 also	3 metres grading 4.85g/t gold from 178 metres 4 metres grading 15.42g/t gold from 186 metres
WY 428 and	6 metres grading 3.98g/t gold from 30 metres 3 metres grading 9.60g/t gold from 89 metres
WY 429 including	12 metres grading 2.76g/t gold from 51 metres 6 metres grading 5.00g/t gold from 51 metres

- **The Definitive Feasibility Study is progressing and remains on schedule for completion early October.**

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)

Contact

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12 month share price
range

A\$0.515 - \$0.15

Market Cap 3 June 09

~A\$82 million

ASX Code: **ALK**

244.6 million shares (March 09)

March 2009 Cash

~ \$6.2 million

No debt

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Tomingley Gold Project (TGP)

The TGP is located in the Central West of New South Wales, about 400 kilometres west of Sydney. The Project is centred on three gold deposits located 14 kilometres north of the Company's Peak Hill Gold Mine. The TGP is located in an area of substantial existing infrastructure with the major Newell Highway transecting the project, linking a number of towns with a regional population base exceeding 150,000 (figure 1). No camp facilities are required and the workforce can be sourced locally. A natural gas pipeline and railway are located five kilometres west of Tomingley, and power is available from the New South Wales state grid.

Exploration drilling discovered the Wyoming One deposit in 2002 and Wyoming Three in 2003. The Caloma deposit was recognised in 2006 with resource drilling completed in 2008 and Identified Mineral Resources currently stand at 840,000 ounces (full details in 2008 Annual Report and ASX release of 25 March 2009).

Resource Drilling - Caloma

As part of the Definitive Feasibility Study preliminary open pit mine planning is proceeding (figure 2) and a reverse circulation (RC) drilling program of 33 holes (3548m) was completed in May to raise some of the Inferred Resources within the Caloma pit shell to Indicated status. The drilling program focussed on the northern 100m section of the resource but a few holes also tested other small sections of the deposit.

Results have been received for 20 holes and are summarised in Table 1. The results have confirmed continuity of the geological model comprising shallow west dipping mineralised zones within the 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 (figures 3).

Geotechnical and Site Sterilisation Drilling

A program of approximately 20 core holes is in progress to develop a geotechnical understanding of the proposed open pit walls. Shallow site core drilling and pitting is also in progress to provide infrastructure support and environmental data.

Air core sterilisation drilling of the site will commence next week.

Definitive Feasibility Study (DFS)

The DFS program is continuing, with capital and operating cost data being collated, and remains on schedule for completion early October. All aspects of the Environmental Assessment (EA) are in progress.

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 RC results greater than 1.0g/t gold @ 4 June 09

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
PE 411	614920	6394000	271	090°	60°	1	1.49	48 – 49	102	
also						1	1.30	61 – 62		
PE 413	615000	6394080	271	090°	60°	1	0.96	18 – 19	48	
also						2	1.02	30 - 32		
PE 416	614895	6394300	270	090°	60°	11	2.09	19 – 30	60	
PE 417	614930	6394160	270	090°	60°	4	2.36	14 – 18	102	
also						6	1.42	27 – 33		
PE 418	614720	6394180	270	090°	60°	2	1.18	126 – 128	174	
also						19	2.81	137 - 156		
incl						4	3.55	138 – 142		
and						7	5.54	143 – 150		
PE 419	614710	6394160	270	090°	60°	10	4.49	119 – 129	150	
incl						5	7.89	122 – 127		
also						3	0.96	136 - 139		
also						3	4.50	144 - 147		
PE 421	614930	6394220	270	090°	60°	7	3.95	31 – 38	96	
PE 422	614890	6394220	270	090°	60°	4	3.33	67 – 71	114	
PE 423	614850	6394220	270	090°	60°	12	1.29	33 – 45	138	
also						12	3.00	57 - 69		
incl						4	6.90	60 - 64		
also						19	3.27	77 - 96		
incl						4	10.28	83 - 87		
also						6	3.13	111 – 117		
also						1	0.95	120 – 121		
PE 424	614810	6394220	270	090°	60°	2	5.28	89 – 91	160	
also						7	3.18	97 - 104		
also						5	1.27	133 - 138		
also						2	1.07	151 - 153		
PE 425	614750	6394100	270	090°	60°	3	1.18	156 – 158	198	
also						6	2.86	168 - 174		
also						3	4.85	178 - 181		
also						4	15.42	186 – 190		
PE 426	614960	6394220	270	090°	60°	3	1.38	14 – 17	68	
also						1	2.19	60 - 61		
PE 428	614930	6394220	270	090°	60°	3	1.12	12 – 15	96	
also						6	3.98	30 - 36		
also						3	2.30	81 - 84		
also						3	9.60	89 -92		
PE 429	614890	6394240	270	090°	60°	12	2.76	51 – 63	120	
incl						6	5.00	51 - 56		
PE 430	614850	6394240	270	090°	60°	2	3.65	68 – 70	144	
also						3	1.24	117 - 120		

Gold analysis of one metre split RC samples and some three metre composite samples by 50g fire assay. True widths are approx 90 - 95%.



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. Excluding the **TGP**, other major projects are:

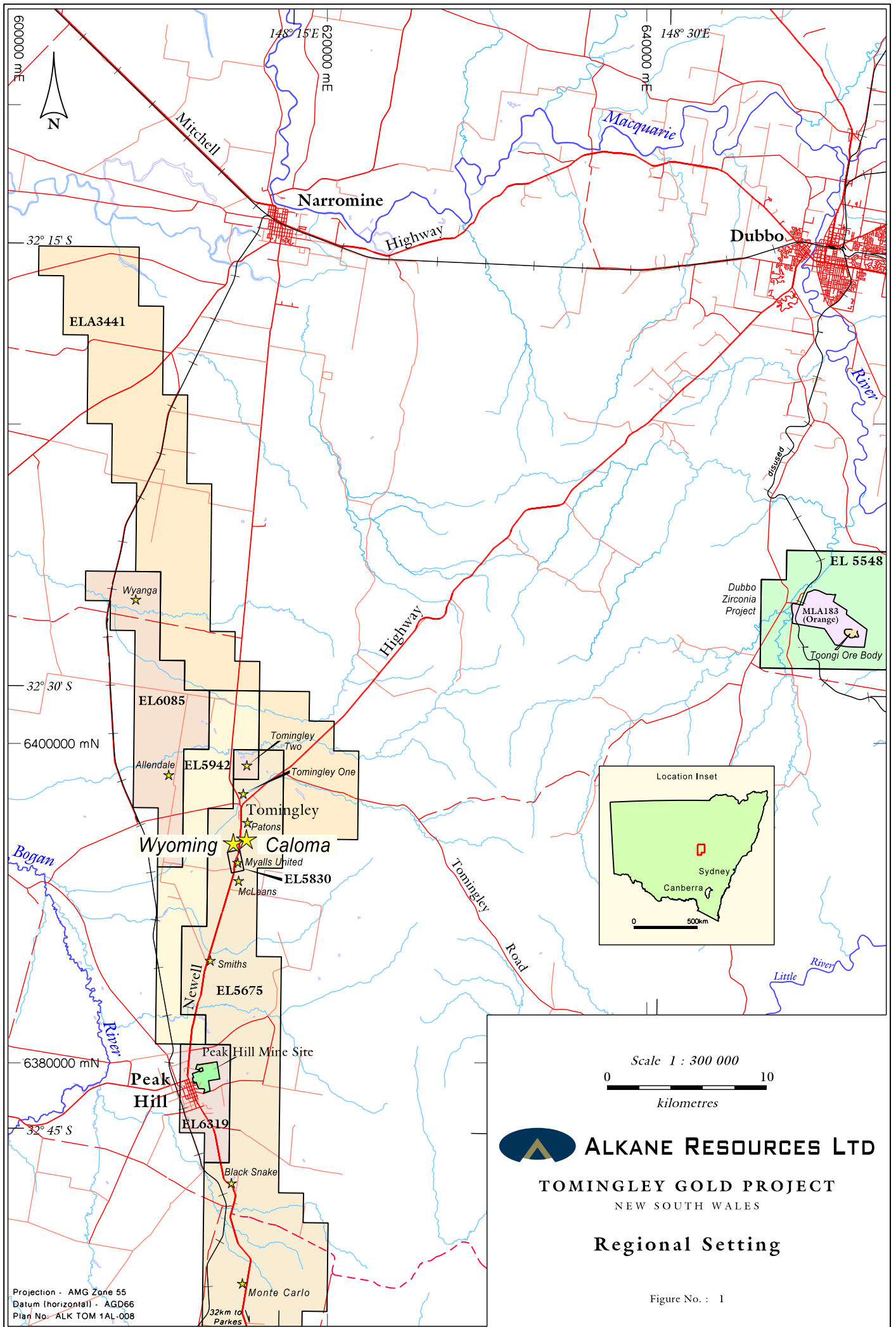
The **Dubbo Zirconia Project** is based upon a world class resource of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements. The deposit also contains significant uranium. Over several years Alkane has developed a flow sheet which can recover a variety of products which have expanding applications in electronics, ceramics, catalysts, special alloys and glasses, fuel cells, special rechargeable 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 in 2010.

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 included 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. Recent diamond drilling has confirmed the potential of the project to host a major gold system with an intersection in KPD003 of 366 metres grading 1.85g/t gold.

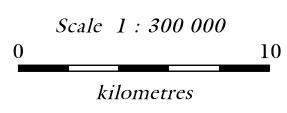
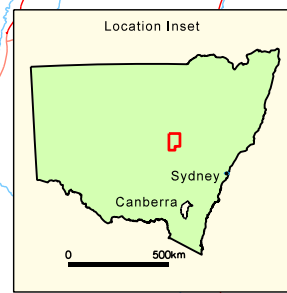
Elsewhere within the region, Alkane has defined a 2 million tonne 1.00% copper Indicated Resource (details 2007 Annual Report) which is being reviewed for its development potential at **Galwadgere** within the **Wellington Project**, and several other advanced exploration projects with encouraging drill 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**.





Projection - AMG Zone 55
 Datum (horizontal) - AGD66
 Plan No. - ALK TOM 1AL-008

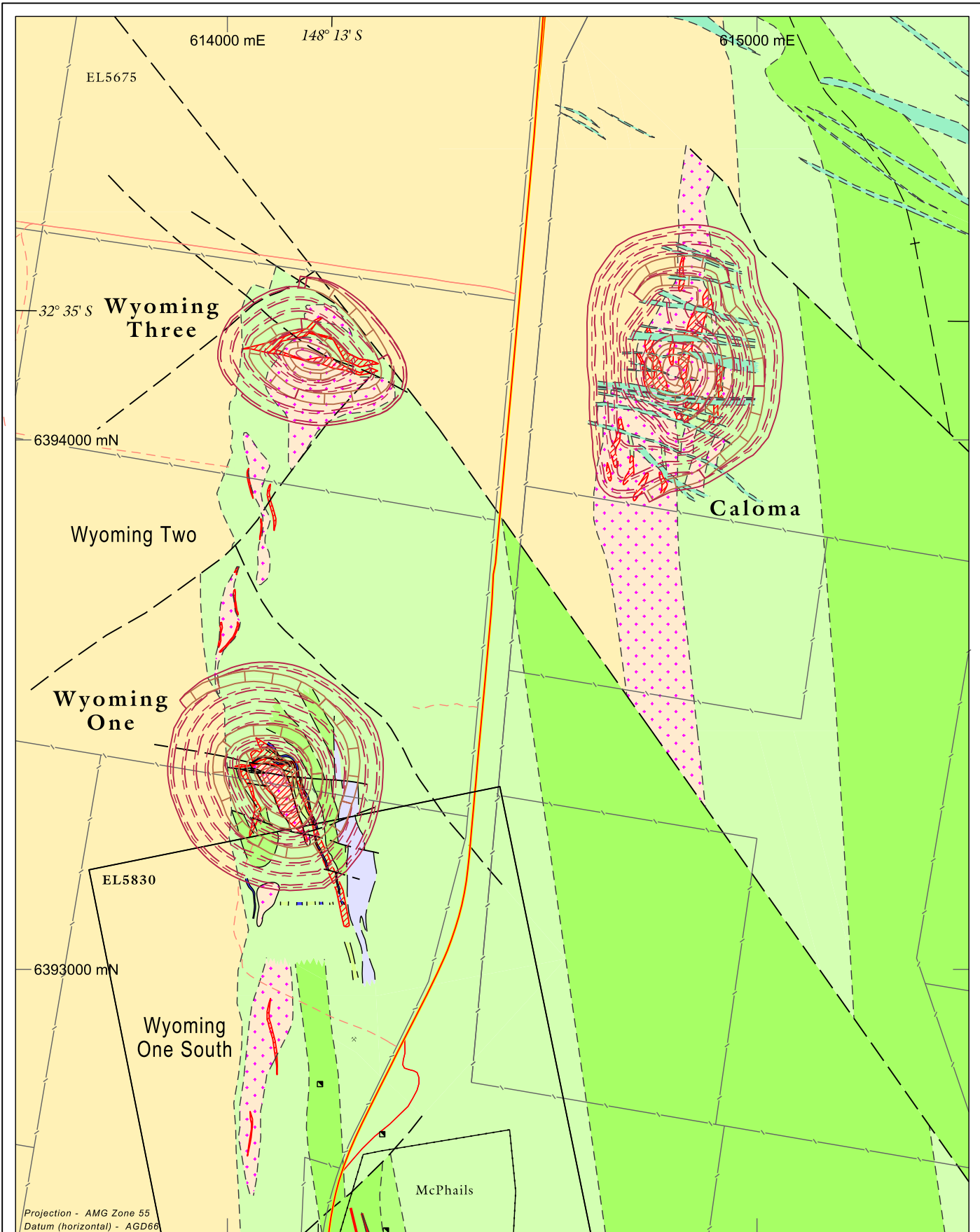


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TOMINGLEY GOLD PROJECT
 NEW SOUTH WALES

Regional Setting

Figure No. : 1



Projection - AMG Zone 55
Datum (horizontal) - AGD66

Geology Legend

- Dolerite
- Massive, well foliated pelitic siltstone (Cotton Formation)
- Feldspar porphyry
- Undifferentiated volcanoclastic sediments
- Undifferentiated black graphitic shales and grey foliated siltstones
- Black graphitic shales
- Quartz and volcanoclastic sandstone pebble conglomerate
- Feldspar ± hornblende phyric andesitic lava
- Strongly sheared, chlorite-talc schist

- Geological Symbols and Ornamentation**
- Mineralisation
 - Fault, inferred
 - Shear zone
 - Geological boundary, inferred
 - Quartz zone

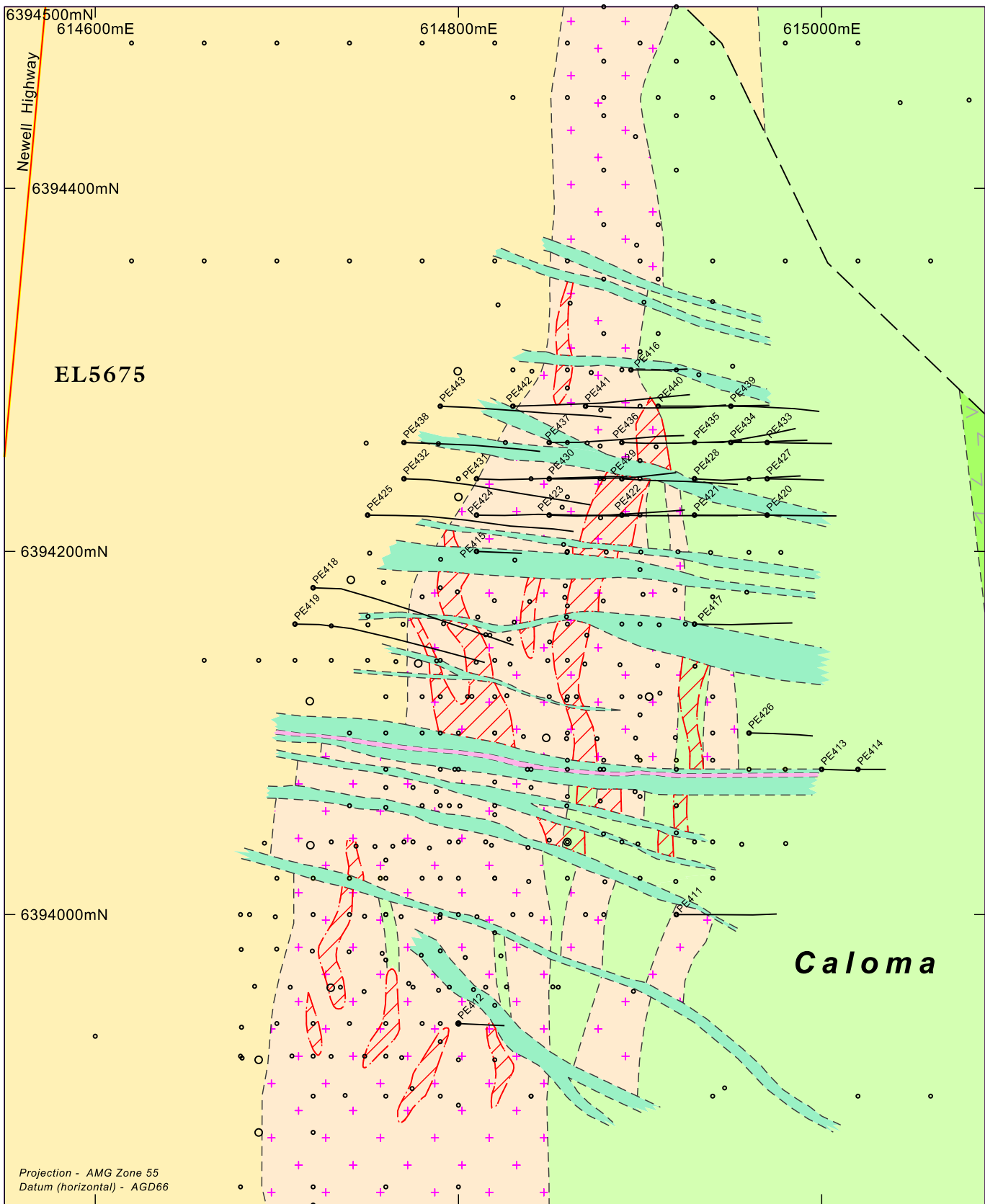


**TOMINGLEY GOLD PROJECT
WYOMING PROSPECT**

Geology

(Wyoming 1, Wyoming 3 and Caloma)

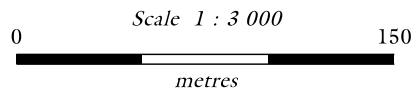
Figure No.: 2



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

- PE443 Drill holes - current phase
- Drill hole collars
- Diamond drill collars



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TOMINGLEY GOLD PROJECT
CALOMA PROSPECT
Preliminary Geology and
Drill Hole Location
(200m RL Interpretation)

Figure No.: 3