



ASX ANNOUNCEMENT – 19 April 2011

DISCOVERY OF PORPHYRY STYLE GOLD-COPPER MINERALISATION AT BODANGORA

- The Bodangora Project is located 15km north-east of Wellington in the Central West of New South Wales.
- A reconnaissance RC drilling program has been completed testing scattered targets within the Comobella Intrusive Complex (CIC) and other nearby areas.
- The CIC is a 12km² area of Ordovician aged andesitic volcanics intruded by monzonites, with extensive alteration and surface mineralisation.
- Significant gold-copper mineralisation was intersected in COMRC009 at Glen Hollow within the CIC. Results include:

HOLE NO.	INTERSECTION
COMRC009	45 metres grading 0.9 g/t gold and 0.24% copper
including	21 metres grading 1.51g/t gold and 0.41% copper

- These results have confirmed the potential of the Project to host significant porphyry style gold-copper mineralisation.
- Further drilling will be scheduled to evaluate the mineralisation.

Corporate Profile

Alkane Board

J. S. F. Dunlop (Chairman)

D. I. Chalmers (Managing Dir)

A. D. Lethlean

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L. A. Colless (Joint Secretary)

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12 month share price range

A\$2.73 - \$0.23

Market Cap 18 April 2011

~A\$650 million

ASX Code: ALK

269 million shares

OTCQX Code: ANLKY

ADR Ratio 1:10

31 March 2011 Cash

Cash ~ \$21.0 million

No debt

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The Bodangora Project is located 15 kilometres north-east of Wellington in the Central West Region of New South Wales, and about 25 kilometres north of Alkane's Wellington (Galwagdere) project. The tenement includes part of the northern end of the Ordovician aged Molong Volcanic Belt (MVB) before it is covered by younger sediments of the Great Australian Basin.

Within the tenement area, the geology is dominated by an andesitic volcanic and volcanoclastic sequence with sporadic monzonitic intrusives. This sequence is overlain by Silurian-Devonian sediments and volcanics while the Nindethana Fault, a major crustal suture, separates the Bodangora area from the Siluro-Devonian Hill End Trough sediments and Carboniferous Wuuluman Granite to the east.

Previous exploration had identified a number of geochemical anomalies associated with monzonitic intrusives which were interpreted to be similar to the well documented porphyry gold-copper systems at Cadia-Ridgeway and Northparkes in the region. The exploration had defined several zones of low grade copper-gold mineralisation, however Alkane's initial target in the area was structurally controlled gold deposits, exemplified by the historic 200,000 ounce producing **Bodangora**. Test drilling of targets near the historic mine failed to locate any potential economic mineralisation.

To the north of the Bodangora mine area, several other targets which include skarn mineralisation and extensive zones of alteration at **Comobella** had been identified. RC drilling had indicated broad intercepts of gold-copper, with narrower high grade values. Intervals included 18 metres at 0.95g/t gold and 0.15% copper from 64 metres in NKRC 003, with 2 metres grading 5.7g/t gold and 0.44% copper.

Following an Induced Polarisation survey completed by Alkane early in 2010 and soil sampling later in the year, the Company recently completed a scattered reconnaissance 11 hole RC drilling program totalling 2,431 meters to test geophysical, geochemical and geology targets at the Bodangora Creek, Driell Creek, Glen Hollow, Glen Hollow North, Comobella and Haddington Prospect areas. The latter four targets are within the area now defined as the very prospective Comobella Intrusive Complex (CIC). The CIC is currently interpreted to cover an area of approximately 4km by 3km (Figure 1).

Several areas of extensive alteration with weak copper-gold values were intersected however the most significant drilling results were returned from the Glen Hollow Prospect with **45 metres @ 0.9g/t gold, 0.24% copper from 50 metres including a zone of 21 metres @ 1.5g/t gold, 0.41% copper from 84m (COMRC009)**. The hole was halted in the mineralisation due to bit failure, and comprises disseminated chalcopyrite + bornite blebs hosted within altered quartz monzonite and andesitic breccias which has been interpreted to represent the inner potassic zone of a fertile porphyry system (Figures 2 and 3).

Geology and alteration features identified elsewhere within the CIC are currently being integrated to develop vectors to copper-gold mineralisation, with many targets remaining to be tested. A detailed review of all data will be scheduled to confirm the controls to the mineralisation and plan further drilling.

Results from this recent RC drilling program have highlighted the prospectivity of the Glen Hollow area, and the CIC in general for significant porphyry-related copper-gold mineralisation.

Table 1: Significant RC drill results from the Glen Hollow target at Bodangora 18 April 2011

Hole No	East	North	RL (m)	Azimuth	Inclin	Intcpt (m)	Grade (g/t Au)	Interval (m)	EOH (m)	Comments
COMRC009	687303	6417299	422	090°	55°	45	0.87	60 – 105	106	0.24% Cu
incl						21	1.51	84 – 105		0.41% Cu

Gold analysis by 50g fire assay and base metals by ICP at 3 metre composite RC samples. True widths are about 65% of intersection.



Unless otherwise advised above, the information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company who 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 a 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 this report of the matters based on his information in the form and context in which it appears

BACKGROUND

Alkane is a multi commodity explorer and miner with its operations focussed in the **Central West of New South Wales**, centred about 400 kilometres 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 an **840,000 ounce gold resource** within the **Wyoming and Caloma deposits**, (full details are in the 2008 Annual Report and the ASX announcements of 2 October and 16 December 2009). A feasibility study for the development of the project with potential 50,000 to 60,000 ounce per annum production was completed late 2010 and development financing options are now being investigated.

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 2011.

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 significant gold deposit at **McPhillamys** within the **Moorilda Project**. An initial resource of Indicated plus Inferred resources containing **2.96 million ounces of gold and 60,000 tonnes of copper** has been defined (full details ASX announcement of 5 July 2010). Newmont are proceeding to complete a Bankable Feasibility Study for the development of the deposit.

Elsewhere within the region, Alkane has defined a 2 million tonne 1.00% copper Indicated Resource (details 2005 Annual Report) which is being reviewed for its development potential at **Galwagere** within the **Wellington Project**, and several other advanced exploration projects with encouraging drill intercepts. New exploration targets have been identified at several other locations.

In **Western Australia** the Company hold a diluting 23% residual interest in a nickel sulphide joint venture with **Xstrata Nickel (Jubilee)** near **Leinster**.







