



# ALKANE EXPLORATION LTD

A.B.N 35 000 689 216

## *ASX ANNOUNCEMENT – 18 December 2006*

### **BC IRON COMMENCES TRADING ON ASX**

Alkane Exploration Ltd (Alkane) congratulates **BC Iron Limited (BC Iron)** on its impressive debut on the ASX on Friday 15 December (ASX-BCI). BC Iron was formed through the combination of the tenement holdings of Alkane and its partner, the Randolph Syndicate, with those of Consolidated Minerals Limited in the Nullagine area of the East Pilbara region of Western Australia. BC Iron's IPO raised \$6 million from the issue of 24 million shares.

The response from eligible Alkane shareholders for priority to 12 million BC Iron shares was substantial and applications were received for in excess of 25 million shares. Accordingly, each eligible Alkane shareholder received their minimum entitlement under the priority offer and the BC Iron Directors used their discretionary powers in respect of any applications for shares in excess of these minimum entitlements.

Alkane will retain 9 million shares, or 16.67% of the issued capital of BC Iron at listing.

The Board of BC Iron comprises a number of experienced mining professionals headed by Chairman Tony Kiernan and Managing Director Mike Young. Other Board members are Terry Ransted, Garth Higgs and Steve Chadwick.

The combined tenements cover approximately 1500km<sup>2</sup> and include a number of Tertiary aged palaeochannel systems which host extensive outcrops of iron rich pisolitic accumulations with similarity to the Channel Iron Deposits (CID) currently being mined at Robe River in the west Hamersley Range.

BC Iron have advised that, subject to weather conditions and approval from the various regulatory authorities, a major RC drilling program will be scheduled as soon as practical to complete an initial assessment of the systems. This program should enable BC Iron to focus on the areas with potential to achieve the goal of identifying significant tonnages of direct shipping quality product.

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