

21 November 2018



Chairman's Address 2018 Annual General Meeting

It is with great pleasure that I welcome you to the Alkane Resources Annual General Meeting for 2018.

2018 has again been a year of great achievement for your Company. We find ourselves in a very strong position with the solid result from the gold operations providing the foundation to that strength. In our gold business, revenue topped \$130M, cash flow exceeded \$40M, profit was \$24M and earnings per share was 4.8c – a very impressive annual result from the small but capable team.

The gold operations are reflected in the increase in our cash balance, and will underpin the progression of the Company's flagship Dubbo Project. We remain convinced that changes in the world environment indicate the time is right for its development. Electric vehicle production and sales are growing steadily, meaning manufacturers will be under pressure to source sufficient volumes of critical minerals. Already, manufacturers are looking to mitigate supply chain risk through diversification of supply. Whilst China will continue to be a dominant player for the foreseeable future, the Dubbo Project represents an alternative, sustainable and reliable source of materials that are in high demand – not only for electric vehicles, but also for a range of other existing and future technologies.

The challenges in securing a fair, binding offtake agreement for Rare Earth Metals is not unique to Alkane's Dubbo Project. Potential offtakers continue to buy predominantly from China and, whilst they are interested in establishing a non-Chinese supply chain to diversify their supply risk, they also expect new entrants to supply at a substantial discount to the established Chinese domestic market. Your Company is well positioned with a low-risk, permitted and "development ready" project, and it is not appropriate to bind our Company to an inferior pricing position for many years, nor is it in Australia's national interests.

We firmly believe this will change in the near term. Market conditions for our materials continue to tighten; the Australian Government and President Trump committed in February to pursue the development of rare earths and high-performance metals; legislation was passed in the USA in August this year that discourages the U.S. Department of Defence, a major consumer of rare-earth products, from acquiring Rare Earth Magnets from China. The Made in China 2025 policy will soon begin to reduce access to and increase prices of rare-earth products sourced from China; the tariffs on Chinese goods imposed by President Trump and the escalation in the trade tensions between China and the U.S. will lead companies to seek security from non-Chinese suppliers.

We are financially well positioned to persist to seek an offtake at fair terms, and are currently interfacing with the Australian Government and Export Credit Agencies to further our Project. Your Board remains very optimistic in the prospects for the Dubbo Project and, more broadly, for your Company.

This AGM marks the first full year of Nic Earner being in the role of Managing Director, and he has led the

CONTACT : **NIC EARNER, MANAGING DIRECTOR, ALKANE RESOURCES LTD, TEL +61 8 9227 5677**
INVESTORS : NATALIE CHAPMAN, CORPORATE COMMUNICATIONS MANAGER, TEL +61 418 642 556
MEDIA : HILL+KNOWLTON STRATEGIES: MARCHA VAN DEN HEUVEL, TEL +61 2 9286 1226 OR +61 468 960 457

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Alkane team through a seamless transition. My thanks go to Nic for his diligent execution of his duties during the year which included the re-optimization of the Dubbo Project, breaking production and cost records with the gold operations and evaluating, planning the underground development at our Tomingley Gold Operations, and expanding our gold business with investments in other Australian gold development assets.

In parallel, he has led the ramped up exploration activities in the broader Tomingley Gold Project area – primarily between Tomingley village and Peak Hill – and we are excited to see the results of these exploration efforts later this year. We are encouraged by the mineralisation we've already identified and will continue these activities, as well as other exploration activities in Central Western NSW, with the view to establishing longer-term feed for the gold processing centre at Tomingley and having a pipeline of new exploration discoveries suitable for stand alone development.

Amongst all that activity, Alkane's Tomingley Gold Operations was awarded NSW Mining Operation of the Year at the NSW Minerals Council's Industry & Supplier Awards held at NSW Parliament house in March this year. This is wonderful recognition of the Company's excellence in the mining sector and of the professional way in which we conduct our business and interact with the community around us.

I would like to acknowledge Ms Karen Brown and Mr Michael Ball both of whom stepped down as Company Secretary and Chief Financial Officer respectively and welcome their replacements, Mr Dennis Wilkins and Mr James Carter to the Alkane team.

Again, my thanks to the entire Alkane Resources team, including our partners and consultants, along with our many shareholders and stakeholders, for their ongoing support. 2019 is promising to be an exciting year and we look forward to bringing you progress on the underground gold development and updates as to the financing and offtakes of the Dubbo Project as they evolve.

Ian Gandel
Chairman

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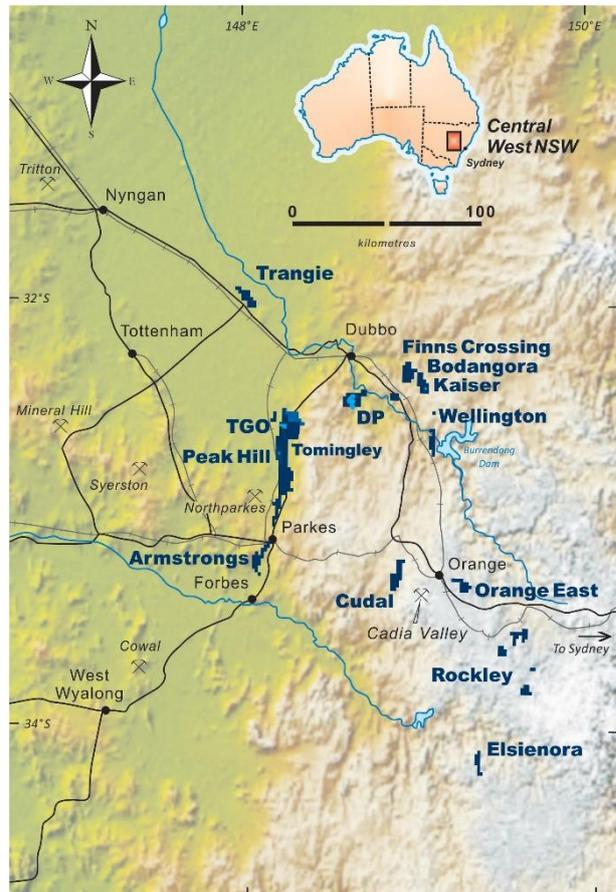


ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

Alkane is a multi-commodity company mainly focused in the Central West region of NSW, Australia. Currently Alkane has two advanced projects - the Tomingley Gold Operations (TGO) and the nearby Dubbo Project (DP). Tomingley commenced production early 2014. Cash flow from TGO has provided the funding to maintain the project development pipeline and has assisted with the pre-construction development of the DP.

The DP is a large in-ground resource of zirconium, hafnium, niobium, yttrium and rare earth elements. As it is an advanced poly-metallic project outside China, it is a potential strategic and independent supply of critical minerals for a range of sustainable technologies and future industries. It has a potential mine life of 75+ years. The DP is development ready, subject to financing, with the mineral deposit and surrounding land acquired and all major State and Federal approvals in place.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Bodangora, Wellington, Rockley and Elsenora prospects. Wellington has a small copper-gold deposit which can be expanded, while at Bodangora a large monzonite intrusive complex has been identified with porphyry style gold copper mineralisation. Gold and base metal mineralisation has been identified at Rockley and Elsenora.



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