

ASX and MEDIA RELEASE

19 August 2020



Tomingley Gold Extension Project Consultation Plans

- Extensive consultation has been taking place with local landholders and key government agencies.
- This consultation is expanding to broader community and stakeholders.
- Preliminary pit and underground designs have been prepared to show potential plans and impacts during this consultation.
- The surveys and testing needed to prepare an Environmental Impact Statement are underway.
- Land that will be affected by the potential development has been purchased or is under contract.
- Resource drilling continues to allow further resource upgrades, which will allow detailed economic evaluation once the resource definition has increased.

Alkane Resources Limited (ASX:ALK) advises that the approval process with the New South Wales Government to allow the development of the San Antonio and Roswell deposits, within the Company's 100% owned Tomingley Gold Project (TGP) in Central West New South Wales, is well underway.

Alkane's Managing Director, Nic Earner, said "Whilst still conceptual in nature and expected to change through consultation, the open cut and underground designs currently being considered would allow a significant extension to the life of Tomingley Gold Operations (TGO) on approval.

We have been proactive in our engagement locally, regionally and with the NSW State Government, and we look forward to the next stage of engagement with regulators, stakeholders and the community."

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Tomingley Gold Project

Alkane Resources Ltd 100%

The Tomingley Gold Project (TGP) covers an area of approximately 440km² stretching 60km north-south along the Newell Highway from Tomingley in the north, through Peak Hill and almost to Parkes in the south. The TGP contains Alkane's currently operating Tomingley Gold Operations (TGO), an open pit mine and underground operation with a 1Mtpa processing facility.

Over the past two years Alkane has conducted an extensive regional exploration program which led to the definition of Resources at the Roswell and San Antonio prospects. These are:

- Roswell Deposit: 7.02 Mt @ 1.97 g/t Au for 445 koz (Inferred Mineral Resource – ASX Announcement 28 January 2020)
- San Antonio Deposit: 7.92 Mt @ 1.78 g/t Au for 453 koz (Inferred Mineral Resource – ASX Announcement 20 April 2020)

Alkane is seeking approval for mining development via both underground and open cut, as well as extension to the life of the TGO operations. The Company has been in consultation with its key stakeholders, including landholders and regulators, and received approval to develop an exploration drive from the Wyoming One deposit to Roswell. For the next stage of seeking approval, Alkane has prepared preliminary plans for both open cut and underground mines beneath Roswell and San Antonio, and will use these plans for consultation purposes.

With the extensive mineralisation across the deposits, as well as the need to relocate the Newell Highway if open cut mining is approved, consultation with community and stakeholders has commenced.

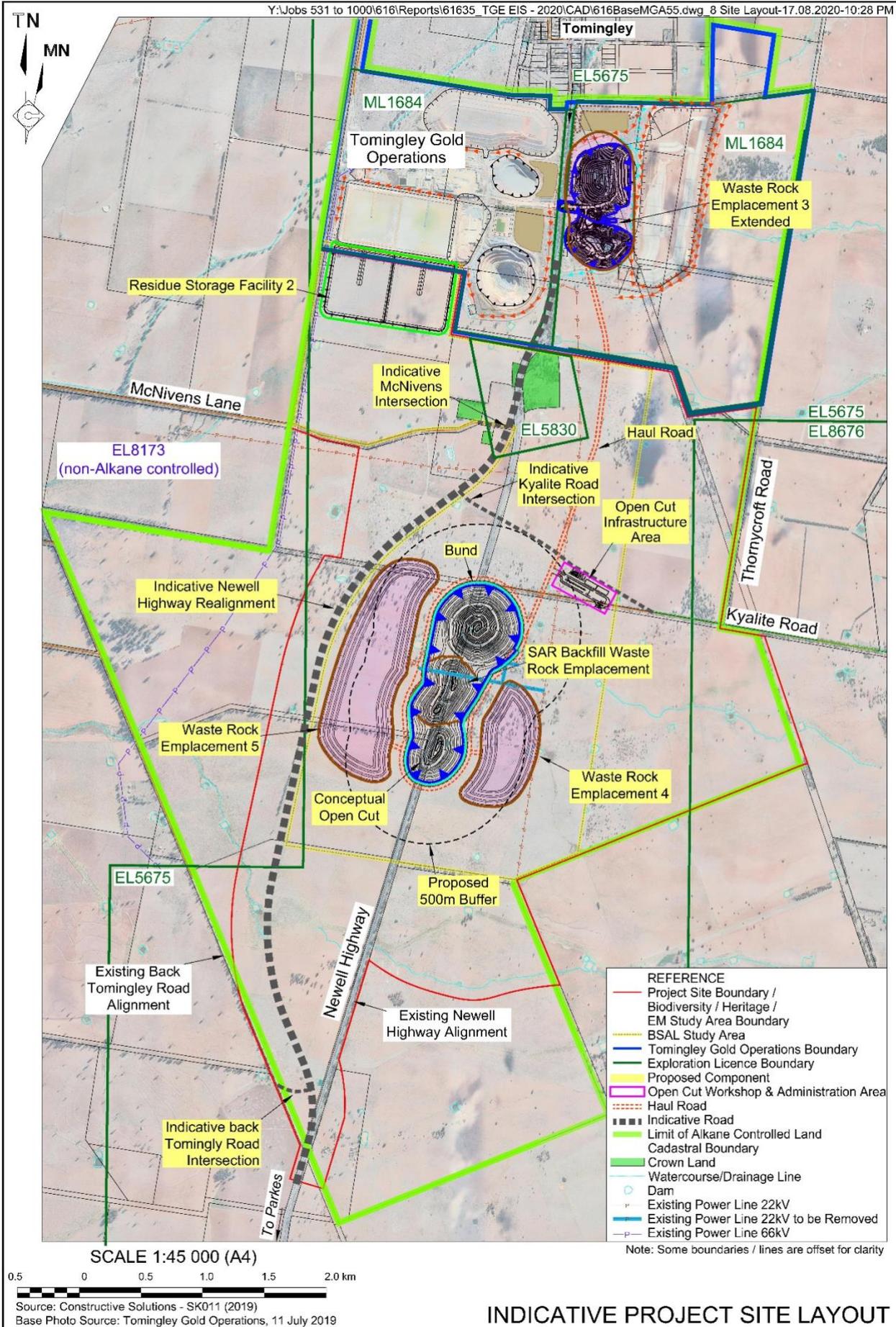
Current proposal for consultation

Alkane is seeking approval for both open cut and underground mining at the San Antonio and Roswell (SAR) deposits. The current indicative site layout is illustrated on the next full page. It is likely this design will change as additional studies and consultation are completed.

The current indicative design includes:

- A single SAR open cut, combining the San Antonio and Roswell deposits, approximately 1.7km long, up to 700m wide and up to 300m deep. It is expected that this open cut could be mined in stages to allow progressive rehabilitation.
- An underground operation, with a portal located within a completed stage of the open cut.
- Two new waste rock emplacements (WRE4 and WRE5) in the vicinity of the SAR open cut (exact size and design to be determined), as well as backfilling of some existing mine voids.
- A haul road that will transport ore via the existing Newell Highway underpass from the SAR open cut to TGO, where the ore would be processed in the existing processing plant.
- A second residue storage facility (RSF) to the south of the existing RSF and TGO.

Further details on the proposal and the consultation process are in the latest TGO newsletter, which can also be found on the Company's website.





Road realignments

For this project to proceed as described, Alkane will need to realign two of the roads in the vicinity of the development – a section of the Newell Highway and Kyalite Road. This will be undertaken to Austroads standards at the Company's expense and in consultation with stakeholders, including local residents, road user groups and Transport for NSW.

Newell Highway realignment

The San Antonio and Roswell deposits are very close to the Newell Highway. To develop the SAR open cuts, construction of an alternate section of road that bypasses the development is required.

Alkane has been consulting with Transport for NSW in relation to the design of this new section of road. The current proposed road will be about 8.3km in length. Refer to the project map for an indicative path of the new section of road.

The realigned highway will be built to Austroads standards and the design will take into account the local surface water flows that need to cross under the highway. The existing overtaking lanes and intersections will be replicated and reconstructed on the new section. As well as extensive community consultation, Alkane will be consulting the major industry and highway user groups in the coming weeks, working closely with Transport for NSW.

Kyalite Road realignment

Alkane will also need to realign Kyalite Road to ensure the road remains outside the 500m open cut blast exclusion zone. The design of this realignment would be determined in close consultation with Narromine Shire Council, residents and industry using the road.

Affected farmland

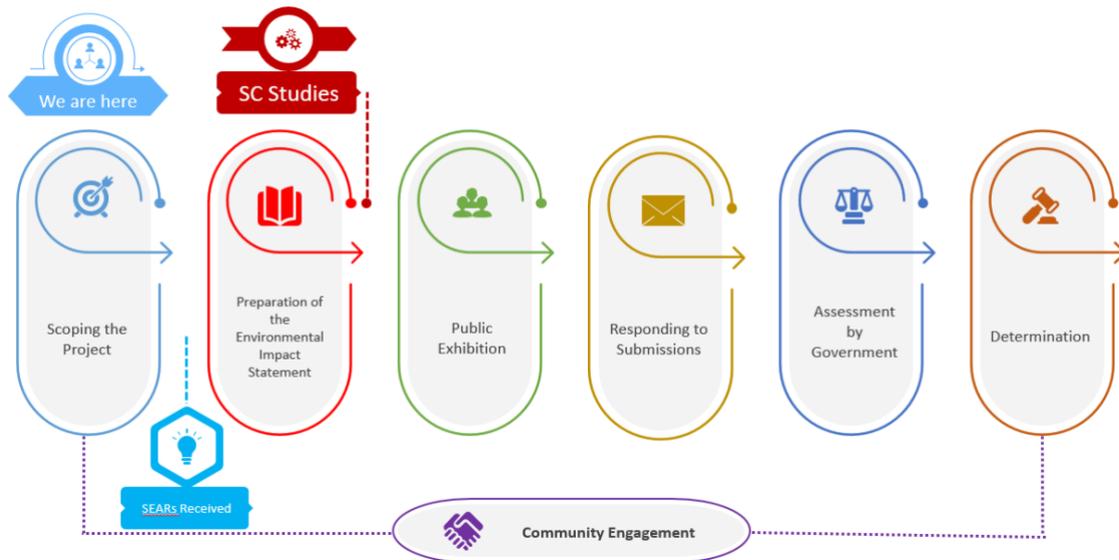
Seven properties that would be affected by the proposed development have been purchased or are under contract. This secures the land area needed for the development of the Roswell, San Antonio and El Paso deposits, as well as the relocation of any infrastructure such as the Newell Highway. The total area purchased or under contract is 2,218 hectares; the purchased area will continue to be farmed until project approval and subsequent development commences.

Approvals and application pathway

Alkane has commenced the process of obtaining State Significant Development (SSD) approval from the NSW Government to progress this project. Other approvals and licences will also be required, but SSD approval is the most significant.

SSD approval involves a rigorous series of studies and discussions, where Alkane (assisted by independent consultants engaged by Alkane) assesses the potential impact of the project on the environment, local community and the regional economy. The various stages of this process are represented in the accompanying graphic, and more information can be obtained from the NSW Government Major Projects Website: <https://www.planningportal.nsw.gov.au/major-projects/assessment/state-significant-development/ssd-process>.

Alkane is currently in the "Scoping" phase, having commenced consultation with government agencies and begun the process of environmental impact assessment. Another important element of the scoping stage is communicating plans to the local community and establishing a forum for ongoing feedback and discussion. These activities form part of a social impact assessment and economic impact assessment.



Environmental impact assessment

Alkane has engaged a team of specialist consultants to undertake the environmental impact assessment that leads to the Environmental Impact Statement (EIS). The EIS is a key part of the SSD approval process and informs the design and evaluation of the project.

The EIS team has commenced studies in the following areas related to the project:

- Ecology
- Heritage
- Soils and land capability
- Noise and vibration
- Air quality
- Surface and groundwater
- Rehabilitation and final landform design
- Social and economic – includes community consultation (see next section)

An application for Secretary's Environmental Assessment Requirements (SEARs) outlining the matters to be addressed in the EIS will be submitted in August.

Community consultation

Over the coming weeks and months, Alkane, TGO and the EIS team will begin consulting with the community and key stakeholders regarding the project.

Resource Drilling

Resource drilling continues to allow further resource upgrades, which will allow detailed economic evaluation once the resource definition has increased. Alkane expects to be in a position to release preliminary mine plans for Roswell and San Antonio in Q4 2020.



Competent Person

Unless otherwise advised above or in the Announcements referenced, 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results and exploration targets is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Disclaimer

This report contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.

This document has been authorised for release to the market by Nic Earner, Managing Director.

ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCF: ALKEF

Alkane Resources is poised to become Australia's next multi-mine gold producer.

The Company's current gold production is from the Tomingley Gold Operations in Central West New South Wales, where it has been operating since 2014 and is currently expediting a development pathway to extend the mine's underground and open pit potential.

Alkane has an enviable exploration track record and controls several highly prospective gold and copper tenements. Its most advanced exploration projects are in the tenement area between Tomingley and Peak Hill, which have the potential to provide additional ore for Tomingley's operations.

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With a major drill program ongoing at Boda throughout 2020, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies, including ~15% of Genesis Minerals (ASX: GMD) and 13% of Calidus Resources (ASX: CAI).

