



**ALKANE**  
RESOURCES LTD

# ANNUAL GENERAL MEETING PRESENTATION

**Nic Earner, Managing Director**

4 November 2020

# Disclaimer



This presentation 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 presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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## Previously reported information

The information in this report that relates to the combined mineral resources and ore reserves is drawn from:

- TGO Mineral Resource estimates is extracted from the Company's ASX announcement dated 18 August 2020;
- TGO Open Pit Ore Reserve estimate is extracted from the Company's ASX announcements dated 18 August 2020 and 23 September 2019;
- TGO Underground Ore Reserve estimate is extracted from the Company's ASX announcements dated 18 August 2020, 4 June 2018 and 11 June 2018;
- Roswell and San Antonio Mineral Resource estimate is extracted from the Company's ASX announcement dated 28 January 2020, 20 April 2020 and 4 November 2020;
- PHGP Mineral Resource estimate is extracted from the Company's ASX announcement dated 18 October 2018;
- exploration results is extracted from the Company's ASX announcements noted in the text of the report,

and are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement(s); in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and that the form and context in which the Competent Person's findings are presented have not been materially altered.

## Competent person

Unless otherwise advised above or in the Announcements referenced, the information in this presentation 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 presentation of the matters based on his information in the form and context in which it appears.

# Strategy, Growth and Investment

*“Alkane is growing shareholder value through increased gold production at Tomingley alongside targeted exploration, development and cornerstone investments.”*

## CORPORATE STRENGTH AND TRACK RECORD

- \$92.0M in cash, bullion and listed investments (as at 30 September 2020)
- Extensive senior management expertise in the full mining life-cycle (exploration, approvals, construction, operation, rehabilitation)
- Highly-credentialed and experienced Board
- Significant value created through demerger of Australian Strategic Materials (ASX: ASM)

## RELIABLE, EXISTING PRODUCTION

- Tomingley mill processing underground ore; met FY20 guidance with 33,507 oz gold produced
- FY21 guidance 45-50,000 oz (Q1 11,499 oz produced)
- Production growth through Tomingley Corridor (San Antonio, Roswell)
- Expediting development pathway; both underground and open pit
- Potential for strong near-term cash flow

## LANDMARK DISCOVERY AT BODA

- Extensive porphyry mineralisation province confirmed at Northern Molong
  - Similar characteristics to Newcrest’s Cadia Valley Mine (110km south)
- Strong indications of large system at Boda, including:
  - 689m at 0.46g/t Au, 0.19% Cu
  - 1,167m at 0.55g/t Au, 0.25% Cu
- Further 30,000m drill program at Boda in progress

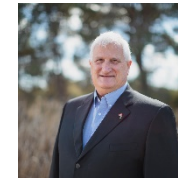
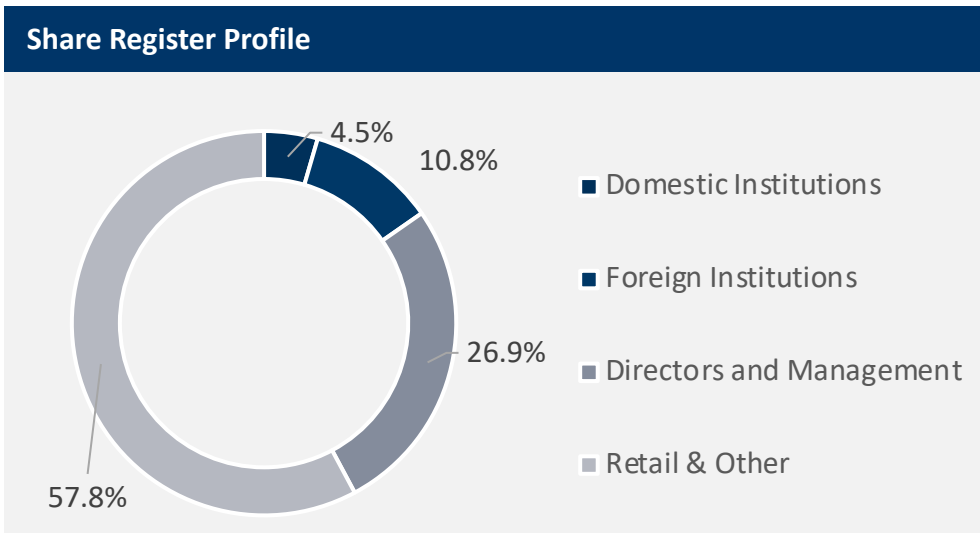
## STRATEGIC INVESTMENT TO SUPPORT GROWTH

- Extensive tenement holding in NSW with strong exploration potential
- Cornerstone investments with strategic alliance:
  - 19.9% of Genesis Minerals (ASX: GMD); market cap ~\$163M
  - 12.7% of Calidus Resources (ASX: CAI); market cap ~\$159M

# Corporate Profile



Capital Structure	
Ordinary Shares	596 million
Share Price (30 October 2020)	A\$1.23
Market Capitalisation	A\$732M
12 Month low/high	A\$0.46/1.54
Cash and Gold Bullion (30 September 2020)	A\$37.8M
Listed Investments (30 October 2020)	A\$52.6M
Interest Bearing Debt	~A\$8M
Enterprise Value	~A\$702M
Average Daily Turnover (12 Months)	A\$3.7M/day



#### **Ian Gandel (Non-Executive Chairman)**

Mr Gandel is a successful Melbourne based businessman with extensive experience in retail management and retail property. Through his private investment vehicles Mr Gandel has been an investor in the mining industry since 1994.



#### **Nic Earner (Managing Director)**

Mr Earner is a chemical engineer and graduate of University of Queensland with over 25 years' experience in technical and operational optimisation and management. He has held several executive roles in mining and processing.



#### **Ian Chalmers (Technical Director)**

Mr Chalmers is a highly experience geologist and executive with over 50 years' experience. Mr Chalmers was Managing Director for almost 11 years, before the appointment of Mr Earner in 2017. Mr Chalmers continues on the Board to provide ongoing technical, commercial and exploration expertise.



#### **Anthony Lethlean (Non-Executive Director)**

Mr Lethlean is a geologist with more than 10 years' mining experience, including four years underground on the Golden Mile in Kalgoorlie. More recently he has worked as a resources analyst with various stockbrokers and investment banks including CIBC World Markets.



#### **Gavin Smith (Non-Executive Director)**

Mr Smith is an accomplished senior executive and non-executive director with multinational business experience. He has more than 35 years' experience in Information Technology, Business Development and General Management, across a wide range of industries and sectors.

#### **James Carter (CFO and Joint Company Secretary)**

Mr Carter is a CPA and corporate governance professional with 20+ years' experience in the mining industry, including as CFO with a number of publicly-listed companies.

#### **Dennis Wilkins (Joint Company Secretary)**

Since 1994 Mr Wilkins has been a director of, and involved in the executive management of, several publicly listed resource companies.

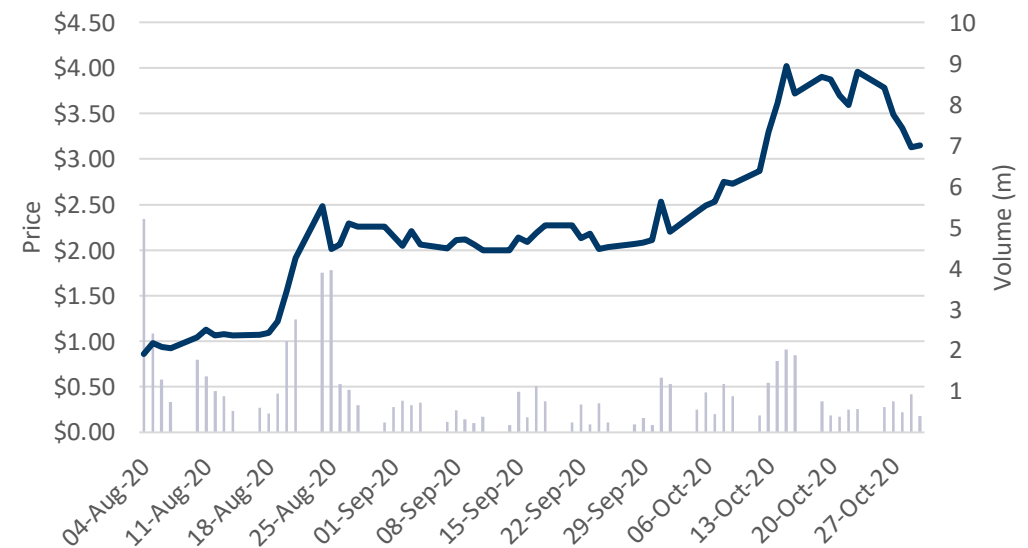


# Demerger of Australian Strategic Materials (ASX:ASM) Completed



- True value of combined assets (ALK and ASM) difficult to ascertain
- ALK Board acted in response to the views of shareholders
- Demerger of ASM formally completed 29 July 2020
- Pre-demerger, ALK closed at \$1.18; post demerger, ALK share price has traded in a range of \$1.04 to \$1.54
- Demerged entity closed at \$1.40 on first day, implying \$167M market cap
- ASM trading at \$3.15 at close (30 October 2020), represents \$0.63 in Alkane terms and a \$375M market cap as a standalone entity

*“The demerger of ASM continues Alkane’s track record of delivering significant value for shareholders.”*

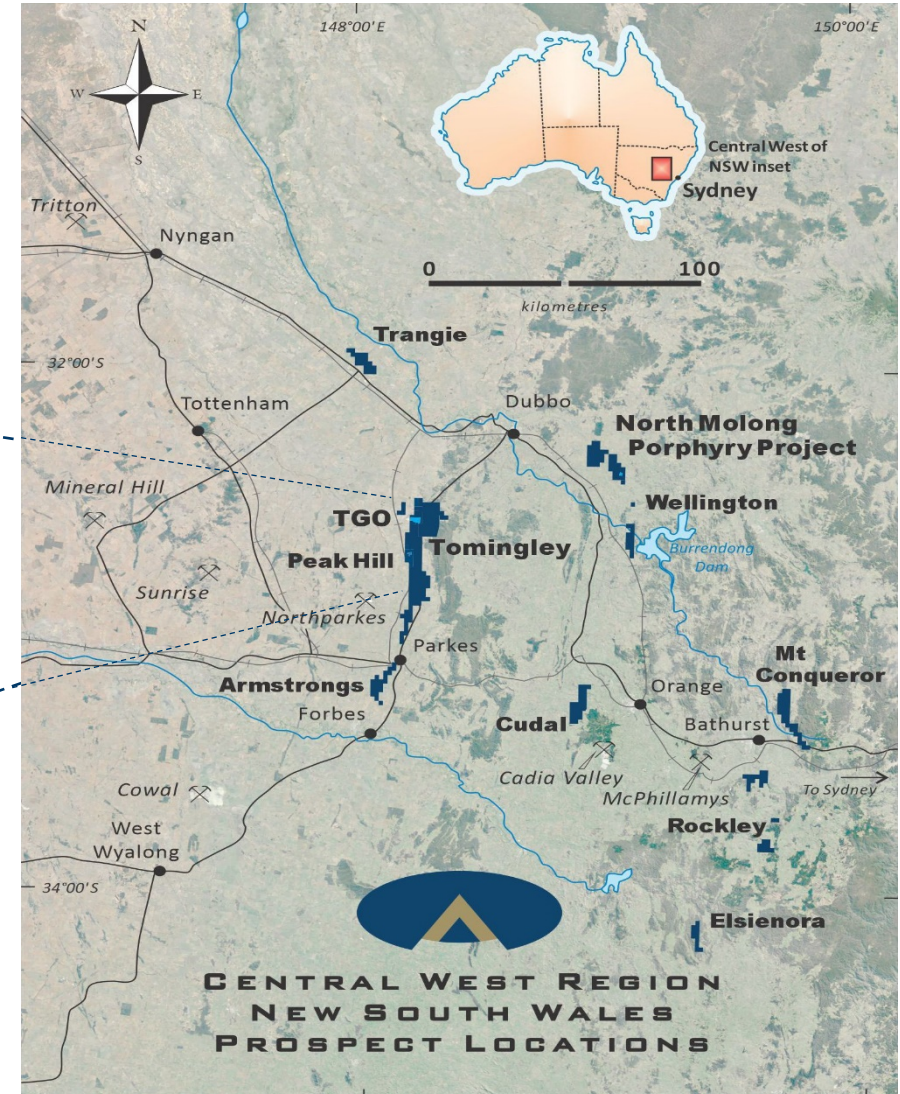


ASM share price and volume (4 Aug-13 Oct 2020)

# Tomingley Corridor: Central West NSW



~10km mineralisation adjacent to established processing infrastructure at Tomingley Gold Operations (TGO)



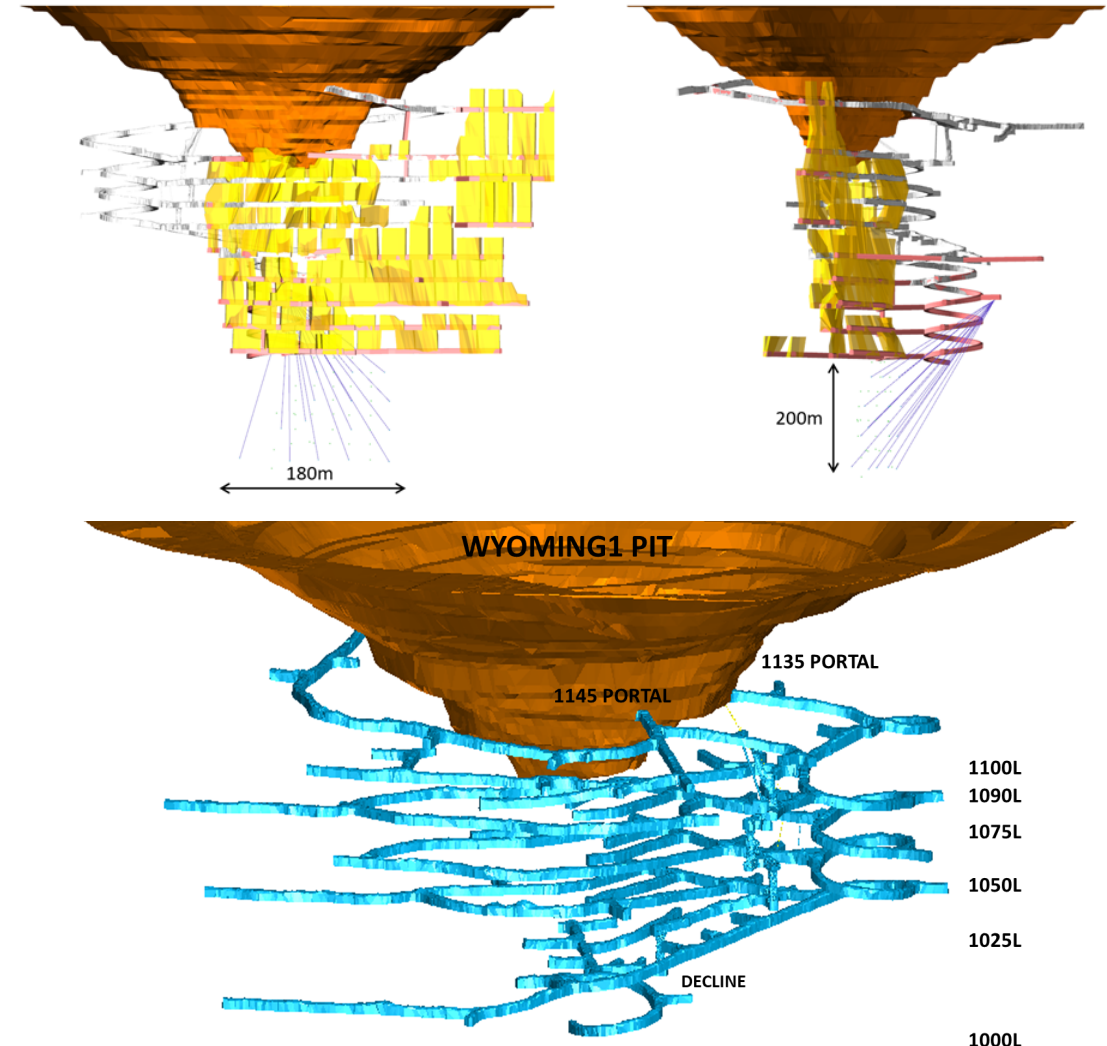
# Tomingley Gold Operations (TGO)

- 100%-owned 1.0mtpa plant constructed on time and on budget in 2014
- Achieved run rate of 1.4mtpa on oxide ore soon after commissioning
- Met production guidance for FY20 of 33,507oz gold
- FY21 Q1 production of 11,499oz at A\$1,575
- Production guidance for FY21 is 45,000 to 50,000oz (AISC A\$1,450 to A\$1,600/oz)
- Exploration has revitalised Operations – underground and regionally within the Tomingley Corridor
- Potential for strong near-term cash flow
- Total Mineral Resources: **9.45 Mt @ 1.9g/t Au (610,000 oz)\***
- Total Ore Reserves: **2.97 Mt @ 1.8g/t Au (176,000 oz)\***

\* ASX Release 18 August 2020



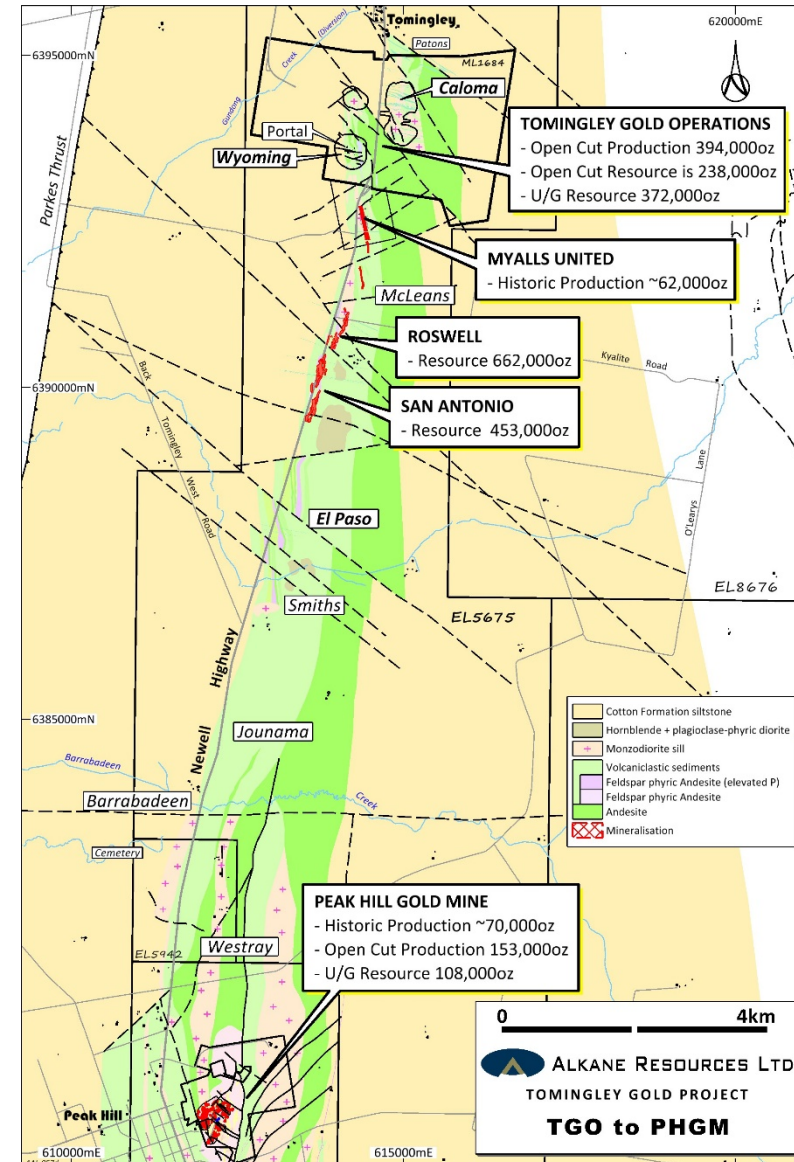
WY1 – Drill hole targets





# Tomingley Extension Project: Exploration

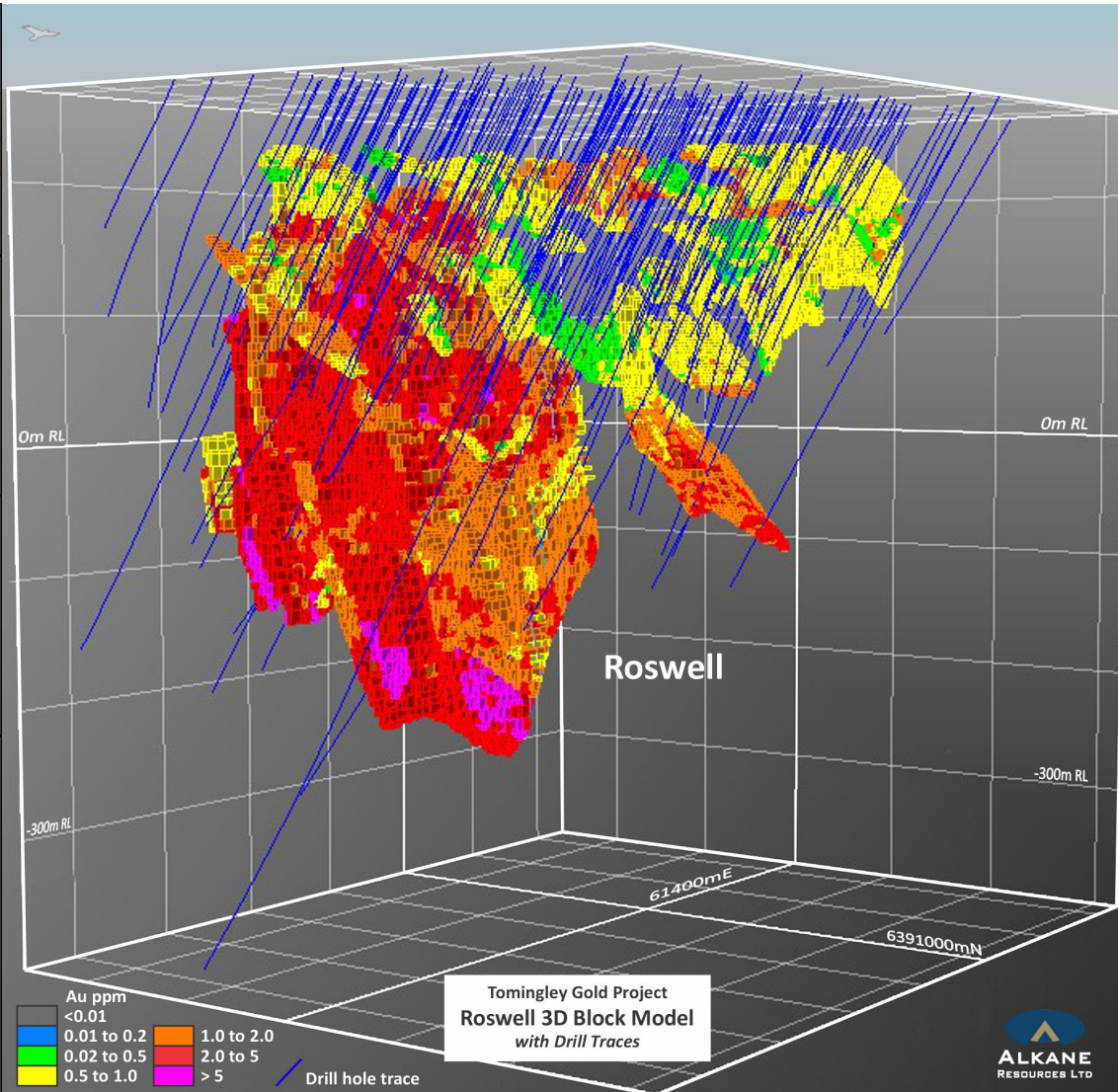
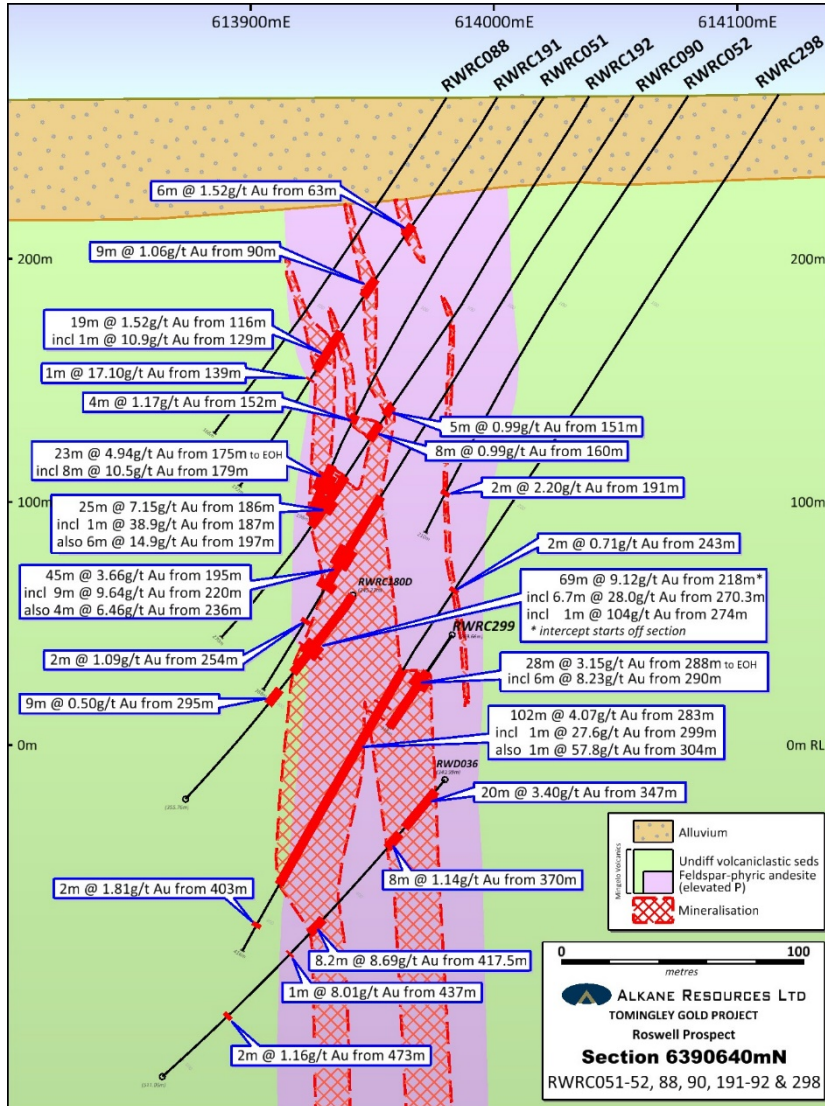
- Three major target areas within 8km of Tomingley mill; **Roswell, San Antonio and El Paso**
- Infill drilling at 20m spacing of Roswell complete, San Antonio continuing
- Updated Resource (Roswell): **10.1Mt @2.04g/t Au (662,000 oz)<sup>#</sup>**, an increase of 49% on maiden resource
- Maiden Resource (San Antonio): **7.92Mt @1.78g/t Au (453,000 oz)<sup>^</sup>**
- Extent of mineralisation at San Antonio, Roswell alone covers **significantly larger area** than original Tomingley discoveries
- **Total Resource for TGO and Tomingley Extension Project: 28.5 Mt @ 2.0g/t Au (1,833,000 oz)<sup>^^</sup>**
- Showing a development pathway to a further 10+ year life at TGO



<sup>#</sup>ASX release 4 November 2020, <sup>^</sup>ASX release 20 April 2020 and <sup>^^</sup>ASX Release 18 August 2020 & tables from that ASX Release at end of this presentation, together with ASX release 4 November 2020.



# Tomingley Extension Project: Exploration

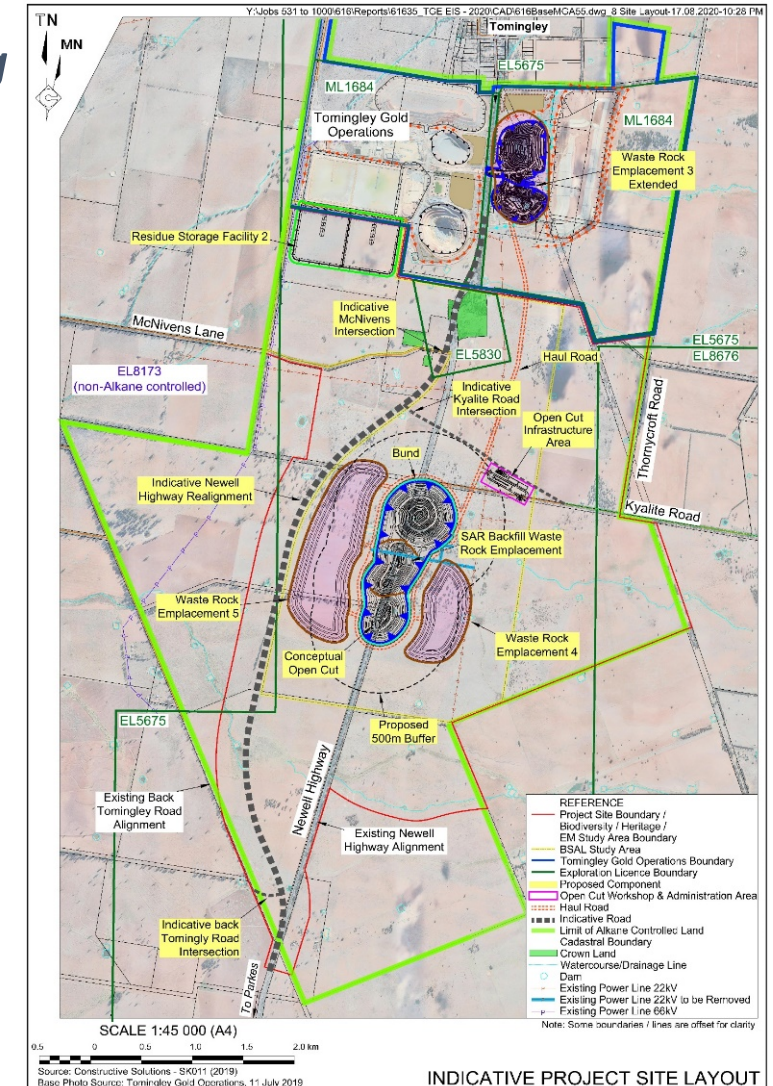


# Tomingley Corridor: Development Plan



*“A focus on defining the initial resource, and simultaneously developing underground and open pit mines on an accelerated timetable.”*

<b>Resource Delineation</b>	<ul style="list-style-type: none"> <li>• 40m space drilling complete at San Antonio, 20m space drilling underway</li> <li>• Roswell drilling complete</li> <li>• San Antonio Indicated Resource late Q4 2020</li> </ul>
<b>Exploration Drive</b>	<ul style="list-style-type: none"> <li>• From existing Wyoming One decline</li> <li>• Drilling positions and bulk samples between Wyoming and Roswell</li> <li>• Approvals received (May 2020)</li> <li>• Development underway, constantly reviewed as Tomingley Extension Project progresses</li> </ul>
<b>Underground Permitting</b>	<ul style="list-style-type: none"> <li>• Utilising exploration drive for production</li> <li>• Environmental approvals process underway</li> <li>• Mine plans to use for approvals prepared and undergoing consultation</li> </ul>
<b>Open Pit Permitting</b>	<ul style="list-style-type: none"> <li>• Infrastructure Impact – studies and consultation underway</li> <li>• Approvals – environmental approvals underway</li> <li>• Landholder agreement – land under contract or option</li> <li>• Mine planning to use for approvals prepared and undergoing consultation</li> </ul>

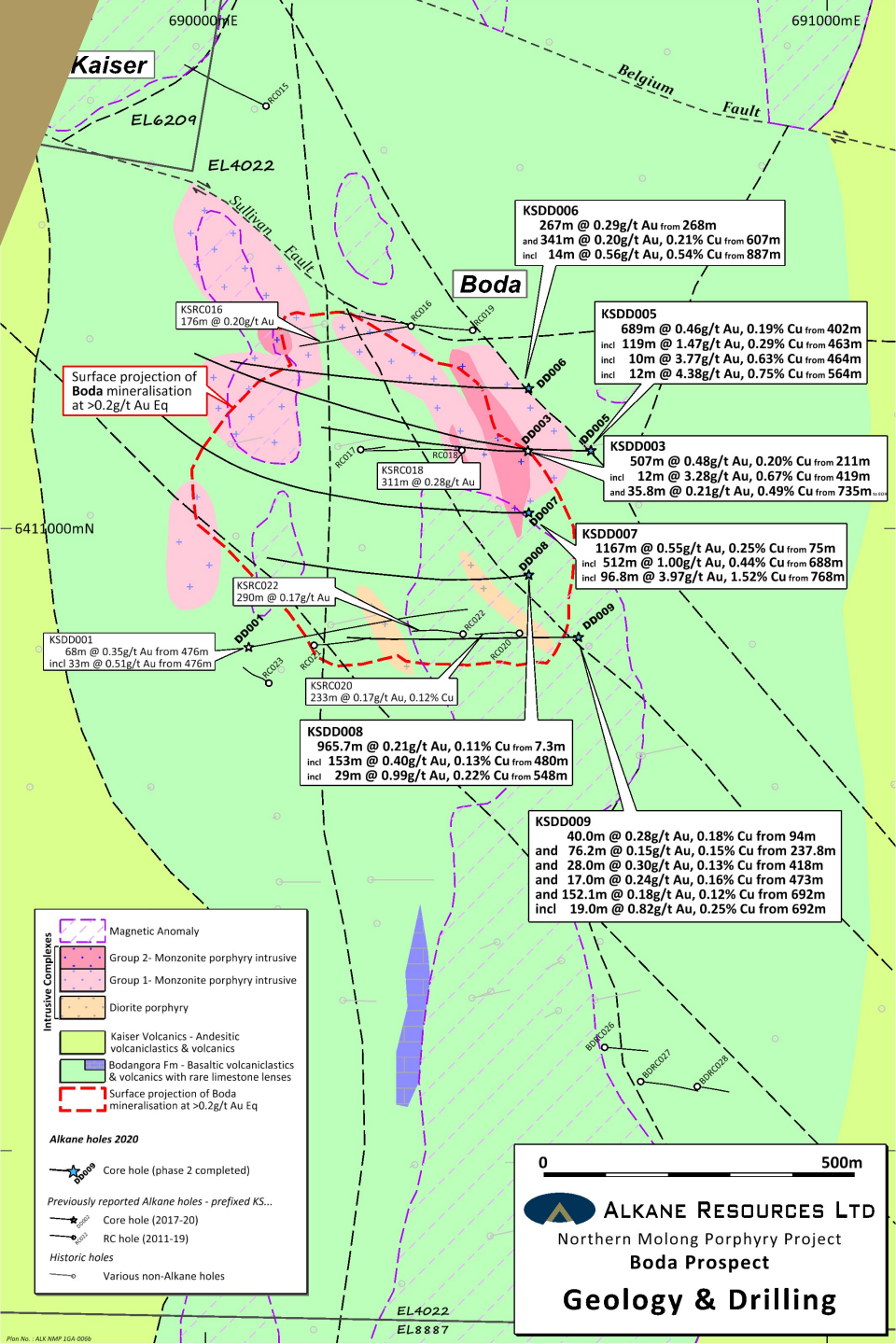




# Boda Prospect

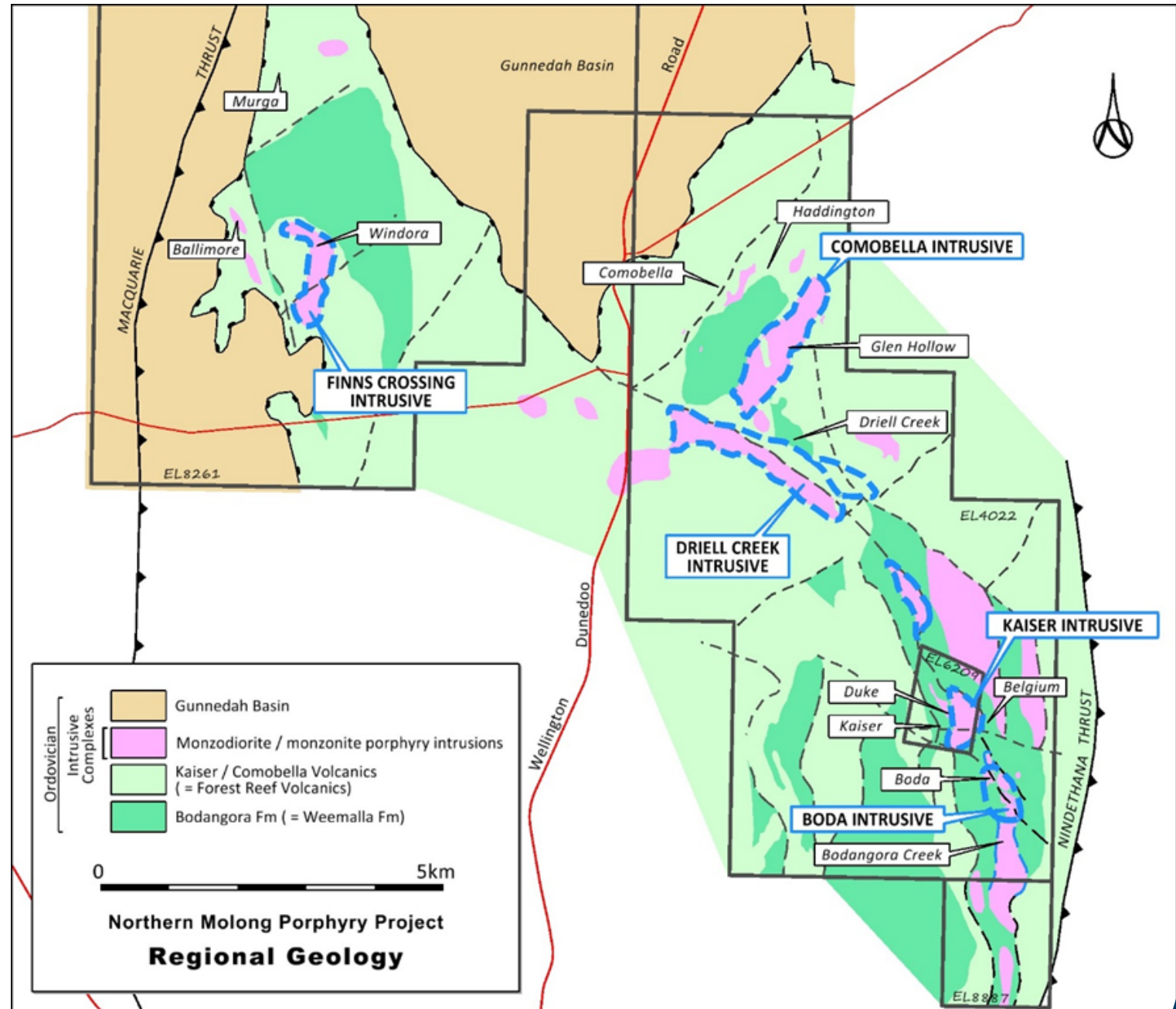
- Significant Gold-Copper Porphyry mineralisation at Boda Prospect
- Boda target identified by geophysics followed by RC drilling
- Diamond holes show large scale mineralization with higher grade core
- Numerous other intercepts within 2-3km strike length demonstrating extensive mineralised system
- Prospect potential akin to Cadia Valley Mine (Newcrest)
- Regional targeting underway informed by Boda, utilising new IP data

\*ASX Releases: 9 September 2019, 13 February 2020, 24 March 2020 and 18 May 2020



# Boda Drilling

- Major drill program of 30,000m over FY21 underway
- Results have been delayed in laboratory, will be released as soon as possible
- Targeting Boda high grade core plus prospective areas on corridor
- Other regional targets presented by IP and data review will also be tested





# Strategic Gold Investments

- Stated vision to become a multi-mine Australian gold producer
- Tomingley Gold Operations well-positioned to anchor strategy, with strong regional NSW exploration portfolio
- Long-term, potential growth to be achieved via strategic investment and future M&A
- Collaborative approach to investments with board representation agreed



Alkane owns ~19.9% of Genesis Minerals, which has a 1,280,000oz high grade Au resource in Western Australia, has recently made a strategic acquisition, has excellent exploration potential and is seeking a path to production.



Alkane owns ~12.7% of Calidus Resources, which is on track to develop a 100,000oz+ p.a. Au project in Western Australia from its 1,250,000oz resource.

# Key Priorities for FY2021

- Expanded drilling of Boda and nearby porphyry targets
- Updating of San Antonio resource and finalisation of UG and OC plans
- Progress of Tomingley Corridor Exploration Drive (underway)
- Finalisation of UG and OC plans for both approvals and financial evaluation
- Tomingley Extension Project economics communicated, Project Approval finalised
- Continue investment and alliance strategy



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# Mineral Resources



TOMINGLEY GOLD PROJECT TGO MINERAL RESOURCES (as at 30 June 2020)									
DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Open Pittable Resources (cut off 0.50g/t Au)									
Wyoming One	624	1.8	428	1.3	107	0.7	1,159	1.5	57
Wyoming Three	86	2.0	16	1.3	33	1.4	135	1.7	8
Caloma	879	1.6	1,016	1.2	824	1.2	2,719	1.3	115
Caloma Two	64	2.3	812	2.0	26	1.4	902	2.0	58
<b>Sub Total</b>	<b>1,653</b>	<b>1.6</b>	<b>2,272</b>	<b>1.6</b>	<b>990</b>	<b>1.2</b>	<b>4,915</b>	<b>1.5</b>	<b>238</b>
Underground Resources (cut off 1.3g/t Au)									
Wyoming One	664	2.8	1,390	2.9	427	2.8	2,481	2.9	228
Wyoming Three	46	2.2	24	2.0	20	1.9	90	2.1	6
Caloma	158	2.6	129	2.0	465	1.9	752	2.0	50
Caloma Two	-	0.0	785	2.4	426	2.0	1,211	2.3	88
<b>Sub Total</b>	<b>868</b>	<b>2.8</b>	<b>2,328</b>	<b>2.7</b>	<b>1,338</b>	<b>2.2</b>	<b>4,534</b>	<b>2.6</b>	<b>372</b>
<b>TOTAL</b>	<b>2,521</b>	<b>1.8</b>	<b>4,600</b>	<b>2.2</b>	<b>2,328</b>	<b>1.5</b>	<b>9,449</b>	<b>1.9</b>	<b>610</b>

Apparent arithmetic inconsistencies are due to rounding.  
These Mineral Resources are wholly inclusive of Ore Reserves.

TOMINGLEY GOLD PROJECT SAR MINERAL RESOURCES (as at 30 June 2020)									
DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Total Resources (cut off 0.50g/t Au)									
<b>ROSWELL</b>					7,020	2.0	7,020	2.0	444.7
<b>SAN ANTONIO</b>					7,920	1.8	7,920	1.8	453.3
<b>TOTAL</b>					<b>14,940</b>	<b>1.9</b>	<b>14,940</b>	<b>1.9</b>	<b>898</b>

Apparent arithmetic inconsistencies are due to rounding.



# Mineral Reserves



TOMINGLEY GOLD PROJECT MINERAL RESERVES(as at 30 June 2020)							
DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (Koz)
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	
Open Pittable Reserves (cut off 0.50g/t Au)							
Wyoming One	0	0.0	0	0.0	0	0.0	0
Wyoming Three	0	0.0	0	0.0	0	0.0	0
Caloma	450	1.7	119	1.2	569	1.6	30
Caloma Two	0	0.0	0	0.0	0	0.0	0
Stockpiles	207	0.8	0	0	207	0.8	6
<b>Sub Total</b>	<b>657</b>	<b>1.1</b>	<b>119</b>	<b>1.2</b>	<b>776</b>	<b>1.4</b>	<b>36</b>
Underground Reserves (cut off 1.3g/t Au)							
TGO underground	573	1.9	1618	2.0	2,191	2.0	140
<b>Sub Total</b>	<b>573</b>	<b>1.9</b>	<b>1,618</b>	<b>2.0</b>	<b>2,191</b>	<b>2.0</b>	<b>140</b>
<b>TOTAL</b>	<b>1,230</b>	<b>1.8</b>	<b>1,737</b>	<b>1.9</b>	<b>2,967</b>	<b>1.8</b>	<b>176</b>