



28 April 2022

## Quarterly Activities Report to 31 March 2022

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### Tomingley Gold Operations (Tomingley)

- Gold production met forecast for the quarter of 14,635oz, with site operating cash costs at A\$1,192/oz and AISC of A\$1,598/oz.
- Gold sales of 14,635 ounces for revenue of A\$35.7M at an average price of A\$2,437/oz.
- FY2022 guidance for Tomingley is unchanged at 55,000oz to 60,000oz production at an AISC of \$A1,500/oz to \$1,650/oz.

### Tomingley Gold Extension Project (TGEP)

- The Environmental Impact Statement has been through public display with all submissions now received by the NSW Department of Planning and Environment. The Company expects to respond to these submissions throughout May. The expected timing of Project Approval remains mid-2022.

### Exploration

- The drill program at Boda continues over the 3km strike length from Boda Three to Kaiser. (see ASX Announcements 25 February 2022 and 30 March 2022)
- At Boda significant results included:

BOD063	557m grading 0.52g/t Au, 0.12% Cu from 147m
incl	207m grading 0.65g/t Au from 147m (gold only flanking zone)
incl	12m grading 5.54g/t Au from 296m (gold only flanking zone)
incl	2m grading 28.9g/t Au from 305m (gold only flanking zone)
also	26m grading 1.00g/t Au, 0.18% Cu from 392m
also	27m grading 0.88g/t Au, 0.30% Cu from 441m
incl	4m grading 3.43g/t Au, 1.03% Cu from 645m
and	37m grading 0.36g/t Au, 0.14% Cu from 784m
and	88.4m grading 0.21g/t Au, 0.18% Cu from 963m
BOD074	639m grading 0.36g/t Au, 0.14% Cu from surface
incl	115m grading 0.75g/t Au, 0.32% Cu from 427m
incl	45.7m grading 1.18g/t Au, 0.44% Cu from 474.3m
also	6m grading 1.58g/t Au, 0.11% Cu from 189m
- The preparation of an initial resource estimation for Boda is nearly complete. Delays in the capacity of external parties providing input to the estimation (due to high workload and covid related staff shortages) mean the resource is now expected in May.

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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 : PAUL RYAN, CITADEL-MAGNUS, TEL +61 409 296 511



### ***Corporate***

- **Cash, bullion and listed investments position totalled A\$130.2M.**
- **Shareholding of ASX listed gold developer Calidus Resources Ltd (ASX:CAI) was ~9.7% at end of March quarter.**
- **Shareholding of ASX listed gold developer Genesis Minerals Ltd (ASX:GMD) was less than 5% at end of March quarter. During the quarter GMD shares to the value of \$34.4M were sold at a substantial gain over Alkane's cost base.**



## **TOMINGLEY GOLD OPERATIONS**

*Tomingley Gold Operations Pty Ltd 100%*

Tomingley Gold Operations (Tomingley) is a wholly owned subsidiary of Alkane, located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. The gold processing plant was commissioned in January 2014 and has been operating at the design capacity of 1Mtpa since late May 2014. Mining is based on four gold deposits (Wyoming One, Wyoming Three, Caloma One and Caloma Two).

### ***Operations Performance***

Tomingley underground continued to perform well during the quarter. The cutback in the northeast of the Caloma pit also performed well. All the new underground equipment purchased is now in use on site.

FY2022 guidance for Tomingley is unchanged at 55,000oz to 60,000oz production at an AISC of \$A1,500/oz to \$1,650/oz.

A total of 14,635 ounces of gold was poured for the quarter. The site cash costs for the quarter were A\$1,192/oz with an all-in sustaining cost (AISC) of A\$1,598/oz.

Gold sold for the quarter was 14,635 ounces at an average sales price of A\$2,437/oz, generating revenue of A\$35.7M. Bullion stocks were 1,235 ounces (fair value of A\$3.2M at quarter end). Site operating cash flow was A\$19.3M for the quarter.

The exploration drive from Wyoming One to Roswell was approximately 1,050m south of Wyoming One, 1,450m north of the Roswell deposit, at the end of the quarter. Construction of the mid-drive vent rise is underway.

### ***Tomingley Gold Extension Project***

Alkane's intention is to develop the Roswell and San Antonio deposits, which are located 3 – 5km south of Tomingley, as soon as possible.

Alkane continues to progress approvals for this development. The Environmental Impact Statement has been through public display with all submissions now received by the NSW Department of Planning and Environment. The company expects to respond to these submissions throughout May. The expected timing of Project Approval remains mid-2022.



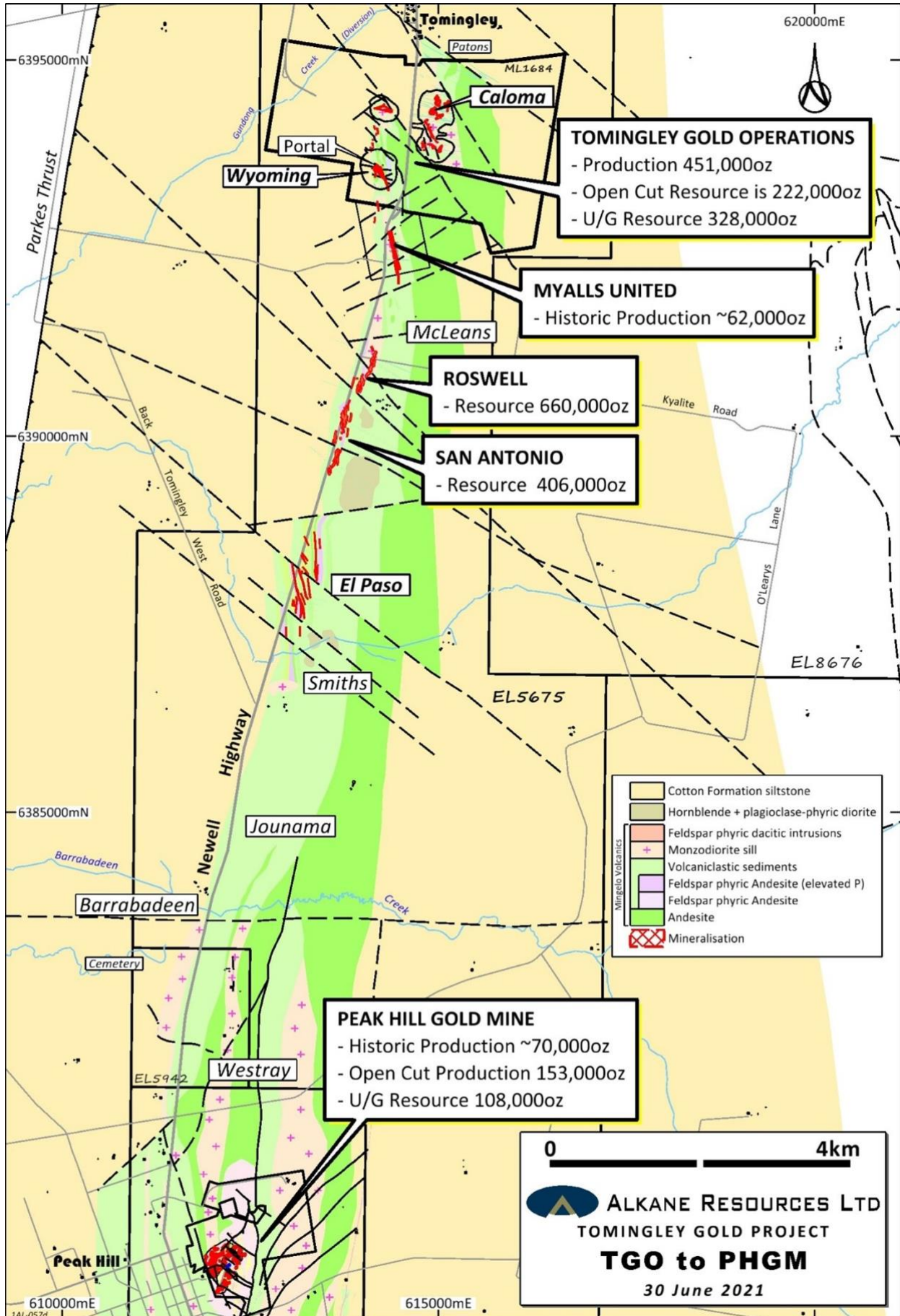
## Regional Exploration

Near-mine exploration continued at Tomingley targeting additional mineralisation outside the existing resource models at Roswell and San Antonio, as well as Macleans, El Paso and the Plains prospect to the east of Roswell. An update to the resource model for Roswell is currently being prepared.

### Tomingley FY 2022 Quarterly and Annual Production Figures

Tomingley Production		FY 2021	Sep Quarter 2021	Dec Quarter 2021	Mar Quarter 2022	FY 2022
Open cut						
Waste mined	BCM	1,218,779	290,371	233,937	184,013	708,321
Ore mined	Tonnes	71,347	93,118	91,185	146,895	331,198
Strip Ratio	Ratio	32.8	8.0	7.2	3.5	5.9
Grade	g/t	0.64	0.63	0.83	1.34	1.00
Underground						
Ore mined	Tonnes	706,889	226,054	208,534	151,976	586,564
Grade	g/t	2.63	1.87	2.42	3.18	2.52
Ore milled	Tonnes	928,531	247,884	257,384	261,675	766,943
Head grade	g/t	2.14	1.79	2.42	2.27	2.17
Recovery	%	88.8	85.1	85.4	79.3	83.1
Gold poured	Ounces	56,958	12,141	16,935	14,635	43,712
Revenue Summary						
Gold sold	Ounces	55,929	13,359	17,754	14,635	45,748
Average price realised	A\$/oz	2,286	2,467	2,475	2,437	2,461
Gold revenue	A\$M	127.8	33.0	43.9	35.7	112.6
Cost Summary						
Surface works	A\$/oz	17	263	199	237	230
Mining	A\$/oz	452	709	431	400	502
Processing	A\$/oz	347	406	321	393	369
Site Support	A\$/oz	125	154	138	163	151
C1 Site Cash Cost	A\$/oz	940	1,531	1,089	1,192	1,251
Royalties	A\$/oz	73	65	78	83	76
Sustaining capital	A\$/oz	296	268	114	264	207
Gold in circuit movement	A\$/oz	-58	16	-6	-10	-1
Rehabilitation	A\$/oz	20	20	20	21	20
Corporate	A\$/oz	49	61	42	46	49
AISC <sup>1</sup>	A\$/oz	1,320	1,961	1,338	1,598	1,603
Bullion on hand	Ounces	3,246	2,025	1,203	1,235	1,235
Stockpiles						
Ore for immediate milling	Tonnes	71,938	143,535	185,869	223,066	223,066
Grade	g/t	0.95	0.92	0.85	1.10	1.10
Contained gold	Ounces	2,856	4,246	5,114	7,918	7,918

<sup>1</sup>AISC = All in Sustaining Cost comprises all site operating costs, royalties, mine exploration, sustaining capex, mine development and an allocation of corporate costs, calculated on the basis of ounces sold. AISC does not include share based payments or net realisable value provision for ore inventory.





## CORPORATE

### Cash, Bullion and Listed Investments

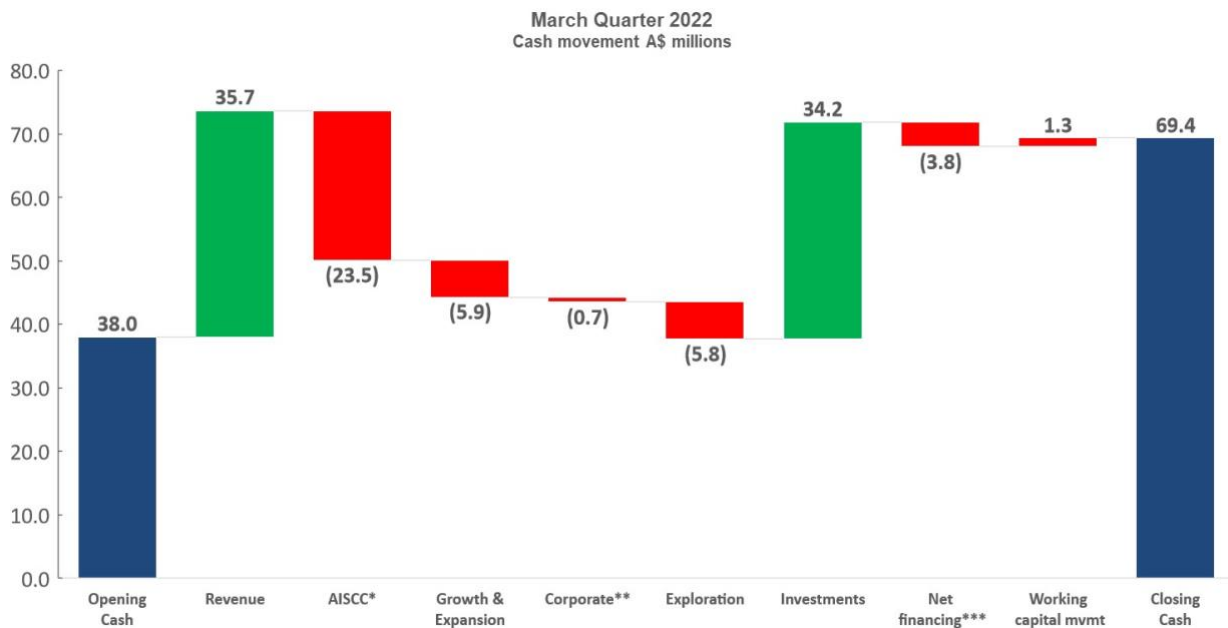
Description	Mar-22 Quarter A\$M	Dec-21 Quarter A\$M
Cash	69.4	38.0
Bullion	3.2	3.0
Cash and bullion sub-total	72.6	41.0
Listed investments	57.6	77.3
Total cash, bullion and listed investments	130.2	118.3

### Banking Facilities

At the end of the quarter the Company had \$16.3 million of borrowings relating to mobile equipment financing arrangements.

### Cashflows

The waterfall chart below summarises the quarterly movement in cash held (excludes bullion and investments held at the beginning and end of the period):



\*AISCC – 14,635ozs sold x \$1,598/oz. The Gold in circuit movement from the AISC table on page 4 is a non-cash movement so is excluded from the cashflow waterfall above.

\*\* Corporate costs of \$680k are included in the AISCC.

\*\*\* Net financing outflows detailed in the commentary below.

During the quarter Tomingley Gold Operations sold 14,635 ounces at an average price of A\$2,437/oz. This included the delivery of 7,500 ounces into forward sales contracts at an average of \$2,230/oz. Further details of the current forward sales can be found below. All in sustaining cash cost for the quarter was \$1,598/oz – a total of \$23.5 million.

Major item included in growth and expansion expenditure of \$5.9 million is expenditure associated with the San Antonio-Roswell underground exploration drive.



The focus of exploration expenditure was the Boda project, and the San Antonio/Roswell/El Paso deposits.

Net Investment inflows of \$34.2m related to the disposal of shares in Genesis Minerals Limited (ASX: GMD). This occurred at a substantial gain over Alkane's cost base.

At the end of the quarter Alkane holds less than 5% of GMD and CAI was maintained at ~9.7%. Alkane also holds 7,271,530 shares in Sky Metals Ltd. The decision to liquidate the majority of the investment in GMD reflected both the rapid appreciation of the market value and the assessment that the strategic drivers which initially drove the investment were no longer present.

### ***Gold Forward Sale Contracts & Put Options and Collars***

The Company holds the following forward sale contracts.

<b>Quarter</b>	<b>Average Forward Price A\$/oz</b>	<b>Delivery Ounces</b>
<b>June 2022</b>	2,230	8,000
<b>September 2022</b>	2,591	6,800
<b>December 2022</b>	2,591	5,500
<b>March 2023</b>	2,778	5,500
<b>June 2023</b>	2,778	6,500
<b>September 2023</b>	2,778	6,500
<b>December 2023</b>	2,778	6,000
<b>Total</b>	<b>2,629</b>	<b>44,800</b>

During the quarter the Company delivered into gold forward sales contracts for 7,500 ounces at \$2,230/ounce. New forward sales contracts were entered into covering 24,500 ounces at an average price of \$2,778/ounce.



## NORTHERN MOLONG PORPHYRY PROJECT (NMPP) (gold-copper)

Alkane Resources Ltd 100%

Results received during the quarter (see ASX Announcements 25 February 2022 and 30 March 2022) show extensive mineralisation, including high grade zones, over a 3km strike length from Boda Three to Kaiser.

### **Boda**

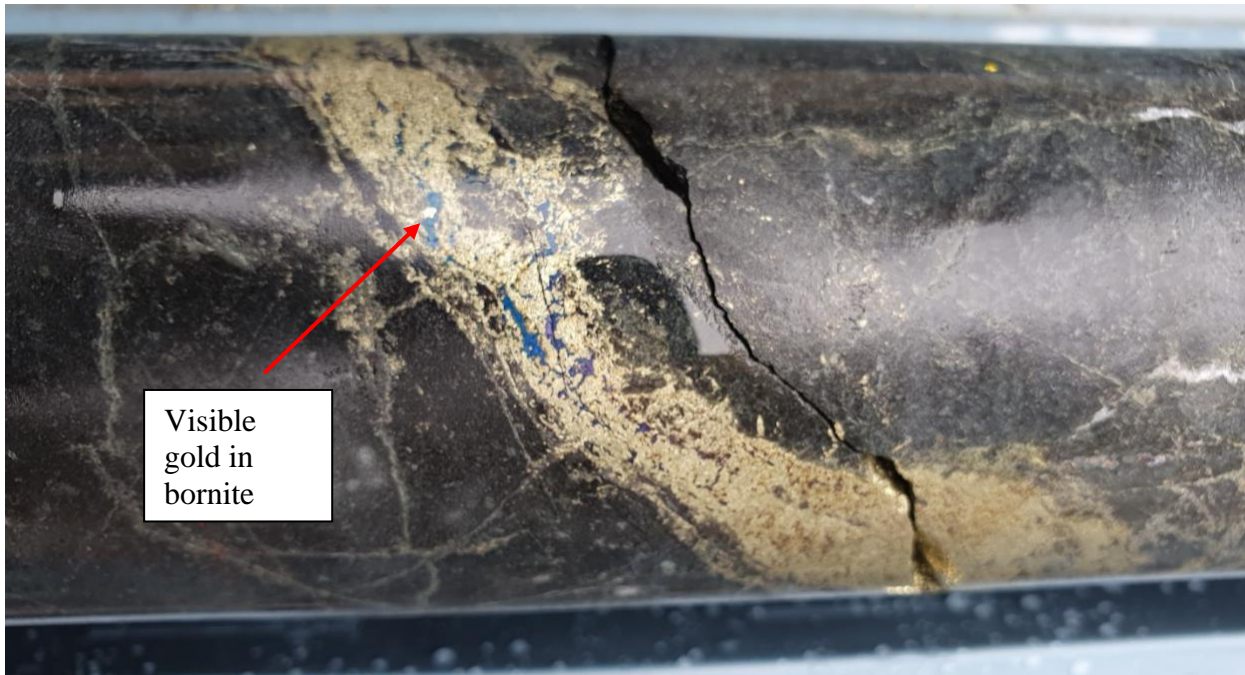
The Boda gold-copper porphyry system is a series of near vertical, northwest striking, intrusive related breccias hosted within a thick sequence of shallowly east dipping andesite lavas. These magmatic breccias tend to hydrothermal with a matrix comprising of calcite-quartz ± actinolite ± magnetite ± chalcopyrite ± pyrite, zoning to higher gold-copper grade when associated with a chalcopyrite ± pyrite dominant cement.

Drilling was completed during the quarter testing the higher-grade, northwest trending mineralisation at Boda with 50m spaced southwest orientated drilling traverses with nominal 100m spaced drill holes. The drilling defined gold-copper mineralisation over ten drill hole traverses for a strike length of 500m, up to 400m wide and 900m deep extending to surface. Significant intercepts from the drilling during the quarter include:

BOD056	466m grading 0.34g/t Au, 0.14% Cu from 60m
incl	20m grading 1.14g/t Au, 0.16% Cu from 275m
also	13m grading 0.75g/t Au, 0.28% Cu from 316m
also	21m grading 0.56g/t Au, 0.39% Cu from 487m
and	10m grading 0.30g/t Au, 0.12% Cu from 608m
and	13m grading 0.20g/t Au, 0.13% Cu from 624m
and	74m grading 0.15g/t Au, 0.12% Cu from 746m
incl	3.4m grading 0.43g/t Au, 0.43% Cu from 795.6m
and	22m grading 0.20g/t Au, 0.14% Cu from 885m
BOD063	557m grading 0.52g/t Au, 0.12% Cu from 147m
incl	207m grading 0.65g/t Au from 147m (gold only flanking zone)
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At least four mineralised intrusive breccias have been identified central to the Boda system that remains open along strike to the northwest towards Kaiser and Korridor prospects. The north-western most traverse has intersected a weakly developed chalcopyrite cemented breccia with a core of bornite with visible gold (BOD071 core photo below). The recent identification of bornite associated with the cemented breccia suggests the breccia is more copper rich to the northwest zoning from chalcopyrite to bornite.





*BOD071 – 1m grading 2.32g/t Au, 1.46% Cu from 973m - Chalcopyrite-bornite-visible gold cemented breccia of calc-potassic altered volcanics*

Bornite has not previously been identified in the main chalcopyrite cemented breccia intersected by KSD007 and it is possible that the main sulphide cemented breccia does zone to bornite dominant down dip or along strike to the northwest. Recently completed trial downhole EM on KSD028 detected a low response from the sulphide cemented breccia in nearby drill hole KSD007, and the response orientation suggests the deeper drilling may have missed the down dip extensions of the breccia. Further downhole EM is planned for trial in the second quarter of 2022.

The preparation of an initial resource estimation for Boda is nearly complete. Delays in the capacity of external parties providing input to the estimation (due to high workload and covid related staff shortages) mean the resource is now expected in May.

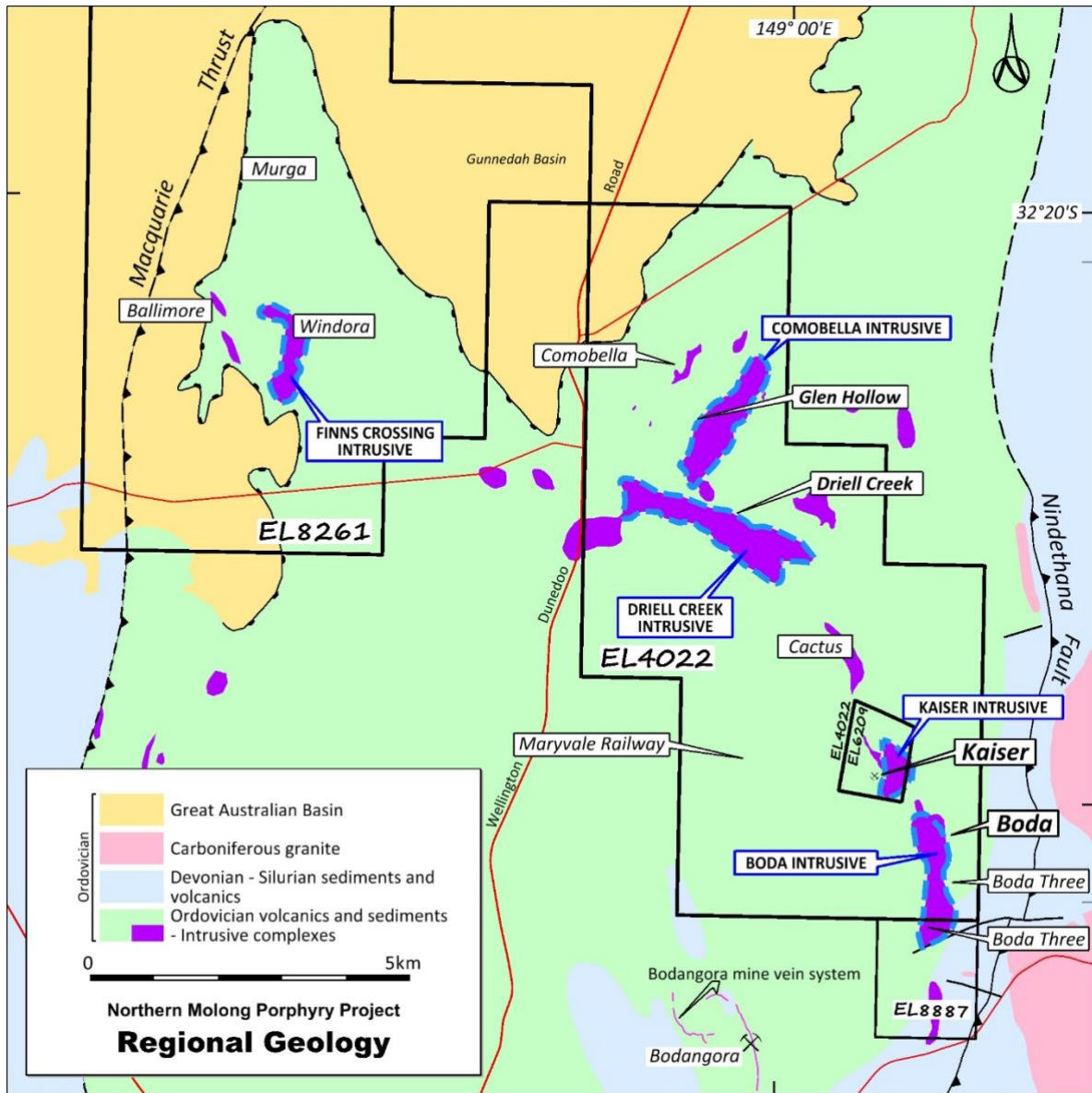
### **Planned Exploration Programs**

The Duke Zone within the Kaiser Prospect is estimated from drilling to be approximately 250m wide and striking over 800m. 13,000 metres of RC drilling using a nominal 100m x 100m drill hole grid sequence to a 300m vertical depth commenced in January for the purpose of estimating a shallow resource. Much of this drilling is now completed, and the first batch of assays are expected shortly.

The initial phase of widely spaced drilling for approximately 30,000m has been completed at Boda Two and Three and demonstrates many encouraging similarities to Boda, including the existence of low-grade gold-copper mineralised breccias that may zone to high grading intervals as defined at Boda. Processing and sampling of core is underway and when results are received, a geological review will commence with the purpose of targeting higher grade zones for a second phase of drilling in the second half of 2022.

Drilling at the Korridor prospect comprising of five drill holes for a total of approximately 2,900m has been sampled and final assay results are expected over the next two months.

Other exploration is focused on delineating additional intrusive and mineralising centres within the 15km long northwest corridor from Boda Three to Finns Crossing. Induced Polarisation (IP) and Magnetotellurics (MT) geophysical surveys northwest of Kaiser within a 5km section of the northwest structural corridor that includes the Driell Creek Magnetic Complex have been completed. Additionally, a drone aero-magnetic survey has also been completed over a similar area to improve the structural interpretation of the Boda corridor.





### Competent Person

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to 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 mineral resources 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](http://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 and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. 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](http://www.alkane.com.au) - ASX: ALK

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 life beyond 2030.

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, 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 <5% of Genesis Minerals (ASX: GMD) and ~9.7% of Calidus Resources (ASX: CAI).

