

19 July 2022

Quarterly Activities Report to 30 June 2022

Tomingley Gold Operations (Tomingley)

- Gold production of 23,091oz exceeded forecast for the quarter, with site operating cash costs at A\$940/oz and AISC of A\$1,150/oz.
- Gold sales for the quarter of 21,135oz for revenue of A\$52.4M at an average price of A\$2,481/oz.
- FY2022 full year production of 66,802oz has exceeded guidance of 55,000oz to 60,000oz, with AISC of A\$1,460/oz below cost guidance of A\$1,500/oz to \$1,650/oz.
- FY2023 guidance for Tomingley is 55,000oz to 60,000oz production at an AISC of \$A1,650/oz to \$1,900/oz.

Tomingley Gold Extension Project (TGEP)

- The Environmental Impact Statement has been through public exhibition with all submissions now received by the NSW Department of Planning and Environment. The Company has responded to those submissions and provided further information as requested. The expected timing of Project Approval is in the current September quarter.

Exploration

- The initial Inferred Mineral Resource for the Boda Deposit (see ASX Announcement 30 May 2022) was estimated at:
 - 624 million tonnes grading at 0.51g/t AuEq* for 10.1 MEqoz (5.21Moz Au, 0.90Mt Cu)
- The estimate was based on approximately 71,400 metres of drilling using a 0.3g/t gold equivalent (AuEq*) cutoff deemed appropriate for potential open cut mining.
- The Resource included a sub-component for the potential use of bulk-tonnage underground mining using a cutoff grade of 0.4g/t AuEq* of:
 - 353 million tonnes grading at 0.63g/t AuEq* for 7.1 MEqoz (3.72Moz Au, 0.62Mt Cu)
- The Global Mineral Resource (Indicated and Inferred) for the Roswell Deposit was updated after further drilling (see ASX Announcement 3 May 2022). The resource increased by 37% and now stands at:
 - 14.1 million tonnes grading 2.00g/t gold (904,000oz)
- The Global Mineral Resource (Indicated and Inferred) for the Tomingley Extension Project, which includes both the Roswell and San Antonio Deposits now stands at:
 - 21.4 million tonnes grading 1.90g/t gold (1,310,000oz)

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



- Drilling for the purpose of estimating an initial shallow Inferred Mineral Resource at Kaiser, located 700m north-west of Boda, is nearing completion with a resource estimation expected in Q4 2022.

Corporate

- Cash, bullion and listed investments position totalled A\$124.3M.
- Shareholding of ASX listed gold producer Calidus Resources Ltd (ASX:CAI) was ~9.7% at end of June quarter.

**The equivalent calculation formula used in ASX Announcement 30 May 2022 is $AuEq(g/t) = Au(g/t) + Cu\%/100 * 31.1035 * copper\ price\ (\$/t) / gold\ price\ (\$/oz)$. The prices used were US\$1,770/oz gold and US\$9,750/t copper, and A\$:US\$0.70. Recoveries are assumed at 85% per economic element from preliminary metallurgical studies.*



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 had an excellent quarter with both the underground and open cut operations performing well. The mined grade was above forecast for the quarter, for the ore blocks and stopes as mined as distinct from ore block and stope sequencing.

The JORC classified resources in the Tomingley underground deposits include areas with very high-grade intercepts. These are included in the resource models using the required geo-statistical techniques to determine top-cut grades (discussed in the company's annual resource and reserve reports; ASX Announcement 7 September 2021). On occasion this results in actual mined ore having grades above the resource model. Examples of recent grade control drilling within Caloma Two underground that may have that effect include 5m @ 276g/t Au (including 0.4m @ 3,400g/t Au) and 16.6m @ 115g/t Au (including 0.9m @ 2090g/t Au).

FY2022 full year production of 66,802oz exceeded guidance of 55,000oz to 60,000oz, with AISC of A\$1,460/oz below cost guidance of A\$1,500/oz to \$1,650/oz.

A total of 23,091 ounces of gold was poured for the quarter. The site cash costs for the quarter were A\$940/oz with an all-in sustaining cost (AISC) of A\$1,150/oz.

FY2023 guidance for Tomingley is 55,000oz to 60,000oz production at an AISC of \$A1,650/oz to \$1,900/oz.

Gold sold for the quarter was 21,135 ounces at an average sales price of A\$2,481/oz, generating revenue of A\$52.4M. Bullion stocks were 3,149 ounces (fair value of A\$8.2M at quarter end). Site operating cash flow was A\$32.3M for the quarter.

The exploration drive from Wyoming One to Roswell was approximately 1,600m south of Wyoming One, 1,050m north of the Roswell deposit, at the end of the quarter. Construction of the mid-drive vent rise is now halfway through drilling of the pilot hole, with reaming expected to be completed in the current quarter.

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 exhibition and submissions received by the NSW Department of Planning and Environment have been responded to by the company. The expected timing of Project Approval is in the current September quarter.

Regional Exploration

The Global Mineral Resource (Indicated and Inferred) for the Roswell Deposit was updated after further drilling (see ASX Announcement 3 May 2022). The resource increased by 37% and now stands at:



14.1 million tonnes grading 2.00g/t gold (904,000oz)

The Global Mineral Resource (Indicated and Inferred) for the Tomingley Extension Project, which includes both the Roswell and San Antonio Deposits now stands at:

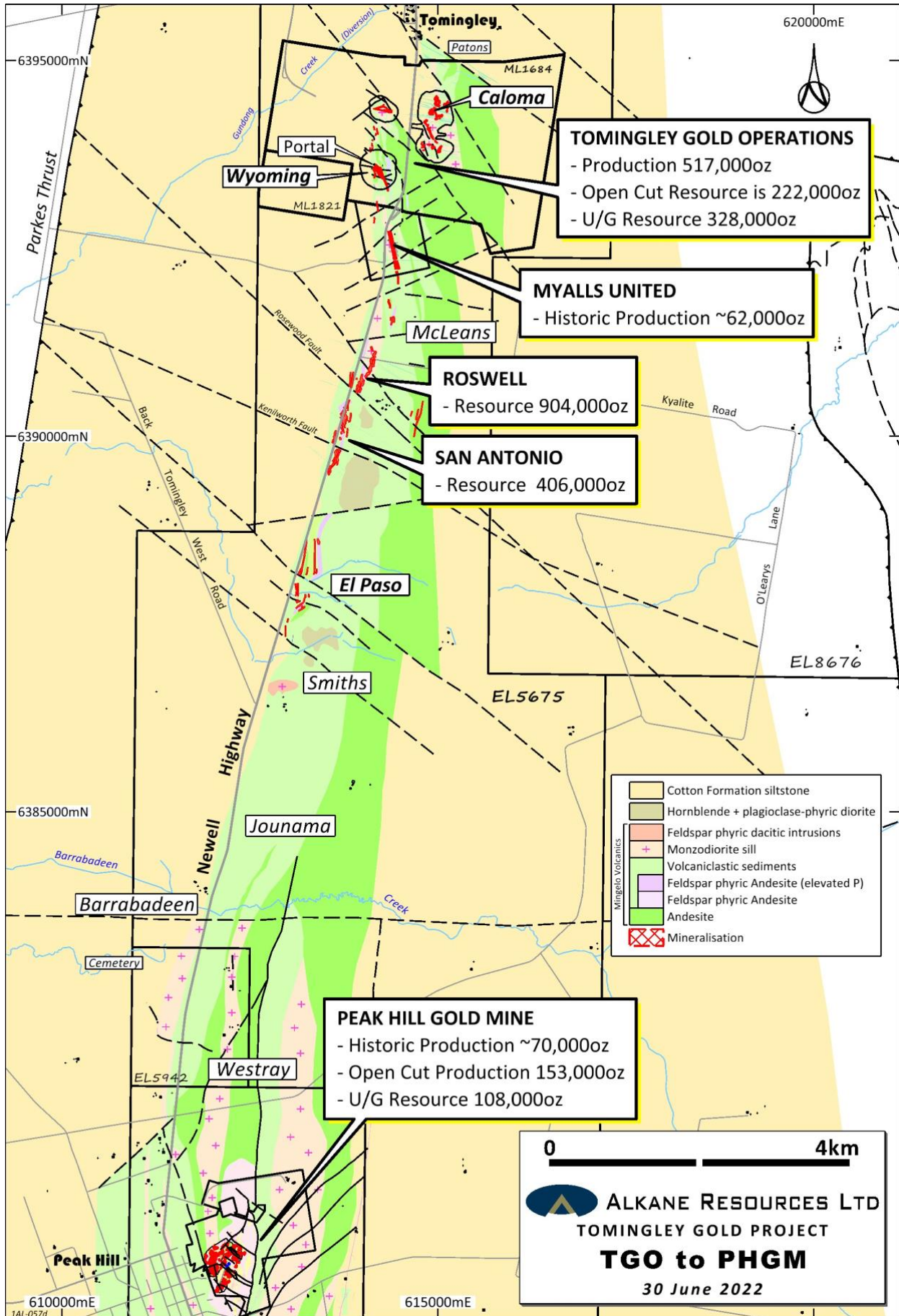
21.4 million tonnes grading 1.90g/t gold (1,310,000oz)

This increase in the Roswell resource gives further support to the company's plans to develop the deposit. Exploration drilling is ongoing at the recently discovered McLeans and Plains prospects.

Tomingley FY 2022 Quarterly and Annual Production Figures

Tomingley Production		FY 2021	Sep Quarter 2021	Dec Quarter 2021	Mar Quarter 2022	Jun Quarter 2022	FY 2022
Open cut							
Waste mined	BCM	1,218,779	290,371	233,937	184,013	140,590	848,911
Ore mined	Tonnes	71,347	93,118	91,185	146,895	209,741	540,939
Strip Ratio	Ratio	32.8	8.0	7.2	3.5	1.9	4.3
Grade	g/t	0.64	0.63	0.83	1.34	1.77	1.30
Underground							
Ore mined	Tonnes	706,889	226,054	208,534	151,976	213,019	799,584
Grade	g/t	2.63	1.87	2.42	3.18	3.44	2.76
Ore milled	Tonnes	928,531	247,884	257,384	261,675	262,264	1,029,207
Head grade	g/t	2.14	1.79	2.42	2.27	3.23	2.44
Recovery	%	88.8	85.1	85.4	79.3	84.9	83.7
Gold poured	Ounces	56,958	12,141	16,935	14,635	23,091	66,802
Revenue Summary							
Gold sold	Ounces	55,929	13,359	17,754	14,635	21,135	66,883
Average price realised	A\$/oz	2,286	2,467	2,475	2,437	2,481	2,467
Gold revenue	A\$M	127.8	33.0	43.9	35.7	52.4	165.0
Cost Summary							
Surface works	A\$/oz	17	263	199	237	170	211
Mining	A\$/oz	452	709	431	400	369	460
Processing	A\$/oz	347	406	321	393	295	346
Site Support	A\$/oz	125	154	138	163	106	136
C1 Site Cash Cost	A\$/oz	940	1,531	1,089	1,192	940	1,153
Royalties	A\$/oz	73	65	78	83	91	81
Sustaining capital	A\$/oz	296	268	114	264	334	247
Gold in circuit movement	A\$/oz	-58	16	-6	-10	-268	-85
Rehabilitation	A\$/oz	20	20	20	21	22	21
Corporate	A\$/oz	49	61	42	46	31	43
AISC ¹	A\$/oz	1,320	1,961	1,338	1,598	1,150	1,460
Bullion on hand	Ounces	3,246	2,025	1,203	1,235	3,149	3,149
Stockpiles							
Ore for immediate milling	Tonnes	71,938	143,535	185,869	223,066	383,563	383,563
Grade	g/t	0.95	0.92	0.85	1.10	1.31	1.31
Contained gold	Ounces	2,856	4,246	5,114	7,918	16,167	16,167

¹AISC = 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

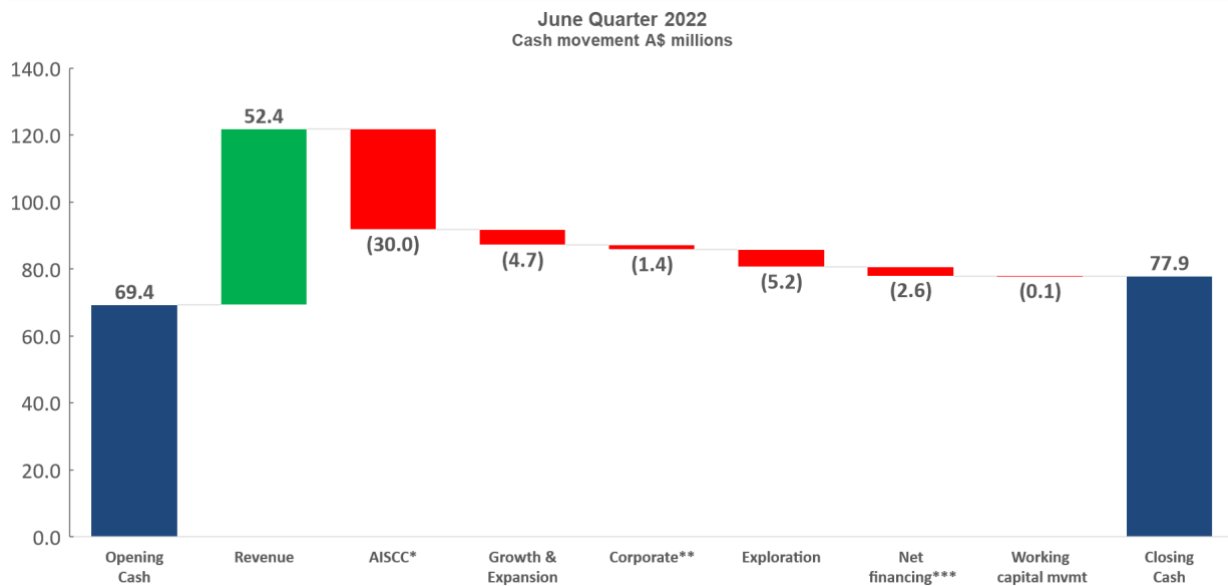
Description	Jun-22 Quarter A\$M	Mar-22 Quarter A\$M
Cash	77.9	69.4
Bullion	8.2	3.2
Cash and bullion sub-total	86.1	72.6
Listed investments	38.1	57.6
Total cash, bullion and listed investments	124.2	130.2

Banking Facilities

At the end of the quarter the Company had \$15.1 million of mobile equipment financing.

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 – 21,135ozs sold x \$1,150/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 \$716k are included in the AISCC.

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

During the quarter Tomingley Gold Operations sold 21,135 ounces at an average price of A\$2,481/oz. This included the delivery of 8,000 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 \$1,150/oz – a total of \$24.3 million.

Major item included in growth and expansion expenditure of \$4.7 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 financing outflows represent mobile equipment fleet lease repayments. There was one new borrowing during the quarter for the purchase of a new wheel loader.

At the end of the quarter Alkane holds less than 5% of GMD and CAI was maintained at ~9.7%. Alkane also holds ~7M shares in Sky Metals Ltd.

Gold Forward Sale Contracts & Put Options and Collars

The Company holds the following forward sale contracts.

Quarter	Average Forward Price A\$/oz	Delivery Ounces
September 2022	2,591	6,800
December 2022	2,591	5,500
March 2023	2,778	5,500
June 2023	2,778	6,500
September 2023	2,778	6,500
December 2023	2,778	6,000
Total	2,715	36,800

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

Alkane Resources Ltd 100%

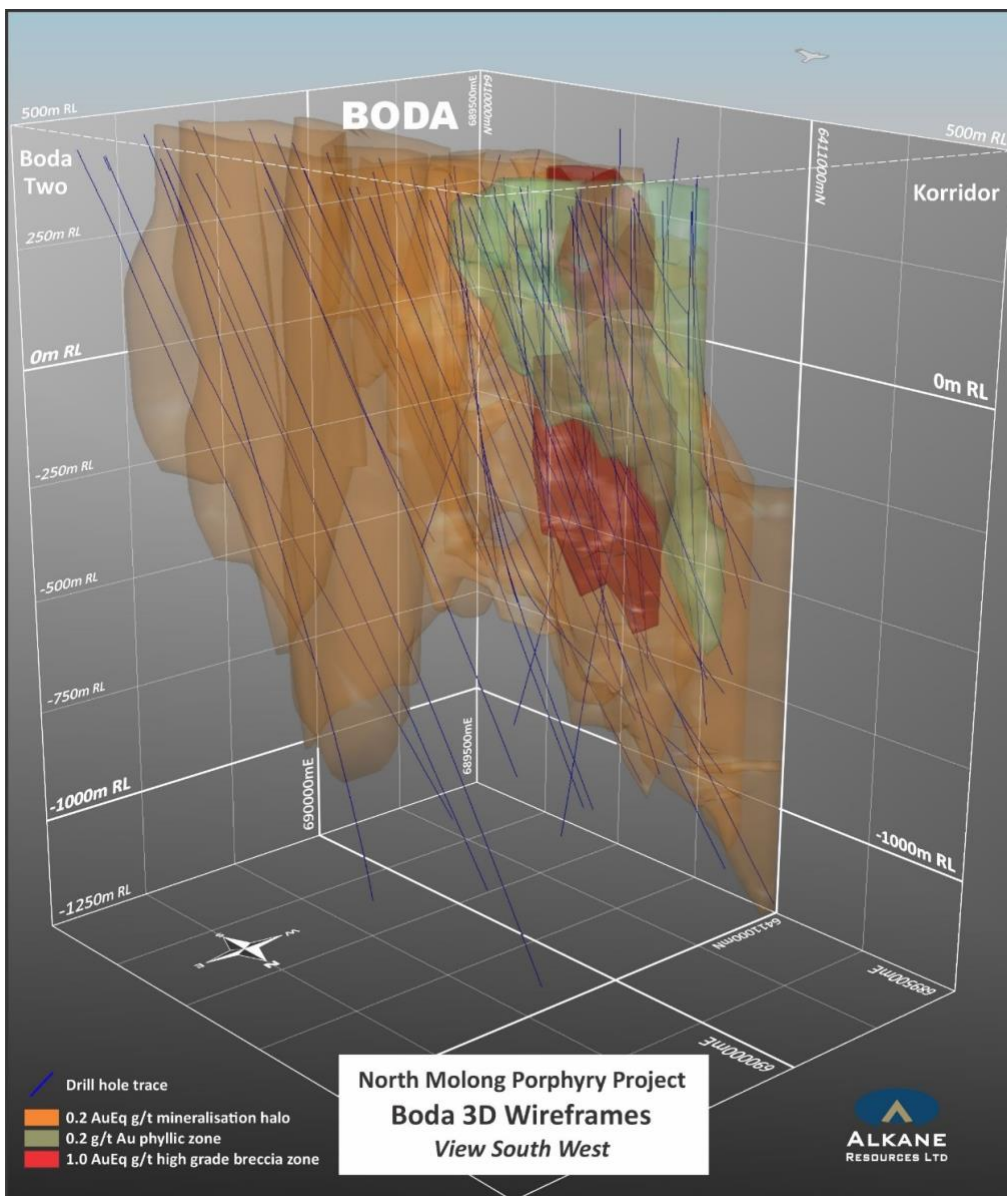
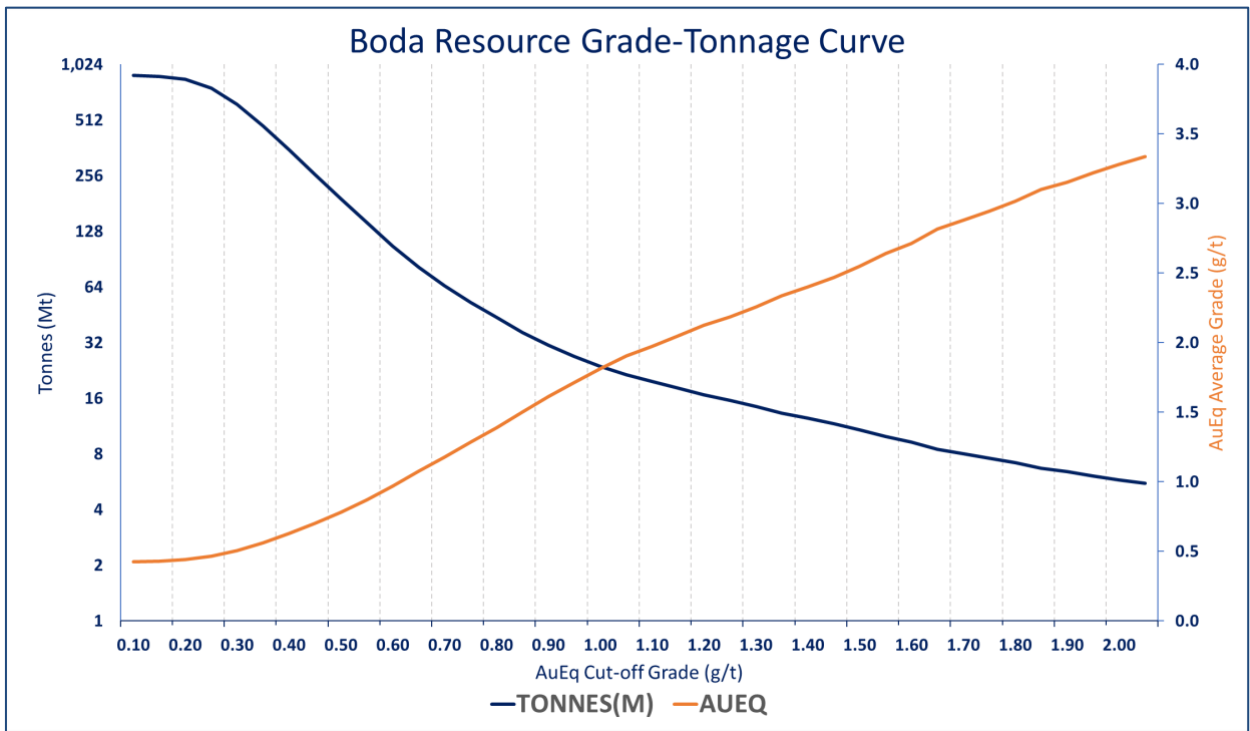
During the quarter the initial Boda resource was released (see ASX Announcement 30 May 2022).

Boda

The initial Inferred Mineral Resource estimation for the Boda deposit was confined to a surface area of 1,000m strike length and 500m width and is summarised in the table below, the grade vs tonnage curve is also on the following page. A review of feasibility and existing operating data for similar deposits in Australia (see Announcement for data sources) was considered in determining cutoff grades of 0.3g/t AuEq and 0.4g/t AuEq as reasonable for the prospect of eventual extraction with the use of bulk tonnage mining methods of open cut or underground respectively.

Resource Category	AuEq Cutoff	Tonnes (Mt)	Grade				Contained Metal			
			AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (Moz)	Au (Moz)	Cu (Mt)	Ag (Moz)
Inferred	0.3g/t	624	0.51	0.26	0.14	0.47	10.1	5.21	0.90	9.49
Inferred	0.4g/t	353	0.63	0.33	0.18	0.55	7.12	3.72	0.62	6.24

The Mineral Resource will be subject to further resource infill and extension drilling with a view to define the continuity of the mineralisation at depth and to improve the confidence in the Mineral Resource. A 3D model of the Boda mineralisation is on the following page.

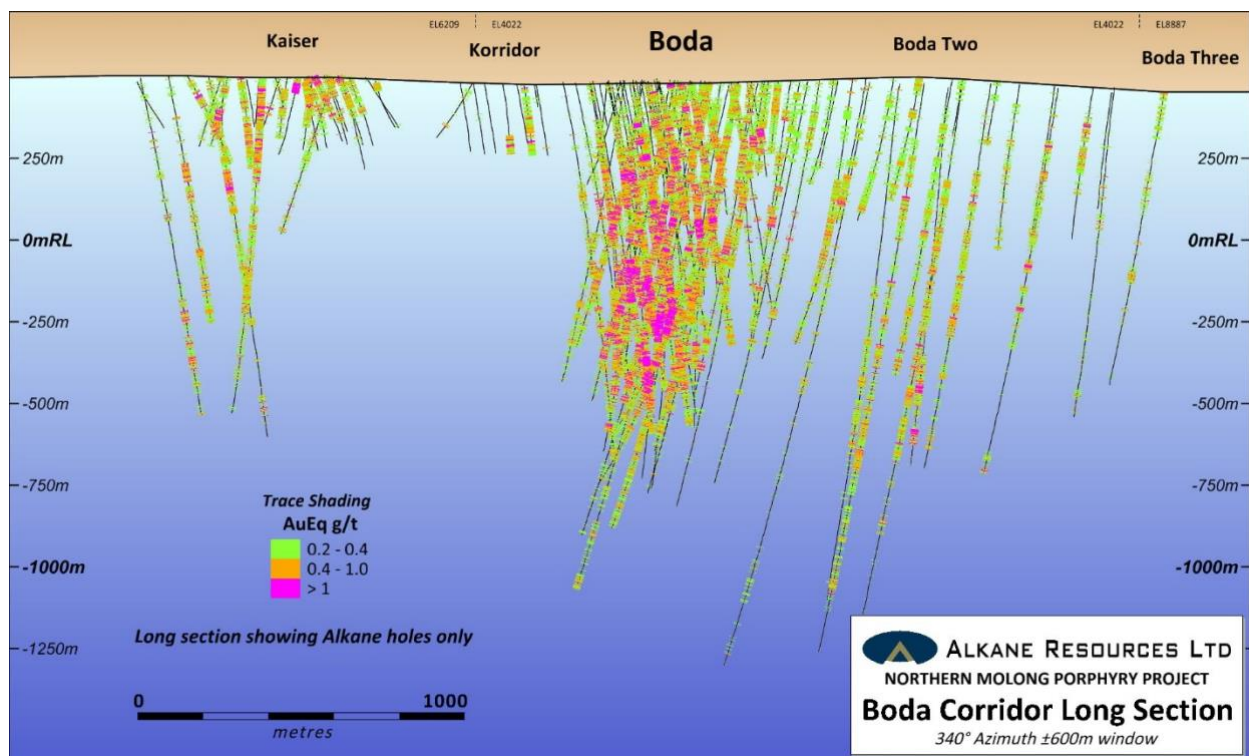


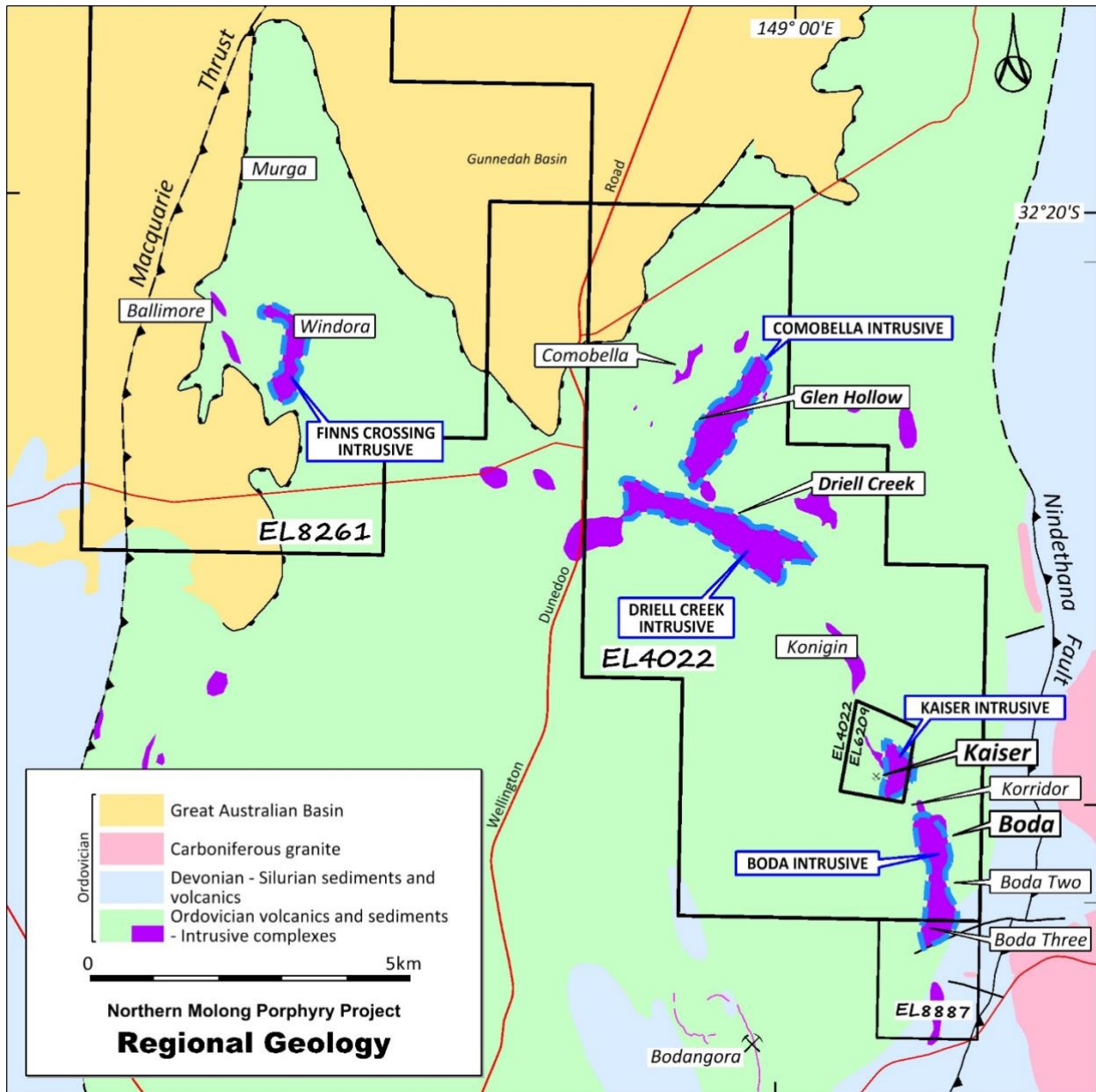


The Mineral Resource estimation was calculated to the -1000mRL in its deepest drilled sections, with the bulk of the resource modelled on average to the -500mRL. There remains potential for further extensions to the main zones of mineralisation. In particular, to the north-west where the system appears to plunge in this direction and mineralisation observed within the breccias are zoning to more bornite and silica dominant. Infill drilling at Boda will improve the confidence of the resource estimation and continue to define the higher-grade sulphide cemented breccias.

Other exploration targets include areas immediately along strike north-west of Boda towards and including the Korridor prospect. The Boda Two prospect is adjacent and south of Boda, where the mineralisation appears to rotate from a northwest trend at Boda to a northerly trend at Boda Two.

Exploration around the Boda-Kaiser area has defined a 3.5km corridor of extensive calc-potassic alteration associated with Au-Cu porphyry mineralisation. The corridor trends north from Boda Three to Boda for approximately 1km, where it rotates to northwest from Boda to Kaiser for a further 2.5km. All the drilling completed in the corridor is illustrated in the long section below. Drilling for the purposes of estimating an initial mineral resource is nearing completion at Kaiser and the estimation is expected in Q4 2022. Other exploration is focused on defining higher grading centres within the 3.5km intrusive corridor as well as extending the known alteration northwest of Kaiser.







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). 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 - 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 ~9.7% of Calidus Resources (ASX: CAI).

