

17 October 2022

Quarterly Activities Report to 30 September 2022

Tomingley Gold Operations (Tomingley)

- Gold production of 19,489oz exceeded forecast for the quarter, with site operating cash costs at A\$1,095/oz and AISC of A\$1,191/oz.
- Gold sales for the quarter of 18,344oz for revenue of A\$46.7M at an average price of A\$2,547/oz.
- FY2023 guidance for Tomingley is unchanged at 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 is under consideration by the NSW Department of Planning and Environment. The Company has responded to several further requests for information, including clarification on the final rehabilitation proposed for the site. The Company is now anticipating Project Approval in the current quarter.

Exploration

- The drill program at Boda continues over the 3km strike length from Boda Three to Kaiser (see ASX Announcements 18 July 2022 and 7 September 2022).
- At Kaiser significant results included:

KAI082	134m grading 0.85% Cu, 0.71g/t Au from 211m
incl	68m grading 1.50% Cu, 1.17g/t Au from 249m
KAI057	357m grading 0.23g/t Au, 0.25% Cu from 7m
incl	173m grading 0.34g/t Au, 0.42% Cu from 87m
incl	37m grading 0.97g/t Au, 1.0% Cu from 113m
KAI053	177m grading 0.32g/t Au, 0.14% Cu from surface
incl	36m grading 0.53g/t Au, 0.24% Cu from 9m
also	29m grading 0.68g/t Au, 0.20% Cu from 73m
incl	1m grading 11.05g/t Au, 1.35% Cu from 75m

- At Boda Two significant results included:

KSDD050	306m grading 0.57g/t Au, 0.04% Cu from 928m
incl	34m grading 0.36g/t Au, 0.16% Cu from 1045m
also	155m grading 0.80g/t Au, 0.02% Cu from 1079m
incl	38m grading 1.9g/t Au, 0.02% Cu from 1106m
incl	1m grading 28.4g/t Au, 0.02% Cu from 1135m

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



BOD061	522m grading 0.28g/t Au, 0.14% Cu from 855m
incl	56m grading 0.73g/t Au, 0.28% Cu from 1232m
and	57m grading 0.38g/t Au, 0.16% Cu from 1436m

- Wet weather has impeded access for drill rigs at Boda. The final holes that are expected to contribute to the initial Inferred Mineral Resource at Kaiser are yet to be completed. The resource estimation is now expected in Q1 2023.

Corporate

- Cash, bullion and listed investments position totalled A\$124.6M.
- Shareholding of ASX listed gold producer Calidus Resources Ltd (ASX:CAI) was ~9.8% at end of September quarter.



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. Although wet weather impacted open cut and other surface activities, the above forecast grade and tonnages from within the mined area offset those impacts. The mined grade was above forecast for the quarter.

A total of 19,489 ounces of gold was poured for the quarter. The site cash costs for the quarter were A\$1,095/oz with an all-in sustaining cost (AISC) of A\$1,191/oz.

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

Gold sold for the quarter was 18,344 ounces at an average sales price of A\$2,547/oz, generating revenue of A\$46.7M. Bullion stocks were 4,290 ounces (fair value of A\$11.0M at quarter end). Site operating cash flow was A\$26.6M for the quarter.

The exploration drive from Wyoming One to Roswell was approximately 2,150m south of Wyoming One, 500 north of the Roswell deposit, at the end of the quarter. The mid-drive vent rise is now fully operational, including underground fans.

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.

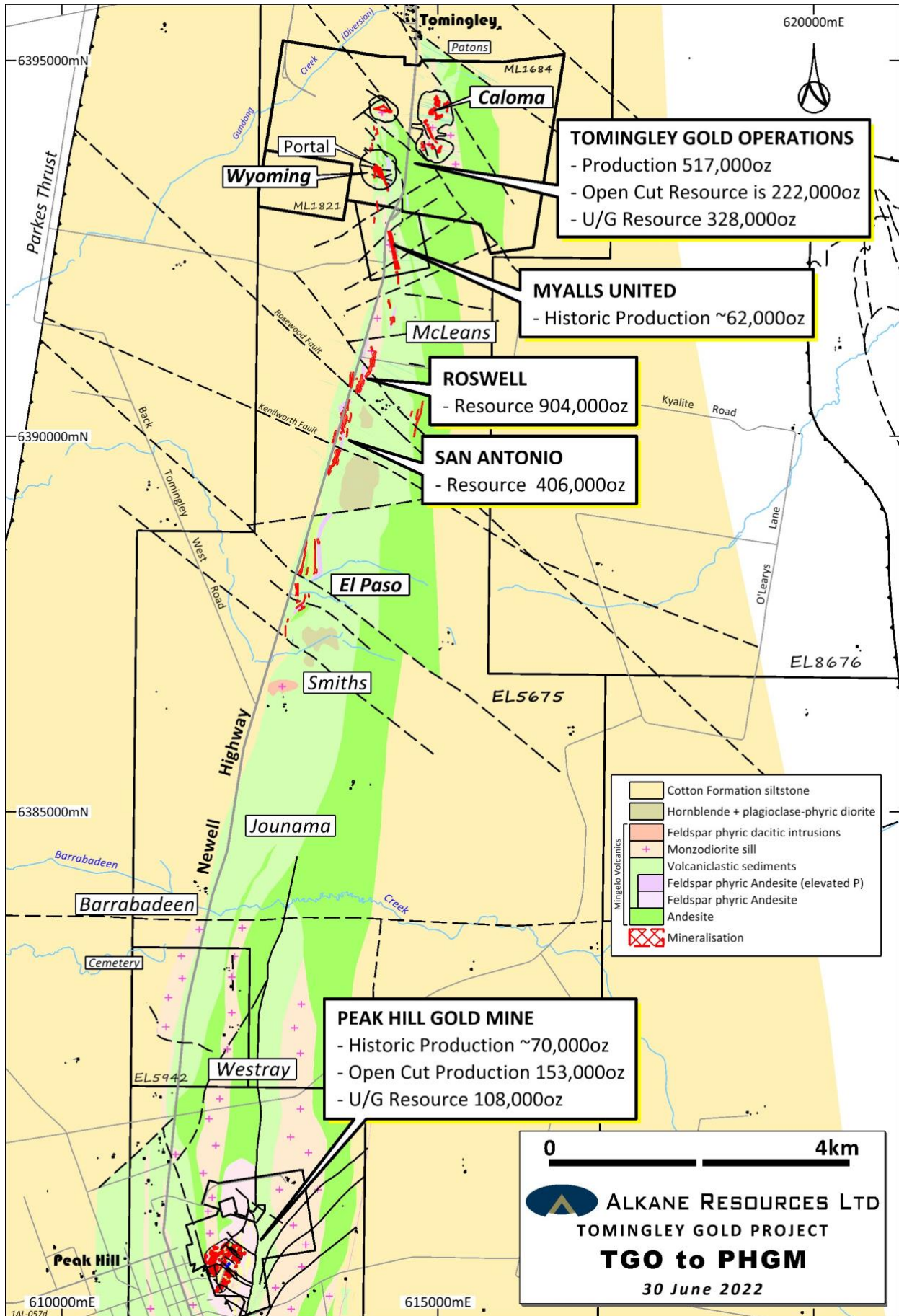
The Environmental Impact Statement is under consideration by the NSW Department of Planning and Environment. The Company has responded to several further requests for information, including clarification on the final rehabilitation proposed for the site. The Company is now anticipating Project Approval in the current quarter.



Tomingley FY 2023 Quarterly and Annual Production Figures

Tomingley Production		FY 2022	Sep Quarter 2022	FY 2023
Open cut				
Waste mined	BCM	848,911	138,574	138,574
Ore mined	Tonnes	540,939	121,862	121,862
Strip Ratio	Ratio	4.3	3.2	3.2
Grade	g/t	1.30	1.71	1.71
Underground				
Ore mined	Tonnes	799,584	228,119	228,119
Grade	g/t	2.76	2.83	2.83
Ore milled	Tonnes	1,029,207	270,618	270,618
Head grade	g/t	2.44	2.75	2.75
Recovery	%	83.7	87.0	87.0
Gold poured	Ounces	66,802	19,489	19,489
Revenue Summary				
Gold sold	Ounces	66,883	18,344	18,344
Average price realised	A\$/oz	2,467	2,547	2,547
Gold revenue	A\$M	165.0	46.7	46.7
Cost Summary				
Surface works	A\$/oz	211	169	169
Mining	A\$/oz	460	449	449
Processing	A\$/oz	346	356	356
Site Support	A\$/oz	136	121	121
C1 Site Cash Cost	A\$/oz	1,153	1,095	1,095
Royalties	A\$/oz	81	89	89
Sustaining capital	A\$/oz	247	195	195
Gold in circuit movement	A\$/oz	-85	-265	-265
Rehabilitation	A\$/oz	21	24	24
Corporate	A\$/oz	43	52	52
AISC¹	A\$/oz	1,460	1,191	1,191
Bullion on hand	Ounces	3,149	4,290	4,290
Stockpiles				
Ore for immediate milling	Tonnes	383,563	462,925	462,925
Grade	g/t	1.31	1.33	1.33
Contained gold	Ounces	16,167	19,746	19,746

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

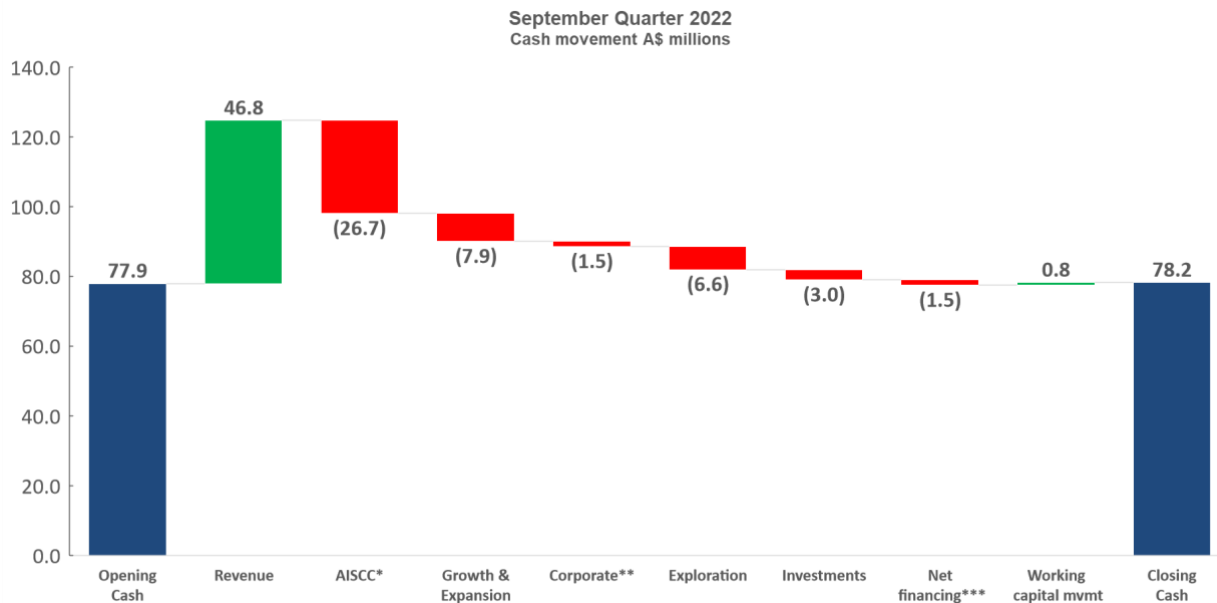
Description	Sep-22 Quarter A\$M	Jun-22 Quarter A\$M
Cash	78.2	77.9
Bullion	11.0	8.2
Cash and bullion sub-total	89.2	86.1
Listed investments	35.4	38.1
Total cash, bullion and listed investments	124.6	124.2

Banking Facilities

At the end of the quarter the Company had \$13.6 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 – 18,344ozs sold x \$1,191/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 \$950k are included in the AISCC.

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

During the quarter Tomingley Gold Operations sold 18,344 ounces at an average price of A\$2,547/oz. This included the delivery of 6,800 ounces into forward sales contracts at an average of \$2,591/oz. Further details of the current forward sales can be found below. All in sustaining cash cost for the quarter was \$1,191/oz – a total of \$26.7 million.

Major items included in growth and expansion expenditure of \$7.9 million is expenditure associated with the San Antonio-Roswell underground exploration drive and the construction of Residue Storage Facility Two, to the immediate south of the existing Residue Storage Facility. This expenditure will increase on Project Approval.

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



The investment outflow of \$3.0 million was Alkane's contribution to the Calidus Resources Ltd's (ASX:CAI) \$20.0 million fundraising completed during the quarter (see CAI Announcement 12 August 2022).

Net financing outflows represent mobile equipment fleet lease repayments.

At the end of the quarter Alkane holds ~12M shares in GMD and ~7M shares in SKY. After the participation in CAI's capital raising during the quarter Alkane maintains a position of ~9.8%.

Gold Forward Sale Contracts

The Company holds the following forward sale contracts.

Quarter	Average Forward Price A\$/oz	Delivery Ounces
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	2,744	30,000

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

Alkane Resources Ltd 100%

Results received during the quarter (see ASX Announcements 18 July 2022 and 7 September 2022) show a copper rich zone near surface at Kaiser.

Kaiser Prospect

The Kaiser prospect, centred about 1km northwest of Boda, comprises a thick sequence of basaltic to andesitic volcanics and volcanoclastics that have been intruded by a series of dykes and stocks that range in composition from diorite and monzodiorite to monzonite. Porphyry copper-gold mineralisation at the Kaiser prospect is associated with two northwest trending zones of potassic to calc-potassic alteration, the Kaiser and Duke Zones, that host zones of chalcopryrite-bornite ± pyrite in veins and as disseminations. Minor hydrothermal breccias are responsible for some narrow intervals of high-grade mineralisation, and other high-grade intervals occur as disseminations, forming blebs of bornite - chalcopryrite ± chalcocite replacement mineralisation. In difference to Boda, the Kaiser alteration appears more siliceous and commonly with a higher component of copper mineralisation, possibly indicating it was formed at a deeper level to the porphyry system at Boda.

A drilling program composed of RC with diamond tails, commenced in February 2022, was designed on a 100m x 100m grid to a 300m vertical depth for the purpose of estimating a shallow resource. Significant intercepts from the drilling during the quarter include:

KAI057	357m grading 0.23g/t Au, 0.25% Cu from 7m
incl	173m grading 0.34g/t Au, 0.42% Cu from 87m
incl	37m grading 0.97g/t Au, 1.0% Cu from 113m
KAI053	177m grading 0.32g/t Au, 0.14% Cu from surface
incl	36m grading 0.53g/t Au, 0.24% Cu from 9m
also	29m grading 0.68g/t Au, 0.20% Cu from 73m
incl	1m grading 11.05g/t Au, 1.35% Cu from 75m
KAI081	38m grading 0.48% Cu, 0.20g/t Au from 45m
incl	13m grading 1.05% Cu, 0.35g/t Au from 49m



and	70m grading 0.26% Cu, 0.14g/t Au from 175m
incl	11m grading 0.45% Cu, 0.29g/t Au from 196m
KAI082	134m grading 0.85% Cu, 0.71g/t Au from 211m
incl	68m grading 1.50% Cu, 1.17g/t Au from 249m

Wet weather has impeded access for drill rigs across the NMPP. The final holes that are expected to contribute to the initial Inferred Mineral Resource at Kaiser are yet to be completed. The resource estimation is now expected in Q1 2023.

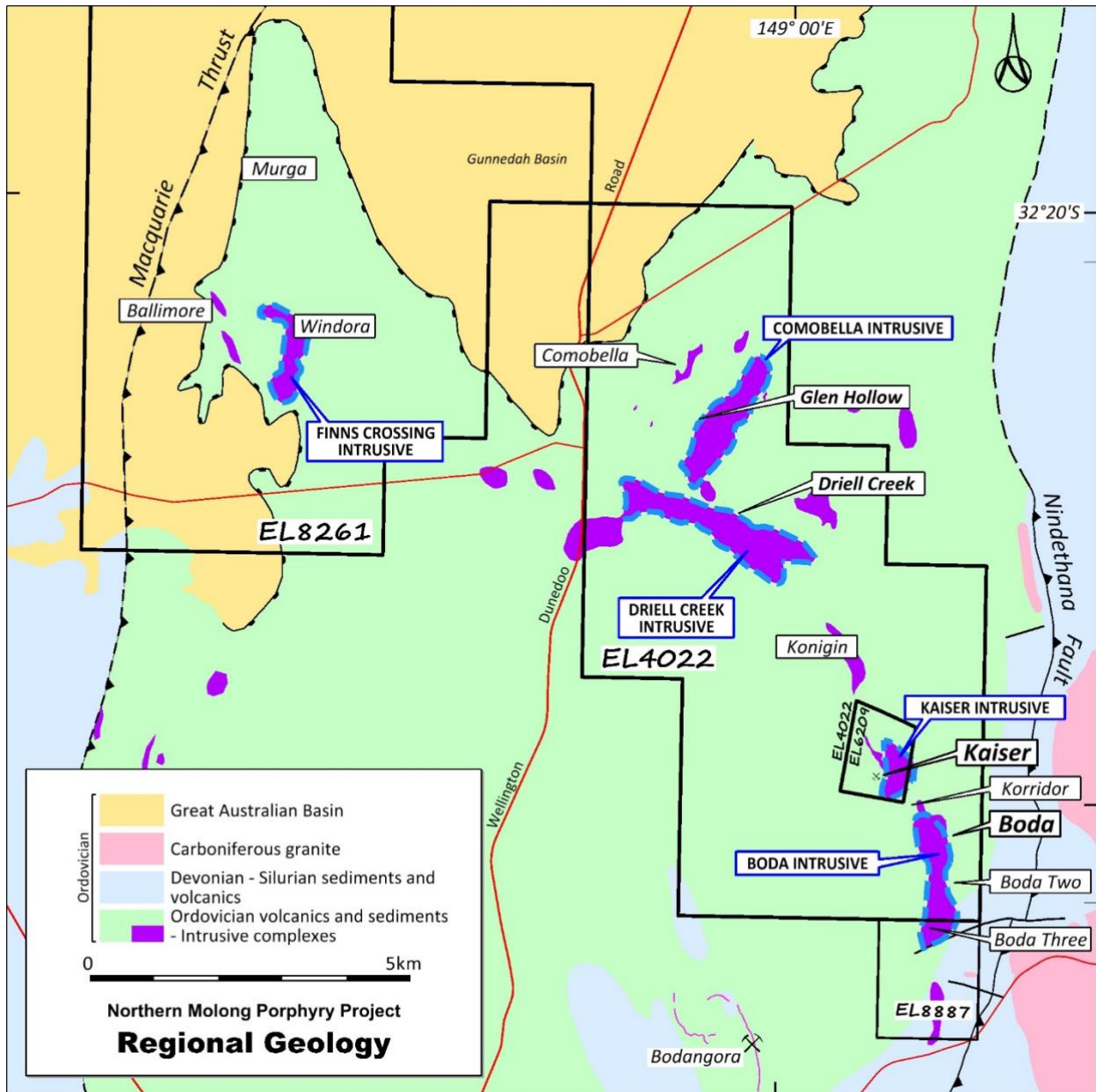
Boda Two/Three Prospects

The Boda Two prospect is defined by coincident magnetic high and gold-copper soil anomaly with an estimated north-south 1,100m x 500m footprint. An electrical geophysics survey (3D-IP) identified a strongly conductive target (ASX Announcement 19 May 2020) that was drill tested with KSDD022 intersecting substantial pyrite mineralisation with significant gold grades of 292m @ 0.66g/t Au from 867m (ASX Announcement 11 November 2020).

Drilling has been conducted on west-orientated drilling traverses, spaced 100 metres apart with broad drill hole spacing ranging between 150 – 300m down dip. The drilling continues to identify extensive and continuous zones of low-grade gold-copper porphyry mineralisation, with internal high-grade zones associated with weakly developed hydrothermal breccias of magnetite ± pyrite ± chalcopyrite. Significant intercepts from the drilling during the quarter include:

KSDD050	24m grading 0.25g/t Au, 0.03% Cu from 409m (Au-rich)
and	203m grading 0.23g/t Au, 0.02% Cu from 682m (Au-rich)
incl	20m grading 0.38g/t Au, 0.02% Cu from 844m (Au-rich)
and	306m grading 0.57g/t Au, 0.04% Cu from 928m (Au-rich)
incl	34m grading 0.36g/t Au, 0.16% Cu from 1045m
also	155m grading 0.80g/t Au, 0.02% Cu from 1079m (Au-rich)
incl	38m grading 1.9g/t Au, 0.02% Cu from 1106m (Au-rich)
incl	1m grading 28.4g/t Au, 0.02% Cu from 1135m (Au-rich)
and	25m grading 0.21g/t Au, 0.11% Cu from 1269m
BOD061	35m grading 0.32g/t Au, 0.02% Cu from 583m (Au-rich)
and	22m grading 0.28g/t Au, 0.15% Cu from 768m
and	522m grading 0.28g/t Au, 0.14% Cu from 855m
incl	56m grading 0.73g/t Au, 0.28% Cu from 1232m
and	57m grading 0.38g/t Au, 0.16% Cu from 1436m

A major RC and diamond core drilling program has been designed at Boda Two and Boda Three with drill holes targeting extensions to gold-copper mineralised breccias and to infill the drilling in the low-grade disseminated mineralisation. An initial hole will be drilled from west to east targeting the gold-rich pyrite mineralisation, with a secondary purpose of identifying repetition in alteration and mineralisation assemblages potentially caused by steep west dipping shear zones. Drilling has commenced in the current quarter.





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 ~9.8% of Calidus Resources (ASX: CAI).

