

28 February 2018



***Strong Half-Year Results & Balance Sheet
Underpins Growth Strategy***

Profit after tax of \$12.2 million

\$80.5m in cash, bullion and listed investments

- Revenue from Gold Sales of \$52.4 million (HY Dec-17: \$58.7 million)
 - Gross profit of \$17.5 million (HY Dec-17: \$18.3 million)
 - Gold production of 26,745 ounces (HY Dec-17: 40,764 ounces)
 - All-In Sustaining Costs of A\$1,005/oz (HY Dec-17: A\$1,013/oz)
 - Gold sales of 30,497 ounces (HY Dec-17: 34,794 ounces)
 - Average sale price of A\$1,717/oz (HY Dec-17: A\$1,688/oz)
 - Cash, bullion and investments of \$80.5 million with no corporate debt
 - Transition from surface operations to underground development at Tomingley now underway
 - Strategic investment made in ASX listed gold developer Calidus Resources Limited – Alkane holds ~10.2%
 - Financial year ended June 2019 production guidance of 35,000 to 40,000 ounces of gold at an All-In Sustaining Cost of A\$1,050 to A\$1,150 per ounce.
 - Alkane has forward contracts in place for 28,500 ounces of Gold at an average price of A\$1,811/oz
-

Alkane Resources Limited (**ASX:ALK**) (“**Alkane**”, “**the Company**”) is pleased to announced it has reported a net profit after tax of \$12.2 million for the half year ended 31 December 2018. This result was achieved off the back of continued good performance of the Tomingley operation in what continues to be a strong price environment for Australian gold.

Open pit mining finished early in January 2019 after 5 years, and underground development has now commenced on schedule with both the main decline and vent portals established. All personnel and equipment are on site, further equipment is on schedule to arrive as development continues. First ore from underground is targeted for 2nd half of calendar year 2019.

An extensive exploration program focused on the immediate area to the south of the Tomingley operation mine has continued as part of the plan to source additional ore feed, either at surface or underground, in the future for the mine. The exploration target area has a cumulative strike length of

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 : **HILL+KNOWLTON STRATEGIES: MARCHA VAN DEN HEUVEL, TEL +61 2 9286 1226 OR +61 468 960 457**



2,500 metres comprising the Roswell, San Antonio and El Paso prospects (ASX Announcements 19 October 2018 and 1 February 2019). Core drilling is also underway at the Peak Hill Gold Mine where a revamped resource of 108,000 ounces of gold was released (ASX 18 October 2018).

The Dubbo Project (DP) remains construction ready, with the mineral deposit and surrounding land wholly owned, all material State and Federal approvals in place, an established flowsheet and a solid business case. Australian Strategic Materials (ASM) continues to work towards securing finance for the Dubbo Project. ASM's key focus is on securing offtake contracts for its products and a resultant strategic investor in the project. The increased regulatory pressure within China, as discussed in Product Marketing in the 31 December 2018 Quarterly Report (ASX 30 January 2019) should cause further price movement within the market which may create a catalyst for offtake contracts.

Alkane Managing Director Nic Earner, today said of the result;

"This is another great half driven by the great team we have at our Tomingley gold operation. Alkane's strong balance sheet positions us well to execute our growth plans into 2019. With our development underground, our encouraging exploration, our development ready Dubbo Project and our strategic investments we look forward to the rest of this year."

Tomingley Gold Operation – Underground Development Underway



Main Decline (left) and Portal in the Wyoming One Pit



ABOUT ALKANE - www.alkane.com.au - ASX: ALK and OTCQX: ANLKY

Alkane is a multi-commodity company focused in the Central West region of NSW, Australia. Currently Alkane has two advanced projects - the Tomingley Gold Operations (TGO) and the nearby Dubbo Project (DP). Tomingley commenced production early 2014. Cash flow from TGO has provided the funding to maintain the project development pipeline and has assisted with the pre-construction development of the DP.

The DP is a large in-ground resource of zirconium, hafnium, niobium, yttrium and rare earth elements. As it is an advanced poly-metallic project outside China, it is a potential strategic and independent supply of critical minerals for a range of sustainable technologies and future industries. It has a potential mine life of 75+ years. The DP is development ready, subject to financing, with the mineral deposit and surrounding land acquired and all major State and Federal approvals in place.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Bodangora, Wellington, Rockley and Elsenora prospects. Wellington has a small copper-gold deposit which can be expanded, while at Bodangora a large monzonite intrusive complex has been identified with porphyry style gold copper mineralisation. Gold and base metal mineralisation has been identified at Rockley and Elsenora.

