

28 November 2019



Alkane receives commitments for \$20 million Placement and launches 1 for 8 Rights Issue to fund accelerated exploration and development

- **Capital Raising includes an institutional Placement to raise \$20 million, for which binding commitments have now been received**
- **Alkane will also undertake a 1 for 8 pro rata non-renounceable Rights Issue to raise up to a further \$34.8 million from eligible shareholders**
- **Key shareholders and Alkane Directors, representing 26% of Alkane shares, have committed to take up their entitlements under the Rights Issue**
- **Placement well supported by a number of existing and new institutional investors**
- **Alkane to accelerate development activities in the Tomingley Corridor and pursue ongoing drilling and other exploration at and around its exciting Boda discovery**
- **Alkane is well-funded for its accelerated 2020 exploration and development program**

Alkane Resources Limited (“**Alkane**” or the “**Company**”) is pleased to announce a capital raising of up to \$54.8 million at \$0.55 per share (“**Capital Raising**”) to fund an accelerated exploration and development program in the Tomingley Corridor (NSW) in 2020.

The Capital Raising is comprised of an institutional Placement of new fully paid ordinary shares (“**New Shares**”) to raise \$20 million (“**Placement**”) and a non-underwritten 1 for 8 pro rata non-renounceable Rights Issue (“**Rights Issue**”) to raise up to a further \$34.8 million.

The Company has received binding commitments for the Placement via the issue of approximately 36,363,700 New Shares. The Placement, which was conducted under Alkane’s ASX Listing Rule 7.1 capacity, was well supported by existing shareholders and includes a number of new international and domestic institutional investors.

The majority of New Shares to be issued pursuant to the Placement are scheduled to settle on Wednesday, 4 December 2019. Abbotsleigh Pty Ltd (“**Abbotsleigh**”), an existing substantial holder and company associated with the Chairman of Alkane, Mr Ian Gandel, has agreed to subscribe for new shares under the Placement (representing subscription funds of approximately \$4.73 million). The Abbotsleigh subscription is due to settle following shareholder approval being obtained at a general meeting to be held in early January 2020.

The Rights Issue is not underwritten, however all directors of Alkane and several major shareholders (including Abbotsleigh), representing approximately 26% of current shares on issue in Alkane, have committed to taking up their entitlements, for a combined subscription of \$9 million. Existing eligible shareholders will be able to apply for additional New Shares via a shortfall offer. The Alkane board retains discretion to allocate any shortfall.



Funds raised under the Capital Raising are intended to be applied as follows:

- Accelerated resource drilling across the Tomingley Corridor ahead of underground mining at Roswell and San Antonio;
- The development of an underground exploration decline (approvals expected by no later than January 2020) to drive underground from the existing Wyoming One underground mine to Roswell and San Antonio, also testing several underground exploration targets between Tomingley and Roswell. The exploration decline will be suitable for mining operations once all underground mining approvals are in place (targeted Q2 2021);
- The purchase of land over a section of the Tomingley Corridor (land currently being under option) which will be suitable for a ventilation rise to support the underground decline;
- Accelerated regional exploration including step-out drilling at Boda and exploration of other porphyry targets across Alkane's North Molong Porphyry Project; and
- Remaining funds to be applied to general working capital requirements, costs related to the Offer and contingent corporate purposes.

Mr Nic Earner, Managing Director of Alkane said:

"We welcome our new shareholders to the Alkane register, who join at a very exciting time for the Company. The accelerated development timetable for the Tomingley Corridor positions Alkane to return to full mill utilisation at Tomingley as quickly as possible to deliver increasing cash flow. With the continued strength of gold prices, in Australian dollar terms, and processing infrastructure already in place, ongoing operating cash flow generated at Tomingley will be excellent support for the balance of the business."

"The continued exploration at Boda, where step-out drilling is underway, has considerable potential to create value for Alkane shareholders. Alkane's 2020 programme aims not only to assess Boda and surrounding mineralisation, but also to test other Boda-style targets across our licences. This equity raising ensures Alkane continues its history of balance sheet strength as it heads into a very active 2020, putting the Company in a strong strategic position."

Rights Issue

Eligible Shareholders on the Record Date of 5:00pm (WST) on Tuesday, 3 December 2019, with addresses in Australia, New Zealand and the United Kingdom, will be invited to participate in the Rights Issue at the same price as the Placement. The Rights Issue will open on Wednesday, 4 December 2019 and is anticipated to close on Friday, 13 December 2019.

Eligible Shareholders will be able to apply for additional shares beyond their entitlements. The Alkane board will retain discretion in relation to the allocation of shortfall applications by Eligible Shareholders.

Further information regarding the Rights Issue will be sent to Eligible Shareholders in an offer booklet ("**Offer Document**") to be lodged with ASX and the accompanying personalised entitlement and acceptance form will contain instructions on how to apply.



Key Dates

Key dates for the Capital Raising are outlined in the timetable below:

Key Event	Date
Announcement of Capital Raising (Trading Halt lifted)	28 November 2019
Lodgement of Offer Document, Appendix 3B and Cleansing Notice with ASX	28 November 2019
Notice sent to security holders	29 November 2019
Ex-date	2 December 2019
Record Date for determining Entitlements	3 December 2019
Rights Issue Opens, Offer Document sent to Eligible Shareholders and Company announces this has been completed	4 December 2019
Settlement of New Shares Issued Under Placement and release of Cleansing Notice for Placement Shares	5 December 2019
Rights Issue Closes (5pm WST)*	13 December 2019
New Shares quoted on a deferred settlement basis	16 December 2019
ASX notified of any Shortfall	18 December 2019
Issue date of New Shares	19 December 2019
Quotation of New Shares issued under the Rights Issue	20 December 2019
General Meeting to approve the participation of Abbotsleigh in the Placement	Early January 2020

Note:

* Subject to the ASX Listing Rules, the Alkane directors reserve the right to extend the Closing Date for the Rights Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

Additional Information

Hartleys Limited and Petra Capital Pty Ltd are acting as Joint Lead Managers and Bookrunners to the Capital Raising.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Alkane's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Alkane, which could cause actual results to differ materially from such statements. Alkane makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Not for release to US wire services or distribution in the United States

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