



11 May 2020

Approval Received for Underground Exploration Drive

The NSW Government Resources Regulator has granted approval for Alkane Resources Limited (ASX: ALK) to develop an exploration drive from its existing Wyoming One underground operations, to the Roswell and San Antonio deposits, approximately four kilometres to the south of the mine.

This is an important milestone towards a future potential underground mine at Roswell and San Antonio that could be developed independently of an open cut operation. The exploration drive will be sized such that it could also accommodate production in the future.

Managing Director, Nic Earner, said: “Alkane has the equipment purchased, personnel recruited and land acquired to allow this development to proceed and we will now incorporate the timing of the drive development into the Tomingley Gold Operations’ budget schedules, as well as our regional exploration plans.”

“Given the prospectivity of the region around our existing operations, this approval provides Alkane with all the exploration and, in time, production options, to extend the life of mine at Tomingley well into the future.”

Tomingley Gold Project

Alkane Resources Ltd 100%

The Tomingley Gold Project (TGP) covers an area of approximately 440km² stretching 60 kilometres north-south along the Newell Highway from Tomingley in the north, through Peak Hill and almost to Parkes in the south. The TGP contains Alkane’s operating Tomingley Gold Operations (TGO), an open pit mine with a 1Mtpa processing facility that is transitioning to underground.

Over the past two years Alkane has conducted an extensive regional exploration program with the objective of defining additional resources that have the potential to be mined either via open pit or underground operations and fed to the TGO processing facility.

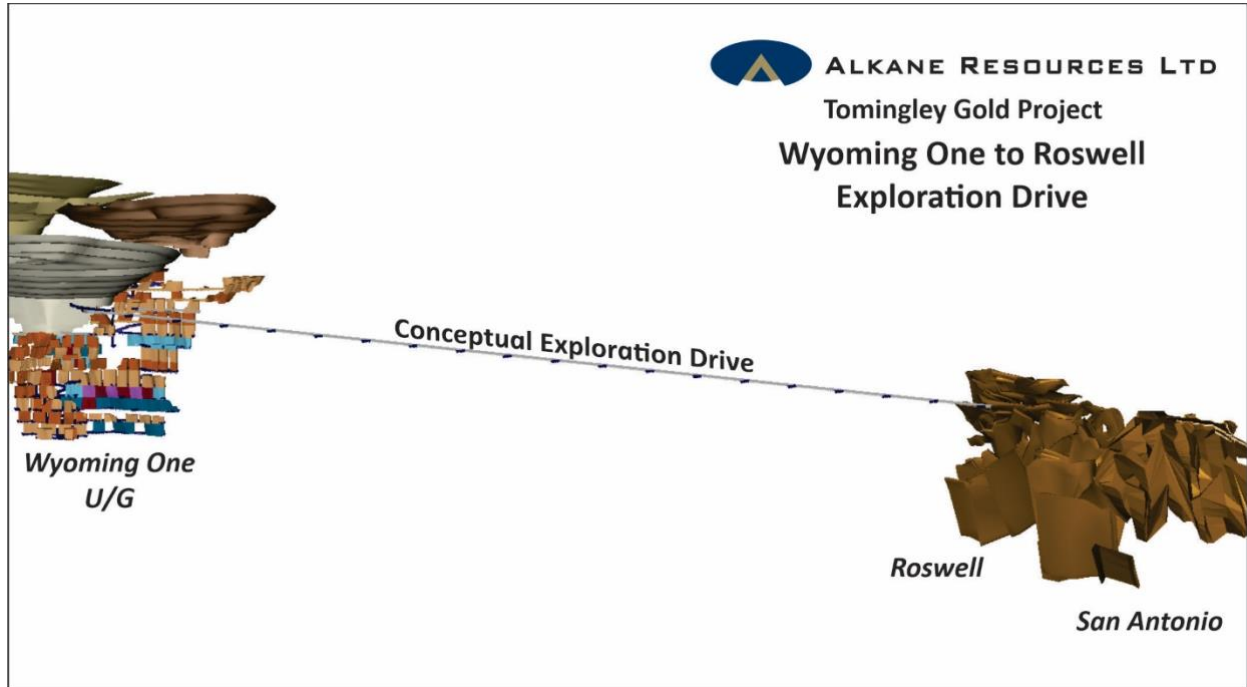
The exploration program has yielded broad, shallow, high-grade intercepts that demonstrate potential for material project life extension in excess of 10 years, and show that a return to open pit mining and/or underground extension is possible with appropriate resource confirmation, landholder agreement and regulatory approvals.

Inferred Resources have been defined at the Roswell and San Antonio prospects to the immediate south of the mine, as follows:

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 : **JOHN GARDNER, CITADEL-MAGNUS, TEL +61 413 355 997**



- Roswell Deposit: 7.02 Mt @ 1.97 g/t Au for 445koz (Inferred Mineral Resource – refer ASX Announcement 28 January 2020)
- San Antonio Deposit: 7.92 Mt @ 1.78 g/t Au for 453koz (Inferred Mineral Resource – refer ASX Announcement 20 April 2020)

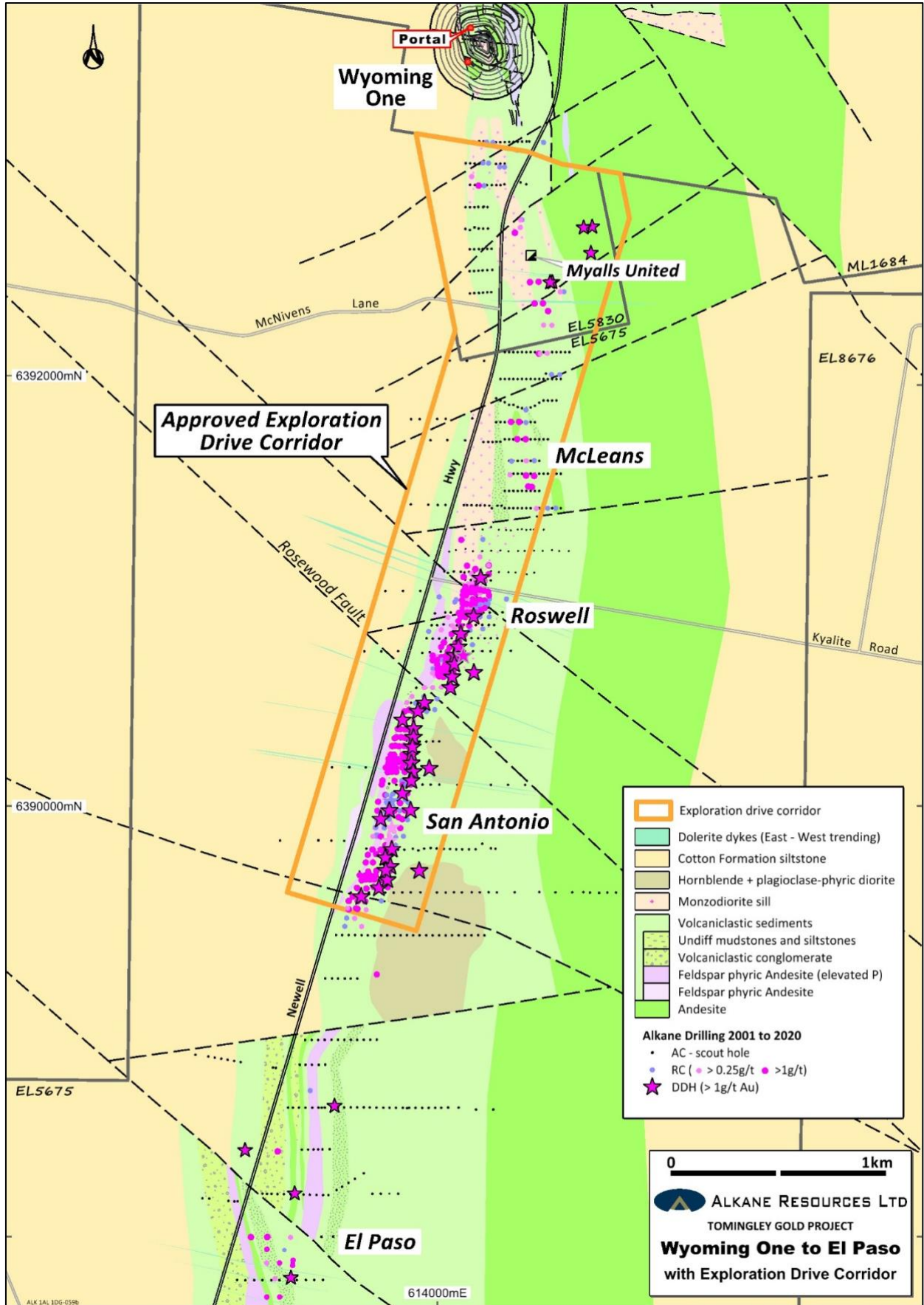


The Roswell and San Antonio Resources are now being prepared into conceptual mine plans that can be used to progress NSW Government mining approvals.

The NSW Government's approval for an underground exploration drive is an important milestone towards a future potential underground mine at Roswell and San Antonio that could be developed independently of open cut operations.

Development of the underground exploration drive allows drilling positions, bulk sampling and assessment of the corridor between the existing operations, and the Roswell and San Antonio deposits, not as readily accessible from surface.

The exploration drive approval allows for development within a nominated corridor as it is recognized that the exact location will vary as the mineralisation is further identified. As such the drive shown above is conceptual in nature to allow visualisation of the potential development.





Competent Person

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to exploration results, mineral resources and ore reserves is based on, and fairly and accurately represents, 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. Mr Chalmers is a shareholder in the Company and a participant in the Company's long and short term incentive scheme.

Previously Reported Information

The information in this report that references previously reported exploration results and exploration targets 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. 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 is a gold production company with a multi-commodity exploration and development portfolio. Alkane's projects are predominantly in the Central West region of NSW, but extend throughout Australia through investments in other gold exploration and mining companies.

Alkane's gold production is from the Tomingley Gold Operations (TGO) which has been operating since early 2014 and it's most advanced gold exploration projects are in the 100% Alkane owned tenement area between TGO and Peak Hill and have the potential for sourcing additional ore for TGO.

Alkane has other 100% owned exploration tenements in the Central West NSW prospective for gold and copper. The recently announced significant porphyry gold-copper mineralisation intersected at Boda is an example of this potential.

Alkane's largest non-gold project is the Dubbo Project (DP), a large in-ground resource of zirconium, hafnium, niobium, yttrium and rare earth elements. As it is an advanced polymetallic project outside China, it is a potential strategic and independent supply of critical minerals for a range of sustainable technologies and future industries. 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.

