

26 August 2016



Full Year Financial Results for the year ended 30 June 2016

Key Financial Highlights:

- Revenue increased by \$7.2M (7.0%) to \$109.6M
- Profit before tax increased by \$14.8M from a loss position in 2015 to a profit of \$6.7M
- Net cash inflow from operations increased by 31.0% to \$37.5M
- Cash and bullion on hand (at fair value) increased by 51.1% to \$29.7M
- Net assets increased by 11.7% to \$190.3M

Business Highlights:

- Production at Tomingley Gold Operations (TGO) reduced by 2.6% as a result of 3.9% lower mill throughput than was expected with a greater proportion of fresh ore being milled in FY2016
- Head grade milled increased by 3.5% from the prior year to 2.08g/t gold
- Recoveries reduced by 3.0% to 90.9% in line with expectations with increased fresh rock processed
- All in sustaining costs (AISC) were in line with the prior year at A\$1,256/oz as expected with the stripping ratio exceeding the LOM average due to waste removal in Wyoming One
- Production and all in sustaining costs were within original guidance issued for FY2016 (60,000 – 70,000ozs and A\$1,200-A\$1,300/oz)
- Cost of sales reduced by 5.9% to \$95.4M due to cost reduction initiatives and efficiency improvements at TGO
- Net cash inflow from operations improved as a result of stronger revenues from higher average sales prices achieved (A\$1,605/oz compared to A\$1,441/oz in FY2015)
- Net investing cash outflow increased by \$10.6M predominately due to the investment made in waste removal in the Wyoming One pit at TGO and the purchase of the remaining properties covering the Dubbo Zirconia Project (DZP) operations site
- The cash position was improved as a result of the recent entitlement issue to support the development of the DZP of which \$12.4M (before costs) was received prior to 30 June 2016
- The Macquarie Bank \$14.0M working capital facilities were completed and available for drawdown in July 2016

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

CONTACT : IAN CHALMERS, 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, CONTACT: IAN WESTBROOK, TEL +61 2 9286 1225 OR +61 407 958 137

Ground Floor, 89 Burswood Road, Burswood WA 6100, AUSTRALIA (PO Box 4384, Victoria Park WA 6979, AUSTRALIA)

Telephone: +61 8 9227 5677 Facsimile: +61 8 9227 8178

www.alkane.com.au mail@alkane.com.au



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 Zirconia Project (DZP). Tomingley commenced production early 2014. Cash flow from the TGO has provided the funding to maintain the project development pipeline and will assist with the pre-construction development of the DZP.

The NSW Planning Assessment Commission granted development approval for the DZP on 28 May 2015 and on 24 August 2015 the Company received notification that the federal Department of the Environment gave its approval for the development. Mining Lease 1724 was granted on 18 December 2015 and the Environment Protection Licence was approved on 14 March 2016. Financing is in progress and this project will make Alkane a strategic and significant world producer of zirconium, hafnium and rare earth products when it commences production in 2018.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington and Bodangora prospects, and Elsiehora farm-in. 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. Encouraging gold mineralisation was recently drilled at Elsiehora.

