

ASX and MEDIA RELEASE

27 June 2017



Improved Gold Production Leads to Revision of FY17 Guidance

Tomingley Gold Operations (TGO)

- Strong performance continues from the previous quarter with gold production of over 17,000 ounces across April and May. Full details will be released with the quarterly report in July.
- Guidance upgraded with an expected H2 FY17 of 43,000 – 45,000 ounces at an AISC of A\$1,000 – A\$1,100 from the guidance of 31,000 – 36,000 ounces at an AISC of A\$1,350 – A\$1,550 published in January 2017.
- Site cash costs (C1) for the current quarter are anticipated to be in the range of A\$750 – A\$850.
- Full year guidance for FY17 has been revised to production of 65,000 – 67,000 ounces at an AISC of A\$1,300 – A\$1,400.
- FY18 expected to be 65,000 – 70,000 ounces at an AISC of A\$1,100 – A\$1,200.

TGO continued at high production levels in the current quarter, above forecast. This was due to the release of higher grade ore, particularly from the Caloma and Caloma Two pits, and generally clear weather following a difficult H1 FY17 caused by persistent heavy rain events. Mining is also occurring in the Wyoming One pit, although this is predominantly waste stripping.

Underground and Exploration Drilling

Core drilling below the Wyoming One open pit and regional aircore/core drilling south of the TGO mine site are continuing. Further results will be released over the next several months as the programs proceed.

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Competent Person

Unless otherwise advised above, the information in this report that relates to exploration results, 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

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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.

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 the TGO has provided the funding to maintain the project development pipeline and will assist with the pre-construction development of the DP.

The NSW Planning Assessment Commission granted development approval for the DP 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 2019.

Alkane's most advanced gold copper exploration projects are at the 100% Alkane owned Wellington, Bodangora 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 extensive porphyry style gold copper mineralisation.

