

24 January 2022



Quarterly Activities Report to 31 December 2021

Tomingley Gold Operations (Tomingley)

- Gold production met forecast for the quarter of 16,935oz, with site operating cash costs at A\$1,089/oz and AISC of A\$1,338/oz.
- Gold sales of 17,754 ounces for revenue of A\$43.9M at an average price of A\$2,475/oz.
- FY2022 production guidance for Tomingley is unchanged at 55,000oz to 60,000oz. FY2022 AISC guidance has lifted to \$A1,500/oz to \$1,650/oz due to the potential cost impact of the combined effects of workers self-isolating during the current omicron wave and from heavy rainfall impacting the pit walls and access ramp.

Tomingley Gold Extension Project (TGEP)

- The Environmental Impact Statement has been finalised and submitted to the NSW Government for their final review. Formal submission is expected later this month. The expected timing of Project Approval remains mid-2022.

Exploration

- The drill program at Boda continues to show extensive mineralisation, including high grade zones, over a 3km strike length from Boda Three to Kaiser. (see ASX Announcements 22 October 2021 and 17 December 2021)
- At Boda significant results included:

BOD059	906.7m grading 0.45g/t Au, 0.18% Cu from 309m
incl	219m grading 0.28g/t Au from 309m (gold only flanking zone)
also	672.7m grading 0.51g/t Au, 0.23% Cu from 543m
incl	115m grading 1.98g/t Au, 0.53% Cu from 864m
incl	2.8m grading 13.0g/t Au, 1.59% Cu from 901.5m
also	33m grading 4.06g/t Au, 1.29% Cu from 946m
incl	6m grading 11.2g/t Au, 1.81% Cu from 968m
KSDD043	927m grading 0.31g/t Au, 0.16% Cu from 159m
incl	157m grading 0.31g/t Au from 159m (gold only flanking zone)
also	754m grading 0.31g/t Au, 0.19% Cu from 332m
incl	74.7m grading 0.92g/t Au, 0.36% Cu from 680m
incl	12m grading 3.01g/t Au, 0.65% Cu from 732m
also	38m grading 0.60g/t Au, 0.79% Cu from 875m
incl	9m grading 1.04g/t Au, 1.40% Cu from 839m
also	6m grading 1.26g/t Au, 0.12% Cu from 1080m

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 : PAUL RYAN, CITADEL-MAGNUS, TEL +61 409 296 511



- The preparation of an initial resource estimation for Boda continues, expected at the end of the current quarter.

Corporate

- Cash, bullion and listed investments position totalled A\$118.3M.
- The debt facility of \$20M with Macquarie Bank was repaid during the quarter.
- Shareholding of ASX listed gold developer Calidus Resources Ltd (ASX:CAI) was ~9.7% at end of December quarter.
- Shareholding of ASX listed gold developer Genesis Minerals Ltd (ASX:GMD) was ~12.7% at end of December quarter. During the quarter GMD shares to the value of \$18.9M were sold.



TOMINGLEY GOLD OPERATIONS

Tomingley Gold Operations Pty Ltd 100%

Tomingley Gold Operations (Tomingley) is a wholly owned subsidiary of Alkane, located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. The gold processing plant was commissioned in January 2014 and has been operating at the design capacity of 1Mtpa since late May 2014. Mining is based on four gold deposits (Wyoming One, Wyoming Three, Caloma One and Caloma Two).

Operations Performance

Tomingley underground continued to perform well during the quarter. The cutback in the northeast of the Caloma pit also performed well. The omicron COVID-19 outbreak in NSW has resulted in a number of employees and their close contacts testing positive, requiring isolation and recovery. At times this has affected approximately 10 to 20% of the workforce. In addition, very high rainfall has occurred in western NSW, resulting in some pit wall and ramp erosion that required remediation and stabilisation.

Despite these circumstances FY2022 production guidance for Tomingley is unchanged at 55,000oz to 60,000oz. FY2022 AISC guidance has however been lifted to \$A1,500/oz to \$1,650/oz due to the expectation of potential cost increase, due to productivity impacts.

A total of 16,935 ounces of gold was poured for the quarter. The site cash costs for the quarter were A\$1,089/oz with an all-in sustaining cost (AISC) of A\$1,338/oz.

Gold sold for the quarter was 17,754 ounces at an average sales price of A\$2,475/oz, generating revenue of A\$43.9M. Bullion stocks were 1,203 ounces (fair value of A\$3.0M at quarter end). Site operating cash flow was A\$25.7M for the quarter.

Tomingley Gold Extension Project

Alkane's intention is to develop the Roswell and San Antonio deposits, which are located 3 – 5km south of Tomingley, as soon as possible.

Alkane continues to progress approvals for this development. The Environmental Impact Statement has been finalised and submitted to the NSW Government for final review. Formal submission is expected later in January 2022. The expected timing of Project Approval remains mid-2022.



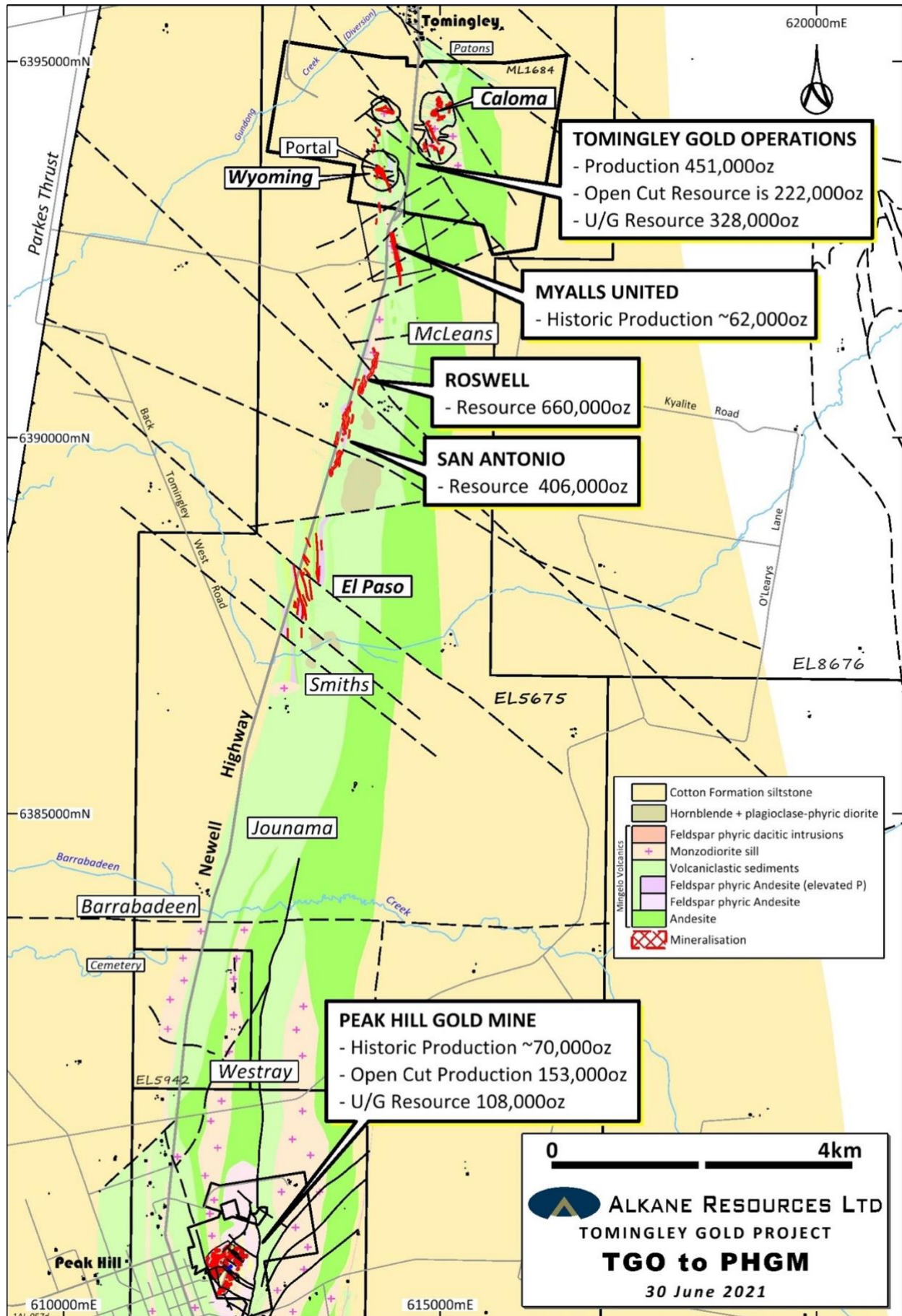
Regional Exploration

Near-mine exploration continued at Tomingley targeting additional mineralisation outside the existing resource models at Roswell and San Antonio, as well as Macleans, El Paso and the Plains prospect to the east of Roswell.

Tomingley FY 2022 Quarterly and Annual Production Figures

Tomingley Production		FY 2021	Sep Quarter 2021	Dec Quarter 2021	FY 2022
Open cut					
Waste mined	BCM	1,218,779	290,371	233,937	524,308
Ore mined	Tonnes	71,347	93,118	91,185	184,303
Strip Ratio	Ratio	32.8	8.0	7.2	8.0
Grade	g/t	0.64	0.63	0.83	0.73
Underground					
Ore mined	Tonnes	706,889	226,054	208,534	434,588
Grade	g/t	2.63	1.87	2.42	2.29
Ore milled	Tonnes	928,531	247,884	257,384	505,268
Head grade	g/t	2.14	1.79	2.42	2.11
Recovery	%	88.8	85.1	85.4	85.2
Gold poured	Ounces	56,958	12,141	16,935	29,076
Revenue Summary					
Gold sold	Ounces	55,929	13,359	17,754	31,113
Average price realised	A\$/oz	2,286	2,467	2,475	2,472
Gold revenue	A\$M	127.8	33.0	43.9	76.9
Cost Summary					
Surface works	A\$/oz	17	263	199	227
Mining	A\$/oz	452	709	431	550
Processing	A\$/oz	347	406	321	357
Site Support	A\$/oz	125	154	138	145
C1 Site Cash Cost	A\$/oz	940	1,531	1,089	1,279
Royalties	A\$/oz	73	65	78	73
Sustaining capital	A\$/oz	296	268	114	180
Gold in circuit movement	A\$/oz	-58	16	-6	3
Rehabilitation	A\$/oz	20	20	20	20
Corporate	A\$/oz	49	61	42	50
AISC ¹	A\$/oz	1,320	1,961	1,338	1,606
Bullion on hand	Ounces	3,246	2,025	1,203	1,203
Stockpiles					
Ore for immediate milling	Tonnes	71,938	143,535	185,869	185,869
Grade	g/t	0.95	0.92	0.85	0.85
Contained gold	Ounces	2,856	4,246	5,114	5,114

¹AISC = All in Sustaining Cost comprises all site operating costs, royalties, mine exploration, sustaining capex, mine development and an allocation of corporate costs, calculated on the basis of ounces sold. AISC does not include share based payments or net realisable value provision for ore inventory.





CORPORATE

Cash, Bullion and Listed Investments

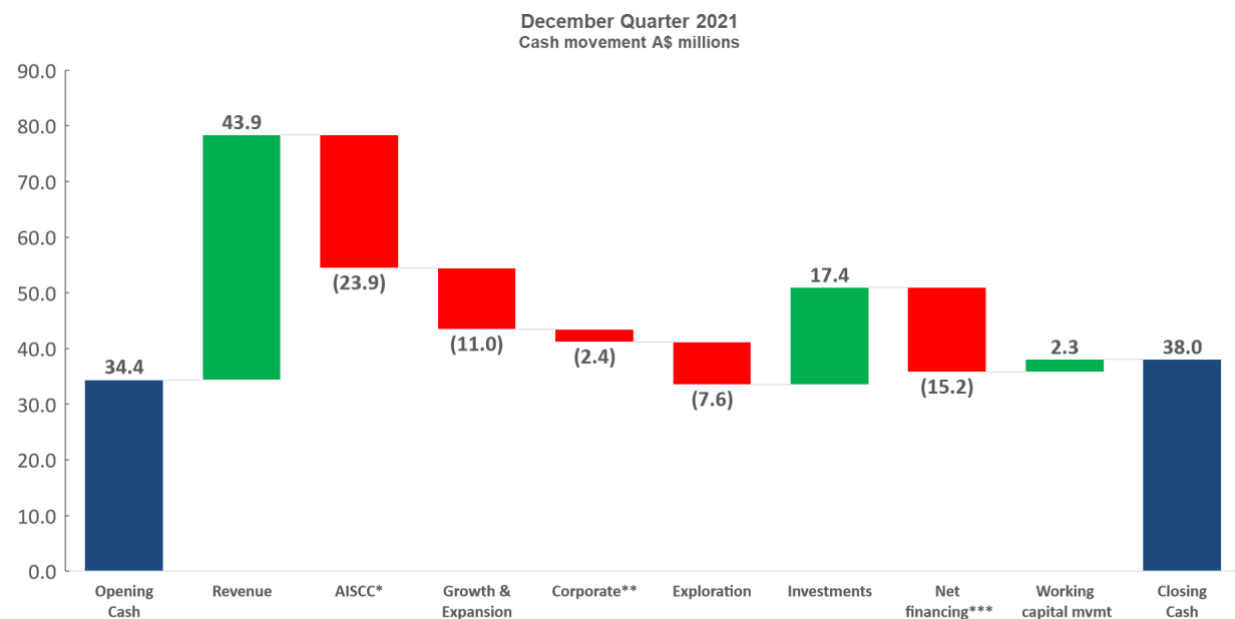
Description	Dec-21 Quarter A\$M	Sep-21 Quarter A\$M
Cash	38.0	34.4
Bullion	3.0	4.9
Cash and bullion sub-total	41.0	39.3
Listed investments	77.3	78.0
Total cash, bullion and listed investments	118.3	117.3

Banking Facilities

The Company repaid the \$20 million working capital facility with Macquarie Bank during the quarter. At the end of the quarter the Company had \$19.8 million of borrowings relating to mobile equipment financing arrangements.

Cashflows

The waterfall chart below summarises the quarterly movement in cash held (excludes bullion and investments held at the beginning and end of the period):



*AISC – 17,754ozs sold x \$1,338/oz. The Gold in circuit movement from the AISC table on page 4 is a non-cash movement so is excluded from the cashflow waterfall above.

** Corporate costs of \$745k are included in the AISC.

*** Net financing outflows detailed in the commentary below.

During the quarter Tomingley Gold Operations sold 17,754 ounces at an average price of A\$2,475/oz. This included the delivery of 5,500 ounces into forward sales contracts at an average of \$2,396/oz. Further details of the current forward sales can be found below. All in sustaining cash cost for the quarter was \$1,338/oz – a total of \$23.8 million.

Major items included in growth and expansion expenditure of \$11 million include expenditure associated with the San Antonio-Roswell underground exploration drive and purchase of two underground dump trucks, an emulsion charge-up rig and a loader.



The focus of exploration expenditure was the Boda project, and the San Antonio/Roswell/El Paso deposits.

Financing outflows of \$15.2 million included the repayment of the \$20 million Macquarie working capital facility, offset by the net inflows from lease financing of new equipment purchases less repayment made during the quarter.

Net Investment inflows of \$17.4m were made-up of the disposal of Genesis Minerals Limited (“GMD”) shares (\$18.9 million) less \$1.3 million contributed to the GMD entitlement and shortfall offer. There was a small contribution to a raising completed by Sky Metals Ltd during the quarter.

At the end of the quarter Alkane holds ~12.7% of GMD and CAI was maintained at ~9.7%. Alkane also holds 6,000,000 shares in Sky Metals Ltd.

Gold Forward Sale Contracts & Put Options and Collars

The Company holds the following forward sale contracts.

Quarter	Average Forward Price A\$/oz	Delivery Ounces
March 2022	2,230	7,500
June 2022	2,230	8,000
Total	2,230	15,500

During the quarter the Company delivered into gold forward sales contracts for 5,500 ounces at \$2,396/ounce.



NORTHERN MOLONG PORPHYRY PROJECT (NMPP) (gold-copper)

Alkane Resources Ltd 100%

Results received during the quarter (see ASX Announcements 22 October 2021 and 17 December 2021) show extensive mineralisation, including high grade zones, over a 3km strike length from Boda Three to Kaiser.

Boda

The Boda gold-copper porphyry system is a series of near vertical, northwest striking, intrusive related breccias hosted within a thick sequence of shallowly east dipping andesite lavas. These magmatic breccias tend to hydrothermal in nature with a matrix comprising of calcite-quartz $\pm$ actinolite $\pm$ magnetite $\pm$ chalcopyrite $\pm$ pyrite (Boda discovery hole KSDD003 - 502m @ 0.48g/t Au, 0.20% Cu from 211 metres; *ASX Announcement 9 September 2019*) zoning to higher gold-copper grades when associated with a chalcopyrite $\pm$ pyrite dominant cement (KSDD007 - 96.8m grading 3.97g/t Au, 1.52% Cu from 768 metres; *ASX Announcement 23 March 2020*).

Drilling has indicated that the northeast shoulder of the Boda gold-copper mineralisation has a shallow blanket of phyllic gold only mineralisation associated strong sericite alteration, abundant pyrite and with occasional colloform quartz-carbonate veining suggestive of shallow level epithermal gold emplacement. The phyllic gold mineralisation often includes very high gold grades. Truncating the breccias are late-mineral monzonite vertical intrusives associated with shallowly dipping quartz + chalcopyrite veining and post-mineral vertical dolerite and dacitic dykes.

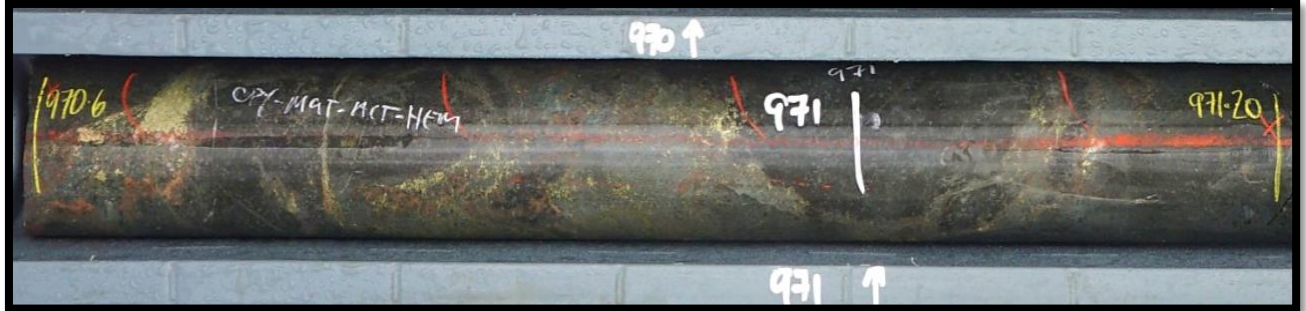
Drilling continues to focus on testing the northwest trending mineralisation at Boda with 50 metre spaced southwest orientated drilling traverses with nominal 100m spaced drill holes. Significant intercepts during the quarter include:

BOD058	20m grading 0.44g/t Au, 0.08% Cu from 310m
incl	1m grading 2.88g/t Au, 0.35% Cu from 325m
and	268m grading 0.32g/t Au, 0.13% Cu from 400m
incl	6m grading 1.45g/t Au, 0.33% Cu from 494m
also	31m grading 0.59g/t Au, 0.28% Cu from 518m
and	54m grading 0.30g/t Au, 0.22% Cu from 935m
incl	5m grading 0.73g/t Au, 0.64% Cu from 973m
BOD059	906.7m grading 0.45g/t Au, 0.18% Cu from 309m
incl	219m grading 0.28g/t Au from 309m (gold only flanking mineralisation)
also	672.7m grading 0.51g/t Au, 0.23% Cu from 543m
incl	115m grading 1.98g/t Au, 0.53% Cu from 864m
incl	2.8m grading 13.0g/t Au, 1.59% Cu from 901.5m
also	33m grading 4.06g/t Au, 1.29% Cu from 946m
incl	6m grading 11.2g/t Au, 1.81% Cu from 968m
KSDD043	927m grading 0.31g/t Au, 0.16% Cu from 159m
incl	157m grading 0.31g/t Au from 159m (gold only flanking mineralisation)
also	754m grading 0.31g/t Au, 0.19% Cu from 332m
incl	74.7m grading 0.92g/t Au, 0.36% Cu from 680m
incl	12m grading 3.01g/t Au, 0.65% Cu from 732m
also	38m grading 0.60g/t Au, 0.79% Cu from 875m
incl	9m grading 1.04g/t Au, 1.40% Cu from 839m
also	6m grading 1.26g/t Au, 0.12% Cu from 1080m



KSDD044	39m grading 0.20g/t Au, 0.07% Cu from 84m
and	302m grading 0.38g/t Au, 0.14% Cu from 212m
incl	60m grading 0.84g/t Au, 0.34% Cu from 298m
incl	25m grading 1.31g/t Au, 0.50% Cu from 314m
and	141m grading 0.23g/t Au, 0.16% Cu from 723m

At least four mineralised intrusive breccias are identified central to the Boda system that remains open along strike to the northwest to the Korridor and Kaiser prospects. As demonstrated by BOD059 these breccias can zone to significantly high gold-copper grades when associated with strongly oxidised fluids.



BOD059 – 0.6m grading 24.2g/t Au, 3.69% Cu from 970.6m – Chalcopyrite-actinolite-magnetite-hematite dusted albite hydrothermal breccia

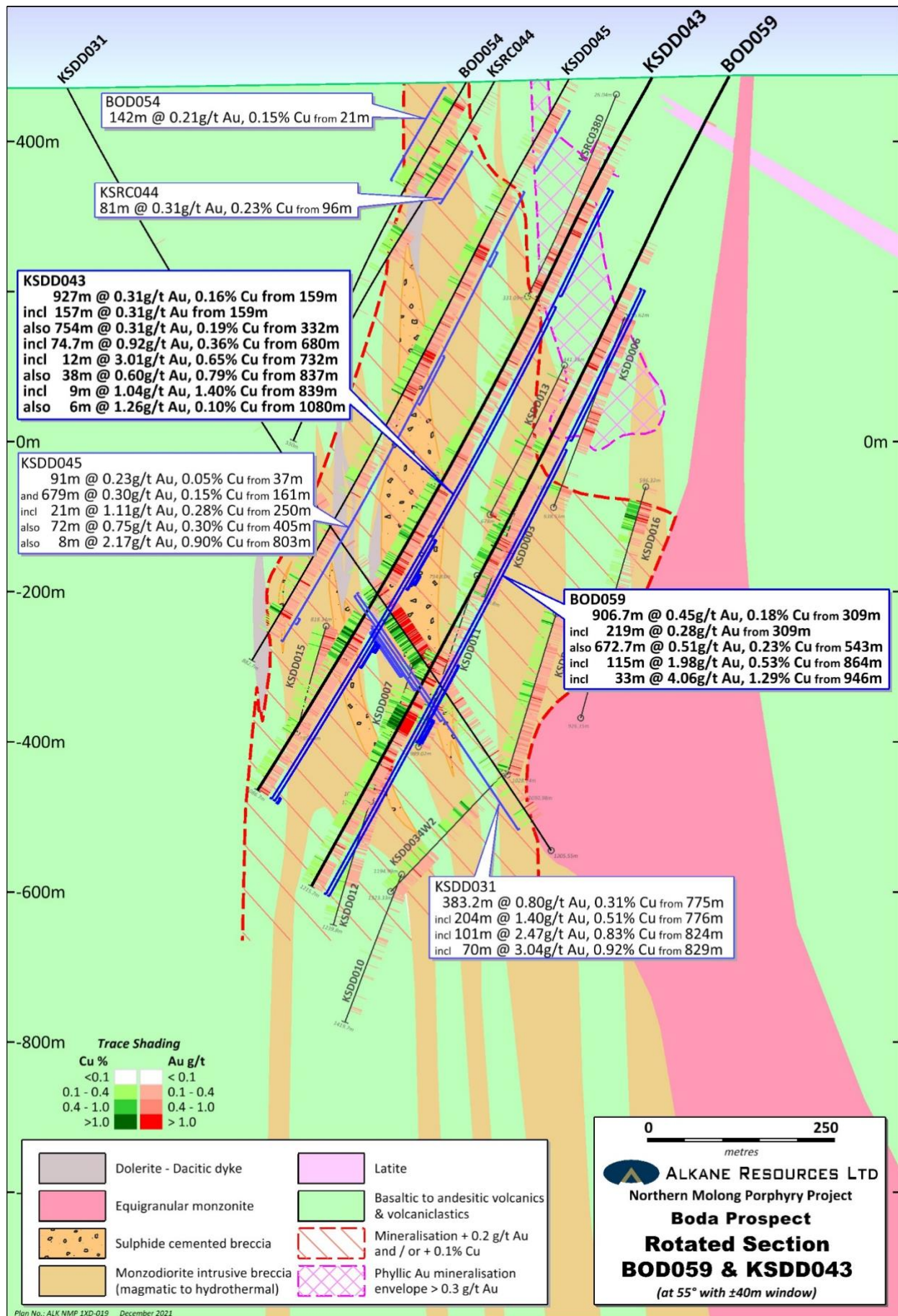
The current program continues to improve confidence for a maiden resource estimation and the drill hole grid sequence is extended by a further two drill traverses to the northwest. The Boda maiden resource estimation is expected in March 2022.

Korridor Prospect

The Boda and Kaiser prospects are positioned within a northwest trending structural zone similar to the Lachlan Transverse Zone (host to greater than 5km of porphyry related mineralisation at Cadia porphyry gold-copper district). The Boda-Kaiser structural zone was first identified in the detailed magnetics and confirmed by the mineralisation orientations defined at Boda and Kaiser. These two prospects are approximately 800m apart and this area, named the Korridor Prospect, is largely untested by drilling. Two traverses of drill holes approximately 200 metres apart comprising of a total of 10 RC drill holes were planned. Eight RC drill holes for a total of 1,732 metres were completed and assay results received during the quarter to confirm continuous gold-copper porphyry mineralisation between the Boda and Kaiser prospects. The two easternmost collared drill holes returned significant intercepts of:

BOD065	64m grading 0.43g/t Au, 0.12% Cu from 174m to end of hole
incl	8m grading 1.42g/t Au, 0.28% Cu from 205m
BOD066	226m grading 0.25g/t Au, 0.10% Cu from 12m to end of hole
incl	6m grading 1.06g/t Au, 0.30% Cu from 114m
also	6m grading 1.58g/t Au, 0.11% Cu from 189m

Both RC drill holes ended in significant gold-copper mineralisation of similar grades commonly observed at both Boda and Kaiser prospects. The mineralisation is characterised by strong calc-potassic alteration with abundant biotite and sulphides dominated by pyrite with lesser chalcopyrite. These two drill holes are being diamond tailed and assay results are expected in February 2022. The remaining two RC drill holes planned are northwest and along strike of BOD065 and BOD066 and remain scheduled for completion in January 2022.



Plan No.: ALK NMP 1XD-019 December 2021



Competent Person

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to 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.

Previously Reported Information

The information in this report that references previously reported exploration results and mineral resources 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 and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. 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 Resources is poised to become Australia's next multi-mine gold producer.

The Company's current gold production is from the Tomingley Gold Operations in Central West New South Wales, where it has been operating since 2014 and is currently expediting a development pathway to extend the mine's life beyond 2030.

Alkane has an enviable exploration track record and controls several highly prospective gold and copper tenements. Its most advanced exploration projects are in the tenement area between Tomingley and Peak Hill, which have the potential to provide additional ore for Tomingley's operations.

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With a major drill program ongoing at Boda, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies, including ~12.7% of Genesis Minerals (ASX: GMD) and ~9.7% of Calidus Resources (ASX: CAI).

