

22 February 2023



Tomingley Gold Extension Project Approved, Project Financing Secured

- **The Tomingley Gold Extension Project has been approved by the NSW Minister for Planning.**
- **The approval allows for open cut and underground mining at the Roswell and San Antonio deposits, processing of ore at 1.75Mtpa, relocation of the Newell Highway and an extension of mine life to 2032.**
- **Underground mining at Roswell is due to commence before the end of CY2023.**
- **Debt funding of \$50m from Macquarie Bank has been secured for the development.**
- **100,000 ounces of gold hedging with a weighted average price of A\$2,825 per ounce has been put in place for the period March 2024 to December 2026.**

Alkane Resources Ltd ('Alkane' or 'the Company') (ASX: ALK) is pleased to advise that its Tomingley Gold Extension Project has been approved by the New South Wales Minister for Planning. The Company will now progress its Environmental Protection Licence and Mining Lease applications, which cannot be refused following the Minister's Planning Approval. The Company will also submit its' updated Management Plans as required under the conditions of consent. Each of these is needed to commence physical mining and construction work.

Debt funding of \$50 million for the extension project has also been secured from Macquarie Bank together with 100,000 ounces of gold hedging with a weighted average price of A\$2,825 per ounce.

Alkane Managing Director, Nic Earner, said: *"This approval is a significant milestone in the life of our Tomingley gold mine. We wish to acknowledge the substantial contribution from employees and consultants, led by RW Corkery & Co., and the many NSW Government department officers in reaching this point. We can now progress our development and expansion in earnest, delivering significant and sustained production for our shareholders, employees and other stakeholders.*

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“We intend to be mining underground from Roswell before the end of the year and we’re targeting a 100,000 ounce per annum run rate in 2025. We’re continuing to explore nearby exploration targets, including Macleans, which is immediately adjacent to our vent rise at Roswell.

“We look forward to communicating our progress and further information about the Tomingley Gold Extension Project in the months ahead.”

TOMINGLEY GOLD EXTENSION PROJECT

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 currently occurring on three gold deposits Wyoming One underground, Caloma Two underground and Caloma both underground and an open cut cutback.

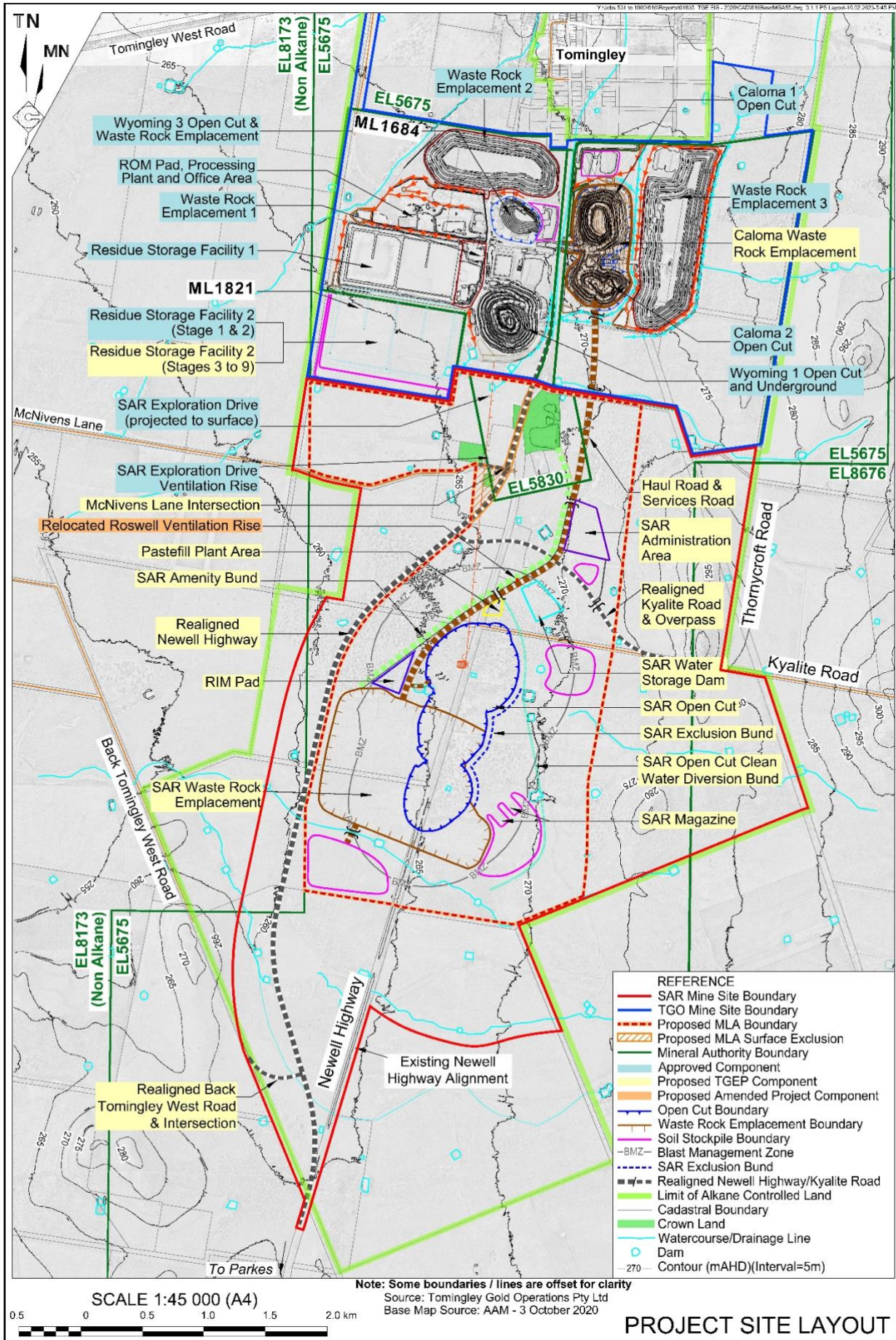
An exploration drive currently extends over 2.4km toward the Roswell and San Antonio deposits, located within 5km south of Tomingley. The development of the Roswell and San Antonio deposits, diverting a section of the Newell Highway to the west, new and relocated infrastructure and a minor upgrade of the existing Tomingley process plan form the Tomingley Gold Extension Project (TGEP).

Project Approval to develop the TGEP has now been granted by the NSW Minister for Planning. The approval contains comprehensive and stringent requirements on Alkane to minimise the impact on the environment and the surrounding community. Full details of the approval conditions are on the Department’s website <https://pp.planningportal.nsw.gov.au/major-projects/projects/tomingley-gold-extension-project>.

The approved TGEP development permits the following key aspects:

- Open cut mining at Roswell and San Antonio;
- Underground mining at Roswell;
- Processing at a maximum of 1.75Mtpa;
- Paste filling of underground stopes at Roswell;
- Diverting a section of the Newell Highway that lies above Roswell and San Antonio to the west;
- Mining operations until the end of 2032; and
- Further lifts to the RSF2 sufficient to contain the mine residue that may be produced in that time.

Pending the applications for the Environmental Protection Licence and the Mining Lease, which cannot now be refused, and completion of its’ updated Management Plans, Alkane intends to be mining ore from underground at Roswell before the end of CY2023.





PROJECT FINANCE FACILITY

Alkane has executed a finance facility with Macquarie Bank Limited (Macquarie) to develop the Tomingley Gold Extension Project. The terms of this facility are an amendment to the existing facility agreement that has been in place with Macquarie for several years for the purpose of hedging. Whilst the full terms of the facility are confidential the key terms include:

- Project Loan Facility of A\$50m;
- First ranking security over the assets of the TGEP (ongoing equipment asset financing is permitted);
- Competitive margin above BBSY;
- Loan covenants customary for a facility of this type;
- A loan tenor to 31 December 2026 with a repayment schedule over the term; and
- An agreed hedging program of 100,000 ounces of gold production across the debt service period (~40% of expected production over the period). The delivery schedule and pricing are shown below.

First debt draw down is permitted on the approval of the Mining Lease, expected mid-2023.

Existing Cash Position

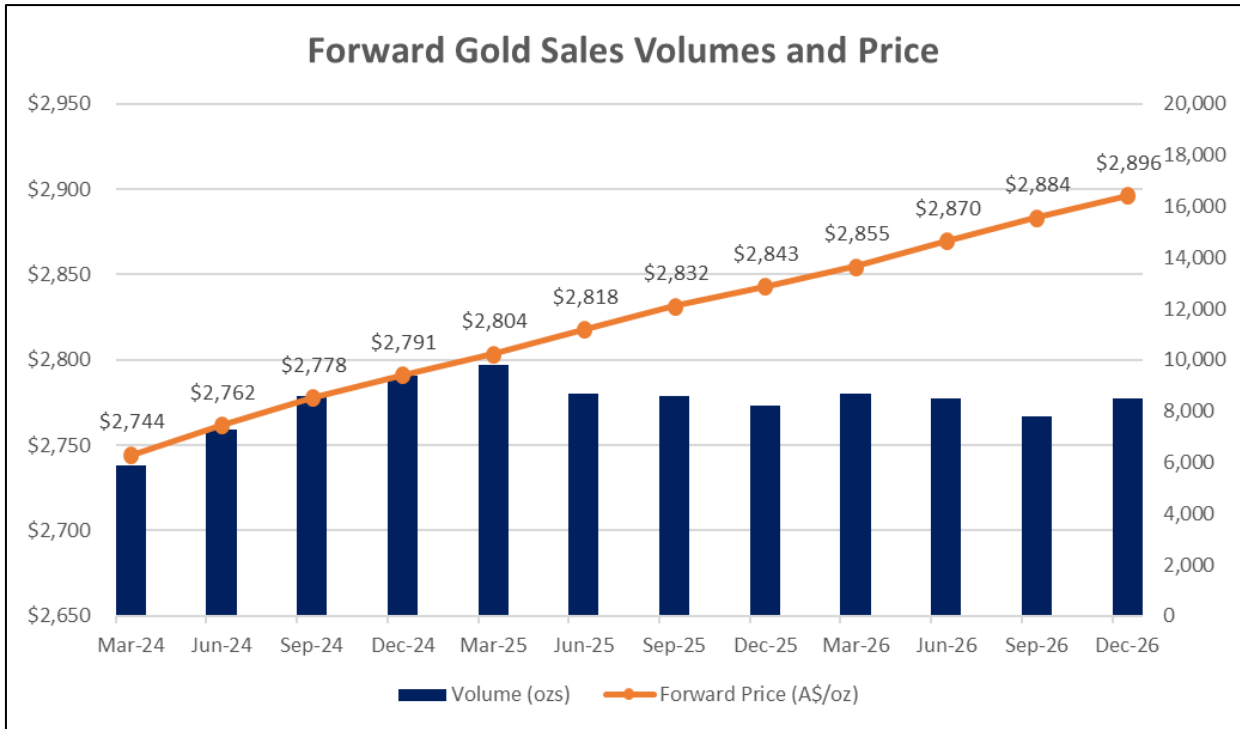
On 31 December 2022 Alkane's cash, bullion and listed investments position totalled A\$119.6m.

Existing Banking Facilities

On 31 December 2022 the Company had A\$14.3m of mobile equipment financing.

New Gold Forward Sale Contracts

Quarter	Average Forward Price A\$/oz	Delivery Ounces
March 2024	2,744	5,900
June 2024	2,762	7,300
September 2024	2,778	8,600
December 2024	2,791	9,400
March 2025	2,804	9,800
June 2025	2,818	8,700
September 2025	2,832	8,600
December 2025	2,843	8,200
March 2026	2,855	8,700
June 2026	2,870	8,500
September 2026	2,884	7,800
December 2026	2,896	8,500
Total	2,825	100,000



Existing Gold Forward Sale Contracts

In addition to the hedging described above Alkane holds forward sale contracts for 24,500 ounces of gold at a price of A\$2,778 per ounce to be delivered throughout CY2023.



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 executing a development 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 has 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 ~9.7% of Calidus Resources (ASX: CAI).

