

Alkane Resources Ltd

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Alkane Resources begins underground mining at Tomingley Gold Project in NSW

Alkane Resources Limited (ASX:ALK) has begun underground mining at its Tomingley Gold Project (TGP) in Central West New South Wales.

The project, which is transitioning to underground operations, contains an operating open cut mine and a 1 million tonnes per annum processing facility.

The first blast took place on January 7, 2019, providing for the development of two ports off the northern ramp in the Wyoming One open cut and two declines below the surface providing access for the mining equipment.

READ: Alkane Resources continues drilling at Tomingley to define additional gold resources

The company is in its final stages of open cut mining with the Wyoming Three pit having been partially backfilled and a goodbye cut added in the Wyoming One and Caloma Two pits.

Final shaping of the residual landforms is also nearing completion with two large waste rock emplacements having been shaped and topsoiled.

The final shaping will take place mid-year followed by hydroseeding the batters to progress rehabilitation.

Price: A\$0.425

Market Cap: A\$215.09M

1 Year Share Price Graph



Share Information

Code: ALK

Listing: ASX

52 week High Low
A\$0.46 A\$0.18

Sector: Mining

Website: www.alkane.com.au

Company Synopsis:

Alkane Resources Ltd (ASX:ALK) 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.

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READ: Alkane Resources' gold is fuelling prospects for Dubbo rare earths development

The company has been exploring gold prospects in the region between Tomingley village and Peak Hill township, including the Roswell, El Paso and San Antonio prospects.

A reverse circulation program is designed to find economically viable targets that could contribute ore to the TGO processing plant.

Alkane has also started a 10-hole diamond drilling program at Peak Hill to test the sulphide ore below the Proprietary Pit, a site of previous mining in 1998.

Multiple high-grade assays

Intercepts at the Roswell prospect, 3 kilometres south of the TGO mine, include:

- 39 metres grading 4.49 g/t gold from 123 metres including 9 metres at 8.43 g/t from 123 metres;
- 6 metres at 4.7 g/t from 189 metres; and
- 21 metres at 2.46 g/t from 207 metres.

Significant gold mineralisation was confirmed at Roswell over a strike length of 350 metres.

Guidance has increased

Gold production at TGO was above forecast at 11,111 ounces for the quarter ending December 31, 2018, with gold sales of 23,841 ounces for revenue of \$40.9 million at an average price of \$1,716 per ounce.

Guidance for financial year 2019 has increased with forecast production of 35,000 to 40,000 ounces of gold at an AISC of \$1,050 to \$1,150 per ounce.

- Jessica Cummins

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