



Peak Hill Gold Mine Community Information

ISSUE 01 / NOV 2018

FEASIBILITY STUDY FOR UNDERGROUND EXTENSION OF THE PEAK HILL GOLD MINE

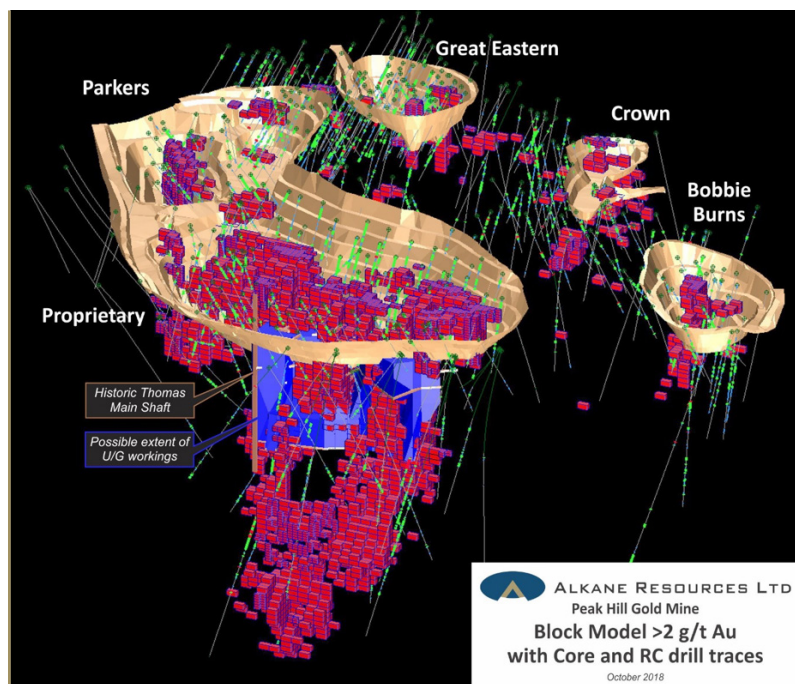
As discussed at the Community Information Night held at the Peak Hill Ex-Services and Citizens Club on 24 October, Alkane Resources (Alkane) is investigating the extent of the ore resource under the Peak Hill Gold Mine. The goal is to extract more ore, by extending the mine underground, to feed Alkane’s processing plant at Tomingley Gold Operations. The window of opportunity to keep the Tomingley plant operating is finite.

The Peak Hill Gold Mine operated as an open cut from 1996 to 2005. Thanks to technological advances since then, underground mining at Peak Hill may now be economically viable, depending on the quality and structure of the remaining ore resource.

CORE SAMPLING

To begin assessing the Peak Hill ore resource, Alkane will extract samples with a diamond drill rig at the western edge of the open cut mine, within the existing granted mining leases. Ten holes will be drilled to a depth of 400m below the historic mine. The extracted cores will be subjected to geological analysis and metallurgical testing.

Alkane proposes to drill 24 hours per day to complete the work as quickly as possible. Drilling is expected to commence in mid-November 2018 and will take approximately two months.



NOISE MITIGATION AND ENVIRONMENT PROTECTION

Alkane will work to minimise the impact on Peak Hill residents living near the drilling site – at the northern end of Euchie Street. This includes constructing a 4.5m high ‘noise curtain’ from hay bales. This U-shaped sound-absorbing barrier will partially enclose the drill rig and support vehicles. Vehicles will access the site via Mingelo Street.

On-site consultation with Parkes Shire Council staff has confirmed that the Peak Hill Open Cut Experience can remain open for visitors as normal, throughout the drilling.

Alkane will comply with all environment protection regulations, including ecological rehabilitation of the site when sampling is completed. The hay bales will be recycled as cattle fodder by Alkane's Toongi Pastoral Company.

ANY MINE DEVELOPMENT REQUIRES ADDITIONAL APPROVAL

Alkane retains its mining leases (administered by Department of Planning and Environment – Division of Resources and Energy) and Environment Protection Licence, but any future development of the Peak Hill Gold Mine would require a comprehensive environmental assessment and consultation with the community and Parkes Shire Council, which would be expected to take more than a year. This process will not commence unless the underground mine development is deemed feasible.



Proposed location of core sampling

Contacting Us

Community Line for any questions or concerns (24 hours, 7 days): **0427 691 733**

Business Line (9am-5pm, Mon-Fri): **02 6882 2866**

Email: msutherland@alkane.com.au

More information:

http://investors.alkane.com.au/site/PDF/2195_0/PeakHillGoldOneResourceUpdate

http://www.alkane.com.au/wp-content/uploads/2018/10/Peak-Hill-Diamond-drilling-as-discussed-24-October-2018_Web-version.pdf