Alkane Resources Announces Record Operating & Record Financial Results for Q2 and H1 FY2026

13.02.2026 | GlobeNewswire

PERTH, Feb. 12, 2026 - Alkane Resources Ltd. ("Alkane" or the "Company") (ASX: ALK, OTC: ALKRY, TSX: ALK) is pleased to announce financial results for the six months ended 31 December 2025 (the "half" or "HY 2026").

The Company's condensed and consolidated interim financial result for the half, together with the Appendix 4D and Management's Discussion and Analysis ("MD&A") for the corresponding period, can be accessed under Alkane's profile on www.sedarplus.ca, on the Australian Securities Exchange ("ASX") and on Alkane's website at www.alkres.com. All currency references in this press release are in Australian dollars except as otherwise indicated.

First Half 2026 Highlights: [1,2]

- Record Revenues: Gold equivalent sales for the half year of 74,094 ounces generated revenues of $404 million at an average gold price realized of $5,421/oz and an average antimony price of $41,023/t
- Record Production: Gold and antimony production was 72,732 ounces and 391 tonnes, respectively; Company is on track to meet 2026 guidance.
- Record Cash Generation: Adjusted EBITDA was $185 million with Cash Generated from Operating Activities of $154 million
- Record income earned: Net profit of $65 million or 5.32 cents per share
- Robust Financial Position: Cash, bullion and listed investment balance of $246 million
- Conference call and webcast: Management will host a conference call and webcast to discuss the results of HY 2026 at 8:30 am EST (Toronto time) on 13 February 2026. Details are noted below.

Managing Director, Nic Earner, commented:

"Alkane has just delivered the strongest quarter in its history. During a period of high gold and antimony prices, the power of our three mine portfolio delivered exceptional operating results as they produced a record 42,767 ounces of gold and 267 tonnes of antimony, which generated record revenues of $256.7 million. Record revenues along with lower operating costs generated over $147 million of Adjusted EBITDA. The Company ended the quarter in a robust cash position which will provide the support for Alkane's growth plans. Given the strong performance to date, we move into the second half of the year with momentum and are on track to meet our production and cost guidance for 2026."

First Half 2026 Financial Highlights

---

[1] Gold equivalent ounces calculated by multiplying quantities of gold and antimony in period by respective average market price of commodities in period, adding the two amounts to get 'total contained value based on market price' and dividing that total contained value by the average market price of gold in period. I.e., AuEq = ((Au Produced x Au $/oz) + (Sb Produced pre-payability x 70% payability x Sb $/t)) / (Au $/oz). Average market prices for gold and antimony sourced respectively from LMBA daily PM price (www.lmba.org.uk) and Shanghai Metal Market Price (www.metal.com). Average market prices for December quarter were A$6,299/oz Au and A$30,245/t Sb and for September quarter were A$5,382/oz Au and A$33,859/t Sb using an AUD: USD exchange rate of 0.6565 and 0.6544 respectively. Gold equivalent ounce, cash operating cost and all-in sustaining cost (AISC) are non-IFRS performance measures with no standard definition under IFRS. For more details refer to the Non-IFRS Performance Measures section at the end of this press release.

[2] As the merger with Mandalay Resources completed on 5 August 2025, Alkane's FY2026 statutory reported production reflects production from Costerfield and Björkdal only from that date. See ALK announcement dated 9 Sep 2025 and titled 'Alkane Announces Financial Year 2026 Guidance'.

The following table summarises the Company's consolidated financial results for the three and six months ended 31 December 2025 and 31 December 2024:

Financial and Operational Highlights				
(Expressed in Australian dollars, except where indicated)	Three months ended 31 December		Six months ended 31 December	
	2025	2024	2025	2024
Financial Data				
Revenue	256,721	59,247	403,950	121,500
Cost of sales	149,617	54,791	283,984	99,311
Gross profit	107,104	4,456	119,966	22,189
Net profit	67,573	1,901	64,898	13,156
Per share ("EPS"in cents)	4.95	0.31	5.32	2.18
Adjusted net profit[1]	69,732	1,535	72,474	13,311
Adjusted net profit per share (in cents)[1]	5.11	0.25	5.94	2.20
Adjusted EBITDA[1,2]	147,245	15,268	184,736	38,156
Cash operating costs per ounce gold eq. produced ($)[1,3]	2,031	2,249	2,106	2,011
All-in sustaining costs per ounce gold eq. produced ($)[1,3]	2,739	3,408	2,841	2,715
Average realised gold price ($ per ounce)[1]	5,785	3,582	5,421	3,498
Average realised antimony price ($ per tonne)[1]	42,488	-	41,023	-
Cash generated from operating activities	106,339	15,032	153,764	29,685
Sustaining capital expenditures[1]	20,257	9,580	35,580	18,057
Non-sustaining capital expenditures[1]	20,580	11,858	34,414	42,855
Total capital expenditure	40,837	21,438	69,994	60,912
Free cash flow[1]	65,430	(6,465)	85,443	(31,344)
Free cash flow per ounce gold eq. sold ($)[1]	1,484	(390)	1,153	(901)

[1]Average realised gold and average realised antimony price, sustaining and non-sustaining capital expenditures, cash operating costs and all-in sustaining costs, free cash flow, free cash flow per ounce gold eq. sold, adjusted EBITDA and adjusted net profit are non-IFRS performance measures with no standard definition under IFRS. Refer to the Non-IFRS Performance Measures section of the MD&A.

[2]Adjusted EBITDA excludes non-cash items such as impairment, foreign exchange and stock-based compensation. For more details refer to the Non-IFRS Performance Measures section of the MD&A.

[3]Cash operating costs and All-in sustaining costs per ounce were previously calculated based on ounces sold. Since Q1 2026, the calculation methodology has been revised to use ounces produced instead of ounces sold. Accordingly, the comparative figures for the previous quarter have been restated.

Revenue for Q2 2026 was $256.7 million, compared to $59.2 million in Q2 2025. The increase in revenue was mainly due to increased production and gold sales following the addition of Costerfield and Björkdal to the portfolio, combined with higher realised gold prices.

Operating costs totaled $102.8 million during Q2 2026, compared to $41.4 million in Q2 2025 with the $61.4 million increase mainly reflecting the larger Company following the combination with Mandalay (Costerfield $32.3 million and Björkdal $28.4 million). The operating costs included $13.7 million of inventory movement due to fair value uplift of stockpiles being expensed at Costerfield and Björkdal during the quarter (HY 2026: $40.9 million) following the provisional acquisition accounting.

Cash operating costs per ounce of gold equivalent produced were $2,031 in Q2 2026 compared to $2,249 in Q2 2025. Tomingley´s cash operating costs per ounce of gold during the quarter were $1,811 compared to $2,249 in Q2 2025, a 19% decrease due to a 49% increase in produced ounces of gold partly offset by higher operational costs, mainly due to higher processing costs which include the costs for the rental mobile crusher. The increase in the Group's cash operating costs per ounce was further exacerbated by the addition of Björkdal ($2,910/oz) and Costerfield ($1,701/AuEq oz).

Sustaining capital amounted to $20.3 million in Q2 2026, compared to $8.5 million in Q2 2025. The increase in sustaining capital was mainly due the addition of $15.7 million of capital expenditures following the combination with Mandalay (Björkdal and Costerfield at $12.6 million and $3.2 million respectively) off which

$7.3 million was underground capital development at Björkdal. Additionally, capital required to maintain stable production at both acquired operations included ongoing equipment replacements totalling $6.9 million. This was partly offset by lower capital expenditures at Tomingley during the quarter as compared to Q2 2025 due to two underground truck refurbishments in the comparative quarter.

All-in sustaining costs per ounce of gold equivalent produced were $2,739 in Q2 2026, compared to $3,408 in Q2 2025. The AISC per ounce at Tomingley decreased to $2,216 for the quarter from $3,408 in Q2 2025, mainly due to the aforementioned increased gold production and offsetting increased cash operating costs coupled with lower sustaining capital expenditures.

Total capital expenditure during Q2 2026 of $40.8 million, compared to $20.5 million in Q2 2025. The capital expenditure during the quarter included $9.0 million investment in growth projects, mainly at Tomingley for the Newell Highway realignment. This project is due for completion in the first half of 2027. The major expenditure items in Q2 2025 were the paste plant and process plant upgrade capital projects. During the quarter, $11.2 million of investment in exploration drilling was made, $5.9 million at Costerfield, $1 million at Tomingley, $1.1 million at Björkdal and $3 million of non-operation exploratory drilling in NSW.

Free cash flow in Q2 2026 was $65.4 million compared to an outflow of $5.5 million in Q2 2025. The $5.5 million outflow in Q2 2025 was mainly due to growth projects discussed above.

Alkane generated adjusted EBITDA of $147.2 million in the second quarter of 2026 compared to $14.8 million in the second quarter of 2025.

Consolidated net profit was $67.6 million for the second quarter of 2026, versus $1.9 million profit in the second quarter of 2025.

Alkane closed the quarter with cash, bullion and liquid investments of $246 million - comprising $218 million in total cash, bullion ($14 million) and liquid investments ($14 million). This result was driven by record Company gold sales at 44,084 gold equivalent ounces and an increase in realised gold price to $5,785/oz (Q1 2026: $4,896/oz) and a realised antimony price of $42,488/t (Q1 2026: $35,646/t) generating $257 million in revenue.

Second Quarter 2026 Operational Summary[1,2]

The table below summarises the Company's production and operational unit costs for the three months ended December 31, 2025 and 30 September 2025.

	Q2 2026	Q1 2026
Tomingley		
Tonnes of ore mined (t)	275,079	301,692
Mined ore gold grade (g/t)	2.61	2.27
Processed ore (t)	318,851	314,970
Processed ore - milled head grade gold (g/t)	2.50	2.15
Recovery gold (%)	89.84	85.78
Gold produced (oz.)	22,089	18,335
Gold sold (oz.)	22,491	18,456
Cash operating cost ($ per oz produced)[1,2]	1,811	2,120
All-in sustaining cost ($ per oz produced)[1,2]	2,216	2,628
Costerfield		
Tonnes of ore mined (t)	39,698	24,832
Mined ore gold grade (g/t)	8.36	8.50
Mined ore antimony grade (t)	0.93	0.76
Processed ore (t)	34,732	22,671
Processed ore - milled head grade gold (g/t)	10.44	8.48

Processed ore - milled head grade antimony (%)	0.91	0.68
Recovery gold (%)	93.94	92.71
Recovery antimony (%)	86.77	81.99
Gold produced (oz.)	10,790	5,643
Antimony produced (t)	267	124
Gold equivalent produced (oz.)[1,3]	11,686	6,189
Gold sold (oz.)	11,042	4,881
Antimony sold (pre-payability) (t)	409	89
Antimony sold (post-payability) (t)	228	62
Gold equivalent sold (oz.)[1,3]	12,417	5,273
Cash operating cost ($ per oz. eq. produced)[1]	1,701	1,927
All-in sustaining cost ($ per oz. eq. produced)[1]	2,149	2,451
Björkdal		
Tonnes of ore mined (t)	266,217	153,303
Mined ore gold grade (g/t)	1.27	1.26
Processed ore (t)	329,652	233,789
Processed ore - milled head grade gold (g/t)	1.04	0.94
Recovery gold (%)	87.43	85.56
Gold produced (oz.)	9,888	5,987
Gold sold (oz.)	9,176	6,281
Cash operating cost ($ per oz. eq. produced)[1]	2,910	2,805
All-in sustaining cost ($ per oz. eq. produced)[1]	4,117	4,010
Consolidated		
Tonnes of ore mined (t)	580,994	479,827
Mined ore gold grade (g/t)	2.39	2.27
Mined ore antimony grade (t)	0.93	0.76
Processed ore (t)	683,235	571,429
Processed ore - milled head grade gold (g/t)	2.20	1.91
Processed ore - milled head grade antimony (%)	0.91	0.68
Recovery gold (%)	90.40	88.02
Recovery antimony (%)	86.77	81.99
Gold equivalent produced (oz.)[1,3]	43,663	30,511
Gold equivalent sold (oz.)[1,3]	44,084	30,010
Cash operating cost ($ per oz. eq. produced)[1,2]	2,031	2,215
All-in sustaining cost ($ per oz. eq. produced)[1,2]	2,739	2,988

[1]Cash operating costs, All-in sustaining costs and Gold equivalent ounce are non-IFRS Performance Measures with no standard definition under IFRS. Refer to the Non-IFRS Performance Measures section of the MD&A.

[2]Cash operating costs and All-in sustaining costs per ounce were previously calculated based on ounces sold. From Q1 2026, the calculation methodology has been revised to use ounces produced instead of ounces sold. Accordingly, the comparative figures for the previous quarters have been restated.

[3]Refer to Note 1 on page 1 of this investor announcement for gold equivalent definition.

Consolidated gold equivalent production in Q2 2026 was 43,663 ounces compared to 30,511 ounces in Q1 2026, mainly due three months of production from Björkdal and Costerfield in Q2 2026 versus only two months of production from these mines following the combination with Mandalay in August 2025.

Cash operating costs per ounce of gold equivalent produced was $2,031 in Q2 2026 compared to $2,215 in Q1 2026, or 8% decrease. All-in sustaining costs ("AISC") per ounce of gold equivalent produced was $2,739 in Q2 2026, compared to $2,988 in Q1 2026, or a 8% decrease.

Tomingley Gold Operations - NSW (Tomingley)
Tomingley Gold Operations Pty Ltd (100%)

The primary source of ore continues to be from Roswell. During the quarter the ore production was constrained primarily due to multiple smaller issues including shotcreter downtime delaying paste fill, lower development led to lower development ore, and redesigned stope shape for lode recovery.

Processing continues to perform well with milling in excess of budget primarily as a result of the insertion of a mobile crusher to pre-crush material prior to entering the processing circuit. Mill grade and recovery were as per budget. Pre-crushing of material to sub 10mm prior to entering the circuit has seen a nominal increase in milling rates to approximately 1.3mtpa, work is continuing in this area.

A total of 22,089 ounces of gold was produced for the quarter, higher than the comparative quarter (14,852 ounces of gold) due to higher throughput and mill head grades.The increase in processed ore was mainly due to the usage of a mobile crusher which is used to increase crushing capacity resulting in an increased mill throughput. The betterment of the mill head grade was mainly due to the commissioning of the paste plant and process plant (fine grind circuit) growth projects in Q2 2025.

Cash operating costs per ounce of gold during the quarter were $1,811 compared to $2,249 in Q2 2025, a 19% decrease due to a 49% increase in produced ounces of gold partly offset by higher operational costs, mainly due to higher processing costs which include the costs for the rental mobile crusher.

The AISC per ounce at decreased to $2,216 for the quarter from $3,408 in Q2 2025, mainly due to the aforementioned increased gold production and offsetting increased cash operating costs coupled with higher sustaining capital expenditures in Q2 2025 due to two underground truck refurbishments in the comparative quarter.

Gold sold for the quarter was 22,491 ounces at an average sales price of $5,048/oz, generating revenue of $114 million. Bullion stocks were 2,171 ounces.

Costerfield Gold-Antimony Operations - Victoria (Costerfield)
Mandalay Resources Costerfield Operations Pty Ltd (100%)

Costerfield delivered steady operational performance during the quarter, with both ore mining and milling rates being better than planned. Mining continued to focus on achieving mining of planned high priority areas, with some variability in stope performance due to challenging ground conditions and overbreak in complex shallow dipping parts of the orebody in the Youle-Shepherd transition. The operation continues to work on targeted improvement programs including drill and blast optimisation, enhanced operator training, and the move to emulsion explosives to improve recovery and reduce dilution.

Processing focused on blend control to maximise throughput, recoveries and produced metal. Trials will occur in the upcoming quarter to determine potential benefits of pre crushing ore feed to further improve throughput, crusher downtime and blend control. Processing operations performed reliably, with higher mill throughput quarter-over-quarter supported by improved crushing circuit availability. Continuous optimisation of blending and recovery continue to be a focus. Work continues to prioritise operational consistency across all aspects of the operation.

A total of 11,686 gold equivalent ounces was produced during the quarter (Q1 2026: 6,189 AuEq oz). The site cash costs for the quarter were $1,701/AuEq oz (Q1 2026: $1,927/AuEq oz) with an AISC of $2,149/AuEq oz (Q1 2026: $2,451/AuEq oz). Gold sold for the quarter was 11,042 ounces at an average sales price of $6,333/oz and antimony sold for the quarter was 409 tonnes (228 tonnes post payability) at an average sales price of $42,488/t, generating revenue of $79 million.

Björkdal Gold Operations - Sweden (Björkdal) *Björkdalsgruvan AB (100%)*

Björkdal delivered another quarter of solid mining performance with ore production supported by consistent stope productivity and stable development activities. The operation also benefited from planned replacements of critical equipment, which improved machine availability. However, certain equipment deliveries were postponed by manufacturers and are now expected in the March 2026 quarter.

Mill throughput was slightly lower than the previous quarter, primarily due to mill linings not wearing at the anticipated rate, which limited the maximum allowable mill load. The completion and commissioning of the return water system from the mine have had a positive impact on flotation performance to date. The more stable water temperature compared with variable temperatures in river-sourced raw water enhanced process stability. This new water redundancy also reduces the mill's vulnerability to seasonal fluctuations in river conditions. The operation achieved improved recoveries during the quarter as a result.

A total of 9,888 gold ounces was produced during the quarter (Q1 2026: 5,987oz). The site cash costs for the quarter were $2,910/oz (Q1 2026: $2,805/oz) with an AISC of $4,117/oz (Q1 2026: $4,010/oz). Gold sold for the quarter was 9,176 ounces at an average sales price of $6,930/oz, generating revenue of $64 million.

FY 2026 Guidance

Given the Company's strong production, cost management, rate of investments in sustaining and growth capital and exploration expenditures in the first half of the year, Alkane expects to meet FY2026 guidance as outlined below:

		Tomingley 2026E	Costerfield	Björkdal	Consolidated
Gold produced	Oz	75,000 - 80,000	37,000 - 41,000	37,000 - 40,000	149,000 - 161,
Antimony produced	Tonnes	NA	750 - 850	NA	750 - 850
Gold equivalent produced[1]	Oz	75,000 - 80,000	43,000 - 48,000	37,000 - 40,000	155,000 - 168,
All-in sustaining costs[2]	$/AuEq oz	2,300 - 2,550	2,400 - 2,650	4,050 - 4,450	2,600 - 2,900
Growth & Exploration capital expenditures	$ million	47 - 52	24 - 28	7 - 8	78 -88

[1]Assumes average metal prices of: Au $5,000/oz, Sb $38,462t

[2]All-in sustaining costs are non-IFRS financial performance measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

Conference Call and Webcast

Alkane's Managing Director & CEO, Nic Earner, and CFO, James Carter, will host a conference call and webcast for investors and analysts to discuss the Company's financial and operating results.

Details to participate are as follows:

Date/Time:	Canada: 8:30 am EST, Friday, 13 February 2026 Australia: 9:30 pm AWST, Friday, 13 February / 12:30 am AEDT, Saturday, 14 February 2026
Conference Call:	Register HERE
Webcast:	Register HERE

- The accompanying presentation slides will be available on the Company's website - HERE.
- A replay of the webcast will be available on the Company's website - HERE.
- Investors may submit questions for the event by sending their questions to info@alkres.com

Abbreviation	Period	Abbreviation	Period
FY 2026	1 July 2025-30 June 2026	FY 2025	1 July 2024-30 June 2025
HY 2026	1 July 2025-31 December 2025	HY 2025	1 July 2024-31 December 2024
Q1 2026	1 July 2025-30 September 2025	Q1 2025	1 July 2024-30 September 2024
Q2 2026	1 October 2025-31 December 2025	Q2 2025	1 October 2024-31 December 2024

This document has been authorised for release to the market by Nic Earner, Managing Director & CEO.

ABOUT ALKANE

Alkane Resources (ASX:ALK; TSX:ALK; OTCQX:ALKRY) is an Australia-based gold and antimony producer with a portfolio of three operating mines across Australia and Sweden. The Company has a strong balance sheet and is positioned for further growth.

Alkane's wholly owned producing assets are the Tomingley open pit and underground gold mine southwest of Dubbo in Central West New South Wales, the Costerfield gold and antimony underground mining operation northeast of Heathcote in Central Victoria, and the Björkdal underground gold mine northwest of Skellefteå in Sweden (approximately 750km north of Stockholm). Ongoing near-mine regional exploration continues to grow resources at all three operations.

Alkane also owns the very large gold-copper porphyry Boda-Kaiser Project in Central West New South Wales and has outlined an economic development pathway in a Scoping Study. The Company has ongoing exploration within the surrounding Northern Molong Porphyry Project and is confident of further enhancing eastern Australia's reputation as a significant gold, copper and antimony production region.

More information available at www.alkres.com

Interactive Analyst Centre™
Comprehensive financial, operational, resource and reserve information for Alkane Resources is available through the Interactive Analyst Centre™ located in the Investors section of our website at alkres.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mining industry risks; fluctuations in the market price of mineral commodities; project development; expansion targets and operational delays; environmental risks and hazards; requirement of additional financing; health and safety; uncertainty as to calculations of mineral deposit estimates; marketability; licenses and permits; title matters; governmental regulation of the mining industry; cybersecurity events; current global financial conditions including inflation; currency risk; uninsured risks; competition; repatriation of earnings; properties without known mineral reserves; dependence upon key management personnel and executives; dependence on major customers; infrastructure; litigation; potential volatility of market price of common shares; possible conflicts of interest of directors and officers of the Company; risk of dilution; payment obligations relating to properties; instability of political and economic environments; and integration of acquisitions. Specific reference is made to the Annual Information Form for a discussion of some of the factors underlying forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Non-IFRS Performance Measures

Investors should be aware that financial data in this press release includes Non-IFRS performance measures under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by the Australian Securities and Investments Commission and Non-GAAP performance measures within the meaning of National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure published by the Canadian Securities Administrators. This press release may contain references to adjusted EBITDA, adjusted net profit, free cash flow, cash operating cost per ounce of gold equivalent produced and all-in sustaining cost all of which are Non-IFRS/Non-GAAP performance measures and do not have standardised meanings under IFRS. Therefore, these measures may not be comparable to similar measures presented by other issuers.

Management uses adjusted EBITDA and free cash flow as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow to fund future working capital needs and to fund future capital expenditures, as well as to assist in comparing financial performance from period to period on a consistent basis. Management uses adjusted net profit in order to facilitate an understanding of the Company's financial performance prior to the impact of non-recurring or special items.

The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

The Company defines adjusted EBITDA as income from mine operations, net of administration costs, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs. The Company defines adjusted net profit as net profit before special items. Special items are items of income and expense that are presented separately due to their nature and, in some cases, expected infrequency of the events giving rise to them. A reconciliation between adjusted EBITDA and adjusted net profit, on the one hand, and consolidated net profit, on the other hand, is included in the MD&A.

The Company defines free cash flow as a measure of the Company's ability to generate and manage liquidity. It is calculated starting with the net cash flows from operating activities (as per IFRS) and then subtracting capital expenditures and lease payments. Refer to "Non-IFRS Financial Performance Measures" section of the MD&A for a reconciliation between free cash flow and net cash flows from operating activities.

For Costerfield, gold equivalent ounces are calculated by multiplying quantities of gold and antimony in the period by respective average market price of commodities in period, adding the two amounts to get 'total contained value based on market price' and dividing that total contained value by the average market price of gold in period. I.e., Gold equivalent = ((Au Produced x Au $/oz) + (Sb Produced pre-payability x 70% payability x Sb $/t)) / (Au $/oz). The average market price for gold is the average of the daily PM price, sourced from www.lbma.org.uk. and the average market price for antimony is the average Shanghai Metal Market Price sourced from www.metal.com. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense and accretion of reclamation provision. Sustaining capital reflects the capital required to maintain each site's current level of operations.The site's all-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

For Björkdal and Tomingley, the total cash operating cost associated with the production of gold ounces produced in the period is then divided by the gold ounces produced to yield the cash operating cost per gold ounce produced. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense and accretion of reclamation provision. Sustaining capital reflects the capital required to maintain each site's current level of operations. The site's all-in sustaining cost per ounce of gold in a period equals the all-in sustaining cost divided by the gold ounces produced in the period.

For the Company as a whole, cash operating cost per gold equivalent ounce is calculated by summing the gold equivalent ounces produced by each site and dividing the total by the sum of cash operating costs at the sites. Consolidated cash operating cost excludes royalty and corporate level general and administrative expenses. All-in sustaining cost per ounce gold equivalent in the period equals the sum of cash operating costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, and accretion of reclamation provision, divided by the total gold equivalent ounces produced in the period. A reconciliation between cost of sales and cash operating costs, and also cash operating cost to all-in sustaining costs are included in the MD&A.

CONTACT: NIC EARNER, MANAGING DIRECTOR & CEO, ALKANE RESOURCES LTD, TEL +61 8 9227 5677
INVESTORS & MEDIA: NATALIE CHAPMAN, CORPORATE COMMUNICATIONS MANAGER, TEL +61 418 642 556