

## ARS – ASX ANNOUNCEMENT

30 March 2020

### **LETTER FROM THE CHIEF EXECUTIVE OFFICER COVID - 19 CORPORATE UPDATE**

To all Shareholders,

COVID–19 is impacting on all Australians in all sectors and in all states. The states and the federal government have implemented multiple measures to attempt to manage and minimise the impacts of the virus on the health system, the economy and the social fabric of the country.

State and federal COVID–19 mandated directives impact on the Company and our operations as they do with all mining, oil and gas and exploration companies operating in Australia and globally, as ARS shareholders you have been asking how we are dealing with the current State of Emergency as a Company and how our operations are impacted and what you can expect in the immediate and near term from the Company.

Operationally, I have deferred planned drilling programs for the immediate and near term. We recently completed a 3,700 metre RC program at the Mt Ida and Bottle Creek project on 11<sup>th</sup> March 2020. It was clear that the COVID–19 virus was spreading far more rapidly than government expected and to safeguard our staff we demobilised the workforce to their home ports immediately at the conclusion of the drill program. All staff exited Kalgoorlie safely on Sunday 15<sup>th</sup> March. The Bottle Creek mining camp is now manned by a Company employee on site as caretaker.

Moving forward our staff and contractors are now all working remotely from various locations around the country and New Zealand to deliver the Maiden Ore Reserve Statement, Pre-Feasibility Study (PFS), Financial Model and Feasibility Study (FS) for the Mt Ida and Bottle Creek Gold Project.

As you would be aware the PFS and Maiden Ore Reserve Statement were due to be delivered end Q1 2020. The impact of COVID–19 on our contractors having to move staff and operations to home environments and the establishment of IT systems to enable remote operations has delayed the delivery of the PFS and the Ore Reserve Statement which we now expect to be delivered by the end of April 2020.

Western Australian Premier Mark McGowan has implemented a raft of declarations and directives for COVID–19 Pandemic, with new intrastate travel restrictions coming into force Tuesday 31 March 2020, restricting travel through regions of Western Australia whereby people will not be permitted to leave their regional boundary and Police have the power to enforce these restrictions.

Premier McGowan has also stated the mining, oil and gas industries are now, more than ever essential to the Western Australian and federal economies and has applied exemptions for employment purposes in these sectors relative to the intrastate travel restrictions.



We are fortunate in that the Mt Ida and Bottle Creek Gold Project is located 220 kilometres north west of Kalgoorlie in Western Australia and sits within the Goldfields regional boundary identified in the WA Governments new intrastate travel restrictions.

The Company recently finalised a Mining Service Agreement (MSA) with Blue Cap Mining to mine the Tim's Find deposit at Mt Ida South. Blue Cap's mining fleet is currently located in Laverton and is scheduled to relocate to the Tim's Find project at the completion of its current mining contract, with the Blue Cap work force predominantly domiciled in Kalgoorlie.

We have finalised the expanded mine plan for Tim's Find and will submit this plan to the Regulator for approval and permitting in coming weeks, pending Government approval we anticipate mining operations could commence at the Tim's Find project area towards the end of Q2 2020. The commencement of mining operations will be entirely dependent on the capacity of Blue Cap to continue their operations within the constraints, restrictions and requirements to operate safely under COVID-19 directives as mandated by the Regulator and the Western Australian Government.

As part of the forward planning we implemented a significant expansion to the Bottle Creek mining camp to facilitate mining operations which were also completed in March 2020. The camp has been made ready to move into mining operations. We are also fortunate to have the Bottle Creek airstrip located within the project with capacity to service the mining camp by air.

We are a junior gold Company moving towards development and production and are well positioned to deliver the Maiden Ore Reserve Statement, PFS and FS, with proposed mining operations scheduled to commence in the near term. COVID-19 impacts on all us, both at the Corporate and personal level, but logic would suggest there will be a solution to the pandemic at some time in the future. We will be implementing measures to maintain our employees and preserve our cash balance and remain well positioned to weather the COVID-19 crisis.

Best wishes and good luck to all,

James Anderson  
Chief Executive Officer

**This announcement has been reviewed and approved for release by the Board of Alt Resources Limited**