# ANNUAL REPORT
# 2024

ALKANE
RESOURCES LTD

# Corporate Directory

ACN 000 689 216
ABN 35 000 689 216

## Directors

| | |
|---|---|
| I J Gandel | Non-Executive Chairman |
| N P Earner | Managing Director |
| D I Chalmers | Technical Director |
| A D Lethlean | Non-Executive Director |
| G M Smith | Non-Executive Director |

## Joint Company Secretaries

D Wilkins
J Carter

## Registered office and principal place of business

Level 4
66 Kings Park Road
West Perth WA 6005
Telephone: 61 8 9227 5677

## Share register

**Automic Pty Ltd**
Level 5
126 Phillip Street
Sydney NSW 2000

## Auditor

**PricewaterhouseCoopers**
Brookfield Place
125 St Georges Terrace
Perth WA 6000

## Securities exchange listings

Ordinary fully paid shares

**Australian Securities Exchange (Perth)**
ASX code: ALK

**OTC International**
OTC code: ALKEF

## Contact

alkane.com.au
info@alkane.com.au

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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 Geosciences.

# Contents

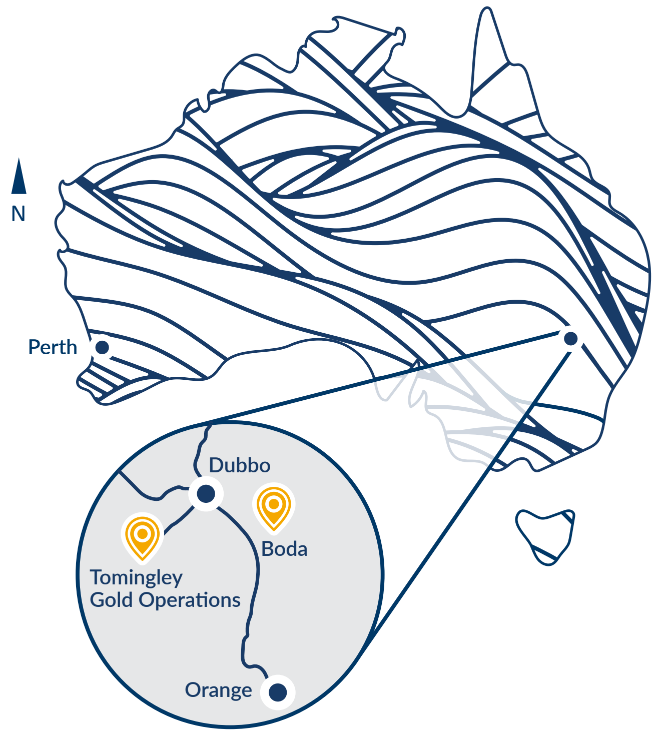
# About Alkane

We are a gold exploration, development and production company with projects and operations located in Central West New South Wales.

**Alkane Resources Ltd** is the parent entity of the Alkane group. We own and operate Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo.

Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation. We also hold several highly prospective gold and copper tenements in Central West New South Wales.

Alkane is headquartered in Perth, Western Australia. Our exploration team is based in Orange, New South Wales. The company was incorporated in 1969 and is listed on the Australian Securities Exchange (ASX:ALK).




*Tomingley underground*


*Tomingley*

# Our Values

## Integrity
We do what's right in our actions and relationships.

## Transparency
We are proactive in communicating our intent and outcomes.

## Respect
We treat people and the environment with care.

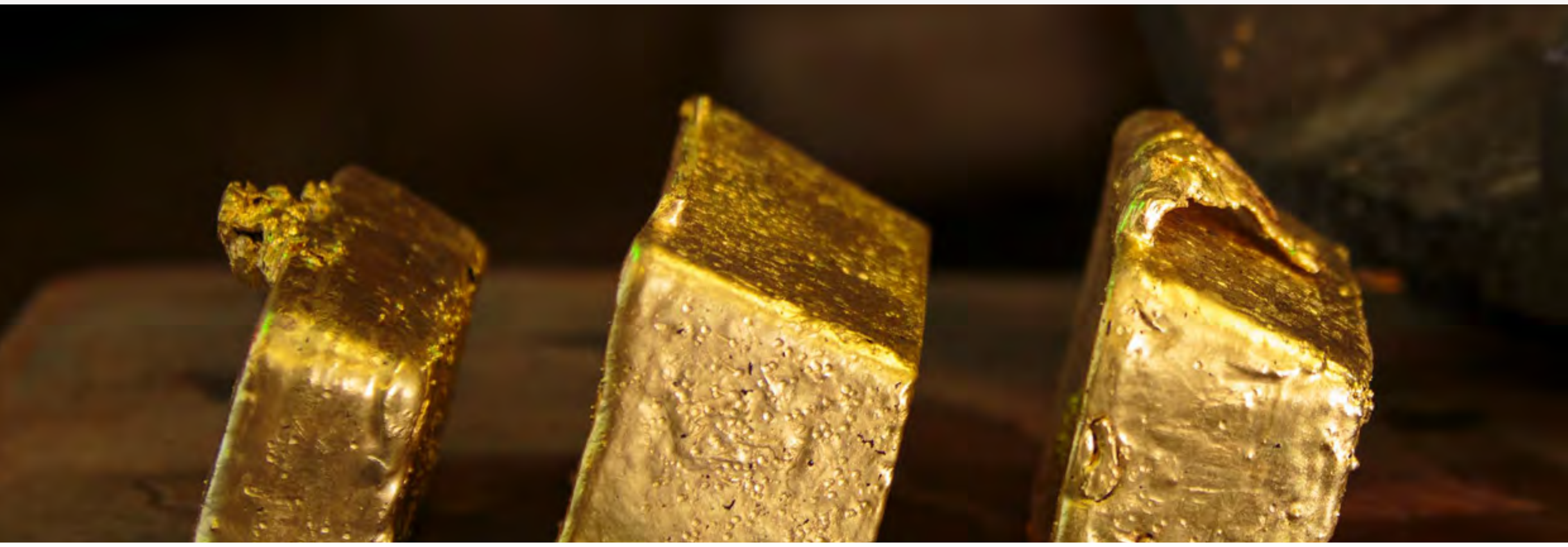
## Performance
We plan and execute to deliver strong business results.

# Mission Statement

**Alkane strives to discover economic mineral deposits and release their value through sustainable development or transaction.**

**Our approach is technically conservative, with any financial risks carefully considered.**

# Annual Highlights



## Corporate

Profit after tax of

**A$17.7M**

(FY23: $42.5M)

Cash, Bullion and listed investments of

**$54.5M**

at 30 June 2024

(FY23: $107.2M)

Gold revenue of

**$173.0M**

(FY23: $190.5M)

**57,592oz**

gold sold at

**$3,004** per oz

(FY23: 70,498oz gold sold at $2,703 per oz)

## Operations

**57,217oz**
gold poured at an AISC of
**A$2,137** per oz

(FY23: 70,253oz gold poured at an AISC of A$1,602 per oz)

Operating cashflow of
**$64.8M**
at 30 June 2024

(FY23: $80.3M)

Commenced
**Roswell underground**
mining development

Tomingley
**Five Year Plan**
released

## Exploration and Growth

Updated Boda-Kaiser resources (Indicated + Inferred) at
**8.3Moz Au** and
**1.5Mt Cu**

**75,235m drilled**
at exploration prospects (323 holes)

(FY23: 85,423m)

Updated NMPP geological map with
**major Au-Cu porphyry setting**
identified after gravity survey

Boda-Kaiser Project
**Scoping Study**
completed

(released post year-end 10 July 2024)

# Chairman's Message

## I'm delighted to present the Alkane Resources Annual Report to shareholders for 2024.

It has been another productive and pivotal year for Alkane, with Tomingley entering a new era of growth and an initial Scoping Study demonstrating strong potential value at Boda-Kaiser. We are immensely pleased with the progress on both projects.

We have entered a transformational period at Tomingley that will see mining of new resources and gold production ramp up over the next few years. Underground extraction of ore commenced at Roswell in April. In parallel, we're partway through a period of major capital works, which include plant upgrades to improve throughput and gold recoveries.

I direct your attention to the Tomingley Five Year Plan, released in June, which outlines the projected production and capital costs until the end of FY29. By FY27, when we plan to commence open cut mining at San Antonio, we hope to be producing more than 100,000 ounces of gold per annum. With open cut reserves extending beyond the current five-year plan and the prospect of growing resources further, the future at Tomingley looks bright.

The future of our Boda-Kaiser Project also looks promising. We updated the Boda and Kaiser Mineral Resources during the year, introducing an Indicated category for each, and announced the results of a comprehensive metallurgical testwork program. These informed scoping-level mining, engineering, and economic studies that were combined to produce the Boda-Kaiser Scoping Study, released in July.

The Scoping Study demonstrates the significant value that could come from development of Boda-Kaiser, particularly leveraging economies of scale. We are continuing baseline environmental studies and refining various aspects of the project with the view to progressing further into feasibility. In addition, we are starting to engage with larger gold companies to evaluate partnering options for what would be a major project.

On the exploration front, after a sustained period focused at Boda-Kaiser and the San Antonio and Roswell resources at Tomingley, we now turn our attention to defining new targets. Significant potential exists for the discovery of further deposits across both the Northern Molong Porphyry and Tomingley Gold tenement packages. During FY24, we undertook airborne geophysical surveys over most of our tenements to refine our understanding of the geology and help identify new targets.

Our achievements this year derive from the considerable efforts and support of a great many people. On behalf of Alkane's Board and management, I acknowledge and thank the employees, contractors, strategic partners and consultants of the company for their strong and continued commitment, and I thank our many shareholders and stakeholders for their ongoing support of Alkane.

**Ian Gandel**
Chairman
Alkane Resources Ltd

# BUSINESS REVIEW

# Tomingley

We entered a new era at Tomingley during FY24, with the start of underground mining at Roswell and progression of major capital works to extend and futureproof operations.

## Mining and production

Tomingley Gold Operations is an open pit and underground mining development with a 1Mtpa processing facility in operation since 2014. The operation is located near the village of Tomingley, approximately 50 kilometres southwest of Dubbo in Central West New South Wales. Tomingley Gold Operations Pty Ltd is a wholly owned subsidiary of Alkane.

Mining at Tomingley has been based on the Wyoming One, Wyoming Three, Caloma One and Caloma Two gold deposits. Throughout FY24, mining occurred underground at Wyoming One, Caloma One and Caloma Two.

In April 2024, underground mining commenced at the Roswell deposit, approximately 2.7 kilometres south of Tomingley, following the required government approvals. Access to the deposit is via the underground exploration drive completed in May 2023, which has been repurposed as a production drive.

*In FY24 Tomingley produced 57,217 ounces of gold at an AISC of A$2,137 per ounce.*

**AISC, or All In Sustaining Cost, comprises all site operating costs, royalties, mine exploration, sustaining capex and mine development and an allocation of corporate costs, presented on the basis of ounces sold.*

Production for the financial year was 57,217 ounces of gold at an AISC* of A$2,137. These fell within the revised production guidance (ASX announcement 11 June 2024). Despite strong production in the final quarter, we were unable to meet the original guidance due to two primary factors: unforeseen recovery issues experienced from a discrete mining area in Caloma Two during February; and the Roswell ramp-up was delayed by equipment availability.

FY25 guidance for Tomingley is 70,000 to 80,000 ounces of gold production at an AISC of A$2,400 to $2,600 per ounce. The higher cost reflects the one-off cost of decline development at Roswell that is accounted as sustaining capital and therefore included in the AISC.


*Tomingley*

## Extension of operations

The Tomingley Gold Extension Project permits Alkane to extend gold mining operations to the San Antonio and Roswell resources immediately south of the existing mine. Approval was granted in February 2023 until end-2032.

We have approval to develop an underground mine at Roswell and one large open cut (comprising three stages of pit development within its footprint). The consent also permits realignment of the Newell Highway and another local road, a higher processing rate of 1.75Mtpa, paste-filling of underground stopes at Roswell, and further wall-lifts to the second residue storage facility.

During FY24, the following activities related to the extension and futureproofing of operations:

- Obtained new Mining Lease from 19 July 2023 and approvals of required environmental management plans.
- Undertook underground infill drilling of the Roswell deposit, leading to an updated Mineral Resource Estimate (see page 27).
- Completed construction of the second residue storage facility (RSF2).
- Constructed a new access ramp into the Wyoming One open cut to provide long-term safe access to the underground mine.
- Commenced paste plant construction in late 2023. The paste plant will provide stope fill material to ensure ground stability and full recovery of reserves (no underground pillars required).
- Commenced a processing plant upgrade to improve gold recovery, involving construction of a flotation and regrind circuit.
- Established underground mining and facilities at Roswell.
- Upgraded the site's incoming high-voltage power system.
- Commenced construction of the pipeline and surface vehicle corridor linking the Caloma and Roswell deposits.
- Obtained approval for the Newell Highway realignment design and released tenders for construction.

Alkane expects to commission the paste plant and processing plant upgrade by December 2024. During the 2025 calendar year, we plan to construct the Newell Highway and Kyalite Road diversions, prepare open cut infrastructure, and upgrade the processing plant to a nominal throughput of 1.5Mtpa.

# Tomingley Five Year Plan

Alkane recently announced the Tomingley Five Year Plan, which outlines projected production and capital costs until the end of FY29 (ASX Announcement 24 June 2024).

The next five years will see the Roswell underground development continue and the start of open cut operations at San Antonio once a section of the Newell Highway has been relocated.

The 1.5Mtpa processing rate is planned to come online by end-2025.

The table below summarises key elements of the five-year plan. The projected high cost of the first financial year (FY25) reflects the inclusion of Roswell decline development in the AISC. Note that the resources at Tomingley extend beyond this five-year plan.

## Summary of anticipated mine production

<table>
<tr><th></th><th>FY24</th><th>FY25</th><th>FY26</th><th>FY27-29</th></tr>
<tr><td>Production Range<br>(ozAu)</td><td>55,000 - 58,000</td><td>70,000 - 80,000</td><td>85,000 - 95,000</td><td>100,000 - 110,000</td></tr>
<tr><td>Ore Source:<br>- Underground<br>- Open Cut</td><td>100%<br>0%</td><td>100%<br>0%</td><td>100%<br>0%</td><td>60%<br>40%</td></tr>
<tr><td>Head Grade<br>(g/t Au)</td><td>2.0</td><td>2.3</td><td>2.5</td><td>2.4</td></tr>
<tr><td rowspan="2">Expected AISC<br>(A$/ozAu)</td><td rowspan="2">2,150 - 2,350</td><td>2,400 - 2,600</td><td>1,800 - 2,000</td><td>1,900 - 2,100</td></tr>
<tr><td colspan="3">1,900 - 2,100</td></tr>
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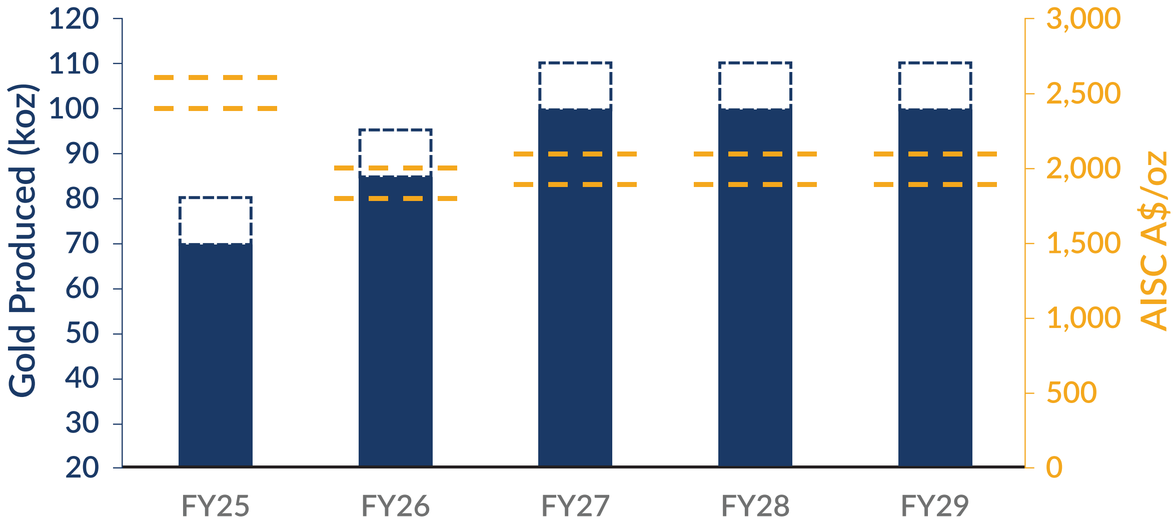
## Estimated production and AISC



# Tomingley snapshot

FY25-29:
**455,000-505,000oz Au**
$1,900-$2,100 AISC

Mine life to
**2030+**

**$132M**
capital for growth over next 18 months

**1.5Moz Au**
in resource

*Tomingley*

# Boda-Kaiser

Updated Mineral Resource Estimates and comprehensive metallurgical studies informed a series of scoping-level mining, engineering, and economic studies. These were combined to produce a Boda-Kaiser Scoping Study in July 2024.

## Project overview

The Boda-Kaiser Project is founded on a large gold-copper porphyry system near the village of Bodangora, 15 kilometres northeast of Wellington in Central West New South Wales.

Alkane discovered porphyry mineralisation with significant economic potential at Boda in late 2019. An extensive drilling campaign has since defined the Boda and Kaiser resources, which lie in a mineralised corridor some 3.5 kilometres in length. We believe the Boda and Kaiser deposits have the potential to support a long-term bulk-tonnage mining and processing operation.

The Boda-Kaiser Project is part of Alkane's Northern Molong Porphyry Project (NMPP), which comprises several Exploration Licenses (ELs) in the broader area. Alkane currently owns two properties within the NMPP, including the land on which the Boda and Kaiser deposits are located.

*The Boda-Kaiser resources have a combined metal inventory of approximately 8.3Moz Au and 1.5Mt Cu.*

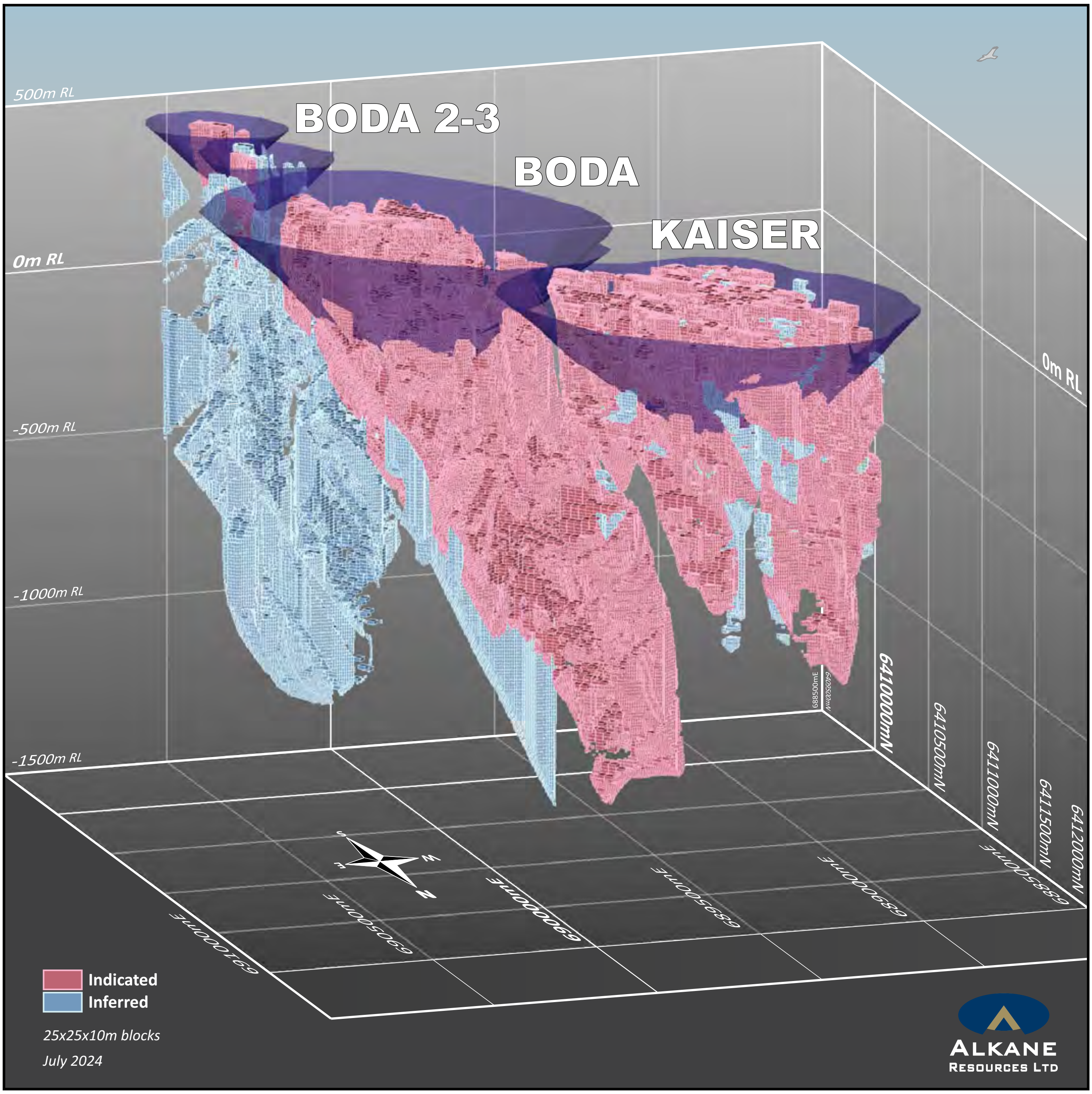
## Updated Mineral Resources

Alkane announced updated Mineral Resource Estimates (MRE) for Boda and Kaiser during the reporting period (ASX Announcements 14 December 2023 and 29 April 2024 respectively), introducing an Indicated category for both resources. The updated Boda MRE now includes the previously unclassified mineralisation at Boda 2-3.

The Boda and Kaiser resources have an estimated total combined metal inventory of 8.3 million ounces of gold and 1.5 million tonnes of copper (~14.7 million ounces of gold equivalent (AuEq)*). This represents an increased metal endowment of approximately 15% for the project.

Boda is a large, low-grade resource with a surface projection approximately 1,750 metres long and 500 metres wide. It is classified to a depth of approximately 1,000 metres below surface.
The nearby Kaiser resource has a surface projection of approximately 1,100 metres long and 700 metres wide. It is classified to a depth of approximately 630 metres below surface. Both resources are open at depth and along strike. Refer to page 18 for information about Alkane's exploration program and page 31 for the complete Mineral Resource Estimation tables.

**The gold equivalent calculation formula is AuEq(g/t) = Au(g/t) + Cu%/100 x 31.1035 x copper price($/t) / gold price($/oz). The prices used were 12-month averages of US$1,950/oz gold and US$8,600/t copper, and A$:US$0.67. Estimated recoveries are 87% Cu and 81% Au for Boda and 81% Cu and 71% Au for Kaiser from metallurgical studies of the Boda and Kaiser ore. Alkane considers the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*




*Boda-Kaiser 3D block model of indicated and inferred resources with pit shells*

## Metallurgical studies

Alkane announced the results of a comprehensive metallurgical testwork program on the Boda and Kaiser ores in November 2023 (ASX Announcement 14 November 2023).

With the goal of identifying the optimal processing method, the program tested 21 representative samples of the Boda and Kaiser ores and established a viable process flowsheet. This comprised conventional crushing, grinding and flotation circuits to produce a saleable concentrate and leaching of the cleaner tail to produce gold doré.

The overall recovery of gold and copper to saleable products exceeded our initial expectations:

- Boda is estimated at 87.4% of copper and 80.9% of gold.
- Kaiser is estimated at 79.6% of copper and 70.7% of gold.

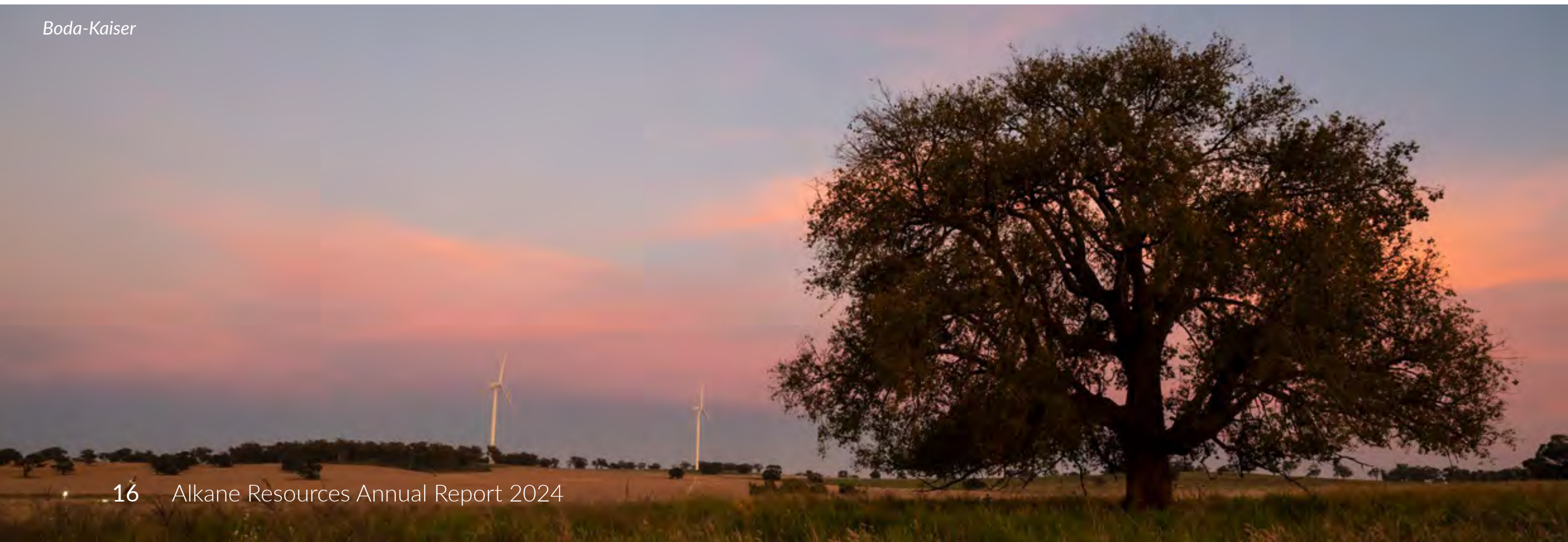
Although further testwork will be required, the campaign supplied a considerable amount of data for the process design component of the Boda-Kaiser Scoping Study.


*Copper-gold concentrate from Boda-Kaiser*

## Environmental studies

During FY24, Alkane commenced baseline environmental studies in the vicinity of the Boda and Kaiser deposits. We will need to collect a wide range of baseline data over at least two years to prepare an Environmental Impact Statement (EIS), required for project approval in the future.

The studies will encompass meteorological conditions, flora and fauna, surface and groundwater, soils and land use capability, visual amenity, transport, noise, air quality, and Aboriginal and European heritage.


*Boda-Kaiser*

## Boda-Kaiser Scoping Study

Post year-end, Alkane released a Scoping Study of the Boda-Kaiser Project (ASX Announcement 10 July 2024). The goal was to help us understand the potential project economics and economies of scale from different-sized operations and identify a potential pathway to development.

The Scoping Study evaluated three possible development scenarios (mining and processing 5, 10 and 20 million tonnes of ore per annum) over a 30-year timeframe. It showed that the largest development scenario (20Mtpa) is the highest value due to the potential economies of scale.

Given its positive economics, the 10Mtpa development could form part of a staged build for a larger project, or as a standalone project in a rising gold and copper price environment. It is unlikely that a 5Mtpa development would meet Alkane's investment return hurdles at current gold and copper prices.

Alkane intends to explore further reduction of mining costs and assess potential for bulk-tonnage underground mining, while continuing process optimisation, regional exploration and baseline environmental studies. We will also evaluate potential funding pathways and partners, the outcome of which will contribute to the selection of which development option to progress further into feasibility.

## Summary of Scoping Study metrics for the 20Mtpa scenario

| | | |
|---|---|---|
| **20Mtpa**<br>**Throughput** (2 x 10 Mtpa) | **17+ years**<br>**Life of Mine** | **A$1.8B**<br>**Capex** (pre-production) |
| Cu<br>**35,611tpa**<br>**Copper** (first 5 years) | **159,334oz pa**<br>**Gold** (first 5 years) | **A$630.4/oz**<br>**AISC** (with copper by-product credit) |
| **A$4.3B**<br>**10-Year Free Cashflow** (pre-tax) | **A$1.8B**<br>**Net Present Value** (7%) | **24%**<br>**Internal Rate of Return** |

# Exploration

Alkane holds several gold and copper tenements in Central West New South Wales. Our FY24 exploration efforts focused on the Northern Molong Porphyry Project (Boda and Kaiser) and the Tomingley Gold Project.

## Northern Molong Porphyry Project (gold-copper)

*Alkane Resources Ltd 100%*

The Northern Molong Porphyry Project (NMPP) is located in Central West New South Wales, centred about 20 kilometres north of Wellington and 35 kilometres east of Dubbo. It covers an area of 180 square kilometres at the northern end of the Molong Volcanic Belt of the Macquarie Arc, which is considered highly prospective for large-scale porphyry and epithermal gold-copper deposits.

Alkane's exploration activity has identified at least seven discrete magnetic/intrusive complexes within a northwest trending transverse corridor. These are the Kaiser (KIC), Boda (BIC), Boda South (BSIC), Driell Creek (DIC), Murga (MIC), Windora (WIC), and the Tompkins (TIC) intrusive complexes, which are all located just outside the major Comobella Intrusive Complex (CIC) (see map on page 19).


Field exploration

The corridor is defined by intermediate intrusives, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralisation.

Alkane owns five exploration licences within this prospective corridor and has defined two significant gold-copper resources at Boda and Kaiser (see page 14).

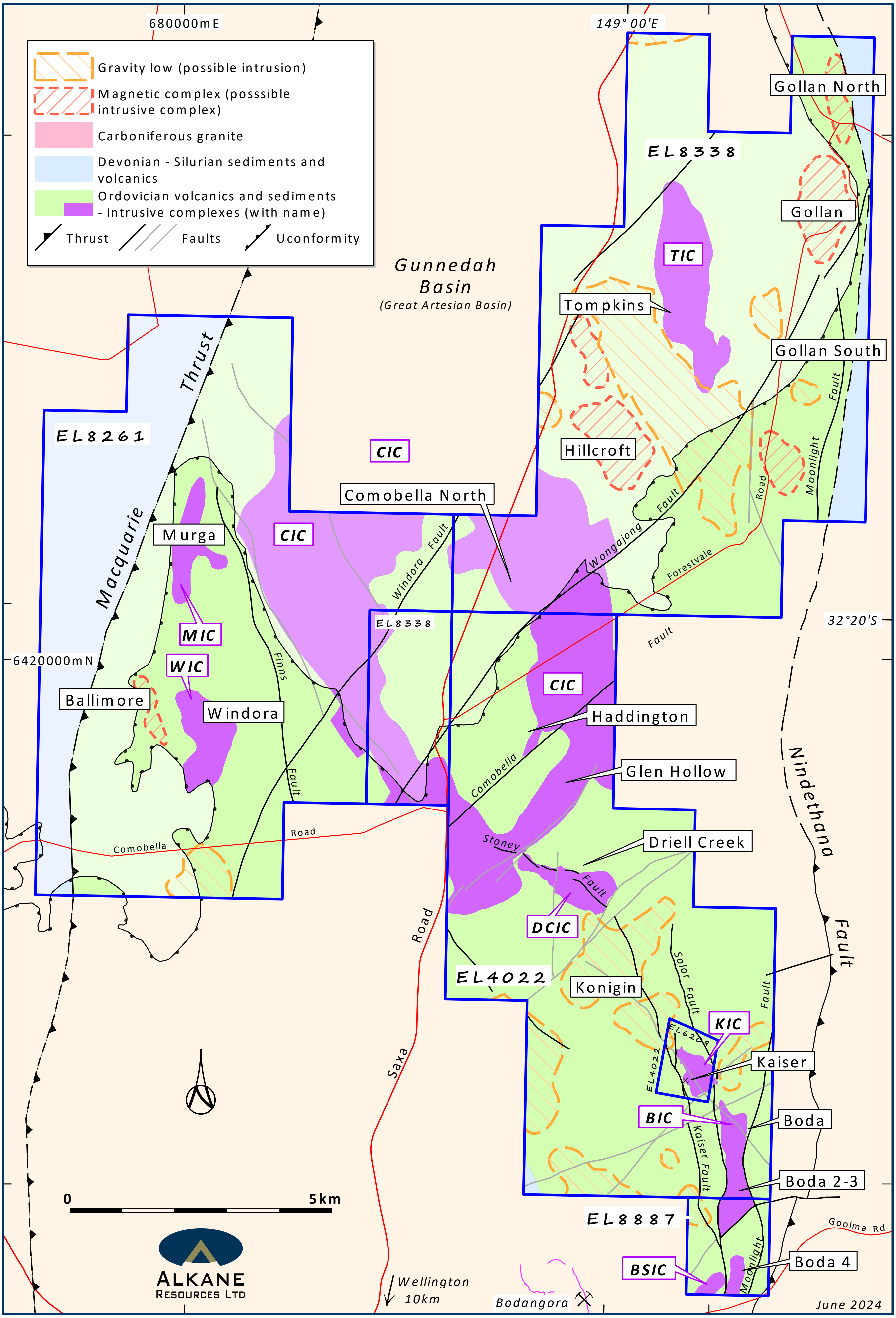
### Exploration program

Exploration within the NMPP during FY24 focused initially on infill drilling at Boda (including Boda 2-3) and Kaiser to enable upgraded Mineral Resource Estimates to be determined.

We also undertook exploration to grow our understanding of the regional geological setting of the district to aid the discovery of new gold-copper porphyry deposits.

To assist with this, an airborne gravity survey was flown over the entire NMPP in late 2023. Subsequent 3D inversion modelling and interpretation of the data refined our understanding of the geology, which is reflected in our updated geological map of the area (page 19).

In early 2024, Alkane completed small drilling programs at the Boda 2-3, Konigin, Driell Creek and Murga prospects. In total, the drilling comprised 14 reverse-circulation (RC) drill holes for a total of 4,408 metres and four diamond core for a total of 4,062 metres.



Alkane's NMPP tenements, showing regional geology

Alkane recently released a comprehensive summary of NMPP exploration results, which demonstrate strong potential for the discovery of new gold-copper porphyry deposits (ASX Announcement 21 June 2024).

### *Konigin, Driell Creek and Murga*

Results indicated the geology is favourable for porphyry type environments; however, individual drill results at Konigin and Murga showed weak mineralisation. Drilling results from Driell Creek (approximately five kilometres northwest of Kaiser) intersected several intercepts of similar grade and character to early results received at Boda before its discovery. Further drilling at Driell Creek is now considered a high priority.

### *Boda 2-3*

During 2023 resource drilling, diamond core hole BOD094 intersected a high-grade hydrothermal breccia deep and to the west of Boda 2-3 (ASX Announcement 25 August 2023).

Alkane tested this intercept along strike with two diamond core holes in early 2024. The drilling confirmed the high-grade chalcopyrite cemented breccia has a strike length of greater than 100 metres and is open along strike to the south and along dip.

This mineralisation lies outside the current Boda Mineral Resource envelope. Due to its depth and significant dislocation by major faulting, no further drilling is planned at this stage. (For more details, see ASX Announcement 21 June 2024).

## Planned exploration in FY25

Significant potential exists for the discovery of further deposits like Boda and Kaiser across the NMPP tenement package. Planned regional exploration for the next 12 months will focus on further drill testing of the Driell Creek prospect to follow up the significant gold-copper porphyry mineralisation intersected in early 2024.

Alkane also plans to use a range of field techniques to identify new targets, focusing on the Haddington, Windora, Ballimore, Comobella North and Boda 4 prospects. Scheduled exploration will comprise mapping, Induced Polarisation (IP) surveying, detailed ground gravity, ANT (Ambient Noise Tomography) passive seismic and air-core drilling utilising bottom of hole litho-geochemistry over the large area surrounding the Comobella Intrusive Complex (CIC).

This exploration forms part of Alkane's FY25 exploration budget of approximately A$6 million.

# Tomingley Gold Project

*Alkane Resources Ltd 100%*

Alkane's Tomingley Gold Project covers an area of approximately 440 square kilometres, stretching 60 kilometres north-south along the Newell Highway in Central West New South Wales. The prospective belt extends from near the village of Tomingley in the north (about 50 kilometres southwest of Dubbo), through Peak Hill and almost to Parkes in the south.

The project incorporates Alkane's currently active Tomingley Gold Operations, the Tomingley Gold Extension Project (founded on the San Antonio and Roswell resources), and the inactive Peak Hill Gold Mine.

## Exploration program

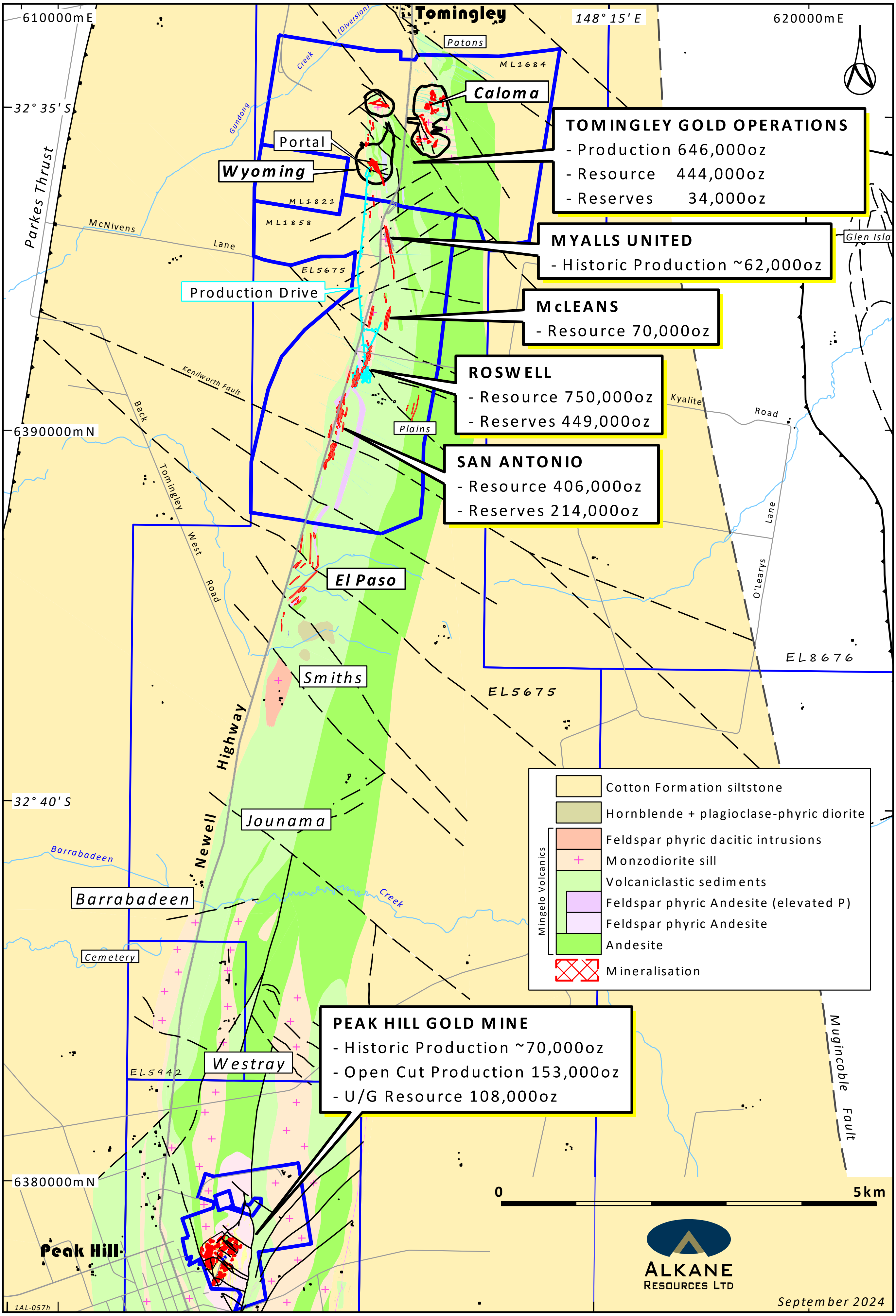
Alkane continues to explore the gold corridor between Tomingley and Peak Hill, with the view to defining additional resources to extend the life of the Tomingley asset. To assist the definition of additional drill targets, detailed drone-based magnetic and airborne gravity surveys were completed in late 2023.

In early 2024, Alkane completed a small diamond core and RC campaign at the Plains and El Paso prospects. El Paso lies approximately two kilometres south of the San Antonio deposit, and the Plains prospect lies approximately one kilometre southeast of the Roswell deposit.

An air-core (AC) program tested the eastern side of the prospective belt east of the Tomingley Gold Extension Project.

Air-core drilling also occurred at the Allendale prospect, which is a gold-copper porphyry target approximately five kilometres northwest of Tomingley.

In total, the drilling comprised 117 AC drill holes for a total of 11,520 metres, five RC drill holes for a total of 1,550 metres, and three diamond core for a total of 1,091 metres.




Northern section of Tomingley Gold Project, showing regional geology

*Peak Hill*

### *McLeans deposit*

The McLeans deposit lies two kilometres south of Tomingley, 500 metres northeast of the Roswell deposit and adjacent to the production drive from Wyoming One.

The maiden underground Inferred Mineral Resource estimate was released with 870,000 tonnes at 2.51g/t gold for 70,000 contained ounces (see ASX Announcement 13 September 2023). This has been incorporated in the Tomingley Gold Extension Project resources.

## Peak Hill Gold Mine

Located 15 kilometres south of Tomingley, Alkane's Peak Hill Gold Mine operated from 1996 to 2005 as an open cut heap leach. While the site is substantially rehabilitated, it remains an active Mining Lease. Technological advances and gold price increases in the last two decades have led Alkane to re-evaluate the economics of further development.

During FY24, the completion of a University of Tasmania student research project enhanced our understanding of the deposit alteration and mineralogy. Alkane also commenced a soil sampling project south of Peak Hill.

Although Alkane retains its Mining Lease and Environment Protection Licence for Peak Hill Gold Mine, any further mine development would require further environmental assessment and government approval.

Refer to page 27 for the Mineral Resource table.

## Planned exploration in FY25

Planned regional exploration continues to focus on discovering new gold resources to provide future ore feed for Tomingley.

Following the recent airborne geophysical surveys, a 14,000-metre AC drilling program will test recently defined volcanic belts we consider highly prospective for significant mineralisation. Any intersected shallow mineralisation will be tested at depth by small RC and diamond drilling campaigns. This will include known significant mineralisation at the El Paso, Tomingley Two (4.5km north of Caloma) and Plains prospects.

We also plan to explore the Trewilga (south of Peak Hill) and Glen Isla areas for new targets using field techniques such as high-resolution drone magnetics, soil sampling and mapping including rock chip sampling.

## Southern Junee Porphyry Project (gold-copper)

*Alkane Resources Ltd 100%*

The Southern Junee Porphyry Project (SJPP) is located in the Riverina region of New South Wales, centred about 50 kilometres south of the large Cowal mine (Evolution ~14.3Moz gold). It covers an area of 235 square kilometres at the southern extension of the Junee-Narromine Volcanic Belt (J-NVB), which is considered highly prospective for world-class gold-copper porphyry deposits.

Following acquisition of three exploration licences (EL5792, EL7982 and EL8025), inclusive of all data, from Sandfire Resources Ltd in June 2023, Alkane consolidated the tenements into one exploration licence (EL9600). The project is 100% owned by Alkane with no underlying royalties or liabilities.

During FY24, Alkane completed an airborne gravity survey over the SJPP project area and commenced interpretation of the results. All the historic drill core from the project has been compiled at the Peak Hill exploration base.

## Armstrongs (gold)

*Alkane Resources Ltd 100%*

Located west of Parkes, the Armstrongs prospect has similar geology to the Tomingley Gold Project and historic drilling has identified low-grade gold mineralisation over a 400-metre strike length.

In FY24, Alkane completed 49 AC drill holes for a total of 2,412 metres to test the McGuiggans prospect. McGuiggans is positioned along the London-Victoria Fault and lies three kilometres south of the historical London-Victoria Mine (~270,000oz gold endowment).

## Rockley (base metals, gold)

*Alkane Resources Ltd 100%*

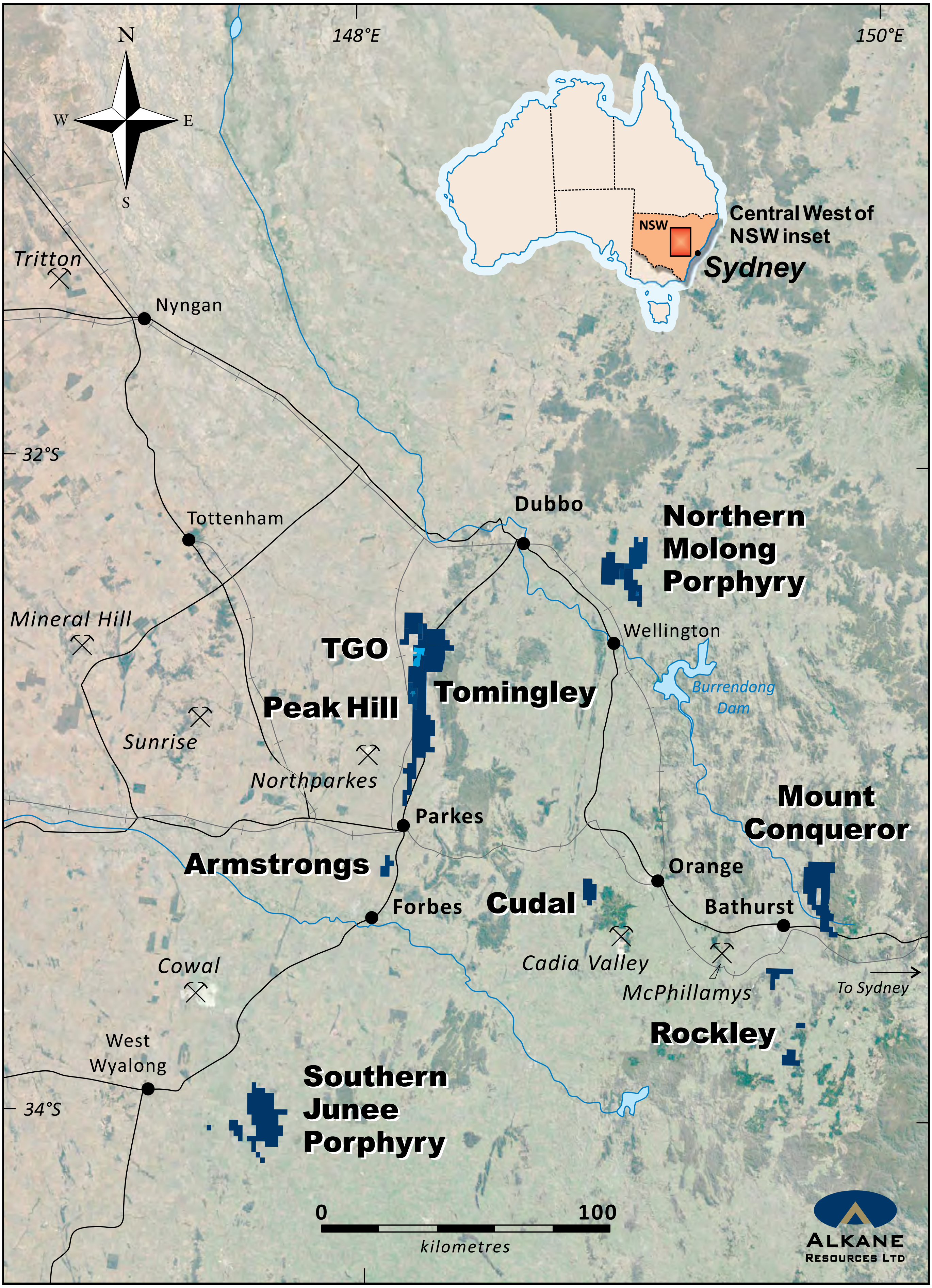
The Rockley Project is located 35 kilometres south of Bathurst. Its three exploration licences cover a portion of the late Silurian Mumbil Group, a geological sequence considered highly prospective for structurally controlled gold and McPhillamys-style gold and base metal mineralisation.

During FY24, Alkane completed a fixed loop ground EM survey within the Apsley target area to assess potential for skarn-type gold and base metal mineralisation. A seven-hole slimline RC drilling program confirmed Cu-Zn skarn mineralisation beneath the outcropping mineralisation in six of the drill holes. Results were announced post year-end (ASX Announcement 8 August 2024).

## Other projects

Alkane's other exploration projects in New South Wales are Cudal (gold-copper-zinc) and Mt Conqueror (gold). (Both Alkane Resources Ltd 100%). Trangie was relinquished.

*Exploration team*




*Alkane's projects and operations in Central West New South Wales*

# MINERAL RESOURCES AND ORE RESERVES

# Mineral Resources and Ore Reserves

Alkane reports Mineral Resources and Ore Reserves for the Tomingley Gold Project and the Northern Molong Porphyry Project (Boda and Kaiser deposits) as at 30 June 2024.

The Mineral Resources and Ore Reserves for the Tomingley Gold Project and the Northern Molong Porphyry Project are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012).

They were reported to the ASX on 4 September 2024. Any differences to those tables are corrections to typographical errors; the assumptions and parameters detailed in that report are unchanged.

Mineral Resources are wholly inclusive of Ore Reserves.

## Tomingley Gold Project

Identified Mineral Resources and Ore Reserves for the Tomingley Gold Project have been updated for 30 June 2024. The project includes:

- Tomingley Gold Operations production facility (Wyoming One, Wyoming Three, Caloma One and Caloma Two deposits)
- Tomingley Gold Extension Project (San Antonio, Roswell and McLeans deposits), and the
- Peak Hill Gold Project.

Mineral Resources and Ore Reserves have been re-estimated to account for additional resources, mining depletion, changes in gold price and operating costs during the 2024 financial year. The net result is an 11 percent increase in reserve ounces.

The detailed estimates are set out in the tables on the following pages.

### Tomingley Gold Project

Total Mineral Resources: 24.27Mt grading 2.12g/t Au (**1,656,000oz**)
Total Ore Reserves: 11.76Mt grading 1.9g/t Au (**705,000oz**)

# Mineral Resources

## Tomingley Gold Operations Mineral Resources (30 June 2024)

| DEPOSIT | MEASURED | | INDICATED | | INFERRED | | TOTAL | | Total Gold (koz) |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | |
| **Open Pittable Resources (cut-off 0.4g/t Au)** | | | | | | | | | |
| Caloma One | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Underground Resources (cut-off 1.3g/t Au)** | | | | | | | | | |
| Wyoming One | 1013 | 2.7 | 763 | 2.2 | 108 | 2.1 | 1,884 | 2.5 | 149 |
| Wyoming Three | 46 | 2.2 | 24 | 2.0 | 20 | 1.9 | 90 | 2.1 | 6 |
| Caloma One | 602 | 2.2 | 916 | 2.0 | 469 | 2.0 | 1,987 | 2.1 | 132 |
| Caloma Two | 351 | 2.4 | 1261 | 2.4 | 462 | 1.8 | 2,074 | 2.3 | 153 |
| Subtotal | 2,012 | 2.5 | 2,964 | 2.2 | 1,059 | 1.9 | 6,035 | 2.3 | 444 |
| **TOTAL** | **2,012** | **2.5** | **2,964** | **2.2** | **1,059** | **2.1** | **6,035** | **2.3** | **441** |

*Apparent arithmetic inconsistencies are due to rounding.*

## Tomingley Gold Extension Project Mineral Resources (30 June 2024)

| DEPOSIT | MEASURED | | INDICATED | | INFERRED | | TOTAL | | Total Gold (koz) |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | |
| **Open Pittable Resources (cut-off 0.4g/t Au Roswell and 0.5g/t Au San Antonio)** | | | | | | | | | |
| Roswell | | | 3,900 | 1.7 | 0 | 0 | 3,900 | 1.7 | 213 |
| San Antonio | | | 5,930 | 1.8 | 1,389 | 1.3 | 7,319 | 1.7 | 406 |
| Subtotal | 0 | 0 | 9,830 | 1.8 | 1,389 | 1.3 | 11,219 | 1.7 | 619 |
| **Underground Resources (cut-off 1.3 g/t Au and 1.3g/t Au McLeans)** | | | | | | | | | |
| Roswell | 825 | 3.0 | 3,123 | 2.8 | 1,957 | 2.5 | 5,905 | 2.7 | 517 |
| McLeans | | | 0 | 0 | 870 | 2.5 | 870 | 2.5 | 70 |
| Subtotal | 825 | 3.0 | 3,123 | 2.8 | 2,827 | 2.5 | 6,775 | 2.7 | 587 |
| **TOTAL** | **825** | **3.0** | **12,953** | **2.0** | **4,216** | **2.1** | **17,994** | **2.1** | **1,206** |

*Apparent arithmetic inconsistencies are due to rounding.*

## Peak Hill Mineral Resources (30 June 2024)

| DEPOSIT | Resource Category | Cut-Off | Tonnes (Mt) | Gold Grade (g/t) | Gold Metal (koz) | Copper Metal (%) |
|---|---|---|---|---|---|---|
| Proprietary U/G | Inferred | 2g/t Au | 1.02 | 3.29 | 108 | 0.15 |
| **TOTAL** | | | **1.02** | **3.29** | **108** | **0.15** |

*Apparent arithmetic inconsistencies are due to rounding*

# Ore Reserves

## Tomingley Gold Operations Ore Reserves (30 June 2024)

| DEPOSIT | PROVED | | PROBABLE | | TOTAL | | Total Gold (koz) |
|---|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | |
| **Open Pittable Reserves (cut-off 0.4g/t Au)** | | | | | | | |
| Stockpiles | 241 | 1.1 | 0 | 0 | 241 | 1.1 | 9 |
| Subtotal | 241 | 1.1 | 0 | 0 | 241 | 1.1 | 9 |
| **Underground Reserves (cut-off 1.3g/t Au)** | | | | | | | |
| Wyoming One | 87 | 1.9 | 105 | 1.7 | 192 | 1.8 | 11 |
| Caloma One | 86 | 1.8 | 105 | 1.8 | 190 | 1.8 | 11 |
| Caloma Two | 48 | 1.8 | 3 | 1.2 | 50 | 1.8 | 3 |
| Subtotal | 220 | 1.8 | 213 | 1.8 | 433 | 1.8 | 25 |
| **TOTAL** | **461** | **1.5** | **213** | **1.8** | **674** | **1.6** | **34** |

*Apparent arithmetic inconsistencies are due to rounding.*

## Tomingley Gold Extension Project Ore Reserves (30 June 2024)

| DEPOSIT | PROVED | | PROBABLE | | TOTAL | | Total Gold (koz) |
|---|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | Tonnage (kt) | Grade (g/t Au) | |
| **Open Pittable Reserves (cut-off 0.4g/t Au)** | | | | | | | |
| Roswell | 0 | 0 | 3,900 | 1.7 | 3,900 | 1.7 | 213 |
| San Antonio | 0 | 0 | 4,100 | 1.6 | 4,100 | 1.6 | 214 |
| Subtotal | 0 | | 8,000 | 1.6 | 8,000 | 1.6 | 427 |
| **Underground Reserves (cut-off 1.6g/t Au)** | | | | | | | |
| Roswell | 881 | 2.4 | 2,202 | 2.4 | 3,082 | 2.4 | 236 |
| San Antonio* | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 881 | 2.4 | 2,202 | 2.6 | 3,082 | 2.5 | 236 |
| **TOTAL** | **881** | **2.4** | **10,202** | **1.8** | **11,082** | **1.9** | **663** |

*Apparent arithmetic inconsistencies are due to rounding.*
**San Antonio underground reserves not determined at this time.*

## Mineral Resource and Ore Reserve Governance and Internal Controls

Alkane has governance arrangements and internal controls in place with respect to its estimates of Mineral Resources and Ore Reserves including:

- oversight and approval of each annual statement by the Technical Director;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;
- independent review of new and materially changed estimates;
- annual reconciliation with internal planning to validate reserve estimates for operating mines; and
- Board approval of new and materially changed estimates.

# Comparative resources and reserves

## Tomingley Gold Operations Comparative Mineral Resources (30 June 2023 to 30 June 2024)

| DEPOSIT | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Gold (koz) | Tonnage (kt) | Grade (g/t Au) | Gold (koz) |
| **Open Pit** | | | | | | |
| Wyoming One | 0 | 0 | 0 | 0 | 0 | 0 |
| Wyoming Three | 0 | 0 | 0 | 0 | 0 | 0 |
| Caloma One | 0 | 0 | 0 | 0 | 0 | 0 |
| Caloma Two | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 |
| **Underground** | | | | | | |
| Wyoming One | 2,088 | 2.4 | 163 | 1,884 | 2.5 | 149 |
| Wyoming Three | 90 | 2.1 | 6 | 90 | 2.1 | 6 |
| Caloma One | 1,800 | 2.1 | 123 | 1,987 | 2.1 | 132 |
| Caloma Two | 1,541 | 2.3 | 115 | 2,074 | 2.3 | 153 |
| Subtotal | 5,519 | 2.3 | 407 | 6,035 | 2.3 | 441 |
| **TOTAL** | **5,519** | **2.3** | **407** | **6,035** | **2.3** | **441** |

*Apparent arithmetic inconsistencies are due to rounding.*

## Tomingley Gold Operations Comparative Ore Reserves (30 June 2023 to 30 June 2024)

| DEPOSIT | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Gold (koz) | Tonnage (kt) | Grade (g/t Au) | Gold (koz) |
| **Open Pit** | | | | | | |
| Wyoming One | 0 | 0 | 0 | 0 | 0 | 0 |
| Wyoming Three | 0 | 0 | 0 | 0 | 0 | 0 |
| Caloma One | 0 | 0 | 0 | 0 | 0 | 0 |
| Caloma Two | 0 | 0 | 0 | 0 | 0 | 0 |
| Stockpiles | 329 | 1.0 | 11 | 241 | 1.1 | 9 |
| Subtotal | 329 | 1.0 | 11 | 241 | 1.1 | 9 |
| **Underground** | | | | | | |
| Proven | 442 | 1.9 | 27 | 220 | 1.8 | 13 |
| Probable | 729 | 1.7 | 40 | 213 | 1.8 | 12 |
| Subtotal | 1,171 | 1.8 | 68 | 433 | 1.8 | 25 |
| **TOTAL** | **1,500** | **1.6** | **79** | **674** | **1.6** | **34** |

*Apparent arithmetic inconsistencies are due to rounding.*

The primary differences from 2023 to 2024 are:

- Underground resources were added by extensional development drilling in Caloma One and Caloma Two
- Underground reserves added by development grade control drilling; and
- Underground reserves depleted by mining.

## Tomingley Gold Extension Project Comparative Mineral Resources (30 June 2023 to 30 June 2024)

| DEPOSIT | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Gold (koz) | Tonnage (kt) | Grade (g/t Au) | Gold (koz) |
| **Open Pit** | | | | | | |
| Roswell | 3,900 | 1.7 | 213 | 3,900 | 1.7 | 213 |
| San Antonio | 7,319 | 1.7 | 406 | 7,319 | 1.7 | 406 |
| Subtotal | 11,219 | 1.7 | 619 | 11,219 | 1.65 | 619 |
| **Underground** | | | | | | |
| Roswell | 5,550 | 2.7 | 489 | 5,905 | 2.7 | 517 |
| McLeans | 870 | 2.5 | 70 | 870 | 2.5 | 70 |
| Subtotal | 6,420 | 2.7 | 560 | 6,675 | 2.7 | 587 |
| **TOTAL** | **17,639** | **1.8** | **1,179** | **17,994** | **2.1** | **1,206** |

*Apparent arithmetic inconsistencies are due to rounding.*
*NOTE: Alkane revised the Roswell Resource in February 2024 (ASX Announcement 27 February 2024) based on grade control drilling, which retroactively impacted the '30 June 2023' Roswell open pit and underground resource estimates.*

## Tomingley Gold Extension Project Comparative Ore Reserves (30 June 2023 to 30 June 2024)

| DEPOSIT | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Tonnage (kt) | Grade (g/t Au) | Gold (koz) | Tonnage (kt) | Grade (g/t Au) | Gold (koz) |
| **Open Pit** | | | | | | |
| Roswell | 3,900 | 1.7 | 213 | 3,900 | 1.7 | 213 |
| San Antonio | 4,100 | 1.6 | 214 | 4,100 | 1.6 | 214 |
| Subtotal | 8,000 | 1.65 | 427 | 8,000 | 1.65 | 427 |
| **Underground** | | | | | | |
| Roswell | 1,456 | 2.6 | 119 | 3,082 | 2.4 | 234 |
| San Antonio | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 1456 | 2.60 | 119 | 3,082 | 2.40 | 234 |
| **TOTAL** | **9,456** | **1.8** | **547** | **11,082** | **1.9** | **663** |

*Apparent arithmetic inconsistencies are due to rounding.*

There was no change in Mineral Resources or Ore Reserves for the Peak Hill Gold Project. The recent history of the Project was summarised in the 2021 Annual Resource and Reserve Statement (ASX Announcement 7 September 2021) and the JORC Tables documented in ASX Announcement 18 October 2018.

# Northern Molong Porphyry Project

Alkane updated the Mineral Resource Estimates to define Indicated Resources within the broader Inferred Resource gold-copper envelopes for the Boda and Kaiser deposits during FY24. Full details with accompanying JORC tables were reported in ASX Announcements 30 May 2022 and 14 December 2023 (Boda) and 17 February 2023 and 29 April 2024 (Kaiser).

## Boda and Kaiser Mineral Resources (30 June 2024)

| DEPOSIT | INDICATED | | | INFERRED | | | TOTAL | | | | METAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (Mt) | Au (g/t) | Cu (%) | Tonnes (Mt) | Au (g/t) | Cu (%) | Tonnes (Mt) | AuEq* (g/t) | Au (g/t) | Cu (%) | AuEq* (Moz) | Au (Moz) | Cu (Mt) |
| **Open Pittable Resource (cut-off 0.3g/t AuEq)** | | | | | | | | | | | | | |
| Boda | 191 | 0.36 | 0.17 | 42 | 0.29 | 0.16 | 233 | 0.58 | 0.35 | 0.17 | 4.31 | 2.62 | 0.39 |
| Kaiser | 179 | 0.27 | 0.20 | 10 | 0.29 | 0.14 | 189 | 0.54 | 0.27 | 0.19 | 3.28 | 1.64 | 0.37 |
| Subtotal | 370 | 0.32 | 0.18 | 52 | 0.29 | 0.16 | 422 | 0.56 | 0.31 | 0.18 | 7.59 | 4.26 | 0.76 |
| **Underground Resource (cut-off 0.4g/t AuEq)** | | | | | | | | | | | | | |
| Boda | 151 | 0.34 | 0.20 | 198 | 0.34 | 0.18 | 350 | 0.59 | 0.34 | 0.18 | 6.63 | 3.78 | 0.65 |
| Kaiser | 16 | 0.30 | 0.22 | 8 | 0.36 | 0.20 | 24 | 0.61 | 0.32 | 0.21 | 0.46 | 0.24 | 0.05 |
| Subtotal | 167 | 0.34 | 0.20 | 206 | 0.34 | 0.18 | 374 | 0.59 | 0.34 | 0.18 | 7.09 | 4.02 | 0.70 |
| **TOTAL** | **537** | **0.32** | **0.19** | **258** | **0.33** | **0.18** | **796** | **0.58** | **0.33** | **0.18** | **14.70** | **8.28** | **1.46** |

*Apparent arithmetic inconsistencies are due to rounding.*
**The prices used to calculate AuEq are based on 12-month averages of US$1,950/oz gold and US$8,600/t copper, and A$:US$0.67. Recoveries are estimated at 87% for Cu and 81% for Au at Boda and 81% Cu and 71% Au at Kaiser from metallurgical studies. Alkane considers the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

### Northern Molong Porphyry Project

Total Mineral Resources (Indicated + Inferred):
796Mt grading 0.33g/t Au and 0.18% Cu (**8.3Moz Au; 1.5Mt Cu**)
(0.3g/t and 0.4g/t AuEq* cut-off) for 0.58g/t AuEq* (14.7Moz AuEq)

## Competent Persons

The information in this report relating to Mineral Resource and Ore Reserve estimates has been approved by individuals having sufficient experience to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Such experience relates to the style of mineralisation and type of deposit under consideration, and the activity undertaken. All Competent Persons named below have provided prior written consent to the inclusion of the matters based on their information in this report, in the form and context in which it appears.

<table>
<tr><th>Information relating to</th><th>Competent Person</th></tr>
<tr><td>Mineral Resources and Ore Reserves Statement as a whole</td><td>Mr D Ian Chalmers (FAusIMM, FAIG), who is Executive Director of Alkane Resources Ltd.</td></tr>
<tr><td>Tomingley Gold Operations Mineral Resource estimate<br><br>Peak Hill Mineral Resource estimate</td><td>Mr Craig Pridmore (MAusIMM), who is Geology Manager Tomingley Gold Operations and an employee of Alkane Resources Ltd.</td></tr>
<tr><td>Tomingley Gold Operations Open Pit Ore Reserve estimate<br><br>Tomingley Gold Extension Project (San Antonio and Roswell) Open Pit Ore Reserve estimate</td><td>Mr John Millbank (MAusIMM), an independent consultant (Proactive Mining Solutions).</td></tr>
<tr><td>Tomingley Gold Operations Underground Ore Reserve estimate<br><br>Roswell Underground Ore Reserve estimate</td><td>Mr Christopher Hiller (MAusIMM), an independent consultant (Hiller Enterprises Pty Ltd).</td></tr>
<tr><td>Tomingley Gold Extension Project (San Antonio, Roswell and McLeans) Mineral Resource estimates<br><br>Boda and Kaiser Mineral Resource estimates</td><td>Mr David Meates (MAIG), who is Exploration Manager NSW and an employee of Alkane Resources Ltd.</td></tr>
</table>

## Previously reported information

All information in this report that relates to Mineral Resource or Ore Reserve estimates has been extracted from Alkane's ASX announcement dated 4 September 2024. Additional exploration results have been extracted from ASX announcements noted in the text of the report.

The relevant ASX announcements are available to view on Alkane's website. Alkane confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the relevant market announcement(s); in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed; and that the form and context in which the Competent Person's findings are presented have not been materially altered.

# SUSTAINABILITY REPORT

# Sustainability at Alkane

Alkane strives to uphold high environmental, social and governance (ESG) standards across all our activities. These sustainability foundations are embedded in our business; they underpin our social licence to operate and are integral to our ability to deliver value to all stakeholders.

## Our approach

This Sustainability Report summarises Alkane's sustainability performance in FY24. The report is structured around four sustainability pillars spanning ESG: Governance, Our People, Communities, and Environment.

Underpinning Alkane's approach to sustainability is our ESG Mission Statement, which aligns with our company values. This ESG Mission Statement represents our pledge to all stakeholders – including investors, host communities, employees, government bodies and the people of Australia.

## Key achievements FY24

1. Alkane Technical Director wins Gavin Thomas Mining Award
2. Embedded a new Employee Assistance Program at Tomingley
3. Supported three geology Honours students
4. Recovered Aboriginal artefacts from an open scatter site at Tomingley
5. Consolidated support of the Narromine Hospital Auxiliary via the Tomingley Community Fund
6. Ordered new diesel/electric hybrid underground mining fleet
7. Undertook a scrap metal clean-up and recycling campaign
8. Progressed establishment of 283 hectares of protected conservation areas

| Company Values | ESG Mission Statement |
|---|---|
| **Integrity**<br>We do what's right in our actions and relationships. | • Ensure our choices and behaviours align with our values.<br>• Maintain good environmental governance.<br>• Be responsive to the needs of all stakeholders. |
| **Respect**<br>We treat people and the environment with care. | • Minimise impacts from our operations.<br>• Stay positively engaged with host communities.<br>• Value the safety and wellbeing of our workforce. |
| **Transparency**<br>We are proactive in communicating our intent and outcomes. | • Expand sustainability reporting and disclosures.<br>• Communicate openly with stakeholders about our activities. |
| **Performance**<br>We plan and execute to deliver strong business results. | • Actively seek sustainable solutions that have a strong business case. |

# Four Sustainability Pillars

| Governance | Our People | Communities | Environment |
|---|---|---|---|
| Adhering to a corporate governance framework | Ensuring a rewarding and equal-opportunity workplace | Responding to the needs of stakeholders | Managing water, emissions and waste responsibly |
| Operating with integrity, respect and transparency | Valuing the safety and wellbeing of our workforce | Working with host communities to build resilience | Rehabilitating the land we disturb |
| Managing risks across operations, finance and sustainability | | Respecting Aboriginal and Torres Strait Islander culture and traditions | Enhancing biodiversity and land capability to offset our impact |

# Governance

Alkane administers corporate governance with openness and integrity, employing comprehensive systems of control and accountability.

## Organisational governance

Alkane's corporate governance framework is based on the principles and recommendations of the ASX Corporate Governance Council (Corporate Governance Principles and Recommendations 4th edition). The key features of this framework are set out in our annual Corporate Governance Statement, available on the Alkane website.

### Board and sub-committees

The Alkane Board comprises five directors and two joint company secretaries with skills and experience across technical, operational, finance, broking and general business:

- Ian Gandel – Non-executive Chair
- Nic Earner – Managing Director
- Ian Chalmers – Technical Director
- Tony Lethlean – Non-executive Director
- Gavin Smith – Non-executive Director
- Dennis Wilkins – Joint Company Secretary
- James Carter – Joint Company Secretary

Two of the non-executive directors, Mr Lethlean and Mr Smith, are considered independent. The Board continues to seek additional independent members who will bring complementary skill sets and diversity to Alkane's leadership. Details of directors are presented on page 72 of this report.

The Board has four established sub-committees, each with its own charter:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee

ESG considerations are governed by the Risk Management Committee, which comprises members of the Board, including the Managing Director, plus key senior managers responsible for operations, finance and administration. This committee assists the Board with matters pertaining to sustainability – setting sustainability strategy, guiding sustainability governance, business and social performance, and managing sustainability risks and opportunities.

### Corporate policies and procedures

Alkane's corporate governance practices are underpinned by a suite of corporate policies and procedures, including Appointment and Independence of Directors, Diversity, Code of Conduct, Risk Management, Anti-bribery and Corruption, Modern Slavery and Safety, Health and Sustainability.

#### Corporate Governance Statement

Alkane's Corporate Governance Statement is available on our website, along with the Board charter and details of Board sub-committees. Also listed are key policies and procedures, including those pertaining to appointment and independence of directors, diversity, code of conduct, risk management, and anti-bribery and corruption.

https://www.alkane.com.au/company/governance/

# Alkane Technical Director wins Gavin Thomas Mining Award

*From left: Alkane Chairman Ian Gandel, Technical Director Ian Chalmers and Managing Director Nic Earner celebrating Ian's award.*

At the August 2023 Gold Industry Awards, Alkane Technical Director, Ian Chalmers, was the proud recipient of the prestigious Gavin Thomas Mining Award – recognising a remarkable 50-year career.

Mr Chalmers commenced at Alkane over three decades ago, initially as a consultant and Technical Director, and later as Managing Director from 2006 to 2017. For many years, he has steered Alkane's success in minerals exploration and development across Central West New South Wales.

Beyond his professional accomplishments, Mr Chalmers is deeply committed to education and knowledge sharing. He has forged strong ties with academic institutions and industry organisations, fostering the growth of the next generation of geologists. His financial support for geosciences in school programs and his role as a fundraising ambassador for Australian Earth Science Education reflect his dedication to nurturing future talent.

Mr Chalmers' deep-seated belief in environmental responsibility has also driven him to collaborate with other experts to minimise the impact of mining. This holistic approach underscores his commitment to sustainable practices and ethical resource extraction.

# Ethical business practices

In keeping with our core values, Alkane operates with integrity, respect and transparency across the business and our supply chain. The following policies (available on our website) guide the actions of our leaders, employees, contractors, suppliers and customers:

**Code of Conduct** – Alkane is committed to conducting itself with integrity, honesty and fairness in all business practices and to observing the rule and spirit of the legal and regulatory environment in which the group operates.

**Anti-Bribery and Corruption (ABC) Policy** – Alkane is committed to maintaining a high standard of ethical conduct in all business dealings, compliance with international ABC regulations, and an open and transparent management approach to avoid exposing ourselves to potential conflicts of interest.

**Whistleblower Policy** – Alkane is committed to supporting a confidential and anonymous process whereby persons can report any matter deemed to be illegal, contrary to the policies of the company or in some other manner not right or proper.

**Modern Slavery Policy** – Alkane is committed to implementing and enforcing effective systems and controls to minimise the risk of modern slavery taking place anywhere in our business or in any of our supply chains.

## Modern Slavery Statement

Alkane's first Modern Slavery Statement under the Australian Government's *Modern Slavery Act 2018* was submitted in October 2022.

The initial statement submitted in 2022 noted Alkane's risk of exposure to modern slavery as low. Alkane has continued to pursue its undertakings and commitments with respect to Modern Slavery, which include:

- Incorporating modern slavery clauses into all contracts. These require suppliers to comply with modern slavery legislation and provide Alkane with audit rights to confirm;
- Updating our market approach documentation (invitations to tender, requests for proposals and supplier application forms) to require prospective suppliers to identify the location of manufacture of any goods supplied; and
- Seeking and receiving demonstrations of best practice and the absence of modern slavery in the supply chains of existing suppliers in at-risk industries (clothing and apparel).

Additional actions for the coming period will include further investigations into other potentially at-risk supply chains, including electronics and reagent supply.

We will continue to report the steps Alkane is taking to assess and address modern slavery risks in future annual statements.

*Tomingley – Wyoming One open cut with underground portal*


Tomingley

## Regulatory and compliance

Alkane complies with the regulations of the *Corporations Act 2001*, Australian Accounting Standards, and other mandatory professional reporting requirements (refer to the Financial Report).

Some of the key ESG-themed reports submitted annually include:

- Modern Slavery Statement
- Workplace Gender Equality Agency
- National Pollutant Inventory
- National Greenhouse and Energy Reporting
- Annual return to the NSW Environment Protection Authority
- Annual rehabilitation management plans

## Risk management

Alkane is committed to the active management of risks to operations via the Risk Management Committee, which routinely reviews Alkane's risk management framework to ensure it is fit for purpose.

As outlined in Alkane's risk management policy, our risk management framework considers both strategic and organisational risks. The company's Risk Management Coordinator is tasked with the responsibility of keeping the risk management policy, framework and registers updated, subject to formal approval of policy amendments by the Board.

### Financial risks & IT

The Audit Committee is responsible for assessment, monitoring and management of financial risks, which include IT. Periodically Alkane commissions external consultants to perform diagnostics and reviews of internal controls and IT maturity and cyber security.

Post the 2024 fiscal year, Alkane undertook a desktop-style review aimed at evaluating the company's privacy protection protocols. This included an analysis of relevant artefacts and consultation with key stakeholders. Following this review, Alkane has developed:

- a privacy policy that aligns with the Australian Privacy Principles and Obligations under the Privacy Act 1988;
- procedures congruent with the privacy policy, designed to guide the company in consistent handling of personal information in accordance with established best practices and legal requirements; and
- a breach notification plan to help manage and mitigate the impact of data breaches, with clear guidelines for action and compliance with legal notification duties.

### Material risks

The company's primary material risks are described in the Directors' Report (see page 78). They include: Mineral Resource and Ore Reserve estimates; production, cost and capital estimates; operating risks; exploration risks; gold prices; taxation; community relations; cyber security risks; government regulation; debt and hedging covenants; government policy and permits; climate-related risks.

Alkane continues to review and update the corporate risk register, focusing on the resourcing required to manage key risks.

### Operations

Tomingley Gold Operations continues to monitor and audit critical controls as part of its ongoing risk management process. A specialised software package assists with the management of the complexities for the high-level risks.

To minimise environmental risks, Alkane strives to conduct activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

# Our People

Alkane is committed to providing a safe, rewarding and equal-opportunity workplace.

## Workforce

Alkane is headquartered in Perth, Western Australia, where many of our centralised services and executive and senior managers are located. The remainder of Alkane's workforce is in New South Wales, with the largest number (almost 90 percent) at Tomingley Gold Operations southwest of Dubbo.

At year-end, Tomingley had approximately 280 employees (excluding contractors and subcontractors) across geology, mining, processing, finance and administration, maintenance, work health and safety (WHS), and environment. Since Tomingley is a residential operation and does not support a 'fly-in/fly-out' scheme, the majority of our workforce lives in the local area.

Alkane's experienced exploration team has its main premises and core yard in Orange (Central West New South Wales), along with additional field facilities and core yard at the decommissioned Peak Hill Gold Mine.

Following the extensive Boda-Kaiser resource drilling program, we reduced and restructured our exploration team during FY24 (primarily casual staff who had come onboard during this busy period) to reflect the needs of our exploration program over the next 12 months.

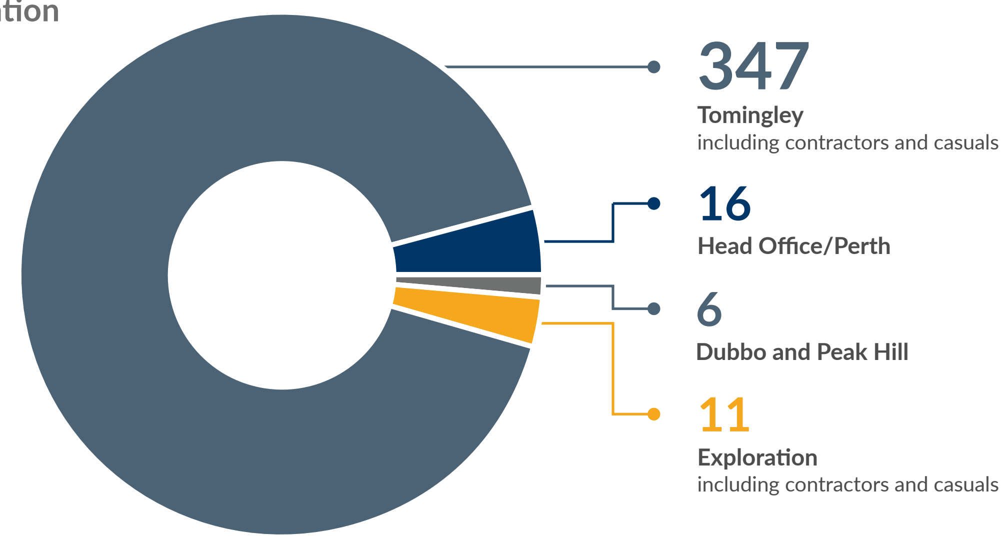
At Peak Hill Gold Mine, Alkane also employs a site supervisor who maintains the mining leases and infrastructure while the site is under care and maintenance. We also have a shopfront office in the town centre of Dubbo.

At financial year-end, Alkane had 313 personnel engaged in the business, plus an additional 67 (full time equivalent) contractors and subcontractors at Tomingley.

### Alkane workforce by location (30 June 2024)

**380 in total**

**313 employees and casuals**
**67 FTE contractors**



## Diversity and inclusion

Alkane is committed to actively managing diversity at all levels of the company, where diversity may result from a range of factors including age, gender, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity. We value the unique contributions made by people from all backgrounds, experiences and perspectives.

Alkane's commitments are outlined in our Diversity Policy, which addresses equal opportunities in the hiring, training, flexible working practices and career advancement of directors, officers and employees.

We recognise the particular importance of attracting women to join the company and the mining industry more generally.

In support of improving overall female representation across the company, the Board has the following objectives, as outlined in the company's Corporate Governance Statement:

- By 30 June 2027, at least 30 percent of directors on the Board will be female.
- By 30 June 2027, women will represent greater than 18 percent at all levels of the organisation. To arrive at this figure, we considered the average percentage of women working in 'Metal Ore Mining' according to Australia's Workplace Gender Equality Agency for companies of different sizes.
- Hiring practices will continue to target female candidate representation.

As stated in the Diversity Policy, Alkane does not tolerate any form of discrimination, harassment, vilification and victimisation.

*Tomingley*

## International Women's Day 2024

To celebrate International Women's Day in March 2024, Tomingley invited all female employees to a casual lunch on-site. Although many couldn't make it through rostering conflicts or leave, those who attended enjoyed the opportunity to gather with other women for a time.

### *Diversity performance*

The table below indicates the number and percentage of female and Aboriginal and Torres Strait Islander (ATSI) employees at Alkane (excluding Tomingley contractors/subcontractors) at year-end for the past three years.

## Alkane female and ATSI employees

| | 30 June 2022 | 30 June 2023 | 30 June 2024 |
|---|---|---|---|
| Women | 25 (9%) | 32 (12%) | 32 (10%) |
| Aboriginal and Torres Strait Islander | 35 (13%) | 32 (12%) | 32 (10%) |

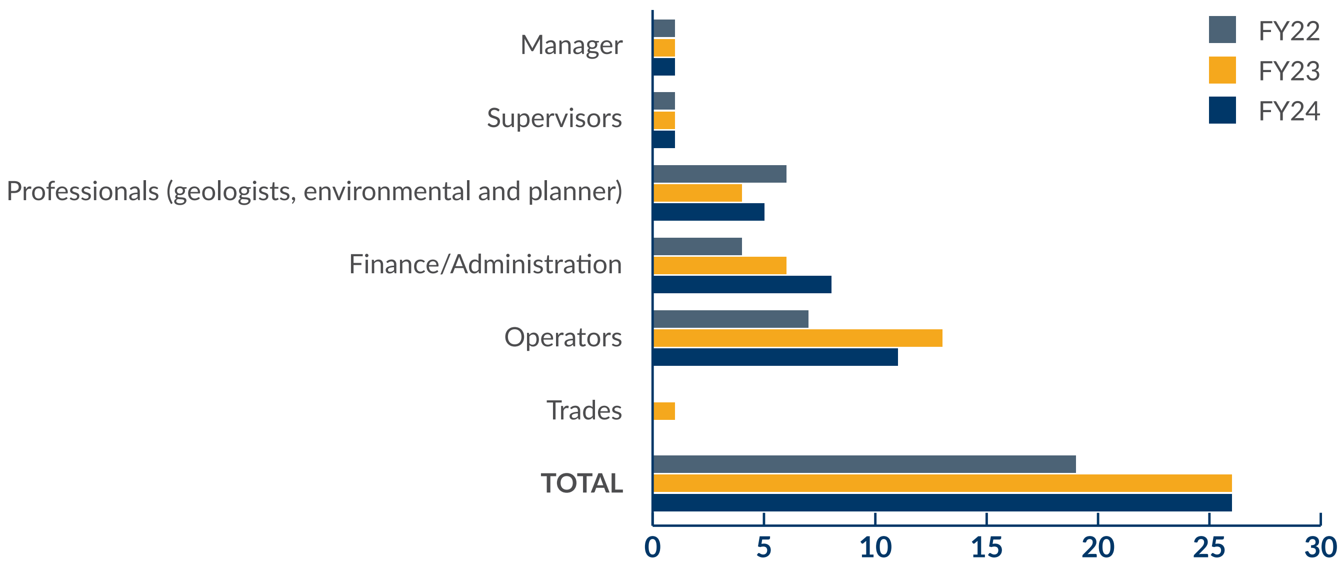
*Numbers include casuals but not contractors/subcontractors*

At year-end, the Tomingley workforce included 29 people identifying as Aboriginal and Torres Strait Islander (ATSI) and 26 women.

Tomingley continues to encourage diverse candidates to apply for all roles include using gender-neutral or female-positive language in recruitment material and creating career profiles of Tomingley employees with diverse backgrounds.

We also continue to employ some women with less mining experience, with the view to training them in the desired skills. In a number of cases, these women have relocated to the Tomingley area with their more industry-experienced partners, also employed by Alkane.

## Numbers of Tomingley women by role




*Numbers include casuals but not contractors/subcontractors.*

# Our people in focus

## Shantelle, Metallurgy Technician

*"This is the most stimulating job I've ever had. Every day as a met tech is completely different. I've always loved learning new things and found the whole idea of 'taking dirt and making gold' rather intriguing."*

Shantelle is one of a select group of employees at Tomingley: among her many duties as a metallurgy technician is the important job of pouring the gold. When the time came to pour the gold bar containing Tomingley's 500,000th ounce, Shantelle was thrilled to be given the job.

Following a short stint as a laboratory technician in 2016, Shantelle re-joined our metallurgy team in 2020. A year later, she became the first Tomingley lab tech to progress to metallurgy technician – a testament to her commitment to excellence and continuous improvement.

Aside from gold pouring, her role involves assisting the metallurgists, maintaining and calibrating equipment, troubleshooting plant issues, production sampling, and performing metallurgical testwork. She also unofficially runs the lab and is the primary lab trainer for new recruits.

Shantelle isn't fazed by being one of few women on the metallurgy team. Her everyday approach is to keep a sense of humour and get on with what she needs to do. She says the whole team has each other's backs, and everyone is willing to hear different perspectives and keep learning.

Having started a family instead of finishing high school, Shantelle had no formal qualifications when she started working at Tomingley. Over the past few years, Alkane has supported her to complete a Certificate 3 in Laboratory Skills, with a Certificate 4 in Laboratory Techniques underway. Shantelle is proud she's been able to continue learning and growing in her job and making a positive contribution to the team.

# Health, safety and wellbeing

Alkane takes protecting our employees seriously. At Tomingley, our gold mining and production facility, we prioritise safety and strive for continuous improvement of the site's Safety and Health Management System. Alkane also has health and safety management systems in place for Peak Hill Gold Mine and our exploration team, based in Orange.

## Safety approach at Tomingley

The health, safety and wellbeing of our employees is our highest priority at Tomingley. We embed safety into every decision and action to drive safe production. Our employees are actively encouraged to assess potential risks and think critically about what could go wrong. We maintain a strong focus on leading indicators to drive continuous improvement in safety performance.

Tomingley has a dedicated Work Health and Safety (WHS) team that operates throughout the organisation. This team is responsible for ensuring employees receive the necessary training, enhancing hazard identification skills within the workforce, implementing effective safety systems and controls, and monitoring compliance with the site's safety management systems.

We are committed to curtailing injuries, preventing catastrophic incidents, and maintaining our record of zero fatalities.

A key focus in FY24 was strengthening internal governance and verification of controls in the workplace.

## Tomingley safety programs and initiatives

### *Back 2 Basics initiative*

During the year, Tomingley management identified several areas needing improvement. In response, the site adopted a practical approach that balances Tomingley workplace culture with industry performance benchmarks. The 'Back 2 Basics' initiative emphasises core principles of hazard identification, control, and reporting, and fosters active participation from the entire workforce. The number of hazards being identified continues to improve year on year. This demonstrates workforce engagement and commitment to working in a safe workplace.

### *Safety and Health Management System*

In FY24, we further strengthened our Safety and Health Management System by thoroughly reviewing our safety training programs. This led to the creation of the Tomingley Training Strategy, which focuses on key elements of the training systems, including:

- Framework Development
- Process Improvement
- Compliance Improvement, and
- People Development.

### *Managing principal hazards*

Our Fatal Hazard Program continued to evolve in FY24. A structured auditing campaign has been developed and implemented, allowing for each Principal Hazard Management Plan to be audited or controls verified throughout the year.


*Tomingley*

# Our people in focus

## Jack, Apprentice Electrician

*"I really enjoy the variety of my job and look forward to going to work each day. I work with a great group of people who are always willing to give me a hand and help me learn. The whole team is friendly and supportive."*

Jack grew up on a farm between Tomingley and Narromine and was contract-harvesting in Queensland when his mum spotted the advertised apprentice electrician position at Tomingley. The timing and opportunity were ideal, since Jack had decided upon an electrical trade after a period of travel. Leveraging the signal booster on the header, he got his application in and joined the Tomingley team in 2022.

Now in his third year as an apprentice electrician, Jack has worked in each of Tomingley's main areas of operation, spending the first year in the processing plant. He then moved to underground, where the electrical team is responsible for safely operating and maintaining electrical infrastructure, as well as servicing and fixing equipment.

Jack is now back on the surface undertaking project work. These include major electrical installations, such as power upgrades and new backup generators, largely related to the Tomingley Gold Extension Project and processing plant upgrade.

The best thing about his job, says Jack, is the variety of work and the fact he never knows what each day will look like. He thrives on learning from the different members of the electrical team, who each have their own techniques.

Alongside his daily work, Jack assigns about a day per week to his TAFE studies and assessments. These are almost complete, and he's now looking forward to becoming a fully qualified electrician at Tomingley next year.

### *Safe 2 Handle program*

During the year, Tomingley continued with the High-Risk Manual Tasks – Participative Ergonomics (Safe 2 Handle) program, originally launched in FY22. We continued the quarterly presentations and site interventions with a Safe 2 Handle exercise physiologist.

However, the soft tissue injury rates at Tomingley indicate we need to increase the intensity and availability of training and awareness around manual handling and task ergonomics. In FY25, the Safe 2 Handle program will include quarterly training and awareness sessions for all crews, ergonomic assessments 'at the rock face', and observations and an onsite physio one morning each week.

The Safe 2 Handle program leverages wearable technology to identify tasks that involve significant physical strain and trains employees on how to manage these tasks more effectively or redesign them to reduce risk.

This demonstrates that Tomingley considers preventative controls as well as mitigating factors when managing soft tissue injuries.

### *Projects for FY25*

In the coming year, the WHS team intends to progress the following projects:

- Rollout of updated site induction – A review has identified a lack of mining knowledge among new employees joining the operation. The updated site induction will cover legislative requirements in addition to generic mining procedures and processes to plug this knowledge gap.
- Rollout of Safe 2 Handle app – We've identified the need for more education around manual handling and task ergonomics (see earlier).
- Streamlined ERT training – In FY25, the ERT training programs will be streamlined to allow the teams to reach their qualifications in a shorter timeframe.
- Leadership training for supervisors – Tomingley will implement a program to upskill operational supervisors to enhance their people management skills, including accountability for safety and the wellbeing of the crews.

### Tomingley safety performance

In FY24, there were 21 recordable injuries at the Tomingley site: eight Lost Time Injuries (LTI) and 13 Medical Treated Injuries (MTI). The total recordable injury frequency rate (TRIFR) was 31.22, a 10% percent increase on FY23 (TRIFR of 28.08). There were also 48 first aid injuries treated.

| Source data | FY 2022 | FY 2023 | FY 2024 |
|---|---|---|---|
| **Tomingley TRIFR** | 13.44 | 28.08 | 31.22 |

NOTE: Tomingley has adjusted the calculation methods for the TRIFR and applied the new calculations retrospectively to FY23 and FY22. The number now represents the frequency rates per million hours to align with the NSW Metalliferous Mining average TRIFR calculations.

# Prioritising mental health

In July 2023, Tomingley engaged a new Employee Assistance Program (EAP) provider in Lifeline Central West, which is linked to the Lifeline charity local to Dubbo, Orange and Bathurst. The organisation has psychologists and counsellors available 24/7 to speak with our employees or their families if needed, and a crisis team available quickly in the event of a serious incident on site.

The change to a local provider has been welcomed by our employees, with the number accessing the service increasing sixfold. The Lifeline Central West team visited site and addressed every crew to build relationships and destigmatise the decision to seek counselling.

Lifeline Central West also provides training in mental health first aid (MHFA) – to equip individuals with greater ability to recognise the signs and symptoms of mental health struggles and how to provide initial support. All Tomingley senior leaders completed a two-day MHFA training course, and all supervisors completed a half-day Accidental Counsellor training course.

## Exploration team

Alkane's exploration team undertakes an annual review of the exploration safety management system, safe work practices, and annual safety targets.

In FY24, we updated all our safety work procedures, following the safety management system review in the preceding year. During the reporting period, the exploration team had zero reportable injuries.

Our targets for FY25 are to maintain a negligible rate of injuries and to establish a training competency register.

*Field exploration*

# Communities

Alkane respects and strives to respond to the needs of all our stakeholders. We communicate with openness and integrity and aim to leave a lasting positive legacy for our host communities.

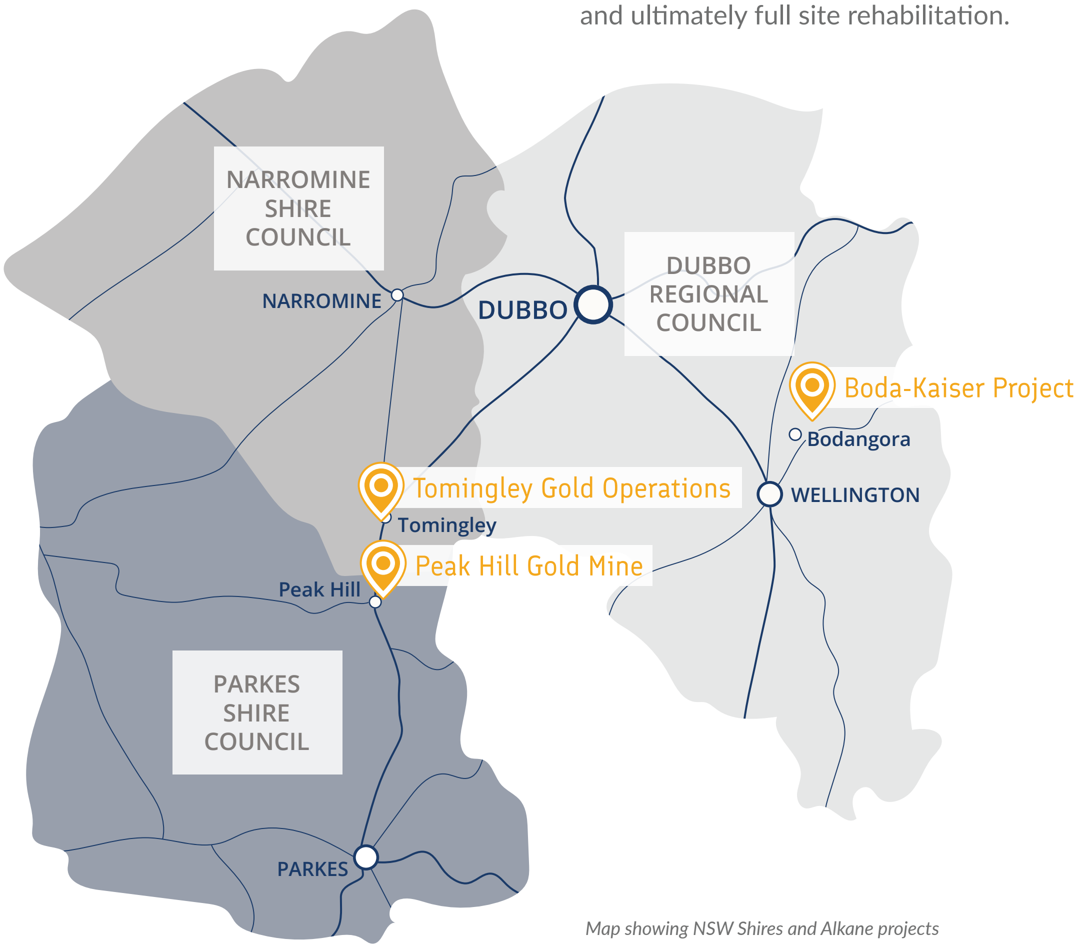
## Stakeholder engagement

Alkane engages regularly with a range of stakeholders. Our social licence to operate relies upon sustained positive relationships with our employees, contractors, neighbours, local Aboriginal and host communities, government and industry bodies, and investors.

## Host communities

Alkane is an active and engaged member of the communities in which we live and operate – in particular Narromine Shire, Parkes Shire and the Dubbo Regional local government area in Central West New South Wales.

We take a long-term and respectful approach to building and nurturing community relationships. This begins from the earliest stages of exploration and continues through project development, operations, and ultimately full site rehabilitation.




*Map showing NSW Shires and Alkane projects*

Eric Woods Park, Tomingley

### *Dubbo Regional Local Government Area, Boda-Kaiser Project*

Alkane has been embedded in the Dubbo Regional Local Government Area for more than 20 years. Over that time, our Dubbo office has provided technical and administrative support for all our activities across tenements in NSW.

Our deep relationships with the Dubbo community provide a strong foundation for our ongoing exploration and potential development activities.

Our Boda-Kaiser Project (part of the Northern Molong Porphyry Project) lies near the historic mining village of Bodangora. Development of Boda-Kaiser would bring a long-term viable industry to Wellington, accompanied by large economic benefits and significant change to this highly productive agricultural environment.

Over the past several years, we have strengthened our relationships with these communities through engagement, sponsorships and, more recently, a community newsletter.

### *Parkes Shire, Peak Hill Gold Mine*

Alkane has been part of the Peak Hill and Parkes Shire communities since operating Peak Hill Gold Mine from 1996 to 2005. We still use the site to host our Central West exploration base and core yard. After three decades, we continue to nurture positive relationships and remain active in the community.

The rehabilitated Peak Hill Gold Mine open cut landscape is open to the public, providing a unique opportunity for visitors to learn about modern mining and land rehabilitation. We also own historic buildings in Peak Hill that are leased for very low rents to community organisations and contributed funds used to refurbish the historic Carrington Hotel.

### *Narromine Shire, Tomingley Gold Operations*

Over more than 20 years, Alkane has earned our social licence to operate at Tomingley, evidenced by the community acceptance of our Tomingley Gold Extension Project (approved with only one objection in February 2023).

We have established positive cooperative relationships with the communities around Tomingley village, Dubbo and the broader Narromine Shire. Our regular engagement activities include participation on the Community Consultative Committee, publication of community newsletters, sponsorship programs and participation in community events.

Alkane raffle winner at the Peak Hill Show, August 2024

# Present, approachable and accessible

*Members of the community visiting Alkane's stand at the Dubbo Show 2023.*

From day one of our activities in Central West New South Wales, Alkane has made an effort to be present, approachable and accessible in our host communities. Our shop-front office in the Dubbo town centre is a permanent hub where community members can ask questions, provide feedback, and pick up the latest newsletter.

Alkane also staffs a company booth at each of the local agricultural shows in Dubbo, Wellington and Peak Hill, where our major projects are located. We've been a major sponsor of the Peak Hill show for almost 30 years.

We believe these shows, which are widely attended community events, are an important opportunity for our team to talk to locals, receive feedback and disseminate information about projects in a casual environment. Visitors to our booth can also handle pieces of ore and discover more about exploration, mining, rehabilitation activities and gold production.

We value the opportunity to engage with community members and help them see Alkane as more than a faceless mining and exploration company.

# Key community engagement activities in FY24

### *Alkane activities*

- Tomingley Community Consultative Committee meetings – August 2023, November 2023, February 2024, May 2024
- Tomingley community newsletters – July 2023, November 2023, March 2024
- Bodangora community newsletter (Boda-Kaiser) – November 2023, May 2024
- Tomingley community consultation for Tomingley Gold Extension Project (Modification 1) – July-August 2023

### *Community activities and events*

- Attended careers events
  - Dubbo Secondary College careers day (9 May 2024)
  - NSW Mining Careers Dinners in Dubbo (20 June 2023) and Orange (22 May 2024)
- Hosted visits to Tomingley Gold Operations
  - Clontarf Narromine and Dubbo College Senior Campus Academies (12 April 2024)
- Supported shows and festivals
  - Sponsored and staffed a booth at the Peak Hill Show (August 2023)
  - Sponsored and staffed a booth at the Wellington Vintage Fair (2-4 March 2024)
  - Sponsored and staffed a booth at the Wellington Show, including yard dog trials (4 May 2024)
  - Staffed a booth at the Dubbo Show (10-12 May 2024)
- Presented to community organisations, including:
  - Wellington Maranatha House Aged Care facility (11 October 2023)
  - Yindyamarra Healing Men's Group Wellington (May 2024)
  - Dubbo Golf Club Veterans Tournament – occasional speaker (21 Sep 2023)
- Sponsored Cudgegong Jump Club's horse trials (2-3 December 2023)
- Attended Bodangora informal community meeting (5 February 2024), where Alkane's Managing Director talked about Boda-Kaiser
- Attended "Thank you" luncheon hosted by Narromine Hospital Auxiliary for funding contributions (10 May 2024)


*Wellington*

## Other stakeholders

### *Government, industry and education*

Alkane is actively engaged with key government and industry bodies that have oversight of mining and related activities in New South Wales. Alkane advocates for the metalliferous mining and exploration sectors via participation in the following organisations:

- NSW Minerals Council – Alkane personnel represent the company on most of the special interest committees and working groups (including Executive, Environment & Community, Exploration and OH&S Committees; and ESG, Rehabilitation and Mine Closure, Communications and Water Working Groups).
- Association of Mining and Exploration Companies – Alkane is a member of this peak industry body for the Australian resources sector.
- Water NSW Macquarie-Cudgegong Customer Advisory Group – Alkane is represented in this CAG, which provides a forum for Water NSW to consult with a broad cross-section of customers on issues relevant to performance and delivery of services.
- RDA Orana and Stable Group – Orana Hunter Connections and Beyond Business Case and Transport Study – Alkane personnel contributed data on its projects that have linkages to Port of Newcastle.
- Parliamentary enquiry – Alkane submitted a response to the New South Wales Parliamentary Inquiry into current and potential impacts of gold, silver, lead and zinc mining on human health, land, air and water quality in New South Wales. The Legislative Council delivered its findings and recommendations on 15 December 2023 (Report 63).
- Mayoral Developers Forum – Alkane attended this forum initiated by Dubbo Regional Council to update local developers on the status of planning pipeline and future developments (19 June 2024).

Alkane's exploration team shares knowledge through papers, participation in selected industry forums and field trips, and hosting visits to Alkane projects by industry and educational groups. These enable us to connect with other professionals in the industry and discuss new exploration techniques and developments in the region. Activities in FY24 included:

- Monthly technical industry talks/meetings in Orange and Parkes run by the Central West Exploration Discussion Group (CWEDG) and the NSW branch of the Australian Institute of Geoscientists (AIG).
- AusIMM Canberra Student Chapter visited Peak Hill Gold Mine (15 September 2023).
- NewGenGold conference (Perth) – Alkane presented on the Boda discovery story (14-15 November 2023).
- NSW Minerals Council's 2024 Exploration & Tenures Forum – Alkane presented on the NSW land access framework using real case studies from one of our projects (6 May 2024).
- Fleet Space Technologies Macquarie Arc Field Trip – Alkane exploration geologists participated in this three-day event, giving short talks at Peak Hill Gold Mine and the Boda-Kaiser Project (23-25 May 2024).

*Alkane geologists discussing NMPP geology at Kaiser during Fleet Space Technologies Macquarie Arc Field Trip.*

Alkane actively supports promotion of careers in earth sciences and mining. Activities in FY24 included:

- Australian Earth Science Education (AusEarthEd) – Alkane is a sponsor of AusEarthEd, an organisation that aims to grow awareness of career opportunities in earth sciences and provide real-world context and resources for teachers and students.
- Teacher Earth Science Education Program – Alkane sponsored the program and provided rock samples from Peak Hill for the teaching rock kits they give to schools.
- Geological Society of Australia – Alkane was a gold sponsor of the Earth Sciences Student Symposium (29-30 November 2023).
- UNSW Geoscience Society – Alkane sponsored this student-run society and presented at industry night (April, July 2024).
- AusIMM Student Meets Industry events (Sydney, Wollongong) – Alkane representatives presented an overview of graduate opportunities at Tomingley Gold Mine (29 February and 20 March 2024)

We also supported three tertiary Honours students during the FY24 financial year:

- University of Tasmania geology Honours student (to November 2023) – Alkane supported a study of the deep mineral profile at Peak Hill Gold Mine in 2023.
- University of New South Wales geology Honours student (to August 2024) – This project investigated the Tomingley ore-bearing rocks. Alkane hosted a site visit to our core yard at Peak Hill Gold Mine, paid for laboratory costs (A$15k) and provided co-supervision and advice.
- University of New South Wales geology Honours student (commenced January 2024) – This project is looking at the sulphide chemistry of the Tomingley deposits. Alkane is providing co-supervision and advice and will pay for laboratory costs (approx. A$15k) in FY25.

### *Investors*

Alkane communicates openly with investors through ASX Announcements and investor presentations – all available on our website. Following major announcements, Alkane's Managing Director often discusses the development with investment media portals, Proactive, Crux Investor and Corporate Storytime.


*Managing Director Nic Earner (left) and Chairman Ian Gandel at the Australian Gold Conference, August 2024.*

Alkane's formal investor communications are complemented by a series of explanatory videos and presentations published on our website, where aspects of projects are discussed in greater detail.

- Tomingley Five Year Plan webinar (June 2024)
- Boda-Kaiser Scoping Study webinar (July 2024)

In FY24, Alkane's Managing Director and/or Executive team attended the following investor events:

- Australian Gold Conference (August 2023)
- Gold Forum Americas (September 2023)
- Swiss Mining Institute (November 2023)
- Corporate Storytime podcast (February 2024)
- Bell Potter Unearthed (February 2024)
- Gold Forum Europe (April 2024)
- Noosa Mining Investor Conference (July 2023)
- RIU Sydney Resources Round-up Conference (May 2024)
- 121 Mining Investment Conference in London (May 2024)

Alkane also held two investor briefing days in Sydney and Melbourne following the Annual General Meeting in November 2023.

# Contributions to the economy

Alkane practises safe and sustained economic development for the long-term benefit of our shareholders, employees, contractors, suppliers and host communities.

## Developing resilient regional communities

Alkane supports the development of more resilient regional communities through the establishment of permanent infrastructure, sponsorship of local events and organisations, provision of training and career opportunities to local students and residents, and the engagement of local suppliers and service providers.

Since 2014, when Tomingley Gold Operations commenced production, Alkane has supported the Tomingley and broader Narromine communities via a planning agreement with Narromine Shire Council. This provides funding for community projects (via the Tomingley Community Fund), council environmental projects and shire road works (separate from the road realignments we will undertake as part of the Tomingley Gold Extension Project).

In FY24, a total of $118,000 was awarded to a number of different projects under the Tomingley Community Fund (FY23 $84,900). Supported projects and events included new infrastructure at the Trangie Showground, the annual sponsorship of the Tomingley Picnic Races (traditionally held in April), and funding for the Narromine Business Collective to host a Rural Women in Business Luncheon, Australian Skin Cancer Foundation skin check truck visit, Dusty Boots music festival and awards, new equipment for various schools and sport clubs, festive season community events, and the Narromine Hospital Auxiliary (see page 56).

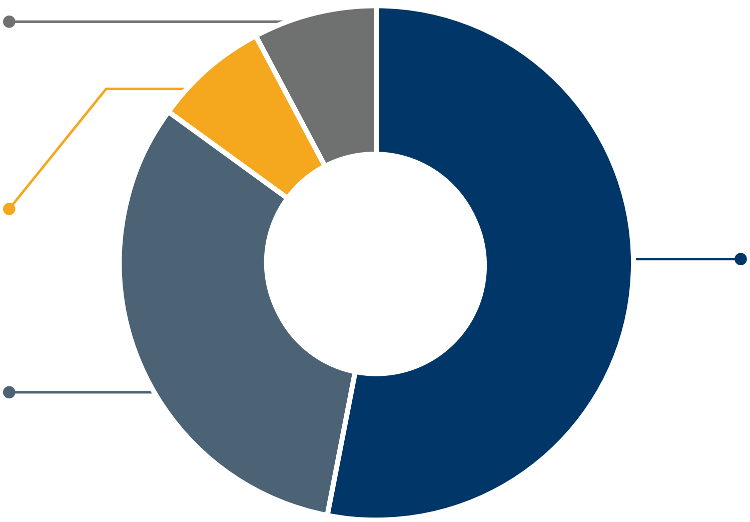
The Tomingley Gold Extension Project will see the operation continue until at least 2032. This will benefit the wider community in terms of continuation of employment, workforce and supplier expenditure, and community investment. The economic impact assessment estimated that 50 percent of operation costs over the life of the project are expected to be spent within the local area and 80 percent within New South Wales.


*The Newell Highway through Tomingley*

# Key Alkane economic contributions in FY24

| Government payments | Local council payments | Suppliers | Community sponsorships |
|---|---|---|---|
| **$8M** | **$0.7M** | **$203.5M** | **$103.5k** |
| (including **$5.4M** in royalties) | (rates and planning agreement) | (**63% NSW**) | |

# Sponsorships



# Narromine Hospital Auxiliary lifts its vision

*Dr Andy at Narromine Health Services with the slit lamp*

Alkane's support of the Narromine Hospital Auxiliary, via the Tomingley Community Fund, has sparked a new era for this local charity.

Over the past few years, one organisation that has benefited from the Tomingley Community Fund is the Narromine Hospital Auxiliary – a volunteer-run charity that raises money to purchase much-needed equipment for Narromine Health Services.

An annual fundraising program of street stalls, raffles and a trivia night has funded items such as monitors, pressure-sensitive floor mats and toilet-commode chairs. However, with many residents heading to the larger Dubbo Hospital some 40km away, the auxiliary recognised they needed to somehow fund larger pieces of equipment to help future-proof the hospital.

In 2021, the Narromine Hospital Auxiliary discovered they could apply for the Tomingley Community Fund. They first applied for $5,000 towards a slit lamp for dealing with eye injuries, which was at the top of the hospital wishlist. Today, the slit lamp (pictured) is used to diagnose and treat a wide range of eye conditions – without patients needing a trip to Dubbo.

The auxiliary was granted an additional $5,000 in 2022 and $15,000 in 2023 from the Tomingley Community Fund towards other equipment on the wishlist, which include infrastructure and equipment to upgrade the x-ray room, a concealment transport trolley and a medical simulator.

Significantly, the flow-on effect of that first 2021 grant extends far beyond the dollars and specific equipment: it has changed the ambition, community profile and energy of the entire organisation.

The auxiliary's hardworking volunteers feel energised by their ability to make more of a difference. The organisation also has five new members and increased community support at events. Its annual donor day (initially conceived to thank Alkane for the slit lamp funding) now attracts significant donations from local businesses.

Alkane is proud to have played a part in enhancing the services offered by Narromine Hospital for the benefit of the whole community. These outcomes align with our commitment to building more resilient regional communities.

# Aboriginal engagement and cultural heritage

Alkane respects the traditions and culture of the Aboriginal and Torres Strait Islander Peoples of Australia. We ensure traditional custodians are engaged and consulted on heritage and land access, as per the codes and guidelines established by Heritage New South Wales.

Our main operation at Tomingley lies on the traditional lands of the Upper Bogan River clan group, who are members of the Wiradjuri Nation. Today the operation lies within the boundaries of the Peak Hill Local Aboriginal Land Council (PHLALC).

An Aboriginal Cultural Heritage Management Plan guides the management of Aboriginal heritage sites identified within Alkane's Mining Leases at Tomingley. The plan was developed in close consultation with several Wiradjuri Aboriginal stakeholder groups, including PHLALC.

The Aboriginal Cultural Heritage Management Plan has been reviewed and updated to cover the new Mining Lease and disturbance footprint associated with the Tomingley Gold Extension Project.
A total of 39 sites of Aboriginal heritage significance were identified during the Environmental Impact Assessment in 2021, of which 12 will be disturbed by the project (see page 58). We will continue to work with the local Aboriginal community to manage disturbances and protect the balance.

Alkane has commenced conversations with local Aboriginal community representatives of the Wellington area, where the Boda-Kaiser Project is located.

Over several years, Alkane has developed a strong relationship with the Clontarf Foundation's Narromine Academy. The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men. We were a major sponsor of the foundation from 2020 to 2023 and recently entered into a new three-year sponsorship.

Alkane also recently established ties with the Wellington Yindyamarra Healing Men's Group, which is a yarning circle and drop-in centre founded by Wiradjuri man, Jeffrey Amatto. We hired our exploration rehabilitation contractor to assist with clean-up efforts at the drop-in centre site (30 May 2024).

*Clontarf students visited Alkane's Peak Hill core yard in August 2024.*

# Recovery of Aboriginal artefacts

In August 2023, representatives of Peak Hill Local Aboriginal Land Council (PHLALC) visited Tomingley to discuss treatment of artefacts at 12 sites of Aboriginal heritage significance that will be disturbed by the extension project. The broad approach, determined from this consultation, is for disturbed artefacts to remain on country.

On 29 February 2024, an archaeologist from OzArk Environment & Heritage recovered 12 Aboriginal artefacts from one of these sites – an open scatter that will be disturbed by construction of the new highway. A representative of PHLALC attended the salvage operation.

Per PHLALC wishes, the artefacts will be stored safely onsite until we can bury them as close as possible to their original location to ensure they remain on country. The timing of burial will depend on the project schedule, with the final location determined in consultation with PHLALC.

We continue to consult with the Aboriginal community in relation to management of the proposed disturbances. These actions are guided by the Aboriginal Cultural Heritage Management Plan.

*Main image: Representatives from PHLALC and Tomingley staff at one of the Aboriginal artefact scatters. (August 2023)*
*Inset: An OzArk archaeologist recovered Aboriginal artefacts from an open scatter on project land. (February 2024)*

## Summary of stakeholder engagement activities

| Stakeholder groups | How we engage | Key topics |
|---|---|---|
| Shareholders and investors | • ASX announcements and quarterly reports<br>• Proactive interviews and investor briefings<br>• Video presentations<br>• Annual Report and Annual General Meeting<br>• Website | • Operating performance<br>• Exploration results<br>• Balance sheet<br>• Mineral Resources and Ore Reserves<br>• Sustainability performance<br>• Corporate governance |
| Employees and contractors | • Induction and training<br>• Meetings/briefings/toolboxes<br>• BBQ/pizza/food van days<br>• Internal social interactions (outside of work)<br>• Volunteer efforts<br>• Focus on residential employment | • Health and safety performance<br>• Monthly site performance<br>• COVID-19 management<br>• Employee and contractor recognition<br>• Employee share scheme |
| Government and regulators (federal, state and local) | • Meetings, site visits, briefings<br>• NSW Minerals Council committees and working groups (participation)<br>• Association of Mining and Exploration Companies (participation)<br>• Water NSW Macquarie-Cudgegong Customer Advisory Group (participation) | • Regulatory and legal compliance<br>• Environmental performance and management<br>• Community investment<br>• Project approvals and licences<br>• Metalliferous mining advocacy and feedback |
| Mining and related industries | • Participation at industry forums<br>• Partnerships with educational institutions<br>• Sponsorship and participation with Australian Earth Science Education (AusEarthEd) | • Metalliferous mining advocacy<br>• Technical methodologies |
| Host communities | • Community Consultative Committee (Tomingley)<br>• Community newsletters<br>• Direct engagement and briefings<br>• Investment in community infrastructure<br>• Sponsorship of community projects and events<br>• Participation in community events | • Environmental performance and management<br>• Project development<br>• Social and economic impact<br>• Economic contributions<br>• Career opportunities |
| Aboriginal and Torres Strait Islander Peoples | • Meetings, site visits, briefings<br>• Investment and partnerships | • Project development<br>• Culture and heritage management |
| NGOs and special interest groups | • Presentations and talks | • Project development<br>• Social and economic impact |
| Landholders | • Meetings, contractual agreements<br>• Direct engagement and briefings | • Land access and compensation agreements<br>• Infrastructure improvements<br>• Project development<br>• Social and economic impact |
| Suppliers | • Meetings, contractual agreements<br>• Local procurement where feasible | • Health and safety requirements<br>• Modern slavery requirements<br>• Contract conditions |

# Environment

Alkane's exploration, mining, processing and rehabilitation activities are carefully designed to minimise our environmental footprint and enhance biodiversity.

## Environmental management

Alkane takes environmental stewardship seriously – not simply as a legislative requirement, but as a demonstration of integrity and the respect we have for the land and our host communities. Environmental responsibility is embedded into the design of our activities and normal business practices.

### Tomingley

At Tomingley Gold Operations, a comprehensive Environmental Management Strategy (EMS) is underpinned by a series of site-specific environmental management plans available on our website.

We are making good progress on updating these to incorporate the extension of operations to the San Antonio and Roswell resources. These need to be approved by the New South Wales Department of Planning, Housing and Infrastructure (DPHI) prior to starting development of the new open cut.

A dedicated Environmental Management team undertakes regular monitoring of air, water, noise and blasting to ensure site compliance with project approvals, licences and permits. Annual environmental reporting includes:

- Annual Review (NSW DPHI)
- Annual Return (NSW EPA)
- Annual Rehabilitation and Biodiversity Monitoring Assessment Report (NSW DPHI)
- Annual Rehabilitation Forward Program & Report (NSW Resources Regulator)
- National Pollutant Inventory Reporting (NPI)
- National Emissions and Energy Report (NGER)


*Air monitoring near Tomingley*


Exploration at Boda-Kaiser

### *Environmental performance in FY24*

No noise, dust or vibration exceedances were recorded at Tomingley during the reporting period, and no complaints were received. There were zero reportable incidents.

Details of Tomingley's environmental performance can be found on Alkane's website.

*No noise, dust or vibration exceedances were recorded at Tomingley during FY24.*

## Peak Hill Gold Mine

Although Peak Hill Gold Mine ceased operating in 2005 and the site is largely rehabilitated, it remains an active mining lease. Environmental management actions include waste management, minor soil remediation works, pest animal and weed control, monitoring and reporting.

Annual environmental reporting includes:

- Environmental Management Report (NSW DPHI, Resources Regulator, Parkes Shire Council)
- Rehabilitation Management Forward Program & Report
- Pollution Incident Response Plan.

## Exploration

Alkane adheres to strict environmental protocols during all exploration activities. For surface-disturbing drilling campaigns, we complete a comprehensive "review of environmental factors" (REF) report as part of the approval process.

The REF evaluates potential impacts across categories including air, water, soil and stability, noise and vibration, hazardous substances, waste and emissions, vegetation, threatened species, biodiversity, social, Aboriginal heritage, and land use (agricultural) impacts. In obtaining approval to undertake exploration activities, Alkane commits to courses of action in compliance with the information supplied.

For each drilling program, we are also required to submit rehabilitation plans and later provide evidence that the rehabilitation was successful.

# Water

Alkane recognises that water is a valuable resource we share with our communities, including towns and agricultural enterprises near our operations and projects. Our activities are carefully designed to use water responsibly and efficiently.

Our approach to water management at Tomingley is comprehensively described in the site's Water Management Plan, which contains details of the New South Wales regulatory environment and water licences. The Water Management Plan has been updated by an external consultant to incorporate the Tomingley Gold Extension Project and has entered the approval stage.

## Water licences

The main water supply at Tomingley Gold Operations is raw water from the Woodlands Borefield, piped approximately 46 kilometres from east of Narromine. The entitlement of 1000ML is sufficient for the site's net requirements, where water is primarily lost by entrainment in processing residue.

To support the proposed increased throughput at Tomingley, we have acquired a second, backup title deed for 400ML from the Mid Macquarie Alluvial Aquifer (bore). This licence is yet to be utilised and will require infrastructure to be installed prior to accessing (if needed).

## Water management and consumption

Tomingley employs a range of measures to optimise water management and minimise consumption of clean (raw) water. For example, surface runoff due to rainfall is contained in sediment ponds, then used for dust suppression. The process water system preferentially uses water from an internal recycling circuit, with new bore water used to top up the process water only as required. Water is recovered and recycled multiple times before it evaporates out of the process water system.

The table below shows bore water consumption and efficiency at Tomingley over the past three years. In FY24, the site drew below 50 percent of its 1000ML entitlement.

The water management system at Tomingley includes infrastructure (drains, dams, pumps and pipelines) to manage clean, raw, dirty, mine and process (contaminated) water. These systems are rigorously maintained to protect the integrity of natural surface and groundwater flows.

### Tomingley bore water use consumption and efficiency

| | FY22 | FY23 | FY24 |
|---|---|---|---|
| Total water drawn from bore (ML) | 573 | 401 | 470 |
| Per tonne of ore processed (L/t) | 556 | 375 | 415 |
| Per ounce of gold poured (L/oz) | 8,577 | 5,709 | 8,214 |

*Water testing near Tomingley*

# Emissions and energy

Alkane acknowledges the need for the mining sector to transition towards renewable energy sources and reduce greenhouse gas (GHG) emissions to combat climate change.

We are aware approvals of future project developments are likely to require substantial commitments to renewable energy solutions and continue to evaluate the feasibility of renewable and low-emission power sources for incorporation in our projects.

Tomingley continues to explore renewable energy solutions to provide an effective proportion of the power requirements for the Tomingley processing plant and other site infrastructure. During FY24, a fleet of new diesel/electric hybrid underground mining equipment was ordered.


*New hybrid mining equipment arriving at Tomingley*

## Tomingley Air Quality and Greenhouse Gas Management Plan

Consent conditions for the Tomingley Gold Extension Project require Tomingley to prepare an Air Quality and Greenhouse Gas Management Plan that includes measures taken to minimise Scope 1 and 2 GHG emissions and improve energy efficiency. The plan will be updated every three years to describe progress and set goals around abating Scope 1 and 2 GHG emissions.

During FY24, the Air Quality and Greenhouse Gas Management Plan was prepared and supplied to the New South Wales Environment Protection Authority for consultation.

## Emissions reporting

Alkane collates and reports annual GHG emissions and energy consumption data for Tomingley Gold Operations in line with the National Greenhouse and Energy Reporting (NGER) scheme and the National Pollutant Inventory (NPI).

- Scope 1 GHG emissions are predominantly associated with the mining fleet.
- Scope 2 GHG emissions relate to electricity purchased from the grid.

The estimated FY24 emissions and energy data reflect a period of extensive construction associated with the Tomingley Gold Extension Project.

### Tomingley emissions and energy data

| | FY22 | FY23 | FY24 |
|---|---|---|---|
| **Greenhouse gas emissions** | | | |
| **Total emissions** Scope 1 & Scope 2 (t $CO_2$-e) | 55,823 | 58,054 | 62,260* |
| **GHG intensity** (t $CO_2$-e/oz) | 0.83 | 0.83 | 1.09* |
| **Energy** | | | |
| **Total consumed** (GJ) | 375,626 | 421,507 | 447,728* |
| **Energy intensity** (GJ/oz) | 5.62 | 6.00 | 7.83* |

**FY24 data is estimated*

# Waste management and recycling

Alkane takes care to manage the waste generated by our operations responsibly and securely. Through careful design, construction, and maintenance, we preserve the structural integrity of our waste storage facilities and ensure they are fit for purpose.

Wherever it is practical, we seek opportunities to repurpose and recycle consumables to recapture key materials and minimise our impact on landfill.

## Waste rock management

Where practical, waste rock from underground mining has been used for construction projects around the site – such as construction of amenity bunds and buttresses of the residue storage facility. The balance was initially stored in two purpose-built waste rock emplacements that have been rehabilitated.

In FY24, suitable waste material was used in the construction of several civil works projects. Residual waste rock was used to backfill the Caloma Two open cut and underground voids.

*Processing residue storage facility*

## Residue management

Processing residues at Tomingley are treated in a cyanide destruction circuit, then stored in the site's purpose-built residue storage facilities (RSF).

RSF1 is a 'High A' consequence category upstream dam with perimeter deposition. It is designed as a non-release facility capable of storing a 'probable maximum precipitation' event. Being nearly full, this dam is on care and maintenance. It has undergone extensive buttressing to maintain appropriate factors of safety and further rehabilitation will be done at end of mine life.

During FY24, we completed construction of RSF2 cell 1, which is now in operation. The second cell was completed in the first quarter of FY25. RSF2 is a 'Significant' consequence category dam, following a centreline lift methodology with perimeter deposition. It is a non-release facility with emergency spillways.

Both RSFs are designed and constructed according to ANCOLD guidelines and Dams Safety NSW Regulations. They are operated according to the site's compressive Dam Safety Management Plan, which incorporates an 'operations, maintenance and surveillance' manual and an emergency response plan.

## Recycling

Tomingley utilises several waste management contractors to collect and recycle consumables such as metal (used in large quantities underground), tyres, machine oil and general waste/recycling. During FY24, Tomingley engaged a new contractor to sort through a build-up of scrap metal entrained in underground waste rock on the ROM pad and other bulk scrap metal.

Tomingley recycling FY24:

- Waste material not recycled (general waste, construction and maintenance scrap etc) 328,044kg
- Waste material recycled (tyres, oil, metal, cardboard, plastic etc) 367,198kg

*NOTE: Waste numbers are above average due to extensive construction during FY24. Recycled material is also above average due to scrap metal clean-up campaign (additional 200,000kg being recycled).*

# Rehabilitation and land management

Alkane abates the impact of our operations to the landscape through sensitive project design, progressive rehabilitation, and sustainable farming practices. We aim to minimise our footprint and improve the productivity of residual agricultural lands that are not disturbed.

## Rehabilitation of mine sites

We understand the importance of returning sites to stable and productive ecosystems once mining is finished. At Peak Hill Gold Mine, where operations ceased in 2005, the rehabilitated site is enjoying the natural regeneration of trees and shrubs. Landscape function analyses across parts of the mining lease indicate the site is in better condition than when mining commenced.

To meet new government requirements, Alkane proposes to remediate an area (less than 10,000 square metres) of scalds on the final landforms at Peak Hill Gold Mine (heap leach and waste rock emplacement) during FY25.

Alkane undertakes progressive rehabilitation of our disturbances at Tomingley Gold Operations – and will continue this practice when mining is extended to new resources nearby. The two original waste rock emplacements at Tomingley have been rehabilitated. High levels of rainfall in recent years have generated good vegetation growth, including acacias and eucalypts.

### *Rehabilitation management plans and reports*

All rehabilitated landforms continue to be monitored and the required reports prepared for government departments. Where applicable, the reports are also available on Alkane's website.

For each of Tomingley and Peak Hill (required by the NSW Resources Regulator):

- Rehabilitation Management Plan
- Rehabilitation Forward Program (Annual – rolling plan for next three years)
- Rehabilitation Management Report (Annual – measures actions of forward program)

Required by the NSW Department of Planning, Housing and Infrastructure:

- Tomingley Rehabilitation and Biodiversity Monitoring Assessment report (Annual)
- Peak Hill Environmental Management Report (Annual)

## Rehabilitation of exploration prospects

Alkane's exploration team also rehabilitates the land disturbed by drilling activities. This is managed via a rehabilitation plan created with the input of the landowner, with all stages carefully documented. Once rehabilitation of an exploration site is completed, we submit a report to the NSW Department of Planning, Housing and Infrastructure.

Alkane uses an inhouse mobile app to streamline management and documentation of our rehabilitation activities. Sites are rehabilitated progressively, as permitted by weather.

*Rehabilitated waste rock emplacement at Tomingley*

# Geotechnical Stability and Erosion Trial


New northern ramp at Tomingley

In FY24, Tomingley established a long-term Geotechnical Stability and Erosion Trial (GSET) within the wall of the new northern ramp that provides access to the underground mine (per the consent conditions for this project).

The purpose of the trial is to learn more about feasible strategies for managing erosion and geotechnical stability for the conditions at Tomingley, with a focus on post-mining long-term landforms. The results will guide potential treatments for the Wyoming One open cut and the future San Antonio and Roswell (SAR) open cut, in close consultation with government bodies.

Seven trial beds have been established on the eastern side of the ramp for the purpose of:

- Comparing the erosion performance of different surface treatments (topsoil and revegetation, soil/rock mulch and revegetation, fresh waste rock, no treatment).
- Monitoring the geotechnical performance of different batter slope angles (20 and 40 degrees) within the alluvium materials (naturally occurring clays, sand and gravel) hosting the ramp.

The trial will also monitor the erosion performance of existing sections of the Wyoming One open cut.

## Integrated mining and agriculture

Over the past few years, the properties Alkane acquired for the Tomingley Gold Extension Project have been managed by our agricultural partner, Toongi Pastoral Company (TPC). TPC is a sustainable farming enterprise founded by Alkane in 2016 to manage the agricultural land associated with the polymetallic Dubbo Project (now owned by our former subsidiary, Australian Strategic Materials).

### *Land Management Plan*

TPC developed a Land Management Plan for all the lands associated with the project, spanning their use before, during and after mining.

The plan encompasses:

- Agricultural land outside the mining lease, where the focus will be enhancing agricultural productivity
- Allocated revegetation zones, where we will focus on enhancing the biodiversity of flora and fauna
- Land that will be rehabilitated after mining has finished and returned to agricultural productivity
- Land that will be rehabilitated and not returned to agriculture (open cut voids and waste rock emplacements), and
- Land that will be used for construction of new roads.

Now construction of the project is underway, TPC has 'handed over' some of the paddocks that fall within the mining lease, including the lands where the paste plant is being built and the designated vehicle and pipeline corridor. TPC will also relinquish the land designated for construction of the new section of Newell Highway, which lies on the western side of the current highway, outside the mining lease.

Exclusion zones of up to 300 metres will be established between fenced-off farming lands and the operations areas, which will have separate high-security fences. The land in these exclusion zones will be left to rest for the foreseeable future.

### *Enhancing agricultural productivity*

Alkane has committed to improving the overall land and soil capability of the agricultural land that will not be disturbed by the Tomingley Gold Extension Project (approximately 1450 hectares). This will yield a net gain in long-term agricultural productivity to offset the land that will be either temporarily or permanently removed from agricultural production.

To achieve this, TPC aims to establish a profitable mixed agricultural enterprise that demonstrates leading practice sustainable farming technologies – including genetics, soil and pasture management, pest and weed management, and carbon sequestration solutions.

The goal is to increase the carrying capacity by approximately five percent per year to improve the average agricultural carrying capacity of approximately 3.1 dry sheep equivalent (DSE) to approximately 6.0DSE by 2035.

During FY24, TPC progressed a series of fencing projects to assist with stock movement and crop rotation – as well as excluding stock from established buffer zones and designated revegetation areas. The consolidated property currently supports around 30 rams and 2000 ewes, on either spring or autumn lambing cycles, and cattle (depending on feed availability) for growing out. Approximately 500 hectares are on rotation for sowing with grain and forage crops.

*Ewes and lambs in Tomingley paddocks*

# Then & now

September 2014

Upon establishment of Tomingley Gold Operations in 2014, our team planted screens of Australian native Bimble Box (*Eucalyptus populnea*) and Inland Grey Box (*Eucalyptus microcarpa*), both indigenous to the region.

August 2024

Ten years later, these trees have flourished into a beautiful woodland area that provides habitat for birds, native mammals and reptiles. There has also been natural recruitment of local understory species.

# Biodiversity

Alkane works hard to protect and nurture the wide variety of native species that live in and around our projects. Through careful management of rehabilitation and biodiversity offset areas, we aim to restore wildlife habitats and enhance native flora and fauna populations.

## Peak Hill

At Peak Hill Gold Mine, our rehabilitation efforts have resulted in an increasingly species-rich site, with several native and woodland bird and mammal species, not present pre-mining, now thriving. The original tree plantings from 1996 are now around 20 metres tall. They have led to natural regeneration of the woodland species on site.

## Tomingley biodiversity monitoring

The annual Tomingley Rehabilitation and Biodiversity Monitoring Assessment report measures and compares the ecological recovery of conservation and mine rehabilitation areas at Tomingley against reference sites (remnant woodland and native grasslands). This report is submitted to the NSW Department of Planning, Housing and Infrastructure in October each year.

A biannual fauna monitoring report is also prepared by external ecological consultants with data obtained from an extensive field assessment program. This report guides the ongoing management of native fauna around the Tomingley operations, with the most recent assessment and report being completed in March 2024.

## Biodiversity offsets

For the original mining lease at Tomingley, designated biodiversity offset areas totalling 157 hectares are protected in-perpetuity by a binding Conservation Property Vegetation Plan, signed in agreement with Central West Local Land Services. These areas comprise a mix of native grassy woodlands being conserved (80Ha) and extensions to these woodlands through ameliorative revegetation (77Ha). Ongoing management activities include revegetation (endemic trees, shrubs, herbs and grasses), weed control, feral animal control and protection of native species from introduced predators.


*Wallaroos at rehabilitated Peak Hill Gold Mine*

Alkane obtained an additional mining lease in July 2023 for the Tomingley Gold Extension Project. Approximately 78 hectares will be disturbed by this extension to operations, mostly cleared agricultural land with isolated paddock trees. With no significant habitat to be cleared, we will offset the small biodiversity impacts in accordance with the NSW Government's requirements, as per the consent conditions for the project. This will include paying into the New South Wales Biodiversity Conservation Trust, as well as establishing 283 hectares of new biodiversity offset areas that will be protected by new in-perpetuity biodiversity stewardship agreements (see page 70).

All the biodiversity activities associated with the extension project will be included in Tomingley's updated Biodiversity Management Plan and Annual Rehabilitation and Biodiversity Monitoring Assessment Report, as well as other relevant documentation.

# Restoring native grassy woodlands

*Planting Fuzzy Box seedlings (August 2024)*

Several types of native New South Wales grassy woodlands once existed in the area around Tomingley. Due to widespread grazing and agricultural development since the 1850s, these plant communities have become scarce and highly fragmented and are now considered threatened or endangered ecological communities.

To offset the disturbance of some of these plant communities by the Tomingley Gold Extension Project, Alkane intends to establish 283 hectares of protected conservation areas. Some 16 individual areas comprising ideal conditions and/or existing plant communities will be fenced off to protect them from grazing. Existing plant communities will be monitored for natural regeneration, and some areas will be revegetated with endemic trees, shrubs, herbs and grasses.

A major focus will be restoring open Fuzzy Box (*Eucalyptus conica*) woodlands. Endemic to eastern Australia, Fuzzy Box is a locally uncommon species and classified as a Threatened Ecological Community. From the residual land outside the mining lease and highway realignment project, we've allocated several areas and soil types (totalling 123.3Ha) that provide ideal growing conditions for Fuzzy Box, including the riparian zones along Gundong and Bulldog Creeks.

As Fuzzy Box seedlings are difficult to source, Alkane engaged local forestry seedling specialist, Narromine Transplants, to propagate 2,000 seedlings from seed collected from our existing trees. We planted 1,445 Fuzzy Box seedlings in August 2024.

Alkane also intends to restore and protect several Western Grey Box (*Eucalyptus microcarpa*) and Belah (*Casuarina cristata*) woodland areas, totalling approximately 160 hectares.

# FINANCIAL REPORT

# Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'group') consisting of Alkane Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

## Directors

The following persons were directors of Alkane Resources Ltd (Alkane) during the whole of the financial year and up to the date of this report, unless otherwise stated:

I J Gandel
N P Earner
D I Chalmers
A D Lethlean
G M Smith

The Board continues its efforts to seek to appoint additional independent members who will bring complementary skill sets and diversity to the group's leadership.

## Information on Directors and Company Secretaries

**Ian Jeffrey Gandel – Non-Executive Chairman**
*LLB, BEc, FCPA, FAICD*

Appointed Director 24 July 2006 and Chairman 1 September 2017.

Mr Gandel is a successful Melbourne-based businessman with extensive experience in retail management and retail property. He has been a director of the Gandel Retail Trust and has had an involvement in the construction and leasing of Gandel shopping centres. He has previously been involved in the Priceline retail chain and the CEO chain of serviced offices.

Mr Gandel has been an investor in the mining industry since 1994. Mr Gandel is currently a substantial holder in a number of publicly listed Australian companies and, through his private investment vehicles, now holds and explores tenements in his own right in Western Australia and South Australia. Mr Gandel is currently an executive chairman of Alliance Resources Pty Ltd (appointed as a director on 15 October 2003 and in June 2016 was appointed non-executive chairman). Mr Gandel is currently non-executive chairman of Australian Strategic Materials Limited.

Mr Gandel is a member of the Audit, Remuneration and Nomination Committees.

**Nicholas Paul Earner – Managing Director**
*BEng (Hons)*

Appointed Managing Director 1 September 2017.

Mr Earner is a chemical engineer and a graduate of the University of Queensland with 30 years' experience in technical and operational optimisation and management and has held a number of executive roles in mining and processing.

Mr Earner joined Alkane Resources Ltd as Chief Operations Officer in August 2013 with responsibility for the safe and efficient management of the company's operations at Tomingley Gold Operations (Tomingley) and Dubbo (Dubbo Project). During Mr Earner's time as Managing Director, the Dubbo Project has been de-merged into the separately listed Australian Strategic Materials, Tomingley has had its mine life extension approved by the NSW government, and the Boda-Kaiser Project has gone from discovery to scoping study.

Mr Earner is currently a non-executive director of Australian Strategic Materials Ltd (appointed 1 September 2017). Mr Earner has been a director of Genesis Minerals Limited in the last three years (resigned 19 November 2021).

Mr Earner is a member of the Risk Committee.

**David Ian Chalmers – Technical Director**
*MSc, FAusIMM, FAIG, FIMM, FSEG, MSGA, MGSA, FAICD*

Appointed Technical Director 1 September 2017. Resigned as Managing Director 31 August 2017.

Mr Chalmers is a geologist and graduate of the Western Australia Institute of Technology (Curtin University) and has a Master of Science degree from the University of Leicester in the United Kingdom. He has worked in the mining and exploration industry for over 50 years, during which time he has had experience in all facets of exploration and mining through feasibility and development to the production phase. Mr Chalmers was Technical Director of Alkane until his appointment as Managing Director in 2006, overseeing the group's minerals exploration efforts. During his time as chief executive he steered Alkane through the discovery, feasibility, construction and development of the now fully operational Tomingley Gold Operations; the discovery and ultimate sale of the McPhillamys gold deposit; the evaluation, recovery flowsheet, marketing and feasibility for the Dubbo Project (rare metals and rare earths), advancing the project towards development; and the recent discovery of the gold deposits immediately south of Tomingley and the porphyry gold-copper discovery at Boda.

Mr Chalmers is a member of the Nomination Committee. He is a director of the Toronto-based Critical Minerals Institute.

**Anthony Dean Lethlean – Non-Executive Director**
*BAppSc (Geology)*

Appointed Director 30 May 2002.

Mr Lethlean is a geologist with over ten years' mining experience, including four years underground on the Golden Mile in Kalgoorlie. In later years, he has worked as a resource analyst with various stockbrokers and investment banks including CIBC World Markets. He was a founding director of Helmsec Global Capital Limited, which seeded, listed and funded a number of companies in a range of commodities. He retired from the Helmsec group in 2014. He is also a director of corporate advisory Rawson Lewis.

Mr Lethlean is the senior independent Director, Chair of the Audit and Risk Committees, and a member of the Remuneration and Nomination Committees.

**Gavin Murray Smith – Non-Executive Director**
*B.Com, MBA, MAICD*

Appointed Director 29 November 2017.

Mr Smith is an accomplished senior executive and non-executive director within multinational business environments. He has more than 35 years' experience in Information Technology, Business Development, and General Management in a wide range of industries and sectors. Mr Smith has worked for the Bosch group for the past 34 years in Australia and Germany and is current chair and president of Robert Bosch Australia. In this role, Mr Smith has led the restructuring and transformation of the local Bosch subsidiary. Concurrent with this role, he is a non-executive director of the various Bosch subsidiaries, joint ventures, and direct investment companies in Australia and New Zealand. Mr Smith is currently a non-executive director of Australian Strategic Materials Ltd.

Mr Smith is a member of the Audit and Risk Committees and Chair of the Remuneration and Nomination Committees.

**Dennis Wilkins – Joint Company Secretary**

Appointed Company Secretary 29 March 2018.

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd, a corporate advisory firm servicing the natural resources industry.

Since 1994, he has been a director, and involved in the executive management, of many publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. Mr Wilkins is the principal of DWCorporate Pty Ltd, where he advises on governance, compliance and corporate secretarial matters to companies in the Australian resources sector. Mr Wilkins is currently a director of Key Petroleum Limited.

**James Carter – Joint Company Secretary**

Appointed Company Secretary 20 May 2020.

Mr Carter is a CPA and Chartered Company Secretary with over 25 years' international experience in the resources industry. He has held senior finance positions across listed resources companies since 2001.

## Principal activities

During the financial year the principal activities of the consolidated entity consisted of:

- mining operations at Tomingley Gold Operations
- construction and commercial production of the Tomingley Gold Extension Project
- exploration and evaluation activities on tenements held by the group; and
- pursuing strategic investments in gold exploration companies.

## Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

# Result for the year

The profit for the consolidated entity, after providing for income tax, amounted to $17,677,000 (30 June 2023: $42,450,000).

This result included a profit before tax of $37,544,000 (30 June 2023: $71,157,000) in relation to Tomingley Gold Operations.

# Review of operations

## Tomingley Gold Operations

Tomingley Gold Operations (TGO) is a wholly owned subsidiary of Alkane, located near the village of Tomingley, approximately 50km southwest of Dubbo in Central West New South Wales. Tomingley has been operating since 2014. Mining is based on four gold deposits (Wyoming One, Caloma One, Caloma Two and Roswell).

TGO produced 57,217oz, which was within updated production guidance (55,000oz to 58,000oz). AISC of A$2,137/oz beat updated guidance (A$2,150 to $2,350/oz). FY2024 full year production was below the original guidance (60,000oz to 65,000oz). The main reasons were the mining of stopes in Caloma Two, which had lower than predicted recovery due to the presence of preg-robbing carbonaceous material and the Roswell ramp up not being sufficiently rapid to allow the original guidance to be met.

Gold recovery of 78.4% for the period was below expectations (2023: 84.3%). Average grade milled decreased to 2.00g/t in the current year (2023: 2.42g/t).

Production for the period was 57,217 ounces of gold (2023: 70,253 ounces of gold) with all in sustaining costs of $2,137 per ounce (2023: $1,602 per ounce). The average sales price achieved for the year increased to $3,004 per ounce (2023: $2,703 per ounce). Gold sales of 57,592 ounces (2023: 70,498 ounces) resulted in sales revenue of $172,991,000 (2023: $190,527,000).

Bullion on hand decreased by 390 ounces from 30 June 2023 to 2,500 ounces (fair value of $8,700,000 at year end).

The main drivers to the change in profit year on year have been the higher operating costs due to increased activities, higher input costs, and lower grade and recovery achieved. The higher metal prices were offset by lower quantities sold.

The table below summarises the key operational information:

| TGO Production | Unit | September Quarter 2023 | December Quarter 2023 | March Quarter 2024 | June Quarter 2024 | FY 2024 | FY 2023 |
|---|---|---|---|---|---|---|---|
| **Underground** | | | | | | | |
| Ore mined | tonnes | 241,591 | 277,547 | 230,694 | 297,203 | 1,047,035 | 822,585 |
| Grade | g/t | 2.12 | 1.88 | 1.82 | 2.49 | 2.10 | 2.50 |
| Ore Milled | tonnes | 276,654 | 287,550 | 296,644 | 271,690 | 1,132,538 | 1,069,331 |
| Head Grade | g/t | 2.10 | 1.84 | 1.69 | 2.41 | 2.00 | 2.42 |
| Gold Recovery | % | 81.9 | 77.9 | 67.6 | 84.1 | 78.4 | 84.3 |
| Gold poured(3) | ounces | 15,855 | 13,182 | 10,861 | 17,319 | 57,217 | 70,253 |
| **Revenue summary** | | | | | | | |
| Gold sold | ounces | 16,090 | 14,507 | 10,385 | 16,610 | 57,592 | 70,498 |
| Average price realised | A$/oz | 2,897 | 2,926 | 2,933 | 3,219 | 3,004 | 2,703 |
| Gold revenue | A$M | 46.6 | 42.4 | 30.5 | 53.5 | 173.0 | 190.5 |
| **Cost summary** | | | | | | | |
| Surface works | A$/oz | 30 | 29 | 53 | 26 | 33 | 134 |
| Underground mining | A$/oz | 682 | 771 | 860 | 902 | 800 | 461 |
| Processing | A$/oz | 435 | 444 | 750 | 469 | 504 | 388 |
| Site support | A$/oz | 175 | 220 | 289 | 168 | 204 | 141 |
| **C1 Cash Cost(1)** | A$/oz | 1,322 | 1,464 | 1,952 | 1,565 | 1,541 | 1,124 |
| Royalties | A$/oz | 93 | 82 | 85 | 112 | 94 | 93 |
| Sustaining capital | A$/oz | 429 | 508 | 340 | 319 | 401 | 364 |
| Gold in circuit movement | A$/oz | 223 | 51 | (36) | (186) | 15 | (49) |
| Rehabilitation | A$/oz | 32 | 29 | 16 | 2 | 20 | 22 |
| Corporate | A$/oz | 57 | 66 | 96 | 55 | 66 | 47 |
| **All in Sustaining Cost(1)** | A$/oz | 2,156 | 2,200 | 2,453 | 1,867 | 2,137 | 1,601 |
| Bullion on hand | ounces | 2,651 | 1,322 | 1,796 | 2,500 | 2,500 | 2,890 |
| **Stockpiles** | | | | | | | |
| Ore for immediate milling | tonnes | 289,287 | 281,701 | 215,751 | 241,179 | 241,179 | 328,594 |
| Stockpile grade(2) | g/t | 0.94 | 0.95 | 0.86 | 1.13 | 1.13 | 1.04 |
| Contained gold | ounces | 8,757 | 8,621 | 5,975 | 8,776 | 8,776 | 10,940 |

*(1) All in Sustaining Cost (AISC) comprises all site operating costs, royalties, mine exploration, sustaining capex, sustaining mine development and an allocation of corporate costs on the basis of ounces sold. AISC does not include share-based payments, production incentives or net realisable value provision for product inventory.*

*(2) Based on the resource models.*

*(3) Represents gold sold at site, not adjusted for refining adjustments which results in minor differences between the movements in bullion on hand and the difference between production and sales.*

## Tomingley Gold Extension Project

The Tomingley Gold Extension Project was granted the mining lease (ML1858) in July 2023. In April 2024, Alkane announced that Roswell has transitioned from ore development to production stoping.

As part of the five-year plan announced 24 June 2024, production is expected to increase from 55,000oz in FY24 to 100,000 – 110,000oz in FY29, through underground operations and the commencement of open cut mining in FY27 – FY29. The expected AISC for the five years will be A$1,900 – $2,100/oz.

Structural works for the paste plant are largely complete with work commencing on the electrical installation. The paste plant is expected to be commissioned in Q4 2024. Structural work at the process plant flotation and fine grinding circuit is nearing completion. The circuit is expected to be commissioned in Q4 2024. The first of the new CAT 2900XE underground loaders has arrived on site. The remaining three units are expected to be delivered in Q3 2024.

### *Exploration*

The extensive exploration program focused on the immediate area to the south of the TGO mine has continued as part of the plan to source additional ore feed, either at surface or underground.

Full results for regional aircore, reverse-circulation and diamond core exploration drilling of several targets within and adjacent to the Tomingley to Peak Hill corridor have yet to be received. This data will be compiled into a summary expected to be released in the September quarter.

## Northern Molong Porphyry Project (gold-copper)

The drilling program at the Northern Molong Porphyry Project (NMPP) extends over three kilometres from Kaiser to Boda, down to Boda Two and Boda Three. Revised Indicated and Inferred Resource estimates for Boda and Kaiser were released during the year. The Boda-Kaiser development scoping study was announced on 10 July 2024 and had a 17-year life-of-mine based on a 20 million tonnes per annum scenario.

The project is located in Central West NSW at the northern end of the Molong Volcanic Belt of the Macquarie Arc and is considered highly prospective for large scale porphyry and epithermal gold-copper deposits.

Exploration in the NMPP has identified seven discrete intrusive complexes – Kaiser, Boda, Boda South, Driell Creek, Murga, Windora and Thompkins – outboard of the major 35km$^2$ Comobella Intrusive Complex and within a northwest-trending transverse corridor. The corridor is defined by intermediate intrusive, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralisation. Drilling continues to improve the confidence of the Boda and Kaiser deposits and to test mineralised zones outside the defined resource envelopes.

Planned exploration over the next 12 months comprises work on growing the understanding of the regional geological setting of the Boda-Kaiser District to aid the discovery of new gold-copper porphyry deposits. Baseline environmental studies are underway for the Boda-Kaiser deposits in parallel with scoping studies to progress development of the Boda-Kaiser deposits.

## Corporate

In accordance with the strategy of investing part of its cash balance in junior gold mining companies and projects that meet its investment criteria and the needs of the business, the company sold Genesis Minerals Ltd (ASX:GMD) during the period for proceeds of $13.04M.

During the period, Calidus Resources Ltd (ASX:CAI) entered voluntary administration and was written down to $nil (cost $19.8M).

# Material business risks

The material business risks for the group include:

## Mineral Resource and Ore Reserve Estimates

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience, and industry practice, and no assurances can be given that the Mineral Resource and Ore Reserve estimates and the underlying assumptions will be realised. Estimates, which were valid when originally calculated, may alter when new information or techniques become available.

In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the Mineral Resource and Ore Reserve estimates may change.

Actual mineralisation of ore bodies may differ from those predicted, and any material variation in the estimated Ore Reserves may have a material adverse effect impact on the group's results of operations, financial condition, and prospects.

## Production, cost and capital estimates

The group prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the group's future cash flows, profitability, results of operations and financial condition.

The group's actual production and costs may vary from the estimates due to a variety of reasons including variances in actual ore mined due to varying estimates of grade, tonnage, dilution, metallurgical and other characteristics; revision of mine plans; changing ground conditions; labour availability and costs; diesel costs; and general inflationary pressures being felt across the industry.

The development of estimates is managed by the group using a rigorous budgeting and forecasting process.

## Operating risks

The group's mining operations are subject to all the hazards and risks normally encountered in the exploration, development, and production of gold that could result in decreased production, increased costs and reduced revenues. The operation may be affected by equipment failure, toxic chemical leakage, labour disruptions and availability, residue and tailings dam failures, rain and seismic events which may result in environmental pollution and consequent liability. The impact of these events could lead to disruptions in production and scheduling, increased costs and loss of facilities, which may have a material adverse impact on the group's results.

To manage this risk, Alkane seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved.

## Exploration risks

An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of the group's exploration activities. Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. Few properties that are explored subsequently have economic deposits of gold identified, and even fewer are ultimately developed into producing mines.

Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

## Gold prices

Revenues and cashflows are exposed to fluctuations in the Australian dollar gold price. Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained. Declining gold price can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project which would cause delays and potentially have a material adverse effect on results of operations and financial conditions forward contracts.

## Taxation

The gold mining industry is subject to a number of government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact the profitability of the group.

## Community relations

Community relations is about people connecting with people. Maintaining trusted relationships with our local community stakeholders throughout the entire mining cycle is an essential part of securing and maintaining our social licences to operate.

The group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt production and exploration activities.

## Cyber security risks

The company has an Information Systems Standard and other information security policies and procedures in place to ensure secure and reliable operations of all information systems. It is regularly audited based on accepted information security standards from the Australian Signals Directorate (ASD) and National Institute of Standards and Technology (NIST).

The company's information security training and compliance program includes training during onboarding, quarterly training refreshers, and anti-phishing simulations throughout the year for all employees. The company also has active detection and response systems in place to mitigate any potential breaches that may try to circumvent the boundary security controls. This addresses threat and vulnerability management from a cyber security perspective. The company has experienced no material information security breaches. The group Information Systems Manager tracks all cyber risks and reports to the Board on information security matters, and to the Audit and Risk Committees.

## Government regulation

The group's mining, processing, development and exploration activities are subject to various laws and statutory regulations governing prospecting, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land claims of local people and other matters.

No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the group's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration, or more stringent implementation thereof, could have a material adverse impact on the group.

### Debt and hedging covenants

The company has entered into agreements with financiers and hedge providers that contain various undertakings and financial covenants. Non-compliance with the undertakings and covenants contained in these agreements could lead to a default event resulting in the debt becoming due and payable with potentially adverse effects on the financial position of the company. Management continually monitors for compliance with the required undertakings and covenants.

### Government policy and permits

In the ordinary course of business, mining companies are required to seek government permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the controls of the company. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by the company.

### Climate-related risks

Alkane recognises that climate change poses a key environmental and social risk to our business, and the markets in which the company operates in. The highest-priority climate-related risks include reduced water availability, extreme weather events, changes in legislation and regulation, reputational risk, and technological and market changes.

While Alkane proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner regarding the environment, there is the risk that Alkane may incur liability for any breaches of these laws and regulations.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

## Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Likely developments and expected results of operations

The group intends to continue efforts at TGO to be focused on continued safe operation of the underground mine and exploration, evaluation and project approval of several of its other tenements to secure additional ore feed. Exploration and evaluation activities will continue on existing tenements, and opportunities to expand the group's tenement portfolio will be pursued with a view to ensuring there is a pipeline of development opportunities for consideration.

Refer to the Review of Operations for further detail on planned developments.

# Environmental regulation

The group is subject to significant environmental regulation in respect of its exploration and evaluation, development and mining activities.

The group aspires to the highest standards of environmental management and insists its staff and contractors maintain that standard. A significant environmental incident is considered to be one that causes a major impact or impacts to land biodiversity, ecosystem services, water resources or air, with effects lasting greater than one year. There were no significant environmental incidents reported at any of the group's operations.

# Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

| | Meetings of directors | | Audit Committee | | Risk Committee | | Remuneration and Nomination Committees | |
|---|---|---|---|---|---|---|---|---|
| | Attended | Held | Attended | Held | Attended | Held | Attended | Held |
| I J Gandel | 12 | 12 | 3 | 3 | 1* | 1 | 1 | 1 |
| A D Lethlean | 11 | 12 | 3 | 3 | 1 | 1 | 1 | 1 |
| D I Chalmers | 12 | 12 | 3* | 3 | 1* | 1 | 1* | 1 |
| G Smith | 12 | 12 | 3 | 3 | 1 | 1 | 1 | 1 |
| N Earner | 12 | 12 | 3* | 3 | 1 | 1 | 1* | 1 |

*Held: represents the number of meetings held during the time the director held office or was a member of the committee during the year.*
** Not a member of this committee. Non-members may attend the relevant committee meetings by invitation.*

# Remuneration report

The directors are pleased to present Alkane Resources Ltd's remuneration report, which sets out remuneration information for the company's Non-Executive Directors, Executive Directors and other Key Management Personnel ('KMP').

The report contains the following sections:

(a) Key Management Personnel ('KMP') disclosed in this report
(b) Remuneration governance
(c) Use of remuneration consultants
(d) Executive remuneration policy and framework
(e) Statutory performance indicators
(f) Non-Executive Director remuneration policy
(g) Voting and comments made at the company's 2023 Annual General Meeting
(h) Details of remuneration
(i) Service agreements
(j) Details of share-based payments and performance against key metrics
(k) Shareholdings and share rights held by Key Management Personnel
(l) Other transactions with Key Management Personnel

## (a) Key Management Personnel ('KMP') disclosed in this report

**Non-Executive Directors**
I J Gandel
G Smith
A D Lethlean

**Executive Directors**
D I Chalmers
N P Earner

**Other Key Management Personnel**

| | |
|---|---|
| J Carter | Chief Financial Officer/ Joint Company Secretary |
| S Parsons | Executive General Manager – Operations |

## (b) Remuneration governance

The company has established a Remuneration Committee to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on:

- the overall remuneration strategy and framework for the company;
- the operation of the incentive plans which apply to the executive team, including the appropriateness of key performance indicators and performance hurdles; and
- the assessment of performance and remuneration of the Executive Directors, Non-Executive Directors and other Key Management Personnel.

The Remuneration Committee is a committee of the Board and at the date of this report the members were I J Gandel, A D Lethlean and G M Smith, all of whom were non-executive (with Mr Smith and Mr Lethlean being independent).

Their objective is to ensure that remuneration policies and structures are fair, competitive and aligned with the long-term interests of the company and its shareholders.

The company's annual Corporate Governance Statement provides further information on the role of this committee, and the full statement is available at URL: http://www.alkane.com.au/company/governance

## (c) Use of remuneration consultants

No remuneration consultants were engaged in the financial year to provide remuneration advice.

## (d) Executive remuneration policy and framework

In determining executive remuneration, the Board (or the Remuneration Committee as its delegate) aims to ensure that remuneration practices:

- are competitive and reasonable, enabling the company to attract and retain key talent while building a diverse, sustainable and high achieving workforce;
- are aligned to the company's strategic and business objectives and the creation of shareholder value;
- promote a high-performance culture recognising that leadership at all levels is a critical element in this regard;
- are transparent; and
- are acceptable to shareholders.

The executive remuneration framework has three components:

- Total fixed remuneration (TFR);
- Short-term incentives (STI); and
- Long-term incentives (LTI).

### *(i) Executive remuneration mix*

The company has in place executive incentive programs which provide the mechanism to place a material portion of executive pay 'at risk'.

### *(ii) Total fixed remuneration*

A review is conducted of remuneration for all employees and executives on an annual basis or as required. The Remuneration Committee is responsible for determining executive TFR.

### *(iii) Incentive arrangements*

The company may utilise both short-term and long-term incentive programs to balance the short and long-term aspects of business performance, to reflect market practice, to attract and retain key talent, and to ensure a strong alignment between the incentive arrangements of executives and the creation and delivery of shareholder return.

Performance rights have been used in the current period to incentivise the company's executive and KMP. The performance rights plan was approved by shareholders at the 2016 Annual General Meeting.

#### *Short-term incentives*

The executives have the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved.

The executive STI is provided in the form of rights to ordinary shares in the company that vest at the end of the 12-month period, provided the predefined targets are met. On vesting, the rights automatically convert into one ordinary share each. The executives do not receive any dividends and are not entitled to vote in relation to the rights to shares during the vesting period. If an executive ceases to be employed by the group within the performance period (the service condition), the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

STI awards for the executive team in the 2024 financial year were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Remuneration Committee through a rigorous process to align to the company's strategic and business objectives.

| Performance metrics | Weighting |
|---|---:|
| Production performance at TGO | 20% |
| Cost performance at TGO | 20% |
| Safety Performance, Environment & Social Licence | 25% |
| SAR Development | 15% |
| SAR Resources Increase | 5% |
| NMPP Resource Increase | 15% |

In FY23, the following STI results were achieved:

| STI – FY23 | Weighting (%) | Metric | | Target Reward (%) | Actual Result | Actual Reward (%) |
|---|---|---|---|---|---|---|
| Production ounces at TGO | 20 | Stretch | 115% Budget (63,250oz) | 100 | 70,253oz | 100 |
| AISC at TGO | 20 | Stretch | 85% of Budget (A$1,658/oz) | 100 | A$1,602/oz | 100 |
| Safety Performance Environment Social Licence | 25 | | Board will assess the company's performance taking into account safety, environmental & regulatory performance as well as risk, community and social licence improvement | | Board Discretion | 78 |
| SAR Development | 15 | Target | Both decline spirals commenced at Roswell | 50 | Declines | 50 |
| SAR Resource Increase (incl McLeans) | 5 | Threshold | 30,000oz at > 1.5g/t added | 0 | No change | 0 |
| NMPP Resource Increase | 15 | Stretch | 4,000,000oz AuEq at 0.3g/t (AuEq) cut-off | 100 | 4.7Moz AuEq | 100 |

*Note: Board discretion to modify or cancel if fatality, serious injury or serious ESG incident*

FY23 STIs were revalued by Deloitte via a Black-Scholes model upon reaching the above vesting criteria. Executive director incentives vested on 21 November 2023 with a fair value of $0.640. Other executives (key management personnel) were granted on 2 October 2023 and had a fair value of $0.610. Both are subject to a restricted trading period of one year from vesting date.

The Remuneration Committee has the discretion to adjust short-term incentives downwards in light of unexpected or unintended circumstances.

***Long-term incentives***

The LTI is designed to focus executives on delivering long-term shareholder returns. Eligibility for the plan is restricted to executives and nominated senior managers, being the employees who are most able to influence shareholder value. Under the plan, participants have an opportunity to earn up to 100% of their total fixed remuneration (calculated at the time of approval by the Remuneration Committee) comprised of performance rights. In previous periods, performance rights were granted in two tranches each year. Each tranche of performance rights has separate vesting conditions, being share price growth and company milestone events, with the executives' LTI weighted more heavily to the share price growth tranche. The LTI vesting period is three years. In FY2024 LTIs were issued with vesting conditions linked to total shareholder return ('TSR') with a vesting period of three years.

The performance rights will be provided in the form of rights to ordinary shares in Alkane Resources Ltd that will vest at the end of the three-year vesting period, provided the predefined targets are met. On vesting, the rights automatically convert into one ordinary share each. Participants do not receive any dividends and are not entitled to vote in relation to the rights to shares prior to the vesting period. If a participant ceases to be employed by the group within this period, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan.

Targets are generally reviewed annually and set for a forward three-year period. Performance-related targets reflect factors such as the expectations of the group's business plans, the stage of development of the group's projects and the industry business cycle. The most appropriate target benchmark will be reviewed each year prior to the granting of rights.

During the year, conditional rights to the FY21 LTI lapsed because the conditions have not been, or have become incapable of being, satisfied.

FY24 LTIs were valued upon issue by Deloitte using a Monte-Carlo valuation model. Executive director incentives were granted on 21 November 2023 and have a fair value of $0.369. Other executives (key management personnel) were granted on 2 October 2023 at a fair value of $0.358.

The Remuneration Committee is responsible for determining the LTI to vest based on an assessment of whether the predefined targets are met. To assist in this assessment, the committee receives detailed reports on performance from management. The committee has the discretion to adjust LTIs downwards in light of unexpected or unintended circumstances.

### *(iv) Clawback policy for incentives*

Under the terms and conditions of the company's incentive plan offer and the plan rules, the Board (or the Remuneration Committee as its delegate) has discretion to determine forfeiture of unvested equity awards in certain circumstances (e.g. unlawful, fraudulent or dishonest behaviour or serious breach of obligations to the company). All incentive offers and final outcomes are subject to the full discretion of the Board (or the Remuneration Committee as its delegate).

### *(v) Share trading policy*

The trading of shares issued to participants under any of the company's employee share plans is subject to, and conditional upon, compliance with the company's employee share trading policy. Executives are prohibited from entering into any hedging arrangements over unvested rights under the company's employee incentive plans. The company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

## (e) Statutory performance indicators

The company aims to align executive remuneration to the company's strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the specific measures in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration rewarded.

| | 30 June 2024 | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
|---|---|---|---|---|---|
| Revenue ($'000) | 172,991 | 190,527 | 165,010 | 127,833 | 74,397 |
| Profit/(loss) for the year attributable to owners ($'000) | 17,677 | 42,450 | 70,251 | 55,701 | 12,762 |
| Basic earnings/(loss) per share (cents) | 2.93 | 7.1 | 11.8 | 5.6 | 2.4 |
| Dividend payments ($'000) | - | - | - | - | - |
| Share price at period end ($) | 0.50 | 0.71 | 0.62 | 1.15 | 1.21 |
| Total KMP incentives as a percentage of profit/(loss) for the year (%) | 5.0 | 5.9 | 1.8 | 2.1 | 8.3 |

## (f) Non-Executive Director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

Non-Executive Directors receive a Board fee and fees for chairing or participating on Board Committees. Non-Executive Directors appointed do not receive retirement allowances. Fees provided are inclusive of superannuation and the Non-Executive Directors do not receive performance-based pay.

Fees are reviewed annually by the Remuneration Committee taking into account comparable roles and market data obtained from independent data providers.

The maximum annual aggregate directors' fee pool limit (inclusive of applicable superannuation) is $950,000 and was approved by shareholders at the Annual General Meeting on 17 November 2021.

Details of Non-Executive Director fees in the year ended 30 June 2024 are as follows:

| | $ per annum |
|---|---|
| **Base fees** | |
| Chair | 191,000 |
| Other Non-Executive Directors | 95,000 |
| **Additional fees** | |
| Audit Committee – chair | 12,500 |
| Audit Committee – member | 7,500 |
| Remuneration Committee – chair | 12,500 |
| Remuneration Committee – member | 7,500 |

For services in addition to ordinary services, Non-Executive Directors may charge per diem consulting fees at the rate specified by the Board from time to time for a maximum of four days per month over a 12-month rolling basis. Any fees in excess of this limit are to be approved by the Board.

## (g) Voting and comments made at the company's 2023 Annual General Meeting

The company received 94.26% of "yes" votes on its remuneration report for the financial year ended 30 June 2023. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## (h) Details of remuneration

The following table shows details of the remuneration expense recognised for the directors and the KMP of the group for the current and previous financial year measured in accordance with the requirements of the accounting standards.

| 30 June 2024 | Fixed Remuneration | | | Variable Renumeration | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Cash Salary[(a)] | Annual and long service leave[(b)] | Post-employment benefits[(c)] | Cash bonus [(a)(f)] | Bonus Employee Share Plan[(g)] | STI Performance Rights[(d)] | LTI Performance Rights[(d)] | |
| | $ | $ | $ | $ | $ | $ | | $ |
| **Executive Directors** | | | | | | | | |
| N P Earner | 622,601 | 43,026 | 27,399 | - | - | 50,294 | 399,521 | 1,142,841 |
| D I Chalmers | 303,401 | 27,011 | 27,399 | - | - | 17,064 | 93,842 | 468,717 |
| **Other KMP** | | | | | | | | |
| J Carter | 474,765 | 17,843 | 27,399 | - | 1,000 | 25,787 | 146,800 | 693,594 |
| S Parsons | 457,449 | 10,887 | 27,399 | 69,446 | 1,000 | 12,449 | 141,671 | 720,301 |
| **Total Executive Directors and other KMP** | 1,858,216 | 98,767 | 109,596 | 69,446 | 2,000 | 105,594 | 781,834 | 3,025,453 |
| **Total NED remuneration[(e)]** | 398,175 | - | 30,325 | - | - | - | - | 428,500 |
| **Total KMP remuneration expense** | 2,256,391 | 98,767 | 139,921 | 69,446 | 2,000 | 105,594 | 781,834 | 3,453,953 |

| 30 June 2023 | Fixed Remuneration | | | Variable Renumeration | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Cash Salary[(a)] | Annual and long service leave[(b)] | Post-employment benefits[(c)] | Cash bonus [(a)(f)] | Bonus Employee Share Plan[(g)] | STI Performance Rights[(d)] | LTI Performance Rights[(d)] | |
| | $ | $ | $ | $ | $ | $ | | $ |
| **Executive Directors** | | | | | | | | |
| N P Earner | 624,708 | (13,594) | 25,292 | - | - | 200,058 | 432,818 | 1,269,282 |
| D I Chalmers | 305,508 | 34,855 | 25,292 | - | - | 67,876 | 105,018 | 538,549 |
| **Other KMP** | | | | | | | | |
| J Carter | 453,175 | 20,529 | 27,500 | - | 1,000 | 129,428 | 148,511 | 780,143 |
| S Parsons | 436,600 | 24,948 | 27,500 | 106,562 | 1,000 | 19,313 | 147,256 | 763,179 |
| **Total Executive Directors and other KMP** | 1,819,991 | 66,738 | 105,584 | 106,562 | 2,000 | 416,675 | 833,603 | 3,351,153 |
| **Total NED remuneration[(e)]** | 399,423 | - | 29,077 | - | - | - | - | 428,500 |
| **Total KMP remuneration expense** | 2,219,414 | 66,738 | 134,661 | 106,562 | 2,000 | 416,675 | 833,603 | 3,779,653 |

(a) *Short-term benefits as per Corporations Regulation 2M.3.03(1) Item 6.*

(b) *Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the year.*

(c) *Post-employment benefits are provided through superannuation contributions.*

(d) *Rights to deferred shares granted under the executive STI and LTI schemes are expensed over the performance period, which includes the year to which the incentive relates and the subsequent vesting period of the rights.*
*Rights to deferred shares are equity-settled share-based payments as per the Corporations Regulations 2M.3.03(1) Item11. These include negative amounts for the rights forfeited during the year.*
*Details of each grant of share right are provided in the table in section (j). Shareholder approval was received in advance to the grant of share rights where required.*

(e) *Refer below for details of Non-Executive Directors' (NED) remuneration.*

(f) *The cash bonus includes a paid short-term incentive for FY2023 ($56,997) and short-term incentive for FY2024 ($12,449) that will be paid subject to final determination.*

(g) *Recipients of shares issued under the Bonus Employee Share Plan will not be able to deal with the new shares until the earlier of the third anniversary of the issue date and the date on which they cease to be an employee of the company.*

| | Cash salary and fees $ | Superannuation $ | Total $ |
|---|---|---|---|
| **30 June 2024** | | | |
| **Non-Executive Directors** | | | |
| I J Gandel | 172,072 | 18,928 | 191,000 |
| A D Lethlean | 103,603 | 11,397 | 115,000 |
| G M Smith | 122,500 | - | 122,500 |
| **Total Non-Executive Directors** | 398,175 | 30,325 | 428,500 |
| **30 June 2023** | | | |
| **Non-Executive Directors** | | | |
| I J Gandel | 172,851 | 18,149 | 191,000 |
| A D Lethlean | 104,072 | 10,928 | 115,000 |
| G M Smith | 122,500 | - | 122,500 |
| **Total Non-Executive Directors** | 399,423 | 29,077 | 428,500 |

The relative proportions of remuneration expense recognised during the year that are linked to performance and those that are fixed are as follows:

| | Fixed remuneration | | At risk – LTI | | At risk – STI | |
|---|---|---|---|---|---|---|
| | 2024 % | 2023 % | 2024 % | 2023 % | 2024 % | 2023 % |
| **Executive Directors of Alkane Resources Ltd** | | | | | | |
| N P Earner | 61 | 50 | 35 | 34 | 4 | 16 |
| D I Chalmers | 76 | 68 | 20 | 20 | 4 | 12 |
| **Other Key Management Personnel** | | | | | | |
| J Carter | 75 | 64 | 21 | 19 | 4 | 17 |
| S Parsons | 69 | 64 | 20 | 19 | 11 | 17 |

## (i) Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

| Name and Position | Term of agreement | TFR (1) | Termination payment (2) |
|---|---|---|---|
| N Earner – Managing Director | Ongoing commencing 1 September 2017 | $650,000 | see note 2 below |
| D I Chalmers – Technical Director | Ongoing commencing 1 September 2017 | $330,800 | 6 months |
| J Carter – Chief Financial Officer | Ongoing commencing 1 October 2018 | $502,164 | 3 months |
| S Parsons – Executive General Manager Operations | Ongoing commencing 1 October 2015 | $457,499 | 1 month |

(1) *Total Fixed Remuneration (TFR) is for the year ended 30 June 2024 and is inclusive of superannuation but does not include long service leave accruals. TFR is reviewed annually by the Remuneration Committee.*

(2) *Specified termination payments are within the limits set by the Corporations Act 2001. The termination benefit provision for the Managing Director was approved at the Annual General Meeting on 29 November 2017.*
*Mr Earner may resign with three months' notice; or*
*Alkane may terminate the Executive Employment agreement with three months' notice; or*
*Where Mr Earner resigns as a result of a material diminution in the position, Mr Earner will be entitled to payment in lieu of 12 months' notice and short-term incentives and long-term incentives granted or issued but not yet vested.*

## (j) Details of share-based payments and performance against key metrics

Details of each grant of share rights affecting remuneration in the current or future reporting period are set out below.

| | Date of grant | Number of rights or shares granted | Fair value of share rights and shares at the date of grant $ | Share rights at fair value $ | Performance period end | Share-based payment expense current year $ |
|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | |
| **D I Chalmers** | | | | | | |
| FY 2022 LTI – Performance Rights | 17/11/2021 | 193,809 | 0.598 | 115,898 | 31/08/2024 | 38,738 |
| FY 2023 LTI – Performance Rights | 28/11/2022 | 255,674 | 0.323 | 82,583 | 31/08/2025 | 27,603 |
| FY 2024 LTI – Performance Rights | 21/11/2023 | 269,336 | 0.369 | 99,385 | 31/08/2026 | 27,501 |
| FY 2024 STI – Performance Rights(d) | | | | 89,810 | 30/06/2024 | 17,064 |
| **N Earner** | | | | | | |
| FY 2022 LTI – Performance Rights | 17/11/2021 | 825,115 | 0.598 | 493,419 | 31/08/2024 | 164,924 |
| FY 2023 LTI – Performance Rights | 28/11/2022 | 1,088,497 | 0.323 | 351,585 | 31/07/2022 | 117,516 |
| FY 2024 LTI – Performance Rights | 21/11/2023 | 1,146,657 | 0.369 | 423,116 | 31/08/2026 | 117,082 |
| FY 2024 STI – Performance Rights(d) | | | | 264,706 | 30/06/2024 | 50,294 |
| **Other Key Management Personnel** | | | | | | |
| **J Carter** | | | | | | |
| FY 2022 LTI – Performance Rights | 26/10/2021 | 270,677 | 0.604 | 163,489 | 31/08/2024 | 54,646 |
| FY 2023 LTI – Performance Rights | 17/10/2022 | 378,237 | 0.410 | 155,077 | 31/08/2025 | 51,834 |
| FY 2024 LTI – Performance Rights | 13/10/2023 | 407,018 | 0.358 | 145,712 | 31/08/2026 | 40,320 |
| FY 2024 STI – Performance Rights(d) | | | | 135,720 | 30/06/2024 | 25,787 |
| Bonus Employee Shares(c) | 25/10/2023 | 1,562 | 0.640 | 1,000 | | 1,000 |
| **S Parsons** | | | | | | |
| FY 2022 LTI – Performance Rights | 26/10/2021 | 261,010 | 0.604 | 157,650 | 31/08/2023 | 52,694 |
| FY 2023 LTI – Performance Rights | 17/10/2022 | 365,194 | 0.410 | 149,730 | 31/08/2024 | 50,047 |
| FY 2024 LTI – Performance Rights | 13/10/2023 | 392,982 | 0.358 | 140,688 | 31/08/2026 | 38,930 |
| FY 2024 STI – Performance Rights(d) | | | | 65,520 | | 12,449 |
| Bonus Employee Shares(c) | 25/10/2023 | 1,562 | 0.640 | 1,000 | | 1,000 |

*(a) The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 Share-Based Payments. Differences will arise between the number of share rights at fair value in the table above and the STI and LTI percentages mentioned in section (d) due to different timing of valuation of rights as approved by the Remuneration Committee and at grant. Refer to note 28 for details of the valuation techniques used for the rights plan.*

*(b) Share rights only vest if performance and service targets are achieved. The determination is usually made at the conclusion of the statutory audit.*

*(c) Recipients of shares issued under the Bonus Employee Share Plan will not be able to deal with the new shares until the earlier of the third anniversary of the Issue Date and the date on which they cease to be an employee of the company.*

*(d) The Board will calculate the STI earned value shortly after 30 June 2024 in accordance with the metrics agreed. The calculated earned value will be converted into restricted rights calculated at the August 2024 VWAP for a service period of one year. The restricted rights held will be converted into fully paid shares in the following year.*

The determination of the number of rights that are to vest or be forfeited during a financial year is made by the Remuneration Committee after the statutory audit has been substantially completed. As such, the actual determination is made after the balance sheet date. Where there are rights that have vested or been forfeited, details will be included in the Remuneration Report as the relevant performance period will conclude at the end of the relevant financial year.

### *Performance against key metrics*

The STI performance metrics for the year are detailed in section (d)(iii) of the Remuneration Report.

The company's TSR for FY2023 and FY2024 will be compared to the S&P/ASX All Ordinaries Gold (Sub industry) XGD (Gold Index). TSR and number of performance rights will vest as follows:

| Shareholder return comparison | Proportion of performance rights that vest % |
|---|---|
| TSR is less than Gold Index TSR | - |
| TSR is equal to Gold Index TSR | 25 |
| TSR is >5% and <10% to Gold Index TSR | 50 |
| TSR is equal to or >10% to Gold Index TSR | 100 |

## (k) Shareholdings and share rights held by Key Management Personnel

### *Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Received on vesting of PRs | Disposals / other | Balance at the end of the year |
|---|---|---|---|---|---|
| **Ordinary shares** | | | | | |
| I J Gandel | 118,823,930 | - | - | (8,695,653) | 110,128,277 |
| A D Lethlean | 720,086 | - | - | - | 720,086 |
| D I Chalmers | 5,906,275 | - | 104,070 | - | 6,010,345 |
| N P Earner | 5,041,715 | - | 306,735 | - | 5,348,450 |
| G Smith | 331,875 | - | - | - | 331,875 |
| J Carter | 541,137 | 1,587 | 153,957 | - | 696,681 |
| S Parsons | 527,312 | 1,587 | 74,324 | (100,000) | 503,223 |
| | 131,892,330 | 3,174 | 639,086 | (8,795,653) | 123,738,937 |

### *Performance rights holding*

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| **Performance rights over ordinary shares** | | | | | |
| D I Chalmers – Performance rights | 728,456 | 391,172 | (104,070) | (174,903) | 840,655 |
| N P Earner – Performance rights | 2,907,693 | 1,505,758 | (306,735) | (687,346) | 3,419,370 |
| J Carter – Performance rights | 1,008,401 | 584,055 | (153,957) | (205,530) | 1,232,969 |
| S Parsons – Performance rights | 914,742 | 478,448 | (74,324) | (214,214) | 1,104,652 |
| | 5,559,292 | 2,959,433 | (639,086) | (1,281,993) | 6,597,646 |

### (l) Other transactions with Key Management Personnel

There were no other transactions with KMP during the financial year ended 30 June 2024.

There were no unissued ordinary shares of Alkane Resources Ltd under performance rights outstanding at the date of this report.

***This concludes the remuneration report, which has been audited.***

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## Indemnity and insurance of officers

Alkane Resources Ltd has entered into deeds of indemnity, access and insurance with each of the directors. These deeds remain in effect as at the date of this report. Under the deeds, the company indemnifies each director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the directors in connection with being a director of the company, or breach by the group of its obligations under the deed.

The liability insured is the indemnification of the group against any legal liability to third parties arising out of any directors' or officers' duties in their capacity as a director or officer other than indemnification not permitted by law.

No liability has arisen under this indemnity as at the date of this report.

The group has not otherwise, during or since the financial year, indemnified nor agreed to indemnify an officer of the group or of any related body corporate, against a liability incurred as such by an officer.

During the year the company has paid premiums in respect of directors' and executive officers' insurance. The contracts contain prohibitions on disclosure of the amount of the premiums and the nature of the liabilities under the policies.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the group is important.

The directors, in accordance with advice provided by the audit committee, are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

## Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the directors' report and financial report. Amounts in this report have been rounded off in accordance with that ASIC Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

On behalf of the directors

N P Earner
Managing Director

26 August 2024
Perth

# Auditor's Independence Declaration

As lead auditor for the audit of Alkane Resources Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alkane Resources Ltd and the entities it controlled during the period.

Ian Campbell
Partner
PricewaterhouseCoopers

Perth
26 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

# Financial Statements

## Consolidated Financial Statements



## Notes to the Consolidated Financial Statements

These financial statements are consolidated financial statements for the group consisting of Alkane Resources Ltd and its subsidiaries.

The financial statements are presented in the Australian currency.

Alkane Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Alkane Resources Ltd
Level 4, 66 Kings Park Road
West Perth WA 6005

The financial statements were authorised for issue by directors on 26 August 2024. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available in the investor section on our website: www.alkane.com.au

# Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 2 | 172,991 | 190,527 |
| Cost of sales | 3 | (138,399) | (119,113) |
| Gross profit | | 34,592 | 71,414 |
| Other income | | 509 | 430 |
| Interest income | | 2,527 | 2,398 |
| **Expenses** | | | |
| Other expenses | 3 | (10,949) | (12,598) |
| Finance costs | 3 | (2,347) | (1,057) |
| Net gain/(loss) on disposal of property, plant and equipment | | 110 | - |
| | | (13,186) | (13,655) |
| **Profit before income tax expense** | | 24,442 | 60,587 |
| Income tax expense | 4 | (6,765) | (18,137) |
| **Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd** | 18 | 17,677 | 42,450 |
| **Other comprehensive loss** | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax | 8 | (7,099) | (16,140) |
| Net change in the fair value of cash flow hedges taken to equity, net of tax | 17 | (1,449) | - |
| Other comprehensive income/(loss) for the year, net of tax | | (8,548) | (16,140) |
| **Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd** | | 9,129 | 26,310 |

| | Note | Cents | Cents |
|---|---|---|---|
| Basic earnings per share | 29 | 2.93 | 7.10 |
| Diluted earnings per share | 29 | 2.89 | 7.00 |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

# Consolidated balance sheet

As at 30 June 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5 | 45,519 | 80,291 |
| Trade and other receivables | 6 | 3,848 | 5,167 |
| Inventories | 7 | 22,241 | 21,906 |
| Derivative financial instruments | 9 | 394 | - |
| Total current assets | | 72,002 | 107,364 |
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | 271,750 | 111,104 |
| Exploration and evaluation | 12 | 101,403 | 161,310 |
| Financial assets at fair value through other comprehensive income | 8 | 299 | 18,646 |
| Derivative financial instruments | 9 | 5,354 | - |
| Other financial assets | 10 | 13,888 | 13,766 |
| Total non-current assets | | 392,694 | 304,826 |
| **Total assets** | | 464,696 | 412,190 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 23,744 | 23,508 |
| External borrowings | 14 | 16,144 | 7,371 |
| Current tax liabilities | 4 | 5,134 | 7,283 |
| Provisions | 15 | 6,891 | 5,386 |
| Other liabilities | | 445 | 153 |
| Total current liabilities | | 52,358 | 43,701 |
| **Non-current liabilities** | | | |
| External borrowings | 14 | 32,874 | 6,175 |
| Provisions | 15 | 21,998 | 17,369 |
| Deferred tax | 4 | 47,633 | 44,721 |
| Other liabilities | | 459 | 227 |
| Total non-current liabilities | | 102,964 | 68,492 |
| **Total liabilities** | | 155,322 | 112,193 |
| **Net assets** | | 309,374 | 299,997 |
| **Equity** | | | |
| Issued capital | 16 | 223,319 | 222,224 |
| Reserves | 17 | (85,188) | (75,166) |
| Retained profits | 18 | 171,243 | 152,939 |
| **Total equity** | | 309,374 | 299,997 |

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

# Consolidated statement of changes in equity

For the year ended 30 June 2024

| | Share capital $'000 | Share-based payments reserve $'000 | Other reserves $'000 | Retained Profits $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| Balance at 1 July 2022 | 218,185 | 5,229 | (65,869) | 111,329 | 268,874 |
| | | | | | |
| Profit after income tax expense for the year | - | - | - | 42,450 | 42,450 |
| Other comprehensive loss for the year, net of tax | - | - | (16,140) | - | (16,140) |
| Total comprehensive income/(loss) for the year | - | - | (16,140) | 42,450 | 26,310 |
| | | | | | |
| Share issue transaction costs (note 16) | (20) | - | - | - | (20) |
| Share-based payments (note 28) | 197 | 2,806 | - | - | 3,003 |
| Deferred tax recognised in equity | (70) | - | - | - | (70) |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | - | - | 840 | (840) | - |
| Ordinary shares issued | 1,900 | - | - | - | 1,900 |
| Employee share awards vested | 2,032 | (2,032) | - | - | - |
| Balance at 30 June 2023 | 222,224 | 6,003 | (81,169) | 152,939 | 299,997 |

| | Share capital $'000 | Share-based payments reserve $'000 | Other reserves $'000 | Retained Profits $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| Balance at 1 July 2023 | 222,224 | 6,003 | (81,169) | 152,939 | 299,997 |
| | | | | | |
| Profit after income tax expense for the year | - | - | - | 17,677 | 17,677 |
| Other comprehensive loss for the year, net of tax | - | - | (8,548) | - | (8,548) |
| Total comprehensive income/(loss) for the year | - | - | (8,548) | 17,677 | 9,129 |
| | | | | | |
| Share placement | - | - | - | - | - |
| Share issue transaction costs (note 16) | (9) | - | - | - | (9) |
| Share-based payments (note 28) | 228 | 103 | - | - | 331 |
| Deferred tax recognised in equity | (74) | - | - | - | (74) |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | - | - | (627) | 627 | - |
| Employee share awards vested | 950 | (950) | - | - | - |
| Balance at 30 June 2024 | 223,319 | 5,156 | (90,344) | 171,243 | 309,374 |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

# Consolidated statement of cash flows

For the year ended 30 June 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | 172,991 | 190,527 |
| Payments to suppliers (inclusive of GST) | | (109,580) | (90,025) |
| | | 63,411 | 100,502 |
| Interest received | | 2,392 | 2,479 |
| Finance costs paid | | (632) | (590) |
| Royalties and selling costs | | (4,963) | (7,080) |
| Other receipts | | 514 | 235 |
| Derivatives | | (7,819) | - |
| Net cash from operating activities | 33 | 52,903 | 95,546 |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for investments | | (1,094) | (5,580) |
| Payments for property, plant and equipment and development expenditure | | (115,969) | (33,695) |
| Proceeds from disposal of property, plant and equipment | | 150 | 4 |
| Payments for exploration expenditure | | (19,528) | (58,105) |
| Payments for security deposits | | (122) | (269) |
| Proceeds from disposal of investments | | 13,043 | 6,217 |
| Net cash used in investing activities | | (123,520) | (91,428) |
| | | | |
| **Cash flows from financing activities** | | | |
| Cost of share issue | 16 | (9) | (20) |
| Proceeds from borrowings | | 43,815 | 6,686 |
| Repayment of borrowings | | (7,516) | (8,189) |
| Principal elements of lease payment | | (445) | (198) |
| Net cash from/(used in) financing activities | | 35,845 | (1,721) |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | (34,772) | 2,397 |
| Cash and cash equivalents at the beginning of the financial year | | 80,291 | 77,894 |
| Cash and cash equivalents at the end of the financial year | 5 | 45,519 | 80,291 |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# Note 1. Segment information

The consolidated entity is currently with one operating segment: gold operations. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

Costs that do not relate to the gold operating segment have been identified as unallocated costs. Corporate assets and liabilities that do not relate to the gold operating segment have been identified as unallocated. The group has formed a tax consolidation group and therefore tax balances are disclosed under the unallocated grouping. The group utilises a central treasury function resulting in cash balances being included in the unallocated segment.

| | Gold Operations $'000 | Unallocated $'000 | Total $'000 |
|---|---|---|---|
| **30 June 2024** | | | |
| Gold sales to external customers | 172,991 | - | 172,991 |
| Interest Income | 586 | 1,941 | 2,527 |
| | 173,577 | 1,941 | 175,518 |
| Segment net profit /(loss) before income tax | 37,537 | (8,681) | 28,856 |
| **30 June 2023** | | | |
| Gold sales to external customers | 190,527 | - | 190,527 |
| Interest Income | 707 | 1,691 | 2,398 |
| | 191,234 | 1,691 | 192,925 |
| Segment net profit /(loss) before income tax | 71,157 | (10,570) | 60,587 |

The group has two customers to which it sells gold, being Macquarie Bank and ABC Refinery. Revenue from these customers was $68,741,000 and $104,250,000 in 2024 respectively (2023: $33,343,000 and $157,184,000).

# Note 2. Revenue

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Revenue from continuing operations** | | |
| Gold sales | 172,991 | 190,527 |

## (a) Revenue

Revenue is recognised when the group satisfies its performance obligation and transfers control to a customer. Control is generally determined to be when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service.

## (b) Gold Sales

Bullion revenue is recognised at a point in time upon transfer of control to the customer and is measured at the amount to which the group expects to be entitled which is based on the deal agreement.

# Note 3. Expenses

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Cost of sales** | | |
| Cash costs of production | 96,666 | 80,257 |
| Inventory product movement | 868 | (3,425) |
| Depreciation and amortisation | 35,493 | 35,617 |
| Royalties and selling costs | 5,372 | 6,664 |
| | 138,399 | 119,113 |

## (a) Cash costs of production

Cash costs of production include ore and waste mining costs, processing costs and site administration and support costs.

Employee remuneration included in cash costs of production totalled $45,945,000 (2023: $38,185,000). Total employee remuneration benefits for the year were $49,992,000 (2023: $41,965,000).

## (b) Inventory product movement

Inventory product movement represents the movement in the balance sheet inventory ore stockpile, gold in circuit and bullion on hand.

Refer to note 7 for further details on the group's accounting policy for inventory.

## (c) Inventory product provision for net realisable value

Inventory must be carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to complete processing and to make a sale. The net realisable value provision equals the decrement between the net realisable value and the carrying value before provision.

Refer to note 7 for further details on the group's accounting policy for inventory.

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Other expenses** | | |
| Corporate administration | 3,814 | 3,144 |
| Employee remuneration and benefits expensed | 3,236 | 3,010 |
| Share-based payments | 331 | 3,003 |
| Professional fees and consulting services | 1,990 | 1,471 |
| Exploration expenditure provided for or written off | 3 | 497 |
| Directors' fees and salaries expensed | 781 | 785 |
| Depreciation | 650 | 491 |
| Non-core project expenses | 144 | 197 |
| | 10,949 | 12,598 |

## (d) Finance costs

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Finance costs** | | |
| Interest Expense | 1,518 | 989 |
| Other | 829 | 68 |
| | 2,347 | 1,057 |

# Note 4. Income tax

## (a) Income tax expense

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | 6,116 | 7,283 |
| Adjustments for current tax of prior periods | (2,109) | (300) |
| Total current tax expense | 4,007 | 6,983 |
| | | |
| **Deferred income tax** | | |
| (Increase)/decrease in deferred tax asset | (3,045) | (1,488) |
| Increase in deferred tax liabilities | 5,803 | 12,642 |
| Total deferred tax expense | 2,758 | 11,154 |
| | | |
| Income tax expense | 6,765 | 18,137 |
| | | |
| **Income tax expense is attributable to:** | | |
| Profit from continuing operations | 6,765 | 18,137 |

## (b) Reconciliation of income tax expense/(benefit) to prima facie tax payable

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Profit from continued operations before income tax expense | 24,442 | 60,587 |
| | | |
| Tax at the Australian tax rate of 30% (2023 – 30%) | 7,333 | 18,176 |
| Tax benefits of deductible equity raising costs | (77) | (77) |
| Non-deductible share-based payments | 31 | 843 |
| Non-deductible expenses | 210 | 20 |
| (Over)/Under Provision for Prior Year | (90) | (60) |
| Utilisation of previously unrecognised tax losses | (642) | (765) |
| | 6,765 | 18,137 |

## (c) Deferred tax assets

| Movements | Rehabilitation Provision and assets $'000 | Property, plant and equipment $'000 | Other $'000 | Total $'000 |
|---|---|---|---|---|
| At 1 July 2022 | 4,070 | 5,823 | 2,274 | 12,167 |
| - profit or loss | 430 | 740 | 317 | 1,487 |
| - direct to equity | - | - | (71) | (71) |
| At 30 June 2023 | 4,500 | 6,563 | 2,520 | 13,583 |
| | | | | |
| At 1 July 2023 | 4,500 | 6,563 | 2,520 | 13,583 |
| - profit or loss | 341 | 2,423 | 281 | 3,045 |
| - directly to equity | - | - | 547 | 547 |
| As at 30 June 2024 | 4,841 | 8,986 | 3,348 | 17,175 |

## (d) Deferred tax liabilities

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **The balance comprises temporary differences attributable to:** | | |
| Exploration expenditure | (32,925) | (44,162) |
| Property, plant & equipment | (29,682) | (10,562) |
| Other | (2,201) | (3,580) |
| Gross recognised deferred tax liabilities | (64,808) | (58,304) |
| | | |
| Set-off of deferred tax assets | 17,175 | 13,583 |
| | (47,633) | (44,721) |
| | | |
| **Net recognised deferred tax assets/(liabilities) are attributable to:** | | |
| Losses and temporary differences carried forward for continued operations | (47,633) | (44,721) |

| Movements | Exploration Expenditure $'000 | Property, plant and equipment $'000 | Other $'000 | Total $'000 |
|---|---|---|---|---|
| At 1 July 2022 | 29,528 | 12,282 | 6,546 | 48,356 |
| Charged/(credited) | - | - | - | - |
| – to profit or loss | 14,634 | (1,719) | (274) | 12,641 |
| – directly to equity | - | - | (2,333) | (2,333) |
| – directly to retained earnings | - | - | (360) | (360) |
| At 30 June 2023 | 44,162 | 10,563 | 3,579 | 58,304 |
| | | | | |
| At 1 July 2023 | 44,162 | 10,563 | 3,579 | 58,304 |
| Charged/(credited) | - | - | - | - |
| – to profit or loss | 6,551 | 1,331 | (2,079) | 5,803 |
| – transfer between asset classes | (17,788) | 17,788 | - | - |
| – directly to equity | - | - | 432 | 432 |
| – directly to retained earnings | - | - | 269 | 269 |
| At 30 June 2024 | 32,925 | 29,682 | 2,201 | 64,808 |

## (e) Deferred tax recognised directly in equity

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Relating to equity raising costs | 74 | 71 |
| Relating to investments/financial instruments | (188) | (360) |
| Relating to realised gains posted directly to retained earnings | 269 | (2,333) |
| | 155 | (2,622) |

## (f) Unrecognised temporary differences and tax losses

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Unrecognised tax losses | 13,135 | 14,859 |
| Deductible temporary differences | 19,209 | 9,858 |
| | 32,344 | 24,717 |
| Potential tax benefit at 30% (2023: 30%) | 9,703 | 7,415 |

The potential benefit of carried forward tax losses will only be obtained if taxable income is derived of a nature and amount sufficient to enable the benefit from the deductions to be realised. In accordance with the group's policies for deferred taxes, a deferred tax asset is recognised only if it is probable that sufficient future taxable income will be generated to offset against the asset.

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances including commodity prices, ore resources, exchange rates, future capital requirements, future operational performance, the timing of estimated cash flows, and the ability to successfully develop and commercially exploit resources.

Tax legislation prescribes the rate at which tax losses transferred from entities joining a tax consolidation group can be applied to taxable incomes and this rate is diluted by changes in ownership, including capital raisings. As a result, the reduction in the rate at which the losses can be applied to future taxable incomes, the period of time over which it is forecast that these losses may be utilised has extended beyond that which management considers prudent to support their continued recognition for accounting purposes. Accordingly, no deferred tax asset has been recognised for certain tax losses. Recognition for accounting purposes does not impact the ability of the group to utilise the losses to reduce future taxable profits.

Alkane Resources Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Deferred tax assets relating to deductible temporary differences can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Recognition for accounting purposes does not impact the ability of the group to utilise the deductible temporary differences to reduce future taxable profits.

| Current tax liabilities | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Current tax liabilities | 6,116 | 7,283 |
| PAYG ('Pay as you go') Instalments | (982) | - |
| Total current tax liabilities | 5,134 | 7,283 |

# Note 5. Cash and cash equivalents

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current assets** | | |
| Cash on hand | 45,519 | 80,291 |

Cash at bank at balance date weighted average interest rate was 4.28% (2023: 3.13%).

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# Note 6. Trade and other receivables

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current assets** | | |
| Trade receivables | 85 | 240 |
| Prepayment | 2,172 | 3,068 |
| GST | 1,591 | 1,859 |
| | 3,848 | 5,167 |

## (i) Classification as receivables

Receivables are recognised initially at fair value and then subsequently measured at amortised cost, less provision for credit losses. As at 30 June 2024, the group has determined that the expected provision for credit losses is not material (30 June 2023: provision for credit losses was not material).

In determining the recoverability of a trade or other receivables using the expected credit loss model, the group performs a risk analysis considering the type and age of outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

## (ii) Fair value of receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

## (iii) Impairment and risk exposure

Information about the impairment of receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 20.

# Note 7. Inventories

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current assets** | | |
| Ore stockpiles | 8,047 | 7,741 |
| Gold in circuit | 4,126 | 4,368 |
| Bullion on hand | 4,593 | 5,525 |
| Consumable stores | 5,475 | 4,272 |
| | 22,241 | 21,906 |

## (i) Assigning costs to inventories

Costs are assigned to ore stockpiles, gold in circuit and bullion on hand on the basis of weighted average costs. Inventories must be carried at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. At balance date ore stockpiles, gold in circuit, bullion on hand and consumable stores were carried at cost.

No provision was recorded at 30 June 2024 to write down inventories to their recoverable value (2023: $nil).

Consumable stores include diesel, explosives and other consumables items. These items are carried at cost.

## (ii) Amounts recognised in profit or loss

Consumable inventories recognised as an expense during the year ended 30 June 2024 amounted to $1,509,000 (2023: $2,415,000). These were included in costs of production.

Product inventory movement during the year ended 30 June 2024 amounted to an expense of $868,000 (2023: $3,425,000) and is disclosed as part of cost of sales in note 3.

# Note 8. Financial assets at fair value through other comprehensive income

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Non-current assets** | | |
| Listed securities | | |
| Calidus Resources Ltd (ASX: CAI) | - | 9,297 |
| Sky Metals Ltd (ASX: SKY) | 299 | 353 |
| Genesis Minerals Ltd (ASX: GMD) | - | 8,996 |
| | 299 | 18,646 |
| | | |
| During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income | | |
| (Losses)/gains recognised in other comprehensive income | (7,099) | (16,140) |

Genesis Minerals Ltd (ASX:GMD) was sold in September 2023 for proceeds of $13,040,000.

Calidus Resources (ASX: CAI) entered voluntary administration on 1 July 2024 and Receivers & Managers were appointed shortly after. The fair value was reduced to $nil as at 30 June 2024.

| Fair Value Measurement 30 June 2024 | Notes | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|---|
| Financial Assets at FVOCI | 8 | 299 | - | - | 299 |
| Hedging derivatives – cash flow hedge | 9 | - | 5,748 | - | 5,748 |
| Closing fair value | | 299 | 5,748 | - | 6,047 |

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. AASB13(86) Revised illustration.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

# Note 9. Derivative financial instruments

| Fair Value Measurements | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current assets**<br>Commodity put options – cash flow hedges | 394 | - |
| **Non-current assets**<br>Commodity put options – cash flow hedges | 5,354 | - |
| | 5,748 | - |

During the 2024 financial year, subsidiary company Tomingley Gold Operations Pty Ltd ('TGO') entered into several commodity put option contracts from 31 July 2024 to 30 June 2027. Further information about the group's hedging activities is included in note 20.

The cost to enter the contracts was $7,819,000.

- Bought a total of 140,799oz of put options at $3,000/oz

## Accounting policy for derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

## Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

## Amounts recognised in profit or loss

The hedged transactions all arise in future periods and there was no hedge ineffectiveness in the year. There was therefore no amounts recognised in profit or loss during the year (2023:nil).

## Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of future gold sales, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

In hedges of future gold sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the group or the derivative counterparty.

# Note 10. Other financial assets

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Non-current assets** | | |
| Security deposits | 13,888 | 13,766 |

The above deposits are held by financial institutions or regulatory bodies as security for rehabilitation obligations as required under the respective exploration and mining leases or as required under agreement totalling $13,888,000 for the current period (2023: $13,766,000 backed by security deposits).

All interest-bearing deposits are held in Australian dollars and therefore there is no exposure to foreign currency risk. Please refer to note 20 for the group's exposure to interest rate risk. The fair value of other financial assets is equal to its carrying value.

# Note 11. Property, plant and equipment

| | Land and buildings $'000 | Plant and equipment $'000 | Capital WIP $'000 | Mine properties $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Year ended 30 June 2024** | | | | | |
| Opening cost | 37,647 | 125,075 | 9,923 | 281,801 | 454,446 |
| Additions | - | - | 51,906 | 49,131 | 101,036 |
| Transfers between classes | 948 | 5,760 | (6,708) | - | - |
| Transfers from exploration (a) | - | - | 21,263 | 74,527 | 95,790 |
| Disposals | - | (560) | - | - | (560) |
| Net movements | 948 | 5,200 | 66,461 | 123,658 | 196,266 |
| Closing cost | 38,595 | 130,275 | 76,384 | 405,459 | 650,712 |
| | | | | | |
| Opening accumulated depreciation and impairment | (13,714) | (108,431) | - | (221,197) | (343,342) |
| Depreciation charge | (502) | (12,801) | - | (22,841) | (36,144) |
| Disposals | 3 | 520 | - | - | 523 |
| Net movement | (499) | (12,281) | - | (22,841) | (35,621) |
| Closing accumulated depreciation and impairment | (14,213) | (120,712) | - | (244,038) | (378,963) |
| Closing net carrying value | 24,382 | 9,563 | 76,384 | 161,421 | 271,750 |

| | Land and buildings $'000 | Plant and equipment $'000 | Capital WIP $'000 | Mine properties $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Year ended 30 June 2023** | | | | | |
| Opening cost | 37,079 | 115,188 | 634 | 261,777 | 414,678 |
| Additions | - | - | 19,800 | 20,024 | 39,824 |
| Transfers between classes | 568 | 9,943 | (10,511) | - | - |
| Disposals | - | (56) | - | - | (56) |
| Net movements | 568 | 9,887 | 9,289 | 20,024 | 39,768 |
| Closing cost | 37,647 | 125,075 | 9,923 | 281,801 | 454,446 |
| | | | | | |
| Opening accumulated depreciation and impairment | (13,409) | (92,160) | - | (201,723) | (307,292) |
| To profit or loss | (305) | (16,327) | - | (19,474) | (36,106) |
| Disposals | - | 56 | - | - | 56 |
| Net movement | (305) | (16,271) | - | (19,474) | (36,050) |
| Closing accumulated depreciation and impairment | (13,714) | (108,431) | - | (221,197) | (343,342) |
| Closing net carrying value | 23,933 | 16,644 | 9,923 | 60,604 | 111,104 |

*(a) Transfer from exploration: In July 2023, the group was granted a mining lease for the Tomingley Gold Extension Project. As a result of this, $95,790,000 in capitalised exploration expenditure has been transferred into mine development assets and WIP. This includes a historical impairment provision of $8,319,000. Refer to note 12 for further information.*

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Historical cost includes:

- expenditure that is directly attributable to the acquisition of the items;
- direct costs associated with the commissioning of plant and equipment including pre-commissioning costs in testing the processing plant;
- where the asset has been constructed by the group, the cost of all materials used in construction, direct labour on the project and project management costs associated with the asset; and
- the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | units of production |
| Plant and equipment | units of production |
| Mining properties | units of production |
| Office equipment | 3-5 years |
| Furniture and fittings | 4 years |
| Motor vehicles | 4-5 years |
| Software | 2-3 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

## Mine properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by the group in relation to areas of interest for which the technical feasibility and commercial viability of the extraction of mineral resources are demonstrable.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the additional future economic benefits associated with the expenditure will flow to the group. Otherwise, such expenditure is classified as part of the cost of production. Mine properties are amortised on a units of production basis over the economically recoverable resources of the mine concerned.

# Note 12. Exploration and evaluation

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Opening balance | 161,310 | 98,498 |
| Expenditure during the year | 35,886 | 63,309 |
| Amounts provided for or written off | (3) | (497) |
| Transfer to Mine Development (a) | (95,790) | - |
| | 101,403 | 161,310 |

*(a) Transfers to development assets & WIP: In July 2023, the group was granted a mining lease for the Tomingley Gold Extension Project. As a result of this, $74,527,000 in capitalised exploration expenditure has been transferred into mine development assets. This includes a historical impairment provision of $8,319,000. The remaining $21,263,000 has been transferred into mine properties WIP. This includes the paste plant and ultra-fine grind upgrade.*

Exploration and evaluation costs are carried forward on an area of interest basis. Costs are recognised and carried forward where rights to tenure of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant exploration and evaluation activities in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts or circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets fair value less costs of disposal and their value in use.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

There may exist, on the group's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within tenements may be subject to exploration or mining restrictions.

# Note 13. Trade and other payables

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current liabilities** | | |
| Trade payables | 4,685 | 5,605 |
| Other payables | 19,059 | 17,903 |
| | 23,744 | 23,508 |

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial period which are unpaid. Current trade and other payables are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented in current liabilities unless payment is not due within 12 months from the reporting date.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

# Note 14. External borrowings

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Current liabilities** | | |
| Macquarie Facility | 11,173 | - |
| Other borrowings | 4,971 | 7,371 |
| | 16,144 | 7,371 |
| | | |
| **Non-current liabilities** | | |
| Macquarie Facility | 30,819 | - |
| Other borrowings | 2,055 | 6,175 |
| | 32,874 | 6,175 |

Refer to note 20 for further information on financial risk management.

## Financing arrangements

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Total facilities** | | |
| Macquarie Leasing Facility | 60,000 | 50,000 |
| **Used at the reporting date** | | |
| Macquarie Leasing Facility | 42,819 | - |
| **Unused at the reporting date** | | |
| Macquarie Leasing Facility | 17,181 | 50,000 |

Other borrowings are secured over the assets to which they relate, the carrying value of which exceeds the value of the hire purchase liability. The group does not hold title to the equipment under the hire purchase pledged as security.

On 21 February 2023, Alkane executed a finance Facility Agreement between Tomingley Gold Operations Pty Ltd and Macquarie Bank Limited to develop the Tomingley Gold Extension Project. The terms to this facility are an amendment to the existing facility agreement that was executed on 7 December 2020. The first debt drawdown is permitted on the approval of the Mining Lease which was received in July 2023.

In April 2024, Alkane amended the Macquarie Finance Agreement to expand the facility to $60,000,000 and drawdown $3,000/oz put options costing $7,819,000 following the increased reserve base at Roswell announced 27 February 2024. Total proceeds were $22,819,000 as part of this drawdown.

In June 2024, a further $20,000,000 was drawn down under this facility.

## Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

# Note 15. Provisions

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| **Current liabilities** | | |
| Employee benefits | 6,891 | 5,386 |
| **Non-current liabilities** | | |
| Employee benefits | 1,078 | 986 |
| Rehabilitation | 20,920 | 16,383 |
| | 21,998 | 17,369 |

## (i) Provisions

Provisions are recognised when the group has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance charges.

## (ii) Information about individual provisions and significant estimates

### *Employee benefits*

The provision for employee benefits relates to the group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave. The entire amount of the provision of $4,588,151 (2023: $3,622,000) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Current leave obligations expected to be settled after 12 months | 1,663 | 1,517 |

The liability for long service leave not expected to vest within 12 months after the end of the period in which the employees render the related service is recognised in the non-current provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match as closely as possible, the estimated future cash outflows. Where the group does not have an unconditional right to defer settlement for any annual or long service leave owed, it is classified as a current provision regardless of when the group expects to realise the provision.

### *Rehabilitation and mine closure*

The group has obligations to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they sit.

A provision is raised for the estimated cost of settling the rehabilitation and restoration obligations existing at balance date, discounted to present value using an appropriate pre-tax discount rate.

Where the obligation is related to an item of property, plant and equipment, its cost includes the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located. Costs that relate to obligations arising from waste created by the production process are recognised as production costs in the period in which they arise.

The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate. An increase in the provision due to the passage of time of was recognised in finance charges in the statement of profit or loss and other comprehensive income of $522,000 (2023: $447,000).

The provisions are reassessed at least annually. A change in any of the assumptions used to determine the provisions could have a material impact on the carrying value of the provision.

Movements in rehabilitation and mine closure provision during the financial year are set out below:

| Rehabilitation and mine closure | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Opening balance | 16,383 | 15,252 |
| Additional provision incurred | 5,079 | 1,791 |
| Expenditure during the year | - | (93) |
| Unwinding of discount | 522 | 447 |
| Change in estimate | (1,064) | (1,014) |
| | 20,920 | 16,383 |

# Note 16. Issued capital

| | 2024 Shares | 2023 Shares | 2024 $'000 | 2023 $'000 |
|---|---|---|---|---|
| Ordinary shares – fully paid | 603,490,487 | 601,574,030 | 223,319 | 222,224 |

## Movements in ordinary share capital

| Details | Date | Shares | $'000 |
|---|---|---|---|
| Balance | 1 July 2022 | 595,583,420 | 218,185 |
| Shares issued on vesting of performance rights | | 2,901,458 | 2,032 |
| Share issue | | 307,714 | 197 |
| Share issue costs | | - | (20) |
| Less: Deferred tax credit recognised directly into equity | | - | (70) |
| Issue ordinary shares on 30 May 2023 for tenement acquisition at $0.68 | | 2,781,438 | 1,900 |
| Balance | 30 June 2023 | 601,574,030 | 222,224 |
| Shares issued on vesting of performance rights | | 1,553,034 | 950 |
| Share issue | | 363,423 | 228 |
| Share issue costs | | - | (9) |
| Less: Deferred tax credit recognised directly into equity | | - | (74) |
| Balance | 30 June 2024 | 603,490,487 | 223,319 |

## Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

# Note 17. Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided following the table.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Financial assets at fair value through other comprehensive income reserve | (18,595) | (10,869) |
| Hedging reserve – cash flow hedges | (1,449) | - |
| Share-based payments reserve | 5,156 | 6,003 |
| Demerger reserve | (70,300) | (70,300) |
| | (85,188) | (75,166) |

### *Financial assets at fair value through other comprehensive income reserve*

This OCI reserve is used to recognise changes in the fair value of certain investments in equity securities in other comprehensive income.

### *Hedging reserve – cash flow hedges*

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

### *Share-based payments reserve*

The reserve is used to recognise the grant date fair value of shares issued to directors and KMP, as well as the grant date fair value of deferred rights granted but not yet vested.

### *Demerger reserve*

The demerger reserve is used to recognise the gain on ASM demerger and demerger dividend.

## Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| | Financial assets – OCI Reserve $'000 | Hedging Reserve $'000 | Share-based payments Reserve $'000 | Demerger Reserve $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2022** | 4,431 | - | 5,229 | (70,300) | (60,640) |
| Revaluation – gross | (16,140) | - | - | - | (16,140) |
| Transfer of Gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | 840 | - | - | - | 840 |
| Share-based payments (note 28) | - | - | 2,806 | - | 2,806 |
| Employee share awards vested | - | - | (2,032) | - | (2,032) |
| **Balance at 30 June 2023** | (10,869) | - | 6,003 | (70,300) | (75,166) |
| Revaluation – gross | (7,099) | (2,070) | - | - | (9,169) |
| Deferred tax | - | 621 | - | - | 621 |
| Transfer of Gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | (627) | - | - | - | (627) |
| Share-based payments (note 28) | - | - | 103 | - | 103 |
| Employee share awards vested | - | - | (950) | - | (950) |
| **Balance at 30 June 2024** | (18,595) | (1,449) | 5,156 | (70,300) | (85,188) |

# Note 18. Retained profits

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Retained profits at the beginning of the financial year | 152,939 | 111,329 |
| Profit after income tax expense for the year | 17,677 | 42,450 |
| Transfer from other reserves | 627 | (840) |
| Retained profits at the end of the financial year | 171,243 | 152,939 |

# Note 19. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

## Carrying value of non-current assets

Non-current assets include capitalised exploration and evaluation expenditures and mine properties. The group has capitalised significant exploration and evaluation expenditure on the basis either that such expenditure is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped and activities are planned to enable that determination.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the group decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration asset through sale. The future recoverability of mine properties is dependent on the generation of sufficient future cash flows from operations (or alternately sale). Factors that could impact the future recoverability of exploration and evaluation and mine properties include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and exchange rates.

Estimates of recoverable quantities of resources and reserves also include assumptions requiring significant judgment as detailed in the resource and reserve statements.

An impairment review is undertaken to determine whether any indicators of impairment are present. The group has not recorded an impairment charge or reversal against either the gold operations cash generating units or exploration assets in the current financial year.

The group recognises the physical and transitional impacts of climate change may affect its assets, productivity, the markets in which it sells its products, and the jurisdictions in which it operates. The group continues to develop its assessment of the potential impacts of climate change and the transition to low carbon economy.

## Tomingley CGU assumptions

The group's operations at Tomingley have been assessed to be a cash generating unit (CGU). This CGU was tested for impairment:

- In July 2023, as required due to the transfer of exploration and evaluation expenditure into the CGU described in note 12; and
- Again at 30 June 2024 due to management identifying impairment indicators, predominantly due to the net assets of the group exceeding its market capitalisation.

The key assumptions used in the 30 June 2024 impairment test, which was determined using fair value less cost of disposal (FVLCOD), included:

- Ounces mined in the current life-of-mine plan (401koz) were valued using a discounted cash flow model.
- Ounces not included in the life of mine plan (778koz) were valued based on multiples determined from recent transactions.
- Pricing assumptions were generated from current hedging obligations, current forward rates (adjusted for inflation) and mean analyst consensus forecasts, with hedging limited to 50% of expected production. The gold price came out to an average of A$3,042/oz.
- Capital and operating expenditures were modelled on a real basis and were based on the current life-of-mine plan.
- A discount rate of 8% was used.

There was sufficient headroom to conclude that no impairment is required for the period. Reasonably possible negative changes in the assumptions set out above could lead to headroom being eliminated, including a 5% decrease in spot gold price estimates, a 7% increase in operating expenditures and a 20% increase in capital expenditure required to complete the Tomingley Gold Extension Project.

## Depreciation of property, plant and equipment

Non-current assets include property, plant and equipment. The group reviews the useful lives of depreciable asset at each reporting date or when there is a change in the pattern in which the asset's future economic benefits are expected to be consumed, based on the expected utilisation of the assets. Depreciation and amortisation are calculated using the units of production method based on ounces of gold produced.

## Rehabilitation and mine closure provisions

These provisions represent the discounted value of the present obligation to restore, dismantle and rehabilitate certain items of property, plant and equipment and to rehabilitate exploration and mining leases. The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate. Changes to one or more of these assumptions is likely to result in a change to the carrying value of the provision and the related asset or a change to profit and loss in accordance with the group's accounting policy stated in note 15.

## Net realisable value and classification of inventory

The group's assessment of the net realisable value and classification of its inventory requires the use of estimates, including the estimation of the relevant future commodity or product price, future processing costs and the likely timing of sale.

## Share-based payments

The group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The related assumptions are set out in note 28. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

### Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

In addition, the group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. Refer to note 4 for the current recognition of tax losses.

### Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised, which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices.

Where economic recoverable reserves for an area of interest have been identified, and a decision to develop has occurred, capitalised expenditure is classified as mine development.

To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which the determination is made.

## Note 20. Financial risk management

### Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The group uses derivative financial instruments including gold forward and gold put option contracts to mitigate certain risk exposures.

This note presents information about the group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks and mitigating strategies.

## (a) Market risk

### *(i) Foreign currency risk*

The group's sales revenue for gold are largely denominated in Australian dollars, the revenues are generated using a gold price denominated in US dollars, hence the group's cash flow is significantly exposed to movement in the A$:US$ exchange rate. The group mitigates this risk through the use of derivative instruments, including but not limited to a combination of Australian dollar denominated gold forward contracts and put options to hedge a portion of future gold sales.

The Australian dollar denominated gold forward contracts are entered into and continue to be held for the purpose of physical delivery of gold bullion. As a result, the contracts are not recorded in the financial statements. Refer to note 25 for further information.

### *(ii) Commodity price risk*

The group's sales revenues are generated from the sale of gold. Accordingly, the group's revenues are exposed to commodity price fluctuations, primarily gold. The group mitigates this risk primarily through the use of a combination of Australian dollar denominated options and physical gold forward contracts.

The intrinsic value of gold options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material. The changes in the time value of the options that relate to hedged items are deferred in the cash flow hedge reserve.

| Options | 2024 | 2023 |
|---|---|---|
| Carrying amount ($'000, note 9) | 5,748 | - |
| Notional amount (oz) | 140,799 | - |
| Strike price/oz | 3,000 | - |
| Maturity dates | July 2024 to June 2027 | - |
| Hedge Ratio | 1:1 | - |
| Change in intrinsic value of outstanding hedging instruments since inception of the hedge | - | - |
| Change in value of hedged item used to determine hedge ineffectiveness | - | - |

The extent of commodity price risk mitigated through physical gold forward sales contracts (which are not derivatives) is disclosed in note 25(b).

### *(iii) Interest rate risk*

The group's main interest rate risk arises through its cash and cash equivalents and other financial assets held within financial institutions. The group minimises this risk by utilising fixed rate instruments where appropriate.

Summarised market risk sensitivity analysis:

| | Interest rate risk | | | | | |
|---|---|---|---|---|---|---|
| | Impact on profit/(loss) after tax | | | | | |
| | 30 June 2024 | | | 30 June 2023 | | |
| | Carrying amount $'000 | +100BP $'000 | -100BP $'000 | Carrying amount $'000 | +100BP $'000 | -100BP $'000 |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 45,519 | 455 | (455) | 80,291 | 562 | (562) |
| Receivables* | 3,849 | - | - | 240 | - | - |
| Other financial assets | 13,888 | 138 | (138) | 13,766 | 96 | (96) |
| **Financial liabilities** | | | | | | |
| Trade and other payables | 23,744 | - | - | 37,207 | - | - |
| Macquarie Facility | 42,819 | 428 | (428) | - | - | - |
| **Total increase/(decrease) in profit** | - | 1,021 | (1,021) | - | 658 | (658) |

** The receivables balance excludes prepayments and tax balances which do not meet the definition of financial assets and liabilities.*

There is no exposure to foreign exchange risk or commodity price risk for the above financial assets and liabilities.

## (b) Credit risk

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

In determining the recoverability of a trade or other receivable using the expected credit loss model, the group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

### *(i) Risk management*

The group limits its exposure to credit risk in relation to cash and cash equivalents and other financial assets by only utilising banks and financial institutions with acceptable credit ratings above a-/A3. Alkane currently transacts with Macquarie Bank and Westpac Bank.

### *(ii) Credit quality*

Tax receivables and prepayments do not meet the definition of financial assets. The group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

## (c) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial liabilities as they fall due. The group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The Board of Directors monitors liquidity levels on an ongoing basis.

The group's financial liabilities maturity ranges from one month to three years.

The fair values of financial assets and liabilities, together with their carrying amounts in the balance sheet, for the consolidated entity are as follows:

| Liquidity table | 2024 $'000 |
|---|---|
| **Current Assets** | |
| Cash and cash equivalents | 45,519 |
| Trade and other receivables | 3,848 |
| Inventory | 22,241 |
| Total current assets | 71,608 |
| | |
| **Current Liabilities** | |
| Trade and other payables | (23,744) |
| Current tax liabilities | (5,134) |
| External borrowings | (16,144) |
| Provisions | (6,891) |
| Other liabilities | (445) |
| Total current liabilities | (52,358) |
| | |
| **Working Capital** | 19,250 |

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

| Contractual maturities of financial liabilities | Less than 12 months $'000 | Between 1 and 2 years $'000 | Between 2 and 3 years $'000 | Over 3 years $'000 | Total contractual cash flows $'000 | Carrying amount $'000 |
|---|---|---|---|---|---|---|
| **At 30 June 2024** | | | | | | |
| Trade and other payables | 23,744 | - | - | - | 23,744 | 23,744 |
| Macquarie Facility | 14,880 | 29,840 | 2,559 | - | 47,279 | 41,992 |
| Other Borrowings | 5,236 | 1,947 | 155 | - | 7,338 | 7,026 |
| **Total** | 43,860 | 31,787 | 2,714 | - | 78,361 | 72,762 |
| **At 30 June 2023** | | | | | | |
| Trade and other payables | 23,508 | - | - | - | 23,508 | 23,508 |
| Other Borrowings | 7,873 | 4,763 | 1,574 | - | 14,210 | 13,546 |
| **Total** | 31,381 | 4,763 | 1,574 | - | 37,718 | 37,054 |

# Note 21. Capital risk management

The group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

# Note 22. Key management personnel disclosures

The aggregate compensation made to directors and other members of KMP of the consolidated entity is set out below:

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Short-term employee benefits | 2,327,837 | 2,327,976 |
| Post-employment benefits | 139,921 | 134,661 |
| Long-term benefits | 98,767 | 66,738 |
| Share-based payments | 887,428 | 1,250,278 |
| | 3,453,953 | 3,779,653 |

# Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **Audit services – PricewaterhouseCoopers** | | |
| Audit or review of the financial statements | 230,934 | 204,000 |
| **Other services – PricewaterhouseCoopers** | | |
| Other advisory services | 18,003 | 40,000 |
| | 248,937 | 244,000 |

# Note 24. Contingent liabilities

The group has entered into forward gold sales contracts which are not accounted for on the balance sheet. A contingent liability of $73,979,000 (2023: Liability $32,020,000) existed at the balance date in the event the contracts are not settled by the physical delivery of gold.

# Note 25. Commitments

## (a) Exploration and mining lease commitments

In order to maintain current rights of tenure to exploration and mining tenements, the group will be required to outlay the amounts disclosed in the below table. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Within one year | 2,978 | 1,022 |

## (b) Physical gold delivery commitments

As part of its risk management policy, the group enters into derivatives including gold forward contracts and gold put options to manage the gold price of a proportion of anticipated gold sales.

Alkane purchased gold forward sales and put options as part of a risk mitigation strategy on any potential downward price pressure while Tomingley was processing the low-grade stockpiles during the year.

The gold forward sales contracts disclosed below did not meet the criteria of financial instruments for accounting purposes on the basis that they met the normal purchase/sale exemption because physical gold would be delivered into the contract. Accordingly, the contracts were accounted for as sale contracts with revenue recognised in the period in which the gold commitment was met. The balances in the table below relate to the value of the contracts to be delivered into by transfer of physical gold.

| | Gold for physical delivery (oz) | Contracted gold sale price per ounce ($) | Value of committed sales $'000 |
|---|---|---|---|
| **30 June 2024** | | | |
| **Fixed forward contracts** | | | |
| Within one year | 47,400 | 2,797 | 132,584 |
| One to five years | 66,900 | 2,856 | 191,092 |
| **30 June 2023** | | | |
| **Fixed forward contracts** | | | |
| Within one year | 25,700 | 2,819 | 72,465 |
| One to five years | 86,800 | 2,819 | 244,745 |

## (c) Capital commitments

Capital commitments committed for the year at the end of the reporting period but not recognised as liabilities amounted to $48,435,000 (2023: $23,473,000).

# Note 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# Note 27. Related party transactions

## Parent entity

Alkane Resources Ltd is the parent entity of the group.

## Joint operations

Interests in joint operations are set out in note 31.

## Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

## Transactions with other related parties

Nuclear IT is a director-related entity where David Chalmers' son is a director of the company. David Chalmers does not have any financial interest, is not an office holder or hold any other relationship with Nuclear IT.

Nuclear IT provides information technology consulting services to the group which includes the coordination of the purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Purchase of computer hardware and software | 489,235 | 496,165 |
| Consulting fees and services | 447,134 | 167,514 |
| Total | 936,369 | 663,679 |

# Note 28. Share-based payments

Share-based compensation benefits are provided to employees via the group's incentive plans. The incentive plans consist of short-term and long-term incentive plans for executive directors and other executives and the employee share scheme for all other employees. Information relating to these plans is set out in the remuneration report and below.

The fair value of rights granted under the short-term and long-term incentive plans is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions and the impact of service conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

The initial estimate of fair value for market based and non-vesting conditions is not subsequently adjusted for differences between the number of rights granted and number of rights that vest.

When the rights are exercised, the appropriate number of shares are transferred to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Under the employee share scheme, shares issued by the group to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

The fair value of deferred shares granted to employees for nil consideration under the employee share scheme is recognised as an expense over the relevant service period, being the year to which the incentive relates and the vesting period of the shares. The fair value is measured using the Monte Carlo valuation method for long-term incentive plans and Black-Scholes valuation method for short-term incentive plans at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

## Executive directors and other executives

The company's remuneration framework is set out in the remuneration report, including all details of the performance rights and share appreciation rights plans, the associated performance hurdles and vesting criteria.

Participation in the plans is at the discretion of the Board of Directors and no individual has a contractual right to participate in the plans or to receive any guaranteed benefits. Participation is currently restricted to senior executives within the group.

The following tables illustrate the number and weighted average fair value of, and movements in, share rights during the year.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number of performance rights | Weighted average fair value | Number of performance rights | Weighted average fair value |
| **Performance Rights** | | | | |
| Outstanding at the beginning of the year | 7,070,519 | $0.52 | 7,106,162 | $0.54 |
| Issued during the year | 4,147,784 | $0.64 | 3,633,835 | $0.68 |
| Vested during the year | (958,215) | $0.67 | (2,901,458) | $0.53 |
| Lapsed/Cancelled during the year | (1,492,626) | $0.75 | (768,020) | $1.41 |
| Outstanding at the end of the year | 8,767,462 | $0.54 | 7,070,519 | $0.52 |

The number of Performance Rights to be granted is determined by the Remuneration Committee with reference to the fair value of each Performance Right which is generally the volume weighted average price for the month preceding the start of the performance period. This will differ from the fair value reported in the table above which is determined at the time of grant.

## Long-term incentive scheme (LTI)

The following table lists the inputs to the models used.

| Grant date | Performance hurdle | Dividend yield % | Expected stock volatility % | Risk free rate % | Expected life years | Weighted average share price at grant date $ |
|---|---|---|---|---|---|---|
| 17/11/2021 | Market condition | - | 72 | 0.87 | 2.7 | 1.08 |
| 17/10/2022 | Market condition | - | 65 | 3.50 | 2.8 | 0.90 |
| 28/11/2022 | Market condition | - | 64 | 3.18 | 2.8 | 0.92 |
| 02/10/2023 | Market condition | - | 56 | 4.08 | 2.7 | 0.63 |
| 21/11/2023 | Market condition | - | 54 | 4.11 | 2.7 | 0.62 |

The expected volatility is based on the historic market price over a historical period aligned to the life of the rights, immediately prior to valuation date.

The Total Shareholder Return (TSR) Performance Condition attached to the Performance Rights granted under the FY24 LTI is considered a market-based hurdle under AASB 2 and should be considered when estimating the fair value. The service conditions attached to the awards are deemed non-market-based hurdles. Accordingly, a Monte Carlo simulation-based model has been used to test the likelihood of achieving the TSR hurdle when estimating the fair value.

## Short-term incentive scheme (STI)

Under the group's short-term incentive (STI) scheme, executives and senior management receive rights to deferred shares based on the annual STI achieved. The rights are granted at the end of the performance period and vest one year after the grant date. They automatically convert into one ordinary share each on vesting at an exercise price of nil. There is no entitlement to dividends or voting in relation to the deferred shares during the restricted period. If employment ceases during this period, the rights will be forfeited, except in limited circumstances that are approved by the Board. The number of rights to be granted is determined based on the share price at the date of grant.

The vested portion of FY22 STI were accounted for in the prior year based on the estimated value at the reporting date. The value was adjusted based on the final value determined in the current year.

STI awards for the executive team in the 2023 financial year FY23 STI were based on the scorecard measures and weighting as disclosed, with the estimated value of the grant determined at the reporting date.

| Plan | Offer | Hurdle | Valuation Model | Grant Date | Fair Value |
|---|---|---|---|---|---|
| FY23 STI | Executive Directors | Service | Black-Scholes | 21/11/2023 | $0.64 |
| FY23 STI | Other Executives | Service | Black-Scholes | 13/10/2023 | $0.61 |

## Expenses arising from share-based payment transactions

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Performance rights** | 103 | 2,806 |
| **Employee share scheme** | 228 | 197 |
| | 331 | 3,003 |

# Note 29. Earnings per share

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Earnings per share for profit from continuing operations** | | |
| Profit after income tax attributable to the owners of Alkane Resources Ltd | 17,677 | 42,450 |

| | Cents | Cents |
|---|---|---|
| Basic earnings per share | 2.93 | 7.10 |
| Diluted earnings per share | 2.89 | 7.00 |

| | Number | Number |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 602,915,175 | 598,215,343 |
| Adjustments for calculation of diluted earnings per share: | | |
| Performance rights | 9,680,740 | 7,820,251 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 612,595,915 | 606,035,594 |

# Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

## Statement of profit or loss and other comprehensive income

| | Parent | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| Loss after income tax | (5,686) | (7,432) |
| Total comprehensive loss | (5,686) | (7,432) |

# Balance sheet

| | Parent | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| Total current assets | 74,180 | 69,796 |
| Total assets | 173,825 | 191,466 |
| Total current liabilities | 9,205 | 11,858 |
| Total liabilities | 37,229 | 42,050 |
| Equity | | |
| Issued capital | 223,320 | 222,224 |
| Financial assets at fair value through other comprehensive income reserve | (18,595) | (10,869) |
| Share-based payments reserve | 5,156 | 6,003 |
| Demerger reserve | (70,300) | (70,300) |
| Retained profits/(accumulated losses) | (2,985) | 2,358 |
| Total equity | 136,596 | 149,416 |

## Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

### *(i) Tax consolidation legislation*

Alkane Resources Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. Refer to note 4 for further details.

### *(ii) Share-based payments rights*

The grant by the company of rights to equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

### *(iii) Investment in subsidiaries*

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

## Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 (2023: $nil).

# Note 31. Interests in subsidiaries

The group's subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The state of incorporation or registration is also their principal place of business.

| Name of entity | Principal place of business / Country of incorporation | Ownership interest | |
|---|---|---|---|
| | | 2024 % | 2023 % |
| Tomingley Holdings Pty Ltd | New South Wales | 100 | 100 |
| Tomingley Gold Operations Pty Ltd | New South Wales | 100 | 100 |
| Mitchell Creek Mining Holdings Pty Ltd | New South Wales | 100 | 100 |
| Mitchell Creek Mining Pty Ltd | New South Wales | 100 | 100 |

# Note 32. Deed of cross-guarantee

The following group entities have entered into a deed of cross-guarantee. Under the deed of cross-guarantee, each body has guaranteed that the debts to each creditor of each other body which is a party to the deed will be paid in full in accordance with the deed:

- Alkane Resources Limited (the Holding Entity)
- Tomingley Holdings Pty Ltd and Tomingley Gold Operations Pty Ltd (the wholly owned subsidiaries, which are eligible for the benefit of the ASIC Instrument)

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross-guarantee that are controlled by Alkane Resources Ltd, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and balance sheet are substantially the same as the consolidated entity as stated in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and therefore have not been separately disclosed.

# Note 33. Reconciliation of profit after income tax to net cash from operating activities

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Profit after income tax expense for the year | 17,677 | 42,450 |
| Adjustments for: | | |
| Depreciation and amortisation | 36,143 | 36,108 |
| Share-based payments | 331 | 3,003 |
| Exploration costs provided for or written off | 3 | 497 |
| Finance charges | 1,963 | 433 |
| Profit on sale of asset | (110) | – |
| Change in operating assets and liabilities: | | |
| Decrease/(increase) in trade and other receivables | 1,377 | (1,960) |
| Increase in inventories | (335) | (3,954) |
| Movement in provision | 1,852 | 1,328 |
| Increase in trade and other payables | 1,213 | 205 |
| Increase in deferred tax liabilities | 608 | 17,436 |
| Increase in derivatives | (7,819) | – |
| Net cash from operating activities | 52,903 | 95,546 |

## Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Cash and cash equivalents | 45,519 | 80,291 |
| Borrowings – repayable within one year | (17,375) | (7,371) |
| Borrowings – repayable after one year | (32,874) | (6,175) |
| Net (Debt)/Cash | (4,730) | 66,745 |

| | Cash $'000 | Borrowings repayable within one year $'000 | Borrowings repayable after one year $'000 | Net cash $'000 |
|---|---|---|---|---|
| Opening net cash | 80,291 | (7,371) | (6,175) | 66,745 |
| Proceeds from borrowings | 44,482 | (12,676) | (31,806) | - |
| Repayment of borrowings | (8,184) | 3,077 | 5,107 | - |
| Non-cash accruals | - | (405) | - | (405) |
| All other cash flows | (71,070) | - | - | (71,070) |
| Closing net cash | 45,519 | (17,375) | (32,874) | (4,730) |

# Note 34. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

## New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

## Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 19.

## Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

## Tax consolidated legislation

Alkane Resources Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Alkane Resources Ltd, and the controlled entities in the Tax Consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the Tax Consolidated Group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Alkane Resources Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the Tax Consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Alkane Resources Ltd for any current tax payable assumed and are compensated by Alkane Resources Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Alkane Resources Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

## Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alkane Resources Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Alkane Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or the 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The financial statements are presented in Australian dollars, which is Alkane Resources Ltd's functional and presentation currency.

## Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

## Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

## Impairment of non-financial assets

The group assesses at the end of each reporting period whether there is any indication that an asset, or a group of assets, is impaired (excluding exploration and evaluation assets, refer to note 12 for impairment policy for exploration and evaluation assets). An asset or a group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

## Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Earnings per share

### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the profit attributable to owners of the company, excluding any costs of servicing equity, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

### *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses). Where option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

## Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

# Consolidated Entity Disclosure Statement

## As at 30 June 2024

| Entity name | Entity type | Place formed /Country of incorporation | Ownership interest | Tax residency |
|---|---|---|---|---|
| Alkane Resources Ltd | Body Corporate | Australia | N/A | Australia |
| Tomingley Holdings Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| Tomingley Gold Operations Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| Mitchell Creek Mining Holdings Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| Mitchell Creek Mining Pty Ltd | Body Corporate | Australia | 100.00% | Australia |

## Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

## Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency – The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency – Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

# Directors' declaration

In the directors' opinion:

- the financial statements and notes set out on pages 96 to 134 are in accordance with the *Corporations Act 2001* including:

  (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

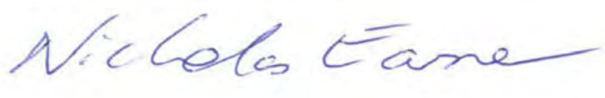
  (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

- the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 34 to the financial statements;
- there are reasonable grounds to believe that Alkane Resources Limited will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors.

On behalf of the directors



N P Earner
Managing Director

26 August 2024
Perth

# Independent auditor's report

To the members of Alkane Resources Ltd

**Report on the audit of the financial report**

## Our opinion

In our opinion:

The accompanying financial report of Alkane Resources Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *What we have audited*

The financial report comprises:

- the consolidated balance sheet as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

| ***Audit scope*** | ***Key audit matters*** |
|---|---|
| • Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. | • Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee:<br>– Carrying amount of the Tomingley CGU<br>– Capitalisation of mining costs and amortisation<br><br>These are further described in the *Key audit matters* section of our report. |

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

| ***Key audit matter*** | ***How our audit addressed the key audit matter*** |
|---|---|
| **Carrying amount of the Tomingley CGU** *(Refer to note 11 and 19)*<br><br>During the year, the Group reclassified $95.8m (net of $8.3m historical impairment) from capitalised exploration and evaluation into property, plant and equipment after the Group was granted a mining lease for the Tomingley Gold Extension Project (TGEP), part of the Group's Tomingley cash generating unit (CGU).<br><br>In line with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* an impairment test was performed at this time. | We performed the following procedures, amongst others, over the impairment tests performed by the Group during the financial year:<br>• Evaluated whether the Group's determination of CGUs was consistent with our understanding of the nature of the Group's operations.<br>• Assessed the objectivity and competence of internal experts who assisted in developing the life of mine plan which informs management's Fair Value calculations.<br>• Compared the forecast cash flows used in the 30 June 2024 impairment model to the most up to date budgets and life-of-mine plans. |

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| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| At 30 June 2024 the Group's net assets exceeded its market capitalisation. Management concluded that this was an indicator that the Tomingley CGU may be impaired and that an impairment test should be performed. Accordingly, management also performed an impairment test at 30 June 2024.<br><br>The recoverable amount of the Tomingley Gold Operations CGU was determined using a fair value less cost of disposal (Fair Value) methodology.<br><br>This was a key audit matter due to the judgement exercised by the Group in calculating the recoverable amount of the CGU and the significance to the financial statements of the non-current assets within the Tomingley CGU. | • Together with PwC valuations experts, considered the methodologies and key assumptions adopted in management's Fair Value calculations for appropriateness including assessing:<br>  o The forecast gold price and foreign exchange rate assumptions, by comparing them to independent consensus data,<br>  o The discount rate used, by assessing the cost of capital for the Group and comparing the rate to market data and industry research, and<br>  o The appropriateness of management's estimate of the value of residual reserves and resources to comparable external data points.<br>• Evaluated whether significant assumptions and judgements were consistent with each other and with those used in the Group's other accounting estimates, based on knowledge obtained during the audit.<br>• Tested the mathematical accuracy of the calculations of Fair Value and assessed whether they had been performed in a manner consistent with the valuation technique applied.<br>• Assessed the reasonableness of the disclosures made in the financial report against the requirements of Australian Accounting Standards. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Capitalisation of Mining Costs and amortisation***<br>*(Refer to note 11)*<br><br>Costs were incurred during the year at Tomingley to expand access to mineral reserves and resources, including in relation to the TGEP, and to provide enhanced facilities for extracting, treating, gathering, transporting and storing the minerals.<br><br>These development expenditures are capitalised to the extent that they are necessary to bring new assets to commercial production or enhance the productivity or capacity of existing assets and can be directly attributable to or capable of being reasonably allocated to those activities.<br><br>This was a key audit matter due to the judgement involved in allocating certain of the expenditure items between mining and development activities given the geographic proximity of the operations and the similar nature of the relevant costs, as well as the impact on the amortisation profile of mine properties across Tomingley original and expansion operations. | In assessing the appropriateness of capitalisation of development costs and associated amortisation we have performed the following procedures, amongst others:<br><br>• Evaluated management's process of determining whether costs should be capitalised or expensed and the method of allocation of costs between operating and capital as well as between the two operations.<br>• Tested, on a sample basis, management's controls over the allocation of costs to specific projects and monitoring of actual capitalised costs against budget.<br>• Performed detailed testing, on a sample basis, of capitalised mine development costs.<br>• Considered if mine development costs have been capitalised in accordance with the accounting policy.<br>• Assessed management's determination of which assets are ready for use and therefore depreciation should commence.<br>• Recalculated the amortisation of mine properties for both legacy Tomingley operations and TGEP. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Corporate Directory and Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

**Report on the remuneration report**

## Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Alkane Resources Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Ian Campbell
Partner

Perth
26 August 2024

# ADDITIONAL INFORMATION

# Shareholder Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18 September 2024.

## Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

| | Ordinary shares | | |
|---|---|---|---|
| | Number of holders | Number of shares | Percentage of ordinary shares |
| 1 - 1,000 | 1,634 | 972,115 | 0.16% |
| 1,001 - 5,000 | 3,552 | 9,872,180 | 1.63% |
| 5,001 - 10,000 | 1,700 | 13,311,943 | 2.20% |
| 10,001 - 100,000 | 2,971 | 96,993,770 | 16.04% |
| 100,001 and over | 529 | 483,429,762 | 79.96% |
| | 10,386 | 604,579,770 | 100.00% |
| The number of equity security holders holding less than a marketable parcel of securities are: | 1,827 | 1,179,577 | 0.20% |

## Twenty Largest Shareholders

The names of the 20 largest holders of quoted ordinary shares are:

| | | Listed ordinary shares | |
|---|---|---|---|
| | | Number of shares | Percentage of ordinary shares |
| 1 | HSBC Custody Nominees (Australia) Limited | 49,007,119 | 8.11% |
| 2 | Abbotsleigh Pty Ltd | 40,232,105 | 6.65% |
| 3 | Citicorp Nominees Pty Limited | 38,294,359 | 6.33% |
| 4 | J P Morgan Nominees Australia Pty Limited | 18,560,361 | 3.07% |
| 5 | Magnabay Pty Ltd <The Magnabay A/C> | 16,466,667 | 2.72% |
| 5 | Lilycreek Pty Ltd <The Lilycreek A/C> | 16,466,667 | 2.72% |
| 6 | Auburnvalley Pty Ltd <The Auburnvalley A/C> | 16,466,666 | 2.72% |
| 7 | ILG Estate Co 3 Pty Ltd | 13,311,748 | 2.20% |
| 8 | ILG Estate Co 4 Pty Ltd | 13,311,747 | 2.20% |
| 8 | ILG Estate Co 1 Pty Ltd | 13,311,747 | 2.20% |
| 8 | ILG Estate Co 2 Pty Ltd | 13,311,747 | 2.20% |
| 9 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient> | 10,321,388 | 1.71% |
| 10 | Abbotsleigh Pty Ltd <Abbotsleigh S/F A/C> | 8,600,000 | 1.42% |
| 11 | BNP Paribas Nominees Pty Ltd | 5,861,004 | 0.97% |
| 12 | Garrett Smythe Ltd | 5,601,125 | 0.93% |
| 13 | Leefab Pty Ltd | 5,560,718 | 0.92% |
| 14 | BNP Paribas Noms Pty Ltd <Clearstream> | 5,398,549 | 0.89% |
| 15 | Ed-Ne Pty Ltd <Earnerdavies Family A/C> | 5,348,450 | 0.88% |
| 16 | Gardenway Proprietary Limited <The Gardenway A/C> | 5,180,918 | 0.86% |
| 17 | Abbotsleigh Pty Ltd | 5,000,000 | 0.83% |
| 18 | Abbotsleigh Pty Ltd | 4,149,183 | 0.69% |
| 19 | Fyvie Pty Ltd <Uthmeyer Family No 2 A/C> | 3,450,000 | 0.57% |
| 20 | SMAAS Ventures 2 Pty Ltd | 3,131,522 | 0.52% |
| | | 316,343,790 | 52.32% |

# Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 671B of the *Corporations Act 2001* are:

| | Number of shares |
|---|---|
| Ian Jeffrey Gandel | 110,128,277 |
| Chapelgreen Pty Ltd | 53,746,000 |

# Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

# Unquoted Securities

At 18 September 2024, the company had the following unlisted securities on issue:

| | | | Holders of 20% or more of the class | |
|---|---|---|---|---|
| Class | Number of Securities | Number of Holders | Holder Name | Number of Securities |
| Employee Performance Rights LTI FY2023 | 2,675,620 | 8 | ED-NE Pty Ltd | 1,088,497 |
| Employee Performance Rights STI FY2023 | 480,937 | 2 | ED-NE Pty Ltd | 359,101 |
| | | | Leefab Pty Ltd | 121,836 |
| Employee Performance Rights LTI FY2024 | 2,991,197 | 8 | ED-NE Pty Ltd | 1,146,657 |

## Corporate Governance Statement

Alkane's Corporate Governance Statement is available on our website, along with the Board charter and details of Board sub-committees. Also listed are key policies and procedures, including those pertaining to appointment and independence of directors, diversity, code of conduct, risk management, and anti-bribery and corruption.

https://www.alkane.com.au/company/governance/

# Mining Tenements

Schedule of mining tenements – as at 30 June 2024

| Project/Location | Tenement | Interest | Nature of interest |
|---|---|---|---|
| Peak Hill, NSW | GL 5884 (Act 1904) | 100% | Equity |
| | ML 6036 | 100% | Equity |
| | ML 6042 | 100% | Equity |
| | ML 6277 | 100% | Equity |
| | ML 6310 | 100% | Equity |
| | ML 6389 | 100% | Equity |
| | ML 6406 | 100% | Equity |
| | ML 1351 | 100% | Equity |
| | ML 1364 | 100% | Equity |
| | ML 1479 | 100% | Equity |
| | EL 6319 | 100% | Equity |
| Tomingley, NSW | ML 1684 | 100% | Equity through subsidiary |
| | ML 1821 | 100% | Equity through subsidiary |
| | ML 1858 | 100% | Equity through subsidiary |
| | EL 5675 | 100% | Equity |
| | EL 5942 | 100% | Equity |
| | EL 6085 | 100% | Equity |
| Glen Isla | EL 8676 | 100% | Equity |
| | EL 8794 | 100% | Equity |
| | EL 9597 | 100% | Equity |
| Cudal, NSW | EL 7020 | 100% | Equity |
| Rockley, NSW | EL 8194 | 100% | Equity |
| | EL 8527 | 100% | Equity |
| **Northern Molong Porphyry Project, NSW** | | | |
| Bodangora | EL 4022 | 100% | Equity |
| Kaiser | EL 6209 | 100% | Equity (subject to royalty of 2% net smelter return) |
| Finns Crossing | EL 8261 | 100% | Equity |
| Comobella North | EL 8338 | 100% | Equity |
| Boda South | EL 8887 | 100% | Equity |
| Southern Junee Porphyry Project, NSW | EL 9600 | 100% | Equity |
| Armstrongs (near Parkes), NSW | EL 9178 | 100% | Equity |
| Mt Conqueror, NSW | EL 9107 | 100% | Equity |
| Nullagine, WA | E 46/522-I & 523-I | 0% | 60% retained interest in diamond potential – FMGN (FMG Nullagine Pty Ltd) |
| | M 46/515, 522 & 523 | 0% | 60% retained interest in diamond potential – FMGN (FMG Nullagine Pty Ltd) |

ALKANE
RESOURCES LTD