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ASX and MEDIA RELEASE

24 August 2023

ALKANE
RESOURCES LTD
ABN 35 000 689 216

Alkane Delivers Profit After Tax of A$42.5 Million for FY2023

Alkane Resources Ltd results for the year ended 30 June 2023 are attached. The table below is a summary of the financial results:

	June 2023 (A$'000)	June 2022 (A$'000)	Change (A$'000)	Change %
Gold revenue	190,527	165,010	25,517	15%
Gold production (ounces)	70,253	66,802	3,451	5%
Gold sales (ounces)	70,498	66,883	3,615	5%
Sale price (A$/oz)	2,703	2,467	236	10%
Tomingley profit before tax	71,157	62,165	8,992	14%
Company profit after tax	42,450	70,251	(27,801)	(40%)

The profit was largely driven by excellent production and cost performance at Tomingley resulting in 70,253 ounces of gold produced at an all-in sustaining cost (AISC) of A$1,602 per ounce.

Prior year profit was driven by the change is Genesis Minerals Ltd accounting treatment resulting in one-off derecognition gain of $48.3M.

As at 30 June 2023 the company's cash, bullion and listed investments totalled A$107.3 million, with A$80.3 million in cash, bullion on hand at fair value of A$8.3 million and A$18.7 million of listed investments at market value.

Alkane Managing Director, Nic Earner, said: "*This has been another good year for Alkane. As well as exceeding our production targets, FY23 saw the addition of Kaiser to lift the combined Boda-Kaiser resource to nearly 15 million gold equivalent ounces, and also saw us receive approval for the Tomingley Gold Extension Project that allows production to continue beyond 2030.*

"Alkane's Board and management acknowledge and thank the employees and contractors of the Company for their strong and continued commitment to safety, production and exploration performance."

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Disclaimer

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 Geoscientists.

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

ABOUT ALKANE - www.alkane.com.au - ASX: ALK

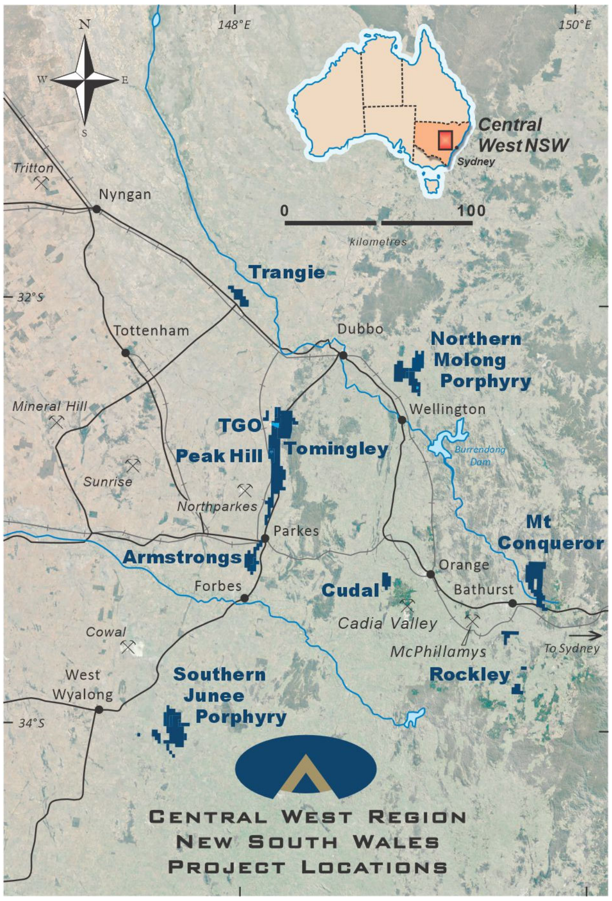
Alkane Resources intends to grow to become one of Australia's multi-mine gold and copper producers. Alkane Resources intends to grow to become one of Australia's multi-mine gold and copper producers.

The Company's current gold production is from the Tomingley Gold Operations in Central West New South Wales, where it has been operating since 2014 and is currently expediting a development pathway to extend the mine's life beyond 2030.

Alkane has an enviable exploration track record and controls several highly prospective gold and copper tenements. Its most advanced exploration projects are in the tenement area between Tomingley and Peak Hill, which have the potential to provide additional ore for Tomingley's operations.

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With drilling ongoing adjacent to the initial resource identified at Boda, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold and copper production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies, including ~9.0% of Calidus Resources (ASX: CAI).



Alkane Resources Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Alkane Resources Ltd
ABN:	35 000 689 216
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$'000
Revenue from ordinary activities	up	15.5%	to	190,527
Profit after tax attributable to the owners of Alkane Resources Ltd	down			
- From continuing operations		40%	to	42,450

The revenue increase was as a result of increased gold production and increased gold price during the year. Gold poured during the current year was 70,253 oz (2022: 66,802 oz).

Comments
The profit for the consolidated entity from continuing operations after providing for income tax amounted to $42,450,000 (30 June 2022: $70,251,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	23.05	28.61

4. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

Alkane Resources Ltd
Appendix 4E
Preliminary final report

6. Attachments

Details of attachments (if any):

The Annual Report for the year ended 30 June 2023 of Alkane Resources Ltd is attached.

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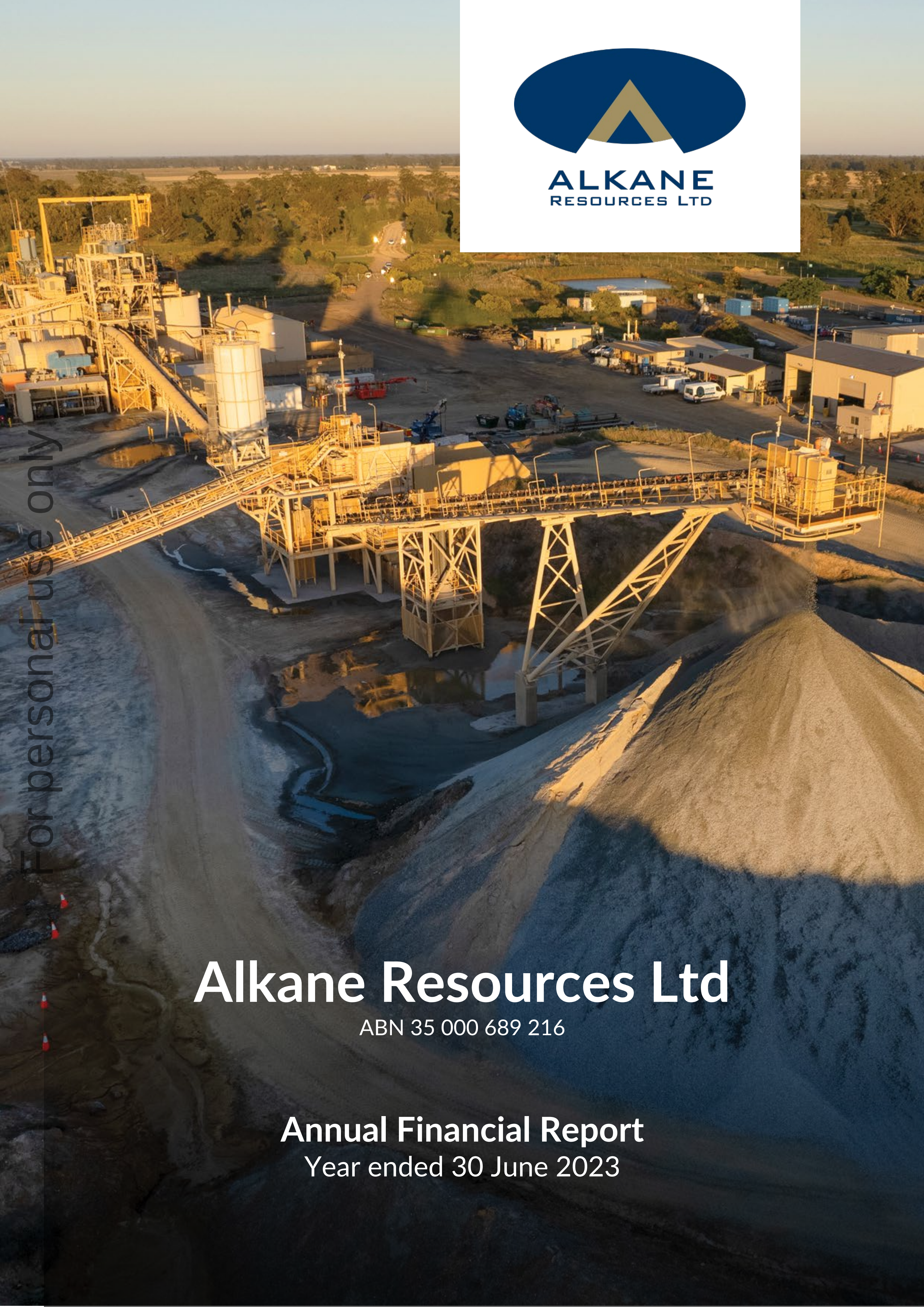
7. Signed

Signed Nicholas Earner ______________________________ Date: 24 August 2023



Alkane Resources Ltd

ABN 35 000 689 216

Annual Financial Report

Year ended 30 June 2023

Alkane Resources Ltd
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30 June 2023

Alkane Resources Ltd
Corporate directory
30 June 2023

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 Facsimile: 61 8 9227 8178
Share register	Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000
Auditor	PricewaterhouseCoopers Brookfield Place, 125 St Georges Terrace, Perth WA 6000
Stock exchange listing	Alkane Resources Ltd shares are listed on the Australian Securities Exchange (Perth) (ASX code: ALK) and the OTC International (OTC code: ALKEF) Ordinary fully paid shares
Website	http://www.alkane.com.au
E-mail address	mail@alkane.com.au

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 2023.

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 complimentary 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.

Through his private investment vehicles, 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 South Australia and Western Australia.

Mr Gandel is also the non-executive chair of Australian Strategic Materials Ltd.

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

Nicolas 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 over 25 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 (TGO) and Dubbo (Dubbo Project). Under his supervision, the successful development of TGO transitioned to profitable and efficient operations. His guidance also drove the engineering and metallurgical aspects of the Dubbo Project, prior to its transition into the separately listed Australian Strategic Materials.

Prior to his appointment as the group's Chief Operations Officer in August 2013 he had roles at Straits Resources Ltd, Rio Tinto Coal Australia's Mount Thorley Warkworth coal mine and BHP/WMC Olympic Dam copper-uranium-gold operations.

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

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, Alkane Resources Ltd's Technical Director, 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 across Australia and the development and operations of the Peak Hill Gold Mine (NSW). 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 developments; 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 the Co-chair 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 10 years mining experience including 4 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 and a non-executive director of Alliance Resources Ltd (appointed 15 October 2003).

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

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 33 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 Limited (appointed 12 December 2017).

Mr Smith is a member of the Audit Committee, Risk Committee and Chair of 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 of, 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

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 the Tomingley Gold Operation;
- 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 $42,450,000 (30 June 2022: $70,251,000).

This result included a profit before tax of $71,157,000 (30 June 2022: $62,165,000) in relation to Tomingley Gold Operations.

Review of operations

Tomingley Gold Operations ('TGO')

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

TGO delivered on its forecast production for the year with the underground operations performing well. Open cut operations in Caloma have now finished. FY2023 full year production exceeded guidance, with all in sustaining cost ('AISC') below guidance.

Gold recovery of 84.3% for the period was in line with expectations (2022: 83.7%). Average grade milled decreased to 2.42g/t in the current year (2022: 2.44g/t).

Production for the period was 70,253 ounces of gold (2022: 66,802 ounces of gold) with all in sustaining costs of $1,602 per ounce (2022: $1,460 per ounce). The average sales price achieved for the year increased to $2,703 per ounce (2022: $2,467 per ounce). Gold sales of 70,498 ounces (2022: 66,883 ounces) resulted in sales revenue of $190,527,000 (2022: $165,010,000).

Bullion on hand decreased by 259 ounces from 30 June 2022 to 2,890 ounces (fair value of $8,323,000 at year end).

The table below summarises the key operational information:

TGO Production	**Unit**	**Sep Quarter 2022**	**Dec Quarter 2022**	**Mar Quarter 2023**	**Jun Quarter 2023**	**FY 2023**	**FY 2022**
Open cut							
Waste mined	BCM's	138,574	52,330	29,018	32,359	252,281	848,911
Ore mined	BCM's	43,367	10,304	5,079	11,098	69,847	195,592
Strip Ratio	Ratio	3.2	5.1	5.7	2.9	3.6	4.3
Ore mined	Tonnes	121,862	28,954	14,271	31,184	196,270	540,939
Grade(2)	g/t	1.71	2.23	1.03	1.70	1.74	1.30
Underground							
Ore mined	Tonnes	228,119	242,267	159,963	192,237	822,585	799,584
Grade	g/t	2.83	2.33	2.63	2.24	2.50	2.76
Ore Milled	Tonnes	270,618	239,078	277,225	282,410	1,069,331	1,029,207
Head Grade	g/t	2.75	2.56	2.26	2.14	2.42	2.44
Gold Recovery	%	87.0	84.6	84.6	80.5	84.32	83.7
Gold poured(3)	Ounces	19,489	18,301	16,641	15,822	70,253	66,802
Revenue summary							
Gold sold	Ounces	18,344	17,855	19,163	15,136	70,498	66,883
Average price realised	A$/Oz	2,547	2,618	2,787	2,884	2,703	2,467
Gold revenue	A$M	46.7	46.7	53.4	43.7	190.5	165.0
Cost summary							
Surface works	A$/Oz	169	155	122	82	134	211
Mining	A$/Oz	449	390	393	646	461	460
Processing	A$/Oz	356	383	349	480	388	346
Site support	A$/Oz	121	174	125	148	141	136
C1 Cash Cost(1)	A$/Oz	1,095	1,103	990	1,356	1,124	1,153
Royalties	A$/Oz	89	111	80	95	93	81
Sustaining capital	A$/Oz	195	375	329	603	364	247
Gold in circuit movement	A$/Oz	(265)	(331)	349	44	(49)	(85)
Rehabilitation	A$/Oz	24	23	18	21	22	21
Corporate	A$/Oz	52	44	40	55	47	43
All-in Sustaining Cost(1)	A$/Oz	1,191	1,323	1,805	2,174	1,602	1,460
Bullion on hand	Ounces	4,290	4,732	2,207	2,890	2,890	3,149
Stockpiles							
Ore for immediate milling	Tonnes	462,925	495,068	383,957	328,594	328,594	383,563
Stockpile grade(2)	g/t	1.33	1.28	1.13	1.04	1.04	1.31
Contained gold	Ounces	19,746	20,381	13,969	10,940	10,940	16,167

(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 approved by the NSW Minister for Planning in February. During the period the Environmental Protection Licence was varied by the NSW Environmental Protection Agency to include the TGEP. In July 2023, post year end, the Mining Lease that includes the TGEP was also granted.

Detailed engineering for the paste plant that will be used at Roswell continues. The long lead items required for the installation of a flotation and fine grinding circuit have now all been ordered.

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. During the year the drilling at McLeans Prospect, located between the Roswell Deposit and the TGO site, tested the strike of the andesite host and infilled previously intersected mineralisation.

Drilling at McLeans has defined mineralisation over 200 metres strike and 500 metres down dip that remains open. A maiden underground Inferred Mineral Resource estimation for McLeans is expected this calendar year.

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. The Company believes this system has the potential to be a large, tier one gold-copper project.

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 five discrete magnetic/intrusive complexes – Kaiser, Boda, Comobella, Driell Creek and Finns Crossing – within a 15km northwest trending corridor. The corridor is defined by intermediate intrusives, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralisation. Two significant gold-copper resources have now been defined within the corridor at Boda and Kaiser. Drilling continues to improve the confidence of the Boda and Kaiser deposits and to test mineralised zones outside their resource envelopes.

A total of four high-capacity drilling rigs are in operation at Boda and Kaiser. The planned drilling is infilling areas around high-grading mineralisation to improve confidence in the Boda Mineral Resource Estimation. An updated Boda Mineral Resource Estimation, expected to include Boda Two, is anticipated in Q4 2023.

A second RC drill rig is currently infilling the initial Kaiser Resource Mineral Estimation to improve confidence to define an updated Indicated Resource. This updated resource estimation is expected in Q1 2024.

Corporate
In accordance with its strategy of investing part of its cash balance in junior gold mining companies and projects that meet its investment criteria, namely potential investments that have high exploration potential and/or require near term development funding, the Company continues to hold its investment in gold exploration and development companies Calidus Resources Ltd (ASX:CAI) and Genesis Minerals Ltd (ASX:GMD).

Material Business Risks
The material business risks for the group include:

Mineral Resource and Ore Reserve Estimates
Mineral Resource and Ore Reserve 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 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 group 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 group'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 group 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 group 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 Audit & Risk Committee.

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 group 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 group. 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 group. 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 group.

Climate Related Risks
Alkane recognises that climate change poses a key environmental and social risk to our business, and the markets in which the group 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
In July 2023, post year end, the Mining Lease that includes the Tomingley Gold Extension Project (TGEP) was granted. Following this the exploration and evaluation assets related to TGEP will be transferred to Mine Development.

No other matter or circumstance has arisen since 30 June 2023 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 focussed 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 2023, and the number of meetings attended by each director were:

			Meetings of committees					
	Meetings of directors		Audit Committee		Risk Committee		Renumeration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
I J Gandel	8	11	3	3	2*	2	2	2
A D Lethlean	11	11	3	3	2	2	2	2
D I Chalmers	11	11	3*	3	2*	2	2*	2
G Smith	11	11	3	3	2	2	2	2
N Earner	11	11	3*	3	2	2	2*	2

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 2022 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 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 twelve month period provided the predefined targets are met. The Executives do not receive any dividends and are not entitled to vote in relation to the rights to shares during the vesting period. On vesting, the rights automatically convert into one ordinary share each and a holding lock is applied to shares which cannot be traded for a further 12 months. 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 2023 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%

STI awards for the Executive team in the 2022 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	25%
Cost performance at TGO	25%
Safety Performance, Environment & Social Licence	25%
SAR planning approval	10%
Boda Resource Growth	15%

The 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 FY2023 LTI's 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.

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 LTI's 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 2023	**30 June 2022**	**30 June 2021**	**30 June 2020**	**30 June 2019**
Revenue ($'000)	190,527	165,010	127,833	74,397	95,852
Profit/(loss) for the year attributable to owners ($'000)	42,450	70,251	55,701	12,762	23,293
Basic earnings/(loss) per share (cents)	7.1	11.8	5.6	2.4	4.6
Dividend payments ($'000)	-	-	-	-	-
Share price at period end ($)	0.71	0.62	1.15	1.21	0.46
Total KMP incentives as a percentage of profit/(loss) for the year (%)	5.9%	1.8%	2.1%	8.3%	3.3%

(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 2023 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 4 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 2022 Annual General Meeting

The company received 98.77% of "yes" votes on its remuneration report for the financial year ended 30 June 2022. 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 2023	**Fixed remuneration** Cash Salary[a]	Annual and long service leave[b]	Post-employment benefits[c]	**Variable Remuneration** Cash bonus[a][f]	Bonus Employee Share Plan[g]	Rights to deferred shares[d]	Total
	$	$	$	$	$	$	$
Executive Directors							
N P Earner	624,708	(13,594)	25,292	-	-	632,876	1,269,282
D I Chalmers	305,508	34,855	25,292	-	-	172,894	538,549
Other KMP							
J Carter	453,175	20,529	27,500	-	1,000	277,939	780,143
S Parsons	436,600	24,948	27,500	106,562	1,000	166,569	763,179
Total Executive Directors and other KMP	1,819,991	66,738	105,584	106,562	2,000	1,250,278	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	1,250,278	3,779,653

30 June 2022	**Fixed Remuneration** Cash Salary[a]	Annual and long service leave[b]	Post-employment benefits[c]	**Variable Renumeration** Cash bonus[a][f]	Bonus Employee Share Plan[g]	Rights to deferred shares[d]	Total
	$	$	$	$	$	$	$
Executive Directors							
N P Earner	624,812	(8,052)	25,188	-	-	716,484	1,358,432
D I Chalmers	307,232	39,981	23,568	-	-	165,078	535,859
Other KMP							
J Carter	434,500	5,317	27,500	-	1,000	233,847	702,164
S Parsons	418,000	38,508	27,500	87,503	1,000	124,900	697,411
Total Executive Directors and other KMP	1,784,544	75,754	103,756	87,503	2,000	1,240,309	3,293,866
Total NED remuneration[e]	400,682	-	27,818	-	-	-	428,500
Total KMP remuneration expense	2,185,226	75,754	131,574	87,503	2,000	1,240,309	3,722,366

(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) Item 11. 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 FY2022 ($55,743) & short term incentive for FY2023 ($50,819) 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.

30 June 2023 **Non-Executive Directors**	**Cash salary and fees** **$**	**Superannuation** **$**	**Total** **$**
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

30 June 2022 **Non-Executive Directors**	**Cash salary and fees** **$**	**Superannuation** **$**	**Total** **$**
I J Gandel	173,636	17,364	191,000
A D Lethlean	104,546	10,454	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	400,682	27,818	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**	
	2023 **%**	**2022** **%**	**2023** **%**	**2022** **%**	**2023** **%**	**2022** **%**
Executive Directors of Alkane Resources Ltd						
N P Earner	50%	47%	34%	39%	16%	14%
D I Chalmers	68%	69%	20%	19%	12%	12%
Other Key Management Personnel						
J Carter	64%	66%	19%	21%	17%	13%
S Parsons	64%	70%	19%	17%	17%	13%

(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	On-going commencing 1 September 2017	$650,000	see note 2 below
D I Chalmers - Technical Director	On-going commencing 1 September 2017	$330,800	6 months
J Carter - Chief Financial Officer	On-going commencing 1 October 2018	$480,675	3 months
S Parsons - Executive General Manager - Operations	On-going commencing 1 October 2015	$464,100	1 month

(1) Total Fixed Remuneration (TFR) is for the year ended 30 June 2023 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 3 months' notice; or
Alkane may terminate the Executive Employment agreement with 3 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.

Executive Directors	**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 $**
D I Chalmers						
FY2021 LTI - Performance Rights	11/11/2020	174,903	0.748	130,827	31/08/2023	43,609
FY2022 LTI - Performance Rights	17/11/2021	193,809	0.598	115,898	31/08/2024	38,633
FY2022 STI - Performance Rights	28/11/2022	104,070	0.620	64,523	31/07/2022	(4,569)
FY2023 LTI - Performance Rights	28/11/2022	255,674	0.323	82,583	31/08/2025	22,776
FY2023 STI - Performance Rights				72,445	30/06/2024	72,445
N Earner						
FY2021 LTI - Performance Rights	11/11/2020	687,346	0.748	514,135	31/08/2023	171,378
FY2022 LTI - Performance Rights	17/11/2021	825,115	0.598	493,419	31/08/2024	164,473
FY2022 STI - Performance Rights	28/11/2022	306,735	0.620	190,176	31/07/2022	(13,467)
FY2023 LTI - Performance Rights	28/11/2022	1,088,497	0.323	351,585	31/08/2025	96,967
FY2023 STI - Performance Rights				213,525	30/06/2024	213,525
Other Key Management Personnel						
J Carter						
FY2021 LTI - Performance Rights	11/11/2020	205,530	0.748	153,736	31/08/2023	51,245
FY2022 LTI - Performance Rights	26/10/2021	270,677	0.604	163,489	31/08/2024	54,496
FY2022 STI - Performance Rights	09/09/2022	153,957	0.800	123,166	31/07/2022	24,160
FY2023 LTI - Performance Rights	17/10/2022	378,237	0.410	155,077	31/08/2025	42,770
FY2023 STI - Performance Rights				105,268	30/06/2024	105,268
Bonus Employee Shares[(c)]	20/10/2022	1,562	0.640	1,000		1,000
S Parsons						
FY2021 LTI - Performance Rights	11/11/2020	214,214	0.748	160,232	31/08/2023	53,411
FY2022 LTI - Performance Rights	26/10/2021	261,010	0.604	157,650	31/08/2024	52,550
FY2022 STI - Performance Rights	09/09/2022	74,324	0.800	59,459	31/07/2022	(31,506)
FY2023 LTI - Performance Rights	17/10/2022	365,194	0.410	149,730	31/08/2025	41,295
FY2023 STI - Performance Rights				50,819	30/06/2024	50,819
Bonus Employee Shares[(c)]	20/10/2022	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.

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 FY2021, FY2022 and FY2023 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	131,792,506	-	-	(12,968,576)	118,823,930
A D Lethlean	720,086	-	-	-	720,086
D I Chalmers	5,687,885	-	218,390	-	5,906,275
N P Earner	3,627,496	-	1,414,219	-	5,041,715
G Smith	331,875	-	-	-	331,875
J Carter	1,921	1,562	537,654	-	541,137
S Parsons	251,921	1,562	273,829	-	527,312
	142,413,690	3,124	2,444,092	(12,968,576)	131,892,330

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	635,169	359,744	(218,390)	(48,067)	728,456
N P Earner - Performance rights	3,319,265	1,395,232	(1,414,219)	(392,585)	2,907,693
J Carter - Performance rights	1,160,064	532,194	(537,654)	(146,203)	1,008,401
S Parsons - Performance rights	823,214	439,518	(273,829)	(74,161)	914,742
	5,937,712	2,726,688	(2,444,092)	(661,016)	5,559,292

(l) Other transactions with Key Management Personnel
There were no other transactions with KMP's during the financial year ended 30 June 2023.

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.

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

24 August 2023
Perth

Auditor’s Independence Declaration

As lead auditor for the audit of Alkane Resources Ltd for the year ended 30 June 2023, 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.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
24 August 2023

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Alkane Resources Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Continuing operations			
Revenue	2	190,527	165,010
Cost of sales	3	(119,113)	(102,201)
Gross profit		71,414	62,809
Other income		430	1,119
Interest income		2,398	69
Net gain on derecognition of equity accounted investments	12	-	48,334
Expenses			
Other expenses	3	(12,598)	(10,424)
Finance costs	3	(1,057)	(1,731)
Share of loss of associates accounted for using the equity method	12	-	(20)
Net gain/(loss) on disposal of property, plant and equipment		-	317
Profit before income tax expense		60,587	100,473
Income tax expense	4	(18,137)	(30,222)
Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd	18	42,450	70,251
Other comprehensive income/(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	(16,140)	4,902
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges reclassified to profit or loss, net of tax	20	-	712
Net change in the fair value of cash flow hedges taken to equity, net of tax	20	-	(578)
Other comprehensive income/(loss) for the year, net of tax		(16,140)	5,036
Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd		26,310	75,287
		Cents	**Cents**
Basic earnings per share	29	7.10	11.80
Diluted earnings per share	29	7.00	11.64

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

Alkane Resources Ltd
Consolidated balance sheet
As at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	5	80,291	77,894
Trade and other receivables	6	5,167	2,344
Inventories	7	21,906	17,952
Total current assets		107,364	98,190
Non-current assets			
Property, plant and equipment	10	111,104	107,386
Exploration and evaluation	11	161,310	98,498
Financial assets at fair value through other comprehensive income	8	18,646	38,116
Other financial assets	9	13,766	13,497
Total non-current assets		304,826	257,497
Total assets		412,190	355,687
Liabilities			
Current liabilities			
Trade and other payables	13	23,508	13,708
External borrowings	14	7,371	5,930
Current tax liabilities	4	7,283	1,001
Provisions	15	5,386	4,457
Other liabilities		153	201
Total current liabilities		43,701	25,297
Non-current liabilities			
External borrowings	14	6,175	9,116
Provisions	15	17,369	15,806
Deferred tax	4	44,721	36,189
Other liabilities		227	405
Total non-current liabilities		68,492	61,516
Total liabilities		112,193	86,813
Net assets		299,997	268,874
Equity			
Issued capital	16	222,224	218,185
Reserves	17	(75,166)	(60,640)
Retained profits	18	152,939	111,329
Total equity		299,997	268,874

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

Alkane Resources Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2023

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained Profits $'000	Total equity $'000
Balance at 1 July 2021	218,079	3,313	(68,491)	38,664	191,565
Profit after income tax expense for the year	-	-	-	70,251	70,251
Other comprehensive income for the year, net of tax	-	-	5,036	-	5,036
Total comprehensive income for the year	-	-	5,036	70,251	75,287
Share issue transaction costs (note 16)	(4)	-	-	-	(4)
Share based payments (note 28)	184	1,916	-	-	2,100
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	-	-	(2,414)	2,414	-
Balance at 30 June 2022	218,185	5,229	(65,869)	111,329	268,874

	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

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

Alkane Resources Ltd
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		190,527	165,010
Payments to suppliers (inclusive of GST)		(90,025)	(73,567)
		100,502	91,443
Interest received		2,479	75
Finance costs paid		(590)	(1,368)
Royalties and selling costs		(7,080)	(4,504)
Other receipts		235	830
Net cash from operating activities	33	95,546	86,476
Cash flows from investing activities			
Payments for investments		(5,580)	(1,420)
Payments for property, plant and equipment and development expenditure		(33,695)	(42,581)
Proceeds from disposal of property, plant and equipment		4	619
Payments for exploration expenditure		(58,105)	(40,935)
Payments for security deposits		(269)	(1,955)
Proceeds from disposal of investments		6,217	53,034
Net cash used in investing activities		(91,428)	(33,238)
Cash flows from financing activities			
Cost of share issue	16	(20)	(4)
Proceeds from borrowings		6,686	35,846
Repayment of borrowings		(8,189)	(30,018)
Principal elements of lease payment		(198)	(159)
Net cash from/(used in) financing activities		(1,721)	5,665
Net increase in cash and cash equivalents		2,397	58,903
Cash and cash equivalents at the beginning of the financial year		77,894	18,991
Cash and cash equivalents at the end of the financial year	5	80,291	77,894

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.

30 June 2023	Gold Operations $'000	Unallocated $'000	Total $'000
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

30 June 2022	Gold Operations $'000	Unallocated $'000	Total $'000
Gold sales to external customers	165,010	-	165,010
Interest income	37	32	69
	165,047	32	165,079
Segment net profit/(loss) before income tax	62,165	38,308	100,473

Note 2. Revenue

	2023 $'000	2022 $'000
Revenue from continuing operations		
Gold sales	190,527	165,010

(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

	2023 $'000	2022 $'000
Cost of sales		
Cash costs of production	80,257	67,758
Inventory product movement	(3,425)	(5,702)
Depreciation and amortisation	35,617	34,674
Royalties and selling costs	6,664	5,471
	119,113	102,201

(a) Cash costs of production

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

(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.

	2023 $'000	2022 $'000
Other expenses		
Corporate administration	3,144	2,638
Employee remuneration and benefits expensed	3,010	2,849
Share based payments	3,003	2,108
Professional fees and consulting services	1,471	1,434
Exploration expenditure provided for or written off	497	3
Directors' fees and salaries expensed	785	789
Depreciation	491	439
Non-core project expenses	197	164
	12,598	10,424

Note 3. Expenses (continued)

(d) Finance Costs

	2023 $'000	2022 $'000
Finance costs		
Interest Expense	989	795
Put Options	-	712
Other	68	224
	1,057	1,731

Note 4. Income tax

(a) Income tax expense

	2023 $'000	2022 $'000
Current tax		
Current tax on profits for the year	7,283	1,001
Adjustments for current tax of prior periods	(300)	-
Total current tax expense	6,983	1,001
Deferred income tax		
(Increase)/decrease in deferred tax asset	(1,488)	13,518
Increase in deferred tax liabilities	12,642	15,703
Total deferred tax expense	11,154	29,221
Income tax expense	18,137	30,222
Income tax expense is attributable to:		
Profit from continuing operations	18,137	30,222

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

	2023 $'000	2022 $'000
Profit from continued operations before income tax expense	60,587	100,473
Tax at the Australian tax rate of 30% (2022 - 30%)	18,176	30,142
Tax benefits of deductible equity raising costs	(77)	(76)
Non-deductible share based payments	843	575
Non-deductible expenses	20	12
(Over)/Under Provision for Prior Year	(60)	(103)
Utilisation of previously unrecognised tax losses	(765)	(328)
	18,137	30,222

Note 4. Income tax (continued)

(c) Deferred tax assets

Movements	Tax losses $'000	Rehabilitation Provision and assets $'000	Property, plant and equipment $'000	R&D Tax incentive credits $'000	Other $'000	Total $'000
At 1 July 2021	9,408	3,652	9,192	1,431	2,133	25,816
- profit or loss	(9,408)	418	(3,369)	(1,431)	272	(13,518)
- direct to equity	-	-	-	-	(131)	(131)
At 30 June 2022	-	4,070	5,823	-	2,274	12,167

Movements	Tax losses $'000	Rehabilitation Provision and assets $'000	Property, plant and equipment $'000	R&D Tax incentive credits $'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
- directly to equity	-	-	-	-	(71)	(71)
As at 30 June 2023	-	4,500	6,563	-	2,520	13,583

(d) Deferred tax liabilities

	2023 $'000	2022 $'000
The balance comprises temporary differences attributable to:		
Exploration expenditure	(44,162)	(29,528)
Property, plant & equipment	(10,562)	(12,282)
Other	(3,580)	(6,546)
Gross recognised deferred tax liabilities	(58,304)	(48,356)
Set-off of deferred tax assets	13,583	12,167
	(44,721)	(36,189)

	2023 $'000	2022 $'000
Net recognised deferred tax assets/(liabilities) are attributable to:		
Losses and temporary differences carried forward for continued operations	(44,721)	(36,189)

Note 4. Income tax (continued)

Movements	Exploration Expenditure $'000	Property, plant and equipment $'000	Other $'000	Total $'000
At 1 July 2021	17,313	11,441	1,799	30,553
Charged/(credited)	-	-	-	-
- to profit or loss	12,215	841	2,647	15,703
- directly to equity	-	-	1,066	1,066
- directly to retained earnings	-	-	1,034	1,034
At 30 June 2022	29,528	12,282	6,546	48,356
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 2022	44,162	10,563	3,579	58,304

(e) Deferred tax recognised directly in equity

	2023 $'000	2022 $'000
Relating to equity raising costs	71	75
Relating to revaluations of investments/financial instruments	(360)	1,123
Relating to realised gains posted directly to retained earnings	(2,333)	1,034
	(2,622)	2,232

(f) Unrecognised temporary differences and tax losses

	2023 $'000	2022 $'000
Unrecognised tax losses	14,859	17,284
Deductible temporary differences	9,858	-
	24,717	17,284
Potential tax benefit at 30% (2022: 30%)	7,415	5,185

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.

Note 4. Income tax (continued)

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.

	2023 $'000	2022 $'000
Current tax liabilities		
Current tax liabilities	7,283	1,001

Note 5. Cash and cash equivalents

	2023 $'000	2022 $'000
Current assets		
Cash at bank	80,291	77,894

Cash at bank at balance date weighted average interest rate was 3.13**%** (2022: 0.48%).

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

	2023 $'000	2022 $'000
Current assets		
Trade receivables	240	121
Prepayments	3,068	1,144
GST and fuel tax credit receivable	1,859	1,079
	5,167	2,344

(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 2023 the group has determined that the expected provision for credit losses is not material (30 June 2022: provision for credit losses was not material).

Note 6. Trade and other receivables (continued)

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

	2023 $'000	2022 $'000
Current assets		
Ore stockpiles	7,741	8,101
Gold in circuit	4,368	2,628
Bullion on hand	5,525	3,480
Consumable stores	4,272	3,743
	21,906	17,952

(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 2023 to write down inventories to their recoverable value (2022: $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 2023 amounted to $2,415,000 (2022: $2,928,000). These were included in costs of production.

Product inventory movement during the year ended 30 June 2023 amounted to an expense of $3,425,000 (2022: $5,702,000) and is disclosed as part of cost of sales in note 3.

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

	2023 $'000	2022 $'000
Non-current assets		
Listed securities		
Calidus Resources Ltd (ASX: CAI)	9,297	22,790
Sky Metals Ltd (ASX: SKY)	353	436
Genesis Minerals Ltd (ASX: GMD)	8,996	14,890
	18,646	38,116

Note 8. Financial assets at fair value through other comprehensive income (continued)

During the year, the following (losses)/gains were recognised in profit or loss and other comprehensive income.

	2023 $'000	2022 $'000
(Losses)/gains recognised in other comprehensive income	(16,140)	4,902

Genesis Minerals Ltd was reclassified from Investments accounted for using the equity method in 2022. Refer to note 12 for further information.

Note 9. Other financial assets

	2023 $'000	2022 $'000
Non-current assets		
Security deposits	13,766	13,497

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 $13,766,000 for the current period (2022: $13,497,000 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 10. Property, plant and equipment

Year ended 30 June 2023	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Mine properties $'000	Total $'000
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 movement	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)	(16,384)	-	(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

Note 10. Property, plant and equipment (continued)

Year ended 30 June 2022	**Land and buildings $'000**	**Plant and equipment $'000**	**Capital WIP $'000**	**Mine properties $'000**	**Total $'000**
Opening cost	33,829	100,559	2,211	240,645	377,244
Additions	-	175	22,085	21,132	43,392
Transfers between classes	3,250	20,412	(23,662)	-	-
Disposals	-	(5,958)	-	-	(5,958)
Net movement	3,250	14,629	(1,577)	21,132	37,434
Closing cost	37,079	115,188	634	261,777	414,678
Opening accumulated depreciation and impairment	(13,076)	(81,649)	-	(183,108)	(277,833)
To profit or loss	(333)	(16,166)	-	(18,615)	(35,114)
Disposals	-	5,655	-	-	5,655
Net movement	(333)	(10,511)	-	(18,615)	(29,459)
Closing accumulated depreciation and impairment	(13,409)	(92,160)	-	(201,723)	(307,292)
Closing net carrying value	23,670	23,028	634	60,054	107,386

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.

Note 10. Property, plant and equipment (continued)

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 11. Exploration and evaluation

	2023 $'000	2022 $'000
Opening balance	98,498	57,794
Expenditure during the year	63,309	40,707
Amounts provided for or written off	(497)	(3)
	161,310	98,498

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 12. Investments accounted for using the equity method

	2023 $'000	2022 $'000
Non-current assets		
Investment in associates	-	-

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2023 $'000	2022 $'000
Opening carrying amount	-	15,944
Share of loss*	-	(20)
Reclassification	-	(15,924)
Closing carrying amount	-	-

* Share of loss relating to Genesis Minerals Ltd is for the period 1 July 2021 to 19 November 2021, being the date when Alkane lost significant influence.

In the previous financial year, on 19 November 2021, at the Genesis AGM Nic Earner ceased to be a non-executive director of the Genesis Board, therefore Alkane no longer held significant influence over Genesis. Genesis was reclassified to financial assets at fair value through other comprehensive income, a $48,334,000 derecognition gain resulted with the revaluation of the investment to fair value in 2022.

Note 13. Trade and other payables

	2023 $'000	2022 $'000
Current liabilities		
Trade payables	5,605	1,111
Other payables	17,903	12,597
	23,508	13,708

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

Hire purchase liabilities 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.

	2023 $'000	2022 $'000
Current liabilities		
External borrowings	7,371	5,930
Non-current liabilities		
External borrowings	6,175	9,116

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

Financing arrangements

	2023 $'000	2022 $'000
Total facilities		
Macquarie Facility	50,000	-
Used at the reporting date		
Macquarie Facility	-	-
Unused at the reporting date		
Macquarie Facility	50,000	-

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 07 December 2020. The first debt draw down is permitted on the approval of the Mining Lease and satisfaction of other CPs, standard for a facility of this nature.
Borrowing costs incurred have been deferred as prepayments until the facility is drawn.

The facility remains undrawn as at 30 June 2023.

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

	2023 $'000	2022 $'000
Current liabilities		
Employee benefits	5,386	4,457
Non-current liabilities		
Employee benefits	986	553
Rehabilitation	16,383	15,253
	17,369	15,806

Note 15. Provisions (continued)

(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 $3,622,000 (2022: $3,027,000) 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.

	2023 $'000	2022 $'000
Current leave obligations expected to be settled after 12 months	1,517	1,255

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 $447,000 (2022: $110,000).

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.

Note 15. Provisions (continued)

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

	2023 $'000	2022 $'000
Rehabilitation and mine closure		
Opening balance	15,252	15,131
Additional provision incurred	1,791	533
Expenditure during the year	(93)	-
Unwinding of discount	447	110
Change in estimate	(1,014)	(522)
	16,383	15,252

Note 16. Issued capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares - fully paid	601,574,030	595,583,420	222,224	218,185

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2021	595,388,800	218,079
Share issue		194,620	184
Share issue costs		-	(4)
Less: Deferred tax credit recognised directly into equity		-	(74)
Balance	30 June 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)
Issued 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

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.

On 30 May 2023, the Group issued 2.78 million shares to Sandfire Resources Limited as consideration for the acquisition of EL5792; EL7982; EL8025; and EL8338 (Southern Junee Prophyry Project) at 68 cents per share.

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 below the table.

Note 17. Reserves (continued)

	2023 $'000	2022 $'000
Financial assets at fair value through other comprehensive income reserve	(10,869)	4,431
Share-based payments reserve	6,003	5,229
Demerger reserve	(70,300)	(70,300)
	(75,166)	(60,640)

Financial assets at fair value through other comprehensive income reserve
This 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 was used to recognise the gain on ASM demerger and demerger dividend.

Note 18. Retained profits

	2023 $'000	2022 $'000
Retained profits at the beginning of the financial year	111,329	38,664
Profit after income tax expense for the year	42,450	70,251
Transfer from other reserves	(840)	2,414
Retained profits at the end of the financial year	152,939	111,329

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.

Note 19. Critical accounting judgements, estimates and assumptions (continued)

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 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 it which it operates. The Group continues to develop its assessment of the potential impacts of climate change and the transition to low carbon economy.

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.

Note 19. Critical accounting judgements, estimates and assumptions (continued)

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 through the use of derivative instruments, including but not limited to Australian dollar denominated gold forward contracts.

(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.

Note 20. Financial risk management (continued)

Summarised market risk sensitivity analysis

	Interest rate risk Impact on profit/(loss) after tax					
	30 June 2023			30 June 2022		
	Carrying amount $000	+100BP $000	-100BP $000	Carrying amount $000	+100BP $000	-100BP $000
Financial assets						
Cash and cash equivalents	80,291	562	(562)	77,894	545	(545)
Receivables*	240			122	-	-
Other financial assets	13,766	96	(96)	13,497	93	(93)
Financial liabilities						
Trade and other payables	37,207	-	-	28,955	-	-
Total increase/(decrease) in profit		658	(658)	-	638	(638)

* 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.

(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 generally mature within 3 months, therefore the carrying amount equals the cash flow required to settle the liability.

Note 20. Financial risk management (continued)

Hedge accounting

Movements in hedging reserves during the current and previous financial year are set out below:

	Cashflow hedges $'000
Balance at 1 July 2021	134
Change in fair value of hedging instrument recognised in other comprehensive income	520
Reclassified from other comprehensive income to profit or loss	(712)
Deferred tax	58
Balance at 30 June 2022	-
Change in fair value of hedging instrument recognised in other comprehensive income	-
Reclassified from other comprehensive income to profit or loss	-
Deferred tax	-
Balance at 30 June 2023	-

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:

	2023 $	2022 $
Short-term employee benefits	2,327,976	2,274,729
Post-employment benefits	134,661	131,574
Long-term benefits	66,738	75,754
Share-based payments	1,250,278	1,240,309
	3,779,653	3,722,366

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:

	2023 $	2022 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	204,000	179,000
Other services - PricewaterhouseCoopers		
Other advisory services	40,000	-
	244,000	179,000

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 $32,020,000 (2022: asset $1,076,000) 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.

	2023 $'000	2022 $'000
Within one year	1,022	1,314

(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.

30 June 2023	Gold for physical delivery Ounces	Contracted gold sale price per ounce ($)	Value of committed sales $'000
Fixed forward contracts			
Within one year	25,700	2,819	72,465
One to five years	86,800	2,819	244,745

30 June 2022	Gold for physical delivery Ounces	Contracted Gold sale price per ounce ($)	Value of committed sales $'000
Fixed forward contracts			
Within one year	36,800	2,716	99,949

(c) Capital commitments
Capital commitments committed for the year at the end of the reporting period but not recognised as liabilities amounted to $23,473,000 (2022: $11,830,000).

Note 26. Events after the reporting period

In July 2023, post year end, the Mining Lease that includes the Tomingley Gold Extension Project ('TGEP') was approved. Following this the exploration and evaluation assets related to TGEP will be transferred to Mine Development.

No other matter or circumstance has arisen since 30 June 2023 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.

Associates
Interests in associates are set out in note 12.

Subsidiaries
Interests in significant subsidiaries 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, a director-related entity, provides information technology consulting services to the group which includes the coordination of the purchase of information technology hardware and software. These terms are documented in a service level agreement and represent normal commercial terms.

	2023 $	2022 $
Purchase of computer hardware and software	496,165	179,156
Consulting fees and services	167,514	223,455
Total	663,679	402,611

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.

Note 28. Share-based payments (continued)

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.

	2023		2022	
	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	7,106,162	$0.54	4,666,264	$0.47
Issued during the year	3,633,835	$0.68	2,439,898	$0.67
Vested during the year	(2,901,458)	$0.53	-	$0.00
Lapsed/Cancelled during the year	(768,020)	$1.41	-	$0.00
Outstanding at the end of the year	7,070,519	$0.52	7,106,162	$0.54

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.

Note 28. Share-based payments (continued)

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 $
11/11/2020	Market condition	-	72%	0.19%	3.0	$1.08
26/10/2021	Market condition	-	72%	0.61%	2.8	$0.90
17/11/2021	Market condition	-	72%	0.87%	2.7	$0.92
17/10/2022	Market condition	-	65%	3.50%	2.8	$0.63
28/11/2022	Market condition	-	64%	3.18%	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 FY23 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 $
FY22 STI	Executive Directors	Service	Black-Scholes	28/11/2022	$0.62
FY22 STI	Other Executives	Service	Black-Scholes	09/09/2022	$0.80

Note 28. Share-based payments (continued)

Expenses arising from share-based payment transactions.

	2023 $'000	2022 $'000
Performance rights	2,806	1,916
Employee share scheme	197	184
	3,003	2,100

Note 29. Earnings per share

	2023 $'000	2022 $'000
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of Alkane Resources Ltd	42,450	70,251
	Cents	**Cents**
Basic earnings per share	7.10	11.80
Diluted earnings per share	7.00	11.64

	2023 $'000	2022 $'000
Profit after income tax attributable to the owners of Alkane Resources Ltd	42,450	70,251
	Cents	**Cents**
Basic earnings per share	7.10	11.80
Diluted earnings per share	7.00	11.64

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	598,215,343	595,526,745
Adjustments for calculation of diluted earnings per share:		
Performance rights	7,820,251	8,102,048
Weighted average number of ordinary shares used in calculating diluted earnings per share	606,035,594	603,628,793

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 2023 $'000	Parent 2022 $'000
Profit/(loss) after income tax	(7,432)	26,565
Total comprehensive income/(loss)	(7,432)	26,565

Note 30. Parent entity information (continued)

Balance sheet

	Parent 2023 $'000	Parent 2022 $'000
Total current assets	69,797	81,536
Total assets	191,466	200,790
Total current liabilities	11,858	4,996
Total liabilities	42,050	32,615
Equity		
Issued capital	222,224	218,185
Financial assets at fair value through other comprehensive income reserve	(10,869)	4,431
Share-based payments reserve	6,003	5,229
Demerger reserve	(70,300)	(70,300)
Retained profits	2,358	10,630
Total equity	149,416	168,175

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 2023 (2022: $nil).

Note 31. Interests in subsidiaries

The group's subsidiaries at 30 June 2023 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.

		Ownership interest	
Name of entity	**Principal place of business / Country of incorporation**	**2023 %**	**2022 %**
Tomingley Holdings Pty Ltd	New South Wales	100.00%	100.00%
Tomingley Gold Operations Pty Ltd	New South Wales	100.00%	100.00%
Mitchell Creek Mining Holdings Pty Ltd	New South Wales	100.00%	100.00%
Mitchell Creek Mining Pty Ltd	New South Wales	100.00%	100.00%

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

	2023 $'000	2022 $'000
Profit after income tax expense for the year	42,450	70,251
Adjustments for:		
Depreciation and amortisation	36,108	35,113
Share of loss - associates	-	20
Share-based payments	3,003	2,100
Exploration costs provided for or written off	497	3
Finance charges	433	324
Gain on derecognition of equity investment	-	(48,334)
Profit on sale of asset	-	(317)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,960)	(453)
Increase in inventories	(3,954)	(6,304)
Movement in provision	1,328	1,112
Increase in trade and other payables	205	2,739
Increase in deferred tax liabilities	17,436	30,222
Net cash from operating activities	95,546	86,476

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2023 $'000	2022 $'000
Cash and cash equivalents	80,291	77,894
Borrowings - repayable within one year	(7,371)	(5,930)
Borrowings - repayable after one year	(6,175)	(9,116)
Net cash	66,745	62,848

	Cash $'000	Borrowings repayable within one year $'000	Borrowings repayable after one year $'000	Net cash $'000
Opening net cash	77,894	(5,930)	(9,116)	62,848
Cash flows	2,397	5,930	(4,430)	3,897
Transfers between categories	-	(7,371)	7,371	-
Closing net cash	80,291	(7,371)	(6,175)	66,745

Note 34. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 34. Significant accounting policies (continued)

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 stand alone 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 of 30 June 2023 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'.

Note 34. Significant accounting policies (continued)

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.

Note 34. Significant accounting policies (continued)

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 11 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.

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.

Alkane Resources Ltd
Directors' declaration
30 June 2023

In the directors' opinion:

- the financial statements and notes set out on pages 23 to 57 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 of 30 June 2023 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.

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

Nicholas Earner

N P Earner
Managing Director

24 August 2023
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 of 30 June 2023 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 Group financial report comprises:

- the consolidated balance sheet as of 30 June 2023
- 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, which include significant accounting policies and other explanatory information.
- 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.

Materiality	***Audit scope***	***Key audit matters***
• For the purpose of our audit we used overall Group materiality of $2.95 million, which represents approximately 5% of the Group's profit before tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The accounting processes are structured around a Group finance function at its head office in Perth.	• Amongst other relevant topics, we communicated the following key audit matter to the Audit Committee: – Estimate of rehabilitation and mine closure provision • This is further described in the *Key audit matter* section of our report.

Key audit matter

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*
Estimate of rehabilitation and mine closure provision *(Refer to note 15 and 19)* As a result of its mining and processing activities at the Tomingley Gold Mine, the Group incurs obligations to restore and rehabilitate the environment disturbed by its operations. Rehabilitation activities are governed by a combination of legislative requirements and the Group's policies. This was a key audit matter as determining the provision for rehabilitation and mine closure requires the use of significant estimates and judgements by the Group in assessing the magnitude, nature and extent of rehabilitation work to be performed, and in determining: ● the expected future cost of performing the work, ● the timing of when the rehabilitation activities are expected to take place, and ● economic assumptions such as the discount rate used to discount this estimate to net present value.	We performed the following procedures, amongst others: ● Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data, and the need for changes in them, that are appropriate for developing the rehabilitation and mine closure provision in the context of the Australian Accounting Standards. ● Evaluated the competence, capabilities and objectivity of experts used by the Group in calculating the nature and extent of rehabilitation work required. ● Examined the Group's assessment of significant changes in future cost estimates from the prior year. ● On a sample basis, tested the provision amount to comparable data sourced from external parties and management's experts. ● Tested the mathematical accuracy of the calculation of the discounted cash flows prepared by the Group. ● Considered the appropriateness of the discount rates and inflation rates utilised in calculating the provision by comparing them to current market consensus. ● Evaluated the reasonableness of the disclosures made in the financial statements, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

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 2023, 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 Directors report and Corporate directory. 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 pages 11 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Alkane Resources Ltd for the year ended 30 June 2023 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

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
24 August 2023