

# ANNUAL REPORT

## 2023

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**ALKANE**  
RESOURCES LTD

# Company Information

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ACN 000 689 216  
ABN 35 000 689 216

## Directors

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

## Joint Company Secretaries

D Wilkins  
J Carter

## Registered office and principal place of business

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

## Share register

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

## Auditor

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

## Securities exchange listings

Ordinary fully paid shares

## Australian Securities Exchange (Perth)

ASX code: ALK

## Contact

[alkane.com.au](http://alkane.com.au)  
[mail@alkane.com.au](mailto:mail@alkane.com.au)

## 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 Geosciences.

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# About Alkane

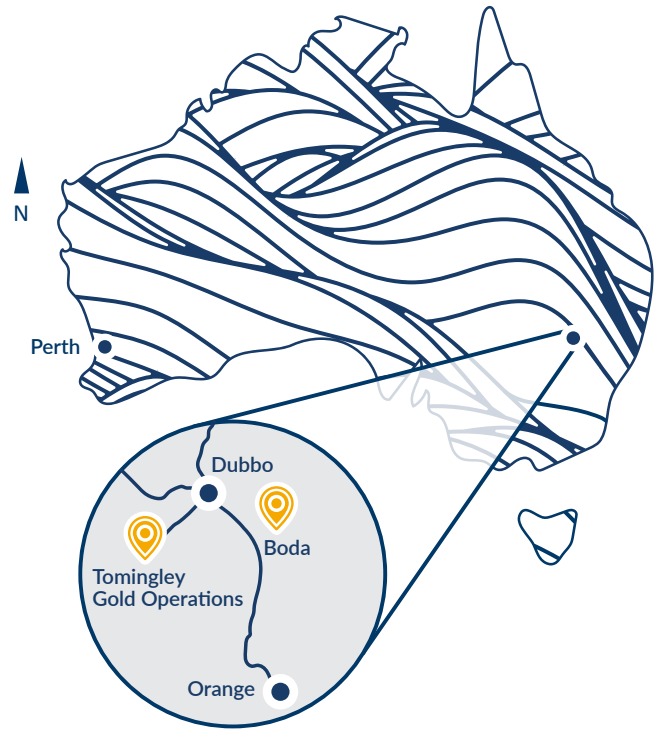
We are a gold exploration, development and production company with projects and operations located in Central West New South Wales.

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

We also hold several highly prospective gold and copper tenements in the region, including the Boda and Kaiser deposits east of Dubbo. Boda and Kaiser are a genuine prospect for a large-tonnage gold-copper development.

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



Tomingley





Tomingley

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## Our Values



### Integrity

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



### Respect

We treat people and the environment with care.



### Transparency

We are proactive in communicating our intent and outcomes.



### Performance

We plan and execute to deliver strong business results.

## Mission Statement

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

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

# Annual Highlights



## Corporate

Profit after tax of

**\$42.5M**

(FY22: \$70.3M)

Gold revenue of

**\$190.5M**

(FY22: \$165M)

Cash, Bullion and listed investments of

**\$107.2M**

at 30 June 2023

(FY22: \$124.2M)

**70,498 ounces**

gold sold at

**\$2,703** per ounce

(FY22: 66,883 ounces gold sold at \$2,467 per ounce)

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## Operations

**70,253 ounces**  
gold poured

(FY22: 66,802 ounces gold poured)

AISC of **A\$1,602** per ounce  
(FY22: AISC of A\$1,460 per ounce)

Operating cashflow of  
**\$80.3M**  
at 30 June 2023

(FY22: \$86.4M)

Tomingley Gold Extension Project  
**Approved**

## Exploration and Growth

Initial Kaiser Inferred Mineral  
Resource of

**4.7Moz AuEq**

270Mt @ 0.54g/t AuEq

(0.3g/t AuEq cut-off)

Combined Boda-Kaiser resources of

**7.3Moz Au** and

**1.4Mt Cu**

(0.3g/t AuEq cut-off)

**85,423 metres**

drilled at exploration prospects

Acquired the

**Southern Junee  
Porphyry Project**

(gold-copper)

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# Chairman's Message

Welcome to the Alkane Resources Annual Report to shareholders for 2023.



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It has once more been a year of strong results and significant milestones for Alkane. Excellent production and cost performance at Tomingley Gold Operations drove a profit of \$42.5M, while we continued to progress major projects at Tomingley and Boda.

We were pleased to receive approval for the Tomingley Gold Extension Project in February this year, followed by the Mining Lease in July. This marks the start of a new journey at Tomingley, as we prepare to develop the San Antonio and Roswell resources a few kilometres to the south. The current Life of Mine Plan extends beyond 2030, and the operation is approved to the end of 2032. While aboveground preparations for the project get underway, we expect to be extracting ore from Roswell underground (accessed from the exploration drive) before the end of this year.

Our other major focus for the year was the large drilling program at Boda-Kaiser, within our Northern Molong Porphyry Project. Following the initial Boda resource announcement in May 2022, we released the initial Kaiser Mineral Resource estimate in February this year, declaring 4.7 million gold equivalent ounces. We were delighted to receive the 'Explorer of the Year 2023' award from NSW Mining in recognition of the significance of the Kaiser resource.

We are now working to upgrade both these resource estimates to Indicated status over the next several months. As things stand, the combined Boda-Kaiser resources represent a total metal inventory of 7.3 million ounces of gold and 1.4 million tonnes of copper. We remain confident in their potential for a large-tonnage gold-copper development.

Finally I extend sincere congratulations to our Technical Director, Ian Chalmers, for winning the Gavin Thomas Mining Award at the recent Gold Industry Awards in Sydney. Ian's dedication, innovation and leadership has steered Alkane to numerous milestones and discoveries over the past three decades, and this industry recognition is highly deserved.

Our results for the year could not have been achieved without the considerable efforts and support of a great many people. On behalf of the Board, I extend thanks to our employees, contractors, strategic partners and consultants for their strong and continued commitment to safety, production, development and exploration performance. Thank you also to our many shareholders and stakeholders for their ongoing support of Alkane.

**Ian Gandel**  
Chairman  
Alkane Resources Ltd

# BUSINESS REVIEW

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# Tomingley

An excellent year at Tomingley saw production exceeding guidance, approval of the Tomingley Gold Extension Project and the underground exploration drive reaching the Roswell deposit.

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## Mining and Production

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

Mining at Tomingley has been based on the Wyoming One, Wyoming Three, Caloma One and Caloma Two gold deposits. Throughout FY23, mining occurred underground at Wyoming One, Caloma One and Caloma Two. We completed mining of a cutback in the northeast of the Caloma One pit in May 2023.

Both mining operations and the processing plant performed very well, with recovery as expected. Production of 70,253 ounces for the financial year exceeded FY23 production guidance (initially 55,000-60,000 ounces), which in April was upgraded to

65,000-73,000 ounces. Since commissioning the processing plant in 2014, Tomingley has met or exceeded guidance in every year of operation.

The AISC\* of A\$1,602 per ounce fell within the revised cost guidance of A\$1,550 to \$1,750 per ounce.

FY24 guidance for Tomingley is 60,000 to 65,000 ounces production at an AISC of A\$1,750 to \$2,100 per ounce. The increase in costs is primarily due to movements in wages and the rising prices of electricity, fuel and reagents.

**Tomingley produced 70,253 ounces of gold at an AISC of \$1,602 per ounce.**

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





Tomingley open cut

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## Exploration drive

In May 2023, the underground exploration drive reached the Roswell ore body. The drive extends some 2,750 metres south from Wyoming One and is now being used for exploration drilling at the McLeans deposit and infill drilling at the Roswell deposit.

## Second residue storage facility (RSF2)

In FY23 we progressed construction of the site's second residue storage facility. RSF2 will safely store processing residue for the next phase of underground development at Wyoming One and Caloma, as well as mining of the San Antonio and Roswell resources.

## Tomingley Gold Extension Project

The New South Wales Minister for Planning granted development consent for the Tomingley Gold Extension Project on 21 February 2023. This permits Alkane to extend gold mining operations to the San Antonio and Roswell (SAR) resources immediately south of the existing mine (SAR resources currently stand at 1,264,000 ounces of gold). The operation is now approved until end-2032.

*Tomingley is now approved until end-2032.*

We have approval to develop an underground mine at Roswell and one large open cut (comprising three stages of pit development within its footprint). The consent also permits realignment of the Newell Highway and another local road, a higher processing rate of 1.75Mtpa, paste-filling of underground stopes at Roswell, and further wall-lifts to RSF2.

At 30 June 2023, the Environment Protection Licence had been varied by the NSW Environment Protection Authority to include the additional land and activities associated with the project. Post year-end, the new Mining Lease was granted from 19 July 2023.

Progression of the Tomingley Gold Extension Project during FY24 will include detailed engineering for the pastefill plant, construction of ancillary surface infrastructure, tenders for the highway realignment and orders of long lead items. We intend to commence underground mining at Roswell before the end of 2023.

# Boda & Kaiser

Alkane announced an initial Mineral Resource Estimation for the Kaiser deposit in February 2023, following release of the Boda resource in May 2022. The combined Boda and Kaiser resources represent a metal inventory of almost 15 million gold equivalent ounces.

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## Initial Mineral Resources

The Boda and Kaiser deposits are part of Alkane’s Northern Molong Porphyry Project (NMPP) in Central West New South Wales. They are located near the village of Bodangora, about 20 kilometres north of Wellington.

Alkane discovered gold-copper porphyry mineralisation with significant economic potential at Boda in late 2019. An extensive drilling campaign has since revealed a mineralised corridor some 3.5 kilometres in length, also incorporating the Kaiser deposit centred 500 metres northwest of Boda and the Boda 2-3 prospect to the south.

The initial Inferred Mineral Resource Estimation for the Boda deposit was announced on 30 May 2022. The resource has been estimated at 5.21 million ounces of gold and 0.9 million tonnes of copper (0.3g/t AuEq\* cut-off). Boda is a large, low-grade

resource with a surface projection approximately one kilometre long and 500 metres wide. It is classified to a depth of approximately 1,000 metres below surface and is open at depth and along strike.

## Initial Kaiser Resource

Alkane released the initial Inferred Mineral Resource Estimation for the Kaiser deposit on 27 February 2023. Kaiser is a shallow resource estimated at 2.05 million ounces of gold and 0.48 million tonnes of copper (0.3g/t AuEq\* cut-off). Alkane considers 0.3g/t AuEq a reasonable cut-off for the prospect of eventual extraction using open cut mining methods. The surface projection of the Kaiser resource is approximately 1.1 kilometres long and 700 metres wide. It is classified to a depth of -140mRL (or 630 metres below surface) and remains open at depth and along strike.

## Kaiser Inferred Mineral Resource (as at 24 February 2023)

Resource Category	AuEq* Cut-off	Ore	Grade				Contained Metal			
		Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (Moz)	Au (Moz)	Cu (Mt)	Ag (Moz)
Inferred	0.3g/t	270	0.54	0.24	0.18	0.46	4.72	2.05	0.48	3.97
Inferred	0.4g/t	164	0.67	0.28	0.22	0.55	3.58	1.48	0.36	2.94

\*The gold equivalent calculation formula is  $AuEq(g/t) = Au(g/t) + Cu\%/100 * 31.1035 * copper\ price(\$ / t) / gold\ price(\$ / oz)$ . The prices used were US\$1,770/oz gold and US\$9,750/t copper, and A\$:US\$0.70. Recoveries are assumed the same for Au and Cu at 85% from preliminary metallurgical studies. Alkane considers the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

To prepare the Kaiser resource estimate, we used a nominal drill hole grid of 100 by 100 metres to depths averaging 400 metres and up to 800 metres below surface. The estimate utilises a total of 130 drill holes for a combined 49,398 metres, including an historical assay component (for the period 1995 – 2003) captured by Rio Tinto and Newcrest. Refer to Alkane’s ASX Announcement of 27 February 2023 for full details of the Kaiser initial Inferred Mineral Resource Estimation.

Further resource infill drilling at Kaiser will define the continuity of the mineralisation at depth and improve confidence in the Mineral Resource. A 3D model of the Kaiser mineralisation is displayed below.

*The Boda-Kaiser resources represent a total metal inventory of 7.3Moz gold and 1.4Mt copper.*

### Combined Boda-Kaiser Resources

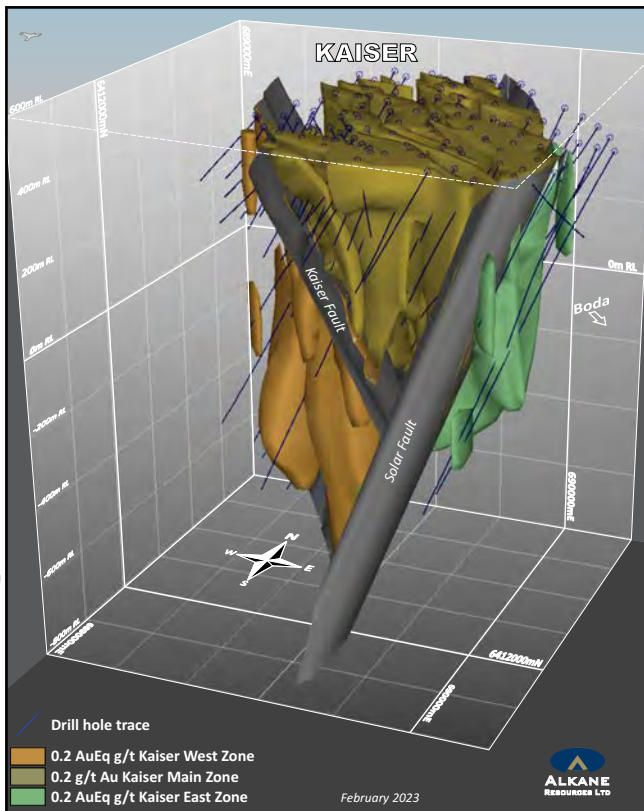
The combined Boda-Kaiser Mineral Resource Estimations so far represent a total metal inventory of 7.3 million ounces of gold and 1.4 million tonnes of copper (0.3g/t AuEq cut-off). The average grade for Kaiser is slightly higher than Boda, largely due to the higher copper grade of Kaiser. Overall, the value of the contained copper in the combined resources exceeds the value of gold.

Alkane is working towards upgrading both the Boda and Kaiser Mineral Resource Estimations to Indicated status. We also continue to test mineralised zones extending northwest of the Boda resource envelope towards Kaiser and south to Boda 2-3, with the view to growing the resource envelope. An updated Mineral Resource Estimation for Boda, expected to include Boda 2-3, is anticipated in the fourth quarter of 2023. We’re aiming for an updated estimate for Kaiser in the first quarter of 2024.

In parallel, Alkane is continuing the preliminary work required to further understand mining and processing options for the future. We hope to wrap these into a concept study when the Indicated Mineral Resources are released.

Refer to page 16 for information about Alkane’s exploration program and page 27 for the complete Mineral Resource Estimation table.

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3D model of the Kaiser mineralisation (3D Wireframe - view northwest)



Drilling at Kaiser, August 2023

# Exploration

Alkane holds several gold and copper tenements in Central West New South Wales. Our FY23 exploration efforts focused on the Northern Molong Porphyry Project (Boda and Kaiser) and the Tomingley Gold Project.

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## Northern Molong Porphyry Project (gold-copper)

*Alkane Resources Ltd 100%*

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

Alkane’s exploration activity has established a geological and geochemical framework for the project area. A sequence of six discrete magnetic/intrusive complexes (Kaiser, Boda, Boda South, Comobella, Driell Creek and Finns Crossing) has been identified within a 15-kilometre northwest trending corridor. The corridor is defined by intermediate intrusives, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralisation. Alkane has a number of exploration targets located adjacent to the magnetic/intrusive complexes.

The project is encompassed by five exploration licences. These include the Comobella North tenement, acquired in the June 2023 quarter from Sandfire Resources Ltd, inclusive of all data and free from encumbrances. Comobella North (EL8338) is located immediately north and adjacent to the Bodangora (EL4022) and Finns Crossing (EL8261) tenements.

Alkane now owns tenure covering the entire 15 kilometres of prospective corridor extending from Boda to Finns Crossing. We have defined two significant gold-copper resources within this corridor at Boda and Kaiser.

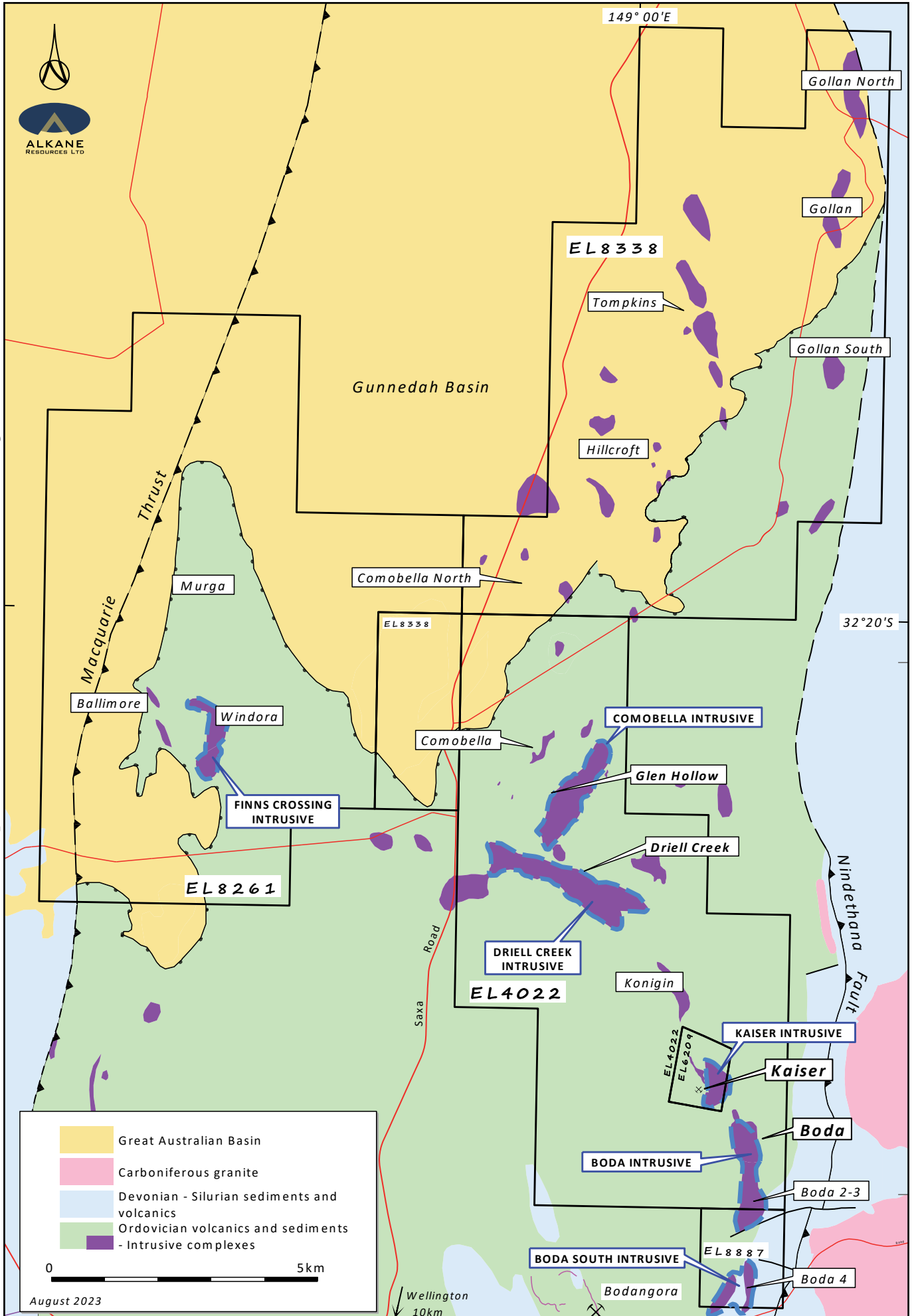
## Explorer of the Year



*David Meates, Alkane Exploration Manager (left), and Ian Chalmers, Alkane Technical Director*

NSW Mining named Alkane Explorer of the Year 2023 for the Kaiser deposit on 8 May. The Explorer of the Year award recognises excellence within the mining industry and acknowledges the significant contribution of exploration to the sector. We won the same award for the Boda discovery in 2021. Boda and Kaiser combined are among the most significant gold-copper resources defined in NSW in the last 10 years.

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Alkane's NMPP tenements, showing regional geology

## Exploration program

Since the discovery of Boda in 2019, Alkane's exploration program has defined a 3.5-kilometre corridor of extensive calc-potassic alteration associated with gold-copper porphyry mineralisation. The corridor trends north from Boda 2-3 to Boda, where it rotates northwest from Boda to Kaiser.

Alkane operated four drilling rigs in parallel at the NMPP during much of FY23. We undertook approximately 63,000 metres of reverse-circulation (RC) and diamond core drilling during the reporting period.

### Kaiser deposit

Gold-copper porphyry mineralisation at the Kaiser deposit is associated with calc-potassic alteration that appears more siliceous than the Boda alteration and with higher concentrations of copper.

Drilling comprising 130 RC and diamond core drill holes, for a combined 49,398 metres, was used to calculate a shallow initial Inferred Mineral Resource Estimation. (Refer to page 12 of this report for further information.) Drilling continues at Kaiser to improve confidence in the estimate, with the view to upgrading to Indicated status in the first quarter of 2024.

### Boda deposit

Since the Boda Inferred Mineral Resource Estimation was announced in May 2022, our drilling program has continued to infill areas around high-grade mineralisation to improve confidence in the estimate. We intend to upgrade the Inferred Mineral Resource to Indicated status in the fourth quarter of 2023.

### Boda 2-3 prospect

Drill results at Boda 2-3 demonstrate many encouraging similarities to Boda, including the existence of high-grade gold-copper mineralised breccias within extensive and continuous zones of low-grade gold-copper porphyry mineralisation. The Boda 2-3 prospect is located immediately south and on-strike of the Boda resource envelope. Further drilling will combine Boda 2-3 mineralisation into the Boda resource estimation.

During the past year, an RC and diamond core drilling program at Boda 2-3 targeted extensions to high-grading gold-copper mineralised breccias and infilled areas of poorly defined gold-copper mineralisation. Assay results for Boda 2-3 were announced to the ASX on 28 March, 20 June and 4 August 2023.



Drilling at Kaiser, August 2023

### Boda northwest extension

The Boda deposit is truncated to the northwest by the north-striking Solar Fault, which has displaced some mineralisation outside the Boda resource envelope. A drilling program to test the continuity of mineralisation in this zone (which lies between Boda and Kaiser) has intersected extensive gold-copper porphyry mineralisation (ASX announcements 20 June and 4 August 2023).

## Planned exploration in FY24

Drilling the resource area at Kaiser is expected to be completed by end-2023. Further drilling at the Boda 2-3, Boda 4, Finns Crossing and Konigin prospects is planned for 2024. We have planned a high-resolution airborne gravity survey for the Northern Molong Porphyry Project area for October 2023; this will assist with future drill targeting.

## Tomingley Gold Project

*Alkane Resources Ltd 100%*

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

The project incorporates Alkane's currently active Tomingley Gold Operations, the Tomingley Gold Extension Project, and the inactive Peak Hill Gold Mine.

The Tomingley Gold Extension Project is founded on the San Antonio and Roswell (SAR) resources, which lie to the south of Tomingley. (Refer to page 11 for project information and pages 22-26 for Mineral Resources and Ore Reserves.)

### Exploration program

Alkane continues to explore the gold corridor between Tomingley and Peak Hill, with the view to defining additional resources to extend the life of the Tomingley asset. Key exploration targets include additional mineralisation outside the existing SAR resource models, as well as the McLeans, El Paso and Plains prospects.

In FY23, we undertook exploration at several prospects located within seven kilometres of the Tomingley processing facility. Assay results were ultimately received from 290 air-core drill holes for a total of 26,727 metres, 31 reverse-circulation (RC) drill holes for a total of 8,908 metres, and 12 diamond core for a total of 4,743 metres. Results were announced to ASX 17 November 2022 and 10 July 2023.

### McLeans deposit

The McLeans deposit lies two kilometres south of Tomingley, 500 metres northeast of the Roswell deposit and adjacent to the exploration drive from Wyoming One. Previous drilling intersected a mineralised andesite that correlates with the andesites that host the majority of the San Antonio and Roswell gold resources (ASX Announcement 16 September 2021).

Two stages of surface drilling at McLeans during FY23 targeted the strike of mineralisation between the historic Myalls United underground workings and the Roswell deposit. Results have defined mineralisation over 200 metres strike and 500 metres down dip that remains open.

The surface results were combined with a number of holes drilled from the underground exploration drive to enable an Inferred Resource to be estimated.

### El Paso prospect

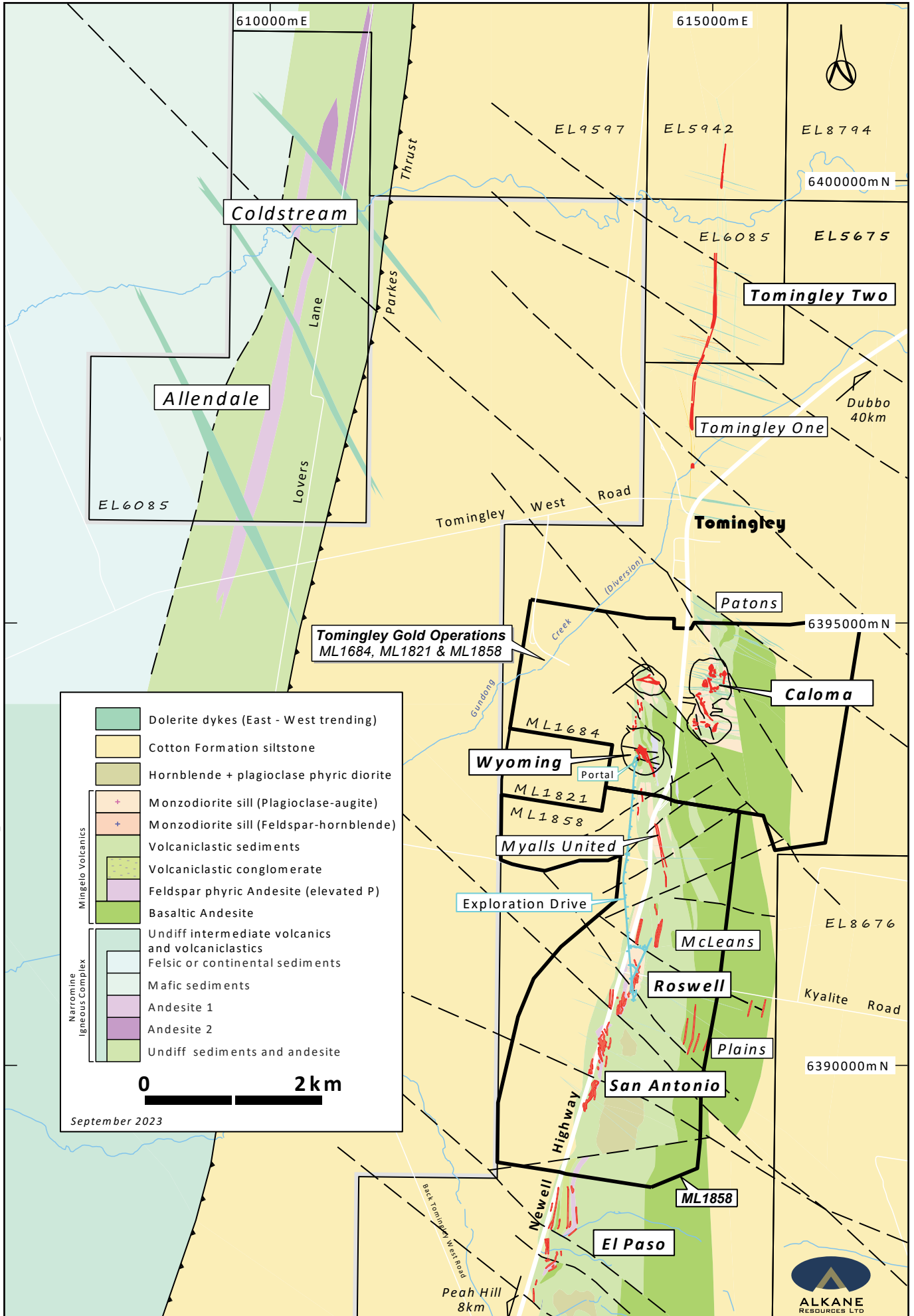
The El Paso prospect lies approximately two kilometres south of the San Antonio deposit. The drilling program in FY23 continued to define a northeast strike of strong gold mineralisation, approximately 230 metres by 50 metres, hosted in andesite similar to Roswell and San Antonio. Significant mineralisation was intersected with RC drill hole EPP046 (42m grading 1.68g/t Au from 42m) (ASX Announcement 10 July 2023).

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Exploration centre, Orange



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Northern section of Tomingley Gold Project, showing regional geology

### Plains prospect

The Plains prospect lies approximately one kilometre southeast of the Roswell deposit. Drilling in FY23 mapped a zone of anomalous gold mineralisation, striking northeast with dimensions approximately 500 metres by 200 metres.

### Allendale prospect (gold-copper)

The Allendale prospect lies approximately five kilometres northwest of Tomingley on the western side of a structural feature known as the Parkes Thrust. The prospect is a gold-copper porphyry target within the buried Junee-Narromine Volcanic Belt, which also hosts Northparkes 40 kilometres to the south.

Historical drilling is limited, comprising air-core drilling and three diamond core tails. In FY23 Alkane conducted a 95-hole air-core drilling program along seven traverses spaced nominally one kilometre apart. Numerous zones of anomalous gold and copper intersected by the drilling were mostly hosted in volcanics, with significant mineralisation intersected by drill hole ALAC176 (13m grading 0.99g/t Au, 0.03% Cu from 127m to end of hole, including 3m grading 3.03g/t Au, 0.02% Cu from 133m) (ASX Announcement 10 July 2023).

### Peak Hill Gold Mine

Located 15 kilometres south of Tomingley, Alkane's Peak Hill Gold Mine operated from 1996 to 2005 as an open cut heap leach. While the site is substantially rehabilitated, it remains an active Mining Lease.

Technological advances and gold price increases in the last two decades led Alkane to re-evaluate the economics of further development. Alkane retains its Mining Lease and Environment Protection Licence for Peak Hill Gold Mine, but any further mine development would require further environmental assessment and government approval.

Refer to page 23 for the Mineral Resource table.

### Planned exploration in FY24

Alkane has planned high-resolution airborne magnetic and gravity surveys for the greater Tomingley Gold Project area in November 2023. The results of these geophysical surveys will assist with future drill targeting. We're planning further drilling at McLeans, El Paso, Plains and Allendale during 2024.

## Southern Junee Porphyry Project (SJPP)

*Alkane Resources Ltd 100%*

The Southern Junee Porphyry Project (SJPP) is located in the Riverina region of New South Wales, centred about 40 kilometres east of West Wyalong. It covers an area of 235 square kilometres at the southern extension of the Junee-Narromine Volcanic Belt (J-NVB), which is considered highly prospective for world-class gold-copper porphyry deposits. (The J-NVB hosts Cowal (Evolution ~14.3 Moz gold) and Northparkes (China Molybdenum Co. ~4.5Mt copper, 5.5Moz gold).)

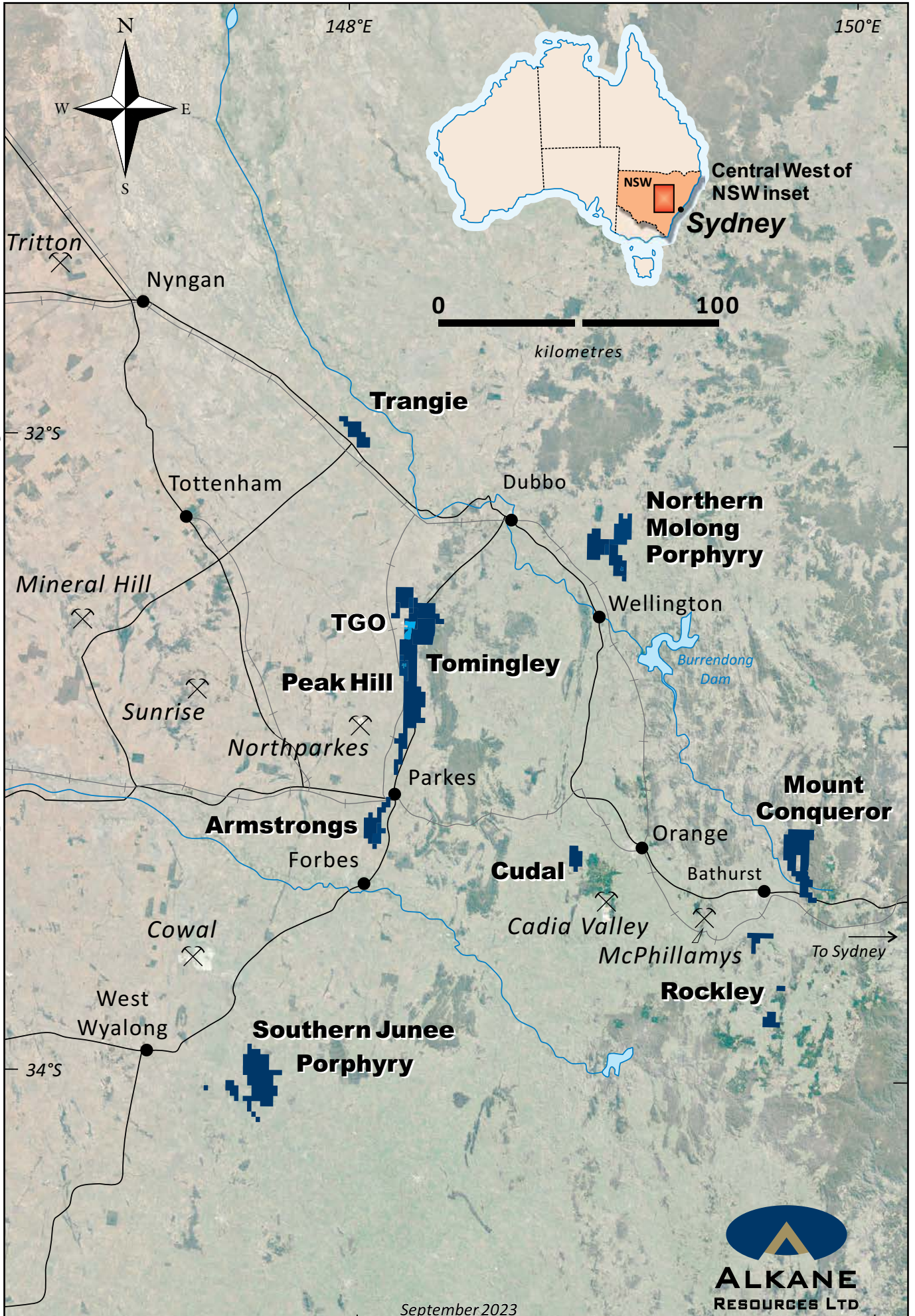
The SJPP comprises three exploration licences (EL5792, EL7982 and EL8025), which Alkane acquired inclusive of all data from Sandfire Resources Ltd in the June 2023 quarter. The project is 100% owned by Alkane with no underlying royalties or liabilities.

## Other projects

Due to the extensive effort on the Tomingley Gold and Northern Molong Porphyry Projects, exploration activity on other projects was largely limited to soil sampling and ground electromagnetic surveying over the previously generated airborne electromagnetic targets.

Alkane's other exploration projects in New South Wales are: Armstrongs (gold); Cudal (gold-zinc); Rockley (gold); Trangie (nickel-copper+); Mt Conqueror (gold). (All Alkane Resources Ltd 100%).

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



# MINERAL RESOURCES AND ORE RESERVES

# Mineral Resources and Ore Reserves

Alkane reports Mineral Resources and Ore Reserves for the Tomingley Gold Project and the Northern Molong Porphyry Project (Boda and Kaiser deposits) as at 30 June 2023.

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

They were reported to the ASX on 13 September 2023. Any differences to those tables are corrections to typographical errors; the assumptions and parameters detailed in that report are unchanged.

Mineral Resources are wholly inclusive of Ore Reserves.

## Tomingley Gold Project

Identified Mineral Resources and Ore Reserves for the Tomingley Gold Project have been updated for 30 June 2023. The project includes:

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

Mineral Resources and Ore Reserves have been re-estimated to account for additional resources, mining depletion, changes in gold price and operating costs during the 2023 financial year. They include the initial Inferred Mineral Resource Estimate for the McLeans deposit, announced post year-end (ASX Announcement 13 September 2023).

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

### Tomingley Gold Project

Total Mineral Resources: 27.26Mt grading 2.02g/t Au (1,775,000oz)

Total Ore Reserves: 10.96Mt grading 1.77g/t Au (622,000oz)

## Mineral Resources

### Tomingley Gold Operations Mineral Resources (as at 30 June 2023)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
<b>Open Pittable Resources (cut-off 0.4g/t Au)</b>									
Caloma One	0	0	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0	0	0
<b>Underground Resources (cut-off 1.3g/t Au)</b>									
Wyoming One	988	2.8	725	2.2	375	1.8	2,088	2.4	163
Wyoming Three	46	2.2	24	2.0	20	1.9	90	2.1	6
Caloma One	359	2.5	1,113	2.0	328	2.0	1,800	2.1	123
Caloma Two	115	2.5	1,066	2.3	360	2.2	1,541	2.3	115
Sub Total	1,508	2.7	2,928	2.2	1,083	2.0	5,519	2.3	407
<b>TOTAL</b>	<b>1,508</b>	<b>2.7</b>	<b>2,928</b>	<b>2.2</b>	<b>1,083</b>	<b>2.0</b>	<b>5,519</b>	<b>2.3</b>	<b>407</b>

Apparent arithmetic inconsistencies are due to rounding.

Open cut mining ceased at Tomingley during the year and the operation transitioned to fully underground mining at Wyoming One, Caloma One and Caloma Two.

### Tomingley Gold Extension Project Mineral Resources (as at 30 June 2023)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
<b>Open Pittable Resources (cut-off 0.4g/t Au Roswell and 0.5g/t Au San Antonio)</b>									
Roswell			5,615	1.78	791	0.96	6,406	1.68	346
San Antonio			5,930	1.82	1,389	1.32	7,319	1.73	406
Sub Total	0	0.0	11,545	1.80	2,180	1.19	13,725	1.70	752
<b>Underground Resources (cut-off 1.6g/t Au and 1.3g/t Au McLeans)</b>									
Roswell			1,897	2.67	4,244	2.56	6,141	2.59	512
McLeans					870	2.51	870	2.51	70
Sub Total			1,897	2.67	5,114	2.56	7,011	2.59	584
<b>TOTAL</b>			<b>13,443</b>	<b>1.92</b>	<b>7,294</b>	<b>1.85</b>	<b>20,737</b>	<b>1.90</b>	<b>1,336</b>

Apparent arithmetic inconsistencies are due to rounding

### Peak Hill Mineral Resources (as at 30 June 2023)

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

Apparent arithmetic inconsistencies are due to rounding

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## Ore Reserves

## Tomingley Gold Operations Ore Reserves (as at 30 June 2023)

DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
<b>Open Pittable Reserves (cut-off 0.4g/t Au)</b>							
Caloma	0	0	0	0	0	0	0
Stockpiles	329	1.0	0	0	329	1.0	11
Sub Total	329	1.0	0	0	329	1.0	11
<b>Underground Reserves (cut-off 1.3g/t Au)</b>							
Wyoming One	260	2.1	85	1.8	345	2.0	22
Caloma One	156	1.7	392	1.7	548	1.7	29
Caloma Two	26	1.5	252	1.8	278	1.8	16
Sub Total	442	1.9	729	1.7	1,171	1.8	68
<b>TOTAL</b>	<b>771</b>	<b>1.5</b>	<b>729</b>	<b>1.7</b>	<b>1,500</b>	<b>1.6</b>	<b>79</b>

Apparent arithmetic inconsistencies are due to rounding.

Open cut mining ceased at Tomingley during the year and the operation transitioned to fully underground mining at Wyoming One, Caloma One and Caloma Two.

## Tomingley Gold Extension Project Ore Reserves (as at 30 June 2023)

DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
<b>Open Pittable Reserves (cut-off 0.4g/t Au)</b>							
Roswell	0	0	3,900	1.7	3,900	1.7	213
San Antonio	0	0	4,100	1.6	4,100	1.6	214
Sub Total	0		8,000	1.6	8,000	1.6	427
<b>Underground Reserves (cut-off 1.6g/t Au)</b>							
Roswell	0	0	1,456	2.6	1,456	2.6	119
San Antonio*	0	0	0	0	0	0	0
Sub Total	0	0	1,456	2.6	1,456	2.6	119
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>9,456</b>	<b>1.8</b>	<b>9,456</b>	<b>1.8</b>	<b>547</b>

Apparent arithmetic inconsistencies are due to rounding

\*San Antonio underground reserves not determined at this time

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## Comparative Resources and Reserves

### Tomingley Gold Operations Comparative Mineral Resources (30 June 2022 to 30 June 2023)

DEPOSIT	2022			2023		
	Tonnage (kt)	Grade (g/t Au)	Gold (koz)	Tonnage (kt)	Grade (g/t Au)	Gold (koz)
<b>Open Pit</b>						
Wyoming One	0	0	0	0	0	0
Wyoming Three	0	0	0	0	0	0
Caloma One	122	2	8	0	0	0
Caloma Two	0	0	0	0	0	0
Sub Total	122	2.0	8	0	0	0
<b>Underground</b>						
Wyoming One	2198	2.6	181	2088	2.4	163
Wyoming Three	90	2.1	6	90	2.1	6
Caloma One	1170	2.1	79	1800	2.1	123
Caloma Two	1446	2.2	103	1541	2.3	115
Sub Total	4904	2.3	369	5519	2.3	407
<b>TOTAL</b>	<b>5,026</b>	<b>2.3</b>	<b>377</b>	<b>5,519</b>	<b>2.3</b>	<b>407</b>

Apparent arithmetic inconsistencies are due to rounding

### Tomingley Gold Operations Comparative Ore Reserves (30 June 2022 to 30 June 2023)

DEPOSIT	2022			2023		
	Tonnage (kt)	Grade (g/t Au)	Gold (koz)	Tonnage (kt)	Grade (g/t Au)	Gold (koz)
<b>Open Pit</b>						
Wyoming One						
Wyoming Three						
Caloma One	122	2.0	8	0	0.0	0
Caloma Two						
Stockpiles	384	1.3	16	329	1.0	11
Sub Total	506	1.5	24	329	1.0	11
<b>Underground (source)</b>						
Proven	571	1.9	35	442	1.9	27
Probable	1,247	1.7	68	729	1.7	40
Sub Total	1,818	1.8	104	1,171	1.8	68
<b>TOTAL</b>	<b>2,324</b>	<b>1.7</b>	<b>128</b>	<b>1,500</b>	<b>1.6</b>	<b>79</b>

Apparent arithmetic inconsistencies are due to rounding

The primary differences from 2022 to 2023 are:

- Residual open pit resources for Wyoming One, Wyoming Three and Caloma Two were reduced to zero due to practical limits to surface mining;
- Caloma One cut-back reserves depleted;
- Underground reserves added by development grade control drilling; and
- Underground reserves depleted by mining.

Tomingley Gold Extension Project Comparative Mineral Resources (30 June 2022 to 30 June 2023)

DEPOSIT	2022			2023		
	Tonnage (kt)	Grade (g/t Au)	Gold (koz)	Tonnage (kt)	Grade (g/t Au)	Gold (koz)
<b>Open Pit</b>						
Roswell	6,406	1.68	346	6,406	1.68	346
San Antonio	7,319	1.73	407	7,319	1.73	407
McLeans	0	0	0	0	0	0
<b>Sub Total</b>	<b>13,725</b>	<b>1.71</b>	<b>753</b>	<b>13,725</b>	<b>1.70</b>	<b>752</b>
<b>Underground</b>						
Roswell	6,141	2.59	512	6,141	2.59	512
San Antonio	0	0	0	0	0	0
McLeans	0	0	0	870	2.51	70
<b>Sub Total</b>	<b>6141</b>	<b>2.59</b>	<b>512</b>	<b>7011</b>	<b>2.58</b>	<b>584</b>
<b>TOTAL</b>	<b>19,866</b>	<b>1.98</b>	<b>1,265</b>	<b>20,736</b>	<b>2.0</b>	<b>1,336</b>

*Apparent arithmetic inconsistencies are due to rounding*

The primary difference from 2022 to 2023 is the addition of the McLeans Resource.

There was no change in Ore Reserves for the Tomingley Gold Extension Project. Full details for Roswell and San Antonio were reported in the 2022 Annual Resource and Reserves Statement (ASX Announcement 9 September 2022).

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

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## Northern Molong Porphyry Project

Alkane has announced initial Inferred Mineral Resource Estimations for the Boda and Kaiser deposits in the past 18 months. The Boda resource was fully documented with accompanying JORC Table in ASX Announcement 30 May 2022, and Kaiser fully reported in ASX Announcement 27 February 2023.

### Boda and Kaiser Mineral Resources (as at 30 June 2023)

	MEASURED				INDICATED				INFERRED				CONTAINED METAL		
	Ore (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ore (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ore (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	AuEq (Moz)	Au (Moz)	Cu (Mt)
Boda									624	0.51	0.26	0.14	10.1	5.21	0.90
Kaiser									270	0.54	0.24	0.18	4.72	2.05	0.48
<b>TOTAL</b>									<b>894</b>	<b>0.52</b>	<b>0.25</b>	<b>0.15</b>	<b>14.8</b>	<b>7.26</b>	<b>1.38</b>

*Apparent arithmetic inconsistencies are due to rounding*

### Northern Molong Porphyry Project

Total Mineral Resources: 894Mt grading 0.52g/t AuEq (14.8 Moz AuEq)

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*Boda-Kaiser core*

## Mineral Resource and Ore Reserve Governance and Internal Controls

Alkane has governance arrangements and internal controls in place with respect to its estimates of Mineral Resources and Ore Reserves and the estimation process within the Tomingley Gold Operations and evaluation projects, such as the Peak Hill Gold Project, including:

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

### Competent Persons

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

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

### Previously reported information

All information in this report that relates to Mineral Resource or Ore Reserve estimates has been extracted from Alkane's ASX announcement dated 13 September 2023. Additional exploration results have been extracted from ASX announcements noted in the text of the report.

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



# SUSTAINABILITY REPORT

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# Sustainability at Alkane

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

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## Our Approach

This Sustainability Report summarises Alkane's sustainability performance in FY23. The report is structured around four sustainability pillars spanning ESG: Governance, Our People, Communities, and Environment.

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

While Alkane's approach to sustainability has been consistent for many years, this report represents our renewed commitment to more comprehensive sustainability reporting and disclosure. We published our first Sustainability Report in this format in October 2022 (for the year spanning 1 July 2021 to 30 June 2022).

In FY23, Alkane contributed to development of the NSW Minerals Council's Guiding Principles for Responsible Mining in NSW, launched at the annual HSEC (Health, Safety, Environment and Community) Conference in August 2023.

## Key Achievements FY23

- 1 Grew women in our workforce from 9% to 12%
- 2 Conducted SPoR (safety) training for 140 workers
- 3 Improved processing water efficiency at Tomingley by 33%
- 4 Invested in the Back to Peak Hill Weekend (community festival)
- 5 Launched the Bodangora community newsletter
- 6 Third year of major Clontarf Foundation sponsorship
- 7 Submitted first Modern Slavery Statement
- 8 Zero environmental exceedances, complaints and reportable incidents at Tomingley

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Company Values	ESG Mission Statement
 <p><b>Integrity</b> We do what's right in our actions and relationships.</p>	<ul style="list-style-type: none"> <li>• Ensure our choices and behaviours align with our values.</li> <li>• Maintain good environmental governance.</li> <li>• Be responsive to the needs of all stakeholders.</li> </ul>
 <p><b>Respect</b> We treat people and the environment with care.</p>	<ul style="list-style-type: none"> <li>• Minimise impacts from our operations.</li> <li>• Stay positively engaged with host communities.</li> <li>• Value the safety and wellbeing of our workforce.</li> </ul>
 <p><b>Transparency</b> We are proactive in communicating our intent and outcomes.</p>	<ul style="list-style-type: none"> <li>• Expand sustainability reporting and disclosures.</li> <li>• Communicate openly with stakeholders about our activities.</li> </ul>
 <p><b>Performance</b> We plan and execute to deliver strong business results.</p>	<ul style="list-style-type: none"> <li>• Actively seek sustainable solutions that have a strong business case.</li> </ul>

## Four Sustainability Pillars

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

# Governance

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

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## Organisational Governance

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

## Board and sub-committees

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

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

Two of the non-executive directors, Mr Lethlean and Mr Smith, are considered independent. The Board continues to seek additional independent members who will bring complementary skill sets and diversity to Alkane's leadership. Details of directors are presented on page 68 of this report.

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

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

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

## Corporate policies and procedures

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

Additional 'Modern Slavery' and 'Safety, Health and Sustainability' policies were approved by the Board in September 2022.

## Corporate Governance Statement

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

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

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## Ethical Business Practices

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

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

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

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

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

## Modern Slavery Statement

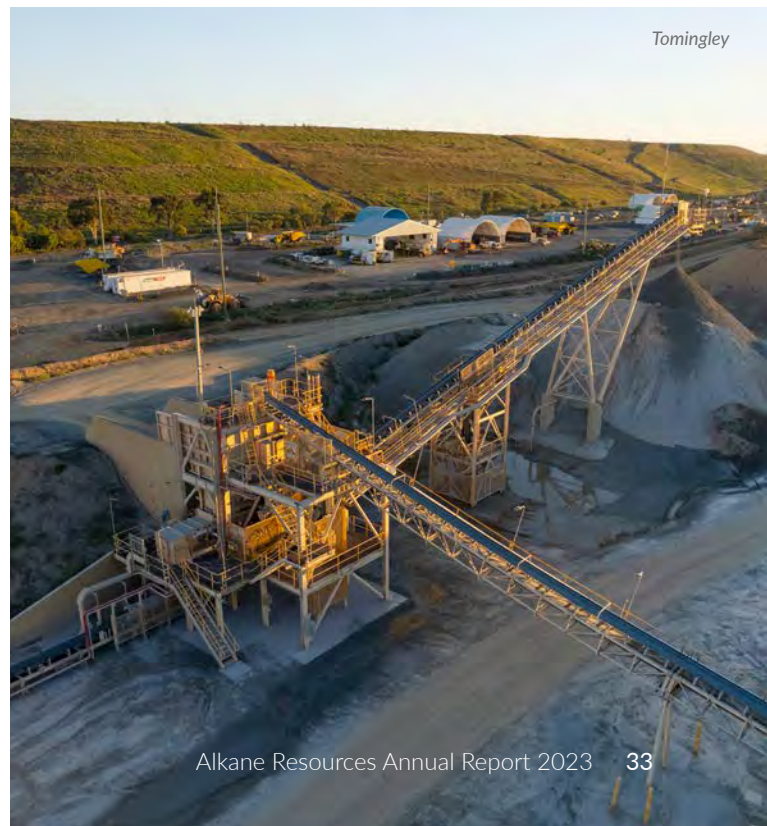
Alkane's first Modern Slavery Statement under the Australian Government's Modern Slavery Act 2018 was submitted in October 2022.

The risk of substantial exposure to modern slavery is considered low, with only minor components of Alkane's supply chain exposed to at-risk locations and industries (such as clothing/apparel and electronics). However, the statement (for 1 July 2021 to 30 June 2022) acknowledged that Alkane did not have full visibility of our supply chain and the origin of many of the goods procured from Australian suppliers.

In the past year we have undertaken the following actions to address the risks identified:

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

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



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## Regulatory and Compliance

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

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

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

### Submission to Parliamentary Inquiry

Alkane submitted a response to the Parliamentary Inquiry into current and potential impacts of gold, silver, lead and zinc mining on human health, land, air and water quality in New South Wales (announced in July 2023).

## Risk Management

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

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

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

In FY23, following an external evaluation of material risks, Alkane reviewed and updated the corporate risk register, focusing on the resourcing required to manage key risks.

The company’s primary material risks are described in the Directors Report (see page 74). They include: Mineral Resource and Ore Reserve estimates; production, cost and capital estimates; operating risks; exploration risks; gold prices; taxation; community relations; cyber security risks; government regulation; debt and hedging covenants; government policy and permits; climate-related risks.

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

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



Dust suppression at Tomingley

# Our People

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

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## Workforce

Alkane is headquartered in Perth, Western Australia, where many of our centralised services and executive and senior managers are located. The remainder of Alkane's workforce is in New South Wales, with the largest number (approximately 85 percent) at Tomingley Gold Operations southwest of Dubbo.

Tomingley has over 230 employees (over 270 with contractors and subcontractors) across geology, mining, processing, finance and administration, maintenance, work health and safety (WHS), and environment. Since Tomingley is a residential operation and does not support a 'fly-in/fly-out' scheme, the majority of our workforce lives in the local area.

Over the past few years, Tomingley has maintained two open cut mining crews (dayshift only). With the completion of the cut-back to the Caloma One pit in May 2023, these crews are now constructing a new surface access ramp for the Wyoming One pit (and underground portal).

They will move into surface-based civil works when the Tomingley Gold Extension Project gets underway in the coming months.

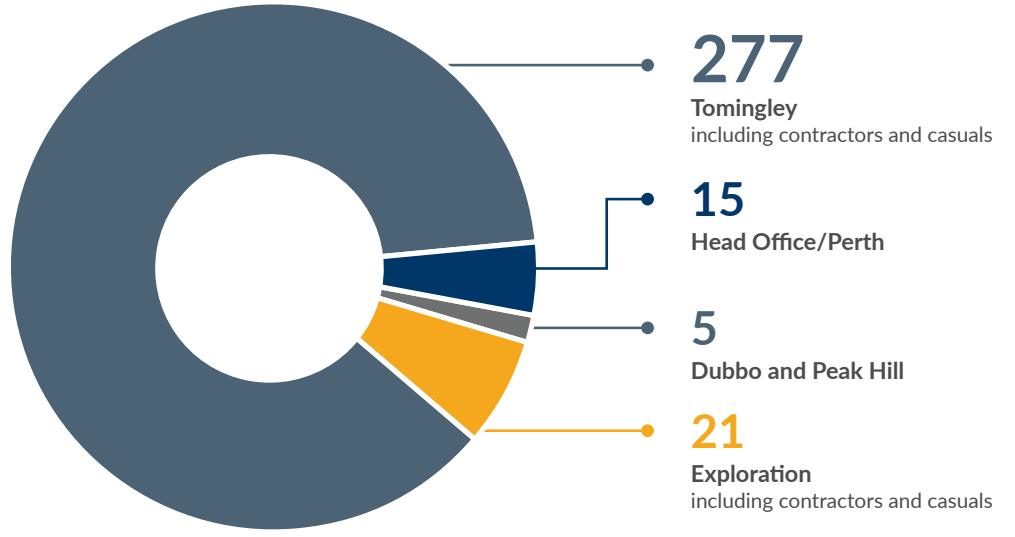
Alkane also has an office in Dubbo and an experienced exploration team largely based in Orange, with associated field facilities and core yard at Peak Hill Gold Mine. Also at Peak Hill Gold Mine is a site supervisor who maintains the mining leases and infrastructure while the site is under care and maintenance.

At financial year end, Alkane had 275 personnel engaged in the business, plus an additional 43 contractors and subcontractors at Tomingley.



Alkane workforce by location (30 June 2023)

**318 in total**  
275 employees and casuals  
43 contractors



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Some of the Tomingley workforce



## Diversity and inclusion

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

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

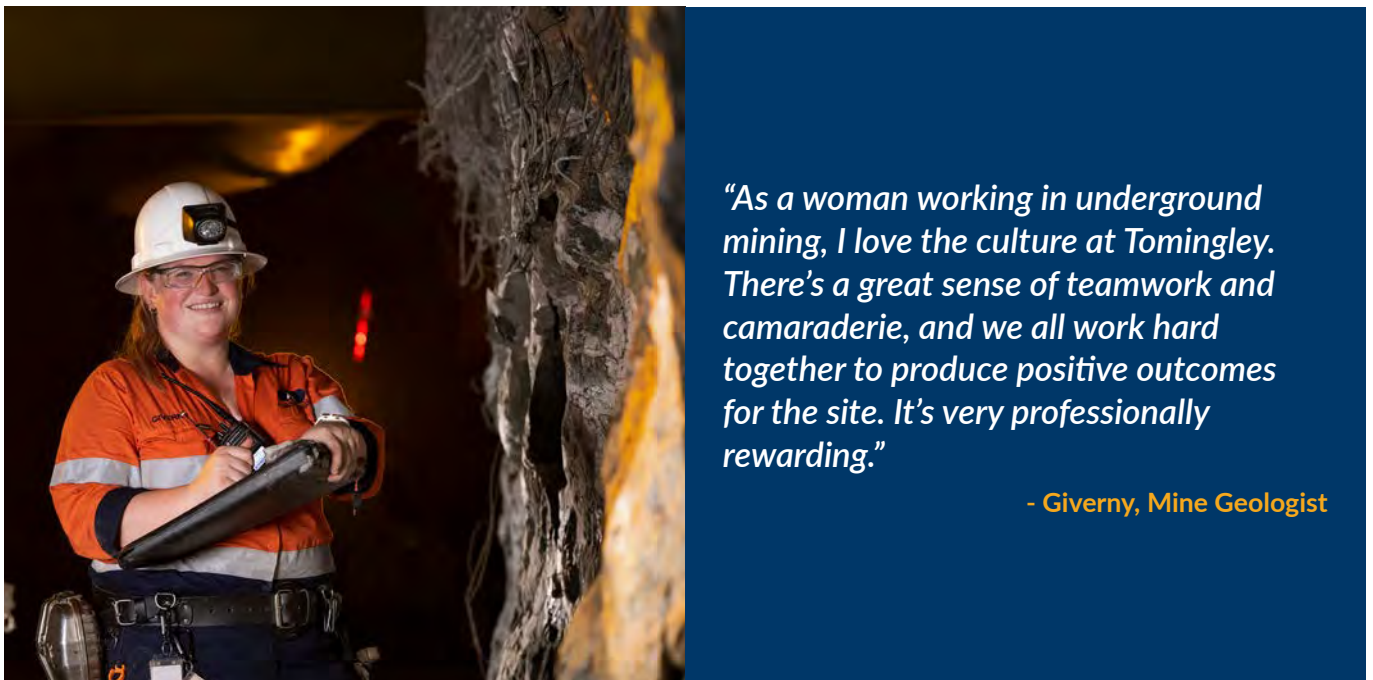
We recognise the particular importance of attracting women to join the company and the mining industry more generally.

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

- By 30 June 2024, at least 30 percent of directors on the Board will be female.
- By 30 June 2024, women will represent greater than 18 percent at all levels of the organisation. To arrive at this figure, we considered the average percentage of women working in 'Metal Ore Mining' according to Australia's Workplace Gender Equality Agency for companies of different sizes.
- Hiring practices will continue to target female candidate representation.

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

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*"As a woman working in underground mining, I love the culture at Tomingley. There's a great sense of teamwork and camaraderie, and we all work hard together to produce positive outcomes for the site. It's very professionally rewarding."*

**- Giverny, Mine Geologist**

## Our People in Focus

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### Karina, Exploration Geologist

*“Working on the Boda discovery is exciting. Right now, I’m analysing and logging core samples extracted by Alkane’s drilling program. I hope to see the project move from exploration to development in the future.”*

Karina is a geologist with Alkane’s exploration team. She began her 18-year career in Peru, working in exploration since women were prohibited from working underground. Since moving to the NSW Central West in 2008, she has worked on various underground, near mine and exploration projects throughout the region.

The prospect of working on the Boda discovery lured Karina to Alkane in 2021. She brought with her a wealth of knowledge and experience in gold-copper porphyry mineralisation, gained from her role as an underground production geologist at Newcrest’s Cadia East Mine.

According to Karina, there is little more professionally rewarding than witnessing an exploration project transition into development, then working as a production geologist to see it all come together. She has already experienced this once in her career at Aurelia’s Hera mine. Now her ambition is to see Alkane’s Boda and Kaiser resources move into production.

Interspersed with her career achievements, Karina has raised three children and gained further qualifications in economic geology from the University of Queensland. She is also an active member of the committee for the Central West Exploration Discussion Group.

### Diversity performance

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

#### Alkane female and ATSI employees

	30 June 2021	30 June 2022	30 June 2023
Women	29 (11%)	25 (9%)	32 (12%)
Aboriginal and Torres Strait Islander	35 (13%)	35 (13%)	32 (12%)

Numbers include casuals but not contractors/subcontractors

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The percentage of Alkane’s workforce identifying as Aboriginal and Torres Strait Islander is consistent with the population in Dubbo (14%), where the majority of the Tomingley workforce (representing approximately 85% of Alkane’s total workforce) comes from.

Female representation at Tomingley has grown by 36% in the reporting period (from 19 at year-end FY22 to 26 at year-end FY23). The highest growth occurred in operations (from seven to 13) – with growth of women on underground crews growing from one to four. (Since year-end, the number of women underground has grown further.)

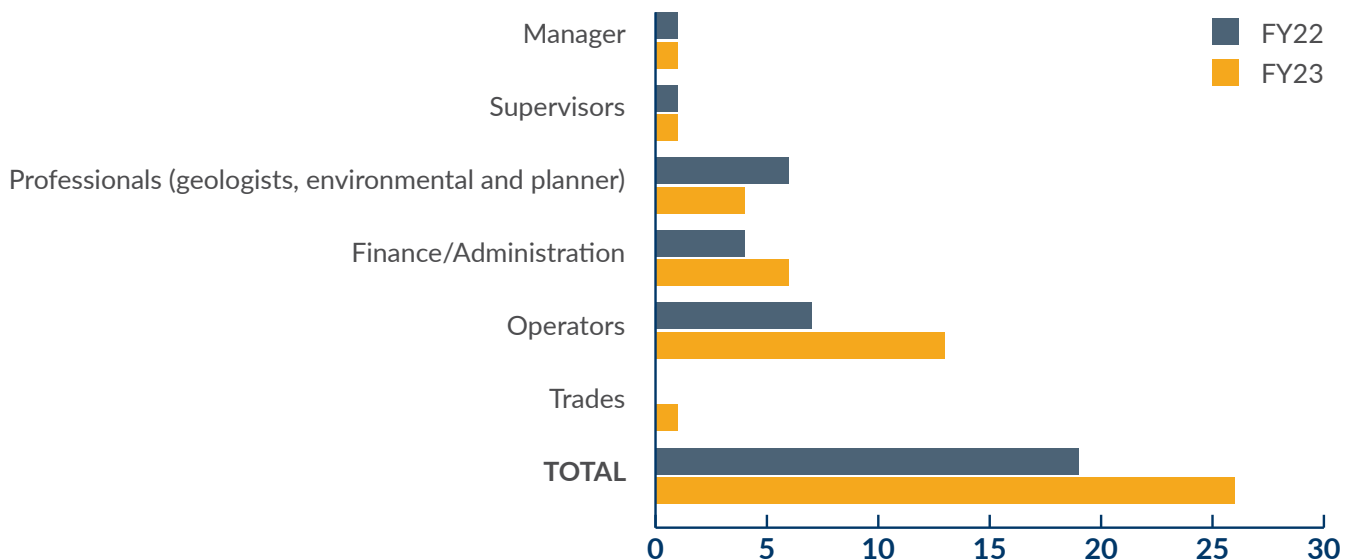
Overall, this demonstrates a positive growth trend for female employees at Tomingley.

We believe this to be the result of a recruitment campaign involving our female employees as role models – attending careers events and sharing their stories in our 2022 careers brochure.

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

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

#### Numbers of Tomingley women by role



Numbers include casuals but not contractors/subcontractors. One position reported in FY22 has been recategorized.

## Our People in Focus



### Cosmin, Graduate Mining Engineer

*"I've really enjoyed my first year of the graduate program, getting my hands dirty and having a go at everything. My underground crew has been great. They've really got around me to help me succeed."*

Cosmin, who grew up in Orange, first got a labour hire job on the Tomingley site after finishing high school back in 2018. After spending the summer working on our open cuts, he studied Mining and Mechanical Engineering at the University of Wollongong. Then, at the end of his fourth year, he returned to Tomingley in the summer of 2021-2022 for a 12-week stint as an engineering vacation student.

Now, Cosmin is about halfway through the two-year graduate program at Tomingley, having re-joined us in October 2022. He has spent his first year working on-roster with one of our underground mining crews, cycling through the different roles to gain an intimate understanding of the real-world mining environment. Alkane considers underground experience essential for all our graduate mining engineers.

Cosmin says his crew, whose members come from many different backgrounds, are a great bunch to work with; they have been supportive from the start and made him feel part of the team. The whole crew has focused on equipping him with the skills and knowledge he will need as a mining engineer in the future.

After a year with the underground crew, Cosmin will spend his second graduate year working closely with Tomingley's team of mining engineers on mine scheduling and drill and blast design. Overall, Cosmin says he really appreciates the fact everyone, including management, is behind him. The Tomingley graduate program is particularly flexible, allowing Cosmin to have input and try different activities.

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## Health, Safety and Wellbeing

Alkane takes protecting our employees seriously. Safety is entrenched in every decision and action at our main operation at Tomingley, where employees are encouraged to ‘entertain doubt’ and consider what could go wrong. We value safe production and celebrate the successes of meeting and exceeding targets and budget safely.

Tomingley has a dedicated work health and safety (WHS) team that works across the business. The WHS team ensures employees are appropriately trained, develops hazard identification skills within the workforce, implements safety systems and controls, and monitors compliance with the site’s safety management systems.

In addition to Tomingley, Alkane has health and safety management systems in place for Peak Hill Gold Mine and our exploration team, based in Orange.

### Safety approach at Tomingley – the Social Psychology of Risk

The management team at Tomingley have adopted the *Social Psychology of Risk* (SPoR) approach to guide safety culture and actions onsite.

SPoR considers how social arrangements affect decision making in risk. It seeks to understand how people really tackle risk by accounting for human fallibility, mortality and subjectivity, rather than ignoring them.

As such, the approach considers culture and meaning behind actions as being more important than measures of safety activity (which often lack context).

The Tomingley SPoR program covers new approaches to awareness, perception, motivation, engagement, communication and culture change.

The philosophy targets the concepts of Workspace (physical environment), Headspace (how workers think and make decisions) and Groupspace (what is the cultural understanding of the critical control).

Since SPoR challenges traditional thinking around work health and safety, the Tomingley management and WHS teams are working hard to embed the philosophy into all aspects of safety onsite. The SPoR philosophy underpins:

- All employee and site inductions
- The critical control verification (CCV) system for the Tomingley safety management system
- LEAP – an informal risk identification process
- Site incident investigation system
- Site document and authoring process

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*“A lot of SPoR comes down to entertaining doubt. Like making sure operators are comfortable to approach us to discuss the way we are doing something. We all get along well and have different backgrounds and experiences.”*

**- Mac, Drill & Blast Engineer**

## Tomingley safety programs and initiatives

A key focus of FY23 was further embedding Social Psychology of Risk concepts in Tomingley workplace culture, site systems and work procedures.

### Site induction training

During FY23, 170 new staff, consultants and contractors completed the Tomingley induction training, which introduces the SPoR philosophy and methodology. A key element of this is LEAP (Look, Engage, Assess, Proceed), which is an informal risk identification tool. LEAP helps people think about the work they are about to perform and the controls that are in place to manage the risks.

### SPoR training

During FY23, Tomingley held formal 'Introduction to SPoR' training for 140 employees who had either commenced at Tomingley prior to the updated site induction or not completed the training due to Covid restrictions. This one-day training session provides a more in-depth introduction to the key concepts and processes related to SPoR, including the concepts of decision making, 1 brain 3 minds, and Workspace, Headspace, Groupspace.

### Updating the incident management process

During FY23, Tomingley reviewed and updated the incident management plan in conjunction with an external consultant. We also conducted training for 16 employees who would typically play a role in the Incident Management Team. This training also included a scenario related to failure of a residue storage facility, held with the Narromine Local Emergency Management Committee.

### Refining the incident investigation process

Tomingley is heading towards a bespoke incident investigation process that incorporates both important traditional investigation methods and SPoR principles focused on human and group decision-making. During FY23, we incorporated the SPoR concepts of Workspace, Headspace and Groupspace into the process.

### 'Risky Engagement' training for supervisors

Under SPoR, all Tomingley employees are encouraged to talk to each other about risk in work they are undertaking. We use the term 'Risky Engagement' to describe such dialogue and the courage it can take to raise potentially difficult issues. Tomingley considers risk to be a social experience, where all members of a group actively participate in management of the risks identified.

During the reporting period, 40 Tomingley supervisors and managers completed training in how to facilitate Risky Engagement using the iCue listening tool. The principles of iCue involve understanding risk by listening to critical cues and asking the right questions to facilitate conversation (hear, listen, think, respond).

### Tomingley document management and control

The WHS team continued implementation of a more efficient and user-centred management system for all essential documentation – such as procedures, safety management systems, and other safety-related documentation.

The new approach is based on 'usability mapping' methodology, which applies the rules of human cognition and behaviour to communications (as per the SPoR philosophy). The aim is to streamline safety documentation and improve overall comprehension.

In FY23 Tomingley employed a dedicated person to oversee implementation and ongoing management of the improved document management and control system.

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“SPoR is a conversation starter in our work area. We all have a voice and feel confident to raise questions. As a group we agree how to reduce or eliminate hazards. Good communications reflects a great safety culture.”

- Dee, Supply Officer

### Role-based training

Tomingley takes a risk-based approach to training, with training activities occurring on a daily basis. The site’s employee onboarding program and day-one induction leads into role-specific training, according to a schedule determined by a training needs analysis for each role.

Throughout the year, Tomingley also conducted external role-specific training for shotfirers, underground supervisors, emergency response, first aid, confined space and working at height.

The Tomingley WHS training team also conducted internal role-based equipment-specific training to ensure workers have the requisite competencies for safe equipment operation. This amounted to 451 employee-training events over the year.

Equipment-specific training ranges from two hours to three or more days, depending on the level of competency and difficulty of equipment to operate.

During FY23, Tomingley laid groundwork for transitioning to the Cloud Assess training platform, which will be rolled out in FY24. This electronic platform will manage and facilitate role-specific training and remove most of the administrative paperwork burden.

### Safe 2 Handle program

During the year, Tomingley implemented the second stage of the High-Risk Manual Tasks – Participative Ergonomics (Safe 2 Handle) program initiated in FY22. The program uses wearable technology to identify tasks involving high physical strain, then trains employees on how to better manage these tasks or redesign the task.

In FY23 we continued to embed the key principles of Safe 2 Handle through quarterly presentations and site interventions with a Safe 2 Handle exercise physiologist.

### Tomingley safety performance

In FY23 there were 15 recordable injuries at the Tomingley site: six Lost Time Injuries, seven Restricted Work Injuries and two Medical Treated Injuries. The total recordable injury frequency rate (TRIFR) was 6.06, a 71 percent increase on FY22 (TRIFR of 3.54). There were also 38 first aid injuries.

Source data	FY 2021	FY 2022	FY 2023
Tomingley TRIFR	5.21	3.54	6.06

## Positive impact of manual handling training



### Danny, Service Operator

*“The Safe 2 Handle program has been very beneficial. No one had ever told me how I should be doing things – right down to holding my elbow when driving. We’ve all taken something positive away from it.”*

Danny is one of Tomingley’s service operators. He supports both the open cut and underground mining crews with a wide range of manual tasks – basically anything involved in moving consumables around the mine site, including loading/unloading, unspooling, installing and clean-up.

Over the past year, the Safe 2 Handle program has made a massive difference to the way Danny does his job. Whereas before he focused on completing tasks as quickly as possible with no regard to his body, he now follows new guidelines for better body positioning during a wide range of manual labour tasks.

The Safe 2 Handle program, overseen by an external exercise physiologist, was rolled out in stages at Tomingley. The first stage analysed the repetitive and high-strain movements associated with many physical jobs onsite using wearable technology. Based on this data, the consultant gave general training on the best body positions and remedial stretches for common activities onsite – such as reaching, bending, overhead work and general ‘wear and tear’ from using heavy vibrating equipment.

In FY23 the consultant returned to site on a quarterly basis to provide follow up training and voluntary one-on-one consultations with the workforce.

Danny says the Safe 2 Handle group training, followed by a one-on-one coaching session, has helped him immensely. After altering his body position for manual tasks, he has noticed a huge reduction in body fatigue and soreness.

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## Global Minerals Industry Risk Management Program (G-MIRM)

To further enhance the Tomingley risk management approach, four key site personnel completed the Global Minerals Industry Risk Management Program (G-MIRM) via the University of Queensland's Sustainable Minerals Institute. G-MIRM is a professional development program that develops managers' understanding, appreciation and application of risk management policy and procedures.

## Projects for FY24

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

- Safe 2 Handle program (targeting prevention of injury from manual handling) – Stage 3 implementation will increase the frequency of site-based training and use tele-health consulting and the Safe 2 Handle mobile app.
- Incident investigation process – Ongoing refinement of the process to incorporate SPoR and provision of training to further enhance understanding of incident causal factors.
- Embedding SPoR – This ongoing project will include further training around 'Introduction to SPoR' and 'Risky Engagement'; in addition, the WHS team will continue working with departments to further embed SPoR concepts and identify opportunities to integrate SPoR into current work practices.
- Incident management and emergency response – This ongoing training project will further develop the capabilities of the incident management team, emergency response team, and on-scene commanders. It will also incorporate the review and updating of the Underground Evacuation Plan.

## Exploration team safety

In November 2022, Alkane engaged an external consultant to thoroughly review the safety management system used by our exploration team. The purpose of this project was to make sure the system, policies and procedures are fit for purpose, up to date and in line with modern technologies.

The exploration team has implemented a number of recommendations coming out of that project, including a cloud-based management system that includes a mobile app for field-based risk assessments and incident reporting – making these processes more efficient.

In FY23, the exploration team had zero recordable injuries and two minor injuries requiring first aid.

We undertake an annual review of the exploration safety management system, safe work practices, and annual safety targets. Our targets for the coming financial year are to maintain a negligible rate of recordable injuries and to have updated all our safety work procedures, following the safety management system review.

Field exploration



# Communities

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

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## Stakeholder Engagement

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

## Host communities

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

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

## Parkes Shire, Peak Hill Gold Mine

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

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

Alkane sponsored the Glenn McGrath statue at Tom Perry Park, Narromine. (Photo: Narromine Shire Council)





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### ***Narromine Shire, Tomingley Gold Mine***

Over more than 20 years, Alkane has earned our social licence to operate at Tomingley. We have established positive cooperative relationships with the communities around Tomingley village, Dubbo and the broader Narromine Shire. Our regular engagement activities include participation on the Community Consultative Committee, publication of community newsletters, sponsorship programs and participation in community events.

In February 2023, we obtained approval for the Tomingley Gold Extension Project with only one objection. The project is a State Significant Development that will see our operations extend for another ten years to mine ore bodies three kilometres south of the current operation. We consider the community acceptance of the project to be evidence of our social licence.

Alkane was a major sponsor of the Narromine International Legends of League (ILOL) event on 28-29 April 2023. ILOL is a community organisation that raises funds for charities in regional NSW, Queensland and Papua New Guinea by staging a rugby league game between an Australian Legends team (featuring ex-State of Origin and Australian representative players) and a local Allstars Legends team. Some of Alkane's employees played on both the 'Alkane Australian Legends' and 'Narromine Allstars' teams.

Refer to page 48 for information about other community engagement activities.

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

Alkane has been embedded in the Dubbo Regional Local Government Area for more than 20 years. Over that time, our Dubbo office has provided technical and administrative support for all our activities across tenements in NSW. Our deep relationships with the Dubbo community provide a strong foundation for our ongoing exploration and potential development activities.

Our Boda-Kaiser resources (part of the Northern Molong Porphyry Project) lie near the village of Bodangora, some 15 kilometres northeast of Wellington. Since focusing our exploration efforts on this project, we have strengthened our long-standing relationships with both these communities. Development of Boda-Kaiser would bring a long-term viable industry to Wellington, accompanied by large economic benefits and significant change to this highly productive agricultural environment.

In FY23, we continued to have discussions with various community groups about the project. These included a second informal gathering of local farmers at Bodangora on 1 November 2022. This was attended by Alkane's Managing Director, who provided further information about what would be involved with development of Boda-Kaiser and what it could mean for the community.

Alkane was once again a platinum sponsor of the 2023 Wellington Show (13 May 2023) and staffed a well-trafficked information booth. We launched an introductory community newsletter at this event and intend to update the community about Alkane's activities in the region via newsletter every six months. Other community groups we talked to include the Wellington Probus group (4 November 2022) and the Wellington Men's Shed (28 June 2023).

# Key community engagement activities in FY23

## Alkane activities

- Launched new Alkane website and Community Hubs – April 2023
- Tomingley Community Consultative Committee meetings – August 2022, November 2022, February 2023, May 2023
- Tomingley community newsletters – September 2022, December 2022, March 2023
- Bodangora community newsletter (Boda-Kaiser) – first issue May 2023
- Tomingley community consultation for Tomingley Gold Extension Project (Modification 1) – May-June 2023

## Community activities and events

- Attended:
  - Independent schools years 7-9 careers information event in Dubbo (2 December 2022)
  - Western Plains Science and Engineering Challenge Dinner (4 April 2023)
  - Dubbo Secondary College careers day (4 May 2023)
  - Western Plains Careers Information Day at Dubbo Secondary College (11 May 2023)
  - Clontarf Employment Forum (18 May 2023)
  - NSW Mining Careers Dinners in Dubbo (30 May 2023)
  - Orange (31 May 2023)
- Supported year 9 Peak Hill Central School student to represent NSW combined high schools team in School Sports Australia Bowls Championships (12-16 September 2022)
- Hosted and supervised year 9 work experience student from Kinross Wolaroi School in Orange (3-5 April 2023)
- Hosted visits by Dubbo College senior campus to Peak Hill (30 March 2023) and Clontarf Narromine Academy to Tomingley Gold Mine (June 2023)
- Back to Peak Hill festival (17-19 March 2023)
- Wellington Vintage Fair (3-5 May 2023)
- Wellington Show – platinum sponsor and yard dog trials (13 May 2023)
- Dubbo Show (19-21 May 2023)
- Bodangora informal community meeting (1 November 2022), where Alkane’s Managing Director talked about Boda-Kaiser
- Fielded players and was a major sponsor of the Narromine International Legends of League event (28-29 April 2023)
- Presentations to community organisations, including:
  - Wellington Probus group about Boda-Kaiser (4 November 2022)
  - Various interest groups about Alkane’s projects (13 November 2022)
  - Peak Hill community about future of Peak Hill Gold Mine (6 January 2023)
  - Wellington Men’s Shed about Boda-Kaiser and the Northern Molong Porphyry Project (28 June 2023)

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## Back to Peak Hill weekend



*Alkane senior geologist explaining the differences between Peak Hill and Tomingley geology.*

Alkane was delighted to get deeply involved in the Back to Peak Hill community festival, a celebration of people who have lived and worked in Peak Hill, held 17-19 March 2023. The whole town participated in this huge three-day event, which featured a range of free activities – including school and sporting reunions, and tours to Alkane’s Peak Hill Gold Mine.

Several of our team participated in the festival across the weekend, and Alkane’s Managing Director made the trip from Perth to speak at the opening ceremony and join the mine tours. Our General Manager NSW, whose family were pioneers in the Peak Hill area, assisted the organising committee and shared some family history during a cemetery walk.

We ran free mine tours to Peak Hill Gold Mine on the Saturday and Sunday. The Open Cut Experience at Peak Hill Gold Mine is already a free tourist attraction run by Parkes Shire Council on our Mining Lease. Featuring a walk with interpretive signboards, it provides insights into the history and practice of gold mining from 1889-1917 and 1996-2005. In the lead-up to this event, Alkane updated and replaced 17 interpretive signs dotted around the hill.

For the festival weekend, we hired two local Parkers’ buses to transport people to the site, and provided gold mining talks from senior members of our team. The tours also included a visit to Alkane’s core yard at Peak Hill (not usually open to the public) and a geology talk from one of our senior exploration geologists.

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## Other stakeholders

### Government and industry

Alkane is actively engaged with key government and industry bodies that have oversight of mining and related activities in New South Wales. This included discussions with Dubbo Regional Councillors and the NSW Member for Dubbo in May 2023.

Alkane advocates for the metalliferous mining and exploration sectors via participation in the following organisations:

- NSW Minerals Council – Alkane personnel represent the company on most of the special interest committees and working groups (including Executive, Environment & Community, Exploration and OH&S Committees; and ESG, Rehabilitation and Mine Closure, Communications and Water Working Groups).
- Association of Mining and Exploration Companies – Alkane is a member of this peak industry body for the Australian resources sector.
- Water NSW Macquarie-Cudgegong Customer Advisory Group – Alkane is represented in this CAG, which provides a forum for Water NSW to consult with a broad cross-section of customers on issues relevant to performance and delivery of services.

Alkane also shares knowledge through papers, participation in selected industry forums, and hosting site visits by educational institutions:

- Central West Exploration Discussion Group (CWEDG)
- Australian Earth Science Education (AusEarthEd) – Alkane is a sponsor of AusEarthEd, an organisation that aims to grow awareness of career opportunities in earth sciences and provide real-world context and resources for teachers and students. We hosted an AusEarthEd visit in August 2022.
- NSW Mining and Exploration Conference (Orange) – Alkane representatives, including the Chairman, attended this conference (12-13 October 2022).
- Resources and Industry Innovation Forum – Alkane’s senior exploration geologists spoke about our projects (7 June 2023).
- University of Tasmania Society of Economic Geologists (SEG) student chapter field trip – Some 12 students and 11 industry participants visited Peak Hill, Tomingley and our exploration centre in Orange (September 2022).
- Visits to Peak Hill Gold Mine by Sydney Earth Education Teacher (11 December 2022) and Chatswood High School students (4 April 2023)
- AusIMM Student Meets Industry events (Sydney, Wollongong) – Alkane representatives presented an overview of graduate opportunities at Tomingley Gold Mine (4 March and 20 April 2023).
- Careers in the Resources Industry evening (Sydney) – One of Alkane’s senior project geologists attended and presented at this student forum hosted by UNSW (13 June 2023).

AusEarthEd visit to Tomingley underground, August 2022



### Investors

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

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

## UTAS student models Peak Hill mineralisation



Millie (left) with colleague at Alkane's Peak Hill core yard

Alkane is delighted to be supporting University of Tasmania (UTAS) geology student, Millie Young, to complete her Honours project in 2023. Millie's project will examine the deep mineral profile at Peak Hill Gold Mine, using specialist materials analysis techniques developed by the UTAS Centre for Ore Deposits and Earth Sciences (CODES).

Millie hopes to generate a 3D model of flow direction during formation of the Peak Hill deposits. By improving our understanding of how the deposits formed, Alkane hopes to gain a better idea of whether there are any further mineralised zones at Peak Hill and how deep they could theoretically extend.

The project was conceptualised during the UTAS Society of Economic Geologists (SEG) student chapter field trip to the Macquarie Arc in September 2022. Some 12 students and 11 industry participants visited Peak Hill, Tomingley and our exploration centre in Orange.

To kick off her project, Millie spent a couple of weeks on site at Peak Hill Gold Mine in February 2023, collecting samples within the existing open cuts and drill holes. Alkane assisted with project design and sampling, and has funded laboratory assessments at CODES and assays for an extended range of minerals (approximately \$18K).

According to Millie's supervisor, UTAS relies upon industry collaborations to provide real-world context for students, along with student research projects that have practical application and benefit for industry. Alkane looks forward to the outcomes of Millie's project, which could help us determine if there is any economic potential at depth at Peak Hill.

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## Contributions to the Economy

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

### Developing resilient regional communities

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

Since 2014, when Tomingley Gold Operations commenced production, Alkane has supported the Tomingley and broader Narromine communities via a planning agreement with Narromine Shire Council. We signed a new planning agreement in September 2022, prior to the approval of the Tomingley Gold Extension Project. This increased our annual funding contribution towards community projects (via the Tomingley Community Fund), council environmental projects and shire road works (separate from the road realignments we will undertake as part of the project) to \$160,000 in FY23. Under the planning agreement, we contributed an additional \$50,000 towards a public mining monument for Tomingley village.

In FY23, a total of \$84,900 was awarded to a number of different projects under the Tomingley Community Fund, doubling the FY22 allocation. Projects and events supported included new infrastructure at the Tomingley Recreation Ground, the annual sponsorship of the Tomingley Picnic Races (traditionally held in April), and funding for the Narromine Dolly Parton Festival, various Narromine sports clubs (netball, soccer, rugby union, clay targets) and the Narromine Hospital Auxiliary.

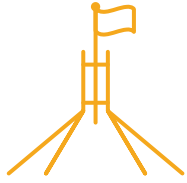
Approval of the Tomingley Gold Extension Project in February 2023 will see the operation continue until at least 2032. This will benefit the wider community in terms of continuation of employment, workforce and supplier expenditure, and community investment. The economic impact assessment estimated that 50 percent of operation costs over the life of the project are expected to be spent within the local area and 80 percent within New South Wales.

Alkane has funded upgrades to the Tomingley Hall and diverts water to the village water supply dam (back right).



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## Key Alkane economic contributions in FY23



Government payments  
**\$8.8M**

(including \$6.5M in royalties)



Local council payments  
**\$0.6M**

(rates and planning agreement)



Suppliers

**\$152.8M**

(52% NSW)



Community sponsorships  
**\$187.5K**

## Funds received by host communities



**TOTAL \$293.8K**

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Aboriginal scar tree near the Tomingley mine access road



## Aboriginal Engagement and Cultural Heritage

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

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

An Aboriginal Cultural Heritage Management Plan guides the management of Aboriginal heritage sites identified within Alkane's Mining Leases at Tomingley.

The plan was developed in close consultation with several Wiradjuri Aboriginal stakeholder groups, including PHLALC.

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

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

## Sponsorship of the Clontarf Foundation



*Clontarf students visit to Tomingley, June 2023*

In September 2020, Alkane established a major three-year sponsorship of the Clontarf Foundation's Narromine Academy.

The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men. Since its foundation in 2000, the foundation has grown to operate 148 academies across six Australian states and territories. This year it has equipped more than 11,500 young Aboriginal and Torres Strait Islander men with the skills to participate more meaningfully in society.

The Narromine Academy was established in 2019, based at Narromine High School. Alkane's sponsorship of \$300,000 over three years included an annual program of student interaction, celebrations of achievements, employment pathway support, and visits between the Tomingley Gold Mine and the Narromine Academy.

One of the first events Alkane participated in under the program was a Rugby League Super Training Session at Narromine High School in March 2021. The event was attended by more than 80 Aboriginal and Torres Strait Islander students from five local Clontarf Academies – Narromine, Wellington, and three from Dubbo. We attended a similar event in March 2023.

We have also hosted site visits from Clontarf students to Tomingley Gold Mine, most recently in June 2023. The visits provided an overview of the many activities involved in a mining operation. During the recent visit, we were delighted to see students express interest in mining jobs and potential work experience.

Alkane is proud to have invested in long-term capacity building for young Aboriginal and Torres Strait Islander men over the past three years. We look forward to further strengthening our relationship with the Clontarf Foundation in the future.

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## Archaeological recording of old McPhail area



*Excavation at former village of McPhail*

In December 2022, a team of archaeologists from OzArk Environment & Heritage (OzArk) undertook test excavations of the former historic village of McPhail. This follows the recommendations of the Historic Heritage Assessment Report for the Tomingley Gold Extension Project, which will disturb the site.

McPhail was a gold mining village from 1883-1918. The village lay west of the Myall United Mine (south of Tomingley) and included a hotel, McGaw's store, church and school. Today, the only remaining evidence at the surface is scattered fragments of bricks, glass and ceramics.

The OzArk team excavated a number of test trenches to determine whether there were any hidden items of historical note for preservation and archival documentation. All they found were fragments similar to the surface scatter. Had they found anything more significant, such items would have been cleaned, photographed, analysed and recorded.

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## Summary of stakeholder engagement activities

Stakeholder groups	How we engage	Key topics
Shareholders and investors	<ul style="list-style-type: none"> <li>ASX announcements and quarterly reports</li> <li>Proactive interviews and investor briefings</li> <li>Video presentations</li> <li>Annual Report and Annual General Meeting</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Operating performance</li> <li>Exploration results</li> <li>Balance sheet</li> <li>Mineral Resources and Ore Reserves</li> <li>Sustainability performance</li> <li>Corporate governance</li> </ul>
Employees and contractors	<ul style="list-style-type: none"> <li>Induction and training</li> <li>Meetings/briefings/toolboxes</li> <li>BBQ/pizza/food van days</li> <li>Internal social interactions (outside of work)</li> <li>Volunteer efforts</li> <li>Focus on residential employment</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety performance</li> <li>Monthly site performance</li> <li>COVID-19 management</li> <li>Employee and contractor recognition</li> <li>Employee share scheme</li> </ul>
Government and regulators (federal, state and local)	<ul style="list-style-type: none"> <li>Meetings, site visits, briefings</li> <li>NSW Minerals Council committees and working groups (participation)</li> <li>Association of Mining and Exploration Companies (participation)</li> <li>Water NSW Macquarie-Cudgegong Customer Advisory Group (participation)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and legal compliance</li> <li>Environmental performance and management</li> <li>Community investment</li> <li>Project approvals and licences</li> <li>Metalliferous mining advocacy and feedback</li> </ul>
Mining and related industries	<ul style="list-style-type: none"> <li>Participation at industry forums</li> <li>Partnerships with educational institutions</li> <li>Sponsorship and participation with Australian Earth Science Education (AusEarthEd)</li> </ul>	<ul style="list-style-type: none"> <li>Metalliferous mining advocacy</li> <li>Technical methodologies</li> </ul>
Host communities	<ul style="list-style-type: none"> <li>Community Consultative Committee (Tomingley)</li> <li>Community newsletters</li> <li>Direct engagement and briefings</li> <li>Investment in community infrastructure</li> <li>Sponsorship of community projects and events</li> <li>Participation in community events</li> </ul>	<ul style="list-style-type: none"> <li>Environmental performance and management</li> <li>Project development</li> <li>Social and economic impact</li> <li>Economic contributions</li> <li>Career opportunities</li> </ul>
Aboriginal and Torres Strait Islander Peoples	<ul style="list-style-type: none"> <li>Meetings, site visits, briefings</li> <li>Investment and partnerships</li> <li>Sponsorship of Clontarf Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Project development</li> <li>Culture and heritage management</li> </ul>
NGOs and special interest groups	<ul style="list-style-type: none"> <li>Presentations and talks to community organisations</li> </ul>	<ul style="list-style-type: none"> <li>Project development</li> <li>Social and economic impact</li> </ul>
Landholders	<ul style="list-style-type: none"> <li>Meetings, contractual agreements</li> <li>Direct engagement and briefings</li> </ul>	<ul style="list-style-type: none"> <li>Land access and compensation agreements</li> <li>Infrastructure improvements</li> <li>Project development</li> <li>Social and economic impact</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Meetings, contractual agreements</li> <li>Local procurement where feasible</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety requirements</li> <li>Modern slavery requirements</li> <li>Contract conditions</li> </ul>

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# Environment

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

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## Environmental Management

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

## Tomingley

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

With the approval of the Tomingley Gold Extension Project in February 2023, we are currently modifying the EMS and all environmental management plans to incorporate the project. These will be submitted for approval by the NSW Department of Planning and Environment (DPE) as they are completed.



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

- Annual Review (NSW DPE)
- Annual Return (NSW EPA)
- Annual Rehabilitation and Biodiversity Assessment Report (NSW DPE)
- Annual Rehabilitation Report (NSW Resources Regulator)
- National Pollutant Inventory Reporting (NPI)
- National Emissions and Energy Report (NGER)

*No noise, dust or vibration exceedances were recorded at Tomingley during FY23.*

### **Environmental performance in FY23**

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

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

### **Peak Hill Gold Mine**

Although Peak Hill Gold Mine ceased operating in 2005 and the site is largely rehabilitated, it remains an active mining lease. Alkane continues to submit an annual Environmental Management Report to the NSW DPE, as well as the Resources Regulator and Parkes Shire Council. This report describes the annual rehabilitation, environmental management and community engagement activities undertaken by Alkane at Peak Hill Gold Mine each year. The most recent report was submitted in February 2023.

Alkane also maintains a Pollution Incident Response Plan for Peak Hill Gold Mine, and established a Rehabilitation Management Plan and Forward Program in November 2022. We are now required to prepare an annual Rehabilitation Management Report, the first of which was submitted to the Resources Regulator in August 2023.



Air monitoring near Tomingley

### **Exploration**

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

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

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

Alkane undertook major drilling programs in FY23 at the Northern Molong Porphyry Project and the Tomingley Gold Project. All activities were undertaken according to the approval criteria.

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Water storage in Wyoming Three, Tomingley

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## Water

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

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

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

*We’ve achieved continual improvement in bore water consumption and efficiency at Tomingley over the past three years.*

Tomingley employs a range of measures to optimise water management and minimise consumption of clean (raw) water. For example, surface runoff due to rainfall is contained in sediment ponds, then used for dust suppression.

The process water system preferentially uses water from an internal recycling circuit, with new bore water used to top up the process water only as required. Water is recovered and recycled multiple times before it evaporates out of the process water system.

In FY23, Tomingley made changes in the gravity circuit and thickener circuits to preferentially use recycled process water in place of fresh bore water. Some of these changes were temporary for managing water levels onsite. In cases where cleaner water is preferred, the changes have been reversed.

The table on page 61 shows the continual improvement in bore water consumption and efficiency at Tomingley over the past three years. In FY23, the site drew only 40 percent of its 1000ML entitlement. Although some of the water saving measures were temporary, this reflects an improvement in water efficiency (consumption of bore water per tonne of ore processed) by approximately 33 percent.

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

High annual rainfall again presented a challenge in FY23. With our sediment ponds nearing capacity, we were obliged to request approval for an emergency controlled release of collected storm water from site via a licensed discharge point on Gundong Creek.

This resulted in 300ML of stored water being pumped out of the Wyoming Three storage dam over a five-week period during October to November 2022.

In May 2023 Tomingley sealed the two-kilometre mine site entrance road, providing additional water savings by removing the need for wetting down to control dust.

## Tomingley water use consumption and efficiency

	FY21	FY22	FY23
Total water drawn from bore (ML)	629	573	401
Per tonne of ore processed (L/t)	676	556	375
Per ounce of gold poured (L/oz)	11,043	8,577	5,709

## Emissions and Energy

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

Consent conditions for the Tomingley Gold Extension Project require Tomingley to prepare an Air Quality and Greenhouse Gas Management Plan that includes measures taken to minimise Scope 1 and 2 GHG emissions, and improve energy efficiency.

This plan is currently being developed and will be updated every three years to describe progress and set goals around abating Scope 1 and 2 GHG emissions.

Towards this, Tomingley continues to explore renewable energy solutions to provide an effective proportion of the power requirements for the Tomingley processing plant and other site infrastructure.

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

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

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

## Tomingley emissions and energy data

	FY21	FY22	FY23
<b>Greenhouse gas emissions</b>			
<b>Total emissions</b>			
Scope 1 & Scope 2 (t CO <sub>2</sub> -e)	46,844	55,823	58,619*
<b>GHG intensity (t CO<sub>2</sub>-e/oz)</b>	0.82	0.83	0.83*
<b>Energy</b>			
<b>Total consumed (GJ)</b>	312,541	375,626	394,442*
<b>Energy intensity (GJ/oz)</b>	5.49	5.62	5.61*

\* FY23 data is estimated

## Waste Management and Recycling

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

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

A goal for FY24 is to tender for a new waste management contract that streamlines collection and maximises recycling – especially of scrap metal, which is used in large quantities underground.

## Waste rock management

Only a very small percentage of rock mined at Tomingley is classified as 'potential acid forming' (PAF). This PAF material is managed through a site Waste Management Plan.

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

In FY23, suitable waste material was used in the construction of the second residue storage facility. We also commenced backfilling the Caloma Two open cut and underground voids with waste rock.

## Residue management

Processing residues at Tomingley are treated in a cyanide destruction circuit, then stored in the site's purpose-built residue storage facility (RSF1). RSF1 is a 'High A' consequence category upstream dam with perimeter deposition. It is designed as a non-release facility capable of storing a 'probable maximum precipitation' event. This dam has undergone extensive buttressing to maintain appropriate factors of safety.

A second RSF to support extended operations at Tomingley is under construction. RSF2 will be a 'Significant' consequence category dam, following a centre-line lift methodology with perimeter deposition. It will be a non-release facility with emergency spillways. Construction of the first cell of RSF2 is almost complete.

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

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Residue storage facilities at Tomingley



Rehabilitated waste rock emplacement at Tomingley



The project used some of the site's stored topsoil, which was seeded with 'hydromulch', an advanced growth media that controls erosion and promotes vegetation growth.

All rehabilitated landforms continue to be monitored, with results reported in Tomingley's Annual Rehabilitation and Biodiversity Assessment report and the Peak Hill Annual Environmental Management Report. Both reports are supplied to the NSW Department of Planning and Environment and published on our website.

### **Rehabilitation Management Plans and Reports**

In 2022, the New South Wales Resources Regulator issued new standard rehabilitation conditions on mining leases, in compliance with the Mining Amendment Regulation 2021 (Standard Conditions of Mining Leases – Rehabilitation).

In accordance with the new requirements, Alkane produced a Rehabilitation Management Plan and Forward Program for each of Peak Hill Gold Mine (November 2022) and Tomingley Gold Operations (December 2022). Rehabilitation Management Plans are available on Alkane's website. We also submitted the first annual Rehabilitation Management Report for Peak Hill Gold Mine, with Tomingley to follow soon.

Natural regeneration of vegetation at Peak Hill Gold Mine



## **Rehabilitation and Land Management**

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

### **Rehabilitation of mine sites**

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

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

In FY23, Tomingley rehabilitated the northern and western buttresses of the original residue storage facility.

## Rehabilitation of exploration prospects



Rehabilitation app in use at Boda-Kaiser

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

In FY23, Alkane launched a mobile app developed inhouse to streamline management and documentation of our rehabilitation activities, which were undertaken at all eight prospects where drilling occurred.

### Agriculture

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

To achieve this we have partnered with the Toongi Pastoral Company (TPC), a sustainable farming enterprise founded by Alkane in 2016 to manage the agricultural land associated with the polymetallic Dubbo Project (now owned by our former subsidiary, Australian Strategic Materials).

The ultimate goal is to establish a profitable mixed agricultural enterprise that demonstrates leading practice sustainable farming technologies – including genetics, soil and pasture management, pest and weed management, and carbon sequestration solutions.

In so doing, we intend to increase the carrying capacity by approximately 5% per year to improve the average agricultural carrying capacity of approximately 3.1 dry sheep equivalent (DSE) to approximately 6.0DSE by 2035.

In FY23, TPC commenced a major water infrastructure and fencing project. Over the next few years this will involve upgrading some of the dams and installing water tanks, pipes and troughs across the amalgamated properties. Fencing will segregate pasture and revegetation areas from the impending construction works.

The consolidated property currently supports around 30 rams and 2000 ewes, on either spring or autumn lambing cycles, and cattle (depending on feed availability) for growing out. Approximately 500 hectares are on rotation for sowing with grain and forage crops.

## Tomingley Land Management Plan

Following approval of the Tomingley Gold Extension Project, Alkane is working with our agriculture partner, Toongi Pastoral Company, to prepare a Land Management Plan. This plan lays out the strategy for managing all the lands associated with the project – both during and post-mining.

The Land Management Plan will encompass:

- Agricultural land outside the mining lease, to be managed by TPC for grazing and/or cropping during the life of the operation
- Allocated revegetation zones, where we will focus on enhancing the biodiversity of flora and fauna
- Land that will be rehabilitated after mining has finished and returned to agricultural productivity, and
- Land that will not be returned to agriculture (open cut voids and waste rock emplacements).

To develop this plan, TPC is evaluating the consolidated property to determine on a paddock-by-paddock basis how we can best enhance ecological value while maintaining a viable and productive farm. Enhancing agricultural productivity is one of the project's consent conditions.

## Biodiversity

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

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

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

To demonstrate progressive biodiversity and rehabilitation targets are being met, an Annual Rehabilitation and Biodiversity Assessment report is completed and submitted to the NSW Department of Planning and Environment. Each report measures and compares the ecological recovery of conservation and mine rehabilitation areas against reference sites (remnant woodland and native grasslands). The 2022 Annual Rehabilitation and Biodiversity Assessment report was submitted October 2022 and the 2023 report will be submitted October 2023.

A biannual fauna monitoring report is also prepared by external ecological consultants with data obtained from an extensive field assessment program. This report guides the ongoing management of native fauna around the Tomingley operations.

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Tomingley, August 2023



## Tomingley Gold Extension Project

Alkane’s Land Management Plan for the Tomingley Gold Extension Project will include a number of allocated revegetation zones, where we will focus on enhancing the biodiversity of flora and fauna.

The revegetation zones will include the riparian zones along Gundong and Bulldog Creeks, as well as water drainage lines that provide ideal habitat for Fuzzy Box (*Eucalyptus Conica*) woodland. Some of the revegetation zones are category 2 ‘vulnerable’ or ‘sensitive’ regulated land, where clearing of native vegetation is either limited or prohibited.

Toongi Pastoral Company is exploring whether we can restore some of the landscape to approximate its original 1850s condition. This may involve maintaining and/or seeding native grasslands to enhance biodiversity where paddocks are currently dominated by annual species.

*Alkane will focus on restoring Fuzzy Box woodland near Tomingley.*

A major focus will be restoring open Fuzzy Box woodlands. Fuzzy Box is a locally uncommon species and classified as a Threatened Ecological Community. However, seedlings are difficult to come by; in 2021, Alkane planted 850 Fuzzy Box seedlings specially grown for us by local nursery, Narromine Transplants.

Overall, approximately 76 hectares of native vegetation will be disturbed by the project, with no significant habitat to be cleared. Most of the area is cleared agricultural land with isolated paddock trees. While the biodiversity impacts will be small, we will offset them in accordance with the NSW Government’s requirements – including paying into the NSW Biodiversity Conservation Trust.



Fuzzy Box in flower

We also hope to use the revegetation zones to relieve future biodiversity credits. We have engaged an environmental consultant to assess 336 hectares of the land that could potentially be designated as official biodiversity offset areas. If this proceeds, Alkane would establish an in-perpetuity biodiversity stewardship agreement.

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

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# FINANCIAL REPORT

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# Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'group') consisting of Alkane Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

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## Directors

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

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

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

## Information on Directors and Company Secretaries

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

Appointed Director 24 July 2006 and Chairman 1 September 2017.

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

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, 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 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 development; and the recent discovery of the gold deposits immediately south of Tomingley and the porphyry gold-copper discovery at Boda.

Mr Chalmers is a member of the Nomination Committee. He is 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 ten years' mining experience, including four years underground on the Golden Mile in Kalgoorlie. In later years, he has worked as a resource analyst with various stockbrokers and investment banks including CIBC World Markets. He was a founding director of Helmsec Global Capital Limited, which seeded, listed and funded a number of companies in a range of commodities. He retired from the Helmsec group in 2014. He is also a director of corporate advisory Rawson Lewis and a non-executive director of Alliance Resources Ltd (appointed 15 October 2003).

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

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**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 and Risk Committees, and Chair of the Remuneration and Nomination Committees.

**Dennis Wilkins – Joint Company Secretary**

Appointed Company Secretary 29 March 2018.

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

Since 1994 he has been a director 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 – Joint Company Secretary**

Appointed Company Secretary 20 May 2020.

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

**Principal activities**

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

- mining operations at Tomingley Gold Operations;
- 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.

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## 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

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).

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The table below summarises the key operational information:

TGO Production	Unit	September Quarter 2022	December Quarter 2022	March Quarter 2023	June Quarter 2023	FY 2023	FY 2022
<b>Open cut</b>							
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 <sup>(2)</sup>	g/t	1.71	2.23	1.03	1.70	1.74	1.30
<b>Underground</b>							
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 <sup>(3)</sup>	Ounces	19,489	18,301	16,641	15,822	70,253	66,802
<b>Revenue summary</b>							
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
<b>Cost summary</b>							
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
<b>C1 Cash Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>1,095</b>	<b>1,103</b>	<b>990</b>	<b>1,356</b>	<b>1,124</b>	<b>1,153</b>
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
<b>All-in sustaining cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>1,191</b>	<b>1,323</b>	<b>1,805</b>	<b>2,174</b>	<b>1,602</b>	<b>1,460</b>
Bullion on hand	Ounces	4,290	4,732	2,207	2,890	2,890	3,149
<b>Stockpiles</b>							
Ore for immediate milling	Tonnes	462,925	495,068	383,957	328,594	328,594	383,563
Stockpile grade <sup>(2)</sup>	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.

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## Tomingley Gold Extension Project

The Tomingley Gold Extension Project (TGEP) was approved by the NSW Minister for Planning in February. During the period the Environment Protection Licence was varied by the NSW Environment Protection Authority 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.

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

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

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

### Production, cost and capital estimates

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

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

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

### Operating risks

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

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

### Exploration risks

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

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

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## 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 the Audit and Risk Committees.

## Government regulation

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

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

## Debt and hedging covenants

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

Refer to the Review of Operations (page 71) 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		Remuneration 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

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## (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](http://www.alkane.com.au/company/governance).

## (c) Use of remuneration consultants

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

## (d) Executive remuneration policy and framework

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

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

The executive remuneration framework has three components:

- Total Fixed Remuneration (TFR);
- Short-Term Incentives (STI); and
- Long-Term Incentives (LTI).

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**(i) Executive remuneration mix**

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

**(ii) Total fixed remuneration**

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

**(iii) Incentive arrangements**

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

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

**Short-term incentives**

The executives have the opportunity to earn an annual Short-Term Incentive (STI) if predefined targets are achieved.

The executive STI is provided in the form of rights to ordinary shares in the company that vest at the end of the 12-month period provided the predefined targets are met. 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.

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**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 LTIs were issued with vesting conditions linked to total shareholder return (TSR) with a vesting period of three years.

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

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

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

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

**(iv) Clawback policy for incentives**

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

**(v) Share trading policy**

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

## (e) Statutory performance indicators

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

	30 June 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
<b>Base fees</b>	
Chair	191,000
Other Non-Executive Directors	95,000
<b>Additional fees</b>	
Audit Committee - chair	12,500
Audit Committee - member	7,500
Remuneration Committee - chair	12,500
Remuneration Committee - member	7,500

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

## (g) Voting and comments made at the company's 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			Variable Remuneration			Total
	Cash Salary <sup>(a)</sup>	Annual and long service leave <sup>(b)</sup>	Post-employment benefits <sup>(c)</sup>	Cash bonus <sup>(a)(f)</sup>	Bonus Employee Share Plan <sup>(g)</sup>	Rights to deferred shares <sup>(d)</sup>	
	\$	\$	\$	\$	\$	\$	
<b>Executive Directors</b>							
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
<b>Other KMP</b>							
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
<b>Total Executive Directors and other KMP</b>	<b>1,819,991</b>	<b>66,738</b>	<b>105,584</b>	<b>106,562</b>	<b>2,000</b>	<b>1,250,278</b>	<b>3,351,153</b>
<b>Total NED remuneration<sup>(e)</sup></b>	<b>399,423</b>	<b>-</b>	<b>29,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,500</b>
<b>Total KMP remuneration expense</b>	<b>2,219,414</b>	<b>66,738</b>	<b>134,661</b>	<b>106,562</b>	<b>2,000</b>	<b>1,250,278</b>	<b>3,779,653</b>

30 June 2022	Fixed Remuneration			Variable Remuneration			Total
	Cash Salary <sup>(a)</sup>	Annual and long service leave <sup>(b)</sup>	Post-employment benefits <sup>(c)</sup>	Cash bonus <sup>(a)(f)</sup>	Bonus Employee Share Plan <sup>(g)</sup>	Rights to deferred shares <sup>(d)</sup>	
	\$	\$	\$	\$	\$	\$	
<b>Executive Directors</b>							
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
<b>Other KMP</b>							
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
<b>Total Executive Directors and other KMP</b>	<b>1,784,544</b>	<b>75,754</b>	<b>103,756</b>	<b>87,503</b>	<b>2,000</b>	<b>1,240,309</b>	<b>3,293,866</b>
<b>Total NED remuneration<sup>(e)</sup></b>	<b>400,682</b>	<b>-</b>	<b>27,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,500</b>
<b>Total KMP remuneration expense</b>	<b>2,185,226</b>	<b>75,754</b>	<b>131,574</b>	<b>87,503</b>	<b>2,000</b>	<b>1,240,309</b>	<b>3,722,366</b>

(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.

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	Cash salary and fees \$	Superannuation \$	Total \$
<b>30 June 2023</b>			
<b>Non-Executive Directors</b>			
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
<b>Total Non-Executive Directors</b>	<b>399,423</b>	<b>29,077</b>	<b>428,500</b>

	Cash salary and fees \$	Superannuation \$	Total \$
<b>30 June 2022</b>			
<b>Non-Executive Directors</b>			
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
<b>Total Non-Executive Directors</b>	<b>400,682</b>	<b>27,818</b>	<b>428,500</b>

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 %
<b>Executive Directors of Alkane Resources Ltd</b>						
N P Earner	50	47	34	39	16	14
D I Chalmers	68	69	20	19	12	12
<b>Other Key Management Personnel</b>						
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 <sup>(1)</sup>	Termination payment <sup>(2)</sup>
N Earner – Managing Director	Ongoing commencing 1 September 2017	\$650,000	see note 2 below
D I Chalmers – Technical Director	Ongoing commencing 1 September 2017	\$330,800	6 months
J Carter – Chief Financial Officer	Ongoing commencing 1 October 2018	\$480,675	3 months
S Parsons – Executive General Manager Operations	Ongoing 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.

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

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

	Date of grant	Number of rights or shares granted	Fair value of share rights and shares at the date of grant \$	Share rights at fair value \$	Performance period end	Share-based payment expense current year \$
<b>Executive Directors</b>						
<b>D I Chalmers</b>						
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
<b>N Earner</b>						
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
<b>Other Key Management Personnel</b>						
<b>J Carter</b>						
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 <sup>(c)</sup>	20/10/2022	1,562	0.640	1,000		1,000
<b>S Parsons</b>						
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 <sup>(c)</sup>	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
<b>Ordinary shares</b>					
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
<b>Performance rights over ordinary shares</b>					
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

## (I) Other transactions with Key Management Personnel

There were no other transactions with KMPs 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.

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## 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

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## 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.

A handwritten signature in black ink that reads 'Helen Bathurst'.

Helen Bathurst  
Partner  
PricewaterhouseCoopers

Perth  
24 August 2023

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

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# Financial Statements

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

The financial statements are presented in the Australian currency.

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

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

The financial statements were authorised for issue by directors on 24 August 2023. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at the Shareholders' Centre on our website: [www.alkane.com.au](http://www.alkane.com.au)

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## Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Continuing operations</b>			
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
<b>Expenses</b>			
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
<b>Profit before income tax expense</b>		60,587	100,473
Income tax expense	4	(18,137)	(30,222)
<b>Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd</b>	18	42,450	70,251
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	8	(16,140)	4,902
<i>Items that may be reclassified subsequently to profit or loss</i>			
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
<b>Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd</b>		26,310	75,287
<b>Basic earnings per share</b>			
	29	7.10	11.80
<b>Diluted earnings per share</b>			
	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

## Consolidated balance sheet

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
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
<b>Non-current assets</b>			
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
<b>Total assets</b>		<b>412,190</b>	<b>355,687</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
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
<b>Non-current liabilities</b>			
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
<b>Total liabilities</b>		<b>112,193</b>	<b>86,813</b>
<b>Net assets</b>		<b>299,997</b>	<b>268,874</b>
<b>Equity</b>			
Issued capital	16	222,224	218,185
Reserves	17	(75,166)	(60,640)
Retained profits	18	152,939	111,329
<b>Total equity</b>		<b>299,997</b>	<b>268,874</b>

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

## Consolidated statement of changes in equity

For the year ended 30 June 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

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## Consolidated statement of cash flows

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
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
<b>Cash flows from investing activities</b>			
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)
<b>Cash flows from financing activities</b>			
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

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## Note 1. Segment information

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

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

	Gold Operations \$'000	Unallocated \$'000	Total \$'000
<b>30 June 2023</b>			
Gold sales to external customers	190,527	-	190,527
Interest Income	707	1,691	2,398
	<u>191,234</u>	<u>1,691</u>	<u>192,925</u>
Segment net profit /(loss) before income tax	71,157	(10,570)	60,587
<b>30 June 2022</b>			
Gold sales to external customers	165,010	-	165,010
Interest Income	37	32	69
	<u>165,047</u>	<u>32</u>	<u>165,079</u>
Segment net profit /(loss) before income tax	62,165	38,308	100,473

## Note 2. Revenue

	2023 \$'000	2022 \$'000
<b>Revenue from continuing operations</b>		
Gold sales	<u>190,527</u>	<u>165,010</u>

### (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.

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## Note 3. Expenses

	2023 \$'000	2022 \$'000
<b>Cost of sales</b>		
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
	<u>119,113</u>	<u>102,201</u>

### (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
<b>Other expenses</b>		
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
	<u>12,598</u>	<u>10,424</u>

### (d) Finance costs

	2023 \$'000	2022 \$'000
<b>Finance costs</b>		
Interest Expense	989	795
Put Options	-	712
Other	68	224
	<u>1,057</u>	<u>1,731</u>

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## Note 4. Income tax

### (a) Income tax expense

	2023 \$'000	2022 \$'000
<b>Current tax</b>		
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
<b>Deferred income tax</b>		
(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
<b>Income tax expense is attributable to:</b>		
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

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**(c) Deferred tax assets**

	Tax losses \$'000	Rehabilitation Provision and assets \$'000	Property, plant and equipment \$'000	R&D Tax incentive credits \$'000	Other \$'000	Total \$'000
<b>Movements</b>						
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)
- directly to equity	-	-	-	-	(131)	(131)
At 30 June 2022	-	4,070	5,823	-	2,274	12,167
<b>Movements</b>						
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
<b>The balance comprises temporary differences attributable to:</b>		
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)
<b>Net recognised deferred tax assets/(liabilities) are attributable to:</b>		
Losses and temporary differences carried forward for continued operations	(44,721)	(36,189)

	Exploration Expenditure \$'000	Property, plant and equipment \$'000	Other \$'000	Total \$'000
<b>Movements</b>				
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
	<u>(2,622)</u>	<u>2,232</u>

**(f) Unrecognised temporary differences and tax losses**

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

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

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

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

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

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

	2023 \$'000	2022 \$'000
<b>Current tax liabilities</b>		
Current tax liabilities	<u>7,283</u>	<u>1,001</u>

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## Note 5. Cash and cash equivalents

	2023 \$'000	2022 \$'000
<b>Current assets</b>		
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
<b>Current assets</b>		
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).

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
<b>Current assets</b>		
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
<b>Non-current assets</b>		
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
	<u>18,646</u>	<u>38,116</u>
During the year, the following (losses)/gains were recognised in profit or loss and other comprehensive income.		
(Losses)/gains recognised in other comprehensive income	<u>(16,140)</u>	<u>4,902</u>

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
<b>Non-current assets</b>		
Security deposits	<u>13,766</u>	<u>13,497</u>

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

	Land and buildings \$'000	Plant and equipment \$'000	Capital WIP \$'000	Mine properties \$'000	Total \$'000
<b>Year ended 30 June 2023</b>					
Opening cost	37,079	115,188	634	261,777	414,678
Additions	-	-	19,800	20,024	39,824
Transfers between classes	568	9,943	(10,511)	-	-
Disposals	-	(56)	-	-	(56)
Net movements	568	9,887	9,289	20,024	39,768
Closing cost	37,647	125,075	9,923	281,801	454,446
Opening accumulated depreciation and impairment	(13,409)	(92,160)	-	(201,723)	(307,292)
To profit or loss	(305)	(16,327)	-	(19,474)	(36,106)
Disposals	-	56	-	-	56
Net movement	(305)	(16,384)	-	(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
<b>Year ended 30 June 2022</b>					
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 movements	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.

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

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

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

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

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

### Mine properties

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

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

## Note 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)
	<u>161,310</u>	<u>98,498</u>

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
<b>Non-current assets</b>		
Investment in associates	-	-
<b>Reconciliation</b>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
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
<b>Current liabilities</b>		
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
<b>Current liabilities</b>		
External borrowings	7,371	5,930
<b>Non-current liabilities</b>		
External borrowings	6,175	9,116

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

### Financing arrangements

	2023 \$'000	2022 \$'000
<b>Total facilities</b>		
Macquarie Facility	50,000	-
<b>Used at the reporting date</b>		
Macquarie Facility	-	-
<b>Unused at the reporting date</b>		
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.

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## Note 15. Provisions

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

### (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.

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

	2023 \$'000	2022 \$'000
<b>Rehabilitation and mine closure</b>		
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)
	<u>16,383</u>	<u>15,252</u>

## Note 16. Issued capital

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

## 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	<u>601,574,030</u>	<u>222,224</u>

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## 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 Porphyry 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.

	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)
	<u>(75,166)</u>	<u>(60,640)</u>

### 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	<u>152,939</u>	<u>111,329</u>

## Note 19. Critical accounting judgements, estimates and assumptions

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

### Carrying value of non-current assets

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

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

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

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

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

### Depreciation of property, plant and equipment

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

### Rehabilitation and mine closure provisions

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

### Net realisable value and classification of inventory

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

## Share-based payments

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

## Income tax

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

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

## Exploration and evaluation costs

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

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

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

## Note 20. Financial risk management

### Financial risk management objectives

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

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

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

## (a) Market risk

### (i) Foreign currency risk

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

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

### (ii) Commodity price risk

The group's sales revenues are generated from the sale of gold. Accordingly, the group's revenues are exposed to commodity price fluctuations, primarily gold. The group mitigates this risk 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.

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
<b>Financial assets</b>						
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)
<b>Financial liabilities</b>						
Trade and other payables	37,207	-	-	28,955	-	-
<b>Total increase/(decrease) in profit</b>	-	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.

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**(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 three months, therefore the carrying amount equals the cash flow required to settle the liability.

**Hedge accounting**

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

	Cashflow hedges \$'000
<b>Balance at 1 July 2021</b>	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
<b>Balance at 30 June 2022</b>	-
Change in fair value of hedging instrument recognised in other comprehensive income	-
Reclassified from other comprehensive income to profit or loss	-
Deferred tax	-
<b>Balance at 30 June 2023</b>	-

**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
	<b>3,779,653</b>	<b>3,722,366</b>

## 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 \$
<b>Audit services - PricewaterhouseCoopers</b>		
Audit or review of the financial statements	204,000	179,000
<b>Other services - PricewaterhouseCoopers</b>		
Other advisory services	40,000	-
	<u>244,000</u>	<u>179,000</u>

## 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.

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	Gold for physical delivery Ounces	Contracted gold sale price per ounce (\$)	Value of committed sales \$'000
<b>30 June 2023</b>			
<b>Fixed forward contracts</b>			
Within one year	25,700	2,819	72,465
One to five years	86,800	2,819	244,745
<b>30 June 2022</b>			
<b>Fixed forward contracts</b>			
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.

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## 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.

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.

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## 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
<b>Performance Rights</b>				
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.

## 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

## Expenses arising from share-based payment transactions

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

## Note 29. Earnings per share

	2023 \$'000	2022 \$'000
<b>Earnings per share for profit from continuing operations</b>		
Profit after income tax attributable to the owners of Alkane Resources Ltd	<u>42,450</u>	<u>70,251</u>

	Cents	Cents
Basic earnings per share	7.10	11.80
Diluted earnings per share	<u>7.00</u>	<u>11.64</u>

	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	<u>606,035,594</u>	<u>603,628,793</u>

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

### Balance sheet

	Parent	
	2023 \$'000	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.

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**(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.

Name of entity	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Tomingley Holdings Pty Ltd	New South Wales	100	100
Tomingley Gold Operations Pty Ltd	New South Wales	100	100
Mitchell Creek Mining Holdings Pty Ltd	New South Wales	100	100
Mitchell Creek Mining Pty Ltd	New South Wales	100	100

**Note 32. Deed of cross-guarantee**

The following group entities have entered into a deed of cross-guarantee. Under the deed of cross-guarantee, each body has guaranteed that the debts to each creditor of each other body which is a party to the deed will be paid in full in accordance with the deed:

- Alkane Resources Limited (the Holding Entity)
- Tomingley Holdings Pty Ltd and Tomingley Gold Operations Pty Ltd (the wholly-owned subsidiaries, which are eligible for the benefit of the ASIC Instrument)

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross-guarantee that are controlled by Alkane Resources Ltd, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and balance sheet are substantially the same as the consolidated entity as stated in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and therefore have not been separately disclosed.

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## 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

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## 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.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 19.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

### Tax consolidated legislation

Alkane Resources Ltd and its wholly owned Australian-controlled entities have implemented the tax consolidation legislation.

The head entity, Alkane Resources Ltd, and the controlled entities in the Tax Consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the Tax Consolidated Group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Alkane Resources Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the Tax Consolidated Group.

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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'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The financial statements are presented in Australian dollars, which is Alkane Resources Ltd's functional and presentation currency.

## Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues, and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

## Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

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

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Impairment of non-financial assets**

The group assesses at the end of each reporting period whether there is any indication that an asset, or a group of assets is impaired (excluding exploration and evaluation assets, refer to note 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.

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## 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.

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In the directors' opinion:

- the financial statements and notes set out on pages 91 to 124 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



N P Earner

Managing Director

24 August 2023

Perth

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## 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
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.</li> </ul>	<ul style="list-style-type: none"> <li>Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving uncertain future events.</li> <li>The accounting processes are structured around a Group finance function at its head office in Perth.</li> </ul>	<ul style="list-style-type: none"> <li>Amongst other relevant topics, we communicated the following key audit matter to the Audit Committee:                         <ul style="list-style-type: none"> <li>Estimate of rehabilitation and mine closure provision</li> </ul> </li> <li>This is further described in the <i>Key audit matter</i> section of our report.</li> </ul>

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### 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.

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### 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.

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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](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 77 to 86 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

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# ADDITIONAL INFORMATION

# Shareholder information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 11 September 2023.

## Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary shares	
	Number of holders	Number of shares
1 - 1,000	1,744	1,023,722
1,001 - 5,000	3,561	9,848,219
5,001 - 10,000	1,669	13,063,966
10,001 - 100,000	2,865	90,886,024
100,001 and over	453	486,752,099
	<b>10,292</b>	<b>601,574,030</b>
The number of equity security holders holding less than a marketable parcel of securities are:	1,070	393,634

## Twenty Largest Shareholders

The names of the 20 largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	HSBC Custody Nominees (Australia) Limited	58,637,362	9.75%
2	Abbotsleigh Pty Ltd	48,927,758	8.13%
3	Citicorp Nominees Pty Limited	41,316,951	6.87%
4	J P Morgan Nominees Australia Pty Limited	25,142,312	4.18%
5	Magnabay Pty Ltd <The Magnabay A/C>	16,466,667	2.74%
5	Lilycreek Pty Ltd <The Lilycreek A/C>	16,466,667	2.74%
6	Auburnvalley Pty Ltd<The Auburnvalley A/C>	16,466,666	2.74%
7	ILG Estate Co 3 Pty Ltd	13,311,748	2.21%
8	ILG Estate Co 4 Pty Ltd	13,311,747	2.21%
8	ILG Estate Co 2 Pty Ltd	13,311,747	2.21%
8	ILG Estate Co 1 Pty Ltd	13,311,747	2.21%
9	Abbotsleigh Pty Ltd<Abbotsleigh S/F A/C>	8,600,000	1.43%
10	BNP Paribas Nominees Pty Ltd ACF Clearstream	5,915,265	0.98%
11	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	5,698,214	0.95%
12	BNP Paribas Noms Pty Ltd <DRP>	5,589,857	0.93%
13	Leefab Pty Ltd	5,456,648	0.91%
14	Garrett Smythe Ltd	5,246,125	0.87%
15	Gardenway Proprietary Limited <The Gardenway A/C>	5,180,918	0.86%
16	Ed-Ne Pty Ltd <Earnerdavies Family A/C>	5,041,715	0.84%
17	Abbotsleigh Pty Ltd	5,000,000	0.83%
18	Fyvie Pty Ltd <Uthmeyer Family No 2 A/C>	4,068,513	0.68%
19	Home Ideas Show Pty Ltd <UB Promotions S P Fund A/C>	3,535,000	0.59%
20	SMAAS Ventures 2 Pty Ltd	3,131,522	0.52%
		<b>339,135,149</b>	<b>56.37%</b>

## Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of shares
Ian Jeffrey Gandel	118,823,930
Chapelgreen Pty Ltd	53,746,000

## Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

## Unquoted Securities

At 11 September 2023, the company had the following unlisted securities on issue:

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class	
			Holder Name	Number of Securities
Employee Performance Rights LTI FY2021	1,492,626	7	Nicholas Paul Earner	687,346
Employee Performance Rights LTI FY2022	1,944,058	8	ED-NE Pty Ltd	825,115
Employee Performance Rights STI FY2022	1,499,864	19	ED-NE Pty Ltd	306,735
Employee Performance Rights LTI FY2023	2,675,620	8	ED-NE Pty Ltd	1,088,497

## Corporate Governance Statement

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

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

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# Mining Tenements

Schedule of mining tenements – as at 30 June 2023

Project/Location	Tenement	Interest	Nature of interest
Peak Hill, NSW	GL 5884 (Act 1904)	100%	Equity
	ML 6036	100%	Equity
	ML 6042	100%	Equity
	ML 6277	100%	Equity
	ML 6310	100%	Equity
	ML 6389	100%	Equity
	ML 6406	100%	Equity
	ML 1351	100%	Equity
	ML 1364	100%	Equity
	ML 1479	100%	Equity
EL 6319	100%	Equity	
Tomingley, NSW	ML 1684	100%	Equity through subsidiary
	ML 1821	100%	Equity through subsidiary
	ML 1858	100%	Equity through subsidiary
	EL 5675	100%	Equity
	EL 5942	100%	Equity
	EL 6085	100%	Equity
Glen Isla	EL 8676	100%	Equity
	EL 8794	100%	Equity
	EL 9597	100%	Equity
Cudal, NSW	EL 7020	100%	Equity
Rockley, NSW	EL 8194	100%	Equity
	EL 8527	100%	Equity
<b>Northern Molong Porphyry Project, NSW</b>			
Bodangora	EL 4022	100%	Equity
Kaiser	EL 6209	100%	Equity (subject to royalty of 2% net smelter return)
Finns Crossing	EL 8261	100%	Equity
Comobella North	EL 8338	100%	Equity
Boda South	EL 8887	100%	Equity
Southern Junee Porphyry Project, NSW	EL 9600	100%	Equity
Trangie, NSW	EL 8765	100%	Equity
Armstrongs (near Parkes), NSW	EL 8784	100%	Equity
	EL 9178	100%	Equity
Mt Conqueror, NSW	EL 9107	100%	Equity
Nullagine, WA	E 46/522-I & 523-I	0%	60% retained interest in diamond potential – FMGN (FMG Nullagine Pty Ltd)
	M 46/515, 522 & 523	0%	60% retained interest in diamond potential – FMGN (FMG Nullagine Pty Ltd)

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