

ASX and MEDIA RELEASE

19 February 2025



Alkane Delivers Profit After Tax of A\$13.1 Million

Alkane Resources Ltd results for the half year ended 31 December 2024 are attached. The table below is a summary of the financial results:

	Dec-24 (A\$'000)	Dec-23 (A\$'000)	Change (A\$'000)	Change %
Gold revenue	121,500	89,060	32,440	36%
Gold production (ounces)	33,270	29,037	4,233	15%
Gold sales (ounces)	34,785	30,597	4,188	14%
Sales price (\$/oz)	3,498	2,911	587	20%
TGO profit before tax	22,627	20,455	2,172	11%
Company profit after tax	13,156	12,425	731	6%

The profit was largely driven by higher sale prices and production at Tomingley resulting in 34,785 ounces of gold produced at an all-in sustaining cost (AISC) of A\$2,598 per ounce.

As at 31 December 2024 the company's cash, bullion and listed investments totaled A\$42.4 million, with A\$35 million in cash, bullion on hand at fair value of A\$4.5 million and A\$2.9 million of listed investments at market value.

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

CONTACT : NIC EARNER, MANAGING DIRECTOR, ALKANE RESOURCES LTD, TEL +61 8 9227 5677
INVESTORS : NATALIE CHAPMAN, CORPORATE COMMUNICATIONS MANAGER, TEL +61 418 642 556
MEDIA : PAUL RYAN, CITADEL-MAGNUS, TEL +61 409 296 511

1. Company details

Name of entity:	Alkane Resources Ltd
ABN:	35 000 689 216
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

		\$'000
Revenue from ordinary activities	up 36% to	121,500
Profit after tax attributable to the owners of Alkane Resources Ltd from continuing operations	up 6% to	13,156

Explanation of Revenue

Revenue from ordinary activities was \$121.5 million, an increase of 36% over the corresponding period.

The increase in revenue was influenced primarily by a strengthening gold price during the half-year period.

Explanation of profit from ordinary activities after tax

Net statutory profit after tax attributable to the owners of Alkane Resources Ltd was \$13.16 million, an increase of 6% over the corresponding period.

Explanation of Net profit

Please refer above.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	35.65	23.11

4. Dividends

Current period

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

Previous period

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

5. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report for the half-year ended 31 December 2024.

6. Attachments

Details of attachments (if any):

The Interim Financial Report of Alkane Resources Ltd for the half-year ended 31 December 2024 is attached.

7. Signed

Signed Nicola Earner

Date: 19 February 2025

N P Earner
Managing Director
Perth

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RESOURCES LTD

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Alkane Resources Ltd

ABN 35 000 689 216

Interim Financial Report
for the half year ended 31 December 2024

Alkane Resources Ltd
Corporate directory
31 December 2024

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 (Resigned 17 October 2024) J Beckett (Appointed 17 October 2024)
Registered office and principal place of business	Level 4, 66 Kings Park Road, West Perth WA 6005 Telephone: 61 8 9227 5677 Facsimile: 61 8 9227 8178
Share register	Automatic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000
Auditor	PricewaterhouseCoopers Brookfield Place, 125 St Georges Terrace, Perth WA 6000
Stock exchange listing	Alkane Resources Ltd shares are listed on the Australian Securities Exchange (Perth) (ASX code: ALK) and the OTCQX International (OTCQX code: ALKEF) Ordinary fully paid shares
Website	http://www.alkane.com.au
E-mail address	info@alkane.com.au

Alkane Resources Ltd
Directors' report
31 December 2024

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 half-year ended 31 December 2024.

Directors

The following persons were directors of Alkane Resources Ltd during the whole of the financial half-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

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Review of operations

The profit for the Consolidated Entity after providing for income tax amounted to \$13,156,000 (31 December 2023: \$12,425,000).

Tomingley Gold Operations

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

In the six months ending 31 December 2024, TGO produced 33,270 ounces of gold (Dec 2023: 29,037 ounces of gold) with all in sustaining costs (AISC) of \$2,598 per ounce (Dec 2023: \$2,177 per ounce).

This represents a 14% increase in production from the previous corresponding period, attributable to higher-grade ore and improved recovery from Roswell (which was the main ore source for the period), largely due to the processing plant's new flotation and fine-grinding circuit coming online.

Gold recovery for the period was 84.5% (31 December 2023: 80%). Average grade milled increased to 2.31g/t. Four CAT 2900XE loaders arrived during Q2 FY25 and are now fully operational.

The half-year period saw record-high average gold prices of \$3,498 per ounce (Dec 2023: \$2,911 per ounce). Gold sales of 34,785 ounces (Dec 2023: 30,597 ounces) resulted in sales revenue of \$121,667,000 (Dec 2023: \$89,060,000). Bullion on hand was 1,434 ounces less than 30 June 2024 to 1,066 ounces.

High capital expenditure for the period related primarily to the construction and commissioning of the paste plant and the flotation and fine-grinding circuit. Commissioning of the flotation and fine-grinding circuit took place in late December. Recoveries in December 2024 were 87.3%, an improvement of approximately 5%, and the circuit continues to be optimised to further increase recovery.

The new paste plant commenced commissioning in December 2024, with the first paste delivered underground post the reporting period, early in January 2025. Further commissioning and stabilisation of the paste plant will occur through the March 2025 quarter.

Commissioning of these two projects finishes the current phase of capital growth, with expenditure now largely complete.

The internal access road and pipeline corridor from Caloma Two to Roswell was also completed during the period.

The main driver to the change in profit year-on-year has been the steady increase in the gold spot price, which has increased almost 50% since December 2023 to record levels.

Regional exploration – Tomingley

The exploration program south of the TGO mine continued as part of the plan to source additional ore feed, either at surface or underground. Initial testing of targets under the existing San Antonio resource commenced, with results expected during the March 2025 quarter.

Other activities with 7km of the Tomingley processing facility included a high-definition drone magnetic survey, 17,000 metres of aircore drilling on the eastern margin of the belt of Mingelo Volcanics between El Paso and Peak Hill, and 3,200 metres of RC/DD drilling at the El Paso and Tomingley Two prospects. Drilling results are expected to be available early to mid 2025.

The table below summaries the key operational information:

TGO Production	Unit	6 months ended 31 December 2024	6 months ended 31 December 2023
Underground			
Ore mined	Tonnes	546,684	519,138
Grade mined	g/t	2.31	1.99
Ore milled	Tonnes	532,984	564,205
Head grade	g/t	2.34	1.97
Gold recovery	%	84.47	80.00
Gold poured ⁽³⁾	Ounces	33,270	29,037
Revenue summary			
Gold sold	Ounces	34,785	30,597
Average price realised	A\$/oz	3,498	2,911
Gold revenue	A\$000's	121,667	89,060
All-in Sustaining Cost⁽¹⁾	A\$/oz	2,598	2,177
Bullion on hand	Ounces	1,066	1,322
Stockpiles			
Ore for immediate milling	Tonnes	251,767	281,701
Stockpile grades ⁽²⁾	g/t	1.11	0.95

- (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.

Boda-Kaiser Project

The Boda-Kaiser Project is founded on a large gold-copper porphyry system near the village of Bodangora, 15km northeast of Wellington in Central West New South Wales. It is part of Alkane's Northern Molong Porphyry Project (NMPP).

In July 2024, Alkane released a Scoping Study of the Boda-Kaiser Project to help identify a potential pathway to development. It shows the potential for a profitable long-term mining operation (a mix of open cut and underground) and processing facility near the deposits.

Alkane continues to increase understanding of mining options, conduct environmental studies, and progress discussions with potential strategic partners.

Regional Exploration – Northern Molong Porphyry Project

Exploration at the Northern Molong Porphyry Project (NMPP) included a trial of passive seismic geophysics (ambient noise tomography - ANT) using equipment and geophysicists provided by Fleet Space Pty Ltd at no cost to Alkane. Boda-Kaiser was initially surveyed; then the survey was expanded to a 125km² district northwest of Boda-Kaiser, including portions of the Comobella Intrusive Complex, Finns Crossing and Driell Creek. The survey appeared to delineate the major Solar Fault at Boda-Kaiser. The district-scale ANT survey did not identify any new targets but did confirm targets already previously known from the airborne gravity survey.

A 4,000m RC drilling program began in December 2024 to test various targets and extensions to mineralisation at Boda South, Boda 2-3, Kaiser and Driell Creek. Diamond core drilling totalling 4,000m is expected to commence in February 2025 to test some of the RC drill holes or test deep targets from the surface. RC and diamond core drilling results are expected in early to mid 2025.

Induced polarisation (IP) surveys from 2010 (Comobella) and 2020 (Boda-Kaiser) were reprocessed by Southern Geoscience Consultants aiding new targeting.

Sixteen water bores were completed for groundwater monitoring purposes around the planned open cuts for Boda-Kaiser. The data will be collected over a minimum of two years to inform the development consent. A bottom-of-hole sample was assayed for lithogeochemistry purposes to aid geological mapping around the deposits.

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 acquired shares in Sky Metals (ASX:SKY) and Medallion Metals Limited (ASX:MM8) during the period. At 31 December 2024, Alkane held ~9M shares in Sky Metals and 20M shares in Medallion Metals Limited, ownership of ~4.9% of shares on issue.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

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, the nearest dollar.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



N P Earner
Managing Director

19 February 2025
Perth



Auditor's Independence Declaration

As lead auditor for the review of Alkane Resources Ltd for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Ian Campbell', with a stylized flourish at the end.

Ian Campbell
Partner
PricewaterhouseCoopers

Perth
19 February 2025

Alkane Resources Ltd
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31 December 2024

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General information

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 February 2025.

Alkane Resources Ltd
Consolidated statement of comprehensive income
For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Continuing operations			
Revenue	3	121,500	89,060
Cost of sales	4	(99,311)	(68,184)
Gross profit		22,189	20,876
Other income		716	324
Interest income		1,125	1,744
Expenses			
Other expenses	4	(6,152)	(5,197)
Finance costs		(1,013)	(876)
Total expenses		(7,165)	(6,073)
Profit before income tax expense		16,865	16,871
Income tax expense	5	(3,709)	(4,446)
Profit after income tax expense for the half-year attributable to the owners of Alkane Resources Ltd		13,156	12,425
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
<i>Changes in fair value of financial assets at fair value through other comprehensive income (current year)</i>		(3,356)	4,685
Other comprehensive income/(loss) for the half-year, net of tax		(3,356)	4,685
Total comprehensive income for the half-year attributable to the owners of Alkane Resources Ltd		9,800	17,110
		Cents	Cents
Basic earnings per share		2.18	2.06
Diluted earnings per share		2.15	2.03

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Alkane Resources Ltd
Consolidated balance sheet
As at 31 December 2024

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		34,991	45,519
Trade and other receivables		4,602	3,848
Inventories		24,502	22,241
Derivative financial instruments	7	25	394
Total current assets		64,120	72,002
Non-current assets			
Property, plant and equipment	8	300,674	271,750
Exploration and evaluation	9	104,570	101,403
Financial assets at fair value through other comprehensive income	6	2,889	299
Derivative financial instruments	7	601	5,354
Other financial assets		15,509	13,888
Total non-current assets		424,243	392,694
Total assets		488,363	464,696
Liabilities			
Current liabilities			
Trade and other payables	10	22,299	23,744
External borrowings	11	32,416	16,144
Income tax provision		8,636	5,134
Provisions		7,387	6,891
Other liabilities		411	445
Total current liabilities		71,149	52,358
Non-current liabilities			
Provisions		22,223	21,998
External borrowings	11	30,250	32,874
Deferred tax		44,036	47,633
Other liabilities		256	459
Total non-current liabilities		96,765	102,964
Total liabilities		167,914	155,322
Net assets		320,449	309,374
Equity			
Issued capital		224,695	223,319
Reserves		(88,646)	(85,188)
Retained profits		184,400	171,243
Total equity		320,449	309,374

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

Alkane Resources Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

	Contributed equity \$'000	Share based payment reserve \$'000	Other reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	222,224	6,003	(81,169)	152,939	299,997
Profit after income tax expense for the half-year	-	-	-	12,425	12,425
Other comprehensive income for the half-year, net of tax	-	-	4,685	-	4,685
Total comprehensive income for the half-year	-	-	4,685	12,425	17,110
Share issue transaction costs	(9)	-	-	-	(9)
Equity settled share-based payment transactions	-	1,024	-	-	1,024
Deferred tax recognised in equity	(36)	-	-	-	(36)
Employee shares lapsed	-	(1,116)	-	-	(1,116)
Employee share awards vested	1,178	(1,126)	-	-	52
Transfer on gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(627)	627	-
Balance at 31 December 2023	<u>223,357</u>	<u>4,785</u>	<u>(77,111)</u>	<u>165,991</u>	<u>317,022</u>
	Contributed equity \$'000	Share based payment reserve \$'000	Other reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2024	223,319	5,156	(90,344)	171,243	309,374
Profit after income tax expense for the half-year	-	-	-	13,156	13,156
Other comprehensive loss for the half-year, net of tax	-	-	(3,356)	-	(3,356)
Total comprehensive income/(loss) for the half-year	-	-	(3,356)	13,156	9,800
Share based payments	255	(43)	-	-	212
Employee shares vested	1,123	(1,123)	-	-	-
Deferred tax recognised in equity	(2)	-	1,065	-	1,063
Balance at 31 December 2024	<u>224,695</u>	<u>3,990</u>	<u>(92,635)</u>	<u>184,399</u>	<u>320,449</u>

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

Alkane Resources Ltd
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	121,677	89,060
Payments to suppliers and employees (inclusive of GST)	(88,445)	(56,465)
	<u>33,232</u>	<u>32,595</u>
Interest received	881	1,615
Finance costs paid	(686)	(533)
Royalties paid	(3,963)	(2,917)
Other Income	221	326
	<u>29,685</u>	<u>31,086</u>
Net cash from operating activities		
Cash flows from investing activities		
Payments for investments	(1,000)	(1,094)
Payments for property, plant and equipment	(21,465)	(12,595)
Payments for exploration and evaluation	(2,856)	(32,522)
Payments for development expenditure	(26,437)	(17,943)
Proceeds from disposal of investments	-	13,043
Payments for security deposits	(1,601)	(106)
	<u>(53,359)</u>	<u>(51,217)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Share issue transaction costs	-	(9)
Proceeds from borrowings	34,360	996
Repayment of borrowings	(21,097)	(3,640)
Principal element of lease payment	(117)	(211)
	<u>13,146</u>	<u>(2,864)</u>
Net cash from/(used in) financing activities		
Net decrease in cash and cash equivalents	(10,528)	(22,995)
Cash and cash equivalents at the beginning of the financial half-year	45,519	80,291
Cash and cash equivalents at the end of the financial half-year	<u>34,991</u>	<u>57,296</u>

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

Note 1. Material accounting policy information

Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This condensed consolidated interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended standards adopted by the Group

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board 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.

Note 2. Operating segments

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 segments 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
Half-year ended 31 December 2024			
Gold sales to external customers	121,677	-	121,677
Segment profit/(loss) before income tax expense	22,627	(5,762)	16,865
	Gold Operations \$'000	Unallocated \$'000	Total \$'000
Half- year ended 31 December 2023			
Gold sales to external customers	89,060	-	89,060
Segment profit/(loss) before income tax	20,455	(3,584)	16,871

Note 3. Revenue

	31 Dec	
	2024 \$'000	2023 \$'000
Revenue from continuing operations		
Gold sales	121,677	89,060
Less: derivative options lapsed	(177)	0
	<u>121,500</u>	<u>89,060</u>

Gold sold for the period was 34,785oz (Dec 2023 30,597) at an average price of A\$3,497oz (Dec 2023 A\$2,911oz).

\$177k of lapsed derivative contracts during the period was transferred to revenue. Refer to Note 7 for more information on these contracts.

Revenue from the sale of gold is recognised when the group satisfies its performance obligations under its contract with the customer by transferring such goods to the customer's control. Control is generally determined to be when the customer has the ability to direct the use and obtain substantially all of the remaining benefits from that good.

Note 4. Expenses

	31 Dec	
	2024 \$'000	2023 \$'000
Cost of sales		
Cash costs of production	76,125	46,785
Inventory product movement (a)	(1,628)	4,336
Depreciation and amortisation	21,006	14,370
Royalties and selling costs	3,808	2,693
	<u>99,311</u>	<u>68,184</u>

(a) Inventory product movement

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

	31 Dec	
	2024 \$'000	2023 \$'000
Other expenses		
Corporate administration	2,184	1,749
Employee remuneration and benefits	938	1,671
Professional fees and consulting services	1,677	1,083
Share based payments	332	(40)
Directors' fees and salaries expensed	379	398
Depreciation	313	227
Non-core project expenses	174	106
Exploration expenditure provided for or written off	155	3
	<u>6,152</u>	<u>5,197</u>

Alkane Resources Ltd
Notes to the consolidated financial statements
31 December 2024

Note 5. Income tax

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.

	2024 \$'000	2023 \$'000
<i>Income tax expense</i>		
<i>Current Tax</i>	6,245	6,650
<i>Deferred tax</i>	-	-
Origination and reversal of temporary differences	(2,536)	(2,204)
Total income tax expense per income statement	<u>3,709</u>	<u>4,446</u>

Note 6. Financial assets at fair value through other comprehensive income

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Non-current assets</i>		
Sky Metals Ltd (ASX: SKY)	489	299
Medallion Metals Ltd (ASX: MM8)	2,400	-
	<u>2,889</u>	<u>299</u>

In August 2024, the company participated in a placement with Medallion Metals Ltd (ASX:MM8) to acquire 20,000,000 shares at \$0.05.

Investments have been revalued at 31 December 2024 using the closing share price quoted on the ASX, a level 1 valuation methodology.

Note 7. Derivative financial instruments

	2024 \$'000	\$'000
<i>Current assets</i>		
Commodity options - cash flow hedges	<u>25</u>	<u>394</u>
<i>Non-current assets</i>		
Commodity options - cash flow hedges	<u>601</u>	<u>5,354</u>

During the 2024 financial year subsidiary company Tomingley Gold Operations Pty Ltd ('TGO') entered into several commodity put option contracts from 31 July 2024 to 30 June 2027.

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

Movements in the options' fair value are reflected through other comprehensive income.

Note 8. Property, plant and equipment

Property Plant & Equipment

31 Dec 24

Opening Balance - July	271,750
Additions	50,402
Depreciation	(21,318)
Disposals	(160)
Closing Balance - December	300,674

IMPAIRMENT OF ASSETS

Assets are assessed for the presence of impairment indicators whenever events or changes in circumstances suggest that their carrying amounts may not be recoverable. For the purposes of impairment indicator assessments (and, if required, impairment testing) operating assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGUs).

If an impairment indicator is found to be present for a CGU, then the Group estimates its recoverable amount and compares it to its carrying amount. The recoverable amount of each CGU is determined as the higher of value-in-use (VIU) and fair value less costs of disposal (FVLCD) estimated based on the discounted present value of future cash flows (a level 3 fair value estimation method) and other adjustments. If necessary, an impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Tomingley Gold Operations CGU assumptions

Internal indicators of impairment were reviewed under AASB 136 and no deficiencies were noted.

Upon review of external indicators, it was noted that the groups net assets exceeded the market capitalisation of \$327m. Alkane is satisfied this is not an indicator of impairment for the following changes since 30 June 2024:

Gold spot prices continue to remain strong and exceed budget.

Capital spend for the Tomingley Extension Project is now mostly complete and will begin amortising in the second half of FY25.

Analysis of variances between actual and budgeted figures from 30 June 2024 and 31 December 2024.

There is sufficient evidence to conclude that no impairment is required for the period. This will continue to be reviewed at each reporting period.

Note 9. Exploration and evaluation

Exploration & Evaluation assets

31 Dec 2024

Opening Balance - July 2024	101,403
Additions	3,322
Impairment	(155)
Closing Balance - December 2024	104,570

Note 10. Trade and other payables

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current liabilities</i>		
Trade payables	5,524	4,685
Other payables	16,775	19,059
	<u>22,299</u>	<u>23,744</u>

Note 11. 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.

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current liabilities</i>		
Macquarie Facility	25,370	11,173
Other Borrowings	7,046	4,971
	<u>32,416</u>	<u>16,144</u>
<i>Non-current liabilities</i>		
Macquarie Facility	20,500	30,819
Other Borrowings	9,750	2,055
	<u>30,250</u>	<u>32,874</u>

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

On 21 February 2023, Alkane executed a finance Facility Agreement between Tomingley Gold Operations Pty Ltd and Macquarie Bank Limited to develop the Tomingley Gold Extension Project. The terms to this facility are an amendment to the existing facility agreement that was executed on 07 December 2020.

\$42.8m was drawn at 30 June 2024 then a further \$17.2m was drawn in July 2024. \$15m was repaid in September 2024.

Of the \$60m available under the facility, the balance was \$45m as at 31 December 2024

Note 12. Contingent liabilities

The group has entered into forward gold sales contracts under which the group will physically deliver gold to the buyer and are therefore not financial instruments recorded on the balance sheet. A contingent liability of \$119,548,000 (June 2024: \$73,979,000) existed at the balance date in the event the contracts are not settled by the physical delivery of gold.

Note 13. 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.

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Within one year	1,844	2,978

(b) Physical gold delivery commitments

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

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

	Gold for physical delivery Ounces	Contracted gold sale price per ounce (\$)	Value of committed sales \$'000
31 December 2024			
Fixed forward contracts			
Within one year	23,050	2,836	65,369
One to five years	46,150	2,862	132,075
30 June 2024			
Fixed forward contracts			
Within one year	47,400	2,797	132,584
One to five years	66,900	2,856	191,092

(c) Capital commitments

Capital commitments for the period at the end of the reporting period but not recognised as liabilities amounted to \$15,277,066 (30 June 2024: \$48,435,000).

Note 14. Deed of cross guarantee

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

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

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

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

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

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

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Alkane Resources Ltd
Directors' declaration
31 December 2024

In the directors' opinion:

- the financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001 including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date and
- there are reasonable grounds to believe that the Alkane Resources Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



N P Earner
Managing Director

19 February 2025
Perth

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Independent auditor's review report to the members of Alkane Resources Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Alkane Resources Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alkane Resources Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date,
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, Level 15, 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

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believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A stylized, handwritten signature of 'Ian Campbell' in a cursive script.

Ian Campbell
Partner

Perth
19 February 2025