ANNUAL REPORT

2022

ALKANE
RESOURCES LTD

Company Information

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

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Disclaimer

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all Ore Reserve and Mineral Resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining and Metallurgy, and Australian Institute of Geosciences.

Contents

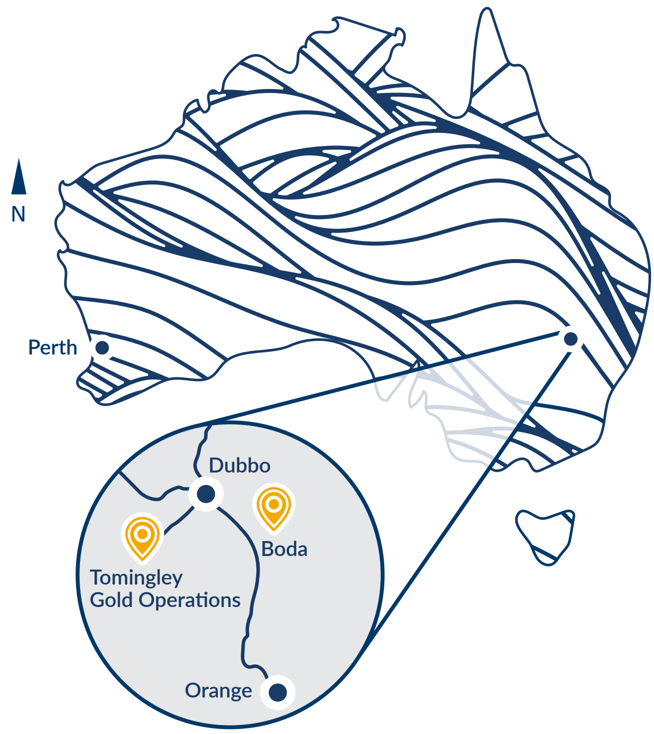
About Alkane


Boda

Alkane Resources Ltd is the parent entity of the Alkane group. We are a gold exploration, development and production company, with projects and operations primarily located in the Central West region of New South Wales.

We own and operate Tomingley Gold Operations, southwest of Dubbo, and hold several highly prospective gold and copper tenements in the region. Our Boda deposit, east of Dubbo, has the potential to be a large, tier-one gold-copper project.

Alkane is listed on the Australian Securities Exchange (ASX:ALK) and headquartered in Perth, Western Australia. Our exploration team is based in Orange, NSW.



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

Record profit after tax of

$70.3M

(26% increase from FY21)

Gold revenue of

$165M

Cash, Bullion and listed investments of

$124.2M

at 30 June 2022

66,883 ounces

gold sold at

$2,467 per ounce

(FY21: 55,929 ounces gold sold at $2,286 per ounce)

Operations

66,802 ounces
gold poured, exceeding guidance

(FY21: 56,958 ounces gold poured)

AISC of **A$1,460** per ounce

(FY21: AISC of A$1,320 per ounce)

Operating cashflow of
$86.4M

Poured
500,000th ounce
of gold at Tomingley since 2014

Exploration and Growth

Tomingley Gold Project resources of
1,748,000 ounces
(25.91Mt @ 2.1g/t Au)

Boda initial resource estimate of
10.1 million ounces
gold equivalent

99,147 metres
drilled at exploration prospects

Tomingley Gold Extension Project
Environmental Impact Statement
through public exhibition

Chairman's Message

On behalf of the Board of Directors, I present the Alkane Resources Annual Report to shareholders for 2022.

Alkane has experienced another excellent year. We have achieved a number of significant milestones for our two major projects at Boda and Tomingley and delivered a record profit after tax of $70.3 million.

Of particular note, we announced an initial resource estimate for Boda of 10.1 million gold equivalent ounces. The details of this are elsewhere in the report, but I can confidently say this is just the beginning. A large drilling program has demonstrated the significant potential of the Boda system, with mineralisation extending over more than three kilometres. We are well advanced in a shallower drilling program at Kaiser that should enable an initial resource to be confirmed there soon.

We also announced an upgrade to the Roswell resource this year, bringing the combined San Antonio and Roswell resources to nearly 1.3 million ounces of gold. We stand on the cusp of approval for development of these deposits, which should support production at Tomingley for at least another ten years. We look forward to delivering on this potential for our shareholders, employees and other stakeholders.

Tomingley has performed strongly over the past year, exceeding production guidance and pouring its 500,000th ounce in May. This milestone is a fitting testament to the extended teams that have worked on the project since the days of discovery in 2001. On behalf of the Board, I extend thanks to our employees, contractors, strategic partners, consultants and suppliers for contributing to this achievement. Without their considerable efforts and support we would not be where we are today.

Finally, I wish to draw attention to our inaugural Sustainability Report embedded within this Annual Report. While Alkane's approach to sustainability has not changed in principle, we recognise the global shift towards more comprehensive sustainability reporting and disclosure. As a first step, we have developed an 'ESG' Mission Statement that aligns with newly refined company values, and both broadens and deepens our sustainability content. The report is structured around four sustainability pillars encompassing the ESG principles of environment, social and governance. This is intended to be a stepping stone towards establishing a formal framework in the future.

We are proud of Alkane's achievements in FY22 and pleased to deliver this strong result for shareholders. It is satisfying to have succeeded in our goal of delivering strong and safe production alongside a successful exploration program that is paving the way for Alkane's future.

I once again thank our Managing Director, Nic Earner, and the entire extended Alkane team and also extend thanks to our many shareholders and stakeholders for their ongoing support.

Ian Gandel
Chairman
Alkane Resources Ltd

BUSINESS REVIEW

Tomingley

Tomingley

Gold production at Tomingley exceeded guidance in FY22. We continued to progress approvals for the extension project, which should extend the life of the asset until at least 2031.

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 the Central West region of 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.

Underground development continued during FY22, with performance enhanced by a fleet of new equipment, including a production drill, four loaders, four trucks and a jumbo. Activities included development of the previously approved underground exploration drive, which extends south from Wyoming One towards the Roswell deposit. In parallel, we continued to mine a cutback in the northeast of the Caloma One pit.

Both mining operations and the processing plant performed very well, with recovery as expected. Production of 66,802 ounces for the financial year exceeded the guidance of 55,000-60,000 ounces. The AISC* of A$1,460 per ounce was also below the cost guidance of A$1,500 to $1,650 per ounce.

This strong performance was underpinned by above-forecast grades from several areas, as well as great flexibility by the team to overcome the impacts of weather and COVID-19. Since commissioning the processing plant in 2014, Tomingley has met or exceeded guidance in every year of operation.

FY23 guidance for Tomingley is 55,000-60,000 ounces production at an AISC of A$1,650 to $1,900 per ounce.

Tomingley produced 66,802 ounces of gold at an AISC of $1,460 per ounce.

Tomingley underground portal

**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 Gold Extension Project

Alkane intends to extend gold mining operations at Tomingley to include the San Antonio and Roswell (SAR) resources immediately south of the existing mine. The life of mine plan incorporating SAR was announced in June 2021. This plan extends the life of the Tomingley asset to at least 2031 and shows production of approximately 745,000 ounces of gold.

Alkane continued to progress approvals for this NSW State Significant Development throughout the year, with the Environmental Impact Statement (EIS) publicly exhibited in March 2022. The NSW Department of Planning and Environment received a handful of submissions, which Alkane has responded to. Project approval is expected in the near future.

Initial Mineral Resources for San Antonio and Roswell were announced in FY21. Following a recent update to the Roswell Mineral Resource (refer to pages 17 and 23 of this report), the total SAR resources now stand at 1,264,000 ounces of gold (19.9Mt at 1.90g/t Au) (ASX Announcement 9 September 2022).

This resource upgrade upholds the life of mine plan, which discussed the upside potential to extend Roswell underground and maintain production at over 100,000 ounces of gold a year – not only from 2025, but beyond 2028.

Total San Antonio and Roswell (SAR) resources now stand at 1,264,000 ounces of gold.

500,000th ounce milestone

General Manager Operations Jason Hughes (centre) celebrates the 500,000th ounce poured with the Tomingley management team.

Tomingley poured its 500,000th ounce of gold in May 2022, eight years after plant commissioning in January 2014. The initial mine plan was to produce 380,000 ounces from open cut and underground over seven years.

Managing Director, Nic Earner, said:

"On behalf of the Board, I wish to thank our employees and contractors for their sustained excellence, and our shareholders and other stakeholders for their continued support of the company."

Boda

Alkane's Boda deposit in NSW has the potential to be a large, tier-one gold-copper project. We announced an initial Mineral Resource estimate of 10.1 million gold equivalent ounces in May 2022.

Initial Mineral Resource

The Boda deposit is part of Alkane's Northern Molong Porphyry Project (NMPP), located in the Central West region of New South Wales.

Alkane discovered gold-copper porphyry mineralisation with significant economic potential at Boda in late 2019. An extensive drilling campaign has since revealed a large alkalic porphyry system of at least 500 metres wide, 1,000 metres north-south strike length and more than 1,100 metres deep.

The initial Inferred Mineral Resource for the Boda deposit was announced to the ASX on 30 May 2022. The resource has been estimated at 624Mt with an average grading of 0.51g/t AuEq* for 10.1 million gold equivalent ounces (5.21Moz Au, 0.90Mt Cu).

The initial Boda resource has been estimated as 10.1 million gold equivalent ounces.

Initial Boda Mineral Resource estimate

Resource Category	AuEq Cut-off	Tonnes (Mt)	Grade				Contained Metal			
			AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (Moz)	Au (Moz)	Cu (Mt)	Ag (Moz)
Inferred	0.3g/t	624	0.51	0.26	0.14	0.47	10.1	5.21	0.90	9.49
Inferred	0.4g/t	353	0.63	0.33	0.18	0.55	7.12	3.72	0.62	6.24

Complete Mineral Resource tables on page 26.

**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 at 85% per economic element from preliminary metallurgical studies. In Alkane's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.*

Drilling at Boda

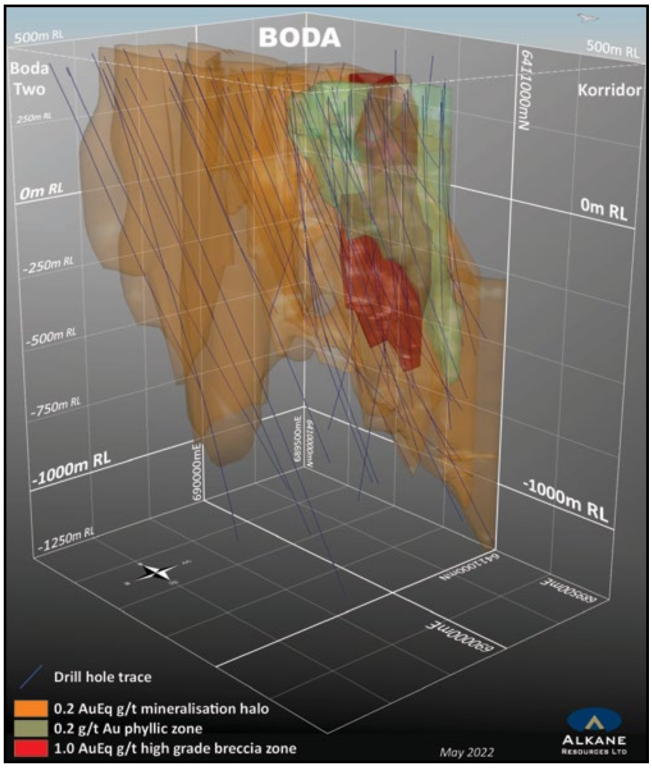
This initial Boda resource estimate was confined to a surface area of 1,000 metres strike length and 500 metres width and calculated to an average -500 metres Relative Level. It is based on 83 drill holes for approximately 71,400 metres of drilling (52,390m diamond core, 19,041m RC), using a nominal drill hole grid of 100 metres by 50 metres to depths averaging approximately 1,000 metres.

The Mineral Resource estimate has been calculated for cut-off grades of 0.3g/t AuEq (for potential open cut mining) and 0.4g/t AuEq (for potential bulk-tonnage underground mining). These cut-offs were deemed reasonable based on a review of feasibility and existing operating data for similar deposits in Australia (see ASX Announcement 30 May 2022 for data sources).

Preliminary metallurgical study indicated potential for two-stage ore processing. The first stage would produce a copper-gold concentrate for immediate sale and the second stage produce gold bullion from a cyanide leach. Preliminary recoveries are 85% for gold, copper and silver. Alkane continues to explore mining and processing options for the future.

Alkane's ongoing drilling program continues to define the overall system and infill the initial Boda resource estimate. The Boda deposit remains open at depth and along strike to the south and along strike to the northwest within the Boda corridor.

Refer to page 15 for Alkane's exploration program and page 26 for the Mineral Resource tables.



3D model of the Boda mineralisation (3D Wireframe – View South West)

Exploration

Alkane holds several gold and copper tenements in the Central West region of New South Wales. Our FY22 exploration efforts focused on the Northern Molong Porphyry Project (Boda) and the Tomingley Gold Project.

Northern Molong Porphyry Project

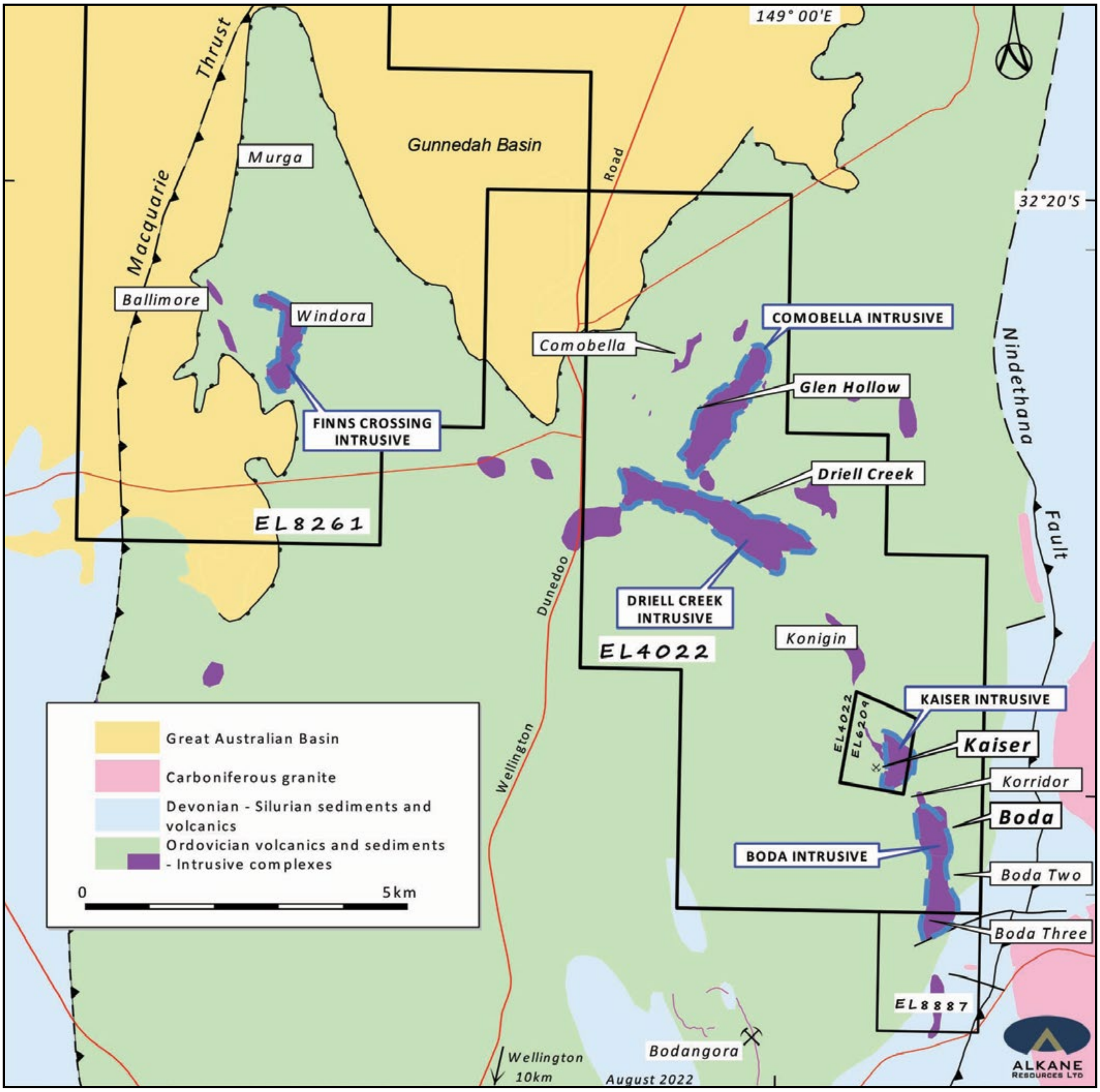
Alkane Resources Ltd 100%

The Northern Molong Porphyry Project (NMPP) is located in the Central West region of New South Wales, centred about 20 kilometres north of Wellington and about 35 kilometres east of Dubbo. It covers an area of 115 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 five discrete magnetic/intrusive complexes (Kaiser, Boda, 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 these magnetic/intrusive complexes, encompassed by four exploration licences (Bodangora, Boda South, Kaiser and Finns Crossing).

Boda



Map of the Northern Molong Porphyry Project regional geology

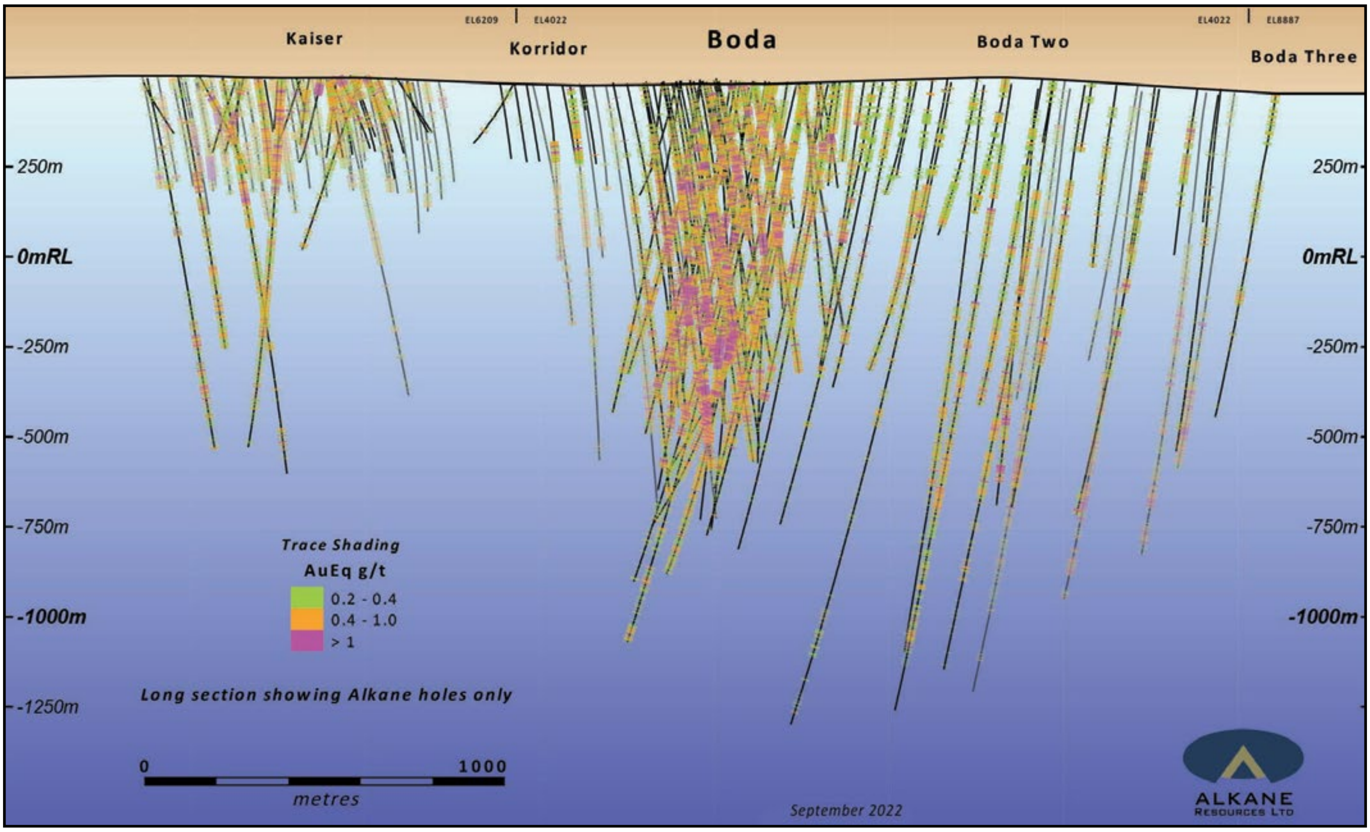
Boda corridor

In late 2019, Alkane discovered significant gold-copper porphyry mineralisation at the Boda prospect, positioned at the western margin of the Boda Intrusive Complex. This prompted a significant campaign of reverse circulation (RC) and diamond core drilling to test the dimensions and extensions of the Boda system.

In parallel, Alkane extended the exploration program beyond Boda, which lies in a highly prospective corridor. Drilling over the past two years has occurred at a number of nearby prospects – including Kaiser (1.5 kilometres northwest of Boda), Korridor (between Kaiser and Boda), Boda Two and Boda Three (two kilometres south of Boda).

This 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 Three to Boda, where it rotates to head northwest from Boda to Kaiser.

All Alkane's drilling to the end of FY22 in the Boda corridor is illustrated in the long section on page 16.



Boda corridor long section (340° Azimuth ±600m window)

Drill program

Alkane's FY22 drill program in the Boda corridor comprised over 70,000 metres of RC and diamond core drilling for the purpose of:

- estimating an initial Inferred Mineral Resource at Boda
- estimating an initial shallow resource at Kaiser
- continued definition of the overall system.

Boda Two and Three

Drill results at Boda Two and Three demonstrate many encouraging similarities to Boda, including the existence of low-grade gold-copper mineralised breccias as defined at Boda. Drilling in the second half of 2022 will aim to identify higher-grade zones.

Kaiser-Duke

The parallel Kaiser and Duke systems lie northwest of Boda. In January 2022, Alkane commenced a 13,000-metre RC drilling program at Kaiser for the purpose of estimating an initial shallow resource. A resource estimation is expected in the first quarter of 2023.

Korridor

Alkane has commenced a drill program that will test the continuity of gold-copper porphyry mineralisation between the Boda and Kaiser prospects. This 800-metre Korridor prospect is largely untested by drilling.

Other exploration activities

Other NMPP exploration focused on delineating additional intrusive and mineralising centres within the longer 15-kilometre corridor from Boda Three to Finns Crossing.

Alkane completed induced polarisation (IP) and magnetotellurics (MT) geophysical surveys within a five-kilometre section encompassing the Driell Creek Magnetic Complex, northwest of Kaiser. Additionally, a drone aero-magnetic survey was completed over a similar area to improve the structural interpretation of the Boda corridor.

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 the Central West region of 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.

Near-mine exploration

Alkane continued exploration of the gold corridor between Tomingley and Peak Hill during FY22. The long-term objective remains to define additional resources to feed the Tomingley processing facility and extend the life of the asset.

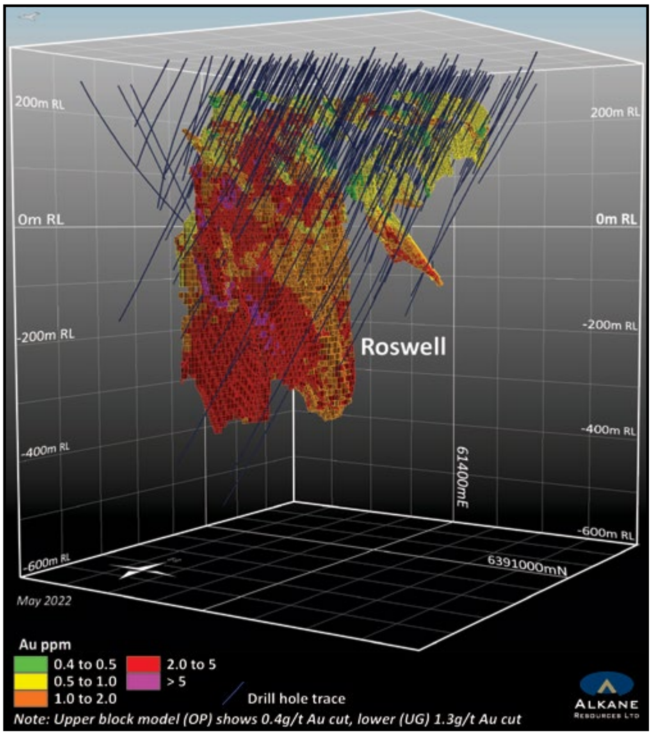
Key exploration targets included additional mineralisation outside the existing resource models at Roswell and San Antonio, as well as the McLeans, El Paso and Plains prospects.

To support surface exploration activities, Alkane continued development of an underground exploration drive that starts at the Wyoming One underground mine and heads south towards Roswell. At the end of the financial year it had reached approximately 1,600 metres south of Wyoming One, and 1,050 metres north of the Roswell deposit.

San Antonio and Roswell (SAR) deposits

The San Antonio and Roswell (SAR) deposits are the foundation of the Tomingley Gold Extension Project. The gold mineralisation is characterised as similar to the Tomingley mineralisation.

Alkane updated the Roswell Mineral Resource (Indicated and Inferred) estimate in FY22. The initial upgraded estimate of 904,000 ounces of gold (14.1Mt at 2.00g/t Au) was based on an underground cut-off of



Updated 3D model of the Roswell mineralisation

1.3g/t Au (ASX Announcement 2 May 2022). This was recalculated for the annual Resources and Reserves statement using an underground cut-off of 1.6g/t Au to account for additional costs in moving the ore from Roswell to the Tomingley processing plant (ASX Announcement 9 September 2022). The upgraded resource, reflecting an increase of around 35 percent, was largely the result of deeper holes drilled in the 7,000-metre program, extending the inferred resource from -200 to -300 metres Relative Level.

The Roswell Mineral Resource remains open to the north and at depth. Alkane intends further infill and extensional drilling from the exploration drive, with a view to improving confidence in the estimation and defining the continuity of the mineralisation to the north and high-grade zones at depth.

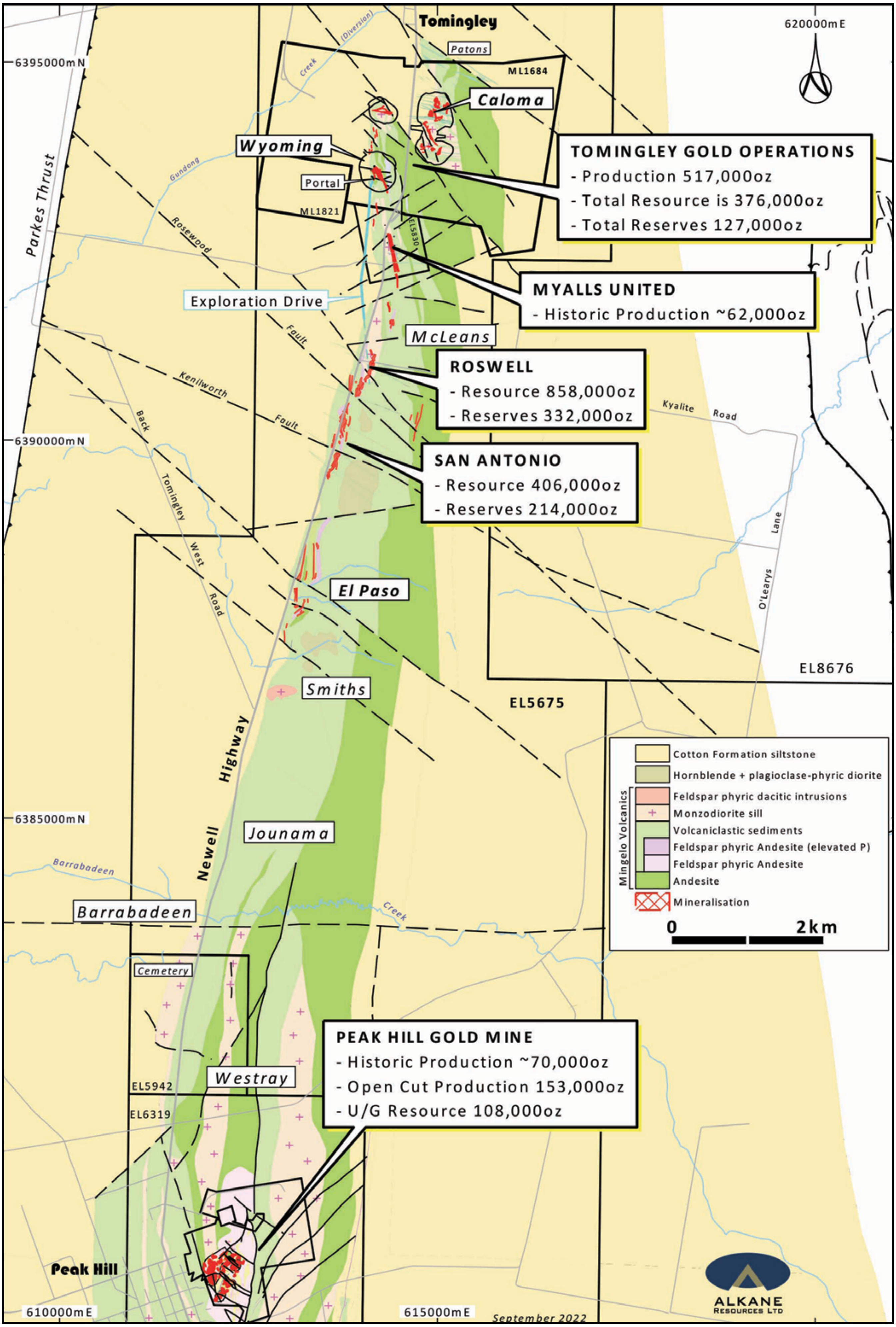
The Mineral Resource for the San Antonio deposit was previously estimated at 406,000 ounces (7.32Mt at 1.72g/t Au) (ASX Announcement 16 February 2021). The Roswell resource upgrade means the total SAR resources now stand at approximately 1,264,000 ounces of gold (19.9Mt at 1.90g/t Au).

Refer to page 23 for the complete Mineral Resource tables.

Summary* of SAR Mineral Resource estimates (Indicated and Inferred) at 30 June 2022

	Tonnes (Mt)	Grade Au (g/t)	Contained Au (koz)
Roswell (open cut and underground)	12.55	2.00	858
San Antonio	7.32	1.72	406
Total SAR	**19.87**	**1.90**	**1,264**

**Complete Mineral Resource tables on page 23.*



Map of the gold corridor between Tomingley and Peak Hill

McLeans prospect

The McLeans prospect lies two kilometres south of Tomingley, 600 metres north of the Roswell deposit and close to the trajectory of Alkane's exploration drive.

Drilling at McLeans intersected significant high-grade gold mineralisation hosted within a feldspar phyric andesite (ASX Announcement 29 October 2021). A strike length of at least 300 metres has been estimated from the magnetics, with further drilling planned to determine its underground resource potential.

The newly defined andesite at McLeans correlates with the andesites that host the majority of the gold resources at the Roswell and San Antonio deposits. Exploration drilling will continue at McLeans, as well as the nearby El Paso (south of San Antonio) and Plains (east of Roswell) prospects.

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. A metallurgical test program has shown that recoveries in excess of 95 percent are possible with bio-oxidation, and above 90 percent using a modified Albion process. We plan to conduct a geotechnical assessment of the deposit to facilitate evaluation for underground mining.

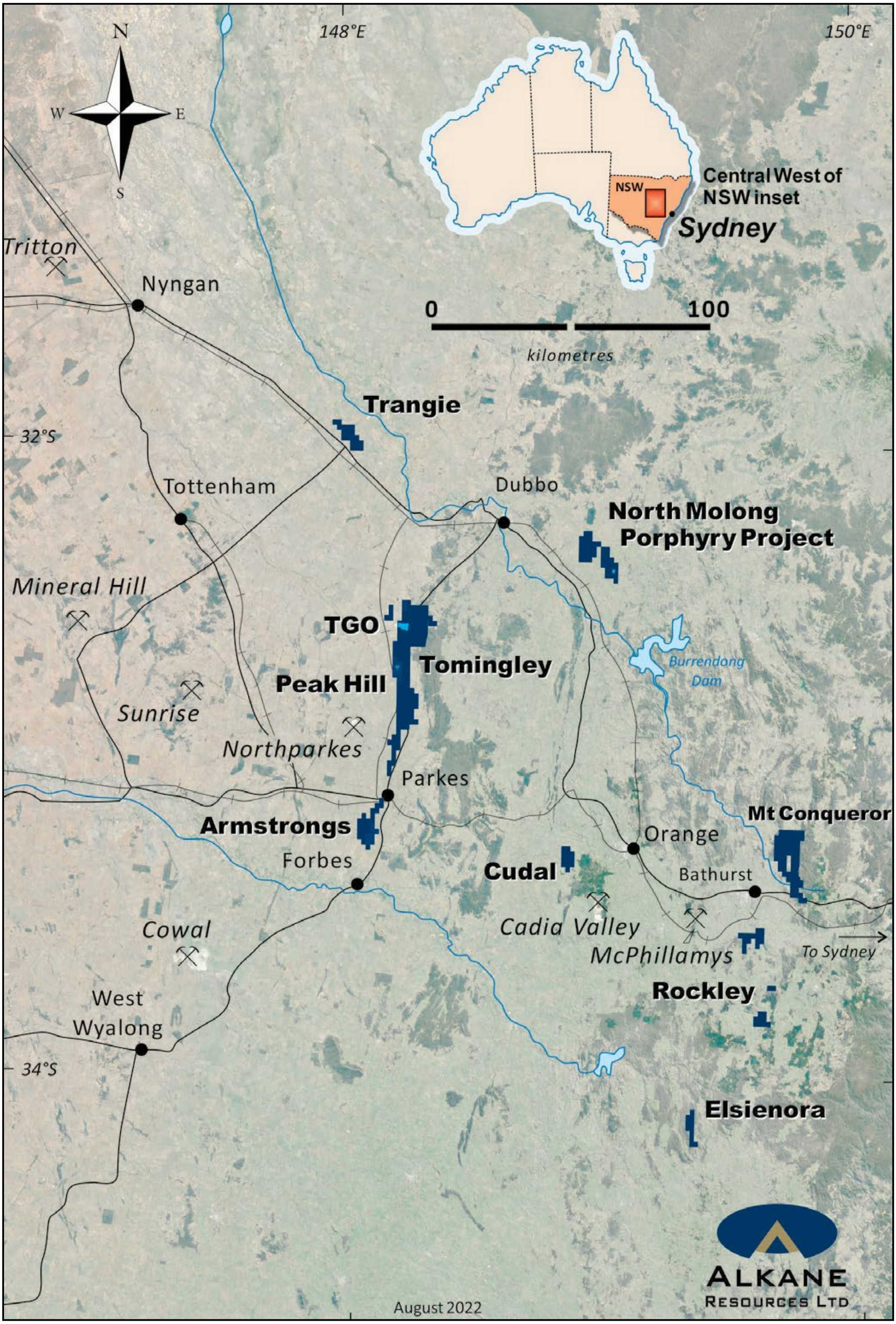
Alkane retains its Mining Lease and Environment Protection Licence for Peak Hill Gold Mine, but any further mine development would require further environmental assessment and government approval.

Refer to page 23 for the Mineral Resource table.

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 airborne electromagnetic surveys for target definition.

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



Alkane's projects and operations are primarily located near Dubbo in the Central West region of New South Wales.

MINERAL RESOURCES AND ORE RESERVES

Tomingley underground

Mineral Resources and Ore Reserves

Alkane reports Mineral Resources and Ore Reserves for the Tomingley Gold Project and the Northern Molong Porphyry Project (Boda deposit) as at 30 June 2022.

These Ore Reserves and Mineral Resources 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 9 September 2022. 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

Mineral Resources and Ore Reserves for the Tomingley Gold Project include Tomingley Gold Operations (Wyoming One, Wyoming Three, Caloma One and Caloma Two deposits), the San Antonio and Roswell (SAR) deposits and the Peak Hill Gold Project. These estimates take into account ore depleted by mining during the 2022 financial year and are set out in the tables below.

Mineral Resources

Tomingley Gold Operations Mineral Resources (as at 30 June 2022)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
Open Pittable Resources (cut-off 0.4g/t Au)									
Caloma One	106	2.0	16	1.8	0	0.0	122	2.0	8
Sub Total	106	2.0	16	1.8	0	0.0	122	2.0	8
Underground Resources (cut-off 1.3g/t Au)									
Wyoming One	1,050	2.8	916	2.5	232	1.8	2,198	2.6	181
Wyoming Three	46	2.2	24	2.0	20	1.9	90	2.1	6
Caloma One	162	2.5	501	2.1	507	2.0	1,170	2.1	79
Caloma Two	167	2.6	1,098	2.2	181	1.8	1,446	2.2	103
Sub Total	1,425	2.7	2,539	2.3	940	1.9	4,904	2.3	369
TOTAL	**1,531**	**2.7**	**2,555**	**3.6**	**940**	**3.4**	**5,026**	**2.3**	**377**

Apparent arithmetic inconsistencies are due to rounding

SAR Mineral Resources (as at 30 June 2022)

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)	
Total Resources (cut-off 0.4g/t Au Roswell and 0.5g/t Au San Antonio)									
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			11,545	1.80	2,180	1.19	13,725	1.70	752
Underground Resources (cut-off 1.6g/t Au)									
Roswell			1,897	2.67	4,244	2.56	6,141	2.59	512
Sub Total			1,897	2.67	4,244	2.56	6,141	2.59	512
TOTAL			**13,443**	**1.92**	**6,424**	**2.09**	**19,867**	**1.98**	**1,264**

Apparent arithmetic inconsistencies are due to rounding

Peak Hill Mineral Resources (as at 30 June 2022)

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

Apparent arithmetic inconsistencies are due to rounding

Ore Reserves

Tomingley Gold Operations Ore Reserves (as at 30 June 2022)

DEPOSIT	PROVED		PROBABLE		TOTAL		Total Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
Open Pittable Reserves (cut-off 0.4g/t Au)							
Caloma	106	2.0	16	1.8	122	2.0	8
Stockpiles	384	1.3	0	0	384	1.3	16
Sub Total	490	1.5	16	1.8	506	1.5	24
Underground Reserves (cut-off 1.3g/t Au)							
Wyoming One	366	2.1	304	2.2	670	2.1	46
Caloma One	68	1.8	315	1.6	383	1.6	20
Caloma Two	137	1.6	628	1.5	765	1.6	38
Sub Total	571	1.9	1,247	1.7	1,818	1.8	104
TOTAL	**1,061**	**1.7**	**1,263**	**1.7**	**2,324**	**1.7**	**127**

Apparent arithmetic inconsistencies are due to rounding

SAR Ore Reserves (as at 30 June 2022)

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

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

Mineral Resource and Ore Reserve Governance and Internal Controls

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

Comparative Resources and Reserves

Tomingley Gold Operations Comparative Mineral Resources (30 June 2021 to 30 June 2022)

DEPOSIT	2021			2022		
	Tonnage (kt)	Grade (g/t Au)	Gold (koz)	Tonnage (kt)	Grade (g/t Au)	Gold (koz)
Open Pit						
Wyoming One	1,120	1.4	52	0	0	0
Wyoming Three	135	1.7	8	0	0	0
Caloma One	2,450	1.3	105	122	2	8
Caloma Two	962	1.9	58	0	0	0
Sub Total	4,667	1.5	223	122	2.0	8
Underground						
Wyoming One	2,238	2.8	201	2,198	2.6	181
Wyoming Three	90	2.1	6	90	2.1	6
Caloma One	765	2.2	54	1,170	2.1	79
Caloma Two	854	2.4	67	1,446	2.2	103
Sub Total	3,947	2.6	328	4,904	2.4	369
TOTAL	**8,614**	**2.0**	**551**	**5,026**	**2.3**	**377**

Apparent arithmetic inconsistencies are due to rounding

Tomingley Gold Operations Comparative Ore Reserves (30 June 2021 to 30 June 2022)

DEPOSIT	2021			2022		
	Tonnage (kt)	Grade (g/t Au)	Gold (koz)	Tonnage (kt)	Grade (g/t Au)	Gold (koz)
Open Pit						
Wyoming One						
Wyoming Three						
Caloma One	476	1.6	25	122	2.0	8
Caloma Two						
Stockpiles	72	1.2	3	384	1.3	16
Sub Total	548	1.6	28	506	1.5	24
Underground (source)						
Proven	783	2.1	54	571	1.9	35
Probable	1,042	1.9	63	1,247	1.7	68
Sub Total	1,825	2.0	117	1,818	1.8	104
TOTAL	**2,373**	**1.9**	**145**	**2,324**	**1.7**	**128**

Apparent arithmetic inconsistencies are due to rounding

The primary differences from 2021 to 2022 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.

Northern Molong Porphyry Project

Extensive RC and core drilling at Boda within the Northern Molong Porphyry Project (NMPP) facilitated an initial estimated Inferred Resource.

NMPP Mineral Resources (as at 30 June 2022)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Metal Au (Moz) / Cu (Mt)
	Mt	Grade	Mt	Grade	Mt	Grade	Mt	Grade	
Resources (cut-off 0.3g/t AuEq)									
Boda Au g/t					624	0.26	624	0.26	5.20
Boda Cu %					624	0.14	624	0.14	0.90
AuEq					**624**	**0.51**	**624**	**0.51**	**10.1 Moz AuEq**
Resources (cut-off 0.4g/t AuEq)									
Boda Au g/t					353	0.33	353	0.33	3.71
Boda Cu %					353	0.18	353	0.18	0.62
AuEq					**353**	**0.63**	**353**	**0.63**	**7.1 Moz AuEq**

*The equivalent calculation formula is AuEq(g/t) = Au(g/t) + Cu%/100*31.1035*copper price ($/t)/gold price($/oz).*

Apparent arithmetic inconsistencies are due to rounding

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	**Mr D Ian Chalmers** (FAusIMM, FAIG), who is an Executive Director of Alkane Resources Ltd.
Tomingley Gold Operations Mineral Resource estimate Peak Hill Mineral Resource estimate	**Mr Craig Pridmore** (MAusIMM), who is Geology Manager Tomingley Gold Operations and an employee of Alkane Resources Ltd.
Tomingley Gold Operations Open Pit Ore Reserve estimate San Antonio and Roswell Open Pit Ore Reserve estimate	**Mr John Millbank** (MAusIMM), an independent consultant (Proactive Mining Solutions).
Tomingley Gold Operations Underground Ore Reserve estimate Roswell Underground Ore Reserve estimate	**Mr Christopher Hiller** (MAusIMM), an independent consultant (Hiller Enterprises Pty Ltd).
San Antonio and Roswell Mineral Resource estimate Boda Mineral Resource estimate	**Mr David Meates** (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 9 September 2022. Additional exploration results have been extracted from ASX announcements noted in the text of the report.

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

SUSTAINABILITY REPORT

Sustainability at Alkane

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

Our Approach

While Alkane's approach to sustainability has not changed in principle, the Board recognises the global shift towards more comprehensive sustainability reporting and disclosure. In light of this we have broadened and deepened our Sustainability Report in 2022 as a stepping stone towards establishing a formal framework in the future.

As a first step, we have encapsulated our approach into an ESG Mission Statement that aligns with our company values. This Mission Statement represents our pledge to all stakeholders – including investors, host communities, employees, government bodies and the people of Australia.

This Sustainability Report summarises Alkane's sustainability performance in FY22 – the measures we have in place, the actions we have taken and the outcomes we have achieved. The report has been structured around four sustainability pillars spanning ESG: Governance, Our People, Communities, and Environment.

One of Alkane's goals for FY23 is to progress development of a formal sustainability framework, potentially aligned with one or more established frameworks – such as the United Nations Sustainable Development Goals, International Council on Mining and Metals (ICMM) '10 mining principles', World Gold Council's 'Responsible Gold Mining Principles', Minerals Council Australia's 'Enduring Value Principles', and guidance from the NSW Minerals Council.

Key Achievements

1. Prepared first Modern Slavery Statement
2. Celebrated Women in Mining Awards for one of our team
3. Progressed Social Psychology of Risk principles at Tomingley
4. Attended first informal community gathering to discuss Boda
5. Sponsored community organisations, projects and events totalling $170k
6. Reported one incident due to unprecedented rainfall
7. Planted 850 Fuzzy Box seedlings south of Tomingley

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

Four Sustainability Pillars

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

Governance

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

Organisational governance

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

Board and sub-committees

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

- Ian Gandel – Non-Executive Chairman
- 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 58 of this report.

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

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

Alkane's Board has added ESG considerations to the work of 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.

During the FY22 reporting period, Alkane commenced development of additional policies related to sustainability. 'Modern Slavery' and 'Safety, Health and Sustainability' policies were approved by the Board in September 2022.

The Alkane Board (L to R): Tony Lethlean, Ian Gandel, Gavin Smith, Nic Earner, Ian Chalmers

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.

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.

alkane.com.au/company/governance/

Modern Slavery Statement

Alkane's first Modern Slavery Statement under the Australian Government's *Modern Slavery Act 2018* has been submitted for the reporting period 1 July 2021 to 30 June 2022.

The statement acknowledges that Alkane does not have full visibility of our supply chain and the origin of many of the goods procured from Australian suppliers. The risk of substantial exposure to modern slavery is considered low, with only minor components of the supply chain exposed to at-risk industries (such as clothing/apparel and electronics) and locations.

Our Modern Slavery Statement outlines the steps Alkane is taking to assess and address these risks. We will report the outcomes of our assessments and any measures implemented in future annual statements.

Tomingley biodiversity offset area

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. The committee has recently engaged an external provider to review material risks to the company at a corporate level in the categories of financial, operational and strategic 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.

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.

The Peak Hill Gold Mine completed a review of its Safety and Health Management System in 2022, including a review of critical 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.

Rehabilitation Management Plans and Forward Programs have been prepared for both the Tomingley and Peak Hill mine sites, as per the NSW Government's new standard rehabilitation conditions on mining leases (in compliance with the *Mining Amendment (Standard Conditions of Mining Leases – Rehabilitation) Regulation 2021)*. The new mining lease conditions will support leading-practice mine site rehabilitation and cement Alkane's role in ensuring New South Wales has a sustainable minerals industry.

Alkane strives to maintain our social licence to operate, and minimise reputational and social sustainability risks, by committing resources and actions to positive stakeholder engagement.

The Audit Committee is tasked with overseeing the evaluation and improvement of Alkane's risk management (including assessment, monitoring and management of financial risks) and internal control processes. Periodically Alkane commissions external consultants to perform diagnostics and reviews of internal controls and IT maturity and cyber security.

Our People

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

Workforce

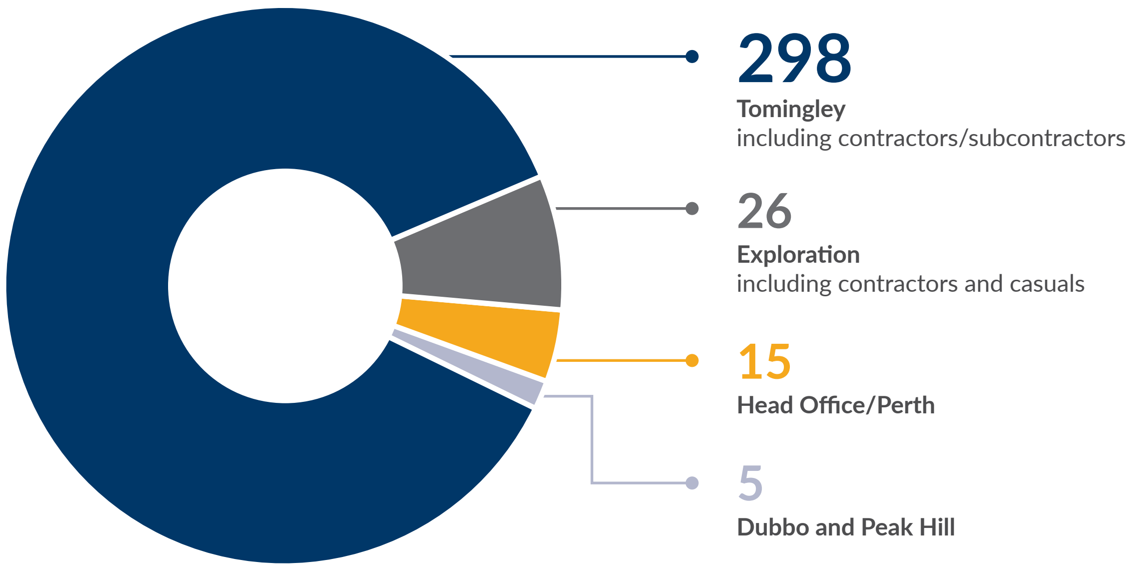
Alkane is headquartered in Perth, Western Australia, where many of our centralised services and executive and senior managers are located. The remainder of Alkane's workforce is in New South Wales, with the largest number (approximately 85 percent) at Tomingley Gold Operations southwest of Dubbo.

Tomingley has over 200 employees (almost 300 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.

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 full-time site supervisor who maintains the mining leases and infrastructure while the site is under care and maintenance.

At financial year end, Alkane had 269 personnel engaged in the business, plus an additional 75 contractors and subcontractors at Tomingley.

Alkane workforce by location (30 June 2022)



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 set the following objectives in FY21, as outlined in the 2021 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.

"Working with great people you can have a laugh with when the pressure is on is always good for the soul."

- Maddie, Underground Maintenance Planner, Tomingley

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 2020	30 June 2021	30 June 2022
Women	25 (12%)	29 (11%)	25 (9%)
Aboriginal and Torres Strait Islander	27 (13%)	35 (13%)	35 (13%)

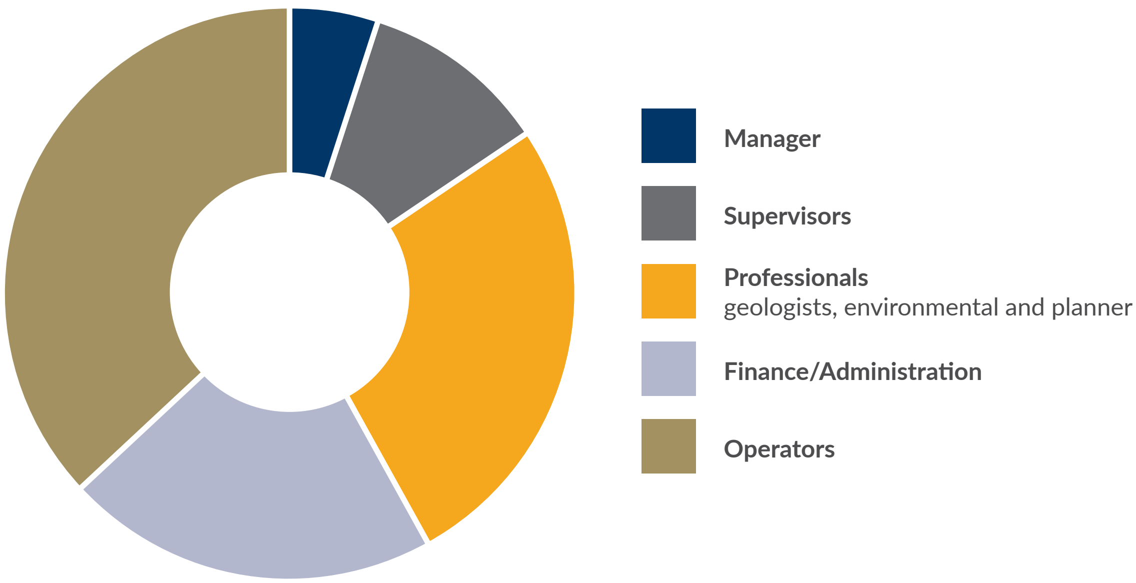
The percentage of Alkane's workforce identifying as Aboriginal and Torres Strait Islander is consistent with the population in Dubbo (14%), where the majority of the Tomingley workforce (representing approximately 85% of Alkane's total workforce) comes from.

To improve female representation at Tomingley, we have adopted recruitment and training strategies involving our female employees as role models. In particular, one of our underground operators, Casey Martin, recently won Outstanding Trade, Operator or Technician of the year at the 2022 NSW Women in Mining Awards (see case study).

Since Tomingley is a residential mine, we are reliant on our workforce being local or willing to relocate to the Central West region of New South Wales. This affects our ability to attract candidates, including women, of appropriate technical expertise or mining experience.

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.

Tomingley women by role (30 June 2022)



Casey Martin wins Women in Mining Awards

Casey joined our team in June 2021 and was the first female underground operator at Tomingley. Since entering the mining industry as a truck driver in 2005, she has worked her way up through a number of roles to her current job as bogger operator.

Throughout her 17-year mining career, Casey has navigated the challenge of being a woman in mining with determination and resilience. While her career progression may have been impeded due to lack of opportunity, Casey's commitment to excellence and focus on professional development means her skillset is extensive. She is licensed for a variety of heavy machinery, with experience spanning mine development, production, safety, health and environment.

Casey is one of Tomingley's most skilled and versatile operators, able to be utilised across the crew in various positions to maintain productivity. She takes pride in 'doing the job once and doing it right' and 'working smart, not just hard'.

Casey is an excellent role model at Tomingley – for all newcomers, not just young women. Keen for younger miners to benefit from her hard-won experience and maximise their safety and effectiveness, she is open with advice, training and mentorship. She also advocates for more flexible work arrangements that empower new parents to return to work sooner and more smoothly.

Alkane was proud to nominate Casey for the 2022 NSW Women in Mining Awards. We congratulate her win in the Outstanding Trade, Operator or Technician category, announced 23 June 2022.

Casey went on to win the Thiess Outstanding Australian Tradeswoman, Operator or Technician Award at the Women in Resources National Awards in Canberra on 8 September 2022.

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 the philosophy is 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.

The Tomingley work health and safety (WHS) team comprises a dedicated WHS manager, an underground trainer, an open cut and processing trainer, an underground safety and training coordinator, and a risk and compliance coordinator.

The WHS team works across the business to ensure employees are trained appropriately, identify hazards, implement safety systems and controls, and monitor compliance with the site's safety management and operations 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. In FY22, we engaged a consultant to review and update these systems, along with key policies and procedures.

Gold pouring at Tomingley

"Tomingley is a very friendly environment, with great trust and respect amongst all employees. Everyone is well-aligned to the company goals and is self-motivated to achieve them. It's very rewarding being part of such a successful team."

- Goddie, Mining Engineer, Tomingley

Our safety approach – the Social Psychology of Risk

The management team at Tomingley has 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).

Tomingley worked with Human Dymensions (led by Dr Robert Long, founder of SPoR) to develop a SPoR program in 2016. The program incorporated the key findings of an organisational risk culture survey conducted onsite. The 'Mi-Profile' survey assessed the organisational culture, values and beliefs of employees by capturing 'gut' (implicit) knowledge. This led to development of practical interventions to help shape workplace culture. The survey, initially conducted in 2016, was repeated in April 2021.

Tomingley has rolled out training introducing SPoR concepts to employees since 2017. In January 2022, an updated program introducing SPoR as it applies to the Tomingley site, was added to the compulsory employee and contractor induction.

Since SPoR challenges traditional thinking around work health and safety, the Tomingley management and WHS teams are working hard to embed the philosophy into traditional WHS culture and systems.

Tomingley underground

The Tomingley SPoR program covers new approaches to awareness, perception, motivation, engagement, communication and culture change. In practical terms, it guides safety culture and actions by:

- Challenging excessive confidence placed on 'common sense', self-perception, 'myths' of carefulness and a range of measures that tend to paralyse leadership thinking and practice.
- Generating a new awareness that accepts the importance of observing self and others in a supportive and non-punishing way, through conducting skilled and non-defensive approaches to safety engagement.
- Emphasising that the SPoR approach is about understanding risk through the lens of WorkSpace (physical environment), HeadSpace (how workers think and make decisions) and GroupSpace (what is the cultural understanding of the critical control).
- Developing skills in identifying and addressing complex social psychological hazards and risks.
- Highlighting how humans make decisions and what to do about them.
- Enhancing understanding of the nature of risk and awareness with regard to the WHS Act, AS/NZS ISO 31000:2009 'Risk Management – Principles and Guidelines', and companion HB 327 'Communicating and Consulting About Risk'.
- Teaching how to observe and engage others for influence through effective conversations and observations.
- Re-shaping and reframing language as a tool to change culture and organisational discourse.
- Building capacity in organisational sensemaking.

Embedding SPoR culture in mining crews

Andrew is the Leading Hand for one of Tomingley's open cut mining crews. He is enthusiastic about the Social Psychology of Risk (SPoR) methodology, which seeks to instil context and reason behind actions. SPoR is founded on the understanding that people all think and see things differently.

Andrew says the SPoR methodology has opened his eyes to the fact his crew members all have different 'HeadSpace' – that is, different mindsets and perceived pressures influencing their decision-making. It has changed the way he deals with people, having greater understanding of the various ways they think and receive instructions. For instance, some people can work from a drawing, whereas others respond better to being shown in the physical environment.

The SPoR methodology also helps Andrew and his crew identify how the 'GroupSpace' affects actions – for example, whether a particular risky behaviour was considered acceptable because everyone was doing it. These days, the daily 10-minute pre-start meetings for the open cut crews finish with a risk topic that encourages people to 'entertain doubt' – that is, think about why something is done. The meetings also discuss any recent incidents – including those that occur at other mines – to identify why something happened and how to prevent it.

Most operators, supervisors and managers at Tomingley have undertaken SPoR training, and it's part of the induction for all new employees. As everyone becomes more mindful of each other's differences, the site culture is evolving. According to Andrew, it can be a challenge to think in this new way, but awareness is growing and people are more likely to speak up about risk.

Tomingley Safety Action Plan

A key focus of FY22 was continued implementation of the Tomingley safety action plan developed in FY21. This safety action plan is founded on the principles of the Social Psychology of Risk. It identified five key target areas, with actions in FY22 described below.

Improving communications and employee inductions

Tomingley management overhauled the employee induction process to incorporate key aspects of SPoR:

- The induction now includes an introduction to SPoR, embedding the principles from the first day of employment.
- The induction summarises the key components of the Tomingley safety and risk management systems in the context of SPoR.
- The induction format has been reshaped into a workshop that utilises key aspects from SPoR, such as priming, framing and anchoring.
- Induction videos have been developed for key departments and aligned with critical risk areas.
- The General Manager attends all inductions to provide insight into the operation for employees.

Maturing the Safety Management System

To ensure the Tomingley safety management system remains compliant and fit for purpose, the WHS team developed an internal audit and critical control verification (CCV) system. Activities are scheduled to occur on a monthly basis.

- Internal audits review site activities against the documented safety management system, determining the level of compliance.
- The CCV system is a process for checking that critical controls (those deemed critical for the safe operation of the site) are in place and functioning, and that employee knowledge around the critical controls is well understood.
- Both these processes identify any non-conformances or weaknesses in the existing system and permit them to be rectified in a 'no blame' environment.

The CCV system follows the principles of SPoR; questions target the WorkSpace (physical environment), HeadSpace (how workers think and make decisions) and GroupSpace (what is the cultural understanding of the critical control).

"We have a very supportive management team at Tomingley. All employees are encouraged to speak openly about safety and know they will be heard. Adhering to site safety processes is never considered a road block or hindrance – it's simply how we do business."

- Jason, Systems and Compliance Coordinator, Tomingley

Review of the Safety Management System

In parallel, Tomingley engaged an external consultant to review the key elements of the site's safety management system. This consisted of predominantly desktop-based verification, with some in-field verification of the safety management system against relevant practices and standards. As a result of the review, a suite of actions was developed to close identified gaps in the safety management system.

Mental Health and Wellbeing – Creating a Psychologically Safe Workplace

In 2021, Tomingley launched a revamped Employee Assistance Program (EAP) in partnership with the site's rehabilitation provider, Altius. The relaunch includes improved access to the EAP via AltiusLife, a digital platform and app designed to support employees with a range of health and wellbeing information. The platform offers articles across different health topics, recipes to inspire healthy eating and cooking, health tracking options, and guidance for employees to monitor their own mental health and wellbeing and provide self-care if needed.

High Risk Manual Tasks – Participative Ergonomics

To support injury prevention, Tomingley commenced a High-Risk Manual Tasks – Participative Ergonomics program throughout the year. Aligned with SPoR principles, the program involved using wearable technology to identify high-risk tasks, then training employees on how to better manage these tasks – either through improved ergonomics, redesigning work or the use of lifting aids and equipment.

Other Tomingley programs and initiatives

Training program

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 training for shotfirers, underground supervisors and emergency response training. The site is currently developing role-based training plans.

Culture and risk workshops for managers

Tomingley's management team completed a two-day cultural and risk leadership workshop. This program touched on aspects of strategic thinking, decision making, personality types and how these can be utilised better to work together. It also covered key concepts of leadership, leadership models and the SPoR approach.

Document usability mapping

During the year, the WHS team progressed a project targeting more efficient and user-centred document authoring and understanding. This complements the SPoR methodology applied to risk on site.

The team adopted an approach based on 'usability mapping' methodology, which applies the rules of human cognition and behaviour to communications. It aims to use the most appropriate level of language in essential documentation (such as procedures, safety management systems, and other safety-related documentation) to enhance understanding by the end-user. The benefits include streamlining safety documentation and reducing comprehension errors.

Tomingley safety performance

In FY22 there were five recordable injuries at the Tomingley site: one Lost Time Injury, two Restricted Work Injuries and two Medical Treated Injuries. The total recordable injury frequency rate (TRIFR) was 3.54, a 32 percent reduction on FY21 (TRIFR of 5.21). There were also 15 first aid injuries.

Source data	FY 2020	FY 2021	FY 2022
Tomingley TRIFR	1.83	5.21	3.54

"We have great mentorship and collaboration across the teams at Tomingley. I've made friends for life already."

- Crystal, Geologist, Tomingley

Occupational hygiene monitoring program

The occupational hygiene monitoring program monitors key occupational hazards, including noise, silica dust and diesel particulate matter. During the year, Tomingley finalised the baseline measurement. The program led to the development of 'similar exposure groups' (SEG) and purchase of the first portable real-time silica dust monitoring device. This device will be utilised across the site to gain better understanding of where silica dust is a hazard and to monitor effectiveness of controls.

Site hazard reporting system

Utilising SPoR concepts, Tomingley revamped the site hazard reporting system to include greater transparency and accountability. Completed hazard report forms are now discussed at department handover meetings and pinned to a hazard report board placed in work areas. The hazard remains visual and on the board until the identified issue is rectified.

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 FY23

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

- Tomingley document management and control system – Continue to enhance functionality, including usability mapping.
- High-Risk Manual Tasks – Participative Ergonomics program – Stage 2 implementation will aim to develop site-based capability and workgroup-based 'champions' to support the ongoing implementation of the process.
- Embedding Social Psychology of Risk culture – Get back to the basics of WHS and embed the current systems. This project will also identify ways to further incorporate the SPoR concepts into site systems.

COVID-19 Impact

Alkane continues to follow COVID-19 health and safety protocols according to government guidelines.

At times during FY22, the various Australian states had different border and quarantine rules, which impacted the movements of some of our employees. The travel restrictions also restricted the ability of the Alkane Board to travel from other states to our sites in New South Wales and meet face to face.

Alkane supported Tomingley employees through the pandemic period when government rules required close contacts of positive COVID-19 cases to isolate for 14 days. Those affected received an ex-gratia payment to isolate and test until they were clear to come out of isolation. We also allowed employees to take annual leave and personal leave up to one week in advance where needed.

Many of our operators worked additional shifts over the past year to cover for their teammates at different times. Thanks to their tremendous efforts, production results at Tomingley were mainly unaffected. To protect our employees and minimise transmission of COVID-19 onsite at Tomingley, we enacted strict workforce protocols and limited the number of visitors to the site.

"Alkane provides excellent support to develop my professional and scientific skills. There is easy communication across the company, and I'm always free to suggest new ideas. I feel like I'm valued and contributing to Alkane's success."

- Alex, Senior Exploration Geologist

Communities

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

Stakeholder Engagement

Alkane engages regularly with a range of stakeholders to communicate about our activities and listens to needs and concerns. We aim to stay positively engaged with our host communities and nurture positive relationships with all stakeholders as part of our social licence to operate.

Host communities

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

We take a long-term and respectful approach to building and nurturing community and landholder relationships. From the earliest stages of exploration, we seek to lay the foundations of a positive relationship with the landholder by listening to and responding to their needs. This approach continues through project development and finally into operations, when we become part of the community.

Alkane has a number of established engagement activities with the communities around Tomingley village and Narromine Shire, where our main mine and processing facility is located. These include participation on the Community Consultative Committee, publication of dedicated community newsletters (approximately three per year), and a number of sponsorship programs. In addition, we participate regularly at community events to discuss our projects and support community development.

In FY22, consultants working with and on behalf of Alkane continued extensive consultations with the community and other stakeholders about the Tomingley Gold Extension Project. These consultations were important for development of the Environmental Impact Statement (EIS), which was publicly exhibited in March 2022. The Social Impact Assessment assessed both the positive and negative social impacts of the project. Alkane has committed to working closely with potentially affected landholders to ensure we minimise our impacts on them and their lifestyle.

Alkane also participated in the following community activities during FY22:

- Clontarf Foundation Employment Forums in Dubbo (27 July 2021 and 24 May 2022)
- Bodangora village community information session (17 January 2022)
- Tomingley Picnic Races (2 April 2022)
- Wellington Show – platinum sponsor (21 May 2022)
- NSW Mining Careers Dinner in Dubbo (25 May 2022)
- Dubbo Show (27-29 May 2022)
- Presentations to the South Dubbo Rotary Club and NSW Conference of the Australian Property Institute (27 May 2022), Parkes Combined Probus Club (10 June 2022).

Founding a positive community relationship at Boda

The Boda deposit is located 15 kilometres northeast of the town of Wellington in the Central West region of New South Wales. Although gold was first discovered in this area back in the 1840s, there has been limited mining for the past century.

Alkane recognises the introduction of mining into this highly productive agricultural environment would involve change. We intend to work hard to establish and maintain a mutually cooperative relationship with the community. The Boda discovery has the potential to bring a long-term viable industry to Wellington that would create large-scale employment and generate a significant boost to the local and state economy.

For the duration of our exploration activities in the Wellington area, Alkane has maintained a presence within the community. For the past several years, we have maintained an information booth at the Wellington show and sponsored the yard dog trials. Alkane was a platinum sponsor of the 2022 Wellington Show (Saturday 21 May 2022).

We have also taken care to lay the foundations of a long-term positive relationship with landholders during our exploration activities, working under fair and respectful land access agreements. Our tenements are distributed over several properties, some of which host the Bodangora Wind Farm.

In January 2022, Alkane attended an informal gathering of approximately 25 local farmers to explain about the exploration program they'd seen in action across the fields. It gave our team the opportunity to discuss the project and answer questions about what development of Boda could mean for their community.

As the project progresses, we anticipate holding further community meetings. We have also commenced conversations with local Aboriginal community representatives, including the Wellington Local Aboriginal Land Council.

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.

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 and participation in selected industry forums:

- Central West Minerals Exploration Discussion Group (CMEDG)
- Mines & Wines Conference Orange; Alkane gave two presentations and hosted a visit to our exploration facility to inspect Boda and Tomingley cores. (10-13 May 2022)

In November 2021, Tomingley was pleased to host a communications and video production team from the NSW Environment Protection Authority (EPA) to shoot footage for an EPA recruitment video.

Alkane is a sponsor of Australian Earth Science Education (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.

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.

In FY22, the following videos were published:

- Alkane talks about open pit potential at the Boda prospect (18 August 2021)
- Boda update with Alkane Managing Director and Technical Director (30 August 2021)
- Alkane Technical Director and Exploration Manager discuss the geology of Boda (30 May 2022)
- Alkane Managing Director and Technical Director discuss the initial Boda resource (30 May 2022)
- Boda Initial Resource – webinar with Q&A (31 May 2022).

Summary of stakeholder engagement activities

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

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.

Following is a summary of key Alkane economic contributions in FY22:

Government payments	Local council payments	Suppliers	Community contributions
$7M	**$0.5M**	**$126.7M**	**$170,000**
(including **$5.4M** in royalties)	(rates and planning agreement)	**(45% NSW)**	

Clontarf Foundation **($100K)**	Tomingley Gold Project Community Fund **(approx. $43K)**	Narromine Star newspaper **($11K)**	Australian Earth Science Education (AusEarthEd) **($9K)**	Narromine Jets **($5K)**
Dubbo Golf Club	Narromine Rotary Club	Peak Hill PH&A Association	Wellington Show	Wellington Community Christmas Party

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. We have funded several local infrastructure projects through the Tomingley Gold Project Community Fund. We also established a side branch to Alkane's bore water pipeline to supply the Tomingley village dam with non-potable water. This has increased water security for the village during times of drought.

The community fund continues to fund local projects and events on a submissions basis. In FY22, approximately $43,000 was awarded to a number of different projects, including the annual sponsorship of the Tomingley Picnic Races (traditionally held in April), equipment for the Narromine rugby clubhouse, medical equipment for the Narromine Hospital Auxiliary, and sponsorship of two Narromine High School events.

In the reporting period, Alkane became a foundation supporter of the Narromine Star, a new independent local newspaper launched on 4 November 2021. Our year-long sponsorship helped provide a solid launchpad to get the paper off the ground.

Alkane also supports the Narromine Rotary Club by bringing its food van to site 12 times per year and buying lunch for the Tomingley workforce. According to the club, this was its largest fundraising program during the height of the pandemic.

Approval of the Tomingley Gold Extension Project would see the operation continue until at least 2031. This would 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.

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, members of the Wiradjuri Nation. Today the operation lies within the boundaries of the Peak Hill Local Aboriginal Land Council (PHLALC).

The Tomingley Cultural Heritage Management Plan, which guides the management of Aboriginal heritage sites identified during the initial environmental assessment in 2009, was developed in close consultation with several Wiradjuri Aboriginal stakeholder groups, including PHLALC.

In 2021, as part of the environmental impact assessment for the Tomingley Gold Extension Project, consultants working on behalf of Alkane surveyed the new project site in conjunction with the local Aboriginal community. A total of 39 sites of Aboriginal heritage significance were identified, of which 12 would be disturbed by the extension project. To manage the proposed disturbance and protect the balance, the Tomingley Cultural Heritage Management Plan will be updated in consultation with the Aboriginal community.

Alkane has recently commenced conversations with local Aboriginal community representatives of the Wellington area, where the Boda project is located. This included a meeting in August 2022 with the Wellington Local Aboriginal Land Council.

Sponsorship of the Clontarf Foundation

In September 2020, Alkane established a major new sponsorship of the Clontarf Foundation's Narromine Academy for $300,000 over three years. The sponsorship represents Alkane's long-term investment in capacity building for young Aboriginal and Torres Strait Islander men, and includes an annual program of student interaction, celebrations of achievements, employment pathway support, and visits between the Tomingley gold mine and the Narromine Academy.

Supporting local Aboriginal businesses

Alkane has a history of supporting local Aboriginal businesses. Six years ago, natural oils distiller, Native Secrets, began extracting oils from White Cypress Pine (*Callitris glaucophylla*) trees being thinned from the property managed by our former subsidiary, Toongi Pastoral Company. We are currently exploring new partnering opportunities with Aboriginal organisations around Tomingley.

Environment

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

Environmental Management

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

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. The management plans are reviewed regularly, most recently following the approval of Modification 5 (April 2021). Updated biodiversity management and water management plans were approved by the NSW Department of Planning and Environment (DPE) in FY22. Approval of the Tomingley Gold Extension Project will result in the EMS and all management plans being extensively reviewed and updated for approval by DPE.

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)
- National Pollutant Inventory (NPI)
- National Emissions and Energy Report (NGER)

The report resulting from the three-yearly independent environmental audit (for the period March 2018 to May 2021) was submitted to DPE in September 2021. We are working through the action plan to address minor administrative non-compliances.

Environmental performance in FY22

One reportable incident occurred on site during the period. During a heavy rainfall event on 26 November 2021, 'dirty' water was discharged from one of Tomingley's sediment ponds via a spillway (licensed discharge point) into Gundong Creek. With 186mm of rain falling in 48 hours, the dual pumping system couldn't keep up with the extreme volumes of water. Water samples were taken at several locations during and after the discharge; testing revealed the discharged water contained elevated levels of 'total suspended solids' (sediment), but no raised levels of metals or significant changes in pH. The TSS levels recorded at a downstream monitoring point were well within acceptable limits. The incident was reported to the NSW Environment Protection Authority (EPA), which advised no further action was required.

No noise, dust or vibration exceedances were recorded at Tomingley during the reporting period, and no complaints were received. Details of Tomingley's environmental performance can be found on Alkane's website.

Boda

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 was updated in FY22 to accommodate the approved construction of a second residue storage facility (Modification 5). The plan also contains details of the New South Wales regulatory environment and water licences.

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

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

The table below shows the continual improvement in raw water use efficiency (per ounce of gold poured) and consumption at Tomingley over the past three years. It indicates the site is drawing only 50-70 percent of its 1000ML entitlement.

The water management system at Tomingley includes infrastructure (drains, dams, pumps and pipelines) to manage clean, raw, dirty, mine and process (contaminated) water. These systems are rigorously maintained to protect the integrity of natural surface and groundwater flows. High annual rainfall (around double the average) presented a challenge in FY22 and resulted in a reportable discharge of dirty water from one of the sediment ponds (see preceding section).

Water use efficiency and consumption

Water consumption	FY20	FY21	FY22
Total water drawn from bore (ML)	559	629	573
- per tonne of ore processed (L/t)	665	676	556
- per ounce of gold poured (L/oz)	16,683	11,043	8,577

Emissions and energy

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

We continue to explore renewable energy solutions to provide an effective proportion of the power requirements for the Tomingley processing plant and other site infrastructure. Feasibility of a solar installation on Alkane's land around Tomingley remains under consideration. For future project developments, we intend to comprehensively evaluate renewable and low-emission power sources and incorporate them where feasible.

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. In FY22, we introduced a new underground fleet with higher-performance engines that reduce diesel emissions.
- Scope 2 GHG emissions relate to electricity purchased from the grid.

Tomingley Gold Operations emissions and energy data

	FY20	FY21	FY22
Greenhouse gas emissions			
Total emissions Scope 1 & Scope 2 (t CO_2-e)	36,742	46,844	51,528*
GHG intensity (t CO_2-e/oz)	1.1	0.82	0.77*
Energy			
Total consumed (GJ)	222,526	312,541	359,422*
Energy intensity (GJ/oz)	6.64	5.49	5.38*

** FY22 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.

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 and contained so that it cannot leach acid.

Where practical, waste rock from the open cuts has been used for construction projects around the site – such as construction of amenity bunds and walls of the residue storage facility. The balance was initially stored in two purpose-built waste rock emplacements (WREs) that have been rehabilitated. Upon the resumption of open cut mining in the Caloma cutback, the waste rock is being used to backfill the Caloma Two pit.

Some of the underground mining waste rock is being temporarily stored on the surface, prior to backfilling empty stope voids. It is also used to backfill the Wyoming Three pit and other general site constructions.

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 also undergone extensive buttressing over the last 12 months to maintain appropriate factors of safety.

A second RSF to support extended operations at Tomingley has been approved. Currently 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.

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.

Tomingley

Designing landforms for visual amenity

The Tomingley Gold Extension Project will require a new waste rock emplacement (WRE) to be constructed in the vicinity of the open cut. This new landform has been designed with more 'natural' contours (instead of stepped batters) to blend in more sympathetically with the landscape.

Soil experts were engaged to assess soil 'erodibility' and model WRE designs based on the volume of waste rock to be moved, the quality of available topsoil (which is highly variable), and local climate. Soil samples were collected from across the site and subjected to simulated rainfall and erosion stresses in a specialised laboratory.

The results have indicated the gradient and form of the batters able to be accommodated by the available soils for the local climate. The amount of rainfall and its distribution greatly influence vegetation growth and the potential for erosion.

The proposed WRE will be constructed and the outer section progressively rehabilitated, providing a visual shield for ongoing mining activities. Similar principles will be used to construct and revegetate an amenity bund to shield observers to the south, west and north of the project site from the majority of mining-related activities.

Recycling of containers used for liquid chemicals

Tomingley has a number of recycling programs in place for key consumables – including scrap metal, oil and grease. A project in FY22 involved establishing a system to allow intermediate bulk containers (IBCs) to be added to the mix.

IBCs are industrial-grade containers utilised across site for bulk handling and storage of liquid chemicals and lubricants. Typically featuring significant quantities of metal and plastic in their construction, IBCs are eminently recyclable – providing they are first rinsed free of potentially hazardous materials.

When the volume of empty IBCs was starting to build up, the Tomingley team devised an appropriate and safe process for cleaning the containers. They are now rinsed within the bunded area at the mill, where runoff goes through the water recycling circuit. Any IBCs that contained hydrocarbons (e.g. grease) go to a different wash bay that has an oil/water separator. Empty IBCs are also used as receptacles for waste products – such as oily rags, used filters and other contaminated waste types – which are then collected by a licensed waste contractor and disposed at a licensed waste facility.

The cleaned IBCs are now collected in batches by Tomingley's scrap metal recycling provider. Approximately 150 IBCs were cleaned and collected in the first instance. They will be washed and recycled on an ongoing basis.

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 the project footprint and improve the productivity of residual agricultural lands that are not disturbed.

Rehabilitation

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.

Rehabilitation of the original waste rock emplacements at Tomingley is progressing well, as per the Rehabilitation Management Plan. Contouring and drainage works were completed in 2018, and high levels of rainfall in recent years have resulted in good vegetation growth, including planted acacias and eucalypts. These landforms continue to be monitored as part of Tomingley's Biodiversity Management Plan, with results reported in the Annual Rehabilitation and Biodiversity Assessment report supplied to the NSW Department of Planning and Environment.

Agriculture

In the Environmental Impact Statement (EIS) for the Tomingley Gold Extension Project, Alkane has committed to improving the overall land and soil capability of the agricultural land that will not be disturbed by the project (approximately 1450 hectares). This would 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).

Over the past year, TPC assisted with preparation of the agricultural impact statement for the EIS, and is tasked with developing and enacting the long-term land management and farm plan. 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 propose 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 FY22, the team focused on amalgamating the properties, taking stock of inherited infrastructure and learning about the natural aspects of the landscape – such as soil, water and vegetation. At year-end, the consolidated property supported about 2000 ewes on either spring or autumn lambing cycles, and about 200 yearling cattle. Approximately 500 hectares were sown with winter cereals and forage crops.

Rehabilitated waste rock emplacement at Tomingley

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 157 hectares 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 re-vegetation (77ha). Management activities include re-vegetation (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 2021 Annual Rehabilitation and Biodiversity Assessment report was submitted October 2021 and the 2022 report will be submitted October 2022.

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.

Biodiversity assessment for the Tomingley Gold Extension Project

Biodiversity surveys for the Tomingley Gold Extension Project began in September 2019, and were completed in early 2022. Most of the area is cleared agricultural land. However, the surveys identified four types of native vegetation. One of these is Fuzzy Box (*Eucalyptus Conica*) woodland, which is a locally uncommon species and classified as a Threatened Ecological Community.

Alkane has already started planting Fuzzy Box outside the projected disturbance footprint. In August 2021, members of Alkane's exploration and Tomingley teams, as well as Toongi Pastoral Company, planted 850 Fuzzy Box seedlings grown by local nursery, Narromine Transplants. The seedlings have mostly survived in defiance of soggy ground due to excessive rainfall, and have grown to double their planted height.

The biodiversity assessment also identified three threatened bird species, namely the Grey-crowned Babbler (*Pomatostomus temporalis*), Superb Parrot (*Polytelis swainsonii*) and Glossy Black Cockatoo (*Calyptorhynchus lathami*). While the Superb Parrot is a seasonal visitor and the Glossy Black Cockatoo was likely present only because habitat further east had been impacted by bushfire, the Grey-crowned Babbler is local to the area. We are already managing and enhancing remnant habitats for this species.

Overall, approximately 78 hectares of native vegetation would be disturbed by the project, with no significant habitat to be cleared. While the biodiversity impacts would be small, we will offset those that would occur in accordance with the NSW Government's requirements.

FINANCIAL REPORT

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'group') consisting of Alkane Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

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

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

Information on Directors and Company Secretaries

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

Appointed Director 24 July 2006 and Chairman 1 September 2017.

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

Mr Gandel has been an investor in the mining industry since 1994. Mr Gandel is currently a substantial holder in a number of publicly listed Australian companies and, through his private investment vehicles, now holds and explores tenements in his own right in Western Australia. Mr Gandel is currently non-executive chairman of Alliance Resources Ltd (appointed as a director on 15 October 2003 and in June 2016 was appointed non-executive chairman). Mr Gandel is currently non-executive chairman of Australian Strategic Materials Limited (appointed 18 March 2014). He is also non-executive chairman of Octagonal Resources Ltd (appointed 10 November 2010) (this company sought delisting from the ASX in February 2016 and converted to Pty Ltd status in April 2016).

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

Nicolas Paul Earner – Managing Director
BEng (hons)

Appointed Managing Director 1 September 2017.

Mr Earner is a chemical engineer and a graduate of the University of Queensland with over 25 years' experience in technical and operational optimisation and management, and has held a number of executive roles in mining and processing.

Mr Earner joined Alkane Resources Ltd as Chief Operations Officer in August 2013, with responsibility for the safe and efficient management of the company's operations at Tomingley Gold Operations (TGO) and Dubbo (Dubbo Project). Under his supervision, the successful development of TGO transitioned to profitable and efficient operations. His guidance also drove the engineering and metallurgical aspects of the Dubbo Project, prior to its transition into the separately listed Australian Strategic Materials.

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

Mr Earner is currently a non-executive director of Australian Strategic Materials Limited (appointed 1 September 2017).

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

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

Mr Chalmers, Alkane Resources Ltd's Technical Director, is a geologist and graduate of the Western Australia Institute of Technology (Curtin University) and has a Master of Science degree from the University of Leicester in the United Kingdom. He has worked in the mining and exploration industry for over 50 years, during which time he has had experience in all facets of exploration and mining through feasibility and development to the production phase. Mr Chalmers was Technical Director of Alkane until his appointment as Managing Director in 2006, overseeing the group's minerals exploration efforts across Australia and the development and operations of the Peak Hill Gold Mine (NSW). During his time as Chief Executive he steered Alkane through the discovery, feasibility, construction and development of the now fully operational Tomingley Gold Operations; the discovery and ultimate sale of the McPhillamys gold deposit; the 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.

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

Appointed Director 30 May 2002.

Mr Lethlean is a geologist with over 10 years' mining experience, including 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 Committee and Risk Committee and a member of the Remuneration and Nomination Committee.

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

Appointed Director 29 November 2017.

Mr Smith is an accomplished senior executive and non-executive director within multinational business environments. He has more than 35 years' experience in Information Technology, Business Development, and General Management in a wide range of industries and sectors. Mr Smith has worked for the Bosch group for the past 29 years in Australia and Germany and is current chair and president of Robert Bosch Australia. In this role Mr Smith has led the restructuring and transformation of the local Bosch subsidiary. Concurrent with this role, he is a non-executive director of the various Bosch subsidiaries, joint ventures, and direct investment companies in Australia and New Zealand.

Mr Smith is currently a non-executive director of Australian Strategic Materials Limited (appointed 12 December 2017).

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

Dennis Wilkins – Joint Company Secretary
B.Bus, ACIS, AICD

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, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd, where he advises on the formation of, and capital raising for, emerging 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 the 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.

Result for the year

The profit for the consolidated entity after providing for income tax amounted to $70,251,000 (30 June 2021: $55,701,000).

This result included a profit before tax of $62,165,000 (30 June 2021: $57,791,000) 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 the Central West region of New South Wales. The gold processing plant was commissioned in January 2014 and has been operating at the design capacity of 1Mtpa since late May 2014. Mining is based on four gold deposits (Wyoming One, Wyoming Three, Caloma One and Caloma Two).

TGO had an excellent year with both the underground and open cut operations performing well. Full year production exceeded guidance, with all in sustaining cost (AISC) below guidance.

Gold recovery of 83.7% for the period was in line with expectations (2021: 88.8%). Average grade milled increased to 2.44g/t in the current year (2021: 2.14g/t).

Production for the period was 66,802 ounces of gold (2021: 56,958 ounces of gold) with all in sustaining costs of $1,460 per ounce (2021: $1,320 per ounce). The average sales price achieved for the year increased to $2,467 per ounce (2021: $2,286 per ounce). Gold sales of 66,883 ounces (2021: 55,929 ounces) resulted in sales revenue of $165,010,000 (2021: $127,833,000).

Bullion on hand decreased by 97 ounces from 30 June 2021 to 3,149 ounces (fair value of $8,244,000 at year end).

Alkane's intention is to develop the Roswell and San Antonio deposits, which are located 3 – 5km south of Tomingley, as soon as possible.

The table below summarises the key operational information:

TGO Production	Unit	September Quarter 2021	December Quarter 2021	March Quarter 2022	June Quarter 2022	FY 2022	FY 2021
Open cut							
Waste mined	BCM's	290,371	233,937	184,013	140,590	848,911	1,218,779
Ore mined	BCM's	36,225	32,450	52,276	74,641	195,592	37,166
Strip Ratio	Ratio	8.0	7.2	3.5	1.9	4.3	32.8
Ore mined	Tonnes	93,118	91,185	146,895	209,741	540,939	71,347
Grade(2)	g/t	0.63	0.83	1.34	1.77	1.30	0.64
Underground							
Ore mined	Tonnes	226,054	208,534	151,976	213,019	799,584	706,889
Grade	g/t	1.87	2.42	3.18	3.44	2.76	2.63
Ore Milled	Tonnes	247,884	257,384	261,675	262,264	1,029,207	928,531
Head Grade	g/t	1.79	2.42	2.27	3.23	2.44	2.14
Gold Recovery	%	85.1	85.4	79.3	84.9	83.7	88.8
Gold poured(3)	Ounces	12,141	16,935	14,635	23,091	66,802	56,958
Revenue summary							
Gold sold	Ounces	13,359	17,754	14,635	21,135	66,883	55,929
Average price realised	A$/oz	2,467	2,475	2,437	2,481	2,467	2,286
Gold revenue	A$M	33.0	43.9	35.7	52.4	165.0	127.8
Cost summary							
Surface works	A$/oz	263	199	237	170	211	17
Mining	A$/oz	709	431	400	369	460	452
Processing	A$/oz	406	321	393	295	346	347
Site support	A$/oz	154	138	163	106	136	125
C1 cash cost(1)	A$/oz	1,531	1,089	1,192	940	1,153	940
Royalties	A$/oz	65	78	83	91	81	73
Sustaining capital	A$/oz	268	114	264	334	247	296
Gold in circuit movement	A$/oz	16	(6)	(10)	(268)	(85)	(58)
Rehabilitation	A$/oz	20	20	21	22	21	20
Corporate	A$/oz	61	42	46	31	43	49
All in sustaining cost(1)	A$/oz	1,961	1,338	1,598	1,150	1,460	1,320
Bullion on hand	Ounces	2,025	1,203	1,235	3,149	3,149	3,246
Stockpiles							
Ore for immediate milling	Tonnes	143,535	185,869	223,066	383,563	383,563	71,938
Stockpile grade(2)	g/t	0.92	0.85	1.10	1.31	1.31	0.95
Contained gold	Ounces	4,246	5,114	7,918	16,167	16,167	2,856

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

(2) *Based on the resource models.*

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

Tomingley Gold Extension Project

An extensive exploration program focused on the immediate area to the south of the Tomingley mine has continued as part of the plan to source additional ore feed, either at surface or underground. On the back of strong results from exploration and resource drilling to the immediate south of Tomingley, the company is expediting the process to move to mine development.

Alkane continues to progress approvals for this development. The expected timing of Project Approval is in the current September quarter.

Feasibility plans that include both open cut and underground mines at Roswell and San Antonio have been prepared and released as part of a Tomingley Life of Mine Plan, that shows extension of the mine life beyond 2030 (on approval).

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 program continued to focus on both increasing the drilling density within the Roswell and San Antonio prospects as well as testing strike and depth extensions.

This increase in the Roswell resource during the period gives further support to the company's plans to develop the deposit. Exploration drilling is ongoing at the recently discovered McLeans and Plains prospects.

Regional drilling of the San Antonio to Peak Hill corridor focused on stratigraphy south of the El Paso target where earlier exploration had returned encouraging results.

Northern Molong Porphyry Project (gold-copper)

The initial Inferred Mineral Resource estimation for the Boda deposit was confined to a surface area of 1,000m strike length and 500m width.

A review of feasibility and existing operating data for similar deposits in Australia was considered in determining cut-off grades of 0.3g/t AuEq and 0.4g/t AuEq as reasonable for the prospect of eventual extraction with the use of bulk tonnage mining methods of open cut or underground respectively.

The Mineral Resource will be subject to further resource infill and extension drilling with a view to define the continuity of the mineralisation at depth and to improve the confidence in the Mineral Resource.

Other exploration targets include areas immediately along strike northwest of Boda towards and including the Korridor prospect. The Boda Two prospect is adjacent and south of Boda, where the mineralisation appears to rotate from a northwest trend at Boda to a northerly trend at Boda Two.

Other exploration is focused on defining higher grading centres within the 3.5km intrusive corridor as well as extending the known alteration northwest of Kaiser.

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).

Significant changes in the state of affairs

In early 2020 with the outbreak of Coronavirus Disease 2019 ('COVID-19' or 'the coronavirus'), unprecedented measures put in place by the Australian Government, as well as governments across the globe, to contain the coronavirus have had a significant impact on the economy.

Management continues to maintain high vigilance around COVID-19.

As at the date these financial statements were authorised, Management was not aware of any material adverse effects on the financial statements as a result of the coronavirus.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

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

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

Environmental regulation

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

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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2022, 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	11	11	2	2	1*	1*	1	1
A D Lethlean	11	11	2	2	1	1	1	1
D I Chalmers	11	11	2*	2*	1*	1*	1	1
G Smith	10	11	2	2	1	1	1	1
N Earner	11	11	2*	2*	1	1	1*	1*

Held: represents the number of meetings held during the time the director held office or was a member of the committee during the year.

** Not a member of this committee. Non-members may attend the relevant committee meetings by invitation.*

Remuneration report

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

The report contains the following sections:

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

(b) Remuneration governance

(c) Use of remuneration consultants

(d) Executive remuneration policy and framework

(e) Statutory performance indicators

(f) Non-Executive Director remuneration policy

(g) Voting and comments made at the company's 2021 Annual General Meeting

(h) Details of remuneration

(i) Service agreements

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

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

(l) Other transactions with Key Management Personnel

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

Non-Executive Directors

I J Gandel
G M 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
A MacDonald*	General Manager – Marketing
D Woodall *	Managing Director – Australian Strategic Materials

** D Woodall and A MacDonald ceased to be KMP after the demerger of Australian Strategic Materials from Alkane Resources on 20 July 2020.*

(b) Remuneration governance

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

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

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

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

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

(c) Use of remuneration consultants

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

(d) Executive remuneration policy and framework

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

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

The executive remuneration framework has three components:

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

(i) Executive remuneration mix

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

(ii) Total fixed remuneration

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

(iii) Incentive arrangements

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

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

Short-term incentives

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

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

STI awards for the executive team in the 2022 financial year were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Remuneration Committee through a rigorous process to align to the company's strategic and business objectives.

Performance metrics	Weighting
Production performance at TGO	25%
Cost performance at TGO	25%
Safety Performance, Environment & Social Licence	25%
SAR planning approval	10%
Boda Resource Growth	15%

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

Long-term incentives

The LTI is designed to focus executives on delivering long-term shareholder returns. Eligibility for the plan is restricted to executives and nominated senior managers, being the employees who are most able to influence shareholder value. Under the plan, participants have an opportunity to earn up to 100% of their total fixed remuneration (calculated at the time of approval by the Remuneration Committee) comprised of performance rights. In previous periods, performance rights were granted in two tranches each year. Each tranche of performance rights has separate vesting conditions, being share price growth and company milestone events, with the executives' LTI weighted more heavily to the share price growth tranche. The LTI vesting period is three years. In FY2022 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 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Revenue ($'000)	165,010	127,833	74,397	95,852	129,974
Profit/(loss) for the year attributable to owners ($'000)	70,251	55,701	12,762	23,293	24,471
Basic earnings/(loss) per share (cents)	11.8	5.6	2.4	4.6	4.8
Dividend payments ($'000)	-	-	-	-	-
Share price at period end ($)	0.62	1.15	1.21	0.46	0.23
Total KMP incentives as a percentage of profit/(loss) for the year (%)	1.8%	2.1%	8.3%	3.3%	3.0%

(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 2022 are as follows:

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

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

(g) Voting and comments made at the company's 2021 Annual General Meeting

The company received 98.7% of 'yes' votes on its remuneration report for the financial year ended 30 June 2021. 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 2022	Fixed remuneration					Variable Remuneration	Total
	Cash Salary[(a)]	Annual and long service leave[(b)]	Post-employment benefits[(c)]	Cash bonus[(a) (h)]	Bonus Employee Share Plan[(i)]	Rights to deferred shares[(d)]	
	$	$	$	$		$	$
Executive Directors							
N P Earner	624,812	(8,052)	25,188	-	-	716,484	1,358,432
D I Chalmers	307,232	39,981	23,568	-	-	165,078	535,859
Other KMP							
J Carter	434,500	5,317	27,500	-	1,000	233,847	702,164
S Parsons[(f)]	418,000	38,508	27,500	87,503	1,000	124,900	697,411
Total Executive Directors and other KMP	1,784,544	75,754	103,756	87,503	2,000	1,240,309	3,293,866
Total NED remuneration[(e)]	400,682	-	27,818	-	-	-	428,500
Total KMP remuneration expense	2,185,226	75,754	131,574	87,503	2,000	1,240,309	3,722,366

30 June 2021	Fixed remuneration			Variable Remuneration	Total
	Cash Salary[(a)]	Annual and long service leave[(b)]	Post-employment benefits[(c)]	Rights to deferred shares[(d)]	
	$	$	$	$	$
Executive Directors					
N P Earner	576,942	28,234	23,058	707,441	1,335,675
D I Chalmers	309,105	142,783	21,694	148,333	621,915
Other KMP					
D Woodall[(g)]	26,344	-	2,503	-	28,847
A MacDonald[(g)]	28,769	-	2,660	29,438	60,867
J Carter	362,300	17,546	25,000	244,604	649,450
S Parsons[(f)]	87,586	11,105	5,065	39,866	143,622
Total Executive Directors and other KMP	1,391,046	199,668	79,980	1,169,682	2,840,376
Total NED remuneration[(e)]	376,661	-	24,965	-	401,626
Total KMP remuneration expense	1,767,707	199,668	104,945	1,169,682	3,242,002

(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) *Performance rights 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. Performance rights are equity-settled share-based payments as per the Corporations Regulations 2M.3.03(1) Item11. These include negative amounts for the rights forfeited during the year. Details of each grant of share right are provided in the table in section (j). Shareholder approval was received in advance to the grant of share rights where required.*

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

(f) *Mr Parsons was appointed an Executive General Manager - Operations on 19 April 2021. Before this appointment he was the group's General Manager Operations.*

(g) *D Woodall and A MacDonald ceased to be KMP after the demerger of ASM from Alkane Resources on 20 July 2020.*

(h) *The cash bonus includes a paid short-term incentive for FY2021 ($44,278) and short term incentive for FY2022 ($43,225) that will be paid subject to final determination.*

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

	Cash salary and fees $	Superannuation $	Total $
30 June 2022			
Non-Executive Directors			
I J Gandel	173,636	17,364	191,000
A D Lethlean	104,546	10,454	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	400,682	27,818	428,500
30 June 2021			
Non-Executive Directors			
I J Gandel	163,333	15,517	178,850
A D Lethlean	99,452	9,448	108,900
G M Smith	113,876	-	113,876
Total Non-Executive Directors	376,661	24,965	401,626

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	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Executive Directors of Alkane Resources Ltd						
N P Earner	47%	47%	39%	40%	14%	13%
D I Chalmers	69%	76%	19%	14%	12%	10%
Other Key Management Personnel						
J Carter	66%	62%	21%	26%	13%	12%
S Parsons	70%	72%	17%	11%	13%	17%

(i) Service agreements

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

Name and Position	Term of agreement	TFR(1)	Termination payment(2)
N Earner – Managing Director	Ongoing commencing 1 September 2017	$650,000	see note 2 below
D I Chalmers – Technical Director	Ongoing commencing 1 September 2017	$330,800	6 months
J Carter – Chief Financial Officer	Ongoing commencing 1 October 2018	$462,000	3 months
S Parsons – Executive General Manager - Operations	Ongoing commencing 1 October 2015	$445,500	1 month

(1) Total Fixed Remuneration (TFR) is for the year ended 30 June 2022 and is inclusive of superannuation but does not include long service leave accruals. TFR is reviewed annually by the Remuneration Committee.

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

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

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

	Date of grant	Number of rights granted	Fair value of share rights at the date of grant $	Share rights at fair value $	Performance period end	Share-based payment expense current year $
Name						
D I Chalmers						
FY2020 LTI – Performance Rights – Tranche 1	22/11/2019	198,624	0.419	83,223	30/06/2022	27,741
FY2021 LTI – Performance Rights	11/11/2020	174,903	0.748	130,827	31/08/2023	43,490
FY2021 STI – Performance Rights	17/11/2021	67,833	0.915	62,067	15/10/2021	(2,310)
FY2022 LTI – Performance Rights	17/11/2021	193,809	0.598	115,898	31/08/2024	31,964
FY2022 STI – Performance Rights		-	-	69,468	31/07/2022	64,193
N Earner						
FY2020 LTI – Performance Rights – Tranche 1	22/11/2019	1,622,252	0.419	679,724	30/06/2022	226,575
FY2021 LTI – Performance Rights	11/11/2020	687,346	0.748	514,135	31/08/2023	170,909
FY2021 STI – Performance Rights	17/11/2021	184,552	0.915	168,865	15/10/2021	(6,284)
FY2022 LTI – Performance Rights	17/11/2021	825,115	0.598	493,419	31/08/2024	136,084
FY2022 STI – Performance Rights		-	-	204,750	31/07/2022	189,200
Other Key Management Personnel						
J Carter						
FY2020 LTI – Performance Rights – Tranche 1	02/09/2019	604,146	0.236	142,578	30/06/2022	47,526
FY2021 LTI – Performance Rights	11/11/2020	205,530	0.748	153,736	31/08/2023	51,106
FY2021 STI – Performance Rights	15/10/2021	79,711	0.955	76,124	15/10/2021	474
FY2022 LTI – Performance Rights	26/10/2021	270,677	0.604	163,489	31/08/2024	45,090
FY2022 STI – Performance Rights		-	-	97,020	31/07/2022	89,651
S Parsons						
FY2020 LTI – Performance Rights – Tranche 1	02/09/2019	306,451	0.236	72,322	30/06/2022	24,107
FY2021 LTI – Performance Rights	11/11/2020	214,214	0.748	160,232	31/08/2023	53,264
FY2021 STI – Performance Rights	15/10/2021	41,539	0.955	39,670	15/10/2021	(39,176)
FY2022 LTI – Performance Rights	26/10/2021	261,010	0.604	157,650	31/08/2024	43,480
FY2022 STI – Performance Rights		-	-	46,777	31/07/2022	43,225

(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 30 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.*

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 remaining FY2020 LTI Tranche 1 performance targets relate to share price performance growth as per below:

TSR compound annual growth rate (CAGR)	% Performance rights vesting
Less than 10% CAGR	Nil
Above 10% CAGR up to 15% CAGR	Pro rata vesting from 0% - 50%
At 15% CAGR	50%
Above 15% CAGR up to 30% CAGR	Pro rata vesting from 50% - 100%
At 30% CAGR	100%

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

The company's TSR for FY2021 and FY2022 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	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
I J Gandel	150,792,506	-	-	(19,000,000)	131,792,506
A D Lethlean	720,086	-	-	-	720,086
D I Chalmers	5,687,885	-	-	-	5,687,885
N P Earner	3,627,496	-	-	-	3,627,496
G M Smith	331,875	-	-	-	331,875
J Carter	869	1,052	-	-	1,921
S Parsons	250,869	1,052	-	-	251,921
	161,411,586	2,104	-	(19,000,000)	142,413,690

Performance rights holding

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

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
D I Chalmers – Performance rights	373,527	261,642	-	-	635,169
N P Earner – Performance rights	2,309,598	1,009,667	-	-	3,319,265
J Carter – Performance rights	809,676	350,388	-	-	1,160,064
S Parsons – Performance rights	520,665	302,549	-	-	823,214
	4,013,466	1,924,246	-	-	5,937,712

(l) Other transactions with Key Management Personnel

There were no other transactions with KMPs during the financial year ended 30 June 2022.

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), iscompatible 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 24 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

Auditor's independence declaration

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

Rounding of amounts

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

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

On behalf of the directors

N P Earner
Managing Director

29 August 2022
Perth

Auditor's Independence Declaration

As lead auditor for the audit of Alkane Resources Ltd for the year ended 30 June 2022, 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 Limited and the entities it controlled during the period.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
29 August 2022

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
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Financial Statements

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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

The financial statements are presented in the Australian currency.

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

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

The financial statements were authorised for issue by directors on 29 August 2022. 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: alkane.com.au

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	2	165,010	127,833
Cost of sales	3	(102,201)	(66,341)
Gross profit		62,809	61,492
Other income		1,119	667
Interest income		69	94
Net gain on derecognition of equity accounted investments	13	48,334	2,698
Expenses			
Other expenses	3	(10,424)	(12,219)
Finance costs	3	(1,731)	(2,835)
Share of loss of associates accounted for using the equity method	13	(20)	(870)
Net (loss)/gain on disposal of property, plant and equipment		317	(957)
Profit before income tax expense from continuing operations		100,473	48,070
Income tax expense	4	(30,222)	(14,503)
Profit after income tax expense from continuing operations		70,251	33,567
Profit after income tax expense from discontinued operations	5	-	22,134
Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd	19	70,251	55,701
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	9	4,902	2,045
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges transferred to profit or loss, net of tax	21	712	1,017
Net change in the fair value of cash flow hedges taken to equity, net of tax	21	(578)	(459)
Other comprehensive income for the year, net of tax		5,036	2,603
Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd		75,287	58,304
Total comprehensive income for the year is attributable to:			
Continuing operations		75,287	36,170
Discontinued operations		-	22,134
		75,287	58,304

		Cents	Cents
Earnings per share for profit from continuing operations attributable to the owners of Alkane Resources Ltd			
Basic earnings per share	31	11.80	5.64
Diluted earnings per share	31	11.64	5.60
Earnings per share for profit from discontinued operations attributable to the owners of Alkane Resources Ltd			
Basic earnings per share	31	-	3.72
Diluted earnings per share	31	-	3.69
Earnings per share for profit attributable to the owners of Alkane Resources Ltd			
Basic earnings per share	31	11.80	9.37
Diluted earnings per share	31	11.64	9.28

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 2022

	Note	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	6	77,894	18,991
Trade and other receivables	7	2,344	1,894
Inventories	8	17,952	11,648
Derivative financial instruments		-	521
Total current assets		98,190	33,054
Non-current assets			
Property, plant and equipment	11	107,386	99,411
Exploration and evaluation	12	98,498	57,794
Investments accounted for using the equity method	13	-	15,944
Financial assets at fair value through other comprehensive income	9	38,116	18,471
Other financial assets	10	13,497	11,541
Total non-current assets		257,497	203,161
Total assets		355,687	236,215
Liabilities			
Current liabilities			
Trade and other payables	14	13,708	11,082
External borrowings	15	5,930	3,294
Current tax liabilities	4	1,001	-
Provisions	16	4,457	3,660
Other liabilities		201	143
Total current liabilities		25,297	18,179
Non-current liabilities			
External borrowings	15	9,116	5,922
Provisions	16	15,806	15,363
Deferred tax	4	36,189	4,737
Other liabilities		405	449
Total non-current liabilities		61,516	26,471
Total liabilities		86,813	44,650
Net assets		268,874	191,565
Equity			
Issued capital	17	218,185	218,079
Reserves	18	(60,640)	(65,178)
Retained profits	19	111,329	38,664
Total equity		268,874	191,565

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 2022

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2020	258,876	4,206	(793)	5,097	267,386
Profit after income tax expense for the year	-	-	-	55,701	55,701
Other comprehensive income for the year, net of tax	-	-	3,676	-	3,676
Total comprehensive income for the year	-	-	3,676	55,701	59,377
Share issue transaction costs (note 17)	(31)	-	-	-	(31)
Share-based payments (note 30)	2,577	(893)	-	-	1,684
Capital distribution and demerger dividend (note 5)	(43,237)	-	(92,435)	-	(135,672)
Transfer of gain on demerger (note 5)	-	-	22,134	(22,134)	-
Deferred tax recognised in equity	(106)	-	(1,073)	-	(1,179)
Balance at 30 June 2021	218,079	3,313	(68,491)	38,664	191,565

	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 17)	(4)	-	-	-	(4)
Share-based payments (note 30)	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

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

Consolidated statement of cash flows

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		165,010	128,035
Payments to suppliers (inclusive of GST)		(73,567)	(51,879)
		91,443	76,156
Interest received		75	99
Finance costs paid		(1,368)	(1,614)
Royalties and selling costs		(4,504)	(4,047)
Other receipts		830	522
Net cash from operating activities	35	86,476	71,116
Cash flows from investing activities			
Payments for investments		(1,420)	(14,664)
Payments for property, plant and equipment and development expenditure		(42,581)	(59,477)
Proceeds from disposal of property, plant and equipment		619	1,522
Payments for exploration expenditure		(40,935)	(26,642)
Payments for security deposits		(2,208)	(2,927)
Receipts from security deposits		253	-
Transaction costs relating to ASM demerger		-	(538)
Proceeds from disposal of investments		53,034	-
Net cash used in investing activities		(33,238)	(102,726)
Cash flows from financing activities			
Cost of share issue	17	(4)	(31)
Proceeds from borrowings		35,846	8,150
Repayment of borrowings		(30,018)	(5,783)
Principal elements of lease payment		(159)	(72)
Net cash from financing activities		5,665	2,264
Net increase/(decrease) in cash and cash equivalents		58,903	(29,346)
Cash and cash equivalents at the beginning of the financial year		18,991	66,881
Less cash classified as held for distribution to owners at the beginning of the period		-	(18,544)
Cash and cash equivalents at the end of the financial year	6	77,894	18,991

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

Note 1. Segment information

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

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

	Gold Operations $'000	Unallocated $'000	Total $'000
30 June 2022			
Gold sales to external customers	165,010	-	165,010
Interest income	37	32	69
	165,047	32	165,079
Segment net profit/(loss) before income tax	62,165	38,308	100,473
Segment net profit includes the following non-cash adjustments:			
Depreciation and amortisation	(34,674)	(439)	(35,113)
Exploration expenditure written off or provided for	-	(3)	(3)
Inventory product movement and provision	5,702	-	5,702
Income tax expense	-	(30,222)	(30,222)
Derecognition of Equity Accounted Investment	-	48,334	48,334
Total adjustments	(28,972)	17,670	(11,302)
Total segment assets	157,894	197,793	355,687
Total segment liabilities	(45,140)	(41,673)	(86,813)
Net segment assets	112,754	156,120	268,874
30 June 2021			
Gold sales to external customers	127,833	-	127,833
Interest income	-	94	94
	127,833	94	127,927
Segment net profit/(loss) before income tax	57,791	12,413	70,204
Segment net profit includes the following non-cash adjustments:			
Depreciation and amortisation	(21,028)	(226)	(21,254)
Exploration expenditure written off or provided for	-	(1,331)	(1,331)
Inventory product movement and provision	3,226	-	3,226
Income tax expense	-	(14,503)	(14,503)
Derecognition of Equity Accounted Investment	-	2,698	2,698
Total adjustments	(17,802)	(13,362)	(31,164)
Total segment assets	122,856	113,359	236,215
Total segment liabilities	(35,618)	(9,032)	(44,650)
Net segment assets	87,238	104,327	191,565

Note 2. Revenue

	2022 $'000	2021 $'000
Revenue from continuing operations		
Gold sales	165,010	127,833

(a) Revenue

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

(b) Gold sales

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

Note 3. Expenses

	2022 $'000	2021 $'000
Cost of sales		
Cash costs of production	67,758	44,393
Inventory product movement	(5,702)	(3,226)
Depreciation and amortisation	34,674	21,028
Royalties and selling costs	5,471	4,146
	102,201	66,341

(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 8 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 8 for further details on the group's accounting policy for inventory.

	2022 $'000	2021 $'000
Other expenses		
Corporate administration	2,638	2,363
Employee remuneration and benefits expensed	2,849	3,836
Share-based payments	2,108	1,684
Professional fees and consulting services	1,434	1,881
Exploration expenditure provided for or written off	3	1,331
Directors' fees and salaries expensed	789	751
Depreciation	439	226
Non-core project expenses	164	147
	10,424	12,219

(d) Finance Costs

	2022 $'000	2021 $'000
Finance costs		
Interest Expense	795	408
Put Options	712	1,906
Other	224	521
	1,731	2,835

Note 4. Income tax

(a) Income tax expense

	2022 $'000	2021 $'000
Current tax		
Current tax on profits for the year	1,001	-
Total current tax expense	1,001	-
Deferred income tax		
Decrease/(increase) in deferred tax asset	13,518	(171)
Increase in deferred tax liabilities	15,703	14,674
Total deferred tax expense	29,221	14,503
Income tax expense	30,222	14,503
Income tax expense is attributable to:		
Profit from continuing operations	30,222	14,503

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

	2022 $'000	2021 $'000
Profit from continued operations before income tax expense	100,473	48,070
Profit/(loss) from discontinued operations before income tax expense	-	22,134
Profit before income tax expense	100,473	70,204
Tax at the Australian tax rate of 30% (2021 - 30%)	30,142	21,061
Tax benefits of deductible equity raising costs	(76)	(116)
Non-deductible share based payments	575	505
Non-deductible expenses	12	8
Non-assessable income	-	(8)
Non-assessable gain on disposal of subsidiaries	-	(6,801)
Other deductible expenses	-	(4)
Movement in unrecognised temporary differences	-	(126)
Over/(under) Provision for Prior Year	(103)	(16)
Utilisation of previously unrecognised tax losses	(328)	-
	30,222	14,503

(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
Movements						
At 1 July 2020	7,065	3,321	13,463	1,251	2,050	27,150
- to profit or loss	2,343	331	(3,227)	180	544	171
- direct to equity	-	-	-	-	(346)	(346)
- demerger of subsidiaries	-	-	(1,044)	-	(115)	(1,159)
At 30 June 2021	9,408	3,652	9,192	1,431	2,133	25,816
Movements						
At 1 July 2021	9,408	3,652	9,192	1,431	2,133	25,816
- to profit or loss	(9,408)	418	(3,369)	(1,431)	272	(13,518)
- direct to equity	-	-	-	-	(131)	(131)
At 30 June 2022	-	4,070	5,823	-	2,274	12,167

(d) Deferred tax liabilities

	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:		
Exploration expenditure	(29,528)	(17,314)
Property, plant & equipment	(12,282)	(11,440)
Other	(6,546)	(1,799)
Gross recognised deferred tax liabilities	(48,356)	(30,553)
Set-off of deferred tax assets	12,167	25,816
	(36,189)	(4,737)
Net recognised deferred tax assets/(liabilities) are attributable to:		
Losses and temporary differences carried forward for continued operations	(36,189)	(4,737)

	Exploration Expenditure $'000	Property, plant and equipment $'000	Other $'000	Total $'000
Movements				
At 1 July 2020	36,995	4,744	507	42,246
Charged/(credited)	-	-	-	-
- to profit or loss	7,518	6,697	459	14,674
- directly to equity	-	-	836	836
- demerger of subsidiaries	(27,200)	-	(3)	(27,203)
At 30 June 2021	17,313	11,441	1,799	30,553
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

(e) Deferred tax recognised directly in equity

	2022 $'000	2021 $'000
Relating to equity raising costs	75	106
Relating to revaluations of investments/financial instruments	1,123	1,073
Relating to realised gains posted directly to retained earnings	1,034	-
	2,232	1,179

(f) Unrecognised temporary differences and tax losses

	2022 $'000	2021 $'000
Unrecognised tax losses	17,284	18,378
Potential tax benefit at 30% (2021: 30%)	5,185	5,513

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.

	2022 $'000	2021 $'000
Current tax liabilities		
Current tax liabilities	1,001	-

Note 5. Discontinued operations

(a) Demerger – ASM

ASM Group

In the previous year, on 17 June 2020, the group publicly announced the demerger of Alkane's critical metals and materials business and assets (the ASM Business) from the remainder of Alkane's business.

Australian Strategic Materials Ltd (ASM) was admitted to the ASX on 29 July 2020 and operates the ASM Business; and Alkane continues to own and operate the remainder of Alkane's business being, principally, its Australian gold business.

The group recognised a net fair gain on demerger as follows:

	30 June 2021 $'000
Fair value of ASM demerger[i]	135,672
Carrying value of net assets of ASM	(113,000)
	22,672
Less transaction costs	(538)
	22,134

(i) Based on the first five trading days after the demerger date volume weighted average price ('VWAP') of ASM ($1.14) multiplied by the number of ASM shares (119,049,778 ordinary shares). The demerger distribution is accounted for a reduction in equity, split between share capital $43,237,000 and demerger reserve of $92,435,000. The amount treated as a reduction in share capital was calculated by reference to the market value of Alkane's shares and the market value of ASM's shares post demerger. The difference between the fair value of the distribution and the capital reduction amount is the demerger dividend.

(b) Discontinued operation – ASM

Financial performance information

	2022 $'000	2021 $'000
Gain on demerger	-	22,672
Transaction costs	-	(538)
Profit before income tax expense	-	22,134
Income tax expense	-	-
Profit after income tax expense from discontinued operations	-	22,134

Note 6. Cash and cash equivalents

	2022 $'000	2021 $'000
Current assets		
Cash at bank	77,894	18,991

Cash at bank at balance date weighted average interest rate was 0.48% (2021: 0.01%).

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 7. Trade and other receivables

	2022 $'000	2021 $'000
Current assets		
Trade receivables	121	43
Prepayments	1,144	963
GST and fuel tax credit receivable	1,079	888
	2,344	1,894

(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 2022 the group has determined that the expected provision for credit losses is not material (30 June 2021: 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 21.

Note 8. Inventories

	2022 $'000	2021 $'000
Current assets		
Ore stockpiles	8,101	1,571
Gold in circuit	2,628	2,398
Bullion on hand	3,480	4,537
Consumable stores	3,743	3,142
	17,952	11,648

(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 2022 to write down inventories to their recoverable value (2021: $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 2022 amounted to $2,928,000 (2021: $2,240,000). These were included in costs of production.

Product inventory movement during the year ended 30 June 2022 amounted to an expense of $5,702,000 (2021: $3,226,000) and is disclosed as part of cost of sales in note 3.

Note 9. Financial assets at fair value through other comprehensive income

	2022 $'000	2021 $'000
Non-current assets		
Listed securities		
Calidus Resources Ltd (ASX: CAI)	22,790	17,811
Sky Metals Ltd (ASX: SKY)	436	660
Genesis Minerals Ltd (ASX: GMD)	14,890	-
	38,116	18,471
During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income		
Gains/(losses) recognised in other comprehensive income	4,902	2,045

Genesis Minerals Ltd was reclassified from Investments accounted for using the equity method during the period. Refer to note 13 for further information.

In mid-November, the company sold 126,000,000 shares in Genesis Minerals Limited for sale proceeds of $18,806,000 (after costs).

During the process of preparing the 30 June 2022 annual report, the group discovered that the accounting for this transaction reflected in the interim financial statements for the six-month period ended 31 December 2021 was incorrect. The error has been subsequently corrected in the second half of the financial year ended 30 June 2022.

Comparative figures in the 31 December 2022 interim financial report will be corrected by restating each of the affected financial statement line items as set out in the table below. No adjustments were required for the 30 June 2021 balances.

	Consolidated 31 December 2021 (As reported) $	Increase/ (Decrease)	Consolidated 31 December 2021 (Restated) $
Statement of profit or loss and other comprehensive income (extract)			
Other gains/(losses)	13,909	(13,909)	-
Income tax expense	(25,295)	4,173	(21,122)
Profit after income tax expense for the half-year	58,231	(9,736)	48,495
Changes in fair value of financial assets at fair value through other comprehensive income	(1,341)	10,095	11,436
Retained profits	96,895	(359)	96,536

In Mid-February, the company sold 20,000,000 shares in Genesis Minerals Limited for sale proceeds of $34,228,000 (after cost).

Note 10. Other financial assets

	2022 $'000	2021 $'000
Non-current assets		
Security deposits	13,497	11,541

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 $13,497,000 for the current period (2021: $11,541,000 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 21 for the group's exposure to interest rate risk. The fair value of other financial assets is equal to its carrying value.

Note 11. Property, plant and equipment

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

	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Mine properties $'000	Total $'000
Year ended 30 June 2021					
Opening cost	22,326	90,060	1,687	205,682	319,755
Additions	-	468	24,662	34,963	60,093
Transfers between classes	12,206	11,932	(24,138)	-	-
Disposals	(703)	(1,901)	-	-	(2,604)
Net movement	11,503	10,499	524	34,963	57,489
Closing cost	33,829	100,559	2,211	240,645	377,244
Opening accumulated depreciation and impairment	(12,787)	(75,908)	-	(168,738)	(257,433)
To profit or loss	(289)	(6,595)	-	(14,370)	(21,254)
Disposals	-	854	-	-	854
Net movement	(289)	(5,741)	-	(14,370)	(20,400)
Closing accumulated depreciation and impairment	(13,076)	(81,649)	-	(183,108)	(277,833)
Closing net carrying value	20,753	18,910	2,211	57,537	99,411

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

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

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

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

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

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

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

Mine properties

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

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

Note 12. Exploration and evaluation

	2022 $'000	2021 $'000
Opening balance	57,794	32,745
Expenditure during the year	40,707	27,040
Amounts provided for or written off	(3)	(1,991)
	98,498	57,794

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

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

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

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

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

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

Note 13. Investments accounted for using the equity method

	2022 $'000	2021 $'000
Non-current assets		
Investment in associates	-	15,944
Reconciliation		
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	14,385
Additions	-	14,663
OCI	-	761
Share of loss*	(20)	(870)
Reclassification	(15,924)	(12,995)
Closing carrying amount	-	15,944

** 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.*

Interests in associates

Interests in associates and joint venture are accounted for using the equity method of accounting. Information relating to the investments that are material to the consolidated entity are set out below:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2022	2021
Genesis Minerals Ltd (GMD)	Australia	4.67%	19.84%

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 has 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.

During the year GMD shares to the value of $53,034,000 (after cost) were sold. Refer to note 9 for further information.

Note 14. Trade and other payables

	2022 $'000	2021 $'000
Current liabilities		
Trade payables	1,111	2,760
Other payables	12,597	8,322
	13,708	11,082

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 15. 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.

	2022 $'000	2021 $'000
Current liabilities		
External borrowings	5,930	3,294
Non-current liabilities		
External borrowings	9,116	5,922

Refer to note 21 for further information on financial risk management.

On 14 December 2020, $20 million facility for general corporate expenditures and working capital with Macquarie Bank Ltd was Executed. The company drew down the $20 million working capital facility with Macquarie Bank in the first quarter of the financial year and repaid in full in December 2021.

Accounting policy for borrowings

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

Note 16. Provisions

	2022 $'000	2021 $'000
Current liabilities		
Employee benefits	4,457	3,660
Non-current liabilities		
Employee benefits	553	232
Rehabilitation	15,253	15,131
	15,806	15,363

(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 $3,027,000 (2021: $1,833,000) 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.

	2022 $'000	2021 $'000
Current leave obligations expected to be settled after 12 months	1,255	973

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 $110,000 (2021: $59,000).

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:

	2022 $'000	2021 $'000
Rehabilitation and mine closure		
Opening balance	**15,131**	**14,751**
Additional provision incurred	**533**	**321**
Unwinding of discount	**110**	**59**
Change in estimate	**(522)**	**-**
	15,252	**15,131**

Note 17. Issued capital

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares – fully paid	595,583,420	595,388,800	218,185	218,079

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2020	580,033,307	258,876
Demerger capital distribution		-	(43,237)
Shares issued on vesting of performance rights		15,215,584	2,416
Share issue		139,909	161
Share issue costs		-	(31)
Less: Deferred tax credit recognised directly into equity		-	(106)
Balance	30 June 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

Ordinary shares

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

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

Note 18. 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.

	2022 $'000	2021 $'000
Financial assets at fair value through other comprehensive income reserve	4,431	1,943
Hedging reserve – cash flow hedges	-	(134)
Share-based payments reserve	5,229	3,313
Demerger reserve	(70,300)	(70,300)
	(60,640)	(65,178)

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 is used to recognise the gain on ASM demerger and demerger dividend. Refer to note 5 for further details.

Note 19. Retained profits

	2022 $'000	2021 $'000
Retained profits at the beginning of the financial year	38,664	5,097
Transfer gain on demerger	-	(22,134)
Retained profits/(accumulated losses) at the beginning of the financial year - restated	38,664	(17,037)
Profit after income tax expense for the year	70,251	55,701
Transfer from other reserves	2,414	-
Retained profits at the end of the financial year	111,329	38,664

Note 20. 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 the physical and transitional impacts of climate change may affect its assets, productivity, the markets in which it sells its products, and the jurisdictions it which it operates. The group continues to develop its assessment of the potential impacts of climate change and the transition to low-carbon economy.

Depreciation of property, plant and equipment

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

Rehabilitation and mine closure provisions

These provisions represent the discounted value of the present obligation to restore, dismantle and rehabilitate certain items of property, plant and equipment and to rehabilitate exploration and mining leases. The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate. Changes to one or more of these assumptions is likely to result in a change to the carrying value of the provision and the related asset or a change to profit and loss in accordance with the group's accounting policy stated in note 16.

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 fair value for share appreciation rights and performance rights component tranche 1 is determined with the assistance of an external valuer. The number of performance rights issued under the long-term incentive plan tranche 2 component are adjusted to reflect management's assessment of the probability of meeting the targets and service condition. The related assumptions are set out in note 30. 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 21. 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 27 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 2022			30 June 2021		
	Carrying amount $000	+100BP $000	-100BP $000	Carrying amount $000	+100BP $000	-100BP $000
Financial assets						
Cash and cash equivalents	77,894	545	(545)	18,991	133	(133)
Receivables*	122	-	-	43	-	-
Other financial assets	13,497	93	(93)	11,541	79	(79)
Financial liabilities						
Trade and other payables	28,955	-	-	(19,956)	-	-
Total increase/(decrease) in profit	-	638	(638)	-	212	(212)

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

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

(b) Credit risk

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

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

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

(i) Risk management

The group limits its exposure to credit risk in relation to cash and cash equivalents and other financial assets by only utilising banks and financial institutions with acceptable credit ratings.

(ii) Credit quality

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

(c) Liquidity risk

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

The group's financial liabilities generally mature within 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
Balance at 1 July 2020	692
Change in fair value of hedging instrument recognised in other comprehensive income	220
Reclassified from other comprehensive income to profit or loss	(1,017)
Deferred tax	239
Balance at 30 June 2021	134
Change in fair value of hedging instrument recognised in other comprehensive income	520
Reclassified from other comprehensive income to profit or loss	(712)
Deferred tax	58
Balance at 30 June 2022	-

Note 22. 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 23. Key Management Personnel disclosures

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

	2022 $	2021 $
Short-term employee benefits	2,274,729	1,767,707
Post-employment benefits	131,574	104,945
Long-term benefits	75,754	199,668
Share-based payments	1,240,309	1,169,682
	3,722,366	3,242,002

Note 24. Remuneration of auditors

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

	2022 $	2021 $
Audit services – PricewaterhouseCoopers		
Audit or review of the financial statements	179,000	139,000
Other services – PricewaterhouseCoopers		
Other advisory services	-	153,000
Other assurance services	-	35,000
	-	188,000
	179,000	327,000

Note 25. Contingent assets

The group has entered into forward gold sales contracts which are not accounted for on the balance sheet. A contingent asset of $1,076,000 (2021: asset $537,000) existed at the balance date in the event that the contracts are not settled by the physical delivery of gold. Refer to the commitment's disclosure note 27 for more information.

Note 26. Contingent liabilities

The group has contingent liabilities estimated up to the value of $nil (2021: $3,223,000 relates to land acquisitions) for the potential acquisition of several parcels.

Note 27. 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.

	2022 $'000	2021 $'000
Within one year	1,314	941

(b) Physical gold delivery commitments

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

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

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

	Gold for physical delivery Ounces	Contracted gold sale price per ounce ($)	Value of committed sales $'000
30 June 2022			
Fixed forward contracts			
Within one year	36,800	2,716	99,949
30 June 2021			
Fixed forward contracts			
Within one year	24,000	2,307	55,368

(c) Capital commitments

Capital commitments committed for the year at the end of the reporting period but not recognised as liabilities amounted to $11,830,000 (2021: $11,462,000).

Note 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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 29. Related party transactions

Parent entity

Alkane Resources Ltd is the parent entity of the group.

Associates

Interests in associates are set out in note 13.

Joint operations

Interests in joint operations are set out in note 33.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with other related parties

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

	2022 $	2021 $
Purchase of computer hardware and software	179,156	126,391
Consulting fees and services	223,455	303,908
Total	402,611	430,299

Note 30. Share-based payments

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

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

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

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

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

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

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

Executive directors and other executives

The company's remuneration framework is set out in the remuneration report, including all details of the performance rights and share appreciation rights plans, the associated performance hurdles and vesting criteria.

Participation in the plans is at the discretion of the Board of Directors and no individual has a contractual right to participate in the plans or to receive any guaranteed benefits. Participation is currently restricted to senior executives within the group.

The following tables illustrate the number and weighted average fair value of, and movements in, share rights during the year.

	2022		2021	
	Number of performance rights	Weighted average fair value	Number of performance rights	Weighted average fair value
Performance Rights				
Outstanding at the beginning of the year	4,666,264	$0.47	12,092,879	$0.18
Issued during the year	2,439,898	$0.67	1,492,626	$0.75
Vested during the year	-	$0.00	(6,785,208)	$0.06
Lapsed/Cancelled during the year	-	$0.00	(2,134,033)	$0.32
Outstanding at the end of the year	7,106,162	$0.54	4,666,264	$0.47

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	Expiry Date	Performance hurdle	Dividend yield	Expected stock volatility	Risk free rate	Expected life years	Weighted average share price at grant date
02/09/2019	30/09/2022	Market condition	-	67%	0.69%	2.8	$0.40
22/11/2019	30/09/2022	Market condition	-	65%	0.73%	2.6	$0.63
11/11/2020	01/09/2023	Market condition	-	72%	0.19%	3.0	$1.08
26/10/2021	01/09/2024	Market condition	-	72%	0.61%	2.8	$0.90
17/11/2021	01/09/2024	Market condition	-	72%	0.87%	2.7	$0.92

The expected volatility is based on the historic market price over a historical period aligned to the life of the rights, immediately prior to the valuation date.

The Total Shareholder Return ('TSR') Performance Condition attached to the performance rights granted under the FY22 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 FY21 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 2022 financial year FY22 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 $
FY21 STI	Executive Directors	Service	Black-Scholes	17/11/2021	$0.92
FY21 STI	Other Executives	Service	Black-Scholes	15/10/2021	$0.96

Expenses arising from share-based payment transactions

	2022 $'000	2021 $'000
Performance rights	1,916	1,523
Employee share scheme	184	161
	2,100	1,684

Note 31. Earnings per share

	2022 $'000	2021 $'000
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of Alkane Resources Ltd	70,251	33,567

	Cents	Cents
Basic earnings per share	11.80	5.64
Diluted earnings per share	11.64	5.60

	2022 $'000	2021 $'000
Earnings per share for profit from discontinued operations		
Profit after income tax attributable to the owners of Alkane Resources Ltd	-	22,134

	Cents	Cents
Basic earnings per share	-	3.72
Diluted earnings per share	-	3.69

	2022 $'000	2021 $'000
Earnings per share for profit		
Profit after income tax attributable to the owners of Alkane Resources Ltd	70,251	55,701

	Cents	Cents
Basic earnings per share	11.80	9.37
Diluted earnings per share	11.64	9.28

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	595,526,745	594,734,110
Adjustments for calculation of diluted earnings per share:		
Performance rights	8,102,048	5,201,943
Weighted average number of ordinary shares used in calculating diluted earnings per share	603,628,793	599,936,053

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $'000	2021 $'000
Profit after income tax	26,565	15,195
Total comprehensive income	26,565	15,195

Balance sheet

	Parent	
	2022 $'000	2021 $'000
Total current assets	81,536	50,669
Total assets	200,790	144,462
Total current liabilities	4,996	3,875
Total liabilities	32,615	9,776
Equity		
Issued capital	218,185	218,077
Financial assets at fair value through other comprehensive income reserve	4,431	1,945
Share-based payments reserve	5,229	3,313
Demerger reserve	(70,300)	(70,300)
Retained profits/(accumulated losses)	10,630	(18,349)
Total equity	168,175	134,686

Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Tax consolidation legislation

Alkane Resources Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. Refer to note 4 for further details.

(ii) Share-based payments rights

The grant by the company of rights to equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(iii) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 (2021: $nil).

Note 33. Interests in subsidiaries

The group's subsidiaries at 30 June 2022 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	
		2022	2021
Tomingley Holdings Pty Ltd	New South Wales	100.00%	100.00%
Tomingley Gold Operations Pty Ltd	New South Wales	100.00%	100.00%
Mitchell Creek Mining Holdings Pty Ltd	New South Wales	100.00%	-
Mitchell Creek Mining Pty Ltd	New South Wales	100.00%	-

Note 34. 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 35. Reconciliation of profit after income tax to net cash from operating activities

	2022 $'000	2021 $'000
Profit after income tax expense for the year	70,251	55,701
Adjustments for:		
Depreciation and amortisation	35,113	21,254
Net loss on disposal of property, plant and equipment	-	957
Share of loss – associates	20	870
Share-based payments	2,100	1,684
Investment paid for by tenement transfer	-	(660)
Exploration costs provided for or written off	3	1,991
Gain from demerger of ASM Group	-	(22,672)
Finance charges	324	51
Realised loss on expiry put option derivatives	-	938
Demerger costs reclassified	-	538
Gain on derecognition of equity investment	(48,334)	(2,698)
Profit on sale of asset	(317)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(453)	301
Increase in inventories	(6,304)	(4,002)
Movement in provision	1,112	-
Increase in trade and other payables	2,739	1,217
Increase in deferred tax liabilities	30,222	14,503
Increase/(decrease) in fair value of biological assets	-	1,143
Net cash from operating activities	86,476	71,116

Net debt reconciliation

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

	2022 $'000	2021 $'000
Cash and cash equivalents	77,894	18,991
Borrowings – repayable within one year	(5,930)	(3,778)
Borrowings – repayable after one year	(9,116)	(5,922)
Net cash	62,848	9,291

	Cash $'000	Borrowings repayable within one year $'000	Borrowings repayable after one year $'000	Net cash $'000
Opening net cash	18,991	(3,778)	(5,922)	9,291
Cash flows	58,903	3,778	(9,124)	53,557
Transfer between categories	-	(5,930)	5,930	-
Closing net cash	77,894	(5,930)	(9,116)	62,848

Note 36. 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 20.

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 32.

Tax consolidated legislation

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

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

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

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Alkane Resources Ltd for any current tax payable assumed and are compensated by Alkane Resources Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Alkane Resources Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alkane Resources Ltd ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Alkane Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or the 'group'.

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

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

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

Accounting policy for lease liabilities

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

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

Joint operations

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

Investments and other financial assets

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

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

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

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

Impairment of non-financial assets

The group assesses at the end of each reporting period whether there is any indication that an asset, or a group of assets is impaired (excluding exploration and evaluation assets, refer to note 12 for impairment policy for exploration and evaluation assets). An asset or a group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the profit attributable to owners of the company, excluding any costs of servicing equity, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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 roun ded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

In the directors' opinion:

- the financial statements and notes set out on pages 79 to 114 are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 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 36 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 34 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

29 August 2022
Perth

Independent auditor's report

To the members of Alkane Resources Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Alkane Resources Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 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 at 30 June 2022
- 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

- For the purpose of our audit we used overall Group materiality of $2.6 million, which represents approximately 5% of the Group's profit before tax, adjusted for an infrequently occurring item impacting profit and loss.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax from continuing operations because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The accounting processes are structured around a Group finance function at its head office in Perth.

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. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
Estimate of rehabilitation and mine closure provision *(Refer to note 16 and 20)* As a result of its mining and processing activities at Tomingley Gold, 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. • Evaluated the basis for cost estimations made by the Group, in light of the budgets and forecasts approved by the Board. • On a sample basis, tested the provision amount to comparable data sourced from external parties and management's experts. • Tested the mathematical accuracy of the calculation of the discounted cash flows prepared by the Group. • Considered the appropriateness of the discount rates and inflation rates utilised in calculating the provision by comparing them to current market consensus. • Evaluated the reasonableness of the disclosures made in the financial statements, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Corporate directory and Directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

pwc

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 65 to 74 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Alkane Resources Ltd for the year ended 30 June 2022 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
29 August 2022

ADDITIONAL INFORMATION

Boda

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 12 September 2022.

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	1,703	990,682
1,001 - 5,000	3,309	9,175,672
5,001 - 10,000	1,562	12,205,216
10,001 - 100,000	2,655	84,018,629
100,001 and over	413	489,689,061
	9,642	596,079,260
The number of equity security holders holding less than a marketable parcel of securities are:	837	229,581

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	IJ GANDEL	131,792,506	22.11
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	73,558,256	12.34
3	CITICORP NOMINEES PTY LIMITED	37,431,550	6.28
4	MAGNABAY PTY LTD <THE MAGNABAY A/C>	16,466,667	2.76
5	LILYCREEK PTY LTD <THE LILYCREEK A/C>	16,466,667	2.76
6	AUBURNVALLEY PTY LTD <THE AUBURNVALLEY A/C>	16,466,666	2.76
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,292,334	2.73
8	BNP PARIBAS NOMS PTY LTD <DRP>	8,118,180	1.36
9	FYVIE PTY LTD <UTHMEYER FAMILY NO 2 A/C>	6,650,000	1.12
10	HOME IDEAS SHOW PTY LTD <UB PROMOTIONS S P FUND A/C>	5,802,629	0.97
11	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	5,323,671	0.89
12	LEEFAB PTY LTD	5,306,091	0.89
13	GARDENWAY PROPRIETARY LIMITED <THE GARDENWAY A/C>	5,180,918	0.87
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,717,225	0.79
15	GARRETT SMYTHE LTD	4,498,125	0.75
16	ED-NE PTY LTD <EARNERDAVIES FAMILY A/C>	3,812,048	0.64
17	S MAAS HOLDINGS PTY LIMITED <SHAWN MAAS FAMILY A/C>	2,776,232	0.47
18	BRAZIL FARMING PTY LTD	2,612,500	0.44
19	MS JILLANNE HOMEWOOD	2,405,636	0.40
20	BERNE NO 132 NOMINEES PTY LTD <152417 A/C>	2,207,000	0.37
		367,884,901	61.72

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	131,792,506
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 12 September 2022, the company had the following unlisted securities on issue:

			Holders of 20% or more of the class	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
Employee Performance Rights LTI FY2020	3,173,638	6	Nicholas Paul Earner	1,622,252
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	1,230,511	18	N/A	N/A

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.

alkane.com.au/company/governance/

Mining Tenements

Schedule of mining tenements – as at 30 June 2022

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
	EL 5675	100%	Equity
	EL 5830	100%	Equity
	EL 5942	100%	Equity
	EL 6085	100%	Equity
	EL 8676	100%	Equity
	EL 8794	100%	Equity
Cudal, NSW	EL 7020	100%	Equity
Rockley NSW	EL 8194	100%	Equity
Apsley	EL 8527	100%	Equity
Northern Molong Porphyry Project, NSW			
Bodangora	EL 4022	100%	Equity
Kaiser	EL 6209	100%	Equity (subject to royalty of 2% net smelter return)
Boda South	EL 8887	100%	Equity
Finns Crossing	EL 8261	100%	Equity
Elsienora, NSW	EL 8550	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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Resources Ltd