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ASX and MEDIA RELEASE

28 April 2025

ALKANE RESOURCES LTD
ABN 35 000 689 216

Alkane and Mandalay Announce Merger of Equals

Please find attached a joint media release and ASX announcement in relation to a proposed merger transaction with Mandalay Resources Corporation.

This document has been authorised for release to the market by the Board of Alkane Resources Limited.

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

Level 4, 66 Kings Park Rd, West Perth WA 6005, AUSTRALIA (PO Box 768, West Perth WA 6872, AUSTRALIA)
Telephone: +61 8 9227 5677 www.alkane.com.au mail@alkane.com.au

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Alkane and Mandalay Combine to Create Growing Gold and Antimony Producer

Merger of Equals Increases Scale and Benefits All Shareholders

- Creates powerful platform underpinned by a shared vision for growth.
- Three cash-generating mines in premier mining jurisdictions with strong organic growth.
- Projected gold equivalent production of ~160,000[1] ounces in 2025, increasing to over ~180,000[2] ounces in 2026.
- Robust proforma balance sheet: A$188 / C$167 million cash to fuel growth as at 31 March 2025[3].
- Increased scale and trading liquidity anticipated to drive valuation re-rate.

April 28, 2025 – Perth and Toronto - Alkane Resources Limited (ASX: ALK) ("Alkane") and Mandalay Resources Corporation ("Mandalay") (TSX: MND, OTCQB: MNDJF) are pleased to announce that they have agreed to combine in a "merger of equals" transaction and have executed a definitive arrangement agreement (the "Arrangement Agreement") whereby Alkane will acquire all the issued and outstanding common shares of Mandalay pursuant to a court-approved plan of arrangement (the "Transaction"). Following completion of the Transaction, the combined company will continue operating as "Alkane Resources", remain listed on the ASX and is seeking a listing on the TSX exchange.

Under the Transaction, Mandalay shareholders will receive 7.875 ordinary shares of Alkane for each ordinary share of Mandalay (the "Exchange Ratio") held immediately prior to the effective time of the Transaction (the "Effective Time"). Upon completion of the Transaction, former Mandalay shareholders and existing Alkane shareholders will own approximately 55% and 45%, respectively, of the outstanding ordinary shares of the combined company, on an undiluted basis[4]. The implied market capitalization of the combined company is estimated at A$1,013 / C$898 million[3]. The executive team of the combined company will be Australian-based and led by Alkane Managing Director Nic Earner, an established executive with deep operational, management and corporate experience.

Alkane and Mandalay will host a joint conference call and webcast today, April 28, 9:30 am Sydney / April 27, at 7:30 pm Toronto. Details provided below.

The Transaction will create a diversified Australian centric gold and antimony producer with a portfolio of three operating mines and a strong balance sheet. Alkane's established Tomingley gold

[1] 2025 production estimate is based on Mandalay calendar year guidance from MND 17 December 2024 news release and Alkane fiscal year guidance from ALK Announcement 7 April 2025
[2] 2026 production estimate is based on consensus broker analyst estimates for Mandalay (calendar year) and Alkane (fiscal year).
[3] A$50.5M Alkane cash and bullion at March 31, 2025. A$ to US$ exchange rate of 0.640 and C$ to US$ exchange rate of 0.722 used throughout this announcement
[4] Issued basic shares outstanding for Alkane is 605.5 million and Mandalay is 94.7 million

mine (Australia), currently ramping up after a major capital expansion, will complement the well-established and stable production from Mandalay's Costerfield underground gold/antimony mine (Australia) and the Björkdal underground gold mine (Sweden).

Strategic Rationale for the Transaction

- **Combined forecast production of ~160,000[1] gold-equivalent ounces in 2025, growing to over ~180,000[2] gold-equivalent ounces in 2026.** The combined company will operate three producing mines in premier jurisdictions - Costerfield and Tomingley in Australia and Björkdal in Sweden. The combined company's margins are expected to expand with 2025 AISC of ~A$2,750 / ~US$1,760[3] per ounce reducing to approximately ~A$2,160 / ~US$1,420 per ounce in 2026.[5]
- **Improved capital market positioning anticipated to drive valuation re-rate.** The combined company is expected to benefit from a primary ASX listing valuation re-rate driven by GDXJ and potential ASX 300 index inclusion. Further value should be unlocked through greater trading liquidity, a larger free-float and a more diverse shareholder base as the combined company continues to grow.
- **Creates a powerful platform with a shared vision for continued growth.** Robust balance sheet with a proforma cash balance of A$188 / C$167 million[3] at 31 March 2025 to pursue organic and inorganic growth. The combined company plans to continue to invest in exploration at all three of its producing mines and pursue other growth opportunities in addition to the Boda-Kaiser copper-gold project which adds future production potential with its significant scale.
- **Merged leadership focused on delivering re-rate and driving growth.** The combined company's Board of Directors will consist of three Mandalay nominees (Brad Mills, Frazer Bourchier and Dominic Duffy), two Alkane nominees (Ian Gandel and Nic Earner) and a new independent Chair, Andy Quinn, a chartered mining engineer and highly credentialed investment banking and mining industry veteran. Management, led by Nic Earner, and including Mandalay's operating team, provides operational continuity and foundation to unlock portfolio value.

Nic Earner, Managing Director of Alkane, commented: "The Transaction will take Alkane to a new level, bringing together two companies with complementary assets and a shared vision for growth. Mandalay's two high-quality mines match the attributes of Tomingley: a proven history of consistent production, cash generation and exploration upside. The combination of assets, leadership, and supportive long-term shareholders enhances our scale and financial strength, and positions us well to continue to pursue additional growth opportunities".

Frazer Bourchier, President and CEO of Mandalay, commented: "The Transaction presents a compelling opportunity for Mandalay shareholders to accelerate value creation through increased capital markets scale, liquidity and a growing diversified asset base. We are excited to have found a like-minded partner committed to the same principles. The Transaction aligns with our vision to create a mid-tier gold and antimony producer with mines in premier operating jurisdictions and with our strategy for continued growth. I am also pleased to have gained support of our major shareholders, as we believe the combined company will be extremely well positioned for a valuation re-rate in line with ASX-listed peers, and for subsequent growth".

[5] 2025 AISC estimate is based on Mandalay calendar year guidance and Alkane fiscal year guidance. 2026 AISC estimate is based on consensus broker analyst estimates for Mandalay (calendar year) and Alkane (fiscal year).

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Benefits for Shareholders

- Diversified production from three mines in premier jurisdictions reduces overall operational and financial risk.
- Larger equity free-float and greater trading liquidity driven by anticipated increase in institutional and passive index investment.
- Valuation expected to re-rate to higher ASX-listed gold mining company multiples.
- Mandalay shareholders expected to benefit from Tomingley gold mine production and the growth potential of the large Boda-Kaiser copper-gold project.
- Alkane shareholders expected to benefit from exposure to strategic antimony production from Costerfield and combined company's strengthened balance sheet.

Market Metrics

Based on the Exchange Ratio of 7.875 and the closing price of each company's shares on the most recent trading day, the Transaction implies a premium of 2% to Mandalay's share price[6]. On a 20-trading day VWAP[7] the Transaction implies a discount of 6% to Mandalay's share price. The implied market capitalization of the combined company is A$1,013 / C$898 million[3].

Management Team

Upon closing of the Transaction, the management team of the combined company will be led by current Alkane executives Nic Earner (Managing Director) and James Carter (Chief Financial Officer). Current Mandalay executives Ryan Austerberry (Chief Operating Officer) and Chris Davis (VP Exploration and Operational Geology) will join existing Alkane senior operational management to provide critical continuity for the Costerfield and Björkdal mines. The combined company will be headquartered in Perth, Australia.

Transaction Details

Pursuant to the terms and conditions of the Arrangement Agreement, Mandalay shareholders will receive 7.875 Alkane ordinary shares for each Mandalay common share held immediately prior to the Effective Time.

The Transaction will be effected pursuant to a court approved plan of arrangement under the *Business Corporations Act* (British Columbia). The Transaction will require approval by 66 2/3 percent of the votes cast by the shareholders of Mandalay at a special meeting of Mandalay shareholders. The issuance of the Alkane ordinary shares pursuant to the Transaction is also subject to approval by a simple majority of votes cast by the shareholders of Alkane at a special meeting of Alkane shareholders.

Directors, officers and shareholders of Mandalay (including CE Mining and GMT Capital) who hold approximately 45% of the outstanding Mandalay common shares have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Mandalay common shares in favour of the Transaction. Certain Directors of Alkane who hold approximately

[6] Alkane last trade of A$0.75 on 24 April 2025 and Mandalay last trade of C$5.13 on 25 April 2025

[7] 20-day volume weighted average price ("VWAP") for each of Mandalay and Alkane as reported on Bloomberg over the previous 20 trading days as at April 25, 2025. Bloomberg VWAPs are in local currency and converted to USD at the average foreign exchange rate as reported on Bloomberg over the previous 20 trading days as at April 25, 2025.

19% of the outstanding Alkane ordinary shares have stated their intention to vote their Alkane common shares in favour of the share issuance pursuant to the Transaction.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals, including under the Australian and Swedish foreign investment approval regimes, ASX approval of the listing of the Alkane common shares to be issued under the Transaction and confirmation by ASX that Alkane does not need to re-comply with Chapters 1 and 2 of the ASX Listing Rules for the purposes of ASX Listing Rule 11.1.3, as well as certain other closing conditions customary for a transaction of this nature. Subject to the satisfaction of such conditions, the Transaction is expected to close in calendar Q3 2025.

The Arrangement Agreement includes customary deal protections, including reciprocal fiduciary-out provisions, non-solicitation covenants, and the right to match any superior proposals. Additionally, a termination fee in the amount of A$17 million is payable by Alkane and Mandalay, respectively, in certain customary circumstances. In connection with the Transaction, Alkane will apply to have the shares of the combined company listed on the TSX.

Full details of the Transaction will be included in the Mandalay management information circular and Alkane notice of meeting, as applicable. A copy of the Arrangement Agreement executed between the parties has been lodged with the ASX and is available on SEDAR+.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and any securities issuable in the Transaction are anticipated to be issued in reliance upon the exemption from such registration requirements provided by Section 3(a)(10) of the U.S. Securities Act. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The latest respective reserve and resource statements for Alkane (JORC Code) and Mandalay (National Instrument 43-101) are set out in the presentation released today. The information that relates to Mineral Resource and Ore Reserve estimates for Alkane have been extracted from Alkane's ASX announcement dated 4 September 2024, "Annual Resources and Reserves Statement" and was prepared and first disclosed under JORC Code 2012. The Mineral Resource and Reserve estimates relating to Mandalay contained in the presentation have been extracted from Mandalay's TSX announcement entitled "Mandalay Resources Reports 2024 Mineral Reserves and Resources Approaching Two Million Gold Equivalent Ounces In Measured and Indicated Resources" dated 20 February 2025, which sets out the mineral resources and mineral reserves of Mandalay as 31 December 2024. These Mineral Resource and Reserve estimates for Mandalay have been prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") standards and have not been reported in accordance with the 2012 Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Refer to Mandalay's website at www.mandalayresources.com or under Mandalay's profile on SEDAR+ at www.sedarplus.com for information in relation to the Mineral Resource and Reserve estimates prepared by Mandalay. A competent person has not done sufficient work to classify the mineral resource is in accordance with the JORC Code and it is uncertain that following evaluation and / or further exploration work that the estimate will be able to be reported as a Mineral Resource or Ore Reserve in accordance with the JORC Code. Please refer to the Mandalay Resource and Reserves table in the presentation for more detailed information, together with Schedule 1 of the presentation for further disclosure required by the ASX Listing Rules in relation to foreign estimates.

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Board of Directors' Recommendations

The Transaction has been unanimously approved by the boards of directors of both Mandalay and Alkane. Both boards of directors unanimously recommend that their respective shareholders vote in favour of the Transaction.

GenCap Mining Advisory Ltd. has provided an independent fairness opinion to the board of directors of Mandalay stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Transaction is fair, from a financial point of view, to the Mandalay shareholders. Haywood Securities Inc. has provided a fairness opinion to the board of directors of Mandalay stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Transaction is fair, from a financial point of view, to the Mandalay shareholders.

Advisors

Mandalay has engaged Haywood Securities Inc. as exclusive financial advisor, Goodmans LLP as Canadian legal advisor, Clayton Utz as Australian legal advisor and GenCap Mining Advisory Ltd. provided an independent fairness opinion to the board of directors in relation to the Transaction.

Alkane has engaged Bell Potter Securities Limited and Euroz Hartleys Limited as joint financial advisors, HopgoodGanim as Australian legal advisor and Bennett Jones LLP as Canadian legal advisor to the Transaction.

Conference Call Details

Alkane and Mandalay will jointly host a conference call for investors and analysts to discuss the transaction. Investors and analysts wishing to ask a question verbally are encouraged to dial-in. The webcast will be listen-only, with questions submitted through the chat function only. Timing of the call is as follows:

- 7:30 pm Toronto Time on April 27
- 12:30 am London, UK time on April 28
- 9:30 am Sydney time on April 28

Interested investors and analysts may register and dial-in using the following dial-in link.

Alternatively, the webcast and presentation slides may be accessed using the following webcast link.

The conference call and webcast will be posted as soon as possible after the event for playback on both Mandalay's mandalayresources.com and Alkane's alkane.com.au.

For Further Information

Mandalay investor contact:
Edison Nguyen, Director, Business Valuations and IR
+1 (647) 258-9722

Alkane investor contact:
Natalie Chapman, Communications Manager
+61 418 642 556

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North America Media contact:
John Vincic - Principal, Oakstrom Advisors
+1 (647) 402-6375

Australian Media contact:
Paul Ryan - MD Financial Communications – Sodali & Co
+61 409 296 511

About Alkane Resources

Alkane Resources intends to grow to become one of Australia's leading multi-mine gold and copper producers. The Company's current gold production is from the Tomingley Gold mine in New South Wales, which has been operating since 2014 and has operating plans extending beyond 2030.

Alkane also owns a major porphyry gold-copper deposit discovered at Boda-Kaiser in 2019. Exploration is ongoing and economics demonstrated in a 2024 scoping study. Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies.

About Mandalay Resources Corporation

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

Qualified Person / Competent Person

The information in this announcement that relates to Mineral Resource and Ore Reserve estimates for Alkane was prepared and first disclosed under JORC Code 2012. The information was extracted from Alkane's previous ASX announcement dated 4 September 2024, "Annual Resources and Reserves Statement", which is available to view on the company's website: www.alkane.com.au. Alkane confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Alkane confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Chris Davis, Vice President of Operational Geology and Exploration at Mandalay Resources, is a Chartered Professional of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)), as well as a Member of the Australian Institute of Geoscientists (MAIG) and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information provided in this release.

Forward-Looking Statements

This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation and may include future-oriented financial information or financial outlook information (collectively "Forward-looking Information"). These include statements regarding Alkane and Mandalay's intent, or the beliefs or current expectations of the officers and directors of Alkane and

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Mandalay for the combined company post-closing. Actual results and outcomes of the proposed plan of arrangement between the companies ("Arrangement") and of the combined company may vary materially from the amounts set out in any Forward-looking Information. As well, Forward-looking Information may relate to: future outlook and anticipated events, such as the consummation and timing of the Arrangement; the strategic vision for the combined company following the closing of the Arrangement and expectations regarding exploration potential, production capabilities and future financial or operating performance of the combined company post-closing, including AISC, investment returns, margins and share price performance; FY2025 / CY2025 and FY2026 / CY2026 production and cost guidance; the potential valuation of the combined company following the closing of the Arrangement; the accuracy of the pro forma financial position and outlook of the combined company following the closing of the Arrangement; the satisfaction of the conditions precedent to the Arrangement; the success of Alkane and Mandalay in combining operations upon closing of the Transaction; expectations for the potential development of the Boda-Kaiser project; the potential of the combined company to meet industry targets, public profile and expectations; and future plans, projections, objectives, estimates and forecasts and the timing related thereto.

Forward-looking Information is generally identified by the use of words like "will", "create", "enhance", "improve", "potential", "expect", "upside", "growth" and similar expressions and phrases or statements that certain actions, events or results "may", "could", or "should", or the negative connotation of such terms, are intended to identify Forward-looking Information. Although Alkane and Mandalay believe that the expectations reflected in the Forward-looking Information are reasonable, undue reliance should not be placed on Forward-looking Information since no assurance can be provided that such expectations will prove to be correct. Forward-looking Information is based on information available at the time those statements are made and/or good faith belief of the officers and directors of Alkane and Mandalay as of that time with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the Forward-looking Information. Forward-looking Information involves numerous risks and uncertainties. Such factors include, without limitation: risks related to the closing of the Arrangement; risks relating to changes in the gold and antimony price and the factors identified in the section titled "Risks Related to the Business" in Mandalay's most recently filed Annual Information Form which is available on SEDAR+ at www.sedarplus.ca and in the section titled "Risk Factors" in Alkane's Annual Report filed 16 October 2024 which is available at https://investors.alkane.com.au/site/pdf/f73e6e17-4884-40cf-b4de-67c965d62734/Annual-Report-to-shareholders.pdf. Forward-looking Information is designed to help readers understand Alkane and Mandalay's views as of that time with respect to future events and speak only as of the date they are made. Except as required by applicable law, Alkane and Mandalay assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the Forward-looking Information. If either Alkane or Mandalay updates any one or more forward-looking statements, no inference should be drawn that either company will make additional updates with respect to those or other Forward-looking Information. All Forward-Looking Information contained in this news release is expressly qualified in its entirety by this cautionary statement.

Non-IFRS Performance Measures

This news release may contain references to gold equivalent produced and all-in sustaining cost all of which are non-IFRS measures and do not have standardized meanings under IFRS. Therefore, these measures may not be comparable between the companies or to similar measures presented by other issuers.

For Mandalay, all-in sustaining cost per ounce gold equivalent equals the sum of cash operating costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization, divided by the total gold equivalent ounces produced in the period.

For Alkane, all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain a site's current level of operations. All-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.