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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on July 28, 2025

and

MANDALAY INFORMATION CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

involving

MANDALAY RESOURCES CORPORATION,

1536968 B.C. LTD.

and

ALKANE RESOURCES LIMITED

This management information circular and the accompanying materials are important and require your immediate attention. Please carefully read this management information circular, including its accompanying materials and the documents incorporated by reference herein, as they contain detailed information related to, among other things, the proposed plan of arrangement that will be voted upon at the special meeting. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.

THE BOARD OF DIRECTORS OF MANDALAY RESOURCES CORPORATION UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION SET FORTH IN THIS MANAGEMENT INFORMATION CIRCULAR

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June 24, 2025

Dear Mandalay Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of the holders ("**Mandalay Shareholders**") of common shares ("**Mandalay Shares**") of Mandalay Resources Corporation ("**Mandalay**" or the "**Corporation**"), to be held in a virtual-only format, which will be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q on July 28, 2025, at 10:00 a.m. (Toronto time).

The Arrangement

At the Meeting, Mandalay Shareholders will be asked to consider and vote on a special resolution (the "**Arrangement Resolution**") to approve an arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**") under which 1536968 B.C. Ltd. ("**AcquireCo**"), a direct wholly-owned subsidiary of Alkane Resources Limited ("**Alkane**"), will acquire all of the issued and outstanding Mandalay Shares, and Mandalay Shareholders will be entitled to receive, for each Mandalay Share held, 7.875 fully paid ordinary shares (the "**Consideration**") of Alkane (each whole share, an "**Alkane Share**").

Plan of Arrangement

Under the Arrangement, each Mandalay Share (other than any Mandalay Shares held by Mandalay Shareholders who have validly exercised dissent rights) shall be deemed to be transferred to AcquireCo in exchange for the Consideration.

In connection with the Arrangement, all of Mandalay's outstanding options and other equity incentive awards will fully vest and be exercised or settled immediately prior to completion of the Arrangement in exchange for Mandalay Shares or, in the case of certain restricted share units and performance share units, cash, as further detailed in the enclosed management information circulated of the Corporation dated June 24, 2025 (the "**Circular**").

Subject to obtaining the approval of the Supreme Court of British Columbia and satisfaction or waiver of the other closing conditions, including the receipt of certain regulatory approvals, if Mandalay Shareholders approve the Arrangement, it is anticipated that the Arrangement will be completed in the third quarter of 2025.

Immediately following the completion of the Arrangement, Mandalay will be an indirect wholly-owned subsidiary of Alkane. The Alkane Shares are currently listed on the Australian Stock Exchange, and on closing of the Arrangement, are expected to be listed on the Toronto Stock Exchange.

Mandalay Board Recommendation

After receiving legal and financial advice, including the fairness opinions received from Haywood Securities Inc. and GenCap Mining Advisory Ltd., the board of directors of Mandalay (the "**Mandalay Board**") has unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to the Mandalay Shareholders, and has unanimously approved the Arrangement. **Accordingly, the Mandalay Board unanimously recommends that Mandalay Shareholders vote FOR the Arrangement Resolution.**

Required Approvals

For the Arrangement to become effective, the Arrangement Resolution must be approved at the Meeting by the affirmative vote of at least two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by Mandalay

Shareholders. The Arrangement is also subject to the satisfaction of certain other conditions, including the approval of the Supreme Court of British Columbia, the approval of the issuance of the Alkane Shares constituting the aggregate Consideration by the shareholders of Alkane and the receipt of certain regulatory approvals in Australia and Sweden.

Mandalay Shareholder Support

All of the directors and senior officers of the Corporation, as well as certain Mandalay Shareholders, who collectively exercise beneficial ownership or control over approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane agreeing to, among other things, vote, or cause to be voted, all of their Mandalay Shares in favour of the Arrangement Resolution.

Virtual Meeting

Mandalay is conducting the Meeting in a virtual-only format that will allow registered Mandalay Shareholders ("**Registered Mandalay Shareholders**") and duly appointed proxyholders (including non-registered beneficial Mandalay Shareholders ("**Non-Registered Mandalay Shareholders**") who have appointed themselves as proxyholders) to participate online and in real time. Mandalay is providing the virtual-only format in order to provide Mandalay Shareholders with an equal opportunity to attend and participate at the Meeting, regardless of their geographic location and circumstances. Please review the Circular for further instructions and details on how to access, virtually attend, vote and ask questions at the Meeting. Neither Registered Mandalay Shareholders, nor Non-Registered Mandalay Shareholders or any other guests will be able to physically attend the Meeting.

Only Registered Mandalay Shareholders and duly appointed proxyholders (including Non-Registered Mandalay Shareholders who have appointed themselves as proxyholders) will be able to virtually attend, ask questions and vote at the Meeting, provided they are connected to the internet and carefully follow the instructions set out in the Circular and the related proxy materials. Non-Registered Mandalay Shareholders, unless they have been duly appointed as proxyholders in accordance with the procedures set out in the Circular and the related proxy materials, will be able to virtually attend the Meeting as guests. Guests may listen to the Meeting online but will not be able to ask questions or vote at the Meeting. The accompanying Circular provides important and detailed instructions about how to participate at the Meeting.

How to Vote

Your vote is important regardless of the number of Mandalay Shares that you own. Even if you are a Registered Mandalay Shareholder and plan to attend the Meeting virtually, the Mandalay Board encourages you to take the time to consider and follow the instructions on the enclosed forms of proxy so that your Mandalay Shares can be voted at the Meeting in accordance with your instructions. We encourage you to use the internet or telephone voting options to ensure your vote is received prior to the voting deadline. Alternatively, you can complete, sign, date and return the enclosed form of proxy by mail. To be valid, a proxy must be received by the Corporation's transfer agent, Computershare Investor Services Inc., no later than 10:00 a.m. (Toronto time) on July 24, 2025 or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any postponement or adjournment thereof is held. Proxies received after that time may be accepted by the Chair of the Meeting, subject to the prior written consent of Alkane, such consent not to be unreasonably withheld, conditioned or delayed. There is no obligation to accept late proxies.

If you hold your Mandalay Shares through a broker, trustee, financial institution or other intermediary (an "**Intermediary**") and have not objected to such Intermediary disclosing certain ownership information about yourself to the Corporation, you will receive instructions from the Corporation's transfer agent, Computershare Investor Services Inc., on how to vote your Mandalay Shares. If you hold your Mandalay Shares through an Intermediary and have objected to such Intermediary disclosing ownership information about yourself to the Corporation, you will receive instructions from such Intermediary on how to vote your Mandalay Shares. We encourage Non-Registered Mandalay Shareholders to carefully follow such instructions so that your Mandalay Shares can be voted at the Meeting.

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If you are a Registered Mandalay Shareholder, we encourage you to complete, sign, date and return the enclosed Letter of Transmittal, along with the share certificate(s) representing your Mandalay Shares, to the depositary for the Arrangement, Computershare Investor Services Inc., at the address specified in the Letter of Transmittal. The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully. It is recommended that you complete, sign and return the Letter of Transmittal (with accompanying Mandalay Share certificate(s) if you are a Registered Mandalay Shareholder) to Computershare Investor Services Inc., the depositary for the Arrangement, as soon as possible.

Full details of the Arrangement are set out in the accompanying notice of special meeting and Circular. The Circular describes the Arrangement and includes certain additional information to assist you in considering how to vote on the proposed Arrangement Resolution, including certain risk factors relating to the completion of the Arrangement. You should carefully review and consider all of the information in the Circular, including any documents incorporated by reference therein. If you require assistance, consult your financial, legal, tax or other professional advisor.

On behalf of the Mandalay Board, I thank all Mandalay Shareholders for their continued support. We look forward to receiving your endorsement for the Arrangement at the Meeting.

Sincerely,

(signed) *"Brad Mills"*

Brad Mills
Chair of the Board of Directors
Mandalay Resources Corporation

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MANDALAY RESOURCES CORPORATION
Suite 720 - 155 University Ave.
Toronto, Ontario
M5H 3B7

NOTICE OF SPECIAL MEETING OF MANDALAY SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Supreme Court of British Columbia dated June 23, 2025 (as the same may be amended, the "**Interim Order**"), a special meeting (the "**Meeting**") of the holders ("**Mandalay Shareholders**") of common shares ("**Mandalay Shares**") of Mandalay Resources Corporation (the "**Corporation**" or "**Mandalay**") will be held in a virtual-only format, which will be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q on July 28, 2025, at 10:00 a.m. (Toronto time), for the following purposes:

1. to consider, and, if deemed advisable, to pass, with or without amendment, a special resolution (the "**Arrangement Resolution**") of Mandalay Shareholders, the full text of which is set forth in Appendix B to the accompanying management information circular (the "**Circular**"), to approve a statutory plan of arrangement (the "**Plan of Arrangement**") pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Mandalay, Alkane Resources Limited ("**Alkane**"), and 1536968 B.C. Ltd. ("**AcquireCo**"), a direct wholly-owned subsidiary of Alkane (the "**Arrangement**"), pursuant to the terms and conditions of an arrangement agreement dated April 27, 2025 entered into among Mandalay, Alkane and AcquireCo (the "**Arrangement Agreement**"); and

2. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular. Completion of the Arrangement is conditional upon certain other matters described in the Circular, including the approval of the Supreme Court of British Columbia, the approval of the issuance of the Arrangement consideration by the shareholders of Alkane and the receipt of certain regulatory approvals in Australia and Sweden.

The board of directors of the Corporation (the "Mandalay Board"), after receiving legal and financial advice, unanimously recommends that Mandalay Shareholders vote FOR the Arrangement Resolution.

A summary of the Arrangement Agreement is included in the Circular, and the full text thereof is available on the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca. The full text of the Plan of Arrangement and the Interim Order are attached as Appendix C and Appendix D to the Circular, respectively.

The Mandalay Board has fixed the close of business on June 20, 2025 as the record date (the "**Record Date**") for the determination of the Mandalay Shareholders entitled to receive this notice of Meeting (this "**Notice of Meeting**"). A Mandalay Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation's transfer agent, Computershare Investor Services Inc., by mail at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department, so as to arrive not later than 10:00 a.m. (Toronto time) on the second Business Day preceding the date of the Meeting or any postponement or adjournment thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting, without notice, subject to the prior written consent of Alkane, such consent not to be unreasonably withheld, conditioned or delayed. A registered Mandalay Shareholder may also vote by telephone or via

the internet by following the instructions on the applicable form of proxy. If a Mandalay Shareholder votes by telephone or via the internet, completion or return of the form of proxies is not needed.

If you are a non-registered Mandalay Shareholder, please refer to "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of the Circular for information on how to vote your Mandalay Shares.

Take notice that, pursuant to the Interim Order, each registered Mandalay Shareholder as of the close of business on the Record Date has been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of the Mandalay Shares in respect of which such registered Mandalay Shareholder validly dissents, in accordance with the dissent procedures contained in Division 2 of Part 8 of the BCBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order (as defined in the Circular). To exercise such right: (a) a written objection with respect to the Arrangement Resolution from the registered Mandalay Shareholder must be received by Mandalay at Suite 720 - 155 University Ave. Toronto, Ontario M5H 3B7, Attention: Jasmine Virk, by no later than 5:00 p.m. (Toronto time) on July 24, 2025, being two Business Days prior to the date of the Meeting; (b) the registered Mandalay Shareholder must not have voted in favour of the Arrangement Resolution; and (c) the registered Mandalay Shareholder must have otherwise complied with the dissent procedures in Division 2 of Part 8 of the BCBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order. The right to dissent is described in the Circular. **Failure to strictly comply with the provisions of the BCBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order, may result in the loss of any right of dissent.**

If you have any questions or require more information with regard to the procedures for voting or completing your form of proxy, please contact Computershare Investor Services Inc., the Transfer Agent for the Arrangement, toll free, at 1-800-564-6253 and service@computershare.com.

The Circular accompanying this Notice of Meeting is incorporated into, and shall be deemed to form part of, this Notice of Meeting.

DATED as of the 24th day of June, 2025.

By Order of the Mandalay Board

(signed) *"Brad Mills"*

Brad Mills
Chair of the Board of Directors
Mandalay Resources Corporation

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FREQUENTLY ASKED QUESTIONS ABOUT THE ARRANGEMENT AND THE MEETING

The following are some questions that you, as a Mandalay Shareholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in, or incorporated by reference into, this Circular. You are urged to read this Circular in its entirety including the appendices, any documents incorporated by reference herein and the forms of proxy before making a decision related to your Mandalay Shares. All capitalized terms used but not defined herein have the meanings ascribed to them in the "Glossary of Terms" at Appendix A of this Circular.

Q: What am I voting on?

A: In connection with the Meeting, Mandalay Shareholders are being asked to consider and vote on the Arrangement Resolution which, if approved, and if the Arrangement is completed, will result in Mandalay Shareholders (other than Dissenting Shareholders) exchanging each of their Mandalay Shares held immediately prior to the Effective Time for the Consideration, being 7.875 Alkane Shares.

Q: Who is Alkane?

A: Alkane is an exploration, development and production company with projects and operations located in Central West NSW, Australia. Alkane's Tomingley Gold Project covers an area of approximately 440 km^2, stretching 60 km north-south along the Newell Highway in Central West NSW. The prospective belt extends from near the village of Tomingley in the north, through Peak Hill and almost to Parkes in the south. The Tomingley Gold Project encompasses Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo, the Tomingley Gold Extension Project, Peak Hill Gold Project and a number of exploration licences. Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation.

See "*Information Concerning Alkane and AcquireCo*" and Appendix J of this Circular.

Q: When and where is the Meeting?

A: The Meeting will be held in a virtual-only format, which will be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q on July 28, 2025, at 10:00 a.m. (Toronto time).

Q: What is the recommendation of the Mandalay Board with respect to the Arrangement Resolution?

A: After consultation with its legal counsel and financial advisors and having taken into account the Fairness Opinions and such other matters as it considered necessary and relevant, the Mandalay Board has concluded that the Arrangement is in the best interests of Mandalay and is fair to the Mandalay Shareholders, and unanimously recommends that Mandalay Shareholders vote **FOR** the Arrangement Resolution.

Q: Why is the Mandalay Board making this recommendation?

A: In reaching its conclusion that the Arrangement is fair to Mandalay Shareholders and that the Arrangement is in the best interests of Mandalay, the Mandalay Board consulted with Mandalay's legal counsel and financial advisors, and considered and relied upon a number of factors and reasons, including:

- the ability for Mandalay Shareholders to participate in future growth through their ownership of Alkane Shares, while continuing to benefit from exposure to Mandalay's existing assets and operations;
- the Combined Company is expected to benefit from increased scale and diversification, operating three producing mines in premier jurisdictions, including Costerfield and Tomingley in Australia, and Björkdal in Sweden;

- the Combined Company's robust balance sheet and plans to continue to invest in exploration at all three of its producing mines and pursue other growth opportunities;

- the enhanced capital markets profile and trading liquidity of the Combined Company, through its listing on the ASX and anticipated listing on the TSX; and

- the Mandalay Board's review of strategic alternatives for creating shareholder value and its conclusion following this review that it is unlikely that any other party would be willing to propose an executable transaction on terms more favourable, in the aggregate, to Mandalay, Mandalay Shareholders, and other relevant Mandalay stakeholders than the proposed transaction with Alkane.

For a more detailed description of the various factors and reasons that the Mandalay Board considered and relied upon its recommendation, see "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Arrangement*" and "*The Arrangement – Fairness Opinions*" of this Circular.

Q: Who has agreed to support the Arrangement?

A. Each of Mandalay's directors, senior officers and certain other significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane, pursuant to which they have agreed to, among other things, vote their Mandalay Shares in favour of the Arrangement Resolution on and subject to the terms and conditions set out therein.

Q: Have any shareholders of Alkane agreed to support the Arrangement?

A. Yes, certain directors of Alkane who exercise beneficial ownership or control over an aggregate of approximately 19% of the outstanding Alkane Shares have delivered Alkane Voting Intention Statements to Alkane, pursuant to which such individuals have stated, subject to the terms and conditions thereof, their intention to vote their Alkane Shares in favour of the issuance of the Consideration to the Mandalay Shareholders pursuant to the terms of the Arrangement (the "**Share Issuance Resolution**").

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by senior management of Mandalay. This Circular is furnished in connection with that solicitation. While it is anticipated that solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited personally or by telephone by individual directors of the Corporation or by officers and/or other employees of the Corporation. Such persons will not receive any extra compensation for such activities.

Q: Who can participate in and vote at the Meeting?

A: Registered Mandalay Shareholders as at the close of business on the Record Date, being June 20, 2025, or their duly appointed proxyholders (including Non-Registered Mandalay Shareholders who have appointed themselves as proxyholder) are entitled to participate in and vote at the Meeting or any adjournment(s) or postponement(s) of the Meeting.

Q: What constitutes a quorum for the Meeting?

A: A quorum for the transaction of business at the Meeting is the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding Mandalay Shares entitled to be voted at the Meeting.

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Q: How many Mandalay Shares are entitled to be voted?

A: As of the Record Date, there were 94,784,806 Mandalay Shares entitled to be voted at the Meeting. Each Mandalay Shareholder is entitled to one vote for each Mandalay Share held by such holder in respect of all matters at the Meeting.

Q: If I am a Registered Mandalay Shareholder, how do I vote prior to the Meeting?

A: If you are a Registered Mandalay Shareholder, you can vote prior to the Meeting as follows:

- by signing and returning the applicable enclosed proxy form by mail appointing the named persons (or some other person you choose, who need not be a Mandalay Shareholder) to represent you as proxyholder and vote your Mandalay Shares at the Meeting;
- via telephone by dialing 1-866-732-VOTE (8683) toll free from a touch tone telephone; or
- via the internet at www.investorvote.com.

Q: How do I vote if I am a duly appointed proxyholder?

A: Duly appointed proxyholders, including Non-Registered Mandalay Shareholders who have been duly appointed by a Registered Mandalay Shareholder as proxyholder, can attend and vote at the Meeting.

Q: How do I vote if I am a Non-Registered Mandalay Shareholder?

A: Only Registered Mandalay Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. For Non-Registered Mandalay Shareholders, the Corporation is sending a VIF or a form of proxy, as applicable directly to NOBOs (as defined in the Circular) through its transfer agent, Computershare Investor Services Inc. and indirectly, through Intermediaries, to OBOs (as defined in the Circular). If you are a Non-Registered Mandalay Shareholder, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.

Q: How do I vote if I am both a Registered Mandalay Shareholder and a Non-Registered Mandalay Shareholder?

A: If you hold some Mandalay Shares as a Registered Mandalay Shareholder and others as a Non-Registered Mandalay Shareholder, you will have to use the separate voting methods described above, as applicable, for those of your Mandalay Shares for which you are a Registered Mandalay Shareholder and for those of your Mandalay Shares for which you are a Non-Registered Mandalay Shareholder.

Q: What will I receive under the Arrangement if I am a Mandalay Shareholder?

A: Upon the completion of the Arrangement, Mandalay Shareholders (other than Dissenting Shareholders) will be entitled to receive, for each Mandalay Share held by them immediately prior to the Effective Time, the Consideration, being 7.875 Alkane Shares.

To the extent the aggregate number of Alkane Shares that a Mandalay Shareholder would otherwise be entitled to receive under the Arrangement includes a fractional share, the actual number of Alkane Shares to be received by the Mandalay Shareholder will, without additional compensation, be rounded down to the nearest whole number of such shares. See "*The Arrangement – Arrangement Mechanics*" of this Circular for a more detailed description of the Arrangement steps, and Appendix C of this Circular for a copy of the Plan of Arrangement.

Q: What will holders of Mandalay Options, Mandalay RSUs, Mandalay PSUs or Mandalay DSUs receive under the Arrangement?

A: Each Mandalay option (a "**Mandalay Option**") which is outstanding immediately prior to the Effective Time (whether vested or unvested), shall, without any further action by or on behalf of a holder, be fully vested as of immediately prior to the Effective Time and may be conditionally exercised by the holder in accordance with the terms of the applicable Mandalay Plan (as defined in the Circular), effective as of immediately prior to the Effective Time, provided that (i) no such Mandalay Options will be settled by way of a Cash Election (as defined in the Mandalay Omnibus Plan) and (ii) any Mandalay Options that have not been exercised as of the Effective Time will automatically terminate.

Each Mandalay restricted share unit (a "**Mandalay RSU**") and Mandalay performance share unit (a "**Mandalay PSU**") which is outstanding immediately prior to the Effective Time shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan (as defined in the Circular), such that all of the Mandalay RSUs and Mandalay PSUs will, as of immediately prior to the Effective Time, be redeemed by Mandalay for (i) Mandalay Shares or (ii) cash, in each case, as set out in the Arrangement Agreement and in accordance with the terms of the Mandalay Omnibus Plan.

Each Mandalay deferred share unit (a "**Mandalay DSU**") which is outstanding immediately prior to the Effective Time shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all the Mandalay DSUs will, as of immediately prior to the Effective Time, be settled for Mandalay Shares in accordance with the terms of the Mandalay Omnibus Plan. See "*The Arrangement – Arrangement Mechanics*" of this Circular.

Q: What vote is required at the Meeting to approve the Arrangement Resolution?

A: Pursuant to the Interim Order, in order for the Arrangement Resolution to become effective, it must be approved by the affirmative vote of at least two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by Mandalay Shareholders.

Q: Should I send in my proxy now?

A: Yes. Once you have carefully read and considered the information contained in this Circular, to ensure your vote is counted, you need to complete and submit the enclosed form of proxy or, if applicable, provide your intermediary with voting instructions. You are encouraged to vote well in advance of the proxy cut-off at 10:00 a.m. (Toronto time) on July 24, 2025 (or if the Meeting is postponed or adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the postponed or adjourned Meeting).

Q: What if I return my proxy but do not mark it to show how I wish to vote?

A: If your proxy relating to your Mandalay Shares is signed and dated and returned without specifying your voting choice (or specifying both voting choices), then your Mandalay Shares will be voted **FOR**: (a) the Arrangement Resolution; and (b) the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof, all in accordance with the recommendation of the Mandalay Board.

Q: When is the cut-off time for delivery of proxies?

A: Proxies must be delivered to Mandalay's transfer agent, Computershare Investor Services Inc., by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof. In this case, assuming no adjournment or postponement, the proxy-cut off time is 10:00 a.m. (Toronto time) on July 24, 2025. The deadline for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

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Q: What are broker non-votes?

A: A broker non-vote occurs when shares held by a broker for the account of a beneficial owner are not voted for or against a particular proposal because the broker has not received voting instructions from that beneficial owner and the broker does not have discretionary authority to vote those shares. Mandalay Shares constituting broker non-votes are not counted or deemed to be present in person or by proxy for the purpose of voting on a non-routine matter at the Meeting and, therefore, are not counted for the purpose of determining whether Mandalay Shareholders have approved any matter because all proposals at the Meeting are considered non-routine. If you do not provide voting instructions to your broker, your broker will not have discretion to vote your Mandalay Shares.

Q: Can I abstain from voting?

A: Depending on the matter being voted on at the Meeting, under the BCBCA, Mandalay Shareholders have the option to either vote "for" or "against" the matter. A Registered Mandalay Shareholder present at the Meeting who has not provided a proxy may abstain from voting by not casting a vote. However, a proxyholder cannot abstain from voting, and must vote in accordance with the direction of the Mandalay Shareholder completing the proxy. If no choice is specified in the form of proxy, the Mandalay Shares will be voted **FOR** the relevant proposal(s).

Q: Can I revoke my proxy or change my vote after I submit a signed proxy?

A: Yes. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Mandalay Shareholder or by his or her attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, and upon such deposit, the proxy is revoked, or if you have followed the process for attending and voting at the Meeting, voting at the Meeting will revoke your previous proxy. If you revoke your proxy and do not replace it with another that is deposited with the Corporation before the deadline, then you can still vote your Mandalay Shares, but to do so, you must attend the Meeting.

Q. In addition to the approval of the Mandalay Shareholders, are there any other approvals required for the Arrangement?

A: Yes. The Arrangement requires the approval of the Court, and is also subject to the receipt of certain regulatory approvals, including the FIRB Approval and the Swedish FDI Approval (the latter of which was obtained on June 17, 2025), as well as the approval of the holders of the Alkane Shares (the "**Alkane Shareholders**") of the Share Issuance Resolution. See "*The Arrangement – Court Approval of the Arrangement*" and "*Regulatory Matters*" of this Circular.

Q: Does Alkane need to obtain approval from its shareholders in connection with the Arrangement?

A: Yes. It is a condition precedent to the Arrangement that the Alkane Shareholders approve the Share Issuance Resolution. The approval of the Alkane Shareholders of the Share Issuance Resolution by the requisite majority pursuant to the ASX Listing Rules (the "**Alkane Shareholder Approval**") will be considered at the general meeting of the Alkane Shareholders, including any adjournment or postponement thereof (the "**Alkane Meeting**").

Q: Will the Mandalay Shares continue to be listed on the TSX after the Arrangement?

A: It is anticipated that the Mandalay Shares will be de-listed from the TSX after the Arrangement is completed. The delisting is anticipated to occur approximately two or three trading days following completion of the Arrangement.

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Q: Will the Alkane Shares be listed on a stock exchange?

A: Alkane is an Australian listed public company. The Alkane Shares are currently listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[1] It is a condition to the completion of the Arrangement that conditional approval (or equivalent approval) of the listing or official quotation of the Alkane Shares issuable as Consideration under the Arrangement on the ASX shall have been obtained by Alkane.

Alkane has applied to have its shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved Alkane's listing application and there is no assurance that the TSX will approve the listing application. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

Q: When can I expect to receive the Consideration for my Mandalay Shares?

A: If you are a holder of Mandalay Shares, then, provided that a duly completed Letter of Transmittal, along with the applicable Mandalay Share certificate(s) or direct registration statement for such Mandalay Shares and all other required documents, have been received by the Depositary, you should receive the Consideration due to you under the Arrangement promptly after the Arrangement becomes effective. See "*Procedure for Receipt of Consideration*" of this Circular.

Q: What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

A: If the Arrangement Resolution is not approved, or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated and you will not be entitled to receive the Consideration. In certain circumstances, including if Mandalay accepts a competing offer that the Mandalay Board concludes is superior to the Arrangement, Mandalay will be required to pay to Alkane the Termination Fee (being A$17 million). In addition, in certain circumstances, including if Alkane accepts a competing offer that the Alkane Board concludes is superior to the Arrangement, Alkane will be required to pay to Mandalay the Termination Fee (being A$17 million). See "*The Arrangement Agreement – Termination – Termination Fee and Expense Reimbursement*" of this Circular.

Q: How will I know when the Arrangement has been completed?

A: The Arrangement will only be completed on the Effective Date, following satisfaction or waiver of all of the conditions to the completion of the Arrangement and the filing of the required documents with the Registrar under the BCBCA. If the Arrangement Resolution is approved at the Meeting and all other conditions are satisfied or waived, the Effective Date is expected to occur in the third quarter of 2025. In no event shall the Effective Date be later than August 30, 2025, unless otherwise agreed to between Mandalay and Alkane, provided that if the Effective Date has not occurred by August 30, 2025 as a result of the failure to obtain any of the Key Regulatory Approvals, then either Mandalay or Alkane may elect to extend the Effective Date by up to 45 days. On the Effective Date, upon completion of the Arrangement, Mandalay and Alkane will publicly announce that the Arrangement has been completed.

Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?

A: Yes. Mandalay Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks include, but are not limited to, the following: (a) Alkane and Mandalay may not integrate successfully; (b) uncertainty surrounding the Arrangement could adversely affect Mandalay's retention of customers and suppliers and could negatively impact Mandalay's future business and operations; (c) the unaudited pro forma financial information of the Combined Company is presented for illustrative purposes only and may not be an indication

[1] Effective July 1, 2025, the OTC Pink Market will cease to exist.

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of the Combined Company's financial condition or results of operations following the Arrangement; (d) directors and executive officers of Mandalay may have interests in the Arrangement that are different from those of Mandalay Shareholders generally; (e) the issuance of a significant number of Alkane Shares could adversely affect the market price of the Alkane Shares; (f) the Arrangement Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Effect on Mandalay or Alkane; (g) there can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived; (h) Mandalay Shareholders will receive a fixed number of Alkane Shares and the market value of the Alkane Shares may fluctuate prior to and following completion of the Arrangement; (i) Mandalay will incur costs even if the Arrangement is not completed and may have to pay the Termination Fee and/or the Expense Fee to Alkane in certain circumstances; (j) if the Arrangement is not approved by the Mandalay Shareholders, or the Arrangement is otherwise not completed, then the market price for Mandalay Shares may decline; (k) owning Alkane Shares will expose Mandalay Shareholders to different risks; (l) the ASX may not approve the listing of the Alkane Shares issuable pursuant to the Arrangement; (m) the TSX may not approve the listing of the Alkane Shares as of or following the Effective Date, (n) the Arrangement Agreement contains provisions that restrict the ability of the Parties to pursue alternatives to the Arrangement; and (o) the diversion of management time on the Arrangement. The foregoing list is not exhaustive. Please carefully read all of the risks disclosed elsewhere in this Circular, as well as risks disclosed in Mandalay's publicly disclosed documents available on SEDAR+. See "*Risk Factors Relating to the Arrangement*" of this Circular.

Q: What are the Canadian federal income tax consequences of the Arrangement?

A: For a summary of certain Canadian federal income tax consequences of the Arrangement applicable to a Mandalay Shareholder, see "*Certain Canadian Federal Income Tax Considerations*". Such summary is not intended to be legal or tax advice to any particular Mandalay Shareholder. Mandalay Shareholders should consult their own tax advisors with respect to their particular circumstances.

Q: What are the U.S. federal income tax consequences of the Arrangement?

A: For a summary of certain material U.S. federal income tax consequences of the Arrangement applicable to a U.S. Holder, see "*Certain United States Federal Income Tax Considerations*". Such summary is not intended to be legal or tax advice to any particular Mandalay Shareholder. Mandalay Shareholders should consult their own tax advisors with respect to their particular circumstances.

Q: Am I entitled to Dissent Rights?

A: The Interim Order and Plan of Arrangement provide Registered Mandalay Shareholders with Dissent Rights in connection with the Arrangement. Mandalay Shareholders considering exercising Dissent Rights should seek the advice of their own legal counsel and tax and investment advisors and should carefully review the description of such rights set forth in this Circular, the Interim Order and the Plan of Arrangement. The right to dissent is described in this Circular, and the texts of each of the Plan of Arrangement, the Interim Order and Division 2 of Part 8 of the BCBCA, are set forth in Appendix C, Appendix D and Appendix H, respectively, to this Circular. Failure to strictly comply with the dissent procedures in Division 2 of Part 8 of the BCBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order, could result in a loss of Dissent Rights. See "*Dissent Rights*" in this Circular.

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MANDALAY RESOURCES CORPORATION

MANAGEMENT INFORMATION CIRCULAR

This management information circular and the accompanying form of proxy are furnished in connection with the solicitation of proxies by the management of Mandalay Resources Corporation for use at the special meeting of Mandalay Shareholders to be held in a virtual-only format, which will be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q on July 28, 2025, at 10:00 a.m. (Toronto time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of special meeting. All summaries of, and references to, the Arrangement Agreement, the Plan of Arrangement, the Arrangement Resolution, the Haywood Fairness Opinion, the GenCap Fairness Opinion, and the Alkane Technical Reports in this Circular are qualified in their entirety by reference to the complete texts of those documents, each of which is either included as an appendix to this Circular or filed under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca. Mandalay Shareholders are urged to carefully read the full text of these documents.

GENERAL MATTERS

Defined Terms

In this Circular, unless otherwise indicated or the context otherwise requires, terms defined in Appendix A – *Glossary of Terms* shall have the meanings attributed thereto. Words importing the singular include the plural and vice versa, and words importing gender include all genders.

Information Contained in this Circular

The information contained in this Circular, unless otherwise indicated, is given as of June 24, 2025.

No person has been authorized by the Corporation to give any information (including any representations) in connection with the matters to be considered at the Meeting other than the information contained in this Circular. This Circular does not constitute an offer to buy, or a solicitation of an offer to acquire, any securities, or a solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or is unlawful. Information contained in this Circular should not be construed as legal, tax or financial advice, and Mandalay Shareholders should consult their own professional advisors concerning the consequences of the Arrangement in their own circumstances.

This Circular and the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement have not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of such transactions or upon the accuracy or adequacy of the information contained in this Circular. Any representation to the contrary is unlawful.

Information Contained in this Circular Regarding Alkane and AcquireCo

Certain information included in this Circular pertaining to Alkane and AcquireCo, including, but not limited to, the information pertaining to Alkane and AcquireCo set forth in Appendix J of this Circular, has been furnished by Alkane. With respect to this information, the Corporation has relied exclusively upon Alkane, without independent verification by the Corporation. Although the Corporation does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Corporation nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by Alkane to disclose events or information that may affect the completeness or accuracy of such information. For further information regarding Alkane and AcquireCo, please refer to Appendix J of this Circular.

Financial Information

Unless otherwise indicated, all historical financial statements included in this Circular relating to Alkane are reported in Australian dollars and prepared in accordance with Australian Accounting Standards as issued by the Australian

Accounting Standards Board ("**AASB**"), which also comply with IFRS, and Alkane's unaudited consolidated interim financial statements for the three and nine months ended March 31, 2025 have been prepared in accordance with AASB 134 Interim Financial Reporting.

Currency

Unless otherwise indicated, all references to "$", "C$" or "dollars" set forth in this Circular are to Canadian dollars, all references to "A$" set forth in this Circular are to Australian dollars and all references to "US$" set forth in this Circular are to United States dollars.

NOTICE TO MANDALAY SECURITYHOLDERS IN THE UNITED STATES

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Alkane Shares to be issued to Mandalay Securityholders in connection with the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and such securities are being issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by the Section 3(a)(10) Exemption on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to Mandalay Securityholders as further described in "*Securities Law Matters – United States Securities Laws Matters*" of this Circular, and in reliance on exemptions from the registration or qualification requirements under any applicable securities laws of any state of the United States. The Section 3(a)(10) Exemption provides for securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange to the persons to whom the securities will be issued, at which hearing all persons to whom the securities will be issued have the right to appear and have received adequate notice thereof. All Mandalay Securityholders who will receive Share Consideration in the Arrangement are entitled to appear and be heard at the fairness hearing to be held by the Court prior to granting the Final Order. For further information about how to appear and be heard at the fairness hearing, see "*The Arrangement - Court Approval of the Arrangement – Final Order*" in this Circular and Appendix D and Appendix E to this Circular. Prior to the hearing on the Final Order, the Court will be informed of the Parties' intended reliance on the Final Order as the basis for the Section 3(a)(10) Exemption.

The U.S. Securities Act imposes certain restrictions on the public resale of Alkane Shares received pursuant to the Arrangement by persons who are "affiliates" of Alkane after the Effective Time.

The solicitation of proxies hereby for the Meeting is being made by a Canadian issuer in accordance with Canadian corporate and securities laws and is not subject to the requirements of Section 14(a) of the U.S. Exchange Act because the Mandalay Shares are not listed on a U.S. national securities exchange or otherwise registered under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws. Mandalay Shareholders in the United States should be aware that such requirements are different from those applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Information included in this Circular or incorporated by reference herein concerning the business of Mandalay and Alkane has been prepared in accordance with the requirements of Canadian Securities Laws, which differ from the requirements of U.S. securities laws.

Certain financial statements and information included or incorporated by reference herein have been prepared in accordance with IFRS and the Australian Accounting Standards as issued by the AASB, and are subject to auditing and auditor independence standards in Canada or Australia, as applicable, and thus may not be comparable to financial

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statements and information of U.S. companies prepared in accordance with U.S. generally accepted accounting principles and U.S. auditing and auditor independence standards.

As used in this Circular, as it relates to the Parties, the information concerning mineral properties has been prepared in accordance with NI 43-101 and the CIM Definition Standards on Mineral Resources and Mineral Reserves (May 2014) (the "**CIM Standards**"), adopted by the CIM Council, as amended. These requirements differ in certain respects from the requirements of the SEC set forth in Regulation S-K 1300. Accordingly, the disclosure in this Circular regarding mineral properties may differ materially from the information that would be disclosed by a U.S. company subject to Regulation S-K 1300.

Mandalay Securityholders in the United States should be aware that the Arrangement described in this Circular may have tax consequences in both the United States and Canada. For a general discussion of the Canadian federal income tax consequences to Mandalay Shareholders who are not resident in Canada, see "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*". Mandalay Securityholders in the United States are also advised to review the summary contained in this Circular under the heading "*Certain United States Federal Income Tax Considerations*" and to consult their own tax advisors to determine the particular Canadian and United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by Mandalay Securityholders of civil liabilities under applicable U.S. securities laws may be affected adversely by the fact that the Parties are incorporated or organized outside the United States, that some of their respective directors and officers and the experts named in this Circular are not residents of the United States and that all or a substantial portion of the assets of the Parties and of said persons are located outside the United States. As a result, Mandalay Securityholders in the United States may be unable to effect service of process within the United States upon certain officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or any applicable securities laws of any state of the United States. In addition, Mandalay Securityholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or any applicable securities laws of any state of the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or any applicable securities laws of any state of the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular and the documents incorporated into this Circular by reference contain "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**") that are based on expectations, estimates and projections as at the date of this Circular or the dates of the documents incorporated by reference herein. Forward-looking information may include, without limitation, statements and information concerning: the Arrangement; the anticipated timing for completion of the Arrangement; the anticipated benefits of the Arrangement; the likelihood of the Arrangement being completed; the principal steps of the Arrangement; statements made in, and based upon, the Haywood Fairness Opinion and the GenCap Fairness Opinion; statements relating to the business and future activities of the Corporation and Alkane after the date of this Circular and prior to the Effective Time; statements relating to the business and future activities of the Combined Company after the Effective Time; Mandalay Shareholder Approval; Court approval of the Arrangement; Alkane Shareholder Approval; the Key Regulatory Approvals; the listing of the Alkane Shares on the ASX issued pursuant to the Arrangement; the listing of the Alkane Shares on the TSX; and other statements that are not historical facts.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "believes", "budget", "scheduled", "forecasts" "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward- looking information and are intended to identify forward-looking information.

Forward-looking information is based on the beliefs, expectations and opinions of the management of Mandalay and Alkane, as well as on assumptions and other factors, which management of Mandalay and Alkane believe to be reasonable based on information available at the time such information was given. Such assumptions include, among other things, the satisfaction of the terms and conditions of the Arrangement, including the approval of the Arrangement and its fairness by the Court, and the receipt of the required regulatory approvals.

By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mandalay and Alkane to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation: the Arrangement Agreement may be terminated in certain circumstances; general economic conditions; industry conditions; volatility of commodity prices; currency fluctuations; environmental risks; competition from other industry participants; and stock market volatility. This list is not exhaustive of the factors that may affect any of the forward-looking information of Mandalay and Alkane.

Forward-looking information is information about the future and is inherently uncertain. There can be no assurance that the forward-looking information will prove to be accurate. Actual results could differ materially from those reflected in the forward-looking information as a result of, among other things, the matters set out or incorporated by reference in this Circular generally and economic and business factors, some of which may be beyond the control of Mandalay and Alkane. Some of the more important risks and uncertainties that could affect forward-looking information are described further under the heading "*Risk Factors Relating to the Arrangement*". Additional risks are discussed (a) in respect of Mandalay, in filings by Mandalay with Canadian regulatory authorities on SEDAR+, respectively, including the risk factors included in Mandalay's annual information form for the year ended December 31, 2024, and (b) in respect of Alkane, in Appendix J of this Circular. Mandalay and Alkane expressly disclaim any intention or obligation to update or revise any information contained in this Circular (including forward-looking information) except as required by applicable laws, and Mandalay Shareholders should not assume that any lack of update to information contained in this Circular means that there has been no change in that information since the date of this Circular and should not place undue reliance on forward-looking information.

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SUMMARY

The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information contained elsewhere in this Circular, including the appendices hereto, or incorporated by reference in this Circular. Capitalized terms have the meanings ascribed to such terms in the "Glossary of Terms" included in Appendix A of this Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.

The Meeting

The Meeting will be held in a virtual-only format, which will be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q on July 28, 2025, at 10:00 a.m. (Toronto time).

Record Date

The Mandalay Board has fixed the close of business on June 20, 2025 as the Record Date for the determination of the Mandalay Shareholders entitled to receive notice of, and vote at, the Meeting. Only Mandalay Shareholders whose names have been entered in the central securities register of the Corporation as of the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting.

Purpose of the Meeting

The purpose of the Meeting is for Mandalay Shareholders to consider and vote on the Arrangement Resolution. For the Arrangement to become effective, the Arrangement Resolution must first be approved at the Meeting by the affirmative vote of at least two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by Mandalay Shareholders. See "*The Arrangement – Approval of Arrangement Resolution*" and "*General Proxy Information – Voting Matters*" of this Circular.

Background to the Arrangement

On April 27, 2025, Mandalay and Alkane entered into the Arrangement Agreement, which sets out the terms and conditions for implementing the Arrangement. The execution of the Arrangement Agreement was the result of the arm's length negotiations, conducted on the basis of a merger of equals among representatives and legal and financial advisors of Mandalay and Alkane. See "*The Arrangement – Background to the Arrangement*" of this Circular.

Fairness Opinions

Haywood was engaged as exclusive financial advisor to Mandalay in connection with the Arrangement and each of Haywood and GenCap were engaged to provide a fairness opinion to the Mandalay Board in connection with the Arrangement. On April 25, 2025, Haywood and GenCap each provided oral fairness opinions to the Mandalay Board, which were each subsequently confirmed in writing, to the effect that, as of the date of such Fairness Opinion, and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by the Mandalay Shareholders pursuant to the Arrangement, is fair, from a financial point of view, to the Mandalay Shareholders. The full text of the Haywood Fairness Opinion and the GenCap Fairness Opinion, each of which sets forth, among other things, the scope of review undertaken, the assumptions made, matters considered, procedures followed and limitations and qualifications thereof, are attached as Appendix F and Appendix G, respectively, to this Circular, respectively. Mandalay Shareholders are urged to, and should, read the Fairness Opinions in their entirety. This summary is qualified in its entirety by reference to the full text of the Fairness Opinions. See "*The Arrangement – Fairness Opinions*" of this Circular.

Recommendation of the Mandalay Board with Respect to the Arrangement

The Mandalay Board, after consultation with its financial advisors and legal counsel and having taken into account the Fairness Opinions and such other matters as it considered necessary and relevant, including the factors set out below under the heading "*The Arrangement – Reasons for the Arrangement*" of this Circular, has unanimously

determined that the Arrangement is in the best interests of Mandalay and is fair to the Mandalay Shareholders. Accordingly, the Mandalay Board unanimously recommends that Mandalay Shareholders vote **FOR** the Arrangement Resolution.

See "*The Arrangement – Recommendation of the Mandalay Board*" and "*The Arrangement –The Arrangement – Reasons for the Arrangement*" of this Circular.

Reasons for the Arrangement

The Mandalay Board reviewed and considered a number of factors relating to the Arrangement, with advice from Mandalay's management and its financial and legal advisors. The following is a summary of the principal reasons for the unanimous recommendation of the Mandalay Board that Mandalay Shareholders vote **FOR** the Arrangement Resolution:

- **Participation by Mandalay Shareholders in Future Growth.** Mandalay Shareholders will receive 7.875 Alkane Shares for each Mandalay Share held as of the Effective Time. Upon completion of the Arrangement, 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. As a result of the Arrangement, Mandalay Shareholders will gain exposure, through their ownership of Alkane Shares, to Alkane's core assets and operations, including Alkane's Tomingley Gold Project and the growth potential of its Boda-Kaiser Project, while continuing to benefit from exposure to Mandalay's existing assets and operations, including the Costerfield gold-antimony mine and the Björkdal gold mine.

- **Increased Scale and Diversification**. The Combined Company's implied market capitalization is estimated at approximately $874 million (A$989 million) (based on the Combined Company's pro forma issued shares and Alkane's closing price of A$0.725 and an A$ to C$ exchange rate of 0.8839, in each case as at June 23, 2025). The Combined Company will operate three producing mines in premier jurisdictions, including Costerfield and Tomingley in Australia, and Björkdal in Sweden, providing diversified production that reduces overall operational and financial risk. In addition, the Combined Company is expected to have projected gold equivalent production of approximately 160,000 gold-equivalent ounces in 2025, growing to over approximately 180,000 gold-equivalent ounces in 2026, and increasing margins in 2025 with all-in sustaining costs of approximately US$1,760/oz (A$2,750/oz), decreasing to approximately US$1,420/oz (A$2,160/oz) in 2026.[2]

- **Strong Financial Resources and Growth Pipeline.** The Combined Company will have a robust balance sheet with a pro forma cash balance of approximately $167 million (A$188 million) as at March 31, 2025.[3] 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 Project, which adds future production potential with its significant scale.

- **Enhanced Capital Markets Profile and Trading Liquidity.** Upon completion of the Arrangement, it is expected that the Combined Company will be listed on both the ASX and the TSX, providing it with greater exposure to capital markets than is currently available to Mandalay. 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 for Mandalay Shareholders may be unlocked through greater trading liquidity, a larger free-float, and a wider range of global investors, as the Combined Company continues to grow.

[2]2025 all-in sustaining costs estimate is based on Mandalay calendar year guidance and Alkane fiscal year guidance. 2026 all-in sustaining costs estimate is based on consensus broker analyst estimates for Mandalay (calendar year) and Alkane (fiscal year).

[3] Note that the cash balance does not account for transaction costs which are included in the pro forma financial information at Exhibit A to Appendix K of this Circular, uses exchange rates at the time of announcement of the Arrangement and includes an Alkane bullion value of A$10.5 million as at March 31, 2025.

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- **Review of Strategic Alternatives.** Following a review of a range of strategic alternatives for creating shareholder value, including careful consideration of the identity and potential strategic interest of other industry and financial counterparties, the Mandalay Board determined that it was unlikely that any other party would be willing to propose an executable transaction on terms more favourable, in the aggregate, to Mandalay, Mandalay Shareholders, and other relevant Mandalay stakeholders than the proposed transaction with Alkane. The Mandalay Board also considered Mandalay's standalone business strategy and concluded that the Consideration was more favourable to Mandalay Shareholders than the alternative of remaining an independent public company and pursuing Mandalay's long-term plans, taking into account the associated risks, rewards, and uncertainties of pursuing such plans.

- **Value Supported by Fairness Opinions.** Each of Haywood Securities Inc. and GenCap Mining Advisory Ltd. have provided a fairness opinion to the Mandalay Board 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 Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. The complete text of the Haywood Fairness Opinion and the GenCap Fairness Opinion are attached as Appendix F and Appendix G, respectively, to the Circular. Mandalay Shareholders are urged to read the Fairness Opinions carefully and in their entirety. See "*The Arrangement – Fairness Opinions*" of this Circular.

- **Support by Directors, Officers, and Certain Shareholders of Mandalay.** The Arrangement has been unanimously approved by the Mandalay Board. All of the directors and senior officers of Mandalay, as well as certain significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over an aggregate of approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane, pursuant to which they have agreed to, among other things, support the Arrangement and to vote any Mandalay Shares they own in favour of the Arrangement Resolution.

- **Deal Certainty.** Alkane's obligation to complete the Arrangement is subject to a limited number of conditions that the Mandalay Board believes, with the advice of its legal and financial advisors, are reasonable in the circumstances.

- **Proven Leadership Team.** Following the completion of the Arrangement, it is expected that the Alkane Board will be reconstituted to 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, Andrew Quinn, who is a highly credentialed investment banking and mining industry veteran. Upon closing of the Arrangement, the management team 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 depth of experience of the leadership team is expected to support disciplined growth, continued operational performance, and drive long-term value creation for shareholders of the Combined Company.

- **Equitable and Fair Treatment of All Stakeholders.** In the view of the Mandalay Board, the terms of the Arrangement Agreement treat all stakeholders of the Corporation equitably and fairly.

In making its determinations and recommendations, the Mandalay Board also observed that a number of procedural safeguards were in place and present to permit the Mandalay Board to protect the interests of Mandalay, Mandalay Shareholders, and other Mandalay stakeholders. These procedural safeguards include, among others:

- **Negotiated Transaction.** The Arrangement Agreement is the result of an arm's length negotiation process, with Mandalay having retained and received advice from its financial advisors and legal counsel. The Mandalay Board, after consulting with its legal and financial advisors, concluded that the terms and conditions of the Arrangement Agreement, including each of Mandalay's and Alkane's representations, warranties and covenants, as well as the conditions to Alkane's obligation to complete

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the Arrangement, are reasonable and customary in the circumstances and the risk of the Arrangement not being completed is mitigated by the limited nature of the conditions in favour of Alkane.

- **Ability to Respond to Unsolicited Superior Proposals.** Under the terms of the Arrangement Agreement, the Mandalay Board is able to respond to any unsolicited *bona fide* written proposal that, having regard to all of the terms and conditions of such proposal, constitutes or would reasonably be expected to constitute, a Superior Proposal.

- **Reasonable Termination Payment.** The Mandalay Board determined that the A$17 million Termination Fee, which is payable in certain circumstances by Mandalay or Alkane, is reasonable. In the view of the Mandalay Board, the Termination Fee would not preclude a third party from potentially making a Superior Proposal to Mandalay.

- **Shareholder Approval.** In order to become effective, the Arrangement must first receive the Mandalay Shareholder Approval at the Meeting.

- **Court Approval.** In order to become effective, the Arrangement must be approved by the Court, which will consider, among other things, the substantive and procedural fairness and reasonableness of the Arrangement to Mandalay Shareholders.

- **Dissent Rights.** The Interim Order provides that a Registered Mandalay Shareholder may, upon strict compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive the fair value of their Mandalay Shares in accordance with the Plan of Arrangement.

The foregoing summary of the information considered by the Mandalay Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Mandalay Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations.

The Mandalay Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors Relating to the Arrangement*" of this Circular.

Mandalay Voting and Lock-Up Agreements

Each of Mandalay's directors, senior officers and certain other significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane pursuant to which they have agreed to, among other things, vote their Mandalay Shares in favour of the Arrangement Resolution on and subject to the terms and conditions set out therein. See "*The Arrangement – Mandalay Voting and Lock-Up Agreements*" of this Circular.

Court Approval of the Arrangement

Under the BCBCA, the Arrangement requires Court approval.

Interim Order

On June 23, 2025, Mandalay obtained the Interim Order providing for the calling and holding of the Meeting, the grant of Dissent Rights and certain other procedural matters. The text of the Interim Order is set out in Appendix D of this Circular.

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Final Order

Subject to the terms of the Arrangement Agreement, provided the Arrangement Resolution is approved by Mandalay Shareholders at the Meeting in the manner required by the Interim Order, Mandalay intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for August 1, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, or at any other date and time as the Court may direct. Any Mandalay Securityholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Response to Petition by no later than 4:00 p.m. (Vancouver time) on July 30, 2025, along with any other documents required, all as set out in the Interim Order and the Petition and Notice of Hearing of Petition, the text of which are set out in Appendix D and Appendix E to this Circular, respectively, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

See "*The Arrangement – Court Approval of the Arrangement*" of this Circular.

Effects of the Arrangement

If the Arrangement is completed, Alkane will indirectly acquire all of the issued and outstanding Mandalay Shares and Mandalay will become an indirect wholly-owned subsidiary of Alkane. Under the Arrangement, Mandalay Shareholders (other than Dissenting Shareholders) will be entitled to receive the Consideration consisting of 7.875 Alkane Shares for each Mandalay Share held immediately prior to the Effective Time.

It is expected that following the completion of the Arrangement, the Mandalay Shares will be delisted from the TSX and Mandalay will cease to be a reporting issuer under applicable Canadian Securities Laws.

Alkane is an Australian listed public company. Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[4] Alkane has applied to have its shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved Alkane's listing application and there is no assurance that the TSX will approve the listing application. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC**.**

See "*The Arrangement – Arrangement Mechanics*" of this Circular.

Effects of the Arrangement on Mandalay Shareholders' Rights

The rights of Mandalay Shareholders are governed by the BCBCA and by Mandalay's notice of articles and articles. Following the Arrangement, Mandalay Shareholders who receive Alkane Shares as part of the Arrangement will become Alkane Shareholders, and as such their rights will be governed by the Corporations Act, the ASX Listing Rules, and by the Alkane Constitution. The rights of a shareholder of an Australian corporation differ from the rights of a shareholder of a BCBCA corporation. See Appendix I of this Circular for a summary comparison of the rights of Mandalay Shareholders and Alkane Shareholders. Mandalay Shareholders are encouraged to consult with their legal advisors for greater detail with respect to these differences.

The Arrangement Agreement

The Arrangement Agreement provides for the Arrangement and matters related thereto. Under the Arrangement Agreement, Mandalay has agreed to, among other things, call the Meeting to seek approval of the Arrangement

[4] Effective July 1, 2025, the OTC Pink Market will cease to exist.

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Resolution by the Mandalay Shareholders and, if approved, apply to the Court for the Final Order. The following is a summary of certain terms of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement and the amendment thereto, a copy of which is available on SEDAR+ at www.sedarplus.ca under Mandalay's issuer profile. See "*The Arrangement Agreement*" of this Circular.

Covenants, Representations and Warranties

The Arrangement Agreement contains customary covenants and representations and warranties for an agreement of this type, which are summarized in this Circular. See *"The Arrangement Agreement – Representations and Warranties*", "*The Arrangement Agreement – Covenants of Mandalay*" and "*The Arrangement Agreement – Covenants of Alkane*" of this Circular.

Conditions to the Arrangement Becoming Effective

The obligations of Mandalay and Alkane to complete the Arrangement are subject to the satisfaction or waiver of certain conditions set out in the Arrangement Agreement which are summarized in this Circular. These conditions include, among other things, the receipt of the Mandalay Shareholder Approval, the Alkane Shareholder Approval, the Final Order and the Key Regulatory Approvals. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*".

Non-Solicitation Covenants

Pursuant to the Arrangement Agreement, each Party has agreed not to, directly or indirectly, make, solicit, initiate, entertain, knowingly encourage, promote or otherwise knowingly facilitate, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding (subject to certain exceptions set forth in the Arrangement Agreement), any inquiries or the making of any proposals regarding an Acquisition Proposal or that could reasonably be expected to constitute or lead to an Acquisition Proposal. However, each of the Mandalay Board and the Alkane Board does have the right to consider and accept a Superior Proposal under certain conditions. Each Party has the right to offer to amend the terms of the Arrangement Agreement in response to any Acquisition Proposal that the Mandalay Board or the Alkane Board, as applicable, has determined is a Superior Proposal in accordance with the Arrangement Agreement. If each Party accepts a Superior Proposal and either party terminates the Arrangement Agreement, then the Terminating Party must pay the other Party the Termination Fee. See "*The Arrangement Agreement – Non-Solicitation Covenant*" of this Circular.

Termination of Arrangement Agreement and Termination Fee

Mandalay and Alkane may mutually agree in writing to terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Effective Date. In addition, each of Mandalay and Alkane may terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Effective Date if certain specified events occur.

Under the Arrangement Agreement, each of Mandalay and Alkane is required to pay a Termination Fee to the other Party in the amount of A$17 million upon the occurrence of certain termination events. See "*The Arrangement Agreement – Termination – Termination Fee and Expense Reimbursement*" of this Circular.

Securities Law Matters

Mandalay Shareholders are urged to obtain independent advice in respect of the consequences to them of the Arrangement having regard to their particular circumstances. Each Mandalay Shareholder is urged to consult his or her professional advisors to determine the conditions and restrictions applicable to trades in Alkane Shares.

The distribution of the Alkane Shares pursuant to the Arrangement will constitute a distribution of securities that is exempt from the prospectus requirements of applicable Canadian securities legislation. The Alkane Shares received pursuant to the Arrangement will not be legended and may be resold in each of the provinces and territories of Canada provided that: (i) the trade is not a "control distribution" (as defined in NI 45-102); (ii) no unusual effort is made to

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prepare the market or to create a demand for Alkane Shares; (iii) no extraordinary commission or consideration is paid to a person in respect of such sale; and (iv) if the selling securityholder is an insider or officer of Alkane, the selling securityholder has no reasonable grounds to believe that Alkane, is in default of applicable Canadian Securities Laws.

For more information, see "*Securities Law Matters – Canadian Securities Law Matters*", "*Securities Law Matters – United States Securities Laws Matters*" and "*Securities Law Matters – Australian Securities Law Matters*" of this Circular.

Regulatory Matters

It is a condition precedent to the completion of the Arrangement that the following shall have been obtained by the Parties: (i) conditional approval (or equivalent approval) of the listing or official quotation of the Alkane Shares issuable pursuant to the Arrangement on the ASX and (ii) each of the Key Regulatory Approvals.

As of the date of this Circular, (i) the ASX has not yet conditionally approved the listing of the Alkane Shares issuable pursuant to the Arrangement, (ii) Alkane has filed the FIRB Application, (iii) AcquireCo has obtained the Swedish FDI Approval, and (iv) the TSX has not yet conditionally approved the listing of the Alkane Shares.

See "*Regulatory Matters*" and "*Risk Factors Relating to the Arrangement*" of this Circular.

Dissent Rights

The Interim Order provides that Registered Mandalay Shareholders entitled to vote on the Arrangement Resolution may exercise Dissent Rights with respect to their Mandalay Shares in connection with the Arrangement, pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA as modified by the Interim Order, the Final Order and the Plan of Arrangement. A Dissenting Shareholder who validly exercises Dissent Rights in respect of his, her or its Mandalay Shares and who has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights is entitled, upon the Arrangement becoming effective, to be paid the fair value of such Mandalay Shares.

It is a condition to Alkane and AcquireCo's obligation to complete the Arrangement that Mandalay Shareholders have not validly exercised (and not withdrawn such exercise) Dissent Rights representing more than 10% of the issued and outstanding Mandalay Shares. Each of the directors and senior officers of the Corporation has agreed to waive his or her Dissent Rights as a holder of Mandalay Shares pursuant to their Mandalay Voting and Lock-Up Agreements.

See "*Dissent Rights*", "*Cautionary Statement Regarding Forward-Looking Information"* and "*Risk Factors Relating to the Arrangement"* of this Circular.

Risk Factors

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, Mandalay will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the Mandalay Shares. You should carefully consider the risk factors described in the section entitled "*Risk Factors Relating to the Arrangement*" in evaluating how you should vote your Mandalay Shares.

Procedure for Receipt of Consideration

In order to receive the Consideration that they are entitled to receive under the Arrangement, a Registered Mandalay Shareholder must deliver to the Depositary a duly completed and signed Letter of Transmittal in respect of the Mandalay Shares held by such shareholder, together with the applicable Mandalay Share certificate(s) or DRS, if any, and such other documents or instruments as the Depositary may reasonably require.

A Letter of Transmittal (printed on white paper) is being mailed, together with this Circular, to each person who was a Registered Mandalay Shareholder on the Record Date. A copy of the Letter of Transmittal may also be obtained by contacting the Depositary and will also be available under Mandalay's issuer profile on SEDAR+ at

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www.sedarplus.ca. In order to receive the Consideration to which such Registered Mandalay Shareholder is entitled under the Arrangement, it is recommended that Registered Mandalay Shareholders complete, sign and return the Letter of Transmittal (with accompanying Mandalay Share certificate(s) or DRS) to the Depositary as soon as possible.

A Non-Registered Mandalay Shareholder who holds Mandalay Shares that are registered in the name of an intermediary such as a broker, investment dealer, bank or trust company should contact the intermediary for instructions and assistance in depositing their Mandalay Shares with the Depositary, in order to ensure they receive the Consideration that they are entitled to receive under the Arrangement.

To the extent that a Former Mandalay Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 of the Plan of Arrangement on or before the date that is six (6) years after the Effective Date, the Consideration that such Former Mandalay Shareholder was entitled to receive, in each case together with all entitlements to dividends and distributions thereon held for such Former Mandalay Shareholder, shall be automatically cancelled without any repayment in respect thereof and the certificates, holding statements or DRS representing the Alkane Shares shall be delivered to Alkane by the Depositary and such certificates, holding statements and DRS representing such Alkane Shares shall be cancelled by Alkane. The interest of the Former Mandalay Shareholder in the Consideration (and dividends and distributions thereon) shall be terminated as of such date.

Treatment of Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs

The outstanding Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs will be treated in accordance with the Arrangement Agreement and Plan of Arrangement. See "*The Arrangement – Arrangement Mechanics*" of this Circular for a more detailed description of the Arrangement steps, including certain transaction that will take effect prior to the Effective Time, and Appendix C of this Circular for a copy of the Plan of Arrangement.

Certain Canadian Federal Income Tax Considerations

For a summary of certain material Canadian income tax consequences of the Arrangement, please see "*Certain Canadian Federal Income Tax Considerations*" in this Circular.

The summary at "*Certain Canadian Federal Income Tax Considerations*" of this Circular is not intended to be legal or tax advice to any particular Mandalay Shareholder. Accordingly, Mandalay Shareholders are urged to consult their own tax advisors with respect to their particular circumstances.

Certain United States Federal Income Tax Considerations

For a summary of certain material U.S. federal income tax consequences of the Arrangement applicable to a U.S. Holder, see "*Certain United States Federal Income Tax Considerations*" of this Circular. Such summary is not intended to be legal or tax advice to any particular Mandalay Shareholder. Mandalay Shareholders should consult their own tax advisors with respect to their particular circumstances.

Information Concerning Alkane and AcquireCo

Alkane is an exploration, development and production company with projects and operations located in Central West NSW, Australia. Alkane's Tomingley Gold Project covers an area of approximately 440 km^2, stretching 60 km north-south along the Newell Highway in Central West NSW. The prospective belt extends from near the village of Tomingley in the north, through Peak Hill and almost to Parkes in the south. The Tomingley Gold Project encompasses Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo, the Tomingley Gold Extension Project, Peak Hill Gold Project and a number of exploration licences. Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation.

AcquireCo is a company existing under the Laws of British Columbia and a direct wholly-owned subsidiary of Alkane. AcquireCo was incorporated for the purpose of the Arrangement and accordingly, has no business history.

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For more information on Alkane and AcquireCo, see "*Information Concerning Alkane and AcquireCo*" and Appendix J of this Circular.

Information Concerning the Combined Company

On completion of the Arrangement, AcquireCo will directly own, and Alkane will indirectly own, all of the issued and outstanding Mandalay Shares. After completion of the Arrangement, the business and operations of Mandalay will be managed and operated as a subsidiary of Alkane. Alkane expects that the business and operations of Alkane and Mandalay will be consolidated and the principal executive office of the Combined Company will be located at Alkane's current principal executive office, being Level 4, 66 Kings Park Rd, West Perth, Western Australia 6005. For more information on the Combined Company, see "*Information Concerning the Combined Company*" of this Circular and Appendix K of this Circular.

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GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by management of the Corporation of proxies to be used at the Meeting on July 28, 2025 at 10:00 a.m. (Toronto time) to be conducted via a live audio webcast online at http://meetnow.global/MD22W2Q, and at any postponement or adjournment thereof, for the purposes set forth in the notice of Meeting that accompanies this Circular (the "Notice of Meeting"). It is expected that the solicitation will be primarily by mail but proxies may be solicited personally or by telephone by individual directors of the Corporation or by officers and/or other employees of the Corporation. Such persons will not receive any extra compensation for such activities. All costs of this solicitation will be borne by the Corporation.

Copies of the Corporation's audited consolidated financial statements for the year ended December 31, 2024 and current annual information form are available on SEDAR+ at www.sedarplus.ca.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Attending the Meeting Online

Mandalay Shareholders and duly appointed proxyholders can attend the Meeting online by using http://meetnow.global/MD22W2Q.

- **Registered Mandalay Shareholders** and duly appointed proxyholders can participate in the Meeting by clicking "Shareholder" or "Invitation", respectively, and entering a control number or an invite code before the start of the Meeting.
    - Registered Mandalay Shareholders: the 15-digit control number is located on the form of proxy or in the email notification you received.
    - Duly appointed proxyholders: Computershare Investor Services Inc. ("**Computershare**") will provide the proxyholder with an invite code after the voting deadline has passed.
- **Attending and voting at the Meeting** will only be available for Registered Mandalay Shareholders and duly appointed proxyholders.
- **Non-Registered Mandalay Shareholders** who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on "Guest" and complete the online form; however, they will not be able to vote or submit questions.

In order to participate online, Mandalay Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an invite code.

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the Meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

Participating in the Meeting

The Meeting will only be hosted online by way of a live webcast. A summary of the information Mandalay Shareholders will need to attend the virtual meeting is provided below. The Meeting will begin at 10:00 a.m. on July 28, 2025 (Toronto time).

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- **Registered Mandalay Shareholders and appointed proxyholders**: Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an invite code by Computershare (see details under the heading "*Appointment of Proxies*"), will be able to vote and submit questions during the Meeting. To do so, please go to http://meetnow.global/MD22W2Q prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or click on "**Invitation**" and enter your invite code.

- **United States Non-Registered Mandalay Shareholders**: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the proxy materials or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, you must submit a copy of your legal proxy to Computershare in order to register to attend the Meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
100 UNIVERSITY AVENUE, 8TH FLOOR
TORONTO, ONTARIO
M5J 2Y1

By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than 10:00 a.m. (Toronto time) on July 24, 2025. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your Mandalay Shares at http://meetnow.global/MD22W2Q during the Meeting. Please note that you are required to register your appointment at http://www.computershare.com/MandalayResources.

Appointment and Revocation of Proxies

Mandalay Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual Meeting must submit their proxy or voting instruction form ("**VIF**") (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Mandalay Shareholder has submitted their proxy/VIF. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an invite code to participate in the Meeting.

To register a proxyholder, Mandalay Shareholders **MUST** visit http://www.computershare.com/MandalayResources by 10:00 a.m. (Toronto time) on July 24, 2025, and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a invite code via email.

Without an invite code, proxyholders will not be able to attend and vote at the Meeting.

Proxies must be delivered to Mandalay's transfer agent, Computershare Investor Services Inc., by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof. In this case, assuming no adjournment or postponement, the proxy-cut off time is 10:00 a.m. (Toronto time) on July 24, 2025. Late proxies may be accepted or rejected by the Chair of the Meeting, subject to the prior written consent of Alkane, such consent not to be unreasonably withheld, conditioned or delayed, and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy.

The persons named in the enclosed instruments of proxy are either representatives, directors or officers of the Corporation. Each Mandalay Shareholder has the right to appoint a proxyholder other than the persons designated in the accompanying form of proxy furnished by the Corporation, who need not be a Mandalay Shareholder, to attend and act for such Mandalay Shareholder and on such Mandalay Shareholder's behalf at the Meeting. To exercise such right, the name of the Mandalay Shareholder's appointee should be legibly printed in the blank space provided in the accompanying form of proxy.

A Mandalay Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof at the Meeting or any adjournment or postponement thereof. If a person who has given a proxy personally attends the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Mandalay Shareholder or such Mandalay Shareholder's attorney authorized in writing or, if the Mandalay Shareholder is a corporation, under its corporate seal, if applicable, or by an officer or attorney thereof duly authorized, and deposited at the office of the Corporation's transfer agent, Computershare Investor Services Inc. by mail or hand delivery at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or via the internet at www.investorvote.com and entering the 15-digit control number located on the proxy.

Voting at the Meeting

A Registered Mandalay Shareholder (or a Non-Registered Mandalay Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the Meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this Meeting. To be able to vote their Mandalay Shares at the Meeting, each Registered Mandalay Shareholder or proxyholder will be required to enter their control number or invite code provided by Computershare at http://meetnow.global/MD22W2Q prior to the start of the Meeting.

In order to vote, Non-Registered Mandalay Shareholders who appoint themselves as a proxyholder MUST register with Computershare at http://www.computershare.com/MandalayResources AFTER submitting their VIF in order to receive an invite code (please see the information under the headings "Appointment of proxies" below for details).

Exercise of Discretion by Proxy

On the form of proxy, you can indicate how you want to vote your Mandalay Shares, or you can let your proxyholder decide for you. If you give directions on how to vote your Mandalay Shares on your form of proxy, your proxyholder must vote or withhold from voting your Mandalay Shares according to your instructions on any ballot that may be called for. If you have not specified how to vote on a particular matter on your form of proxy, your proxyholder can vote your Mandalay Shares as he or she sees fit. If neither you nor your proxyholder gives specific instructions, your Mandalay Shares will be voted **FOR each of the matters stated in the Notice of Meeting. If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Mandalay Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.**

Advice to Non-Registered Mandalay Shareholders

The information set forth in this section is important to many Mandalay Shareholders, as a substantial number of Mandalay Shareholders do not hold Mandalay Shares in their own names. Mandalay Shareholders who do not hold their Mandalay Shares in their own names (referred to in this Circular as "**Non-Registered Mandalay Shareholders**") should note that only proxies deposited by Mandalay Shareholders whose names appear on the records of the Corporation as the registered holders of the Mandalay Shares can be recognized and acted upon at the Meeting. If Mandalay Shares are listed in an account statement provided to a Mandalay Shareholder by a broker, investment dealer or other intermediary (an "**Intermediary**"), then in almost all cases those Mandalay Shares will not be registered in the Mandalay Shareholder's name on the records of the Corporation.

Such Mandalay Shares will more likely be registered under the name of the Mandalay Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Mandalay Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing & Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Mandalay Shares held by Intermediaries can only be voted (for or against resolutions) upon the Non-Registered Mandalay Shareholder's instructions. Without specific instructions, Intermediaries are prohibited from voting Mandalay Shares for their clients. The directors and officers of the Corporation may not know for whose benefit the Mandalay Shares registered in the name of CDS & Co. are held.

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In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular and either a VIF or a form of proxy, as applicable (the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Mandalay Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Mandalay Shareholders unless a Non-Registered Mandalay Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Mandalay Shareholders. Generally, if you are a Non-Registered Mandalay Shareholder and you have not waived the right to receive the Meeting Materials you will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature) which is restricted to the number of Mandalay Shares beneficially owned by you, but which is otherwise not complete. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by you when submitting it. In this case, if you wish to submit a proxy you should otherwise properly complete the executed proxy provided and deposit it with Computershare Investor Services Inc., as provided above; or

(b) more typically, a Non-Registered Mandalay Shareholder will be given a VIF which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Mandalay Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one-page pre-printed form. Sometimes, instead of the one-page printed form, the VIF will consist of a regular printed proxy accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the proxy to validly constitute a VIF, the Non-Registered Mandalay Shareholder must remove the label from the instructions and affix it to the proxy, properly complete and sign the proxy and return it to the Intermediary or its service company (not Computershare Investor Services Inc.) in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Mandalay Shareholders to direct the voting of the Mandalay Shares that they beneficially own. If you are a Non-Registered Mandalay Shareholder and you wish to vote at the Meeting in person as proxyholder for the Mandalay Shares owned by you, you should strike out the names of the proxyholders designated by management of the Corporation named in the proxy authorization form or VIF and insert your name in the blank space provided. **In either case, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.**

The Meeting Materials are being sent to both Registered Mandalay Shareholders and Non-Registered Mandalay Shareholders who have not objected to the Intermediary disclosing ownership information about themselves to the Corporation ("**NOBOs**"). If you are a NOBO, and the Corporation or its transfer agent, Computershare Investor Services Inc., has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf.

If you are a Non-Registered Holder who has objected to the Intermediary disclosing ownership information about you to the Corporation (an "**OBO**"), you should be aware that the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials, including proxies or VIFs, to OBOs and therefore an OBO will not receive the Meeting Materials unless that OBO's Intermediary assumes the cost of delivery.

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Voting Matters

The following chart describes the sole proposal to be considered at the Meeting, the voting options, and the vote required for such proposal:

Matter	Voting Options	Required Vote
Arrangement Resolution	For; Against	At least two-thirds (66⅔%) of the votes cast at the Meeting by Mandalay Shareholders.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Record Date and Voting Securities

The record date for the determination of Mandalay Shareholders entitled to receive the Notice of Meeting has been fixed as June 20, 2025 (the "**Record Date**"). Only Mandalay Shareholders of record at the close of business on the Record Date who either attend the Meeting in person or complete, sign and deliver a VIF or applicable form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Mandalay Shares voted at the Meeting. A quorum for the transaction of business at the Meeting is the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding Mandalay Shares entitled to be voted at the Meeting.

The authorized capital of the Corporation consists of an unlimited number of Mandalay Shares. As of the Record Date, the Corporation had an aggregate of 94,784,806 Mandalay Shares outstanding. Each Mandalay Share carries the right to one vote per Mandalay Share with respect to all matters to be voted on at the Meeting.

Principal Holders of Mandalay Shares

As at the date of this Circular, to the knowledge of the directors and executive officers of the Corporation, except as set out in the table below, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Corporation, on a non-diluted basis.

Name	Number of Common Shares Owned or Controlled or Directed	Percentage of Outstanding Common Shares
CE Mining III MND Limited	22,836,296	24.09%
GMT Capital Corp.	17,669,988	18.64%
Ruffer LLP	14,077,888	14.85%

THE ARRANGEMENT

At the Meeting, Mandalay Shareholders will be asked to consider, and, if determined advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed under Mandalay's issuer profile on SEDAR+ at www.sedarplus.ca, and the Plan of Arrangement, which is attached to this Circular as Appendix C. A copy of the Arrangement Resolution is set out in Appendix B of this Circular.

Unless otherwise directed, it is Mandalay management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your Mandalay Shares voted, the persons named as proxyholders in the proxy forms that

accompany this Circular will cast the votes represented by your proxy at the Meeting **FOR** the Arrangement Resolution.

The Arrangement will take effect commencing at the Effective Time, which will be at 3:01 a.m. (Toronto time) on the Effective Date. If the Arrangement Resolution is approved at the Meeting and all other conditions to the completion of the Arrangement are satisfied or waived, the Effective Date is expected to occur in the third quarter of 2025. In no event shall the Effective Date be later than August 30, 2025, unless otherwise agreed to between Mandalay and Alkane, provided that if the Effective Date has not occurred by August 30, 2025 as a result of the failure to obtain any of the Key Regulatory Approvals, then either Mandalay or Alkane may elect to extend such date by up to 45 days subject to the terms of the Arrangement Agreement. On the Effective Date, upon completion of the Arrangement, Mandalay and Alkane will publicly announce that the Arrangement has been implemented.

Background to the Arrangement

The execution of the Arrangement Agreement was the result of the arm's length negotiations, conducted on the basis of a merger of equals among representatives and legal and financial advisors of Mandalay and Alkane. The following is a summary of the material events which led to the negotiations of the Arrangement Agreement and the meetings, negotiations, discussions and actions between the parties that preceded the execution and public announcement of the Arrangement Agreement.

Mandalay's Chief Executive Officer (Frazer Bourchier) since April 2023 and Executive Vice President and Chief Development Officer (Scott Trebilcock) since November 2023 joined Mandalay with a mandate from the Mandalay Board to pursue various growth strategies with a view to building Mandalay into a mid-tier gold producer.

In furtherance of that objective, Mandalay's management team has regularly considered and pursued opportunities to enhance value for the Mandalay Shareholders, including monitoring the activities and assets of various industry participants in order to identify possible strategic transactions. Over that timeframe, Mandalay identified and considered dozens of potential strategic transaction opportunities, which included merger of equal transactions, acquisitions of assets by Mandalay, acquisitions of other companies by Mandalay and the sale of Mandalay. In connection with certain of these potential transactions, Mandalay engaged financial advisors to assist with evaluating certain of these opportunities. Mandalay's management estimates that these efforts included conversations with, or introductions to, over 100 different companies which ultimately led to serious consideration of approximately 20 different potential strategic transactions, a majority of which involved an acquisition of another company by Mandalay. Five of those opportunities led to advanced discussions between Mandalay and the counterparty, which in some cases led to the negotiation of a letter of intent or a meaningful due diligence review process.

Representatives of Mandalay and Alkane first met in 2023 to build a relationship. Alkane was not interested in discussing a transaction at that time. Scott Trebilcock worked with Alkane's corporate development advisor, John Raston, on several other potential transactions in 2023 and the first half of 2024.

In June 2024, Scott Trebilcock met with Nic Earner, Alkane's Managing Director, and James Carter, Alkane's Chief Financial Officer, to discuss a potential transaction between Mandalay and Alkane. Following that discussion, Mandalay and Alkane entered into a non-disclosure agreement on June 23, 2024 to permit the mutual exchange of confidential information in connection with a potential transaction.

On July 15, 2024, Frazer Bourchier, spoke to Mr. Earner and the parties agreed to pause their discussions while Mandalay explored an alternative transaction with another party.

On August 15, 2024, Mr. Bourchier and Mr. Earner spoke again and confirmed that both Mandalay and Alkane remained interested in a potential transaction.

On August 29, 2024, the Mandalay Board discussed numerous transactions being pursued by Mandalay. At the Denver Gold Forum from September 15-18, 2024, management of Mandalay and Alkane met to discuss a potential transaction and discussed the process for mutual due diligence, including coordinating site visits and preparing data rooms. During the course of September, October and November, 2024, mutual site visits were held at key properties of both Mandalay

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and Alkane. In early November 2024, Mandalay contacted Haywood to receive financial advice in respect of the negotiations with Alkane.

On November 22, 2024, Mandalay received a non-binding offer letter from Alkane (the "**First Proposal**") proposing a potential merger of equals where the combined entity would be owned 50.1% by Alkane Shareholders and 49.9% by Mandalay Shareholders.

On November 26, 2024, the Mandalay Board met to discuss the corporate development opportunities under consideration by the Mandalay Board and management, including with respect to the First Proposal. Mandalay's management advised the Mandalay Board that Mandalay's technical diligence was nearly complete, and the Mandalay Board discussed the risks and opportunities relating to the First Proposal. The Mandalay Board instructed management to continue pursuing a transaction with Alkane. On December 6, 2024, Brad Mills, Chair of the Board of Mandalay, emailed Ian Chalmers, Executive Director of Alkane, outlining three potential deal structures. Each of the proposed deal structures were rejected by Alkane.

On December 20, 2024, at the direction of the Mandalay Board, Mandalay formally responded to the First Proposal, noting that Mandalay was interested in a transaction but that it would depend on both Mandalay and Alkane trading prices in the near future given that Mandalay's value had increased relative to Alkane's since the date of the First Proposal. This meant that it would be challenging for Mandalay to proceed with a transaction on the basis of the relative ownership split contemplated by the First Proposal. Mandalay proposed various options for increasing the consideration payable to Mandalay Shareholders in connection with a proposed transaction as a way of potentially maintaining the original ownership split.

In early 2025, Mandalay continued to consider and actively pursue certain other potential strategic transactions, while continuing to maintain an ongoing dialogue with Alkane.

During the PDAC Convention in Toronto from March 2-5, 2025, Mandalay and Alkane held discussions at both the management and board levels. On March 12, 2025, the parties agreed in principal to proceed with negotiations on a potential merger of equals transaction where the ownership of the combined entity would be comprised 55% of Mandalay Shareholders and 45% of Alkane Shareholders.

Mandalay received a revised non-binding offer letter from Alkane on March 15, 2025 (the "**Second Proposal**") reflecting the 55% to 45% ownership split as between Mandalay Shareholders and Alkane Shareholders, respectively. The Second Proposal also provided that the board of directors of the combined company would consist of three of Mandalay's existing directors, two of Alkane's existing directors and a new independent chair. Mandalay formally engaged Haywood as its exclusive financial advisor on March 17, 2025, and considered detailed financial advice throughout the negotiation in connection with the First Proposal and Second Proposal. The Mandalay Board authorized Mandalay's acceptance of the Second Proposal on March 17, 2025. On March 21, 2025, the parties signed a non-binding term sheet setting out the terms of a potential transaction based on the Second Proposal, which included a share exchange ratio of 7.875 Alkane Shares for each Mandalay Share, and provided for exclusivity until April 23, 2025.

During the period between March 21, 2025 and April 27, 2025, Mandalay and Alkane undertook detailed reciprocal due diligence, negotiated definitive transaction documentation, undertook structuring work, and held ongoing discussions about, among other things, price and relative valuations, governance issues and other matters relating to the Second Proposal. Throughout this period, Mandalay's management met several times with the Mandalay Board, along with Mandalay's external financial and legal advisors, to discuss and obtain direction regarding various transaction-related matters and to receive preliminary advice from Haywood, Mandalay's financial advisor, regarding the terms of the Second Proposal.

As discussions continued between Mandalay and Alkane, Mandalay's Board received regular updates from Mandalay's management and legal advisors, including with respect to the Arrangement Agreement, the Plan of Arrangement, ancillary agreements and the Mandalay Voting and Lock-up Agreements. During this period, Mandalay's management had a number of discussions with members of Mandalay's Board, providing updates on the status of the transaction and obtaining their views on the potential transaction with Alkane. With direction from the

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Mandalay Board, Mandalay's management and its financial and legal advisors continued to negotiate various key terms relating to the proposed transaction.

On April 23, 2025, Mandalay and Alkane extended the exclusivity period until April 30, 2025.

On April 24, 2025, the Mandalay Board held a meeting, which was attended by Goodmans LLP (Mandalay's legal counsel) and Mandalay's financial advisors, to consider the terms of the Arrangement Agreement. At this meeting, Goodmans LLP provided a summary of the transaction documents, including the Arrangement Agreement, Plan of Arrangement, and Mandalay Voting and Lock-up Agreements. Following that presentation, Haywood and GenCap each provided a presentation to the Mandalay Board describing their financial analysis of the Arrangement together with their preliminary conclusions as to the fairness of the Consideration, from a financial point of view, to the Mandalay Shareholders. The members of the Mandalay Board were given the opportunity to ask questions of Mandalay's legal and financial advisors. The Mandalay Board instructed Mandalay's management and advisors to continue progressing the outstanding issues so that the transaction documents could be in substantially final form in advance of the Mandalay Board's next meeting on April 25, 2025.

On April 25, 2025, the Mandalay Board held a meeting, which was attended by Goodmans LLP and financial advisors. At this meeting, Goodmans LLP provided an update on the transaction documents, noting that they were in substantially final form and each of Haywood and GenCap delivered their oral fairness opinions, informing the Mandalay Board of their view that that, on the basis of the assumptions, limitations and qualifications to be set forth in their presentations, the Consideration was fair, from a financial point of view, to the Mandalay Shareholders.

In light of the factors discussed under the heading "*The Arrangement – Recommendation of the Mandalay Board*", and following further discussion, the Mandalay Board resolved and determined: (i) to accept the oral fairness opinions received from Haywood and GenCap that the Consideration was fair, from a financial point of view, to the Mandalay Shareholders; (ii) that the Arrangement was in the best interest of Mandalay and fair to the Mandalay Shareholders; (iii) that Mandalay enter into the Arrangement Agreement with Alkane, subject to the finalization of any outstanding items on acceptable terms, and that Mandalay perform its obligations thereunder; (iv) that the Mandalay Shareholders be asked to consider, and, if deemed advisable, approve, the Arrangement Resolution; and (v) to unanimously recommend that Mandalay Shareholders vote in favour of the Arrangement Resolution.

The oral opinions of Haywood and GenCap were subsequently confirmed by delivery of the written Haywood Fairness Opinion and the written GenCap Fairness Opinion. The Mandalay Board reviewed and accepted the Haywood Fairness Opinion and the GenCap Fairness Opinion.

Over the course of the day on April 26, 2025, representatives of Alkane and Mandalay, along with their respective legal advisors, finalized the terms of the Arrangement Agreement, and received the Mandalay Voting and Lock-up Agreements from all of the Mandalay directors and senior officers and certain Mandalay Shareholders. Alkane and Mandalay executed the Arrangement Agreement on the morning of April 27, 2025. Mandalay and Alkane subsequently issued a joint press release announcing that the parties had entered into the Arrangement Agreement, and, on April 27, 2025 (Eastern time), a joint conference call was held by Mandalay and Alkane with respect to the Arrangement.

Fairness Opinions

In connection with the evaluation by the Mandalay Board of the Arrangement, the Mandalay Board received and considered, among other things, the Fairness Opinions, first provided orally and subsequently confirmed in writing.

Pursuant to the Haywood Engagement Letter, the Mandalay Board engaged Haywood to act as financial advisor to Mandalay with respect to a potential transaction with Alkane. Under the Haywood Engagement Letter, Haywood is entitled to a success fee that is contingent upon the completion of the Arrangement. In addition, in the event the Arrangement is not consummated and Mandalay receives the Termination Fee, Haywood is entitled to 25% of such Termination Fee. Pursuant to the Haywood Fairness Opinion Agreement, the Mandalay Board engaged Haywood to deliver the Haywood Fairness Opinion, pursuant to which Haywood is entitled to a fixed fee upon the earlier to occur of: (i) the oral delivery of the final Haywood Fairness Opinion to the Mandalay Board; and (ii) the delivery of the final written Haywood Fairness Opinion to the Mandalay Board, regardless of the conclusions reached. Under the Haywood

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Engagement Letter, Mandalay has agreed to reimburse Haywood for its reasonable out-of-pocket expenses (including the reasonable fees and disbursements of its legal counsel), whether or not the Arrangement is completed, and to indemnify Haywood against certain potential liabilities and expenses arising from its engagement.

Pursuant to the GenCap Engagement Letter, the Mandalay Board engaged GenCap to deliver the GenCap Fairness Opinion to the Mandalay Board in connection with a potential transaction with Alkane. Under the GenCap Engagement Letter, GenCap is entitled to a fixed fee upon the earlier of GenCap delivering a verbal or written opinion to the Mandalay Board, regardless of the conclusions reached. Under the GenCap Engagement Letter, Mandalay has agreed to reimburse GenCap for its reasonable out-of-pocket expenses (including the reasonable fees and disbursements of its legal counsel), whether or not the Arrangement is completed, and to indemnify GenCap against certain potential liabilities and expenses arising from its engagement.

On April 25, 2025, the Mandalay Board held a meeting to evaluate the Arrangement. At this meeting, the Mandalay Board received the oral opinions of each of Haywood and GenCap to the effect that, as of April 25, 2025, and subject to the assumptions, limitations and qualifications contained in such opinions, the Consideration to be received by the Mandalay Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. The oral opinions were subsequently confirmed by delivery of the written Haywood Fairness Opinion and the written GenCap Fairness Opinion.

Subject to the terms of their respective engagement agreements, each of Haywood and GenCap have consented to the inclusion in this Circular of the Haywood Fairness Opinion and the GenCap Fairness Opinion, respectively, in their entirety, together with the summary herein. The Fairness Opinions were provided to the Mandalay Board for its exclusive use in considering the Arrangement, and may not be relied upon by any other person or for any other purpose or published or disclosed to any other person, without the express written consent of Haywood or GenCap, as applicable. The Fairness Opinions do not address the relative merits of the Arrangement as compared to any other transaction or business strategy in which Mandalay might engage or the merits of the underlying decision by Mandalay to engage in the Arrangement. The Fairness Opinions do not and should not be construed as a recommendation to the Mandalay Board to approve the Arrangement nor are they a recommendation to any Mandalay Shareholder as to how to vote or act at the Meeting or as advice as to the price at which the Mandalay Shares or the Alkane Shares may trade or the value of Mandalay or Alkane (or any of their respective affiliates) or their respective assets, liabilities or securities at any future date. The Fairness Opinions were one of a number of factors taken into consideration by the Mandalay Board in making its unanimous determination that the Arrangement is in the best interests of the Corporation and is fair to the Mandalay Shareholders, and to recommend that Mandalay Shareholders vote in favour of the Arrangement Resolution.

This summary is qualified in its entirety by reference to the full text of the Fairness Opinions. The full text of the Haywood Fairness Opinion and the GenCap Fairness Opinion, which set forth, among other things, the scope of review undertaken, assumptions made, matters considered, procedures followed and limitations and qualifications thereof, is attached as Appendix F and Appendix G, respectively, to this Circular. Mandalay Shareholders are urged to, and should, read the Fairness Opinions in their entirety.

Recommendation of the Mandalay Board

The Mandalay Board, after consultation with its financial advisors and legal counsel and having taken into account the Fairness Opinions and such other matters as it considered necessary and relevant, including the factors set out below under the heading "*The Arrangement – Reasons for the Arrangement*", has unanimously determined that the Arrangement is in the best interests of Mandalay and is fair to the Mandalay Shareholders. **Accordingly, the Mandalay Board unanimously recommends that Mandalay Shareholders vote <u>FOR</u> the Arrangement Resolution.**

Reasons for the Arrangement

The Mandalay Board reviewed and considered a number of factors relating to the Arrangement, with advice from Mandalay's management and its financial and legal advisors. The following is a summary of the principal reasons for the unanimous recommendation of the Mandalay Board that Mandalay Shareholders vote **<u>FOR</u>** the Arrangement Resolution:

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- **Participation by Mandalay Shareholders in Future Growth.** Mandalay Shareholders will receive 7.875 Alkane Shares for each Mandalay Share held as of the Effective Time. Upon completion of the Arrangement, 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. As a result of the Arrangement, Mandalay Shareholders will gain exposure, through their ownership of Alkane Shares, to Alkane's core assets and operations, including Alkane's Tomingley Gold Project and the growth potential of its Boda-Kaiser Project, while continuing to benefit from exposure to Mandalay's existing assets and operations, including the Costerfield gold-antimony mine and the Björkdal gold mine.

- **Increased Scale and Diversification.** The Combined Company's implied market capitalization is estimated at approximately $874 million (A$989 million) (based on the Combined Company's pro forma issued shares and Alkane's closing price of A$0.725 and an A$ to C$ exchange rate of 0.8839, in each case as at June 23, 2025). The Combined Company will operate three producing mines in premier jurisdictions, including Costerfield and Tomingley in Australia, and Björkdal in Sweden, providing diversified production that reduces overall operational and financial risk. In addition, the Combined Company is expected to have projected gold equivalent production of approximately 160,000 gold-equivalent ounces in 2025, growing to over approximately 180,000 gold-equivalent ounces in 2026, and increasing margins in 2025 with all-in sustaining costs of approximately US$1,760/oz (A$2,750/oz), decreasing to approximately US$1,420/oz (A$2,160/oz) in 2026.[5]

- **Strong Financial Resources and Growth Pipeline.** The Combined Company will have a robust balance sheet with a pro forma cash balance of approximately $167 million (A$188 million) as at March 31, 2025.[6] 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 Project, which adds future production potential with its significant scale.

- **Enhanced Capital Markets Profile and Trading Liquidity.** Upon completion of the Arrangement, it is expected that the Combined Company will be listed on both the ASX and the TSX, providing it with greater exposure to capital markets than is currently available to Mandalay. 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 for Mandalay Shareholders may be unlocked through greater trading liquidity, a larger free-float, and a wider range of global investors, as the Combined Company continues to grow.

- **Review of Strategic Alternatives.** Following a review of a range of strategic alternatives for creating shareholder value, including careful consideration of the identity and potential strategic interest of other industry and financial counterparties, the Mandalay Board determined that it was unlikely that any other party would be willing to propose an executable transaction on terms more favourable, in the aggregate, to Mandalay, Mandalay Shareholders, and other relevant Mandalay stakeholders than the proposed transaction with Alkane. The Mandalay Board also considered Mandalay's standalone business strategy and concluded that the Consideration was more favourable to Mandalay Shareholders than the alternative of remaining an independent public company and pursuing Mandalay's long-term plans, taking into account the associated risks, rewards, and uncertainties of pursuing such plans.

- **Value Supported by Fairness Opinions.** Each of Haywood and GenCap have provided a fairness opinion to the Mandalay Board 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 Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. The

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

[6] Note that the cash balance does not account for transaction costs which are included in the pro forma financial information at Exhibit A to Appendix K of this Circular, uses exchange rates at the time of announcement of the Arrangement and includes an Alkane bullion value of A$10.5 million as at March 31, 2025.

complete text of the Haywood Fairness Opinion and the GenCap Fairness Opinion are attached as Appendix F and Appendix G, respectively, to the Circular. Mandalay Shareholders are urged to read the Fairness Opinions carefully and in their entirety. See "*The Arrangement – Fairness Opinions*" of this Circular.

- **Support by Directors, Officers, and Certain Shareholders of Mandalay.** The Arrangement has been unanimously approved by the Mandalay Board. All of the directors and senior officers of Mandalay, as well as certain significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over an aggregate of approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane, pursuant to which they have agreed to, among other things, support the Arrangement and to vote any Mandalay Shares they own in favour of the Arrangement Resolution.

- **Deal Certainty.** Alkane's obligation to complete the Arrangement is subject to a limited number of conditions that the Mandalay Board believes, with the advice of its legal and financial advisors, are reasonable in the circumstances.

- **Proven Leadership Team.** Following the completion of the Arrangement, it is expected that the Alkane Board will be reconstituted to 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, Andrew Quinn, who is a highly credentialed investment banking and mining industry veteran. Upon closing of the Arrangement, the management team 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 depth of experience of the leadership team is expected to support disciplined growth, continued operational performance, and drive long-term value creation for shareholders of the Combined Company.

- **Equitable and Fair Treatment of All Stakeholders.** In the view of the Mandalay Board, the terms of the Arrangement Agreement treat all stakeholders of the Corporation equitably and fairly.

In making its determinations and recommendations, the Mandalay Board also observed that a number of procedural safeguards were in place and present to permit the Mandalay Board to protect the interests of Mandalay, Mandalay Shareholders, and other Mandalay stakeholders. These procedural safeguards include, among others:

- **Negotiated Transaction.** The Arrangement Agreement is the result of an arm's length negotiation process, with Mandalay having retained and received advice from its financial advisors and legal counsel. The Mandalay Board, after consulting with its legal and financial advisors, concluded that the terms and conditions of the Arrangement Agreement, including each of Mandalay's and Alkane's representations, warranties and covenants, as well as the conditions to Alkane's obligation to complete the Arrangement, are reasonable and customary in the circumstances and the risk of the Arrangement not being completed is mitigated by the limited nature of the conditions in favour of Alkane.

- **Ability to Respond to Unsolicited Superior Proposals.** Under the terms of the Arrangement Agreement, the Mandalay Board is able to respond to any unsolicited *bona fide* written proposal that, having regard to all of the terms and conditions of such proposal, constitutes or would reasonably be expected to constitute, a Superior Proposal.

- **Reasonable Termination Payment.** The Mandalay Board determined that the A$17 million Termination Fee, which is payable in certain circumstances by Mandalay or Alkane, is reasonable. In the view of the Mandalay Board, the Termination Fee would not preclude a third party from potentially making a Superior Proposal to Mandalay.

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- **Shareholder Approval.** In order to become effective, the Arrangement must first receive the Mandalay Shareholder Approval at the Meeting.

- **Court Approval.** In order to become effective, the Arrangement must be approved by the Court, which will consider, among other things, the substantive and procedural fairness and reasonableness of the Arrangement to Mandalay Shareholders.

- **Dissent Rights.** The Interim Order provides that a Registered Mandalay Shareholder may, upon strict compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive the fair value of their Mandalay Shares in accordance with the Plan of Arrangement.

In making its determinations and recommendations with respect to the Arrangement, the Mandalay Board also considered a number of potential risks and potential negative factors, which the Mandalay Board concluded were outweighed by the positive substantive and procedural factors of the Arrangement described above, including the following:

- **Risk of Non-Completion.** The risk that the Arrangement may not be completed despite the Parties' efforts or that completion of the Arrangement may be unduly delayed, including the possibility that conditions to the Parties' obligations to complete the Arrangement may not be satisfied, and the potential resulting negative impact this could have upon Mandalay's business.

- **Fluctuating Market Value of Alkane Shares.** The Alkane Shares to be issued as consideration to Mandalay Shareholders are based on a fixed exchange ratio and will not be adjusted based on fluctuations in the market value of the Mandalay Shares or the Alkane Shares. The Alkane Shares issued as consideration to Mandalay Shareholders on closing of the Arrangement may have a market value that is materially different from that on the date the Arrangement was announced.

- **Limitations on Solicitation of Alternative Transactions.** The limitations contained in the Arrangement Agreement on Mandalay's ability to solicit additional interest from third parties, given the deal protections in the Arrangement Agreement, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, Mandalay will be required to pay the Termination Fee to Alkane.

- **Risks related to Key Regulatory Approvals.** The risk that the Parties may not obtain the FIRB Approval or the Swedish FDI Approval or that such regulatory bodies may impose terms and conditions on their approvals that may adversely affect the business and financial results of the Combined Company.

- **Conduct of Business Restrictions.** The restrictions on the conduct of Mandalay's business prior to the completion of the Arrangement, which require Mandalay to conduct its business in the ordinary course, subject to limited exceptions, may delay or prevent Mandalay from undertaking business opportunities that may arise pending completion of the Arrangement.

- **Diversion of Management Attention.** The potential risk of diverting management's attention and resources from the operation of Mandalay's business, including other strategic opportunities and operational matters, in the short term, while working toward the completion of the Arrangement.

- **Impact on Mandalay's Relationships.** The potential negative effect of the Arrangement on Mandalay's business, including its relationships with employees, suppliers, and communities in which it operates.

- **Transaction Costs.** The fact that Mandalay has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed.

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- **Difficulty of Negotiating an Alternative Transaction if the Arrangement Agreement is Terminated.** The fact that if the Arrangement Agreement is terminated and Mandalay decides to seek another transaction or business combination, it may be unable to find a party willing to pay greater or equivalent value compared to the Consideration being provided to the Mandalay Shareholders under the Arrangement.

- **Enforcement Risk.** Judgment against Alkane in Canada for breach of the Arrangement Agreement may be difficult to enforce against Alkane's assets outside of Canada.

- **Integration Challenges.** The challenges inherent in combining two businesses of the size, diversity and complexity of Mandalay and Alkane.

- **Other Risks.** The other risks associated with the Arrangement and the business of Mandalay and Alkane described under "*Risk Factors Relating to the Arrangement*" and "*Information Concerning Alkane and AcquireCo - Additional Information about Alkane*" of this Circular.

The foregoing summary of the information considered by the Mandalay Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Mandalay Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations.

The Mandalay Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors Relating to the Arrangement*" of this Circular.

Mandalay Voting and Lock-Up Agreements

Each of Mandalay's directors, senior officers and certain other significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over approximately 45% of the outstanding Mandalay Shares, have entered into Mandalay Voting and Lock-up Agreements with Alkane pursuant to which they have agreed to, among other things, vote their Mandalay Shares in favour of the Arrangement Resolution on and subject to the terms and conditions set out therein. Under the Mandalay Voting and Lock-up Agreements, each of the Mandalay Locked-up Shareholders has agreed to, among other things, support the Arrangement and to vote their Mandalay Shares (including any Mandalay Shares issued upon the exercise or exchange of Mandalay Options, Mandalay DSUs, Mandalay PSUs, and Mandalay RSUs) in favour of the Arrangement Resolution and any other transactions contemplated by the Arrangement Agreement, and against any arrangement agreement or plan of arrangement (other than the Arrangement), merger agreement or merger, consolidation, business combination, sale or transfer of a material amount of assets, amalgamation, reorganization, recapitalization, dissolution, liquidation or winding up of or by the Corporation or any other Acquisition Proposal, or any amendment of the Corporation's Constating Documents or other proposal or transaction involving the Corporation or any of its subsidiaries, which could reasonably be expected to prevent or materially delay the Meeting or the successful completion of the Arrangement or which would reasonably be expected to result in a Material Adverse Effect.

Under the terms of the Mandalay Voting and Lock-up Agreements, Alkane has acknowledged that any Mandalay Locked-up Shareholder who is also a director or an officer of Mandalay is bound under the Mandalay Voting and Lock-up Agreements only in such person's capacity as a Mandalay Shareholder (and not in his or her capacity as a director or officer of Mandalay).

The Mandalay Voting and Lock-up Agreements may be terminated upon, among other things: (a) mutual agreement of Alkane and the securityholder; (b) by Alkane if: (i) any of the representations and warranties of the securityholder in the Mandalay Voting and Lock-up Agreement shall not be true and correct in all material respects; or (ii) the securityholder shall not have complied with its covenants to Alkane contained in the Mandalay Voting and Lock-up Agreement in all material respects; or (c) by the securityholder if: (i) any of the representations and warranties of Alkane in the Mandalay Voting and Lock-up Agreement shall not be true and correct in all material respects;

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(ii) Alkane shall not have complied with its covenants to the securityholder contained in the Mandalay Voting and Lock-up Agreement in all material respects; or (iii) without the prior written consent of the securityholder, the terms of the Arrangement Agreement have been varied or amended in a manner that is materially adverse to the securityholder.

The Mandalay Voting and Lock-up Agreements automatically terminate and are of no further force or effect on the earliest to occur of: (a) the Effective Time; (b) the date on which the Arrangement Agreement terminates or is terminated in accordance with its terms; and (c) the date, if any, upon which the Arrangement Agreement is amended in a manner that: (i) decreases the amount of consideration payable for each outstanding subject security, (ii) changes the form of the consideration payable for each outstanding Mandalay Share in a manner that is material and adverse to the securityholder, or (iii) is otherwise material and adverse to the securityholder, in each case without the prior written consent of the securityholder.

Arrangement Mechanics

Commencing at the Effective Time, the following steps or transactions shall, unless specifically provided otherwise in the Plan of Arrangement, occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case at five-minute intervals starting at the Effective Time:

(a) each outstanding Mandalay DSU shall, without any further action on the part of any holder thereof and notwithstanding the terms of the Mandalay Omnibus Plan, be, and shall be deemed to be, settled and cancelled, and in consideration thereof, Mandalay shall allot and issue from treasury to the holder of such Mandalay DSU such number of Mandalay Shares as are due to such holder under the terms of the Mandalay Omnibus Plan (subject to withholding in accordance with the Plan of Arrangement) and the name of each such former holder of a settled and cancelled Mandalay DSU shall be entered in Mandalay's central securities register of holders of Mandalay Shares as a holder of Mandalay Shares but no such former holder shall be entitled to a certificate or direct registration statement ("**DRS**") representing the Mandalay Shares issued upon the settlement and cancellation of such holder's Mandalay DSUs;

(b) each Mandalay Share outstanding immediately prior to the Effective Time held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Mandalay for cancellation and Mandalay shall thereupon be obliged to pay the amount therefor determined and payable in accordance with the dissent rights provision of the Plan of Arrangement, and:

(i) the name of such registered holder shall be removed from the central securities register of Mandalay as a holder of such Mandalay Shares;

(ii) such Dissenting Shareholders will cease to be the registered holder of such Mandalay Shares and will cease to have any rights as Mandalay Shareholders other than the right to be paid the fair value for their Mandalay Shares as set out in the dissent rights provision of the Plan of Arrangement; and

(iii) such Mandalay Shares so transferred to Mandalay shall thereupon be cancelled by Mandalay and the central securities register of Mandalay shall be revised accordingly;

(c) each Mandalay Share outstanding immediately prior to the effective time of the transfer under this paragraph (c) (for the avoidance of doubt, not including Mandalay Shares held immediately before the Effective Time by a Dissenting Shareholder that were transferred to Mandalay for cancellation under paragraph (b) above or Mandalay Shares held by Alkane or AcquireCo, but including any Mandalay Shares issued to holders of Mandalay DSUs pursuant to paragraph (a) above) shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality by such Mandalay Shareholder, free and clear of all liens, claims and encumbrances, to AcquireCo in

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exchange (subject to rounding in the case of fractional shares, as further detailed below) for that number of Alkane Shares equal to the Exchange Ratio for each Mandalay Share, and each of Alkane and AcquireCo shall be deemed to have directed the Depositary to issue and to deliver to such holder the Consideration to which such holder is entitled pursuant to this paragraph (c), and upon such exchange:

(i) each holder of such Mandalay Shares shall cease to be the holder thereof and to have any rights as a Mandalay Shareholder other than the right to be paid the Consideration pursuant to this paragraph (c) and in accordance with the Plan of Arrangement;

(ii) each Former Mandalay Shareholder shall be removed from Mandalay's central securities register of holders of Mandalay Shares;

(iii) AcquireCo shall be entered in Mandalay's central securities register of holders of Mandalay Shares as the legal and beneficial owner of such Mandalay Shares, free of all liens, claims and encumbrances; and

(iv) each Former Mandalay Shareholder shall be entered in Alkane's register of holders of Alkane Shares in respect of Alkane Shares deliverable to such Former Mandalay Shareholder pursuant to this paragraph (c);

(d) each of the following shall, and shall be deemed to, occur concurrently with the transfer in paragraph (c) above:

(i) in consideration for the issuance by Alkane (on behalf of and for the benefit of AcquireCo) of the Consideration issued to Mandalay Shareholders pursuant to paragraph (c) above, AcquireCo shall, and shall be deemed to, issue to Alkane that number of AcquireCo Common Shares having an aggregate fair market value equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to paragraph (c) above; and

(ii) AcquireCo shall, and shall be deemed to, add to its capital for the AcquireCo Common Shares, in respect of the issuance of AcquireCo Common Shares to Alkane under subparagraph (d)(i) above, an amount equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to paragraph (c) above; and

(e) all outstanding Mandalay Options, Mandalay PSUs and Mandalay RSUs that have not been duly exercised or settled prior to the Effective Time shall terminate without any further act or formality, the Mandalay Plans will terminate and none of (i) the former holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs, (ii) the Parties or (iii) any of the respective successors or assigns of any of the foregoing, shall have any rights, liabilities or obligations in respect of the Mandalay Plans.

See Appendix C of this Circular for a copy of the Plan of Arrangement.

AcquireCo and Mandalay shall, forthwith following the delisting of the Mandalay Shares from the TSX pursuant to Section 5.9 of the Arrangement Agreement and the filing by Mandalay with the Canada Revenue Agency of the prescribed form of election under the Tax Act electing to cease being a public corporation for the purposes of the Tax Act, amalgamate to form one company under sections 269 and 273 of the BCBCA.

Fractional Shares

No fractional Alkane Shares shall be issued to Mandalay Shareholders. Where the aggregate number of Alkane Shares to be issued to a Mandalay Shareholder under the Arrangement would otherwise result in a fraction of an Alkane Share being issuable, the number of Alkane Shares to be issued to such Mandalay Shareholder shall be rounded down

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to the nearest whole Alkane Share, and such Mandalay Shareholder shall not be entitled to any compensation in respect of such fractional Alkane Share.

Withholding Rights

Subject to the terms of the Arrangement Agreement, Alkane, Mandalay, AcquireCo, and the Depositary and their respective agents, as applicable, shall be entitled to deduct and withhold from any Consideration or any other amount payable or otherwise deliverable to any Mandalay Shareholder or any other person under the Plan of Arrangement (including any payment to Dissenting Shareholders and holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs, and Mandalay RSUs) such Taxes or other amounts as Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be, may reasonably determine is required to be deducted or withheld with respect to such payment under the Tax Act, the U.S. Tax Code, the Income Tax Assessment Act, or any provision of Laws in respect of Taxes. For such purposes, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person thereunder, provided that such deducted or withheld amounts are timely remitted to the appropriate Governmental Entity by or on behalf of Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be. To the extent that the amount so required to be deducted or withheld from any payment to a Mandalay Shareholder or holder of Mandalay Options, Mandalay DSUs, Mandalay PSUs, or Mandalay RSUs exceeds the cash component, if any, of the amount otherwise payable, subject to the prior approval of Alkane, any of Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be, are authorized to sell or otherwise dispose of such portion of the Consideration issuable as is necessary to provide sufficient funds to Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be, to enable it to comply with all applicable deduction or withholding requirements, and Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be, shall remit the applicable portion of the net proceeds of such sale (after deduction of all fees, commissions or costs in respect of such sale) to the appropriate Governmental Entity and shall remit to such Mandalay Shareholder or holder of Mandalay Options, Mandalay DSUs, Mandalay PSUs, or Mandalay RSUs any unapplied balance of the net proceeds of such sale. Any sale will be made in accordance with applicable Laws and at prevailing market prices and none of Alkane, Mandalay, AcquireCo, the Depositary or their respective agents, as the case may be, shall be under any obligation to obtain a particular price, or indemnify any Mandalay Shareholder or holder of Mandalay Options, Mandalay DSUs, Mandalay PSUs, or Mandalay RSUs in respect of a particular price, for the portion of the Consideration so sold.

Alkane and AcquireCo acknowledged and agreed in the Arrangement Agreement that, except as permitted by the Arrangement Agreement, they will not withhold or deduct any amount on account of Taxes payable pursuant to the Income Tax Assessment Act from any Consideration or any other amount payable or otherwise deliverable to any Mandalay Shareholder under the Arrangement Agreement and the Plan of Arrangement to the extent such withholding or deduction is in respect of or in connection with a foreign resident CGT withholding amount payable to the Australian Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth).

If Alkane and AcquireCo determine (acting reasonably) that an amount is required to be withheld under Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) from the Consideration payable or otherwise deliverable to any Mandalay Shareholder under the Arrangement Agreement and the Plan of Arrangement, Alkane or AcquireCo: (A) may withhold and remit to the Australian Taxation Office a sum of up to 15% (or some lesser rate expressly approved by the Commissioner of Taxation in writing) of the market value of the Consideration payable or otherwise deliverable to that Mandalay Shareholder ("**CGT Withholding Amount**"); and (B) is taken to have paid the CGT Withholding Amount to the Mandalay Shareholder for the purposes of the Arrangement Agreement, provided that: (C) Alkane or AcquireCo has given Mandalay, at least twenty (20) Business Days prior to the Effective Date, information which is to Mandalay's satisfaction (acting reasonably), which identifies the reasons as to why a liability arises under Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth), and the basis of the calculation of the CGT Withholding Amount; and (D) Mandalay has not, at least five (5) Business Days prior to the Effective Date, given information to Alkane or AcquireCo which demonstrates that the CGT Withholding Amount should be nil.

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Approval of Arrangement Resolution

At the Meeting, Mandalay Shareholders will be asked to consider, and if deemed advisable, to approve the Arrangement Resolution, the full text of which is set out in Appendix B of this Circular.

In order for the Arrangement to become effective, the Arrangement Resolution must be approved at the Meeting by the affirmative vote of at least two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by Mandalay Shareholders (the "**Mandalay Shareholder Approval**"). If the Mandalay Shareholder Approval is not obtained at the Meeting, the Arrangement will not be completed.

The Mandalay Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement, and unanimously recommends that Mandalay Shareholders vote **FOR** the Arrangement Resolution.

See "*The Arrangement – Recommendation of the Mandalay Board*" of this Circular.

Interests of Certain Persons in the Arrangement

In considering the unanimous recommendation of the Mandalay Board with respect to the Arrangement, Mandalay Shareholders are advised that certain members of Mandalay management and the Mandalay Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Mandalay Board is aware of these interests and considered them along with other matters described under "*The Arrangement – Reasons for the Arrangement*" of this Circular above.

Ownership of Securities of Mandalay

As of the Record Date, directors and executive officers of Mandalay beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 24,880,771 Mandalay Shares, as well as an aggregate of 3,726,996 Mandalay Shares issuable upon the exercise of 1,758,164 Mandalay Options, 934,123 Mandalay RSUs, 229,190 Mandalay PSUs, and 564,329 Mandalay DSUs (such Mandalay Options, Mandalay RSUs, Mandalay PSUs, and Mandalay DSUs collectively referred to herein as the "**Mandalay Incentive Securities**"), representing, on a partially diluted basis, approximately 29% of the Mandalay Shares outstanding as of the close of business on the Record Date.

Other than certain Mandalay RSUs and Mandalay PSUs held by executive officers of Mandalay that are being settled in cash, the Mandalay Shares held by directors and executive officers of Mandalay will be treated in the same fashion under the Arrangement as Mandalay Shares held by any other Mandalay Shareholder.

As at the date of this Circular, there are an aggregate of: (i) 1,758,164 Mandalay Options, (ii) 934,123 Mandalay RSUs, (iii) 229,190 Mandalay PSUs, and (iv) 564,329 Mandalay DSUs outstanding under the Mandalay Plans. The Mandalay Options, Mandalay RSUs, Mandalay PSUs, and Mandalay DSUs do not have votes attached to them for the purposes of the matters before the Meeting.

Mandalay Options

As of the date of this Circular, the directors and executive officers of Mandalay hold, in the aggregate, 1,622,590 Mandalay Options, of which 476,737 are vested and 1,145,853 are unvested, with exercise prices ranging from $0.61 to $4.76. Each Mandalay Option outstanding immediately prior to the Effective Time (whether vested or unvested), shall, without any further action by or on behalf of a holder, be fully vested as of immediately prior to the Effective Time and may be conditionally exercised by the holder in accordance with the terms of the applicable Mandalay Plan effective as of immediately prior to the Effective Time, provided that (i) no such Mandalay Options will be settled by way of a Cash Election (as defined in the Mandalay Omnibus Plan) and (ii) any Mandalay Options that have not been exercised as of the Effective Time will terminate.

If the Arrangement is completed, and assuming no vested Mandalay Options are exercised between the date hereof and the Effective Time, except pursuant to the terms of the Arrangement Agreement as set out above, 1,622,590

Mandalay Shares will be issuable to the directors and executive officers of Mandalay assuming all of the 1,622,590 Mandalay Options held by them as of the date hereof are exercised prior to the Effective Time.

Mandalay RSUs

As of the date of this Circular, the executive officers of Mandalay hold, in the aggregate, 779,798 Mandalay RSUs. All Mandalay RSUs shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all of the Mandalay RSUs will, as of immediately prior to the Effective Time, be redeemed by Mandalay for (i) Mandalay Shares or (ii) cash, in accordance with the following: (A) Frazer Bourchier, Hashim Ahmed, Scott Trebilcock, Jasmine Virk, Edison Nguyen, and Tim Sjögren shall have their Mandalay RSUs settled 20% in Mandalay Shares and 80% in cash, based on the closing trading price of the Mandalay Shares on the Business Day immediately prior to the Effective Date; and (B) Ryan Austerberry, Chris Davis, Åsa Corin, and Adam Self shall have 100% of their Mandalay RSUs settled in Mandalay Shares pursuant to the Mandalay Omnibus Plan.

If the Arrangement is completed and assuming no Mandalay RSUs are settled between the date hereof and the Effective Time, except pursuant to the terms of the Arrangement Agreement as set out above, the directors and executive officers of Mandalay will receive, in exchange for the Mandalay RSUs held by them as at the Effective Time, an aggregate of 332,047 Mandalay Shares and an aggregate of approximately $2,489,612 in cash (based on the closing price of Mandalay Shares as at June 23, 2025), less applicable withholdings.

Mandalay PSUs

As of the date of this Circular, the executive officers of Mandalay hold, in the aggregate, 229,190 Mandalay PSUs. All Mandalay PSUs shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all of the Mandalay PSUs will, as of immediately prior to the Effective Time, be redeemed by Mandalay for (i) Mandalay Shares or (ii) cash, in accordance with the following: (A) Frazer Bourchier shall have his Mandalay PSUs settled 20% in Mandalay Shares and 80% in cash, based on the closing trading price of the Mandalay Shares on the Business Day immediately prior to the Effective Date; and (B) Ryan Austerberry and Chris Davis shall have 100% of their Mandalay PSUs settled in Mandalay Shares pursuant to the Mandalay Omnibus Plan.

If the Arrangement is completed and assuming no Mandalay PSUs are settled between the date hereof and the Effective Time, except pursuant to the terms of the Arrangement Agreement as set out above, the executive officers of Mandalay will receive, in exchange for the Mandalay PSUs held by them as at the Effective Time, an aggregate of 156,164 Mandalay Shares and an aggregate of approximately $1,480,858 in cash (based on the closing price of Mandalay Shares as at June 23, 2025), less applicable withholdings.

Mandalay DSUs

As of the date of this Circular, the directors of Mandalay hold, in the aggregate, 564,329 Mandalay DSUs. All Mandalay DSUs shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all the Mandalay DSUs will be settled for Mandalay Shares in accordance with the terms of the Plan of Arrangement.

If the Arrangement is completed and assuming no Mandalay DSUs are settled between the date hereof and the Effective Time, the directors of Mandalay will receive, in exchange for all Mandalay DSUs held by them as at the Effective Time, 564,329 Mandalay Shares, all in accordance with the provisions of the Plan of Arrangement.

See "*The Arrangement – Arrangement Mechanics*".

Consideration to Directors and Executive Officers

The following table sets out the names and positions of each person who was a director or executive officer of Mandalay as of the date of this Circular, and sets out, as of immediately prior to the Effective Time, the number of Mandalay Shares and Mandalay Incentive Securities that the Corporation expects will be owned or over which control or direction will be exercised by each such director or executive officer of Mandalay and, where known after

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reasonable inquiry, by their respective associates or affiliates and the consideration to be received for such Mandalay Shares and Mandalay Incentive Securities pursuant to the Arrangement.

Name and Position	Number and Percentage of Mandalay Shares	Number and Percentage of Mandalay Options	Number and Percentage of Mandalay RSUs	Number and Percentage of Mandalay PSUs	Number and Percentage of Mandalay DSUs	Total Estimated Consideration from Mandalay Shares and Mandalay Incentive Securities (cash and Alkane Shares) (C$) (subject to applicable withholdings)[3][4]
Brad Mills, Chairman	22,918,263[1] 24.18%	-	-	-	122,233 0.13%	181,443,906 Alkane Shares
Amy Freedman, Director	124,705 0.13%	-	-	-	122,233 0.13%	1,944,637 Alkane Shares
John Jentz, Director	-	-	-	-	12,605 0.01%	$61,765
Dominic Duffy, Director	994,903 1.05%	-	-	-	76,195 0.08%	8,434,897 Alkane Shares
Rob Doyle, Director	257,817 0.27%	-	-	-	122,233 0.13%	2,992,893 Alkane Shares
Julie Galloway, Director	-	-	-	-	108,830 0.11%	857,036 Alkane Shares
Frazer Bourchier, Director, President and Chief Executive Officer	272,876 0.29%	429,246 0.45%	271,260 0.29%	377,770[2] 0.40%	-	$2,544,198 6,551,433 Alkane Shares
Scott Trebilcock, Executive Vice President and Chief Development Officer	24,607 0.03%	305,128 0.32%	155,066 0.16%	-	-	$607,859 2,840,892 Alkane Shares
Hashim Ahmed, Executive, Vice President and Chief Financial Officer	67,116 0.07%	196,245 0.21%	133,363 0.14%	-	-	$522,783 2,284,015 Alkane Shares
Ryan Austerberry, Chief Operating Officer	111,245 0.12%	441,813 0.47%	129,808 0.14%	47,538[2] 0.05%	-	5,751,931 Alkane Shares
Chris Davis, Vice President, Operational Geology & Exploration	109,239 0.12%	250,158 0.26%	90,301 0.10%	33,072[2] 0.03%	-	3,801,813 Alkane Shares

Notes:

(1) 81,967 Mandalay Shares are held directly and 22,836,296 Mandalay Shares are held in trust for CE Mining III MND Limited.

(2) Based on the expected achievement of the maximum payout threshold of the Mandalay PSUs as at the vesting date, being a total shareholder return of 30% above the GDXJ, it is expected that all remaining Mandalay PSUs that are accelerated immediately prior to the Effective Time will also meet the same threshold, resulting in each Mandalay PSU being settled for two Mandalay Shares.

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(3) The Consideration assumes that no Mandalay Options are or will be exercised, and no Mandalay RSUs, Mandalay PSUs, or Mandalay DSUs are or will be settled, redeemed or cancelled between the date hereof and the Effective Time, except pursuant to the terms of the Arrangement Agreement. The Consideration also assumes that no additional Mandalay Shares are or will be acquired, and no Mandalay Options, Mandalay RSUs, Mandalay PSUs, or Mandalay DSUs are or will be granted between the date hereof and the Effective Time.

(4) The cash component represents the cash payments to be received to certain officers of Mandalay upon the settlement of Mandalay RSUs and Mandalay PSUs, as applicable, in accordance with the Arrangement Agreement and based on the most recent closing price of the Mandalay Shares of $4.90 as at June 23, 2025. The Alkane Shares component is based on the most recent closing price of the Mandalay Shares of $4.90 as at June 23, 2025 and the share exchange ratio of 7.875 Alkane Shares for each Mandalay Share.

Termination and Change of Control Benefits

No director, officer or employee of Mandalay is entitled to any change of control or other bonus or payment solely as a consequence of the Arrangement. However, certain executive officers of Mandalay (namely Frazer Bourchier, Scott Trebilcock and Hashim Ahmed) have "double trigger" change of control provisions as part of their employment agreements with Mandalay. Upon completion of the Arrangement, such executive officers will be entitled to change of control payments pursuant to their respective employment agreements, assuming such individuals' employment is terminated with effect as of the Effective Time.

The employment agreements (the "**Executive Employment Agreements**") of each of Frazer Bourchier, Scott Trebilcock and Hashim Ahmed contain "double trigger" change of control provisions. The Executive Employment Agreements provide that each such executive officer is entitled to receive a severance payment in the event of a "Change in Control" (as is defined in each Executive Employment Agreement) which is followed by the termination of such executive officer's employment by Mandalay without "Just Cause" (as is defined in each Executive Employment Agreement), or the resignation of such executive officer for "Good Reason" (as defined in each Executive Employment Agreement) within 12 months of the date of the "Change in Control". The completion of the Arrangement constitutes a "Change in Control" pursuant to the Executive Employment Agreements.

Pursuant to the terms of each Executive Employment Agreement, upon a "Change in Control" followed by the termination of the executive officer's employment without "Just Cause", or the resignation of such executive officer for "Good Reason" within 12 months of the date of a "Change in Control", as applicable, the executive officer is entitled to receive a severance payment in an aggregate amount equal to the sum of (a) any base salary and vacation pay earned by and remaining payable to such executive officer up to the date of termination or resignation (as applicable), (b) any earned but unpaid annual short-term bonus (STIP) award in respect of any fiscal year completed prior to the date of termination or resignation (as applicable), (c) a STIP award for the fiscal year in which the date of termination or resignation (as applicable) occurs, calculated based on the executive officer's target STIP award and prorated up to the date of termination or resignation (as applicable), and (d) a lump-sum amount equal to the sum of (i) 24 months' base salary and (ii) 2.0 times the executive officer's target STIP award. In addition, any unvested Mandalay PSUs, Mandalay RSUs, Mandalay Options and other share or equity-based awards to the executive officer will immediately vest and, to the extent applicable, be exercisable for a period of six months from the date of termination or resignation (as applicable) or the expiry date of such awards, whichever occurs earlier. The executive officers will also continue to receive all benefits (with the exception of all short term and long-term disability insurance or any other benefits or entitlements which cannot be continued by the applicable plans or policies) for a period of 24 months following the date of termination or resignation (as applicable).

Listed below is a summary of the estimated lump sum change of control payments applicable to the executive officers of Mandalay pursuant to each such executive's officer's Executive Employment Agreement assuming the Arrangement is completed and the employment of such executive officer is terminated without "Just Cause", or such executive resigns for "Good Reason" upon the completion of the Arrangement, assuming an Effective Date of July 31, 2025.

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Change of Control Payments

Name and Position	Estimated Change of Control Payment (C$)[1]
Frazer Bourchier, President and Chief Executive Officer	$2,209,508
Scott Trebilcock, Executive Vice President and Chief Development Officer	$1,633,887
Hashim Ahmed, Executive Vice President and Chief Financial Officer	$1,544,137

Notes:

(1) Represents cash payments based on base salary and target 2025 short-term incentive bonus amount, in each case as modified by the severance term set out in each respective officer's employment agreement with Mandalay. In addition to the amounts set forth above, the executive officers are entitled to have their benefits coverage continue until the end of the compensation period.

Indemnification and Insurance

In order to ensure that Mandalay's directors do not lose or forfeit their protection under liability insurance policies maintained by Mandalay, the Arrangement Agreement provides for the customary maintenance of such protection for six (6) years.

Pursuant to the Arrangement Agreement, prior to the Effective Time, Mandalay, in consultation with Alkane, will purchase customary "tail" policies of directors' and officers' liability insurance from an insurance company of nationally recognized standing providing protection no less favourable in the aggregate to the protection provided by the policies maintained by Mandalay and its subsidiaries which are in effect immediately prior to the Effective Time and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and Alkane shall, or shall cause Mandalay and its subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for six (6) years after the Effective Date; provided that Alkane shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 250% of Mandalay's and its subsidiaries' current annual aggregate premium for directors' and officers' liability insurance policies currently maintained by Mandalay or its subsidiaries.

MI 61-101 Protection of Minority Security Holders in Special Transactions

Business Combination

Mandalay is subject to the requirements of MI 61-101. MI 61-101 establishes a securities regulatory framework that mitigates risks to minority security holders when a related party of the issuer, who may have superior access to information or significant influence, is involved in certain transactions. MI 61-101 does this generally by requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties and/or, in certain instances, independent valuations. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101) that terminate the interests of certain securityholders without their consent.

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an issuer is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with certain transactions (such as the Arrangement), such transaction may be considered a "business combination" for purposes of MI 61-101 and may be subject to minority approval requirements.

A "collateral benefit", as defined under MI 61-101, includes any benefit that a "related party" of Mandalay (which includes the directors and senior officers of Mandalay) is entitled to receive as a consequence of the Arrangement including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, trustee or consultant of Mandalay. However, MI 61-101 excludes from the meaning of "collateral benefit" certain benefits to a related party received solely in connection with the related party's services as an employee, trustee or consultant of an issuer or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things (i) the benefit is not conferred

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for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction, and, either: (x) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than one percent (1%) of the outstanding shares of the issuer; or (y) if the transaction is a "business combination", (I) the related party discloses to an independent committee of the issuer the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities beneficially owned by the related party, (II) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than five percent (5%) of the value referred to in subclause (I), and (III) the independent committee's determination is disclosed in the disclosure document for the transaction.

If a "related party" receives a "collateral benefit" in connection with the Arrangement, the Arrangement Resolution will require "minority approval" (as defined in MI 61-101) in accordance with MI 61-101. If "minority approval" is required, the Arrangement Resolution must be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by any "related party" of Mandalay who receive a "collateral benefit" in connection with the Arrangement. This approval is in addition to the requirement that the Arrangement Resolution must be approved by two-thirds of the votes cast by Mandalay Shareholders present in person or represented by proxy at the Meeting and entitled to vote.

Refer to the table above under the heading *"Interests of Certain Persons in the Arrangement – Termination and Change of Control Benefits*" for a description of the "collateral benefits" that the senior officers of Mandalay may be entitled to receive in connection with the Arrangement. These "collateral benefits" include cash severance payments (which include payments for base salary, short-term incentives and health benefits).

Following disclosure by each of the directors and senior officers of Mandalay of the number of securities of Mandalay held by them and the total consideration and benefits that they expect to receive pursuant to the Arrangement, the Mandalay Board has determined that the aforementioned benefits or payments fall within an exception to the definition of "collateral benefit" for purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees of Mandalay or of any affiliated entities of Mandalay, are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related parties for their securities, and are not conditional on the related parties supporting the Arrangement in any manner, and at the time of the entering into of the Arrangement Agreement, none of the related parties entitled to receive the benefits exercised control or direction over, or beneficially owned, more than 1% of the outstanding Mandalay Shares, as calculated in accordance with MI 61-101. Accordingly, such benefits do not constitute a "collateral benefit" for purposes of MI 61-101, the Arrangement does not constitute a "business combination" for purposes of MI 61-101 and the Arrangement Resolution does not require the "minority approval" (as defined in MI 61-101).

Formal Valuation

Mandalay is not required to obtain a formal valuation under MI 61-101 in connection with the Arrangement, as (i) no "interested party" would, as a consequence of the Arrangement, directly or indirectly acquire Mandalay or the business of Mandalay, or combine with Mandalay, through an amalgamation, arrangement or otherwise, whether alone or with joint actors and (ii) there is no "connected transaction" involving an "interested party" that would qualify as a "related party transaction" (as defined in MI 61-101) for which Mandalay would be required to obtain a formal valuation.

Prior Valuations

To the knowledge of the directors and senior officers of the Corporation, there have been no "prior valuations" (as defined in MI 61-101) prepared in respect of the Corporation within the 24 months preceding the date of this Circular.

Prior Offers

Except as described in this Circular under the heading "*The Arrangement – Background to the Arrangement*", the Corporation has not received any *bona fide* prior offer relating to the subject matter of, or otherwise relevant to, the

Arrangement in the past 24 months preceding the entry into the Arrangement Agreement. See "*The Arrangement – Background to the Arrangement*".

Other

The Corporation confirms that during the process of review and approval of the Arrangement, there was no materially contrary view or abstention by a director of the Corporation.

Court Approval of the Arrangement

An arrangement under the BCBCA requires Court approval.

Interim Order

On June 23, 2025, Mandalay obtained the Interim Order providing for the calling and holding of the Meeting, the grant of Dissent Rights and certain other procedural matters. The text of the Interim Order is set out in Appendix D of this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, provided the Arrangement Resolution is approved by Mandalay Shareholders at the Meeting in the manner required by the Interim Order, Mandalay intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for August 1, 2025 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, or at any other date and time as the Court may direct. Any Mandalay Securityholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Response to Petition by no later than 4:00 p.m. (Vancouver time) on July 30, 2025, along with any other documents required, all as set out in the Interim Order and the Petition and Notice of Hearing of Petition, the text of which are set out in Appendix D and Appendix E to this Circular, respectively, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, Mandalay and/or Alkane may determine not to proceed with the Arrangement.

The Alkane Shares to be issued to the Mandalay Securityholders pursuant to the Arrangement, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will be issued and exchanged in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided from the registration or qualification requirements of any applicable securities laws of any state of the United States in which Mandalay Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to the persons to whom the securities will be issued, at which hearing all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Alkane Shares to be received by Mandalay Shareholders pursuant to the Arrangement will not require registration under the

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U.S. Securities Act. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the Section 3(a)(10) Exemption with respect to the issuance and exchange of the Alkane Shares to be issued to Mandalay Shareholders pursuant to the Arrangement.

See "*Securities Law Matters – United States Securities Laws Matters*" of this Circular. For a copy of the Interim Order, see Appendix D of this Circular.

Completion of the Arrangement

Subject to the satisfaction or waiver of the conditions in the Arrangement Agreement, and subject to any Order of the Court, the Arrangement will become effective as of the Effective Time on the Effective Date, which is expected to be the date of the filing with the Registrar of a copy of the Final Order, together with such other materials as may be required by the Registrar. The Effective Date will not occur until all of the conditions to completion of the Arrangement set out in the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement. If the Arrangement Resolution is approved at the Meeting and all other required approvals (including the Final Order) and conditions to the completion of the Arrangement are satisfied or waived, the Effective Date is expected to occur in the third quarter of 2025. In no event shall the Effective Date be later than August 30, 2025, unless otherwise agreed to between Mandalay and Alkane, provided that if the Effective Date has not occurred by August 30, 2025 as a result of the failure to obtain any of the Key Regulatory Approvals, then either Mandalay or Alkane may elect to extend such date by up to 45 days subject to the terms of the Arrangement Agreement. On the Effective Date, upon completion of the Arrangement, Mandalay and Alkane will publicly announce that the Arrangement has been implemented.

Effects of the Arrangement on Mandalay Shareholders' Rights

Mandalay Shareholders receiving Alkane Shares under the Arrangement will become Alkane Shareholders. Alkane is incorporated under the Laws of Western Australia.

The rights of a shareholder of an Australian corporation differ from the rights of a shareholder of a BCBCA corporation. See Appendix I of this Circular for a summary comparison of the rights of Mandalay Shareholders and Alkane Shareholders. The rights of Mandalay Shareholders are governed by the BCBCA and by Mandalay's notice of articles and articles. Following the Arrangement, Mandalay Shareholders who receive Alkane Shares as part of the Arrangement will become Alkane Shareholders, and as such their rights will be governed by the Corporations Act, the ASX Listing Rules, and by the Alkane Constitution. Mandalay Shareholders are encouraged to consult with their legal advisors for greater detail with respect to these differences.

THE ARRANGEMENT AGREEMENT

The description of the Arrangement Agreement, both below and elsewhere in this Circular, is a summary only, is not exhaustive, is not intended as a substitute for reviewing the Arrangement Agreement and is qualified in its entirety by reference to the full text of the Arrangement Agreement, which can be found under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

The description of the Arrangement Agreement has been included in this Circular to provide Mandalay Shareholders with information regarding terms of the Arrangement. It is not intended to provide any other factual information about the Parties to the Arrangement Agreement or their respective subsidiaries or affiliates. See "*The Arrangement Agreement – Representations and Warranties*" below for additional detail.

Effective Date and Conditions of Arrangement

If the Arrangement Resolution is passed, the Final Order approving the Arrangement is obtained, every requirement of the BCBCA relating to the Arrangement has been complied with and all other conditions to the Arrangement Agreement as summarized under "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*" are satisfied or waived, the Arrangement will become effective on the Effective Date commencing at the Effective Time.

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Representations and Warranties

The Arrangement Agreement contains representations and warranties made by Mandalay to Alkane and representations and warranties made by each of Alkane and AcquireCo to Mandalay. The representations and warranties were made solely for purposes of the Arrangement Agreement and are subject to important qualifications, limitations and exceptions agreed to by the Parties in connection with negotiating its terms. In particular, some of the representations and warranties are subject to a contractual standard of materiality or Material Adverse Effect standard, which is different from that generally applicable to public disclosure to Mandalay Shareholders or may have been used for the purpose of allocating risk between the Parties to the Arrangement Agreement.

Mandalay Shareholders are not third-party beneficiaries under the Arrangement Agreement and should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

Representations and Warranties of Mandalay

The representations and warranties provided by Mandalay in favour of Alkane relate to, among other things: organization; authorization and validity of the Arrangement Agreement; execution and binding obligations; consents and approvals and no violations; required approvals; subsidiaries; compliance with Laws and Constating Documents; permits; capitalization; shareholders' and similar agreements; reporting issuer status and stock exchange compliance; reports; unresolved comments, reviews and audits; financial statements; undisclosed liabilities; no hedging; Competition Act and anti-trust matters; environmental matters; indigenous matters; employment matters; absence of certain changes or events; litigation and orders; taxes; Books and Records of Mandalay; minute books; insurance; non-arm's length transactions; benefit plans; restrictions on business activities; Material Contracts; real property and personal property; title to the assets; sufficiency of assets; no options to purchase assets; interest in mineral rights; mineral resources and reserves; operational matters; corrupt practices legislation; compliance with sanction legislation; intellectual property, privacy, data protection and cybersecurity; brokers and expenses; opinions of financial advisors; and personal property registry registrations.

Representations and Warranties of Alkane and AcquireCo

The representations and warranties provided by Alkane and AcquireCo in favour of Mandalay relate to, among other things: organization; authorization and validity of the Arrangement Agreement; execution and binding obligations; consents and approvals and no violations; required approvals; subsidiaries; compliance with Laws and Constating Documents; permits; capitalization; shareholders' and similar agreements; securities laws matters; financial statements; no undisclosed liabilities; no hedging; Competition Act; environmental matters; indigenous matters; employment matters; absence of certain changes or events; litigation and orders; taxes; Books and Records of Alkane; minute books; insurance; non-arm's length transactions; benefit plans; restrictions on business activities; Material Contracts; real property and personal property; title to the assets; sufficiency of assets; no options to purchase assets; interest in mineral rights; mineral resources and ore reserves; operational matters; corrupt practices legislation; compliance with sanction legislation; intellectual property, privacy, data protection and cybersecurity; Investment Canada Act; brokers and expenses; and personal property registry registrations.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, certain conditions precedent must have been satisfied or waived, which conditions are summarized below.

Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent, each of which is for the mutual benefit of the Parties and which may only be waived with the mutual consent of the Parties at any time, in whole or in part:

(a) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, in form and substance satisfactory to each of Mandalay and Alkane, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Mandalay or Alkane, acting reasonably, on appeal or otherwise;

(b) the Mandalay Shareholder Approval shall have been obtained at the Meeting in accordance with the Interim Order and applicable Laws;

(c) Alkane Shareholder Approval shall have been obtained at the Alkane Meeting in accordance with applicable Laws;

(d) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, against Alkane or Mandalay which prevents the consummation of the Arrangement;

(e) no Proceeding shall be pending or threatened by any Governmental Entity in any jurisdiction that is reasonably likely to (i) cease trade, enjoin, prohibit, or impose any material limitations, damages, or conditions on Alkane's ability to acquire, hold, or exercise full rights of ownership over any Mandalay Shares, including the right to vote the Mandalay Shares, or (ii) prohibit or enjoin Mandalay or Alkane from consummating the Arrangement;

(f) the Arrangement Agreement shall not have been terminated in accordance with its terms;

(g) the distribution of the securities pursuant to the Arrangement shall either: (i) be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief granted from the securities regulatory authorities of Australia (including in respect of the on-sale disclosure obligations imposed by subsections 707(3) and (4) of the Corporations Act for the on-sale of Alkane Shares following implementation of the Arrangement) and each of the provinces and territories of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale or on-sale restrictions or disclosure obligations under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of NI 45- 102); or (ii) if exemptive relief from the prospectus and registration requirements under applicable Australian Securities Laws is not granted by the securities regulatory authorities of Australia, Alkane shall have filed a cleansing statement in connection with the issuance of the Alkane Shares to be issued pursuant to the Arrangement;

(h) conditional approval (or equivalent approval) of the listing or official quotation of the Alkane Shares issuable pursuant to the Arrangement on the ASX shall have been obtained by Alkane;

(i) the Key Regulatory Approvals shall have been obtained;

(j) confirmation having been obtained by Alkane from the ASX that the ASX will not exercise its discretion under ASX Listing Rule 11.1.3 in respect of any transaction contemplated under the Arrangement Agreement and the Plan of Arrangement; and

(k) the issuance and distribution of the Consideration pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and shall be exempt from the registration or qualification requirements of any applicable (Blue Sky) securities laws of any state of the United States.

Additional Conditions Precedent for the Benefit of Alkane and AcquireCo

The obligations of Alkane and AcquireCo to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment, on or before the Effective Date, of certain conditions precedent, including but not limited to the following (each of which is for the exclusive benefit of Alkane and AcquireCo and may be waived

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by Alkane on behalf of itself and AcquireCo at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Alkane and AcquireCo may have):

(a) all covenants of Mandalay under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Alkane shall have been duly performed by Mandalay in all material respects, and Alkane shall have received a certificate of Mandalay addressed to Alkane and dated the Effective Time, signed on behalf of Mandalay by an executive officer (without personal liability), confirming the same as at the Effective Date;

(b) (i) the representations and warranties of Mandalay set forth in Section 1 [*Organization*], Section 2 [*Authorization; Validity of Agreement*], Section 3 [*Execution and Binding Obligations*], Section 4(a)(i) [*Consents and Approvals; No Violations*] and Section 9 [*Capitalization*] of Schedule "C" to the Arrangement Agreement shall be true and correct in all respects (except for de minimis errors) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and (ii) all other representations and warranties of Mandalay set forth in the Arrangement Agreement; since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Mandalay, and Alkane shall have received a certificate of Mandalay addressed to Alkane and dated the Effective Time, signed by two executive officers on behalf of Mandalay (on Mandalay's behalf and without personal liability), confirming the same as at the Effective Date;

(c) since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect on Mandalay which is continuing; and

(d) holders of no more than 10% of the Mandalay Shares shall have exercised Dissent Rights.

Additional Conditions Precedent for the Benefit of Mandalay

The obligations of Mandalay to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Mandalay and may be waived by Mandalay at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Mandalay may have):

(a) all covenants of Alkane and AcquireCo under the Arrangement Agreement to be performed on or before the Effective Date which have not been waived by Mandalay shall have been duly performed by Alkane and AcquireCo in all material respects, and Mandalay shall have received a certificate of Alkane, addressed to Mandalay and dated the Effective Date, signed on behalf of Alkane by an executive officer of Alkane (without personal liability), confirming the same as at the Effective Date;

(b) (i) the representations and warranties of Alkane set forth in Section 1 [*Organization and Qualification*], Section 2 [*Authorization; Validity of Agreement*], Section 3 [*Execution and Binding Obligations*], Section 4(a)(i) [*Consents and Approvals; No Violations*] and Section 9 [*Capitalization*] of Schedule "D" to the Arrangement Agreement shall be true and correct in all respects (except for de minimis errors) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and (ii) all other representations and warranties of Mandalay set forth in the Arrangement Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, which representations and warranties shall be true and correct in all respects as of such date), except to the extent that the failure or failures of such representations and warranties in this subparagraph (ii) to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect on Mandalay (and, for the purpose of this subparagraph (ii), any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties

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shall be ignored), and Alkane shall have delivered a certificate confirming same to Mandalay, executed by two senior officers of Alkane (in each case, in their capacity as officers of Alkane and without personal liability) and addressed to Mandalay and dated the Effective Date;

(c) since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect on Alkane which is continuing;

(d) all documents and instruments necessary to effect, as and from the Effective Time, that the Alkane Board will be constituted of two current directors of Alkane, three directors nominated by Mandalay, and a new independent non-executive director to be appointed by Alkane, shall have been tabled in escrow, subject only to occurrence of the Effective Time; provided all such members of the Alkane Board consent to act as director on the Alkane Board, meet the qualification requirements to serve as a director under the rules and policies of the Exchange and the Corporations Act, hold a director identification number and shall be eligible under applicable Law to serve as a director; and

(e) Alkane shall have complied with its obligations under Section 2.8 of the Arrangement Agreement and the Depositary shall have confirmed receipt of the Alkane Shares contemplated thereby.

Covenants of Mandalay

Covenants Relating to Conduct of Business

Mandalay has made certain covenants to Alkane, including that, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except as required or permitted by the Arrangement Agreement or the Plan of Arrangement, as set out in the Mandalay Disclosure Letter (which, for greater certainty, do not require the consent of Alkane or AcquireCo), as required by applicable Laws or any Governmental Entities, or as consented to by Alkane in writing (such consent not to be unreasonably withheld or delayed), Mandalay shall, and shall cause each of its subsidiaries to:

(a) conduct its business and affairs and maintain its assets, properties and facilities in, and not take any action except in accordance with Good Mining Practices and where consistent with Good Mining Practices in the ordinary course of business consistent with past practice;

(b) use commercially reasonable efforts to preserve intact its present business organization, assets, Permits and goodwill, maintain the Mandalay Mineral Rights and its real property interests (including title to, and leasehold interests in respect of, any real property) in good standing, keep available the services of its officers and employees as a group and preserve the current material relationships with suppliers, distributors, employees, independent contractors, consultants, customers and others having business relationships with it;

(c) comply in all material respects with all applicable Laws, including Securities Laws and Tax Laws; and

(d) keep Alkane fully informed as to material decisions or actions made or required to be made with respect to, and material developments relating to, the operation of its businesses and consult with Alkane, as Alkane may reasonably request, to allow Alkane to monitor and provide input with respect to the direction and control of, any such material decisions or actions or developments.

Without limiting the generality of the foregoing, Mandalay has also covenanted to Alkane and agreed that, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except as required by Law, required or permitted by the Arrangement Agreement or the Plan of Arrangement, or as set out in the Mandalay Disclosure Letter (which, for greater certainty, do not require the consent of Alkane or AcquireCo), Mandalay shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, without the prior written consent of Alkane (which consent shall not be unreasonably withheld or delayed):

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(a) amend, restate, rescind, alter, enact, or adopt all or any portion of any of Mandalay's Constating Documents or the Constating Documents of any of its subsidiaries;

(b) issue, sell, pledge, lease, dispose of or encumber, or agree to issue, sell, pledge, lease, dispose of or encumber, any securities of or any securities convertible into securities of Mandalay (other than in connection with the exercise, redemption or conversion, in accordance with their respective terms, of outstanding Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs) or except as provided for in the Arrangement Agreement, amend, extend or terminate, or agree to amend, extend or terminate, any of the terms of, or agreements governing, any outstanding securities of Mandalay or right that is linked in any way to the price of any securities of Mandalay;

(c) split, consolidate or reclassify, or propose to split, consolidate or reclassify, any of its shares or undertake or propose to undertake any other capital reorganization or change in its common shares, any other of its securities or its share capital;

(d) reduce the stated capital of any of its securities;

(e) make, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) on, or purchase, redeem, repurchase or otherwise acquire, any securities of Mandalay or any of its subsidiaries;

(f) create any subsidiary;

(g) adopt a plan of complete or partial liquidation, arrangement, dissolution, amalgamation, merger, consolidation, restructuring, recapitalization, winding-up or other reorganization of Mandalay or any of its subsidiaries (other than pursuant to the Arrangement Agreement and the transactions contemplated by the Arrangement Agreement), or file a petition in bankruptcy under any applicable Law on behalf of Mandalay or any of its subsidiaries, or consent to the filing of any bankruptcy petition against Mandalay or any of its subsidiaries under any applicable Law;

(h) sell, sell and lease back, pledge, licence, lease, sublease, alienate, dispose, swap, transfer or voluntarily lose the right to use, in whole or in part, or otherwise dispose of, or subject to any Lien (other than Permitted Liens), any asset or any interest in any asset, or waive, cancel, release or assign to any person (other than Mandalay or any of its subsidiaries) any material right or claim (including indebtedness owed to Mandalay or any of its subsidiaries), in either case having a value greater than A$4,000,000, except for (i) assets sold, leased, disposed of or otherwise transferred in the ordinary course and that are not, individually or in the aggregate, material to Mandalay or any of its subsidiaries, (ii) obsolete, damaged or destroyed assets in the ordinary course of business and that are not, individually or in the aggregate, material to Mandalay or any of its subsidiaries, (iii) returns of leased assets at the end of the lease term, (iv) transfers of assets between Mandalay and a subsidiary of Mandalay, and (v) as required pursuant to the terms of any Material Contract in effect on the date of the Arrangement Agreement and set out in the Mandalay Disclosure Letter;

(i) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets or otherwise) any company, partnership or other business organization or division, or incorporate or form, or agree to incorporate or form, any company, partnership or other business organization or make or agree to make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of, any property or assets of any other person, company, partnership or other business organization having a value greater than A$4,000,000 in the aggregate;

(j) enter into or agree to the terms of any joint venture or similar agreement, arrangement or relationship;

(k) make any capital expenditures or commitments other than (i) capital expenditures that are included in the Mandalay Budget, or (ii) any other capital expenditures that do not exceed A$4,000,000 in the aggregate per mine site;

(l) make, rescind or amend any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, or change any of its methods of reporting income, deductions or accounting for income Tax purposes;

(m) take any action inconsistent with past practice relating to the filing of any Tax Return or the withholding, collecting, remitting and payment of any Tax;

(n) enter into any Tax sharing, Tax allocation, Tax related waiver or Tax indemnification agreement, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;

(o) fail to pay or cause to be paid all accounts when due or invoices promptly upon receipt, in any way related to the business, operations and assets of Mandalay or any of its subsidiaries, in each case in the ordinary course of business, consistent with past practice;

(p) pay, discharge or satisfy any material claims, liabilities or obligations other than (i) the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Mandalay Financial Statements, (ii) as reflected in the Mandalay Budget, (iii) any other claims, liabilities, obligations or expenditures that do not exceed A$4,000,000 in the aggregate, or (iv) incurred in the ordinary course of business consistent with past practice;

(q) waive, release, grant or transfer any rights of value or modify or change in any material respect any existing material licence, lease, Permit, Material Contract or other material document;

(r) except as may be required by the terms of any written employment Contract, written consulting Contract, Mandalay Benefit Plan or Collective Agreement existing on the date of the Arrangement Agreement, (i) enter into or modify any employment, consulting, severance, change of control, retention or similar agreements or arrangements with, grant any salary or fee increases to, or grant or increase any bonuses, severance, termination pay, change of control entitlements, retention bonuses or any other benefit or entitlement to or of, any officers or directors; or (ii) in the case of Employees or Independent Contractors who are not officers or directors, take any action other than in the ordinary, regular and usual course of business and consistent with past practice with respect to salary or fee increases or the grant or increase of any bonuses, severance, termination pay, change of control entitlements, retention bonuses or any other benefits or entitlements; provided, however, that: (A) Mandalay shall take such action as may be required in order to ensure that the provisions of Section 2.11 of the Arrangement Agreement are complied with; (B) Mandalay shall abide by the terms and conditions of any employment agreements and consulting agreements in respect of any person who will no longer be employed or retained by Alkane or Mandalay, as the case may be, after the Arrangement, including with respect to the payments of any severance amounts or change of control payments, if applicable; or (C) if any material amendments or revisions are to be made by Mandalay to the terms and conditions of any employment agreement and consulting agreement, such amendments and revisions shall only be made with the prior written consent of Alkane;

(s) (i) hire any new employee or any new individual independent contractor, consultant or service provider, or such individual's personal services company, as applicable, of Mandalay or any of its subsidiaries with total annual remuneration exceeding A$250,000 or who will be a director or officer of Mandalay or any of its subsidiaries; (ii) promote any Employee or Independent Contractor to an annual base compensation level greater than A$250,000; (iii) remove any director or terminate any officer other than for cause; (iv) terminate any Employee or Independent Contractor who is not an officer or director without cause, unless such Employee or Independent Contractor has an annual base compensation of less than A$250,000; (v) give notice of termination to Employees that requires

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the delivery of a group notice of termination to a Governmental Entity; or (vi) other than in the ordinary, regular and usual course of business and consistent with past practice, place any Employee on a temporary layoff;

(t) (i) incur, create, assume or otherwise become liable for any indebtedness, other than: (A) indebtedness under credit cards incurred in the ordinary course of business and lines of credit and factoring agreements incurred in the ordinary course of the business; (B) as contemplated in the Mandalay Budget; or (C) any other loans or, advances guarantees or other obligations, individually or in the aggregate, in an amount not to exceed A$4,000,000 or (ii) incur, create, assume or otherwise become liable for any other material liability or obligation, other than in the ordinary course of business; or (iii) issue any debt securities, or guarantee, endorse or otherwise become responsible for, the obligations of any other person; or make any loans or advances to any other person, other than loans or advances made by Mandalay to a subsidiary of Mandalay, or by a subsidiary to Mandalay, or pursuant to transactions contemplated in the Arrangement Agreement;

(u) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts, off-take, royalty or similar financial instruments including any streaming transactions;

(v) commence, pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, rights, liabilities or obligations relating to any Proceeding or threatened Proceeding (i) by any Governmental Entity; or (ii) the settlement of which would result in any relief, other than the payment by Mandalay or any of its subsidiaries of an amount in cash, including debarment, corporate integrity agreements, any undertaking restricting the operations of Mandalay or any of its subsidiaries' business or the granting of licenses, deferred prosecution agreements, consent decrees, plea agreements or mandatory or permissive exclusion, seizure or detention of product, or notification, repair or replacement; other than the payment, discharge, settlement, or satisfaction of liabilities reflected or reserved against in Mandalay's consolidated annual financial statements, or payment of any fees related to the Arrangement;

(w) enter into or adopt any shareholder rights plan or similar agreement or arrangement;

(x) enter into, modify or terminate or cancel any Collective Agreement, or enter into any Contract that would be a Collective Agreement if in effect on the date hereof or grant recognition to any labour union or similar labour organization for purposes of collective bargaining;

(y) engage in any transaction with any senior management Employee, vice-president, director or any of their immediate family members (including spouses) or any related party (within the meaning of MI 61-101), other than (i) expense reimbursements and advances in the ordinary course of business, (ii)employment Contracts with Employees hired in accordance with Section 5.1(b)(xviii) of the Arrangement Agreement, or (iii) transactions between Mandalay and a subsidiary of Mandalay;

(z) prepay any long-term indebtedness before its scheduled maturity;

(aa) enter into any agreement or arrangement that would limit or restrict in any material respect Mandalay and the subsidiaries of Mandalay from competing or carrying on any business in any manner;

(bb) materially change the business carried on by Mandalay and the subsidiaries of Mandalay, taken as a whole;

(cc) enter into or amend any Contract with any broker, finder or investment banker, including any amendment to certain Contracts listed in the Mandalay Disclosure Letter;

(dd) amend any existing material Permit of Mandalay or any of its subsidiaries, or abandon or fail to diligently pursue any application for or renewal of any required material Permit, or take or omit to

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take any action that would reasonably be expected to lead to the termination of, or imposition of conditions on, any such material Permit of Mandalay or any of its subsidiaries;

(ee) conduct any write-off, capitalisation or other action in respect of any intercompany loans and balances between Mandalay and/or between any other wholly-owned subsidiary of Mandalay except in the ordinary course of business consistent with past practice or in connection with the Arrangement Agreement or the transactions contemplated thereby;

(ff) take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Arrangement or the transactions contemplated in the Arrangement Agreement; or

(gg) authorize, agree, resolve or otherwise commit, whether or not in writing, directly or indirectly, to do any of the foregoing.

Mandalay shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Mandalay or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to certain exceptions set forth in the Arrangement Agreement, none of Mandalay or any of its subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Mandalay shall promptly notify Alkane in writing of any circumstance or development that, to the knowledge of Mandalay, has or could reasonably be expected to have a Material Adverse Effect on Mandalay.

Mandalay has also agreed with Alkane that, prior to the Effective Time, Mandalay shall exercise, consistent with the terms of the Arrangement Agreement, control and supervision over its business and operations.

Covenants Relating to the Arrangement

Mandalay has covenanted to Alkane and agreed that it shall, and shall cause its subsidiaries to, perform all obligations required to be performed by Mandalay or any of its subsidiaries under the Arrangement Agreement, cooperate with Alkane in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement and, without limiting the generality of the foregoing, Mandalay shall and, where applicable, shall cause its subsidiaries to:

(a) use commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law applicable to it or its subsidiaries with respect to the Arrangement Agreement or the Arrangement;

(b) apply for and use its commercially reasonable efforts to, as soon as reasonably practicable, obtain and maintain all Regulatory Approvals, third party notices or other notices and consents, waivers, Permits, exemptions, orders, approvals, agreements, amendments or confirmations that are reasonably required or reasonably requested by Alkane relating to Mandalay or any of its subsidiaries in connection with the Arrangement or the other transactions contemplated by the Arrangement Agreement (including the consents reasonably required under any Contract to which Mandalay or a subsidiary of Mandalay is a party or those needed to maintain in full force and effect any Permit held by the Mandalay or a subsidiary of Mandalay) provided, that the Parties agree that it shall not be a condition to closing of the Arrangement that such waivers, consents and approvals are obtained other than as set out in Article 6 of the Arrangement Agreement, in each case on terms that are reasonably satisfactory to Alkane and without paying, and without committing itself or Alkane to pay, any consideration or incur any liability or obligation without the prior written consent

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of Alkane and, in doing so, keep Alkane reasonably informed as to the status of the proceedings related to obtaining such approvals, including providing Alkane with copies of all related applications, notices and notifications, in draft form, in order for Alkane to provide its reasonable comments thereon, which shall be given due and reasonable consideration;

(c) defend all lawsuits or other legal, regulatory or other Proceedings against Mandalay challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated thereby;

(d) until the earlier of the Effective Time and termination of the Arrangement Agreement, subject to applicable Law, make available and cause to be made available to Alkane, information reasonably requested by Alkane for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Alkane and Mandalay following the Effective Date and confirming the representations and warranties of Mandalay set out in the Arrangement Agreement;

(e) use its commercially reasonable efforts to assist in obtaining the resignations and mutual releases (in forms satisfactory to Alkane, acting reasonably) of each member of the Mandalay Board and the board of directors of each of its wholly-owned subsidiaries, and Mandalay's or its subsidiaries' designated or nominated directors on the board of directors (or equivalent body) of each of its non-wholly-owned subsidiaries, (in each case to the extent requested by Alkane) and causing them to be replaced by Persons designated or nominated, as applicable, by Alkane effective as of the Effective Time; and

(f) promptly notify Alkane of:

i. any notice or other communication from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person (or another person) is or may be required in connection with the Arrangement, the Arrangement Agreement or any of the transactions contemplated thereby;

ii. unless prohibited by Law, any notice or other communication from any person in connection with the transactions contemplated by the Arrangement Agreement (and Mandalay shall contemporaneously provide a copy of any such written notice or communication to Alkane);

iii. any breach or default, or any notice of alleged breach or default, by Mandalay or its subsidiaries of any Material Contract or Permit to which it is a party or by which it is bound;

iv. any written notice or other communication from any Governmental Entity in connection with the Arrangement Agreement (and Mandalay shall contemporaneously provide a copy of any such written notice or communication to Alkane); and

v. any (A) Proceedings commenced or, to the knowledge of Mandalay, threatened against, relating to or involving or otherwise affecting the Arrangement, the Arrangement Agreement or any of the transactions contemplated thereby, and (B) material Proceedings commenced or, to the knowledge of Mandalay, threatened against, relating to or involving or otherwise affecting Mandalay or its subsidiaries.

Covenants of Alkane

Covenants Relating to Conduct of Business

Alkane has made certain covenants to Mandalay, including that, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except as required or permitted by the Arrangement Agreement or the Plan of Arrangement, or as set out in the Alkane Disclosure Letter (which, for greater

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certainty, do not require the consent of Mandalay), as required by applicable Laws or any Governmental Entities and subject to certain exceptions set out in the Arrangement Agreement or as consented to by Mandalay in writing (such consent not to be unreasonably withheld or delayed), Alkane shall, and shall cause each of its subsidiaries to:

(a) conduct its business and affairs and maintain its assets, properties and facilities in, and not take any action except in accordance with Good Mining Practices and where consistent with Good Mining Practices in the ordinary course of business consistent with past practice;

(b) use commercially reasonable efforts to preserve intact its present business organization, assets, Permits and goodwill, maintain the Alkane Mineral Rights and its real property interests (including title to, and leasehold interests in respect of, any real property) in good standing, keep available the services of its officers and employees as a group and preserve the current material relationships with suppliers, distributors, employees, independent contractors, consultants, customers and others having business relationships with it;

(c) comply in all material respects with all applicable Laws, including Securities Laws and Tax Laws;

(d) keep Mandalay fully informed as to material decisions or actions made or required to be made with respect to, and material developments relating to, the operation of its businesses and consult with Mandalay, as Mandalay may reasonably request, to allow Mandalay to monitor and provide input with respect to the direction and control of, any such material decisions or actions or developments.

Without limiting the generality of the foregoing, Mandalay has also covenanted to Alkane and agreed that, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except as required by Law, required or permitted by the Arrangement Agreement or the Plan of Arrangement, or as set out in the Alkane Disclosure Letter (which, for greater certainty, do not require the consent of Mandalay), Alkane shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, without the prior written consent of Mandalay (which consent shall not be unreasonably withheld or delayed):

(a) amend, restate, rescind, alter, enact or adopt all or any portion of any of the Constating Documents of Alkane or any of its subsidiaries;

(b) (i) issue, sell, pledge, lease, dispose of or encumber, or agree to issue, sell, pledge, lease, dispose of or encumber, any securities of or any securities convertible into securities of Alkane (other than in connection with the exercise or conversion, in accordance with their respective terms, of outstanding options, warrants or other convertible securities or right that is linked in any way to the price of any securities of Alkane) or except as provided for in the Arrangement Agreement, amend, extend or terminate, or agree to amend, extend or terminate, any of the terms of, or agreements governing, any outstanding securities of Alkane or right that is linked in any way to the price of any securities of Alkane or (ii) issue any Alkane Shares or other securities pursuant to the Alkane Bonus Share Plan;

(c) split, consolidate or reclassify, or propose to split, consolidate or reclassify, any of its shares or undertake or propose to undertake any other capital reorganization or change in its common shares, any other of its securities or its share capital;

(d) reduce the stated capital of any of its securities;

(e) accelerate the vesting of any of the Alkane Performance Rights or waive any vesting conditions or vesting periods applying to any or all of the Alkane Performance Rights;

(f) make, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) on, or purchase, redeem, repurchase or otherwise acquire, any securities of Alkane or a subsidiary of Alkane;

(g) create any subsidiary;

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(h) adopt a plan of complete or partial liquidation, arrangement, dissolution, amalgamation, merger, consolidation, restructuring, recapitalization, winding-up or other reorganization of Alkane or any of its subsidiaries (other than pursuant to the Arrangement Agreement and the transactions contemplated by the Arrangement Agreement), or file a petition in bankruptcy under any applicable Law on behalf of Alkane or any of its subsidiaries, or consent to the filing of any bankruptcy petition against Alkane or any of its subsidiaries under any applicable Law;

(i) sell, sell and lease back, pledge, licence, lease, sublease, alienate, dispose, swap, transfer or voluntarily lose the right to use, in whole or in part, or otherwise dispose of, or subject to any Lien (other than Permitted Liens), any asset or any interest in any asset, or waive, cancel, release or assign to any person (other than Alkane or a subsidiary of Alkane) any material right or claim (including indebtedness owed to Alkane or a subsidiary of Alkane) in either case having a value greater than A$4,000,000, except for (i) assets sold, leased, disposed of or otherwise transferred in the ordinary course of business and that are not, individually or in the aggregate, material to Alkane or a subsidiary of Alkane, (ii) obsolete, damaged or destroyed assets in the ordinary course of business and that are not, individually or in the aggregate, material to Alkane or a subsidiary of Alkane, (iii) returns of leased assets at the end of the lease term, (iv) transfers of assets between Alkane and a subsidiary of Alkane, and (v) as required pursuant to the terms of any Alkane Material Contract in effect on the date of the Arrangement Agreement as set out in the Alkane Disclosure Letter;

(j) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets or otherwise) any company, partnership or other business organization or division, or incorporate or form, or agree to incorporate or form, any company, partnership or other business organization or make or agree to make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of, any property or assets of any other person, company, partnership or other business organization having a value greater than A$4,000,000 in the aggregate;

(k) enter into or agree to the terms of any joint venture or similar agreement, arrangement or relationship;

(l) make any capital expenditures or commitments other than (i) capital expenditures that are included in the Alkane Budget, or (ii) any other capital expenditures that do not exceed A$4,000,000 in the aggregate;

(m) make, rescind or amend any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, or change any of its methods of reporting income, deductions or accounting for income Tax purposes;

(n) take any action inconsistent with past practice relating to the filing of any Tax Return or the withholding, collecting, remitting and payment of any Tax;

(o) enter into any Tax sharing, Tax allocation, Tax related waiver or Tax indemnification agreement, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;

(p) fail to pay or cause to be paid all accounts when due or invoices promptly upon receipt, in any way related to the business, operations and assets of Alkane or a subsidiary of Alkane, in each case in the ordinary course of business, consistent with past practice;

(q) pay, discharge or satisfy any material claims, liabilities or obligations other than (i) the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Alkane Financial Statements, (ii) as reflected in the Alkane Budget, (iii) any other claims, liabilities, obligations or expenditures that do not exceed A$4,000,000 in the aggregate, or (iv) incurred in the ordinary course of business consistent with past practice;

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(r) waive, release, grant or transfer any rights of value or modify or change in any material respect any existing material licence, lease, Permit, Material Contract or other material document;

(s) except as may be required by the terms of any written employment Contract, written consulting Contract, Alkane Benefit Plan or Collective Agreement existing on the date of the Arrangement Agreement, (i) enter into or modify any employment, consulting, severance, change of control, retention or similar agreements or arrangements with, grant any salary or fee increases to, or grant or increase any bonuses, severance, termination pay, change of control entitlements, retention bonuses or other benefits of entitlement to or of any officers or directors; or (ii) in the case of Employees or Independent Contractors who are not officers or directors, take any action other than in the ordinary, regular and usual course of business and consistent with past practice with respect to salary or fee increases or the grant or increase of any bonuses, severance, termination pay, change of control entitlements, retention bonuses or any other benefits or entitlements; provided, however, that Alkane shall abide by the terms and conditions of any employment agreements and consulting agreements in respect of any person who will no longer be employed or retained by Mandalay or Alkane, as the case may be, after the Arrangement, including with respect to the payments of any severance amounts or change of control payments, if applicable, or if any material amendments or revisions are to be made by Alkane to the terms and conditions of any employment agreement and consulting agreement, such amendments and revisions shall only be made with the prior written consent of Mandalay;

(t) (i) hire any new employee or any new individual independent contractor, consultant or service provider, or such individual's personal services company, as applicable, of Alkane or any of its subsidiaries with total annual remuneration exceeding A$250,000 or who will be a director or officer of Alkane; (ii) promote any Employee or Independent Contractor to an annual base compensation level greater than A$250,000; (iii) remove any director or terminate any officer other than for cause; (iv) terminate any Employee or Independent Contractor who is not an officer or director without cause, unless such Employee or Independent Contractor has an annual base compensation of less than A$250,000; (v) give notice of termination to Employees that requires the delivery of a group notice of termination to a Governmental Entity; or (vi) other than in the ordinary, regular and usual course of business and consistent with past practice, place any Employee on a temporary layoff;

(u) (i) incur, create, assume or otherwise become liable for any indebtedness, other than: (A) indebtedness under credit cards incurred in the ordinary course of business and lines of credit and factoring agreements incurred in the ordinary course of business; (B) as contemplated in the Mandalay Budget; or (C) any other loans or, advances guarantees or other obligations, individually or in the aggregate, in an amount not to exceed A$4,000,000; (ii) incur, create, assume or otherwise become liable for any other material liability or obligation, other than in the ordinary course of business; or (iii) issue any debt securities, or guarantee, endorse or otherwise become responsible for, the obligations of any other person; or make any loans or advances to any other person, other than loans or advances made by Mandalay to a subsidiary of Mandalay, or by a subsidiary to Mandalay, or pursuant to transactions contemplated in the Arrangement Agreement;

(v) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts, off-take, royalty or similar financial instruments including any streaming transactions;

(w) commence, pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, rights, liabilities or obligations, relating to any Proceeding or threatened Proceeding (i) by any Governmental Entity; or (ii) the settlement of which would result in any relief, other than the payment by Alkane or a subsidiary of Alkane of an amount in cash, including debarment, corporate integrity agreements, any undertaking restricting the operations of Alkane or a subsidiary of Alkane's business or the granting of licenses, deferred prosecution agreements, consent decrees, plea agreements or mandatory or permissive exclusion, seizure or detention of product, or notification, repair or replacement; other than the payment, discharge, settlement, or satisfaction of liabilities reflected or reserved against in Alkane's consolidated annual financial statements, or payment of any fees related to the Arrangement;

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(x) enter into or adopt any shareholder rights plan or similar agreement or arrangement;

(y) enter into, modify or terminate or cancel any Collective Agreement, or enter into any Contract that would be a Collective Agreement if in effect on the date hereof or grant recognition to any labour union or similar labour organization for purposes of collective bargaining;

(z) engage in any transaction with any senior management Employee, vice-president, director or any of their immediate family members (including spouses) or any related party (within the meaning of MI 61-101), other than (i) expense reimbursements and advances in the ordinary course of business, (ii) employment Contracts with Employees hired in accordance with Section 5.2(b)(xx) of the Arrangement Agreement, or (iii) transactions between Alkane and a subsidiary of Alkane;

(aa) prepay any long-term indebtedness before its scheduled maturity;

(bb) enter into any agreement or arrangement that would limit or restrict in any material respect Alkane and the subsidiaries of Alkane from competing or carrying on any business in any manner;

(cc) materially change the business carried on by Alkane and the subsidiaries of Alkane, taken as a whole;

(dd) except as set forth in the Alkane Disclosure Letter, enter into or amend any Contract with any broker, finder or investment banker, including any amendment to certain Contracts listed in the Alkane Disclosure Letter;

(ee) amend any existing material Permit of Alkane or a subsidiary of Alkane, or abandon or fail to diligently pursue any application for or renewal of any required material Permit, or take or omit to take any action that would reasonably be expected to lead to the termination of, or imposition of conditions on, any such material Permit of Alkane or a subsidiary of Alkane;

(ff) conduct any write-off, capitalisation or other action in respect of any intercompany loans and balances between Mandalay and/or between any other wholly-owned subsidiary of Mandalay except in the ordinary course of business consistent with past practice or in connection with the Arrangement Agreement or the transactions contemplated thereby;

(gg) take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Arrangement or the transactions contemplated in the Arrangement Agreement; or

(hh) authorize, agree, resolve or otherwise commit, whether or not in writing, directly or indirectly, to do any of the foregoing.

Alkane shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Alkane or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

Alkane shall promptly notify Mandalay in writing of any circumstance or development that, to the knowledge of Alkane, has or could reasonably be expected to have a Material Adverse Effect on Alkane.

Alkane has also agreed with Mandalay that, prior to the Effective Time, Alkane shall exercise, consistent with the terms of the Arrangement Agreement, control and supervision over its business and operations.

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Covenants Relating to the Arrangement

Alkane has covenanted to Mandalay and agreed that it shall, and shall cause its subsidiaries to, perform all obligations required to be performed by Alkane or any of its subsidiaries under the Arrangement Agreement, cooperate with Mandalay in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement and, without limiting the generality of the foregoing, Alkane shall and, where applicable, shall cause its subsidiaries to:

(a) use commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law applicable to it or its subsidiaries with respect to the Arrangement Agreement or the Arrangement;

(b) apply for and use its commercially reasonable efforts to, as soon as reasonably practicable following the date hereof, obtain and maintain all Regulatory Approvals, third party notices or other notices and consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are reasonably required or reasonably requested by Mandalay relating to Alkane or any of its subsidiaries in connection with the Arrangement or the other transactions contemplated thereby (including the consents reasonably required under any Contract to which Alkane or a subsidiary of Alkane is a party or those needed to maintain in full force and effect any Permit held by the Alkane or a subsidiary of Alkane) provided, that the Parties agree that it shall not be a condition to closing of the Arrangement that such waivers, consents and approvals are obtained other than as set out in Article 6 of the Arrangement Agreement, in each case on terms that are reasonably satisfactory to Mandalay and without paying, and without committing itself or Mandalay to pay, any consideration or incur any liability or obligation without the prior written consent of Mandalay and, in doing so, keep Mandalay reasonably informed as to the status of the proceedings related to obtaining such approvals, including providing Mandalay with copies of all related applications, notices and notifications, in draft form, in order for Mandalay to provide its reasonable comments thereon, which shall be given due and reasonable consideration;

(c) subject to the terms and conditions of the Arrangement Agreement and of the Plan of Arrangement and applicable Laws, issue the Alkane Shares to be issued pursuant to the Arrangement at the time provided therein;

(d) defend all lawsuits or other legal, regulatory or other Proceedings against Alkane challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated thereby;

(e) until the earlier of the Effective Time and termination of the Arrangement Agreement, subject to applicable Law, make available and cause to be made available to Mandalay, information reasonably requested by Mandalay for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Alkane and Mandalay following the Effective Date and confirming the representations and warranties of Alkane set out in the Arrangement Agreement; and

(f) promptly notify Mandalay of:

i. any notice or other communication from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person (or another person) is or may be required in connection with the Arrangement, the Arrangement Agreement or any of the transactions contemplated thereby;

ii. unless prohibited by Law, any notice or other communication from any person in connection with the transactions contemplated by the Arrangement Agreement (and

Alkane shall contemporaneously provide a copy of any such written notice or communication to Mandalay);

iii. any breach or default, or any notice of alleged breach or default, by Alkane or a subsidiary of Alkane of any Material Contract or material Permit to which it is a party or by which it is bound;

iv. any written notice or other communication from any Governmental Entity in connection with the Arrangement Agreement (and Alkane shall contemporaneously provide a copy of any such written notice or communication to Mandalay); and

v. any (A) Proceedings commenced or, to the knowledge of Alkane, threatened against, relating to or involving or otherwise affecting the Arrangement, the Arrangement Agreement or any of the transactions contemplated thereby, and (B) material Proceedings commenced or, to the knowledge of Alkane, threatened against, relating to or involving or otherwise affecting Alkane, its subsidiaries.

Mandalay has also agreed with Alkane that despite any provision to the contrary in the Arrangement Agreement (except as provided for in Section 2.9(b)(ii) of the Arrangement Agreement or the Plan of Arrangement), Alkane and AcquireCo will not, and shall procure that the Depositary, and their respective agents will not, withhold or deduct any amount from any Consideration or any other amount payable or otherwise deliverable to any Mandalay Shareholder under the Arrangement Agreement and the Plan of Arrangement, under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth).

Mutual Covenants

Each of the Parties have also agreed that, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except as contemplated in the Arrangement Agreement:

(a) it shall, and shall cause its subsidiaries to, use commercially reasonable efforts to take, or cause to be taken, as promptly as practicable, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Plan of Arrangement, including using its commercially reasonable efforts to cooperate with the other Parties in connection with the performance by it and its subsidiaries of their obligations under the Arrangement Agreement, including giving the other Parties a reasonable opportunity to review and comment on any filing or submission being made to a Governmental Entity in connection with the Regulatory Approvals, which comments the receiving Party shall give due consideration to, and providing the other Parties with a final copy of any filing or submission made to a Governmental Entity (where a Party regards any information in a filing or submission to be both confidential and competitively sensitive, the supplying Party may restrict the supply of such information to the receiving Party's outside legal counsel only and such receiving Party shall not request or receive such information from its outside legal counsel without the supplying Party's written consent);

(b) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action that is within its control to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to significantly impede the making or completion of the Plan of Arrangement except as permitted by the Arrangement Agreement; and

(c) it shall use its commercially reasonable efforts to ensure that the Section 3(a)(10) Exemption is available for the issuance of the Consideration to the Mandalay Securityholders in exchange for their Mandalay Shares, pursuant to the Plan of Arrangement,

provided, however, that the foregoing shall not require Alkane to take any steps or actions that would, in its sole discretion, acting reasonably, affect Alkane's or its subsidiaries' right to own, use or exploit its business, operations or assets or those of Mandalay or any of its subsidiaries including, for greater certainty, divesting

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or agreeing to divest of any assets of Alkane, Mandalay or any of their respective subsidiaries, terminating any existing relationships, contractual rights or obligations of Alkane, Mandalay or any of their respective subsidiaries or effecting any change or restructuring of Alkane, Mandalay or any of their respective subsidiaries in order to obtain the Regulatory Approvals prior to the Outside Date.

Non-Solicitation Covenant

Each Party has covenanted and agreed that, except as permitted in accordance with the Arrangement Agreement, it shall not, and shall not authorize or permit any of its Representatives or its subsidiaries, directly or indirectly, to:

(a) make, solicit, initiate, entertain, knowingly encourage, promote or otherwise knowingly facilitate, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding (other than a confidentiality agreement permitted pursuant to Section 7.2 of the Arrangement Agreement), any inquiries or the making of any proposals regarding an Acquisition Proposal or that could reasonably be expected to constitute or lead to an Acquisition Proposal;

(b) enter into, engage in or participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any person any information or otherwise cooperate with, respond to, assist or participate in any Acquisition Proposal or any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, provided however that a Party may communicate and participate in discussions with a third party for the purpose of (i) advising such third party of the non-solicitation restrictions set forth in Section 7.2 of the Arrangement Agreement, (ii) clarifying the terms of any proposal in order to determine if it would reasonably be expected to result in a Superior Proposal, and (iii) advising such third party that an Acquisition Proposal does not constitute a Superior Proposal or is not reasonably expected to constitute or lead to a Superior Proposal;

(c) remain neutral with respect to, or agree to, approve or recommend any publicly announced Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly disclosed Acquisition Proposal for five (5) Business Days following public disclosure of such Acquisition Proposal, or, in the event the Meeting (in the event Mandalay is the Solicited Party) or the Alkane Meeting (in the event Alkane is the Solicited Party) is scheduled to occur within such five (5) Business Day period, prior to the third (3rd) Business Day before the date of such meeting (or, if the public announcement were made less than three (3) Business Days prior to the Meeting (in the event Mandalay is the Solicited Party) or the Alkane Meeting (in the event Alkane is the Solicited Party), prior to the first (1st) Business Day before the date of such meeting) shall not be considered to be a violation of Section 7.2(b)(iii) of the Arrangement Agreement, provided that the board of directors of the Solicited Party has rejected such Acquisition Proposal and, as applicable, affirmed its recommendation by press release before the end of such period);

(d) make a Change in Recommendation (it being understood that failing to publicly affirm the approval or recommendation of its board of directors of the Arrangement and the transactions contemplated in the Arrangement Agreement or the Share Issuance Resolution, as applicable (without qualification) within five (5) Business Days after an Acquisition Proposal relating to such Party has been publicly announced (or, in the event the Meeting (in the event Mandalay is the Solicited Party) or the Alkane Meeting (in the event Alkane is the Solicited Party) is scheduled to occur within such five (5) Business Day period, prior to the third (3rd) Business Day before the date of such meeting (or, if the public announcement were made less than three (3) Business Days prior to the Meeting (in the event Mandalay is the Solicited Party) or the Alkane Meeting (in the event Alkane is the Solicited Party), prior to the first (1st) Business Day before the date of such meeting)) shall be considered an adverse modification);

(e) accept or enter into any agreement, arrangement, letter of intent or understanding related to any Acquisition Proposal (other than an Acceptable Confidentiality Agreement); or

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(f) make any public announcement to do any of the foregoing.

Each Party has covenanted that it shall, and shall and shall direct and cause its subsidiaries and Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties (other than the other Parties, their respective subsidiaries and their respective Representatives) that may be ongoing with respect to any inquiry, proposal or offer that constitutes, or could be reasonably expected to constitute or lead to an Acquisition Proposal whether or not initiated by such Party, and in connection therewith each Party shall immediately discontinue access to, and disclosure of, all information regarding such Party and such Party's subsidiaries (including access to the Alkane Data Room or the Mandalay Data Room, as applicable) and promptly, and in any event within two Business Days after the date of the Arrangement Agreement, request the return or destruction of information regarding such Party and its respective subsidiaries previously provided to such parties since January 1, 2024 and shall request the destruction of all materials including or incorporating any confidential information regarding such Party and its subsidiaries.

Each Party has further covenanted and agreed that (a) it shall use commercially reasonable best efforts to enforce each confidentiality, standstill, non-disclosure, non-solicitation or similar agreement, restriction or covenant to which it or a subsidiary is a party, and (b) neither it, nor its subsidiary nor any of their respective Representatives have released or shall, without the prior written consent of the other Party (which may be withheld or delayed at the other Party's sole and absolute discretion), release any person from, or waive, amend, suspend or otherwise modify, such person's obligations under any confidentiality, standstill, non-disclosure, non-solicitation or similar agreement, restriction or covenant to which it or its subsidiary is a party and that remains in effect as of the date of the Arrangement Agreement (it being acknowledged that the automatic termination or release of any such agreement, restriction or covenant, including as a result of entering into the Arrangement Agreement shall not be a violation).

If a Party or any subsidiary of a Party or any of their respective Representative (in this section, the "**Solicited Party**") receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to such Solicited Party, including information, access or disclosure relating to the properties, facilities, books and records of such Solicited Party or any discussions or negotiations are sought to be initiated or continued with such Solicited Party in connection with an actual or potential Acquisition Proposal, the Solicited Party shall: (a) promptly notify the other Party, at first orally within 24 hours, and then promptly and in any event within 48 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request, and copies of all written documents, material correspondence or other material received in respect of, from or on behalf of any such person; and (b) keep the other Party fully informed, on a prompt basis, of the status of all material developments with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall promptly provide to the other Party copies of all material correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material or substantive terms of such correspondence communicated to the Solicited Party by or on behalf of any person making such Acquisition Proposal, inquiry, proposal, offer or request.

The board of directors of a Solicited Party may, prior to the Mandalay Shareholder Approval (in the case of Mandalay as the Solicited Party) or the Alkane Shareholder Approval (in the case of Alkane as the Solicited Party) having been obtained, consider, participate in any discussions or negotiations with and provide information to, any person who has delivered a written Acquisition Proposal which was not solicited or encouraged by the Solicited Party after the date of the Arrangement Agreement, if and only if:

(a) the board of directors of the Solicited Party first determines in good faith, after consultation with its financial advisor and outside legal counsel, such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal;

(b) such person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, non-solicitation or similar agreement, restriction or covenant contained in any Contract entered into with the Solicited Party;

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(c) the Solicited Party has been and continues to be in compliance in all material respects with its obligations under the non-solicitation provisions of the Arrangement Agreement;

(d) if the Solicited Party provides confidential non-public information to such person, prior to doing so, the Solicited Party obtains an Acceptable Confidentiality Agreement from the person making such Acquisition Proposal; and

(e) prior to engaging in or participating in discussions or negotiations with such person regarding such Acquisition Proposal (excluding, for certainty, negotiations regarding the Acceptable Confidentiality Agreement that do not relate to the terms and conditions of the Acquisition Proposal) or providing any such copies, access or disclosure, the Solicited Party provides the other Party with:

(i) written notice stating the Solicited Party's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure and that the board of directors of the Solicited Party has determined that failure to take such action would be inconsistent with its fiduciary duties;

(ii) promptly, a copy of any such Acceptable Confidentiality Agreement; and

(iii) a list of the information provided to such person and is immediately provided with access to similar information to which such person was provided (to the extent that such information had not previously been provided or otherwise made available to the other Party).

However, nothing contained in the Arrangement Agreement shall prohibit the Mandalay Board or the Alkane Board, as applicable, from:

(a) responding through a directors' circular or otherwise making disclosure to Mandalay Shareholders or Alkane Shareholders, as applicable, (i) as required by Law in response to an Acquisition Proposal; or (ii) if the Mandalay Board or the Alkane Board, as applicable, has determined acting in good faith and upon the advice of outside legal counsel, that the failure to make such disclosure would be inconsistent with the exercise of its fiduciary duties; provided that it is understood that except in circumstances where the Mandalay Board or the Alkane Board, as applicable, is permitted to make a Change in Recommendation in accordance with the terms of the Arrangement Agreement, the applicable Party shall provide the other Party and its external legal counsel with a reasonable opportunity to review and comment on the form and content of any disclosure to be made pursuant to this paragraph, and shall give reasonable consideration to comments made by the other Party and its external legal counsel; or

(b) calling and/or holding a meeting of Mandalay Shareholders or Alkane Shareholders, as applicable, requisitioned in accordance with applicable Laws or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a Governmental Entity or court of competent jurisdiction in accordance with Law.

Each Party has covenanted that it shall ensure that its officers, directors and employees and its subsidiaries and their officers, directors, employees and any financial advisors or other advisors or Representatives retained by it are aware of the prohibitions set out in the non-solicitation provisions of the Arrangement Agreement and it shall be responsible for any breach of the non-solicitation provisions of the Arrangement Agreement by such officers, directors, employees, financial advisors or other advisors or Representatives.

Right to Accept Superior Proposal and Right to Match

If a Party receives an Acquisition Proposal that constitutes a Superior Proposal prior to the Mandalay Shareholder Approval having been obtained, in the case of Mandalay, or the Alkane Shareholder Approval having been obtained, in the case of Alkane, such party (the "**Terminating Party**") may make a Change in Recommendation in respect of

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such Superior Proposal, may approve, recommend or enter into a definitive agreement with respect to such Superior Proposal and terminate the Arrangement Agreement if, and only if:

(a) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, non-solicitation or similar agreement, restriction or covenant contained in any Contract entered into with the Terminating Party or a subsidiary of the Terminating Party;

(b) the Terminating Party has been, and continues to be, in compliance with its obligations under the non-solicitation covenants in the Arrangement Agreement in all material respects;

(c) the Terminating Party has provided the other Party with a copy of all documentation required pursuant to the Arrangement Agreement;

(d) the Terminating Party has delivered to the other Party a written notice advising it that the Terminating Party's board of directors has resolved to make a Change in Recommendation or to terminate the Arrangement Agreement or to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal subject only to Section 7.3 of the Arrangement Agreement (including a notice as to the value in financial terms that the board of directors has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal) (a "**Superior Proposal Notice**");

(e) at least five full Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the other Party received the Superior Proposal Notice and the date on which the other Party received all of the materials referred required pursuant to the Arrangement Agreement;

(f) during any Matching Period, the other Party has had the opportunity (but not the obligation), to offer to amend the Arrangement Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the board of directors of the Terminating Party has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended), and determined in good faith, after consultation with its outside legal counsel that the failure by the board of directors of the Terminating Party to approve, recommend or enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with the entering into such definitive agreement or making a Change in Recommendation, the Terminating Party terminates the Arrangement Agreement and pays the Termination Fee of A$17 million, as applicable.

Each Party has covenanted that, during any Matching Period or such longer period as the Terminating Party may approve, in its sole discretion: (a) the other Party has the opportunity (but not the obligation) to offer to amend the Arrangement Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal and the board of directors of the Terminating Party will review any written proposal to amend the terms of the Arrangement Agreement in good faith in order to determine, in the exercise of its fiduciary duties, whether the amended proposal would, upon acceptance by the Terminating Party, result in such Superior Proposal ceasing to be a Superior Proposal; and (b) the Terminating Party shall, and shall cause its Representatives to, negotiate in good faith with the other Party to make such mutually agreed amendments to the terms of the Arrangement Agreement and the Plan of Arrangement as would enable the other Party to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the board of directors of the Terminating Party so determines, the Terminating Party will enter into an amended agreement with the other Party reflecting the amended proposal as mutually agreed and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing. If the board of directors of the Terminating

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Party does not so determine, the Terminating Party may accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Terminating Party's securityholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal, and the other Party shall be afforded a new full five Business Day Matching Period from the later of the date on which the other Party received the Superior Proposal Notice and the date on which the other Party received a copy of the proposed definitive agreement and all supporting materials with respect to each new Acquisition Proposal from the Terminating Party.

The board of directors of the Terminating Party shall promptly reaffirm its recommendation of the Arrangement (which in the case of Mandalay shall be the Mandalay Board Recommendation and in the case of Alkane shall be the Alkane Board Recommendation) by news release after any Acquisition Proposal which is not determined to be a Superior Proposal is publicly announced or the Terminating Party determines that a proposed amendment to the terms of the Arrangement Agreement would result in an Acquisition Proposal constituting a Superior Proposal no longer being a Superior Proposal. The Terminating Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such news release and shall make all reasonable amendments to such news release as requested by the other Party and its outside legal counsel.

If the Meeting is to be held during a Matching Period, (i) Mandalay shall at the request of Alkane, postpone or adjourn the Meeting to a date that is not more than fifteen (15) days after the scheduled date of the Meeting, but in any event the Meeting shall not be postponed or adjourned to a date that would prevent the Effective Date from occurring prior to the Outside Date.

If the Alkane Meeting is to be held during a Matching Period, Alkane shall at the request of Mandalay, postpone or adjourn the Alkane Meeting to a date that is not more than fifteen (15) days after the scheduled date of the Alkane Meeting, but in any event the Alkane Meeting shall not be postponed or adjourned to a date that would prevent the Effective Date from occurring prior to the Outside Date.

Other Covenants

Pre-Closing Reorganization

Mandalay has agreed that, upon request of Alkane, Mandalay shall use commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as Alkane may request, acting reasonably (each a "**Pre-Closing Reorganization**"), and (ii) cooperate with Alkane and its advisors to determine the nature of the Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; and (iii) cooperate with Alkane and its advisors to seek to obtain any consents, approvals, waivers or similar authorizations which are reasonably required by Alkane (based on the terms of any Contract or Permit) in connection with the Pre-Closing Reorganizations, if any, provided that such consents, approvals, waivers or similar authorizations have been sent out in the notice delivered to Mandalay pursuant to the pre-closing reorganization provisions of the Arrangement Agreement.

Mandalay will not be obligated to participate in any Pre-Closing Reorganization unless Mandalay determines, acting reasonably, that such Pre-Closing Reorganization:

(a) can be completed as close as reasonably practicable prior to the Effective Time, and can be unwound in the event the Arrangement is not consummated without adversely affecting Mandalay, any of its subsidiaries, or the Mandalay Securityholders in any material respect;

(b) is not prejudicial to Mandalay or the Mandalay Securityholders in any material respect;

(c) does not require the approval of the Mandalay Securityholders to proceed absent any required consent of any third party where the failure to obtain such consent would reasonably be expected to

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have a material adverse impact upon Mandalay and its subsidiaries (including any Regulatory Approval);

(d) does not require Mandalay or its subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, any Mandalay Securityholders incrementally greater than the Taxes or other consequences to such Person in connection with the completion of the Arrangement in the absence of action being taken pursuant to the pre-closing reorganization provisions of the Arrangement Agreement;

(e) does not result in (i) any material breach by Mandalay or any of its subsidiaries of any Material Contract, (ii) any breach by Mandalay of Mandalay's Constating Documents or Law, or (iii) any breach by any of Mandalay's subsidiaries of its Constating Documents or Law;

(f) does not impair the ability of Mandalay to consummate, and will not materially delay the consummation of, the Arrangement and would not reasonably be expected to prevent any person from making a Superior Proposal;

(g) does not reduce or change the form of the Consideration provided for under the Arrangement;

(h) does not unreasonably interfere with Mandalay's material operations prior to the Effective Time; and

(i) does not require the directors, officers, employees or agent of Mandalay or its subsidiaries to take any action in any capacity other than as director, officer, employee or agent or that would reasonably be expected to result in such Person incurring personal liability.

Alkane must provide written notice to Mandalay of any proposed Pre-Closing Reorganization at least ten (10) Business Days prior to the Effective Date. Upon receipt of such notice, Mandalay and Alkane shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Closing Reorganization, including any amendment to the Arrangement Agreement or the Plan of Arrangement and shall seek to have any such Pre-Closing Reorganization made effective as of the last moment of the Business Day ending immediately prior to the Effective Date (but after Alkane has waived or confirmed that all of the conditions set out in Section 6.1 and Section 6.2 of the Arrangement Agreement have been satisfied).

Alkane has agreed that it will be responsible for all costs and expenses associated with any Pre-Closing Reorganization to be carried out at its request and shall indemnify and save harmless Mandalay and its affiliates and Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any such Pre-Closing Reorganization (including in respect of any reversal, modification or termination of a Pre-Closing Reorganization) and that any Pre-Closing Reorganization will not be considered in determining whether a representation or warranty of Mandalay under the Arrangement Agreement has been breached (including where any such Pre-Closing Reorganization requires the consent of any third party under a Contract).

Public Communications

Except as required by applicable Law, no Party shall issue any news release, make any filing with any Governmental Entity or Exchange, or make any other public statement or disclosure with respect to the Arrangement Agreement or the transactions contemplated thereby without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed); provided that, any Party that, in the opinion of outside legal counsel, is required to make disclosure by applicable Law shall use commercially reasonable efforts to give the other Parties prior oral or written notice and a reasonable opportunity to review or comment on such disclosure (other than with respect to confidential information contained in such disclosure) and if such prior notice is not permitted by applicable Law, shall give such notice immediately following the making of such disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Parties or their counsel.

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Insurance and Indemnification

Prior to the Effective Date, Mandalay shall, in consultation with Alkane, purchase customary "tail" or "run off" directors' and officers' liability insurance from an insurance company of nationally recognized standing providing protection no less favourable in the aggregate to the protection provided by the policies maintained by Mandalay and its subsidiaries which are in effect immediately prior to the Effective Time and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and Alkane shall, or shall cause Mandalay and its subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for six years after the Effective Date; provided that Alkane shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 250% of Mandalay's and its subsidiaries' current annual aggregate premium for directors' and officers' liability insurance policies currently maintained by Mandalay or its subsidiaries.

Alkane has acknowledged that the rights to indemnification or exculpation existing as of the date of the Arrangement Agreement in favour of present and former Employees, officers and directors of Mandalay and its subsidiaries under applicable Law, Contracts that are disclosed in the Mandalay Disclosure Letter or set forth in Mandalay's Constating Documents, shall, in accordance with their terms, survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years after the Effective Date.

The insurance and indemnification provisions contained in Section 5.8 of the Arrangement Agreement shall survive the termination of the Arrangement Agreement as a result of the occurrence of the Effective Date for a period of six years.

Exchange Delisting and Listing of Alkane Shares

Subject to applicable Law, each of Mandalay and Alkane have agreed to use its commercially reasonable efforts and cooperate with the other Party in taking, or causing to be taken, all actions necessary to enable (a) the delisting of the Mandalay Shares from the TSX (including, if requested by Alkane, such items as may be necessary to delist the Mandalay Shares promptly following the Effective Date, provided such delisting does not occur on the Effective Date), (b) Mandalay to cease being a reporting issuer under applicable Canadian Securities Laws, as soon as reasonably practicable following the Effective Time; and (c) the listing of Alkane and the Alkane Shares on the TSX on or promptly following the Effective Date of the Arrangement.

FIRB Approval

Alkane has made or caused to be made an application for the FIRB Approval (the "**FIRB Application**") and has covenanted to:

(a) use commercially reasonable efforts to pursue and take all reasonable steps to obtain the FIRB Approval and to otherwise satisfy the condition precedent set out in Section 6.1(i) of the Arrangement Agreement;

(b) respond in a timely manner to Mandalay's requests for updates as to the progress and processing of the FIRB Application; and

(c) keep Mandalay informed in a timely manner of the progress of the FIRB Application and the status of any discussions or negotiations with FIRB in connection with the FIRB Application and/or the condition precedent set out in Section 6.1(i) of the Arrangement Agreement.

Mandalay has covenanted to:

(a) promptly upon request by Alkane provide Alkane with such information reasonably available to Mandalay and as the Treasurer (or his delegate) may require for the purpose of considering the FIRB Application; and

(b) promptly do all things reasonably required by Alkane to assist or allow Alkane to make the FIRB Application, including signing and returning as soon as reasonably practicable (but in any event, not later than 10 Business Days) after a written request from Alkane all documents, objections, submissions, consents, plans and/or applications requested by Alkane in connection with the FIRB Application.

Swedish FDI Approval

AcquireCo has made or caused to be made an application for the Swedish FDI Approval (the "**Swedish FDI Application**") and has covenanted to:

(a) use commercially reasonable efforts to pursue the Swedish FDI Approval and to otherwise satisfy the condition precedent set out in Section 6.1(i) of the Arrangement Agreement;

(b) provide to Mandalay a copy of the Swedish FDI Application;

(c) respond in a timely manner to Mandalay's requests for updates as to the progress and processing of the Swedish FDI Application; and

(d) keep Mandalay informed in a timely manner of the progress of the Swedish FDI Application and the status of any request for supplementary information or discussions with the ISP in connection with the Swedish FDI Application and/or the condition precedent set out in Section 6.1(i) of the Arrangement Agreement.

Mandalay has covenanted to use commercially reasonable efforts to cause each Relevant Mandalay Shareholder to:

(a) use commercially reasonable efforts to pursue the Swedish FDI Approval;

(b) promptly, but in any event no later than the deadline set out by the ISP, upon request by AcquireCo or Alkane provide AcquireCo and Alkane with such information reasonably available to Mandalay and/or each Relevant Mandalay Shareholder as the ISP may require for the purpose of considering the Swedish FDI Application; and

(c) promptly do all things reasonably required by AcquireCo or Alkane to assist Alkane to make the Swedish FDI Application.

If so required by the ISP as a result of AcquireCo's Swedish FDI Application, Mandalay shall use commercially reasonable efforts to cause each Relevant Mandalay Shareholder to:

(a) within 10 Business Days after receiving written notice of such requirement through AcquireCo pursuant to Section 5.11(a)(v) of the Arrangement Agreement, make or cause to be made a Swedish FDI Application to the ISP;

(b) use commercially reasonable efforts to pursue the Swedish FDI Approval and to otherwise satisfy the condition precedent set out in Section 6.1(i) of the Arrangement Agreement;

(c) provide to AcquireCo and Alkane a copy of the Swedish FDI Application;

(d) respond in a timely manner to AcquireCo's and Alkane's requests for updates as to the progress and processing of the Swedish FDI Application; and

(e) keep AcquireCo and Alkane informed in a timely manner of the progress of the Swedish FDI Application and the status of any request for supplementary information or discussions with the ISP in connection with the Swedish FDI Application and/or the condition precedent set out in Section 6.1(i) of the Arrangement Agreement.

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In addition, AcquireCo has covenanted to promptly (but in any event no later than the deadline set out by the ISP) upon request by Mandalay provide Mandalay and each Relevant Mandalay Shareholder with such information reasonably available to AcquireCo and as the ISP may require for the purpose of considering the Swedish FDI Application; and promptly do all things reasonably required by Mandalay to assist each Relevant Mandalay Shareholder to make the Swedish FDI Application.

AcquireCo obtained the Swedish FDI Approval from the ISP on June 17, 2025.

Alkane Guarantee

Alkane has unconditionally and irrevocably guaranteed the due and punctual performance by AcquireCo of each and every covenant and obligation of AcquireCo arising under the Arrangement Agreement. Alkane has agreed that Mandalay shall not have to proceed first against AcquireCo before exercising its rights under the guarantee against Alkane, and Alkane agreed to be jointly and severally liable with AcquireCo for all guaranteed obligations as if it were the principal obligor of such obligations.

Certain Agreements

Mandalay has covenanted to use its commercially reasonable efforts to, prior to the Effective Date: (i) obtain all waivers and consents as may be required under the BNS Credit Agreement and the BNS Letter of Credit in connection with the transactions contemplated by the Arrangement Agreement; or (ii) terminate the BNS Credit Agreement and the BNS Letter of Credit in a manner such that no event of default shall occur thereunder, any security interest granted thereunder shall be released, and no penalties or fees shall be incurred by Mandalay (or its successors) thereunder.

Post-Arrangement Amalgamation

AcquireCo and Mandalay have covenanted that, forthwith following the delisting of the Mandalay Shares from the TSX and the filing by Mandalay with the Canada Revenue Agency of the prescribed form of election under the Tax Act electing to cease being a public corporation for the purposes of the Tax Act, they will amalgamate to form one company under sections 269 and 273 of the BCBCA.

Termination

The Arrangement Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding the approval of the Arrangement Agreement or the Arrangement Resolution by the Mandalay Shareholders, the approval of the Share Issuance Resolution by the Alkane Shareholders, or the approval of the Arrangement by the Court):

(a) by mutual written agreement of Mandalay and Alkane; or

(b) by either Mandalay or Alkane, if:

i. the Effective Time has not occurred on or before the Outside Date, except that such right to terminate the Arrangement Agreement will not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties set forth in the Arrangement Agreement has been the principal cause of the failure of the Effective Time to occur by the Outside Date; or

ii. after the date of the Arrangement Agreement, there shall be enacted, enforced, amended or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Mandalay or Alkane from consummating the Arrangement and such Law (if applicable) or enjoinment shall have become final and non-appealable provided that the Party seeking to terminate the Arrangement Agreement has used its commercially reasonable efforts, to, as applicable, prevent, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or

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iii. the Alkane Shareholder Approval is not obtained at the Alkane Meeting (including any adjournment or postponement thereof) provided that a Party may not terminate the Arrangement Agreement if the failure to obtain the approval of the Alkane Shareholders has been principally caused by a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

iv. the Mandalay Shareholder Approval is not obtained at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order provided that a Party may not terminate the Arrangement Agreement if the failure to obtain the approval of the Mandalay Shareholders has been principally caused by a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

(c) by Alkane, if:

i. the Mandalay Board makes a Change in Recommendation; or

ii. prior to the approval of the Share Issuance Resolution at the Alkane Meeting, Alkane enters into a legally binding agreement with respect to a Superior Proposal (other than an Acceptable Confidentiality Agreement), provided that concurrently with such termination, Alkane pays the Termination Fee to Mandalay; or

iii. subject to the notice and cure provisions of the Arrangement Agreement, Mandalay breaches any representation or warranty or fails to perform any covenant or agreement set forth in the Arrangement Agreement (other than as set forth in the non-solicitation provisions of the Arrangement Agreement), which breach would cause the mutual conditions precedent or the conditions precedent to the obligations of Alkane in the Arrangement Agreement not to be satisfied, and such conditions are incapable of being cured or satisfied by the Outside Date; provided that any Willful Breach shall be deemed to be incapable of being cured and provided further that Alkane is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any of the mutual conditions precedent or the conditions precedent to the obligations of Mandalay set forth in the Arrangement Agreement not to be satisfied; or

iv. Mandalay is in breach of any of its obligations or covenants set forth in the non-solicitation provisions of the Arrangement Agreement in any material respect; or

v. Mandalay enters into a legally binding agreement relating to a Superior Proposal (other than an Acceptable Confidentiality Agreement); or

vi. there has occurred a Material Adverse Effect on Mandalay which is incapable of being cured on or prior to the Outside Date; or

(d) by Mandalay, if:

i. the Alkane Board makes a Change in Recommendation;

ii. prior to the approval of the Arrangement Resolution at the Meeting, Mandalay enters into a legally binding agreement with respect to a Superior Proposal (other than an Acceptable Confidentiality Agreement), provided that concurrently with such termination, Mandalay pays the Termination Fee payable to Alkane; or

iii. subject to the notice and cure provisions of the Arrangement Agreement, Alkane breaches any representation or warranty or fails to perform any covenant or agreement set forth in

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the Arrangement Agreement (other than as set forth in the non-solicitation provisions of the Arrangement Agreement), which breach would cause the mutual conditions precedent or the conditions precedent to the obligations of Mandalay in the Arrangement Agreement not to be satisfied, and such conditions are incapable of being cured or satisfied by the Outside Date; provided that any Willful Breach shall be deemed to be incapable of being cured and provided further that Mandalay is not then in breach of the Arrangement Agreement so as to cause any of the mutual conditions precedent or the conditions precedent to the obligations of Alkane set forth in the Arrangement Agreement not to be satisfied; or

iv. Alkane is in breach or in default of any of its non-solicitation obligations or covenants, in any material respect; or

v. Alkane enters into a legally binding agreement relating to a Superior Proposal (other than an Acceptable Confidentiality Agreement); or

vi. there has occurred a Material Adverse Effect on Alkane which is incapable of being cured on or prior to the Outside Date.

The Party desiring to terminate the Arrangement Agreement must give notice of such termination to the other Parties.

Termination Fee and Expense Reimbursement

If any of the following events occur, Mandalay shall pay Alkane as consideration for the disposition by Mandalay of its rights under the Arrangement Agreement and the Plan of Arrangement (by wire transfer of immediately available funds) the Termination Fee of A$17 million:

(a) the Arrangement Agreement has been terminated by Alkane as a result of a Change in Recommendation by the Mandalay Board;

(b) the Arrangement Agreement has been terminated by Alkane as a result of a breach or default on the part of Mandalay of any of its obligations or covenants set forth in the non-solicitation provisions of the Arrangement Agreement in any material respect;

(c) the Arrangement Agreement has been terminated by Alkane as a result of Mandalay entering into a legally binding agreement relating to a Superior Proposal (other than an Acceptable Confidentiality Agreement);

(d) the Arrangement Agreement has been terminated by Mandalay as a result of Mandalay entering into a legally binding agreement with respect to a Superior Proposal (other than an Acceptable Confidentiality Agreement);

(e) the Arrangement Agreement has been terminated by either Party in the event the Mandalay Shareholder Approval is not obtained at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order (unless failure to obtain the approval of the Mandalay Shareholders has been principally caused by a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement), if at such time Alkane is entitled to terminate the Arrangement Agreement as a result of a Change in Recommendation by the Mandalay Board;

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(f) each of the following has occurred:

- the Arrangement Agreement has been terminated by:
  - either Mandalay or Alkane as a result of the failure to complete the Arrangement by the Outside Date or the failure to obtain the Mandalay Shareholder Approval at the Meeting, or
  - Alkane as a result of a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Mandalay under the Arrangement Agreement (other than as set forth in the non-solicitation provisions of the Arrangement Agreement), which breach would cause the mutual conditions precedent or the conditions precedent to the obligations of Alkane in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the notice and cure provisions of the Arrangement Agreement; provided that any Willful Breach shall be deemed to be incapable of being cured and provided further that Alkane is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any of the mutual conditions precedent or the conditions precedent to the obligations of Mandalay set forth in the Arrangement Agreement not to be satisfied;
- prior to the earlier of the termination of the Arrangement Agreement or the holding of the Meeting, a *bona fide* Acquisition Proposal, with respect to Mandalay shall have been made to Mandalay or publicly announced by any person (other than Alkane or any of its affiliates); and
- within 12 months following the date of such termination (including on the date of such termination), either (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal as referred to above) is consummated, or (ii) Mandalay or one or more of its subsidiaries, directly or indirectly, accepts, approves or enters into a definitive agreement in respect of such Acquisition Proposal and such Acquisition Proposal is later consummated or effected,

provided that, for the purposes of this paragraph, all references to "**20%**" in the definition of "Acquisition Proposal" shall be deemed to be references to "**50%**" and Mandalay shall be entitled to deduct from the Termination Fee an amount equal to the Mandalay Expense Fee paid to Alkane, if any.

If any of the following events occur, Alkane shall pay Mandalay as consideration for the disposition by Alkane of its rights under the Arrangement Agreement and the Plan of Arrangement (by wire transfer of immediately available funds) the Termination Fee of A$17 million:

(a) the Arrangement Agreement has been terminated by Mandalay as a result of a Change in Recommendation by the Alkane Board;

(b) the Arrangement Agreement has been terminated by Mandalay as a result of a breach or default on the part of Alkane of any of its obligations or covenants set forth in the non-solicitation provisions of the Arrangement Agreement in any material respect;

(c) the Arrangement Agreement has been terminated by Mandalay as a result of Alkane entering into a legally binding agreement relating to a Superior Proposal (other than an Acceptable Confidentiality Agreement);

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(d) the Arrangement Agreement has been terminated by Alkane as a result of Alkane entering into a legally binding agreement with respect to a Superior Proposal (other than an Acceptable Confidentiality Agreement);

(e) the Arrangement Agreement has been terminated by either Party in the event the Alkane Shareholder Approval is not obtained at the Alkane Meeting, including any adjournment or postponement thereof (unless failure to obtain the approval of the Alkane Shareholders has been principally caused by a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement), if at such time Mandalay is entitled to terminate the Arrangement Agreement as a result of a Change in Recommendation by the Alkane Board;

(f) each of the following has occurred:

- the Arrangement Agreement has been terminated by:
  - either Alkane or Mandalay as a result of the failure to complete the Arrangement by the Outside Date or the failure to obtain the Alkane Shareholder Approval at the Alkane Meeting, or
  - Mandalay as a result of a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Alkane under the Arrangement Agreement (other than as set forth in the non-solicitation provisions of the Arrangement Agreement), which breach would cause the mutual conditions precedent or the conditions precedent to the obligations of Mandalay in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the notice and cure provisions of the Arrangement Agreement; provided that any Willful Breach shall be deemed to be incapable of being cured and provided further that Mandalay is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any of the mutual conditions precedent or the conditions precedent to the obligations of Alkane set forth in the Arrangement Agreement not to be satisfied;
- prior to the earlier of the termination of the Arrangement Agreement or the holding of the Alkane Meeting, a *bona fide* Acquisition Proposal, with respect to Alkane shall have been made to Alkane or publicly announced by any person (other than Mandalay or any of its affiliates); and
- within 12 months following the date of such termination (including on the date of such termination), either (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal as referred to above) is consummated, or (ii) Alkane or one or more of its subsidiaries, directly or indirectly, accepts, approves or enters into a definitive agreement in respect of such Acquisition Proposal and such alternate and such Acquisition Proposal is later consummated or effected,

provided that, for the purposes of this paragraph, all references to "20%" in the definition of "Acquisition Proposal" shall be deemed to be references to "50%" and Alkane shall be entitled to deduct from the Termination Fee an amount equal to the Expense Fee paid to Mandalay, if any.

Mandalay shall pay to Alkane an expense reimbursement fee in the amount of C$500,000 in the event that the Arrangement Agreement is terminated by Alkane as a result of (i) the failure to obtain the Mandalay Shareholder Approval at the Meeting or (ii) the breach of any representation or warranty or the failure to perform any covenant or agreement on the part of Mandalay under the Arrangement Agreement, provided that Alkane is not then in breach of the Arrangement Agreement.

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Alkane shall pay to Mandalay an expense reimbursement fee in the amount of C$500,000 in the event that the Arrangement Agreement is terminated by Mandalay as a result of (i) the failure to obtain the Alkane Shareholder Approval at the Alkane Meeting or (ii) the breach of any representation or warranty or the failure to perform any covenant or agreement on the part of Alkane under the Arrangement Agreement, provided that Mandalay is not then in breach of the Arrangement Agreement.

Amendment

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of the Mandalay Shareholders, and any such amendment may, subject to the terms of the Interim Order, the Final Order, the Plan of Arrangement and applicable Law, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants in the Arrangement Agreement contained and waive or modify performance of any of the obligations of the Parties; and/or

(d) waive compliance with or modify any mutual conditions precedent contained in the Arrangement Agreement.

Waiver

Any Party may:

(a) extend the time for the performance of any of the obligations or acts of the other Party;

(b) except as otherwise provided in the Arrangement Agreement, waive compliance with any of the other Party's agreements or the fulfilment of any conditions precedent to its own obligations contained in the Arrangement Agreement; or

(c) waive inaccuracies in any of the other Party's representations or warranties contained in the Arrangement Agreement or in any document delivered by the other Party;

provided that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

SECURITIES LAW MATTERS

The following is a brief summary of the securities law considerations applicable to the Arrangement and transactions contemplated thereby. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Mandalay Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada, the United States and Australia. Mandalay Shareholders are urged to obtain independent advice in respect of the consequences to them of the Arrangement having regard to their particular circumstances.

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Canadian Securities Law Matters

Each Mandalay Shareholder is urged to consult his, her or its professional advisors to determine the Canadian conditions and restrictions applicable to trades in Alkane Shares.

Status Under Canadian Securities Laws

Mandalay is a reporting issuer in each of the provinces and territories of Canada, except Québec. The Mandalay Shares are currently listed and posted for trading on the TSX under the symbol "MND" and trade over the counter on the OTCQB Venture Market under the symbol "MNDJF". Following the completion of the Arrangement, it is anticipated that the Mandalay Shares will be delisted from the TSX (anticipated to be effective two or three Business Days following the Effective Date). Alkane intends to apply to the applicable Canadian securities regulators to have Mandalay cease to be a reporting issuer under applicable Canadian Securities Laws, as soon as reasonably practicable following the Effective Time.

Alkane is an Australian listed public company. Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[7] Alkane has applied to have its shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved Alkane's listing application and there is no assurance that the TSX will approve the listing application. In addition, as a result of the distribution of the Consideration in Canada pursuant to the Arrangement, Alkane will, upon completion of the Arrangement, become a reporting issuer under applicable Canadian Securities Laws.

Distribution and Resale of Alkane Shares under Canadian Securities Laws

The distribution of the Alkane Shares pursuant to the Arrangement will constitute a distribution of securities that is exempt from the prospectus requirements of applicable Canadian securities legislation. The Alkane Shares received pursuant to the Arrangement will not be legended and may be resold in each of the provinces and territories of Canada provided that: (i) the trade is not a "control distribution" (as defined in NI 45-102); (ii) no unusual effort is made to prepare the market or to create a demand for Alkane Shares; (iii) no extraordinary commission or consideration is paid to a person in respect of such sale; and (iv) if the selling securityholder is an insider or officer of Alkane, the selling securityholder has no reasonable grounds to believe that Alkane is in default of applicable Canadian Securities Laws.

MI 61-101 Protection of Minority Security Holders in Special Transactions

The Arrangement Resolution does not require "minority approval" (as defined in MI 61-101). See "*The Arrangement – Interests of Certain Persons in the Arrangement*" and "*The Arrangement – MI 61-101 Protection of Minority Security Holders in Special Transactions*" of this Circular.

United States Securities Laws Matters

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to Mandalay Securityholders. All Mandalay Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Alkane Shares to be received pursuant to the Arrangement complies with applicable securities legislation.

Further information applicable to Mandalay Securityholders in the United States is disclosed under the heading "*Notice to Mandalay Securityholders in the United States*" of this Circular.

The following discussion does not address the Canadian securities laws that will apply to the issue of Alkane Shares or the resale of these securities within Canada by Mandalay Securityholders. Mandalay Securityholders reselling their

[7] Effective July 1, 2025, the OTC Pink Market will cease to exist. Alkane has applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

Alkane Shares in Canada must, in addition to complying with U.S. securities laws (to the extent applicable), comply with all applicable Canadian Securities Laws. See "*Securities Law Matters – Canadian Securities Law Matters – Distribution and Resale of Alkane Shares under Canadian Securities Laws*" of this Circular.

Exemption from the Registration Requirements of the U.S. Securities Act

The Alkane Shares forming the Consideration to be received by Mandalay Securityholders pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued and exchanged in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and exemptions from the registration or qualification requirements under the securities laws of applicable states of the United States. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act, where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange to the persons to whom the securities will be issued, at which hearing all persons to whom it is proposed to issue the securities have the right to appear and have received timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement to the Mandalay Securityholders will be considered. The Court issued the Interim Order on June 23, 2025, and, subject to the approval of the Arrangement by the Mandalay Shareholders, a hearing for a Final Order approving the Arrangement is currently anticipated to take place on August 1, 2025 at 9:45 a.m. (Vancouver time) or as soon after that time as the application may be heard. Any Mandalay Securityholder entitled to receive Alkane Shares, pursuant to the Arrangement is entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. Accordingly, the Final Order will, if granted, constitute a basis for the Section 3(a)(10) Exemption with respect to the Alkane Shares issued as the Consideration to be received by Mandalay Securityholders in exchange for their Mandalay Shares pursuant to the Arrangement.

Resales of Alkane Shares After the Effective Date

The Alkane Shares to be received by Mandalay Securityholders as the Consideration pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who after the Effective Date are "affiliates" of Alkane. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Resale of Alkane Shares by such affiliate (or, if applicable, former affiliates) may be subject to additional restrictions under applicable U.S. securities laws absent an exemption such as Rule 144 or Rule 904 of Regulation S.

Resales by Affiliates after the Completion of the Arrangement

Affiliates – Rule 144

In general, under Rule 144, persons who after the Effective Date are "affiliates" of Alkane will be entitled to publicly sell the Alkane Shares that they receive in connection with the Arrangement, provided that the number of such securities sold during any three-month period does not exceed the greater of 1% of the then outstanding securities of such class or, if such securities are listed on a United States national securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on the manner of sale, notice requirements, aggregation rules and the availability of current public information about Alkane. Persons who are "affiliates" of Alkane after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they are "affiliates" of Alkane.

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Affiliates – Regulation S

In general, under Rule 904 of Regulation S, persons who after the Effective Date are "affiliates" of Alkane, may publicly sell their the Alkane Shares outside the United States in an "offshore transaction" as defined in Regulation S (which would generally include a sale through the TSX or the ASX, if applicable, that was not prearranged with a United States buyer) if neither the seller, an affiliate of the seller nor any person acting on any of their behalf engages in "directed selling efforts" in the United States and provided that no selling commission, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent; provided that, in the case of persons that are "affiliates" of Alkane other than solely by virtue of their status as an officer or director of Alkane, additional requirements may need to be satisfied as provided in Rule 903 of Regulation S. For purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered.

United States Reporting Obligations and Trading Market of Mandalay

The Mandalay Shares currently trade on the TSX but are not listed on a U.S. securities exchange, and Mandalay does not have any reporting obligations under the U.S. Exchange Act. The Mandalay Shares are currently quoted in the United States on the OTCQB Venture Market under the ticker symbol "MNDJF". It is expected that such quotation will be terminated in connection with the completion of the Arrangement.

United States Reporting Obligations and Trading Market of Alkane

The Alkane Shares currently trade on the ASX but are not listed on a U.S. stock exchange, and Alkane does not have any reporting obligations under the U.S. Exchange Act. The Alkane Shares are currently quoted in the United States on the OTC Pink Market under the ticker symbol "ALKEF".[8] Alkane has applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

Australian Securities Law Matters

Sections 707(3) and 707(4) of the Corporations Act require Alkane to make disclosure under Part 6D.2 of the Corporations Act if any Alkane Shares issued to Mandalay Shareholders under the Arrangement are to be sold within 12 months of their issue. Alkane has applied for in-principle relief from this requirement from ASIC so that Mandalay Shareholders who receive Alkane Shares under the Arrangement may freely trade their Alkane Shares within Australia (including on the ASX) without the need for such disclosure under Part 6D.2.

Listing on the ASX

Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[9] Alkane will apply for quotation of the Alkane Shares issuable by Alkane under the Arrangement on the ASX. The issue of Alkane Shares to Mandalay Shareholders pursuant to the Arrangement requires Alkane Shareholder Approval at the Alkane Meeting to be held on July 28, 2025. Alkane has applied for in-principle relief from ASIC to permit the on-sale of the Alkane Shares issued under the Arrangement within 12 months from their date of issue without requiring a disclosure document to be lodged in accordance with sections 707(3) and (4) of the Corporations Act.

REGULATORY MATTERS

It is a condition precedent to the completion of the Arrangement that the following have been obtained by the Parties: (i) conditional approval (or equivalent approval) of the listing or official quotation of the Alkane Shares issuable

[8] Effective July 1, 2025, the OTC Pink Market will cease to exist.

[9] Effective July 1, 2025, the OTC Pink Market will cease to exist.

pursuant to the Arrangement on the ASX and (ii) each of the Key Regulatory Approvals. The Swedish FDI Approval was obtained on June 17, 2025.

Listing of the Alkane Shares

It is a condition of the Arrangement that the ASX shall have approved for listing and posted for trading (or provided equivalent approvals), subject only to satisfaction of the standard listing conditions, as applicable, the Alkane Shares forming the Consideration, at the Effective Time. The listing of the Alkane Shares forming the Consideration on the ASX is subject to the approval of the ASX, and there is no assurance that the ASX will approve the listing application. As of the date of this Circular, the ASX has not conditionally approved the listing of such shares on the ASX. The issue of Alkane Shares to Mandalay Shareholders pursuant to the Arrangement also requires Alkane Shareholder Approval at the Alkane Meeting to be held on July 28, 2025.

In addition, pursuant to the terms of the Arrangement Agreement, each of Mandalay and Alkane have agreed to use commercially reasonable efforts and cooperate with the other Party in taking, or causing to be taken, all actions necessary to enable (a) the delisting of the Mandalay Shares from the TSX (including, if requested by Alkane, such items as may be necessary to delist the Mandalay Shares promptly following the Effective Date, provided such delisting does not occur on the Effective Date), (b) Mandalay to cease being a reporting issuer under applicable Canadian Securities Laws, as soon as reasonably practicable following the Effective Time, and (c) the listing of Alkane and the Alkane Shares on the TSX on or promptly following the Effective Date of the Arrangement.

The listing of the Alkane Shares on the TSX is subject to the approval of the TSX in accordance with its original listing requirements, and there is no assurance that the TSX will approve the listing application. As of the date of this Circular, the TSX has not conditionally approved the listing of the Alkane Shares on the TSX. The closing of the Arrangement is not conditional on the TSX approving the listing of the Alkane Shares.

Key Regulatory Approvals

In addition to the approval of the listing of the Alkane Shares and obtaining the necessary waivers and/or relief from the ASX and ASIC as described above, the Key Regulatory Approvals required by the Arrangement Agreement consist of the FIRB Approval and Swedish FDI Approval (which was obtained on June 17, 2025). See "*The Arrangement Agreement – Other Covenants – Swedish FDI Approval*" and "*The Arrangement Agreement – Other Covenants – FIRB Approval*" of this Circular.

Other than the necessary approvals and/or waivers of the ASIC and the ASX, the Key Regulatory Approvals and the need to obtain the Final Order from the Court prior to the completion of the Arrangement, Mandalay is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Mandalay currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to approval of the Arrangement Resolution at the Meeting in accordance with the Interim Order, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to occur in the third quarter of 2025. In no event shall the Effective Date be later than August 30, 2025, unless otherwise agreed to between Mandalay and Alkane, provided that if the Effective Date has not occurred by August 30, 2025 as a result of the failure to obtain any of the Key Regulatory Approvals, then either Mandalay or Alkane may elect to extend such date by up to 45 days subject to the terms of the Arrangement Agreement. On the Effective Date, upon completion of the Arrangement, Mandalay and Alkane will publicly announce that the Arrangement has been implemented.

DISSENT RIGHTS

The Interim Order provides that Registered Mandalay Shareholders entitled to vote on the Arrangement Resolution may exercise Dissent Rights with respect to their Mandalay Shares in connection with the Arrangement, pursuant to

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and in the manner set forth in sections 237 to 247 of the BCBCA as modified by the Interim Order, the Final Order and the Plan of Arrangement. A Dissenting Shareholder who validly exercises Dissent Rights in respect of his, her or its Mandalay Shares and who has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights is entitled, upon the Arrangement becoming effective, to be paid the fair value of such Mandalay Shares.

The following is a summary of the Dissent Rights of a Registered Mandalay Shareholder as of the Record Date in respect of the Arrangement Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Mandalay Shareholder who wishes to exercise Dissent Rights, and is qualified in its entirety by reference to the full text of Division 2 of Part 8 of the BCBCA, which is attached as Appendix H to this Circular, as modified by the Plan of Arrangement and the Interim Order (which are attached at Appendix C and Appendix D, respectively to this Circular), and any other order of the Court. The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

The following summary does not purport to constitute a comprehensive summary of the procedures to be followed by a Dissenting Shareholder seeking to exercise Dissent Rights. The statutory provisions dealing with the right of dissent are technical and complex. A Mandalay Shareholder whose wishes to exercise Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Division 2 of Part 8 of the BCBCA, as modified and supplemented by the Plan of Arrangement, the Interim Order, and the Final Order, may result in the loss of all Dissent Rights.

Pursuant to the Interim Order, each Registered Mandalay Shareholder as at the close of business on the Record Date may exercise Dissent Rights in respect of the Arrangement under Division 2 of Part 8 of the BCBCA, as modified by the Plan of Arrangement and the Interim Order, and any other order of the Court. Registered Mandalay Shareholders as of the Record Date who exercise such Dissent Rights and who:

- are ultimately entitled to be paid fair value for their Mandalay Shares: (A) will be entitled to be paid the fair value of such Mandalay Shares by Mandalay, which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be the fair value of such Mandalay Shares determined as of the close of business on the day immediately before the approval of the Arrangement Resolution; (B) will be deemed not to have participated in the transactions in the Plan of Arrangement; (C) will be deemed to have transferred and assigned such Mandalay Shares, free and clear of any liens, to Mandalay; and (D) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Mandalay Shares; or

- are ultimately not entitled, for any reason, to be paid fair value for their Mandalay Shares, will be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting Registered Mandalay Shareholder and will be entitled to receive only the Consideration that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights,

but in no circumstances shall Mandalay, Alkane, AcquireCo, or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of those Mandalay Shares in respect of which such rights are sought to be exercised as of the Record Date and as of the deadline for exercising such Dissent Rights. In no case shall Mandalay, Alkane, AcquireCo, or any other person be required to recognize holders of Mandalay Shares who exercise Dissent Rights as holders of Mandalay Shares after the time that is immediately prior to the Effective Time, and the names of the Dissenting Shareholders shall be deleted from the central securities register as holders of Mandalay Shares.

Pursuant to Division 2 of Part 8 of the BCBCA, every Registered Mandalay Shareholder who duly and validly dissents from the Arrangement Resolution in strict compliance with Division 2 of Part 8 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement will be entitled to be paid the fair value of the Mandalay Shares held by such Dissenting Shareholder determined as at the point in time immediately before the passing of the Arrangement Resolution.

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To exercise Dissent Rights, a Registered Mandalay Shareholder as at the close of business on the Record Date must dissent with respect to all Mandalay Shares in which the holder owns either a registered or beneficial interest. A Registered Mandalay Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to Mandalay at Suite 720 - 155 University Ave. Toronto, Ontario M5H 3B7, Attention: Jasmine Virk by 5:00 p.m. (Toronto time) on or before July 24, 2025 (or by 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on July 28, 2025), and such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. **Any failure by a Shareholder to fully comply may result in the loss of that holder's Dissent Rights.** A Non-Registered Mandalay Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Mandalay Shareholder holding their Mandalay Shares to deliver the Notice of Dissent. **Failure to strictly comply with the dissent procedures will result in loss of the Dissent Rights. A Mandalay Shareholder wishing to exercise Dissent Rights should seek independent legal advice.**

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Arrangement Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his or her Mandalay Shares if the Dissenting Shareholder votes in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.

A Registered Mandalay Shareholder that wishes to exercise Dissent Rights must prepare a separate Notice of Dissent for himself, herself, or itself if dissenting on his, her or its own behalf, and for each other person who beneficially owns Mandalay Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting, and must dissent with respect to all of the Mandalay Shares registered in his, her or its name beneficially owned by the Non-Registered Mandalay Shareholder on whose behalf he or she is dissenting. The Notice of Dissent must set out the number of Mandalay Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and:

- if such Notice Shares constitute all of the Mandalay Shares of which the holder is the registered and beneficial owner and the holder owns no other Mandalay Shares beneficially, a statement to that effect;

- if such Notice Shares constitute all of the Mandalay Shares of which the holder is both the registered and beneficial owner, but the holder owns additional Mandalay Shares beneficially, a statement to that effect and the names of the registered holders of Mandalay Shares, the number of Mandalay Shares held by each such holder and a statement that written notices of dissent are being or have been sent with respect to such other Mandalay Shares; or

- if the Dissent Rights are being exercised by a holder of Mandalay Shares on behalf of a beneficial owner of Mandalay Shares who is not the Dissenting Shareholder, a statement to that effect and the name and address of the beneficial holder of the Mandalay Shares and a statement that the registered holder is dissenting with respect to all Mandalay Shares of the beneficial holder registered in such registered holder's name.

If the Arrangement Resolution is approved by the Mandalay Shareholder Approval and if Mandalay notifies the Dissenting Shareholder of Mandalay's intention to act upon the Arrangement Resolution, the Dissenting Shareholder, if he, she or it wishes to proceed with the dissent, is required, within one month after Mandalay gives such notice, to send to Mandalay the certificates (if any) representing the Notice Shares and a written statement that requires Mandalay to purchase all of the Notice Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by a Registered Mandalay Shareholder on behalf of a Non-Registered Mandalay Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Mandalay Shareholder becomes a Dissenting Shareholder, and is bound to sell, and Alkane is bound to purchase, those Mandalay Shares. Such Dissenting Shareholder may not vote or exercise or assert any rights of a Mandalay Shareholder in respect of such Notice Shares, other than the rights set forth in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, Interim Order and Final Order.

The Dissenting Shareholder and Mandalay may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the fair value of the Notice Shares. There is no obligation on Mandalay or Alkane

to make an application to the Court. After a determination of the payout value of the Notice Shares, Mandalay must then promptly pay that amount to the Dissenting Shareholder. There can be no assurance that the amount a Dissenting Shareholder may receive as fair value for its Mandalay Shares will be more than or equal to the Consideration under the Arrangement. It should be noted that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a transaction such as the Arrangement is not an opinion as to fair value under the BCBCA.

In no circumstances will Mandalay, Alkane, AcquireCo, the Depositary or any other person be required to recognize a person as a Dissenting Shareholder unless such person is the holder of the Mandalay Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time of the Arrangement; (i) if such person has voted or instructed a proxyholder to vote the Notice Shares in favour of the Arrangement Resolution; and (ii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, Interim Order and Final Order, and does not withdraw such person's Notice of Dissent prior to the Effective Time.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, the Arrangement Resolution does not pass, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, the Dissenting Shareholder votes in favour of the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with Mandalay's written consent. If any of these events occur, Mandalay must return the share certificates or DRS representing the Mandalay Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Mandalay Shareholder.

If a Dissenting Shareholder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, Mandalay will return to the Dissenting Shareholder the certificates representing the Notice Shares that were delivered to Mandalay, if any, and if the Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as a Mandalay Shareholder.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A Mandalay Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and Interim Order. Persons who are beneficial holders of Mandalay Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Mandalay Shares is entitled to dissent.

For greater certainty, in addition to any other restrictions in the Interim Order and under the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (a) holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs (in their capacity as holders of such securities); (b) Mandalay Shareholders who voted or instructed a proxyholder to vote Mandalay Shares in favour of the Arrangement Resolution; (c) Alkane, AcquireCo and any of their affiliates; (d) any person who is not a registered holder of Mandalay Shares as of the Record Date; and (e) persons who have not strictly complied with the procedures for exercising Dissent Rights or persons who have withdrawn their exercise of Dissent Rights prior to the Effective Time.

Mandalay suggests that any Mandalay Shareholder wishing to avail themselves of the Dissent Rights seek their own legal advice as failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process. For a general summary of certain income tax implications to a Dissenting Shareholder, see "*Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Consequences of the Arrangement*".

Condition Regarding Exercise of Dissent Rights

Under the Arrangement Agreement, it is a condition that in order for the Arrangement to become effective, holders of no more than 10% of the issued and outstanding Mandalay Shares shall have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement. Each of the directors and senior

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officers of the Corporation has agreed to waive his or her Dissent Rights as a holder of Mandalay Shares pursuant to their Mandalay Voting and Lock-up Agreements.

See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*" of this Circular.

RISK FACTORS RELATING TO THE ARRANGEMENT

In evaluating the Arrangement, Mandalay Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Mandalay, may also adversely affect the trading price of the Mandalay Shares, the Alkane Shares, and/or the businesses of the Combined Company following the Arrangement.

In addition to the risk factors relating to the Arrangement set out below, Mandalay Shareholders should also carefully consider the risk factors associated with the businesses of Mandalay and Alkane included in this Circular and in the documents incorporated by reference herein, including the risks found in Appendix J of this Circular. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

The risks associated with the Arrangement include:

There can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Mandalay, including receipt of the Final Order, approval by the Mandalay Shareholders of the Arrangement Resolution, approval by the Alkane Shareholders of the Share Issuance Resolution and receipt of other regulatory approvals, including the listing of the Alkane Shares issued as Consideration on the ASX, the FIRB Approval and the Swedish FDI Approval (which was obtained on June 17, 2025). There can be no certainty, nor can Mandalay provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or waived. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of Mandalay to the completion thereof could have a negative impact on the Mandalay's current business relationships and could have a material adverse effect on the current and future operations, financial condition and prospects of Mandalay. If the Arrangement is not completed and the Mandalay Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or greater price than the Consideration to be paid pursuant to the Arrangement.

The FIRB Approval may not be obtained.

To complete the Arrangement, Alkane must make certain filings with and obtain certain consents and approvals from various Governmental Entities. AcquireCo obtained the Swedish FDI Approval on June 17, 2025, but has not yet obtained the FIRB Approval. The regulatory approval processes may take a long period of time to complete, which could delay completion of the Arrangement. There can be no assurance as to the outcome of the approval processes, including the undertakings and conditions that may be required for approval or whether the FIRB Approval will be obtained.

The Arrangement Agreement may be terminated in certain circumstances.

Each of Mandalay and Alkane has the right to terminate the Arrangement Agreement and Arrangement in certain circumstances. Accordingly, there is no certainty, nor can Mandalay provide any assurance, that the Arrangement Agreement will not be terminated by either Mandalay or Alkane before the completion of the Arrangement. In addition, if the Arrangement is not completed by the Outside Date, subject to extension thereof in accordance with the Arrangement Agreement, either Mandalay or Alkane may choose to terminate the Arrangement Agreement.

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Mandalay Shareholders will receive a fixed number of Alkane Shares and the market value of the Alkane Shares may fluctuate prior to and following completion of the Arrangement.

Under the Arrangement, Mandalay Shareholders will be entitled to receive 7.875 Alkane Shares for every Mandalay Share held. Because the number of Alkane Shares to be received as Consideration is fixed and will not be adjusted to reflect any change in the market price of the Alkane Shares or the Mandalay Shares, the value of the Consideration received under the Arrangement may vary significantly from the closing price of the Alkane Shares and the Mandalay Shares on April 25, 2025, the last trading day before the Arrangement Agreement was entered into. If the market price of the Alkane Shares increases or decreases, the value of the Consideration that Mandalay Shareholders receive pursuant to the Arrangement will correspondingly increase or decrease. There can be no assurance that the market price of the Alkane Shares on the Effective Date will not be lower than the price used to calculate the Consideration. Many of the factors that affect the market price of the Alkane Shares and the Mandalay Shares are beyond the control of Alkane and Mandalay, respectively. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations. There can also be no assurance that the trading price of the Alkane Shares will not decline following the completion of the Arrangement.

Mandalay will incur costs even if the Arrangement is not completed and has agreed to pay the Termination Fee to Alkane in certain circumstances.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Mandalay even if the Arrangement is not completed. Mandalay and Alkane are each liable for their own costs incurred in connection with the Arrangement. If the Arrangement Agreement is terminated and the Arrangement is not completed, Mandalay may, in certain circumstances, be required to pay Alkane a C$500,000 expense reimbursement or a A$17 million Termination Fee. See "*The Arrangement Agreement – Termination*" of this Circular.

The Termination Fee may discourage other parties from attempting to acquire Mandalay Shares or otherwise making an Acquisition Proposal to Mandalay, even if those parties would otherwise be willing to offer greater value to Mandalay Shareholders than that offered by Alkane under the Arrangement.

The Arrangement Agreement contains provisions that restrict the ability of the Parties to pursue alternatives to the Arrangement.

Under the Arrangement Agreement, Mandalay and Alkane are restricted, subject to certain exceptions, including in connection with a Superior Proposal, as applicable, from making, soliciting, initiating, entertaining, knowingly encouraging, promoting or otherwise knowingly facilitating, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding, any inquires or the making of any proposals regarding an Acquisition Proposal or that could reasonably be expected to constitute or lead to an Acquisition Proposal. See "*The Arrangement Agreement – Non-Solicitation Covenant*".

If the Arrangement is not approved by the Mandalay Shareholders, or the Arrangement is otherwise not completed, then the market price for the Mandalay Shares may decline.

If the Arrangement is not approved by the Mandalay Shareholders, or the Arrangement is otherwise not completed, then the market price of the Mandalay Shares may decline, to the extent the current market price of the Mandalay Shares reflects an assumption by the market that the Arrangement will be completed. If the Arrangement Resolution is not approved and the Mandalay Board decides to seek another merger or Arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total Consideration to be paid pursuant to the Arrangement.

Alkane and Mandalay may not integrate successfully.

If approved, the Arrangement will involve the integration of companies that previously operated independently. As a result, the Arrangement will present challenges to management, including the integration of the operations, systems

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and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the loss of key employees.

The difficulties management encounters in the transition and integration process could have an adverse effect on the revenues, level of expenses and operating results of the Combined Company. As a result of these factors, it is possible that any benefits expected from the Arrangement will not be realized.

Uncertainty surrounding the Arrangement could adversely affect Mandalay's retention of customers and suppliers and could negatively impact Mandalay's future business and operations.

Because the Arrangement is dependent upon satisfaction of certain conditions, its completion is subject to uncertainty. In response to this uncertainty, Mandalay's customers and suppliers may delay or defer decisions concerning Mandalay. Any delay or deferral of those decisions by customers and suppliers could have an adverse effect on the business and operations of Mandalay, regardless of whether the Arrangement is ultimately completed.

The pending Arrangement may divert the attention of Mandalay's management.

The Arrangement could cause the attention of management of Mandalay to be diverted from their respective day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of Mandalay.

Directors and senior officers of Mandalay may have interests in the Arrangement that are different from those of Mandalay Shareholders generally.

Certain directors and senior officers of Mandalay may have interests in the Arrangement that may be different from, or in addition to, the interests of Mandalay Shareholders generally, including, but not limited to, the receipt of certain change of control payments as discussed under the heading "*The Arrangement – Termination and Change of Control Benefits*" of this Circular. The Mandalay Board retained financial advisors in respect of the Arrangement to advise on the fairness, from a financial point of view, of the Consideration to be received by the Mandalay Shareholders pursuant to the Arrangement. Nevertheless, Mandalay Shareholders should consider these interests in connection with their vote on the Arrangement Resolution, including whether these interests may have influenced certain of Mandalay's directors and senior officers to recommend or support the Arrangement.

The issuance of a significant number of Alkane Shares could adversely affect the market price of the Alkane Shares.

If the Arrangement is completed, a significant number of additional Alkane Shares will be issued and will become available for trading in the public market. Any increase in the number of Alkane Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, the Alkane Shares. See the section entitled "*Risk Factors*" in Appendix J of this Circular.

Owning Alkane Shares will expose Mandalay Shareholders to different risks.

Alkane is subject to different risks than those to which Mandalay is subject; for a full description of such risks please see the section entitled "*Risk Factors*" in Appendix J of this Circular. Alkane conducts its operations in Australia, and as such Alkane's operations are exposed to various risks normally associated with the conduct of business in foreign countries, including various levels of political and economic risk and other risks and uncertainties. The existence or occurrence of one or more of the circumstances or events described in the section entitled "*Risk Factors*" in Appendix J of this Circular could have a material adverse impact on Alkane's profitability or the viability of Alkane's affected foreign operations, which could have a Material Adverse Effect on Alkane's future cash flows earnings, results of operations and financial condition.

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Enforcement of Rights Against Alkane in Canada may be challenging.

Alkane is located outside Canada and, following the Effective Time, a majority of its directors, officers and experts are expected to reside outside of Canada. Accordingly, it may not be possible for Former Mandalay Shareholders to effect service of process within Canada upon Alkane or its directors, officers or experts, or to enforce judgments obtained in Canadian courts against Alkane or its directors, officers or experts.

Listing of the Alkane Shares on the TSX may be delayed, or may not occur at all.

Alkane has applied to list the Alkane Shares on the TSX following the completion of the Arrangement. Such listing is subject to TSX approval and Alkane fulfilling all of the original listing requirements of the TSX. As of the date hereof, the TSX has not conditionally approved the listing of the Alkane Shares and there can be no assurance that conditional listing approval will be provided in advance of completing the Arrangement or at all.

PROCEDURE FOR RECEIPT OF CONSIDERATION

Under the Arrangement, Mandalay Shareholders will, upon completion of the Arrangement, be entitled to receive, for each Mandalay Share held by them immediately prior to the Effective Time, the Consideration (consisting of 7.875 Alkane Shares). No fractional Alkane Shares shall be issued to Former Mandalay Shareholders. Where the aggregate number of Alkane Shares to be issued to a Former Mandalay Shareholder under the Arrangement would otherwise result in a fraction of an Alkane Share being issuable, the number of Alkane Shares to be issued to such Former Mandalay Shareholder shall be rounded down to the nearest whole Alkane Share, and such Former Mandalay Shareholder shall not be entitled to any compensation in respect of such fractional Alkane Share.

After the Effective Time and until surrendered for cancellation as contemplated by the Plan of Arrangement, each certificate or DRS that, immediately prior to the Effective Time, represented one or more Mandalay Shares (other than Mandalay Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or Mandalay Shares held by Alkane or AcquireCo) shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate or DRS is entitled to receive, less any amounts withheld in accordance with the Plan of Arrangement, if applicable.

Mandalay Shareholders

A Non-Registered Mandalay Shareholder who holds Mandalay Shares that are registered in the name of an intermediary such as a broker, investment dealer, bank or trust company should contact the intermediary for instructions and assistance in depositing their Mandalay Shares with the Depositary, in order to ensure they receive the Consideration that they are entitled to receive under the Arrangement.

Deposit of Transmittal Documents with Depositary

In order for a Mandalay Shareholder to receive the Consideration that they are entitled to receive under the Arrangement, such Mandalay Shareholder must deliver to the Depositary a duly completed and signed Letter of Transmittal in respect of the Mandalay Shares held by such shareholder, together with the applicable Mandalay Share certificate(s) or DRS, if any, and such other documents or instruments as the Depositary may reasonably require (collectively, the "**Transmittal Documents**"). Upon receipt by the Depositary of such Transmittal Documents, the Depositary shall, following the Effective Time, deliver to such Mandalay Shareholder a certificate, holding statement or DRS representing the Alkane Shares that such holder is entitled to receive, less any amounts that the Depositary is entitled to withhold in accordance with the Plan of Arrangement, and any certificate or DRS representing such Mandalay Shares so surrendered shall forthwith thereafter be cancelled.

After the Effective Time and until surrendered for cancellation as contemplated under the Plan of Arrangement, each certificate or DRS that immediately prior to the Effective Time represented one or more Mandalay Shares (other than Mandalay Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or Mandalay Shares held by Alkane or AcquireCo) shall be deemed at all times to represent only the right to receive in exchange

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therefor the Consideration that the holder of such certificate is entitled to receive, less any amounts withheld in accordance with the Plan of Arrangement.

A Letter of Transmittal (printed on white paper) is being mailed, together with this Circular, to each person who was a Registered Mandalay Shareholder on the Record Date. A copy of the Letter of Transmittal may also be obtained by contacting the Depositary and will also be available under Mandalay's issuer profile on SEDAR+ at www.sedarplus.ca. In order to receive the Consideration to which such Registered Mandalay Shareholder is entitled under the Arrangement, it is recommended that Registered Mandalay Shareholders complete, sign and return the Letter of Transmittal (with accompanying Mandalay Share certificate(s) or DRS) to the Depositary as soon as possible.

The method used by a Mandalay Shareholder to deliver the Transmittal Documents to the Depositary is at the option and risk of the Mandalay Shareholder, and delivery will be deemed effective only when such documents are actually received by the Depositary. Mandalay recommends that the Transmittal Documents be hand delivered to the Depositary, and a receipt obtained therefor; otherwise the use of registered mail with return receipt requested, and with proper insurance obtained, is recommended.

Alkane reserves the right to waive, or not to waive, any and all errors or other deficiencies in any Letter of Transmittal or other Transmittal Document, and any such waiver or non-waiver will be binding upon the Former Mandalay Shareholder submitting such documentation. The granting of a waiver to one or more Former Mandalay Shareholders does not constitute a waiver for any other Mandalay Shareholder, and Mandalay and Alkane reserve the right to demand strict compliance with the terms of the Letter of Transmittal.

Lost Certificates

If any certificate that immediately prior to the Effective Time represented one or more outstanding Mandalay Shares that were exchanged in accordance with the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration that such holder is entitled to receive in accordance with the Plan of Arrangement and such holder's Transmittal Letter. When authorizing such delivery of the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom the Consideration is to be delivered shall, as a condition precedent to the delivery of the Consideration, give a bond satisfactory to Alkane and the Depositary in such amount as Alkane and the Depositary may direct, or otherwise indemnify Alkane, AcquireCo and the Depositary in a manner satisfactory to Alkane and the Depositary, against any claim that may be made against Alkane, AcquireCo or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the Constating Documents of Mandalay.

Limitation and Proscription After Six Years

To the extent that a Former Mandalay Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 of the Plan of Arrangement on or before the date that is six (6) years after the Effective Date (the "**final proscription date**"), then the Consideration that such Former Mandalay Shareholder was entitled to receive, in each case together with all entitlements to dividends and distributions thereon held for such Former Mandalay Shareholder, shall be automatically cancelled without any repayment of capital in respect thereof and the certificates, holding statements or DRS representing Alkane Shares shall be delivered to Alkane by the Depositary and the certificates, holding statements and DRS representing such Alkane Shares shall be cancelled by Alkane, and the interest of the Former Mandalay Shareholder in the Consideration (and dividends and distributions thereon) shall be terminated as of such final proscription date.

Holders of Mandalay RSUs, Mandalay PSUs, Mandalay DSUs and Mandalay Options

Under the Arrangement, holders of Mandalay RSUs, Mandalay PSUs, Mandalay DSUs and Mandalay Options will be entitled: (i) to receive Mandalay Shares upon the redemption or exercise (or deemed redemption or exercise) of their Mandalay RSUs, Mandalay PSUs and Mandalay DSUs and/or Mandalay Options (provided such Mandalay Options are exercised prior to the Effective Date), other than certain holders of Mandalay PSUs and Mandalay RSUs

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that will receive cash for their Mandalay PSUs and Mandalay RSUs in accordance with the terms of the Arrangement Agreement; and (ii) to receive the Consideration for each such Mandalay Share to the same extent as a Mandalay Shareholder.

Holders of Mandalay RSUs, Mandalay PSUs, Mandalay DSUs and/or Mandalay Options will be required to deliver a Letter of Transmittal to the Depositary in respect of the Mandalay Shares issued upon the redemption or exercise (or deemed redemption or exercise) of such Mandalay RSUs, Mandalay PSUs, Mandalay DSUs and/or Mandalay Options in order to receive the Consideration to which they are entitled under the Plan of Arrangement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act in respect of the Arrangement that are generally applicable to a beneficial owner of Mandalay Shares who at all relevant times and for purposes of the Tax Act: (a) deals at arm's length with Mandalay and Alkane; (b) is not and will not be affiliated with Mandalay or Alkane; and (c) holds Mandalay Shares and will hold any Alkane Shares received pursuant to the Arrangement as capital property (each such owner in this section, a "**Holder**").

The Mandalay Shares and Alkane Shares generally will be considered capital property to a Holder for purposes of the Tax Act unless the Holder holds such shares in the course of carrying on a business of buying and selling securities or the Holder has acquired or holds such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to Persons holding Mandalay Options, Mandalay PSUs, Mandalay RSUs, Mandalay DSUs or other conversion or exchange rights to acquire Mandalay Shares, and the tax considerations relevant to such holders are not discussed herein. Any such Persons referenced above should consult their own tax advisor with respect to the tax consequences of the Arrangement.

In addition, this summary is not applicable to a Holder: (a) that is a "financial institution" (as defined in the Tax Act for the purposes of the "mark-to-market rules"); (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is, or whose Mandalay Shares are, a "tax shelter investment" (as defined in the Tax Act); (d) who makes, or has made, a "functional currency" election under section 261 of the Tax Act; (e) who acquired Mandalay Shares under an employee stock option plan or other equity based employment compensation arrangement; (f) that has entered into or will enter into a "synthetic disposition arrangement", or a "derivative forward agreement", as defined in the Tax Act with respect to Mandalay Shares or Alkane Shares; (g) that is a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada; (h) that receives dividends on its Alkane Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (i) that is exempt from tax under Part I of the Tax Act or (j) in relation to which Alkane or any of its subsidiaries is or will be a "foreign affiliate" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Additional considerations not discussed herein may apply to a Holder that is a corporation resident in Canada that is or becomes (or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the Arrangement, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm's length for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act.

This summary is based on the current provisions of the Tax Act in force as of the date hereof, and an understanding of the current published administrative policies and assessing practices of the CRA publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in the form proposed. No assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any other changes in Law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed below.

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This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Holder and no representation with respect to the tax consequences to any particular Holder is made. Accordingly, all Holders should consult their own tax advisors regarding the Canadian federal income tax consequences of the Arrangement applicable to their particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local and foreign tax Laws.

Currency Conversion

Subject to certain exceptions that are not discussed herein, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in foreign currency must be converted into Canadian dollars, generally based on the rate quoted by the Bank of Canada for the exchange of the foreign currency on the date such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act and any applicable income tax treaty, is, or is deemed to be, resident in Canada (a "**Resident Holder**").

Certain Resident Holders whose Mandalay Shares might not otherwise qualify as capital property may, in certain circumstances, be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Mandalay Shares (but not Alkane Shares), and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years, be deemed to be capital property. Resident Holders should consult their own tax advisors as to whether they hold or will hold their Mandalay Shares and Alkane Shares as capital property and whether such election can or should be made in respect of their Mandalay Shares.

Disposition of Mandalay Shares Pursuant to the Arrangement

Resident Holders (other than Dissenting Resident Holders) will dispose of their Mandalay Shares in exchange for Alkane Shares pursuant to the Arrangement. A Resident Holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the aggregate fair market value of the Alkane Shares received exceeds (or is less than) the total of the adjusted cost base, as defined in the Tax Act, to the Resident Holder of their Mandalay Shares immediately before the effective time of the disposition and the Resident Holder's reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see "*Holders Resident in Canada* – Taxation of Capital Gains and Capital Losses".

The cost to a Resident Holder of each Alkane Share acquired under the Arrangement will be equal to the fair market value of such Alkane Share at the time of acquisition. For the purpose of determining the adjusted cost base of an Alkane Share to a Resident Holder, when an Alkane Share is acquired, the cost of the newly acquired Alkane Share will be averaged with the adjusted cost base of all Alkane Shares (if any) owned by the Resident Holder as capital property immediately before that acquisition.

Dividends on Alkane Shares

A Resident Holder will be required to include in computing income for a taxation year the amount of dividends, if any, received or deemed to be received in respect of Alkane Shares, including amounts withheld for foreign withholding tax, if any. For individuals (including a trust), such dividends will not be subject to the gross-up and dividend tax credit rules under the Tax Act normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. A Resident Holder that is a corporation will generally not be entitled to deduct the amount of such dividends in computing its taxable income.

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Subject to the detailed rules in the Tax Act, a Resident Holder may be entitled to a foreign tax credit or deduction for any foreign withholding tax paid with respect to dividends received by the Resident Holder on the Alkane Shares. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances.

Dispositions of Alkane Shares

A Resident Holder that disposes or is deemed to dispose of an Alkane Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Alkane Share exceeds (or is exceeded by) the aggregate of the Resident Holder's adjusted cost base of such Alkane Share immediately before the disposition and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses see "*Holders Resident in Canada* – Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. Such a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized by it in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of a share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by such Resident Holder on such share (or on a share for which such a share is substituted or exchanged). Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns any such shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Foreign tax, if any, levied on any gain realized on a disposition of Alkane Shares may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances described in the Tax Act. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their particular circumstances.

Alternative Minimum Tax

A capital gain realized by a Resident Holder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act.

Additional Refundable Tax

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) (a "**CCPC**"), or a "substantive CCPC" (as defined in the Tax Act) at any time in the year, may be required to pay an additional tax (refundable in certain circumstances) on certain investment income, which includes certain amounts in respect of taxable capital gains, interest, and dividends or deemed dividends not deductible in computing the Resident Holder's taxable income.

Foreign Property Information Reporting

Generally, a Resident Holder that is a "specified Canadian entity" (as defined in the Tax Act) for a taxation year or a fiscal period and whose total "cost amount" of "specified foreign property" (as such terms are defined in the Tax Act), including the Alkane Shares, at any time in the year or fiscal period exceeds C$100,000 will be required to file an information return with the CRA for the year or period disclosing prescribed information. Subject to certain exceptions, a Resident Holder generally will be a specified Canadian entity. The Alkane Shares will be "specified

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foreign property" of a Resident Holder for these purposes. Penalties may apply where a Resident Holder fails to file the required information return in respect of such Resident Holder's "specified foreign property" on a timely basis in accordance with the Tax Act.

The reporting rules in the Tax Act relating to "specified foreign property" are complex and this summary does not purport to address all circumstances in which reporting may be required by a Resident Holder. Resident Holders should consult their own tax advisors regarding compliance with these reporting requirements.

Offshore Investment Fund Property Rules

The Tax Act contains provisions (the "**OIF Rules**") which may, in certain circumstances, require a Resident Holder to include an amount in income in each taxation year in respect of the acquisition and holding of Alkane Shares, if: (i) the value of such Alkane Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in certain assets described in paragraph 94.1(1)(b) of the Tax Act, particularly (1) shares of the capital stock of one or more corporations, (2) indebtedness or annuities, (3) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (4) commodities, (5) real estate, (6) Canadian or foreign resource properties, (7) currency of a country other than Canada, (8) rights or options to acquire or dispose of any of the foregoing, or (9) any combination of the foregoing (collectively, "**Investment Assets**"); and (ii) it may reasonably be concluded that one of the main reasons for the Resident Holder acquiring, holding or having the Alkane Shares was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Resident Holder.

The OIF Rules are complex and their application and consequences depend, to a large extent, on the reasons for a Resident Holder acquiring or holding Alkane Shares. Resident Holders are urged to consult their own tax advisors regarding the application and consequences of the OIF Rules in their own particular circumstances.

Eligibility for Investment by Registered Plans

Based on the current provisions of the Tax Act in force as of the date hereof, Alkane Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a first home savings account and a tax-free savings account (each referred to as a "**Registered Plan**") and a deferred profit sharing plan, each as defined in the Tax Act, at a particular time provided that, at such time, the Alkane Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the ASX).

Notwithstanding the foregoing, the holder, subscriber or annuitant of, or under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax as set out in the Tax Act in respect of Alkane Shares acquired by a Registered Plan if such shares are a prohibited investment as set out in the Tax Act for the particular Registered Plan. An Alkane Share generally will not be a "prohibited investment" for a Registered Plan provided the Controlling Individual deals at arm's length with Alkane for the purposes of the Tax Act and does not have a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in Alkane. In addition, an Alkane Share will not be a "prohibited investment" if such share is "excluded property" as defined in subsection 207.01(1) of the Tax Act, for the Registered Plan. Controlling Individuals should consult their own tax advisors as to whether Alkane Shares would be a prohibited investment in their particular circumstances.

Dissenting Resident Holders

A Resident Holder that validly exercises Dissent Rights under the Arrangement (a "**Dissenting Resident Holder**") will be deemed to have transferred their Mandalay Shares to Mandalay.

The tax consequences to a Dissenting Resident Holder in respect of their deemed transfer of Mandalay Shares are unclear. The obligation to pay fair value to a Dissenting Resident Holder is an obligation of Mandalay, but the timing

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of the payment will likely not occur until after the amalgamation (the "**Amalgamation**") of Mandalay and AcquireCo to form a corporate entity (such surviving entity, "**Amalco**").

Under one interpretation, a Dissenting Resident Holder who is paid fair value of such Dissenting Resident Holder's Mandalay Shares by Amalco may be deemed to have received a taxable dividend equal to the amount, if any, by which the cash received in respect of the fair value of such Dissenting Resident Holder's Mandalay Shares (other than in respect of any interest awarded by the court) exceeds the paid-up capital of such Mandalay Shares to the Dissenting Resident Holder as determined under the Tax Act. In such circumstances, a Dissenting Resident Holder will also realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less an amount in respect of interest, if any, awarded by a court and the amount of any deemed dividend and less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Holder's Mandalay Shares. Any capital gain or capital loss realized by a Dissenting Resident Holder, will be treated in the same manner as described under the heading "*Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*" above. In the case of a Dissenting Resident Holder who is an individual (other than certain trusts), the Dissenting Resident Holder's share of any dividends deemed to be received on the Resident Holder's Mandalay Shares will be included in such Dissenting Resident Holder's income and will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to "taxable dividends" received from a "taxable Canadian corporation" (each as defined in the Tax Act).

A Dissenting Resident Holder that is a corporation will be required to include in income the Resident Holder's share of dividends deemed to be received on the Dissenting Resident Holder's Mandalay Shares but will generally be entitled to deduct such amount in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received (or deemed to be received) by a Dissenting Resident Holder that is a corporation as proceeds of disposition or a capital gain.

A Dissenting Resident Holder that is a "private corporation" (as defined in the Tax Act) or "subject corporation" (as defined for purposes of Part IV of the Tax Act), may be liable to pay an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends deemed to be received on its Mandalay Shares, to the extent such dividends are deductible in computing the Dissenting Resident Holder's taxable income for the taxation year. A "subject corporation" is generally a corporation (other than a private corporation) resident in Canada and controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts). Dissenting Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Alternatively, since the payment to a Dissenting Resident Holder is not made until after the Amalgamation, a Dissenting Resident Holder who is paid the fair value of such Dissenting Resident Holder's Mandalay Shares by Amalco may realize a capital gain (or a capital loss) equal to the amount, if any, by which the cash received in respect of the fair value of such Dissenting Resident Holder's Mandalay Shares (other than in respect of any interest awarded by the court) exceeds (or is less than) the aggregate of the adjusted cost base of such Mandalay Shares to the Dissenting Resident Holder and any reasonable costs of disposition. Any capital gain or capital loss realized by a Dissenting Resident Holder, will be treated in the same manner as described under the heading "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" above. The CRA has adopted an administrative position supporting this interpretation in certain circumstances. Dissenting Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights, including whether the CRA administrative position would be applicable in this case.

A Dissenting Resident Holder will be required to include the amount of any interest awarded to the Dissenting Resident Holder by a court in income. In addition, a Dissenting Resident Holder that, throughout the relevant taxation year, is a CCPC, or that is at any time in the year a "substantive CCPC", may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including interest income, as described above under "*Holders Resident in Canada – Additional Refundable Tax*".

Resident Holders who are considering exercising Dissent Rights are urged to consult their tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

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Holders Not Resident in Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Mandalay Shares or Alkane Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Disposition of Mandalay Shares Pursuant to the Arrangement and subsequent dispositions of Alkane Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Mandalay Shares under the Arrangement or on the future or deemed disposition of Alkane Shares, unless the Mandalay Shares or Alkane Shares, as applicable, are "taxable Canadian property" and are not "treaty-protected property", each as defined in the Tax Act, to the Non- Resident Holder at the time of the disposition.

Generally, a Mandalay Share or an Alkane Share, as the case may be, will not be taxable Canadian property of a Non-Resident Holder at a particular time provided that the share is listed on a "designated stock exchange" (which currently includes the TSX and the ASX) at that time, unless, at any time during the 60-month period immediately preceding the disposition: (a) the Non-Resident Holder, any one or more other persons with whom the Non-Resident Holder does not deal at arm's length, any partnership in which the Non-Resident Holder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with such persons or partnerships, held 25% or more of the issued shares of any class or series in the capital of Mandalay or Alkane, as the case may be; and (b) more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" or "timber resource property", (both as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists).

Notwithstanding the foregoing, in certain other circumstances a Mandalay Share or Alkane Share could be deemed to be taxable Canadian property for the purposes of the Tax Act. Non-Resident Holders should consult their own tax advisors in this regard.

Even if the Mandalay Shares or Alkane Shares, as the case may be, are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Mandalay Shares or Alkane Shares will not be included in computing the Non-Resident Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of the disposition, the Mandalay Shares or Alkane Shares, as the case may be, constitute treaty-protected property of the Non-Resident Holder for purposes of the Tax Act.

Mandalay Shares or Alkane Shares, as the case may be, will generally be considered treaty-protected property of a Non-Resident Holder for purposes of the Tax Act at the time of the disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty and in respect of which the Non-Resident Holder is entitled to receive benefits thereunder, be exempt from tax under the Tax Act.

In the event that the Mandalay Shares constitute taxable Canadian property and are not treaty-protected property to a particular Non-Resident Holder, the Non-Resident Holder will realize a capital gain (or capital loss) generally in the circumstances as described under "*Holders Resident in Canada – Disposition of Mandalay Shares Pursuant to the Arrangement*" and "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Similarly, Non-Resident Holders whose Alkane Shares constitute taxable Canadian property and are not treaty-protected property as defined in the Tax Act at the time of disposition will generally be subject to the tax considerations described above under "*Holders Resident in Canada – Dispositions of Alkane Shares*" and "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

A Non-Resident Holder who disposes of taxable Canadian property that is not treaty-protected property may have to file a Canadian income tax return for the year in which the disposition occurs, regardless of whether the Non-Resident Holder is liable for Canadian tax on any gain realized.

Non-Resident Holders whose Mandalay Shares or Alkane Shares, as the case may be, are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Mandalay Shares or Alkane Shares constitute treaty-protected property.

Dividends on Alkane Shares

Dividends paid on Alkane Shares to a Non-Resident Holder will not be subject to Canadian withholding tax under the Tax Act.

Dissenting Non-Resident Holders

A Non-Resident Holder that validly exercises Dissent Rights under the Arrangement (a "**Dissenting Non-Resident Holder**") will be deemed to have transferred their Mandalay Shares to Mandalay.

The tax consequences to a Dissenting Non-Resident Holder in respect of their deemed transfer of Mandalay Shares are unclear. The obligation to pay fair value to a Dissenting Non-Resident Holder is an obligation of Mandalay, but the timing of the payment will likely not occur until after the Amalgamation, at which time the payor will be Amalco.

Under one interpretation, a Dissenting Non-Resident Holder who is paid fair value of such Dissenting Non-Resident Holder's Mandalay Shares by Amalco may be deemed to have received a taxable dividend equal to the amount, if any, by which the cash received in respect of the fair value of such Dissenting Non-Resident Holder's Mandalay Shares (other than in respect of any interest awarded by the court) exceeds the paid-up capital of such Mandalay Shares to the Dissenting Non-Resident Holder as determined under the Tax Act. In such circumstances, a Dissenting Non-Resident Holder will also realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less an amount in respect of interest, if any, awarded by a court and the amount of any deemed dividend and less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Non-Resident Holder's Mandalay Shares. Dividends deemed to be paid or credited on a Dissenting Non-Resident Holder's Mandalay Shares will generally be subject to Canadian withholding tax at a rate of 25% on the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the country in which the Dissenting Non-Resident Holder is resident and to which the Dissenting Non-Resident Holder is entitled to the full benefits thereof.

Alternatively, since the payment to a Dissenting Non-Resident Holder is not made until after the Amalgamation, a Dissenting Non-Resident Holder who is paid the fair value of such Dissenting Non-Resident Holder's Mandalay Shares by Amalco may realize a capital gain (or a capital loss) equal to the amount, if any, by which the cash received in respect of the fair value of such Dissenting Non-Resident Holder's Mandalay Shares (other than in respect of any interest awarded by the court) exceeds (or is less than) the aggregate of the adjusted cost base of such Mandalay Shares to the Dissenting Non-Resident Holder and any reasonable costs of disposition. The CRA has adopted an administrative position supporting this interpretation in certain circumstances. Dissenting Non-Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights, including whether the CRA administrative position would be applicable in this case.

A Dissenting Non-Resident Holder will generally not be subject to income tax under the Tax Act in respect of any capital gain realized on a disposition of Mandalay Shares pursuant to the exercise of their Dissent Rights unless such Mandalay Shares are considered to be "taxable Canadian property", as discussed above under the heading "*Holders Not Resident in Canada – Disposition of Mandalay Shares Pursuant to the Arrangement and subsequent dispositions of Alkane Shares*", to such Dissenting Non-Resident Holder that is not exempt from tax under the Tax Act pursuant to the terms of an applicable income tax convention between Canada and the country in which the Dissenting Non-Resident Holder is resident. Dissenting Non-Resident Holders whose Mandalay Shares may constitute "taxable Canadian property" should consult their own tax advisors.

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In light of the uncertainty concerning the tax consequences to a Non-Resident Holder who exercises Dissent Rights under the Arrangement, Mandalay (and Amalco after the completion of the Amalgamation) intends to withhold and remit the amount that Amalco reasonably believes it is required to remit under the Tax Act to the Receiver General of Canada and such amount will not be delivered by Amalco to the Dissenting Non-Resident Holder.

Interest (if any) awarded by a court to a Dissenting Non-Resident Holder generally should not be subject to withholding tax under the Tax Act.

Non-Resident Holders who are considering exercising Dissent Rights are urged to consult their tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal income tax considerations applicable to a U.S. Holder with respect to the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement or as a result of the ownership and disposition of Alkane Shares received pursuant to the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state or local, or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Mandalay Shares received pursuant to the Arrangement. Except as specifically set forth below, this summary does not discuss applicable tax filing and reporting requirements. Each U.S. Holder should consult its own tax advisor regarding the tax consequences of the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement. This summary does not address any tax consequences of the Arrangement to holders of Mandalay DSUs, Mandalay Options, or other rights to acquire Mandalay Shares. Holders of Mandalay DSUs, Mandalay Options, or other rights to acquire Mandalay Shares should consult their own tax advisor regarding the tax consequences of the Arrangement to them in light of their own personal circumstances.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement or the ownership and disposition of Alkane Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of This Disclosure

Authorities

This summary is based on the U.S. Tax Code, U.S. Treasury Regulations (whether final, temporary or proposed), published rulings of the IRS, published administrative positions of the IRS, and U.S. court decisions, in each case, as in effect and available, as of the date of this summary. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax consequences described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

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U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Mandalay Shares (or after the Arrangement, Alkane Shares) participating in the Arrangement that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States (including any state thereof or the District of Columbia);
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. Persons have the authority to control all substantial decisions of such trust, or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. Person.

Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Mandalay Shares participating in the Arrangement that is not a U.S. Holder or a partnership. This summary does not address the U.S. federal income tax consequences applicable to non-U.S. Holders arising from the Arrangement or the ownership and disposition of Alkane Shares received pursuant to the Arrangement. Accordingly, a non-U.S. Holder should consult its own tax advisor regarding the tax consequences (including the potential application of and operation of any income tax treaties) related to the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement.

Transactions Not Addressed and Assumptions

Except as noted herein, this summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), including, without limitation, the following:

- any conversion into Mandalay Shares or Alkane Shares of any notes, debentures or other debt instruments;
- any vesting, conversion, assumption, disposition, exercise, exchange or other transaction involving any rights to acquire Mandalay Shares or Alkane Shares including, without limitation, Mandalay DSUs, Mandalay Options, or other rights to acquire Mandalay Shares; and
- any transaction, other than the Arrangement, in which Mandalay Shares or Alkane Shares are acquired.

In addition, this summary assumes that neither Mandalay nor Alkane is a "controlled foreign corporation" for U.S. federal income tax purposes.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts or regulated investment companies; (c) are broker-dealers, dealers or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Mandalay Shares (or after the Arrangement, Alkane Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale or other integrated transaction; (f) acquired Mandalay Shares (or after the Arrangement, Alkane Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Mandalay Shares (or

after the Arrangement, Alkane Shares) other than as a capital asset within the meaning of Section 1221 of the U.S. Tax Code (generally, property held for investment purposes); (h) are subject to the alternative minimum tax; (i) are subject to special tax accounting rules with respect to Mandalay Shares (or after the Arrangement, Alkane Shares); (j) are partnerships or other "pass-through" entities (and partners or other owners thereof); (k) are S corporations (and shareholders thereof); (l) are U.S. expatriates or former long-term residents of the United States subject to Section 877 or 877A of the U.S. Tax Code; (m) hold Mandalay Shares (or after the Arrangement, Alkane Shares) in connection with a trade or business, permanent establishment or fixed base outside the United States; or (n) own, or have owned, or will own, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Mandalay Shares (or after the Arrangement, Alkane Shares). U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders described above, should consult their own tax advisor regarding the U.S. federal income, U.S. federal alternative minimum, U.S. net investment income, U.S. federal estate and gift, U.S. state or local, and non-U.S. tax consequences related to the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement.

If an entity that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds Mandalay Shares (or after the Arrangement, Alkane Shares), the U.S. federal income tax consequences to such partnership and the partners of such partnership of participating in the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement generally will depend in part on the activities of the partnership and the status of such partners. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Alkane Shares received pursuant to the Arrangement.

Certain U.S. Federal Income Tax Consequences of the Arrangement

Characterization of the Arrangement

The exchange of Mandalay Shares for Alkane Shares pursuant to the Arrangement followed by the post-closing Amalgamation is intended to qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code (a "**Reorganization**"). Because the determination of whether the Arrangement will qualify as a Reorganization depends on the resolution of complex issues and facts, some of which will not be known until the closing of the Arrangement, there can be no assurance that the Arrangement will qualify as a Reorganization. The qualification of a transaction such as the Arrangement as a Reorganization is subject to numerous requirements, among them, that business purpose, continuity of business enterprise, and continuity of interest requirements are met.

Neither Mandalay nor Alkane has sought or obtained either a ruling from the IRS or an opinion of legal counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the treatment of the Arrangement as a Reorganization or that the U.S. courts will uphold the status of the Arrangement as a Reorganization in the event of an IRS challenge. The tax consequences of the Arrangement qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders should consult their own tax advisors regarding the proper tax reporting of the Arrangement.

Tax Consequences if the Arrangement Qualifies as a Reorganization

If the Arrangement qualifies as a Reorganization, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences should result for U.S. Holders who receive Alkane Shares pursuant to the Arrangement:

(a) a U.S. Holder should not recognize gain or loss on the exchange of Mandalay Shares for Alkane Shares pursuant to the Arrangement;

(b) the aggregate tax basis of a U.S. Holder in the Alkane Shares acquired in the Arrangement should be equal to such U.S. Holder's aggregate tax basis in the Mandalay Shares surrendered in exchange therefor;

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(c) the holding period of a U.S. Holder for the Alkane Shares acquired in the Arrangement should include such U.S. Holder's holding period for the Mandalay Shares surrendered in exchange therefor; and

(d) a U.S. Holder who is a "significant transferor" within the meaning of U.S. Treasury Regulations will be required to file with such U.S. Holder's U.S. federal income tax return for the year in which the Arrangement takes place a statement setting forth certain facts relating to the Arrangement.

If a U.S. Holder holds different blocks of Mandalay Shares (generally as a result of having acquired different blocks of shares at different times or at different costs), such U.S. Holder's tax basis and holding period in its Alkane Shares may be determined with reference to each block of the Mandalay Shares surrendered in exchange therefor.

U.S. Holders that will own more than 5% of the Alkane Shares after the Arrangement should consult their own tax advisors as to the treatment of the Arrangement to them, including the requirement that they enter into a "gain recognition agreement" with the IRS under Section 367 of the U.S. Tax Code and the U.S. Treasury Regulations thereunder, as well as other information reporting requirements.

The IRS could challenge a U.S. Holder's treatment of the Arrangement as a Reorganization. If this treatment were to be successfully challenged, then the Arrangement would be treated as a taxable transaction, with the consequences discussed immediately below (including the recognition of any realized gain).

Tax Consequences if the Arrangement is a Taxable Transaction

In general, if the Arrangement does not qualify as a Reorganization, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders:

(a) a U.S. Holder will recognize gain or loss on the exchange of Mandalay Shares for Alkane Shares pursuant to the Arrangement in an amount equal to the difference, if any, between (a) the fair market value of the Alkane Shares received in exchange for the Mandalay Shares and (b) the adjusted tax basis of such U.S. Holder in the Mandalay Shares surrendered;

(b) the aggregate tax basis of a U.S. Holder in the Alkane Shares acquired in the Arrangement will be equal to the fair market value of such Alkane Shares on the date of receipt; and

(c) the holding period of a U.S. Holder for the Alkane Shares acquired in the Arrangement will begin on the day after the date of receipt.

Subject to the PFIC rules discussed below, any gain or loss described in clause (a)) immediately above would be capital gain or loss, which would be long-term capital gain or loss if such Mandalay Shares are held for more than one year on the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes.

For these purposes, U.S. Holders must calculate gain or loss separately for each identified block of Mandalay Shares (that is, the Mandalay Shares acquired at the same cost in a single transaction) surrendered in exchange for Alkane Shares pursuant to the Arrangement.

Passive Foreign Investment Company Rules Applicable to the Arrangement

A U.S. Holder of Mandalay Shares would be subject to special, adverse tax rules in respect of the Arrangement if Mandalay were classified as a "passive foreign investment company" within the meaning of Section 1297 of the U.S. Tax Code (a "**PFIC**") for any tax year during which such U.S. Holder holds or held Mandalay Shares.

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A non-U.S. corporation is classified as a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) ("**PFIC Income Test**") or (ii) on average for such tax year, 50% or more (by value) of its assets either produce or are held for the production of passive income ("**PFIC Asset Test**"). For purposes of the PFIC provisions, "gross income" generally includes sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes dividends, interest, certain royalties and rents, and gains from commodities or securities transactions.

For purposes of the PFIC Income Test and PFIC Asset Test, if Mandalay owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, Mandalay will be treated as if it (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC Income Test and PFIC Asset Test, "passive income" does not include certain interest, dividends, rents or royalties that are received or accrued by Mandalay from certain "related persons" (as defined in Section 954(d)(3) of the U.S. Tax Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Mandalay believes that it was not a PFIC during certain prior tax years and based on current business plans and financial expectations, expects that it should not be a PFIC during its current taxable year. No opinion of legal counsel or ruling from the IRS concerning the status of Mandalay as a PFIC has been obtained or is currently planned to be requested. However, PFIC classification is factual in nature, generally cannot be determined until the close of the tax year in question and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Mandalay during the current tax year which includes the Effective Date or any prior tax year. U.S. Holders should consult their own tax advisors regarding the classification of Mandalay as a PFIC for each tax year in such U.S. Holder's holding period for its Mandalay Shares.

Section 1291(f) of the U.S. Tax Code provides that, to the extent provided in U.S. Treasury Regulations, any gain on the transfer of stock in a PFIC shall be recognized notwithstanding any other provision of the U.S. Tax Code. Under proposed U.S. Treasury Regulations, absent application of the PFIC-for-PFIC Exception discussed below, if Mandalay is classified as a PFIC for any tax year during which a U.S. Holder has held Mandalay Shares, special rules may increase such U.S. Holder's U.S. federal income tax liability with respect to the Arrangement. Under these default PFIC rules:

(a) the Arrangement would be treated as a taxable exchange in which gain (but not loss) would be recognized by a U.S. Holder even if such transaction qualifies as a Reorganization;

(b) any gain on the exchange of Mandalay Shares would be allocated ratably over such U.S. Holder's holding period;

(c) the amount allocated to the current tax year and any year prior to the first year in which Mandalay was classified as a PFIC would be taxed as ordinary income in the current year;

(d) the amount allocated to each of the other tax years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and

(e) an interest charge for a deemed deferral benefit would be imposed with respect to the resulting tax attributable to each of the other tax years referred to in (d) above, which interest charge would generally not be deductible by non-corporate U.S. Holders.

There are certain U.S. federal income tax elections that may be made to generally mitigate or avoid these PFIC tax consequences if Mandalay were to be classified as a PFIC for any tax year during which a U.S. Holder has held Mandalay Shares, including a ("**Mark-to-Market Election**") under Section 1296 of the U.S. Tax Code or an election to treat Mandalay as a "qualified electing fund" (a "**QEF**") under Section 1295 of the U.S. Tax Code (a "**QEF Election**"). However, such QEF Elections are available in limited circumstances, generally would require Mandalay to provide certain tax-related information to U.S. Holders and must be made in a timely manner. U.S. Holders should be aware that there can be no assurances that Mandalay has satisfied the record keeping requirements that apply to a

QEF, or that Mandalay has supplied or would supply U.S. Holders with tax-related information such U.S. Holders require to report under the QEF rules. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Mandalay Shares. The rules regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election are complex, and U.S. Holders should consult their own tax advisors regarding the availability of, and procedure for making, such elections.

Notwithstanding the foregoing, if (a) the Arrangement qualifies as a Reorganization, (b) Mandalay was classified as a PFIC for any tax year during which a U.S. Holder holds or held Mandalay Shares, and (c) Alkane is classified as a PFIC for the tax year that includes the day after the Effective Date, then proposed U.S. Treasury Regulations generally provide for Reorganization treatment to apply to such U.S. Holder's exchange of Mandalay Shares for Alkane Shares pursuant to the Arrangement (for a discussion of the general non-recognition treatment of a Reorganization, see the discussion above under the heading "*Tax Consequences if the Arrangement Qualifies as a Reorganization*"). For purposes of this summary, this exception will be referred to as the "**PFIC-for-PFIC Exception**". In addition, in order to qualify for the PFIC-for-PFIC Exception, proposed U.S. Treasury Regulations require a U.S. Holder to report certain information to the IRS on IRS Form 8621 filed with such U.S. Holder's U.S. federal income tax return for the tax year in which the Arrangement occurs.

Mandalay understands that Alkane believes that it was not a PFIC during certain prior tax years and based on current business plans and financial expectations, expects that it should not be a PFIC during its current taxable year. No opinion of legal counsel or ruling from the IRS concerning the status of Alkane as a PFIC has been obtained or is currently planned to be requested. If the proposed U.S. Treasury Regulations are finalized in their current form and made applicable to the Arrangement (even if this occurs after the Effective Date), and Mandalay is classified as a PFIC for any tax year during a U.S. Holder's holding period for its Mandalay Shares, and Alkane is classified as a PFIC for the tax year that includes the day after the Effective Date, then the PFIC-for-PFIC Exception could be available to U.S. Holders with respect to the Arrangement. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the applicability of the PFIC-for-PFIC Exception to the Arrangement.

In addition, the proposed U.S. Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed U.S. Treasury Regulations state that they are to be effective for transactions occurring on or after April 1, 1992. However, because the proposed U.S. Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance they will be finally adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final U.S. Treasury Regulations, taxpayers may apply reasonable interpretations of the U.S. Tax Code provisions applicable to PFICs and that it considers the rules set forth in the proposed U.S. Treasury Regulations to be reasonable interpretations of those U.S. Tax Code provisions.

The application of the PFIC rules is complex and subject to differing interpretations. Each U.S. Holder should consult its own tax advisor regarding the potential application of the PFIC rules to the exchange of Mandalay Shares for Alkane Shares pursuant to the Arrangement and the information reporting responsibilities in connection with the Arrangement.

Additional information regarding the PFIC rules is discussed below under "*Ownership and Disposition of Alkane Shares – Passive Foreign Investment Company Rules Related to the Ownership and Disposition of Alkane Shares*".

Dissent Rights

Regardless of whether the Arrangement qualifies as a Reorganization, a U.S. Holder that properly exercises Dissent Rights with respect to Mandalay Shares will recognize taxable gain or loss based upon the difference between the amount of cash received by such U.S. Holder and the U.S. Holder's tax basis in the Mandalay Shares. Subject to the discussion under "*Passive Foreign Investment Company Rules Applicable to the Arrangement*" above related to the possible application of the PFIC rules, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Mandalay Shares exceeds the applicable holding period (currently one year). Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to complex limitations

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under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes.

Ownership and Disposition of Alkane Shares

Passive Foreign Investment Company Rules Related to the Ownership and Disposition of Alkane Shares

If Alkane is classified as a PFIC for any year during a U.S. Holder's holding period, certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the ownership and disposition of Alkane Shares. Mandalay understands that Alkane believes that it was not a PFIC during certain prior tax years and based on current business plans and financial expectations, expects that it should not be a PFIC during its current taxable year. No opinion of legal counsel or ruling from the IRS concerning the status of Alkane as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this Circular. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Alkane (or any subsidiary of Alkane) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of Alkane and each subsidiary of Alkane.

In any year in which Alkane is classified as a PFIC, a U.S. Holder will generally be required to file an annual report with the IRS containing such information as U.S. Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

Under certain attribution rules, if Alkane is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of Alkane's direct or indirect equity interest in any company that is also a PFIC (a "**Subsidiary PFIC**"), and will generally be subject to U.S. federal income tax on their proportionate shares of (a) any "excess distributions", as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by Alkane or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Alkane Shares. Accordingly, U.S. Holders could be subject to tax under the PFIC rules even if no distributions are received and no redemptions or other dispositions of Alkane Shares are made.

Default PFIC Rules Under Section 1291 of the U.S. Tax Code

If Alkane is a PFIC for any tax year during which a U.S. Holder owns Alkane Shares, the U.S. federal income tax consequences to such U.S. Holder of the ownership and disposition of Alkane Shares will depend on whether and when such U.S. Holder makes a QEF Election or a Mark-to-Market Election. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "**Non-Electing U.S. Holder**".

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the U.S. Tax Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Alkane Shares and (b) any "excess distribution" received on the Alkane Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Alkane Shares, if shorter).

Any gain recognized on the sale or other taxable disposition of Alkane Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on Alkane Shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective Alkane Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income (and

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not eligible for certain preferred tax rates). The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must generally treat any such interest paid as "personal interest", which is not deductible.

If Alkane is classified as a PFIC for any tax year during which a Non-Electing U.S. Holder holds Alkane Shares, Alkane will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Alkane ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which would be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above), but not loss, as if such Alkane Shares were sold on the last day of the last tax year for which Alkane was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its Alkane Shares begins generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Alkane Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of Alkane, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of Alkane, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Alkane is a PFIC, regardless of whether such amounts are actually distributed to the U.S. Holder by Alkane. However, for any tax year in which Alkane is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, the U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If the U.S. Holder is not a corporation, any such interest paid will generally be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to Alkane generally (a) may receive a tax-free distribution from Alkane to the extent that such distribution represents "earnings and profits" of Alkane that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Alkane Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Alkane Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Alkane Shares in which Alkane was a PFIC. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the Alkane Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above) as if such Alkane Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes an untimely or ineffective QEF Election, then such U.S. Holder will not be subject to the QEF Election rules and will be subject to tax under the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Alkane Shares. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Alkane ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Alkane is not a PFIC. Accordingly, if Alkane becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Alkane qualifies as a PFIC.

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U.S. Holders should be aware that there can be no assurances that Alkane will satisfy the record keeping requirements that apply to a QEF, or that Alkane will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that Alkane is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Alkane Shares. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election with respect to Alkane and any Subsidiary PFIC.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if Alkane does not provide the required information with regard to Alkane or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the U.S. Tax Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Alkane Shares are marketable stock. The Alkane Shares generally will be "marketable stock" if the Alkane Shares are regularly traded on (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Each U.S. Holder should consult its own tax advisor in this matter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Alkane Shares generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to such Alkane Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Alkane Shares for which Alkane is a PFIC and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the U.S. Tax Code discussed above will apply to certain dispositions of, and distributions on, the Alkane Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Alkane is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Alkane Shares, as of the close of such tax year over (b) such U.S. Holder's adjusted tax basis in such Alkane Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Alkane Shares, over (b) the fair market value of such Alkane Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally will adjust such U.S. Holder's tax basis in the Alkane Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Alkane Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the U.S. Tax Code and U.S. Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a properly completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Alkane Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Alkane Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning,

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because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to avoid the application of the default rules of Section 1291 of the U.S. Tax Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC to its shareholder.

Other PFIC Rules

Under Section 1291(f) of the U.S. Tax Code, the IRS has issued proposed U.S. Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Alkane Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Alkane Shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if Alkane is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the U.S. Tax Code, a U.S. Holder that uses Alkane Shares as security for a loan will, except as may be provided in U.S. Treasury Regulations, be treated as having made a taxable disposition of such Alkane Shares.

In addition, a U.S. Holder who acquires Alkane Shares from a decedent will not receive a "step up" in tax basis of such Alkane Shares to fair market value unless such decedent had a timely and effective QEF Election in place.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules related to distributions by a PFIC and their eligibility for the foreign tax credit are complicated.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Alkane Shares.

Taxation of Distributions

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Alkane Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Australian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the distributing company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if the distributing company is a PFIC. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the distributing company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the shares of the distributing company and thereafter as gain from the sale or exchange of such shares. See the discussion below under the heading "*Sale or Other Taxable Disposition of Alkane Shares*". However, the distributing company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution with respect to the Alkane Shares will constitute ordinary dividend income. Dividends received on Alkane Shares generally will not be eligible for the "dividends received deduction". In addition, distributions from Alkane on Alkane Shares will not constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains if the distributing company were a PFIC either in the year of the distribution or in the immediately preceding year, or if the distributing company is not eligible for the benefits of the applicable U.S. tax treaty and its shares are not readily tradable on an established securities market in the United States. The dividend rules are complex, and each U.S. Holder should consult its own tax adviser regarding the application of such rules.

Sale or Other Taxable Disposition of Alkane Shares

Upon the sale or other taxable disposition of Alkane Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's adjusted tax basis in such shares sold or otherwise disposed of. A U.S.

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Holder's tax basis in Alkane Shares generally will be such holder's U.S. dollar cost for such shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

Additional Considerations

Foreign Tax Credit

Dividends paid on the Alkane Shares will be treated as foreign-source income, and generally will be treated as "passive category income" or "general category income" for U.S. foreign tax credit purposes. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes. The U.S. Tax Code applies various complex limitations on the amount of foreign taxes that may be claimed as a result by U.S. taxpayers. In addition, U.S. Treasury Regulations that apply to taxes paid or accrued (the "**Foreign Tax Credit Regulations**") impose additional requirements for Australian withholding taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied.

Subject to the PFIC rules and the Foreign Tax Credit Regulations discussed above, a U.S. Holder that pays (whether directly or through withholding) Australian income tax with respect to dividends paid on Alkane Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Australian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex, and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Alkane Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning and disposing of foreign currency.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and U.S. Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. Person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. Person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their Alkane Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

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Payments made within the U.S. or by a U.S. payor or U.S. middleman of (a) distributions on the Alkane Shares, (b) proceeds arising from the sale or other taxable disposition of Alkane Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) will generally be subject to information reporting and backup withholding tax, currently, at the rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ARRANGEMENT AND THE OWNERSHIP AND DISPOSITION OF ALKANE SHARES RECEIVED PURSUANT TO THE ARRANGEMENT. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

INFORMATION CONCERNING ALKANE AND ACQUIRECO

Alkane is an exploration, development and production company with projects and operations located in Central West NSW. Alkane owns and operates Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo. Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation. Alkane also holds several highly prospective gold and copper tenements in Central West NSW, Australia.

Alkane's registered office and principal place of business is located at Level 4, 66 Kings Park Rd, West Perth, Western Australia 6005. The Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[10]

AcquireCo, being a direct wholly-owned subsidiary of Alkane, is a company incorporated under the laws of the Province of British Columbia. AcquireCo was incorporated on April 25, 2025 as 1536968 B.C. Ltd. To date, AcquireCo has not carried on any business except in connection with its role in the Arrangement. The authorized capital of AcquireCo consists of an unlimited number of common shares without par value.

Additional Information about Alkane

For more information regarding the business of Alkane, its operations and mineral properties, see Appendix J of this Circular.

[10] Effective July 1, 2025, the OTC Pink Market will cease to exist. Alkane has applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

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INFORMATION CONCERNING THE COMBINED COMPANY

On completion of the Arrangement, AcquireCo will directly own, and Alkane will indirectly own, all of the issued and outstanding Mandalay Shares. After completion of the Arrangement, the business and operations of Mandalay will be managed and operated as a subsidiary of Alkane. Alkane expects that the business and operations of Alkane and Mandalay will be consolidated and the principal executive office of the Combined Company will be located at Alkane's current principal executive office, being Level 4, 66 Kings Park Rd, West Perth, Western Australia 6005.

For more information regarding the businesses, operations and mineral properties of the Combined Company following the completion of the Arrangement, see Appendix K of this Circular.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Certain of the Corporation's current directors and officers will serve as directors and/or officers of Alkane after the completion of the Arrangement. Information concerning such directors and officers is provided under the heading "*Directors and Officers*" in Appendix K of this Circular. Other than as set forth in "*The Arrangement – Interests of Certain Persons in the Arrangement*", management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any associate or affiliate of such informed person in any transaction during the Corporation's last financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

AUDITOR

KPMG LLP has been the auditor of the Corporation since June 2, 2023.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca under Mandalay's issuer profile. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2024. Mandalay Shareholders may obtain copies of the Corporation's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2024 upon written request to the Chief Financial Officer of the Corporation.

The Canadian Securities Administrators allow certain information filed with the Canadian Securities Administrators to be incorporated by reference into this Circular, which means that important information can be disclosed to you by referring you to other documents filed separately with the Canadian Securities Administrators. You should read the information incorporated by reference because it is an important part of this Circular.

OTHER MATTERS

Management of Mandalay is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting.

APPROVAL

The contents of this Circular and the sending thereof to the Mandalay Shareholders have been approved by the Mandalay Board.

DATED as of the 24th day of June, 2025.

BY ORDER OF THE MANDALAY BOARD

(signed) "*Brad Mills"*

Brad Mills
Chair of the Board of Directors
Mandalay Resources Corporation

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CONSENT OF HAYWOOD SECURITIES INC.

To: The Board of Directors of Mandalay Resources Corporation

We refer to the full text of the written fairness opinion dated as of April 27, 2025 (the "**Haywood Fairness Opinion**"), which we prepared solely for the benefit and use of the board of directors (the "**Board**") of Mandalay Resources Corporation ("**Mandalay**") in connection with the arrangement involving Mandalay, Alkane Resources Limited and 1536968 B.C. Ltd., as described in the management information circular of Mandalay dated June 24, 2025 (the "**Circular**").

We consent to the inclusion of the Haywood Fairness Opinion as "Appendix F" to the Circular and references to our firm name and the Haywood Fairness Opinion in the Circular. In providing such consent, we do not intend that any person other than the Board shall rely upon the Haywood Fairness Opinion.

The Haywood Fairness Opinion was given as at April 27, 2025, and remains subject to the assumptions, limitations and qualifications contained therein.

(signed) *"Haywood Securities Inc."*

Haywood Securities Inc.
Vancouver, British Columbia
June 24, 2025

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CONSENT OF GENCAP MINING ADVISORY LTD.

To: The Board of Directors of Mandalay Resources Corporation

We refer to the full text of the written fairness opinion dated as of April 27, 2025 (the "**GenCap Fairness Opinion**"), which we prepared solely for the benefit and use of the board of directors (the "**Board**") of Mandalay Resources Corporation ("**Mandalay**") in connection with the arrangement involving Mandalay, Alkane Resources Limited and 1536968 B.C. Ltd., as described in the management information circular of Mandalay dated June 24, 2025 (the "**Circular**").

We consent to the inclusion of the GenCap Fairness Opinion as "Appendix G" to the Circular and references to our firm name and the GenCap Fairness Opinion in the Circular. In providing such consent, we do not intend that any person other than the Board shall rely upon the GenCap Fairness Opinion.

(signed) *"GenCap Mining Advisory Ltd."*

GenCap Mining Advisory Ltd.
Toronto, Ontario
June 24, 2025

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APPENDIX A
GLOSSARY OF TERMS

In this Circular, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

"**20% Rule**" has the meaning ascribed thereto in "*Appendix I – Take-over Requirements –Alkane*" of this Circular

"**AASB**" has the meaning ascribed thereto in *"General Matters – Financial Information"* of this Circular.

"**AC**" means air core.

"**Acceptable Confidentiality Agreement**" has the meaning ascribed thereto in the Arrangement Agreement.

"**AISC**" means all-in sustaining cost.

"**AcquireCo**" means 1536968 B.C. Ltd., a company existing under the Laws of British Columbia and a direct wholly-owned subsidiary of Alkane.

"**AcquireCo Common Shares**" means the common shares in the capital of AcquireCo.

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned subsidiaries, any offer, proposal or inquiry from any person or group of persons acting jointly or in concert received by a Party or by a Representative of a Party, whether or not in writing and whether or not delivered to the shareholders of such Party, after the date of the Arrangement Agreement relating to: (a) any direct or indirect sale or disposition (or any joint venture, lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or series of related transactions, of: (i) any assets of that Party and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its subsidiaries, taken as a whole (or any lease, long-term supply or off-take agreement, hedging arrangement or other transaction having the same economic effect as a sale of such assets) (in each case, determined based upon the most recent publicly available consolidated financial statements of that Party), or (ii) 20% or more of the issued and outstanding voting or equity securities of that Party or any one or more of its subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of that Party); (b) any direct or indirect take-over bid, tender offer or exchange offer that, if consummated, would result in such person or group of persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party or its subsidiaries; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving that Party or any of its subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of that Party); or (d) any other similar transaction or series of transactions involving the Party or any of its subsidiaries, and, in all cases, whether in a single transaction or in a series of related transactions.

"**affiliate**" has the meaning given to it in the Securities Act.

"**AIFRS**" means Australian International Financial Reporting Standards.

"**Ajax**" Ajax Joinery Pty Ltd.

"**Alkane**" means Alkane Resources Limited.

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"**Alkane Benefit Plans**" means all health, welfare, dental, vision, sickness, death, life, flexible spending, supplemental unemployment benefit, bonus, change of control, retention, severance, termination, loan, allowance, spending account, profit sharing, insurance, incentive, incentive compensation, or deferred compensation plans, share purchase, share options, share compensation, or other equity-based compensation plans, disability, pension (including superannuation) or retirement income or savings plans, vacation or other paid time off, top-up parental leave and any other arrangements or benefit plans, policies, programs, arrangements, or practices which are (a) sponsored, maintained, contributed to or required to be contributed to by Alkane or any of its subsidiaries, or (b) for which Alkane or any of its subsidiaries has any actual or contingent liability or obligation with respect to any current or former employee, officer, director or Independent Contractor of Alkane or any of its subsidiaries (or to any dependant or beneficiary of any such person), excluding Statutory Plans and written employment Contracts that do not provide for notice of termination or pay in lieu in excess of reasonable notice of termination at common law, but including the Alkane Plan.

"**Alkane Board**" means the board of directors of Alkane as the same is constituted from time to time.

"**Alkane Board Recommendation**" has the meaning ascribed thereto in the Arrangement Agreement.

"**Alkane Bonus Share Plan**" means the Alkane employee bonus share plan pursuant to which Alkane from time-to-time issues bonus shares to employees.

"**Alkane Budget**" means Alkane's budget for 2025, including capital expenditures, in the form appended to the Alkane Disclosure Letter.

"**Alkane Circular**" means the notice of the Alkane Meeting and accompanying explanatory statement, including all schedules, appendices and exhibits thereto, to be sent to the Alkane Shareholders in connection with the Alkane Meeting, as amended, supplemented or otherwise modified from time to time.

"**Alkane Constitution**" means the constitution of Alkane as adopted by Alkane Shareholders on November 28, 2022.

"**Alkane Data Room**" means the material contained in the virtual data room established by Alkane on SecureDocs as of 6:00 p.m. (Toronto time) on April 25, 2025.

"**Alkane Disclosure Letter**" means the disclosure letter delivered by Alkane to Mandalay.

"**Alkane Financial Statements**" means the audited consolidated financial statements of Alkane for the years ended June 30, 2024 and 2023 and the auditor reviewed consolidated financial statements of Alkane for the half-year periods ended December 31, 2024 and 2023.

"**Alkane Group**" means Alkane and its subsidiaries.

"**Alkane Material Contract**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Alkane Meeting**" means the general meeting of the Alkane Shareholders, including any adjournment or postponement thereof, to be called and held to consider the Share Issuance Resolution and any other matters as may be set out in the Alkane Circular.

"**Alkane Mineral Right**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Alkane Performance Rights**" means a right to subscribe for one Alkane Share, subject to the satisfaction (or waiver) of the applicable vesting conditions pursuant to the Alkane Plan.

"**Alkane Plan**" means Alkane's Performance Rights Plan, which was last approved by the Alkane Shareholders on November 26, 2024.

"**Alkane Share**" means a fully paid ordinary share in the capital of Alkane.

"**Alkane Shareholder Approval**" means the approval of the Alkane Shareholders of the Share Issuance Resolution by the requisite majority pursuant to the ASX Listing Rules.

"**Alkane Shareholders**" means the holders of Alkane Shares.

"**Alkane Supporting Shareholders**" means the directors of Alkane listed on Schedule "F" to the Arrangement Agreement.

"**Alkane Technical Reports**" means, collectively, the Boda-Kaiser Technical Report and the Tomingley Technical Report.

"**Alkane Voting Intention Statements**" means the voting intention statements delivered to Alkane by the Alkane Supporting Shareholders setting forth their intention to vote their Alkane Shares in favour of the Share Issuance Resolution, subject to the terms and conditions thereof.

"**allowable capital loss**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" of this Circular.

"**Amalco**" has the meaning ascribed thereto in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders"* of this Circular.

"**Amalgamation**" has the meaning ascribed thereto in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders"* of this Circular.

"**Arrangement**" means an arrangement under the provisions of Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of Mandalay and Alkane, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated April 27, 2025 among Alkane, Mandalay, and AcquireCo, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Arrangement Resolution**" means the special resolution of the Mandalay Shareholders approving the Arrangement to be considered at the Meeting, in the form and content of Appendix B to this Circular.

"**ASIC**" means the Australian Securities and Investments Commission.

"**associate**" has the same meaning as ascribed to the term "associated entity" in MI 61-101.

"**ASX**" means the Australian Securities Exchange.

"**ASX 300**" means S&P/ASX 300 Index.

"**ASX Corporate Governance Principals**" has the meaning ascribed thereto in "*Appendix I – Directors – Number and Election of Directors – Alkane*" of this Circular.

"**ASX Listing Rules**" means the official listing rules of the ASX as varied, waived or modified from time to time.

"**Atlas**" means Atlas Iron Limited.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) and the regulations made thereunder.

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"**BNS Credit Agreement**" means the credit agreement dated December 1, 2022, among Mandalay as borrower, the lenders from time to time parties thereto as lenders, The Bank of Nova Scotia as administrative agent and arranger, and HSBC Bank USA, National Association and Macquarie Bank Limited as existing secured hedge counterparties.

"**BNS Letter of Credit**" means the irrevocable standby letter of credit or letter of guarantee dated July 22, 2022, issued by The Bank of Nova Scotia in favour of Bonito Capital Corp.

"**Boda-Kaiser Project**" means Alkane's Boda-Kaiser Project located 20 km northeast of Wellington in Central West NSW, as further described in the Boda-Kaiser Technical Report.

"**Boda-Kaiser Technical Report**" means the technical report entitled "Boda-Kaiser Copper-Gold Project, New South Wales, Australia" with an effective date of June 6, 2025, prepared by Andrew Waltho, BAppSc Hons (App. Geo.), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geology), PGeo (Ontario), Aaron Meakin, BSc Hons, MAppFin, MAusIMM CPGeo and Nick MacNulty, BScEng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd.

"**Boda Historical Estimate**" means the historical Inferred MRE completed for the Boda deposit and reported in accordance with the JORC Code in 2022.

"**Books and Records**" means the books and records of a Party and its subsidiaries including, to the extent existing, financial, corporate, operations and sales books, records, books of account, sales, purchase and billing records, lists of suppliers and customers, business reports, reports of customer contacts, employee documents and files, human resources materials and all other documents, files, records, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media, and all Tax records and Tax Returns.

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Perth, Western Australia are open for the conduct of business.

"**Canadian Securities Administrators**" means the voluntary umbrella organization of Canada's provincial and territorial securities regulators.

"**Canadian Securities Laws**" means the Securities Act, together with all other applicable provincial and territorial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**CCAA**" means the *Companies Creditors Arrangement Act* (Canada).

"**CCPC**" has the meaning ascribed thereto in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Additional Refundable Tax"* of this Circular.

"**CGT Withholding Amount**" has the meaning ascribed thereto in "*The Arrangement – Withholding Rights*" of this Circular.

"**Change in Recommendation**" has the meaning ascribed to such term in the Arrangement Agreement.

"**CIL**" means carbon-in-leach.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Standard**" means the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

"**Circular**" means this management information circular of Mandalay, including all appendices to this Circular, sent to Mandalay Shareholders in connection with the Meeting, including any amendments or supplements thereto in accordance with the terms of the Arrangement Agreement.

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"**Climax**" means Climax Mining Ltd (now OceanaGold Corporation).

"**Collective Agreement**" means any collective agreement, collective bargaining agreement, enterprise agreement, transitional instrument or related bargaining agent document (whether registered or unregistered) that is binding on a Party or any of its subsidiaries, including any arbitration decision, letter or memorandum of understanding or agreement with bargaining agents, letter of intent with bargaining agents or other written communication with bargaining agents, in each case, which covers or would pertain to the employment or engagement of any Employee or Independent Contractor of such Party or impose any obligations upon such Party in connection with the employment or engagement of any Employee or Independent Contractor.

"**Combined Company**" means Alkane and Mandalay, following completion of the Arrangement, with Mandalay becoming an indirect wholly-owned subsidiary of Alkane.

"**Combined Company Board**" means the board of directors of the Combined Company as the same is constituted from time to time.

"**Competition Act**" means the *Competition Act* (Canada) and the regulations enacted thereunder.

"**Consideration**" means the Alkane Shares to be issued to the Mandalay Shareholders pursuant to the Plan of Arrangement, being a number of Alkane Shares for each Mandalay Share equal to the Exchange Ratio.

"**Constating Documents**" means notice of articles, articles of incorporation, amalgamation, arrangement or continuation, as applicable, articles, by-laws, certificates of incorporation, certificates of change of company name (as applicable), constitutions or other constating documents and all amendments thereto.

"**Contract**" means any contract, agreement, license, lease, arrangement or other right or obligation to which Mandalay or Alkane or any of their respective subsidiaries is a party or by which Mandalay or Alkane or any of their respective subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"**Controlling Individual**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Eligibility for Investment by Registered Plans*" of this Circular.

"**Corporation**" means Mandalay Resources Corporation.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Court**" means the Supreme Court of British Columbia.

"**CRA**" means the Canada Revenue Agency

"**CRM**" means Certified Reference Materials.

"**DD**" means diamond core drilling.

"**Depositary**" means Computershare Investor Services Inc., in its role as depositary for the purpose of, among other things, exchanging certificates representing Mandalay Shares for certificates representing Alkane Shares pursuant to the Arrangement.

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**Dissenting Non-Resident Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*" of this Circular.

"**Dissenting Resident Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*" of this Circular.

"**Dissenting Shareholder**" means a Registered Mandalay Shareholder that has duly and validly exercised their Dissent Rights and that has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and that is ultimately determined to be entitled to be paid the fair value of its Mandalay Shares.

"**DPI**" means the NSW Department of Planning and Infrastructure.

"**DPIE**" means the NSW Department of Planning and Environment.

"**DRS**" means a direct registration statement evidencing the securities held by a securityholder in book-based form in lieu of a physical share certificate.

"**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with Section 2.7(a) of the Arrangement Agreement.

"**Effective Time**" means 3:01 a.m. (Toronto time) on the Effective Date.

"**EIS**" means the Environmental Impact Statement lodged for the development of the Tomingley Gold Extension Project on January 22, 2022.

"**EL**" means exploration license.

"**Employees**" means all employees of a Party or its subsidiaries, as the case may be, including casual, part-time and full-time employees, in each case, whether active or inactive, unionized or non-unionized.

"**ESG**" means environmental, social and governance.

"**Exchange**" means with respect to Mandalay, the TSX, and with respect to Alkane, the ASX.

"**Exchange Ratio**" means 7.875 Alkane Shares for each Mandalay Share.

"**Executive Employment Agreements**" has the meaning ascribed thereto in *The Arrangement – Interests of Certain Persons in the Arrangement – Termination and Change of Control Benefits*.

"**Expense Fee**" has the meaning ascribed to such term in Section 7.4(j)(i) of the Arrangement Agreement.

"**Fair Market Value**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Fairness Opinions**" means, collectively, the Haywood Fairness Opinion and the GenCap Fairness Opinion, and "**Fairness Opinion**" means any one of them.

"**FATA**" means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

"**Final Order**" means the final order of the Court pursuant to Section 291(4) of the BCBCA approving the Arrangement, after being informed of the intention to rely upon the exemption from the registration requirements under section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of the Consideration, approving the Arrangement, in form and substance acceptable to both Mandalay and Alkane, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement to the Mandalay Securityholders, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Mandalay and Alkane, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Mandalay and Alkane, each acting reasonably).

"**FIRB**" means the Foreign Investment Review Board of Australia.

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"**FIRB Application**" means the application for FIRB Approval to be made by Alkane and the co-applicant(s) set out therein in relation to the transactions contemplated by the Arrangement Agreement.

"**FIRB Approval**" means the Treasurer (or their delegate): (i) provides written notice that there are no objections under FATA to the acquisition of the Mandalay Shares by Alkane under the Arrangement Agreement or the Arrangement, and if any conditions are imposed by the Treasurer (or their delegate) to such non-objection, they are: (A) tax-related conditions which are in the form, or substantially in the form of those set out under the heading 'Standard tax conditions' in Section D of version 4 of FIRB's Guidance Note 12 on 'Tax Conditions' (in the form last updated on March 14, 2025); or (B) such other conditions as are acceptable to Alkane acting reasonably; or (ii) provides written confirmation that the acquisition of the Mandalay Shares by Alkane under the Arrangement Agreement or the Arrangement does not require notification under the FATA, is not subject to the FATA or can proceed without the issuance of a no objection notice under the FATA; or (iii) (following notice of the acquisition of the Mandalay Shares by Alkane under the Arrangement Agreement or the Arrangement having been given under the FATA) becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the acquisition of the Mandalay Shares by Alkane under the Arrangement Agreement or the Arrangement, whichever first occurs.

"**First Proposal**" has the meaning ascribed thereto in "*The Arrangement – Background to the Arrangement*" of this Circular.

"**Foreign Tax Credit Regulations**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Additional Considerations – Foreign Tax Credit*" of this Circular.

"**Former Mandalay Shareholders**" means the holders of Mandalay Shares (other than Dissenting Shareholders, Alkane and its affiliates) immediately prior to the Effective Time.

"**forward-looking information**" has the meaning ascribed thereto in "*Cautionary Statement Regarding Forward-Looking Information*" of this Circular.

"**FY**" means financial year.

"**GDXJ**" means the VanEck Junior Gold Miners ETF.

"**GenCap**" means GenCap Mining Advisory Ltd.

"**GenCap Engagement Letter**" means the engagement letter between Mandalay and GenCap dated April 4, 2025.

"**GenCap Fairness Opinion**" means the opinion of GenCap to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by the Mandalay Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. A copy of the GenCap Fairness Opinion is attached as Appendix G to this Circular.

"**GL**" means lease.

"**Good Mining Practices**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Governmental Entity**" means: (a) any multinational, federal, provincial, state, territorial, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, bureau, board or authority of any of the foregoing; (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange, including the Exchanges.

"**Harte**" means Harte Gold Corp.

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"**Harte Transaction**" has the meaning ascribed to such term in "*Appendix K – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*" of this Circular.

"**Haywood**" means Haywood Securities Inc.

"**Haywood Engagement Letter**" means the engagement letter between Mandalay and Haywood dated March 17, 2025, pursuant to which Haywood was retained to act as financial advisor in connection with a potential transaction involving Alkane.

"**Haywood Fairness Opinion**" means the opinion of Haywood to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by the Mandalay Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. A copy of the Haywood Fairness Opinion is attached as Appendix F to this Circular.

"**Haywood Fairness Opinion Agreement**" means the letter agreement between Mandalay and Haywood dated April 16, 2025, pursuant to which Haywood was retained to prepare and deliver the Haywood Fairness Opinion.

"**Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations*" of this Circular.

"**HQ**" means drill core (63.5mm).

"**HQ3**" means drill core collected using a non-rotating barrel to preserve core quality and maximise core recovery.

"**ICP-AES**" means inductively coupled plasma-atomic emission spectrometry.

"**ICP-MS**" means inductively coupled plasma-mass spectrometry.

"**IFRS**" means International Financial Reporting Standards, at the relevant time, prepared on a consistent basis.

"**Income Tax Assessment Act**" means the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth) and the Taxation Administration Act 1953 (Cth) and the regulations thereunder, as amended from time to time.

"**Independent Contractor**" of a Party or any of its subsidiaries, means (a) any individual independent contractor, consultant or service provider who is not an Employee, or (b) any such individual's personal services company.

"**Interim Order**" means the interim order of the Court, after being informed of the intention to rely upon the exemption from the registration requirements under section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Share Consideration, to be issued following the application therefor contemplated by the Arrangement Agreement, providing for, among other things, the calling and holding of the Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Mandalay and Alkane, each acting reasonably.

"**Intermediary**" has the meaning ascribed thereto in "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of this Circular.

"**Investment Assets**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada* – Offshore Investment Fund Property Rules" of this Circular.

"**Investment Canada Act**" means the *Investment Canada Act*, as amended from time to time.

"**IRR**" means internal rate of return.

"**IRS**" means the U.S. Internal Revenue Service.

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"**ISP**" means the Swedish Inspectorate of Strategic Products.

"**JORC Code**" means the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

"**Kaiser Historical Estimate**" means the historical Inferred MRE completed for the Kaiser deposit in accordance with the JORC Code (2012 Edition) in 2023.

"**Key Regulatory Approvals**" means the FIRB Approval and the Swedish FDI Approval.

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, Orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term "**applicable**" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of transmittal (printed on white paper) delivered by Mandalay to Mandalay Shareholders together with this Circular, providing for the delivery of Mandalay Shares to the Depositary.

"**LHOS**" means longhole open stope (underground mining method).

"**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, royalties, encumbrances and adverse rights or claims, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Loan Facility**" has the meaning ascribed thereto in *"Appendix J – General Development of the Business – Three Year History – FY23 Developments"* of this Circular.

"**LOM**" means life of mine.

"**LTI**" has the meaning ascribed thereto in "*Appendix J – Executive Compensation – Compensation Components*" of this Circular.

"**Mandalay**" means Mandalay Resources Corporation.

"**Mandalay Benefit Plans**" means all health, welfare, dental, vision, sickness, death, life, flexible spending, supplemental unemployment benefit, bonus, change of control, retention, termination, severance, loan, allowance, spending account, profit sharing, insurance, incentive, incentive compensation, or deferred compensation plans, share purchase, share options, share compensation, or other equity-based compensation plans, disability, pension (including superannuation) or retirement income or savings plans, vacation or other paid time off, top-up parental leave and any other arrangements or benefit plans, policies, programs, arrangements, or practices which are (a) sponsored, maintained, contributed to or required to be contributed to by Mandalay or any of its subsidiaries, or (b) for which Mandalay or any of its subsidiaries has any actual or contingent liability or obligation with respect to any current or former employee, officer, director or Independent Contractor of Mandalay or any of its subsidiaries (or to any dependant or beneficiary of any such person), excluding Statutory Plans and written employment Contracts that do not provide for notice of termination or pay in lieu in excess of reasonable notice of termination at common law, but including the Mandalay Plans.

"**Mandalay Board**" means the board of directors of Mandalay as the same is constituted from time to time.

"**Mandalay Board Recommendation**" has the meaning ascribed to such term in Section 2.4(c) of the Arrangement Agreement.

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"**Mandalay Budget**" means Mandalay's budget for 2025, including capital expenditures, in the form appended to the Mandalay Disclosure Letter.

"**Mandalay Data Room**" means the material contained in the virtual data room established by Mandalay as of 6:00 p.m. (Toronto time) on April 25, 2025.

"**Mandalay Disclosure Letter**" means the disclosure letter executed by Mandalay and delivered to Alkane.

"**Mandalay DSUs**" means the outstanding deferred share units of Mandalay issued under the Mandalay Omnibus Plan.

"**Mandalay Financial Statements**" means the audited consolidated financial statements of Mandalay for the fiscal years ended December 31, 2024 and 2023.

"**Mandalay Incentive Securities**" means collectively, the Mandalay Options, Mandalay PSUs, Mandalay DSUs, and Mandalay RSUs.

"**Mandalay Locked-up Shareholders**" means each of the senior officers, directors and significant shareholders of Mandalay listed on Schedule "E" to the Arrangement Agreement.

"**Mandalay Mineral Right**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Mandalay Omnibus Plan**" means the omnibus equity incentive plan of Mandalay, which was approved by Mandalay Shareholders at the annual general and special meeting on May 20, 2020.

"**Mandalay Options**" means the outstanding options of Mandalay to purchase Mandalay Shares issued under the Mandalay Plans.

"**Mandalay Plans**" means, collectively, the Mandalay Omnibus Plan and the Mandalay Stock Option Plan.

"**Mandalay PSUs**" means the outstanding performance share units of Mandalay issued under the Mandalay Omnibus Plan.

"**Mandalay RSUs**" means the outstanding restricted share units of Mandalay issued under the Mandalay Omnibus Plan.

"**Mandalay Securityholder**" means a holder of Mandalay Incentive Securities or Mandalay Shares.

"**Mandalay Shareholder Approval**" has the meaning ascribed thereto in *"The Arrangement – Approval of Arrangement Resolution"* of this Circular.

"**Mandalay Shareholders**" means the holders of Mandalay Shares.

"**Mandalay Shares**" means the common shares in the capital of Mandalay.

"**Mandalay Stock Option Plan**" means the second amended and restated stock option plan of Mandalay dated March 24, 2014.

"**Mandalay Voting and Lock-up Agreements**" means the voting and support agreements (including all amendments thereto) between Alkane and the Mandalay Locked-up Shareholders setting forth the terms and conditions upon which they agree to vote their Mandalay Shares in favour of the Arrangement Resolution.

"Mark-to-Market Election" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

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"**Matching Period**" has the meaning ascribed thereto in "*The Arrangement Agreement – Right to Accept Superior Proposal and Right to Match*" of this Circular.

"**Material Adverse Effect**" means, in respect of Mandalay or Alkane, any fact, change, event, occurrence, effect, state of facts, liability or circumstance that, individually or in the aggregate with other such facts, changes, events, occurrences, effects, states of facts, liabilities or circumstances, is or could reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, condition (financial or otherwise), liabilities (contingent or otherwise) or capitalization of such person and its subsidiaries taken as a whole, other than any fact, change, event, occurrence, effect, state of facts, liability or circumstance resulting from or arising in connection with:

(a) any change generally affecting the industries in which a Party or its subsidiaries operate, including any change in the price of gold, copper or antimony;

(b) any change in global, national or regional economic, political, or financial conditions, including changes in (i) financial markets, credit markets or capital markets, (ii) interest rates and credit ratings, (iii) inflation, (iv) currency exchange rates and (v) the imposition or adjustment of tariffs or duties;

(c) any hurricane, flood, tornado, earthquake or other natural or man-made disaster or acts of God, epidemic, pandemic or disease outbreak or any material worsening of such conditions existing as of the date of the Arrangement Agreement;

(d) any act of terrorism or any outbreak of hostilities or declared or undeclared war, cyberterrorism, civil unrest, civil disobedience, sabotage, cybercrime, national or international calamity, military action, declaration of a state of emergency or any other similar event, or any change, escalation or worsening thereof;

(e) any change in Law, IFRS, AIFRS or changes in regulatory accounting or Tax requirements, or in the interpretation, application or non-application of the foregoing by any Governmental Entity, after the date of the Arrangement Agreement;

(f) any specific action taken (or omitted to be taken) by a Party to the Arrangement Agreement that is expressly required to be taken (or, in the case of an omission, expressly prohibited to be taken) pursuant to the Arrangement Agreement or with the express prior written consent or at the written direction of the Parties hereto;

(g) any change in the market price or trading volume of a Party's securities (it being understood that the causes underlying such change in market price or trading volume may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);

(h) the failure in and of itself of a Party to meet any internal or published projections, forecasts or guidance or estimates of revenues, earnings, cash flows or other financial operating metrics of such Party or of any securities analysts before, on or after the date of the Arrangement Agreement (it being understood that the causes underlying such failure may, if not otherwise excluded from this definition of Material Adverse Effect, be deemed either alone or in combination to constitute, or be taken into account in determining whether a Material Adverse Effect has occurred); or

(i) the announcement or execution of the Arrangement Agreement or the Arrangement or the implementation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of Mandalay or Alkane with any of their customers, employees, shareholders, vendors, distributors, partners or suppliers arising as a direct consequence of same,

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but, in the case of clauses (a) through and including (e) of this definition, only to the extent that any such fact, change, event, occurrence, effect, state of facts, liability or circumstances does not have a disproportionate effect on Mandalay or Alkane, as applicable, taken as a whole, relative to comparable entities operating in the industry and jurisdictions in which they operate, and references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

"**Material Contract**" means, in respect of any Party, any Contract:

(j) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such Party;

(k) under which such Party or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party in excess of A$4,000,000 in the aggregate;

(l) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of A$4,000,000;

(m) restricting the incurrence of indebtedness by such Party or any of its subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of such Party or any of its subsidiaries, or restricting the payment of dividends by such Party;

(n) under which the Party or any of its subsidiaries is obligated to make or expects to receive payments in excess of A$4,000,000 over the remaining term (except for any indefinite term Contract with any Employee or Independent Contractor);

(o) providing for the establishment, organization or formation of any joint venture, limited liability company, partnership, royalty or stream interest.

(p) relating to any future offering or issuance of securities of such Party;

(q) that creates an exclusive dealing arrangement or right of first offer or refusal;

(r) that is a Collective Agreement;

(s) with a Governmental Entity;

(t) with any Employee or any Independent Contractor providing for any change of control or retention payment in excess of A$500,000;

(u) with any Employee or any Independent Contractor whose annual base compensation is in excess of A$250,000;

(v) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds A$10,000,000;

(w) that limits or restricts (i) the ability of such Party or any of its subsidiaries to engage in any line of business or carry on business in any geographic area, or (ii) the scope of persons to whom such Party or any of its subsidiaries may sell products or deliver services;

(x) that is a shareholder or stockholder agreement, registration rights agreement, voting trust or similar agreement, arrangement or commitment with respect to any shares or other equity interests of such

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Party or any of its subsidiaries or any other Contract relating to disposition, voting or dividends with respect to any shares or other equity securities of such Party or its subsidiaries;

(y) such Party has filed with the Securities Authorities as a material contract in accordance with applicable Securities Laws;

(z) with any overlapping tenement holder that governs or relates to the coordination of operations on or access to the area of any Alkane Mineral Rights or the Mandalay Mineral Rights, as applicable; or

(aa) that is otherwise material to such Party and its subsidiaries, considered as a whole.

"**Meeting**" means the special meeting of the Mandalay Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and the other matters set out in this Circular.

"**Meeting Materials**" has the meaning ascribed thereto in "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of this Circular.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**ML**" means mining lease.

"**MRE**" means mineral resource estimate.

"**NEO**" has the meaning ascribed thereto in "*Appendix J – Executive Compensation*" of this Circular.

"**Newcrest**" means Newcrest Mining Ltd.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects,* together with the Companion Policy thereto, as issued by the Canadian Securities Administrators, as amended from time to time.

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*, together with the Companion Policy thereto, as issued by the Canadian Securities Administrators, as amended from time to time.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* together with the Companion Policy thereto, as issued by the Canadian Securities Administrators, as amended from time to time.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices* as issued by the Canadian Securities Administrators, as amended from time to time.

"**NMPP**" means Alkane's Norther Molong Porphyry Project located in the Orana region of NSW, Australia, as further described in the Boda-Kaiser Technical Report.

"**NOBO**" has the meaning ascribed thereto in "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of this Circular.

"**Non-Electing U.S. Holder**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Ownership and Disposition of Alkane Shares – Passive Foreign Investment Company Rules Related to the Ownership and Disposition of Alkane Shares – Default PFIC Rules Under Section 1291 of the U.S. Tax Code*" of this Circular.

"**Non-Registered Mandalay Shareholder**" has the meaning ascribed thereto in "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of this Circular.

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"Non-Resident Holder" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*" of this Circular.

"**non-U.S. Holder**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Scope of This Disclosure – Non-U.S. Holders*" of this Circular.

"Notice of Dissent" has the meaning ascribed thereto in "*Dissent Rights*" of this Circular.

"**Notice of Meeting**" means the notice of special meeting to the Mandalay Shareholders which accompanies this Circular.

"**Notice Shares**" has the meaning ascribed thereto in "*Dissent Rights*" of this Circular.

"**NPV**" means net present value.

"**NSR**" means net smelter royalty.

"**NSW**" means New South Wales.

"**OBO**" has the meaning ascribed thereto in "*General Proxy Information – Advice to Non-Registered Mandalay Shareholders*" of this Circular.

"**OIF Rules**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada* – Offshore Investment Fund Property Rules" of this Circular.

"**Operating Authorizations**" has the meaning ascribed thereto in "*Appendix J – Risk Factors – Dependence on licences and authorizations*" of this Circular.

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees, stipulations or similar actions taken or entered by or with, or applied by, any Governmental Entity (in each case, whether temporary, preliminary or permanent).

"**ordinary course of business**", "**ordinary course of business consistent with past practice**", or any similar reference, means, with respect to an action taken by a person, that such action is consistent with the past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person.

"**OTC**" means OTC Markets Group Inc.

"**Outside Date**" means August 30, 2025, or such later date as may be agreed to in writing by the Parties; provided that if the Effective Date has not occurred by August 30, 2025 as a result of the failure to obtain any of the Key Regulatory Approvals, then either Mandalay or Alkane may elect by notice in writing delivered prior to August 30, 2025, to extend such date from time to time by a specified period of not less than 15 days if the Party so extending the Outside Date reasonably believes that the Key Regulatory Approvals (as applicable) are capable of being obtained prior to the Outside Date, as it may be so extended, and provided that in aggregate such extensions shall not exceed 45 days from August 30, 2025.

"**Panel**" means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

"**Party**" means either Mandalay, Alkane or AcquireCo as the case may be, and "**Parties**" means all of them, collectively.

"**Peak Hill Gold Project**" means Alkane's previously operational open pit gold mine, comprising the main Propriety-Parkers Pit and three satellite pits, Bobby Burns, Crown and Great Eastern.

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"**Permit**" means with respect to any person, any lease, license, permit, certificate, consent, order, grant, approval, classification, registration, exemption, clearance or other authorization of and from any Governmental Entity that is binding upon or applicable to such person.

"**Permitted Liens**" means, any one or more of the following:

(a) Liens for Taxes which are not delinquent or that are being contested in good faith and that have been adequately reserved on the Party's financial statements;

(b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the assets, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets and in respect of which adequate holdbacks are being maintained as required by applicable Law;

(c) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of a Party or any of its subsidiaries, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;

(d) easements, rights of way, zoning ordinances, restrictive covenants, servitudes and other similar land use and, environmental regulations and rights in real property, as applicable, which are not, individually or in the aggregate, material in amount or effect on the business of Mandalay or Alkane, as applicable;

(e) Royalty Agreements in respect of mineral properties as made available in the Mandalay Data Room or Alkane Data Room;

(f) Liens listed and described in Section 1.1 of the Mandalay Disclosure Letter or Section 1.1 of the Alkane Disclosure Letter; and

(g) such other imperfections of title or Liens as do not, in each case or in the aggregate, materially affect the use or, occupancy or utility of the properties or assets subject thereto or affected thereby, materially adversely detract from the value of or properties or assets subject thereto or affected thereby, or otherwise materially impair business operations at such properties.

"**person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

"**PFIC**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

"**PFIC Asset Test**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

"**PFIC-for-PFIC Exception**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

"**PFIC Income Test**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

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"**Plan of Arrangement**" means the plan of arrangement, substantially in the form of Appendix C to this Circular, and any amendments or variations thereto made in accordance with Section 8.3 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court and agreed to in writing by both Mandalay and Alkane, each acting reasonably.

"**Pre-Closing Reorganization**" has the meaning ascribed thereto in "*The Arrangement – Other Covenants – Pre-Closing Reorganization*" of this Circular.

"**Proceeding**" means any suit, claim, action, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination, assessment, enquiry, investigation or other proceeding commenced, brought, conducted or heard by or before, any Governmental Entity.

"**Proposal**" has the meaning ascribed thereto in "*Appendix I – Company Meetings of Shareholders – Shareholders' Rights to Bring a Resolution Before a Company Meeting – Mandalay*" of this Circular.

"**Proposed Amendments**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations*" of this Circular.

"**PwC Australia**" has the meaning ascribed thereto in "*Appendix J – Auditors, Transfer Agents and Registrars"* of this Circular.

"**QAQC**" means quality assurance and quality control.

"**QEF**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

"**QEF Election**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Applicable to the Arrangement*" of this Circular.

"**Qualified Person**" shall have the meaning ascribed to such term in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**Qualified Shareholders**" has the meaning ascribed thereto in "*Appendix I – Company Meetings of Shareholders – Shareholders' Rights to Bring a Resolution Before a Company Meeting – Mandalay*" of this Circular.

"**Rambler Canada**" means Rambler Metals and Mining Canada Limited.

"**RC**" means reverse circulation.

"**Record Date**" has the meaning ascribed thereto in "*Voting Securities and Principal Holders Thereof*" of this Circular.

"**REF**" has the meaning ascribed thereto in "*Appendix J – Description of the Business – Environmental Protection*" of this Circular.

"**Registered Mandalay Shareholder**" means a registered holder of Mandalay Shares.

"**Registered Plan**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada - Eligibility for Investment by Registered Plans*" of this Circular.

"**Registrar**" means the person appointed as the Registrar of Companies pursuant to section 400 of the BCBCA.

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act.

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"**Regulation S-K 1300**" means Subpart 1300 of Regulation S-K adopted by the SEC under the U.S. Securities Act.

"**Regulatory Approval**" means any sanctions, rulings, consents, authorizations, clearances, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an order prohibiting closing being made) required from any Governmental Entity to proceed with the Arrangement and the transactions contemplated hereby, including the Key Regulatory Approvals.

"**Relevant Mandalay Shareholder**" means each holder of Mandalay Shares who will, directly or indirectly, own or control 10% or more of the voting securities of Alkane following the Arrangement.

"**Reorganization**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Characterization of the Arrangement*" of this Circular.

"**Representatives**" has the meaning ascribed to such term in the Arrangement Agreement.

"**Resident Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*" of this Circular.

"**Rio Tinto**" means CRA Exploration Pty Ltd (now Rio Tinto)

"**Royalty Agreement**" means a Contract creating any royalties, streaming interests, profit interests, net profits interests, overriding royalty interests or similar rights or other agreements providing for the payment of consideration measured, quantified or calculated based on, in whole or in part, any minerals produced, mined, recovered and extracted from any Mandalay Mineral Rights or Alkane Mineral Rights, as the case may be.

"**RPEEE**" means reasonable prospects for eventual economic extraction.

"**Rule 144**" means Rule 144 under the U.S. Securities Act.

"**RTN**" means the right to negotiate under the *Native Title Act 1993* (Cth).

"**SAR**" means Alkane's San Antonio and Roswell deposits.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Second Proposal**" has the meaning ascribed thereto in "*The Arrangement – Background to the Arrangement*" of this Circular.

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the issuance and distribution of the Consideration.

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**Securities Authorities**" means, in respect of Alkane, ASIC and, in respect of Mandalay, the applicable securities commissions and other securities regulatory authorities in each of the provinces and territories of Canada in which Mandalay is a reporting issuer.

"**Securities Laws**" means the Securities Act, together with all other applicable provincial and territorial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time, and applicable securities laws in Australia and the respective regulations or rules made thereunder, together with all applicable published policy statements, orders, rulings, notices and interpretation notes of the ASIC.

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"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + described in National Instrument 13-103 – *System for Electronic Data Analysis and Retrieval* and available for public view at www.sedarplus.ca.

"**Share Issuance Resolution**" means the ordinary resolution(s) put to the Alkane Shareholders at the Alkane Meeting: (i) approving the issuance of the Consideration to the Mandalay Shareholders pursuant to the terms of the Arrangement, and (ii) to the extent required by ASX, approving the transaction contemplated under the Arrangement Agreement and the Plan of Arrangement for the purposes of ASX Listing Rule 11.1.2.

"**Solicited Party**" has the meaning ascribed thereto in "*The Arrangement Agreement – Non-Solicitation Covenant*" of this Circular.

"**SSD**" means State significant development as defined in the *Environmental Planning and Assessment Act 1979*.

"**Statutory Plans**" means statutory benefit plans which Alkane, Mandalay and any their respective subsidiaries are required to participate in or comply with, including the Canada Pension Plan, Quebec Pension Plan and any other benefit plan administered by any federal or provincial Governmental Entity and any benefit plans administered pursuant to applicable health, Tax, workers' compensation or workplace safety and insurance, and employment insurance Laws.

"**STI**" has the meaning ascribed thereto in "*Appendix J – Executive Compensation – Compensation Components*" of this Circular.

"**subsidiary**" means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary.

"**Subsidiary PFIC**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Passive Foreign Investment Company Rules Related to the Ownership and Disposition of Alkane Shares*" of this Circular.

"**Superior Proposal**" means any unsolicited bona fide Acquisition Proposal made in writing by a third party or third parties acting jointly or in concert with one another, all of whom deal at arm's length to Alkane or Mandalay, as the case may be, on or after the date hereof, to acquire not less than: (i) all of the outstanding voting or equity securities of Alkane or Mandalay not already owned by such person or group of persons, or (ii) all or substantially all of the assets of Alkane and its subsidiaries or Mandalay and its subsidiaries, as the case may be, on a consolidated basis, that in the good faith determination of the Alkane Board or the Mandalay Board, as applicable, after receipt of advice from its outside financial advisor and legal counsel:

(a) complies with all applicable Laws and did not result from a breach of Section 7.2 of the Arrangement Agreement, by the receiving party or its Representatives;

(b) is capable of being completed in accordance with its terms without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the third party or parties making such Acquisition Proposal;

(c) is not subject to any financing condition and in respect of which adequate arrangements have been made to complete any financing required to complete such Acquisition Proposal to the satisfaction of the Alkane Board or Mandalay Board, as applicable, acting in good faith;

(d) is not subject to a due diligence or access condition;

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(e) in the case of a transaction that involves the acquisition of Alkane Shares or Mandalay Shares, is made available to all Alkane Shareholders or Mandalay Shareholders, as the case may be, on the same terms and conditions;

(f) failure to recommend such Acquisition Proposal to Alkane Shareholders or Mandalay Shareholders, as the case may be, would be inconsistent with the Alkane Board's fiduciary duties or the Mandalay Board's fiduciary duties, respectively; and

(g) taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to its shareholders, taken as a whole, from a financial point of view, than the Arrangement (after taking into account any adjustment to the terms and conditions of the Arrangement proposed by the other Party pursuant to Section 7.3(b) of the Arrangement Agreement).

"**Superior Proposal Notice**" has the meaning ascribed thereto in "*The Arrangement Agreement – Right to Accept Superior Proposal and Right to Match*" of this Circular.

"**Swedish FDI Act**" means the Swedish Screening of Foreign Direct Investments Act (2023:560).

"**Swedish FDI Application**" has the meaning ascribed thereto in *"The Arrangement Agreement – Other Covenants – Swedish FDI Approval"* of this Circular.

"**Swedish FDI Approval**" means the approval of the Arrangement by the ISP pursuant to the Swedish FDI Act.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

"**Tax Returns**" means returns, reports, declarations, elections, designations, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required by a Governmental Entity to be made, prepared or filed by Law in respect of Taxes.

"**taxable capital gain**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" of this Circular.

"**Taxes**" mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

"**Terminating Party**" has the meaning ascribed thereto in "*The Arrangement Agreement – Right to Accept Superior Proposal and Right to Match*" of this Circular.

"**Termination Fee**" means A$17,000,000.

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"**Tomingley Gold Extension Project**" means Alkane's new developments to the immediate south of the Tomingley Gold Operations, which includes the Roswell, San Antonio and McLeans deposits.

"**Tomingley Gold Operations**" means Alkane's gold mining development southwest of Dubbo in Central West NSW, Australia, which includes the Wyoming 1, Caloma 1 and Caloma 2 deposits and forms part of the Tomingley Gold Project.

"**Tomingley Gold Project**" means Alkane's Tomingley Gold Project, encompassing the Tomingley Gold Operations, the Tomingley Gold Extension Project, Peak Hill Gold Project and a number of exploration licences, as further described in the Tomingley Technical Report.

"**Tomingley Technical Report**" means the technical report entitled "Tomingley and Peak Hill Gold Projects, NSW, Australia" with an effective date of June 6, 2025, prepared by Andrew Waltho, BAppSc Hons (Geology), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geo.), PGeo (Ontario), Sonia Konopa BAppSc Hons (App.Geo.) MAusIMM CPGeo, Nicholas MacNulty BScEng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd.

"**Transaction**" means the proposed acquisition of all the issued and outstanding shares of Mandalay by Alkane and AcquireCo pursuant to a statutory plan of arrangement under the BCBA.

"**Transit**" means Transit Mining Pty Limited.

"**Transmittal Documents**" has the meaning ascribed thereto in "*Procedure for Receipt of Consideration – Deposit of Transmittal Documents with Depositary*" of this Circular.

"**Treasurer**" means the Treasurer of the Commonwealth of Australia.

"**Treasury Regulations**" means the U.S. Department of Treasury Regulations promulgated under the Code.

"**TSR**" means total shareholder return.

"**TSX**" means the Toronto Stock Exchange.

"**U.S. Exchange Act**" means the United States *Securities Exchange Act* of 1934, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Holder**" has the meaning ascribed thereto in "*Certain United States Federal Income Tax Considerations – Scope of This Disclosure – U.S. Holders*" of this Circular.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated hereunder.

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**VIF**" has the meaning ascribed thereto in "*General Proxy Information - Appointment and Revocation of Proxies*" of this Circular.

"**Willful Breach**" of any representation, warranty or covenant of a Party means that, as applicable, the breaching Party (a) had actual knowledge that a representation or warranty of the Party was materially false when made, or (b) as to a covenant herein, directed or allowed the applicable Party to take an action, fail to take an action or permit an action to be taken or occur that the applicable Party knew at such time constituted a material breach of a covenant herein by such Party.

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APPENDIX B
ARRANGEMENT RESOLUTION

RESOLUTION OF THE SHAREHOLDERS OF
MANDALAY RESOURCES CORPORATION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the arrangement (the "**Arrangement**") under the provisions of Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of Mandalay Resources Corporation (the "**Corporation**"), all as more particularly described and set forth in the management information circular of the Corporation (the "**Circular**") accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), and all transactions contemplated thereby, are hereby authorized, approved and adopted;

2. the arrangement agreement dated April 27, 2025 (the "**Arrangement Agreement**") among Alkane Resources Limited, 1536968 B.C. Ltd. and the Corporation, as it may be, or may have been, amended, modified or supplemented from time to time, the transactions contemplated therein, the actions of the directors of the Corporation in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments thereto and causing the performance by the Corporation of its obligations thereunder, including the Corporation's application for an interim order from the Supreme Court of British Columbia, are hereby confirmed, ratified, authorized and approved;

3. the plan of arrangement as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**") of the Corporation implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted;

4. the Corporation be and is hereby authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular);

5. notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of the Corporation or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Corporation to:

    a. amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

    b. subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;

6. any director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, whether under corporate seal of the Corporation or otherwise, and to deliver such other documents as are necessary or desirable in accordance with the Arrangement Agreement for filing;

7. any director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to make or cause to be made an application to the Supreme Court of British Columbia for an order approving the Arrangement and to execute and deliver, or cause to be executed and delivered, all such documents and instruments as may be necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such document or instrument; and

8. any director or officer of the Corporation is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver, whether under corporate seal of the Corporation or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

    a. all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

    b. the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Corporation;

    such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

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APPENDIX C
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9
OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Acquireco**" means 1536968 B.C. Ltd., a company existing under the laws of British Columbia and a direct wholly-owned subsidiary of Alkane;

"**Acquireco Common Shares**" means the common shares in the capital of Acquireco;

"**affiliate**" has the meaning given to it in the *Securities Act* (British Columbia);

"**Alkane**" means Alkane Resources Limited, a company existing under the laws of Western Australia with ACN 000 689 216;

"**Alkane Share**" means a fully paid ordinary share in the capital of Alkane;

"**Arrangement**" means the arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Mandalay and Alkane, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated April 27, 2025 among Alkane, Mandalay and Acquireco, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution of the Mandalay Shareholders approving the Arrangement to be considered at the Mandalay Meeting, substantially in the form and content of Schedule "B" to the Arrangement Agreement;

"**Australian Tax Act**" means the *Income Tax Assessment Act 1936 (Cth)*, *Income Tax Assessment Act 1997 (Cth)* and *Taxation Administration Act 1953 (Cth)* and the regulations thereunder, as amended from time to time;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Perth, Western Australia are open for the conduct of business;

"**Consideration**" means the Alkane Shares to be issued to the Mandalay Shareholders pursuant to the Plan of Arrangement, being a number of Alkane Shares equal to the Exchange Ratio for each Mandalay Share;

"**Court**" means the Supreme Court of British Columbia;

"**Depositary**" means any trust company, bank or financial institution agreed to in writing between the Parties for the purpose of, among other things, exchanging Mandalay Shares for the Consideration pursuant to the Arrangement;

"**Dissent Rights**" shall have the meaning ascribed thereto in Section 4.1;

"**Dissenting Shareholder**" means a registered holder of Mandalay Shares that has duly and validly exercised their Dissent Rights and that has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and that is ultimately determined to be entitled to be paid the fair value of its Mandalay Shares;

"**DRS**" shall have the meaning ascribed thereto in Section 5.2;

"**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with Section 2.7(a) of the Arrangement Agreement;

"**Effective Time**" means 3:01 a.m. (Toronto time) on the Effective Date;

"**Exchange Ratio**" means 7.875 Alkane Shares for each Mandalay Share;

"**Fair Market Value**" with reference to an Alkane Share means the fair market value of such Alkane Share, determined as the closing price per Alkane Share on the Australian Securities Exchange on the last trading day immediately prior to the Effective Date, converted into Canadian dollars using the foreign exchange rate posted by the Bank of Canada for such date;

"**Final Order**" means the final order of the Court, after being informed of the intention to rely upon the exemption from the registration requirements under Section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of the Consideration, approving the Arrangement under subsection 291(4) of the BCBCA, in form and substance acceptable to both Mandalay and Alkane, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Mandalay and Alkane, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Mandalay and Alkane, each acting reasonably);

"**final proscription date**" shall have the meaning ascribed thereto Section 5.6;

"**Former Mandalay Shareholders**" means the holders of Mandalay Shares (other than Dissenting Shareholders, Alkane and Acquireco) immediately prior to the effective time of the transaction described in Section 3.1(c);

"**Interim Order**" means the interim order of the Court after the application to the Court pursuant to subsection 291(2) of the BCBCA, after being informed of the intention to rely upon the exemption from the registration requirements under Section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of the Consideration, to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, providing for, among other things, the calling and holding of the Mandalay Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Mandalay and Alkane, each acting reasonably;

"**Mandalay**" means Mandalay Resources Corporation, a corporation existing under the BCBCA;

"**Mandalay Circular**" means the notice of the Mandalay Meeting and accompanying management information circular, including all schedules, appendices, and exhibits thereto, to be sent to the Mandalay Shareholders in connection with the Mandalay Meeting, as amended, supplemented or otherwise modified from time to time;

"**Mandalay DSUs**" means the outstanding deferred share units of Mandalay issued under the Mandalay Omnibus Plan;

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"**Mandalay Meeting**" means the special meeting of the Mandalay Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and any other matters as may be set out in the Mandalay Circular and agreed to in writing by Alkane, acting reasonably;

"**Mandalay Omnibus Plan**" means the omnibus equity incentive plan of Mandalay, which was approved by Mandalay Shareholders at the annual general and special meeting on May 20, 2020;

"**Mandalay Options**" means the outstanding options of Mandalay to purchase Mandalay Shares issued under the Mandalay Plans;

"**Mandalay Plans**" means, collectively, the Mandalay Omnibus Plan and the Mandalay Stock Option Plan;

"**Mandalay PSUs**" means the outstanding performance share units of Mandalay issued under the Mandalay Omnibus Plan;

"**Mandalay RSUs**" means the outstanding restricted share units of Mandalay issued under the Mandalay Omnibus Plan;

"**Mandalay Stock Option Plan**" means the second amended and restated stock option plan of Mandalay dated March 14, 2014;

"**Mandalay Shareholders**" means the holders of Mandalay Shares;

"**Mandalay Shares**" means the common shares in the capital of Mandalay, as constituted immediately prior to the Effective Time;

"**Party**" means any of Mandalay, Alkane or Acquireco as the case may be, and "**Parties**" means all of them, collectively;

"**Plan of Arrangement**" means this plan of arrangement and any amendments or variations hereto made in accordance with Section 8.3 of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or at the direction of the Court and agreed to in writing by both Mandalay and Alkane, each acting reasonably;

"**Registrar**" means the person appointed as the Registrar of Companies pursuant to section 400 of the BCBCA;

"**Tax**" or "**Taxes**" mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**Transmittal Letter**" means the letter of transmittal sent to holders of Mandalay Shares for use in connection with the Arrangement or such other equivalent form of letter of transmittal acceptable to Alkane acting reasonably;

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"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended.

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto. Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section, by number or letter or both refer to the Article or Section, respectively, bearing that designation in this Plan of Arrangement.

1.3 Number, Gender and persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of any gender shall include all genders and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required or permitted to be taken hereunder is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Plan of Arrangement to a statute includes all rules and regulations made or promulgated thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada, and all references to "A$" are references to Australian dollars.

1.7 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement constitutes an arrangement as referred to in section 288 of the BCBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein. If there is any conflict between the

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provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement regarding the Arrangement, the provisions of this Plan of Arrangement shall govern.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement will become effective and be binding on Mandalay, Alkane, Acquireco, all registered and beneficial Mandalay Shareholders (including Dissenting Shareholders), all holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs, the registrar and transfer agent of Mandalay and the Depositary at and after the Effective Time, in each case without any further act or formality required on the part of any person, except as expressly provided in this Plan of Arrangement.

ARTICLE 3
ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, the following steps or transactions shall, unless specifically provided otherwise in this Section 3.1, occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case at five-minute intervals starting at the Effective Time:

(a) each outstanding Mandalay DSU shall, without any further action on the part of any holder thereof and notwithstanding the terms of the Mandalay Omnibus Plan, be, and shall be deemed to be, settled and cancelled, and in consideration thereof, Mandalay shall allot and issue from treasury to the holder of such Mandalay DSU such number of Mandalay Shares as are due to such holder under the terms of the Mandalay Omnibus Plan (subject to withholding in accordance with this Plan of Arrangement) and the name of each such former holder of a settled and cancelled Mandalay DSU shall be entered in Mandalay's central securities register of holders of Mandalay Shares as a holder of Mandalay Shares but no such former holder shall be entitled to a certificate or DRS representing the Mandalay Shares issued upon the settlement and cancellation of such holder's Mandalay DSUs;

(b) each Mandalay Share outstanding immediately prior to the Effective Time held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Mandalay for cancellation and Mandalay shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and:

(i) the name of such registered holder shall be removed from the central securities register of Mandalay as a holder of such Mandalay Shares;

(ii) such Dissenting Shareholders will cease to be the registered holder of such Mandalay Shares and will cease to have any rights as Mandalay Shareholders other than the right to be paid the fair value for their Mandalay Shares as set out in Article 4 hereof; and

(iii) such Mandalay Shares so transferred to Mandalay shall thereupon be cancelled by Mandalay and the central securities register of Mandalay shall be revised accordingly;

(c) each Mandalay Share outstanding immediately prior to the effective time of the transfer under this Section 3.1(c) (for the avoidance of doubt, not including Mandalay Shares held immediately before the Effective Time by a Dissenting Shareholder that were transferred to Mandalay for cancellation under Section 3.1(b) or Mandalay Shares held by Alkane or Acquireco, but including any Mandalay Shares issued to holders of Mandalay DSUs pursuant to Section 3.1(a)) shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality by such Mandalay Shareholder, free and clear of all liens, claims and encumbrances, to Acquireco in exchange (subject to Section 3.2) for that number of Alkane Shares equal to the Exchange Ratio for each Mandalay

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Share, and each of Alkane and Acquireco shall be deemed to have directed the Depositary to issue and to deliver to such holder the Consideration to which such holder is entitled pursuant to this Section 3.1(c), and upon such exchange:

(i) each holder of such Mandalay Shares shall cease to be the holder thereof and to have any rights as a Mandalay Shareholder other than the right to be paid the Consideration pursuant to this Section 3.1(c) and in accordance with this Plan of Arrangement;

(ii) each Former Mandalay Shareholder shall be removed from Mandalay's central securities register of holders of Mandalay Shares;

(iii) Acquireco shall be entered in Mandalay's central securities register of holders of Mandalay Shares as the legal and beneficial owner of such Mandalay Shares, free of all liens, claims and encumbrances; and

(iv) each Former Mandalay Shareholder shall be entered in Alkane's register of holders of Alkane Shares in respect of Alkane Shares deliverable to such Former Mandalay Shareholder pursuant to this Section 3.1(c);

(d) each of the following shall, and shall be deemed to, occur concurrently with the transfer in Section 3.1(c):

(i) in consideration for the issuance by Alkane (on behalf of and for the benefit of Acquireco) of the Consideration issued to Mandalay Shareholders pursuant to Section 3.1(c), Acquireco shall, and shall be deemed to, issue to Alkane that number of Acquireco Common Shares having an aggregate fair market value equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to Section 3.1(c); and

(ii) Acquireco shall, and shall be deemed to, add to its capital for the Acquireco Common Shares, in respect of the issuance of Acquireco Common Shares to Alkane under Section 3.1(d)(i), an amount equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to Section 3.1(c); and

(e) all outstanding Mandalay Options, Mandalay PSUs and Mandalay RSUs that have not been duly exercised or settled prior to the Effective Time shall terminate without any further act or formality, the Mandalay Plans will terminate and none of (i) the former holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs, (ii) the Parties or (iii) any of the respective successors or assigns of any of the foregoing, shall have any rights, liabilities or obligations in respect of the Mandalay Plans.

3.2 No Fractional Shares

No fractional Alkane Shares shall be issued to Mandalay Shareholders. Where the aggregate number of Alkane Shares to be issued to a Mandalay Shareholder under the Arrangement would otherwise result in a fraction of an Alkane Share being issuable, the number of Alkane Shares to be issued to such Mandalay Shareholder shall be rounded down to the nearest whole Alkane Share, and such Mandalay Shareholder shall not be entitled to any compensation in respect of such fractional Alkane Share.

ARTICLE 4
DISSENT RIGHTS

4.1 Dissent Rights

Registered Mandalay Shareholders as of the record date of the Mandalay Meeting may exercise rights of dissent with respect to the Mandalay Shares held by such Mandalay Shareholder ("**Dissent Rights**") in connection with this Plan

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of Arrangement pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA as modified by the Interim Order, the Final Order and this Section 4.1, provided that notwithstanding section 242 of the BCBCA, the exercise of Dissent Rights and written objection of such registered Mandalay Shareholder to the special resolution approving the Arrangement must be received by Mandalay not later than 4:00 p.m. (Toronto time) on the Business Day that is two (2) Business Days before the Mandalay Meeting.

Each Dissenting Shareholder who duly exercises Dissent Rights and who is ultimately determined to be:

(a) entitled to be paid fair value for their Mandalay Shares, (i) shall be deemed to have transferred such Mandalay Shares to Mandalay for cancellation as provided, and as of the time stipulated, in Section 3.1(b), (ii) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(b)), (iii) shall be entitled to be paid in cash the fair value of such Mandalay Shares by Mandalay, less any applicable withholdings, which fair value, notwithstanding anything to the contrary in the BCBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Mandalay Meeting, and (iv) will not be entitled to any other payment or consideration, including any payment or consideration that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Mandalay Shares; or

(b) not entitled, for any reason, to be paid the fair value for such Mandalay Shares, (i) shall be deemed to have transferred such Mandalay Shares to Acquireco as provided, and as of the time stipulated, in Section 3.1(c), and (ii) shall be deemed to have participated in the Arrangement on the same basis and at the same time as Mandalay Shareholders who have not exercised Dissent Rights in respect of such Mandalay Shares and shall be entitled to receive only the Consideration to which Mandalay Shareholders who have not exercised Dissent Rights are entitled under Section 3.1(c).

4.2 Recognition of Dissenting Holders

(a) In no case shall any Party, the Depositary or any other person be required to recognize any Dissenting Shareholder or any other person exercising Dissent Rights unless such person (i) as of the record date for the Mandalay Meeting, is the registered holder of those Mandalay Shares in respect of which such rights are sought to be exercised, (ii) as of the deadline for exercising Dissent Rights, is the registered holder of those Mandalay Shares in respect of which such rights are sought to be exercised and (iii) has strictly complied with the procedures for exercising Dissent Rights and has not withdrawn such dissent prior to the Effective Time.

(b) In no case shall any Party or any other person be required to recognize any holder of Mandalay Shares who validly exercises Dissent Rights as a holder of such Mandalay Shares after the completion of the transfer under Section 3.1(b), and the central securities register of Mandalay will be amended to reflect that such former holder is no longer the holder of such Mandalay Shares at the same time as the event described in Section 3.1(b) occurs.

(c) Mandalay Shareholders who withdraw, or are deemed to withdraw, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the Consideration to which Mandalay Shareholders who have not exercised Dissent Rights are entitled under Section 3.1(d).

(d) In addition to any other restrictions under the Interim Order or the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (a) holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs (in their capacity as holders of such securities); (b) Mandalay Shareholders who voted or instructed a proxyholder to vote Mandalay Shares in favour of the Arrangement Resolution; (c) Alkane, Acquireco and any of their affiliates; (d) any person who is not a registered holder of Mandalay Shares; and (e) persons who have not strictly complied with the procedures for exercising Dissent Rights or persons who have withdrawn their exercise of Dissent Rights prior to the Effective Time.

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ARTICLE 5
DELIVERY OF CONSIDERATION

5.1 Delivery of Consideration

Following the receipt of the Final Order and no later than the Business Day prior to the Effective Date, Alkane shall deliver or arrange to be delivered to the Depositary such number of Alkane Shares as are required to satisfy the Consideration payable to Mandalay Shareholders in accordance with the provisions of Section 3.1, which Alkane Shares shall be held by the Depositary as agent and nominee for such Mandalay Shareholders for distribution to such Mandalay Shareholders in accordance with the provisions of this Article 5.

5.2 Delivery of Consideration

(a) Upon surrender to the Depositary for cancellation of a certificate or direct registration statement ("**DRS**") advice-statement that immediately before the Effective Time represented one or more outstanding Mandalay Shares that were transferred to Acquireco in accordance with Section 3.1, together with a duly completed Transmittal Letter and such other documents and instruments as would have been required to effect the transfer of the Mandalay Shares formerly represented by such certificate or DRS advice-statement under the BCBCA and the constating documents of Mandalay and such additional documents and instruments as the Depositary may reasonably require, the Former Mandalay Shareholder surrendering such certificate or DRS advice-statement shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate, holding statement or DRS advice-statement representing the Alkane Shares that such holder is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section 5.5 and any certificate or DRS advice-statement representing such Mandalay Shares so surrendered shall forthwith thereafter be cancelled. Notwithstanding the foregoing, holders of Mandalay DSUs who received Mandalay Shares pursuant to Section 3.1(a) shall not receive certificates or DRS advice-statements representing such Mandalay Shares and, accordingly, shall not be required to deliver a Transmittal Letter or any such certificates or DRS advice-statements in respect of such Mandalay Shares.

(b) After the Effective Time and until surrendered for cancellation as contemplated by this Section 5.2, each certificate or DRS advice-statement that immediately prior to the Effective Time represented one or more Mandalay Shares (other than Mandalay Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or Mandalay Shares held by Alkane or Acquireco) shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section 5.5.

5.3 Lost Certificates

If any certificate that immediately prior to the Effective Time represented one or more outstanding Mandalay Shares that were exchanged in accordance with Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration that such holder is entitled to receive in accordance with Section 3.1 and such holder's Transmittal Letter. When authorizing such delivery of the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom the Consideration is to be delivered shall, as a condition precedent to the delivery of the Consideration, give a bond satisfactory to Alkane and the Depositary in such amount as Alkane and the Depositary may direct, or otherwise indemnify Alkane, Acquireco and the Depositary in a manner satisfactory to Alkane and the Depositary, against any claim that may be made against Alkane, Acquireco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the constating documents of Mandalay.

5.4 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Alkane Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate or DRS advice-statement that, immediately prior to the Effective Time, represented outstanding Mandalay Shares unless and until the holder of such certificate or DRS advice-statement shall have complied with the provisions of Section 5.2 or Section 5.3. Subject to applicable Law and to withholding required pursuant to Section 5.5, at the time of such compliance, there shall, in addition to the delivery of certificates representing Alkane Shares to which such holder is thereby entitled, be delivered to such holder, without interest, (i) the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Alkane Shares and (ii) on the appropriate payment date, the amount of any dividend or other distribution with a record date after the Effective Time and a payment date subsequent to the date of such compliance payable with respect to such Alkane Shares.

5.5 Withholding Rights

Alkane, Mandalay, Acquireco, the Depositary and their respective agents, as applicable, shall be entitled to deduct and withhold from any Consideration or any other amount payable or otherwise deliverable to any Mandalay Shareholder or any other person under this Plan of Arrangement (including any payment to Dissenting Shareholders and holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs) such Taxes or other amounts as Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, may reasonably determine is required to be deducted or withheld with respect to such payment under the Tax Act, the U.S. Tax Code, the Australian Tax Act or any provision of Laws in respect of Taxes, provided that no such deduction or withholding may be made with respect to the Consideration to the extent such withholding or deduction is in respect of or in connection with a foreign resident capital gains tax withholding amount to the Australian Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the Taxation Administration Act 1953 (Cth) except in accordance with Section 2.9(b) of the Arrangement Agreement. For the purposes hereof, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are timely remitted to the appropriate Governmental Entity by or on behalf of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be. To the extent that the amount so required to be deducted or withheld from any payment to a Mandalay Shareholder or holder of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs exceeds the cash component, if any, of the amount otherwise payable, subject to the prior approval of Alkane, any of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, are hereby authorized to sell or otherwise dispose of such portion of the Consideration issuable as is necessary to provide sufficient funds to Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, to enable it to comply with all applicable deduction or withholding requirements, and Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, shall remit the applicable portion of the net proceeds of such sale (after deduction of all fees, commissions or costs in respect of such sale) to the appropriate Governmental Entity and shall remit to such Mandalay Shareholder or holder of a Mandalay Option, Mandalay DSU, Mandalay PSU or Mandalay RSU any unapplied balance of the net proceeds of such sale. Any sale will be made in accordance with applicable Laws and at prevailing market prices and none of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, shall be under any obligation to obtain a particular price, or indemnify any Mandalay Shareholder or holder of a Mandalay Option, Mandalay DSU, Mandalay PSU or Mandalay RSU in respect of a particular price, for the portion of the Consideration so sold.

5.6 Limitation and Proscription

To the extent that a Former Mandalay Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 on or before the date that is six (6) years after the Effective Date (the "**final proscription date**"), then the Consideration that such Former Mandalay Shareholder was entitled to receive, in each case together with all entitlements to dividends and distributions thereon held for such Former Mandalay Shareholder, shall be automatically cancelled without any repayment of capital in respect thereof and the certificates, holding statements or DRS advice-statements representing Alkane Shares shall be delivered to Alkane by the Depositary and the certificates, holding statements and DRS advice-statements representing such Alkane Shares shall be cancelled by Alkane, and the interest of the Former Mandalay Shareholder in the Consideration (and dividends and distributions thereon) shall be terminated as of such final proscription date.

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5.7 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, claims and encumbrances of third parties of any kind.

ARTICLE 6
AMENDMENTS

6.1 Amendments to Plan of Arrangement

(a) Alkane and Mandalay reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Alkane and Mandalay, (iii) filed with the Court and, if made following the Mandalay Meeting, approved by the Court, and (iv) communicated to Mandalay Shareholders and the holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs if and as required by the Court.

(b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by Mandalay or Alkane at any time prior to the Mandalay Meeting provided that Alkane and Mandalay, each acting reasonably, shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Mandalay Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Mandalay and Alkane may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Mandalay Meeting and prior to the Effective Time with the approval of the Court, and, if and only if: (i) it is consented to in writing by each of Alkane and Mandalay, each acting reasonably; and (ii) if required by the Court, it is consented to by some or all of the Mandalay Shareholders voting in the manner directed by the Court.

(d) Notwithstanding anything to the contrary contained herein, Mandalay and Alkane may amend, modify and/or supplement this Plan of Arrangement without the approval of the Court, the Mandalay Shareholders or any other persons, provided that each such amendment, modification and/or supplement (i) must concern a matter which, in the reasonable opinion of each of Mandalay and Alkane, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement, and (ii) is not materially adverse to the economic interests of any Mandalay Shareholders or the holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs.

6.2 Withdrawal

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7
FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

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ARTICLE 8
U.S. SECURITIES LAW MATTERS

8.1 U.S. Securities Law Matters

Notwithstanding any provision herein to the contrary, this Plan of Arrangement will be carried out with the intention that all Alkane Shares to be issued and distributed to Former Mandalay Shareholders pursuant to this Plan of Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

ARTICLE 9
PARAMOUNTCY

From and after the Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs issued prior to the Effective Time, (ii) the rights and obligations of registered and beneficial holders of Mandalay Shares (including Dissenting Shareholders), Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs and Mandalay, Alkane, Acquireco the Depositary and any trustee or registrar and transfer agent for the Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs shall be solely as provided for in this Plan of Arrangement, and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

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APPENDIX D
INTERIM ORDER

(See attached)

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SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
JUN 23 2025
ENTERED

No. S-254634
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MANDALAY RESOURCES CORPORATION, ALKANE RESOURCES LIMITED, and 1536968 B.C. LTD.

MANDALAY RESOURCES CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION
(Interim Order)

BEFORE ASSOCIATE JUDGE BILAWICH) MONDAY THE 23RD DAY
)
)
OF JUNE, 2025
)

THIS WITHOUT NOTICE APPLICATION of the Petitioner, Mandalay Resources Corporation ("**Mandalay**"), for an Interim Order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c-57, as amended or superseded (the "***BCBCA***"), in connection with a proposed arrangement (the "**Arrangement**") involving Mandalay, Alkane Resources Limited ("**Alkane**"), and 1536968 B.C. Ltd., ("**AcquireCo**"), effected on the terms and subject to the conditions set out in a plan of arrangement (the "**Plan of Arrangement**"), without notice to any holder (the "**Mandalay Shareholders**") of issued and outstanding common shares in Mandalay (the "**Mandalay Shares**") and pursuant to the Petition of Mandalay filed on June 19, 2025, coming on for hearing at Vancouver, British Columbia, on the 23rd day of June, 2025, AND ON HEARING Katelyn Jones, counsel for the Petitioner, AND UPON READING the Petition herein and Affidavit #1 of Frazer Bourchier, sworn June 19, 2025 (the "**Bourchier Affidavit**"), and filed herein; AND UPON BEING ADVISED it is the intention of the parties to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**US Securities Act**") as a basis for an exemption from the registration requirements thereof with respect to the issuance of securities under the proposed Plan of Arrangement based on the Court's approval of the Arrangement and determination that the Arrangement is substantively and procedurally fair and reasonable to those who will receive securities in the exchange;

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THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft management information circular (the "**Mandalay Circular**") attached as Exhibit "A" to the Bourchier Affidavit.

MEETING

2. Pursuant to the *BCBCA*, Mandalay is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of Mandalay Shareholders, to be held virtually, on July 28, 2025, at 10:00 am (Toronto time), or such other date, time and place to which such meetings may be adjourned, respectively, to, among other things:

   (a) consider and, if deemed advisable, to pass with or without amendment, a special resolution (the "**Arrangement Resolution**") passed by at least two-thirds (66 2/3%) of the Mandalay Shares attending in person or by proxy, voting as a single class, under the *BCBCA*, the full text of which Arrangement Resolution is set forth in Appendix B to the Mandalay Circular; and

   (b) transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.

3. The Meeting shall be called, held and conducted in accordance with the *BCBCA*, the articles of Mandalay (the "**Articles**") and the Mandalay Circular, subject to the terms of this Interim Order and any further order of this Court, and the rulings and directions of the chair of the Meeting (the "**Chair**"), such rulings and directions not to be inconsistent with this Interim Order.

4. The Chair of the Meeting shall be Brad Mills or such other person authorized in accordance with the Articles. The Chair is at liberty to call on the assistance of legal counsel to Mandalay at any time and from time to time as the Chair of such Meeting may deem necessary or appropriate.

5. The record date for the Meeting is June 20, 2025 (the "**Record Date**"). Only holders of record of Mandalay Shares at the close of business on the Record Date are entitled to notice of, and to vote at, the Meeting and any adjournments or postponements thereof.

ADJOURNMENT

6. Subject to the terms of the Arrangement Agreement, the board of directors of Mandalay are specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the need for approval of the Court, if, in their absolute discretion, the board of directors of Mandalay consider that it is impractical or undesirable for any reason to hold the Meeting at the place, the day and the hour specified in the Notice of Meeting. Subject to the terms of the Arrangement Agreement and the Mandalay Articles, notice of any such

adjournments or postponements shall be promptly given to the Mandalay Shareholders by such method as the board of directors of Mandalay may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement, or by notice sent to the Mandalay Shareholders as specified in paragraph 10 of this Interim Order, as determined to be the most appropriate method of communication by the board of directors of Mandalay.

7. The Record Date (as defined in paragraph 5 above) shall not change in respect of any adjournments or postponements of the Meeting, unless Mandalay determines that it is advisable.

AMENDMENTS

8. Prior to the Meeting, Mandalay is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, without any additional notice to the Mandalay Shareholders or further orders of this Court, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Meeting.

NOTICE OF MEETING

9. The Mandalay Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the *BCBCA*, and Mandalay shall not be required to send to the Mandalay Shareholders any other or additional statement pursuant to Section 290(1)(a) of the *BCBCA*.

10. The Notice of Meeting (with the Mandalay Circular attached), including this Interim Order, the Petition and the Notice of Hearing (for Final Order) and form of proxy (for registered Mandalay Shareholders) and voting instruction form (for non-registered Mandalay Shareholders) (collectively, referred to as the "**Meeting Materials**") in substantially the same forms as contained in Exhibit "A" to the Bourchier Affidavit with such deletions, amendments or additions thereto as counsel for Mandalay may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:

(a) the registered Mandalay Shareholders as they appear on the central securities register of Mandalay or the records of its transfer agent as at the close of business on the Record Date at least 21 days prior to the date of the Meeting, excluding the date of commencement of mailing, delivery or transmittal, by one or more of the following methods:

(i) by prepaid ordinary or air mail addressed to the Registered Mandalay Shareholders at their addresses as they appear in the applicable records of Mandalay or its transfer agent, as at the Record Date;

(ii) by delivery in person or by courier to the addresses specified in subparagraph (i) above; or

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(i) by email or facsimile transmission to any registered Mandalay Shareholders, who has previously identified himself, herself or itself to the satisfaction of Mandalay, acting through its representatives, and who requests such email or facsimile transmission; and

(b) the non-registered Mandalay Shareholders by causing, in accordance with the National Instrument 54-101 - Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators ("**NI 54-101**"), its agent to deliver the requisite number of copies of the Meeting Materials to clearing agencies or intermediaries for onward distribution of the Meeting Materials to those non-registered Mandalay Shareholders who have provided instructions to an intermediary that the beneficial owner objects to the intermediary disclosing ownership information about the beneficial owner;

(c) the directors and auditors of Mandalay by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal and excluding the date of the Meeting;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

11. The Notice of Meeting (with the Mandalay Circular attached), including this Interim Order, the Petition and the Notice of Hearing (for Final Order) (the "**Notice Materials**") shall be sent by prepaid ordinary mail or by email transmission to the holders of outstanding options to purchase Mandalay Shares ("**Mandalay Options**"), Mandalay restricted share units ("**Mandalay RSUs**"), Mandalay performance share units ("**Mandalay PSUs**") and Mandalay deferred share units ("**Mandalay DSUs**") as of the Record Date to the address of such holder as it appears in the applicable records of Mandalay at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal.

12. Accidental failure or omission by Mandalay to give notice to any one or more Mandalay Shareholder, director of Mandalay, the auditors of Mandalay or the holders of Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs or the non-receipt of such notice by one or more of them, or any failure or omission to give such notice as a result of events beyond the reasonable control of Mandalay (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to them, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Mandalay, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. No other form of service of the Meeting Materials or the Notice Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings or the Meeting, except as may be directed by further order of this Court. Provided that notice of the Meeting and the provision of the Meeting Materials to the Mandalay Shareholders and the directors and auditors of Mandalay and the provision of

the Notice Materials takes place in compliance with this Interim Order, the requirement of section 290(1)(b) of the *BCBCA* to include certain disclosure in any advertisement of the Meeting is waived.

DEEMED RECEIPT OF NOTICE

14. The Meeting Materials and Notice Materials shall be deemed, for the purposes of this Interim Order, to have been served upon and received:

    (a) in the case of post pursuant to paragraphs 10 and 11, above, the day, Saturdays, Sundays and public holidays excepted, following the date of post;

    (b) in the case of delivery via courier pursuant to paragraphs 10 and 11, above, the third day following personal delivery;

    (c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraphs 10 and 11, above, when dispatched or delivered for dispatch; and

    (a) in the case of delivery to clearing agencies or intermediaries for onward distribution pursuant to paragraph 10 above, the day following delivery to clearing agencies or intermediaries.

AMENDMENTS TO MEETING MATERIALS AND NOTICE MATERIALS

15. Mandalay is authorized to make such amendments, revisions or supplements to the Meeting Materials and Notice Materials as it may determine and the Meeting Materials and Notice Materials, as so amended, revised and/or supplemented, shall be the Meeting Materials and Notice Materials to be distributed in accordance with paragraphs 10 and 11 herein.

UPDATING MEETING MATERIALS

16. Notice of any amendments, updates or supplements to any of the information provided in the Notice of Meeting and Meeting Materials and Notice Materials, may be communicated to the Mandalay Shareholders and the directors and auditors of Mandalay and the holders of Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs as Mandalay may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement or by notice sent to them by any of the means set forth in paragraphs 10 and 11 herein, as determined to be the most appropriate method of communication by the board of directors of Mandalay.

QUORUM AND VOTING

17. The Chair of the Meeting shall be determined by Mandalay.

18. The quorum required at the Meeting shall be the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding Mandalay Shares entitled to be voted at the Meeting.

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19. In respect to the Arrangement Resolution, the votes taken at the Meeting shall be taken on the basis of one vote for each Mandalay Share. The vote required to pass the Arrangement Resolution is the affirmative vote (in person or by proxy) of the holders of at least two-thirds (66⅔%) of the outstanding Mandalay Shares that attend, are entitled to vote and vote at the Meeting.

20. Any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Mandalay Shares represented by such spoiled votes, illegible votes, defective votes or abstentions shall be counted in determining the number of Mandalay Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

21. In all other respects, the terms, restrictions and conditions set out in the Mandalay Articles shall apply in respect of the Meeting.

PERMITTED ATTENDEES

22. The only persons entitled to attend the Meeting shall be (i) the registered Mandalay Shareholders as of the close of business in Toronto, Ontario on the Record Date, or their respective proxyholders, (ii) Mandalay's directors, officers, auditors and advisors, (iii) any representative of Alkane or AcquireCo including their respective directors, officers and advisors, (iv) any other person admitted on the invitation of the chair of the Meeting or with the consent of the chair of the Meeting. The only persons entitled to be represented and to vote at the Meeting shall be the registered Mandalay Shareholders as at the close of business on the Record Date, or their respective proxyholders.

SCRUTINEERS

23. One or more representatives of Mandalay appointed by the Chair of the Meeting is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

24. Mandalay is authorized to use the form of proxy (for registered Mandalay Shareholders) and the voting instruction form (for non-registered Mandalay Shareholders) in substantially the same forms as attached as Exhibit "D" to the Bourchier Affidavit, in connection with the Meeting, subject to Mandalay's ability to insert dates and other relevant information and, subject to the Arrangement Agreement, with such amendments, revisions or supplemental information as Mandalay may determine are necessary or desirable. Mandalay is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

25. The procedure for the delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials. The Chair of the Meeting may waive generally, in their discretion, the time limits set out in the Mandalay Circular for the deposit or revocation of

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proxies by Mandalay Shareholders. The Mandalay Shareholders may revoke their proxies in any manner as set forth in the Meeting Materials.

DISSENT RIGHTS

26. Each Registered Mandalay Shareholder who is a Registered Mandalay Shareholder as of the close of business on the Record Date shall be entitled to exercise a right of dissent in connection with the Arrangement Resolution in accordance with Sections 237 to 247 of the *BCBCA* (except as the procedures of those section are varied by this Interim Order, the Final Order and the Plan of Arrangement).

27. In order for a Registered Mandalay Shareholder to exercise such right of dissent (the "**Dissent Right**"):

    (a) a dissenting Registered Mandalay Shareholder must deliver a written notice of dissent which must be received by Mandalay at Suite 720 - 155 University Ave. Toronto, Ontario M5H 3B7, Attention: Jasmine Virk not later than 5:00 p.m. (Toronto time) on or before July 26, 2025 (or by 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on July 28,2025);

    (b) a dissenting Registered Mandalay Shareholder must not have voted his, her or its Mandalay Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution, and a vote against the Arrangement Resolution or an abstention shall not constitute written notice of dissent;

    (c) dissenting Registered Mandalay Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Registered Mandalay Shareholder's Mandalay Shares, but may dissent only with respect to all of the Mandalay Shares held by such person; and

    (d) the exercise of such Dissent Right must otherwise strictly comply with the requirements of Section 242 of the *BCBCA*, as modified by the Plan of Arrangement, this Interim Order and the Final Order.

28. Any Registered Mandalay Shareholder who duly exercises such Dissent Right set out in paragraphs 26-27 above and who:

    (a) is ultimately determined to be entitled to be paid fair value for his, her or its Mandalay Shares shall be deemed to have transferred and assigned those Mandalay Shares as of the Effective Time (as defined in the Circular), without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to Mandalay for cancellation in consideration for a payment of cash from Mandalay equal to such fair value; or

    (b) is for any reason ultimately determined not to be entitled to be paid fair value for his, her or its Mandalay Shares pursuant to the exercise of the Dissent Right, shall

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be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Mandalay Shareholder;

but in no case shall Mandalay, Alkane, or AcquireCo or any other person be required to recognize such Mandalay Shareholders as holders of Mandalay Shares after the time that is immediately prior to the Effective Time and the names of such Mandalay Shareholders shall be deleted from Mandalay's register of holders of Mandalay Shares at that time.

29. Notice to the Registered Mandalay Shareholders of their Dissent Right with respect to the Arrangement Resolution shall be given by including information with respect to the Dissent Right in the Circular to be sent to Registered Mandalay Shareholders in accordance with this Interim Order.

30. Subject to further order of this Court, the rights available to the Registered Mandalay Shareholders under the *BCBCA*, the Plan of Arrangement and this Interim Order to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Registered Mandalay Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

31. Upon the approval, with or without variation, by the Mandalay Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Mandalay may apply to this Court for, inter alia, an order:

(a) approving the Arrangement pursuant to sections 291(4)(a) of the *BCBCA*;

(b) declaring that the terms and conditions of the Arrangement are substantively and procedurally fair and reasonable pursuant to section 291(4)(a) of the *BCBCA*; and

(c) providing for the incidental, consequential and supplemental matters necessary to ensure that each of the amalgamations contemplated in the Arrangement are fully and effectively carried out pursuant to section 295 of the *BCBCA*

(collectively, the "**Final Order**"),

and the hearing of the Final Order shall be held in person at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time), as the case may be, on August 1, 2025, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

32. The form of Notice of Hearing (for Final Order) in connection with the Final Order attached to the Bourchier Affidavit as Exhibit "C" is hereby approved as the form of Notice of Hearing for the Petition for such approval. Any Mandalay Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.

33. Any Mandalay Shareholder seeking to appear at the hearing of the application for the Final Order shall:

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(a) file and deliver a Response to Petition (a "**Response**") in the form prescribed by the British Columbia *Supreme Court Civil Rules*;

(b) serve a copy of the filed Response together with all materials upon which the Mandalay Shareholder intends to rely upon at the hearing for the Final Order to Mandalay's counsel at:

MLT AIKINS LLP
Barristers and Solicitors
1066 W Hastings St., # 2600
Vancouver, British Columbia, Canada V6C 3X1

Attention: Katelyn Jones (kjones@mltaikins.com)

Fax number for delivery: (604) 682-7131

and to Mandalay's co-counsel at:

GOODMANS LLP
Barristers and Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario, Canada M5H 2S7

Attention: Peter Kolla (pkolla@goodmans.ca) &
Arash Rouhi (arouhi@goodmans.ca)

Fax number for delivery: (416) 979-1234

by or before 4:00 p.m. (Vancouver time) on the date that is two (2) business days prior to the date of the hearing of the application for the Final Order.

(c) deliver a copy of the filed Response together with all materials upon which the Mandalay Shareholder intends to rely upon at the hearing for the Final Order to counsel to Alkane and AcquireCo at:

BENNETT JONES LLP
Barristers and Solicitors
2500 Park Place, 666 Burrard Street
Vancouver, British Columbia, Canada V6C 2X8

Attention: Melanie Teetaert (teetaertm@bennettjones.com)

Fax number for delivery: (604) 891-5100

by or before 4:00 p.m. (Vancouver time) on the date that is two (2) business days prior to the date of the hearing of the application for the Final Order.

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34. Any materials to be filed by the Petitioner in support of the within Application for final approval of the Plan of Arrangement may be filed up to one (1) day prior to the hearing of the application without further order of this Honourable Court.

35. Any other interested party desiring to support or oppose the application and/or make submissions at the hearing of the application for the Final Order, shall file a Response and deliver a copy of the filed Response together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on or before 4:00 p.m. (Vancouver time) on the date that is two business days prior to the date of the hearing of the application for the Final Order, to Mandalay's counsel and co-counsel (as referenced in paragraph 33(b), above), and to counsel to Alkane and AcquireCo (as referenced in paragraph 33(c), above).

36. Sending the Petition and Notice of Hearing (for Final Order) in connection with the Final Order and this Interim Order in accordance with paragraphs 10 and 11 of this Interim Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings, except as provided in paragraphs 37 and 38 below. In particular, service of the Bourchier Affidavit and additional affidavits as may be filed, is dispensed with.

37. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Mandalay, Alkane and AcquireCo, respectively, and any persons who have delivered a Response in accordance with this Interim Order.

38. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be served with materials filed in this proceeding and provided with notice of the adjourned hearing date.

PRECEDENCE

39. To the extent of any inconsistency or discrepancy with respect to matters provided for in this Interim Order between this Interim Order and the terms of any instrument creating, governing or collateral to the Mandalay Shares, or the *BCBCA*, this Interim Order shall govern.

EXTRA-TERRITORIAL ASSISTANCE

40. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the U.S. or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

VARIANCE

41. Mandalay shall, subject to the terms of the Arrangement Agreement, be entitled, at any time, to apply to vary this Interim Order or for such further order or orders and direction from this Honourable Court as may be appropriate.

42. *Supreme Court Civil Rules* 8-1 and 16-1(13) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

43. Endorsement of the Interim Order by counsel appearing on this Petition, except for counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner,
Mandalay Resource Corporation
Katelyn Jones

Signature of lawyer for
Alkane Resources Limited,
Edward en Hemsworth

BY THE COURT

Registrar

CHECKED

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APPENDIX E
PETITION AND NOTICE OF HEARING OF PETITION

(See attached)

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S-254634



No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MANDALAY RESOURCES CORPORATION, ALKANE RESOURCES LIMITED, and 1536968 B.C. LTD.

MANDALAY RESOURCES CORPORATION

PETITIONER

PETITION TO THE COURT

ON NOTICE TO:

This Petition is without notice.

The address of the Registry is:

The Law Courts
800 Smithe Street
Vancouver, BC

Time:

The Petitioner estimates that the hearing of the petition will take thirty (30) minutes.

Judicial Review

☐ This matter is an application for judicial review.

X This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by the Petitioner.

If you intend to respond to this petition, you or your lawyer must

(a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and

(b) serve on the petitioner

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(i) 2 copies of the filed response to petition, and

(ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

(a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,

(b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,

(c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or

(d) if the time for response has been set by order of the court, within that time.

(1)	The ADDRESS FOR SERVICE of the petitioner is:	**MLT Aikins LLP** 1066 W Hastings St., #2600 Vancouver, BC V6C 3X1 Attention: Katelyn Jones Telephone: (604) 608-4577 Email: kjones@mltaikins.com **Goodmans LLP** 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 Attention: Peter Kolla & Arash Rouhi Telephone: (416) 597-6279 Email: pkolla@goodmans.ca / arouhi@goodmans.ca
	Fax number address for service (if any) of the petitioner:	(604) 682-7131 / (416) 979-1234
	E-mail address for service (if any) of the petitioner:	N/A

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(2)	The name and office address of the petitioner's lawyer is:	**MLT Aikins LLP** 1066 W Hastings St., #2600 Vancouver, BC V6C 3X1 Attention: Katelyn Jones **Goodmans LLP** 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 Attention: Peter Kolla & Arash Rouhi

CLAIM OF THE PETITIONER

PART 1: ORDERS SOUGHT

1. The Petitioner, Mandalay Resources Corporation ("**Mandalay**"), applies to this Court pursuant to sections 186 and 288-297 of the *Business Corporations Act*, S.B.C. 2002, Ch 57, as amended or superseded (the "***BCBCA***"), Rules 2-1, 4-4, 4-5 and 16-1 of the *Supreme Court Civil Rules* and the inherent jurisdiction of this Court for:

   (a) an *ex parte* interim order (the "**Interim Order**") in the form attached as Schedule "A" to this Petition;

   (b) an order (the "**Final Order**") in the form attached as Schedule "B" to this Petition; and

   (c) such further and other relief as counsel may advise and this Court deems just.

PART 2: FACTUAL BASIS

Definitions

2. Unless otherwise defined herein, capitalized terms in this Petition have the respective meaning as defined in:

   (a) the draft management information circular of Mandalay (the "**Mandalay Circular**"); or

   (b) the arrangement agreement dated April 27, 2025 (the "**Arrangement Agreement**");

   which are attached as Exhibits "A" and "B", respectively, to Affidavit #1 of Frazer Bourchier, the President, Chief Executive Officer and Director of Mandalay, sworn June 19, 2025.

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Parties to the Arrangement Agreement

3. Mandalay is a corporation existing under the laws of the Province of British Columbia. Its records office is located at 2600 – 1066 West Hastings Street, Vancouver BC V6E 3X1.

4. Mandalay is a Canadian-based natural resource company with producing assets in Australia (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine). Mandalay is focused on growing its production and reducing costs to generate significant positive cashflow.

5. Mandalay is a reporting issuer in each of the provinces of Canada, except Québec. The common shares in the capital of Mandalay (the "**Mandalay Shares**") are currently listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "MND" and trade over the counter on the OTCQB Venture Market under the symbol "MNDJF".

6. Alkane Resources Limited ("**Alkane**") is an exploration, development and production company with projects and operations located in Central West NSW, Australia. Alkane's Tomingley Gold Project covers an area of approximately 440 km^2, stretching 60 km north-south along the Newell Highway in Central West NSW. The prospective belt extends from near the village of Tomingley in the north, through Peak Hill and almost to Parkes in the south. The Tomingley Gold Project encompasses Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo, the Tomingley Gold Extension Project, Peak Hill Gold Project and a number of exploration licences. Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation.

7. Alkane is an Australian-listed public company. The ordinary shares in the capital of Alkane (the "**Alkane Shares**") are listed and posted for trading on the Australian Stock Exchange ("**ASX**") under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".

8. 1536968 B.C. Ltd. ("**AcquireCo**") is a corporation existing under the laws of the Province of British Columbia and is a direct wholly owned subsidiary of Alkane. AcquireCo was incorporated for the purpose serving as the acquiror under the Arrangement and accordingly, has no business history.

The Arrangement Agreement

9. On April 27, 2025, Mandalay, Alkane, and AcquireCo entered into the Arrangement Agreement which, among other things, contemplates an arrangement under Division 5 of Part 9 of the *BCBCA* (the "**Arrangement**") on the terms and subject to the conditions set forth in the plan of arrangement attached as Appendix "C" to the Mandalay Circular (the "**Plan of Arrangement**").

10. Pursuant to the Arrangement Agreement:

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(a) Alkane will indirectly, through AcquireCo, acquire all of the issued and outstanding Mandalay Shares, with Mandalay becoming an indirect wholly-owned subsidiary of Alkane;

(b) holders (the "**Mandalay Shareholders**") of Mandalay Shares (other than those who have properly dissented in respect of the resolution to approve the Arrangement (the "**Dissenting Shareholders**")) will be entitled to receive 7.875 Alkane Shares (the "**Consideration**") for each Mandalay Share held immediately prior to the Effective Time;

(a) each Mandalay deferred share unit ("**Mandalay DSU**") which is outstanding immediately prior to the Effective Time shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all the Mandalay DSUs will be settled for Mandalay Shares in accordance with the terms of the Mandalay Omnibus Plan.

11. Prior to the Effective Time:

(a) each option ("**Mandalay Option**") to purchase Mandalay Shares which is outstanding immediately prior to the Effective Time (whether vested or unvested), shall, without any further action by or on behalf of a holder, be fully vested and may be conditionally exercised, provided that (i) no such Mandalay Options will be settled by way of a Cash Election (as defined in the Mandalay Omnibus Plan) and (ii) any Mandalay Options that have not been exercised as of the Effective Time will automatically terminate;

(b) each Mandalay restricted share unit ("**Mandalay RSU**") which is outstanding immediately prior to the Effective Time shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all of the Mandalay RSUs will be redeemed by Mandalay for (i) Mandalay Shares or (ii) cash, in accordance with the following: (A) Frazer Bourchier, Hashim Ahmed, Scott Trebilcock, Jasmine Virk, Edison Nguyen, and Tim Sjögren shall have their Mandalay RSUs settled 20% in Mandalay Shares and 80% in cash, based on the closing trading price of the Mandalay Shares on the Business Day immediately prior to the Effective Date; and (B) Ryan Austerberry, Chris Davis, Åsa Corin, and Adam Self shall have 100% of their Mandalay RSUs settled in Mandalay Shares pursuant to the Mandalay Omnibus Plan; and

(c) each Mandalay performance share unit (a "**Mandalay PSU**") which is outstanding immediately prior to the Effective Time shall be fully vested pursuant to the terms of the Mandalay Omnibus Plan, such that all of the Mandalay PSUs will be redeemed by Mandalay for (i) Mandalay Shares or (ii) cash, in accordance with the following: (A) Frazer Bourchier shall have his Mandalay PSUs settled 20% in Mandalay Shares and 80% in cash, based on the closing trading price of the Mandalay Shares on the Business Day immediately prior to the Effective Date; and (B) Ryan Austerberry and Chris Davis shall have 100% of their Mandalay PSUs settled in Mandalay Shares pursuant to the Mandalay Omnibus Plan.

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12. Immediately following the completion of the Arrangement, (i) Mandalay will be an indirect wholly-owned subsidiary of Alkane, (ii) the Combined Company will continue operating as "Alkane Resources", (iii) the Alkane Shares will remain listed on the ASE, and (iv) Alkane will seek a listing on the TSX.

13. Commencing at the Effective Time, pursuant to the Plan of Arrangement:

(a) each outstanding Mandalay DSU shall, without any further action on the part of any holder thereof and notwithstanding the terms of the Mandalay Omnibus Plan, be, and shall be deemed to be, settled and cancelled, and in consideration thereof, Mandalay shall allot and issue from treasury to the holder of such Mandalay DSU such number of Mandalay Shares as are due to such holder under the terms of the Mandalay Omnibus Plan (subject to withholding in accordance with the Plan of Arrangement) and the name of each such former holder of a settled and cancelled Mandalay DSU shall be entered in Mandalay's central securities register of holders of Mandalay Shares as a holder of Mandalay Shares but no such former holder shall be entitled to a certificate or direct registration statement ("**DRS**") representing the Mandalay Shares issued upon the settlement and cancellation of such holder's Mandalay DSUs;

(b) each Mandalay Share outstanding immediately prior to the Effective Time held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Mandalay for cancellation and Mandalay shall thereupon be obliged to pay the amount therefor determined and payable in accordance with the dissent rights provision of the Plan of Arrangement, and:

(i) the name of such registered holder shall be removed from the central securities register of Mandalay as a holder of such Mandalay Shares;

(ii) such Dissenting Shareholders will cease to be the registered holder of such Mandalay Shares and will cease to have any rights as Mandalay Shareholders other than the right to be paid the fair value for their Mandalay Shares as set out in the dissent rights provision of the Plan Arrangement; and

(iii) such Mandalay Shares so transferred to Mandalay shall thereupon be cancelled by Mandalay and the central securities register of Mandalay shall be revised accordingly;

(c) each Mandalay Share outstanding immediately prior to the effective time of the transfer under this paragraph (c) (for the avoidance of doubt, not including Mandalay Shares held immediately before the Effective Time by a Dissenting Shareholder that were transferred to Mandalay for cancellation under paragraph (b) above or Mandalay Shares held by Alkane or AcquireCo, but including any Mandalay Shares issued to holders of Mandalay DSUs pursuant to paragraph (a)

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above) shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality by such Mandalay Shareholder, free and clear of all liens, claims and encumbrances, to AcquireCo in exchange (subject to rounding in the case of fractional shares, as further detailed below) for that number of Alkane Shares equal to the Exchange Ratio for each Mandalay Share, and each of Alkane and AcquireCo shall be deemed to have directed the Depositary to issue and to deliver to such holder the Consideration to which such holder is entitled pursuant to this paragraph (c), and upon such exchange:

(i) each holder of such Mandalay Shares shall cease to be the holder thereof and to have any rights as a Mandalay Shareholder other than the right to be paid the Consideration pursuant to this paragraph (c) and in accordance with the Plan of Arrangement;

(ii) each Former Mandalay Shareholder shall be removed from Mandalay's central securities register of holders of Mandalay Shares;

(iii) AcquireCo shall be entered in Mandalay's central securities register of holders of Mandalay Shares as the legal and beneficial owner of such Mandalay Shares, free of all liens, claims and encumbrances; and

(iv) each Former Mandalay Shareholder shall be entered in Alkane's register of holders of Alkane Shares in respect of Alkane Shares deliverable to such Former Mandalay Shareholder pursuant to this paragraph (c);

(d) each of the following shall, and shall be deemed to, occur concurrently with the transfer in paragraph (c) above:

(i) in consideration for the issuance by Alkane (on behalf of and for the benefit of AcquireCo) of the Consideration issued to Mandalay Shareholders pursuant to paragraph (c) above, AcquireCo shall, and shall be deemed to, issue to Alkane that number of AcquireCo Common Shares having an aggregate fair market value equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to paragraph (c) above; and

(ii) AcquireCo shall, and shall be deemed to, add to its capital for the AcquireCo Common Shares, in respect of the issuance of AcquireCo Common Shares to Alkane under subparagraph (d)(i) above, an amount equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to paragraph (c) above; and

(e) all outstanding Mandalay Options, Mandalay PSUs and Mandalay RSUs that have not been duly exercised or settled prior to the Effective Time shall terminate without any further act or formality, the Mandalay Plans will terminate and none of (i) the former holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs, (ii) the Parties or (iii) any of the respective successors or assigns of any of the foregoing, shall have any rights, liabilities or obligations in respect of the Mandalay Plans.

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14. No fractional Alkane Shares shall be issued to Mandalay Shareholders. Where the aggregate number of Alkane Shares to be issued to a Mandalay Shareholder under the Arrangement would otherwise result in a fraction of an Alkane Share being issuable, the number of Alkane Shares to be issued to such Mandalay Shareholder shall be rounded down to the nearest whole Alkane Share, and such Mandalay Shareholder shall not be entitled to any compensation in respect of such fractional Alkane Share.

15. AcquireCo and Mandalay shall, forthwith following the delisting of the Mandalay Shares from the TSX pursuant to Section 5.9 of the Arrangement Agreement and the filing by Mandalay with the Canada Revenue Agency of the prescribed form of election under the Tax Act electing to cease being a public corporation for the purposes of the Tax Act, amalgamate to form one company under sections 269 and 273 of the *BCBCA*.

Background & Reasons for the Arrangement

16. The background to the Arrangement and its business rationales are described in detail at pages 26-33 of the Mandalay Circular.

17. In reaching its conclusion that the Arrangement is fair to Mandalay Shareholders and that the Arrangement is in the best interests of Mandalay, the board of directors of Mandalay (the "**Mandalay Board**") consulted with Mandalay's legal counsel and financial advisors and its management, and considered and relied upon a number of factors and reasons. The following is a summary of the principal reasons for the unanimous recommendation of the Mandalay Board that Mandalay Shareholders vote in favour of the Arrangement Resolution:

    (a) **Participation by Mandalay Shareholders in Future Growth.** Mandalay Shareholders will receive 7.875 Alkane Shares for each Mandalay Share held as of the Effective Time. Upon completion of the Arrangement, 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. As a result of the Arrangement, Mandalay Shareholders will gain exposure, through their ownership of Alkane Shares, to Alkane's core assets and operations, including Alkane's Tomingley Gold Project and the growth potential of its Boda-Kaiser Project, while continuing to benefit from exposure to Mandalay's existing assets and operations, including the Costerfield gold-antimony mine and the Björkdal gold mine.

    (b) **Increased Scale and Diversification.** The Combined Company will operate three producing mines in premier jurisdictions, including Costerfield and Tomingley in Australia and Björkdal in Sweden, providing diversified production that reduces overall operational and financial risk. In addition, the Combined Company is expected to have projected gold equivalent production of approximately 160,000 gold-equivalent ounces in 2025, growing to over approximately 180,000 gold-equivalent ounces in 2026, and increasing margins in 2025 with all-in sustaining

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costs of approximately US$1,760/oz (A$2,750/oz), decreasing to approximately US$1,420/oz (A$2,160/oz) in 2026.[1]

(c) **Strong Financial Resources and Growth Pipeline.** The Combined Company will have a robust balance sheet with a pro forma cash balance of approximately CAD$167 million (A$188 million) as at March 31, 2025. 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 Project, which adds future production potential with its significant scale.

(d) **Enhanced Capital Markets Profile and Trading Liquidity.** Upon completion of the Arrangement, it is expected that the Combined Company will be listed on both the ASX and the TSX, providing it with greater exposure to capital markets than is currently available to Mandalay. 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 for Mandalay Shareholders may be unlocked through greater trading liquidity, a larger free-float, and a wider range of global investors, as the Combined Company continues to grow.

(e) **Review of Strategic Alternatives.** Following a review of a range of strategic alternatives for creating shareholder value, including careful consideration of the identity and potential strategic interest of other industry and financial counterparties, the Mandalay Board determined that it was unlikely that any other party would be willing to propose an executable transaction on terms more favourable, in the aggregate, to Mandalay, Mandalay Shareholders, and other relevant Mandalay stakeholders than the proposed transaction with Alkane. The Mandalay Board also considered Mandalay's standalone business strategy and concluded that the Consideration was more favourable to Mandalay Shareholders than the alternative of remaining an independent public company and pursuing Mandalay's long-term plans, taking into account the associated risks, rewards, and uncertainties of pursuing such plans.

(f) **Value Supported by Fairness Opinions.** Each of Haywood Securities Inc. and GenCap Mining Advisory Ltd. ("**GenCap**") have provided a fairness opinion to the Mandalay Board 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 Arrangement is fair, from a financial point of view, to the Mandalay Shareholders. The complete text of the Haywood Fairness Opinion and the GenCap Fairness Opinion are attached as **Error! R eference source not found.** and **Error! Reference source not found.**, respectively, to the Mandalay Circular.

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[1] 2025 all-in sustaining costs estimate is based on Mandalay calendar year guidance and Alkane fiscal year guidance. 2026 all-in sustaining costs estimate is based on consensus broker analyst estimates for Mandalay (calendar year) and Alkane (fiscal year).

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(g) **Support by Directors, Officers, and Certain Shareholders of Mandalay.** The Arrangement has been unanimously approved by the Mandalay Board. All of the directors and senior officers of Mandalay, as well as certain significant Mandalay Shareholders, who collectively exercise beneficial ownership or control over an aggregate of approximately 45% of the outstanding Mandalay Shares, have entered into voting and support agreements (the "**Mandalay Voting and Lock-up Agreement**") with Alkane, pursuant to which they have agreed to, among other things, support the Arrangement and to vote any Mandalay Shares they own in favour of the Arrangement Resolution.

(h) **Deal Certainty.** Alkane's obligation to complete the Arrangement is subject to a limited number of conditions that the Mandalay Board believes, with the advice of its legal and financial advisors, are reasonable in the circumstances.

(i) **Proven Leadership Team.** Following the completion of the Arrangement, it is expected that the Alkane Board will be reconstituted to 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, Andrew Quinn, who is a highly credentialed investment banking and mining industry veteran. Upon closing of the Arrangement, the management team 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 depth of experience of the leadership team is expected to support disciplined growth, continued operational performance, and drive long-term value creation for shareholders of the Combined Company.

(j) **Equitable and Fair Treatment of All Stakeholders.** In the view of the Mandalay Board, the terms of the Arrangement Agreement treat all stakeholders of Mandalay equitably and fairly.

18. Pursuant to the GenCap Engagement Letter, GenCap's compensation is not contingent on the success of the Arrangement and Gencap became entitled to and received its fixed fee, regardless of the conclusions reached, when it delivered its opinion to the Mandalay Board.

19. In making its determinations and recommendations, the Mandalay Board also observed that a number of procedural safeguards were in place and present to permit the Mandalay Board to protect the interests of Mandalay, Mandalay Shareholders, and other Mandalay stakeholders. These procedural safeguards include, among others:

(a) **Negotiated Transaction.** The Arrangement Agreement is the result of an arm's length negotiation process, with Mandalay having retained and received advice from its financial advisors and legal counsel. The Mandalay Board, after consulting with its legal and financial advisors, concluded that the terms and conditions of the Arrangement Agreement, including each of Mandalay's and Alkane's

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representations, warranties and covenants, as well as the conditions to Alkane's obligation to complete the Arrangement, are reasonable and customary in the circumstances, and the risk of the Arrangement not being completed is mitigated by the limited nature of the conditions in favour of Alkane.

(b) **Ability to Respond to Unsolicited Superior Proposals.** Under the terms of the Arrangement Agreement, the Mandalay Board is able to respond to any unsolicited bona fide written proposal that, having regard to all of the terms and conditions of such proposal, constitutes or would reasonably be expected to constitute, a Superior Proposal.

(c) **Reasonable Termination Payment.** The Mandalay Board determined that the A$17 million Termination Fee, which is payable in certain circumstances by Mandalay or Alkane, is reasonable. In the view of the Mandalay Board, the Termination Fee would not preclude a third party from potentially making a Superior Proposal to Mandalay.

(d) **Shareholder Approval.** In order to become effective, the Arrangement must first receive the Mandalay Shareholder Approval at the Meeting.

(e) **Court Approval.** In order to become effective, the Arrangement must be approved by the Court, which will consider, among other things, the substantive and procedural fairness and reasonableness of the Arrangement to Mandalay Shareholders.

(f) **Dissent Rights.** The Interim Order provides that a Registered Mandalay Shareholder may, upon strict compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive the fair value of their Mandalay Shares in accordance with the Plan of Arrangement.

20. In the course of its deliberations, the Mandalay Board considered a number of potential risks and potential negative factors, which the Mandalay Board concluded were outweighed by the positive substantive and procedural factors of the Arrangement, described in detail at pages 32-33 of the Mandalay Circular.

21. Based on the above-noted factors, the Mandalay Board unanimously determined that the Arrangement is in the best interests of Mandalay and is fair to the Mandalay Shareholders. Accordingly, the Mandalay Board unanimously recommended that the Mandalay Shareholders vote in favour of the Arrangement Resolution.

No Compromise of Debt

22. The Arrangement does not contemplate a compromise of any debt or any debt instruments of Mandalay and no creditor of Mandalay will be affected by the Arrangement.

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Conditions to the Closing

23. The obligations of the Parties to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent, each of which is for the mutual benefit of the Parties and which may only be waived with the mutual consent of the Parties at any time, in whole or in part:

(a) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, in form and substance satisfactory to each of Mandalay and Alkane, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Mandalay or Alkane, acting reasonably, on appeal or otherwise;

(b) the Mandalay Shareholder Approval shall have been obtained at the Meeting in accordance with the Interim Order and applicable Laws;

(c) Alkane Shareholder Approval shall have been obtained at the Alkane Meeting in accordance with applicable laws;

(d) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, against Alkane or Mandalay which prevents the consummation of the Arrangement;

(e) no Proceeding shall be pending or threatened by any Governmental Entity in any jurisdiction that is reasonably likely to (i) cease trade, enjoin, prohibit, or impose any material limitations, damages, or conditions on Alkane's ability to acquire, hold, or exercise full rights of ownership over any Mandalay Shares, including the right to vote the Mandalay Shares, or (ii) prohibit or enjoin Mandalay or Alkane from consummating the Arrangement;

(f) the Arrangement Agreement shall not have been terminated in accordance with its terms;

(g) the distribution of the securities pursuant to the Arrangement shall either: (i) be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief granted from the securities regulatory authorities of Australia (including in respect of the on- sale disclosure obligations imposed by subsections 707(3) and (4) of the *Corporations Act 2001* (Cth) for the on-sale of Alkane Shares following implementation of the Arrangement) and each of the provinces and territories of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale or on-sale restrictions or disclosure obligations under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of NI 45- 102); or (ii) if exemptive relief from the prospectus and registration requirements under applicable Australian Securities Laws is not granted by the securities regulatory authorities of Australia, Alkane shall have filed a cleansing statement in connection with the issuance of the Alkane Shares to be issued pursuant to the Arrangement;

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(h) conditional approval (or equivalent approval) of the listing or official quotation of the Alkane Shares issuable pursuant to the Arrangement on the ASX shall have been obtained by Alkane;

(i) the Key Regulatory Approvals shall have been obtained;

(j) confirmation having been obtained by Alkane from the ASX that the ASX will not exercise its discretion under ASX Listing Rule 11.1.3 in respect of any transaction contemplated under the Arrangement Agreement and the Plan of Arrangement; and

(k) the issuance and distribution of the Consideration pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and shall be exempt from the registration or qualification requirements of any applicable (Blue Sky) securities laws of any U.S. state.

24. The obligations of Alkane and AcquireCo to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment, on or before the Effective Date, of certain conditions precedent, including but not limited to the following (each of which is for the exclusive benefit of Alkane and AcquireCo and may be waived by Alkane on behalf of itself and AcquireCo at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Alkane and AcquireCo may have):

(a) all covenants of Mandalay under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Alkane shall have been duly performed by Mandalay in all material respects, and Alkane shall have received a certificate of Mandalay addressed to Alkane and dated the Effective Time, signed on behalf of Mandalay by an executive officer (without personal liability), confirming the same as at the Effective Date;

(b) (i) the representations and warranties of Mandalay set forth in Section 1 [*Organization*], Section 2 [*Authorization; Validity of Agreement*], Section 3 [*Execution and Binding Obligations*], Section 4(a)(i) [*Consents and Approvals; No Violations*] and Section 9 [*Capitalization*] of Schedule "C" to the Arrangement Agreement shall be true and correct in all respects (except for de minimis errors) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and (ii) all other representations and warranties of Mandalay set forth in the Arrangement Agreement; since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Mandalay, and Alkane shall have received a certificate of Mandalay addressed to Alkane and dated the Effective Time, signed by two executive officers on behalf of Mandalay (on Mandalay's behalf and without personal liability), confirming the same as at the Effective Date;

(c) since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect on Mandalay which is continuing; and

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(d) holders of no more than 10% of the Mandalay Shares shall have exercised Dissent Rights.

25. The obligations of Mandalay to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Mandalay and may be waived by Mandalay at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Mandalay may have):

(a) all covenants of Alkane and AcquireCo under the Arrangement Agreement to be performed on or before the Effective Date which have not been waived by Mandalay shall have been duly performed by Alkane and AcquireCo in all material respects, and Mandalay shall have received a certificate of Alkane, addressed to Mandalay and dated the Effective Date, signed on behalf of Alkane by an executive officer of Alkane (without personal liability), confirming the same as at the Effective Date;

(b) (i) the representations and warranties of Alkane set forth in Section 1 [*Organization and Qualification*], Section 2 [*Authorization; Validity of Agreement*], Section 3 [*Execution and Binding Obligations*], Section 4(a)(i) [*Consents and Approvals; No Violations*] and Section 9 [*Capitalization*] of Schedule "D" to the Arrangement Agreement shall be true and correct in all respects (except for de minimis errors) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and (ii) all other representations and warranties of Mandalay set forth in the Arrangement Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, which representations and warranties shall be true and correct in all respects as of such date), except to the extent that the failure or failures of such representations and warranties in this subparagraph (ii) to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect on Mandalay (and, for the purpose of this subparagraph (ii), any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and Alkane shall have delivered a certificate confirming same to Mandalay, executed by two senior officers of Alkane (in each case, in their capacity as officers of Alkane and without personal liability) and addressed to Mandalay and dated the Effective Date;

(c) since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect on Alkane which is continuing;

(d) all documents and instruments necessary to effect, as and from the Effective Time, that the Alkane Board will be constituted of two current directors of Alkane, three directors nominated by Mandalay, and a new independent non-executive director to be appointed by Alkane, shall have been tabled in escrow, subject only to occurrence of the Effective Time; provided all such members of the Alkane Board consent to act as director on the Alkane Board, meet the qualification requirements

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to serve as a director under the rules and policies of the Exchange and the *Corporations Act*, hold a director identification number and shall be eligible under applicable Law to serve as a director; and

(e) Alkane shall have complied with its obligations under Section 2.8 of the Arrangement Agreement and the Depositary shall have confirmed receipt of the Alkane Shares contemplated thereby.

The Meeting and Approvals

26. As approved by the Mandalay Board, the record date for determining the Mandalay Shareholders entitled to receive notice of, attend and vote at the special meeting of Mandalay Shareholders (the "**Meeting**") is June 20, 2025 (the "**Record Date**").

27. The Meeting will be held virtually on July 28, 2025, at 10:00 a.m. (Toronto time), or such other date, time and place to which such Meeting may be adjourned.

28. In connection with the Meeting, Mandalay intends to send to each Mandalay Shareholder a copy of the following materials and documentation substantially in the forms as attached to Exhibit "C" to Affidavit #1 of Frazer Bourchier, the President, Chief Executive Officer and Director of Mandalay, sworn June 19, 2025 (for (c)-(d), below) or filed with the Court (for (a)-(b), below):

(a) the Notice of Special Meeting of Shareholders of Mandalay (the "**Notice of Meeting**");

(b) a copy of the within Petition to the Court and the Notice of Hearing (for Final Order) and Interim Order (being Appendices E and D, respectively to the Circular);

(c) a form of proxy and letter of transmittal (for registered Mandalay Shareholders); and

(d) the voting instruction form (for non-registered Mandalay Shareholders)

(collectively, the "**Meeting Materials**", as used in the Interim Order).

29. The above Meeting Materials will be sent to the Mandalay Shareholders before the Meeting, and will be distributed at least 21 days before the Meeting, by delivery in person or by mail, addressed to each such holder at his, her or its address, as shown on the books and records of Mandalay, as applicable, as of the Record Date.

Quorum and Voting

30. The quorum required at the Meeting shall be the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding Mandalay Shares entitled to be voted at the Meeting.

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31. It is proposed that in respect to the Arrangement Resolution, the votes taken at the Meeting shall be taken on the basis of one vote for each Mandalay Share. The vote required to pass the Arrangement Resolution is the affirmative vote (in person or by proxy) of the holders of at least two-thirds (66 2/3%) of the outstanding Mandalay Shares who attend and vote at the Meeting.

Dissent Rights

32. The Plan of Arrangement provides that Registered Mandalay Shareholders entitled to vote on the Arrangement Resolution may exercise the right of dissent in respect of the Arrangement ("**Dissent Rights**") with respect to their Mandalay Shares, pursuant to and in the manner set forth in sections 237 to 247 of the *BCBCA* as modified by the Interim Order, the Final Order and the Plan of Arrangement. A Dissenting Shareholder who validly exercises Dissent Rights in respect of his, her or its Mandalay Shares and who has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights is entitled, upon the Arrangement becoming effective, to be paid the fair value of such Mandalay Shares.

33. In order for a Registered Mandalay Shareholder to exercise Dissent Rights:

(a) a Registered Mandalay Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to Mandalay, at Suite 720 – 155 University Ave., Toronto, Ontario M5H 2S73B7, Attention: Jasmine Virk by 5:00 p.m.(Toronto time) on or before July 24 , 2025 (or by 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on July 28, 2025);

(b) a dissenting Registered Mandalay Shareholder must not have voted his, her or its Mandalay Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution, and a vote against the Arrangement Resolution or an abstention shall not constitute written notice of dissent;

(c) dissenting Registered Mandalay Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Registered Mandalay Shareholder's Mandalay Shares, but may dissent only with respect to all of the Mandalay Shares held by such person; and

(d) the exercise of such Dissent Right must otherwise strictly comply with the requirements of Section 242 of the *BCBCA*, as modified by the Plan of Arrangement, this Interim Order and the Final Order.

34. It is a condition to Alkane and AcquireCo's obligation to complete the Arrangement that Mandalay Shareholders have not validly exercised (and not withdrawn such exercise) Dissent Rights representing more than 10% of the issued and outstanding Mandalay Shares.

35. Each of the directors and senior officers of Mandalay has agreed to waive his or her Dissent Rights as a holder of Mandalay Shares pursuant to their Mandalay Voting Support and Lock-Up Agreements.

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Interest of Certain Persons

36. The directors and executive officers and other related parties of Mandalay may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of Mandalay Shareholders. These interests include those described in detail at Appendix "K" of the Mandalay Circular. The Mandalay Board and was aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by Mandalay Shareholders.

Canadian Securities Laws

37. Mandalay is subject to the requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Following disclosure by each of the directors and senior officers of Mandalay of the number of Mandalay Shares held by them and the total consideration and benefits that they expect to receive pursuant to the Arrangement, the Mandalay Board has determined that, for the purposes of MI 61-101, the aforementioned benefits or payments do not constitute a "collateral benefit" (as defined in MI 61-101), the Arrangement does not constitute a "business combination" (for the purposes of MI 61-101), and the Arrangement Resolution does not require "minority approval" (as defined in MI 61-101).

United States Securities Laws

38. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act, where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange to the persons to whom the securities will be issued, at which hearing all persons to whom it is proposed to issue the securities have the right to appear and have received timely and adequate notice thereof.

39. In order to ensure that the issuance of securities by Alkane pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) of the U.S. Securities Act, it is necessary that, among other things:

(a) prior to the hearing required to approve the Arrangement, the Court is advised of the intention of the parties to rely on Section 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Arrangement;

(b) the Interim Order of the Court approving the Meeting specifies that each Mandalay Shareholder entitled to vote at the Meeting will have the right to appear before the Court at the hearing to consider approval of the Arrangement and the Final Order, so long as such Mandalay Shareholder files a Response to Petition in accordance with the terms of the Interim Order;

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(c) the Mandalay Shareholders will be given adequate notice advising them of their rights to attend such hearing and provided with sufficient information necessary for them to exercise that right;

(d) the Court is required to satisfy itself as to the substantive and procedural fairness of the Arrangement to the Mandalay Shareholders;

(e) the Court has determined, prior to approving the Final Order, that the terms and conditions of the exchanges of securities contemplated by the Arrangement are substantively and procedurally fair to the Mandalay Shareholders; and

(f) the order of the Court approving the Arrangement expressly states that the Arrangement is approved by the Court as being substantively and procedurally fair and reasonable to the Mandalay Shareholders.

40. The Mandalay Shareholders to whom securities will be issued under the Arrangement shall receive such securities in reliance on the exemption from the registration requirements of the U.S. Securities Act contained in Section 3(a)(10) thereof based on the Court's approval of the Arrangement.

Australian Securities Laws

41. Sections 707(3) and 707(4) of the *Corporations Act 2001* (Cth) require Alkane to make disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) if any Alkane Shares issued to Mandalay Shareholders under the Arrangement are to be sold within 12 months of their issue. Alkane has applies for in-principle relief from this requirement from ASIC so that Mandalay Shareholders who receive Alkane Shares under the Arrangement may freely trade their Alkane Shares within Australia (including on the ASX) without the need for such disclosure under Part 6D.2.

42. Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF". Alkane will apply for quotation of the Alkane Shares issuable by Alkane under the Arrangement on the ASX. The issue of Alkane Shares to Mandalay Shareholders pursuant to the Arrangement requires Alkane Shareholder Approval at the Alkane Meeting to be held on July 28, 2025. Alkane has obtained in-principle relief from ASIC to permit the on-sale of the Alkane Shares issued under the Arrangement within 12 months from their date of issue without requiring a disclosure document to be lodged in accordance with sections 707(3) and (4) of the *Corporations Act 2001* (Cth).

Regulatory and Other Approvals

43. Completion of the Arrangement is subject to the Foreign Investment Review Board of Australia ("**FIRB**") providing the FIRB Approval (or FIRB Approval being waived with the mutual consent of the Parties). Pursuant to the terms of the Arrangement Agreement, Alkane shall file the FIRB Application with FIRB and use commercially reasonable efforts to pursue and take all reasonable steps to obtain the FIRB Approval. Alkane has filed the FIRB Application.

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44. Completion of the Arrangement was subject to obtaining the Swedish FDI Approval (or Swedish FDI Approval being waived with the mutual consent of the Parties). Pursuant to the terms of the Arrangement Agreement, Alkane filed the Swedish FDI Application with the ISP and received the Swedish FDI Approval on June 17, 2025.

45. The Arrangement requires the Alkane Shareholders to approve the issuance of the Consideration. That approval by the Alkane Shareholders by the requisite majority will be considered at a general meeting of the Alkane Shareholders, including any adjournment or postponement thereof.

Fairness of the Arrangement

46. Mandalay, Alkane and AcquireCo will rely on this Court's approval and declaration of fairness of the Arrangement, including the terms and conditions thereof and the issuance and exchanges of securities contemplated therein to the Mandalay Shareholders, after a hearing upon such matters at which the Mandalay Shareholders shall have the right to appear, to form the basis of an exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof, for the issuance and exchange of securities in connection with the Arrangement.

47. All such documents may contain such amendments thereto as Mandalay may advise are necessary or desirable, provided such amendments are not inconsistent with the terms of the Interim Order.

PART 3: LEGAL BASIS

48. The Petitioner pleads and relies on ss. 186 and 288-291 of the *BCBCA*, Rules 2-1, 4-4, 4-5 and 16-1 of the *Supreme Court Civil Rules*, and the inherent jurisdiction of the Court.

The Approval Process

49. Section 288(1) of the *BCBCA* permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.

50. Before an arrangement proposed under section 288(1) of the *BCBCA* takes effect, the arrangement must be: (a) adopted in accordance with section 289; and (b) approved by the Court under section 291.

51. Section 291 of the *BCBCA* contemplates that this process proceeds in three steps:

(a) the first step is an application for an interim order for directions for calling a security holders' meeting to consider and vote on the proposed arrangement. The first application proceeds *ex-parte* because of the administrative burden of serving security holders;

(b) the second step is the meeting of the securityholders, where the proposed arrangement is voted upon, and must be approved by a special resolution; and

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(c) the third step is the application for final Court approval of the arrangement.

Rapier Gold Inc. (Re), 2018 BCSC 539 at para. 36

The Interim Order Hearing

52. As this Court held in *Mason Capital Management LLC v. TELUS Corp.*, the interim order is preliminary in nature and its purpose is simply to "set the wheels in motion for the application process relating to the arrangement and to establish the parameters for the holding of shareholder meetings to consider approval of the arrangement in accordance with the statute":

> Consistent with its preliminary nature, in order to grant an interim order a court needs only to satisfy itself that "reasonable grounds exist to regard the proposed transaction as an 'arrangement'". It is at the fairness hearing that the court must fully examine and determine whether the arrangement meets all applicable statutory requirements, including whether it constitutes an "arrangement", and whether it is procedurally and substantively fair and reasonable. [Citations omitted.]
>
> *Mason Capital Management LLC v. TELUS Corp.*, 2012 BCSC 1582 at paras. 31-32

53. The steps taken and proposed to be taken by Mandalay pursuant to the proposed Interim Order include:

(a) Providing notice of the Meeting to Mandalay Shareholders so they have an opportunity to consider the Arrangement and have an opportunity to make submissions on the return of this Petition;

(b) that there is sufficient and appropriate approval of the Arrangement by Mandalay Shareholders; and

(c) providing dissent rights.

54. The foregoing requirements will enable the Meeting to be called, held and conducted in a procedurally suitable fashion. Moreover, the proposed Interim Order is consistent with previous orders that have been issued by this Court in respect of other plans of arrangement.

Proposed Arrangement is an "Arrangement" under the BCBCA

55. The *BCBCA* defines an "arrangement" using broad and inclusive terms. Pursuant to section 288(1) of the *BCBCA*, a company may propose an arrangement with security holders, creditors or other persons and may, in that arrangement, make *any proposal it considers appropriate*, including proposals for the following:

(a) an alteration to the memorandum, notice of articles or articles of the company;

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(b) an alteration to any of the rights or special rights or restrictions attached to any of the shares of the company;

(c) an amalgamation of the company with one or more corporations;

(d) a division of the business carried on by the company;

(e) a transfer of all or any part of the money, securities or other property, rights and interests of the company to another corporation in exchange for money, securities or other property, rights and interests of the other corporation;

(f) a transfer of all or any part of the liabilities of the company to another corporation;

(g) an exchange of securities of the company held by security holders for money, securities or other property, rights and interests of the company or for money, securities or other property, rights and interests of another corporation;

(h) a dissolution without liquidation, or a liquidation and dissolution, of the company.

56. The arrangement provisions of the *BCBCA* are very broad. As this Court has held:

> I conclude that s. 288 must be construed to permit the development of any proposal affecting shareholders, creditors, or other persons in circumstances where the proposal will or may have real or potential impact upon the rights of any such person or the obligations of the company to any such person, and the results intended by the proposal cannot be effected solely by placing reliance upon any specific provision of the *BCA*. In circumstances where there is concern regarding the question whether any or all aspects of a transaction or transactions can be carried out in accordance with specific statutory provisions, a corporation may resort to s. 288 in order that any doubt about the efficacy of the proposed transaction or transactions can be dispelled, and any possible litigation or opposition avoided, by means of a court order approving all aspects of the proposed transactions. In that sense, the provisions in the *BCA* authorizing arrangements are ameliorative. They permit beneficial corporate transactions not specifically authorized by statute, subject, of course, to court approval.
>
> *Protiva Biotherapeutics v. Inex Pharmaceuticals Corp.*, 2006 BCSC 1729 at para. 27, aff'd 2007 BCCA 161

57. Other courts in Canada have similarly noted the flexibility of arrangement provisions, including the following statement from Farley J. in *Fairmont Hotels & Resorts Inc., Re*:

> The arrangement provisions in one form or other have been around in Canadian law for a very long time. They certainly predate the *Canadian Business Corporations Act* ("CBCA") and the Dickerson Report. With respect to [sic] I think it an error to forget that the very flexibility of the arrangement provision was designed to allow the solution of difficult and awkward situations. It would also be helpful to recall

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that this is a common law jurisdiction and that statute codification is not the answer to all problems. Codification if necessary, but not necessarily codification.

Re Fairmont Hotels & Resorts Inc., 2006 CarswellOnt 9246 at para. 1 (S.C.J.)

58. The broad nature of the arrangement provisions of the *BCBCA* is also demonstrated by section 291(2) which permits the Court "in respect of a proposed arrangement, [to] make *any order* it considers appropriate" (emphasis added), and then lists a non-exhaustive set of orders that can be made.

59. All relevant stakeholders will receive notice of the proceedings and the Arrangement in accordance with the Interim Order of this Court, and will be given an opportunity to appear and voice any objection at the hearing in respect of the Final Order.

60. Here, Mandalay is a "company" as defined in section 1(1) of the *BCBCA* and the Arrangement falls within the definitions of "arrangement" in s. 288(1)(e).

61. It is respectfully submitted that the Arrangement constitutes an "arrangement" under the *BCBCA*.

Section 288 of the *BCBCA*
Protiva Biotherapeutics v. Inex Pharmaceuticals Corp.,
2006 BCSC 1729 at paras. 20-27

The Final Order Hearing

62. The question of whether the proposed Arrangement is procedurally and substantively fair and reasonable overall and meets all applicable statutory requirements will be determined at the return of the Petition on August 1, 2025, at which time the result of the vote by the Mandalay Shareholders at the Meeting on the Arrangement Resolution will be known. The Petitioner will file with the Court a further affidavit to be sworn on behalf of Mandalay reporting as to compliance with any Interim Order and the results of the Meeting conducted pursuant to such Interim Order.

63. The final approval of the plan of arrangement should be granted if the Court is satisfied that:

(a) the statutory requirements have been met;

(b) the application has been put forward in good faith; and

(c) the arrangement is fair and reasonable.

BCE Inc v. 1976 Debentureholders, 2008 SCC 69 (***"BCE Inc."***)at para. 137

64. In order to determine whether an arrangement is fair and reasonable, a Court must be satisfied that: (a) the arrangement has a valid business purpose; and (b) the objections of those whose legal rights are being arranged are being resolved in a fair and balanced way.

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BCE Inc., 2008 SCC 69 at paras. 138 and 145

65. Courts may consider a variety of factors when assessing the fairness and reasonableness of an arrangement, which are dependant upon the nature of the case, to determine whether the objections of those whose legal rights are being arranged are being resolved in a fair and balanced way, including but not limited to:

(a) whether the arrangement was negotiated at arm's length between sophisticated commercial parties with the assistance of financial and legal advisors;

(b) whether a majority of security holders have voted to approve the arrangement (this factor is given considerable weight);

(c) whether a fairness opinion has been obtained from a reputable independent expert;

(d) whether the shareholders have access to dissent and appraisal remedies; and

(e) whether any security holders have appeared in the proceedings to oppose approval of the arrangement despite having had notice of the proceedings and the right to appear.

TCPO Holding Corp. (Re), 2023 BCSC 1402. at paras 11 and 16. *See also BCE Inc.*, 2008 SCC 69 at paras. 149-152

66. Here, the Arrangement has a valid business purpose, as set out above in paragraphs 16-21, above and should be approved because:

(a) the relevant statutory provisions have been and will have been complied with;

(b) the Arrangement has been put forward in good faith and for a *bona fide* business purpose; and

(c) the Arrangement is procedurally and substantively fair and reasonable to Mandalay and its stakeholders.

67. At the hearing for the final approval of this Plan of Arrangement, the Petitioner expects to be able to clearly demonstrate that all three elements of the test for the granting of the Final Order have been satisfied.

PART 4: MATERIAL TO BE RELIED ON

68. Affidavit #1 of Frazer Bourchier sworn June 19, 2025.

69. Further affidavits to be sworn on behalf of the Petitioner, with the exhibits thereto, outlining the basis for the Final Order, and reporting as to compliance with any Interim Order and the results of the Meeting conducted pursuant to such Interim Order.

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70. Such further affidavits and other documents as counsel may advise and this Honourable Court may permit.

Dated: June 19, 2025

MLT Aikins LLP / Goodmans LLP
Solicitors for the Petitioner

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this notice of this petition

☐ with the following variations and additional terms:

Date: _____ _____

Signature of ☐ Judge ☐ Associate Judge

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ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The petitioner claims to serve this pleading/petition on the respondents outside of British Columbia on the grounds pursuant to Section 10 (h) of the *Court Jurisdiction and Proceedings Transfer Act:*

(h)concerns a business carried on in British Columbia

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SCHEDULE "A"
INTERIM ORDER

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MANDALAY RESOURCES CORPORATION, ALKANE RESOURCES LIMITED, and 1536968 B.C. LTD.

MANDALAY RESOURCES CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION
(Interim Order)

BEFORE ASSOCIATE JUDGE) MONDAY THE 23RD DAY
)
)
OF JUNE, 2025
)

THIS WITHOUT NOTICE APPLICATION of the Petitioner, Mandalay Resources Corporation ("**Mandalay**"), for an Interim Order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c-57, as amended or superseded (the "***BCBCA***") in connection with a proposed arrangement (the "**Arrangement**") involving Mandalay, Alkane Resources Limited ("**Alkane**"), and 1536968 B.C. Ltd., ("**AcquireCo**") effected on the terms and subject to the conditions set out in a plan of arrangement (the "**Plan of Arrangement**"), without notice to any holder (the "**Mandalay Shareholders**") of issued and outstanding common shares in Mandalay (the "**Mandalay Shares**") and pursuant to the Petition of Mandalay filed on June 19, 2025, coming on for hearing at Vancouver, British Columbia, on the 23rd day of June, 2025, AND ON HEARING Katelyn Jones, counsel for the Petitioner, AND UPON READING the Petition herein and Affidavit #1 of Frazer Bourchier, sworn June 19, 2025 (the "**Bourchier Affidavit**"), and filed herein; AND UPON BEING ADVISED it is the intention of the parties to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**US Securities Act**") as a basis for an exemption from the registration requirements thereof with respect to the issuance of securities under the proposed Plan of Arrangement based on the Court's approval of the Arrangement and

determination that the Arrangement is substantively and procedurally fair and reasonable to those who will receive securities in the exchange;

THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft management information circular (the "**Mandalay Circular**") attached as Exhibit "A" to the Bourchier Affidavit.

MEETING

2. Pursuant to the *BCBCA*, Mandalay is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of Mandalay Shareholders, to be held virtually, on July 28, 2025, at 10:00 am (Toronto time), or such other date, time and place to which such meetings may be adjourned, respectively, to, among other things:

   (a) consider and, if deemed advisable, to pass with or without amendment, a special resolution (the "**Arrangement Resolution**") passed by at least two-thirds (66 2/3%) of the Mandalay Shares attending in person or by proxy, voting as a single class, under the *BCBCA*, the full text of which Arrangement Resolution is set forth in Appendix B to the Mandalay Circular; and

   (b) transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.

3. The Meeting shall be called, held and conducted in accordance with the *BCBCA*, the articles of Mandalay (the "**Articles**") and the Mandalay Circular, subject to the terms of this Interim Order and any further order of this Court, and the rulings and directions of the chair of the Meeting (the "**Chair**"), such rulings and directions not to be inconsistent with this Interim Order.

4. The Chair of the Meeting shall be Brad Mills or such other person authorized in accordance with the Articles. The Chair is at liberty to call on the assistance of legal counsel to Mandalay at any time and from time to time as the Chair of such Meeting may deem necessary or appropriate.

5. The record date for the Meeting is June 20, 2025 (the "**Record Date**"). Only holders of record of Mandalay Shares at the close of business on the Record Date are entitled to notice of, and to vote at, the Meeting and any adjournments or postponements thereof.

ADJOURNMENT

6. Subject to the terms of the Arrangement Agreement, the board of directors of Mandalay are specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the need for approval of the Court, if, in their absolute discretion, the board of

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directors of Mandalay consider that it is impractical or undesirable for any reason to hold the Meeting at the place, the day and the hour specified in the Notice of Meeting. Subject to the terms of the Arrangement Agreement and the Mandalay Articles, notice of any such adjournments or postponements shall be promptly given to the Mandalay Shareholders by such method as the board of directors of Mandalay may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement, or by notice sent to the Mandalay Shareholders as specified in paragraph 10 of this Interim Order, as determined to be the most appropriate method of communication by the board of directors of Mandalay.

7. The Record Date (as defined in paragraph 5 above) shall not change in respect of any adjournments or postponements of the Meeting, unless Mandalay determines that it is advisable.

AMENDMENTS

8. Prior to the Meeting, Mandalay is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, without any additional notice to the Mandalay Shareholders or further orders of this Court, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Meeting.

NOTICE OF MEETING

9. The Mandalay Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the *BCBCA*, and Mandalay shall not be required to send to the Mandalay Shareholders any other or additional statement pursuant to Section 290(1)(a) of the *BCBCA*.

10. The Notice of Meeting (with the Mandalay Circular attached), including this Interim Order, the Petition and the Notice of Hearing (for Final Order) and form of proxy (for registered Mandalay Shareholders) and voting instruction form (for non-registered Mandalay Shareholders) (collectively, referred to as the "**Meeting Materials**") in substantially the same forms as contained in Exhibit "A" to the Bourchier Affidavit with such deletions, amendments or additions thereto as counsel for Mandalay may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:

    (a) the registered Mandalay Shareholders as they appear on the central securities register of Mandalay or the records of its transfer agent as at the close of business on the Record Date at least 21 days prior to the date of the Meeting, excluding the date of commencement of mailing, delivery or transmittal, by one or more of the following methods:

        (i) by prepaid ordinary or air mail addressed to the Registered Mandalay Shareholders at their addresses as they appear in the applicable records of Mandalay or its transfer agent, as at the Record Date;

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(ii) by delivery in person or by courier to the addresses specified in subparagraph (i) above; or

(i) by email or facsimile transmission to any registered Mandalay Shareholders, who has previously identified himself, herself or itself to the satisfaction of Mandalay, acting through its representatives, and who requests such email or facsimile transmission; and

(b) the non-registered Mandalay Shareholders by causing, in accordance with the National Instrument 54-101 - Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators ("**NI 54-101**"), its agent to deliver the requisite number of copies of the Meeting Materials to clearing agencies or intermediaries for onward distribution of the Meeting Materials to those non-registered Mandalay Shareholders who have provided instructions to an intermediary that the beneficial owner objects to the intermediary disclosing ownership information about the beneficial owner;

(c) the directors and auditors of Mandalay by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal and excluding the date of the Meeting;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

11. The Notice of Meeting (with the Mandalay Circular attached), including this Interim Order, the Petition and the Notice of Hearing (for Final Order) (the "**Notice Materials**") shall be sent by prepaid ordinary mail or by email transmission to the holders of outstanding options to purchase Mandalay Shares ("**Mandalay Options**"), Mandalay restricted share units ("**Mandalay RSUs**"), Mandalay performance share units ("**Mandalay PSUs**") and Mandalay deferred share units ("**Mandalay DSUs**") as of the Record Date to the address of such holder as it appears in the applicable records of Mandalay at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal.

12. Accidental failure or omission by Mandalay to give notice to any one or more Mandalay Shareholder, director of Mandalay, the auditors of Mandalay or the holders of Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs or the non-receipt of such notice by one or more of them, or any failure or omission to give such notice as a result of events beyond the reasonable control of Mandalay (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to them, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Mandalay, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. No other form of service of the Meeting Materials or the Notice Materials or any portion thereof need be made, or notice given or other material served in respect of these

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proceedings or the Meeting, except as may be directed by further order of this Court. Provided that notice of the Meeting and the provision of the Meeting Materials to the Mandalay Shareholders and the directors and auditors of Mandalay and the provision of the Notice Materials takes place in compliance with this Interim Order, the requirement of section 290(1)(b) of the *BCBCA* to include certain disclosure in any advertisement of the Meeting is waived.

DEEMED RECEIPT OF NOTICE

14. The Meeting Materials and Notice Materials shall be deemed, for the purposes of this Interim Order, to have been served upon and received:

(a) in the case of post pursuant to paragraphs 10 and 11, above, the day, Saturdays, Sundays and public holidays excepted, following the date of post;

(b) in the case of delivery via courier pursuant to paragraphs 10 and 11, above, the third day following personal delivery;

(c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraphs 10 and 11, above, when dispatched or delivered for dispatch; and

(a) in the case of delivery to clearing agencies or intermediaries for onward distribution pursuant to paragraph 10 above, the day following delivery to clearing agencies or intermediaries.

AMENDMENTS TO MEETING MATERIALS AND NOTICE MATERIALS

15. Mandalay is authorized to make such amendments, revisions or supplements to the Meeting Materials and Notice Materials as it may determine and the Meeting Materials and Notice Materials, as so amended, revised and/or supplemented, shall be the Meeting Materials and Notice Materials to be distributed in accordance with paragraphs 10 and 11 herein.

UPDATING MEETING MATERIALS

16. Notice of any amendments, updates or supplements to any of the information provided in the Notice of Meeting and Meeting Materials and Notice Materials, may be communicated to the Mandalay Shareholders and the directors and auditors of Mandalay and the holders of Mandalay Options, Mandalay RSUs, Mandalay PSUs and Mandalay DSUs as Mandalay may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement or by notice sent to them by any of the means set forth in paragraphs 10 and 11 herein, as determined to be the most appropriate method of communication by the board of directors of Mandalay.

QUORUM AND VOTING

17. The Chair of the Meeting shall be determined by Mandalay.

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18. The quorum required at the Meeting shall be the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding Mandalay Shares entitled to be voted at the Meeting.

19. In respect to the Arrangement Resolution, the votes taken at the Meeting shall be taken on the basis of one vote for each Mandalay Share. The vote required to pass the Arrangement Resolution is the affirmative vote (in person or by proxy) of the holders of at least two-thirds (66⅔%) of the outstanding Mandalay Shares that attend, are entitled to vote and vote at the Meeting.

20. Any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Mandalay Shares represented by such spoiled votes, illegible votes, defective votes or abstentions shall be counted in determining the number of Mandalay Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

21. In all other respects, the terms, restrictions and conditions set out in the Mandalay Articles shall apply in respect of the Meeting.

PERMITTED ATTENDEES

22. The only persons entitled to attend the Meeting shall be (i) the registered Mandalay Shareholders as of the close of business in Toronto, Ontario on the Record Date, or their respective proxyholders, (ii) Mandalay's directors, officers, auditors and advisors, (iii) any representative of Alkane or AcquireCo including their respective directors, officers and advisors, (iv) any other person admitted on the invitation of the chair of the Meeting or with the consent of the chair of the Meeting. The only persons entitled to be represented and to vote at the Meeting shall be the registered Mandalay Shareholders as at the close of business on the Record Date, or their respective proxyholders.

SCRUTINEERS

23. One or more representatives of Mandalay appointed by the Chair of the Meeting is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

24. Mandalay is authorized to use the form of proxy (for registered Mandalay Shareholders) and the voting instruction form (for non-registered Mandalay Shareholders) in substantially the same forms as attached as Exhibit "D" to the Bourchier Affidavit, in connection with the Meeting, subject to Mandalay's ability to insert dates and other relevant information and, subject to the Arrangement Agreement, with such amendments, revisions or supplemental information as Mandalay may determine are necessary or desirable. Mandalay is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

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25. The procedure for the delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials. The Chair of the Meeting may waive generally, in their discretion, the time limits set out in the Mandalay Circular for the deposit or revocation of proxies by Mandalay Shareholders. The Mandalay Shareholders may revoke their proxies in any manner as set forth in the Meeting Materials.

DISSENT RIGHTS

26. Each Registered Mandalay Shareholder who is a Registered Mandalay Shareholder as of the close of business on the Record Date shall be entitled to exercise a right of dissent in connection with the Arrangement Resolution in accordance with Sections 237 to 247 of the *BCBCA* (except as the procedures of those section are varied by this Interim Order, the Final Order and the Plan of Arrangement).

27. In order for a Registered Mandalay Shareholder to exercise such right of dissent (the "**Dissent Right**"):

(a) a dissenting Registered Mandalay Shareholder must deliver a written notice of dissent which must be received by Mandalay at Suite 720 - 155 University Ave. Toronto, Ontario M5H 3B7, Attention: Jasmine Virk not later than 5:00 p.m. (Toronto time) on or before July 26, 2025 (or by 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on July 28,2025);

(b) a dissenting Registered Mandalay Shareholder must not have voted his, her or its Mandalay Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution, and a vote against the Arrangement Resolution or an abstention shall not constitute written notice of dissent;

(c) dissenting Registered Mandalay Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Registered Mandalay Shareholder's Mandalay Shares, but may dissent only with respect to all of the Mandalay Shares held by such person; and

(d) the exercise of such Dissent Right must otherwise strictly comply with the requirements of Section 242 of the *BCBCA*, as modified by the Plan of Arrangement, this Interim Order and the Final Order.

28. Any Registered Mandalay Shareholder who duly exercises such Dissent Right set out in paragraphs 26-27 above and who:

(a) is ultimately determined to be entitled to be paid fair value for his, her or its Mandalay Shares shall be deemed to have transferred and assigned those Mandalay Shares as of the Effective Time (as defined in the Circular), without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to Mandalay for cancellation in consideration for a payment of cash from Mandalay equal to such fair value; or

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(b) is for any reason ultimately determined not to be entitled to be paid fair value for his, her or its Mandalay Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Mandalay Shareholder;

but in no case shall Mandalay, Alkane, or AcquireCo or any other person be required to recognize such Mandalay Shareholders as holders of Mandalay Shares after the time that is immediately prior to the Effective Time and the names of such Mandalay Shareholders shall be deleted from Mandalay's register of holders of Mandalay Shares at that time.

29. Notice to the Registered Mandalay Shareholders of their Dissent Right with respect to the Arrangement Resolution shall be given by including information with respect to the Dissent Right in the Circular to be sent to Registered Mandalay Shareholders in accordance with this Interim Order.

30. Subject to further order of this Court, the rights available to the Registered Mandalay Shareholders under the *BCBCA*, the Plan of Arrangement and this Interim Order to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Registered Mandalay Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

31. Upon the approval, with or without variation, by the Mandalay Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Mandalay may apply to this Court for, inter alia, an order:

(a) approving the Arrangement pursuant to sections 291(4)(a) of the *BCBCA*;

(b) declaring that the terms and conditions of the Arrangement are substantively and procedurally fair and reasonable pursuant to section 291(4)(a) of the *BCBCA*; and

(c) providing for the incidental, consequential and supplemental matters necessary to ensure that each of the amalgamations contemplated in the Arrangement are fully and effectively carried out pursuant to section 295 of the *BCBCA*

(collectively, the "**Final Order**"),

and the hearing of the Final Order shall be held in person at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time), as the case may be, on August 1, 2025, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

32. The form of Notice of Hearing (for Final Order) in connection with the Final Order attached to the Bourchier Affidavit as Exhibit "C" is hereby approved as the form of Notice of Hearing for the Petition for such approval. Any Mandalay Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.

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33. Any Mandalay Shareholder seeking to appear at the hearing of the application for the Final Order shall:

(a) file and deliver a Response to Petition (a "**Response**") in the form prescribed by the British Columbia *Supreme Court Civil Rules*;

(b) serve a copy of the filed Response together with all materials upon which the Mandalay Shareholder intends to rely upon at the hearing for the Final Order to Mandalay's counsel at:

MLT AIKINS LLP
Barristers and Solicitors
1066 W Hastings St., # 2600
Vancouver, British Columbia, Canada V6C 3X1

Attention: Katelyn Jones (kjones@mltaikins.com)

Fax number for delivery: (604) 682-7131

and to Mandalay's co-counsel at:

GOODMANS LLP
Barristers and Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario, Canada M5H 2S7

Attention: Peter Kolla (pkolla@goodmans.ca) &
Arash Rouhi (arouhi@goodmans.ca)

Fax number for delivery: (416) 979-1234

by or before 4:00 p.m. (Vancouver time) on the date that is two (2) business days prior to the date of the hearing of the application for the Final Order.

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(c) deliver a copy of the filed Response together with all materials upon which the Mandalay Shareholder intends to rely upon at the hearing for the Final Order to counsel to Alkane and AcquireCo at:

BENNETT JONES LLP
Barristers and Solicitors

2500 Park Place, 666 Burrard Street
Vancouver, British Columbia, Canada V6C 2X8

Attention: Melanie Teetaert (teetaertm@bennettjones.com)

Fax number for delivery: (604) 891-5100

by or before 4:00 p.m. (Vancouver time) on the date that is two (2) business days prior to the date of the hearing of the application for the Final Order.

34. Any materials to be filed by the Petitioner in support of the within Application for final approval of the Plan of Arrangement may be filed up to one (1) day prior to the hearing of the application without further order of this Honourable Court.

35. Any other interested party desiring to support or oppose the application and/or make submissions at the hearing of the application for the Final Order, shall file a Response and deliver a copy of the filed Response together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on or before 4:00 p.m. (Vancouver time) on the date that is two business days prior to the date of the hearing of the application for the Final Order, to Mandalay's counsel and co-counsel (as referenced in paragraph 33(b), above), and to counsel to Alkane and AcquireCo (as referenced in paragraph 33(c), above).

36. Sending the Petition and Notice of Hearing (for Final Order) in connection with the Final Order and this Interim Order in accordance with paragraphs 10 and 11 of this Interim Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings, except as provided in paragraphs 37 and 38 below. In particular, service of the Bourchier Affidavit and additional affidavits as may be filed, is dispensed with.

37. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Mandalay, Alkane and AcquireCo, respectively, and any persons who have delivered a Response in accordance with this Interim Order.

38. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be served with materials filed in this proceeding and provided with notice of the adjourned hearing date.

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PRECEDENCE

39. To the extent of any inconsistency or discrepancy with respect to matters provided for in this Interim Order between this Interim Order and the terms of any instrument creating, governing or collateral to the Mandalay Shares, or the *BCBCA*, this Interim Order shall govern.

EXTRA-TERRITORIAL ASSISTANCE

40. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the U.S. or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

VARIANCE

41. Mandalay shall, subject to the terms of the Arrangement Agreement, be entitled, at any time, to apply to vary this Interim Order or for such further order or orders and direction from this Honourable Court as may be appropriate.

42. *Supreme Court Civil Rules* 8-1 and 16-1(13) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

43. Endorsement of the Interim Order by counsel appearing on this Petition, except for counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

_____

Signature of Lawyer for the Petitioner,
Mandalay Resource Corporation
Katelyn Jones

BY THE COURT

_____

Registrar

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SCHEDULE "B"
FINAL ORDER

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MANDALAY RESOURCES CORPORATION, ALKANE RESOURCES LIMITED, and 1536968 B.C. LTD.

MANDALAY RESOURCES CORPORATION

PETITIONER

ORDER MADE AFTER APPLICATION
(Final Order)

BEFORE) THE HONOURABLE JUSTICE) , 2025

ON THE APPLICATION of the Petitioner, Mandalay Resources Corporation ("**Mandalay**"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia and UPON HEARING Katelyn Jones, counsel for the Petitioner; and no one appearing on behalf of any holder (the "**Mandalay Shareholders**") of issued and outstanding common shares of Mandalay ("**Mandalay Shares**") or any other person affected; AND UPON READING the Petition to the Court herein dated June 19, 2025; AND UPON READING the Interim Order of Associate Judge _____ made herein on June 23, 2025 (the "**Interim Order**"); AND UPON READING Affidavits #1 and #2 of Frazer Bourchier sworn on June 19, 2025 and [●], 2025; AND UPON IT APPEARING that good and sufficient notice of the time and place of the hearing of this application was given to Mandalay Shareholders and to the holders of outstanding options to purchase Mandalay Shares ("**Mandalay Options**"), Mandalay restricted share units ("**Mandalay RSUs**"), Mandalay performance share units ("**Mandalay PSUs**") and Mandalay deferred share units ("**Mandalay DSUs**") in accordance with the Interim Order; AND UPON the requisite approval of the Mandalay Shareholders having been obtained at the special meeting of the Mandalay Shareholders held on July 28, 2025 (the "**Meeting**"), for which good and sufficient notice of Meeting was provided to Mandalay Shareholders; AND UPON CONSIDERING the fairness to the parties affected thereby of the terms and conditions of the Arrangement and of the transactions contemplated by the

Arrangement; AND UPON BEING INFORMED that it is the intention of the parties to rely on section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**US Securities Act**") and that the declaration of the fairness of, and the approval of, the Arrangement contemplated in the plan of arrangement (the "**Plan of Arrangement**"), a copy of which is attached hereto as Schedule "A", by this Court will serve as the basis for an exemption from the registration requirements of the US Securities Act pursuant to section 3(a)(10) thereof, for the issuance of securities in connection with the Arrangement;

THIS COURT ORDERS that:

1. Pursuant to the provisions of s. 291(4)(c) of the *Business Corporations Act*, S.B.C. 2002, C. 57, as amended or superseded (the "***BCBCA***"), the Arrangement as provided for in the Plan of Arrangement, attached hereto as Schedule "A", including the terms and conditions thereof and the issuances of securities contemplated therein, is substantively and procedurally fair and reasonable to Mandalay Shareholders and other affected parties;

2. The Arrangement as provided for in the Plan of Arrangement be and hereby is approved pursuant to the provisions of s. 291(4)(a) of the *BCBCA*; and

3. Mandalay shall be at liberty to seek leave to vary this order upon such terms and upon giving such notice as this Court may direct, and to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further order or orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

_____

Signature of Lawyer for the Petitioner,
Mandalay Resources Corporation
Katelyn Jones

BY THE COURT

_____

Registrar

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SCHEDULE "A"

Annex B

PLAN OF ARRANGEMENT UNDER PART 9 DIVISION 5 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Acquireco**" means 1536968 B.C. Ltd., a company existing under the laws of British Columbia and a direct wholly owned subsidiary of Alkane;

"**Acquireco Common Shares**" means the common shares in the capital of Acquireco;

"**affiliate**" has the meaning given to it in the *Securities Act* (British Columbia);

"**Alkane**" means Alkane Resources Limited, a company existing under the laws of Western Australia with ACN 000 689 216;

"**Alkane Share**" means a fully paid ordinary share in the capital of Alkane;

"**Arrangement**" means the arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Mandalay and Alkane, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated April 27, 2025 among Alkane, Mandalay and Acquireco, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution of the Mandalay Shareholders approving the Arrangement to be considered at the Mandalay Meeting, substantially in the form and content of Schedule "B" to the Arrangement Agreement;

"**Australian Tax Act**" means the *Income Tax Assessment Act 1936 (Cth)*, *Income Tax Assessment Act 1997 (Cth)* and *Taxation Administration Act 1953 (Cth)* and the regulations thereunder, as amended from time to time;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Perth, Western Australia are open for the conduct of business;

"**Consideration**" means the Alkane Shares to be issued to the Mandalay Shareholders pursuant to the Plan of Arrangement, being a number of Alkane Shares equal to the Exchange Ratio for each Mandalay Share;

"**Court**" means the Supreme Court of British Columbia;

"**Depositary**" means any trust company, bank or financial institution agreed to in writing between the Parties for the purpose of, among other things, exchanging Mandalay Shares for the Consideration pursuant to the Arrangement;

"**Dissent Rights**" shall have the meaning ascribed thereto in Section 4.1;

"**Dissenting Shareholder**" means a registered holder of Mandalay Shares that has duly and validly exercised their Dissent Rights and that has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and that is ultimately determined to be entitled to be paid the fair value of its Mandalay Shares;

"**DRS**" shall have the meaning ascribed thereto in Section 5.2;

"**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with Section 2.7(a) of the Arrangement Agreement;

"**Effective Time**" means 3:01 a.m. (Toronto time) on the Effective Date;

"**Exchange Ratio**" means 7.875 Alkane Shares for each Mandalay Share;

"**Fair Market Value**" with reference to an Alkane Share means the fair market value of such Alkane Share, determined as the closing price per Alkane Share on the Australian Securities Exchange on the last trading day immediately prior to the Effective Date, converted into Canadian dollars using the foreign exchange rate posted by the Bank of Canada for such date;

"**Final Order**" means the final order of the Court, after being informed of the intention to rely upon the exemption from the registration requirements under Section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of the Consideration, approving the Arrangement under subsection 291(4) of the BCBCA, in form and substance acceptable to both Mandalay and Alkane, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Mandalay and Alkane, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Mandalay and Alkane, each acting reasonably);

"**final proscription date**" shall have the meaning ascribed thereto Section 5.6;

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"**Former Mandalay Shareholders**" means the holders of Mandalay Shares (other than Dissenting Shareholders, Alkane and Acquireco) immediately prior to the effective time of the transaction described in Section 3.1(c);

"**Interim Order**" means the interim order of the Court after the application to the Court pursuant to subsection 291(2) of the BCBCA, after being informed of the intention to rely upon the exemption from the registration requirements under Section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of the Consideration, to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, providing for, among other things, the calling and holding of the Mandalay Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Mandalay and Alkane, each acting reasonably;

"**Mandalay**" means Mandalay Resources Corporation, a corporation existing under the BCBCA;

"**Mandalay Circular**" means the notice of the Mandalay Meeting and accompanying management information circular, including all schedules, appendices, and exhibits thereto, to be sent to the Mandalay Shareholders in connection with the Mandalay Meeting, as amended, supplemented or otherwise modified from time to time;

"**Mandalay DSUs**" means the outstanding deferred share units of Mandalay issued under the Mandalay Omnibus Plan;

"**Mandalay Meeting**" means the special meeting of the Mandalay Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and any other matters as may be set out in the Mandalay Circular and agreed to in writing by Alkane, acting reasonably;

"**Mandalay Omnibus Plan**" means the omnibus equity incentive plan of Mandalay, which was approved by Mandalay Shareholders at the annual general and special meeting on May 20, 2020;

"**Mandalay Options**" means the outstanding options of Mandalay to purchase Mandalay Shares issued under the Mandalay Plans;

"**Mandalay Plans**" means, collectively, the Mandalay Omnibus Plan and the Mandalay Stock Option Plan;

"**Mandalay PSUs**" means the outstanding performance share units of Mandalay issued under the Mandalay Omnibus Plan;

"**Mandalay RSUs**" means the outstanding restricted share units of Mandalay issued under the Mandalay Omnibus Plan;

"**Mandalay Stock Option Plan**" means the second amended and restated stock option plan of Mandalay dated March 14, 2014;

"**Mandalay Shareholders**" means the holders of Mandalay Shares;

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"**Mandalay Shares**" means the common shares in the capital of Mandalay, as constituted immediately prior to the Effective Time;

"**Party**" means any of Mandalay, Alkane or Acquireco as the case may be, and "**Parties**" means all of them, collectively;

"**Plan of Arrangement**" means this plan of arrangement and any amendments or variations hereto made in accordance with Section 8.3 of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or at the direction of the Court and agreed to in writing by both Mandalay and Alkane, each acting reasonably;

"**Registrar**" means the person appointed as the Registrar of Companies pursuant to section 400 of the BCBCA;

"**Tax**" or "**Taxes**" mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**Transmittal Letter**" means the letter of transmittal sent to holders of Mandalay Shares for use in connection with the Arrangement or such other equivalent form of letter of transmittal acceptable to Alkane acting reasonably;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended. In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

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1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto. Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section, by number or letter or both refer to the Article or Section, respectively, bearing that designation in this Plan of Arrangement.y or ancillary hereto.

1.3 Number, Gender and persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of any gender shall include all genders and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required or permitted to be taken hereunder is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Plan of Arrangement to a statute includes all rules and regulations made or promulgated thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada, and all references to "A$" are references to Australian dollars.

1.7 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

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ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement constitutes an arrangement as referred to in section 288 of the BCBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein. If there is any conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement regarding the Arrangement, the provisions of this Plan of Arrangement shall govern.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement will become effective and be binding on Mandalay, Alkane, Acquireco, all registered and beneficial Mandalay Shareholders (including Dissenting Shareholders), all holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs, the registrar and transfer agent of Mandalay and the Depositary at and after the Effective Time, in each case without any further act or formality required on the part of any person, except as expressly provided in this Plan of Arrangement.

ARTICLE 3
ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, the following steps or transactions shall, unless specifically provided otherwise in this Section 3.1, occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case at five-minute intervals starting at the Effective Time:

(a) each outstanding Mandalay DSU shall, without any further action on the part of any holder thereof and notwithstanding the terms of the Mandalay Omnibus Plan, be, and shall be deemed to be, settled and cancelled, and in consideration thereof, Mandalay shall allot and issue from treasury to the holder of such Mandalay DSU such number of Mandalay Shares as are due to such holder under the terms of the Mandalay Omnibus Plan (subject to withholding in accordance with this Plan of Arrangement) and the name of each such former holder of a settled and cancelled Mandalay DSU shall be entered in Mandalay's central securities register of holders of Mandalay Shares as a holder of Mandalay Shares but no such former holder shall be entitled to a certificate or DRS representing the Mandalay Shares issued upon the settlement and cancellation of such holder's Mandalay DSUs;

(b) each Mandalay Share outstanding immediately prior to the Effective Time held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Mandalay for cancellation and Mandalay shall thereupon be

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obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and:

(i) the name of such registered holder shall be removed from the central securities register of Mandalay as a holder of such Mandalay Shares;

(ii) such Dissenting Shareholders will cease to be the registered holder of such Mandalay Shares and will cease to have any rights as Mandalay Shareholders other than the right to be paid the fair value for their Mandalay Shares as set out in Article 4 hereof; and

(iii) such Mandalay Shares so transferred to Mandalay shall thereupon be cancelled by Mandalay and the central securities register of Mandalay shall be revised accordingly;

(c) each Mandalay Share outstanding immediately prior to the effective time of the transfer under this Section 3.1(c) (for the avoidance of doubt, not including Mandalay Shares held immediately before the Effective Time by a Dissenting Shareholder that were transferred to Mandalay for cancellation under Section 3.1(b) or Mandalay Shares held by Alkane or Acquireco, but including any Mandalay Shares issued to holders of Mandalay DSUs pursuant to Section 3.1(a)) shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality by such Mandalay Shareholder, free and clear of all liens, claims and encumbrances, to Acquireco in exchange (subject to Section 3.2) for that number of Alkane Shares equal to the Exchange Ratio for each Mandalay Share, and each of Alkane and Acquireco shall be deemed to have directed the Depositary to issue and to deliver to such holder the Consideration to which such holder is entitled pursuant to this Section 3.1(c), and upon such exchange:

(i) each holder of such Mandalay Shares shall cease to be the holder thereof and to have any rights as a Mandalay Shareholder other than the right to be paid the Consideration pursuant to this Section 3.1(c) and in accordance with this Plan of Arrangement;

(ii) each Former Mandalay Shareholder shall be removed from Mandalay's central securities register of holders of Mandalay Shares;

(iii) Acquireco shall be entered in Mandalay's central securities register of holders of Mandalay Shares as the legal and beneficial owner of such Mandalay Shares,

(iv) each Former Mandalay Shareholder shall be entered in Alkane's register of holders of Alkane Shares in respect of Alkane Shares deliverable to such Former Mandalay Shareholder pursuant to this Section 3.1(c);

(d) each of the following shall, and shall be deemed to, occur concurrently with the transfer in Section 3.1(c):

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(i) in consideration for the issuance by Alkane (on behalf of and for the benefit of Acquireco) of the Consideration issued to Mandalay Shareholders pursuant to Section 3.1(c), Acquireco shall, and shall be deemed to, issue to Alkane that number of Acquireco Common Shares having an aggregate fair market value equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to Section 3.1(c); and

(ii) Acquireco shall, and shall be deemed to, add to its capital for the Acquireco Common Shares, in respect of the issuance of Acquireco Common Shares to Alkane under Section 3.1(d)(i), an amount equal to the aggregate Fair Market Value of the Alkane Shares issued pursuant to Section 3.1(c); and

(e) all outstanding Mandalay Options, Mandalay PSUs and Mandalay RSUs that have not been duly exercised or settled prior to the Effective Time shall terminate without any further act or formality, the Mandalay Plans will terminate and none of (i) the former holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs, (ii) the Parties or (iii) any of the respective successors or assigns of any of the foregoing, shall have any rights, liabilities or obligations in respect of the Mandalay Plans.

3.2 No Fractional Shares

No fractional Alkane Shares shall be issued to Mandalay Shareholders. Where the aggregate number of Alkane Shares to be issued to a Mandalay Shareholder under the Arrangement would otherwise result in a fraction of an Alkane Share being issuable, the number of Alkane Shares to be issued to such Mandalay Shareholder shall be rounded down to the nearest whole Alkane Share, and such Mandalay Shareholder shall not be entitled to any compensation in respect of such fractional Alkane Share.

ARTICLE 4
DISSENT RIGHTS

4.1 Dissent Rights

Registered Mandalay Shareholders as of the record date of the Mandalay Meeting may exercise rights of dissent with respect to the Mandalay Shares held by such Mandalay Shareholder ("**Dissent Rights**") in connection with this Plan of Arrangement pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA as modified by the Interim Order, the Final Order and this Section 4.1, provided that notwithstanding section 242 of the BCBCA, the exercise of Dissent Rights and written objection of such registered Mandalay Shareholder to the special resolution approving the Arrangement must be received by Mandalay not later than 4:00 p.m. (Toronto time) on the Business Day that is two (2) Business Days before the Mandalay Meeting.

Each Dissenting Shareholder who duly exercises Dissent Rights and who is ultimately determined to be:

(a) entitled to be paid fair value for their Mandalay Shares, (i) shall be deemed to have

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transferred such Mandalay Shares to Mandalay for cancellation as provided, and as of the time stipulated, in Section 3.1(b), (ii) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(b)), (iii) shall be entitled to be paid in cash the fair value of such Mandalay Shares by Mandalay, less any applicable withholdings, which fair value, notwithstanding anything to the contrary in the BCBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Mandalay Meeting, and (iv) will not be entitled to any other payment or consideration, including any payment or consideration that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Mandalay Shares; or

(b) not entitled, for any reason, to be paid the fair value for such Mandalay Shares, (i) shall be deemed to have transferred such Mandalay Shares to Acquireco as provided, and as of the time stipulated, in Section 3.1(c), and (ii) shall be deemed to have participated in the Arrangement on the same basis and at the same time as Mandalay Shareholders who have not exercised Dissent Rights in respect of such Mandalay Shares and shall be entitled to receive only the Consideration to which Mandalay Shareholders who have not exercised Dissent Rights are entitled under Section 3.1(c).

4.2 Recognition of Dissenting Holders

(a) In no case shall any Party, the Depositary or any other person be required to recognize any Dissenting Shareholder or any other person exercising Dissent Rights unless such person (i) as of the record date for the Mandalay Meeting, is the registered holder of those Mandalay Shares in respect of which such rights are sought to be exercised, (ii) as of the deadline for exercising Dissent Rights, is the registered holder of those Mandalay Shares in respect of which such rights are sought to be exercised and (iii) has strictly complied with the procedures for exercising Dissent Rights and has not withdrawn such dissent prior to the Effective Time.

(b) In no case shall any Party or any other person be required to recognize any holder of Mandalay Shares who validly exercises Dissent Rights as a holder of such Mandalay Shares after the completion of the transfer under Section 3.1(b), and the central securities register of Mandalay will be amended to reflect that such former holder is no longer the holder of such Mandalay Shares at the same time as the event described in Section 3.1(b) occurs.

(c) Mandalay Shareholders who withdraw, or are deemed to withdraw, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the Consideration to which Mandalay Shareholders who have not exercised Dissent Rights are entitled under Section 3.1(d).

(d) In addition to any other restrictions under the Interim Order or the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (a) holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs (in their capacity as holders of such securities); (b) Mandalay Shareholders who voted or

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instructed a proxyholder to vote Mandalay Shares in favour of the Arrangement Resolution; (c) Alkane, Acquireco and any of their affiliates; (d) any person who is not a registered holder of Mandalay Shares; and (e) persons who have not strictly complied with the procedures for exercising Dissent Rights or persons who have withdrawn their exercise of Dissent Rights prior to the Effective Time.

ARTICLE 5
DELIVERY OF CONSIDERATION

5.1 Delivery of Consideration

Following the receipt of the Final Order and no later than the Business Day prior to the Effective Date, Alkane shall deliver or arrange to be delivered to the Depositary such number of Alkane Shares as are required to satisfy the Consideration payable to Mandalay Shareholders in accordance with the provisions of Section 3.1, which Alkane Shares shall be held by the Depositary as agent and nominee for such Mandalay Shareholders for distribution to such Mandalay Shareholders in accordance with the provisions of this Article 5.

5.2 Delivery of Consideration

(a) Upon surrender to the Depositary for cancellation of a certificate or direct registration statement ("**DRS**") advice-statement that immediately before the Effective Time represented one or more outstanding Mandalay Shares that were transferred to Acquireco in accordance with Section 3.1, together with a duly completed Transmittal Letter and such other documents and instruments as would have been required to effect the transfer of the Mandalay Shares formerly represented by such certificate or DRS advice-statement under the BCBCA and the constating documents of Mandalay and such additional documents and instruments as the Depositary may reasonably require, the Former Mandalay Shareholder surrendering such certificate or DRS advice-statement shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate, holding statement or DRS advice-statement representing the Alkane Shares that such holder is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section 5.5 and any certificate or DRS advice-statement representing such Mandalay Shares so surrendered shall forthwith thereafter be cancelled. Notwithstanding the foregoing, holders of Mandalay DSUs who received Mandalay Shares pursuant to Section 3.1(a) shall not receive certificates or DRS advice-statements representing such Mandalay Shares and, accordingly, shall not be required to deliver a Transmittal Letter or any such certificates or DRS advice-statements in respect of such Mandalay Shares.

(b) After the Effective Time and until surrendered for cancellation as contemplated by this Section 5.2, each certificate or DRS advice-statement that immediately prior to the Effective Time represented one or more Mandalay Shares (other than Mandalay Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or Mandalay Shares held by Alkane or Acquireco) shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section

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5.3 Lost Certificates

If any certificate that immediately prior to the Effective Time represented one or more outstanding Mandalay Shares that were exchanged in accordance with Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration that such holder is entitled to receive in accordance with Section 3.1 and such holder's Transmittal Letter. When authorizing such delivery of the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom the Consideration is to be delivered shall, as a condition precedent to the delivery of the Consideration, give a bond satisfactory to Alkane and the Depositary in such amount as Alkane and the Depositary may direct, or otherwise indemnify Alkane, Acquireco and the Depositary in a manner satisfactory to Alkane and the Depositary, against any claim that may be made against Alkane, Acquireco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the constating documents of Mandalay.

5.4 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Alkane Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate or DRS advice-statement that, immediately prior to the Effective Time, represented outstanding Mandalay Shares unless and until the holder of such certificate or DRS advice-statement shall have complied with the provisions of Section 5.2 or Section 5.3. Subject to applicable Law and to withholding required pursuant to Section 5.5, at the time of such compliance, there shall, in addition to the delivery of certificates representing Alkane Shares to which such holder is thereby entitled, be delivered to such holder, without interest, (i) the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Alkane Shares and (ii) on the appropriate payment date, the amount of any dividend or other distribution with a record date after the Effective Time and a payment date subsequent to the date of such compliance payable with respect to such Alkane Shares.

5.5 Withholding Rights

Alkane, Mandalay, Acquireco, the Depositary and their respective agents, as applicable, shall be entitled to deduct and withhold from any Consideration or any other amount payable or otherwise deliverable to any Mandalay Shareholder or any other person under this Plan of Arrangement (including any payment to Dissenting Shareholders and holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs) such Taxes or other amounts as Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, may reasonably determine is required to be deducted or withheld with respect to such payment under the Tax Act, the U.S. Tax Code, the Australian Tax Act or any provision of Laws in respect of Taxes, provided that no such deduction or withholding may be made with respect to the Consideration to the extent such withholding or deduction is in respect of or in connection with a foreign resident capital gains tax withholding amount to the Australian Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the Taxation Administration Act 1953 (Cth) except in accordance with Section 2.9(b) of the Arrangement Agreement. For the purposes hereof, all such deducted or withheld

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amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are timely remitted to the appropriate Governmental Entity by or on behalf of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be. To the extent that the amount so required to be deducted or withheld from any payment to a Mandalay Shareholder or holder of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs exceeds the cash component, if any, of the amount otherwise payable, subject to the prior approval of Alkane, any of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, are hereby authorized to sell or otherwise dispose of such portion of the Consideration issuable as is necessary to provide sufficient funds to Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, to enable it to comply with all applicable deduction or withholding requirements, and Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, shall remit the applicable portion of the net proceeds of such sale (after deduction of all fees, commissions or costs in respect of such sale) to the appropriate Governmental Entity and shall remit to such Mandalay Shareholder or holder of a Mandalay Option, Mandalay DSU, Mandalay PSU or Mandalay RSU any unapplied balance of the net proceeds of such sale. Any sale will be made in accordance with applicable Laws and at prevailing market prices and none of Alkane, Mandalay, Acquireco, the Depositary or their respective agents, as the case may be, shall be under any obligation to obtain a particular price, or indemnify any Mandalay Shareholder or holder of a Mandalay Option, Mandalay DSU, Mandalay PSU or Mandalay RSU in respect of a particular price, for the portion of the Consideration so sold.

5.6 Limitation and Proscription

To the extent that a Former Mandalay Shareholder shall not have complied with the provisions of Section 5.2 or Section 5.3 on or before the date that is six (6) years after the Effective Date (the "final proscription date"), then the Consideration that such Former Mandalay Shareholder was entitled to receive, in each case together with all entitlements to dividends and distributions thereon held for such Former Mandalay Shareholder, shall be automatically cancelled without any repayment of capital in respect thereof and the certificates, holding statements or DRS advice-statements representing Alkane Shares shall be delivered to Alkane by the Depositary and the certificates, holding statements and DRS advice-statements representing such Alkane Shares shall be cancelled by Alkane, and the interest of the Former Mandalay Shareholder in the Consideration (and dividends and distributions thereon) shall be terminated as of such final proscription date.

5.7 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, claims and encumbrances of third parties of any kind.

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ARTICLE 6
AMENDMENTS

6.1 Amendments to Plan of Arrangement

(a) Alkane and Mandalay reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Alkane and Mandalay, (iii) filed with the Court and, if made following the Mandalay Meeting, approved by the Court, and (iv) communicated to Mandalay Shareholders and the holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs if and as required by the Court.

(b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by Mandalay or Alkane at any time prior to the Mandalay Meeting provided that Alkane and Mandalay, each acting reasonably, shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Mandalay Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Mandalay and Alkane may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Mandalay Meeting and prior to the Effective Time with the approval of the Court, and, if and only if: (i) it is consented to in writing by each of Alkane and Mandalay, each acting reasonably; and (ii) if required by the Court, it is consented to by some or all of the Mandalay Shareholders voting in the manner directed by the Court.

(d) Notwithstanding anything to the contrary contained herein, Mandalay and Alkane may amend, modify and/or supplement this Plan of Arrangement without the approval of the Court, the Mandalay Shareholders or any other persons, provided that each such amendment, modification and/or supplement (i) must concern a matter which, in the reasonable opinion of each of Mandalay and Alkane, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement, and (ii) is not materially adverse to the economic interests of any Mandalay Shareholders or the holders of Mandalay Options, Mandalay DSUs, Mandalay PSUs or Mandalay RSUs.

6.2 Withdrawal

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

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ARTICLE 7
FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

ARTICLE 8
U.S. SECURITIES LAW MATTERS

8.1 U.S. Securities Law Matters

Notwithstanding any provision herein to the contrary, this Plan of Arrangement will be carried out with the intention that all Alkane Shares to be issued and distributed to Former Mandalay Shareholders pursuant to this Plan of Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

ARTICLE 9
PARAMOUNTCY

From and after the Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs issued prior to the Effective Time, (ii) the rights and obligations of registered and beneficial holders of Mandalay Shares (including Dissenting Shareholders), Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs and Mandalay, Alkane, Acquireco the Depositary and any trustee or registrar and transfer agent for the Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs shall be solely as provided for in this Plan of Arrangement, and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Mandalay Shares, Mandalay Options, Mandalay DSUs, Mandalay PSUs and Mandalay RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

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No. S-254634
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MANDALAY RESOURCES CORPORATION, ALKANE RESOURCES LIMITED, and 1536968 B.C. LTD.

MANDALAY RESOURCES CORPORATION

PETITIONER

NOTICE OF HEARING
(for Final Order)

To: The holders (the "**Mandalay Shareholders**") of outstanding common shares ("**Mandalay Shares**") of Mandalay Resources Corporation ("**Mandalay**") and to the holders of outstanding Mandalay deferred share unit (the "**Mandalay DSU Holders**"), outstanding options to purchase Mandalay Shares (the "**Mandalay Option Holders**"), outstanding Mandalay restricted share units (the "**Mandalay RSU Holders**") and outstanding Mandalay performance share units (the "**Mandalay PSU Holders**")

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner, in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "**Arrangement**") contemplated in an Arrangement Agreement dated April 27, 2025 between Mandalay, Alkane Resources Limited and 1536968 B.C. Ltd. pursuant to the *Business Corporations Act*, S.B.C. 2002, Ch 57, as amended or superseded.

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by Associate Judge Bilawich on June 23, 2025, the Court has given directions to the calling of a special meeting of the Mandalay Shareholders (the "**Meeting**"), for the purpose of, among other things, considering, voting upon, and approving the Arrangement.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, the Petitioner intends to apply to the Court for a final order approving the Arrangement and for a determination that the terms of the Arrangement are procedurally and substantively fair and reasonable (the "**Final Order**"), which petition shall be heard at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on August 1, 2025, at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the Court may direct (the "**Final Hearing**").

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is substantively and procedurally fair and reasonable to the Mandalay Shareholders who are exchanging their Mandalay Shares for securities in connection with the Arrangement, will serve as a basis of a claim for the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to in Section 3(a)(10) thereof with respect to the issuance and exchange of such securities under the proposed Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the Final Hearing, but only if such person has filed with the Court at the Vancouver Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and delivered a copy of the filed Response, together with all affidavits and other material upon which such person intends to rely at the hearing of the Final Hearing, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on the date that is two business days prior to the date of the Final Hearing for the Final Order:

The Petitioner's address for delivery is:

MLT AIKINS LLP
Barristers and Solicitors
1066 W Hastings St., # 2600
Vancouver, British Columbia, Canada V6C 3X1
Attention: Katelyn Jones (kjones@mltaikins.com)
Fax number for delivery: (604) 682-7131

and:

GOODMANS LLP
Barristers and Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario, Canada M5H 2S7
Attention: Peter Kolla (pkolla@goodmans.ca) &
Arash Rouhi (arouhi@goodmans.ca)
Fax number for delivery: (416) 979-1234

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL HEARING, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Vancouver Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1 or online from the BC Supreme Court Website.

AT THE HEARING OF THE FINAL HEARING, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend, either in person or by counsel, at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of Mandalay Shareholders,

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Mandalay DSU Holders, Mandalay Option Holders, Mandalay RSU Holders and Mandalay PSU Holders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Mandalay Shareholders, Mandalay DSU Holders, Mandalay Option Holders, Mandalay RSU Holders and Mandalay PSU Holders upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Estimated time required: 30 minutes

This matter is not within the jurisdiction of an Associate Judge.

Date: June 23, 2025

Signature of lawyer for the Petitioner,
Mandalay Resources Corporation
Katelyn Jones

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APPENDIX F
HAYWOOD FAIRNESS OPINION

(See attached)

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CAPITAL MARKETS
HAYWOOD

April 27, 2025

The Board of Directors of Mandalay Resources Corporation
155 University Ave
Suite 720 Toronto, ON,
Canada M5H 3B7

To the Board of Directors of Mandalay Resource Corporation (the "**Board**"):

Haywood Securities Inc. ("**Haywood Securities**") understands that Mandalay Resources Corporation (the "**Corporation**" and which term shall, to the extent required or appropriate in the context, include the affiliates of the Corporation) has entered into an arrangement agreement (the "**Arrangement Agreement**") with Alkane Resources Limited ("**Alkane**") and 1536968 B.C. Ltd. ("**AcquireCo**"), a direct wholly owned subsidiary of Alkane, dated April 27, 2025 (Toronto), pursuant to which Alkane has agreed to indirectly acquire, through AcquireCo, all of the issued and outstanding common shares of the Corporation (the "**Shares**"). Under the Arrangement Agreement, holders of Shares (the "**Shareholders**") will receive 7.875 ordinary shares of Alkane ("**Alkane Shares**") for each Share held (the "**Consideration**"). The proposed acquisition will be completed by way of a court-approved statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Transaction**").

The above description of the Transaction is summary in nature. The specific terms of, and conditions necessary to complete, the Transaction are set forth in the Arrangement Agreement and will be described in the management information circular of the Corporation (the "**Circular**") to be mailed to the Shareholders in connection with the special meeting of the Shareholders to be held to consider and, if deemed advisable, to approve the Transaction. Haywood Securities understands that each director and senior officer of the Corporation, and certain other Shareholders who, in the aggregate, control approximately 45% of the outstanding Shares, have entered into voting and support agreements, whereby they have agreed, among other things, to vote their Shares in favour of the Transaction at the meeting of Shareholders to approve the Transaction. Haywood Securities further understands that certain directors of Alkane who, in the aggregate, control approximately 19% of the Alkane Shares have stated their intention to vote their Alkane Shares in favour of the share issuance resolution at a meeting of Alkane shareholders to be held in connection with the Transaction.

Haywood Securities understands that the Corporation operates a portfolio of gold mining operations located in Australia and Sweden, (collectively, the "**Mandalay Portfolio**"), including, but not limited to (i) the 100% owned and operated Costerfield mine; (ii) the 100% owned and operated Björkdal mine; and (iii) all remaining assets and claims associated with the Corporation's mining operations in Australia and Sweden; which produced 97,128 gold equivalent ounces in 2024 and targeting approximately 85,000-95,000 gold equivalent ounces in 2025.

Head Office – Vancouver
Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, BC V6C 3A6

Phone: (604) 697-7100
Facsimile: (604) 697-7499
Toll-Free: (800) 663-9499

Calgary
808 First Street SW
Suite 301
Calgary, AB T2P 1M9

Phone: (403) 509-1900
Facsimile: (403) 509-1999
Toll-Free: (877) 604-0044

Toronto
Brookfield Place, 181 Bay Street
Suite 2910, Box 808
Toronto, ON M5J 2T3

Phone: (416) 507-2300
Facsimile: (416) 507-2350
Toll-Free: (866) 615-2225

Haywood Securities understands that Alkane operates a portfolio of gold mining and development projects located in Australia, (collectively, the "**Alkane Portfolio**"), including, but not limited to (i) the Tomingley gold operations; and (ii) the Northern Molong porphyry project (Boda-Kaiser).

Engagement

The Corporation first contacted Haywood Securities in respect of the Transaction on November 6, 2024. The Corporation retained Haywood Securities to act as exclusive financial advisor in connection with a potential transaction involving Alkane pursuant to an engagement letter dated March 17, 2025 (the "**Advisory Engagement Letter**").

Pursuant to a letter agreement dated April 16, 2025 (the "**Fairness Opinion Agreement**"), the Corporation and the Board retained Haywood Securities to prepare and render an opinion as to whether the Consideration to be received by the Shareholders under the Transaction is fair, from a financial point of view, to such Shareholders (this "**Fairness Opinion**"). Haywood Securities has not prepared a valuation of the Corporation, Alkane or any of their respective securities or assets and this Fairness Opinion should not be construed as such.

Following review of the terms of the Transaction by Haywood Securities, Haywood Securities submitted an electronic copy of a presentation to the Board expressing its opinion as to whether the Consideration to be received by the Shareholders under the Transaction is fair, from a financial point of view, to such Shareholders. This Fairness Opinion confirms the views set out in the presentation by Haywood Securities provided to the Board on April 25, 2025.

The terms of the Fairness Opinion Agreement provide that Haywood Securities is to be paid a fixed fee for the delivery of this Fairness Opinion. In addition, the Corporation has also agreed to reimburse Haywood Securities for its reasonable out-of-pocket expenses, including the reasonable fees and expenses of its legal counsel, in connection with the performance of its obligations under the Fairness Opinion Agreement, and indemnify Haywood Securities, its subsidiaries and affiliates, and their respective officers, directors, and employees, in certain circumstances.

In accordance with the Advisory Engagement Letter, Haywood Securities is entitled to receive certain fees for its advisory services, a substantial portion of which is contingent upon the completion of the Transaction or payable in the event the Corporation is entitled to a termination fee if the Transaction, or other business combination with Alkane, is not completed.

No portion of the fee payable by the Corporation to Haywood Securities pursuant to the Fairness Opinion Agreement is conditional upon the conclusions reached in this Fairness Opinion or the completion of the Transaction.

Independence of Haywood Securities

Haywood Securities is not an insider, associate, or affiliate of the Corporation (as those terms are defined in the *Securities Act* (Ontario)), Alkane or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Haywood Securities has not entered into any other agreements or arrangements with the Interested Parties with respect to any future dealings, other than as contemplated in the Fairness Opinion Agreement and Advisory Engagement Letter.

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Haywood Securities acts as a trader and investment dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. In the ordinary course of trading and brokerage activities, Haywood Securities, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of the Corporation or Alkane, or related assets or derivative securities.

The Corporation acknowledges that certain members of Haywood Securities, are shareholders of the Corporation and/or Alkane. As an investment dealer, Haywood Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation, Alkane or with respect to the Transaction. Haywood Securities, including members of the deal team delivering this Fairness Opinion, is of the view that the share ownership is immaterial and does not impact, in any way, its professional judgement to provide this Fairness Opinion. Haywood Securities has internal procedures to consider its independence and the quality of any fairness opinion, and as part of those internal procedures, share ownership is a key consideration.

With the exception of Haywood Securities' (i) engagement as a financial advisor pursuant the Advisory Engagement Letter and (ii) engagement to prepare and render a fairness opinion pursuant to the Fairness Opinion Agreement, neither Haywood Securities nor any of its affiliated entities have provided any financial advisory services for which a fee has been paid or participated in any financings involving the Interested Parties within the two-year period preceding the date hereof. Haywood Securities may, in the ordinary course of business, provide financial advisory or investment banking services to an Interested Party in the future.

Credentials of Haywood Securities

Haywood Securities is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood Securities is a participating organization of the Toronto Stock Exchange and the TSX Venture Exchange and a member of the Canadian Investment Regulatory Organization ("**CIRO**") and the Canadian Investor Protection Fund. The opinion expressed herein is the opinion of Haywood Securities, and the individuals primarily responsible for preparing this Fairness Opinion are professionals of Haywood Securities experienced in merger, acquisition, divestiture and fairness opinion matters.

The Fairness Opinion represents the opinion of Haywood Securities, the form and content of which have been approved for release by a committee of senior Haywood Securities personnel who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Scope of Review

In connection with rendering this Fairness Opinion, we have reviewed and relied upon, among other things, the following:

(a) drafts of the Arrangement Agreement and the executed Arrangement Agreement dated April 27, 2025 (Toronto);

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(b) the indicative and non-binding term sheet between the Corporation and Alkane concerning the Transaction, dated March 21, 2025;

(c) the unaudited condensed interim consolidated financial statements of the Corporation for the interim periods ended September 30, 2024, June 30, 2024, March 31, 2024, and September 30, 2023, together with management's discussion and analysis of financial condition and operating results for such financial periods;

(d) the unaudited consolidated quarterly, and half year as applicable, reports of Alkane for the interim periods ended December 31, 2024, September 31, 2024, and December 31, 2023, together with management's discussion and analysis of financial condition and operating results for such financial periods;

(e) the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2024 and December 31, 2023, together with management's discussion and analysis of financial condition and operating results for such financial periods;

(f) the audited consolidated annual report of Alkane for the financial years ended June 30, 2024 and June 30, 2023 together with management's discussion and analysis of financial condition and operating results, and annual reports, for such financial periods;

(g) public information relating to the business, financial condition and trading history of the Corporation and Alkane, and other select public companies we considered relevant;

(h) the NI 43-101 technical report titled *NI 43-101 Technical Report, Costerfield Operation, Victoria, Australia* prepared by Cael Gniel, BSc, Hons, MAIG, RPGeo (Mineral Resource Estimation), Senior Geologist at SRK Consulting, Robert Urie, BEng (Mining Engineering), GCert (Applied Finance, FAusIMM, Principal Mining Engineer at SRK Consulting, Carla Kaboth, BEng, Hons (Mineral Processing), FAusIMM (CP), RPEX, Principal Process Engineer at Core Resources, and dated March 28, 2025;

(i) the NI 43-101 technical report titled *NI 43-101 Technical Report, Bjorkdal Gold Mine, Sweden* prepared by Reno Pressacco, M.Sc.(a)., P.Geo., FGC, Associate Principal Geologist at SLR Consulting, Richard C. Taylor, MAusIMM, CP, Associate Principal Mining Engineer at SLR Consulting, Arun Vathavooran, Ph.D., CEng, FIMMM, Consulting Metallurgist and Process Engineer at SLR Consulting, and Ben Lepley, MESci, CGeol, MIMMM, ESG Consultant at SLR Consulting, and dated March 28, 2025;

(j) the management information circular of the Corporation dated April 18, 2024;

(k) the annual information form of the Corporation dated March 28, 2025;

(l) corporate presentations for the Corporation and Alkane;

(m) certain historical financial information and operating data concerning the Corporation and Alkane;

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(n) historical market prices and valuation multiples for the Shares and Alkane Shares and compared such prices and multiples with those of certain publicly traded companies that we deemed relevant for the purposes of our analysis;

(o) the financial results of the Corporation and Alkane and compared with publicly available financial data concerning certain publicly traded companies that we deemed to be relevant for the purposes of our analysis;

(p) publicly available financial data for merger and acquisition transactions that we deemed comparable for the purposes of our analysis;

(q) certain industry and analyst reports and statistics that we deemed relevant for the purposes of our analysis;

(r) certain other internal information, including but not limited to financial models for each of the Corporation and Alkane, including the Mandalay Portfolio and the Alkane Portfolio, prepared for and by the Corporation;

(s) certain other internal information, prepared for and by the Corporation;

(t) a certificate addressed to us, dated April 27, 2025, from two senior officers of the Corporation, as to the completeness and accuracy of the Information (as defined below); and

(u) considered such other financial, market, technical and industry information, and conducted such other investigations, analyses and discussions (including discussions with senior management of the Corporation) as we considered relevant and appropriate in the circumstances.

Haywood Securities has not, to the best of its knowledge, been denied access by the Corporation to any information under its control requested by Haywood Securities.

Haywood Securities did not complete a detailed technical due diligence review, and has relied upon management of the Corporation for all technical due diligence matters, without independent verification. No physical due diligence of any of the assets of the Corporation was undertaken by Haywood Securities.

Haywood Securities expresses no opinion as to the results of any future production results or estimates, financial results or estimates, resource estimates, economic studies or other third-party analyses with respect to the Mandalay Portfolio and Alkane Portfolio that may be released prior to or following completion of the Transaction, or the market reaction to such results. The technical due diligence investigations conducted by Haywood Securities were limited in scope and relied heavily on the experience of management of the Corporation.

Haywood Securities did not meet with the auditors of the Corporation and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of the Corporation and the reports of the auditor thereon.

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Assumptions and Limitations

With the approval and agreement of the Board and as provided for in the Fairness Opinion Agreement, and subject to the exercise of our professional judgement, we have relied upon and assumed, the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, models, forecasts and other information, data, advice, opinions and representations (collectively referred to as the "**Information**") obtained by us from public sources, or provided to us by the Corporation or Alkane, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Corporation, Alkane, their respective subsidiaries, associates and affiliates, and to the Transaction. This Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. We have not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any such Information and assume no responsibility or liability in connection therewith. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Corporation or Alkane under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of the Corporation or Alkane. We express no opinion as to the results of any future mineral resource estimate, economic assessment, or production or financial results or estimates that may be released prior to or following completion of the Transaction or the market reaction to the results of any such mineral resource estimate, economic assessment, or production or financial results. The technical due diligence conducted by Haywood Securities was limited in scope and relied heavily on the experience of management of the Corporation.

The Corporation has represented to us, in a certificate of two senior officers of the Corporation dated April 27, 2025, among other things, that the Information provided to us by or on behalf of the Corporation, including the written information and discussions concerning the Corporation referred to above under the heading "**Scope of Review**", was complete and correct at the date the Information was provided to us and that, since the dates on which the Information was provided to us, and except as publicly disclosed or as disclosed in writing to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Corporation or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Fairness Opinion.

With respect to any financial analyses, forecasts, projections, estimates, models, and/or budgets provided to Haywood Securities and used in its analyses, Haywood Securities notes that projecting future results of any company is inherently subject to uncertainty. Haywood Securities has assumed, however, that such financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Corporation or Alkane, as applicable. We express no view as to such financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

In preparing this Fairness Opinion, we have made several assumptions, including that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof, all of the conditions required to complete the Transaction will be met, the Transaction will be completed substantially in accordance with the terms of the Arrangement Agreement and all applicable laws and that the disclosure provided by the Corporation in respect of the Transaction will be accurate in all material respects.

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We have relied as to all legal matters relevant to rendering our opinion upon the advice of our own counsel. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Corporation or Alkane or on the contemplated benefits of the Transaction.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Transaction or the sufficiency of this Fairness Opinion for your purposes.

This Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing and the Information as at the date hereof and the conditions and prospects, financial and otherwise, of the Corporation and Alkane as they are reflected in the Information provided by the Corporation, the management of Alkane, and as they were represented to us in our discussions with the management of the Corporation and certain of their respective consultants, advisors and representatives. It should be understood that subsequent developments may affect this Fairness Opinion and that we do not have any obligation to update, revise, or reaffirm this Fairness Opinion. We are expressing no opinion herein as to the price at which the Shares or Alkane Shares will trade at any future time. In our analyses and in connection with the preparation of this Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood Securities and any party involved in the Transaction.

We have not been asked to prepare and have not prepared a valuation of the Corporation or Alkane or any of the securities or assets thereof and this Fairness Opinion should not be construed as a "formal valuation" (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), nor have we been furnished with any such valuations or appraisals in respect of the Corporation or Alkane.

This Fairness Opinion is provided for the use of the Board only and may not be disclosed, referred or communicated to, or relied upon by, any third party without our prior written approval. Haywood Securities consents to the inclusion of this Fairness Opinion in the Circular. Haywood Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Haywood Securities after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, Haywood Securities reserves the right to change, modify or withdraw the Fairness Opinion.

Haywood Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This Fairness Opinion has been prepared in accordance with the disclosure standards for formal valuations and fairness opinions of CIRO but CIRO has not been involved in the preparation or review of this Fairness Opinion.

In connection with rendering its Fairness Opinion, Haywood Securities did not assess any income tax consequences that any particular Shareholder may face in connection with the Transaction.

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Financial Considerations

In the context of this Fairness Opinion, we have performed certain financial analyses on (i) the Corporation on a stand-alone basis, and (ii) the pro forma positioning of the Shareholders upon completion of the Transaction. We used methodologies and assumptions that we considered appropriate in the circumstances for the purposes of providing this Fairness Opinion.

In our analysis, Haywood Securities has considered, relied upon or carried out, among other things, the following:

i. a net asset value analysis of the Corporation and Alkane on the basis of management financial models and equity research analyst consensus estimates;

ii. recent performance and historical trading of the Shares and Alkane Shares, including trading liquidity;

iii. recent performance and historical trading of the Shares and Alkane Shares relative to their peers and relevant commodities in the context of the Transaction;

iv. an analysis of previously completed comparable transactions of producing companies within the gold mining sector with added focus on merger of equals type transactions, in the context of implied valuations and the considerations being paid to the Shareholders ("**Precedent Transactions Analysis**"). Financial data for the selected precedent transactions was derived from publicly available documents. Haywood Securities applied a range of selected ratios to the corresponding implied offer price pursuant to the Arrangement Agreement to develop an implied value range and assess the Consideration being paid by Alkane. Additionally, as part of the Precedent Transactions Analysis, Haywood Securities identified a range of precedent transaction premiums / discounts for comparison to the Consideration;

v. a comparable publicly trading company analysis, whereby Haywood Securities reviewed public market trading statistics and trading ratios of select comparable gold production companies. Estimated financial data for the selected comparable companies was based on publicly available equity research analysts' estimates and public disclosure by the selected comparable companies. Haywood Securities applied a range of selected ratios to the corresponding implied offer price pursuant to the Arrangement Agreement to develop an implied value range and assess the Consideration to be received by the Shareholders;

vi. an analysis of the per Share accretion or dilution to the Shareholders upon completion of the Transaction, on certain relevant metrics;

vii. an analysis of the Corporation as a standalone entity and its "go-it-alone" prospects; and

viii. such other information, investigations and analysis as Haywood Securities, in the exercise of its professional judgement, considered necessary or appropriate in the circumstances.

In our assessment, we considered other qualitative and quantitative factors in addition to the techniques described above and we did not attribute any particular weight to any specific approach or analysis, but

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rather developed qualitative judgments on the basis of our experience in rendering such opinions and on the Information presented as a whole.

Fairness Considerations

In considering the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Transaction, Haywood Securities considered, among other things, the following quantitative and qualitative factors:

a) the Consideration paid by Alkane to the Corporation is in-line with precedent premiums / discounts paid for comparable companies;

b) the Transaction multiples are in-line or below precedent transaction and peer comparable multiples. However, the Corporation and Alkane trade in-line with one another on a multiples basis, indicating a balanced merger of equals with neutral accretion / dilution and pro forma re-rate potential to in-line with peer comparables;

c) the Transaction is largely neutral to Shareholders on nearly all relevant accretion / dilution metrics, with each company contributing in-line with their pro forma ownership;

d) the Consideration is above the per Share trading price of over 85% of the Corporation's trading volume over the last 12 months;

e) the Shareholders gain exposure to a significant development asset in Australia, resulting in the Transaction being highly accretive on a resource per share basis;

f) the Shareholders retain exposure to the Mandalay Portfolio and add exposure to the Alkane Portfolio, resulting in material expansion of operations and development focused in Australia; and

g) increased capital markets profile, liquidity profile, investor universe, index inclusion potential and decreased cost of capital providing a strengthened pro forma company to advance future growth.

Fairness Conclusion

Based on and subject to the foregoing and such other factors as Haywood Securities considered relevant, Haywood Securities is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders under the Transaction is fair, from a financial point of view, to such Shareholders.

Yours truly,



HAYWOOD SECURITIES INC.

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APPENDIX G
GENCAP FAIRNESS OPINION

(See attached)

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GenCap Mining Advisory Ltd.
1020 – 625 Howe Street
Vancouver, BC V6C 2T6

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April 27, 2025

Board of Directors
Mandalay Resources Corporation
155 University Ave, Suite 720
Toronto, ON M5H 3B7

To the Board of Directors of Mandalay Resources Corporation:

GenCap Mining Advisory Ltd. ("GenCap" or "we" or "us") understands that Mandalay Resources Corporation ("Mandalay" or the "Company"), Alkane Resources Ltd. ("Alkane") and 1536968 B.C. Ltd. ("AcquireCo"), a direct wholly owned subsidiary of Alkane, propose to enter into an arrangement agreement dated April 27, 2025 (the "Arrangement Agreement"), pursuant to which Alkane will indirectly, through AcquireCo, acquire all of the issued and outstanding common shares of Mandalay pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Transaction"). In connection with the Transaction, Mandalay shareholders (the "Shareholders") will receive 7.875 Alkane ordinary shares (the "Consideration") for each Mandalay common share held.

The terms and conditions of the Transaction will be summarized in the Company's management information circular (the "Circular") to be mailed to Shareholders in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Transaction.

1. Engagement

By letter agreement dated April 4, 2025 (the "Engagement Agreement"), the Company retained GenCap to act as financial advisor in connection with the Transaction. Pursuant to the Engagement Agreement, the Company has requested that we prepare and deliver a written opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to Shareholders.

GenCap will receive a fee for rendering the Opinion, no portion of which is conditional upon the conclusion of the Opinion or the completion of the Transaction. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities which might arise out of our engagement.

2. Credentials

GenCap is an independent advisory firm with significant expertise in mergers and acquisitions and capital markets advisory within the global metals and mining industry. The Opinion expressed herein is the opinion of GenCap and the form and content herein have been approved for release by each of its senior executives, each of whom are experienced in merger, acquisition, divestiture, valuation, fairness opinion and capital market matters.

3. Independence

Neither GenCap, nor any of our affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, Alkane, or any of their respective associates or affiliates (collectively, the "Interested Parties").

GenCap has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company and the Board of Directors of Mandalay pursuant to the Engagement Agreement.

Other than as described above, there are no understandings, agreements, or commitments between GenCap and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion. GenCap may, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

4. Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, among other things, the following:

i) the final version and various drafts of the Arrangement Agreement;

ii) executed version of the indicative and non-binding term sheet between Mandalay and Alkane, dated March 21, 2025;

iii) drafts of the voting and support agreements to be dated as of April 27, 2025 by and between Alkane and certain of the directors, officers and Shareholders of Mandalay;

iv) publicly available financial statements, MD&A, annual information forms, quarterly activities and half-year accounts and other business and financial information for Mandalay and Alkane;

v) selected internal business and financial information provided by Mandalay management including the following documents:

   i. A presentation prepared by Haywood Securities titled "Project Rocket: Board Discussion", dated March 2025;

   ii. A memorandum titled "DRAFT Memo – Alkane Resources – TGO Exploration Potential v2.0", dated November 13, 2024;

   iii. An excel file titled "ALK Financial Model";

   iv. An excel file titled "2024 11 20_2025 MND valuation Model";

   v. An excel file titled "Project Rocket – Merger Model";

vi) the technical report titled "Costerfield Operation, Victoria, Australia, NI 43-101 Technical Report" with an effective date of December 31, 2024;

vii) the technical report titled "NI 43-101 Technical Report, Björkdal Gold Mine, Sweden" with an effective date of December 31, 2024;

viii) latest publicly disclosed mine plan for the Tomingley Gold Mine titled "Tomingley Five Year Plan" with a publication date of June 24, 2024;

ix) the technical report titled "Boda-Kaiser Project Scoping Study" with a publication date of July 10, 2024;

x) discussions with representatives of Mandalay regarding business, project, financial position and certain other financial and project data of the Company and Alkane;

xi) certain publicly available information relating to the business, operations, financial condition and trading history of Mandalay, Alkane, and other selected public companies we consider relevant;

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xii) various reports published by equity research analysts and industry sources considered relevant;

xiii) public information and equity research reports with respect to selected precedent transactions considered relevant;

xiv) historical, consensus and other commodity prices forecasts for gold and antimony, copper and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of Mandalay and Alkane;

xv) a certificate addressed to us, dated as of the date hereof, from two senior officers of the Company as to the completeness and accuracy of the Information (as defined below); and

xvi) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In our assessment, we reviewed several methodologies, analyses and techniques, ultimately using a combination of those blended approaches to determine our opinion on the Transaction, taking into consideration a number of quantitative and qualitative factors as deemed appropriate based on our experience in rendering such opinions.

GenCap has not, to the best of our knowledge, been denied access by the Company to any information under the Company's control as requested by GenCap.

5. Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

We have relied upon and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or any of its affiliates or advisors or otherwise obtained by us pursuant to our Engagement Agreement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness, or fairness of the presentation of any such information, data, advice, opinions, and representations. We have not met separately with the independent auditors of the Company in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the audited financial statements of the Company and the reports of the auditors thereon and the unaudited interim financial statements of the Company.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that (i) the financial and other information, data, advice, opinions, representations and other materials provided to us orally by, or in the presence of, an officer or employee of the Company, or in writing by the Company or any of its subsidiaries or any of their representatives in connection with our Engagement Agreement, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information") was, at the date the Information was provided to us, and is as of the date hereof, complete, true and correct in all material respects, and did not and does not contain misrepresentation, (ii) since the dates on which the Information was provided to us, except as otherwise disclosed to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no change has occurred in the Information or any part thereof, in each case, which would have or which would reasonably be expected to have a material effect on the Opinion, and (iii) with respect to any portions of the Information that constitute forecasts, projections, estimates (including, without limitation, estimates of future resource or reserve additions) or budgets, such forecasts, projections, estimates or budgets were reasonably prepared on bases reflecting the best then available assumptions, estimates and judgements of management of the Company having regard to the Company's business, plans, financial conditions and prospects and are not, in the reasonable belief of management of the Company, misleading in any material respect.

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In preparing the Opinion, we have assumed that the executed Arrangement Agreement, all representations and warranties contained within and all related voting and support agreements will not differ in any material respect from the drafts of which we reviewed, and that the Arrangement Agreement will be consummated in accordance with its terms without waiver of, or amendment to, any term of condition that is in any way material to our analyses.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business environment, capital markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction. We are not legal, tax, or accounting experts and we express no opinion concerning any legal, tax, or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes.

We have not been asked to prepare, and have not prepared, an independent evaluation, formal valuation or appraisal of the securities or assets of the Company or Alkane, nor were we provided with any such evaluations, valuations, or appraisals. We did not conduct any physical inspection of the properties or facilities of the Company or Alkane. Furthermore, our Opinion does not address the solvency or fair value of the Company or Alkane under any applicable laws relating to bankruptcy or insolvency. Our Opinion should not be construed as advice as to the price at which the securities of the Company may trade at any time and does not address any legal, tax, or regulatory aspects of the Transaction.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on basis of reflecting the most reasonable and currently available assumptions, estimates and judgements of management of the Company, as applicable, having regard to the Company's, as applicable, business, plans, financial condition, and prospects.

The Opinion is being provided to the Board of Directors of Mandalay for its exclusive use only in considering the Transaction and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purposes, without the prior written consent of GenCap. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the prior written consent of GenCap. Our Opinion is not intended to be and does not constitute a recommendation to the Board of Directors of Mandalay or to any Shareholders with respect to the Transaction.

GenCap believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such partial analysis or summary description could lead to undue emphasis on any particular factor or analysis.

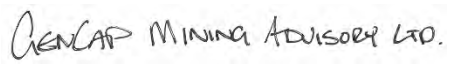
The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the Information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

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6. Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received by Shareholders under the Transaction is fair, from a financial point of view, to such Shareholders.

Yours sincerely,



GENCAP MINING ADVISORY LTD.

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APPENDIX H
DISSENT PROVISIONS OF THE BCBCA

DIVISION 2 OF PART 8 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or

(iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

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(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

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(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e), (f) or (1.1) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

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(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

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Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

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(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

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(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

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APPENDIX I
COMPARISON OF RELEVANT LAWS

In this Appendix I, unless there is something in the subject matter or context inconsistent therewith, capitalized terms have the meanings ascribed to those terms in the glossary of terms found at Appendix A to the Circular.

Introduction

Alkane is a public company registered under Australian law. It is admitted to the official list of ASX.

Mandalay is a company incorporated under the laws of the Province of British Columbia. The Mandalay Shares are listed on the TSX. As Mandalay is a reporting issuer in all of the provinces and territories of Canada other than Québec, it is subject to Canadian securities laws, and due to its listing on the TSX, it is also subject to the rules of the TSX.

If the Arrangement is implemented, the rights of Mandalay Shareholders who receive Alkane Shares will, in respect of those shares, be governed by the Alkane Constitution, Australian law and in certain respects, the ASX Listing Rules.

A comparison of some of the material provisions of Australian company law and British Columbia corporate law as they relate to Alkane and Mandalay, respectively, is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

References to "Australian law" where they appear in this Appendix I are references to the Corporations Act, the ASX Listing Rules, the operating rules of ASX Settlement Pty Limited and Australian common law, as applicable. References to "Canadian law" are references to the BCBCA, Canadian securities laws, and Canadian common law, as applicable. References to "TSX Rules" are references to the market rules of the TSX, primarily embodied in the TSX Company Manual. The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Mandalay Shareholders should consult with their own legal adviser if they require further information.

Company Meetings of Shareholders

Calling Company Meetings

Alkane

Under the Corporations Act, the annual general meeting of Alkane is required to be held within five months after the end of its financial year.

A general meeting of Alkane Shareholders may be called from time to time by the Alkane Board, individual directors or by Alkane Shareholders in the circumstances set out below. When requested to do so by Alkane Shareholders holding at least 5% of the votes that may be cast at the meeting, directors must call a general meeting within 21 days after the request is given to Alkane, and the meeting must be held not later than two months after the date upon which that request is first given.

Alternatively, Alkane Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting.

Mandalay

Under the BCBCA, a company must hold an annual meeting of shareholders at least once in each calendar year and not more than 15 months after its annual reference date (the anniversary of its formation) for the preceding calendar year. In addition, the TSX Rules require an annual meeting of shareholders to occur not more than six months after the end of each financial year. Under the BCBCA, the holders of not less than 5% of the issued shares of a company that carry the right to vote at a general meeting may requisition that the directors call a meeting of shareholders. Upon

receiving a requisition that meets the technical requirements set out in the BCBCA, the directors must call a meeting of shareholders to be held not more than four months, regardless of the company's memorandum or articles, after receiving the requisition. If the directors do not call such a meeting within 21 days after receiving the requisition, the requisitioning shareholders or any one or more of them holding in aggregate more than 2.5% of the issued shares of the company that carry the right to vote at general meetings may call the meeting.

Notice of Company Meetings

Alkane

As Alkane Shares are quoted on ASX, notice of a general meeting of Alkane must be given at least 28 days before the date of the proposed meeting. Alkane is required to give notice only to Alkane Shareholders entitled to vote at the meeting, as well as its directors and auditors. The quorum for a general meeting under the Alkane Constitution is two shareholders entitled to vote. Each individual present may only be counted once toward a quorum. If a shareholder has appointed more than one proxy or representative only one of them may be counted toward a quorum.

Mandalay

The BCBCA requires that notice of a meeting of shareholders must be provided not less than 21 days and not more than 2 months before the meeting to each shareholder entitled to vote at the meeting. A management information circular, in the required form, is required to be provided under applicable Canadian securities law, for any solicitation of proxies by management. Mandalay's articles provide that the quorum for the transaction of business at a meeting of shareholders is the presence, in person or by proxy, of two or more Mandalay Shareholders who hold, in the aggregate, at least 5% of the issued and outstanding shares entitled to be voted at the meeting.

Voting Requirements

Alkane

Unless the Corporations Act or the Alkane Constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may only be passed by Alkane Shareholders if Alkane gives to all Alkane Shareholders not less than 28 days' notice of its proposal to convene a general meeting to consider and vote upon that special resolution, specifying the intention to propose the special resolution and stating the terms of that special resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders who are entitled to vote, who attend at the meeting, in person or by proxy.

The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- the change of name of the company;
- any proposed amendment to the constitution of the company;
- a selective reduction of capital or selective share buy-back;
- where required, shareholder approval to the giving by the company of financial assistance in connection with an acquisition of shares in the company or a holding company of the company;
- the conversion of the company from one type or form to another; and
- a decision to wind up the company voluntarily.

The Alkane Constitution also stipulates certain matters to be resolved by special resolution, including the variation of class rights attaching to Alkane Shares.

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Each Alkane Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Alkane Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Alkane Shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every Alkane Share held at the record date for the meeting. A proxy's appointment must be signed and sent to Alkane or its share registry so as to be received at least 48 hours before the time and date for the convening of the meeting.

Mandalay

Under the BCBCA, special resolution of shareholders is required to, among other things, (a) alter a company's notice of articles or articles if the type of resolution required is not specified in the articles or the BCBCA; (b) change the majority of votes required for a special resolution; (c) alter the company's authorized share structure if the type of resolution required is not specified in the articles; (d) reduce its capital (e) attach or vary special rights or restrictions on shares of the company if the type of resolution required is not specified in the articles; (f) approve a contract or transaction that a director has disclosed an interest in as an alternative to approval of the contact or transaction by the directors; (g) transfer powers of directors to manage or supervise the management or business and affairs of the company; (h) appoint an inspector by the company to investigate the affairs and management of the company; (i) apply for a continuation to a foreign jurisdiction; (j) approve an arrangement or certain forms of amalgamation; (k) dispose of all of the company's assets where the disposition does not occur in the ordinary course of the company's business; (l) authorize a voluntary liquidation; (m) remove a director if no other method is provided for in the articles; and (n) perform certain other corporate acts. A special resolution is a resolution (i) passed by not less than two-thirds (66½%) of the votes cast by the shareholders who voted in respect of the resolution at a meeting duly called and held for that purpose or (ii) signed by all shareholders entitled to vote on the resolution.

The BCBCA provides that, unless a company's articles provide otherwise, each share of a company entitles the holder to one vote at a meeting of shareholders. The BCBCA requires a public company to provide a form of proxy with a notice of general meeting. Proxies must be received by the Corporation's transfer agent not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which a meeting or any postponement or adjustment of a meeting is held.

Shareholders' Rights to Bring a Resolution Before a Company Meeting

Alkane

See "*Calling Company Meetings*" above.

Mandalay

The BCBCA includes a detailed regime for shareholder proposals. A shareholder proposal (a "**Proposal**") is a written notice setting out a matter that the submitter wishes to have considered at the next annual general meeting of a company. Under the BCBCA, Proposals may be submitted by both registered and beneficial shareholders who have been shareholders for an uninterrupted period of at least two years and who are entitled to vote at an annual shareholders' meeting ("**Qualified Shareholders**"). To be valid, the Proposal must, among other things, be signed by Qualified Shareholders who are registered or beneficial holders of Mandalay Shares that either (a) constitute at least one percent of the issued and outstanding Mandalay Shares, or (b) have a fair market value of not less than $2,000.

Directors

Directors' Management of the Business of the Company

Alkane

Except as otherwise required by the Corporations Act, any other applicable law, the ASX Listing Rules or the Alkane Constitution, the business of Alkane is to be managed by Alkane's directors and those directors may exercise every right, power or capacity of Alkane to the exclusion of Alkane in general meeting and the Alkane Shareholders.

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Mandalay

According to the BCBCA, the directors of Mandalay shall, subject to the BCBCA, the BCBCA regulations and Mandalay's articles, manage or supervise the management of the business and affairs of Mandalay. Each director is elected or appointed for a term expiring in accordance with the terms of his or her election or appointment. Under the BCBCA, a director may be removed by a special resolution or by any other method. specified in the articles. If holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a separate special resolution of the shareholders of that class or series or by any other method specified in the articles. There are no residency requirements for directors of a company incorporated under the BCBCA.

Number and Election of Directors

Alkane

Under the Alkane Constitution, Alkane must have no less than three, nor more than eight directors. Under the Corporations Act, at least two directors must ordinarily reside in Australia. At each annual general meeting, one-third of directors (rounded down, if necessary, to the nearest whole number) must retire from office, provided always that no director shall hold office past the third consecutive annual general meeting following the director's appointment or three years without submitting himself or herself for re-election, whichever is longer. The director or directors to retire are those who have been longest in office since their election and, as between those who became directors on the same day, as determined by lot unless they otherwise agree. A retiring director is eligible for re-election. The managing director is exempt from retirement by rotation. The Alkane Board has the power to appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors does not at any time exceed eight. Any director so appointed holds office only until the next annual general meeting and is then eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation (if any) at that meeting. Under the Alkane Constitution, Alkane may also elect directors by ordinary resolution passed at a general meeting, but so that the total number of directors does not at any time exceed eight. Any director so appointed holds office only until the third consecutive annual general meeting following the director's appointment or three years without submitting himself or herself for re-election, whichever is longer.

Mandalay

According to the BCBCA and Mandalay's articles, because Mandalay is a public company, it must have a minimum of three directors. The BCBCA does not have a residency requirement for directors and therefore some or all of Mandalay's directors may be non-residents of Canada.

Director Independence

Alkane

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition, 2019) ("**ASX Corporate Governance Principles**") are a set of non-prescriptive, flexible guidelines for Australian listed entities to promote good governance and investor confidence. They are designed to encourage entities to adopt practices that align with best practices, but allow for flexibility based on their specific circumstances.

Pursuant to the ASX Corporation Governance Principles, a director of a listed entity should only be characterised and described as an independent director if he or she is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Where a director falls into one of the categories noted by the ASX Corporate Governance Council as raising independence issues (summarised in the next paragraph), a board should not rule the director independent unless:

1. it is clear that the interest, position or relationship in question is not material; and

2. it will not interfere with the director's capacity to bring an independent judgment on issues before the board and to act in the best interest of the company as a whole (as compared to the interests of specific security holders or other third parties).

The ASX Corporate Governance Council considers the following categories of positions, interests and relationships to give rise to issues of independence where a director:

1. is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;

2. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;

3. is, or has been within the last three years, in a material business relationship (e.g., as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;

4. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;

5. has close personal ties with any person who falls within any of the categories described above; or

6. has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mandalay

Canadian Securities Laws generally take a "comply or explain" approach to director independence, where reporting issuers can either comply with recommendations with respect to director independence or explain how the board of directors otherwise facilitates independent judgement by directors. An exception to the "comply or explain" model is the composition of audit committees, which is mandated under NI 52-110.

Under Canadian Securities Laws, directors are considered independent of an issuer if they have no direct or indirect material relationship with the issuer, its subsidiaries or a parent company. A material relationship is generally a relationship that could, in the view of the board of directors, be reasonably expected to interfere with the exercise of the director's independent judgement.

NI 52-110 sets out 12 relationships that are deemed to cause a director to be non-independent for audit committee purposes. The Canadian Securities Administrators consider that being a shareholder of the issuer is not sufficient to interfere with a director's judgement, but, taken with other relationships between the issuer and the shareholder, could result in a material relationship with the issuer. However, only those relationships which could, in the view of an issuer's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgement should be considered material relationships within the meaning of NI 52-110.

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Amendments to Constating Documents

Alkane

Any amendment to the Alkane Constitution must be approved by a special resolution passed by Alkane Shareholders present and voting on the resolution.

Mandalay

The required authorization to alter a company's notice of articles or articles is contemplated by the BCBCA and most often requires a special resolution of shareholders. In some instances, however, including a change of name or amendments to the articles, the BCBCA may provide for approval solely by a resolution of the directors or by ordinary resolution of shareholders. If the type of resolution is not specified in the BCBCA or in a company's articles, most amendments will require a special resolution of the shareholders.

Issue of New Shares

Alkane

Subject to specified exceptions (for example, pro rata issues), ASX Listing Rule 7.1 applies to restrict Alkane from issuing, or agreeing to issue, more ordinary shares (or securities convertible or exercisable into ordinary shares) than the number calculated as follows in any 12-month period unless Alkane has shareholder approval – namely not in excess of 15% of the total of:

- the number of fully paid ordinary shares on issue 12 months before the date of the issue or agreement; plus
- the number of fully paid ordinary shares issued in the 12 months under a specified exception; plus
- the number of partly paid ordinary shares that became fully paid in the 12 months; plus
- the number of fully paid ordinary shares issued in the 12 months with shareholder approval; less
- the number of fully paid ordinary shares cancelled in the 12 months; and
- the number of fully paid ordinary shares issued or agreed to be issued in the 12 months before the date of issue or agreement to issue, but not under a specified exception or with shareholder approval.

In addition, under ASX Listing Rule 7.1A, at each annual general meeting of Alkane and subject to Alkane remaining an eligible entity under the ASX Listing Rules, it is possible for the company to obtain shareholder approval – that will remain valid until 12 months from the date the shareholder approval is obtained – to issue an additional 10% of the company's shares (such number of shares being as determined in accordance with ASX Listing Rule 7.1), without seeking further shareholder approval at the time of issue.

Subject to certain exceptions, ASX Listing Rules 10.11 and 10.14 require the prior approval of Alkane Shareholders by ordinary resolution in order for Alkane to issue shares or other securities to directors. Under the Alkane Constitution, Alkane's directors may issue shares or other securities on terms, with the rights, and at times that Alkane's directors decide, subject to section 259C of the Corporations Act, the ASX Listing Rules, and any special rights previously conferred on the holders of any existing preference shares.

Mandalay

The BCBCA permits shares with or without par value. According to Mandalay's notice of articles, Mandalay is authorized to issue an unlimited number of Mandalay Shares without par value. Shares, such as Mandalay Shares,

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issued by a company governed by the BCBCA, are non-assessable and may only be issued if consideration for such shares is fully paid.

As a TSX listed company, issuances of securities by Mandalay are subject to the policies of the TSX. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interests of Mandalay Shareholders.

Protection of Minority Shareholders/Oppression Remedy

Alkane

Under the Corporations Act, any Alkane Shareholder can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former Alkane Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.

A statutory derivative action may also be instituted by an Alkane Shareholder, former Alkane Shareholder or person entitled to be registered as an Alkane Shareholder. In all cases, leave of the court to commence that action is required.

Mandalay

Under the BCBCA, a shareholder of a company and any other person whom the court considers an appropriate person to make an application has the right to apply to the court on the grounds that (i) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (ii) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. On such an application, the court may make any interim or final order it considers appropriate, including an order to prohibit any act proposed by the company.

Under the BCBCA, a shareholder, defined for such purpose as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a company may, with leave of the court, bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation. A complainant may also, with leave of the court, defend a legal proceeding brought against a company. Leave may be granted on terms the court considers appropriate if: (i) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding; (ii) notice of the application for leave has been given to the company and any other person the court may order; (iii) the complainant is acting in good faith; and (iv) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The BCBCA provides that shareholders of a company, whether or not the shareholders' shares carry the right to vote, may, on certain matters, exercise dissent rights and demand payment for the fair value of their shares (as of the last business day before the day the resolution on which the shareholder dissent was adopted), provided that they comply strictly with the requirements in the BCBCA. Dissent rights exist when there is a vote upon matters such as:

- an alteration to a company's articles to alter restrictions on the powers of a company or on the businesses that a company may carry on;
- an adoption of an amalgamation agreement or an amalgamation in certain instances;
- an arrangement, the terms of which arrangement permit dissent;
- a sale, lease or other disposition of all or substantially all the undertaking of a company other than in the ordinary course of business; and

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- a continuance into a jurisdiction other than British Columbia.

Take-over Requirements

Alkane

Australian law places restrictions on a person acquiring interests in the voting shares of a public company such as Alkane where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90% (the "**20% Rule**"). Generally, such acquisitions cannot be made unless:

- the person does not acquire more than 3% of the voting shares in the company in the six-month period before the acquisition;
- the acquisition is made with shareholder approval; or
- the acquisition is made under a take-over bid made in accordance with Australian law.

There are numerous other exemptions from the application of the 20% Rule. Take-over bids must treat all shareholders, as far as is possible, equally and must not involve the provision of any collateral benefits to particular target company shareholders which are not extended to all shareholders. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of take-over offers.

Similar to the early warning measures outlined for Mandalay below, a shareholder is required to give a "substantial holder notice" to the target company and the ASX upon acquiring a 5% shareholding.

Mandalay

Under applicable Canadian securities legislation, a "take-over bid" occurs when there is an offer to acquire outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliates and associates, constitute 20% or more of the outstanding securities of that class.

Unless an exemption is available, a take-over bid must be made to all holders of each class of voting or equity securities being purchased, and the same price per security – that is, identical consideration – must be offered to each holder of securities. These provisions require, among other things, the production, filing and mailing of a take-over bid circular to shareholders of the target company. Take-over bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Except under certain circumstances, take-over bids must remain open for a minimum of 105 days from the date of the mailing of the take-over bid circular, after which time all securities deposited under the offer may be taken up.

For the protection of target securityholders, the take-over bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general public interest jurisdiction to regulate take-overs and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to take-over bids.

There are extensive disclosure requirements associated with take-over bids, beginning with "early warning" disclosure required when an acquirer crosses the 10% beneficial ownership threshold. Generally, further disclosure is required for additional purchases or dispositions of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid, and before, during, and after the bid, are also restricted.

Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority securityholders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a special majority approval of

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shareholders, which by default is two-thirds, but may be increased up to three quarters of shareholders, if the company's articles so provide. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting, subject to certain conditions set forth in applicable Canadian Securities Laws. Dissent rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

Take-over Defence Mechanisms

Alkane

Under Australian take-overs legislation and policy, boards of target companies may adopt various defensive mechanisms to discourage or defeat a take-over bid, so long as such mechanisms are in the best interests of the shareholders of the target company. The Corporations Act empowers the Panel to make a declaration of unacceptable circumstances in relation to the affairs of a company in the context of take-overs (as well as other control transactions). A finding of unacceptable circumstances by the Panel can result in the prohibition, termination of progress or unwinding of the take-over bid.

Mandalay

The Canadian Securities Administrators (the "**CSA**") has recognized that take-over bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a take-over bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the take-over bid provisions of Canadian securities legislation to be the protection of the bona fide interests of the shareholders of the target company. Because certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully informed decision and frustrating an open take-over bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- the issuance of, or granting of an option on or the purchase of, securities representing a significant percentage of the outstanding securities of the target company;
- the sale or acquisition, or granting of an option on, or agreeing to sell or acquire assets of a material amount; and
- the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a take-over bid or a competing bid may result in action by the CSA.

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APPENDIX J
INFORMATION CONCERNING ALKANE AND ACQUIRECO

NOTICE TO READER

The following information provided by Alkane is presented on a pre-Arrangement basis (except where otherwise indicated) and reflects the current business, financial and share capital position of Alkane. For information concerning Alkane following the completion of the Arrangement, see Appendix K to this Circular.

INTRODUCTION

This Appendix J is a summary of Alkane, its business, assets and operations, which should be read together with the audited financial statements for Alkane contained at Exhibit B to this Appendix J, and the auditor's report thereon. Unless otherwise indicated, the information contained in this Appendix J is given as at the Record Date.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Alkane presents its financial statements in Australian dollars and discloses certain financial information in this Appendix J in Australian dollars and Canadian dollars. In this Appendix J, references to "A$" or "AUD$" are to Australian dollars and references to "CAD$" or "C$" are to Canadian dollars. Certain totals, subtotals and percentages throughout this Appendix J may not reconcile due to rounding.

The following table sets forth, for each period indicated, the low and high exchange rates for Australian dollars expressed in Canadian dollars, the exchange rate at the end of such period and the average of such exchange rates for each day during such period, based on the daily average exchange rate as reported by the Bank of Canada for the conversion of Australian dollars into Canadian dollars.

	Year ended June 30,		
	2024	**2023**	**2022**
	(C$)	(C$)	(C$)
Low	0.8602	0.8633	0.8861
High	0.9158	0.9490	0.9474
Period End	0.9131	0.8814	0.8892
Average	0.8882	0.9016	0.9182

On June 23, 2025, the exchange rate for Australian dollars expressed in Canadian dollars (as reported by the Bank of Canada) was A$1.00 = C$0.8839.

GLOSSARY

Unless the context indicates otherwise, capitalized terms used herein and not otherwise defined in this Appendix J have the meanings given to such terms set forth in the glossary of terms found in Appendix A to this Circular.

CORPORATE STRUCTURE OF ALKANE

Name, Address and Incorporation

Alkane Resources Limited (previously called Alkane Exploration Limited, Alkane Exploration NL and Alkane Exploration (Terrigal) NL) was incorporated under the Corporations Act on May 13, 1969. Alkane was initially incorporated as a no liability company but converted to a company limited by shares on 13 July 2000. Alkane's registered office and principal place of business is located at Level 4, 66 Kings Park Rd, West Perth, Western Australia 6005.

Since incorporation, Alkane has made a number of amendments to the Alkane Constitution to (among other things) take into account various developments in law and general corporate and commercial practice for ASX listed entities and to reflect changes to its company type.

On October 7, 1980, Alkane commenced trading on the ASX under the symbol "ALK".

Intercorporate Relationships

Set out below is the corporate structure of Alkane as at the date of this Circular. Alkane controls 100% of the voting capital of all of the entities presented in the organizational chart set forth below.

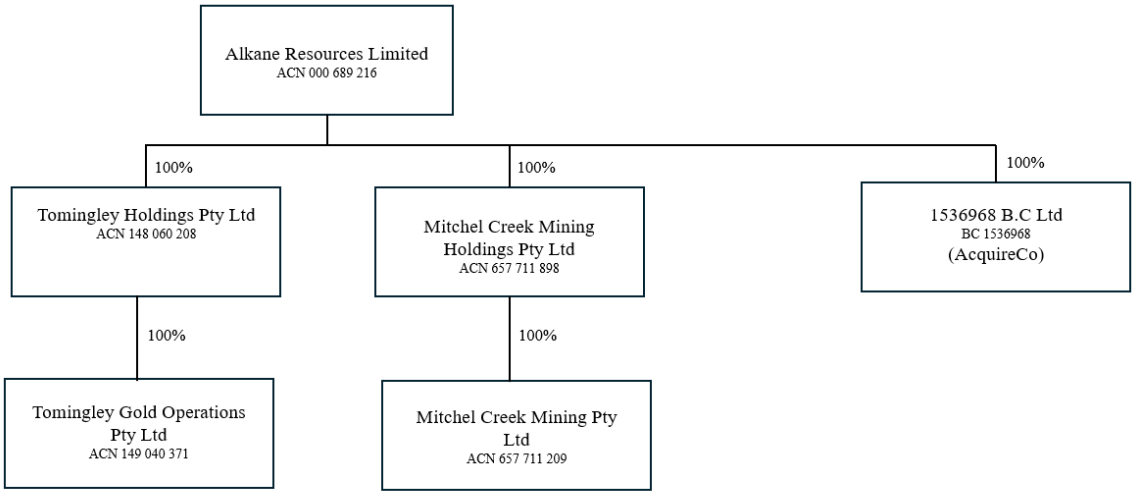


Figure 1: Alkane Corporate Structure

Tomingley Holdings Pty Ltd and Tomingley Gold Operations Pty Ltd were incorporated in NSW, Australia. Mitchell Creek Mining Holdings Pty Ltd, and Mitchell Creek Mining Pty Ltd were incorporated in Western Australia, Australia.

Mandalay Shares to be acquired pursuant to the Arrangement will be acquired by AcquireCo (1536968 B.C. Ltd.), being a wholly-owned subsidiary of Alkane incorporated in British Columbia, Canada.

DESCRIPTION OF THE BUSINESS

Summary

Alkane is an exploration, development and production company with projects and operations located in Central West NSW, Australia. Alkane's Tomingley Gold Project covers an area of approximately 440 km^2, stretching 60 km north-south along the Newell Highway in Central West NSW. The prospective belt extends from near the village of Tomingley in the north, through Peak Hill and almost to Parkes in the south. The Tomingley Gold Project encompasses Tomingley Gold Operations, an open pit and underground gold mining development southwest of Dubbo, the Tomingley Gold Extension Project, Peak Hill Gold Project and a number of exploration licences. Alkane's Boda-Kaiser Project is founded on a large gold-copper porphyry system near Bodangora, east of Dubbo, with potential for a long-term bulk-tonnage mining and processing operation.

Alkane's principal product is gold bullion. Gold is used for production and fabrication in multiple sectors including jewelry and electronics and as a medium of currency exchange and investment. Alkane's primary revenues are derived from the production and sale of gold bullion from its Tomingley Gold Operations.

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Alkane's revenues, profitability and viability depend on the market price of gold. The market price of gold is set in the world market and is affected by numerous factors beyond the control of Alkane, including: the demand for gold; expectations with respect to the rate of inflation; interest rates; currency exchange rates; the demand for jewelry and industrial products containing precious and base metals; gold production; inventories; costs; change in global or regional investment or consumption patterns; sales by central banks and other holders; speculators and producers of gold and other metals in response to any of the above factors; and global and regional political and economic factors. Refer to the Section titled "*Risk Factors*" in this Appendix J for further information of the risk factors impacting Alkane's business.

The Alkane Shares are listed and posted for trading on the ASX under the symbol "ALK" and on the OTC Pink Market under the symbol "ALKEF".[11] Alkane has applied to have its shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved Alkane's listing application and there is no assurance that the TSX will approve the listing application. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

Components, Production and Distribution

Alkane's current gold production is solely from its Tomingley Gold Operations, an open pit and underground mining operation in Central West NSW, Australia. Tomingley Gold Operations has been operating since 2014 and is now mining deposits (Roswell and San Antonio) 3 km south of the original deposits (as a result of Alkane's Tomingley Gold Extension Project).

Open cut mining has paused, and underground mining occurs on four gold deposits (Wyoming One, Caloma 1, Caloma 2 and Roswell) via a long hole open stoping method. The main source of ore is currently from Roswell.

Tomingley Gold Operations has a ~1.1Mtpa carbon-in-leach processing facility. Recent upgrades include a pre-leach thickener, additional electrowinning circuit and a flotation and regrind circuit to improve gold recoveries (commissioned in December 2024).

Gold recoveries vary with the ore source, targeting over 90% following the commissioning of the flotation and regrind circuit. FY25 production guidance is 70,000 to 80,000 ounces of gold.

Processing residues at Tomingley Gold Operations are treated in a cyanide destruction circuit, then stored in the site's second residue storage facility. This facility is expected to provide storage capacity beyond 2030, based on planned processing rates. Subsequent lifts of its retaining walls are included in the development consent.

The mill at Tomingley Gold Operations produces gold doré bars that are currently sold to ABC Refinery or to Macquarie Bank Limited under Alkane's forward sales program.

Specialized Skill and Knowledge

All aspects of Alkane's business require specialized skills and knowledge. Such skills and knowledge include the areas of finance, geology, drilling, mining, construction, engineering, metallurgy, accounting and natural resources. Alkane retains executive officers and consultants with experience in these areas in Australia and has access to technical personnel that provide Alkane with skills and knowledge required to conduct its business operations.

Competitive Conditions

The gold mineral exploration and mining business is a competitive business. Alkane competes with other companies and individuals in the consideration of acquisitions, development and advancement of attractive gold assets, and in

[11] Effective July 1, 2025, the OTC Pink Market will cease to exist.

retaining qualified personnel, suitable contractors for drilling and bulk sampling operations, technical and engineering resources and, to the extent necessary, exploration and mining equipment.

Cycles

Alkane's business may be considered cyclical to a limited extent, due to fluctuations in global inflation, interest rates and exchange rates which can drive commodity prices. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Refer to the Section titled "*Risk Factors*" in this Appendix J for further information of the risk factors impacting Alkane's business.

Economic Dependence and Changes to Contracts

Alkane owns and operates its mineral properties, providing greater control and operating flexibility across Alkane's assets. Alkane is a party to various contracts, including contracts for the supply of various inputs required for its operations. There is a robust and competitive market in the geographies in which Alkane operators for both material inputs and services necessary to the operation of its mineral properties. No single customer, supplier or service provider contract is material to Alkane's business, and each customer, supplier and service provider with whom Alkane has a contractual relationship could be readily replaced with alternative counterparties in the market with minimal impact on Alkane's business. Individual buyers and sellers generally are unable to influence prices for material inputs and services or of gold bullion, with Alkane's gold sales priced with reference to the spot price of the highly liquid global market for refined gold, or under fixed price contracts with Macquarie Bank Limited.

Alkane has and will continue to contract with third parties to achieve its stated objectives and advance its properties. These contracts will carry ordinary risks (such as a counterparty defaulting in their performance of obligations under the relevant contract), in which case, it may be necessary for Alkane to approach a court to seek a legal remedy, which can be costly and may cause delays to the Alkane's operations. Some contracts may be subject to renewal and may be terminated with notice at any time. It is not expected that Alkane's business will be affected in the current financial year by the renegotiation, amendment or termination of any contracts. Refer to the Section titled "*Risk Factors*" in this Appendix J for further information of the risk factors impacting Alkane's business.

Environmental Protection

Alkane's activities, future development and production are and will continue to be subject to environmental laws and regulations in the jurisdictions in which it operates. Refer to the Section titled "*Risk Factors*" in this Appendix J for further information of the risk factors impacting Alkane's business.

While exploration activities have a limited impact on the environment, mining operations inherently have a larger environmental impact. Alkane aims to minimize this impact and to consistently exceed regulatory environmental standards across all of its properties. This is achieved through effective engagement with stakeholders, including local communities, traditional owners, government agencies, and regulatory bodies.

Alkane's operations are currently based in NSW, Australia, which has established environmental standards and regulations. Alkane's environmental performance is overseen at the Alkane Board level. Alkane's Risk Management Committee advises the Alkane Board on ESG risks and opportunities and manages Alkane's impact through policies and practices. The Risk Management Committee is chaired by Anthony Lethlean and includes Nic Earner and Gavin Smith as committee members. The Risk Management Committee performs its responsibilities in line with Alkane's Risk Management Committee Charter which outlines its responsibilities. A copy of the Risk Management Committee Charter is available on Alkane's website at https://alkane.com.au/.

In common with other natural resources and mineral processing companies, Alkane's operations generate various waste streams, including hazardous and non-hazardous waste, effluent, emissions into the atmosphere and contaminated soils. These elements are managed in compliance with local and international regulations and standards. A framework of federal and state environmental laws govern Alkane's operations, exploration activities, and development projects. These laws address matters such as protection of the natural environment, air and water quality, emissions standards, and proper waste disposal.

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Environmental responsibility is embedded into the design of Alkane's activities and normal business practices.

A dedicated Environmental Management team undertakes regular monitoring of air, water, noise and blasting to ensure site compliance with project approvals, licences and permits. Alkane also adheres to strict environmental protocols during all exploration activities. For surface-disturbing drilling campaigns, Alkane completes a comprehensive review of environmental factors ("**REF**") report as part of the approval process. The REF evaluates potential impacts across categories including air, water, soil and stability, noise and vibration, hazardous substances, waste and emissions, vegetation, threatened species, biodiversity, social, Aboriginal heritage, and land use (agricultural) impacts.

In obtaining approval to undertake exploration activities, Alkane commits to courses of action in compliance with the information supplied by the REF. For each drilling program, Alkane is also required to submit rehabilitation plans and later provide evidence that the rehabilitation was successful.

Environmental and Social Policies

Alkane is committed to conducting its activities in an environmentally and socially responsible manner. Alkane understands that to maintain its social licence to operate, it has an obligation to maintain environmental compliance and to strive to meet the expectations of the local community and stakeholders. Alkane has adopted a Safety, Health & Sustainability Policy, the purpose of which is to establish the overall company commitment to health, safety and sustainability and the supporting objectives and expectations.

A copy of Alkane's Safety, Health & Sustainability Policy is available on Alkane's website at https://alkane.com.au/.

Alkane prioritizes occupational health and safety for all employees, contractors, and consultants, fostering a safe and secure work environment. Alkane is committed to sustainable practices and recognizes the importance of operating in strict compliance with all applicable regulations.

Alkane incorporates a rehabilitation provision into its financial statements. This provision reflects the estimated cost to rehabilitate and restore areas disturbed by mining activities, excluding areas already completed. This provision is regularly recalculated and updated to account for changes in the economic and regulatory climate. An independent third party is engaged to assist with recalculation and update of Alkane's rehabilitation provision, where required.

Employees

As at June 30, 2024, Alkane had 313 employees and an additional 67 full time equivalent contractors and subcontractors.

Alkane continuously evaluates the expertise and skills required to execute its business strategy and seeks to attract and retain employees that are aligned with delivering on Alkane's goals.

Alkane's success is dependent on the performance of its management team and key individuals, many of whom have specialized skills in the exploration and operation of large-scale gold assets. Alkane's key site personnel have been involved in the gold industry for several years and are knowledgeable as to the geology, engineering, construction, environment, mining, metallurgy and infrastructure related to mining development.

Alkane's personnel are equipped with the skills necessary to perform its operations and continuously assess its workforce capabilities with its business strategy for its operations as it evolves.

Foreign Operations

All of Alkane's operations are conducted in NSW, Australia, and are exposed to various levels of political, economic and other risks and uncertainties that are different than operating in a Canadian jurisdiction, from a corporate perspective, or in Sweden or Chile from a mining perspective. Refer to the Section titled "*Risk Factors*" in this Appendix J for further information of the risk factors impacting Alkane's business.

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Bankruptcy or Similar Procedures

Alkane confirms that neither it, nor any of its subsidiaries, are currently subject to any bankruptcy, receivership or similar proceedings or have been subject to any bankruptcy, receivership or similar proceedings in the three years prior to the date of this Circular.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-year History

FY22 Developments

Strong FY22 operating results underpinned a record profit after tax of A$70.3 million, up 26% from FY21. Gold revenue increased by 29% to A$165 million (sold 66,883 ounces at A$2,467 per ounce). At the financial year end, Alkane had a closing cash and cash equivalents balance of A$124.2 million.

Alkane produced 66,802 ounces from Tomingley Gold Operations, exceeding guidance, at an AISC below guidance of A$1,460. This strong performance was underpinned by above-forecast grades from several areas, as well as a fleet of new underground mining equipment and operational flexibility to overcome the impacts of weather and COVID-19. FY22 marked the 500,000th ounce of gold poured at Tomingley Gold Operations (since operations began in 2014).

Alkane progressed the Tomingley Gold Extension Project to the cusp of government approval, with the Environmental Impact Statement moving to public exhibition in March 2022.

Alkane broadened and deepened its Sustainability Report, which included development of a refined set of company values and alignment with a new ESG (environment, social, governance) mission statement. Alkane prepared its first Modern Slavery Statement.

FY23 Developments

Strong production and cost performance at Tomingley Gold Operations drove Alkane's overall profit after tax of A$42.5 million. Gold revenue increased by 15% to A$190.5 million (sold 70,498 ounces at A$2,703 per ounce). At the financial year end, Alkane had a closing cash and cash equivalents balance of A$107.2 million.

Tomingley Gold Operations poured 70,253 ounces of gold, exceeding guidance, at an AISC of A$1,602 per ounce. The increase in costs over FY 2022 was primarily due to movements in wages and the rising prices of electricity, fuel and reagents. Open cut mining ceased in May 2023, with the completion of a cutback in the Caloma 1 pit.

Alkane received government approval for the Tomingley Gold Extension Project in February 2023, extending mine approval until the end of 2032. In May 2023, the 2,750m underground exploration drive reached the Roswell orebody, permitting underground mining of Roswell to commence.

As part of the funding required for development of the Tomingley Gold Extension Project, a A$50 million project finance facility ("**Loan Facility**") was executed with Macquarie Bank Limited. The Loan Facility has a maturity date of December 2026 with a repayment schedule over the term and an agreed hedging program of 100,000 ounces of gold production across the debt service period. The Loan Facility has a first ranking security over the assets of the Tomingley Gold Project, a competitive margin over the Bank Bill Swap Rate and loan covenants that are customary for a facility of this type. First debt is permitted to be drawn down on approval of the mining lease.

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Alkane received 'explorer of the year' awards in 2021 and 2023, marking industry recognition of the combined Boda and Kaiser mineral resources being among the most significant gold-copper resources defined in NSW, Australia in the last 10 years.

Alkane's exploration efforts continued to deliver results towards upgrading the Boda-Kaiser resources and identifying potential mineral resources for Tomingley. Alkane also acquired the Southern Junee Porphyry Project from Sandfire Resources Limited (ASX: SFR) for consideration of 2,781,438 Alkane Shares.

Alkane advanced several ESG initiatives during FY23, including growing the number of women in the workforce from 9% to 12% and improving processing water efficiency at Tomingley Gold Operations.

FY24 Developments

Alkane's overall profit after tax was A$17.7 million, from a gold revenue of A$173 million (sold 57,592 ounces at A$3,004 per ounce). The change in profit year-over-year was due largely to the higher operating costs of increased activities, higher input costs, and lower grade and recovery achieved. The higher metal prices were offset by lower quantities sold. At the financial year end, Alkane had a closing cash and cash equivalents balance of A$45.5 million.

Tomingley Gold Operations poured 57,217 ounces of gold at an AISC of A$2,137 per ounce. This was the first year Tomingley Gold Operations did not meet or exceed production guidance and was attributable to the Roswell ramp-up being delayed by equipment availability and unforeseen recovery issues experienced from a discrete mining area. Underground stoping commenced at Roswell in April 2024, with access provided by the underground exploration drive repurposed as a production drive.

Alkane released the Tomingley Five Year Plan, which outlines the projected production and capital costs until the end of FY29. Key elements of the plan include a ramp-up of production to 100,000 ounces of gold per annum by FY27 and a A$132 million capital works program that includes processing plant upgrades and construction of a paste plant over 18 months. Some of these capital works commenced in FY24, marking the start of a transformational period for the operation.

Alkane also announced the results of a comprehensive metallurgical testwork program on the Boda-Kaiser property in November 2023. These metallurgical studies, along with upgraded mineral resource estimates, informed scoping-level mining, engineering, and economic studies that were combined to produce the Boda-Kaiser Scoping Study, released post year-end in July 2024.

After a sustained period focused at Boda-Kaiser and the San Antonio and Roswell mineral resources at Tomingley, Alkane's exploration efforts turned to defining new targets.

During the period 2018 to 2021 Alkane acquired a number of Genesis Minerals Ltd (ASX:GMD) shares on market and via various share placements. Alkane made a strategic decision to sell down the investments over FY21 to FY24. In FY24, the remaining 7,987,093 shares in Genesis Minerals Limited were sold for proceeds of A$13.04 million.

During the period 2018 to 2023, Alkane acquired Calidus Resources Ltd (ASX:CAI) shares on market and via various share placements. In FY24, Calidus Resources Limited entered voluntary administration and Alkane's holding was written down to A$0 (cost A$19.8 million).

In May 2024 the Loan Facility (originally entered into in February 2023) was restructured as a result of the increased reserve at the Roswell underground deposit (previously announced to ASX on the 27 February 2024). The Loan Facility limit was increased to A$60m (previously A$50m) and the term extended to June 2027 (previously December 2026).

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Alkane advanced several ESG initiatives during FY24, including embedding a new Employee Assistance Program at Tomingley, procuring a new diesel/electric hybrid underground mining fleet, and progressing establishment of 283 hectares of protected conservation areas to offset our activities.

On October 17, 2024, James Carter resigned as Joint Company Secretary and Julia Beckett was appointed in his place.

Developments subsequent to FY24

Tomingley Gold Operations' gold production to the end of the March 2025 quarter was 50,927 ounces, and Alkane expects FY25 production to be at the lower end of the 70,000 to 80,000oz production guidance. The AISC guidance of A$2,400/oz to A$2,600/oz remains unchanged; which reflects a one-off cost for decline development that is accounted as sustaining capital and included in the AISC. Gold sold to March 31, 2025 was 51,298oz at A$3,608 per ounce for a revenue of A$185million.

The first phase of capital growth outlined in the Tomingley Five Year Plan was largely completed with the commissioning of the flotation and fine grind circuit in December 2024 and the paste plant in January 2025. A fleet of new CAT 2900XE underground loaders became operational in the quarter ended September 30, 2024.

In July 2024, Alkane released a Boda-Kaiser Scoping Study, which included a development scenario that offered high value due to potential economies of scale. Alkane continues to refine various aspects of the project with the view to progressing further into feasibility. Baseline environmental studies are underway, and Alkane is evaluating partnering options for the project.

Alkane's exploration efforts focused on defining new targets – particularly with the view to extending the horizon of Tomingley Gold Operations. Alkane released a regional exploration update October 7, 2024. Subsequently, a substantial regional aircore drilling program was undertaken between San Antonio and Peak Hill (within the Tomingley Gold Project). Early-stage exploration at Alkane's Rockley project, which is located 35 km south of Bathurst in Central West NSW, identified multiple occurrences of base metal mineralisation and generated several prospective targets.

Alkane, under the leadership of General Manager – NSW, Mike Sutherland, progressed the establishment of a binding, in-perpetuity biodiversity stewardship agreement with the NSW Government (as required for project approval) for approximately 290 hectares of conservation areas to offset the impact of the Tomingley Gold Extension Project.

Since the end of FY24, Alkane has acquired 30 million shares in Medallion Metals Limited (ASX:MM8) in open-market purchases, resulting in ownership of approximately 5.92% of the issued and outstanding shares of Medallion Metals Limited. Alkane understands that Medallion Metals Limited intends to undertake a Tranche 2 placement in June 2025, which (if completed) will reduce Alkane's ownership to approximately 4.93% of the issued and outstanding shares of Medallion Metals Limited.

On April 28, 2025, Alkane executed the Arrangement Agreement with Mandalay to undertake the Arrangement.

MINERAL PROJECTS

The Tomingley Technical Report was prepared for Alkane by Andrew Waltho, BAppSc Hons (App. Geo.), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geo.), PGeo (Ontario), Sonia Konopa BAppSc Hons (App.Geo.) MAusIMM CPGeo, Nicholas MacNulty BScEng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd, each of whom is a Qualified Person.

The Boda-Kaiser Technical Report was prepared for Alkane by Andrew Waltho, BAppSc Hons (Geology), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geology), PGeo (Ontario), Aaron Meakin, BSc Hons,

MAppFin, MAusIMM CPGeo and Nick MacNulty, BSc Eng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd, each of whom is a Qualified Person.

The information presented in this section has been reviewed and approved by Ian Chalmers, the Technical Director of Alkane, who is a Qualified Person. Mr. Chalmers is not considered independent under NI 43-101 as he is an executive director of Alkane.

The information reproduced below is qualified in its entirety by the more detailed information presented in the Alkane Technical Reports, copies of which are available under Mandalay's profile on SEDAR+ and on Alkane's website at https://alkane.com.au/.

Tomingley Gold Project

Property Description, Location and Access

Location and Access

The Tomingley Gold Project is in the Central West and Orana regions of NSW, Australia. It is approximately 50 kilometres southwest of the City of Dubbo, which is 400 km northwest of Sydney, the capital city of NSW. The town of Peak Hill, 18 km south of Tomingley, is near the centre of the Tomingley Gold Project area.

Access to the project from Sydney is west on the Great Western Highway to Bathurst, turning northwest onto the Mitchell Highway to Dubbo, then turning southwest onto the Newell Highway to Tomingley.

Tenure

The Tomingley Gold Project comprises seven ELs, twelve MLs and a single GL, all of which are 100% owned by Alkane or its wholly-owned subsidiary, Tomingley Gold Operations Pty Ltd. Collectively, these tenements span approximately 44,540 hectares. A detailed summary of the tenements is provided in Table 1.1.

Table 1.1: Tomingley Gold Project Tenement Schedule

Tenement Type	Tenement ID	Status	Area (ha)	Grant Date	Expiry Date	Remaining Expenditure Commitment	Holder
EL	5675	Granted	23,380	17 Jan 2000	17 Jan 2029	$5,024,000	Alkane Resources Ltd
EL	5942	Granted	867	3 May 2002	3 May 2030		Alkane Resources Ltd
EL	6085[1]	Granted	1,446	20 May 2003	20 May 2030	$183,000	Alkane Resources Ltd
EL	6319	Granted	1,825	12 Oct 2004	12 Oct 2026	$1,000	Alkane Resources Ltd
EL	8676	Granted	6,433	27 Nov 2017	27 Nov 2029	$334,000	Alkane Resources Ltd
EL	8794	Granted	4,917	20 Seo 2018	20 Sep 2030	$186,000	Alkane Resources Ltd
EL	9597	Granted	3,762	22 Aug 2023	22 Aug 2029	$139,000	Alkane Resources Ltd
GL	5884	Granted	2.79	12 Dec 1969	2 Jun 2037		Alkane Resources Ltd
ML	1351	Granted	0.91	15 Jun 1994	24 Sep 2036		Alkane Resources Ltd
ML	1364	Granted	159	14 Mar 1995	25 Dec 2035		Alkane Resources Ltd
ML	1479	Granted	5.10	18 Jan 2001	17 Jan 2043		Alkane Resources Ltd
ML	1684	Granted	733.70	11 Feb 2013	11 Feb 2034		Tomingley Gold Operations Pty Ltd
ML	1821	Granted	88.36	19 Nov 2021	11 Feb 2034		Tomingley Gold Operations Pty Ltd

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Tenement Type	Tenement ID	Status	Area (ha)	Grant Date	Expiry Date	Remaining Expenditure Commitment	Holder
ML	1858	Granted	893.20	19 Jul 2023	19 Jul 2044		Tomingley Gold Operations Pty Ltd
ML	6036	Granted	3.96	7 Mar 1968	2 Jun 2037		Alkane Resources Ltd
ML	6042	Granted	0.41	21 Feb 1968	2 Jun 2037		Alkane Resources Ltd
ML	6277	Granted	6.42	12 Mar 1971	2 Jun 2037		Alkane Resources Ltd
ML	6310	Granted	2.10	27 Aug 1971	2 Jun 2037		Alkane Resources Ltd
ML	6389	Granted	11.08	6 Apr 1973	2 Jun 2037		Alkane Resources Ltd
ML	6406	Granted	3.42	25 Jan 1974	13 Feb 2037		Alkane Resources Ltd
Total			**44,450.45**			**$5,867,000**	

Source: Australian Mining and Exploration Title Services Pty Ltd

Ownership, Royalties and Agreements

On December 15, 2003, Alkane Exploration Ltd confirmed the arrangements and agreements in relation to acquiring EL6085 – Wyanga (formerly Exploration Licences 3364 and 3685), made in January 2002 with Climax. In March 2003, in consideration for Alkane entering into the agreement, Climax consented to lodging EL Application 2061 over and including the areas of EL3364 and EL3685. On May 20, 2003, EL6085 was granted to Alkane.

EL3364 and EL3685 were unencumbered and free of third-party rights, except for a 5% interest in EL3685 held by Transit. With Transit's consent, Climax and Alkane entered into an agreement for the exploration and potential mining of EL6085. Under the terms of the agreement, Alkane is required to maintain EL6085 in good standing and may withdraw at any time by providing two months' notice, provided it has met pro rata expenditure commitments, rehabilitated any affected areas, and transferred EL6085 to Climax at no cost.

Alkane agreed to pay Climax a royalty, as follows:

1. $0.75/dry tonne of ore treated for the first 500,000 t.

2. In respect to subsequent ore treated, a 3% NSR for gold and other minerals recovered from such ore until Alkane has produced 150,000 oz of gold (or equivalent), and thereafter a 5% NSR for gold and other minerals produced from such ore.

Surface Rights

Alkane has not entered into any Native Title agreements with respect to EL5942, EL6085, EL8676, EL8794, EL9597 and GL5884, as the tenements are almost exclusively on freehold land where Native Title is extinguished. Six tenements (ML6036, ML6042, ML6277, ML6310, ML6389, ML6406) have no records as the tenement Titles existed both before computer records were created and also prior to the Aboriginal Land Rights Act of 1976.

The RTN process was completed and no claimants identified at the end of the notification period for ML1351 (determination date May 11, 1994), ML1364 (determination date March 14, 1995) and ML1858 (determination date May 16, 2023). The RTN process commenced on March 13, 2025, for EL6319 and advertised on May 22, 2025. As of October 30, 2022, no claimants had been identified at end of the four-month notification period for EL5675. For ML1479, the RTN was undertaken with the Bogan River Wiradjuri People prior to grant. An S31 deed was entered into, and the determination date was November 13, 2000. Proof of Native Title extinguishment was attached at the application stage for ML1821. Australian Mining and Exploration Title Services Pty Ltd could not find any records with respect to the Native Title status of ML1684.

Alkane has land access agreements that partly or wholly cover seven ELs (EL5675, EL5942, EL6085, EL6319, EL8676, EL8794 and EL9597).

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Environmental Liabilities

The authors of the Tomingley Technical Report are not aware of any environmental liabilities pertaining to the Tomingley Gold Project, other than those attached to the granted tenure documents.

The NSW Resources Regulator has determined the assessed security deposit for the fulfilment of rehabilitation obligations is A$12,363,000.

Permits

Alkane holds all required permits and authorizations to undertake exploration and mining operations. In February 2023, the NSW Government approved the Tomingley Gold Extension Project SSD.

In May 2011, Tomingley Gold Operations lodged an environmental assessment for the development of the Tomingley gold mine with the DPI. On July 2, 2012, the DPI approved the development of the Tomingley Gold Project.

The mine is also regulated under two MLs (ML1684 and 1812) issued under the Mining Act 1992, and an environment protection licence (EPL 20169) issued under the Protection of the Environment Operations Act 1997.

On January 22, 2022, Tomingley Gold Operations lodged an environmental impact statement for the development of the Tomingley Gold Extension Project. The Tomingley Gold Extension Project was incorporating the existing Tomingley Gold Operations mine with mining of the SAR, immediately to the south. The Tomingley Gold Extension Project was approved by the NSW Minister for Planning on February 21, 2023. Alkane has development consent until end-2032. The Tomingley Gold Extension Project ML (ML1858) was granted on July 19, 2023, and EPL 20169 was varied on May 2, 2024, to include the additional land and activities associated with the project.

History

Tomingley Gold Operations

The depth of cover sequences around Tomingley has effectively inhibited and impeded historic exploration activity in the area. The Myalls United gold mine, 500m south-southeast of the Wyoming mine workings, was discovered in the early 1880s. The mine was worked between 1883 and 1914, with reports that 70,000 oz of Au was extracted, at an average head grade of 12g/t Au. Mining followed two parallel, near vertically dipping quartz veins for their high-grade gold to a depth of 200 m.

In 1997, Sipa Resources International Ltd and joint venture partner Michelago Resources NL drilled 45 aircore holes through the transported cover (up to 50m thick) into weathered bedrock across the projected trend of the Myalls mineralization to the northwest. Five aircore holes intersected gold grades in excess of 1g/t, with the best intersection of 16m at 1.7g/t Au in hole WY29. However, due to shifting company priorities, these results were never followed up.

In 2001, Alkane in a joint venture with Compass Resources NL and Golden Cross Operations Pty Ltd, followed up the results of the 1997 aircore drilling with an expanded 130 aircore and reverse circulation drilling program. This program resulted in the discovery of the Wyoming 1 deposit, intersecting 117m at 1.5g/t in feldspar porphyry (feldspathic andesite) in hole WY167. This result was followed by an extensive exploration drilling program, resulting in the initial resource estimate at Wyoming in 2002. Sustained exploration by Alkane around the area subsequently increased resources at Wyoming and Caloma. This led to commencement of open pit mining activity and onsite processing of ore at Tomingley in 2014, and commencement of underground mining operations in 2019.

Peak Hill Gold Project

The Peak Hill Gold Project was discovered in 1889. Initially, alluvial gold was worked in drainage channels on the slopes of the prominent hill (Peak Hill). This was followed in 1890 by working of outcropping gold mineralization on

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the flanks of the hill. Between 1904 and 1917, open cut and underground mining produced 60,000 oz Au from approximately 500,000t of material mined.

The deposit was explored by several companies from 1964 onwards, but exploration activities away from the prominent Peak Hill was difficult due to the thick cover sequences.

The Peak Hill deposit was drilled out by Alkane Exploration NL (in association with Associated Goldfields NL) in the early 1990s, and a decision to mine was made. From 1996 to 2005, Alkane mined 150,000 oz Au from the oxide zone. Treatment was by Heap and Dump Leach. Mining was both open pit and underground until 2001, and then open pit of two smaller pits from 2001 until full site closure in 2005.

The operation has been closed since 2005 and the site rehabilitated.

Geological Setting, Mineralization and Deposit Types

The Tomingley deposits are located near the eastern margin of the Junee-Narromine volcanic belt, just east of the interpreted Parkes Thrust. This structure separates the flat lying Ordovician Goonumbla volcanic complex from a thin slice of north–south trending andesitic volcanics identified by regional aeromagnetic data and drilling, interpreted to be the Late Ordovician Mingelo Volcanics. The Tomingley Gold Project covers the entirety of this interpreted north–south belt extending north approximately 25 kilometres from Trewilga to Tomingley and being about two kilometres in width. The Peak Hill deposit sits within the Mingelo Volcanics in a high strain zone between the Parkes Thrust to the West and the Narromine-Tumut Fault to the east.

The Mingelo Volcanics are overlain by sediments thought to be equivalents of the Ordo-Silurian Cotton Formation, perhaps part of the Silurian Forbes Group. Drilling data at Tomingley intersects an angular unconformity between the sediments and underlying volcanics. The sediments consist of well-bedded fine quartzose sandstone and laminated siltstone with a diagnostic basal quartz-rich conglomerate.

The Ordovician rocks west of the Parkes Thrust are weakly deformed, with broad open folds and sub-greenschist metamorphic assemblages. In contrast, the Ordovician-Silurian sequences east of the fault, including the rocks hosting the Tomingley deposits, exhibit tight to isoclinal folding with strong axial planar cleavage in greenschist metamorphic assemblages.

Tomingley Gold Operations

The Tomingley Gold Operations area is almost entirely covered by alluvial sequences of clays, sand and gravel up to 60 metres thick. The maghemite bearing cover sequence has made exploration using geophysical techniques problematic and exploration has been primarily completed through drilling and geochemistry.

The gold mineralization is hosted within volcaniclastic metasediments, and porphyritic subvolcanic units of monzodiotite and andesite to basaltic-andesite composition.

The Tomingley deposits show many similarities to orogenic gold deposits such as alteration, mineralization and vein style and composition. Each of the deposits has its own structural nuances, however, mineralization is dominantly hosted within the subvolcanic sills, competent lavas or along their immediate contacts with volcaniclastic metasediments.

Multiple phases and recrystallisation of pyrite and arsenopyrite occur early in the paragenesis. Late fractures in earlier pyrite and arsenopyrite have served as nucleation sites for the precipitation of gold which occurs within or disseminated near the selvages of the quartz - ankerite vein assemblage. Rare sphalerite and chalcopyrite are syngentic with gold mineralization.

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Wyoming 1

Gold mineralization at Wyoming 1 is distributed both around and within a small (40 metres by 100 metres near surface, broadening at depth), roughly elliptical, subvertical, feldspar ± augite phyric sill. The deposit has been separated into distinct mineralized zones: the 'porphyry' zone; contact zone; hangingwall zone; and the 'footwall' zone.

The hangingwall zone appears stratigraphically controlled by a thin fine grained carbonaceous mudstone striking north-northwest and is the only defined mineralization not having a close spatial relationship with a porphyritic sill host. The high grade mineralization appears to have a strong ore shoot control plunging 40° to the south-southeast. Parasitic fold axes measured in drill core parallels this direction.

The footwall zone is an apparent extension of the hangingwall zone on the western fold limb. The zone of mineralization is characterized as poddy quartz veining up against the Cotton Formation contact. The gold mineralization does not extend into the Cotton Formation.

The 'porphyry' zone of mineralization is dominated by a stockwork-like vein system of irregular silicification (locally described as 'mushy quartz') however, planar veins have a pervasive west-northwest strike.

Caloma 1

The Caloma 1 (previously known as just Caloma) deposit is hosted within two moderately west dipping (steepening at depth) porphyritic sills up to 60 m thick separated by thin metasiltstone units. Gold mineralization is focused within a shallow to moderate west dipping sheeted vein system that approximately parallels the strike of local stratigraphy. The lodes terminate at the Cotton Formation contact in the west and tends to 'horsetail' when in contact with the volcaniclastic sediments in the east. Mineralization linking Caloma 1 with Caloma 2 appears to be restricted within or adjacent to a narrow, steeply southwest dipping volcaniclastic sediment unit and is poddy in nature.

Caloma 2

The stratigraphy at Caloma 2 has a distinctive east–west orientation in contrast to the north-northwest orientation at the adjacent Caloma 1 deposit. The linking stratigraphy between Caloma 1 and Caloma 2 dips steeply to the southwest, aligning itself with this major structure to the south. Two dolerite dykes crosscut the stratigraphy and mineralization and also have late off sets.

The mineralization at Caloma 2 is constrained to the east by shallow west dipping sheeted veins and to the west by moderately north dipping en-echelon vein sets. Mineralization appears to dilate when in contact with a northern bounding volcaniclastic sediment unit. At depth there is evidence for a reverse saddle reef like structure associated with the closure of a moderately west plunging synform.

Roswell

The Roswell deposit is positioned north of a regional northwest trending structure termed the Rosewood Fault. This fault, originally identified in the aeromagnetic geophysics data, appears dextral and is of a similar orientation to the structure that dextrally displaces the Caloma deposits from the Wyoming deposits at Tomingley.

The drilling at Roswell has defined a fault bounded section of volcanic stratigraphy covered by 30 m to 55 m of alluvial clays and sands. The faulted subvertical volcanic stratigraphy is rotated from striking north to striking north-northeast. The mineralization appears to be hosted by two different volcanic units – monzodiorite and andesite – within a coarse grained volcaniclastic package generating structural zones by a competency contrast between the 'brittle' volcanics and 'ductile' volcaniclastics.

The stratigraphy at Roswell comprises immature volcaniclastic sandstones and conglomerates with lesser siltstones/mudstones. More evolved, fine-grained plagioclase phyric multi-phased andesite lavas are slightly magnetic and hosts a significant proportion of the gold mineralization.

The mineralization at Roswell is characterized as typical quartz-carbonate-pyrite-arsenopyrite veins hosted in phyllic altered volcanics. The mineralized zones range from 2 m to 30 m wide and as stacked tension veins, sometimes becoming more of a stockwork within the andesite host.

The mineralization, as observed at Tomingley, is displaced by a swarm of post mineralization dolerite dykes. The dolerite dykes have a similar orientation of dipping steeply to the north-northeast.

San Antonio

The San Antonio deposit is also positioned south of a regional northwest trending Rosewood Fault. A second significant structure named the Kenilworth Fault is oriented west-northwest and transects the southern section of the San Antonio deposit.

The mineralized bedrock lies beneath a Cainozoic alluvium overburden between 20m - 60m thick. Weathering of the mineralized bedrock has developed a saprolitic clay profile extending approximately 35 metres from the base of alluvium to fresh rock.

The stratigraphy at San Antonio comprises immature volcaniclastic sandstones and conglomerates with lesser siltstones/mudstones. More evolved, fine-grained plagioclase phyric multi-phased andesite lavas are slightly magnetic and hosts a significant proportion of the gold mineralization.

The mineralization at San Antonio is characterized as quartz-carbonate-pyrite-arsenopyrite veins hosted in phyllic altered volcanics and volcaniclastics. The mineralized zones range from 2m to 20m wide and form as sheeted sigmoidal tension veins, sometimes becoming more brecciated and shear hosted along the eastern contact with the andesite host.

Peak Hill Gold Project

The Peak Hill Au–Cu deposit is hosted by a succession of andesitic volcaniclastic breccias, lesser sandstone and minor lavas and black mudstone that correlated with the Late Ordovician to Early Silurian Mingelo Volcanics.

The Au–Cu mineralization at Peak Hill occurs in steeply plunging shoots that broadly coincide with a distinctively zoned alteration system. The alteration zone, or lithocap, is evident over a 3 km long by 500 m width north–south trending zone that appears to be focused on coarser grained permeable breccia and volcaniclastic rocks, with later superimposed structural zones.

Within the broad lithocap envelope, an elliptical core zone 500m by 400m, of advanced argillic alteration is evidenced by extensive pyrophyllite and paragonite with residual silica-pyrite mineralized zones. Pyrite content commonly exceeds 15% and barite is a prominent accessory mineral.

High pyrite concentrations, with the copper sulfide assemblage dominated by enargite, tennantite and luzonite, are often focused within late, higher-grade structures within the residual silica-pyrite zones. Gold grades >1g/t at the Peak Hill Gold Project are usually coincident with concentrations of quartz-pyrite-barite veins. These veins are not confined the pyrophyllite core, they also occur in the advanced argillic paragonite-muscovite zone which is proximal to the pyrophyllite core. The zones of high grade <5g/t generally occur in microcrystalline quartz altered domains in the paragonite-muscovite alteration zones. The high-grade zones are also associated with tight east–west to west-north-west structures that crosscut the ore body. These structures can be difficult to observe but can be spatially identified with the grade distribution within the tightly spaced blast hole drilling.

Oxidation has extended to >90m. The redox boundary between oxidized and unoxidized rock is irregular due to poddy nature of the primary sulfide interface extending into the overlying oxidized material.

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Exploration

Exploration at the Tomingley Gold Operations is impacted by the depth of transported cover containing the paramagnetic mineral maghemite (γ-Fe2O3), a magnetic iron oxide mineral. This limits geophysical investigations as the maghemite interferes with typical exploration methods utilised such as electromagnetic and induced polarisation surveys. Similarly, the depth of cover limits geochemical investigation to bedrock drilling techniques capable of penetrating the thick cover sequence to the base of oxidation in bedrock.

Exploration at Tomingley Gold Operations has been focused on successful resource development and mine life extension to sustain Tomingley Gold Operations after the initial discovery at Wyoming in 2001. This exploration led to expansion around the Wyoming 2001 discovery to incorporate new open pit mining areas at Wyoming 1 and Three, Caloma 1 and 2, followed by underground development beneath those pits. Exploration south along the mineralised trend to Myalls and further south led to the discovery of the Roswell and San Antonio deposits, with significant exploration effort required for resource definition and in support of underground mine development at those projects.

Exploration has tested several other targets in parallel to the resource definition work between the Wyoming discovery and the present day. To date, exploration activity has been predominantly in the area within seven kilometres of the Tomingley Gold Operations along the interpreted strike of the Mingelo Volcanics contact with the Cotton Formation. Anomalous gold has been found at several target areas along that strike, as well as in other target areas identified off that main trend. Aside from the discoveries at San Antonio and Roswell, follow-up exploration drilling at most of these prospects to date has not offered sufficient encouragement to justify further exploration.

With respect to Peak Hill, in January 2019, 10 PQ3 diamond cores were drilled from the western edge of the rehabilitated Proprietary open cut, angled below historic underground workings. The drill results were largely as anticipated from the previous core drilling in this target area.

Drilling

Tomingley Gold Operations

Drilling at the Tomingley Gold Operations was conducted using reconnaissance AC drilling rigs, high-capacity RC drilling rigs and high-powered DD rigs for the purpose of retrieving large sized sample and for drilling to significant depths.

Initial reconnaissance drilling was completed to fresh rock using 75 mm or 100 mm AC with follow-up and deeper drilling completed by RC (usually 126—140 mm diameter). Detailed resource definition drilling was completed primarily by RC techniques using a 130 mm or 140 mm diameter face sampling hammer. DD holes were precollared using either RC techniques or un-oriented PQ3 (83 mm diameter) core drilling. Precollars were completed to competent material, with holes cased off and completed to depth using HQ3 (61 mm diameter) core. DD was collared with PQ3 and were reduced to HQ3 when the ground became competent. The HQ3 core was oriented using the 'BallMark,' 'EzyMark' or 'Ace' (Reflex Act) core orientation tool depending upon the contractor and time period of when the drill program was drilled.

The Wyoming 1 area has been evaluated using AC, RC and DD techniques between May 2001 and June 2024, although not all of this drilling lies within the current resource outline.

The Caloma 1 area has been evaluated using AC, RC and DD techniques between August 2004 and June 2022 although not all of this drilling lies within the current resource outline. In addition, RC grade control drilling is undertaken on a campaign basis to assist in ore mark-up in the pit.

The Caloma 2 area has been evaluated using AC, RC and DD techniques between May 2007 (early reconnaissance) and March 2012. Not all of this drilling lies within the current resource outline; there is some overlap in drilling with the southern end of Caloma (although there is no overlap in resources) and none of the AC drilling samples were used in the resource estimate preparation. During 2015, four geotechnical diamond holes were drilled into the Caloma 2

deposit. A significant surface DD and underground grade control diamond program, infilling the known Caloma 2 underground resource occurred during the 2020/2021 year.

The Roswell deposit has been evaluated using all of Alkane's RC and DD holes within the prospect area. Drilling at the Roswell deposit has been completed in six phased programs since January 2018 for a total of 198 RC and diamond core holes for 55,425.9 m.

The San Antonio deposit has been evaluated using all of Alkane's RC and DD holes within the prospect area. Drilling at the San Antonio deposit has been completed in six phased programs since January 2018 for a total of 345 RC and diamond core holes for 75,196 m.

A deep RC drill hole (MCP092) intersected the McLeans andesite (correlates with the andesites that host the majority of the gold resources at the Roswell and San Antonio deposits) approximately 100m below surface, intercepting 34 m @ 1.80 g/t Au from 178m and 19 m @ 1.25 g/t Au from 242m. Subsequent drilling defined the Inferred Mineral Resource completed in 2023 and reported in Section 14 of the Tomingley Technical Report. The McLeans resource is based on 7 RC drill holes totaling 2,257 m (including diamond precollars) and seven DD drill holes totaling 2,551 m of core.

Significant intersections at the Plains Prospect from 2023 and 2024 drilling include:

- RWRC477: 8 metres grading 0.97g/t Au from 134 metres, including 2 metres grading 2.02g/t Au from 136 metres.
- RWRC478: 4 metres grading 1.54g/t Au from 183 metres, including 1 metre grading 5.54g/t Au from 183 metres.
- RWRC479: 6 metres grading 0.84g/t Au from 164 metres, including 3 metres grading 1.48g/t Au from 167 metres.
- RWRC481: 9 metres grading 0.76g/t Au from 165 metres, and 4 metres grading 0.89g/t Au from 184 metres
- RWRC482: 6 metres grading 1.31g/t Au from 312 metres
- RWRC483: 9 metres grading 0.49g/t Au from 180 metres

At the Allendale/Coldstream Prospect, during 2024, 36 AC drill holes for a total of 4,560 metres were drilled along five traverses at ~100 metre collar spacings to follow-up on encouraging gold and copper intercepts from the previous year's drilling. The drilling was generally angled west along the traverses and drilled to refusal at fresh bedrock. Bottom of hole lithogeochemistry assaying was conducted to map the Ordovician basement and the weathered bedrock beneath the cover. Infilling drilling around the significant gold intercept (ALAC176—13m @ 0.99g/t Au from 127m to EOH) from 2023 failed to intersect further mineralization. Minor copper anomalism (>0.05% Cu) showed a subtle trend of increasing concentration towards the north, though it may be the result of supergene weathering of mafic volcanics in the bedrock.

Peak Hill Gold Project

In January 2019, 10 PQ3 diamond cores were drilled from the western edge of the rehabilitated Proprietary open cut, angled below historic underground workings. Including open hole precollars and PRD025 which failed to reach the target zone, a total of 2,778 metres was completed. The drill results were largely as anticipated from the previous core drilling in this target area.

Significant intercepts include:

- PRD022 110 m grading 1.97g/t Au from 197 m, including 30 m grading 4.30g/t Au from 276 m also 16 m grading 6.51/t Au from 281 m.

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- PRD023 102 m grading 1.78g/t Au from 182 m, including 45 m grading 3.18g/t Au from 215 m, including 8 m grading 8.28g/t Au from 228 m and also including 6 m grading 4.06g/t Au from 251 m.

The Peak Hill Gold Project has been evaluated using all of the available known blast holes (BH) used during mining, auger (AUG), AC, RC and DD holes. Not all of this drilling lies within the current resource outline.

Sampling, Analysis and Data Verification

Tomingley Gold Operations

Samples from the AC and RC drilling were collected at 1 m intervals via a cyclone and placed into large plastic bags. Spear samples were collected from each 1 m sample and composited to 3 m for initial assay analysis, unless the geologist on site determined visually strong mineralization, then 1 m samples were collected via a splitter below the cyclone and sent for analysis.

All composites subsequently assayed as ≥0.1g/t Au or ≥0.1% Cu, together with their upper and lower bounding composite samples, were resubmitted as the original 1 metre samples collected into a calico bag via a splitter below the cyclone when drilling.

For surface drilling, triple tube coring was used at all times to maximize core recovery with larger diameter (PQ3) core or RC precollars used in the transported overburden and oxide zones.

For surface drilling, half core samples of PQ3 and HQ3 size were collected from all geologically logged and potentially mineralized zones. The core was cut in half using a Core Wise or equivalent core cutting saw and sampled in a range of 0.3 m to 1.3 m intervals as determined by the geologist based on lithological contacts, alteration zones and mineralization zones. The remaining half core is stored at the Orange exploration facility. For NQ3 drilling, the entire core interval was sampled.

For underground drilling, the mineralized zones were determined by the geologist and sampled in a range of 0.3 m to 1.3 m intervals as determined by the geologist based on lithological contacts, alteration zones and mineralization zones. A nominal width of 5 m of barren lithologies either side of the mineralized zone was also sampled using the same sampling procedure. The entire NQ3 drill core was sampled for all underground drill holes.

For Alkane drilling, commercially prepared CRMs and blanks were inserted at between 1 in 35 and 1 in 50 samples. CRMs were not identifiable to the laboratory (blind sample).

For underground DD, CRMs are inserted randomly into each drill hole sample run.

Field duplicate samples were inserted at between 1 in 40 and 1 in 50 samples (alternate to CRMs) for RC drilling programs.

For DD, duplicates are determined via approximately 1% of laboratory pulps being sent to an umpire laboratory (SGS in West Wyalong) for check assay. SGS is independent of Alkane.

Field duplicates were not routinely used for AC drilling.

All samples were bagged in tied numbered calico bags, grouped into larger tied polyweave bags and transported to ALS Chemex in Orange from:

- Peak Hill exploration offices by Parkes Couriers;
- Orange exploration offices by Alkane personnel directly; and
- Tomingley Operations via (i) site stores personnel who collect the transport bag from the core yard and take it to the site stores area where (ii) WPE Transport collect and transport to the laboratory.

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Sample submission sheets were delivered with the samples and also emailed to the laboratory. All sample submissions were documented via ALS tracking system and all assays were reported via email. ALS Chemex is independent of Alkane.

Peak Hill Gold Project

Due to the age of the project, limited collated meta data for the nature of the quality of sampling is unavailable. Certain assumptions have been made based on the quality of the sampling methods.

For RC drilling, it is assumed the entire RC sample was collected at predominantly 2 m intervals and delivered into a large plastic bag via a cyclone where it would have been split through a riffle splitter. The split samples would then have been placed in a prenumbered calico bag. It is assumed the 2 m composites were taken due the sampling intervals received from the historical databases. No data is available to assess if the samples were wet or dry.

For DD drilling, sample intervals were defined by geologists during logging. The predominant sample interval was 2 m although some intervals were 1m sampled. Sampling intervals were not based on geology, the 2 m intervals in length crossing logged geological features. All diamond core was sampled. It is presumed that the core was cut in half with a saw. It is assumed that all core other than the PRD series was half-cored due to the unavailability of any reference core to site check. For the PRD series holes the core was marked up by the geologist and predominantly quarter-cut using an Almonté (or equivalent) core cutting saw. Some zones were half-cored and sampled. Sample sizes are assumed to be within industry standard and considered appropriate.

For the PRD series diamond holes, the repeat checks were undertaken on specific holes intersections, nominally every 20 m. It is unclear if the core was re-cut and sampled, or if the pulps were re-assayed or underwent umpire checks through a secondary laboratory. Commercially prepared CRM and blanks were inserted at 1 in 50 samples. CRMs were not identifiable to the laboratory. QAQC data for all other holes was not available to report. The assumption is that quality control procedures with standards and field duplicates would have been performed.

All drillhole sample data used in the estimation is historical and the manner in which samples were handled and the measures taken to ensure the security are unknown.

Despite some missing information on the drilling, sampling, security and QAQC procedures for some of the historical drill holes, especially at Peak Hill, the authors of the Tomingley Technical Report are of the opinion the sample preparation, security and analytical procedures are adequate for the purposes of generating MRE for the project.

Data Verification

Tony Donaghy and Nick MacNulty, authors of the Tomingley Technical Report, conducted a site visit to the Tomingley Gold Project and operations localities and the Alkane Exploration office and core facility in Peak Hill on April 14, 2025, and April 15, 2025.

At Peak Hill Gold Project and Tomingley Gold Operations core facilities, Alkane staff lead the authors through the full processes and procedures for handling, logging, photography, density measurements, sampling of drill materials, QAQC and database management. The walkthrough encompassed all core activities from initial drill material reception at the facility from the drill through to transport of samples to the ALS Chemex laboratory for assay, and subsequent long-term storage management of drill core and chips, as well as returned laboratory assay pulps.

In addition, representative drill hole intervals were laid out for inspection, complete with assay data extracted from the Datashed (Tomingley Operations) and Geobank (Alkane Exploration) databases.

In all intervals inspected, the lithologies, alteration and mineralisation matched descriptions and controls on mineralisation as described in logging. In addition, the species, content and distribution of sulfide mineralogy matched the distribution and values for copper and gold assay intervals for the respective hole intervals observed.

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In addition, visits were conducted to DD operations on the El Paso target (HQ3 drilling hole EPD014—results pending) and RC drilling operations grid drilling vertical holes on a 20 m x 20 m pattern on the San Antonio deposit. Both drilling operations were in accordance with industry best practice for drill operation and core and drill chip handling and recovery.

The authors of the Tomingley Technical Report are of the opinion that all processes and procedures around processing of drill core and chips, core logging procedures and data capture into a dedicated database, sampling and QAQC and sample handling and transport security of samples are consistent, systematic and carried out in accordance with industry best practice.

After a thorough review of the drill hole databases, the authors of the Tomingley Technical Report are of the opinion that the data is adequate for the purposes of generating MRE for the project.

Mineral Processing and Metallurgical Testing

The Tomingley Gold Operations operated a standard gravity and CIL operation. When investigating the Wyoming deposit, it was identified that there was large component of the gold that is sulfide associated (pyrite/arsenopyrite).

Investigative testwork in respect to producing a flotation concentrate, grinding said concentrate and conducting cyanidation on both the ground flotation concentrate and flotation tail was conducted on Wyoming, San Antonio, Roswell and Caloma 2 deposits.

This forms the basis of the scoping study (and further front end engineering design) in which a two-stage expansion was proposed and costed for the installation of a flotation circuit, regrind and the necessary supporting equipment/capital and further upgrades. A parallel semiautogenous grinding mill was provisioned to accommodate an increase in throughput from 1.0 Mtpa to 1.5 Mtpa.

Flowsheet

The existing flowsheet utilised a two-stage crush (primary jaw, secondary cone) before feeding into a ball mill with a standard cyclone/gravity arrangement into a CIL circuit. The ball mill discharge would feed into the cyclone to split at a P80 of 106 µm with a portion of the underflow reporting to a gravity concentrator and the tail from the gravity concentrator, along with the remaining cyclone underflow returning to the ball mill as a recirculating load.

The gravity concentrate would be leached in an intensive leach reactor followed by electrowinning and smelting.

The cyclone overflow would report to the CIL circuit where the gold would be leached via cyanide and absorbed onto activated carbon. The activated carbon proceeding to elution and the barren carbon would be regenerated.

The stage one upgrade diverts the cyclone overflow to a flotation circuit where a rougher concentrate is generated. The tailings of the flotation circuit reports to the preleach thickener while the concentrate is ground down to a P80 of 12 µm via ISAMill. The design mass split intends for 15% of the flotation feed mass to report as concentrate and report to the regrind mill.

The ground concentrate then reports to the preleach thickener (along with the flotation tail) with both proceeding to the CIL circuit to proceed as per the original flowsheet.

Stage two entails upgrades in capacity in terms of a parallel semiautogenous grinding mill and additional pregnant liquor tanks and electrowinning cells. No additional CIL tank capacity has been observed in the documentation, and thus it must be concluded that there is a subsequent reduction in residence time. The ultimate goal of the stage two expansion is to increase the throughput capacity from 1 Mtpa to 1.5 Mtpa.

Metallurgical Testwork

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Tomingley Gold Operations has conducted metallurgical testwork to better understand the increasingly refractory nature of its deposits. This work occurred in two phases: from 2018 to 2019, efforts focused on identifying gold deportment within the Wyoming underground, San Antonio, and Roswell deposits; in 2023, further testwork on the Roswell and Caloma deposits provided additional performance and engineering data to support the front end engineering design study.

A series of testwork programs were conducted across 4 composites of Wyoming Underground (Table 1.2) and eight composites of the San Antonio and Roswell deposits.

Table 1.2: Wyoming Scoping Investigation

	Gold Extraction (%)	
Sample	**Whole of Ore**	**Combined ground flotation concentrate + tailings**
946	72.0	90.9
85.4945-L	75.3	85.4
942-H	85.6	92.5
945-H	76.7	87.6

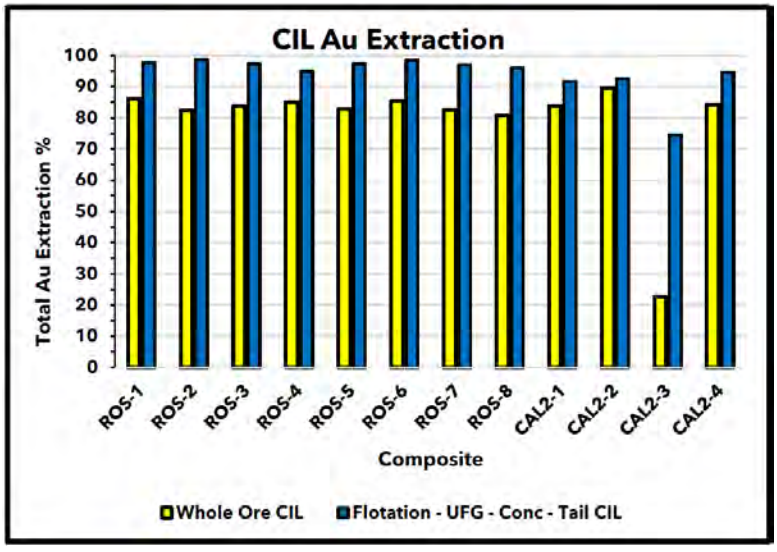
The initial investigation involved diagnostic leach testwork along with mineralogy on Wyoming composites and identified a significant proportion of the gold presented locked in sulfide components after the standard (existing) flowsheet conditions (cyanide leach of whole of ore at 106 μm) were executed.

Further work was conducted on composites of San Antonio and Roswell replicating this flowsheet at a variety of flotation concentrate grind sizes showing a similar improvement in recovery.

Following a scoping study (MACA Interquip 2022), further testwork was conducted on ½ drill core with nine composites generated for Roswell and four composites for Caloma 2. This focused on firming up recovery expectations and further defining specific engineering inputs.

The testwork scope was a substantial body of work defining remaining inputs required. A summary of the extractions observed across each of the composites is shown below (Figure 1.1).

Figure 1.1: Roswell and Caloma 2 Overview



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Mineral Resource Estimates

The MRE for the Tomingley Gold Project are reported with an effective date of June 30, 2024 in accordance with the JORC Code. The JORC Code uses similar Mineral Resource categories as set out in the CIM Standards and defined in Section 1.2 of NI 43-101. Inferred Mineral Resources have not been added to Indicated and Measured Mineral Resources, which is permitted under JORC Code. Measured, Indicated, Measured + Indicated and Inferred Mineral Resources have been reported separately throughout this report, in addition to the total Mineral Resource estimates for each project.

The Mineral Resource estimates include mineralization that that is not included in estimates of Mineral Reserves and, consequently, do not have demonstrated economic viability.

RPEEE were considered in developing open-pit and underground cut-off criteria for the project. Factors considered in determining RPEEE included estimates of open-pit and underground cut-off grades, geological continuity of mineralization at the selected cut-off grades, commodity prices, mining and mineral processing methods, mining, processing and general administrative costs, predicted metallurgical recovery and smelter and refinery costs and payment terms. These factors were applied rigorously in converting Mineral Resources to Mineral Reserves to ensure that the latter provided an effective basis for economic analysis.

The Mineral Resource estimates for each deposit included in the Tomingley – Peak Hill project were reviewed in detail by the QP author and considered to remain applicable. The QP author is not aware of any new information or data that materially affects the information included in the original MRE, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The effective dates of the Mineral Resource estimates have been set at 5 May 2025 which corresponds with the conclusion of the QP author's review.

Tomingley Gold Operations

The Tomingley Gold Operations have been operating since January 2014. The open pittable Mineral Resource is restricted to material within an indicative optimised pit shell, estimated at a gold price of A$2,000 per ounce with the potential open pittable component assessed at ≥0.4g/t gold cut-off to meet the criteria for RPEEE. Factors considered in determining RPEEE included estimates of open-pit and underground cut-off grades, geological continuity of mineralization at the selected cut-off grades, commodity prices, mining and mineral processing methods, mining, processing and general administrative costs, predicted metallurgical recovery and smelter and refinery costs and payment terms. These factors have also been applied rigorously in converting Mineral Resources to Ore Reserves.

The underground Mineral Resource is restricted to material below the current final pit depths to meet the criteria for RPEEE. This includes using underground mining methods assessed at ≥1.3g/t gold and a gold price of A$2,350 per ounce. The MRE was based on a block count method of all material above the cut-off grade. The constraints used are based on all material ≥1.3g/t gold below the current open pit surface and also below the top reduced level (RL) of current underground stope designs, which is in this case below the 180mRL.

Open pit mining ceased at the Tomingley Gold Operations in 2023, and the operation transitioned to fully underground mining at Wyoming 1, Caloma 1 and Caloma 2. The Tomingley Gold Operations were estimated to have a Mineral Resource of 6.0 Mt @2.2 g/t Au representing 438 kt of contained gold in 2024, reported by deposit and Mineral Resource Classification in Table 1.3. The Tomingley Gold Operations 2024 Mineral Resource Estimate was originally published in 2024 and verified by the authors of the Tomingley Technical Report in May 2025.

Table 1.3: Tomingely Gold Operations Mineral Resources (June 30, 2024)
at > 1.3g/t Au cut-off grade (underground) and > 0.4g/t Au open pit

Deposit	Measured			Indicated			Measured + Indicated			Inferred		
	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)
Open Pittable Resources (cut-off > 0.4g/t Au)												
Caloma 1	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0
Subtotal	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**
Underground Resources (cut-off > 1.3g/t Au)												
Wyoming 1	1,013	2.7	88	763	2.2	54	1,776	2.2	142	108	2.1	7
Wyoming 3	46	2.2	3	24	2.0	2	70	2.0	5	20	1.9	1
Caloma 1	602	2.2	4.3	916	20	59	1,518	2.0	101	469	2.0	30
Caloma 2	351	2.4	27	1,261	2.4	97	1,612	2.4	124	462	1.8	27
Subtotal	**2,012**	**2.5**	**161**	**2,964**	**2.2**	**212**	**4,976**	**2.3**	**373**	**1,059**	**1.9**	**65**
TOTAL	**2,012**	**2.5**	**161**	**2,964**	**2.2**	**212**	**4,976**	**2.3**	**373**	**1,059**	**1.9**	**65**

Notes:

1. Underground Mineral Resources are reported at COG ≥ 1.3g/t Au
2. Mineral Resources are inclusive of Mineral Reserves
3. Rounding may lead to computational discrepancies

Tomingley Gold Extension Project

Using the Tomingley Gold Operations cost structures, simple pit shells were estimated to confirm the resources have RPEEE. The open pittable resources at San Antonio have been restricted by an indicative optimized pit shell estimated at a gold price of A$2,000 per ounce and a >0.5g/t Au gold cut-off. Underground Mineral Resources at Roswell, San Antonio and McLeans have been reported using a gold cut-off for eventual extraction by underground mining methods assessed at ≥1.3g/t gold cut-off.

The Roswell deposit resources were reassessed through 3D drilling from new underground developments. The revised resource reflects current Tomingley Gold Operations operating costs and a gold price of A$2,200 per ounce, optimizing the pit shell by excluding inaccessible peripheral ore lenses and incorporating ore zones accessible from underground operations.

The Tomingley Gold Extension Project 2024 Mineral Resources comprise 18.0 Mt @ 2.1g/t Au for 285 koz of gold in total, subdivided by deposit and Mineral Resource category as set out below in Table 1.4. The Tomingley Gold Extension Project Mineral Resource was originally prepared in 2024 and verified by the authors of the Tomingley Technical Report in May 2025.

Table 1.4: Tomingley Gold Extension Project Mineral Resources (June 30, 2024)
at a COG >0.4g/t Au (Roswell) and > 0.5g/t Au San Antonio (open pittable) and > 1.3g/t underground

Deposit	Measured			Indicated			Measured + Indicated			Inferred		
	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)
Open Pittable Resources (cut-off > 0.4g/t Au Roswell and > 0.5g/t Au San Antonio)												
Roswell	0	0.0	0	3,900	1.7	213	3,900	1.7	213	0	0.0	0
San Antonio	0	0.0	0	5,930	1.8	343	5,930	1.8	343	1,389	1.3	58
Subtotal	**0**	**0.0**	**0**	**9,830**	**1.8**	**556**	**9,830**	**1.8**	**556**	**1,389**	**1.3**	**58**
Underground Mineral Resources (cut-off > 1.3g/t Au)												

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Deposit	Measured			Indicated			Measured + Indicated			Inferred		
	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)
Roswell	825	3.0	80	3,123	2.8	281	3,948	2.8	361	1,957	2.5	157
McLeans	0	0.0	0	0	0.0	0	0	0.0	0	870	2.5	70
Subtotal	**825**	**3.0**	**80**	**3,123**	**2.8**	**281**	**3,948**	**2.8**	**361**	**2,827**	**2.5**	**227**
TOTAL	**825**	**3.0**	**80**	**12,953**	**2.0**	**837**	**13,778**	**2.8**	**917**	**4,216**	**2.1**	**285**

Notes:

1. Open pit Mineral Resources are reported at COG >0.4g/t Au for Roswell and >0.5g/t Au for San Antonio
2. Underground Mineral Resources are reported at COG >1.6g/t Au for Roswell and >1.3g/t Au for McLeans
3. Mineral Resources are inclusive of Mineral Reserves
4. Rounding may lead to computational discrepancies

Peak Hill Gold Project

There has been no recent work completed since 2018 when assessment of potential underground viability was undertaken resulting in the reported underground Mineral Resource below. Alkane currently has no intention of restarting operations.

A review of the existing database in 2018 defined a sulfide resource beneath the Proprietary-Parkers Pit (220mRL—-45mRL) at a 2.0g/t gold lower cut-off. The Proprietary underground deposit is approximately 250m long and 30m wide and the resource estimate was depleted for the known historical underground workings. The Peak Hill Gold Project Mineral Resource as of June 30, 2024, is shown in Table 1.5.

Table 1.5: Peak Hill Gold Project Mineral Resources (on June 30, 2024) at a COG >2.0g/t Au

Deposit	Measured			Indicated			Measured + Indicated			Inferred		
	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)	Tonnes (kt)	Grade (Au g/t)	Metal (koz)
Underground Resources (cut-off > 2.0g/t Au)												
Proprietary	0	0.0	0	0	0.0	0	0	0.0	0	1,000	3.3	106
TOTAL	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**1,000**	**3.3**	**106**

Risks

The Wyoming 1 and Caloma 1 deposits have been drilled at a close-spacing in several different drilling campaigns and in several different drilling directions, reducing the likelihood that the geological interpretation will change significantly.

The Mineral Resources could be affected by environmental liabilities and permits which may affect access, title or the right or the ability to perform work on the property. A change in the global economic and financial environment may also affect the mining cost and in turn affect the reported Mineral Resources.

Factors That May Affect the Mineral Resource Estimate

Accuracy of the estimate is strongly dependent on:

- accuracy of the interpretation and geological domaining;
- accuracy of the drill hole data (location and values);

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- orientation of local anisotropy; and
- estimation parameters which are reflected in the global resource classification.

The authors of the Tomingley Technical Report consider that these factors are well considered and accounted for within the current Mineral Resource model.

The Mineral Resource may be affected by a change in cut-off grade which is significantly affected by the variable costs and prevailing economic environment.

Mineral Reserve Estimates

Alkane reports Mineral Reserves for the Tomingley Gold Project as of June 30, 2024, in accordance with JORC Code. The JORC Code uses similar Mineral Reserve categories as set out in the CIM Standards and defined in Section 1.3 of NI 43-101.

Tomingley Gold Operations

At the Tomingley Gold Operations, open pit mining ceased in 2023, and the operation transitioned to fully underground mining at Wyoming 1, Caloma 1 and Caloma 2. The underground drilling at the Roswell deposit resulted in a change to the resource envelope and expanded Mineral Reserves.

These estimates consider the ore depleted by mining during the 2024 financial year and are set out in Table 1.6. Current mining activities cover underground mining of Wyoming 1, Caloma 1 and Caloma 2 orebodies. Underground drilling is ongoing and designed to both extend the resource base and define reserves as the development progresses. In FY24, 15,566m of core drilling was completed.

Table 1.6: Tomingley Gold Operations Underground Operations – Mineral Reserves (June 2024)

Deposit	Proven		Probable		Total		Contained Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
Surface Reserves (cut-off 0.40g/t Au)							
Stockpiles	241	1.1	0	0	241	1.1	9
Subtotal	**241**	**1.1**	**0**	**0.0**	**241**	**1.1**	**9**
Underground Reserves (cut-off > 1.3g/t Au)							
Wyoming 1	87	1.9	105	1.7	192	1.8	11
Caloma 1	86	1.8	105	1.8	190	1.8	11
Caloma 2	48	1.8	3	1.2	50	1.8	3
Subtotal	**220**	**1.8**	**213**	**1.8**	**433**	**1.8**	**25**
TOTAL	**461**	**1.5**	**213**	**1.8**	**674**	**1.6**	**34**

Two cut-off grades have been calculated and applied based on current costs and modifying factors for the life-of-mine plan. A gold price of A$2,350 per ounce was provided by Alkane and was used in this calculation.

- Fully costed cut-off grade of 1.3g/t and this includes all costs associated with the extraction and processing of ore material.
- Incremental development cut-off grade of 0.5g/t applies to all development ore material.

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The Tomingley Gold Operations Mineral Reserve has been estimated based on detailed mine development and stope designs. Modifying factors for dilution and mining recovery have been applied postgeological interrogation to generate the final diluted and recovered Mineral Reserve.

The Life of Mine plan used for budgeting at the Tomingley Gold Operations uses two mining methods being top down long hole open stoping using rib pillars with no fill and bottom up long hole open stoping using cemented or loose rockfill.

Stope size, development placement and ground support strategies have been designed in line with recommendations from the current ground control management plan.

Tomingley Gold Extension Project

The geology and mineralization at Roswell, San Antonio and McLeans is identical to that at Tomingley Gold Operations, and metallurgical tests confirmed a similar recovery profile. Using the Tomingley Gold Operations cost structures, simple pit shells were estimated to confirm the resources have RPEEE. The open pittable resources have been restricted by an indicative optimized pit shell estimated at a gold price of A$2,350 per ounce.

As a result of a reassessment of the Roswell deposit through 3D grade control drilling from the new underground developments, the resources were revised and reported in February 2024. The revised resource considers the updated Tomingley Gold Operations site operating costs and gold price for a pit shell at A$2,350 per oz. This resource also considers that the optimized pit shell eliminates peripheral ore lenses which are not accessible via the open pit, and ore zones that will now be accessed from the underground operations.

An open pit Mineral Reserve was estimated, based upon the resource models, the optimization work using Whittle Software and modifying factors developed on the existing Tomingley Gold Operations.

Based upon the resource models below the proposed open pit extraction, the Roswell deposit was selected for immediate underground mining using the current mining parameters of the Wyoming 1 and Caloma orebodies. The Roswell orebody is connected to the Wyoming 1 underground operations via a decline that was driven from the Wyoming 1 underground workings to access the Roswell deposit.

At the end of FY23, the drive had reached the north end of Roswell and operational development headings had commenced. The underground core drilling cuddies were established and 51,589m of grade control drilling was completed and the resource and reserves adjusted. The reported underground Mineral Reserve is based on the current Measured and Indicated Mineral Resources using Tomingley Gold Operations mine design parameters and incorporates the existing site costs and modifying factors.

The underground mining of ore commenced at Roswell in April 2024. The Mineral Reserve Statement is presented in Table 1.7. All reserves are classified as “Probable Mineral Reserve,” as no Measured Resources have been defined for the Tomingley Gold Project. Inferred Mineral Resources were not considered in this Mineral Reserve estimate.

Table 1.7: Tomingley Gold Extension Project – Mineral Reserves (June 2024)

Deposit	Proven		Probable		Total		Contained Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
Open Pit Reserves (cut-off 0.40g/t Au)							
Roswell	0	0.0	3,900	1.7	3,900	1.7	213
San Antonio	0	0.0	4,100	1.6	4,100	1.6	214
Subtotal	**0**	**0.0**	**8,000**	**1.6**	**8,000**	**1.6**	**427**
Underground Reserves (cut-off > 1.6g/t Au)							
Roswell	881	2.4	2,202	2.4	3,082	2.4	236

Deposit	Proven		Probable		Total		Contained Gold (koz)
	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	Tonnage (kt)	Grade (g/t Au)	
San Antonio	0	0.0	0	0.0	0	0.0	0
Subtotal	**881**	**2.4**	**2,202**	**2.4**	**3,082**	**2.4**	**236**
TOTAL	**881**	**2.4**	**10,202**	**1.8**	**11,082**	**1.9**	**663**

Two cut-off grades have been calculated and applied based on current costs and modifying factors for the life-of-mine plan. A gold price of A$2,350 per ounce was provided by Alkane and was used in this calculation.

- Fully costed cut-off grade of 1.6g/t and this includes all costs associated with the extraction and processing of ore material.

- Incremental development cut-off grade of 0.5g/t applies to all development ore material.

Peak Hill Gold Project

The Peak Hill Gold Project was a fully operational open pit gold mine that is currently under care and maintenance with most site rehabilitation completed away from the existing open cuts. There are four pits: the main Proprietary-Parkers Pit and three satellite pits, Bobby Burns, Crown and Great Eastern.

There is only an Inferred Mineral Resource declared and there are no Mineral Reserves declared for the Peak Hill Gold Project.

There has been no recent work completed, and Alkane have no intention of restarting operations.

Mining Operations

Two mining methods are used to mine the Tomingley Gold Project underground reserves, namely:

- bottom up LHOS with uncemented or cemented rockfill, and

- top down LHOS with rib pillars and no fill.

The choice of mining method is determined by value of the resource, orebody width and geotechnical factors.

Predominantly single-lift stoping is used, with 25 m vertical spacing and 20-30 m strike length. It involves a slot established by conventional drill and blast, retreating along strike. Brow cables and concurrent strike-retreat blasting help maintain ground stability. Upon completion, stopes are filled with cemented or uncemented rockfill, except for LHOS with rib pillars which has no fill.

Mine Layout

The underground mine commenced in January 2018 following the completion of the open pits. The portal was developed in the highwall of the Wyoming 1 pit. The initial plan was to mine Wyoming at a production rate of 500 ktpa, which projected a three-year mine life. The mine was subsequently extended with the Caloma ore body, and in 2021, an exploration decline began development for the Roswell orebody, located approximately 3 km south of the Wyoming portal.

The proposed method for Roswell is LHOS with full paste fill, with the paste plant delivering paste underground since December 2024. Tailings mixed with cement is piped underground. Ore from Roswell is transported to Wyoming Portal via decline.

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Tomingley LOM Production Schedule

The Tomingley Gold Project mine LOM Production Schedule is based on the current Mineral Reserve for FY2024. The average underground production rate is 1.1 Mtpa until FY2028 when the current Mineral Reserves for Roswell is depleted. The surface mining starts in FY2027, ramping up to 800ktpa until FY2031.

Ventilation

Wyoming and Caloma have two intakes and one return airway, providing 285 m³/s air. Roswell has two 500 kW fans exhausting 315 m³/s return air.

Waste Rock

Waste rock is placed for infrastructure, including roads and waste rock emplacements, filling voids.

Tailings

Tailings management includes construction of residue storage facility 1 and residue storage facility 2 and use for paste fill.

Processing and Recovery Operations

All the ore from the Tomingley Gold Operations and Tomingley Gold Extension Project is trucked to the Tomingley Gold Operations processing plant which is located adjacent to the Wyoming 3 pit. The plant consists of a crushing circuit, single-stage milling circuit and hybrid CIL circuit with one designated leach tank and numerous adsorption tanks.

Gold is recovered from activated carbon into concentrated solution. Electrowinning and smelting are conducted in an adjacent secure gold room. The tailings from the process are thickened and pumped to a paddock type tailings storage facility with multi-spigot distribution.

The technology associated with processing of Tomingley Gold Operations ore is currently in operation and is based on industry standard practices. Mine production and cash flow estimates are based on a metallurgical recovery of 87%, which is consistent with current performance. There are no deleterious elements extracted.

At current production rates, the current approved tailings storage facility is adequate for processing until mid-2027. An additional 10.5Mt of storage capacity can be achieved by raising the dam to its full design height.

As of October 2024, the processing facility has been upgraded to deal with refractory ore (finer grained gold associated with sulfides) with the addition of a flotation circuit. This has incorporated the addition of a rougher flotation circuit, an IsaMILL™ to grind the produced flotation concentrate, a thickener to combine the ground flotation concentrate and flotation tailings being reintroduced into the existing CIL circuit. Ancillary equipment (reagents for flotation) has been installed with the upgrade.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The Tomingley Gold Operations mine consists of two mining areas, as follows.

- The Tomingley Gold Operations mine site, located immediately south of Tomingley Village, is the location of the Tomingley Gold Operations mine's processing and administration infrastructure, as well as the location of the Wyoming and Caloma open cut and underground mines

- The SAR mine site, located approximately 3 km to the south of the Tomingley Gold Operations mine site, is the location of the SAR open cut and underground mines

Infrastructure has been constructed for underground mining and processing. Works on site include access road, a water pipeline, a 66 KV power line, site drainage, topsoil stockpiling, waste dump construction, residue storage dams, process water dams, associated offices, workshops, fuel and laydown areas. This layout and construction of this surface infrastructure will support the processing ore at 1.1 Mtpa.

Additional infrastructure is required in preparation for the start of mining and production from Roswell. The work on surface includes, access road, water pipeline, a 66 KV power line, site drainage, topsoil stockpiling, waste dump construction, Residue Storage Dams, process water dams, associated offices, workshops, fuel and laydown areas. Sufficient site infrastructure has been constructed to process ore at 1.1 Mtpa.

The Newell Highway currently runs through the planned mining operations over the SAR mine area. The planned SAR mine development involves realigning a portion of the Newell Highway and Kyanite Road so that the road does not fall within the Blast Management Zone. The road realignment will allow Alkane to mine the resources from surface, and traffic on the roads will not have to be stopped during blasting operations.

Permitting

In May 2011, Tomingley Gold Operations lodged an environmental assessment for the development of the Tomingley gold mine with the NSW DPI. On July 2, 2012, the DPI approved the development of the Tomingley Gold Project.

The mine is also regulated under two MLs (ML1684 and ML1812) issued under the Mining Act 1992 and an environment protection licence (EPL 20169) issued under the Protection of the Environment Operations Act 1997.

On January 22, 2022, Tomingley Gold Operations lodged the EIS for the development of the Tomingley Gold Extension Project. The Tomingley Gold Extension Project was incorporating the existing Tomingley Gold Operations mine with mining of SAR, immediately to the south. The Tomingley Gold Extension Project was approved by the NSW Minister for Planning on February 21, 2023. Alkane has development consent until end-2032. The Tomingley Gold Extension Project ML (ML1858) was granted on July 19, 2023, and EPL 20169 was varied on May 2, 2024, to include the additional land and activities associated with the Tomingley Gold Project.

Environmental

The Tomingley Gold Extension Project is a brownfield extension that integrates with existing mine processing infrastructure, minimizing environmental impact compared to building a new greenfield site elsewhere in NSW. In their assessment of the Tomingley Gold Extension Project EIS, the DPIE considered the key environmental issues relate to water resources and biodiversity. In the DPIE's opinion, the Tomingley Gold Project's key water impacts relate to groundwater drawdown from mine dewatering activities, potential acid mine drainage, and changes in flood behaviour.

Groundwater and surface water assessments were prepared by Jacobs Australia Pty Ltd for the Tomingley Gold Extension Project EIS. Overall, the DPIE considered that impacts on water resources would be relatively localised and could be effectively managed under the recommended conditions of consent including strict water performance measures, the preparation of a comprehensive Water Management Plan and review of the groundwater model within three years of commencing mining operations in the SAR.

Community

Alkane has committed to supporting the local community through career pathways, funding and sponsorships. Alkane has set up the Tomingley Community Fund that they will contribute over A$600,000 until the end of 2032 to notable projects and events. Alkane has also set-up a community information phone so that members of the public can call Alkane about issues they may have with the Tomingley Gold Project. Alkane also engages and consults with traditional custodians on all heritage issues.

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As part of the Tomingley Gold Extension Project EIS, formal consultation in relation to the Tomingley Gold Project commenced on August 20, 2020 when the Community Consultative Committee met and a newsletter outlining the Tomingley Gold Project was distributed to the community.

Capital and Operating Costs

Capital Costs

The Tomingley Gold Project budget capital costs for development and drilling (underground capitalised development) are included in the financial figures. Other capitalised item, such as equipment and infrastructure construction are also included in the FY2025, within the total amount of A$125.7 million, as shown in Table 1.8.

Table 1.8: Tomingley Gold Project Capital Costs for FY2025

Capex and Mine Development Summary	FY2025 Budget (A$ '000)
Undergound Equipment Purchases Growth	16,138
TOG Underground Capital Development	2,173
TOG Mine Development	560
TOG Underground Sustaining Capital	8,884
Roswell Underground Capital Development	13,026
Roswell Mine Development	3,479
Roswell Underground Sustaining Capital	10,384
Tomingley Gold Extension Project Development	63,595
Pre-production Capital	6,481
SAR Drive and drilling	1,000

The major capital expenditures conducted in the FY24-25 has been the Stage 1 refractory upgrade. An initial cost for the project of A$35.984 million was expected with the final cost of A$36.414 million (a variance of +A$1.342 million or approximately 3.7%).

Some additional costs for the upgrade/replacement of the kiln appear to have been captured in the FY25 budget.

Operating Costs

The Tomingley Gold Project operating costs were based on the FY2024 costs as shown in Table 1.9. The costs are an estimated operating cost for producing gold and silver, as a by-product, combined is A$76.5 million, which equates to a cost of A$1,568/oz Au.

Table 1.9: Tomingley Operating Costs for FY2024

Item	A$ ('000)	A$/oz Au
Production	26,154	536
Development	19,030	390
Underground Services and Maintenance	14,547	298
Technical Services	16,742	343
Total	76,473	1,568

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Economic Analysis

A financial LOM cashflow model for the Tomingley Gold Operations has been completed by suitably qualified and experienced accounting and financial staff employed by Alkane and verified by the authors of the Tomingley Technical Report. The financial model for the financial period 2025 to 2031 demonstrates a cumulative net (notional pre-tax) cashflow of A$318.4 million for the period and is presented in Table 1.10. As the cash flows from the Tomingley Gold Operations consolidate at the company level, it is not possible to ascertain the post-tax cash flows at the asset level.

The Tomingley Gold Operations cashflows roll up into the company level corporate model and the NPV and IRR are not assessed at the operational level.

The Tomingley Gold Project life of mine financial model (2024-2032), however, estimates a pre-tax NPV estimate of A$130.5 million at a discount rate of 8% which is considered appropriate for an operating gold mine in Australia by the authors of the Tomingley Technical Report.

The confidence in the inputs is consistent with the assigned classification of a Mineral Reserve. Confidence in the economic inputs is appropriate to the level of study given that the mining cost inputs are current costs from the Tomingley gold Operations.

Financial analysis for the mine is based on extraction and treatment of underground ore at a total of 7.9Mt and 564,054 oz of gold, which is then sold to third parties. Table 1.11 reflects the annual and cumulative production for the financial period 2024—2031.

Table 1.10: Tomingley Gold Project Cash Flow (Pre-Tax)

CASHFLOWS **A$ millions**		**Totals**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Tomingley Gold Operation									
Gold Sales Revenue	$2,900.00/oz	1,513.62	208.35	264.17	314.19	301.55	205.57	185.98	33.82
Surface Activities		(22.4)	(4.6)	(4.3)	(3.4)	(3.3)	(3.4)	(3.0)	(0.4)
ECB Open Cut Mining		-	-	-	-	-	-	-	-
San Antonio Open Cut Mining		(267.9)	-	(21.7)	(51.8)	(64.6)	(69.2)	(53.0)	(7.5)
Tomingley Gold Operations Underground Mining		(19.9)	(16.8)	(3.0)	-	-	-	-	-
Roswell Underground Mining		(276 .7)	(66.5)	(78.4)	(71.8)	(60.0)	-	-	-
Processing		(253.5)	(34.7)	(38.3)	(43.5)	(44.7)	(45.8)	(39.2)	(7.1)
Finance & Admin		(57.6)	(9.3)	(9.4)	(9.5)	(9.6)	(9.3)	(9.3)	(1.1)
HR/ Recruitment		(2.9)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.0)
Enviro & Community		(11.0)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.7)	(0.2)
Safety & Training		(19.4)	(3.5)	(3.4)	(3.5)	(3.4)	(2.7)	(2.6)	(0.2)
Mine Operations Plan Rehab		-	-	-	-	-	-	-	-
Royalties		(49.3)	(6.8)	(8.9)	(10.6)	(10.1)	(6.2)	(5.7)	(1.1)
sub-total Operating cashflows		**533.1**	**63.8**	**94.5**	**117.7**	**103.4**	**66.7**	**70.9**	**16.2**
Wyoming Caloma Underground sustaining capital		(1.7)	(0.5)	(1.2)	-	(0.1)	-	-	-
Roswell Underground sustaining capital		(27.1)	(8.1)	(7.9)	(5.5)	(3.8)	(1.8)	-	-
Wyoming Caloma Other sustaining capital		(14.1)	(8.4)	(1.4)	(1.7)	(0.2)	(1.5)	(0.1)	(0.8)
Roswell other sustaining capital		(6.1)	(2.3)	(1.5)	(2.0)	(0.1)	(0.2)	-	-

CASHFLOWS A$ millions		Totals	2025	2026	2027	2028	2029	2030	2031
Wyoming Caloma Underground Mine Development		(2.7)	(2.7)	-	-	-	-	-	-
Roswell Underground Mine Development		(30.5)	(16.5)	(8.0)	-	-	(3.0)	(1.0)	(2.0)
Other Operating costs (pre-commercial production)		(11.3)	(6.5)	(4.8)	-	-	-	-	-
Expansion & Growth		(121.3)	(64.6)	(60.5)	4.8	(1.0)	(0.1)	-	-
Tomingley Gold Operations Net cash inf lows(outflows)		**318.4**	**(45.8)**	**9.3**	**113.4**	**98.2**	**60.1**	**69.8**	**13.4**
Cumulative Cash/lows			(45.8)	(36.5)	76.9	175.1	235.2	305.0	318.4

Table 1.11: Tomingley Gold Project Annual and Cumulative Production for the Financial Period 2024-2031

TOTALS FROM ALL MINING SOURCES		Totals	2025	2026	2027	2028	2029	2030	2031
Total Ore mined	**tonnes**	**7,905,370**	**1,103,683**	**1,285,990**	**1,588,989**	**2,124,804**	**822,671**	**816,071**	**163,162**
Grade	g/t	2.2	2.28	2.46	2.32	2.04	1.82	2.51	1.83
Gold mined	**ozs**	**564,054**	**80,783**	**101,574**	**118,726**	**139,331**	**48,006**	**65,939**	**9,605**

PROCESSING		Totals	2025	2026	2027	2028	2029	2030	2031
Ore milled	**tonnes**	**8,091,564**	**1,104,480**	**1,236,600**	**1,503,600**	**1,501,632**	**1,501,632**	**1,060,800**	**182,820**
Head Grade	g/t	2.19	2.27	2.50	2.44	2.34	1.61	2.06	1.83
Contained gold in feed	ozs	569,565	80,641	99,329	117,974	113,023	77,603	70,230	10,764
Recovery	%	91.6%	89.3%	91.6%	91.5%	92.0%	91.5%	91.1%	111.5%
Plant utilisation	%	97.21%	97%	97%	98%	97%	97%	97%	15%
Gold Poured/Shipped*	**ozs**	**522,000**	**72,000**	**91,000**	**108,000**	**104,000**	**71,000**	**64,000**	**12,000**

Exploration, Development, and Production

The authors of the Tomingley Technical Report note that:

- the Tomingley Gold Operations are currently in operation;
- the Tomingley Gold Extension Project is under development; and
- the Peak Hill Gold Project is a past operation currently on care and maintenance.

As such, these properties represent projects where material exploration activities and engineering studies have largely concluded.

Table 1.12 details the planned activities and estimated costs of the proposed single phase work program to support the ongoing development of the Tomingley Gold Project.

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Table 1.12: Recommended Work Program and Estimated Cost

Task	Estimated cost (AUD$)
Diamond Grade Control, Infill and Extensional Drilling Underground: Infill drilling at Roswell, Caloma 1 and Caloma 2. Extensional drilling at Roswell, Caloma 1, Caloma 2 and Macleans.	7,000,000
Diamond & Reverse Circulation Drilling from Surface: Testing targets at El Paso, Tomingley 1, Wyoming 3 and Caloma North.	1,200,000
Contingency 10%	820,000
Total Estimated Cost	**9,020,000**

Tomingley Gold Operations

Wyoming 1

Extensive underground grade control DD has occurred since the start up in January 2019. This ongoing drilling will continue to infill the known mineralization and also look towards along strike and down dip extensions of the ore lodes. The upper portions of the Wyoming 1 underground deposit are well constrained by drilling, however, the high-grade porphyry internal structures remain open at depth.

The authors of the Tomingley Technical Report recommend that step-out and infill drilling be undertaken to continue to expand the resource base and replenish depleted mineral resources as mining progresses.

Caloma 1

Mining within the Caloma open pit commenced in February 2014. Additional surface drilling has been completed to compliment an assessment of mining resources below the open pit by underground methods and also underground diamond infill drilling following up on the mineralization intersected by the surface drilling.

The authors of the Tomingley Technical Report recommend that step-out and infill drilling continue to be undertaken to continue to expand the current resource base and replenish depleted mineral resources when mining commences.

Caloma 2

Alkane have no further work planned in the short term however, drilling to test the continuation of mineralized structures at depth for underground resource definition will be considered.

The authors of the Tomingley Technical Report recommend that step-out and infill drilling be undertaken to continue to expand the current resource base and replenish depleted mineral resources when mining commences.

Tomingley Gold Extension Project

Roswell

Substantial upside exists to extend the Roswell underground at depth, in addition to development to the resources underneath the San Antonio pits. Approximately 33% of the tonnes from Roswell underground are from material currently classified as Inferred. A substantial grade control drill program is planned prior to stoping commencing.

The authors of the Tomingley Technical Report recommend that step-out and infill drilling be undertaken to continue to expand the resource base and replenish depleted mineral resources as mining progresses.

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San Antonio

Alkane plan additional drilling into the deeper parts of the deposit to infill the drilling to 20m x 20m spacing to convert Inferred Resources to Indicated and Indicated to Measured. Deep DD drilling is also being planned to test the continuation high grade mineralized structures at depth. The lateral extensions north, south and west of San Antonio remain open due to the restricted access of the Newell Highway. Future drilling is planned from the western side of the highway to better test these extensions. The Mineral Resource will be subject to further infill and extensional drilling with a view to both define the continuity of the mineralization and high-grade zones at depth.

The authors of the Tomingley Technical Report recommend that stepout and infill drilling continue to be undertaken to continue to expand the current resource base and upgrade resources in confidence.

McLeans

Additional drilling is planned from surface and from the underground drive to infill the drilling to a nominal 40m x 40m spacing to convert the Inferred Resources to Indicated. This drilling will also test the continuation high grade mineralized structures forming along the keel of the andesite at depth.

The authors of the Tomingley Technical Report recommend that step-out and infill drilling be undertaken to continue to expand the current resource base and increase confidence in the current Inferred Resource to Indicated Resource.

Peak Hill Gold Project

The current Peak Hill operation is on care and maintenance and Alkane have no plans for restarting mining operations.

Boda-Kaiser Project

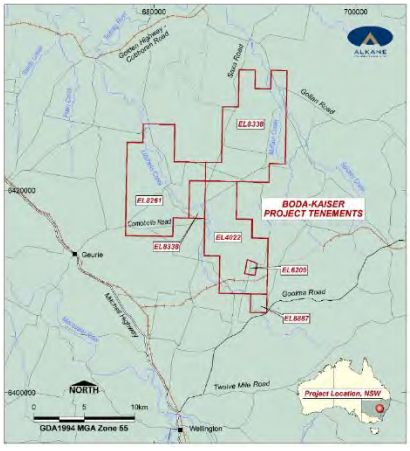
Property Description, Location and Access

Location and Access

The Boda-Kaiser Project forms part of Alkane's NMPP in the Orana region of NSW, Australia. It is located approximately 30 km southeast of Dubbo and 20 km northeast of Wellington in central western NSW. Figure 2.1 shows the location of the Boda-Kaiser Project.

Access to the Boda-Kaiser Project is gained via the Mitchell Highway linking Dubbo and Orange, then taking the Goolma Road from Wellington. Within the Boda-Kaiser Project, access is provided through various unsealed shire roads and farm property tracks.

Figure 2.1: Tenement map of the Boda-Kaiser Project



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Tenure

The NMPP comprises five ELs —EL4022, EL6209, EL8261, EL8338 and EL8887—wholly-owned by Mitchell Creek Mining Pty Ltd, a wholly-owned subsidiary of Alkane, covering a total area of approximately 17,984 ha. The NMPP exploration licenses are summarized in Table 2.1. The Boda-Kaiser Project is situated within tenements EL4022, EL6209 and EL8887 and covers an area of approximately 5,220 ha.

Table 2.1: NMPP Tenement Schedule

Tenement Type	Tenement Number	Status	Area (ha)	Grant Date	Expiry Date	Remaining Expenditure Commitment	Holder
EL	4022	Granted	4,803.00	14/08/1991	14/08/2026	$0	Mitchell Creek Mining Pty Ltd
EL	6209	Granted	127.50	11/03/2004	11/03/2029	$0	Mitchell Creek Mining Pty Ltd
EL	8261	Granted	6,090.00	30/04/2014	30/04/2029	$13,000	Mitchell Creek Mining Pty Ltd
EL	8338	Granted	6,674.00	27/01/2015	27/01/2030	$326,000	Mitchell Creek Mining Pty Ltd
EL	8887	Granted	289.00	20/12/2019	6/02/2026	$0	Mitchell Creek Mining Pty Ltd

Ownership, Royalties and Agreements

On December 23, 2013, Alkane entered into a sale and purchase agreement with Ajax for EL6209. As part of this agreement and upon completion of the purchase, Alkane granted Ajax a 2% NSR royalty on production of all minerals from EL6209. On November 23, 2015, Alkane completed the purchase of EL6209.

Surface Rights

No Native Title agreements have been entered into by Alkane with respect to the NMPP, as the RTN discussions are not completed.

Alkane has land access and lease agreements that partly or wholly cover the three tenements of the Boda-Kaiser Project (EL4022, EL6209 and EL8887). The Boda-Kaiser Project resource area is fully covered by agreements. Alkane has also purchased the property that sits above the resource area. Alkane has executed a land access agreement with the operating Bodangora Wind Farm, adjacent to and partly on the Boda-Kaiser Project, for access to EL4022 and EL6209.

Permits

Alkane holds all necessary permits and authorizations to conduct exploration activities on the Boda-Kaiser Project. Additional agreements are required for access over the majority of the remaining two tenements (EL8261 and EL8338), which are part of the broader NMPP.

Other Significant Factors and Risks

As part of the Bodangora Wind Farm, approximately four wind turbines may require relocation to accommodate the development of the Boda-Kaiser Project. Additionally, a rail easement held by the NSW Government for an incomplete rail line intersects the project area. Discussions regarding the relocation of both the turbines and the rail easement will be undertaken during later feasibility stages, once the project layout is finalized. Furthermore, additional

land acquisitions will be necessary to support the placement of non-process infrastructure for the future development of the Boda-Kaiser Project.

History

Project and Exploration History

Early exploration in the Boda-Kaiser area targeted probable orogenic quartz vein gold deposits, with limited production from the Dick's Reward mine (1987 to 1990) and historical copper oxide mining (1874 to 1881).

Historical exploration began in 1970 by Woodsreef, involving a regional aeromagnetic and radiometric survey, stream sediment sampling and reconnaissance mapping, followed by a base metal soil survey revealing a copper anomaly at Boda 2-3.

Exploration resumed in 1985 with Cluff and later a joint venture with Homestake, focusing on geochemical studies.

Significant exploration occurred from 1991 to 2004 by Rio Tinto, which included high resolution surveys and extensive sampling. Over 20 magnetic and radiometric anomalies were identified. Each was systematically examined through a combination of ground magnetics, stream, soil and surface rock chip sampling, rotary air blast and shallow RC, and induced polarization surveys. This work highlighted Boda for further drill testing from a program of shallow RC drillholes that outlined a 600 m x 200 m zone of low-grade gold-copper mineralization associated with potassic and phyllic alteration.

In 1997, regional aircore drilling highlighted gold-copper anomalies across multiple prospects, including Kaiser, Boda, Comobella and Driell Creek. Dipole-dipole induced polarization was trialled at Kaiser, Boda and Comobella prospects, with shallow RC and aircore drilling testing the resultant induced polarization anomalies. Many of the holes intersected porphyry-related alteration and narrow zones of low-grade gold-copper mineralization.

In 2001, Newcrest entered into an option agreement with Ri Tinto and Ajax, becoming the operator of the licenses for two years. Newcrest targeted Kaiser with four deep diamond core drillholes totaling 2,748 m. The drilling targeted magnetic anomalies within the Kaiser magmatic complex, intersecting several intrusions associated with gold-copper mineralization and hydrothermal breccias.

Kaiser was the site of ongoing interest, leading to a drill program testing a 100 m strike length of an apparent structure defining a small deposit to 90 m depth.

In January 2004, Rio Tinto offered Alkane exploration licenses at Bodangora and Cudal for a cash payment and rights. In 2012, Rio Tinto indicated it would sell residual rights from the 2004 agreement, prompting Alkane to exercise its pre-emptive right for a cash payment, resulting in Rio Tinto retaining no rights. In 2013, Alkane acquired a small exploration license at Kaiser from Ajax through staged payments, achieving 100% ownership in 2014, with a 2% NSR royalty to Ajax.

Historical Mineral Resource Estimates – Boda

The 2022 Boda Historical Estimate was reported above a cut-off grade of 0.3 g/t AuEq (open pit Mineral Resources) and 0.4 g/t AuEq (underground Mineral Resources) and had effective date of May 30, 2022 (Table 2.2).

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Table 2.2: Historical Estimate for the Boda Deposit (effective date of May 30, 2022)

Mineral Resource category	AuEq cut-off (g/t)	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	Au (Moz)	Cu (Mt)	Ag (Moz)	AuEq (Moz)
Open pit Mineral Resources (>0.3 g/t AuEq)										
Inferred	0.3	624	0.26	0.14	0.47	0.51	5.21	0.90	9.49	10.1
Underground Mineral Resources (>0.4 g/t AuEq)										
Inferred	0.4	353	0.33	0.18	0.55	0.63	3.72	0.62	6.24	7.12

Notes:

- tonnage and grade have been rounded to reflect the relative accuracy of the historical estimate.
- AuEq(g/t) = Au(g/t) + Cu%/100*31.1035*copper price (US$9,750/t)/gold price (US$1,770/oz).
- the historical estimate is classified in accordance with the JORC Code.
- the historical estimate has effective date of May 30, 2022.

This Boda Historical Estimate is considered relevant and reliable by the authors of the Boda-Kaiser Technical Report, however, it has been superseded by the current MRE effective June 6, 2025, contained in the Boda-Kaiser Technical Report.

Historical Mineral Resource Estimates – Kaiser

The 2023 Kaiser Historical Estimate was reported above a cut-off grade of 0.3 g/t AuEq (open pit Mineral Resources) and 0.4 g/t AuEq (underground Mineral Resources) and had effective date of February 27, 2023 (Table 2.3).

Table 2.3: Historical estimate for the Kaiser Deposit (effective date of February 27, 2023)

Mineral Resource category	AuEq cut-off (g/t)	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	Au (Moz)	Cu (Mt)	Ag (Moz)	AuEq (Moz)
Open pit Mineral Resources (>0.3 g/t AuEq)										
Inferred	0.3	270	0.24	0.18	0.46	0.54	2.05	0.48	3.97	4.72
Underground Mineral Resources (>0.4 g/t AuEq)										
Inferred	0.4	164	0.28	0.22	0.55	0.67	1.48	0.36	2.94	3.58

Notes:

- tonnage and grade have been rounded to reflect the relative accuracy of the historical estimate.
- AuEq calculation: AuEq(g/t) = Au(g/t) + Cu%/100*31.1035*copper price (US$9,750/t)/gold price (US$1,770/oz).
- the historical estimate is classified in accordance with the JORC Code.
- the historical estimate has an effective date of February 27, 2023.

This Kaiser Historical Estimate is considered relevant and reliable by the authors of the Boda-Kaiser Technical Report, however, it has been superseded by the current MRE effective June 6, 2025, contained in the Boda-Kaiser Technical Report.

Geological Setting, Mineralization and Deposit Types

The Boda-Kaiser Project is located in the central west of NSW at the northern end of the Molong Volcanic Belt of the Macquarie Arc in the eastern Lachlan Orogen of eastern Australia.

The volcano sedimentary sequence of the northern Molong Volcanic Belt comprises extensive areas of Cheeseman Creek Formation of the Ordovician Cabonne Group, comprising intermediate lava flows, intrusive and volcaniclastic rocks and limestone. The entire Ordovician succession is intruded by monzonitic to dioritic intrusive rocks, and trachyandesite sills.

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Unconformably overlying the Ordovician rocks are Silurian rocks of the Mumbil Group. The Mumbil Group's basal unit is the fossiliferous, massive to detrital Narragal Limestone that is overlain by siltstones, shales and tuffs of the Barnaby Hills Shale. The uppermost unit of the Mumbil Group is the Gleneski Formation, which is comprised of felsic volcanic and volcaniclastic rocks.

The Nindethana Fault is a major crustal-scale structure located along the eastern margin of the project area. It is a north-south trending east directed thrust fault which displaces the Silurian-Devonian succession to the east of the project area and forms the contact between the Ordovician and Silurian succession to the north. To the east of this structure, the sequence of Ordovician-Devonian rocks is intruded by the Carboniferous Wuuluman Granite.

In the far northwestern extents of the project area, the entire sequence is unconformably overlain by, or is in fault contact with, Permian and Triassic siliciclastic units of the Gunnedah Basin.

Exploration has identified seven discrete intrusive complexes—Kaiser, Boda, Boda South, Driell Creek, Murga, Windora and Tompkins—outboard of the major 35 km^2 Comobella Intrusive Complex and within a northwest trending transverse corridor. These intrusives are interpreted to be part of the Type 4 intrusive suite. Intermediate intrusives, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralization define the corridor, and two gold-copper deposits have been defined at Boda and Kaiser.

Boda

The Boda deposit is located within a northwest trending structural corridor on the northwestern margin of a significant magnetic complex with dimensions of approximately 2.0 km x 0.7 km. The mineralization is hosted within a package of submarine basaltic to andesitic lavas. The volcanic sequence is intruded by monzogabbroic and monzodiorite volcanic feeder dykes and later monzodiorite-monzonite units and related magmatic-hydrothermal breccias.

The deposit is crosscut by numerous post-mineralization dykes and sills of varying composition. Intrusive to magmatic-hydrothermal breccias are the focus for the calc-potassic alteration and gold-copper mineralization at Boda. The mineralization is related to a series of northwest trending monzodiorite intrusions manifesting as a series of vertically extensive intrusive breccias forming a stock central to Boda and Boda 2-3. These intrusive breccias transition to hydrothermal breccias to which the highest gold-copper grades are related. The majority of brecciation is in the form of a "crackle breccia" that can either have a hydrothermal matrix usually comprising of calcite ± actinolite ± pyrite ± magnetite ± chalcopyrite or an igneous matrix dominantly of monzodiorite.

Copper mineralization is observed throughout the prospect, primarily as chalcopyrite with subordinate bornite, chalcocite and rare covellite. Within the magmatic-hydrothermal breccias, chalcopyrite and, to a lesser extent, bornite occur predominantly as a cementing mineral between the calc-potassic altered clasts. Outside of the breccias, copper mineralization is observed within calcite ± quartz ± epidote dominant veins and as disseminations and patches, often intergrown with epidote.

Gold is observed within the mineralized breccias, often without magnification and it is associated with chalcopyrite and bornite in hydrothermal cement.

Boda is overprinted in the northeast by phyllic alteration comprising sericite-quartz-calcite ± albite with up to 10% pyrite by volume. The pyrite occurs as disseminated spots, aggregates and short veinlets. The phyllic alteration is copper-poor. However, gold grades over hundreds of metres can average from 0.2 g/t to 0.6 g/t Au with occasional thin intervals of >10 g/t Au.

Three significant west dipping reverse faults (Solar, Moonlight and Reids) bound and dislocate the mineralization at Boda and Boda 2-3. The Solar Fault bounds the western margin of mineralization at Boda and Boda 2-3. Moonlight Fault dislocates the calc-potassic gold-copper mineralization at Boda and Boda 2-3. The Reids Fault is the easternmost fault and bounds the shallow level gold-pyrite mineralization from calc-potassic gold-copper mineralization to the west at Boda 2-3. All three thrusts have an inferred movement of over 400 m along the moderately west dipping structures.

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There is negligible post-mineral cover on the Boda deposit. Weathering and oxidation of the mineralized bedrock extends on average approximately 15 m from the surface.

Kaiser

The Kaiser deposit is located within a northwest trending structural corridor on a significant magnetic high with dimensions of approximately 800 m x 700 m, named the Kaiser Intrusive Complex. The mineralization is hosted within a package of submarine basaltic to andesitic lavas. The volcanic sequence is intruded by monzodiorite-monzonite units and related magmatic-hydrothermal breccias. The deposit is crosscut by several post-mineralization dykes and sills of varying composition.

Intrusive to magmatic-hydrothermal breccias are the focus for the calc-potassic alteration and gold-copper mineralization at Kaiser. The mineralization is related to a series of northwest trending monzodiorite-monzonite intrusions manifesting as a series of vertically extensive intrusive breccias forming a stock central to the Kaiser Intrusive Complex. These intrusive magmatic breccias transition to hydrothermal breccias to which the highest gold-copper grades are related.

The majority of brecciation is in the form of a "crackle breccia" that can either have a hydrothermal matrix, usually comprising calcite ± actinolite ± pyrite ± magnetite ± chalcopyrite or an igneous matrix.

Copper mineralization is observed throughout the deposit, primarily as chalcopyrite with lesser bornite and subordinate chalcocite and covellite. Within the intrusive hydrothermal breccias, chalcopyrite and, to a lesser extent, bornite occur predominantly as a cement mineral between the calc-potassic altered clasts. Outside of the breccias, copper mineralization is observed within calcite ± quartz ± epidote dominant veins and as disseminations and patches, often intergrown with epidote.

Gold is observed within the sulfide cemented breccias, often without magnification and is associated with pyrite, chalcopyrite and/or bornite in hydrothermal cement.

Kaiser includes a zone of potassic alteration comprising wholly of biotite alteration with quartz-calcite veining, with up to 10% pyrite by volume along its northeast flank. The pyrite occurs as disseminated spots, aggregates and as breccia cement. The alteration is generally copper-poor. However, gold grades over several tens of metres can average from 0.2 g/t to 0.4 g/t Au, with occasional thin intervals of >10 g/t Au associated with pyrite cemented breccias.

Two significant reverse faults bound and dislocate the central zone of calc-potassic mineralization at Kaiser. The Kaiser Fault dips east and thrusts the deeper Kaiser Main zone over the Kaiser West zone of mineralization. The Solar Fault dips west and thrusts the Kaiser Main zone over the Kaiser East zone.

There is negligible post-mineral cover on the Kaiser deposit. Weathering and oxidation of the mineralized bedrock extends, on average, approximately 15 m from the surface. The Kaiser Fault zone is associated with minor supergene copper forming as native copper. The native copper zones can extend hundreds of metres down the Kaiser Fault and permeate up to 50 m away from the structure.

Exploration

In 2004, Alkane focused on shallow, high-grade gold at Bodangora, completing 25 RC drillholes. Results were inconclusive, leading to relinquishment of this area in 2009. A detailed aeromagnetic and radiometric survey improved data resolution, identifying magnetic complexes linked to porphyry alteration.

From 2004 to 2009, exploration concentrated on Tomingley gold deposits. Joint venture efforts with a major mining company faced challenges due to Rio Tinto's project rights, resulting in the relinquishment of a quarter of the tenement.

In 2010 early NMPP exploration targeted the Comobella Intrusive Complex with mapping and sampling, yielding anomalous copper-gold assays.

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From 2011 to 2013 a total of 11 RC drillholes completed by Alkane tested induced polarization and geochemical anomalies, revealing significant pyrite mineralization and anomalous gold and copper. The Comobella Intrusive Complex confirmed its potential with drillhole COMRC009 intersecting 46 m at 0.9 g/t Au and 0.25% Cu. Further exploration did not replicate this success.

From 2013 to 2015 Alkane acquired additional tenements and conducted geological reviews.

In 2016 Alkane completed high-definition ground magnetic surveys that targeted intrusive complexes, revealing northwest trends. Two drilling programs (16 RC and two diamond holes) yielded inconclusive results, except for some pyrite mineralization.

From 2017 to 2018 access to EL4022 was denied during the Bodangora Wind Farm construction, causing a hiatus in exploration.

Drilling

Drilling was conducted using high-capacity RC drill rigs and high-powered diamond core drilling rigs for the purpose of retrieving large sized sample and for drilling to significant depths.

The Boda deposit has been evaluated using all of Alkane's RC and diamond drilling holes within the prospect area. No previous companies' exploration drilling in the region (shallow RC, aircore and rotary air blast holes) was used in the resource assessment.

Drilling at the Boda deposit and Boda 2-3 prospect has been conducted as an extended campaign since the Boda Historical Estimate was completed. The current MRE at Boda and Boda 2-3 is comprised of a total of 186 drillholes including 42,455 m of RC and 103,002 m of diamond core for a total of 145,457 m. Drilling Statistics are summarised in Table 2.4.

Table 2.4: Boda Drillhole Statistics

Boda and Boda 2-3 drilling statistics						
Statistic	**RC (pre-collars)**	**RC**	**PQ3 diamond (pre-collars)**	**HQ3 diamond**	**NQ3 diamond**	**Total**
No. of holes	78	79	22	100	7	**186 (minus pre-collars)**
Metres	19,111	23,344	721	95,504	6,777	**145,457**

The initial exploration drilling was conducted on east–west traverses at Boda and Boda 2-3, with subsequent resource definition drilling at Boda conducted on more optimal (perpendicular) southwest-striking traverses for that part of the deposit. Resource drill sections at Boda are spaced 50 m apart, with drillholes at nominal 50 m intervals along these sections. Drilling at Boda 2-3 is more irregularly spaced along east–west traverses approximately perpendicular to the mineralization approaching a nominal 100 m spaced drilling grid. The drilling directions are not considered to have any significant biasing effects.

Drilling at the Kaiser deposit was conducted as an extended campaign since the Kaiser Historical Estimate was completed. The current MRE is comprised of a total of 217 drillholes for a total of 94,779 m comprising 41,487 m of diamond core and 53,292 m of RC drilling. This includes a historical assay component (for the period 2001 to 2002) captured by Newcrest from four drillholes comprising of 2,684 m of diamond core. Drilling statistics are summarized in Table 2.5.

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Table 2.5: Kaiser Drillhole Statistics

Company	Alkane			Newcrest	Total
Hole type	RC (pre-collars)	RC	Diamond (PQ3/HQ3)	NQ3	
No. of holes	80	127	86	4	
Metres	21,739	31,553	38,803	2,684	
Total no. of holes (not including pre-collars)	**213**			**4**	**217**
Total metres	**92,095**			**2,684**	**94,779**

Alkane Drilling Results

2004

Alkane completed 25 RC drillholes at Bodangora, testing beneath and the strike extensions of known workings. Results were inconclusive but effectively sterilised this area resulting in relinquishment of this part of the licence in 2009.

2011 to 2013

Coincident induced polarization and surface geochemical anomalies were drill tested by 11 RC drillholes for a total of 2,431 m at Comobella, Boda 2-3 and Driell Creek prospects. The induced polarization chargeability highs tested at Boda 2-3 and Driell Creek prospects intersected significant pyrite mineralization associated with phyllic alteration, with anomalous gold and copper, as well as pathfinder metals of arsenic, lead, antimony and zinc, interpreted to be suggestive of a shallow level of a porphyry copper system.

The drilling at Comobella was more successful, confirming the potential for the Comobella prospect to host significant mineralization with drillhole COMRC009 intersecting 46 m grading 0.9 g/t Au and 0.25% Cu from 60 m, including 9 m grading 2.7 g/t Au and 0.7% Cu from 94 m. The Comobella prospect became a focus for exploration for the next two years, but further exploration did not replicate this initial success.

2016

Alkane completed two drill programs, comprising 16 deep RC drillholes and two diamond core drillholes (totalling 5,428 m for RC and diamond drilling combined). The programs were designed to target the flanks of the Boda, Kaiser and Driell Creek magnetic complexes. Results were not conclusive in identifying clear porphyry-style alteration, except for KSRC013 and KSRC018 which intersected pyrite dominant mineralization at Kaiser and Boda respectively. KSRC013 targeted the western flank of the Kaiser magnetic complex and intersected 111m grading 0.61 g/t Au and 0.08% Cu from 42 m, including 4 m grading 9.69 g/t Au and 0.06% Cu from 110 m. KSRC018 targeted a historical chargeability high (Rio Tinto induced polarization survey) positioned northwest of the Boda magnetic complex. KSRC018 intersected a significant volume of pyrite mineralization with a mixture of phyllic and potassic alteration and returned an intercept of 311 m grading 0.28 g/t Au and 0.08% Cu from 19 m.

2019

The review of the Boda-Kaiser Project during the 2017–2018 exploration hiatus highlighted the importance of the KSRC018 intercept that appeared to show increasing copper and gold grades towards the bottom of hole; the last 47 m of the hole (from 283 m) grading 0.38 g/t Au and 0.12% Cu. A drillhole was planned to test for improvement in grade 200 m vertically below KSRC018.

Drilling commenced at Boda in July 2019 with one 771 m diamond core drillhole, KSDD003. KSDD003 intersected 502 m grading 0.48 g/t Au and 0.20% Cu from 211 m to bottom of hole, including 108 m grading 1.06 g/t Au and

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0.41% Cu from 408 m. The hole intersected a thick outer shell of disseminated pyrite mineralization that transitioned downhole to chalcopyrite dominant mineralization. The zonation from pyrite shell to a chalcopyrite dominant core is interpreted as characteristic of porphyry copper systems in general. Core logging and supporting litho-geochemistry displayed a zoned pattern of outer propylitic and phyllic alteration from the top of hole vectoring towards a copper rich calc-potassic (biotite + albite + actinolite + chalcopyrite ± magnetite ± bornite) core.

2020

Five deep diamond drillholes, for a total of 6,000 m, were executed to test depth and strike extensions around KSDD003. Drillhole KSDD005, targeted 200 m beneath KSDD003 and drilled completely through the alteration system, confirmed the mineralization as vertically extensive. KSDD005 intersected 689 m grading 0.46 g/t Au and 0.19% Cu from 402 m.

Drilling at 100 m intervals along strike to the south and north intersected the main high-grade chalcopyrite-cemented breccia at Boda. Drillhole KSDD007 returned an intercept of 1,167 m grading 0.55 g/t Au and 0.25% Cu from 75 m, including a sulfide cemented breccia with a high-grade intercept of 96.8 m grading 3.97 g/t Au and 1.52% Cu from 768 m.

Subsequently, a major 30,000 m drilling program of deep RC and diamond core drilling commenced. The program was designed to test the extent of high-grade gold-copper breccia mineralization and the overall mineral resource potential at Boda, as well as other regional targets such as Boda 2-3 and Kaiser.

KSDD022 was drilled on an induced polarization resistivity low on the eastern flank of Boda 2-3. KSDD022 intersected strong pyrite mineralization and returned 292 m grading 0.66 g/t Au from 867 m.

Drilling, geology and geochemistry suggested there was a strong northwest control to mineralization at Boda. Calc-potassic alteration was also mapped as broadly continuous for over 3 km from Boda 2-3 to Boda to Kaiser, indicating the presence of a significant-scale porphyry system. Diamond drillhole KSDD028 was designed to confirm the interpreted northwest strike of the Boda system and intersect the main high-grade sulfide cemented breccia perpendicular to its interpreted strike. This hole confirmed the northwest trend to mineralization, returning an intercept of 832 m grading 0.38 g/t Au and 0.17% Cu from 256 m, including 65 m grading 1.98 g/t Au and 1.13% Cu from 799 m associated with a sulfide cemented breccia. All subsequent drilling at Boda was planned perpendicular to this northwest trend. In contrast, the Boda 2-3 prospect appears from the magnetic and induced polarization surveys to be predominantly north–south trending.

2021

Following the discovery of substantial mineralization surrounding high-grade breccias at Boda below depths not tested by historical drilling, Alkane's attention moved to testing the Kaiser prospect with one deep diamond drillhole. The drillhole was planned to optimally transect the entire northwest trending mineralization at Kaiser. The 1,125 m deep drillhole, KSDD027, intersected a broad area of extensive alteration with two main parallel zones of calc-potassic alteration and associated gold-copper mineralization. One zone was centred beneath the Kaiser workings and the second centred 200 m to the northeast. KSDD027 intersected grades and widths similar to Boda with an intercept of 360 m grading 0.38 g/t Au and 0.15% Cu from surface and 442 m grading 0.17 g/t Au and 0.11% Cu from 422 m. The drillhole also intersected high-grade hydrothermal breccias similar to those at Boda, including 6 m grading 1.71 g/t Au and 0.24% Cu from 332 m.

A 40,000 m drilling program commenced to drill out Boda on a nominal 100 m x 50 m grid for the purpose of estimating a maiden Inferred Mineral Resource.

2022

The maiden Inferred Mineral Resource estimate for the Boda deposit was confined to a surface area of 1,000 m strike length and 500 m width and approximately 1,000 m deep. The Mineral Resource estimation included the data obtained from a total of 71,431 m of drilling.

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2023 to 2024

The maiden Inferred Mineral Resource estimation for the Kaiser deposit was confined to a surface area of 1,100 m strike length and 700 m width and approximately 600 m deep, was drilled on a nominal 100 m x 100 m grid with both RC and core drilling. The resource estimation included 42,000 m of drilling by Alkane and 7,500 m of historical drilling by Rio Tinto and Newcrest.

A 90,000 m drilling program commenced to define the overall Boda-Kaiser system with extensions being tested south of Boda at Boda 2-3 and northwest of Boda towards Kaiser. A total of 45,000 m was drilled at Kaiser and the remainder at and around Boda. The drilling program set out:

- To infill the maiden Kaiser Inferred Resource estimate to increase confidence to an Indicated resource classification on a nominal 50 m x 50 m grid to a 600 m vertical depth over a surface area of approximately 1,000 m x 600 m.
- To infill the maiden Boda Inferred Resource estimate to increase confidence to an Indicated resource classification on a nominal 50 m x 50 m grid at Boda to a 1,000 m vertical depth over a surface area of approximately 1,750 m x 500 m.
- Complete a nominal 100 m x 100 m grid at Boda 2-3.

Regional exploration drilling of nine RC drillholes and one diamond core drillhole for a total of 3,393 m were recently completed testing various targets within the Driell Creek prospect, located northwest of Boda-Kaiser. All drilling identified porphyry-style alteration and mineralization—significant results included:

- DRC004: 130 m grading 0.25 g/t Au, 0.11% Cu from 174 m to end of hole.
- DRC010: 47.7 m grading 0.12 g/t Au, 0.15% Cu from 279.3 m including 7 m grading 0.34 g/t Au, 0.26% Cu from 320 m.
- DRC002: 9 m grading 0.61 g/t Au from 255 m (gold only zone).
- DRC007: 30 m grading 0.13 g/t Au, 0.10% Cu from 78 mm and 6 m grading 0.26 g/t Au, 0.15% Cu from 96 m.

Drilling occurred at:

- The Konigin prospect:
    - One shallow RC drillhole (KON001) and deeper 835 m diamond core drillhole (KON002) testing beneath KON001.
- The Murga prospect:
    - Five RC holes for a total of 1,250 m drilling.

Results indicated the geology is favourable for porphyry-type environments, however, individual drill results showed weak mineralization. Further drilling at these targets is now considered a lower priority than Driell Creek.

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Sampling, Analysis and Data Verification

Sample Preparation

All drilling was geologically logged into a digital logging sheet as part of the Geobank database management system. The Geobank logging platform utilizes a drill logging template customized with dropdown field options for lithology, weathering, alteration (type, character and intensity), veining (type, character and intensity), magnetic susceptibility and mineralization (type, character and volume percentage). Any intervals for the above criteria that do not readily fit into the customized template are flagged and peer reviewed by the senior exploration management team. If required, the templates are then changed to incorporate the new interval codes and capture the information into the database.

A detailed geotechnical log was also undertaken collecting parameters such as core recovery, rock quality designation, fracture count and fracture type and orientation. Measurements were also taken of magnetic susceptibility (1 m space downhole), and bulk density measurements (20 m space downhole) were collected for each hole. All core was photographed prior to sampling.

Alkane uses pre-printed sequentially numbered calico bags for all samples, with different numbering series for each of diamond and RC drill sampling.

Samples from the RC drilling were collected at 1 m intervals via a cyclone and placed into large plastic bags. Spear samples were collected from each 1 m sample and composited to 3 m for initial assay analysis, unless the geologist on site determined visually strong mineralization, then 1 m samples were collected via a splitter below the cyclone and sent for analysis.

All composites subsequently assayed as ≥0.1 g/t Au or ≥0.1% Cu, together with their upper and lower bounding composite samples, were resubmitted as the original 1 m samples collected into a calico bag via a splitter below the cyclone when drilling.

Triple tube coring was used at all times to maximize core recovery with larger diameter (PQ3) core or RC pre-collars used in the oxide zones.

Half core samples of PQ3 and HQ3 size were collected from all geologically logged and potentially mineralized zones. The core was cut in half using a Corewise automatic core cutting saw and sampled in a range of 0.3–1.3 m intervals as determined by the geologist based on lithological contacts, alteration zones and mineralization zones. The remaining half core is stored at the Orange exploration facility. For NQ3 drilling, the entire core interval was sampled.

Security

The sample calico bags were collected in large transport bags (approximately 150–200 calico sample bags per transport bag), the bags sealed and either transported by road freight company Parkes Couriers (from the Peak Hill Alkane exploration base) or by Alkane personnel directly (from the Orange Alkane exploration base) to be submitted to ALS Chemex assay laboratories in Orange.

Analysis

Samples were oven-dried before being crushed with 70% less than 2 mm (ALS code CRU-31), split by riffle splitter (ALS code SPL-21), and 1000 gram pulverized such that 85% less than 75 µm (ALS code PUL-32). Crushers and pulverizes were washed, with QAQC tests undertaken (ALS codes CRU-QC, PUL-QC).

Bulk rejects for all samples were discarded. A pulp packet (±100 g) for each sample processed and analyzed was returned to Alkane and is stored at the Alkane exploration core facility in Orange for future reference.

For all samples used in the resource estimate, gold was determined using a 50 g charge fused at approximately 1,100°C with alkaline fluxes, including lead oxide. The resultant prill was dissolved in aqua regia, and gold was determined by flame atomic absorption spectroscopy.

For other geochemical elements, most samples are digested by near-total mixed acid digest for each element determined by ICP-AES or ICP-MS. For selected drillholes that are nearby (less than 100 m spaced drilling) previous drilling with near-total mixed acid digest assay results or that are re-split RC samples, these samples were digested by aqua regia with an ICP-AES for silver, arsenic, copper, molybdenum and sulfur only.

Approximately 1% of all laboratory-returned pulps stored in Orange are sent to SGS in West Wylong for umpire assays to cross-reference the ALS Chemex analyses utilizing the same sample laboratory preparations and analytical techniques.

Quality Assurance and Quality Control

Commercially prepared CRMs and blanks were inserted in the sample stream at approximately 1 in 40 samples to monitor analytical accuracy of the primary laboratory and carry over contamination. CRMs were not identifiable to the laboratory.

All CRMs were sourced from Ore Research and Exploration Pty Ltd. CRMs were deemed to be within tolerance if they were within three standard deviations and 10% of the expected mean. When a CRM fell outside this tolerance, the batch was generally resubmitted.

Field duplicate samples (RC) were inserted at 1 in 40 samples (alternate to CRMs) to monitor sampling precision. For 3 m composite samples, the composite was double speared, then the sample riffle split into two calico bags. Field duplicate samples were collected by riffle splitting the RC sample. No field duplicates were submitted for core samples.

Umpire analysis of pulps was used as a further check on the accuracy of the primary laboratory. SGS laboratory in Townsville, Queensland was used for umpire analysis.

Quality Control Results – Boda

Review of the CRM and blank results indicated no material issues with analytical bias or carryover contamination. RC field duplicate results gave confidence in sampling precision, while umpire laboratory results gave additional confidence in the accuracy of the primary laboratory.

Quality Control Results – Kaiser

Review of the CRM and blank results indicated no material issues with analytical bias or carryover contamination. RC field duplicate results gave confidence in sampling precision, while umpire laboratory results gave additional confidence in the accuracy of the primary laboratory.

Sample Preparation and Quality Control Summary

Sample collection, sample preparation, sample logging and analytical techniques are considered acceptable techniques using current industry standards.

The QAQC results suggest there are no issues of significance associated with the sampling and sample analyses. Based on an assessment of the data, the authors of the Boda-Kaiser Technical Report are of the opinion the sample preparation, security and analytical procedures are adequate for the purposes of generating MREs for the Boda-Kaiser Project, with assaying posing minimal risk to the overall confidence level of the MRE.

Data Verification

Tony Donaghy and Nick MacNulty conducted a site visit to the Boda-Kaiser Project field localities, the Alkane exploration offices and core facility in Orange on April 16, 2025. Tony Donaghy visited the Peak Hill Alkane exploration offices and core facility on April 15, 2025. Both site visits were escorted by David Meates, the Alkane Exploration Manager.

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At the Orange and Peak Hill core facilities, Alkane staff led the authors through the full processes and procedures for handling, logging, photography, density measurements, sampling of drill materials, QAQC and database management. The walk-through encompassed all core activities from initial drill material reception at the facility from the drill through to transport of samples to the ALS Chemex laboratory for assay, and subsequent long-term storage management of drill core and chips, as well as returned laboratory assay pulps.

Representative drillhole intervals through both Boda and Kaiser were laid out for inspection, complete with assay data extracted from the Geobank database.

In all intervals inspected, the lithologies, alteration and mineralization matched descriptions and controls on mineralization as described in logging. In addition, the species, content and distribution of sulfide mineralogy matched the distribution and values for copper and gold assay intervals for the respective hole intervals observed.

The authors of the Boda-Kaiser Technical Report are of the opinion that all processes and procedures around processing of drill core and chips, core logging procedures and data capture into a dedicated database, sampling and QAQC and sample handling and transport security of samples are consistent, systematic and carried out in accordance with industry best practice. Further, the drillhole database and all underlying technical data is accurate and adequate for the purposes of generating MREs for the Boda-Kaiser Project.

Mineral Processing and Metallurgical Testing

The Boda-Kaiser Project had metallurgical testwork conducted in 1988, 2022 and 2023. The most recent testwork program carried out in 2023 is the most substantial testwork program and has formed the basis for a preliminary engineering design (GR Engineering Services North Molong Prophyry Project Scoping Study completed in April 2024).

Metallurgical Testing – 2023 Program

The 2023 program entailed the generation of 21 variability samples and two master composites from 11 Boda drillholes and 10 Kaiser drillholes. Half-HQ core was utilized.

The scope of the testwork was:

- Assessment of ore hardness and comminution characteristics
- Ore mineralogy and geochemical relationships
- Flowsheet determination in respect to:
    - amenability to gold/copper recovery by froth flotation
    - amenability to gravity gold recovery and cyanidisation
- Tailings characterization

Mineralogy

Both deposits have similar mineralogy with chalcopyrite with lesser bornite-chalcocite being the main copper mineralization. The main sulfide gangue is pyrite. Chalcopyrite appears relatively fine at 46 µm in comparison to gangue (90 µm). Gold appears mostly fine, with greater gravity gold present at higher gold grades.

Comminution

Table 2.6 provides a summary of comminution testing. Most samples have exhibited as relatively hard with average abrasiveness.

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Table 2.6: Comminution Results

Ore parameters	Units	Samples tested	Boda average	Kaiser average	Design value	Design parameter	Range
Abrasion Index	g	12	0.13	0.1	0.12	Average	0.04–0.16
Crushing Work Index	kWh/t				18.5	Estimated (SMC)	
Rod Mill Work Index	kWh/t	12	24.8	25.6	26.9	85th percentile	22.0–28.6
Ball Mill Work Index	kWh/t	31	20.2	19.8	21.4	85th percentile	17.9–22.9
Dwi		21	11.1	12.8	14.3	85th percentile	8.8–15.4
Axb		21	26.3	22.6	20.4	15th percentile	19.0–31.4
Ta		21	0.24	0.2	0.18	85th percentile	0.17–0.29
SCE	kWh/t	21	12.8	13.7	14.6	85th percentile	8.3–10.8
Ore SG	kg/L	21	2.84	2.85	2.85	Average	2.78–2.95

Source: Scott Dalley Francks (2024)

Gravity and Whole-of-Ore Comminution

Whole-of-ore leaches were observed to extract ~75% gold at a P80 of 106 µm from the master composites with an associated 20–25% copper leached.

Gravity testing indicated that a gold recovery of 64% for the Boda and 25% of the Kaiser master composites were reporting to a gravity concentrate. Some gravity recoverable gold testing may be warranted. Previous programs (2022) indicated that gold recovery to a gravity concentrate was estimated at 0–3%.

Flotation Testwork

A substantial volume of small-scale flotation testing (130 tests) was conducted to assess the flotation flowsheet and parameters, with the bulk of this being conducted on the Boda master composite.

A rougher-regrind-cleaner-recleaner circuit was determined as the optimal flowsheet with a primary grind of 106 µm and a regrind (on the rougher concentrate) of 30 µm. Kaiser was observed to require a finer primary grind than Boda for the same performance.

These culminated in locked cycle testing (10 kg x 5–6 cycles). A summary of the results for both the Boda and Kaiser master composite are shown in Table 2.7 and Table 2.8, respectively.

Table 2.7: Average Locked Cycle Results – Boda

Stream	Mass (%)	Grade			Recovery		
		Cu (%)	Au (g/t)	S (%)	Cu (%)	Au (%)	S (%)
Final Con	0.72	24.5	43.7	24.4	84.5	75.4	33.1
Rougher Con	4.82	3.77	6.99	12.6	87.3	81.6	91.1
Cleaner Tail	4.1	0.14	0.63	10.6	2.78	6.27	58
Rougher Tail	95.2	0.03	0.07	0.05	12.7	18.4	8.88
Feed	100	0.21	0.41	0.68	100	100	100
Combined Tail	99.3	0.033	0.103	0.46	15.5	24.6	66.9

Source: Scott Dalley Francks (2024)

Table 2.8: Average Locked Cycle Results – Boda

Stream	Mass (%)	Grade			Recovery		
		Cu (%)	Au (g/t)	S (%)	Cu (%)	Au (%)	S (%)
Final Con	0.75	26.9	26.8	23.8	78.7	66.5	53.2
Rougher Con	4.21	5.02	5.03	7.3	82.7	72.2	87.4
Cleaner Tail	3.47	0.29	0.47	3.73	4.01	5.68	34.2
Rougher Tail	95.8	0.05	0.09	0.05	17.3	27.8	12.6
Feed	100	0.25	0.3	0.36	100	100	100
Combined Tail	99.3	0.055	0.1	0.17	21.3	33.5	46.8

Source: Scott Dalley Francks (2024)

The 21 variability samples showed similar results. Analysis of cleaner flotation tailings indicated that the bulk of the remaining copper-bearing minerals were fine-grained, and when not liberated strongly associated with silicates. Some further optimization may be possible with additional cleaning stages/technologies (i.e. Jameson cells). Only fluorine was measured above penalty limits (>150 ppm) in the analysis of concentrates generated.

Flotation Tailings Leach

Cyanide leaching was conducted on both samples of the cleaner flotation tailings and the rougher flotation tailings.

For the cleaner flotation tailings:

- ~5–7% of the gold in the feed reports to this stream and a 70–80% leach recovery was observed (~4% overall)
- 3–4% of the copper in the feed reports to this stream and 40–55% extraction was observed (~1.7% total)

Leaching of the rougher flotation tailings:

- 10–25% of the gold in the feed reports to this stream and a 60% gold recovery was observed

Process Flowsheet – Scoping Study

GR Engineering Services was engaged to conduct a scoping study with a capital cost estimate and operating cost estimate (for a 20 Mtpa processing facility). Based on the historical testwork to date, a flowsheet was prepared and used as the basis for sizing and costing estimates.

Run-of-mine material is fed into a two-stage crushing circuit with one primary gyratory and two secondary cone crusher to final product size of 45 mm onto a crushed ore stockpile. This is reclaimed to two high pressure grind rolls in a closed circuit with four screens. The ground material reports to two 24 MW ball mills in closed circuit to a grind size of 106 µm.

The ground material reports to two lines of rougher flotation with the concentrate reporting to two HiG mills to be reground to a P80 of 27 µm. The ground material reports to the cleaner circuit and then the concentrate subsequently to the re-cleaner circuit. The final copper concentrate reports to the concentrate thickener.

The cleaner circuit tailings reports to a hybrid CIL circuit comprising two leach tanks followed by six CIL tanks. The loaded carbon reports to elution circuit. The CIL tailings are thickened and then filtered with the solution reporting to a precipitation circuit via the addition of peroxide and sodium hydrosulfide. The precipitate is thickened via a 1 m thickener. The CIL tailings are combined with the rougher tailings, thickened and the cyanide present removed via the cyanide detoxification circuit.

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Mineral Resource Estimates

The MREs for Boda and Kaiser were completed using RC and diamond drillhole data and have an effective date of June 6, 2025. The MREs are classified in accordance with the CIM Standards. Note that the Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

The prices used were based on a 12-month average of US$1,950/oz gold and US$8,600/t copper, and an exchange rate of AUD$:US$ 0.67.

In order to meet the criteria for RPEEE, a notional pit shell design was used to determine potential open-cut Mineral Resources, with a cut-off grade of 0.3 g/t AuEq adopted within the shell.

The Boda and Kaiser MREs are summarized below in Table 2.9 and Table 2.10 respectively, with an effective date of June 6, 2025. No dilution or recovery factors have been applied to the MREs.

Table 2.9: MRE for the Boda Deposit

Mineral Resource category	AuEq cut-off (g/t)	Tonnage (Mt)	Au (g/t)	Cu (%)	AuEq (g/t)	Au (Moz)	Cu (Mt)	AuEq (Moz)
Open pit Mineral Resources (>0.3 g/t AuEq)								
Indicated	0.3	191	0.36	0.17	0.59	2.22	0.32	3.63
Subtotal	**0.3**	**191**	**0.36**	**0.17**	**0.59**	**2.22**	**0.32**	**3.63**
Inferred	0.3	42	0.29	0.16	0.51	0.38	0.07	0.69
Underground Mineral Resources (>0.4 g/t AuEq)								
Indicated	0.4	142	0.33	0.19	0.60	1.53	0.28	2.56
Subtotal	**0.4**	**142**	**0.33**	**0.19**	**0.60**	**1.53**	**0.28**	**2.56**
Inferred	0.4	198	0.33	0.17	0.56	2.07	0.34	3.57
Open Pit and Underground								
Indicated	-	333	0.35	0.18	0.59	3.75	0.60	6.19
Inferred	-	240	0.32	0.17	0.55	2.45	0.41	4.26
Total	**-**	**573**	**0.34**	**0.17**	**0.58**	**6.20**	**1.01**	**10.45**

Notes:

- Tonnage and grade have been rounded to reflect the relative accuracy of the MRE.
- Open pit Mineral Resources are constrained within an optimized pit shell. Underground Mineral Resources below the open pit shell are constrained within mineable shape optimiser shapes.
- AuEq(g/t) = Au(g/t) + Cu%/100*31.1035*copper price (US$8,600/t)/gold price (US$1,950/oz).
- The Mineral Resource is classified in accordance with the CIM Standards.
- The Qualified Person and Alkane are not aware of any current environmental, permitting, legal, title, taxation, socioeconomic, marketing or political factors that might materially affect these MREs.
- The Mineral Resource is effective as of June 6, 2025.

Table 2.10: MRE for the Kaiser Deposit

Mineral Resource category	AuEq cut-off (g/t)	Tonnage (Mt)	Au (g/t)	Cu (%)	AuEq (g/t)	Au (Moz)	Cu (Mt)	AuEq (Moz)
Open pit Mineral Resources (>0.3 g/t AuEq)								
Indicated	0.3	179	0.27	0.20	0.54	1.56	0.35	3.12

Subtotal	0.3	179	0.27	0.20	0.54	1.56	0.35	3.12
Inferred	0.3	10	0.29	0.14	0.48	0.10	0.01	0.16
Underground Mineral Resources (>0.4 g/t AuEq)								
Indicated	0.4	17	0.29	0.20	0.56	0.16	0.03	0.30
Subtotal	0.4	17	0.29	0.20	0.56	0.16	0.03	0.30
Inferred	0.4	2	0.26	0.18	0.51	0.14	0.00	0.03
Open Pit and Underground Mineral Resources								
Indicated	-	196	0.27	0.20	0.54	1.72	0.38	3.42
Inferred	-	12	0.29	0.15	0.48	0.24	0.01	0.19
Total	**-**	**208**	**0.27**	**0.20**	**0.54**	**1.96**	**0.39**	**3.61**

Notes:

- Tonnage and grade have been rounded to reflect the relative accuracy of the MRE.
- Open pit Mineral Resources are constrained within an optimized pit shell. Underground Mineral Resources below the open pit shell are constrained within mineable shape optimiser shapes.
- AuEq(g/t) = Au(g/t) + Cu%/100*31.1035*copper price (US$8,600/t)/gold price (US$1,950/oz).
- The Mineral Resource is classified in accordance with the CIM Standards.
- The Mineral Resource is effective as of June 6, 2025.

The Mineral Resource may be affected by a change in cut-off grade which is be significantly affected by the variable costs and prevailing economic environment.

The MRE could be affected by environmental liabilities and permits which may affect access, title or the right or the ability to perform work on the Boda-Kaiser Project.

A change in the global economic and financial environment may also affect the mining cost and revenue assumptions and in turn affect the reported Mineral Resources, positively or negatively.

Mining Operations

The Boda-Kaiser Project is conceptually able to support a potentially economic bulk-tonnage mining and processing operation. Alkane has recently conducted a preliminary economic assessment or scoping study level evaluation of three potential development scenarios, each based on varying production rates to assess the project's economic viability:

- **Scenario 1**: The mining and processing of 20 Mtpa. This is the most ambitious scenario, potentially delivering the highest value due to substantial economies of scale.

- **Scenario 2**: The mining and processing of 10 Mtpa. This mid-sized option is potentially feasible; it presents significant economic potential and can serve as a phased development pathway towards a larger operation, or a standalone project, particularly in an environment with rising gold and copper prices.

- **Scenario 3**: The mining and processing of 5 Mtpa. At current metal prices, this smaller-scale scenario falls short of meeting Alkane's investment return thresholds and is not viable.

The mining approach considered in the conceptual study incorporates phased open cut operations at both Boda and Kaiser deposits, complemented by underground extraction at Boda.

The underground mining strategy contemplated in the conceptual study was longhole open stoping, which aligns with Alkane's operational experience at Tomingley Gold Operations. Recognizing the critical role of high throughput in optimizing project economics, further advanced mining studies will be carried out to explore alternative bulk mining methods, such as sublevel caving, to enhance efficiency and scalability.

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Open Pit Mining

Open cut extraction would utilize standard industry practices, beginning with pattern drilling and controlled blasting operations to achieve optimal rock fragmentation. The broken ore would be loaded and transported to the run-of-mine pad using standard mining equipment, where it will undergo primary crushing as the first stage in the mineral processing sequence.

Underground Mining

The preliminary underground mining study proposes longhole open stoping, building on Alkane's successful implementation of this method at their Tomingley operations. However, the assumed mining cost of AUD$80/t made the underground mining sub-economic.

The economic advantages of high-volume, low cost, production was recognized and subsequent studies will assess alternative bulk mining techniques, particularly block caving and sublevel caving, to potentially enhance operational efficiency.

Processing and Recovery Operations

The preliminary metallurgical study carried out on Kaiser indicates that a flowsheet of conventional crushing, grinding and flotation circuits can produce a saleable concentrate. Additional processing of tailings via cyanide leaching can increase recovery of gold and copper to produce gold doré and a copper precipitate. Testing in respect to the copper precipitate has not yet occurred.

The overall recovery for Boda has been estimated at 87% of copper and 81% of gold in the plant feed to a saleable concentrate. The overall recovery for Kaiser is estimated at 80% of copper and 71% of gold in the plant feed to saleable concentrate.

A design basis of 82% copper and 75% gold total has been utilised in the scoping study.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The Boda-Kaiser Project is currently at a scoping study level, aimed at assessing potential outcomes related to mining and economic development. Currently, no infrastructure construction has started.

Installed plant and mine power requirements are estimated to be approximately 25 MW for the 5 Mtpa rate and 80 MW for the 20 Mtpa rate. Alkane intends to meet this power requirement from the NSW grid. A new 132 kV transmission line will likely be required to site. The connection point will be determined in later feasibility studies. An allowance has been made in the capital estimate, based on Alkane's experience with installation of powerlines in NSW.

The Boda-Kaiser Project is located in the Central West Renewable Energy Zone, which has several major solar and wind power projects under development; these are changing the power infrastructure landscape in the area. The operational Bodangora Wind Farm is situated immediately adjacent to the Boda-Kaiser Project, with approximately four turbines potentially requiring relocation to accommodate development. Discussions regarding relocation will be undertaken during later feasibility stages, once the project layout has been determined.

Water requirements for the site are estimated to be approximately 2 GL per year for the 5 Mtpa rate and 7 GL per year for the 20 Mtpa rate. The residue storage facility preliminary designs seek to maximise water recycling, and the annual rainfall highly influences off-site water requirements.

The required operational and construction water has several potential sources that are being evaluated. These include water access licences in the Macquarie-Cudgegong System, the Lachlan Fold Belt fractured rock aquifer, and potential

piping from saline water sources to the east of the project area. An allowance has been made for bores and water pipelines in the capital estimate, based on Alkane's experience with the installation of water supply pipelines in NSW.

Project site buildings will be used by personnel working on operational, logistics and administrative tasks and the servicing and repair of plant and machinery.

The site will also require a bitumen or similar road network for reagent and stores delivery, as well as the efficient movement of maintenance vehicles.

Environmental

Baseline environmental studies for the Boda-Kaiser Project commenced data collection in 2024 to inform an environmental impact statement. The studies are assessing the three proposed processing scenarios and include meteorological conditions, flora and fauna, surface and ground water, soils and land use capability, visual amenity, transport, noise, air quality and Aboriginal and European heritage. Typically, at least two years of baseline data is collected prior to impact assessment.

The potential impacts on agricultural land, some of which has been mapped as Biophysical Strategic Agricultural Land will also be assessed. Part 2.4 (Divisions 2–4) of State Environmental Planning Policy (Resources and Energy) 2021 establishes the requirements for certificates to be applied for/addressed prior to the submission of an SSD application, in cases where Biophysical Strategic Agricultural Land would be affected.

Permitting

Upon Alkane making a development application for Boda-Kaiser, it will be assessed as an NSW SSD. All SSD projects require development consent from either the Independent Planning Commission or the Minister (or their delegate) before they may proceed. Although SSD projects may require approvals under other legislation—in addition to development consent—they all go through an integrated assessment under the *Environmental Planning and Assessment Act 1979* before these approvals may be granted. At this stage, no development application has been lodged.

Community Engagement

Wellington is the closest town to the Boda-Kaiser Project. It could benefit from any development with Alkane potentially sourcing some skilled personnel for jobs and local industrial services.

Throughout the exploration phase, Alkane has consulted with immediately affected farmers in-person and with the wider district via community events and regular newsletters launched in May 2023. Alkane has participated in, and sponsored, community activities in the immediate Wellington area for several years.

Capital and Operating Costs

Capital Estimate

Capital expenditure (capex) for the three scenarios is set out in Table 2.11. The initial capital cost establishes the open cut mines, infrastructure and processing facility. Additional capex is required to establish the underground mine, with the development start depending on the scenario. Sustaining capex has been estimated at a baseline 1% of the processing plant capital; underground and potential lifts of the residue storage facility walls are additional. The process facility has been conducted on a scoping basis with 20 Mtpa as the base case at (±30%), 10 Mtpa (±35%) and 5 Mtpa (±35–40%).

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Table 2.11: Boda-Kaiser Initial Capital Estimate (2024, AUD$ million)

	5 Mtpa	10 Mtpa	20 Mtpa
Processing facility			
Process plant	299	509	815
Site non-process infrastructure	27	31	31
Construction indirects	145	220	293
Spares and first fills	10	17	27
Growth margin	52	84	127
Subtotal	**533**	**861**	**1,293**
Non-processing costs			
Property, biodiversity and rehabilitation	80	95	105
Roads and power	33	33	33
Water pipeline and licences	26	32	45
Residue storage facility	90	110	133
Mining infrastructure	10	14	16
Owner's team costs	25	30	35
Subtotal	**264**	**314**	**367**
Contingency	60	87	123
TOTAL	**857**	**1,262**	**1,783**

Source: Boda-Kaiser Scoping Study, ASX release, July 10, 2024

Operating Cost Estimate

The preliminary estimated AISC of the 20 Mtpa scenario of AUD$630 per gold ounce, after copper by-product credit, would place the Boda-Kaiser Project in the bottom quartile of costs for Australian gold producers, if realized.

Estimated operating costs for the three scenarios are summarized in Table 2.12.

Table 2.12: Boda-Kaiser operating costs (2024, AUD$)

Operating costs		5 Mtpa	10 Mtpa	20 Mtpa
Mining costs				
Open cut	AUD$/t total material	3.3	3.3	3.3
Open cut	AUD$/t ore mined	9.6	9.2	9
Underground	AUD$/t ore mined	80	80	80
Processing costs				
Power	AUD$/t milled	4.7	3.7	3.3
Maintenance	AUD$/t milled	2.2	1.8	1.4
Consumables	AUD$/t milled	4.5	4.3	4.1
Labour	AUD$/t milled	2.5	1.4	0.8
Other	AUD$/t milled	0.8	0.5	0.4
G&A (full site)	AUD$/t milled	1.9	1.1	0.6

Total processing	**AUD$/t milled**	**16.6**	**12.8**	**10.6**

Source: Boda-Kaiser Scoping Study, ASX release, July 10, 2024

Economic Analysis

This preliminary economic analysis is based on the conceptual studies comprising the scoping study completed by Alkane in July 2024 and reviewed and verified by the authors of the Boda-Kaiser Technical Report. The PEA is based only on Mineral Resources that are not Mineral Reserves and do not have demonstrated economic viability. Economic analysis of the project, however, is considered to provide a means of assessing potential project development concepts.

A summary of the financial modelling results is shown in Table 2.13.

A long-term gold price of AUD$3,500/oz and copper price of AUD$15,000/t were used in the analysis. These were selected by Alkane as suitable estimates based upon current spot prices.

Table 2.13: Summary of The Financial Analysis (AUD$/Real terms)

		Unit	5 Mtpa Base	10 Mtpa Base	20 Mtpa Base
Economic assumptions	Copper	AUD$/t	15,000	15,000	15,000
		AUD$/lb	6.80	6.80	6.80
	Gold	AUD$/oz	3,500	3,500	3,500
Operating parameters	Throughput		5,000	10,000	20,000
	Initial Project LOM	years	30	26	17
	Total ore processed	Mt	150	251	323
	Average copper grade	%	0.20	0.17	0.15
	Average gold grade	g/t	0.32	0.28	0.26
	Average copper recovery		83.7%	83.7%	83.5%
	Average gold recovery		76.4%	76.5%	76.3%
Production	Total CuEq produced	t	527,412	750,482	893,760
	Total copper	t	250,947	347,505	413,733
	Total AuEq produced	oz	2,260,659	3,216,809	3,830,948
	Total gold produced	oz	1,185,017	1,727,289	2,057,553
	Annual AuEq production LOM average	oz	75,355	123,723	225,350
	Copper production (years 1-5)	t	11,603	17,808	35,611
	Gold production (years 1-5)	oz	61,088	95,354	159,334
Capital	Pre-production	AUD$ M	856.8	1,262.8	1,782.5
	Post-production	AUD$ M	206.1	232.3	223.2
	Total	**AUD$ M**	**1,062.9**	**1,495.1**	**2,005.7**
Operating costs	AISC (gold equivalent)	AUD$/oz	2,073.9	1,984.3	1,901.8
	AISC (by-product credit basis)	AUD$/oz	891.0	783.4	630.4
	Total opex cost per tonne milled	AUD$/t milled	28.8	23.4	20.6
	Processing	AUD$/t milled	16.6	12.8	10.6

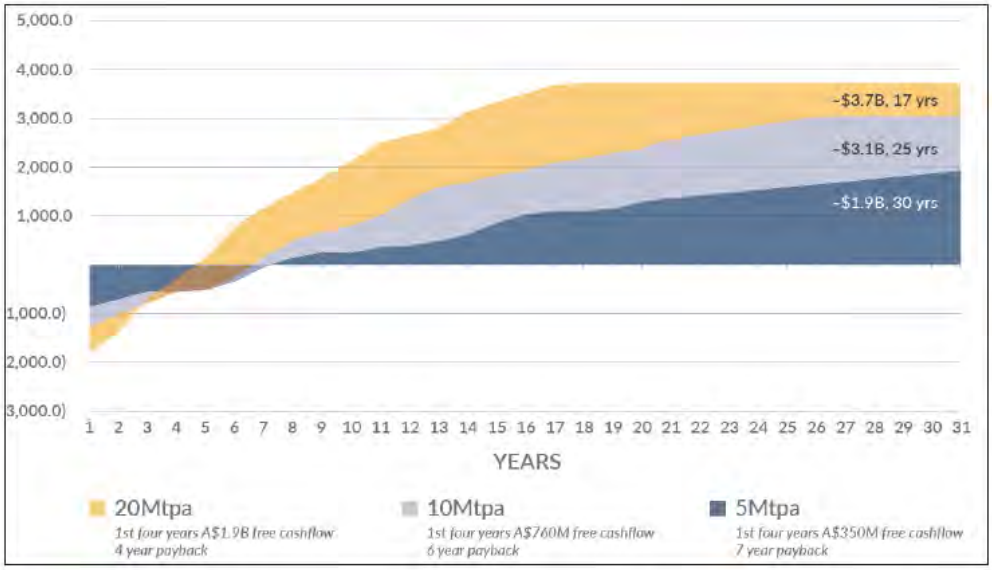
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		Unit	5 Mtpa Base	10 Mtpa Base	20 Mtpa Base
	Open pit mining cost	AUD$/t ore mined	9.6	9.2	9.0
	Underground mining cost	AUD$/t ore mined	80.0	80.0	80.0
Financials	Pre-tax NPV7%		473.2	1,034.7	1,808.5
	Pre-tax IRR		13.1%	16.9%	24.0%
	Pre-tax NPV/Start-up capital		0.6	0.8	1.0
	Capital payback period (pre-tax)	years	7	6	4
	Post-tax NPV7%		229	581	1,070
	Post-tax IRR		10.2%	13.0%	17.5%
	Capital payback period (post-tax)	years	8	7	5
	LOM average annual free cashflow	AUD$M	73.6	130.8	257.4
	LOM operating cashflow	AUD$M	2,413.3	3,632.9	4,598.9
	First 10 years free cash (excl. year 0 capex)	AUD$M	1,033.9	1,861.7	3,388.0

The payment terms for the concentrate have been projected at 96.5% for copper and 97.5% for gold. Treatment costs are anticipated to be US$50 per dry metric tonne of concentrate, while refining charges are estimated at US$0.05 per pound of payable copper. It is important to note that no penalties for deleterious elements have been factored into these estimates. The financial model begins at a nominal year zero and employs a real discount rate of 7%. Additionally, no discounting has been applied to the period between the date of this study and the anticipated construction date.

The financial model encompassing the proposed three production scenarios (5 Mtpa, 10 Mtpa, and 20 Mtpa) over their respective life of LOM period indicates a cumulative net (notional pre-tax) cashflow of AUD$1.9 billion, AUD$3.1 billion, and AUD$3.7 billion, respectively. This information is illustrated in Figure 2.2.

Figure 2.2: Cumulative Cashflow Before Tax (AUD$ million)



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Exploration, Development, and Production

The authors of the Boda-Kaiser Technical Report recommend the following actions are completed to support the ongoing exploration and evaluation effort at the Boda and Kaiser deposits:

- In order to convert Inferred Mineral Resources to higher classification categories, further infill drilling is required.

- Although the controls to the mineralization are relatively well understood, continued development of the geological model is recommended to support future Mineral Resource estimation and establishment of the mine geology function. Further understanding of the extent of mineralization across the tenement package, different styles of mineralization and their geological controls, is required.

- Establishment of the mine geology system should be considered well in advance of mining. Systems to ensure development of the geological model, high-quality sampling, rapid capture and storage of data, quality control assessment, robust ore block interpretation, minimization of ore loss and dilution, production tracking and reporting and reconciliation should be established.

Table 2.14 details the planned activities and estimated costs of the proposed single phase work program to support the ongoing development of the Boda and Kaiser deposits.

Table 2.14: Recommended Work Program and Estimated Cost

Task	Estimated cost (AUD$)
Diamond and RC drilling: Diamond and RC drilling at Driell Creek, Haddington, Comobella North and Boda South.	1,000,000
Specialised studies: Reprocessing Boda IP, Honours thesis on Kaiser-Boda dating, re-assaying for trace elements.	200,000
Contingency 10%	120,000
Total Estimated Costs	**1,320,000**

DIVIDENDS OR DISTRIBUTIONS

There are no restrictions in Alkane's constating documents or pursuant to any agreement or understanding which could prevent Alkane from paying dividends. Alkane has never declared or paid any dividends on any class of securities. Alkane currently intends to retain future earnings to fund the development and growth of its business, and does not intend to pay any cash dividends on the Alkane Shares for the foreseeable future. Any decision to pay dividends on the Alkane Shares in the future will be made by the Alkane Board on the basis of earnings, financial requirements and other conditions existing at the time.

DESCRIPTION OF SECURITIES

The following summary of Alkane's authorized capital structure does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Corporations Act, ASX Listing Rules and Alkane's Constitution. Alkane is authorized to issue an unlimited number of Alkane Shares subject to Alkane Shareholder approval, where required under applicable laws or the ASX Listing Rules. As of the Record Date, 605,541,892 Alkane Shares were issued and outstanding.

The Alkane Shares are currently listed on the ASX under the symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[12] Alkane has applied for its Alkane Shares to be listed on the TSX. Listing of the Alkane

[12] Effective July 1, 2025, the OTC Pink Market will cease to exist.

Shares on the TSX will be subject to Alkane receiving approval from, and fulfilling all of the original listing requirements of, the TSX. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

Alkane has implemented the Alkane Plan pursuant to which Alkane is able to issue equity incentives to employees and executive directors. The Alkane Plan was last approved by Alkane Shareholders at its Annual General Meeting on November 26, 2024. As at the Record Date, Alkane had 11,686,288 Alkane Performance Rights on issue, all of which were issued under the Alkane Plan. The Alkane Performance Rights are convertible into Alkane Shares on a one-for-one basis upon the satisfaction of the relevant performance and vesting conditions. The Alkane Performance Rights are not quoted securities on the ASX and cannot be freely traded.

Alkane Shares

There is only one class of Alkane Shares on issue in Alkane, being fully paid ordinary shares. The rights attaching to Alkane Shares are set out in Alkane's Constitution. A copy of Alkane's Constitution can be obtained from Alkane's website (https://alkane.com.au/). The following is a summary of the key provisions of the Alkane Constitution. The summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Alkane Shareholders.

General Meetings and Notices	The Alkane Board may call a general meeting and the Alkane Board must call an annual general meeting in accordance with the Corporations Act. Alkane Shareholders are entitled to be present in-person, or by proxy, attorney or (in the case of a body corporate) by representative appointed in accordance with the Corporations Act to attend and vote at general meetings of Alkane. Alkane Shareholders may requisition meetings in accordance with section 249D of the Corporations Act. Subject to the provisions of the Corporations Act relating to special resolutions, special notice and agreements for shorter notice, at least 28 days' notice must be given for an Alkane Shareholders' meeting. The quorum for a meeting of Alkane Shareholders is two Alkane Shareholders. Alkane may hold an Alkane Shareholders' meeting at one or more physical venues, or entirely virtually, using any technology that gives members, as a whole, a reasonable opportunity to participate.
Voting Rights	Subject to any rights or restrictions for the time being attached to any class or classes of Alkane Shares, a general meeting of Alkane Shareholders or classes of Alkane Shareholders: • on a poll, each Alkane Shareholder entitled to vote who has duly lodged a valid direct vote in respect of the relevant resolution, has one vote for each Alkane Share held; • on a poll, every Alkane Shareholder entitled to vote who is present in person or by proxy, attorney or representative has one vote for each Alkane Share held. Subject to the following paragraph, each partly paid share held will have a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Alkane Share; and

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	• unless permitted under the ASX Listing Rules or otherwise provided in the terms on which the Alkane Shares are issued, in calculating the fraction of a vote which the holder of a partly paid share has, Alkane must not count an amount paid in advance of a call or credited on a partly paid share without payment in money or money's worth being made to Alkane. If a call on an Alkane Share is due and unpaid, the holding of that Alkane Share does not entitle the Alkane Shareholder to be present, speak or vote at, or be counted in the quorum for, an Alkane Shareholder meeting.
Proxy	Each Alkane Shareholder may appoint a proxy to attend and act for the member at a meeting of Alkane Shareholders. If the Alkane Shareholder is entitled to cast two or more votes at the meeting, the Alkane Shareholder may appoint two proxies to attend and act for the Alkane Shareholder at a meeting of Alkane Shareholders.
Direct Voting	Despite anything to the contrary in the Alkane Constitution, the Alkane Board may determine that, at any general meeting of Alkane Shareholders, Alkane Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolutions) proposed to be considered at, and specified in the notice convening, a meeting of Alkane Shareholders, by direct vote.
Dividend Rights	The Alkane Board may: • set aside out of profits of Alkane reserves to be applied, in the Alkane Board's discretion, for any purpose it decides and use any sum so set aside in the business of Alkane or invest it in investments selected by the Alkane Board and vary and deal with those investments as it decides; or • carry forward any amount out of profits which the Alkane Board decides not to distribute without transferring that amount to a reserve; or • do both.
Issue of Alkane Shares	Subject to the Alkane Constitution and the Corporations Act, Alkane Shares may be issued or otherwise disposed of at any time that the Alkane Board decides.
Transfer of Shares	Generally, the Alkane Shares are freely transferable, subject to transfer formalities and any escrow requirements; the registration of the transfer not resulting in a contravention of or failure to, observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.
Alteration of Share Capital	Alkane may capitalise profits, reserves or other amounts available for distribution to Alkane Shareholders. The Alkane Board may settle any difficulty that arises in regard to a capitalisation of profits as it thinks appropriate and necessary to adjust the rights of Alkane Shareholders among themselves including: • fix the value of specific assets; • make cash payments to members on the basis of the value fixed for assets or in place of fractional entitlements so as

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	to adjust the rights of Alkane Shareholders between themselves; • disregard fractional entitlements; and • vest cash or specific assets in trustees.
Proportional Takeover Provisions	Alkane must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid until a resolution approving the proportional takeover bid is passed at an Alkane Shareholders meeting.
Shareholder Liability	As Alkane Shares to be issued under the Arrangement Agreement are fully paid ordinary shares in Alkane, they are not subject to any calls for money by the Alkane Board and will therefore not become liable for forfeiture.
Winding Up	If Alkane is wound up, the liquidator may, with the sanction of a special resolution: • divide the assets of Alkane among the Alkane Shareholders in kind; • for that purpose fix the value of assets and decide how the division is to be carried out as between the Alkane Shareholders and different classes of Alkane Shareholders; and • vest assets of Alkane in trustees to be held on trust for the benefit of the Alkane Shareholders as the liquidator thinks appropriate.
Variation of Rights	If Alkane issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled only: • with the written consent of the holders of 75% of the issued Alkane Shares of the affected class; or • by special resolution passed at a separate meeting of the holders of the issued Alkane Shares of the affected class. Subject to the terms of issue of the Alkane Shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.
Directors – Appointment, Retirement and Removal	Not counting alternates, the minimum number of directors is three, and the maximum number of directors is eight. Subject to the Alkane Constitution, the Corporations Act and the number of Alkane directors for the time being fixed under rule 3.1 of the Alkane Constitution not being exceeded, Alkane may appoint a person as director by ordinary resolution passed at a general meeting. Subject to the Alkane Constitution, the Alkane Board may appoint a person to be a director at any time except during a general meeting. Any director so appointed automatically retires at the next annual general meeting and is eligible for election by that general meeting. A director must retire from office at the third annual general meeting after the director was elected or last re-elected.

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	A director may elect to retire and seek re-election at an annual general meeting before the time required, provided at least 35 Business Days (or any other period as the Alkane Board may determine) before the annual general meeting the director has given the Alkane Board notice of their intention to do so. If the director gives such a notice, the director must then retire from office at the relevant annual general meeting. Whether or not a director's appointment was expressed to be for a specified period, Alkane may by ordinary resolution, and subject to the Corporations Act, remove a director from office.
Decisions of Directors	Unless the Alkane Board decides otherwise, the quorum for an Alkane Board meeting is three directors and a quorum must be present for the whole meeting. An alternate director who is also a director or a person who is an alternate for more than one director may only be counted once toward a quorum. A director is treated as present at a meeting held by audio or audio-visual communication if the director is able to hear and be heard by all others attending. If a meeting is held in another way permitted by the Corporations Act, the Alkane Board must resolve the basis on which directors are treated as present. A board resolution must be passed by a majority of the votes cast by directors of Alkane present and entitled to vote on the resolution. In the case of an equality of votes on a board resolution, if the chair of the meeting is not entitled to vote or only two directors are entitled to vote, the matter is decided in the negative and otherwise, the chair has a second or casting vote.
Restricted Securities	The Alkane Constitution complies with ASX Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promotors, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of an Appendix 9A to the ASX Listing Rules. For those with less significant holdings (such as non-related parties and non-promotors) Alkane will issue restricted notices in the form of Appendix 9C to the ASX Listing Rules advising them of the restriction rather than requiring signed restriction agreements. None of the Alkane Shares to be issued pursuant to the Arrangement will be subject to any ASX imposed or voluntary escrow restrictions.
Alternation of Constitution	The Alkane Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by Alkane Shareholders entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Performance Rights

As of the Record Date, there were 11,686,288 Alkane Performance Rights outstanding to acquire the same number of Alkane Shares issued pursuant to the Alkane Plan. Each Alkane Performance Right carries an entitlement to one fully paid Alkane Share, subject to the vesting and exercise of the Alkane Performance Right. Vesting of an Alkane Performance Right is subject to the satisfaction of the relevant vesting conditions during the prescribed performance

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period. Any Alkane Performance Rights that do not vest after the end of the applicable performance period will automatically lapse. No amount is payable by a holder of the existing Alkane Performance Rights upon conversion of the Alkane Performance Rights into Alkane Shares.

The following is a summary of the key provisions of the Alkane Plan. The summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of holders of Alkane Performance Rights. The information reproduced below is qualified in its entirety by the full text of the Alkane Plan, a copy of which is attached to this Appendix J as Exhibit E.

Eligibility	The Alkane Board may from time to time in its absolute discretion decide that an Alkane employee is eligible to participate in the Alkane Plan. In so deciding, the Alkane Board may have regard to: • the Alkane employee's position within the Alkane Group and the services provided to the Alkane Group by the Alkane employee; • the Alkane employee's record and length of employment or service within the Alkane Group; • the Alkane employee's potential contribution to the growth of the Alkane Group; • the Alkane employee's remuneration level; • any other matters which tend to indicate the Alkane employee's merit; and • any other matters which the Alkane Board considers relevant. The Alkane Board may exercise its powers in relation to the participation in the Alkane Plan of any employee on any number of occasions. An eligible employee who applies for and is granted Performance Rights under the Alkane Plan is a 'participant'.
Issue Cap	There is no cap on issues made for no monetary consideration.
Offer	The Alkane Board may from time to time invite an Alkane employee to apply for Alkane Performance Rights. The invitation must specify, or be accompanied by, the following information and documents: • a statement to the effect that the offer is made under Division 1A of Part 7.12 of the Corporations Act; • the date of the offer; • the name of the Alkane employee; • the number of Alkane Performance Rights the Alkane employee is invited to apply for; • for each Alkane Performance Right: o the performance criteria; o the performance period; o any other terms or conditions to which the Alkane Performance Right is subject, or to which any Alkane Shares acquired on vesting

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	of that Alkane Performance Right will be subject (if any); and o the closing date for applying for the Alkane Performance Right; • how the Alkane employee is to apply for the Alkane Performance Right; • a copy of the Alkane Plan; • an undertaking that during the period in which the participant may acquire the Alkane Performance Rights or the Alkane Performance Rights may vest, within a reasonable period of the participant so requesting, Alkane will make available to the participant the market price of Alkane Shares at the date of the participant's request, and an explanation of the way in which Alkane will do so; and • an application form.
Terms of Offer	The terms and conditions of the application to the offer, and any accompanying document, must not include any misleading or deceptive statements, or omit any information that would result in those materials becoming misleading or deceptive. Alkane must provide the participant with an updated offer as soon as practicable after becoming aware that the document was provided has become out of date, or is otherwise not correct, in a material respect.
No Amounts Payable by Participant	An Alkane Performance Right granted to a participant under the Alkane Plan is granted for no consideration. If Alkane Performance Rights vest under the Alkane Plan, no amount is payable by a participant in respect of those Alkane Performance Rights vesting, or the subsequent issue or transfer of Alkane Shares in respect of them.
Transfer of Alkane Performance Rights	An Alkane Performance Right granted under the Alkane Plan is only transferable by force of law upon death to the participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy. Subject to the above, participants must not grant any security interest in or over or otherwise dispose of or deal with any Alkane Performance Rights or any interest in them until the relevant Alkane Shares are issued or transferred to that participant, and any such security interest or disposal or dealing will not be recognized in any manner by Alkane.
Vesting and Exercise	As soon as reasonably practicable after the end of the performance period, the Alkane Board must determine the number of unvested Alkane Performance Rights held by the relevant participant in respect of which the performance criteria were satisfied over the performance period; and provide written notice to the relevant participant of that determination. Upon the Alkane Board giving notice to the relevant participant, the number of Alkane Performance Rights as set out in that notice (if any) will automatically vest.

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	Notwithstanding anything else contained in the Alkane Plan, an Alkane Performance Right can only vest if, at the time of vesting, it has not lapsed or previously vested. If an invitation made under the Alkane Plan provides for the deemed automatic exercise of an Alkane Performance Right, no further action is required from the participant upon vesting of an Alkane Performance Right in order to exercise that Alkane Performance Right; or the manual exercise of a vested Alkane Performance Right, a participant may exercise any vested Alkane Performance Right at any time from the date the Alkane Board notifies the participant until the date on which an Alkane Performance Right lapses, by a signed written notice to the Alkane Board specifying the Alkane Performance Rights being exercised and providing the certificate for those Alkane Performance Rights. Within 10 Business Days after the vesting of Alkane Performance Rights and receipt of the original certificate from the participant, Alkane must cancel the certificate for the Alkane Performance Rights which have vested; and if applicable, issue a new certificate for any remaining Alkane Performance Rights covered by the cancelled certificate. If a takeover bid is made for Alkane Shares, before the end of the performance period, the Alkane Board will make a determination as to how a participant's unvested Alkane Performance Rights will be dealt with, and, in doing so, may determine, in its absolute discretion that a participant's unvested Alkane Performance Rights vest (in whole or in part) and may impose any conditions on such vesting as it thinks fit; and any vested but unexercised Alkane Performance Rights will immediately be deemed to have been exercised.
Lapse	An unvested Alkane Performance Right will lapse upon the earliest to occur of: • the end of the performance period if the performance criteria relating to the Alkane Performance Right have not been satisfied; • the Alkane Performance Right lapsing as a result of a breach of the transfer prohibitions in rule 8 of the Alkane Plan; • the Alkane Performance Right lapsing as a result of the participant ceasing employment in accordance with rules 9.6 and 9.7 of the Alkane Plan • the Alkane Performance Right lapsing as a result of fraudulent or dishonest conduct in accordance with rule 9.8 of the Alkane Plan; • the Alkane Performance Right lapsing as a result of a takeover, compromise or arrangement or acquisition of shares in an acquiring company in accordance with rule 10 of the Alkane Plan; and • the date that is five years after the grant of the Alkane Performance Right.

	A vested, but unexercised, Alkane Performance Right will lapse upon the earliest to occur of those items set out in Alkane Plan.
Vesting of Alkane Performance Rights	Each Alkane Performance Right which has been exercised entitles the participant to one Alkane Share. Unless the Alkane Board has exercised its discretion to make a cash payment to a participant, Alkane must issue or cause to be transferred to the participant or his or her personal representative (as the case may be) the relevant number of Alkane Shares in respect of which the exercised Alkane Performance Rights entitle the participant to receive.Alkane Shares issued or transferred to a participant under the Alkane Plan are subject to the Alkane Constitution and will rank equally in every way (including for dividends for which the record date is after the date of issue or transfer) with other Alkane Shares then on issue.
Alterations to Capital and Reconstructions	Subject to the ASX Listing Rules, if Alkane makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Alkane Board may make adjustments to a participant's Alkane Performance Rights (including, without limitation, to the number of Alkane Shares which may be acquired on vesting of the Alkane Performance Rights) and/or the performance criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions.
Fraudulent or Dishonest Actions	If in the opinion of the Alkane Board, a participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Alkane Group member, then the Alkane Board may determine that any unvested Alkane Performance Rights and vested but unexercised Alkane Performance Rights of the participant automatically lapse.
Amendments to the Alkane Plan	Subject to the following paragraphs, the Alkane Board may at any time by written instrument, amend all or any of the provisions of the Alkane Plan. Any amendment to the provisions of the Alkane Plan must not materially reduce the rights of any participant as they existed before the date of the amendment, unless the amendment is introduced primarily: • for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Alkane Plan or like plans; • to correct any manifest error or mistake; • for the purpose of enabling any Alkane Group member, or the participants generally (but not necessarily each participant), to receive a more favourable taxation treatment in relation to the Alkane Plan; or • to enable the Alkane Plan or any Alkane Group member to comply with the Corporations Act, the ASX Listing Rules, its constitution or relevant instruments of relief granted by the ASIC from time to time.

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	Any amendment made may be given retrospective effect as specified in the written instrument by which the amendment is made.

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

As at the Record Date, Alkane had 605,541,892 Alkane Shares and 11,686,288 Alkane Performance Rights on issue.

The following table sets out the consolidated capitalization of Alkane as at March 31, 2025, prior to giving effect to the Arrangement and after giving effect to the Arrangement. The information as at March 31, 2025, prior to giving effect to the Arrangement is derived from Alkane's consolidated interim financial statements for the three and nine months ended March 31, 2025, which is included as Exhibit B to this Appendix J and should be read in connection with such financial statements and the corresponding management's discussion and analysis included as Exhibit C to this Appendix J.

The information as at March 31, 2025, after giving effect to the Arrangement is derived from the pro forma financial information included as Exhibit A to Appendix K of this Circular. See "Unaudited Pro Forma Financial Information" included as Exhibit A to Appendix K of this Circular.

	Amount Outstanding as at March 31, 2025 (prior to giving effect to the Arrangement)	**Pro Forma Amount Outstanding as at March 31, 2025 (after giving effect to the Arrangement)** [1]
Alkane Shares (No. of Alkane Shares)	605,541,892	1,364,164,259
Performance Rights (No. of Alkane Performance Rights)	11,686,288	11,686,288
Total Equity (A$)	333,332,000	899,509,000[2]
External Borrowings (A$)	60,107,000	70,808,000[3]

Notes:

1. Except as described in the section entitled "*Prior Sales*" in this Appendix J, there have no material changes in Alkane's share and debt capital, on a consolidated basis, since March 31, 2025.
2. Calculated as Alkane equity prior to giving effect to the Arrangement and Mandalay equity of US$256,733 converted into Australian dollars using US$: A$0.6247, being the relevant USD:AUD spot exchange rate at March 31, 2025, with adjustments made per the pro forma financial information set out in Exhibit A to Appendix K.
3. Calculated as Alkane external borrowings prior to giving effect to the Arrangement and Mandalay borrowings of US$ 6,685,000 converted into Australian dollars using US$: A$ exchange rate of 0.6247, being the relevant USD:AUD spot exchange rate at March 31, 2025.

RIGHTS TO ACQUIRE SECURITIES

Performance Rights

As of the Record Date, Alkane had an aggregate of 11,686,288 Alkane Performance Rights outstanding. Details of the outstanding Alkane Performance Rights are as follows:

Position with Alkane	**Amount Outstanding as at the Record Date[1] (ALKPR1)**	**Amount Outstanding as at the Record Date[2] (ALKPR2)**	**Amount Outstanding as at the Record Date[2] (ALKPR3)**	**Amount Outstanding as at the Record Date[3] (ALKPR4)**
Officers	878,640	266,434	945,497	1,728,435
Directors	1,344,171	221,582	1,415,993	2,478,575

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Other employees	282,772	390,943	457,543	884,637
Consultants	0	0	0	0
Other	170,037	48,865	172,164	0
TOTAL:	**2,675,620**	**927,824**	**2,991,197**	**5,091,647**

Notes:

1. Alkane Performance Rights (ALKPR1 Class) are subject to various vesting conditions (which must be satisfied during the performance period commencing September 1, 2022 and ending on August 31, 2025) and expire 5 years after date of grant.

2. Alkane Performance Rights (ALKPR2Class) are subject to various vesting conditions (which must be satisfied during the performance period commencing August 31, 2024 and ending on August 31, 2025) and expire 5 years after date of grant.

3. Alkane Performance Rights (ALKPR3 Class) are subject to various vesting conditions (which must be satisfied during the performance period commencing September 1, 2023 and ending on August 31, 2026) and expire 5 years after date of grant.

4. Alkane Performance Rights (ALKPR4 Class) are subject to various vesting conditions (which must be satisfied during the performance period commencing September 1, 2024 and ending on August 31, 2027) and expire 5 years after date of grant.

Each Alkane Performance Right carries an entitlement to one fully paid Alkane Share, subject to the vesting and exercise of the Alkane Performance Right. Vesting of an Alkane Performance Right is subject to the satisfaction of the relevant vesting conditions during the prescribed performance period. Any Alkane Performance Rights that do not vest after the end of the applicable performance period will automatically lapse. No amount is payable by a holder of the existing Alkane Performance Rights in respect of the Alkane Shares allocated upon vesting.

The Alkane Performance Rights are subject to a service condition, which requires continued employment of the holder for the duration of the performance period, as well as the following performance conditions:

Shareholder Return Comparison	Percentage Vested (%)
TSR is less than Gold Index TSR	0
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

Notes:

1. Alkane's TSR for FY23 and FY24 will be compared to the S&P/ASX All Ordinaries Gold (Sub industry) XGD (Gold Index).

For a full description of the terms and conditions of the Performance Rights, refer to the section entitled "Description of Securities – Performance Rights".

PRIOR SALES

During the 12-month period preceding the date of this Circular, Alkane has issued the following Alkane Shares and securities convertible into or exchangeable into Alkane Shares:

Date of Issuance	Type of Security	Issue Price/Exercise Price/Conversion Price (A$)	Number Issued (#)
September 11, 2024[1]	Alkane Shares	0.40	1,089,283
October 17, 2024[2]	Alkane Shares	0.53	135,150
October 18, 2024[3]	Alkane Shares	0.53	346,035

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December 4, 2024[4]	Alkane Shares	0.421	480,937
December 4, 2024[5]	Alkane Performance Rights	Nil	927,824
December 3, 2024[6]	Alkane Performance Rights	Nil	5,091,647

Notes:
1. Alkane Shares issued on exercise of Alkane Performance Rights for nil cash consideration.
2. Bonus issue of Alkane Shares to employees for nil cash consideration.
3. Bonus issue of Alkane Shares to employees for nil cash consideration.
4. Alkane Shares issued on exercise of Alkane Performance Rights for nil cash consideration.
5. Alkane Performance Rights issued under the Alkane Plan for nil cash consideration.
6. Alkane Performance Rights issued under the Alkane Plan for nil cash consideration.

TRADING PRICE AND VOLUME

The following table sets forth trading information for the Alkane Shares over the past 12 months prior to the date of the Circular, the reported high and low trading prices and the aggregate trading volume of trading of the Alkane Shares on the ASX, listed under the symbol "ALK".

	Price Range		
Month	**High (A$)**	**Low (A$)**	**Aggregate Monthly Trading Volume**
June 2024	0.570	0.495	19,222,406
July 2024	0.555	0.435	35,899,137
August 2024	0.44	0.400	41,878,911
September 2024	0.475	0.385	19,083,990
October 2024	0.610	0.430	36,245,327
November 2024	0.550	0.470	20,247,861
December 2024	0.55	0.480	14,469,060
January 2025	0.590	0.480	25,620,855
February 2025	0.650	0.575	20,931,447
March 2025	0.700	0.5800	22,259,440
April 2025	0.845	0.6105	37,261,445
May 2025	0.815	0.710	43,459,846
June 1 - 23, 2025	0.815	0.700	28,411,777

On June 23, 2025, the closing price of the Alkane Shares on the ASX was A$0.725.

PRINCIPAL SECURITYHOLDERS AND SELLING SECURITYHOLDERS

As at the date of the Circular, the following are substantial Alkane Shareholders (holding more than 10% of the voting rights attached to Alkane Shares):

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Alkane Shareholder	Number of Alkane Shares (#)	Percentage Shareholding in Alkane (%)
Ian Gandel	111,228,277	18.37

To the best of the knowledge of the directors and officers of Alkane, upon completion of the Arrangement there will be no persons or companies who will beneficially own, directly or indirectly, or exercise control or direction over, Alkane Shares carrying more than 10% of the voting rights attached to the Alkane Shares, after giving effect to the Arrangement, other than as set forth below:

Alkane Shareholder	Number of Alkane Shares (#)	Percentage Shareholding in Alkane (%)
CE Mining III MND Limited	181,443,906	13.3
GMT Capital Corp.	139,151,155	10.2

ALKANE DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, country and state or province of residence of the directors and executive officers of Alkane, their present position(s) and offices with Alkane and their respective holdings of Alkane Shares, as applicable, as at the Record Date:

Name, Province or State and Country of Residence	Position(s) with Alkane	Director/Officer Since	Number of Alkane Shares Beneficially Owned or Controlled (#)	Number of Alkane Performance Rights Beneficially Owned or Controlled (#)
Ian Gandel Melbourne, Victoria, Australia	Director, Non-Executive Chairman	July 24, 2006[(1)]	111,228,277	0
Nic Earner Perth, Western Australia, Australia	Managing Director, Chief Executive Officer	September 1, 2017	5,878,658	4,374,287
Ian Chalmers Perth, Western Australia, Australia	Technical Director	June 10, 1986[(2)]	6,132,181	1,086,034
Anthony Lethlean Bendigo, Victoria, Australia	Non-Executive Director	May 30, 2002	820,086	0
Gavin Smith Black Rock, Victoria, Australia	Non-Executive Director	November 29, 2017	331,875	0
James Carter Perth, Western Australia, Australia	Chief Financial Officer	October 1, 2018	734,530	1,665,237
Simon Parsons Henley Beach, South Australia, Australia	Executive General Manager – Operations	October 15, 2015	9,671	1,542,241

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Brendan Ward Perth, Western Australia, Australia	General Manager, Legal and Commercial	September 2, 2013	793,578	611,528
Dennis Wilkins Perth, Western Australia, Australia	Joint Company Secretary	April 1, 2018	0	0
Julia Beckett Perth, Western Australia, Australia	Joint Company Secretary	October 17, 2024	0	0

Notes:

1. Mr. Gandel was appointed as a director on July 24, 2006, and was appointed as Chair of Alkane on September 1, 2017.
2. Mr. Chalmers was appointed as a director on June 10, 1986, was appointed Managing Director on October 5, 2006, and was appointed as Technical Director on September 1, 2017.
3. The members of the Audit Committee are Anthony Lethlean (Chair), Ian Gandel, and Gavin Smith. Refer to the section titled "Audit Committee" for further information regarding Alkane's Audit Committee.
4. The members of the Nomination Committee are Gavin Smith (Chair), Ian Gandel, Ian Chalmers, and Anthony Lethlean. Refer to the section titled *"Corporate Governance – Nomination of Directors"* for further information regarding Alkane's Nomination Committee.
5. The members of the Remuneration Committee are Gavin Smith (Chair), Ian Gandel, and Anthony Lethlean. Refer to the section titled *"Executive Compensation – Compensation Discussion and Analysis – Compensation Governance" for* further information regarding Alkane's Remuneration Committee.
6. The members of the Risk Management Committee are Anthony Lethlean (Chair), Nic Earner, and Gavin Smith. Refer to the section titled *"Corporate Governance – Other Board Committees"* for further information regarding Alkane's Risk Management Committee.

Section 3.6 of Alkane's Constitution requires that an Alkane director (other than a Managing Director) must retire from office at the third annual general meeting after the director was elected or last re-elected but may seek re-election. An election of directors must be held at each annual general meeting. If no election of directors is scheduled to occur at an annual general meeting, then the director (other than the Managing Director) who has held office the longest since last being elected must retire from office at the annual general meeting but may seek re-election.

As at the date of this Circular, Alkane directors and executives as a group beneficially own, directly or indirectly, approximately 125,928,856 Alkane Shares or approximately 20.8% of the outstanding Alkane Shares.

Other Information about the Directors and Officers

Biographical information for each Alkane director and executive officer is set forth below.

- **Ian Gandel – Non-Executive Chair**

  Mr. Gandel is a 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 Chief Executive Officer 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 and South Australia.

  Mr. Gandel has the following qualifications: BEC, LLB, FCPA and MAICD. Mr. Gandel is also a member of CPA Australia and AICD.

  During the past five years, he has also served as a director of the following public listed companies:

  - Alliance Resources Pty Ltd (appointed as a director on October 15, 2003 and in June 2016 was appointed non-executive chair). Alliance Resources Pty Ltd was delisted in July 2022; and
  - Australian Strategic Materials Limited (ASX: ASM) (previously named Australian Zirconia Limited) (appointed as a director in 2014 and in 2017 was appointed non-executive chairman).

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Mr. Gandel's principal occupation for the previous 5 years is mining industry investor via his privately held investment vehicles through which he holds and explores mineral exploration tenements in various states of Australia.

- **Nic Earner – Managing Director & Chief Executive Officer**

  Mr. Earner is a chemical engineer and a graduate of the University of Queensland with 30 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 and the Dubbo project. During Mr. Earner's time as Managing Director, the Dubbo project has been de-merged into the separately listed Australian Strategic Materials Limited (ASX: ASM), Tomingley Gold Operations has had its mine life extension approved by the NSW government, and the Boda-Kaiser Project has gone from discovery to scoping study.

  During the past five years, he has also served as a director of the following public listed companies:

  - Australian Strategic Materials Limited (ASX: ASM) (appointed September 1, 2017 and resigned March 1, 2025); and
  - Genesis Minerals Limited (ASX: GMD) (appointed October 24, 2019 and resigned November 19, 2021).

  Mr. Earner's principal occupation for the previous 5 years is Managing Director of Alkane.

- **Ian Chalmers – Technical Director**

  Mr. Chalmers is an economic 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. During his time as chief executive, he steered Alkane through the discovery, feasibility, construction and development of the now fully operational Tomingley Gold Operations; the discovery and ultimate sale of the McPhillamys gold deposit; the evaluation, recovery flowsheet, marketing and feasibility for the Dubbo project (rare metals and rare earths), advancing the project towards development; and the recent discovery of the gold deposits immediately south of Tomingley and the porphyry gold-copper discovery at Boda.

  Mr. Chalmers has held executive director roles in a number of ASX companies for more than 30 years. Specifically, he held managing director positions for a total of 15 years in ASX listed companies which required formal sign off of annual accounts and day to day management of the companies' accounting activities. He has also managed a number of significant feasibility studies which required a broad understanding of financial analysis procedures.

  Mr. Chalmers principal occupation for the previous 5 years is Technical Director for Alkane.

- **Anthony Lethlean – Non-Executive Director**

  Mr. Lethlean is a geologist and research analyst with over ten years' mining experience, including four years on underground operations in 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.

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Mr. Lethlean has modelled and analyzed hundreds of mining companies and resource projects globally. He has carried out this work for both a mine site operational level and as an Investment Banking analyst in many commodities. In addition to this, over the last 20 years he has been a director on company boards including the Chair of audit committees.

Mr. Lethlean' principal occupation for the previous 5 years has been a director of corporate advisory Rawson Lewis since its incorporation in 2018.

- **Gavin Smith – Non-Executive Director**

Mr. Smith 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 34 years in Australia and Germany and is current chair and president of Robert Bosch Australia.

Mr. Smith holds a BComm., and MBA, and has 30 years experience managing businesses with responsibility for financial management and 8 years board experience as Audit and Risk Committee Chair.

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.

During the past five years, he has also served as a director of the following public listed companies:

  - Australian Strategic Materials Limited (ASX: ASM) (appointed December 12, 2017).

Mr. Smith's principal occupation for the previous 5 years is President of Robert Bosch (Australia) Pty. Ltd.

- **James Carter – Chief Financial Officer**

Mr. Carter is a Certified Practising Accountant as designated by CPA Australia and a Chartered Company Secretary as designated by The Chartered Governance Institute of Australia with over 25 years' international experience in the resources industry. He has held senior finance positions across listed resources companies since 2001.

Mr. Carter's principal occupation for the previous 5 years has been Chief Financial Officer of Alkane.

- **Simon Parsons – Executive General Manager - Operations**

Mr. Parsons is a Mining Engineer (B.Eng) with nearly 35 years experience in the resources industry. Mr. Parson's principal occupation for the previous 4 years has been Executive General Manager of Alkane. In the 6 years prior to that he was employed in various roles at Tomingley Gold Operations.

- **Brendan Ward – General Manager, Legal and Commercial**

Mr. Ward is a commercial and contracts manager with 20 years mining experience. Mr. Ward commenced as Commercial Manager of Alkane in 2013 and has worked for the last 9 years in the role of General Manager, Legal and Commercial overseeing Alkane's contracting and commercial processes for operations and expansion projects.

- **Dennis Wilkins – Joint Company Secretary**

Since 1994, Mr. Wilkins 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. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare

Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited ("**Atlas**") at the time of Atlas' initial public offering in 2006. 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.

- **Julia Beckett – Joint Company Secretary**

  Ms. Beckett is a corporate governance professional with 20 years of experience in public company management specialisation in mining and exploration. She has vast expertise across the ASX Listing Rules and ASIC compliance, including implementation and administration of corporate governance, initial public offerings and secondary raisings and shareholder relations. Ms. Beckett holds a Certificate in Governance Practice and Administration and is an Affiliated Member of the Governance Institute of Australia.

  Ms. Beckett has been a company secretary for a number of listed and unlisted companies for the past 20 years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management, no Alkane director or executive officer is, as of the date of this Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued: (i) while such person was acting in that capacity; or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

To the knowledge of management, no Alkane director, executive officer, or Alkane Shareholder holding a sufficient number of securities to affect materially the control of Alkane is, as of the date of this Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no Alkane director, executive officer, or Alkane Shareholder holding a sufficient number of securities to affect materially the control of Alkane has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of management, no Alkane director, executive officer or Alkane Shareholder holding a sufficient number of securities to affect materially the control of Alkane has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of Alkane's knowledge, there are no existing or potential conflicts of interest among Alkane, its directors, officers, or other members of management of Alkane, except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of Alkane.

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EXECUTIVE COMPENSATION

The following discussion describes the significant elements of Alkane's executive compensation, with particular emphasis on the process for determining compensation payable to Alkane's "named executive officers" or "NEOs".

For purposes of this Circular, "named executive officer" (or "**NEO**") of Alkane means an individual who, at any time during the year, was: (a) Alkane's Chief Executive Officer; (b) Alkane's Chief Financial Officer; (c) each of the three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, at the end of the fiscal period ended June 30, 2024 whose total compensation was more than C$150,000 for that fiscal period; and (d) each individual who would be a NEO under (c) above, but for the fact that the individual was not an executive officer of Alkane, nor acting in a similar capacity, at the end of the fiscal period ended June 30, 2024.

For the financial year ended June 30, 2024, Alkane had the following named executive officers: Nic Earner (Managing Director), James Carter (Chief Financial Officer and Joint Company Secretary), Ian Chalmers (Technical Director), Simon Parsons (Executive General Manager – Operations) and Brendan Ward (General Manager, Legal and Commercial).

Compensation Discussion and Analysis

Overview

The Alkane Board approves the remuneration framework for the NEOs of Alkane following recommendations from Alkane's Remuneration Committee. The Remuneration Committee assesses the performance of Alkane's NEOs and reviews the operation of Alkane's compensation plans, including the appropriateness of key performance indicators and performance hurdles.

In determining the remuneration for NEOs, the Alkane Board and Remuneration Committee aim to balance:

- the desire to attract, retain and motivate executive directors and senior executives;
- the need to ensure that the incentives for executive directors and other senior executives encourage them to pursue the growth and success of the Company (both in the short term and over the longer term) without taking undue risks;
- the need to demonstrate a clear correlation between executive directors and other senior
- executives' performance and remuneration and how it is aligned to the creation of value for shareholders; and
- its commercial interest in not paying excessive remuneration.

Alkane's approach to remuneration aims to ensure that remuneration practices:

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

In line with Alkane's remuneration policy, remuneration levels are reviewed annually by the Remuneration Committee to ensure alignment to the market and Alkane's stated objectives to provide a base level of remuneration which is both appropriate and competitive in the market.

Alkane's remuneration structure for NEOs provides for a combination of fixed and performance-based variable remuneration. In accordance with Alkane's objective to ensure that executive remuneration is aligned to Alkane's performance, a portion of the NEOs' remuneration (being, the short-term incentives and long-term incentives) is placed "at risk" by way of equity-based remuneration.

Compensation Governance

The Alkane Remuneration Committee is a sub-committee of the Alkane Board and is chartered to assist the Alkane Board in fulfilling its responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Alkane Board on:

- the overall remuneration strategy and framework for Alkane;
- 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 of and remuneration of executive directors, other key management personnel and non-executive directors.

The Alkane Remuneration Committee also makes recommendations to the Alkane Board on:

- Alkane's remuneration policy;
- senior executives' remuneration and incentives;
- the remuneration framework for directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- superannuation arrangements for directors, senior executives and other employees;
- termination payments;
- remuneration related reporting requirements, including disclosing a summary of Alkane's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in Alkane's financial statements; and
- whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

As at the date of this Circular, the members of the Alkane Remuneration Committee are Gavin Smith (Chair), Ian Gandel, and Anthony Lethlean. Each of the members of the Alkane Remuneration Committee are independent within the meaning of applicable Canadian securities laws.

Compensation Components

Alkane's remuneration structure for the NEOs provides for a combination of fixed and performance-based variable pay with the following components – fixed remuneration, short-term incentives and long-term incentives.

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Total Fixed Remuneration	The fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for the scope of the NEO's role, the NEO's skills, experience and qualifications and individual performance, and taking into account competitive market compensation paid by other companies in Alkane's industry for similar positions and the overall market demand for such executives at the time of hire. Base salaries are to be reviewed annually or as required.
Short-term incentives ("STI")	All NEOs have the opportunity to earn an annual incentive, or STI, award if predefined targets are achieved. STI is provided to NEOs in the form of rights to Alkane Shares that vest at the end of the 12-month period, provided the predefined targets are met. On vesting, the rights automatically convert into one Alkane Share each. NEOs do not receive any dividends and are not entitled to vote in relation to the rights to Alkane Shares during the vesting period. If an executive ceases to be employed by the Alkane Group within the performance period (the service condition), the rights will be forfeited, except in limited circumstances that are approved by the Alkane Board on a case-by-case basis. See "*Short-Term Incentives – Performance Metrics*" below for additional information concerning short-term incentives.
Long-Term Incentives ("LTI")	NEOs are also eligible to receive LTI in the form of Alkane Performance Rights, under the Alkane Plan to align remuneration with the creation of shareholder value over the long-term. LTI is designed to focus NEOs 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 Alkane Performance Rights. In previous periods, Alkane Performance Rights were granted in two tranches each year. Each tranche of Alkane 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 FY24, LTIs were issued with vesting conditions linked to TSR with a vesting period of three years. The Alkane Performance rights will be provided in the form of rights to Alkane Shares 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 Alkane 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 Alkane Group within this period, the rights will be forfeited, except in limited circumstances that are approved by the Alkane Board on a case-by-case basis. Participation in the Alkane Plan is at the Alkane Board's discretion and no individual has a contractual right to participate in the Alkane 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 Alkane Group's business plans, the stage of development of the Alkane Group's projects and the industry business cycle. The most appropriate target benchmark will be reviewed each year prior to the granting of rights. For a full description of the terms and conditions of the Alkane Plan, refer to the section entitled *"Description of Securities – Performance Rights"* and for a description of the currently outstanding Alkane Performance Rights see *"Rights to Acquire Securities – Performance Rights"*.

Short-Term Incentives – Performance Metrics and Outcomes

The purpose of the short-term incentives issued to NEOs is to recognize and reward annual performance. STI awards for NEOs in FY24 were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Remuneration Committee through a rigorous process to align with Alkane's strategic and business objectives.

Performance Metric	Weighting (%)	Targets	Score (%)
Production performance at Tomingley Gold Operations	20	Threshold: 85% of Budget (52,700 oz) Target: Budget (62,000 oz) Stretch: 115% Budget (71,300 oz)	24

Performance Metric	Weighting (%)	Targets	Score (%)
AISC at Tomingley Gold Operations	20	Threshold: Top Guidance (A$2,100/oz) Target: Mid Guidance (A$1,925/oz) Bottom Guidance (A$1,750/oz)	0
Safety Performance, Environment & Social Licence	25	Alkane Board will assess Alkane's performance taking into account safety, environmental and regulatory performance as well as risk, community and social licence improvement	56
SAR Capital Program	15	Threshold: 115% Budget (A$76.8 million) Target: Budget (A$66.8 million) Stretch: 85% of Budget (A$56.8 million)	94
Exploration Prospect Evaluation across Tomingley Gold Project, NMPP, SJPP, Rockley	5	Threshold: Five evaluated and reported for progress / rejection Target: 10 evaluated and reported for progress / rejection Stretch: 15 evaluated and reported for progress / rejection	100
NMPP Resource Increase	15	Threshold: 4,000,000 ozeq at 0.3g/t(eq) cut-off Target: 5,500,000 ozeq at 0.3g/t(eq) cut-off Stretch: 7,000,000 ozeq at 0.3g/t(eq) cut-off	0

The amount of short-term incentives paid to NEOs for FY24 and the performance against the above-mentioned measures is as follows:

Name	Position	STI Achieved (%)	STI Awarded (A$)[1]	Maximum Potential Award (A$)
Nic Earner	Managing Director	38%	$111,150	$292,500
James Carter	Chief Financial Officer and Joint Company Secretary	38%	$57,247	$150,649
Ian Chalmers	Technical Director	38%	$37,711	$99,240
Simon Parsons	Executive General Manager – Operations	38%	$55,273	$145,454
Brendan Ward	General Manager, Legal and Commercial	38%	$27,285	$71,804
TOTAL			**$288,666**	**$759,647**

Note:

1. Performance is measured based on a combination of key operational segment performance as well as overall Alkane Group performance. The FY24 short-term incentives were paid in December 2024.

Risks Associated with Compensation Policies and Practices

Alkane has a series of governance and operational controls to mitigate risks stemming from its compensation structure, including the establishment of the Remuneration Committee which, among other matters, is responsible for considering the appropriateness of remuneration in light of performance outcomes and market conditions. The Remuneration Committee meets as required and reports to the Alkane Board at least annually.

Derivative Instruments

NEOs and Alkane's directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Alkane Shares that they hold, directly or indirectly.

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Summary Compensation Table

The following table sets out information concerning the compensation paid by Alkane to its NEOs for the financial years ended June 30, 2024, 2023 and 2022:

Name and Principal Position	Year	Salary (A$)	Share-based awards (A$)	Option-based awards (A$)	Non-equity incentive plan compensation (A$)		Pension value[2] (A$)	All other compensation[3] (A$)	Total compensation (A$)
					Annual incentive plans[1] (A$)	Long-term incentive plans (A$)			
Nic Earner, Managing Director	2024	622,602	-	-	50,294	399,521	27,399	43,026	1,142,841
	2023	624,708	-	-	200,058	432,818	25,292	(13,594)	1,269,282
	2022	624,812	-	-	182,916	533,568	25,188	(8,052)	1,358,432
James Carter, Chief Financial Officer and Joint Company Secretary	2024	474,765	1,000	-	25,787	146,800	27,399	17,843	693,594
	2023	453,175	1,000	-	129,428	148,511	27,500	20,529	780,143
	2022	434,500	1,000	-	90,125	143,721	27,500	5,317	702,163
Ian Chalmers, Technical Director	2024	303,401	-	-	17,064	93,842	27,399	27,011	468,717
	2023	305,507	-	-	67,876	105,018	25,292	34,855	538,548
	2022	307,232	-	-	61,882	103,195	23,568	39,981	535,858
Simon Parsons, Executive General Manager – Operations	2024	457,449	1,000	-	12,449	141,671	27,399	80,833	720,301
	2023	436,600	1,000	-	19,313	147,256	27,500	131,510	763,179
	2022	418,000	1,000	-	4,049	120,852	27,500	126,011	697,412
Brendan Ward, General Manager, Legal and Commercial	2024	323,440	1,000	-	12,291	52,355	35,578	49,347	474,011
	2023	311,000	1,000	-	54,633	74,799	29,934	9,023	480,389
	2022	301,714	1,000	-	42,926	52,909	30,000	13,364	441,913

Notes:

1. This amount relates to the short-term incentive cash bonus payable to NEOs. Please refer to the section entitled "*Compensation Discussion and Analysis*" for further information.
2. This amount relates to the contributions made by Alkane to the relevant NEO's superannuation fund.
3. This amount relates to annual and long service leave.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out information concerning all share-based and option-based awards outstanding at the end of the most recently completed financial year for each NEO:

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	Option-based Awards				Share-based Awards		
Name and Principal Position	**Number of securities underlying unexercised options (#)**	**Option exercise price (A$)**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested (A$)**	**Market or payout value of vested share-based awards not paid out or distributed (A$)**
Nic Earner, Managing Director	-	-	-	-	3,060,269	1,532,826	-
James Carter, Chief Financial Officer	-	-	-	-	1,055,932	604,739	-
Ian Chalmers, Technical Director	-	-	-	-	718,819	387,675	-
Simon Parsons, Executive General Manager – Operations	-	-	-	-	1,019,186	583,697	-
Brendan Ward, General Manager, Legal and Commercial	-	-	-	-	377,376	225,912	-

Value Vested or Earned During the Year

The Alkane Performance Rights issued to the NEOs will only vest and be exercisable into Alkane Shares upon the satisfaction of the relevant vesting conditions.

The following table sets forth details of the value vested or earned during the most recently completed financial year ended June 30, 2024 for each incentive plan award. All dollar figures are in Australian dollars.

Name of NEO	**Option-based awards – Value vested during the year**	**Share-based awards – Value vested during the year[(1)] (A$)**	**Non-equity incentive plan compensation – Value earned during the year[(2)]**
Nic Earner	–	229,825	-
James Carter	–	107,993	-
Ian Chalmers	–	77,975	-
Simon Parsons	–	52,134	-
Brendan Ward	-	51,472	-

Notes:

1. This column represents Alkane Performance Rights granted under the Alkane Plan and the aggregate dollar value that would have been realized if the Alkane Performance Rights that vested during the year had been redeemed on the vesting date.
2. This column represents the cash bonuses paid to the NEOs in respect of FY24.

Please refer to the section entitled *"Compensation Discussion and Analysis"* for further information regarding the Alkane Performance Rights issued to the NEOs.

Termination and Change of Control Benefits

Termination Payments

The employment contracts with each of the NEOs provide that:

- Alkane may terminate the employment contract with Nic Earner and James Carter by providing three months prior written notice of termination;
- Alkane may terminate the employment contract with Ian Chalmers by providing six months prior written notice of termination;
- Alkane may terminate the employment contract with Simon Parsons by providing one month prior written notice of termination;
- Alkane may terminate the employment contract with Brendan Ward by providing two months prior written notice of termination;
- Alkane may make a payment in lieu of all or part of the notice period, which will be equal to the amount of fixed remuneration the NEO would have received for the period of notice;
- in the event Alkane terminates the Managing Director's employment without cause, for convenience or upon consolidation, merger or the sale or transfer of substantially all of the assets of Alkane to another corporation in which Alkane is not the surviving entity, Alkane will be required to make a lump sum payment to the Managing Director equal to 12 months base salary in addition to the payment in lieu of the whole notice period referred to above; and
- in relation to the Managing Director's employment contract, in the event 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 will become vested and exercisable (subject to their terms).

Short-term incentives

Refer to the Sections titled "*Executive Compensation – Compensation Discussion and Analysis – Compensation Components*" and "*Short-Term Incentives – Performance Metrics*" for additional information concerning short-term incentives.

Long-term incentives

Refer to the Sections titled "*Executive Compensation – Compensation Discussion and Analysis – Compensation Components*" and "*Rights to Acquire Securities – Performance Rights*" for additional information concerning the long-term incentives.

Estimated Incremental Payments

In the event that Nic Earner (Managing Director and Chief Executive Officer) was terminated without cause on the last business day of the most recently completed financial year, Mr. Earner would have been entitled to an estimated incremental payment of A$2,246,619 (such amount including a potential pro-rata cash payment under Mr. Earner's short-term incentives and Alkane Shares based on potential pro rata vesting of unvested Alkane Performance Rights at that time).

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Director Compensation

Director Compensation Table

The following table sets out information concerning the compensation paid by Alkane to each of the directors of Alkane for the most recently completed financial year:

Name	Fees Earned (A$)	Share-based awards[1] (A$)	Option-based awards (A$)	Non-equity incentive plan compensation (A$)	Pension value[2] (A$)	All other compensation[3] (A$)	Total (A$)
Ian Gandel Non-Executive Chair	172,072	-	-	-	18,928	-	191,000
Nic Earner Managing Director and Chief Executive Officer[4]	-	-	-	-	-	-	-
Ian Chalmers Technical Director[4]	-	-	-	-	-	-	-
Anthony Lethlean Non-Executive Director	103,603	-	-	-	11,397	-	115,000
Gavin Smith Non-Executive Director	122,500	-	-	-	-	-	122,500

Notes:

1. This amount relates to the short-term incentive cash bonus payable to directors. Please refer to the section entitled "*Compensation Discussion and Analysis*" for further information.
2. This amount relates to the contributions made by Alkane to the relevant director's superannuation fund.
3. This amount relates to annual and long service leave.
4. Nic Earner and Ian Chalmers receive no additional compensation for serving on the Alkane Board beyond their compensation for serving as executives. See "Summary Compensation Table" above.

Except for Nic Earner and Ian Chalmers, none of the other directors of Alkane hold Alkane Performance Rights as at the date of this Circular.

AUDIT COMMITTEE

The Alkane Board has established an Audit Committee. The role of the Audit Committee is to review and make recommendations to the Alkane Board in relation to:

- the adequacy of Alkane's corporate reporting processes;
- whether Alkane's financial statements reflect the understanding of the Audit Committee members of, and otherwise provide a true and fair view of, the financial position and performance of Alkane;
- the appropriateness of the accounting judgments or choices exercised by management in preparing Alkane's financial statements;
- the appointment or removal of the external auditor, the rotation of the audit engagement partner, the scope and adequacy of the external audit, the independence and performance of the external auditor and any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;

- Alkane's internal financial control system and, unless expressly addressed by a separate Risk Management Committee or by the Alkane Board itself, oversee Alkane's risk management framework;

- compliance with Alkane's Code of Conduct;

- the operation of Alkane's internal audit function including its composition, the allocation of responsibilities, the scope and adequacy of the internal audit work plan, and the objectivity and performance of the internal audit function; and

- perform such other functions as assigned by law, Alkane's Constitution or the Alkane Board.

As at the date of this Circular, the Audit Committee is composed of Anthony Lethlean (Chair), Gavin Smith, and Ian Gandel. Each member of the Audit Committee is independent and "financially literate" within the meanings set out in NI 52-110.

The disclosure required by Form 52-110F1 of NI 52-110 is included under this heading. The text of Alkane's Audit Committee Charter is attached to this Appendix J as Exhibit A and is accessible on Alkane's website at https://alkane.com.au/.

Relevant Education and Experience

The relevant education and experience of the Alkane Audit Committee members is set out above under the heading "*Other Information about the Directors and Officers*".

External Auditor Service Fees

The aggregate fees billed by Alkane's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees (A$)	Audit Related Fees (A$)	Tax Fees (A$)	All Other Fees (A$)	Total (A$)
June 30, 2024	230,934	-	-	18,003	248,937
June 30, 2023	204,000	-	40,000	-	244,000

CORPORATE GOVERNANCE

The following is a summary of Alkane's corporate governance disclosure required by Form 58-101F1 of NI 58-101. Board of Directors

The Alkane Board comprises five directors, three of whom are independent directors in accordance with NI 58-101. Generally, an independent director means a director who has no direct or indirect material relationship with Alkane. For these purposes, ''material relationship'' means a relationship which could, in the view of the Alkane Board, reasonably interfere with the exercise of a director's independent judgment.

The Alkane Board reviews the independence of all directors on an annual basis and Alkane directors have an ongoing obligation to inform the Alkane Board of any material changes in their circumstances or relationships which may affect the Alkane Board's determination as to their independence. The Alkane Board has determined that Ian Gandel, Anthony Lethlean and Gavin Smith are considered to be independent for the purposes of NI 58-101. Nic Earner and Ian Chalmers are non-independent directors as each is an executive of Alkane. Director independence standards under Canadian Securities Law differ from the ASX Listing Rules and the Corporations Act. See *"Appendix I – Comparison of Relevant Laws"* to the Circular.

Ian Gandel is the Non-Executive Chair of the Alkane Board. The Non-Executive Chair's responsibilities include, among other things: (i) leading the Alkane Board in reviewing and discussing matters; (ii) setting the Alkane Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

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(iii) promoting constructive and respectful relations between directors and between the Alkane Board and management; (iv) facilitating effective contribution by all members of the Alkane Board; and (v) arranging performance evaluations for directors, the Alkane Board as a whole and committees of the Alkane Board.

The independent directors do not hold regular scheduled meetings at which non-independent directors and members of management are not in attendance. However, directors having a conflict of interest in relation to a particular item of business must absent themselves from the Alkane Board meeting before commencement of discussion on the topic, and the independent directors from time to time may hold meetings *in camera* at which non-independent directors and members of management are not in attendance as the need may arise.

The Alkane Board considers that its current composition is appropriate given the current size and stage of development of Alkane and allows for the best utilization of the experience and expertise of its members.

The following table sets out the number of meetings of the Alkane Board held between July 1, 2023 and the date of this Circular, and the number of meetings attended by each director:

Name	Number Entitled to Attend (#)	Number Attended (#)	Percentage Attendance (%)
Ian Gandel	27	27	**100**
Nic Earner	27	27	**100**
Ian Chalmers	27	27	**100**
Anthony Lethlean	27	24	**88.9**
Gavin Smith	27	27	**100**

Board Charter

Alkane has adopted the Alkane Board charter, which sets out the role of the Alkane Board and governs the ongoing operation of the Alkane Board. A copy of the charter of the Alkane Board is attached as Exhibit D to this Appendix J and is also available in the Governance section of Alkane's website at https://alkane.com.au/.

Position Descriptions

The Alkane Board has developed written position descriptions for each of the Alkane directors. As at the date of this Circular, the Alkane Board comprises of:

- Mr. Ian Gandel – Non-Executive Chair;
- Mr. Nic Earner – Managing Director & Chief Executive Officer;
- Mr. Ian Chalmers – Technical Director;
- Mr. Anthony Lethlean – Non-Executive Director; and
- Mr. Gavin Smith – Non-Executive Director.

The position description for Alkane's Non-Executive Chair is detailed in the Alkane Board charter available on Alkane's website at https://alkane.com.au/. The charter for each of the four board sub-committees is also disclosed on Alkane's website.

The Alkane Board and Chief Executive Officer have not developed a written position description for the Chief Executive Officer but have developed a written position description for the position of Managing Director. Mr. Nic

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Earner currently holds the position of Chief Executive Officer and Managing Director and his current responsibilities as Managing Director include:

- day to day running of Alkane under delegated authority from the Alkane Board;
- implementing the strategic objectives, and operating within the risk appetite, set by the Alkane Board;
- report to the Alkane Board in a timely manner on those matters included in Alkane's risk profile, all relevant operational matters and any other matter that is likely to fall within the materiality threshold set out in the Alkane Board charter;
- appointing and, where appropriate, removing senior executives, including the chief financial officer and the company secretary, with the approval of the Alkane Board; and
- evaluating the performance of senior executives.

The position description for Alkane's Managing Director is detailed in the Alkane Board charter available on Alkane's website at https://alkane.com.au/.

The Audit Committee is a sub-committee of the Alkane Board. As at the date of this Circular, the members of the Audit Committee are Anthony Lethlean (Chair), Ian Gandel, and Gavin Smith. Each of the members of the Audit Committee is independent within the meaning of NI 52-110. Refer to the Section titled *"Audit Committee"* for further information regarding Alkane's Audit Committee.

The Nomination Committee is a sub-committee of the Alkane Board. As at the date of this Circular, the members of the Nomination Committee are Gavin Smith (Chair), Ian Gandel, Ian Chalmers, and Anthony Lethlean. Each of the members of the Nomination Committee is independent within the meaning of NI 58-101 other than Mr. Chalmers, who is the Technical Director of Alkane. Refer to the Section titled *"Nomination of Directors"* for further information regarding Alkane's Nomination Committee.

The Remuneration Committee is a sub-committee of the Alkane Board. As at the date of this Circular, the members of the Remuneration Committee are Gavin Smith (Chair), Ian Gandel, and Anthony Lethlean. Each of the members of the Remuneration Committee is independent within the meaning of NI 58-101. Refer to the Section titled *"Compensation Governance"* for further information regarding Alkane's Remuneration Committee.

The Risk Management Committee is a sub-committee of the Alkane Board. As at the date of this Circular, the members of the Risk Management Committee are Anthony Lethlean (Chair), Nic Earner, and Gavin Smith. Each of the members of the Risk Management Committee is independent within the meaning of NI 58-101 other than Mr. Earner, who is the Managing Director and Chief Executive Officer of Alkane. Refer to the Section titled *"Corporate Governance – Other Board Committees"* for further information regarding Alkane's Risk Management Committee.

Orientation and Continuing Education

Alkane has also adopted a skills matrix, which details the mix of skills and diversity that the Alkane Board currently has or is looking to achieve. To ensure that the current Alkane Board provides the skills and experience required by the skills matrix, the Alkane Board will assess each director's skills and experience and the current directors as a group, against the Alkane Board skills matrix from time to time. The Alkane Board and Nomination Committee will take account of the skills matrix and gaps or weaknesses in the skills matrix when applied to existing Alkane directors and when filling any vacancies on the Alkane Board.

Alkane directors participate in induction or orientation programs upon their election or appointment, and any continuing education or training arranged by Alkane from time to time.

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Code of Conduct

The Alkane Board has adopted a set of values which are the foundation for how Alkane conducts itself in all business practices. Alkane's values are set out in the written Code of Conduct and other key governance principles and policies which are approved by the Alkane Board.

The Alkane Group 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 Alkane Group operates.

Alkane's Code of Conduct applies to all directors, officers and employees of the Alkane Group. The Alkane Board will also make advisers, consultants and contractors aware of the Alkane Group's expectations as set out in the Code of Conduct. The Code of Conduct applies to all business activities with suppliers, contractors, customers, shareholders, competitors and employees in Australia and overseas. Alkane's Code of Conduct is available on Alkane's website at https://alkane.com.au/.

Nomination of Directors

Alkane's Nomination Committee has the responsibility of, among other things, examining the selection and appointment practices of Alkane, address Alkane Board succession issues and ensure that the Alkane Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

To ensure that the Alkane Board has the appropriate mix of directors with the necessary skills, expertise, relevant industry experience and diversity, the Nomination Committee:

- regularly reviews the size and composition of the Alkane Board and considers any appropriate changes;
- identifies and assesses necessary and desirable director skills and competencies using a skills matrix and provide advice on the skills and competency levels of directors with a view to enhancing the Alkane Board, including considering what training or development could be undertaken to fill any gaps identified;
- makes recommendations on the appointment and removal of directors;
- makes recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;
- regularly reviews the time required from non-executive directors and whether non-executive directors are meeting that requirement;
- develops and approves the board skills matrix setting out the mix of skills and diversity that the Alkane Board currently has or is looking to achieve in its membership for inclusion in Alkane's corporate governance statement;
- establishes measurable objectives for achieving gender diversity, and annually review those objectives and Alkane's progress towards achieving them;
- reviews Alkane's Diversity Policy at least annually and makes decisions as to any strategies required to address board diversity (see *"Policies Regarding the Representation of Women"*, below); and
- regularly reviews and considers and note at least annually on the relative proportion of women and men at all levels of the Alkane Group.

The Nomination Committee is also responsible for the review and implementation of Alkane's Induction Program for new directors and providing all directors with access to ongoing education relevant to their position in Alkane,

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including education concerning key developments in Alkane and in the industry and environment within which it operates and ongoing education on developments in accounting standards.

Each of the members of the Nomination Committee is independent within the meaning of NI 58-101 other than Mr. Chalmers, who is the Technical Director of Alkane. The Alkane Board encourages an objective nomination process by, among other things, adopting a *Policy and Procedure for Selection and (Re)Appointment of Directors*, which provides clear guidance on the process that the Nomination Committee must undertake in determining candidates for the Alkane Board. Alkane's *Policy and Procedure for Selection and (Re)Appointment of Directors* is available on its website at https://alkane.com.au/.

Compensation

One of the functions of the Alkane Remuneration Committee is to make recommendations to the Alkane Board on the remuneration of executive directors, other key management personnel and non-executive directors. The Alkane Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Non-Executive Directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing directors and executives.

Each of the members of the Remuneration Committee is independent. Refer to the Section titled "*Executive Compensation – Compensation Discussion and Analysis – Compensation Governance"* for further information regarding the Alkane Remuneration and Nomination Committee.

Other Board Committees

In addition to the Audit Committee, the Remuneration Committee, and the Nomination Committee, Alkane has also established the Risk Management Committee, which oversees Alkane's risk management framework and is also responsible for managing the process of identification and assessment of any material risks that may impact Alkane and ensuring that a regular program of audit is undertaken to test the adequacy of, and compliance with, prescribed policies and procedures.

The role of the Risk Management Committee is to review and make recommendations to the Alkane Board in relation to:

- the adequacy of Alkane's processes for managing risk;
- the policies and procedure that have been established and implemented to identify, assess, monitor and manage material business risks;
- any incident involving fraud or other break down of Alkane's internal controls;
- Alkane's insurance program, having regard to Alkane's business and the insurable risks associated with its business; and
- perform such other functions as assigned by law, Alkane's Constitution or the Alkane Board.

The Risk Management Committee is chaired by non-executive director Anthony Lethlean and includes Nic Earner and Gavin Smith as committee members. A copy of Alkane's Risk Management Committee Charter is available on Alkane's website at https://alkane.com.au/.

Assessments

Alkane has adopted a *Process for Performance Evaluations*. Performance evaluation of the Alkane Board, committees and individual directors is carried out by means of ongoing review by the Chair of the Alkane Board with reference to the composition of the Alkane Board and its suitability to carry out Alkane's objectives. The Chair may carry out the review by various means including, but not limited to:

- meeting with and interviewing each Alkane Board member;
- consultation with the Nomination Committee;
- circulation of internal tools of review tools such as formal questionnaires and reports; and
- outsourcing to independent specialist consultants.

The Chair reports back to the Alkane Board in regard to this review at least annually.

The Nomination Committee is responsible for the evaluation of the Managing Director. In addition to the process for general evaluation as outlined above, further evaluation may be carried out on an ongoing basis through open and regular communication between Alkane Board members and the Managing Director, to identify and meet key performance indicators, to provide feedback and to provide guidance and support where any issues may become evident.

It is the responsibility of the Managing Director to manage and implement performance evaluation of other senior executives and management, reporting to the Alkane Board and the Remuneration Committee at least annually. Given the location and relatively small size of the corporate management office, the Managing Director is able to conduct informal evaluation of the management team with regular communications and periodic face to face meetings. Open and regular communication with the executive leadership team and with non-executive senior personnel allows the Managing Director to ensure that key performance indicators are identified and met, and provide feedback and guidance particularly where performance or mismanagement issues are evident. Approximately annually individual performance may be more formally assessed in conjunction with a remuneration review.

Director Term Limits and Other Mechanisms of Board Renewal

The Alkane Board recognizes that board renewal is critical to performance and the impact of board tenure on succession planning. Re-appointment of directors is not automatic. Alkane must hold an election of directors each year. Pursuant to Alkane's Constitution and ASX Listing Rules, each director of Alkane, excluding the Managing Director, must retire from office at the end of the third annual general meeting following that director's last appointment, and may seek re-election to the Alkane Board. A director appointed to fill a casual vacancy or as an addition to the Alkane Board must not hold office (without re-election) past the next annual general meeting.

Alkane has guidelines for the appointment and selection of the Alkane Board in its *Policy and Procedure for Selection and (Re)Appointment of Directors*. The Alkane Board ensures appropriate checks are undertaken before appointing a person or putting forward to Alkane Shareholders a candidate for election, as a director. These checks take place prior to putting forward a director to Alkane Shareholders for election at a meeting of shareholders at which directors are to be elected. All material information relevant to a decision on whether or not to elect or re-elect a director (including biographical details, qualifications, the candidate's independence and a statement from the Alkane Board as to whether it supports the candidate's election or re-election) is provided to Alkane Shareholders in the notice of meeting containing the resolution to elect or re-elect the Alkane director.

Policies Regarding the Representation of Women

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. Alkane values the unique contributions made by people from all backgrounds, experiences and perspectives.

Alkane's commitments are outlined in its Diversity Policy, which addresses equal opportunities in the hiring, training, flexible working practices and career advancement of directors, officers and employees. Alkane recognizes the particular importance of attracting women to join the company and the mining industry more generally.

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

- By June 30, 2027, at least 30% of directors on the Alkane Board will be female.
- By June 30, 2027, women will represent greater than 18% at all levels of the organization. To arrive at this figure, Alkane 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 victimization. The Diversity Policy is available in the Governance section on Alkane's website at https://alkane.com.au/.

RISK FACTORS

You should carefully consider all of the information set out in this Circular, including the risks and uncertainties described below in respect of Alkane's business and the mining industry generally. The risks described below are not the only risks facing Alkane. You should consider the fact that our principal operations are conducted in Australia and are governed by legal and regulatory environments that, in some respects, differ from those that prevail in other countries. Alkane's business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price of Alkane Shares issuable pursuant to the Arrangement could decline due to any of these risks.

The following section provides a description of the risks associated with the business and operations of Alkane. A number of these risks are inherent to the exploration, development and mining of natural resources and represent similar risks to which Mandalay Shareholders are already exposed. However, the nature of Alkane's business will differ from that of Mandalay and Mandalay Shareholders may be subject to new or additional risks following implementation of the Arrangement.

The risks presented in this section are not an exhaustive list of all risks and risk factors related to Alkane. Additional risks and uncertainties not presently known to Alkane, or not expressed or implied below, or that are presently deemed immaterial, may also have an adverse impact on Alkane's business. The risk factors may also change over time.

This section does not take into account the investment objectives, financial situation, position or particular needs of Alkane Shareholders. Each Alkane Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

General risks relating to Alkane

Fluctuations in gold price and currency risk

The profitability of Alkane is primarily dependent on the Australian dollar price of gold bullion. Volatility in the Australian dollar gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained despite a potential fall in the US spot gold price. If the US spot gold price falls below Alkane's future production costs and remains at that level for a sustained period; or the AUD: USD exchange rate increases significantly and remains at that level for a sustained period, it may not be economically feasible for Alkane to continue production. Additionally, Alkane relies on revenues from sales of gold bullion produced from the Tomingley Gold Operation, amongst other sources, to fund various exploration and development activities at its other projects and tenements. It may thus also not be economically feasible for Alkane to continue such activities in such circumstances, and Alkane may require other sources of funding to continue such activities. The various factors affecting the prevailing gold price are beyond the control of Alkane. These factors include, but are not limited to, the strength of the US dollar (which is the currency in which gold trades internationally), speculative positions taken by investors or traders in gold, changes in global demand for gold (as an investment and/or for other

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uses), global and regional recessions or reduced economic activity and/or inflationary expectations, financial market expectations regarding the rate of inflation, gold hedging and de-hedging by gold producers, decisions made by central banks and multilateral organizations to purchase, hold or sell portions of their gold reserves, changes in production costs in major gold producing regions and domestic or international political or geopolitical events, unrest or hostilities. Historically, the gold price has fluctuated widely.

Some possible adverse consequences of a future decline in the gold price include, but are not limited to, Alkane's operations becoming uneconomic as projected future revenues no longer justify the costs of operation or development; a decline in the revenues of Alkane to a point at which its operations are deemed uneconomic, which may result in Alkane ceasing production; the value of the Alkane's assets declining, causing Alkane to write down asset values (thereby incurring losses); and restatement of Alkane's Mineral Resources and Mineral Reserves for gold. All of these circumstances could have an adverse impact on Alkane's operations, business and financial performance.

A declining gold price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement and timing of new open pits or open pit cutbacks, expansion of underground mines, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on Alkane's results of operations and financial condition.

No assurance can be given as to the prices Alkane will achieve for its production. Changes in commodity prices, including prices for gold and other commodities, and associated pricing for impurities and treatment charges, may have a positive or negative effect on Alkane's financial performance. The risks associated with such fluctuations and volatility may be reduced by any commodity price hedging Alkane may undertake, however commodity price hedging arrangements come with inherent risks (some of which are summarized further below).

Inherent risks in relation to mining operations

Mining operations generally involve a high degree of inherent risk. Similar to Mandalay, Alkane's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including: unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins or slides, flooding, pit wall failure, periodic interruption due to inclement or hazardous weather conditions, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other production facilities, personal injury or death, damage to property, environmental damage and possible legal liability.

Mining operations are subject to hazards such as fire, flooding, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. Mining operations can also suffer from poor design or poor reliability of equipment, and adverse impacts to supply chain and transport of plant equipment and the workforce to and from site. The occurrence of any of these events could result in a prolonged interruption of operations, affect the profitability of Alkane's operations, lead to a loss of licences, damage community relations and affect Alkane's reputation.

Some of Alkane's operations are located in remote areas and are affected by severe climate and weather events, resulting in technical challenges for conducting both geological exploration and mining operations. Although Alkane will benefit from modern mining technology, Alkane may be unable to overcome problems related to weather, climate or general remoteness, either expeditiously or at a commercially reasonable cost, which could have an adverse impact on Alkane's business, operations and financial performance.

Operating risks

The ability of Alkane to achieve production targets or to meet operating and capital expenditure estimates cannot be assured. These uncertainties are more pronounced over a longer period.

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Alkane's assets and mining operations are subject to uncertainty with respect to (among other things): tonnage, grade, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power supply, availability of water, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, cyclones, storms, floods, bushfires or other natural disasters, or outbreaks, continuations or escalations of disease (including pandemics).

Costs of production may be affected by a variety of factors, including changing stripping ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates.

Alkane's revenue could also be adversely impacted by increased prices for energy, reagents and other supply chain commodities, increased cost of labour, and other input costs.

Many of these risks are unpredictable and outside the control of Alkane. If faced by Alkane, these circumstances could result in Alkane not realizing its operational or development plans, or such plans costing more than expected, or taking longer to realize than expected. Alkane will endeavour to take appropriate actions to mitigate these operational risks (including by materially adhering to legislative requirements, properly documenting arrangements with counterparties, and adopting appropriate industry practice, policies and procedures) or to insure against them, but the occurrence of any one or combination of these events could have an adverse effect on Alkane's financial and operational performance.

Replacement of Mineral Reserves and exploration activity

Alkane will need to continually replace Mineral Reserves depleted by production to maintain production levels over the long term for ongoing stability of Alkane's operations and financial performance. Mineral Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of Mineral Reserves will not be offset sufficiently by discoveries or acquisitions, or that divestitures of assets will lead to a lower Mineral Reserve base. The Mineral Reserve base of Alkane may decline if Mineral Reserves are mined without adequate replacement and Alkane's operations may not be able to sustain production beyond the current mine lives, based on current production rates.

Exploration activities are highly speculative by nature, involve many risks and may be unsuccessful. There is no assurance that current or future exploration programs will be successful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional mines being developed. If a discovery is made, it may, in some cases, take up to a decade or longer from the initial phases of exploration drilling until mining is permitted and production is possible. Whether a mineral deposit is commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, commodity prices, government regulation, obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities, land tenure, land use, and environmental protection. There is no certainty that the expenditures made by Alkane towards the search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of ore.

Accordingly, if the exploration activities undertaken by Alkane do not result in additional Mineral Reserves or identified Mineral Resources cannot be converted into Mineral Reserves, there may be an adverse effect on Alkane's operational and financial performance.

Estimation risk in Mineral Resources and Mineral Reserves

The estimation of Mineral Resources and Mineral Reserves are expressions of judgement based on industry practice, experience and knowledge, and are estimates only. Estimates of Mineral Resources and Mineral Reserves are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Mineral Resources and Mineral Reserves are accurate or that the indicated level of gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques.

Estimates that are valid when made may change significantly when new information becomes available. Actual mineralization or geological conditions may be different from those predicted. No assurance can be given that any or all of Alkane's Mineral Resources constitute or will be converted into Mineral Reserves. Actual Mineral Resources and Mineral Reserves may differ from those estimated, which could have an adverse effect on Alkane's operations, financial performance and financial position.

Various factors, such as commodity price fluctuations as well as increased production costs, may render a part of Alkane's Mineral Reserves unprofitable to develop at a particular site or sites for periods of time or may render such Mineral Reserves containing relatively lower grade mineralization uneconomic. Estimated Mineral Reserves may have to be recalculated based on actual production experience. Any of these factors may require Alkane to reduce its Mineral Resources and Mineral Reserves, which could have a negative impact on Alkane's operations, financial performance and financial position.

Development risk

For development projects, estimates of Mineral Resources, Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of mineralized material to be extracted and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

The information provided in this Circular in relation to Alkane's projects are current estimates of Mineral Resources and Mineral Reserves and capital and operating costs, as determined from geological data obtained from drill holes and other exploration techniques, technical studies conducted to date and from historical and current operations. These matters may change over time, which could have an adverse impact on Alkane's operations, financial performance and financial position.

Debt and equity funding (including shareholder dilution)

Alkane's continued ability to operate its business and effectively implement its business plan over time will depend, in addition to its ability to generate revenues and net income, on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. It is difficult to estimate the level of funding that may be required for Alkane's operations and whether Alkane's net income will be sufficient. No assurance can be given that, if, as and when needed, any such additional financing will be available or that, if available, it will be available on terms acceptable to Alkane or Alkane Shareholders.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to Alkane Shareholders and such securities may, subject to requisite Alkane Shareholder approval, have rights, preferences or privileges senior to those currently holding Alkane Shares. While Alkane will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12-month period (other than where exceptions apply), Alkane Shareholders at the time may be diluted as a result of such issues of Alkane Shares and capital raisings.

Alkane has existing debt facilities. In the future, Alkane may need to renegotiate or refinance the terms of its debt facilities or may seek further facilities or replacement facilities with alternative financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer finance may vary from time to time depending on macro-economic conditions, the performance of Alkane and an assessment of the risks and intended use of funds. If Alkane elects to pursue additional debt finance on terms acceptable to Alkane, such debt finance arrangements may involve restrictions on financing and operating activities.

If sufficient funds are not available from either debt or equity markets to satisfy Alkane's short, medium or long-term capital requirements, when required, this may adversely impact Alkane's operations, financial performance and financial position.

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Dependence on licences and permits

Alkane's projects generally require governmental licences, permits, authorizations, concessions and other approvals in connection with their activities ("**Operating Authorizations**"). Obtaining and complying with the necessary Operating Authorizations or governmental regulations can be complex, costly and time consuming and is not assured. The duration, cost and success of applications for Operating Authorizations are contingent on many factors, including those outside the control of Alkane. Delay in obtaining or renewing, or failure to obtain or renew, a material and necessary permit could mean that Alkane may be delayed or, in a worst-case scenario, unable to proceed with the development or continued operation of a mine or project. The Operating Authorizations required for Alkane's projects or operations may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of Alkane to conduct its mining activities, which in turn may impact Alkane's operations, financial performance and financial position. See *"Mineral Projects"*.

Payment and expenditure obligations risks

Pursuant to the licences comprising Alkane's mineral properties, Alkane is subject to payment and expenditure obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenements subject to forfeiture or result in the tenement holders being liable for penalties or fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of Alkane's interest in the properties.

Future approvals risk

Alkane has all necessary approvals to conduct its current operations. Prior to the commencement of any future operations, Alkane may require additional approvals and permits relating to any necessary regulatory, social and community, and environmental matters. There is no assurance that such approvals will be received or that the conditions within the approvals will not be overly onerous.

Land access risk

Consistent land access is critical to the operations of Alkane. Immediate and continuing access to land within Alkane's licence and permit areas cannot in all cases be guaranteed as Alkane may be required to obtain or renew the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers by Alkane in order for Alkane to carry out its operations. Various aspects of Alkane's future performance and profitability are dependent on the outcome of future negotiations with third parties. In addition to the outcome of negotiations on land access arrangements, future negotiation with the government is expected in respect of licence renewals, developing related infrastructure and work obligations and security for rehabilitation of areas of operation within Alkane's licences and permits. Potential claims by community members and stakeholders, who may have concerns over the social or environmental impacts of Alkane's operations, have the potential to cause community unrest and activism, which may diminish Alkane's reputation. See *"Mineral Projects"*.

Native title and first nations

In the jurisdictions in which Alkane operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands, accordingly, title holders of mining concessions in such jurisdictions must agree with surface landowners on compensation in respect of mining activities conducted on such land. The *Native Title Act 1993* (Cth) recognizes certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of Alkane to carry out exploration or obtain production tenements.

Alkane must observe the provisions of native title legislation (where applicable) and aboriginal heritage legislation which protects aboriginal sites and objects of significance. In certain circumstances the consent of registered native title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by native title claimants on such consent may be on terms unacceptable to Alkane. If any

known, or currently undiscovered, aboriginal heritage sites are present on the tenements of Alkane there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. The failure to obtain the approval of the relevant minister to impact the Aboriginal Heritage sites can result in offences being committed and significant fines or orders to stop work being made.

No assurance of titles

It is possible that any of Alkane's properties may be subject to unregistered agreements or transfers or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of Alkane's properties, which, if successful, could impair development and/or operations or limit Alkane's ability to enforce its rights with respect to its properties.

Environmental risk

The operations and activities of Alkane are subject to the environmental laws and regulations of Australia and any other places in which it may conduct business in the future. As with all mining operations and exploration projects, Alkane's operations and activities are expected to have an impact on the environment. Alkane currently intends to conduct its operations and activities to high standards of environmental obligation, including compliance with all environmental laws and regulations. Nevertheless, significant liability could be imposed on Alkane for damages, clean-up costs or penalties in the event of any non-compliance with environmental laws or regulations. This could have an adverse impact on Alkane's business, operations and financial performance.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of waste, the effects of mining on the water table and groundwater quality. Changes in environmental legislation could increase the cost of Alkane's exploration, development and mining activities or delay or preclude those activities altogether.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact Alkane's costs and operational efficiency. These impacts could adversely impact Alkane's operations, financial performance and financial position.

Alkane cannot predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Alkane's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Alkane to incur significant expenses and undertake significant investments which could have material adverse effect on Alkane's business, financial condition and performance.

Closure and rehabilitation risk

At the completion of any existing or future mining operations, Alkane will be required to rehabilitate or otherwise close those operations in accordance with its approved plans and applicable laws and regulations. No assurance can be given that the cost, or time taken, to rehabilitate or otherwise close any mining operation will not exceed any estimates or provisions made by Alkane (or any existing estimates made by Alkane) in respect of such rehabilitation or closure. The ultimate cost of rehabilitation and/or closure of mining operations is uncertain and can vary as a result of many factors, including but not limited to changes in applicable laws and regulations or the emergence of new restoration techniques.

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Labour costs and availability

The safe and efficient operation of Alkane's business partially depends on its ability to retain and attract skilled labour. Mining projects are often in remote locations and employees often work based on a fly-in, fly-out or drive-in, drive-out schedule. As a result, there can be shortages of labour that make it challenging to recruit and retain employees. Tightening of the labour market due to a shortage of skilled labour, combined with a high industry turnover rate and growing competition for skilled labour, may impact upon Alkane's ability to hire and retain employees and may lead to exposure to increased labour costs where the demand for labour is strong. A shortage of skilled labour could limit growth prospects, lead to a decline in productivity and an increase in training costs, could adversely affect safety performance and materially adversely impact revenues and, if costs increase or productivity declines, operating margins.

Any disputes with employees (through personal injuries, industrial matters or otherwise), change in labour regulations or laws in the jurisdictions in which Alkane operates, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact Alkane's business, operations and financial performance. There may also be political, community or reputational risks associated with labour issues.

Key personnel and labour market risk

Alkane will be dependent on the experience, skills and knowledge of its key personnel to successfully manage its business. The loss of any of Alkane's key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause a significant disruption to Alkane and adversely impact Alkane's operations, financial performance and financial position.

Management of growth

There is a risk that management of Alkane will not be able to implement Alkane's growth strategy. The capacity of management to properly implement and manage the strategic direction of Alkane may affect Alkane's financial performance. See *"Risk Factors Relating to the Arrangement – Alkane and Mandalay may not integrate successfully"* in the Circular.

Specialized skill and knowledge

Various aspects of the Alkane's business require specialized skills and knowledge. Such skills and knowledge include the areas of engineering, processing, drilling, permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. Alkane's management team and the Alkane Board provide much of the specialized skill and knowledge. Alkane may also retain outside consultants as additional specialized skills and knowledge are required. However, it is possible that Alkane may experience delays and increased costs in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

Occupational health and safety

Alkane's operations are subject to a variety of industry specific health and safety laws and regulations which are formulated to improve and to protect the safety and health of employees.

Mining and mining-related operations and activities can potentially be hazardous. Workplace incidents may occur for various reasons, including as a result of non-compliance with occupational health and safety laws and regulations in NSW and Western Australia. Whilst Alkane will seek to implement appropriate practice systems and procedures in respect of occupational health and safety, Alkane may be liable for workplace incidents including industrial accidents, workplace incidents, and any fatalities that occur to Alkane's employees or other persons under such applicable occupational health and safety laws. If Alkane is liable under such laws, in whole or part, Alkane may be liable for significant penalties, which may adversely impact Alkane's operations, financial performance and financial position, as well as negatively affecting Alkane's reputation. Such workplace incidents may not be covered, or may be

inadequately covered, by Alkane's insurance policies. Additionally, any accidents or injuries that occur at any of Alkane's operations could result in delays or stoppages to operations and activities.

Any changes to the occupational health and safety laws and regulations in the jurisdictions in which Alkane operates may result in increased costs of, or uncertainties in relation to, compliance with such laws and regulations.

Key contractors

Alkane may continue to use external contractors or service providers for many of its activities in Australia, and as such, the failure of any current or proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business and operations of Alkane. Alkane cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that Alkane would be successful in enforcing any of its contractual rights through legal action or that any legal remedies obtained will place Alkane in a similar position to that which it would have been in had the relevant parties performed their obligations in accordance with their contractual obligations. Further, any insolvency or managerial failure by any such contractors or other service providers may adversely impact Alkane's business, operations and financial performance. Further, certain contracts to which Alkane is a party may require renewal from time to time. Whilst Alkane has no reason to anticipate any difficulties obtaining such renewals, no assurance can be given that these such contracts will be renewed on terms that are as favourable to Alkane as the existing terms. Delays in obtaining any required renewals of contracts or obtaining renewals on terms that are unfavourable or detrimental to Alkane, may adversely impact Alkane's business, operations and financial performance.

Economic conditions

The operating and financial performance of Alkane is influenced by a variety of general economic and business conditions, including levels of consumer spending, gold prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, pandemics or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Alkane's operating and financial performance and financial position. Alkane's future revenues and share prices can be affected by these factors, which are beyond Alkane's control.

Exchange rate fluctuations

The Alkane Shares are quoted in Australian dollars and are listed on the ASX. An investment in Alkane Shares by an investor in a jurisdiction, in which the principal currency is not Australian dollars, exposes the investor to foreign currency rate risks. Any depreciation of the Australian dollar may reduce the value of the investment of the investor in terms of their local currency.

Share market conditions

The price at which Alkane Shares are quoted on the ASX or TSX may increase or decrease due to a number of factors.

These factors may cause the Alkane Shares to trade at prices below the Alkane Share price at the date of announcement of the Arrangement. There is no assurance that the price of the Alkane Shares will increase following implementation of the Arrangement, even if Alkane's earnings increase. Some of the factors which may adversely impact the price of the Alkane Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Alkane operates and general operational and business risks. There is also no assurance that there will always be an active market for Alkane Shares.

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No certainty that Alkane will pay dividends

Alkane has not paid any dividends on the Alkane Shares to date. Any future determination as to the payment of dividends by Alkane will be at the discretion of the Alkane Board and will depend on the financial condition of Alkane, future capital requirements and general business and other factors considered relevant to the Alkane Board. No assurance in relation to future payment of dividends can be given by Alkane. Refer to the Section titled "*Dividends or Distributions*" for further information.

Regulatory risk

The operations of Alkane are subject to various Australian federal, state and local laws and regulations. The laws include those relating to mining, prospecting, development permit and licensing requirements, industrial relations, environment, land use, water, royalties, native title and cultural heritage, mine safety and occupational health. These laws and regulations (and the interpretation of such laws and regulations) are subject to change and there is the potential for significant penalties to be levelled on Alkane for failure to comply with such laws and regulations and/or failure to take satisfactory corrective action for any failure to comply. This may have an adverse impact on Alkane's business, operations and financial performance.

Renewals of existing approvals, licences and permits, or the granting of new approvals, licences and permits required for Alkane's ongoing activities, is subject to the discretion of authorities including governments and regulatory agencies and, in some cases, local communities. No assurance can be given that Alkane will be successful in obtaining extensions and/or grants of required approvals, licences and permits, including in a timely manner or subject to economically viable terms and conditions. Additionally, the occurrence of unforeseen circumstances or events may impact Alkane's ability to maintain compliance with the conditions of existing approvals, licences and permits. The failure of Alkane to comply with the conditions of existing approvals, licences and permits may adversely impact Alkane's business, operations and financial performance.

Alkane may be subject to legal challenges on the validity of any approvals, licences and permits. Any of the circumstances described above may have a material adverse impact on Alkane's business, operations and financial performance, including in situations where Alkane is curtailed or prohibited from continuing or proceeding with its operations and activities as a result of a failure to obtain, renew or maintain required approvals, licences and permits.

Changes in taxation rules and royalties or their interpretation

Any change to the current rate of income tax or mineral royalties in jurisdictions where Alkane does or may operate may impact on the profitability and performance of Alkane. Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted may impact Alkane's tax liabilities or the tax treatment of an investment in Alkane. In particular, both the level and basis of taxation may change.

In addition, an investment in shares in Alkane involves tax considerations which may differ for each individual shareholder. Each Mandalay Shareholder is encouraged to seek professional tax advice in connection with the Arrangement and how they may be individually impacted.

Risk of adverse publicity

Alkane's activities will involve mineral exploration and mining and regulatory approval of its activities may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, Alkane's activities. The nature of Alkane's business attracts a high level of public and media interest and, in the event of any resultant adverse publicity, Alkane's reputation may be harmed.

Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that lack merit. Due to the inherent uncertainty of litigation, the litigation process could take away from management time and effort and the resolution

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of any particular legal proceeding to which Alkane is or may become subject could have a material effect on Alkane's financial position, results of operations or project development activities.

Investigations

Alkane may be subject to legal and regulatory investigations, reviews and other compliance queries from regulators and enforcement bodies from time to time. If adverse findings are made by a regulatory or enforcement body as a result of an investigation or review, there may be reputational consequences for Alkane, a risk of civil and criminal penalties, statutory or regulatory sanctions, a requirement to pay compensation and/or infringement notices or fines. Further, Alkane may be subject to recommendations and directions to enhance its control framework, governance and systems. Any material investigation or adverse finding resulting from those investigations involving Alkane could have a material adverse impact on the operations, financial performance and financial position of Alkane.

Acquisition and divestment risk

From time to time, Alkane may evaluate opportunities for acquisition and divestment of assets and participate in discussions with third parties on a confidential basis. Neither these opportunities nor negotiations will be disclosed publicly until such time as the prospects of effecting a transaction are sufficiently certain and the materiality of any proposed transaction has been determined. The execution and implementation of any proposed transaction may impact Alkane's operations, business and financial performance, and lead to a change in Alkane's future capital, operating expenditure and funding requirements. However, no assurance is given that any such transaction will emerge or be consummated.

Insurance risk

Alkane will maintain insurance coverage to protect against certain risks with such scope of coverage and in such amounts as determined appropriate by the Alkane Board and management in the circumstances or to the extent commercially available. However, the insurance policies may not be sufficient to cover all of the potential risks associated with Alkane's operations. No assurance can be given that Alkane will be able to obtain or maintain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms, or that any insurance cover or policy will ultimately respond to a claim made. Losses, liabilities and delays arising from uninsured or underinsured events could have a material adverse impact on the operations, financial performance and financial position of Alkane.

Force majeure events

Events may occur within or outside Australia that could impact upon the Australian economy, Alkane's operations and the price of Alkane Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (including pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for Alkane's products and its ability to operate its assets or may otherwise adversely impact Alkane's operations, financial performance and financial position. Alkane only has a limited ability to insure against some of these risks.

Geopolitical risks

Alkane may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect Alkane cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond Alkane's

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control and may adversely affect its business. The possibility that future governments may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out.

Health epidemics and outbreaks of communicable diseases

Alkane's business could be adversely impacted by the effects of the outbreak of an epidemic and/or other outbreaks of communicable diseases or health crises, which could significantly disrupt Alkane's exploration and development activities and may have a material adverse effect on Alkane's business and financial condition. Moreover, a global or regional health crisis could have a material adverse effect on the regional economies in which Alkane operates, negatively impact stock markets, including the trading price of Alkane Shares, adversely impact Alkane's ability to raise capital, cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive, adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for base and precious metals and Alkane's future prospects and result in any operations affected by becoming subject to quarantine, lockdowns, travel restrictions or stay-at-home orders. Any of these developments and others could have a material adverse effect on Alkane's business and results of operations. There can also be no assurance that Alkane's personnel will not be impacted by these pandemic diseases and ultimately see all or a portion of its operations suspended, workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks.

Climate change

The physical and non-physical impacts of climate change may affect Alkane's assets, its productivity, the markets in which it sells its products, and the communities in which Alkane operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact Alkane's costs and operational efficiency.

Alkane may be adversely impacted by the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation, as well as changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further adversely impact Alkane and its business, operations and financial performance. While Alkane intends to manage these risks and limit any consequential impacts, there can be no guarantee that Alkane will not be adversely impacted by these occurrences.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Alkane is not or was not a party to any material legal proceedings, and there are no material legal proceedings to which any of Alkane's property is subject, and no such proceedings are known to Alkane to be contemplated.

Regulatory Actions

There have been no material penalties or sanctions imposed against Alkane by a court or regulatory authority, and Alkane has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in each case during the three most recently completed financial years.

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INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Alkane is not aware of any material interest of any Alkane director, executive officer, any person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Alkane Shares, or any associate or affiliate of the foregoing persons, in any transaction within the three years before the date of this Circular that has materially affected, or is reasonably expected to materially affect, Alkane.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The external auditor of Alkane is the Australian firm of PricewaterhouseCoopers ("**PwC Australia**") located at Brookfield Place, 125 St Georges Terrace, Perth, Western Australia 6000. PwC Australia prepared the audit reports solely to comply with Australian Auditing Standards. PwC Australia did not consider the auditing standards or practices of any jurisdictions other than Australia. Accordingly, the audit reports should not be relied upon as if they had been provided in accordance with or having regard to standards or practice in any other jurisdiction outside Australia.

The transfer agent and registrar of the Alkane Shares is Automic Pty Ltd located at Level 5, 126 Phillip Street, Sydney, NSW 2000. However, Alkane is considering transitioning its transfer agent and registrar services to Computershare Investor Services Inc. and Computershare Investor Services Pty Limited on or around completion of the transaction.

MATERIAL CONTRACTS

Other than the contracts entered into in the ordinary course of business and as disclosed below, there are no material contracts entered into by Alkane since the beginning of the most recently completed fiscal year, or that are still in effect prior to the date of this Circular.

- The Arrangement Agreement.
- The Loan Facility. The Loan Facility is a A$60 million secured revolving loan facility. As at March 31, 2025, the balance drawn on the Loan Facility was A$45 million.

INTERESTS OF EXPERTS

Names of Experts

PricewaterhouseCoopers have prepared the independent auditor's report for the audited annual consolidated financial statements of Alkane for the years ended June 30, 2024 and June 30, 2023, copies of which have been provided in Exhibit B to this Appendix J. PricewaterhouseCoopers has advised Alkane that they are independent of Alkane within the meaning of the Corporations Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) that are relevant to the audit of Alkane's financial statements in Australia.

The scientific and technical information in this Appendix J regarding Alkane's projects referred to in the "Mineral Projects" section is based on the Alkane Technical Reports. The Tomingley Technical Report was prepared by Andrew Waltho, BAppSc Hons (App. Geo.), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geo.), PGeo (Ontario), Sonia Konopa BAppSc Hons (App.Geo.) MAusIMM CPGeo, Nicholas MacNulty BScEng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd , each of whom are Qualified Persons. The Boda-Kaiser Technical Report was prepared by Andrew Waltho, BAppSc Hons (Geology), FAIG RPGeo, FAusIMM, FGS, GAICD, Tony Donaghy, BSc Hons (Geology), PGeo (Ontario), Aaron Meakin, BSc Hons, MAppFin, MAusIMM CPGeo and Nick MacNulty, BSc Eng (Mining), FAusIMM, MSAIMM of ERM Australia Consultants Pty Ltd, each of whom are Qualified Persons.

The scientific and technical information in this Appendix J has been reviewed and approved by Ian Chalmers, the Technical Director of Alkane, who is a Qualified Person. Mr. Chalmers is not considered independent under NI 43-101 as he is a full-time employee of Alkane.

Interests of Experts

To the knowledge of Alkane, as of the date of this Circular, none of Andrew Waltho, Tony Donaghy, Sonia Konopa, Nicholas MacNulty, Aaron Meakin and PricewaterhouseCoopers, or any of its "designated professionals" as defined in NI 51-102, hold any beneficial interest in, directly or indirectly, Alkane Shares or securities convertible into Alkane Shares, equal to or greater than one percent (1%) of the issued and outstanding Alkane Shares. Ian Chalmers, Alkane's Technical Director, beneficially owns or controls an aggregate of 6,132,181 Alkane Shares and 1,086,034 Alkane Performance Rights, representing approximately 1.01% of the Alkane Shares on an undiluted basis and approximately 1.19% of the Alkane Shares on a partially diluted basis.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Included as Exhibit B to this Appendix J are the following financial statements:

- the annual financial statements of Alkane with respect to the financial years ended June 30, 2024 and 2023; and
- Alkane's consolidated interim financial statements for the three and nine months ended March 31, 2025 and 2024.

Included as Exhibit C to this Appendix J are the following management's discussion and analysis:

- for the years ended June 30, 2024 and 2023; and
- for the three and nine months ended March 31, 2025.

OTHER MATERIAL FACTS

There are no other material facts relating to Alkane that are necessary to disclose in order to have full, true and plan disclosure of all material facts relating to the Alkane Shares.

ADDITIONAL INFORMATION

Additional information relating to Alkane may be found on the ASX website at www.asx.com.au and at Alkane's website at https://alkane.com.au/.

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EXHIBIT A TO APPENDIX J
AUDIT COMMITTEE CHARTER

(See attached)

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Audit Committee Charter

Alkane Resources Limited ACN 000 689 216 (**Company**)

1 Composition

The Audit Committee shall be structured so that it has at least three members, all of whom are non-executive directors and a majority of whom are independent. The Chair of the Audit Committee must be independent and not also Chair of the Board.

The Audit Committee between them must have sufficient accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to discharge the Committee's mandate effectively.

From time to time, non Audit Committee members may be invited to attend meetings of the Audit Committee, if it is considered appropriate.

2 Role

The role of the Audit Committee is to review and make recommendations to the Board in relation to:

(a) the adequacy of the Company's corporate reporting processes;

(b) whether the Company's financial statements reflect the understanding of the Audit Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company;

(c) the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's financial statements;

(d) the appointment or removal of the external auditor, the rotation of the audit engagement partner, the scope and adequacy of the external audit, the independence and performance of the external auditor and any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;

(e) the Company's internal financial control system and, unless expressly addressed by a separate Risk Management Committee or by the Board itself, oversee the Company's risk management framework;

(f) compliance with the Company's *Code of Conduct*; and

(g) the operation of the Company's internal audit function including its composition, the allocation of responsibilities, the scope and adequacy of the internal audit work plan, and the objectivity and performance of the internal audit function; and

(h) perform such other functions as assigned by law, the Company's Constitution or the Board.

Ultimate responsibility for a Company's financial statements rests with the full Board.

3 Operations

The Audit Committee meets at least half yearly, with further meetings on an as required basis. Minutes of all meetings of the Audit Committee must be kept. A report of actions taken or recommendations by the Audit Committee must be given by the Chair of the Audit Committee at each

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subsequent meeting of the full Board and the minutes of each Audit Committee circulated to the full Board. Audit Committee meetings will be governed by the same rules, as set out in the Company's Constitution as they apply to the meetings of the Board.

4 Responsibilities

Annual responsibilities of the Audit Committee are as set out in the *Audit Committee Charter – annual action points* (attached).

5 Authority and resources

The Company is to provide the Audit Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Audit Committee.

The Audit Committee has rights of access to management and has the authority to seek explanations and additional information from the Company's external auditors, without management present, when required.

The Audit Committee has the power to conduct or authorise investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee has the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisors.

6 Reporting to the Board and shareholders

The Audit Committee is to report to the Board, at least half yearly, on the following matters:

(a) assessment of whether external reporting is consistent with Audit Committee members' information and knowledge and is adequate for shareholder needs;

(b) assessment of the management processes supporting external reporting;

(c) recommendations for amending the Company's *Procedure for the Selection, Appointment and Rotation of the External Auditor*;

(d) recommendations for the appointment or, if necessary, the removal of the external auditor;

(e) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Audit Committee is satisfied that provision of those services has not compromised the auditor's independence;

(f) assessment of the performance and objectivity of the internal audit function;

(g) the results of the Audit Committee's review of the Company's risk management framework and internal control systems;

(h) the results of the Audit Committee's review of this Audit Committee Charter; and

(i) comment on the Audit Committee's operation and composition.

The Chair of the Audit Committee, if appointed, is to be present at the annual general meeting to answer questions, through the Chair of the Board.

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7 Review of Charter

The Audit Committee will review this Audit Committee Charter at least annually, and update it as required.

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Audit Committee Charter – annual action points

Financial reporting and internal controls

- ☐ Review half-year, annual and, if applicable, quarterly financial statements
- ☐ Review compliance with relevant statutory and regulatory requirements
- ☐ Assess management's selection of accounting policies and principles
- ☐ Consider the external audit of the financial statements and the external auditor's report including an assessment of whether external reporting is consistent with Audit Committee members' information and knowledge
- ☐ Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks including tax risk (and other business risks if authorised)
- ☐ Assess if the external auditors report is adequate for shareholder needs

Annual meeting with external auditor

- ☐ Discuss the Company's choice of accounting policies and methods, and any recommended changes
- ☐ Discuss the adequacy and effectiveness of the Company's internal controls
- ☐ Discuss any significant findings and recommendations of the external auditor and management's response to those findings and recommendations
- ☐ Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions on access to required information

External auditor

- ☐ Review the Company's *Procedure for the Selection, Appointment and Rotation of External Auditor*
- ☐ Recommend to the Board to appoint and, if necessary, remove the external auditor and approve the terms on which the external auditor is engaged
- ☐ Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services
- ☐ Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees
- ☐ Assess the overall performance of the external auditor
- ☐ Ensure the external auditor is given notice of all general meetings and is requested to attend AGM

Internal communications and reporting

- ☐ Provide the report described in clause 6 of the Audit Committee Charter
- ☐ Regularly update the Board about Audit Committee activities and make appropriate recommendations

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- ☐ Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

Internal audit

- ☐ Consider the appropriateness of the internal audit function established
- ☐ Determine the work plan and the associated scopes of work for the internal audit function to undertake
- ☐ Discuss any significant findings and recommendations of the internal auditor and management's response to those findings and recommendations
- ☐ Discuss any difficulties or disputes with management encountered during the course of the scopes of work performed including any restrictions on access to required information

Other

- ☐ Verify the composition of the Audit Committee is in accordance with the Audit Committee Charter
- ☐ Review the independence of each Audit Committee member based on the Company's *Policy on Assessing the Independence of Directors*
- ☐ Review the Audit Committee Charter and Action Points at least annually, and update as required
- ☐ Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's *Code of Conduct*
- ☐ Consider continuous disclosure requirements with regard to corporate reporting

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EXHIBIT B TO APPENDIX J
FINANCIAL STATEMENTS

(See attached)

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INTERIM FINANCIAL REPORT

For Three and Nine Months Ended

31 March 2025

Alkane Resources Ltd
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31 March 2025

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General information

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 June 2025.

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Alkane Resources Ltd
Corporate Directory
31 March 2025

Directors	I J Gandel (Non-Executive Chairman) N P Earner (Managing Director) D I Chalmers (Technical Director) A D Lethlean (Non-Executive Director) G M Smith (Non-Executive Director)
Joint company secretaries	D Wilkins J Carter (Resigned 17 October 2024) J Beckett (Appointed 17 October 2024)
Registered office and principal place of business	Level 4, 66 Kings Park Road, West Perth WA 6005 Telephone: 61 8 9227 5677 Facsimile: 61 8 9227 8178
Share register	Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000
Auditor	PricewaterhouseCoopers Brookfield Place, 125 St Georges Terrace, Perth WA 6000
Stock exchange listing	Alkane Resources Ltd shares are listed on the Australian Securities Exchange (Perth) (ASX code: ALK) and the OTC Pink Market under the symbol "ALKEF" Ordinary fully paid shares
Website	http://www.alkane.com.au
E-mail address	info@alkane.com.au

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Alkane Resources Ltd
Consolidated statement of comprehensive income
For three and nine months ended 31 March 2025

	Note	Three months ended 31 March		Nine months ended 31 March	
		2025	2024	2025	2024
		$'000	$'000	$000	$000
Continuing operations					
Revenue	3	63,204	30,459	184,704	119,519
Cost of sales	4	(53,357)	(29,870)	(152,259)	(98,053)
Gross profit		9,847	589	32,445	21,466
Other income		148	164	864	487
Interest income		416	378	1,542	2,122
Impairment reversal	8	7,024	-	7,024	-
Expenses					
Other expenses	4	3,444	3,382	9,596	8,579
Finance costs		2,366	133	3,433	1,009
Total expenses		5,810	3,515	13,029	9,588
Profit before income tax expense		**11,625**	**(2,384)**	**28,846**	**14,487**
Income tax (expense)/benefit	5	(3,528)	389	(7,657)	(4,057)
Profit after income tax expense for the period ended attributable to the owners of Alkane Resources Ltd		**8,097**	**(1,995)**	**21,189**	**10,430**
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss					
Changes in fair value of equity investments at fair value through other comprehensive income (current year)		4,205	(5,496)	7,372	(810)
Items that may be reclassified subsequently to profit or loss					
Net change in the fair value of cash flow hedges taken to equity, net of tax		(218)	-	(5,257)	-
Other comprehensive income/(loss) for the period ended, net of tax		3,987	(5,496)	2,115	(810)
Total comprehensive income for the period ended attributable to the owners of Alkane Resources Ltd		**12,084**	**(7,491)**	**23,304**	**9,621**
Basic earnings per share		1.34	(0.33)	3.50	1.73
Diluted earnings per share		1.33	(0.33)	3.47	1.70

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

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Alkane Resources Ltd
Consolidated balance sheet
As at 31 March 2025

	Note	31 March 2025 $'000	30 June 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		39,634	45,519
Trade and other receivables		3,680	3,849
Inventories		25,418	22,241
Derivative financial instruments	6	2	394
Total current assets		68,734	72,003
Non-current assets			
Property, plant and equipment	8	299,901	271,749
Exploration and evaluation	9	109,477	101,403
Financial assets at fair value through other comprehensive income	7	8,093	299
Derivative financial instruments	6	117	5,354
Other financial assets		15,092	13,888
Total non-current assets		432,680	392,693
Total assets		501,414	464,696
Liabilities			
Current liabilities			
Trade and other payables	10	25,688	23,744
External borrowings	11	24,463	16,144
Income tax provision		6,225	5,134
Provisions		7,654	6,891
Other liabilities		476	445
Total current liabilities		64,506	52,358
Non-current liabilities			
Provisions		22,333	21,998
External borrowings	11	35,644	32,874
Deferred tax		45,329	47,633
Other liabilities		270	459
Total non-current liabilities		103,576	102,964
Total liabilities		168,082	155,322
Net assets		333,332	309,374
Equity			
Issued capital		224,695	223,319
Reserves		(83,795)	(85,188)
Retained profits		192,432	171,243
Total equity		333,332	309,374

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

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Alkane Resources Ltd
Consolidated statement of changes in equity
For the nine months ended 31 March 2025

	Issued Capital $'000	Share based payment reserve $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2024	223,319	5,156	(90,344)	171,243	309,374
Profit after income tax expense for the nine months ended	-	-	-	21,189	21,189
Other comprehensive income for the nine months ended, net of tax	-	-	2,115	-	2,115
Total comprehensive income for the nine months ended	-	-	2,115	21,189	23,304
Share issue transaction costs	(2)	-	-	-	(2)
Share based payments	255	401	-	-	656
Employee shares vested	1,123	(1,123)	-	-	-
Balance at 31 March 2025	224,695	4,434	(88,229)	192,432	333,332

	Issued Capital $'000	Share based payment reserve $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2023	222,224	6,003	(81,169)	152,939	299,997
Profit after income tax expense for the nine months ended	-	-	-	10,431	10,431
Other comprehensive loss for the nine months ended, net of tax	-	-	(810)	-	(810)
Total comprehensive income/(loss) for the nine months ended	-	-	(810)	10,431	9,621
Share issue transaction costs	(84)				(84)
Share based payments	229	221	-	-	450
Employee shares vested	950	(950)	-	-	-
Transfer of gain on disposal of equity investments at fair value through other comprehensive income			(627)	627	-
Balance at 31 March 2024	223,319	5,274	(82,606)	163,997	309,984

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

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Alkane Resources Ltd
Consolidated statement of cash flows
For the three and nine months ended 31 March 2025

	Three months ended 31 March		Nine months ended 31 March	
	2025	2024	2025	2024
	$'000	$'000	$000	$000
Cash flows from operating activities				
Receipts from customers (inclusive of GST)	63,400	28,487	185,077	117,547
Payments to suppliers and employees (inclusive of GST)	(39,613)	(23,715)	(128,041)	(80,225)
Interest received	273	273	1,154	1,888
Finance costs paid	(2,109)	(268)	(2,795)	(800)
Royalties and selling costs	(1,531)	(1,173)	(5,495)	(4,091)
Other receipts	150	122	371	448
Net cash from operating activities	20,570	3,726	50,271	34,767
Cash flows from investing activities				
Exploration and Evaluation Expenditure	(4,266)	(19,795)	(7,122)	(52,317)
Development Expenditure	(4,419)	(9,244)	(30,856)	(27,186)
Purchase of PPE	(5,162)	(1,849)	(26,479)	(14,444)
Proceeds from the sale of PPE	230	-	82	45
Proceeds from investments	-	-	-	13,043
Payments for investments	(1,000)	-	(2,000)	(1,093)
Return of deposits	427	-	427	-
Payments for deposits	-	-	(1,601)	(106)
Net cash used in investing activities	(14,190)	(30,888)	(67,549)	(82,058)
Cash flows from financing activities				
Share issue transaction costs	-	-	-	(9)
Proceeds from borrowings	-	-	34,360	996
Repayment of borrowings	(1,683)	(1,621)	(22,797)	(5,262)
Principal element of lease payment	(54)	(116)	(171)	(327)
Net cash from/(used in) financing activities	(1,737)	(1,737)	11,392	(4,602)
Net increase/(decrease) in cash and cash equivalents	4,643	(28,899)	(5,886)	(51,894)
Cash and cash equivalents at the beginning of the period	34,991	57,296	45,519	80,291
Cash and cash equivalents at the end of the period	39,634	28,397	39,633	28,397

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

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Note 1. Material accounting policy information

Basis of preparation of the financial report

This consolidated financial report for the three and nine month periods ended 31 March 2025 was authorised for issue in accordance with a resolution of the directors on 16 June 2025.

This general purpose financial report for the three and nine month periods ended 31 March 2025 has been prepared in accordance with AASB 134 Financial Reporting. This consolidated financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Alkane Resources Limited ("**Alkane**" or the "**Company**") during the reporting period.

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

The financial report is presented in Australian dollars (A$) unless otherwise specified.

New or amended standards adopted by the Group

Alkane and its consolidated subsidiaries (collectively, the "**Group**") has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.
Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

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

Note 2. Operating segments

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

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

	Gold Operations $'000	**Unallocated** $'000	**Total** $'000
For the three months ended 31 March 2024			
Gold sales	30,459	-	30,459
Segment profit / (loss)	7,294	(9,383)	(2,089)
For the three months ended 31 March 2025			
Gold sales	63,400	-	63,400
Segment profit / (loss)	14,336	(2,711)	11,625

	Gold Operations $'000	**Unallocated** $'000	**Total** $'000
For the nine months ended 31 March 2025			
Gold sales	185,077	-	185,077
Segment profit / (loss)	37,843	(8,997)	28,846
For the nine months ended 31 March 2024			
Gold sales	119,519	-	119,519
Segment profit / (loss)	21,108	(6,621)	14 ,487

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Note 3. Revenue

	Three months ended 31 March		Nine months ended 31 March	
	2025 $'000	2024 $'000	2025 $000	2024 $000
Revenue	63,400	30,459	185,077	119,519
Less: derivative options lapsed	(196)	-	(373)	-
Total revenue from contracts with customers	63,204	30,459	184,704	119,519

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

Note 4. Expenses

	Three months ended 31 March		Nine months ended 31 March	
Cost of sales	2025	2024	2025	2024
Cash costs of production	38,211	22,139	114,022	69,305
Inventory product movement (a)	(1,076)	(373)	(2,704)	3,963
Depreciation and amortisation	14,090	7,232	35,001	21,253
Royalties and selling costs	2,132	872	5,940	3,532
	53,357	29,870	152,259	98,053

(a) Inventory product movement

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

	Three months ended 31 March		Nine months ended 31 March	
Other expenses	2025	2024	2025	2024
Corporate Administration	1,081	1,053	3,262	2,801
Employee Remuneration	631	811	1,570	2,481
Professional Fees and Consulting Services	761	543	2,438	1,626
Share based payments	503	194	836	450
Director Fees and Consulting Services	179	199	559	598
Depreciation	157	262	470	489
Non-core project expenses	132	26	306	131
Exploration expenditure provided for or written off	-	-	155	3
	3,444	3,088	9,596	8,579

Note 5. Income tax

Alkane 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.

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

Note 6. Derivative financial instruments

	31 March 2025 $'000	30 June 2024 $'000
Current assets		
Commodity options - cash flow hedges	2	394
Non-current assets		
Commodity options - cash flow hedges	117	5,354

During the 2024 financial year subsidiary company Tomingley Gold Operations Pty Ltd entered into put option contracts for 140,799oz of gold with maturity dates between 31 July 2024 to 30 June 2027. 111,168oz of gold remain subject to these contracts for the period 30 April 2025 to 30 June 2027.

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

Note 7. Financial assets at fair value through other comprehensive income

	31 March 2025 $'000	30 June 2024 $'000
Non-current assets		
Sky Metals Ltd (ASX: SKY)	434	299
Medallion Metals Ltd (ASX: MM8) (a)	7,659	-
	8,093	299

(a) Medallion Metals Ltd: 20 million shares of Medallion Metals Ltd were purchased for $1,000,000 on 16 August 2024, and a further 10 million shares were purchased for $1,000,000 on 6 February 2025 via subscription.

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

Note 8. Property, plant and equipment

Property Plant & Equipment

	2025 $'000
Opening Balance 01 July	271,750
Additions	56,643
Impairment reversal *	7,024
Depreciation	(35,356)
Disposals	(160)
Closing Balance – 31 March	299,901

* Refer to the Tomingley Gold Operations CGU Assumption below.

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IMPAIRMENT OF ASSETS

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

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

Tomingley Gold Operations CGU assumptions

Upon review of external indicators of impairment or impairment reversal, it was noted that the Group's market cap of $424 million exceeded net assets of $333 million, representing 27% headroom and a substantial increase from 31 December and 30 June 2024. In addition, the following items are relevant to note compared to the state of affairs at 30 June 2024:
- Gold spot prices continue to remain strong with forecast future gold prices at 31 March 2025 materially increased from both 30 June 2024 and 31 December 2024.
- Capital spend for the Tomingley Extension Project is now complete and with amortisation commencing in Q3 FY25.
- Operating costs at 31 March 2025 indicating no material change from 30 June 2024 forecasts..

These were considered indicators that no impairment is required but that a reversal of prior period impairment may be required, requiring an impairment test to be performed.

On performing the impairment test as at 31 March 2025, it was noted that there was significant headroom between the recoverable amount calculated on a Fair Value Less Cost of Disposal basis and the carrying value of net assets. This indicated that a historical impairment of $8.31 million related to Roswell mine development assets should be reversed, as the increase in value was driven by the increase in long term forecast future gold price and the decrease in risks as the mine progressed into production. As these assets had already begun amortising, $7.02 million has been reversed of the original $8.31 million balance representing the remaining value of the historic cost.

The key assumptions used in the 31 March 2025 impairment test, included:
- Ounces mined in the current life-of-mine plan (288koz) were valued using a discounted cash flow model.
- Ounces not included in the life of mine plan (730koz) were valued based on multiples determined from recent transactions.
- Pricing assumptions were generated from current hedging obligations, current forward rates (adjusted for inflation) and mean analyst consensus forecasts, with hedging limited to 50% of expected production. The gold price came out to an average of A$4,070/oz.
- Capital and operating expenditures were modelled on a real basis and were based on the current life-of-mine plan.
- A discount rate of 8% was used.

Note 9. Exploration and evaluation

Exploration & Evaluation assets

	2025 $'000
Opening Balance 01 July	101,403
Additions	8,227
Impairment	(155)
Closing Balance – 31 March	109,475

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Note 10. Trade and other payables

	31 March 2025 $'000	30 June 2024 $'000
Current liabilities		
Trade payables	11,957	4,685
Other payables	13,731	19,059
	25,688	23,744

Note 11. External borrowings

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

	31 March 2025 $'000	30 June 2024 $'000
Current liabilities		
Macquarie Facility (a)	17,500	11,173
Other Borrowings	6,963	4,971
	24,463	16,144
Non-current liabilities		
Macquarie Facility (a)	27,500	30,819
Other Borrowings	8,144	2,055
	35,644	32,874

(a) Macquarie facility repayment

The first repayment scheduled in March for $6 million was offset against the undrawn balance reducing the facility to $54 million. $45 million was drawn down as at 31 March 2025.

Note 12. Commitments

(a) Exploration and mining lease commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Group will be required to outlay the amounts disclosed in the below table. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

	31 March 2025 $'000	30 June 2024 $'000
Within one year	2,661	2,978

Note 13. Commitments (continued)

(b) Physical gold delivery commitments

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

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

	Gold for physical delivery Ounces	Contracted gold sale price per ounce ($)	Value of committed sales $'000
31 March 2025			
Fixed forward contracts			
Within one year	25,150	2,851	71,701
One to five years	37,450	2,864	107,240
30 June 2024			
Fixed forward contracts			
Within one year	47,400	2,797	132,584
One to five years	66,900	2,856	191,092

At 31 March 2025, the difference between the contract price and spot price represents a liability of $156,329,000 (June 2024: $73,979,000) which is only payable in the event the contracts are not settled as expected by the physical delivery of gold.

(c) Capital commitments

Capital commitments for the period at the end of the reporting period but not recognised as liabilities amounted to $13,367,000 (30 June 2024: $48,435,000).

Refer to **note 15** for subsequent commitments.

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Note 13. Deed of cross guarantee

The following Group entities have entered into a deed of cross–guarantee. Under the deed of cross–guarantee, each entity has guaranteed that the debts to each creditor of each other entity 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 "**Corporations Instrument**").

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, 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 Group as stated in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and therefore have not been separately disclosed.

Note 14: Related parties

Transactions with other related parties include a contract with Nuclear IT, a director-related entity where David Chalmers' son is a director of the company. David Chalmers, an executive director of Alkane, does not have any financial interest, is not an office holder and does not hold any other relationship with Nuclear IT. Nuclear IT provides information technology consulting services to the Group which includes the coordination of the purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

	3 Months ended 31 March		9 months ended 31 March	
Related Party	**2025**	**2024**	**2025**	**2024**
Nuclear IT	324,810	237,806	627,931	526,165

Note 15. Events after the reporting period

On 27 April 2025, Alkane entered into an arrangement agreement (the "**Arrangement Agreement**") with Mandalay Resources Corporation ("**Mandalay**"), a Canadian company with its common shares listed on the Toronto Stock Exchange. Pursuant to the Arrangement Agreement, Alkane, through a wholly owned Canadian subsidiary, has agreed to acquire 100% of the issued and outstanding common shares of Mandalay by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia).

Mandalay shareholders will be entitled to receive 7.875 ordinary shares of Alkane for each common share of Mandalay held immediately prior to the 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 entity.

The transaction creates a powerful platform underpinned by a shared vision for growth, three cash-generating mines in premier mining jurisdictions with strong organic growth potential and robust combined balance sheet. It is subject to procedural matters and conditional on, among other things, the approval of Mandalay shareholders, court approval, certain regulatory approvals in Australia and Sweden, and the satisfaction of certain other customary closing conditions. Subject to the satisfaction or waiver of such conditions, the transaction is expected to complete close in the third quarter of 2025.

No further matters or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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Alkane Resources Ltd
Directors' declaration
31 March 2025

In accordance with a resolution of the directors of Alkane Resources Limited, In the directors' opinion:

- the financial statements and notes of the Group:

  (i) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting; and*
  (ii) Presents fairly of the Group's financial position as at 31 March 2025 and of its performance for the three and nine month period ended on that date; and

- 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.

On behalf of the directors



N P Earner
Managing Director

16 June 2025
Perth

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Alkane Resources Ltd

ABN 35 000 689 216

Annual Financial Report

Year ended 30 June 2024

Alkane Resources Ltd
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Alkane Resources Ltd
Corporate directory
30 June 2024

Directors	I J Gandel (Non-Executive Chairman) N P Earner (Managing Director) D I Chalmers (Technical Director) A D Lethlean (Non-Executive Director) G M Smith (Non-Executive Director)
Joint company secretaries	D Wilkins J Carter
Registered office and principal place of business	Level 4, 66 Kings Park Road, West Perth WA 6005 Telephone: 61 8 9227 5677 Facsimile: 61 8 9227 8178
Share register	Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000
Auditor	PricewaterhouseCoopers Brookfield Place, 125 St Georges Terrace, Perth WA 6000
Stock exchange listing	Alkane Resources Ltd shares are listed on the Australian Securities Exchange (Perth) (ASX code: ALK) and the OTC International (OTC code: ALKEF) Ordinary fully paid shares
Website	http://www.alkane.com.au
E-mail address	mail@alkane.com.au

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Alkane Resources Ltd
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'group') consisting of Alkane Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

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

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

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

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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 and South Australia. Mr Gandel is currently an executive chairman of Alliance Resources Pty 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).

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 30 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 (Tomingley) and Dubbo (Dubbo Project). During Mr Earner's time as Managing Director the Dubbo Project has been de-merged into the separately listed Australian Strategic Materials, Tomingley has had its mine life extension approved by the NSW government and the Boda-Kaiser Project has gone from discovery to scoping study.

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

Mr Earner is a member of the Risk Committee.

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. During his time as Chief Executive he steered Alkane through the discovery, feasibility, construction and development of the now fully operational Tomingley Gold Operations; the discovery and ultimate sale of the McPhillamys gold deposit; the evaluation, recovery flowsheet, marketing and feasibility for the Dubbo Project (rare metals and rare earths), advancing the project towards development; and the recent discovery of the gold deposits immediately south of Tomingley and the porphyry gold-copper discovery at Boda.

Mr Chalmers is a member of the Nomination Committee, and is Co-Chair of the Toronto based Critical Minerals Institute.

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

Appointed Director 30 May 2002

Mr Lethlean is a geologist with over 10 years mining experience including 4 years underground on the Golden Mile in Kalgoorlie. In later years, he has worked as a resource analyst with various stockbrokers and investment banks including CIBC World Markets. He was a founding director of Helmsec Global Capital Limited which seeded, listed and funded a number of companies in a range of commodities. He retired from the Helmsec group in 2014. He is also a director of corporate advisory Rawson Lewis.

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 34 years in Australia and Germany and is current Chair and President of Robert Bosch Australia. In this role Mr Smith has led the restructuring and transformation of the local Bosch subsidiary. Concurrent with this role, he is a non-executive director of the various Bosch subsidiaries, joint ventures, and direct investment companies in Australia and New Zealand.

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

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

Dennis Wilkins - Joint Company Secretary
Appointed company secretary 29 March 2018

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

Since 1994 he has been a director of, and involved in the executive management of many publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. Mr Wilkins is the principal of DWCorporate Pty Ltd, where he advises on governance, compliance and corporate secretarial matters to companies in the Australian resources sector.

Mr Wilkins is currently a director of Key Petroleum Limited.

James Carter

Appointed company secretary 20 May 2020.

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

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Principal activities

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

- mining operations at the Tomingley Gold Operation;
- construction and commercial production of the Tomingley Gold Extension project
- 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 $17,677,000 (30 June 2023: $42,450,000).

This result included a profit before tax of $37,544,000 (30 June 2023: $71,157,000) in relation to Tomingley Gold Operations.

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Review of operations

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

TGO produced 57,217oz which was within updated production guidance (55,000oz to 58,000oz). AISC of A$2,137/oz beat updated guidance (A$2,150 - $2,350/oz).
FY2024 full year production was below the original guidance (60,000oz to 65,000oz). The main reasons were the mining of stopes in Caloma Two, which had lower than predicted recovery due to the presence of preg-robbing carbonaceous material and the Roswell ramp up not being sufficiently rapid to allow the original guidance to be met.

Gold recovery of 78.4% for the period was below expectations (2023: 84.3%). Average grade milled decreased to 2.00g/t in the current year (2023: 2.42g/t).

Production for the period was 57,217 ounces of gold (2023: 70,253 ounces of gold) with all in sustaining costs of $2,137 per ounce (2023: $1,602 per ounce). The average sales price achieved for the year increased to $3,004 per ounce (2023: $2,703 per ounce). Gold sales of 57,592 ounces (2023: 70,498 ounces) resulted in sales revenue of $172,991,000 (2023: $190,527,000).

Bullion on hand decreased by 390 ounces from 30 June 2024 to 2,500 ounces (fair value of $8,700,000 at year end).

The main drivers to the change in profit year on year have been the higher operating costs due to increased activities, higher input costs and lower grade and recovery achieved. The higher metal prices were offset by lower quantities sold.

The table below summarises the key operational information:

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TGO Production	Unit	Sep Quarter 2023	Dec Quarter 2023	Mar Quarter 2024	Jun Quarter 2024	FY 2024	FY 2023
Underground							
Ore mined	Tonnes	241,591	277,547	230,694	297,203	1,047,035	822,585
Grade	g/t	2.12	1.88	1.82	2.49	2.10	2.50
Ore Milled	Tonnes	276,654	287,550	296,644	271,690	1,132,538	1,069,331
Head Grade	g/t	2.10	1.84	1.69	2.41	2.00	2.42
Gold Recovery	%	81.9	77.9	67.6	84.1	78.4	84.3
Gold poured[3]	Ounces	15,855	13,182	10,861	17,319	57,217	70,253
Revenue summary							
Gold sold	Ounces	16,090	14,507	10,385	16,610	57,592	70,498
Average price realised	A$/Oz	2,897	2,926	2,933	3,219	3,004	2,703
Gold revenue	A$M	46.6	42.4	30.5	53.5	173.0	190.5
Cost summary							
Surface works	A$/Oz	30	29	53	26	33	134
Underground	A$/Oz	682	771	860	902	800	461
Processing	A$/Oz	435	444	750	469	504	388
Site support	A$/Oz	175	220	289	168	204	141
C1 Cash Cost[1]	A$/Oz	1,322	1,464	1,952	1,565	1,541	1,124
Royalties	A$/Oz	93	82	85	112	94	93
Sustaining capital	A$/Oz	429	508	340	319	401	364
Gold in circuit movement	A$/Oz	223	51	(36)	(186)	15	(49)
Rehabilitation	A$/Oz	32	29	16	2	20	22
Corporate	A$/Oz	57	66	96	55	66	47
All-in Sustaining Cost[1]	A$/Oz	2,156	2,200	2,453	1,867	2,137	1,601
Bullion on hand	Ounces	2,651	1,322	1,796	2,500	2,500	2,890
Stockpiles							
Ore for immediate milling	Tonnes	289,287	281,701	215,751	241,179	241,179	328,594
Stockpile grade[2]	g/t	0.94	0.95	0.86	1.13	1.13	1.04
Contained gold	Ounces	8,757	8,621	5,975	8,776	8,776	10,940

(1) All in Sustaining Cost (AISC) comprises all site operating costs, royalties, mine exploration, sustaining capex, sustaining mine development and an allocation of corporate costs on the basis of ounces sold. AISC does not include share-based payments, production incentives or net realisable value provision for product inventory.
(2) Based on the resource models.
(3) Represents gold sold at site, not adjusted for refining adjustments which results in minor differences between the movements in bullion on hand and the difference between production and sales.

Tomingley Gold Extension Project

The Tomingley Gold Extension Project was granted the mining lease ML1858 in July 2023.
In April 2024, an announcement was made that the Roswell has transitioned from ore development to production stoping.
As part of the five year plan announced on the 24th June 2024, production is expected to increase from 55,000 oz in FY24 to 100,000 - 110,000 oz in FY29 through underground operations and the commencement of open cut mining in FY27 - FY29.
The expected AISC for the five years will be A$1,900 - $2,100 oz.

Structural works for the paste plant are largely complete with work commencing on the electrical installation. The paste plant is expected to be commissioned in Q4 2024. Structural work at the process plant flotation and fine grinding circuit is nearing completion. The circuit is expected to be commissioned in Q4 2024.
The first of the new CAT 2900XE underground loaders has arrived on site. The remaining three units are expected to be delivered in Q3 2024.

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.
Full results for the regional exploration aircore, RC and core drilling of several targets within and adjacent to the Tomingley to Peak Hill corridor have yet to be received. This data will be compiled into a summary expected to be released in the September quarter.

Northern Molong Porphyry Project (gold-copper)

The drilling program at the Northern Molong Porphyry Project (NMPP) extends over three kilometres from Kaiser to Boda, down to Boda Two and Boda Three. Revised Indicated and Inferred Resource estimates for Boda and Kaiser were released during the year. The Boda-Kaiser development scoping study was announced on the 10th July 2024 and had a 17 year LOM based on a 20 million tonnes per annum scenario.

The Project is located in Central West NSW at the northern end of the Molong Volcanic Belt of the Macquarie Arc, and is considered highly prospective for large scale porphyry and epithermal gold-copper deposits.

Exploration in the NMPP has identified seven discrete intrusive complexes – Kaiser, Boda, Boda South, Driell Creek, Murga, Windora and Thompkins – outboard of the major 35km^2 Comobella Intrusive Complex and within a northwest trending transverse corridor. The corridor is defined by intermediate intrusive, lavas and breccias, extensive alteration and widespread, low-grade, gold-copper mineralisation. Drilling continues to improve the confidence of the Boda and Kaiser deposits and to test mineralised zones outside the defined resource envelopes.

Planned exploration over the next 12 months comprises work on growing the understanding of the regional geological setting of the Boda-Kaiser District to aid the discovery of new gold-copper porphyry deposits. Baseline environmental studies are underway for the Boda-Kaiser deposits in parallel with scoping studies to progress development of the Boda-Kaiser deposits.

Corporate

In accordance with the strategy of investing part of its cash balance in junior gold mining companies and projects that meet its investment criteria and the needs of the business, the company sold Genesis Minerals Ltd (ASX:GMD) during the period for proceeds of $13.04m. During the period, Calidus Resources Ltd (ASX:CAI) entered voluntary administration and was written down to $nil (Cost $19.8m)

Review of Operations
The material business risks for the Group include:

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Mineral Resource and Ore Reserve Estimates

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

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

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

Production, cost and capital estimates

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

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

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

Operating Risks

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

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

Exploration risks

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

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

Gold prices

Revenues and cashflows are exposed to fluctuations in the Australian dollar gold price. Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained. Declining gold price can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project which would cause delays and potentially have a material adverse effect on results of operations and financial conditions forward contracts.

Taxation

The gold mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact the profitability of the Group.

Community Relations

Community relations is about people connecting with people. Maintaining trusted relationships with our local community stakeholders throughout the entire mining cycle is an essential part of securing and maintaining our social licences to operate.

The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt production and exploration activities.

Cyber Security Risks

The Company has an Information Systems Standard, and other information security policies and procedures in place to ensure secure and reliable operations of all information systems. It is regularly audited based on accepted information security standards from the Australian Signals Directorate (ASD) and National Institute of Standards and Technology (NIST).

The Company's information security training and compliance program includes training during onboarding, quarterly training refreshers, and anti-phishing simulations throughout the year for all employees. The Company also has active detection and response systems in place to mitigate any potential breaches that may try to circumvent the boundary security controls. This addresses threat and vulnerability management from a cyber security perspective. The Company has experienced no material information security breaches. The Group Information Systems Manager tracks all cyber risks and reports to the Board on information security matters, and to Audit & Risk Committee.

Government Regulation

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

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

Debt and Hedging Covenants

The Company has entered into agreements with financiers and hedge providers that contain various undertakings and financial covenants. Non-compliance with the undertakings and covenants contained in these agreements could lead to a default event resulting in the debt becoming due and payable with potentially adverse effects on the financial position of the Company. Management continually monitors for compliance with the required undertakings and covenants.

Government Policy and Permits

In the ordinary course of business, mining companies are required to seek government permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the controls of the Company. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by the Company.

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Climate Related Risks

Alkane recognises that climate change poses a key environmental and social risk to our business, and the markets in which the Company operates in. The highest priority climate related risks include reduced water availability, extreme weather events, changes in legislation and regulation, reputational risk, and technological and market changes.

While Alkane proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner regarding the environment, there is the risk that Alkane may incur liability for any breaches of these laws and regulations.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

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

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

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

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Meetings of directors		Meetings of committees: Audit Committee		Risk Committee		Renumeration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
I J Gandel	12	12	3	3	1*	1	1	1
A D Lethlean	11	12	3	3	1	1	1	1
D I Chalmers	12	12	3*	3	1*	1	1*	1
G Smith	12	12	3	3	1	1	1	1
N Earner	12	12	3*	3	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').

Alkane Resources Ltd
Directors' report
30 June 2024

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 2023 Annual General Meeting
(h) Details of remuneration
(i) Service agreements
(j) Details of share based payments and performance against key metrics
(k) Shareholdings and share rights held by Key Management Personnel
(l) Other transactions with Key Management Personnel

(a) Key Management Personnel ('KMP') disclosed in this report
Non-Executive Directors

I J Gandel
G Smith
A D Lethlean

Executive Directors
D I Chalmers
N P Earner

Other Key Management Personnel

J Carter	Chief Financial Officer/ Joint Company Secretary
S Parsons	Executive General Manager – Operations

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

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

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

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

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

(c) Use of remuneration consultants
No remuneration consultants were engaged in the financial year to provide remuneration advice.

(d) Executive remuneration policy and framework

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

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

The Executive remuneration framework has three components:

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

(i) Executive remuneration mix

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

(ii) Total fixed remuneration

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

(iii) Incentive arrangements

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

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

Short-term incentives

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

The Executive STI is provided in the form of rights to ordinary shares in the Company that vest at the end of the twelve month period provided the predefined targets are met. 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 2024 financial year were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Remuneration Committee through a rigorous process to align to the Company's strategic and business objectives.

Performance metrics	**Weighting %**
Production performance at TGO	20%
Cost performance at TGO	20%
Safety Performance, Environment & Social Licence	25%
SAR Development	15%
SAR Resources Increase	5%
NMPP Resource Increase	15%

For the STI FY23, the following results were achieved:

STI - FY23	Weighting	Metric		% Target Reward	Actual Result	% Actual Reward
Production Oz at TGO	20%	Stretch	115% Budget (63,250 oz)	100	70,253 oz	100%
AISC at TGO	20%	Stretch	85% of Budget (A$1,658/oz)	100	A$1,602/oz	100%
Safety Performance Environment Social Licence	25%		Board will assess the company's performance taking into account safety, environmental & regulatory performance as well as risk, community and social licence improvement		Board Discretion	78%
SAR Development	15%	Target	Both decline spirals commenced at Roswell	50	Declines	50%
SAR Resource Increase (incl Macleans) 5%	5%	Threshold	30,000 oz at > 1.5g/t added	0	No change	0%
NMPP Resource Increase	15%	Stretch	4,000,000 ozeq at 0.3g/t(eq) cut-off	100	4.7m ozeq	100%
	100%					
Note: Board discretion to modify or cancel if fatality, serious injury or serious ESG incident						

FY23 STIs were revalued by Deloitte via a Black-Scholes model upon reaching the above vesting criteria. Executive director incentives vested on the 21 November 2023 with a fair value of $0.640. Other executives (key management personnel) were granted on the 02 October 2023 and had a fair value of $0.610. Both are subject to a restricted trading period of 1 year from vesting date.

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 FY2024 LTI's were issued with vesting conditions linked to total shareholder return ('TSR') with a vesting period of three years.

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

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

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

During the year, conditional rights to the FY21 LTI lapsed because the conditions have not been, or have become incapable of being, satisfied.

FY24 LTIs were valued upon issue by Deloitte using a Monte-Carlo valuation model. Executive director incentives were granted on the 21 November 2023 and have a fair value of $0.369. Other executives (key management personnel) were granted on the 2 October 2023 at a fair value of $0.358.

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

(iv) Clawback policy for incentives

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

(v) Share trading policy

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

(e) Statutory performance indicators

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

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Revenue ($'000)	172,991	190,527	165,010	127,833	74,397
Profit/(loss) for the year attributable to owners ($'000)	17,677	42,450	70,251	55,701	12,762
Basic earnings/(loss) per share (cents)	2.93	7.1	11.8	5.6	2.4
Dividend payments ($'000)	-	-	-	-	-
Share price at period end ($)	0.50	0.71	0.62	1.15	1.21
Total KMP incentives as a percentage of profit/(loss) for the year (%)	5.0%	5.9%	1.8%	2.1%	8.3%

(f) Non-Executive Director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a Service Agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Non-Executive Directors receive a Board fee and fees for chairing or participating on Board Committees. Non-Executive Directors appointed do not receive retirement allowances. Fees provided are inclusive of superannuation and the Non-Executive Directors do not receive performance-based pay.

Fees are reviewed annually by the Remuneration Committee taking into account comparable roles and market data obtained from independent data providers.

The maximum annual aggregate Directors' fee pool limit (inclusive of applicable superannuation) is $950,000 and was approved by shareholders at the Annual General Meeting on 17 November 2021.

Details of Non-Executive Director fees in the year ended 30 June 2024 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

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For services in addition to ordinary services, Non-Executive Directors may charge per diem consulting fees at the rate specified by the Board from time to time for a maximum of 4 days per month over a 12 month rolling basis. Any fees in excess of this limit are to be approved by the Board.

(g) Voting and comments made at the company's 2023 Annual General Meeting

The company received 94.26% of "yes" votes on its remuneration report for the financial year ended 30 June 2023. 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.

	Fixed remuneration			Variable Remuneration				
30 June 2024	**Cash Salary[a]** **$**	**Annual and long service leave[b]** **$**	**Post-employment benefits[c]** **$**	**Cash bonus[a][f]** **$**	**Bonus Employee Share Plan[g]** **$**	**STI Performance Rights[d]** **$**	**LTI Performance Rights[d]** **$**	**Total** **$**
Executive Directors								
N P Earner	622,601	43,026	27,399	-	-	50,294	399,521	1,142,841
D I Chalmers	303,401	27,011	27,399	-	-	17,064	93,842	468,717
Other KMP								
J Carter	474,765	17,843	27,399	-	1,000	25,787	146,800	693,594
S Parsons	457,449	10,887	27,399	69,446	1,000	12,449	141,671	720,301
Total Executive Directors and other KMP	1,858,216	98,767	109,596	69,446	2,000	105,594	781,834	3,025,453
Total NED remuneration[e]	398,175	-	30,325	-	-	-	-	428,500
Total KMP remuneration expense	2,256,391	98,767	139,921	69,446	2,000	105,594	781,834	3,453,953

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	Fixed Remuneration			Variable Remuneration				
30 June 2023	**Cash Salary[a] $**	**Annual and long service leave[b] $**	**Post-employment benefits[c] $**	**Cash bonus[a] $**	**Bonus Employee Share Plan[g]**	**STI Performance Rights[d]**	**LTI Performance rights[d]**	**Total $**
Executive Directors								
N P Earner	624,708	(13,594)	25,292	-	-	200,058	432,818	1,269,282
D I Chalmers	305,508	34,855	25,292	-	-	67,876	105,018	538,549
Other KMP								
J Carter	453,175	20,529	27,500	-	1,000	129,428	148,511	780,143
S Parsons	436,600	24,948	27,500	106,562	1,000	19,313	147,256	763,179
Total Executive Directors and other KMP	1,819,991	66,738	105,584	106,562	2,000	416,675	833,603	3,351,153
Total NED remuneration[e]	399,423	-	29,077	-	-	-	-	428,500
Total KMP remuneration expense	2,219,414	66,738	134,661	106,562	2,000	416,675	833,603	3,779,653

(a) Short-term benefits as per Corporations Regulation 2M.3.03(1) Item 6.
(b) Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the year.
(c) Post-employment benefits are provided through superannuation contributions.
(d) Rights to deferred shares granted under the executive STI and LTI schemes are expensed over the performance period, which includes the year to which the incentive relates and the subsequent vesting period of the rights.
Rights to deferred shares are equity-settled share-based payments as per the Corporations Regulations 2M.3.03(1) 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) The cash bonus includes a paid short term incentive for FY2023 ($56,997) & short term incentive for FY2024 ($12,449) that will be paid subject to final determination.
(g) Recipients of shares issued under the Bonus Employee Share Plan will not be able to deal with the new shares until the earlier of the third anniversary of the Issue Date and the date on which they cease to be an employee of the Company.

30 June 2024 **Non-Executive Directors**	**Cash salary and fees $**	**Superannuation $**	**Total $**
I J Gandel	172,072	18,928	191,000
A D Lethlean	103,603	11,397	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	398,175	30,325	428,500

30 June 2023 **Non-Executive Directors**	**Cash salary and fees $**	**Superannuation $**	**Total $**
I J Gandel	172,851	18,149	191,000
A D Lethlean	104,072	10,928	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	399,423	29,077	428,500

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	
	2024	2023	2024	2023	2024	2023
	%	%	%	%	%	%
Executive Directors of Alkane Resources Ltd						
N P Earner	61%	50%	35%	34%	4%	16%
D I Chalmers	76%	68%	20%	20%	4%	12%
Other Key Management Personnel						
J Carter	75%	64%	21%	19%	4%	17%
S Parsons	69%	64%	20%	19%	11%	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	On-going commencing 1 September 2017	$650,000	see note 2 below
D I Chalmers - Technical Director	On-going commencing 1 September 2017	$330,800	6 months
J Carter - Chief Financial Officer	On-going commencing 1 October 2018	$502,164	3 months
S Parsons - Executive General Manager - Operations	On-going commencing 1 October 2015	$457,499	1 month

(1) Total Fixed Remuneration (TFR) is for the year ended 30 June 2024 and is inclusive of superannuation but does not include long service leave accruals. TFR is reviewed annually by the Remuneration Committee.

(2) Specified termination payments are within the limits set by the Corporations Act 2001. The termination benefit provision for the Managing Director was approved at the Annual General Meeting on 29 November 2017.
Mr Earner may resign with 3 months' notice; or
Alkane may terminate the Executive Employment agreement with 3 months' notice; or
Where Mr Earner resigns as a result of a material diminution in the position, Mr Earner will be entitled to payment in lieu of 12 months' notice and short term incentives and long term incentives granted or issued but not yet vested.

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

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

Executive Directors	Date of grant	Number of rights or shares granted	Fair value of share rights and shares at the date of grant $	Share rights at fair value $	Performance period end	Share based payment expense current year $
D I Chalmers						
FY 2022 LTI - Performance Rights	17/11/2021	193,809	0.598	115,898	31/08/2024	38,738
FY 2023 LTI - Performance Rights	28/11/2022	255,674	0.323	82,583	31/08/2025	27,603
FY 2024 LTI - Performance Rights	21/11/2023	269,336	0.369	99,385	31/08/2026	27,501
FY 2024 STI - Performance Rights [(d)]				89,810	30/06/2024	17,064
N Earner						
FY 2022 LTI - Performance Rights	17/11/2021	825,115	0.598	493,419	31/08/2024	164,924
FY 2023 LTI - Performance Rights	28/11/2022	1,088,497	0.323	351,585	31/07/2022	117,516
FY 2024 LTI - Performance Rights	21/11/2023	1,146,657	0.369	423,116	31/08/2026	117,082
FY 2024 STI - Performance Rights [(d)]				264,706	30/06/2024	50,294
Other Key Management Personnel						
J Carter						
FY 2022 LTI - Performance Rights	26/10/2021	270,677	0.604	163,489	31/08/2024	54,646
FY 2023 LTI - Performance Rights	17/10/2022	378,237	0.410	155,077	31/08/2025	51,834
FY 2024 LTI - Performance Rights	13/10/2023	407,018	0.358	145,712	31/08/2026	40,320
FY 2024 STI - Performance Rights [(d)]				135,720	30/06/2024	25,787
Bonus Employee Shares[(c)]	25/10/2023	1,562	0.640	1,000		1,000
S Parsons						
FY 2022 LTI - Performance Rights	26/10/2021	261,010	0.604	157,650	31/08/2023	52,694
FY 2023 LTI - Performance Rights	17/10/2022	365,194	0.410	149,730	31/08/2024	50,047
FY 2024 LTI - Performance Rights	13/10/2023	392,982	0.358	140,688	31/08/2026	38,930
FY 2024 STI - Performance Rights [(d)]				65,520		12,449
Bonus Employee Shares[(c)]	25/10/2023	1,562	0.640	1,000		1,000

(a) The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 Share Based Payments. Differences will arise between the number of share rights at fair value in the table above and the STI and LTI percentages mentioned in section (d) due to different timing of valuation of rights as approved by the Remuneration Committee and at grant. Refer to note 28 for details of the valuation techniques used for the rights plan.

(b) Share rights only vest if performance and service targets are achieved. The determination is usually made at the conclusion of the statutory audit.

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

(d) The Board will calculate the STI earned value shortly after 30 June 2024 in accordance with the metrics agreed. The calculated earned value will be converted into restricted rights calculated at the August 2024 VWAP for a service period of one year. The restricted rights held will be converted into fully paid shares in the following year.

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.

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Performance against key metrics

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

The Company's TSR for FY2023 and FY2024 will be compared to the S&P/ASX All Ordinaries Gold (Sub industry) XGD (Gold Index). TSR and number of performance rights will vest as follows:

Shareholder return comparison	Proportion of performance rights that vest %
TSR is less than Gold Index TSR	**-**
TSR is equal to Gold Index TSR	25%
TSR is >5% and <10% to Gold Index TSR	50%
TSR is equal to or >10% to Gold Index TSR	100%

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

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Received on vesting of PRs	Disposals/ other	Balance at the end of the year
Ordinary shares					
I J Gandel	118,823,930	-	-	(8,695,653)	110,128,277
A D Lethlean	720,086	-	-	-	720,086
D I Chalmers	5,906,275	-	104,070	-	6,010,345
N P Earner	5,041,715	-	306,735	-	5,348,450
G Smith	331,875	-	-	-	331,875
J Carter	541,137	1,587	153,957	-	696,681
S Parsons	527,312	1,587	74,324	(100,000)	503,223
	131,892,330	3,174	639,086	(8,795,653)	123,738,937

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	728,456	391,172	(104,070)	(174,903)	840,655
N P Earner - Performance rights	2,907,693	1,505,758	(306,735)	(687,346)	3,419,370
J Carter - Performance rights	1,008,401	584,055	(153,957)	(205,530)	1,232,969
S Parsons - Performance rights	914,742	478,448	(74,324)	(214,214)	1,104,652
	5,559,292	2,959,433	(639,086)	(1,281,993)	6,597,646

(l) Other transactions with Key Management Personnel

There were no other transactions with KMP's during the financial year ended 30 June 2024.

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.

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Indemnity and insurance of officers

Alkane Resources Ltd has entered into deeds of indemnity, access and insurance with each of the Directors. These deeds remain in effect as at the date of this report. Under the deeds, the company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the company, or breach by the group of its obligations under the deed.

The liability insured is the indemnification of the group against any legal liability to third parties arising out of any Directors or Officers duties in their capacity as a Director or Officer other than indemnification not permitted by law.

No liability has arisen under this indemnity as at the date of this report.

The group has not otherwise, during or since the financial year, indemnified nor agreed to indemnify an officer of the group or of any related body corporate, against a liability incurred as such by an officer.

During the year the company has paid premiums in respect of Directors' and Executive Officers' Insurance. The contracts contain prohibitions on disclosure of the amount of the premiums and the nature of the liabilities under the policies.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the group is important.

The directors, in accordance with advice provided by the audit committee, are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

Auditor's independence declaration

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

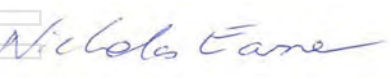
Rounding of amounts

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

Alkane Resources Ltd
Directors' report
30 June 2024

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

On behalf of the directors



N P Earner
Managing Director

26 August 2024
Perth

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Auditor's Independence Declaration

As lead auditor for the audit of Alkane Resources Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



Ian Campbell
Partner
PricewaterhouseCoopers

Perth
26 August 2024

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Liability limited by a scheme approved under Professional Standards Legislation.

Alkane Resources Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Continuing operations			
Revenue	2	172,991	190,527
Cost of sales	3	(138,399)	(119,113)
Gross profit		34,592	71,414
Other income		509	430
Interest income		2,527	2,398
Expenses			
Other expenses	3	(10,949)	(12,598)
Finance costs	3	(2,347)	(1,057)
Net gain/(loss) on disposal of property, plant and equipment		110	-
		(13,186)	(13,655)
Profit before income tax expense		24,442	60,587
Income tax expense	4	(6,765)	(18,137)
Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd	18	17,677	42,450
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	8	(7,099)	(16,140)
Net change in the fair value of cash flow hedges taken to equity, net of tax	17	(1,449)	-
Other comprehensive loss for the year, net of tax		(8,548)	(16,140)
Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd		9,129	26,310
		Cents	**Cents**
Basic earnings per share	29	2.93	7.10
Diluted earnings per share	29	2.89	7.00

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

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Alkane Resources Ltd
Consolidated balance sheet
As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	5	45,519	80,291
Trade and other receivables	6	3,848	5,167
Inventories	7	22,241	21,906
Derivative financial instruments	9	394	-
Total current assets		72,002	107,364
Non-current assets			
Property, plant and equipment	11	271,750	111,104
Exploration and evaluation	12	101,403	161,310
Financial assets at fair value through other comprehensive income	8	299	18,646
Derivative financial instruments	9	5,354	-
Other financial assets	10	13,888	13,766
Total non-current assets		392,694	304,826
Total assets		464,696	412,190
Liabilities			
Current liabilities			
Trade and other payables	13	23,744	23,508
External borrowings	14	16,144	7,371
Current tax liabilities	4	5,134	7,283
Provisions	15	6,891	5,386
Other liabilities		445	153
Total current liabilities		52,358	43,701
Non-current liabilities			
External borrowings	14	32,874	6,175
Provisions	15	21,998	17,369
Deferred tax	4	47,633	44,721
Other liabilities		459	227
Total non-current liabilities		102,964	68,492
Total liabilities		155,322	112,193
Net assets		309,374	299,997
Equity			
Issued capital	16	223,319	222,224
Reserves	17	(85,188)	(75,166)
Retained profits	18	171,243	152,939
Total equity		309,374	299,997

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

Alkane Resources Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained Profits $'000	Total equity $'000
Balance at 1 July 2022	218,185	5,229	(65,869)	111,329	268,874
Profit after income tax expense for the year	-	-	-	42,450	42,450
Other comprehensive loss for the year, net of tax	-	-	(16,140)	-	(16,140)
Total comprehensive income/(loss) for the year	-	-	(16,140)	42,450	26,310
Share issue transaction costs (note 16)	(20)	-	-	-	(20)
Share based payments (note 28)	197	2,806	-	-	3,003
Deferred tax recognised in equity	(70)	-	-	-	(70)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	840	(840)	-
Ordinary shares issued	1,900	-	-	-	1,900
Employee share awards vested	2,032	(2,032)	-	-	-
Balance at 30 June 2023	222,224	6,003	(81,169)	152,939	299,997

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained Profits $'000	Total equity $'000
Balance at 1 July 2023	222,224	6,003	(81,169)	152,939	299,997
Profit after income tax expense for the year	-	-	-	17,677	17,677
Other comprehensive loss for the year, net of tax	-	-	(8,548)	-	(8,548)
Total comprehensive income/(loss) for the year	-	-	(8,548)	17,677	9,129
Share placement	-	-	-	-	-
Share issue transaction costs (note 16)	(9)	-	-	-	(9)
Share based payments (note 28)	228	103	-	-	331
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	-	-	(627)	627	-
Employee share awards vested	950	(950)	-	-	-
Balance at 30 June 2024	223,319	5,156	(90,344)	171,243	309,374

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

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Alkane Resources Ltd
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		172,991	190,527
Payments to suppliers (inclusive of GST)		(109,580)	(90,025)
		63,411	100,502
Interest received		2,392	2,479
Finance costs paid		(632)	(590)
Royalties and selling costs		(4,963)	(7,080)
Other receipts		514	235
Derivatives		(7,819)	-
Net cash from operating activities	33	52,903	95,546
Cash flows from investing activities			
Payments for investments		(1,094)	(5,580)
Payments for property, plant and equipment and development expenditure		(115,969)	(33,695)
Proceeds from disposal of property, plant and equipment		150	4
Payments for exploration expenditure		(19,528)	(58,105)
Payments for security deposits		(122)	(269)
Proceeds from disposal of investments		13,043	6,217
Net cash used in investing activities		(123,520)	(91,428)
Cash flows from financing activities			
Cost of share issue	16	(9)	(20)
Proceeds from borrowings		43,815	6,686
Repayment of borrowings		(7,516)	(8,189)
Principal elements of lease payment		(445)	(198)
Net cash from/(used in) financing activities		35,845	(1,721)
Net increase/(decrease) in cash and cash equivalents		(34,772)	2,397
Cash and cash equivalents at the beginning of the financial year		80,291	77,894
Cash and cash equivalents at the end of the financial year	5	45,519	80,291

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

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Alkane Resources Ltd
Notes to the consolidated financial statements
30 June 2024

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Note 1. Segment information

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

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

30 June 2024	Gold Operations $'000	Unallocated $'000	Total $'000
Gold sales to external customers	172,991	-	172,991
Interest Income	586	1,941	2,527
	173,577	1,941	175,518
Segment net profit /(loss) before income tax	37,537	(8,681)	28,856

30 June 2023	Gold Operations $'000	Unallocated $'000	Total $'000
Gold sales to external customers	190,527	-	190,527
Interest income	707	1,691	2,398
	191,234	1,691	192,925
Segment net profit/(loss) before income tax	71,157	(10,570)	60,587

The Group has two customers to which it sells gold to being Macquarie Bank and ABC Refinery. Revenue from these customers was $68,741,000 and $104,250,000 in 2024 respectively (2023: $33,343,000 and $157,184,000).

Note 2. Revenue

	2024 $'000	2023 $'000
Revenue from continuing operations		
Gold sales	172,991	190,527

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

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

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Note 3. Expenses

	2024 $'000	2023 $'000
Cost of sales		
Cash costs of production	96,666	80,257
Inventory product movement	868	(3,425)
Depreciation and amortisation	35,493	35,617
Royalties and selling costs	5,372	6,664
	138,399	119,113

(a) Cash costs of production

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

Employee remuneration included in cash costs of production totalled $45,945,000 (2023: $38,185,000). Total employee remuneration benefits for the year were $49,992,000 (2023: $41,965,000).

(b) Inventory product movement

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

Refer to note 7 for further details on the group's accounting policy for inventory.

(c) Inventory product provision for net realisable value

Inventory must be carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to complete processing and to make a sale. The net realisable value provision equals the decrement between the net realisable value and the carrying value before provision.

Refer to note 7 for further details on the group's accounting policy for inventory.

	2024 $'000	2023 $'000
Other expenses		
Corporate administration	3,814	3,144
Employee remuneration and benefits expensed	3,236	3,010
Share based payments	331	3,003
Professional fees and consulting services	1,990	1,471
Exploration expenditure provided for or written off	3	497
Directors' fees and salaries expensed	781	785
Depreciation	650	491
Non-core project expenses	144	197
	10,949	12,598

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Note 3. Expenses (continued)

(d) Finance Costs

	2024 $'000	2023 $'000
Finance costs		
Interest Expense	1,518	989
Other	829	68
	2,347	1,057

Note 4. Income tax

(a) Income tax expense

	2024 $'000	2023 $'000
Current tax		
Current tax on profits for the year	6,116	7,283
Adjustments for current tax of prior periods	(2,109)	(300)
Total current tax expense	4,007	6,983
Deferred income tax		
(Increase)/decrease in deferred tax asset	(3,045)	(1,488)
Increase in deferred tax liabilities	5,803	12,642
Total deferred tax expense	2,758	11,154
Income tax expense	6,765	18,137
Income tax expense is attributable to:		
Profit from continuing operations	6,765	18,137

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

	2024 $'000	2023 $'000
Profit from continued operations before income tax expense	24,442	60,587
Tax at the Australian tax rate of 30% (2023 - 30%)	7,333	18,176
Tax benefits of deductible equity raising costs	(77)	(77)
Non-deductible share based payments	31	843
Non-deductible expenses	210	20
(Over)/Under Provision for Prior Year	(90)	(60)
Utilisation of previously unrecognised tax losses	(642)	(765)
	6,765	18,137

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Note 4. Income tax (continued)

(c) Deferred tax assets

Movements	Rehabilitation Provision and assets $'000	Property, plant and equipment $'000	Other $'000	Total $'000
At 1 July 2022	4,070	5,823	2,274	12,167
- profit or loss	430	740	317	1,487
- direct to equity	-	-	(71)	(71)
At 30 June 2023	4,500	6,563	2,520	13,583

Movements	Rehabilitation Provision and assets $'000	Property, plant and equipment $'000	Other $'000	Total $'000
At 1 July 2023	4,500	6,563	2,520	13,583
- profit or loss	341	2,423	281	3,045
- directly to equity	-	-	547	547
As at 30 June 2024	4,841	8,986	3,348	17,175

(d) Deferred tax liabilities

	2024 $'000	2023 $'000
The balance comprises temporary differences attributable to:		
Exploration expenditure	(32,925)	(44,162)
Property, plant & equipment	(29,682)	(10,562)
Other	(2,201)	(3,580)
Gross recognised deferred tax liabilities	(64,808)	(58,304)
Set-off of deferred tax assets	17,175	13,583
	(47,633)	(44,721)

	2024 $'000	2023 $'000
Net recognised deferred tax assets/(liabilities) are attributable to:		
Losses and temporary differences carried forward for continued operations	(47,633)	(44,721)

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Note 4. Income tax (continued)

Movements	Exploration Expenditure $'000	Property, plant and equipment $'000	Other $'000	Total $'000
At 1 July 2022	29,528	12,282	6,546	48,356
Charged/(credited)	-	-	-	-
- to profit or loss	14,634	(1,719)	(274)	12,641
- directly to equity	-	-	(2,333)	(2,333)
- directly to retained earnings	-	-	(360)	(360)
At 30 June 2023	44,162	10,563	3,579	58,304
At 1 July 2023	44,162	10,563	3,579	58,304
Charged/(credited)	-	-	-	-
- to profit or loss	6,551	1,331	(2,079)	5,803
- transfer between asset classes	(17,788)	17,788	-	-
- directly to equity	-	-	432	432
- directly to retained earnings	-	-	269	269
At 30 June 2024	32,925	29,682	2,201	64,808

(e) Deferred tax recognised directly in equity

	2024 $'000	2023 $'000
Relating to equity raising costs	74	71
Relating to investments/financial instruments	(188)	(360)
Relating to realised gains posted directly to retained earnings	269	(2,333)
	155	(2,622)

(f) Unrecognised temporary differences and tax losses

	2024 $'000	2023 $'000
Unrecognised tax losses	13,135	14,859
Deductible temporary differences	19,209	9,858
	32,344	24,717
Potential tax benefit at 30% (2023: 30%)	9,703	7,415

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.

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Note 4. Income tax (continued)

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

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

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

Current tax liabilities	**2024 $'000**	**2023 $'000**
Current tax liabilities	6,116	7,283
PAYG ('Pay as you go') Instalments	(982)	-
Total current tax liabilities	5,134	7,283

Note 5. Cash and cash equivalents

	2024 $'000	**2023 $'000**
Current assets		
Cash on hand	45,519	80,291

Cash at bank at balance date weighted average interest rate was 4.28**%** (2023: 3.13%).

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 6. Trade and other receivables

	2024 $'000	**2023 $'000**
Current assets		
Trade receivables	85	240
Prepayment	2,172	3,068
GST	1,591	1,859
	3,848	5,167

(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 2024 the group has determined that the expected provision for credit losses is not material (30 June 2023: provision for credit losses was not material).

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Note 6. Trade and other receivables (continued)

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

(ii) Fair value of receivables
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(iii) Impairment and risk exposure
Information about the impairment of receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 20.

Note 7. Inventories

	2024 $'000	2023 $'000
Current assets		
Ore stockpiles	8,047	7,741
Gold in circuit	4,126	4,368
Bullion on hand	4,593	5,525
Consumable stores	5,475	4,272
	22,241	21,906

(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 2024 to write down inventories to their recoverable value (2023: $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 2024 amounted to $1,509,000 (2023: $2,415,000). These were included in costs of production.

Product inventory movement during the year ended 30 June 2024 amounted to an expense of $868,000 (2023: $3,425,000) and is disclosed as part of cost of sales in note 3.

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

	2024 $'000	2023 $'000
Non-current assets		
Listed securities		
Calidus Resources Ltd (ASX: CAI)	-	9,297
Sky Metals Ltd (ASX: SKY)	299	353
Genesis Minerals Ltd (ASX: GMD)	-	8,996
	299	18,646

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

	2024 $'000	2023 $'000
(Losses)/gains recognised in other comprehensive income	(7,099)	(16,140)

Genesis Minerals Ltd (ASX:GMD) was sold in September 2023 for proceeds of $13,040,000.
Calidus Resources (ASX: CAI) entered voluntary administration on the 1 July 2024 and Receivers & Managers were appointed shortly after. The fair value was reduced to $nil as at 30 June 2024.

Fair Value Measurement 30 June 2024	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets at FVOCI	8	299	-	-	299
Hedging derivatives - cash flow hedge	9	-	5,748	-	5,748
Closing fair value		299	5,748	-	6,047

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. AASB13(86) Revised illustration.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

Note 9. Derivative financial instruments

Fair Value Measurements	2024 $'000	2023 $'000
Current assets		
Commodity put options - cash flow hedges	394	-
Non-current assets		
Commodity put options - cash flow hedges	5,354	-
	5,748	-

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Note 9. Derivative financial instruments (continued)

During the 2024 financial year subsidiary company Tomingley Gold Operations Pty Ltd ('TGO') entered into several commodity put option contracts from 31 July 2024 to 30 June 2027. Further information about the Group's hedging activities is included in note 20.

The cost to enter the contracts was $7,819,000.

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

Accounting policy for derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges
Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Amounts recognised in profit or loss
The hedged transactions all arise in future periods and there was no hedge ineffectiveness in the year. There was therefore no amounts recognised in profit or loss during the year (2023:nil).

Hedge effectiveness
Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of future gold sales, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

In hedges of future gold sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty.

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Note 10. Other financial assets

	2024 $'000	2023 $'000
Non-current assets		
Security deposits	13,888	13,766

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 $13,888,000 for the current period (2023: $13,766,000 backed by security deposits).

All interest bearing deposits are held in Australian dollars and therefore there is no exposure to foreign currency risk. Please refer to note 20 for the group's exposure to interest rate risk. The fair value of other financial assets is equal to its carrying value.

Note 11. Property, plant and equipment

Year ended 30 June 2024	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Mine properties $'000	Total $'000
Opening cost	37,647	125,075	9,923	281,801	454,446
Additions		-	51,906	49,131	101,036
Transfers between classes	948	5,760	(6,708)		-
Transfers from exploration **(a)**		-	21,263	74,527	95,790
Disposals	-	(560)	-	-	(560)
Net movement	948	5,200	66,461	123,658	196,266
Closing cost	38,595	130,275	76,384	405,459	650,712
Opening accumulated depreciation and impairment	(13,714)	(108,431)	-	(221,197)	(343,342)
Depreciation charge	(502)	(12,801)	-	(22,841)	(36,144)
Disposals	3	520	-	-	523
Net movement	(499)	(12,281)	-	(22,841)	(35,621)
Closing accumulated depreciation and impairment	(14,213)	(120,712)	-	(244,038)	(378,963)
Closing net carrying value	24,382	9,563	76,384	161,421	271,750

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Note 11. Property, plant and equipment (continued)

Year ended 30 June 2023	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Mine properties $'000	Total $'000
Opening cost	37,079	115,188	634	261,777	414,678
Additions	-	-	19,800	20,024	39,824
Transfers between classes	568	9,943	(10,511)		-
Disposals	-	(56)	-		(56)
Net movement	568	9,887	9,289	20,024	39,768
Closing cost	37,647	125,075	9,923	281,801	454,446
Opening accumulated depreciation and impairment	(13,409)	(92,160)	-	(201,723)	(307,292)
To profit or loss	(305)	(16,327)	-	(19,474)	(36,106)
Disposals	-	56	-	-	56
Net movement	(305)	(16,271)	-	(19,474)	(36,050)
Closing accumulated depreciation and impairment	(13,714)	(108,431)	-	(221,197)	(343,342)
Closing net carrying value	23,933	16,644	9,923	60,604	111,104

Note (a) - Transfer from exploration
In July 2023, the Group was granted a mining lease for the Tomingley Gold Extension Project. As a result of this, $95,790,000 in capitalised exploration expenditure has been transferred into mine development assets & WIP. This includes a historical impairment provision of $8,319,000.
Refer to note 12 for further information.

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

Note 11. Property, plant and equipment (continued)

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

	2024 $'000	2023 $'000
Opening balance	161,310	98,498
Expenditure during the year	35,886	63,309
Amounts provided for or written off	(3)	(497)
Transfer to Mine Development **(a)**	(95,790)	-
	101,403	161,310

(a) - Transfers to development assets & WIP
In July 2023, the Group was granted a mining lease for the Tomingley Gold Extension Project. As a result of this, $74,527,000 in capitalised exploration expenditure has been transferred into mine development assets. This includes a historical impairment provision of $8,319,000.
The remaining $21,263,000 has been transferred into mine properties WIP. This includes the paste plant and ultra fine grind upgrade.

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.

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Note 12. Exploration and evaluation (continued)

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. Trade and other payables

	2024 $'000	2023 $'000
Current liabilities		
Trade payables	4,685	5,605
Other payables	19,059	17,903
	23,744	23,508

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial period which are unpaid. Current trade and other payables are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented in current liabilities unless payment is not due within 12 months from the reporting date.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 14. External borrowings

	2024 $'000	2023 $'000
Current liabilities		
Macquarie Facility	11,173	-
Other borrowings	4,971	7,371
	16,144	7,371
Non-current liabilities		
Macquarie Facility	30,819	-
Other borrowings	2,055	6,175
	32,874	6,175

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

Financing arrangements

	2024 $'000	2023 $'000
Total facilities		
Macquarie Leasing Facility	60,000	50,000
Used at the reporting date		
Macquarie Leasing Facility	42,819	-
Unused at the reporting date		
Macquarie Leasing Facility	17,181	50,000

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Note 14. External borrowings (continued)

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

On 21 February 2023, Alkane executed a finance Facility Agreement between Tomingley Gold Operations Pty Ltd and Macquarie Bank Limited to develop the Tomingley Gold Extension Project. The terms to this facility are an amendment to the existing facility agreement that was executed on 07 December 2020.
The first debt draw down is permitted on the approval of the Mining Lease which was received in July 2023.
In April 2024, Alkane amended the Macquarie Finance Agreement to expand the facility to $60,000,000 and drawdown $3,000/oz put options costing $7,819,000 following the increased reserve base at Roswell announced 27 February 2024. Total proceeds were $22,819,000 as part of this drawdown.
In June 2024, a further $20,000,000 was drawn down under this facility.

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

Note 15. Provisions

	2024 $'000	2023 $'000
Current liabilities		
Employee benefits	6,891	5,386
Non-current liabilities		
Employee benefits	1,078	986
Rehabilitation	20,920	16,383
	21,998	17,369

(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 $4,588,151 (2023: $3,622,000) 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.

	2024 $'000	2023 $'000
Current leave obligations expected to be settled after 12 months	1,663	1,517

Legislative Assembly

Note 15. Provisions (continued)

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 $522,000 (2023: $447,000).

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:

	2024 $'000	2023 $'000
Rehabilitation and mine closure		
Opening balance	16,383	15,252
Additional provision incurred	5,079	1,791
Expenditure during the year	-	(93)
Unwinding of discount	522	447
Change in estimate	(1,064)	(1,014)
	20,920	16,383

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Note 16. Issued capital

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	603,490,487	601,574,030	223,319	222,224

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2022	595,583,420	218,185
Shares issued on vesting of performance rights		2,901,458	2,032
Share issue		307,714	197
Share issue costs		-	(20)
Less: Deferred tax credit recognised directly into equity		-	(70)
Issue ordinary shares on 30 May 2023 for tenement acquisition at $0.68		2,781,438	1,900
Balance	30 June 2023	601,574,030	222,224
Shares issued on vesting of performance rights		1,553,034	950
Share issue		363,423	228
Share issue costs		-	(9)
Less: Deferred tax credit recognised directly into equity		-	(74)
Balance	30 June 2024	603,490,487	223,319

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 17. Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	2024 $'000	2023 $'000
Financial assets at fair value through other comprehensive income reserve	(18,595)	(10,869)
Hedging reserve - cash flow hedges	(1,449)	-
Share-based payments reserve	5,156	6,003
Demerger reserve	(70,300)	(70,300)
	(85,188)	(75,166)

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.

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Note 17. Reserves (continued)

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.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Financial assets - OCI Reserve	Hedging Reserve	Share-based payments Reserve	Demerger Reserve	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	4,431	-	5,229	(70,300)	(60,640)
Revaluation - gross	(16,140)	-	-	-	(16,140)
Transfer of Gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	840	-	-	-	840
Share based payments note 28	-	-	2,806	-	2,806
Employee share awards vested	-	-	(2,032)	-	(2,032)
Balance at 30 June 2023	(10,869)	-	6,003	(70,300)	(75,166)
Revaluation - gross	(7,099)	(2,070)	-	-	(9,169)
Deferred tax	-	621	-	-	621
Transfer of Gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	(627)	-	-	-	(627)
Share based payments note 28	-	-	103	-	103
Employee share awards vested	-	-	(950)	-	(950)
Balance at 30 June 2024	(18,595)	(1,449)	5,156	(70,300)	(85,188)

Note 18. Retained profits

	2024 $'000	2023 $'000
Retained profits at the beginning of the financial year	152,939	111,329
Profit after income tax expense for the year	17,677	42,450
Transfer from other reserves	627	(840)
Retained profits at the end of the financial year	171,243	152,939

Note 19. Critical accounting judgements, estimates and assumptions

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

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

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 or exploration assets 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.

Tomingley CGU assumptions

The Groups operations at Tomingley have been assessed to be a cash generating unit (CGU). This CGU was tested for impairment:
In July 2023, as required due to the transfer of exploration and evaluation expenditure into the CGU described in Note 12; and
- Again at 30 June 2024 due to management identifying impairment indicators, predominantly due to the net assets of the Group exceeding its market capitalisation.

The key assumptions used in the 30 June 2024 impairment test, which was determined using fair value less cost of disposal (FVLCOD) included:
- Ounces mined in the current life-of-mine plan (401 koz) were valued using a discounted cash flow model.
- Ounces not included in the life of mine plan (778 koz) were valued based on multiples determined from recent transactions.
- Pricing assumptions were generated from current hedging obligations, current forward rates (adjusted for inflation) and mean analyst consensus forecasts, with hedging limited to 50% of expected production. The gold price came out to an average of A$3,042oz.
- Capital and operating expenditures were modelled on a real basis and were based on the current life-of-mine plan.
- A discount rate of 8% was used.

There was sufficient headroom to conclude that no impairment is required for the period. Reasonably possible negative changes in the assumptions set out above could lead to headroom being eliminated, including a 5% decrease in spot gold price estimates, a 7% increase in operating expenditures and a 20% increase in capital expenditure required to complete the TGEP.

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.

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

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

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

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

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

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

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

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

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

Note 20. Financial risk management

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

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

Note 20. Financial risk management (continued)

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

(a) Market risk

(i) Foreign currency risk

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

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

(ii) Commodity price risk

The group's sales revenues are generated from the sale of gold. Accordingly, the group's revenues are exposed to commodity price fluctuations, primarily gold. The group mitigates this risk primarily through the use of a combination of Australian dollar denominated options and physical gold forward contracts.

The intrinsic value of gold options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material. The changes in the time value of the options that relate to hedged items are deferred in the cash flow hedge reserve.

Options	**2024**	**2023**
Carrying amount ($'000, note 9)	5,478	-
Notional amount (oz.)	140,799	-
Strike price/oz	3,000	-
Maturity dates	July 2024 to June 2027	-
Hedge Ratio	1:1	-
Change in intrinsic value of outstanding hedging instruments since inception of the hedge	-	-
Change in value of hedged item used to determine hedge ineffectiveness	-	-

The extent of commodity price risk mitigated through physical gold forward sales contracts (which are not derivatives) is disclosed in note 25(b).

(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

Note 20. Financial risk management (continued)

	Interest rate risk Impact on profit/(loss) after tax					
	30 June 2024			30 June 2023		
	Carrying amount $000	+100BP $000	-100BP $000	Carrying amount $000	+100BP $000	-100BP $000
Financial assets						
Cash and cash equivalents	45,519	455	(455)	80,291	562	(562)
Receivables*	3,849			240		
Other financial assets	13,888	138	(138)	13,766	96	(96)
Financial liabilities						
Trade and other payables	23,744	-	-	37,207	-	-
Macquarie Facility	42,819	428	(428)	-	-	-
Total increase/(decrease) in profit		1,021	(1,021)		658	(658)

* 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 above a-/A3. Alkane currently transacts with Macquarie Bank & Westpac Bank.

(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.

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Note 20. Financial risk management (continued)

The group's financial liabilities maturity ranges from 1 month to 3 years.

The fair values of financial assets and liabilities, together with their carrying amounts in the balance sheet, for the consolidated entity are as follows:

Liquidity table	**2024 $'000**
Current Assets	
Cash and cash equivalents	45,519
Trade and other receivables	3,848
Inventory	22,241
Total current assets	71,608
Current Liabilities	
Trade and other payables	(23,744)
Current tax liabilities	(5,134)
External borrowings	(16,144)
Provisions	(6,891)
Other liabilities	(445)
Total current liabilities	(52,358)
Working Capital	19,250

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

Contractual maturities of financial liabilities

At 30 June 2024	**Less than 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Over 3 years**	**Total contractual cash flows**	**Carrying amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	23,744	-	-	-	23,744	23,744
Macquarie Facility	14,880	29,840	2,559	-	47,279	41,992
Oher Borrowings	5,236	1,947	155	-	7,338	7,026
Total	**43,860**	**31,787**	**2,714**	-	**78,361**	**72,762**

At 30 June 2023	**Less than 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Over 3 years**	**Total contractual cash flows**	**Carrying amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	23,508	-	-	-	23,508	23,508
Oher Borrowings	7,873	4,763	1,574	-	14,210	13,546
Total	**23,508**	**4,763**	**1,574**	**-**	**37,718**	**37,054**

Note 21. Capital risk management

The group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

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Note 22. Key management personnel disclosures

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

	2024 $	2023 $
Short-term employee benefits	2,327,837	2,327,976
Post-employment benefits	139,921	134,661
Long-term benefits	98,767	66,738
Share-based payments	887,428	1,250,278
	3,453,953	3,779,653

Note 23. Remuneration of auditors

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

	2024 $	2023 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	230,934	204,000
Other services - PricewaterhouseCoopers		
Other advisory services	18,003	40,000
	248,937	244,000

Note 24. Contingent liabilities

The group has entered into forward gold sales contracts which are not accounted for on the balance sheet. A contingent liability of $73,979,000 (2023: Liability $32,020,000) existed at the balance date in the event the contracts are not settled by the physical delivery of gold.

Note 25. Commitments

(a) Exploration and mining lease commitments

In order to maintain current rights of tenure to exploration and mining tenements, the group will be required to outlay the amounts disclosed in the below table. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

	2024 $'000	2023 $'000
Within one year	2,978	1,022

(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.

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Note 25. Commitments (continued)

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

30 June 2024	Gold for physical delivery Ounces	Contracted gold sale price per ounce ($)	Value of committed sales $'000
Fixed forward contracts			
Within one year	47,400	2,797	132,584
One to five years	66,900	2,856	191,092

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

(c) Capital commitments
Capital commitments committed for the year at the end of the reporting period but not recognised as liabilities amounted to $48,435,000 (2023: $23,473,000).

Note 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Related party transactions

Parent entity
Alkane Resources Ltd is the parent entity of the group.

Joint operations
Interests in joint operations are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with other related parties
Nuclear IT is a director-related entity where David Chalmers' Son is an director of the company. David Chalmers' does not have any financial interest, is not an office holder or hold any other relationship with Nuclear IT.
Nuclear IT provides information technology consulting services to the group which includes the coordination of the purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

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Note 27. Related party transactions (continued)

	2024 $	2023 $
Purchase of computer hardware and software	489,235	496,165
Consulting fees and services	447,134	167,514
Total	936,369	663,679

Note 28. Share-based payments

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

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

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

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

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

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

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

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.

Note 28. Share-based payments (continued)

	2024		2023	
Performance Rights	**Number of performance rights**	**Weighted average fair value**	**Number of performance rights**	**Weighted average fair value**
Outstanding at the beginning of the year	7,070,519	$0.54	7,106,162	$0.54
Issued during the year	4,147,784	$0.64	3,633,835	$0.68
Vested during the year	(958,215)	$0.67	(2,901,458)	$0.53
Lapsed/Cancelled during the year	(1,492,626)	$0.75	(768,020)	$1.41
Outstanding at the end of the year	8,767,462	$0.54	7,070,519	$0.52

The number of Performance Rights to be granted is determined by the Remuneration Committee with reference to the fair value of each Performance Right which is generally the volume weighted average price for the month preceding the start of the performance period. This will differ from the fair value reported in the table above which is determined at the time of grant.

Long term incentive scheme (LTI)

The following table lists the inputs to the models used.

Grant date	**Performance hurdle**	**Dividend yield %**	**Expected stock volatility %**	**Risk free rate %**	**Expected life years**	**Weighted average share price at grant date $**
17/11/2021	Market condition	-	72%	0.87%	2.7	$1.08
17/10/2022	Market condition	-	65%	3.50%	2.8	$0.90
28/11/2022	Market condition	-	64%	3.18%	2.8	$0.92
02/10/2023	Market condition	-	56%	4.08%	2.7	$0.63
21/11/2023	Market condition	-	54%	4.11%	2.7	$0.62

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

The Total Shareholder Return ('TSR') Performance Condition attached to the Performance Rights granted under the FY24 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.

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Note 28. Share-based payments (continued)

Short term incentive scheme (STI)

Under the Group's short term incentive (STI) scheme, executives and senior management receive rights to deferred shares based on the annual STI achieved. The rights are granted at the end of the performance period and vest one year after the grant date. They automatically convert into one ordinary share each on vesting at an exercise price of nil. There is no entitlement to dividends or voting in relation to the deferred shares during the restricted period. If employment ceases during this period, the rights will be forfeited, except in limited circumstances that are approved by the board. The number of rights to be granted is determined based on the share price at the date of grant.

The vested portion of FY22 STI were accounted for in the prior year based on the estimated value at the reporting date. The value was adjusted based on the final value determined in the current year.

STI awards for the Executive team in the 2023 financial year FY23 STI were based on the scorecard measures and weighting as disclosed, with the estimated value of the grant determined at the reporting date

Plan	Offer	Hurdle	Valuation Model	Grant Date	Fair Value $
FY23 STI	Executive Directors	Service	Black-Scholes	21/11/2023	$0.64
FY23 STI	Other Executives	Service	Black-Scholes	13/10/2023	$0.61

Expenses arising from share-based payment transactions.

	2024 $'000	2023 $'000
Performance rights	103	2,806
Employee share scheme	228	197
	331	3,003

Note 29. Earnings per share

	2024 $'000	2023 $'000
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of Alkane Resources Ltd	17,677	42,450
	Cents	**Cents**
Basic earnings per share	2.71	7.10
Diluted earnings per share	2.67	7.00

	2024 $'000	2023 $'000
Profit after income tax attributable to the owners of Alkane Resources Ltd	17,677	42,450
	Cents	**Cents**
Basic earnings per share	2.93	7.10
Diluted earnings per share	2.89	7.00

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Note 29. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	602,915,175	598,215,343
Adjustments for calculation of diluted earnings per share:		
Performance rights	9,680,740	7,820,251
Weighted average number of ordinary shares used in calculating diluted earnings per share	612,595,915	606,035,594

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	**2023**
	$'000	**$'000**
Loss after income tax	(5,686)	(7,432)
Total comprehensive loss	(5,686)	(7,432)

Balance sheet

	Parent	
	2024	**2023**
	$'000	**$'000**
Total current assets	74,180	69,796
Total assets	173,825	191,466
Total current liabilities	9,205	11,858
Total liabilities	37,229	42,050
Equity		
Issued capital	223,320	222,224
Financial assets at fair value through other comprehensive income reserve	(18,595)	(10,869)
Share-based payments reserve	5,156	6,003
Demerger reserve	(70,300)	(70,300)
Retained profits/(accumulated losses)	(2,985)	2,358
Total equity	136,596	149,416

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.

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Note 30. Parent entity information (continued)

(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 2024 (2023: $nil).

Note 31. Interests in subsidiaries

The group's subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The state of incorporation or registration is also their principal place of business.

		Ownership interest	
Name of entity	**Principal place of business / Country of incorporation**	**2024 %**	**2023 %**
Tomingley Holdings Pty Ltd	New South Wales	100.00%	100.00%
Tomingley Gold Operations Pty Ltd	New South Wales	100.00%	100.00%
Mitchell Creek Mining Holdings Pty Ltd	New South Wales	100.00%	100.00%
Mitchell Creek Mining Pty Ltd	New South Wales	100.00%	100.00%

Note 32. Deed of cross guarantee

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

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

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

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

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

Note 33. Reconciliation of profit after income tax to net cash from operating activities

	2024 $'000	2023 $'000
Profit after income tax expense for the year	17,677	42,450
Adjustments for:		
Depreciation and amortisation	36,143	36,108
Share-based payments	331	3,003
Exploration costs provided for or written off	3	497
Finance charges	1,963	433
Profit on sale of asset	(110)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,377	(1,960)
Increase in inventories	(335)	(3,954)
Movement in provision	1,852	1,328
Increase in trade and other payables	1,213	205
Increase in deferred tax liabilities	608	17,436
Increase in derivatives	(7,819)	-
Net cash from operating activities	52,903	95,546

Net debt reconciliation

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

	2024 $'000	2023 $'000
Cash and cash equivalents	45,519	80,291
Borrowings - repayable within one year	(17,375)	(7,371)
Borrowings - repayable after one year	(32,874)	(6,175)
Net (Debt)/Cash	(4,730)	66,745

	Cash $'000	Borrowings repayable within one year $'000	Borrowings repayable after one year $'000	Net cash $'000
Opening net cash	80,291	(7,371)	(6,175)	66,745
Proceeds from borrowings	44,482	(12,676)	(31,806)	-
Repayment of borrowings	(8,184)	3,077	5,107	-
Non-cash accruals	-	(405)	-	(405)
All other cash flows	(71,070)	-	-	(71,070)
Closing net cash	45,519	(17,375)	(32,874)	(4,730)

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Note 34. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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

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

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

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

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

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

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

Tax consolidated legislation

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

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

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

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

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

Note 34. Material accounting policy information (continued)

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 2024 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.

Note 34. Material accounting policy information (continued)

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

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

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

Note 34. Material accounting policy information (continued)

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses). Where option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Rounding of amounts

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

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Alkane Resources Ltd
Directors' declaration
30 June 2024

In the directors' opinion:

- the financial statements and notes set out on pages 23 to 63 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 2024 and of its performance for the financial year ended on that date; and

- the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 34 to the financial statements;

- there are reasonable grounds to believe that Alkane Resources Limited will be able to pay its debts as and when they become due and payable.

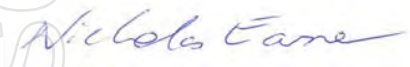
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the financial statements; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

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

26 August 2024
Perth

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Independent auditor's report

To the members of Alkane Resources Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 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 financial report comprises:

- the consolidated balance sheet as at 30 June 2024
- 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, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- 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.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Carrying amount of the Tomingley CGU – Capitalisation of mining costs and amortisation These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Carrying amount of the Tomingley CGU *(Refer to note 11 and 19)* During the year, the Group reclassified $95.8m (net of $8.3m historical impairment) from capitalised exploration and evaluation into property, plant and equipment after the Group was granted a mining lease for the Tomingley Gold Extension Project (TGEP), part of the Group's Tomingley cash generating unit (CGU). In line with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* an impairment test was performed at this time.	We performed the following procedures, amongst others, over the impairment tests performed by the Group during the financial year: • Evaluated whether the Group's determination of CGUs was consistent with our understanding of the nature of the Group's operations. • Assessed the objectivity and competence of internal experts who assisted in developing the life of mine plan which informs management's Fair Value calculations. • Compared the forecast cash flows used in the 30 June 2024 impairment model to the most up to date budgets and life-of-mine plans.

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Key audit matter	*How our audit addressed the key audit matter*
At 30 June 2024 the Group's net assets exceeded its market capitalisation. Management concluded that this was an indicator that the Tomingley CGU may be impaired and that an impairment test should be performed. Accordingly, management also performed an impairment test at 30 June 2024. The recoverable amount of the Tomingley Gold Operations CGU was determined using a fair value less cost of disposal (Fair Value) methodology. This was a key audit matter due to the judgement exercised by the Group in calculating the recoverable amount of the CGU and the significance to the financial statements of the non-current assets within the Tomingley CGU.	• Together with PwC valuations experts, considered the methodologies and key assumptions adopted in management's Fair Value calculations for appropriateness including assessing: o The forecast gold price and foreign exchange rate assumptions, by comparing them to independent consensus data, o The discount rate used, by assessing the cost of capital for the Group and comparing the rate to market data and industry research, and o The appropriateness of management's estimate of the value of residual reserves and resources to comparable external data points. • Evaluated whether significant assumptions and judgements were consistent with each other and with those used in the Group's other accounting estimates, based on knowledge obtained during the audit. • Tested the mathematical accuracy of the calculations of Fair Value and assessed whether they had been performed in a manner consistent with the valuation technique applied. • Assessed the reasonableness of the disclosures made in the financial report against the requirements of Australian Accounting Standards.

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Key audit matter	How our audit addressed the key audit matter
Capitalisation of Mining Costs and amortisation *(Refer to note 11)* Costs were incurred during the year at Tomingley to expand access to mineral reserves and resources, including in relation to the TGEP, and to provide enhanced facilities for extracting, treating, gathering, transporting and storing the minerals. These development expenditures are capitalised to the extent that they are necessary to bring new assets to commercial production or enhance the productivity or capacity of existing assets and can be directly attributable to or capable of being reasonably allocated to those activities. This was a key audit matter due to the judgement involved in allocating certain of the expenditure items between mining and development activities given the geographic proximity of the operations and the similar nature of the relevant costs, as well as the impact on the amortisation profile of mine properties across Tomingley original and expansion operations.	In assessing the appropriateness of capitalisation of development costs and associated amortisation we have performed the following procedures, amongst others: • Evaluated management's process of determining whether costs should be capitalised or expensed and the method of allocation of costs between operating and capital as well as between the two operations. • Tested, on a sample basis, management's controls over the allocation of costs to specific projects and monitoring of actual capitalised costs against budget. • Performed detailed testing, on a sample basis, of capitalised mine development costs. • Considered if mine development costs have been capitalised in accordance with the accounting policy. • Assessed management's determination of which assets are ready for use and therefore depreciation should commence. • Recalculated the amortisation of mine properties for both legacy Tomingley operations and TGEP.

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 2024, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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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 in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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.

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Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Alkane Resources Ltd for the year ended 30 June 2024 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

Ian Campbell
Partner

Perth
26 August 2024

Alkane Resources Ltd
Consolidated entity disclosure statement
As at 30 June 2024

As at 30 June 2024

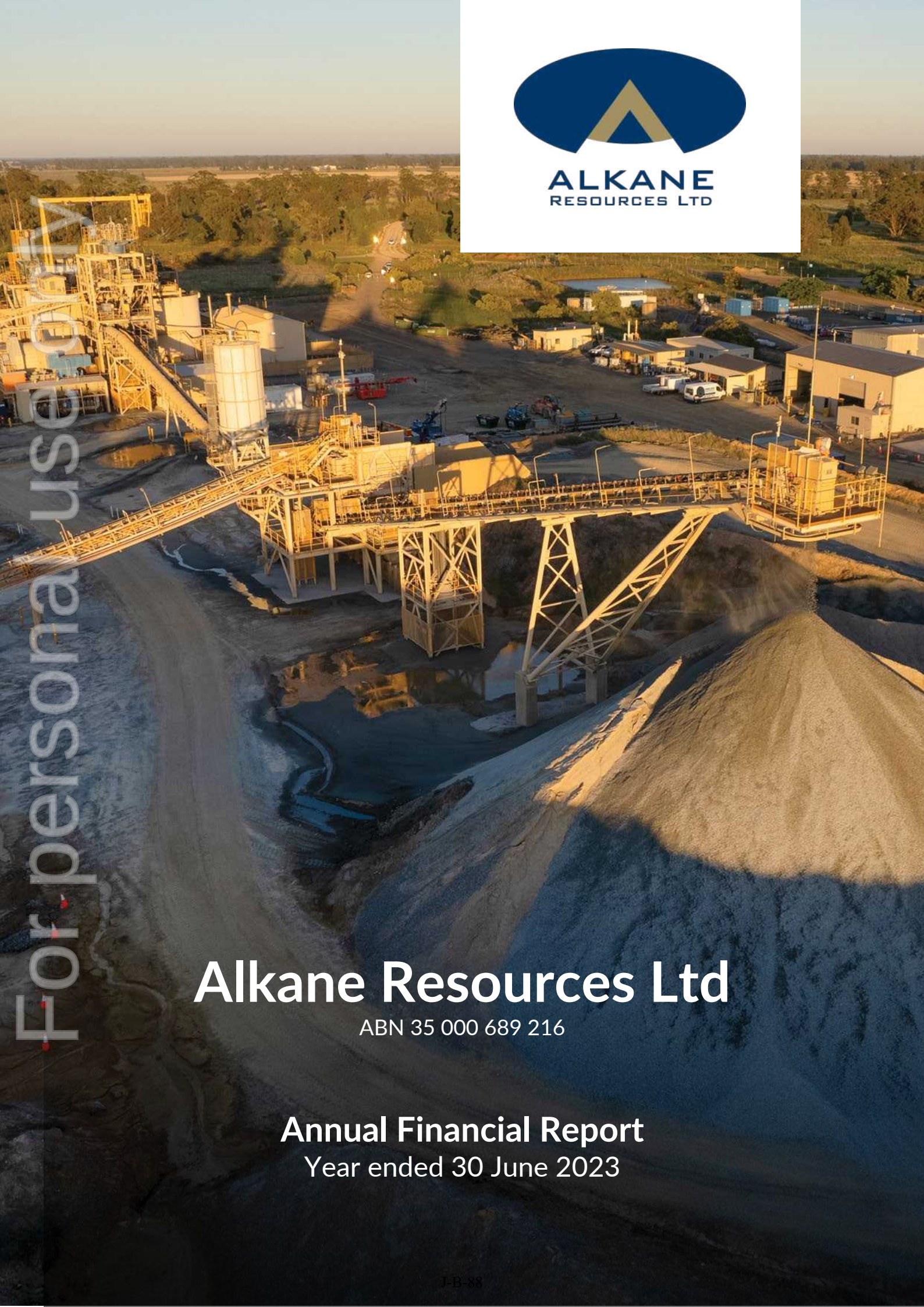
Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Alkane Resources Ltd	Body Corporate	Australia	N/A	Australia
Tomingley Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia
Tomingley Gold Operations Pty Ltd	Body Corporate	Australia	100.00%	Australia
Mitchell Creek Mining Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia
Mitchell Creek Mining Pty Ltd	Body Corporate	Australia	100.00%	Australia

Basis of preparation
This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency
Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:
• Australian tax residency The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
• Foreign tax residency Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

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Alkane Resources Ltd

ABN 35 000 689 216

Annual Financial Report

Year ended 30 June 2023

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Directors	I J Gandel (Non-Executive Chairman) N P Earner (Managing Director) D I Chalmers (Technical Director) A D Lethlean (Non-Executive Director) G M Smith (Non-Executive Director)
Joint company secretaries	D Wilkins J Carter
Registered office and principal place of business	Level 4, 66 Kings Park Road, West Perth WA 6005 Telephone: 61 8 9227 5677 Facsimile: 61 8 9227 8178
Share register	Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000
Auditor	PricewaterhouseCoopers Brookfield Place, 125 St Georges Terrace, Perth WA 6000
Stock exchange listing	Alkane Resources Ltd shares are listed on the Australian Securities Exchange (Perth) (ASX code: ALK) and the OTC International (OTC code: ALKEF) Ordinary fully paid shares
Website	http://www.alkane.com.au
E-mail address	mail@alkane.com.au

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

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

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

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

Information on Directors and Company Secretaries
Ian Jeffrey Gandel - Non-Executive Chairman
LLB, BEc, FCPA, FAICD

Appointed Director 24 July 2006 and Chairman 1 September 2017

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

Through his private investment vehicles, Mr Gandel has been an investor in the mining industry since 1994. Mr Gandel is currently a substantial holder in a number of publicly listed Australian companies and, through his private investment vehicles, now holds and explores tenements in his own right in South Australia and Western Australia.

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

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

Nicolas Paul Earner - Managing Director
BEng (hons)

Appointed Managing Director 1 September 2017

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

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

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

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

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

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

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

Mr Chalmers is a member of the Nomination Committee. He is the Co-chair of the Toronto based Critical Minerals Institute.

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

Appointed Director 30 May 2002

Mr Lethlean is a geologist with over 10 years mining experience including 4 years underground on the Golden Mile in Kalgoorlie. In later years, he has worked as a resource analyst with various stockbrokers and investment banks including CIBC World Markets. He was a founding director of Helmsec Global Capital Limited which seeded, listed and funded a number of companies in a range of commodities. He retired from the Helmsec group in 2014. He is also a director of corporate advisory Rawson Lewis and a non-executive director of Alliance Resources Ltd (appointed 15 October 2003).

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

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

Appointed Director 29 November 2017

Mr Smith is an accomplished senior executive and non-executive director within multinational business environments. He has more than 35 years' experience in Information Technology, Business Development, and General Management in a wide range of industries and sectors. Mr Smith has worked for the Bosch group for the past 33 years in Australia and Germany and is current Chair and President of Robert Bosch Australia. In this role Mr Smith has led the restructuring and transformation of the local Bosch subsidiary. Concurrent with this role, he is a non-executive director of the various Bosch subsidiaries, joint ventures, and direct investment companies in Australia and New Zealand.

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

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

Dennis Wilkins - Joint Company Secretary
Appointed company secretary 29 March 2018

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

Since 1994 he has been a director of, and involved in the executive management of many publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. Mr Wilkins is the principal of DWCorporate Pty Ltd, where he advises on governance, compliance and corporate secretarial matters to companies in the Australian resources sector.

Mr Wilkins is currently a director of Key Petroleum Limited.

James Carter

Appointed company secretary 20 May 2020.

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

Principal activities
During the financial year the principal activities of the consolidated entity consisted of:
- mining operations at the Tomingley Gold Operation;
- exploration and evaluation activities on tenements held by the group; and
- pursuing strategic investments in gold exploration companies.

Dividends
There were no dividends paid, recommended, or declared during the current or previous financial year.

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

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

Review of operations

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

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

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

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

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

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The table below summarises the key operational information:

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

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

(2) Based on the resource models.

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

Tomingley Gold Extension Project

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

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

Exploration
The extensive exploration program focused on the immediate area to the south of the TGO mine has continued as part of the plan to source additional ore feed, either at surface or underground. During the year the drilling at McLeans Prospect, located between the Roswell Deposit and the TGO site, tested the strike of the andesite host and infilled previously intersected mineralisation.

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

Northern Molong Porphyry Project (gold-copper)
The drilling program at the Northern Molong Porphyry Project (NMPP) extends over three kilometres from Kaiser to Boda, down to Boda Two and Boda Three. The Company believes this system has the potential to be a large, tier one gold-copper project.

The Project is located in Central West NSW at the northern end of the Molong Volcanic Belt of the Macquarie Arc, and is considered highly prospective for large scale porphyry and epithermal gold-copper deposits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gold prices
Revenues and cashflows are exposed to fluctuations in the Australian dollar gold price. Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained. Declining gold price can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project which would cause delays and potentially have a material adverse effect on results of operations and financial conditions forward contracts.

Taxation
The gold mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact the profitability of the group.

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Community Relations
Community relations is about people connecting with people. Maintaining trusted relationships with our local community stakeholders throughout the entire mining cycle is an essential part of securing and maintaining our social licences to operate.

The group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt production and exploration activities.

Cyber Security Risks
The group has an Information Systems Standard, and other information security policies and procedures in place to ensure secure and reliable operations of all information systems. It is regularly audited based on accepted information security standards from the Australian Signals Directorate (ASD) and National Institute of Standards and Technology (NIST).

The group's information security training and compliance program includes training during onboarding, quarterly training refreshers, and anti-phishing simulations throughout the year for all employees. The group also has active detection and response systems in place to mitigate any potential breaches that may try to circumvent the boundary security controls. This addresses threat and vulnerability management from a cyber security perspective. The group has experienced no material information security breaches. The Group Information Systems Manager tracks all cyber risks and reports to the Board on information security matters, and to Audit & Risk Committee.

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

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

Debt and Hedging Covenants
The group has entered into agreements with financiers and hedge providers that contain various undertakings and financial covenants. Non-compliance with the undertakings and covenants contained in these agreements could lead to a default event resulting in the debt becoming due and payable with potentially adverse effects on the financial position of the group. Management continually monitors for compliance with the required undertakings and covenants.

Government Policy and Permits
In the ordinary course of business, mining companies are required to seek government permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the controls of the group. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by the group.

Climate Related Risks
Alkane recognises that climate change poses a key environmental and social risk to our business, and the markets in which the group operates in. The highest priority climate related risks include reduced water availability, extreme weather events, changes in legislation and regulation, reputational risk, and technological and market changes.

While Alkane proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner regarding the environment, there is the risk that Alkane may incur liability for any breaches of these laws and regulations.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

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

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

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

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

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

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board) and of each board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

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

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

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

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

The report contains the following sections:

(a) Key Management Personnel "KMP" disclosed in this report
(b) Remuneration governance
(c) Use of remuneration consultants
(d) Executive remuneration policy and framework
(e) Statutory performance indicators
(f) Non-Executive Director remuneration policy
(g) Voting and comments made at the company's 2022 Annual General Meeting
(h) Details of remuneration
(i) Service agreements
(j) Details of share based payments and performance against key metrics
(k) Shareholdings and share rights held by Key Management Personnel
(l) Other transactions with Key Management Personnel

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

Non-Executive Directors

I J Gandel
G Smith
A D Lethlean

Executive Directors

D I Chalmers
N P Earner

Other Key Management Personnel

J Carter	Chief Financial Officer/ Joint Company Secretary
S Parsons	Executive General Manager - Operations

(b) Remuneration governance

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

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

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

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

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

(c) Use of remuneration consultants

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

(d) Executive remuneration policy and framework

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

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

The Executive remuneration framework has three components:

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

(i) Executive remuneration mix

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

(ii) Total fixed remuneration

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

(iii) Incentive arrangements

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

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

Short-term incentives

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

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

STI awards for the Executive team in the 2023 financial year were based on the scorecard measures and weighting as disclosed below. Targets were approved by the Remuneration Committee through a rigorous process to align to the Company's strategic and business objectives.

Performance metrics	**Weighting %**
Production performance at TGO	20%
Cost performance at TGO	20%
Safety Performance, Environment & Social Licence	25%
SAR Development	15%
SAR Resources Increase	5%
NMPP Resource Increase	15%

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

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

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

Long- term incentives

The LTI is designed to focus Executives on delivering long term shareholder returns. Eligibility for the plan is restricted to Executives and nominated Senior Managers, being the employees who are most able to influence shareholder value. Under the plan, participants have an opportunity to earn up to 100% of their total fixed remuneration (calculated at the time of approval by the Remuneration Committee) comprised of performance rights. In previous periods performance rights were granted in two tranches each year. Each tranche of performance rights has separate vesting conditions being share price growth and company milestone events, with the executives' LTI weighted more heavily to the share price growth tranche. The LTI vesting period is three years. In FY2023 LTI's were issued with vesting conditions linked to total shareholder return ('TSR') with a vesting period of three years.

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

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

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

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

(iv) Clawback policy for incentives

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

(v) Share trading policy

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

(e) Statutory performance indicators

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

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

(f) Non-Executive Director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a Service Agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Non-Executive Directors receive a Board fee and fees for chairing or participating on Board Committees. Non-Executive Directors appointed do not receive retirement allowances. Fees provided are inclusive of superannuation and the Non-Executive Directors do not receive performance-based pay.

Fees are reviewed annually by the Remuneration Committee taking into account comparable roles and market data obtained from independent data providers.

The maximum annual aggregate Directors' fee pool limit (inclusive of applicable superannuation) is $950,000 and was approved by shareholders at the Annual General Meeting on 17 November 2021.

Details of Non-Executive Director fees in the year ended 30 June 2023 are as follows:

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

For services in addition to ordinary services, Non-Executive Directors may charge per diem consulting fees at the rate specified by the Board from time to time for a maximum of 4 days per month over a 12 month rolling basis. Any fees in excess of this limit are to be approved by the Board.

(g) Voting and comments made at the company's 2022 Annual General Meeting

The company received 98.77% of "yes" votes on its remuneration report for the financial year ended 30 June 2022. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(h) Details of remuneration

The following table shows details of the remuneration expense recognised for the directors and the KMP of the group for the current and previous financial year measured in accordance with the requirements of the accounting standards.

	Fixed remuneration			Variable Remuneration			
30 June 2023	Cash Salary[a] $	Annual and long service leave[b] $	Post-employment benefits[c] $	Cash bonus[a][f] $	Bonus Employee Share Plan[g] $	Rights to deferred shares[d] $	Total $
Executive Directors							
N P Earner	624,708	(13,594)	25,292	-	-	632,876	1,269,282
D I Chalmers	305,508	34,855	25,292	-	-	172,894	538,549
Other KMP							
J Carter	453,175	20,529	27,500	-	1,000	277,939	780,143
S Parsons	436,600	24,948	27,500	106,562	1,000	166,569	763,179
Total Executive Directors and other KMP	1,819,991	66,738	105,584	106,562	2,000	1,250,278	3,351,153
Total NED remuneration[e]	399,423	-	29,077	-	-	-	428,500
Total KMP remuneration expense	2,219,414	66,738	134,661	106,562	2,000	1,250,278	3,779,653

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

(a) Short-term benefits as per Corporations Regulation 2M.3.03(1) Item 6.

(b) Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the year.

(c) Post-employment benefits are provided through superannuation contributions.

(d) Rights to deferred shares granted under the executive STI and LTI schemes are expensed over the performance period, which includes the year to which the incentive relates and the subsequent vesting period of the rights.
Rights to deferred shares are equity-settled share-based payments as per the Corporations Regulations 2M.3.03(1) Item 11. These include negative amounts for the rights forfeited during the year.
Details of each grant of share right are provided in the table in section (j). Shareholder approval was received in advance to the grant of share rights where required.

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

(f) The cash bonus includes a paid short term incentive for FY2022 ($55,743) & short term incentive for FY2023 ($50,819) that will be paid subject to final determination.

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

30 June 2023 Non-Executive Directors	Cash salary and fees $	Superannuation $	Total $
I J Gandel	172,851	18,149	191,000
A D Lethlean	104,072	10,928	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	399,423	29,077	428,500

30 June 2022 Non-Executive Directors	Cash salary and fees $	Superannuation $	Total $
I J Gandel	173,636	17,364	191,000
A D Lethlean	104,546	10,454	115,000
G M Smith	122,500	-	122,500
Total Non-Executive Directors	400,682	27,818	428,500

The relative proportions of remuneration expense recognised during the year that are linked to performance and those that are fixed are as follows:

	Fixed remuneration		At risk - LTI		At risk - STI	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Executive Directors of Alkane Resources Ltd						
N P Earner	50%	47%	34%	39%	16%	14%
D I Chalmers	68%	69%	20%	19%	12%	12%
Other Key Management Personnel						
J Carter	64%	66%	19%	21%	17%	13%
S Parsons	64%	70%	19%	17%	17%	13%

(i) Service agreements

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

Name and Position	Term of agreement	TFR [(1)]	Termination payment [(2)]
N Earner - Managing Director	On-going commencing 1 September 2017	$650,000	see note 2 below
D I Chalmers - Technical Director	On-going commencing 1 September 2017	$330,800	6 months
J Carter - Chief Financial Officer	On-going commencing 1 October 2018	$480,675	3 months
S Parsons - Executive General Manager - Operations	On-going commencing 1 October 2015	$464,100	1 month

(1) Total Fixed Remuneration (TFR) is for the year ended 30 June 2023 and is inclusive of superannuation but does not include long service leave accruals. TFR is reviewed annually by the Remuneration Committee.

(2) Specified termination payments are within the limits set by the Corporations Act 2001. The termination benefit provision for the Managing Director was approved at the Annual General Meeting on 29 November 2017.
Mr Earner may resign with 3 months' notice; or
Alkane may terminate the Executive Employment agreement with 3 months' notice; or
Where Mr Earner resigns as a result of a material diminution in the position, Mr Earner will be entitled to payment in lieu of 12 months' notice and short term incentives and long term incentives granted or issued but not yet vested.

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

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

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

(a) The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 Share Based Payments. Differences will arise between the number of share rights at fair value in the table above and the STI and LTI percentages mentioned in section (d) due to different timing of valuation of rights as approved by the Remuneration Committee and at grant. Refer to note 28 for details of the valuation techniques used for the rights plan.

(b) Share rights only vest if performance and service targets are achieved. The determination is usually made at the conclusion of the statutory audit.

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

The determination of the number of rights that are to vest or be forfeited during a financial year is made by the Remuneration Committee after the statutory audit has been substantially completed. As such, the actual determination is made after the balance sheet date. Where there are rights that have vested or been forfeited, details will be included in the Remuneration Report as the relevant performance period will conclude at the end of the relevant financial year.

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Performance against key metrics

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

The Company's TSR for FY2021, FY2022 and FY2023 will be compared to the S&P/ASX All Ordinaries Gold (Sub industry) XGD (Gold Index). TSR and number of performance rights will vest as follows:

Shareholder return comparison	Proportion of performance rights that vest %
TSR is less than Gold Index TSR	-
TSR is equal to Gold Index TSR	25%
TSR is >5% and <10% to Gold Index TSR	50%
TSR is equal to or >10% to Gold Index TSR	100%

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

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Received on vesting of PRs	Disposals/ other	Balance at the end of the year
Ordinary shares					
I J Gandel	131,792,506	-	-	(12,968,576)	118,823,930
A D Lethlean	720,086	-	-	-	720,086
D I Chalmers	5,687,885	-	218,390	-	5,906,275
N P Earner	3,627,496	-	1,414,219	-	5,041,715
G Smith	331,875	-	-	-	331,875
J Carter	1,921	1,562	537,654	-	541,137
S Parsons	251,921	1,562	273,829	-	527,312
	142,413,690	3,124	2,444,092	(12,968,576)	131,892,330

Performance rights holding

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

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
D I Chalmers - Performance rights	635,169	359,744	(218,390)	(48,067)	728,456
N P Earner - Performance rights	3,319,265	1,395,232	(1,414,219)	(392,585)	2,907,693
J Carter - Performance rights	1,160,064	532,194	(537,654)	(146,203)	1,008,401
S Parsons - Performance rights	823,214	439,518	(273,829)	(74,161)	914,742
	5,937,712	2,726,688	(2,444,092)	(661,016)	5,559,292

(l) Other transactions with Key Management Personnel

There were no other transactions with KMP's during the financial year ended 30 June 2023.

There were no unissued ordinary shares of Alkane Resources Ltd under performance rights outstanding at the date of this report.

This concludes the remuneration report, which has been audited.

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Indemnity and insurance of officers
Alkane Resources Ltd has entered into deeds of indemnity, access and insurance with each of the Directors. These deeds remain in effect as at the date of this report. Under the deeds, the company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the company, or breach by the group of its obligations under the deed.

The liability insured is the indemnification of the group against any legal liability to third parties arising out of any Directors or Officers duties in their capacity as a Director or Officer other than indemnification not permitted by law.

No liability has arisen under this indemnity as at the date of this report.

The group has not otherwise, during or since the financial year, indemnified nor agreed to indemnify an officer of the group or of any related body corporate, against a liability incurred as such by an officer.

During the year the company has paid premiums in respect of Directors' and Executive Officers' Insurance. The contracts contain prohibitions on disclosure of the amount of the premiums and the nature of the liabilities under the policies.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the group is important.

The directors, in accordance with advice provided by the audit committee, are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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

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

Extracted from ASIC's Financials

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

On behalf of the directors



N P Earner
Managing Director

24 August 2023
Perth

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Auditor's Independence Declaration

As lead auditor for the audit of Alkane Resources Ltd for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
24 August 2023

Continuing operations			
Revenue	2	190,527	165,010
Cost of sales	3	(119,113)	(102,201)
Gross profit		71,414	62,809
Other income		430	1,119
Interest income		2,398	69
Net gain on derecognition of equity accounted investments	12	-	48,334
Expenses			
Other expenses	3	(12,598)	(10,424)
Finance costs	3	(1,057)	(1,731)
Share of loss of associates accounted for using the equity method	12	-	(20)
Net gain/(loss) on disposal of property, plant and equipment		-	317
Profit before income tax expense		60,587	100,473
Income tax expense	4	(18,137)	(30,222)
Profit after income tax expense for the year attributable to the owners of Alkane Resources Ltd	18	42,450	70,251
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	8	(16,140)	4,902
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges reclassified to profit or loss, net of tax	20	-	712
Net change in the fair value of cash flow hedges taken to equity, net of tax	20	-	(578)
Other comprehensive income/(loss) for the year, net of tax		(16,140)	5,036
Total comprehensive income for the year attributable to the owners of Alkane Resources Ltd		26,310	75,287
		Cents	**Cents**
Basic earnings per share	29	7.10	11.80
Diluted earnings per share	29	7.00	11.64

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

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained Profits $'000	Total equity $'000
Balance at 1 July 2021	218,079	3,313	(68,491)	38,664	191,565
Profit after income tax expense for the year	-	-	-	70,251	70,251
Other comprehensive income for the year, net of tax	-	-	5,036	-	5,036
Total comprehensive income for the year	-	-	5,036	70,251	75,287
Share issue transaction costs (note 16)	(4)	-	-	-	(4)
Share based payments (note 28)	184	1,916	-	-	2,100
Deferred tax recognised in equity	(74)	-	-	-	(74)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(2,414)	2,414	-
Balance at 30 June 2022	218,185	5,229	(65,869)	111,329	268,874

	Share capital $'000	Share-based payments reserve $'000	Other reserves $'000	Retained Profits $'000	Total equity $'000
Balance at 1 July 2022	218,185	5,229	(65,869)	111,329	268,874
Profit after income tax expense for the year	-	-	-	42,450	42,450
Other comprehensive loss for the year, net of tax	-	-	(16,140)	-	(16,140)
Total comprehensive income/(loss) for the year	-	-	(16,140)	42,450	26,310
Share issue transaction costs (note 16)	(20)	-	-	-	(20)
Share based payments (note 28)	197	2,806	-	-	3,003
Deferred tax recognised in equity	(70)	-	-	-	(70)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	840	(840)	-
Ordinary shares issued	1,900	-	-	-	1,900
Employee share awards vested	2,032	(2,032)	-	-	-
Balance at 30 June 2023	222,224	6,003	(81,169)	152,939	299,997

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

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Note 1. Segment information

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

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

30 June 2023	Gold Operations $'000	Unallocated $'000	Total $'000
Gold sales to external customers	190,527	-	190,527
Interest Income	707	1,691	2,398
	191,234	1,691	192,925
Segment net profit /(loss) before income tax	71,157	(10,570)	60,587

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

Note 2. Revenue

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

(a) Revenue

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

(b) Gold Sales

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

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Note 3. Expenses

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

(a) Cash costs of production

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

(b) Inventory product movement

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

Refer to note 7 for further details on the group's accounting policy for inventory.

(c) Inventory product provision for net realisable value

Inventory must be carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to complete processing and to make a sale. The net realisable value provision equals the decrement between the net realisable value and the carrying value before provision.

Refer to note 7 for further details on the group's accounting policy for inventory.

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

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(d) Finance Costs

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

Note 4. Income tax

(a) Income tax expense

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

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

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

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(c) Deferred tax assets

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

Movements	Tax losses $'000	Rehabilitation Provision and assets $'000	Property, plant and equipment $'000	R&D Tax incentive credits $'000	Other $'000	Total $'000
At 1 July 2022	-	4,070	5,823	-	2,274	12,167
- profit or loss	-	430	740	-	317	1,487
- directly to equity	-	-	-	-	(71)	(71)
As at 30 June 2023	-	4,500	6,563	-	2,520	13,583

(d) Deferred tax liabilities

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

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

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Movements	Exploration Expenditure $'000	Property, plant and equipment $'000	Other $'000	Total $'000
At 1 July 2021	17,313	11,441	1,799	30,553
Charged/(credited)	-	-	-	-
- to profit or loss	12,215	841	2,647	15,703
- directly to equity	-	-	1,066	1,066
- directly to retained earnings	-	-	1,034	1,034
At 30 June 2022	29,528	12,282	6,546	48,356
At 1 July 2022	29,528	12,282	6,546	48,356
Charged/(credited)	-	-	-	-
- to profit or loss	14,634	(1,719)	(274)	12,641
- directly to equity	-	-	(2,333)	(2,333)
- directly to retained earnings	-	-	(360)	(360)
At 30 June 2022	44,162	10,563	3,579	58,304

(e) Deferred tax recognised directly in equity

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

(f) Unrecognised temporary differences and tax losses

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

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

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

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

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

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

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

Note 5. Cash and cash equivalents

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

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

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 6. Trade and other receivables

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

(i) Classification as receivables
Receivables are recognised initially at fair value and then subsequently measured at amortised cost, less provision for credit losses. As at 30 June 2023 the group has determined that the expected provision for credit losses is not material (30 June 2022: provision for credit losses was not material).

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

(ii) Fair value of receivables
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(iii) Impairment and risk exposure
Information about the impairment of receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 20.

Note 7. Inventories

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

(i) Assigning costs to inventories
Costs are assigned to ore stockpiles, gold in circuit and bullion on hand on the basis of weighted average costs. Inventories must be carried at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. At balance date ore stockpiles, gold in circuit, bullion on hand and consumable stores were carried at cost.

No provision was recorded at 30 June 2023 to write down inventories to their recoverable value (2022: $nil).

Consumable stores include diesel, explosives and other consumables items. These items are carried at cost.

(ii) Amounts recognised in profit or loss
Consumable inventories recognised as an expense during the year ended 30 June 2023 amounted to $2,415,000 (2022: $2,928,000). These were included in costs of production.

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

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

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

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

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

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

Note 9. Other financial assets

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

The above deposits are held by financial institutions or regulatory bodies as security for rehabilitation obligations as required under the respective exploration and mining leases or as required under agreement totalling $13,766,000 for the current period (2022: $13,497,000 backed by security deposits).

All interest bearing deposits are held in Australian dollars and therefore there is no exposure to foreign currency risk. Please refer to note 20 for the group's exposure to interest rate risk. The fair value of other financial assets is equal to its carrying value.

Note 10. Property, plant and equipment

Year ended 30 June 2023	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Mine properties $'000	Total $'000
Opening cost	37,079	115,188	634	261,777	414,678
Additions	-	-	19,800	20,024	39,824
Transfers between classes	568	9,943	(10,511)	-	-
Disposals	-	(56)	-	-	(56)
Net movement	568	9,887	9,289	20,024	39,768
Closing cost	37,647	125,075	9,923	281,801	454,446
Opening accumulated depreciation and impairment	(13,409)	(92,160)	-	(201,723)	(307,292)
To profit or loss	(305)	(16,327)	-	(19,474)	(36,106)
Disposals	-	56	-	-	56
Net movement	(305)	(16,384)	-	(19,474)	(36,050)
Closing accumulated depreciation and impairment	(13,714)	(108,431)	-	(221,197)	(343,342)
Closing net carrying value	23,933	16,644	9,923	60,604	111,104

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

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

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

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

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

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

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

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

Mine properties

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

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

Note 11. Exploration and evaluation

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

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

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

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

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

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

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

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Note 12. Investments accounted for using the equity method

	2023 $'000	2022 $'000
Non-current assets		
Investment in associates	-	-
Reconciliation		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	-	15,944
Share of loss*	-	(20)
Reclassification	-	(15,924)
Closing carrying amount	-	-

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

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

Note 13. Trade and other payables

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

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial period which are unpaid. Current trade and other payables are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented in current liabilities unless payment is not due within 12 months from the reporting date.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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Note 14. External borrowings

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

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

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

Financing arrangements

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

On 21 February 2023, Alkane executed a finance Facility Agreement between Tomingley Gold Operations Pty Ltd and Macquarie Bank Limited to develop the Tomingley Gold Extension Project. The terms to this facility are an amendment to the existing facility agreement that was executed on 07 December 2020. The first debt draw down is permitted on the approval of the Mining Lease and satisfaction of other CPs, standard for a facility of this nature.
Borrowing costs incurred have been deferred as prepayments until the facility is drawn.

The facility remains undrawn as at 30 June 2023.

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

Note 15. Provisions

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

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(i) Provisions

Provisions are recognised when the group has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance charges.

(ii) Information about individual provisions and significant estimates

Employee benefits
The provision for employee benefits relates to the group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave. The entire amount of the provision of $3,622,000 (2022: $3,027,000) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

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

The liability for long service leave not expected to vest within 12 months after the end of the period in which the employees render the related service is recognised in the non-current provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match as closely as possible, the estimated future cash outflows. Where the group does not have an unconditional right to defer settlement for any annual or long service leave owed, it is classified as a current provision regardless of when the group expects to realise the provision.

Rehabilitation and mine closure
The group has obligations to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they sit.

A provision is raised for the estimated cost of settling the rehabilitation and restoration obligations existing at balance date, discounted to present value using an appropriate pre-tax discount rate.

Where the obligation is related to an item of property, plant and equipment, its cost includes the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located. Costs that relate to obligations arising from waste created by the production process are recognised as production costs in the period in which they arise.

The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate. An increase in the provision due to the passage of time of was recognised in finance charges in the statement of profit or loss and other comprehensive income of $447,000 (2022: $110,000).

The provisions are reassessed at least annually. A change in any of the assumptions used to determine the provisions could have a material impact on the carrying value of the provision.

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

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

Note 16. Issued capital

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

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2021	595,388,800	218,079
Share issue		194,620	184
Share issue costs		-	(4)
Less: Deferred tax credit recognised directly into equity		-	(74)
Balance	30 June 2022	595,583,420	218,185
Shares issued on vesting of performance rights		2,901,458	2,032
Share issue		307,714	197
Share issue costs		-	(20)
Less: Deferred tax credit recognised directly into equity		-	(70)
Issued ordinary shares on 30 May 2023 for tenement acquisition at $0.68		2,781,438	1,900
Balance	30 June 2023	601,574,030	222,224

Ordinary shares

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

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

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

Note 17. Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

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

Financial assets at fair value through other comprehensive income reserve
This reserve is used to recognise changes in the fair value of certain investments in equity securities in other comprehensive income.

Hedging reserve - cash flow hedges
The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve
The reserve is used to recognise the grant date fair value of shares issued to directors and KMP, as well as the grant date fair value of deferred rights granted but not yet vested.

Demerger reserve
The demerger reserve was used to recognise the gain on ASM demerger and demerger dividend.

Note 18. Retained profits

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

Note 19. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 20. Financial risk management

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

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

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

(a) Market risk

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

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

(ii) Commodity price risk
The group's sales revenues are generated from the sale of gold. Accordingly, the group's revenues are exposed to commodity price fluctuations, primarily gold. The group mitigates this risk through the use of derivative instruments, including but not limited to Australian dollar denominated gold forward contracts.

(iii) Interest rate risk
The group's main interest rate risk arises through its cash and cash equivalents and other financial assets held within financial institutions. The group minimises this risk by utilising fixed rate instruments where appropriate.

Foreign Copy

Summarised market risk sensitivity analysis

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

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

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

(b) Credit risk

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

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

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

(i) Risk management

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

(ii) Credit quality

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

(c) Liquidity risk

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

The group's financial liabilities generally mature within 3 months, therefore the carrying amount equals the cash flow required to settle the liability.

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Hedge accounting

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

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

Note 21. Capital risk management

The group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

Note 22. Key management personnel disclosures

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

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

Note 23. Remuneration of auditors

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

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

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Note 24. Contingent liabilities

The group has entered into forward gold sales contracts which are not accounted for on the balance sheet. A contingent liability of $32,020,000 (2022: asset $1,076,000) existed at the balance date in the event the contracts are not settled by the physical delivery of gold.

Note 25. Commitments

(a) Exploration and mining lease commitments
In order to maintain current rights of tenure to exploration and mining tenements, the group will be required to outlay the amounts disclosed in the below table. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

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

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

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

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

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

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

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

Note 26. Events after the reporting period

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

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Related party transactions

Parent entity
Alkane Resources Ltd is the parent entity of the group.

Associates
Interests in associates are set out in note 12.

Subsidiaries
Interests in significant subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

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

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

Note 28. Share-based payments

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

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

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

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

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

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

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

Executive directors and other executives

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

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

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

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

The number of Performance Rights to be granted is determined by the Remuneration Committee with reference to the fair value of each Performance Right which is generally the volume weighted average price for the month preceding the start of the performance period. This will differ from the fair value reported in the table above which is determined at the time of grant.

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Long term incentive scheme (LTI)

The following table lists the inputs to the models used.

Grant date	Performance hurdle	Dividend yield %	Expected stock volatility %	Risk free rate %	Expected life years	Weighted average share price at grant date $
11/11/2020	Market condition	-	72%	0.19%	3.0	$1.08
26/10/2021	Market condition	-	72%	0.61%	2.8	$0.90
17/11/2021	Market condition	-	72%	0.87%	2.7	$0.92
17/10/2022	Market condition	-	65%	3.50%	2.8	$0.63
28/11/2022	Market condition	-	64%	3.18%	2.7	$0.62

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

The Total Shareholder Return ('TSR') Performance Condition attached to the Performance Rights granted under the FY23 LTI is considered a market-based hurdle under AASB 2 and should be considered when estimating the fair value. The service conditions attached to the awards are deemed non-market-based hurdles. Accordingly, a Monte Carlo simulation-based model has been used to test the likelihood of achieving the TSR hurdle when estimating the fair value.

Short term incentive scheme (STI)

Under the Group's short term incentive (STI) scheme, executives and senior management receive rights to deferred shares based on the annual STI achieved. The rights are granted at the end of the performance period and vest one year after the grant date. They automatically convert into one ordinary share each on vesting at an exercise price of nil. There is no entitlement to dividends or voting in relation to the deferred shares during the restricted period. If employment ceases during this period, the rights will be forfeited, except in limited circumstances that are approved by the board. The number of rights to be granted is determined based on the share price at the date of grant.

The vested portion of FY22 STI were accounted for in the prior year based on the estimated value at the reporting date. The value was adjusted based on the final value determined in the current year.

STI awards for the Executive team in the 2023 financial year FY23 STI were based on the scorecard measures and weighting as disclosed, with the estimated value of the grant determined at the reporting date.

Plan	Offer	Hurdle	Valuation Model	Grant Date	Fair Value $
FY22 STI	Executive Directors	Service	Black-Scholes	28/11/2022	$0.62
FY22 STI	Other Executives	Service	Black-Scholes	09/09/2022	$0.80

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Expenses arising from share-based payment transactions.

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

Note 29. Earnings per share

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

	2023 $'000	2022 $'000
Profit after income tax attributable to the owners of Alkane Resources Ltd	42,450	70,251
	Cents	**Cents**
Basic earnings per share	7.10	11.80
Diluted earnings per share	7.00	11.64
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	598,215,343	595,526,745
Adjustments for calculation of diluted earnings per share:		
Performance rights	7,820,251	8,102,048
Weighted average number of ordinary shares used in calculating diluted earnings per share	606,035,594	603,628,793

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

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

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Balance sheet

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

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

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

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

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

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 (2022: $nil).

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Note 31. Interests in subsidiaries

The group's subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The state of incorporation or registration is also their principal place of business.

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

Note 32. Deed of cross guarantee

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

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

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

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

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

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Note 33. Reconciliation of profit after income tax to net cash from operating activities

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

Net debt reconciliation

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

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

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

Note 34. Significant accounting policies

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

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

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

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

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

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

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

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

Tax consolidated legislation

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

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

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

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

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

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alkane Resources Ltd ('company' or 'parent entity') as of 30 June 2023 and the results of all subsidiaries for the year then ended. Alkane Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or the 'group'.

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of non-financial assets
The group assesses at the end of each reporting period whether there is any indication that an asset, or a group of assets is impaired (excluding exploration and evaluation assets, refer to note 11 for impairment policy for exploration and evaluation assets). An asset or a group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Earnings per share
(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

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

In the directors' opinion:

- the financial statements and notes set out on pages 23 to 57 are in accordance with the Corporations Act 2001 including:

(a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(b) giving a true and fair view of the consolidated entity's financial position as of 30 June 2023 and of its performance for the financial year ended on that date; and

- the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 34 to the financial statements;

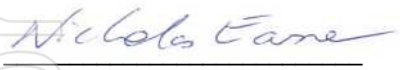
- there are reasonable grounds to believe that Alkane Resources Limited will be able to pay its debts as and when they become due and payable.

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors.

On behalf of the directors



N P Earner
Managing Director

24 August 2023
Perth

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Independent auditor's report

To the members of Alkane Resources Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as of 30 June 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as of 30 June 2023
- the consolidated statement of changes in equity for the year then ended.
- the consolidated statement of cash flows for the year then ended.
- the consolidated statement of profit or loss and other comprehensive income for the year then ended.
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

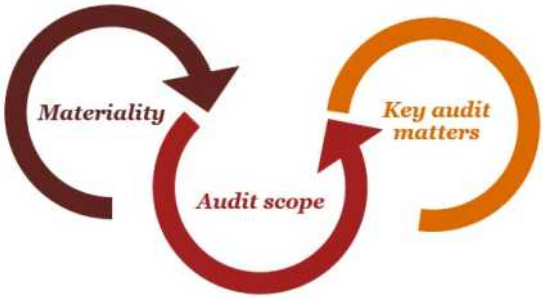
We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



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

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Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

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

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors report and Corporate directory. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 11 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Alkane Resources Ltd for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
24 August 2023

EXHIBIT C TO APPENDIX J
MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Nine Months Ended 31 March 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") represents significant factors and information management deems essential for understanding the consolidated financial condition and operational performance of Alkane Resources Limited and its subsidiaries ("Alkane" or the "Company") and of the Consolidated Entity, being the Company and its controlled entities (the "Group"), for the three months and nine months ended 31 March 2025. This MD&A should be read alongside the Company's Unaudited Interim Financial Statement for the three months ("Q3 FY25") and nine months ("YTD FY25") ended 31 March 2025, the Quarterly Activity Reports lodged with the Australian Securities Exchange ("ASX") and the Audited Consolidated Financial Statement for the year ended 30 June 2024 and related notes. The Audited Consolidated Financial Statement has been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB"), which also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Unaudited Interim Financial Statement has been prepared in accordance with *AASB 134 Interim Financial Reporting*. This MD&A includes certain forward-looking statements, with reference made to the "Cautionary Statement Regarding Forward-Looking Information" located at the end of this document.

For the purpose of preparing this MD&A, management, together with the Company's board of directors, regards information as material if:

(i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or

(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Additional information related to the Company can be viewed on the ASX website (www.asx.com.au) and the Company's website (www.alkane.com.au).

This MD&A includes certain non-IFRS measures. The Company believes that these measures provide investors with enhanced ability to evaluate the underlying performance of the Company. Non-IFRS measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS Performance Measures section of the MD&A for the list of these measures, their definitions and reconciliations to corresponding IFRS measures.

All dollar figures stated herein are expressed in Australian dollars ("AUD"), unless otherwise specified. Information contained herein is presented as at 31 March 2025, unless otherwise indicated. The issue date of this MD&A is 16 June 2025.

Abbreviation	Period	Abbreviation	Period
Q3 FY25	January 1, 2025 to March 31, 2025	Q2 FY25	October 1, 2024 to December 31, 2024
Q1 FY25	July 1, 2024 to September 30, 2024.	FY25	July 1, 2024 to June 30, 2025

Q3 FY24	January 1, 2024 to March 31, 2024		

HIGHLIGHTS Q3 FY25

Introduction

Tomingley Gold Operations (Tomingley) is a gold mining operation located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. Tomingley has been operating since 2014. Mining occurs underground on four gold deposits (Wyoming One, Caloma One, Caloma Two and Roswell).

Operations

Gold production totalled 17,657 ounces ("oz") for Q3 FY25, resulting in 50,927oz to date in FY25. Gold sales for Q3 FY25 was 16,513oz for revenue of A$63.4 million at an average price of A$3,839/oz. Site cash operating costs (refer to non-IFRS measures note) was A$2,178/oz and All-In-Sustaining-cash Costs ("AISC") was A$2,770/oz for Q3 FY25. Site operating cash flow was A$29.0 million for the quarter. FY25 guidance for Tomingley of 70,000oz to 80,000oz production at an AISC of A$2,400/oz to $2,600/oz remains unchanged. Production is expected to be at the lower end of guidance as originally announced by Alkane on 7 April 2025.

Exploration

Resource expansion drilling at Tomingley has yielded multiple high-grade intercepts at depth outside existing resource models and close to existing underground.

Growth

On 28 April 2025, Alkane and Mandalay Resources Corporation ("Mandalay") announced that they entered into a definitive arrangement agreement dated 27 April 2025 (the "Arrangement Agreement") in respect of a "merger of equals" transaction to create a combined company that will continue under the name "Alkane Resources". The transaction will create a diversified Australian-centric gold and antimony producer with a portfolio of three operating mines and a strong balance sheet.

For more information, refer to the section "subsequent events" in this MD&A.

Corporate

Cash and bullion balance was $50.5 million at the end of Q3 FY25, an increase of $11.0 million from the Q2 FY25 quarter. Operating cash flows increased from $34.8 million in FY24 YTD to $50.3 million in FY25 YTD. Debt repayments of $1.8 million and 6,600oz of hedges filled occurred during the quarter. Cash, bullion and listed investments (refer to non-IFRS measures note) totalled $58.6 million, an increase of $16.2 million from the Q2 FY25.

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DESCRIPTION OF BUSINESS

Alkane intends to grow to become one of Australia's multi-mine gold and copper producers and have announced a "merger of equals" transaction with Mandalay to create a combined company. 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 current gold production is from the Tomingley Gold Operations in Central West New South Wales, which has been operating since 2014 and has operating plans extending beyond 2030.

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

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With exploration drilling ongoing and an economic development pathway shown in a scoping study, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold and copper production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies.

Business Values

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

Transparency
We are proactive in communicating our intent and outcomes.

Respect
We treat people and the environment with care.

Performance
We plan and execute to deliver strong business results.

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.

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PERFORMANCE AND OPERATION RESULTS Q3 FY25

Operating Performance	Q3 FY25 31 Mar 2025	Q3 FY24 31 Mar 2024	YTD 31/03/2025	YTD 31/03/2024
Tomingley Gold Operations				
Underground				
Milled (t)	277,550	296,644	810,534	860,849
Recovery %	84%	68%	84%	76%
Head Grade (g/t)	2.19	1.69	2.29	1.87
Gold Produced (oz)	17,657	10,861	50,927	39,898
Gold Sold (oz)	16,513	10,385	51,298	40,982
Realised price (A$/oz) [1]	$3,839	$2,933	$3,608	$2,916
All In Sustaining Cash Cost (A$/oz) [1]	2,770	2,454	2,654	2,247

1. *Realised price and All In Sustaining Cash Costs are non-IFRS measures. Refer to Non-IFRS measures note.*

Q3 FY25 Group Performance

The main source of ore continues to be from Roswell orebody. A total of 17,657 ounces of gold was poured at Tomingley for the quarter ended March 31, 2025.

All-in-sustaining costs (AISC) of A$2,770/oz decreased from Q2 FY25 (A$3,053oz) driven by:

- Gold production – There was an increase of 2,805oz poured in the quarter which lead to a decrease in the inventory adjustment for Q3 FY25. Grade and recovery have remained consistent between Q3 FY25 and Q2 FY25.
- Site costs – The reduction in AISC from inventory movement was partially offset by slightly higher underground costs (Q3 FY25 $1,272oz vs Q2 FY25 $1,198oz) and processing costs (Q3 FY25 $656oz vs Q2 FY25 $535oz).

FY25 guidance for Tomingley of 70,000oz to 80,000oz production at an AISC of A$2,400/oz to $2,600/oz remains unchanged. Production is expected to be at the lower end of guidance.

Gold sold for the quarter was 16,513 ounces at an average sales price of A$3,839/oz, generating revenue of A$63.4 million. Bullion stocks were 2,113 ounces (fair value of A$10.6 million at quarter end). The site's operating cash flow was A$29.0 million for the quarter.

Operating costs

Underground mining largely drove operating costs, with 274,110 tonnes of ore mined during the quarter. Sustaining capital was $425/oz or $7.0 million for the quarter. The major item of spend during the quarter was underground capital development, underground truck refurbishments and a wheel loader replacement.

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Capex

Capex included within development expenditure for YTD FY25 was $43.4 million ($62.48 million YTD FY24) which mainly related to the Paste Plant & Process Plant Upgrade. The decrease from the previous year is a result of reaching the end of Tomingley Gold Extension Project ("TGEP") capital outlay costs.

EXPLORATION

Resource expansion drilling at Tomingley has yielded multiple high-grade intercepts at depth outside existing resource models and close to existing underground infrastructure (see ASX announcements dated 28 February 2025 and 7 April 2025). A substantial regional aircore drilling program between San Antonio and Peak Hill has recently been completed, and results are being compiled. Reverse circulation and core drilling at El Paso and other targets is scheduled.

Financial Results

(In '000 Australian dollars)	Three months ended 31 March		Nine months ended 31 March	
	2025	**2024**	**2025**	**2024**
Continuing operations				
Revenue	63,204	30,459	184,704	119,519
Cost of sales	(53,357)	(29,870)	(152,259)	(98,053)
Gross profit	9,847	589	32,445	21,466
Other income	148	164	864	487
Interest income	416	378	1,542	2,122
Impairment reversal	7,024	-	7,024	-
Other expenses	(3,444)	(3,382)	(9,596)	(8,579)
Finance costs	(2,366)	(133)	(3,433)	(1,009)
Total expenses	5,810	3,515	13,029	9,588
Profit before income tax expense	**11,625**	**(2,384)**	**28,846**	**14,487**
Income tax expense	(3,528)	389	(7,657)	(4,057)
Profit after income tax expense	8,097	**(1,995)**	**21,189**	**10,430**
Other comprehensive income/(loss)	3,987	(5,496)	2,115	(810)
Total comprehensive income	**12,084**	**(7,491)**	**23,304**	**9,621**

(In Australian dollars – Cents per share)	Three months ended 31 March		Nine months ended 31 March	
	2025	**2024**	**2025**	**2024**
Earnings/(loss) per ordinary share				
Basic earnings/(loss) per share	1.34	(0.33)	3.50	1.73
Diluted earnings/(loss) per share	1.33	(0.33)	3.47	1.70

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Financial position at 31 March 2025

(In '000 Australian dollars)	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	39,634	28,397
Current Assets	68,734	54,707
Non-current assets	432,680	360,655
Total Assets	**501,414**	**415,361**
Current liabilities	64,506	37,802
Non-current liabilities	103,576	67,575
Total Liabilities	**168,082**	**105,378**
NET ASSETS	333,332	309,984

Income Statement at 31 March 2025

Revenue

During the quarter, Tomingley Gold Operations Pty Ltd, Alkane's wholly owned subsidiary with holds the Tomingley tenements, sold 16,513 ounces of gold at an average realised price of A$3,839/oz. This included the delivery of 6,600 ounces into forward sales contracts at a price of $2,804/oz. Further details of the current forward sales can be found in the Hedging section below. This increased from 10,385 ounces at an average price of $2,933 in Q3 FY24.

YTD FY25, ounces sold totalled 51,298 at an average price of A$3,608. This is an increase from 40,982 at an average price of A$2,916 YTD FY24.

Cost of sales

Cost of sales for the quarter were $53.4 million which was largely driven by underground mining, with 274,110 tonnes of ore mined during the quarter. Depreciation was higher than the same quarter last year due to the paste plant and processing plant upgrade being finalized at the start of Q3 FY25 and commencing amortisation.

Cost of sales has increased from $98.1 million (YTD FY24) to $152.3 million (YTD FY25) for the following reasons:

- Costs of production increased from $69.3 million to $114 million primarily from underground costs increasing from $759oz (YTD FY24) to $1,210oz (YTD FY25). This arises from increases in the advance mining development expense, increased salaries and equipment maintenance and operating costs.
- Depreciation increased from (YTD FY24) $21.3 million to (YTD FY25) $35million as TGEP assets were completed prior to and during the period.

Royalty expense (included within cost of sales) totaled $2.1 million in Q3 FY25 and $5.9 million YTD FY25. This was largely driven by an increase in ounces produced and record gold prices realized in FY25.

Finance costs

Finance costs in Q3 FY25 were $2.4 million and $3.4 million for FY25 YTD due to the $60 million credit facility with Macquarie Bank ("Macquarie"), which was fully drawn down in July 2024 and $15 million repaid in September 2024 as part of TGEP funding.

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Expenses

Administration & Exploration expenses totaled $3.4 million for Q3 FY25 and $9.6 million for FY25 YTD which have remained consistent from the prior periods.

Net Earnings/(loss)

Net earnings totalled $12.1 million (1.34c basic EPS) in Q3 FY25, compared to ($7.2 million) (0.28c basic EPS) in Q3 FY24.

Net earnings totalled $23.3 million for YTD FY25, compared to $9.6 million YTD FY24. AISC rose $407oz between the periods however this was offset by both higher gold production during the quarter and a higher realised price on unhedged gold sales.

Financial Position at 31 March 2025

Current assets

As at 31 March 2025, current assets totaled $68.7 million with the majority being cash ($39.6 million), inventory at cost ($19.5 million) and consumables ($5.9 million). The increase from current assets at 31 March 2024 ($54.7 million) was a result of higher cash and inventory balances.

Non-current assets

Non-current assets increased significantly from $360 million at 31 March 2024 to $433 million at 31 March 2025 following the capital expenditures at TGEP. Roswell assets that were initially recorded within exploration and evaluation were transferred into property plant and equipment during this period. The Property, Plant & Equipment balance increased from $201.4 million at 31 March 2024 to $300 million at 31 March 2025.

Current liabilities

Current liabilities increased from $42.8 million at 31 March 2024 to $64.5 million at 31 March 2025 primarily due to timing of the Macquarie facility repayment schedule. Income tax provision increased from $2.9 million to $6.2 million.

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Non-current liabilities

Non-current liabilities have increased from $62.9 million at 31 March 2024 to $103.6 million at 31 March 2025. $27.5 million relates to the non-current portion of the $60 million Macquarie facility, additional utilisation of the National Australian Bank (NAB) and Caterpillar Finance (CAT) funding and an increase in the rehabilitation provision.

Hedging

As part of its risk management policy and as required under its finance facility, Alkane uses a combination of fixed price gold forward sales contracts and gold put options to manage the gold price of a proportion of anticipated gold sales. The gold forward sales contracts are settled through the physical delivery of gold and are accounted for as sales contracts, with revenue recognised in the period in which the gold delivery commitment is met. Gold put options are accounted for as derivative financial instruments within current and non-current assets.

During YTD FY25, Alkane has the below hedge contracts with Macquarie, which was entered to 2023 to secure the $50 million finance facility (amended to $60 million in June 2024). YTD FY25, Alkane settled 18,400oz at an average price of A$2,791oz.

Maturity	Fixed Fwd Sales Volume (ozs)	Fwd Price ($A/oz)
Jun-25	7,200	2,818
Sep-25	7,250	2,832
Dec-25	8,200	2,843
Mar-26	8,700	2,855
Jun-26	8,500	2,870
Sep-26	7,800	2,884
Dec-26	7,200	2,896
Mar-27	7,300	2,821
Jun-27	6,650	2,844
TOTAL	68,800	2,852

Maturity date	Options	Contract Price ($A/oz)
30-Apr-25	3,896	3,000
30-May-25	3,896	3,000
30-Jun-25	3,896	3,000
29-Jul-25	3,899	3,000
28-Aug-25	3,899	3,000
26-Sep-25	3,899	3,000
29-Oct-25	3,870	3,000
27-Nov-25	3,870	3,000
29-Dec-25	3,870	3,000
29-Jan-26	4,983	3,000
26-Feb-26	4,983	3,000
27-Mar-26	4,983	3,000
28-Apr-26	4,386	3,000
28-May-26	4,386	3,000
26-Jun-26	4,386	3,000
29-Jul-26	4,196	3,000
27-Aug-26	4,196	3,000
28-Sep-26	4,196	3,000
29-Oct-26	3,877	3,000
26-Nov-26	3,877	3,000
29-Dec-26	3,877	3,000
28-Jan-27	3,920	3,000
25-Feb-27	3,920	3,000
29-Mar-27	3,920	3,000
28-Apr-27	4,029	3,000
27-May-27	4,029	3,000
28-Jun-27	4,029	3,000
Total	111,168	3,000

Liquidity & capital resources

In management's view, Alkane has sufficient financial resources to fund operations, exploration and capital expenditure. Alkane has a cash balance at 31 March 2025 of $39.6 million, up from $28.4 million at 31 March 2025. There is also $9 million undrawn amount under the Macquarie financing facility which could be utilized when required.

Alkane expects that it will have sufficient cash at 31 March 2025 together with cash from operations to fund any cash requirements in the ordinary course of business for the next twelve months.

The Company's liquidity position is sensitive to a number of factors which cannot be predicted with certainty. This includes, but is not limited to meeting production targets, gold prices, operational and capital expenditure.

It is the Group's objectives when managing capital 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.

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(In '000 Australian dollars)	Three months ended 31 March		Nine months ended 31 March	
	2025	2024	2025	2024
Cash from/(used in) Operating Activities	20,570	3,726	50,271	34,767
Cash from/(used in) Investing Activities	(14,190)	(30,888)	(67,549)	(82,058)
Cash from/(used in) Financing Activities	(1,737)	(1,737)	11,392	(4,602)
Increase / (Decrease) in Cash	4,643	(28,899)	(5,886)	(51,894)
Cash at Beginning of Period	34,991	57,296	45,519	80,291
Cash at End of Period	39,634	28,397	39,633	28,397

Operating Activities

Operating cashflows for the three months ended increased from $3.7 million at 31 March 2024 to $20.6 million from an increase in the gold realized prices and higher ounces produced and sold.

For the nine months ended 31 March 2025, operating cashflows increased from $34.8 million to $50.3 million, reflecting a higher spot price and efficiencies from Tomingley Gold Extension assets coming online.

Investing Activities

Cash used in investing activities for the three months ended decreased from $30.9 million at 31 March 2024 to $14.2 million as a result of coming to the end of capital expenditures for TGEP assets such as the paste plant and ultra fine grind.

For the nine months ended 31 March 2025, cash used in investing activities decreased from $82.1 million to $67.5 million. These cashflows include investments at Roswell such as mine development, property plant and equipment, and associated plant upgrades. This includes cell three and four of the residue storage facility, ultra fine grind plant upgrade, paste plant and new CAT loaders.

Financing Activities

Cash used in financing activities remained steady at ($1.7 million) for the three months ended 31 March 2024 to ($1.7 million) at 31 March 2025. This related to regular repayments of the National Australian Bank (NAB) and Caterpillar Finance (CAT) equipment finance loans.

For the nine months ended 31 March 2025, financing cashflows increased from ($4.6 million) to inflows of $11.4 million. $60 million was drawn under the Macquarie facility (amended from $50 million in April 2024) during July 2024 and $15 million was voluntarily repaid in September 2024. Repayments were scheduled to being in March 2025 for $6 million, however this was offset against the undrawn balance of the loan.

Previous equipment finance facilities were repaid in November 2024 and new facilities were set up for the replacement loaders in July & August 2024 totaling $15 million.

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Net cash flows

Net cash used for the three months ended 31 March 2024 increased from ($28.9 million) to $4.6 million at 31 March 2025.

Net cash used for the nine months ended 31 March 2024 increased from ($51.9 million) to ($5.9 million) at 31 March 2025.

Outlook

This outlook includes forward-looking information about the Company's operations and financial expectations and is based on management's expectations and outlook as of the date of this MD&A. This outlook is subject to various risks and uncertainties which may impact future performance and the company's ability to achieve targets discussed.

	Unit	Actual YTD FY25	Full year guidance FY25
Gold production	(Koz)	50.9	70 - 80
All-in Sustaining Costs	($A/oz)	2,654	2,400 – 2,600

Refer to the announcement made on the ASX dated 7 April 2025 "Quarterly Activities Report" for further information.

Outstanding share data

Current capital structure as at 31 March 2025:

Security type	Number on issue
Fully paid ordinary shares	605,541,892
Performance rights	11,686,288

Off-balance sheet arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Transactions between related parties

Nuclear IT is a director-related entity where David Chalmers' son is a director of the company. David Chalmers, an executive director of Alkane, does not have any financial interest, is not an office holder and does not have any other relationship with Nuclear IT. Nuclear IT provides information technology consulting services to the Group, which includes the coordination of the

purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

The following costs were incurred:

	3 Months ended 31 March		9 months ended 31 March	
Related Party	**2025**	**2024**	**2025**	**2024**
Nuclear IT	324,810	237,806	627,931	526,165

Subsequent events

On 27 April 2025, Alkane entered into the Arrangement Agreement with Mandalay, pursuant to which Alkane, through a wholly owned Canadian subsidiary, has agreed to acquire 100% of the issued and outstanding common shares of Mandalay by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia).

Mandalay shareholders will be entitled to receive 7.875 ordinary shares of Alkane for each common share of Mandalay held immediately prior to the completion of the transaction. Former Mandalay shareholders and existing Alkane shareholders will own approximately 55% and 45% of the outstanding ordinary shares of the combined entity.

The transaction is subject to procedural matters and conditional on, among other things, the approval of Mandalay shareholders, court approval, certain regulatory approvals in Australia and Sweden, and the satisfaction of certain other customary closing conditions. For certain pro forma financial information regarding the combined company, refer to Appendix K to the management information circular of Mandalay to which this MD&A is attached.

Accounting policies and estimates

The consolidated interim financial report for the three and nine months ended 31 March 2025 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. There have been no changes to the accounting policies applied by the company in this 31 March 2025 unaudited interim financial report compared to those in the Audited 30 June 2024 financial report.

Non-IFRS Measures

Non-IFRS performance measures are included in this MD&A because the Company believes these are useful indicators to understand the performance of the Company and its operations. These performance measures do not have any meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These non-IFRS performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

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Management uses, cash, bullion and listed investments, realised price and all in sustaining cash costs (ASICC) as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results.

The Company presents cash costs and all-in sustaining costs metrics for its gold production because it believes that these measures assist investors and other users of the Company's financial statements in understanding the economics of the Company's gold mining activities. Management also uses these metrics to assess the Company's ability to meet short and long-term financial objectives.

(In '000 Australian dollars)	Three months ended 31 March		Nine months ended 31 March	
	2025	2024	2025	2024
Cost of sales	**53,357**	**29,870**	**152,259**	**98,053**
Inventory movement	1,076	373	(2,704)	(3,963)
Advance development	(2,328)	(1,846)	(5,669)	(6,519)
Depreciation	(14,090)	(7,232)	(35,001)	(21,253)
Site costs	**38,014**	**21,165**	**108,885**	**66,318**
Capex & Exploration	7,014	3,527	25,069	17,791
Inventory movement	(1,076)	(373)	(2,704)	3,963
Rehabilitation	626	163	1,869	1,106
Corporate costs	1,051	997	2,968	2,864
All in sustaining costs	**45,629**	**25,480**	**136,086**	**92,041**
Gold sold (oz)	16,513	10,385	51,298	40,982
Average realised sale price per ounce	$3,839	$2,923	$3,608	$2,916
All in sustaining cost per ounce	$2,770	$2,454	$2,654	$2,247

Disclaimer

This MD&A contains certain forward looking statements, forward-looking information and forecasts, including statements regarding the proposed transaction with Mandalay, possible or assumed mineral reserves and mineral resources, production levels and rates, costs, prices, future performance or potential growth of Alkane, 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. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Except as required by applicable law, Alkane assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking information. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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Qualified Person

The scientific and technical information contained in this MD&A has been approved by Mr David I Chalmers, FAusIMM, FAIG, director of the Company, who is a qualified person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended 30 June 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") represents significant factors and information management deems essential for understanding the consolidated financial condition and operational performance of Alkane Resources Limited and its subsidiaries ("Alkane" or the "Company") and of the Consolidated Entity, being the Company and its controlled entities (the "Group"), for the financial year ended 30 June 2024. This MD&A should be read alongside the Company's Audited Consolidated Financial Statement for the year ended 30 June 2024 and related notes. The Audited Consolidated Financial Statement has been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB"), which also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A includes certain forward-looking statements, with reference made to the "Cautionary Statement Regarding Forward-Looking Information" located at the end of this document.

For the purpose of preparing this MD&A, management, together with the Company's board of directors, regards information as material if:

(i) such information results in, or would reasonably be expected to result in a significant change in the market price or value of the Company's common shares; or

(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Additional information related to the Company, can be viewed on the ASX website (www.asx.com.au) and the Company's website (www.alkane.com.au).

This MD&A includes certain non-IFRS measures. The Company believes that these measures provide investors with enhanced ability to evaluate the underlying performance of the Company. Non-IFRS measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS Performance Measures section of the MD&A for the list of these measures, their definitions and reconciliations to corresponding IFRS measures.

All dollar figures stated herein are expressed in Australian dollars ("AUD"), unless otherwise specified. Information contained herein is presented as at 30 June 2024, unless otherwise indicated. The issue date of this MD&A is 16 June 2025.

Abbreviation	Period	Abbreviation	Period
FY23	July 1, 2022 to June 30, 2023	FY24	July 1, 2023 to June 30, 2024

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HIGHLIGHTS FY24

Introduction

Tomingley Gold Operations ("Tomingley") is a gold mining operation located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. Tomingley has been operating since 2014. Mining occurs underground on four gold deposits (Wyoming One, Caloma One, Caloma Two and Roswell).

Operations

Tomingley produced 57,217oz of gold in FY24, which was within updated production guidance (55,000oz to 58,000oz). All in sustaining cash costs (refer to non-IFRS measures note) was $2,137 per ounce (2023: $1,602 per ounce). The average sales price achieved for the year increased to $3,004 per ounce (2023: $2,703 per ounce). Gold sales of 57,592 ounces (2023: 70,498 ounces) resulted in sales revenue of $172,991,000 (2023: $190,527,000).

Exploration

The extensive exploration program focused on the immediate area to the south of the TGO mine continued as part of the plan to source additional mill feed, either at surface or underground. Full results for the regional exploration aircore, reverse circulation and core drilling of several targets within and adjacent to the Tomingley to Peak Hill corridor was released as part of Alkane's "Annual Resources and Reserves Statement FY24" on 4 September 2024.

Growth

Structural works for the paste plant were largely complete during FY24, and work commenced on the electrical installation. Structural work at the process plant flotation and fine grinding circuit is nearing completion. The first of the new CAT 2900XE underground loaders has arrived on site. The remaining three units were delivered early in FY25.

On 28 April 2025, Alkane and Mandalay Resources Corporation ("Mandalay") announced that they entered into a definitive arrangement agreement dated 27 April 2025 (the "Arrangement Agreement") in respect of a "merger of equals" transaction to create a combined company that will continue under the name "Alkane Resources". The transaction will create a diversified Australian-centric gold and antimony producer with a portfolio of three operating mines and a strong balance sheet.

For more information, refer to the section "subsequent events" in this MD&A.

Corporate

In accordance with the strategy of investing part of its cash balance in junior gold mining companies and projects that meet its investment criteria and the needs of the business, the company sold ordinary shares of Genesis Minerals Ltd (ASX:GMD) during the period for proceeds of $13.04 million. During the period, Calidus Resources Ltd (ASX:CAI) entered voluntary administration and was written down to $nil (Cost $19.8 million).

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DESCRIPTION OF BUSINESS

Alkane intends to grow to become one of Australia's multi-mine gold and copper producers and have announced a "merger of equals" transaction with Mandalay to create a combined company. 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 current gold production is from the Tomingley Gold Operations in Central West New South Wales, which has been operating since 2014 and has operating plans extending beyond 2030.

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

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With exploration drilling ongoing and an economic development pathway shown in a scoping study, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold and copper production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies.

Business Values

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

Transparency
We are proactive in communicating our intent and outcomes.

Respect
We treat people and the environment with care.

Performance
We plan and execute to deliver strong business results.

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.

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PERFORMANCE AND OPERATION RESULTS FY24

Operating Performance		
	FY24	**FY23**
Tomingley Gold Operations		
Underground & Open cut [2]		
Milled (t)	1,132,538	1,069,331
Recovery %	78%	84%
Head Grade (g/t)	2.00	2.42
Gold Produced (oz)	57,217	70,253
Gold Sold (oz)	57,592	70,498
Realised price (A$/oz) [1]	$3,004	$2,703
All In Sustaining Cash Cost (A$/oz) [1]	$2,137	$1,602

2. *Realised price and All In Sustaining Cash Costs are non-IFRS measures. Refer to Non-IFRS measures note.*
3. *Open cut mining ceased at Tomingley during FY23 and operation transition fully to underground at Wyoming One, Caloma One and Caloma Two. Amounts disclosed are a total of Underground and Open cut mining.*

FY24 performance

The main source of ore continues to be from Wyoming/Caloma orebody. A total of 57,217 ounces of gold was poured at Tomingley in FY24, a decrease of 13,036oz compared to FY23. All in sustaining costs increased from $1,602 to $2,137 in FY24 stabilising costs but lower ounces from grade and recovery.

The average sales price achieved for the year increased to $3,004 per ounce (2023: $2,703 per ounce). Gold sales of 57,592 ounces (2023: 70,498 ounces) resulted in sales revenue of $172,991,000 (2023: $190,527,000).

Tomingley produced 57,217oz of gold, which was within updated production guidance (55,000oz to 58,000oz). AISC of A$2,137/oz beat updated guidance (A$2,150 - $2,350/oz). FY2024 full year production was below the original guidance (60,000oz to 65,000oz). The main reasons for the reduction in the original guidance, as compared to FY23 actuals, and updated guidance were the mining of stopes in Caloma Two, which had lower than predicted recovery due to the presence of preg-robbing carbonaceous material and the Roswell ramp up not being sufficiently rapid to allow the original guidance to be met.

Operating costs

Underground mining largely drove operating costs with 1,132,538 tonnes of ore milled during the year and an average cost of $800/oz. Processing costs also increased from $388/oz (FY23) to $504/oz in FY24.

Capex

Capex included within payments for PPE and development expenditure for FY24 was $90.9 million ($46.69 million FY23) which mainly related to the paste plant, process plant upgrade and pre-commercial spend at Roswell. The increase primarily arises from preparing the Roswell ore

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body for commercial mining and associated improvements to the mining and processing infrastructure.

EXPLORATION

The extensive exploration program focused on the immediate area to the south of the Tomingley mine continued as part of the plan to source additional mill feed, either at surface or underground. During the year, the drilling at McLeans Prospect, located between the Roswell Deposit and the Tomingley site, tested the strike of the andesite host and infilled previously intersected mineralisation.

Drilling at McLeans has defined mineralisation over 200 metres strike and 500 metres down dip that remains open. A maiden underground Inferred Mineral Resource estimation for McLeans is expected in 2025.

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

A total of four high-capacity drilling rigs are in operation at Boda and Kaiser. The planned drilling is infilling areas around high-grading mineralisation to improve confidence in the Boda Mineral Resource Estimation.

Financial Results

(In '000 Australian dollars)		
	30 June 2024	**30 June 2023**
Continuing operations		
Revenue	172,991	190,527
Cost of sales	(138,399)	(119,113)
Gross profit	**34,592**	**71,414**
Other income	509	430
Interest income	2,527	2,398
Other expenses	(10,949)	(12,598)
Finance costs	(2,347)	(1,057)
Net Gain/(loss) on disposal of PPE	110	0
Total expenses	(13,186)	(13,655)
Profit before income tax expense	**24,442**	**60,587**
Income tax expense	(6,765)	(18,137)
Profit after income tax expense	**17,677**	**42,450**
Other comprehensive income/(loss)	(8,548)	(16,140)
Total comprehensive income	9,129	26,310

(In Australian dollars)	30 June 2024	30 June 2023
Earnings/(loss) per ordinary share		
Basic earnings/(loss) per share	**2.93**	**7.10**
Diluted earnings/(loss) per share	**2.89**	**7.00**

Financial position at 30 June 2024

(In '000 Australian dollars)	30 June 2024	30 June 2023
Cash and cash equivalents	45,519	80,291
Current Assets	72,002	107,364
Non-current assets	392,694	304,826
Total Assets	464,696	412,190
Current liabilities	52,358	43,701
Non-current liabilities	102,964	68,492
Total Liabilities	155,322	112,193
NET ASSETS	309,374	299,997

Income Statement at 30 June 2024

Revenue

The average sales price achieved for the year increased to $3,004 per ounce (2023: $2,703 per ounce). Gold sales of 57,592 ounces (2023: 70,498 ounces) resulted in sales revenue of $172,991,000 (2023: $190,527,000). Refer to the discussion above in "FY24 performance" for further information on the year-over-year performance.

Cost of sales

Cost of sales for the year were $138.4 million, which was largely driven by underground mining, with 1,047,035 tonnes (FY23: 822,585) of ore mined during FY24. All in sustaining cost increased from A$1,601oz in FY23 to A$2,137oz FY24 with the average grade decreasing from 2.5 g/t (grams per tonne) in FY23 to 2.10 g/t. Refer to the discussion above in "FY24 performance" for further information on the year-over-year performance.

Royalty expense (included within cost of sales) totaled $5.4 million in FY24 and $6.7 million FY23. This was largely driven by an increase in the average sale price of gold offset by a decrease in the ounces of gold produced.

Finance costs

Finance costs increased from $1.1 million in FY23 to $2.3 million in FY24 relating to equipment finance and additional costs of the $60 million credit facility with Macquarie Bank ("Macquarie"), which was first drawn down in April 2024. This facility was used to fund capital projects such as the paste plant and processing plant upgrade within the Tomingley Gold Extension Project ("TGEP").

Expenses

Administration & Exploration expenses decreased from $12.6 million in FY23 to $10.9 million for FY24, which is the result of lower exploration expenditure.

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Financial Position at 30 June 2024

Current assets

As at 30 June 2024, current assets totaled $72 million with the majority being cash ($46 million), inventory at cost ($16.7 million) and consumables ($5.5 million). The current assets at 30 June 2023 ($107 million) were higher as there has been significant spend on TGEP capital projects during FY24.

Non-current assets

Non-current assets increased significantly from $304.8 million at 30 June 2023 to $392.7 million at 30 June 2024 following the capital expenditures at the TGEP. Roswell assets that were initially recorded within exploration and evaluation were transferred into property plant and equipment during this period. The Property, Plant & Equipment balance increased from $111.1 million at 30 June 2023 to $271.8 million at 30 June 2024. Exploration & evaluation assets also decreased from $161 million to $101.4 million, with $95.8 million being transferred to Property, Plant & Equipment.

Current liabilities

Current liabilities increased from $43.7 million at 30 June 2023 to $52.4 million at 30 June 2024 primarily due to timing of the Macquarie facility repayment schedule. Income tax provision decreased from $7.3 million to $5.1 million.

Non-current liabilities

Non-current liabilities have increased from $68.5 million at 30 June 2023 to $103 million at 30 June 2024. $30.8 million relates to the non-current portion of the $60 million Macquarie facility, additional utilisation of the National Australian Bank (NAB) and Caterpillar Finance (CAT) funding and an increase in the rehabilitation provision.

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Hedging

Expiry Date	Strike Price A$/oz	Put Option Ounces
30 July 2024	3,000	2,873
29 August 2024	3,000	2,873
26 September 2024	3,000	2,873
29 October 2024	3,000	3,467
28 November 2024	3,000	3,467
27 December 2024	3,000	3,467
29 January 2025	3,000	3,537
26 February 2025	3,000	3,537
31 March 2025	3,000	3,537
30 April 2025	3,000	3,896
30 May 2025	3,000	3,896
30 June 2025	3,000	3,896
29 July 2025	3,000	3,899
28 August 2025	3,000	3,899
26 September 2025	3,000	3,899
29 October 2025	3,000	3,870
27 November 2025	3,000	3,870
29 December 2025	3,000	3,870
29 January 2026	3,000	4,983
26 February 2026	3,000	4,983
27 March 2026	3,000	4,983
28 April 2026	3,000	4,386
28 May 2026	3,000	4,386
26 June 2026	3,000	4,386
29 July 2026	3,000	4,196
27 August 2026	3,000	4,196
28 September 2026	3,000	4,196

As part of its risk management policy and as required under its finance facility, Alkane uses a combination of fixed price gold forward sales contracts and gold put options to manage the gold price of a proportion of anticipated gold sales. The gold forward sales contracts are settled through the physical delivery of gold and are accounted for as sales contracts, with revenue recognised in the period in which the gold delivery commitment is met. Gold put options are accounted for as derivative financial instruments within current and non-current assets.

At 30 June 2024, Alkane has the below hedge contracts with Macquarie, which was entered to 2026 to secure the $50 million finance facility (amended to $60 million in April 2024). As part of the April 2024 amendment, $7.8 million was drawn to fund put options for 140,799 ounces at A$3,000 per ounce with the schedule noted below.

In FY24, Alkane settled 23,300oz at an average price of A$2,766oz.

Expiry Date	Strike Price A$/oz	Put Option Ounces
29 October 2026	3,000	3,877
26 November 2026	3,000	3,877
29 December 2026	3,000	3,877
28 January 2027	3,000	3,920
25 February 2027	3,000	3,920
29 March 2027	3,000	3,920
28 April 2027	3,000	4,029
27 May 2027	3,000	4,029
28 June 2027	3,000	4,029
Total	3,000	140,799

Maturity	Fixed Fwd Sales Volume (ozs)	Fwd Price ($A/oz)
Jun-24	7,300	2,762
Sep-24	8,600	2,778
Dec-24	9,400	2,791
Mar-25	9,800	2,804
Jun-25	8,700	2,818
Sep-25	8,600	2,832
Dec-25	8,200	2,843
Mar-26	8,700	2,855
Jun-26	8,500	2,870
Sep-26	7,800	2,884
Dec-26	8,500	2,896
TOTAL	94,100	2,830

Liquidity & capital resources

In management's view, Alkane has sufficient financial resources to fund operations, exploration and capital expenditure. Alkane has a cash balance at 30 June 2024 of $45.5 million, up from $80.3 million at 30 June 2023. There is also $17.2 million undrawn amount under the Macquarie financing facility at 30 June 2024 which is drawn subsequently in July 2024 and $15 million repaid in September 2024.

Alkane expects that it will have sufficient cash at 30 June 2024 together with cash from operations to fund any cash requirements in the ordinary course of business for the next twelve months.

The Company's liquidity position is sensitive to a number of factors which cannot be predicted with certainty. This includes, but is not limited to meeting production targets, gold prices, operational and capital expenditure.

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It is the Group's objectives when managing capital 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.

(In '000 Australian dollars)	30 June 2024	30 June 2023
Cash from/(used in) Operating Activities	52,903	95,546
Cash from/(used in) Investing Activities	(123,520)	(91,428)
Cash from/(used in) Financing Activities	35,845	(1,721)
Increase / (Decrease) in Cash	(34,772)	2,397
Cash at Beginning of Period	80,291	77,894
Cash at End of Period	45,519	80,291

Operating Activities

Operating cashflows decreased from $95.5m in FY23 to $52.9 million in FY24 from a higher all in sustaining cost and lower ounces produced in FY24.

Investing Activities

Cash used in investing activities increased from ($91.4 million) in FY23 to ($123.5 million) in FY24 due to significant investments at Roswell such as mine development, property plant and equipment, and associated plant upgrades. This includes cell three and four of the residue storage facility, ultra fine grind plant upgrade, paste plant and new Caterpillar loaders.

Financing Activities

Cash used in financing activities increased from ($1.7 million) in FY23 to inflows of $35.8 million FY24. As part of the financing of the TGEP, $42.8 million was drawn under the Macquarie facility (amended from $50 million in April 2024). Repayments of equipment finance remained steady at ($7.5 million).

Net cash flows

Net cash inflows/(outflows) decreased from $2.4 million at 30 June 2023 to ($34.8 million) at 30 June 2024.

Outstanding share data

Current capital structure as at 30 June 2024:

Security type	Number on issue
Fully paid ordinary shares	603,490,487
Performance rights	8,767,462

Off-balance sheet arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

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Transactions between related parties

Nuclear IT is a director-related entity where David Chalmers' son is a director of the company. David Chalmers, an executive director of Alkane, does not have any financial interest, is not an office holder and does not have any other relationship with Nuclear IT. Nuclear IT provides information technology consulting services to the Group which includes the coordination of the purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

The following costs were incurred:

Related Party	30 June 2024	30 June 2023
Nuclear IT	936,369	663,679

Subsequent events

Key events relating to the periods 1 July 2024 to 31 March 2025 are included within the MD&A for Q3 FY25.

On 27 April 2025, Alkane entered into the Arrangement Agreement with Mandalay, pursuant to which Alkane, through a wholly owned Canadian subsidiary, has agreed to acquire 100% of the issued and outstanding common shares of Mandalay by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia).

Mandalay shareholders will be entitled to receive 7.875 ordinary shares of Alkane for each common share of Mandalay held immediately prior to the completion of the transaction. Former Mandalay shareholders and existing Alkane shareholders will own approximately 55% and 45% of the outstanding ordinary shares of the combined entity.

The transaction is subject to procedural matters and conditional on, among other things, the approval of Mandalay shareholders, court approval, certain regulatory approvals in Australia and Sweden, and the satisfaction of certain other customary closing conditions. For certain pro forma financial information regarding the combined company, refer to Appendix K to the management information circular of Mandalay to which this MD&A is attached.

Accounting policies and estimates

The consolidated financial report for the reporting period ended 30 June 2024 has been prepared in accordance with Australian Accounting Standards ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. There have been no changes to the accounting policies applied by the company in this 30 June 2024 compared to those in the Audited 30 June 2024 annual report.

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Non-IFRS Measures

Non-IFRS performance measures are included in this MD&A because the Company believes these are useful indicators to understand the performance of the Company and its operations. These performance measures do not have any meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These non-IFRS performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Management uses, cash, bullion and listed investments, realised price and all in sustaining cash costs (ASICC) as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results.

The Company presents cash costs and all-in sustaining costs metrics for its gold production because it believes that these measures assist investors and other users of the Company's financial statements in understanding the economics of the Company's gold mining activities. Management also uses these metrics to assess the Company's ability to meet short and long-term financial objectives.

(In '000 Australian dollars)		
	2024	**2023**
Cost of sales	**138,399**	**119,113**
Inventory movement	(868)	3,425
Advance development	(7,818)	(1,081)
Depreciation	(35,493)	(35,617)
Site costs	**94,220**	**85,840**
Capex & Exploration	23,090	25,690
Inventory movement	870	(3,430)
Rehabilitation	1,140	1,530
Corporate costs	3,790	3,330
All in sustaining costs	**123,110**	**112,960**
Gold sold (oz)	57,592	70,498
Average realised sale price per ounce	$ 3,004	$2,703
All in sustaining cost per ounce	$ 2,137	$1,602

Disclaimer

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Qualified Person

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Additional information related to the Company, can be viewed on the ASX website (www.asx.com.au) and the Company's website (www.alkane.com.au).

This MD&A includes certain non-IFRS measures. The Company believes that these measures provide investors with enhanced ability to evaluate the underlying performance of the Company. Non-IFRS measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS Performance Measures section of the MD&A for the list of these measures, their definitions and reconciliations to corresponding IFRS measures.

All dollar figures stated herein are expressed in Australian dollars ("AUD"), unless otherwise specified. Information contained herein is presented as at 30 June 2023, unless otherwise indicated. The issue date of this MD&A is 16 June 2025.

Abbreviation	Period	Abbreviation	Period
FY22	July 1, 2021 to June 30, 2022	FY23	July 1, 2022 to June 30, 2023

HIGHLIGHTS FY23

Introduction

Tomingley Gold Operations ("Tomingley") is a gold mining operation located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. Tomingley has been operating since 2014. Mining occurs underground on four gold deposits (Wyoming One, Wyoming Three, Caloma One and Caloma Two).

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Operations

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

Exploration

The 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 mill feed, either at surface or underground. During the year the drilling at McLeans Prospect, located between the Roswell Deposit and the Tomingley site, tested the strike of the andesite host and infilled previously intersected mineralisation.

Growth

The Tomingley Gold Extension Project ("TGEP") was approved by the NSW Minister for Planning in February 2023. During FY23, the Environmental Protection Licence was varied by the NSW Environmental Protection Agency to include the TGEP. In July 2023, post year end, the Mining Lease that includes the TGEP was also granted.

For more information, refer to the section "subsequent events" in this MD&A.

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 held its investment in gold exploration and development companies Calidus Resources Ltd (ASX:CAI) and Genesis Minerals Ltd (ASX:GMD) throughout the period.

DESCRIPTION OF BUSINESS

Alkane intends to grow to become one of Australia's multi-mine gold and copper producers and have announced a "merger of equals" transaction with Mandalay Resources Corporation (TSX:MND) to create a combined company. 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 current gold production is from the Tomingley Gold Operations in Central West New South Wales, which has been operating since 2014 and has operating plans extending beyond 2030.

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

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With exploration drilling ongoing and an economic development

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pathway shown in a scoping study, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold and copper production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies.

Business Values



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



Transparency
We are proactive in communicating our intent and outcomes.



Respect
We treat people and the environment with care.



Performance
We plan and execute to deliver strong business results.

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.

PERFORMANCE AND OPERATION RESULTS FY23

Operating Performance		
	FY23	**FY22**
Tomingley Gold Operations		
Open Cut [2]		
Waste Mined (BCM's)	252,281	848,911
Ore Mined (t)	196,270	540,939
Strip Ratio (ratio)	3.6	4.3
Grade (g/t)	1.74	1.30
Underground		
Milled (t)	1,069,331	1,029,207
Recovery %	84%	84%
Head Grade (g/t)	2.42	2.44
Gold Produced (oz)	70,253	66,802
Gold Sold (oz)	70,498	66,883
Realised price (A$/oz) [1]	$2,703	$2,467
All In Sustaining Cash Cost (A$/oz) [1]	$1,602	$1,460

1. *Realised price and All In Sustaining Cash Costs are non-IFRS measures. Refer to Non-IFRS measures note.*
2. *Open cut mining ceased at Tomingley during the year and the operation transitioned to fully underground mining at Wyoming One, Caloma One and Caloma Two.*

FY23 performance

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The main source of ore was from the Wyoming/Caloma orebodies. Production for the period was 70,253 ounces of gold (2022: 66,802 ounces of gold) with all in sustaining costs of $1,602 per ounce (2022: $1,460 per ounce).

The average sales price achieved for the year increased to $2,703 per ounce (2022: $2,467 per ounce). Gold sales of 70,498 ounces (2022: 66,883 ounces) resulted in sales revenue of $190,527,000 (2022: $165,010,000).

Operating costs

Underground mining largely drove operating costs, with 822,585 tonnes of ore milled during the year. Underground costs of $461oz (FY22 $460oz) and processing of $388oz ($346oz) were the main drivers of site costs.

Capex

Capex included within payments for PPE and development expenditure for FY23 was $46.69 million (FY22: $30.92 million) which mainly related to the San Antonio & Roswell underground drive ($23 million), ancillary works at the residue storage facility 2 ($4.28 million) and other smaller projects.

EXPLORATION

The extensive exploration program focused on the immediate area to the south of the Tomingley mine continued as part of the plan to source additional mill feed, either at surface or underground. During the year the drilling at McLeans Prospect, located between the Roswell Deposit and the Tomingley site, tested the strike of the andesite host and infilled previously intersected mineralisation.

Drilling at McLeans has defined mineralisation over 200 metres strike and 500 metres down dip that remains open. A maiden underground Inferred Mineral Resource estimation for McLeans is expected in 2025.

The drilling program at the Northern Molong Porphyry Project (NMPP) extends over three kilometres from Kaiser to Boda, down to Boda Two and Boda Three. The Company believes this system has the potential to be a large, tier one gold-copper project.

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

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Financial Results

(In '000 Australian dollars)		
	30 June 2023	**30 June 2022**
Continuing operations		
Revenue	190,527	165,010
Cost of sales	(119,113)	(102,201)
Gross profit	**71,414**	**62,809**
Other income	430	1,119
Interest income	2,398	69
Gain on Demerger	-	48,334
Other expenses	(12,598)	(10,127)
Finance costs	(1,057)	(1,731)
Share of loss of associates accounted for using the equity method	-	(20)
Net gain/(loss) on disposal of PPE	-	317
Total expenses	(13,655)	(11,858)
Profit before income tax expense	**60,587**	**100,473**
Income tax expense	(18,137)	(30,222)
Profit after income tax expense	**42,450**	**70,251**
Other comprehensive income/(loss)	(16,140)	5,036
Total comprehensive income	26,310	75,287

(In Australian dollars)	**30 June 2023**	**30 June 2022**
Earnings/(loss) per ordinary share		
Basic earnings/(loss) per share	**7.10**	**11.80**
Diluted earnings/(loss) per share	**7.00**	**11.64**

Financial position at 30 June 2023

(In '000 Australian dollars)	**30 June 2023**	**30 June 2022**
Cash and cash equivalents	80,291	77,894
Current Assets	107,364	98,190
Non-current assets	304,826	257,497
Total Assets	412,190	355,687
Current liabilities	43,701	25,297
Non-current liabilities	68,492	61,617
Total Liabilities	112,193	86,813
NET ASSETS	299,997	268,874

Income Statement at 30 June 2023

Revenue

During the year, the average sales price achieved increased to $2,703 per ounce (2022: $2,467 per ounce). Gold sales of 70,498 ounces (2022: 66,883 ounces) resulted in sales revenue of $190,527,000 (2022: $165,010,000).

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Cost of sales

Cost of sales for the year was $119 million (FY22: $102 million) which was largely driven by underground (1.07mt) and open cut mining (196kt). Grade and recovery remained consistent while the all in sustaining cost increased from $1,460oz in FY22 to $1,602 in FY23. Mining costs $461/oz (FY23) remained steady compared to $460/oz in FY22. Processing costs slightly increased from $346/oz in FY22 to $388/oz in FY23.

Royalty expense (included within cost of sales) totaled $6.7 million in FY23 and $5.5 million FY22. This was driven by an increase in revenue during the period.

Finance costs

Finance costs decreased from $1.7 million (FY22) to $1.1 million (FY23) due to a one off put option expense of $0.7 million in FY22.

Expenses

Administration & exploration expenses increased from $10.4 million (FY22) to $12.6 million (FY23) due to a $1 million increase in share-based payments and a general increase in corporate salaries and overheads.

Financial Position at 30 June 2023

Current assets

As at 30 June 2023, current assets totaled $107.4 million with the majority being cash ($80.3 million), inventory at cost ($17.6 million) and consumables ($4.3 million). The increase in current assets as at 30 June 2023, compared to 30 June 2022 (98.2 million), was to a $2.4m increase in cash.

Non-current assets

Non-current assets increased significantly from $257.5m at 30 June 2022 to $304.8m at 30 June 2023 as expenditure on the TGEP began to ramp up. $33.1m was spent at Boda/Kaiser and $37.5m on Tomingley exploration and $18m in other capital projects.

Current liabilities

Current liabilities increased from $25.3 million (FY22) to $43.7 million (FY23). Trade and other payables increased from $13.7 million (FY22) to $23.5 million (FY23) due to timing of the Tomingley extension costs and an increase in creditors from higher input costs.

Non-current liabilities

Non-current liabilities increased from $61.6 million (FY22) to $68.5 million (FY23). External borrowings decreased from $9.1 million to $6.1 million from principal repayments of equipment financing during the year and no new material borrowings. Provisions primarily relate to rehabilitation and increased from $15.2 million to $16.3 million from additional provisions incurred and the unwinding of a discount. Deferred tax increased $8.6 million primarily from capitalised exploration expenditure.

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Hedging

As part of its risk management policy and as required under its finance facility, Alkane uses a combination of fixed price gold forward sales contracts and gold put options to manage the gold price of a proportion of anticipated gold sales. The gold forward sales contracts are settled through the physical delivery of gold and are accounted for as sales contracts, with revenue recognised in the period in which the gold delivery commitment is met. Gold put options are accounted for as derivative financial instruments within current and non-current assets.

Maturity	Fixed Fwd Sales Volume (ozs)	Fwd Price ($A/oz)	Sales Est FY24 LOM Budget (ozs)
Sep-23	6,500	2,779	12,620
Dec-23	6,000	2,779	15,359
Mar-24	5,900	2,744	18,095
Jun-24	7,300	2,762	17,078
Sep-24	8,600	2,778	20,642
Dec-24	9,400	2,791	20,730
Mar-25	9,800	2,804	21,107
Jun-25	8,700	2,818	19,831
Sep-25	8,600	2,832	19,780
Dec-25	8,200	2,843	19,727
Mar-26	8,700	2,855	20,243
Jun-26	8,500	2,870	20,406
Sep-26	7,800	2,884	18,506
Dec-26	8,500	2,896	19,120
TOTAL	112,500	2,820	263,243

At 30 June 2023, Alkane has the below hedge contracts with Macquarie Bank Limited which was entered into in 2023 to secure the $50 million finance facility (amended to $60 million in April 2024). In FY23, Alkane settled 24,300oz at an average price of A$2,684oz.

Liquidity & capital resources

In management's view, Alkane has sufficient financial resources to fund operations, exploration and capital expenditure. Alkane has a cash balance at 30 June 2023 of $80.3 million, up from $77.9 million at 30 June 2022. There is also $50 million undrawn amount under the Macquarie financing facility which could be utilised when required.

Alkane expects that it will have sufficient cash at 30 June 2023 together with cash from operations to fund any cash requirements in the ordinary course of business for the next twelve months.

The Company's liquidity position is sensitive to a number of factors which cannot be predicted with certainty. This includes, but is not limited to meeting production targets, gold prices, operational and capital expenditure.

It is the Group's objectives when managing capital 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.

(In '000 Australian dollars)	30 June 2023	30 June 2022
Cash from/(used in) Operating Activities	95,546	86,476
Cash from/(used in) Investing Activities	(91,428)	(33,328)
Cash from/(used in) Financing Activities	(1,721)	5,665
Increase / (Decrease) in Cash	2,397	58,903
Cash at Beginning of Period	77,894	18,991
Cash at End of Period	80,291	77,894

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Operating Activities

Operating cashflows increased from $86.5 million in FY22 to $95.5 million in FY23 from a $25.5 million increase in revenue which offset a $17.0 million increase in cost of sales. Revenue was higher from an additional 3.6koz and an average sale price of A$2,703oz which was $236 per ounce higher than FY22. Operating expenses were slightly higher as noted at the AISC discussion in the income statement, as well as from an increase in production.

Investing Activities

Cash used in investing activities increased from ($33.3 million) in FY22 to ($91.4 million) in FY23. Payments for investments included purchases of Calidus Resources (ASX:CAI) and Sky Resources (ASX:SKY). Payments for PPE and exploration increased with TGEP capital projects outlay and Tomingley and North Molong Porphyry exploration work. Investment disposals in FY22 related to the sale of a significant proportion of Genesis Mineral (ASX:GMD) holdings to realise capital gains and allocate towards project funding.

Financing Activities

Cash from financing activities decreased from $5.7 million in FY22 to a use of cash of ($1.7 million) FY23. A jumbo and production drill were financed through National Australia Bank during the period. Repayments related to the principal component of existing equipment finance leases.

Net cash flows

Net cash inflows/(outflows) decreased from $58.9 million at FY22 to ($2.4 million) at FY23.

Outstanding share data

Current capital structure as at 30 June 2023:

Security type	Number on issue
Fully paid ordinary shares	601,574,030
Performance rights	7,070,519

Off-balance sheet arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Transactions between related parties

Nuclear IT is a director-related entity where David Chalmers' son is a director of the company. David Chalmers, an executive director of Alkane, does not have any financial interest, is not an office holder and does not have any other relationship with Nuclear IT. Nuclear IT provides information technology consulting services to the Group which includes the coordination of the

purchase of information technology hardware and software which are typically routine. These terms are documented in a service level agreement and represent normal commercial terms.

The following costs were incurred:

Related Party	2023	2022
Nuclear IT	663,679	402,611

Accounting policies and estimates

This consolidated financial report for the reporting period ended 30 June 2023 has been prepared in accordance with Australian Accounting Standard ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. There have been no changes to the accounting policies applied by the company in this 30 June 2023 MD&A compared to those in the Audited 30 June 2023 annual report.

Non-IFRS Measures

Non-IFRS performance measures are included in this MD&A because the Company believes these are useful indicators to understand the performance of the Company and its operations. These performance measures do not have any meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These non-IFRS performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Management uses, cash, bullion and listed investments, realised price and all in sustaining cash costs (ASICC) as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results.

The Company presents cash costs and all-in sustaining costs metrics for its gold production because it believes that these measures assist investors and other users of the Company's financial statements in understanding the economics of the Company's gold mining activities. Management also uses these metrics to assess the Company's ability to meet short and long-term financial objectives.

(In '000 Australian dollars)		
	2023	**2022**
Cost of sales	**119,113**	**102,201**
Inventory movement	3,425	5,702
Advance development	(1,081)	9,301
Depreciation	(35,617)	(34,674)
Site costs	**85,840**	**82,530**
Capex & Exploration	25,690	16,530
Inventory movement	(3,430)	(5,700)

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Rehabilitation	1,530	1,390
Corporate costs	3,330	2,890
All in sustaining costs	**112,960**	**97,640**
Gold sold (oz)	70,498	66,883
Average realised sale price per ounce	$2,703	$2,467
All in sustaining cost per ounce	$1,602	$1,460

Disclaimer

This MD&A contains certain forward looking statements, forward-looking information and forecasts, including statements regarding the proposed transaction with Mandalay, possible or assumed mineral reserves and mineral resources, production levels and rates, costs, prices, future performance or potential growth of Alkane, 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. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Except as required by applicable law, Alkane assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking information. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

Qualified Person

The scientific and technical information contained in this MD&A has been approved by Mr David I Chalmers, FAusIMM, FAIG, director of the Company, who is a qualified person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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EXHIBIT D TO APPENDIX J
ALKANE BOARD CHARTER

(See attached)

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Board Charter

Alkane Resources Ltd ACN 000 689 216 (**Company**)

1 Role and responsibilities of the Board

The role of the Board is to provide leadership for, and supervision of, the Company's management. The Board sets the strategic objectives of the Company, and regularly measures the progression by management of those strategic objectives.

The Board is responsible for:

(a) appointing the chair and, if the Company has one, the deputy chair and/or senior independent director;

(b) appointing the chief executive officer, or equivalent, for a period and on terms as the directors see fit and, where appropriate, replacing the chief executive officer, or equivalent;

(c) approving the appointment and, where appropriate, the removal of other senior executives;

(d) formally resolving to appoint and, where appropriate, to remove the company secretary;

(e) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(f) approving budgets and major capital expenditure;

(g) monitoring the financial performance of the Company and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

(h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(i) approving the Company's remuneration framework;

(j) monitoring the effectiveness of the Company's governance practices;

(k) ensuring the Company's *Policy and Procedure for Selection and (Re)appointment of Directors and Executives* is reviewed in accordance with the Company's *Nomination Committee Charter*;

(l) approving and monitoring compliance with the Company's *Diversity Policy*;

(m) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;

(n) approving the Company's policies on risk management, internal compliance and control, *Code of Conduct* and legal compliance;



(o) assessing the effectiveness of management's implementation of the Company's risk management framework including the making of additional enquiries and to request assurances regarding the management of material business risk, as appropriate;

(p) providing overall corporate governance of the Company, including conducting regular reviews of the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company;

(q) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;

(r) engaging with the Company's external auditors and the Audit Committee (where there is a separate Audit Committee);

(s) monitoring compliance with all of the Company's legal obligations, such as those obligations relating to the environment, native title, cultural heritage and occupational health and safety; and

(t) making regular assessment of whether each non-executive director is independent in accordance with the Company's *Policy on Assessing the Independence of Directors*.

The Board may delegate the matters listed above to a committee of the Board, with the Board retaining the ultimate oversight and decision-making power in respect of the matters delegated.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. It is usual practice for the Board to meet once a month.

2 Role and responsibilities of management

Management refers to the senior management team as distinct from the Board, comprising the Company's senior executives, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

Management's role is to support the Managing Director and assist the Managing Director implement the strategic objectives set by the Board and the day-to-day running of the Company, in accordance with the delegated authority of the Board.

Management is responsible for:

(a) implementing the strategic objectives and operating within the risk appetite set by the Board;

(b) all other aspects of the day-to-day running of the Company provided those matters do not exceed the Materiality Threshold as defined in section 3; and

(c) providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities. Senior executives are responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the senior independent director, as appropriate.

3 Materiality threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

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3.1 Materiality – quantitative

Balance sheet items

Balance sheet items are material if they have a value of more than 10% of pro-forma net assets.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

3.2 Materiality – qualitative

Items are also material if:

(a) they impact on the reputation of the Company;

(b) they involve a breach of legislation or may potentially breach legislation;

(c) they are outside the ordinary course of business;

(d) they could affect the Company's rights to its assets;

(e) accumulated, they would trigger the quantitative tests;

(f) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or

(g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

3.3 Material contracts

Contracts will be considered material if:

(a) they are outside the ordinary course of business;

(b) they contain exceptionally onerous provisions in the opinion of the Board;

(c) they impact on income or distribution in excess of the quantitative tests;

(d) any default, should it occur, may trigger any of the quantitative or qualitative tests;

(e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;

(f) they contain or trigger change of control provisions;

(g) they are between or for the benefit of related parties; or

(h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which falls within the materiality threshold (**Materiality Threshold**).

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4 Responsibilities of the Chair

The Chair is responsible for leading the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management. The Chair is also responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

The Chair is also responsible for arranging Board, individual director and Board committee (where applicable) performance evaluations.

Any other position which the Chair may hold either inside or outside the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

5 Responsibilities of the senior independent director

Where the Chair is not an independent director, a senior independent director will be appointed. The senior independent director will take over the role of the Chair whenever the Chair is conflicted.

The Company may also appoint a senior independent director to:

- assist the Board in reviewing the performance of the Chair and the Managing Director;
- participate in communication with shareholders and to provide a separate channel of communication for security holders (especially where those communications concern the Chair);
- assume the role of Chair when the Chair is unable to act;
- coordinate the activities of the independent directors; and
- serve on, and as required chair, any regular or special committees of the Board.

6 Responsibilities of the Managing Director

The Managing Director is responsible for the day-to-day running of the Company under delegated authority from the Board.

The Managing Director is responsible for implementing the strategic objectives, and operating within the risk appetite, set by the Board. In carrying out their responsibilities the Managing Director must report to the Board in a timely manner on those matters included in the Company's risk profile, all relevant operational matters and any other matter that is likely to fall within the Materiality Threshold.

All reports to the Board must present a true and fair view of the Company's financial condition and operational results.

The Managing Director is also responsible for appointing and, where appropriate, removing senior executives, including the chief financial officer and the company secretary, with the approval of the Board. The Company should have a written agreement with each senior executive setting out the terms of their appointment. The Managing Director is responsible for evaluating the performance of senior executives.

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7 Non-executive and/or independent directors

The Board assesses whether each of the non-executive directors of the Company is independent on a regular basis (and at least annually at or around the time that the Board in its capacity as the Nomination Committee considers candidates for election or re-election to the Board) in accordance with its *Policy on Assessing the Independence of Directors*. The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board.

The independent directors may meet without other directors present, if appropriate.

The non-executive directors may meet without executive directors or other senior executives present at times scheduled from time to time. Such meetings may be facilitated by the Chair or the senior independent director, as appropriate.

8 Responsibilities of directors and officers

Individual directors should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers of the Company should be aware of their legal obligations, some of which are set out in *A Guide to Directors' Duties*.

Directors are encouraged to request information from management where they consider such information necessary to make informed decisions.

9 Policy on independent professional advice

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual director's independence.

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Where it is the Chair who is seeking the independent professional advice, the role of the Chair to consider and provide approval as set out above should be carried out by the Chair of the Audit Committee.

10 Company Secretary

The Company Secretary's role is to support the effectiveness of the Board and its committees. Each director should be able to communicate directly with the Company Secretary and vice versa.

The responsibilities of the Company Secretary include:

(a) advising the Board and its committees on governance matters;

(b) monitoring that Board and committee policy and procedures are followed;

(c) coordinating the timely completion and despatch of board and committee papers;

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(d) ensuring that the business at board and committee meetings is accurately captured in the minutes; and

(e) helping to organise and facilitate the induction and professional development of directors.

11 Review of Charter

The Board will review this Board Charter at least annually, and update it as required.

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EXHIBIT E TO APPENDIX J
ALKANE PLAN

(See attached)

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Amended as approved by shareholders on 20 November 2019, amended by the Board on 21 February 2023 and approved Shareholders on 26 November 2024

Rules of the Alkane Resources Performance Rights Plan

Alkane Resources Ltd
ABN 35 000 689 216

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Performance Rights Plan Rules

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, the following definitions apply.

Application Form means an application form for the relevant Employee to apply for Performance Rights substantially in the form set out in Schedule 2, or such other form as approved by the Board from time to time.

Associated Body Corporate means:

(a) a body corporate that is a related body corporate of the Company;

(b) a body corporate that has voting power in the Company of not less than 20%; or

(c) a body corporate in which the Company has voting power of not less than 20%.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASIC means Australian Securities and Investment Commission.

Board means the board of Directors of the Company.

Business Day has the meaning given in the Listing Rules.

Certificate means a certificate setting out the number of Performance Rights which a Participant has been granted.

Closing Date has the meaning given in rule 7.1.

Company means Alkane Resources Ltd (ABN 35 000 689 216).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee means:

(a) an employee (full time or part time) of a Group Member; or

(b) a director of a Group Member who holds salaried employment with a Group Member on a full time or part time basis.

Group means the Company and its subsidiaries (as defined in the Corporations Act).

Group Member means a member of the Group.

Listing Rules means the listing rules of ASX as they apply to the Company from time to time.

Market Price means, on any date, the price published by ASX as the closing price of Shares sold on ASX on the last trading day on which the Shares were traded.

Offer Period has the meaning given in rule 5.3(h).

Participant means any Employee who the Board has decided under rule 3 is eligible to participate in the Plan and who applies for and is granted Performance Rights under the Plan.

Performance Criteria means, in relation to a Performance Right, the performance criteria determined by the Board which must be satisfied before a Performance Right (or a specified number or percentage of Performance Rights granted) can vest, subject to any adjustments under rule 13.

Performance Period means, in relation to a Performance Right, the period determined by the Board over which the Board will assess whether the Performance Criteria have been satisfied.

Performance Right means a right granted under the Plan to each Participant to, as determined by the Board in its sole and absolute discretion:

(a) acquire one Share; or

(b) if clause 12(a) applies, be paid a cash equivalent amount in lieu of acquiring one Share,

on the terms set out in this Plan and subject to any adjustments under rule 11.2(b).

Plan means the Alkane Resources Performance Rights Plan established in accordance with these Rules.

Qualifying Reason means:

(a) the death, Total and Permanent Disablement or Retirement of the Participant, as determined by the Board in its absolute discretion;

(b) the Participant ceasing to be employed by a Group Member as a result of the relevant body corporate ceasing to be a Group Member, or as a result of a Group Member selling a business it conducts to someone other than to another Group Member; or

(c) any other reason as determined by the Board in its absolute discretion.

Record Date has the meaning given to that term by the Listing Rules.

Retirement means, in relation to a Participant, the retirement by the Participant from employment with a Group Member at age 65 or over.

Rules means the rules of the Plan as set out in this document.

Security Interest means a mortgage, charge, pledge, lien or other encumbrance of any nature.

Share means a fully paid ordinary share in the Company.

Takeover Bid means a takeover bid as defined in section 9 of the Corporations Act.

Total and Permanent Disablement means, in relation to an Employee, that the Employee has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Employee unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

VWAP Adjusted Market Price means the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares traded on-market on the ASX

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during the previous 10 trading days, or any other calculation determined by Board in its sole and absolute discretion.

1.2 Rules for interpreting this document

Unless the contrary intention appears, the following rules apply to interpreting this document:

(a) a reference to legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it.

(b) a singular word includes the plural, and vice versa;

(c) a word which suggests one gender includes the other genders;

(d) if a word is defined, another part of speech has a corresponding meaning;

(e) an expression defined in the Corporations Act has the same meaning where used in these Rules; and

(f) if an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

1.3 Headings

Headings are for convenience only, and do not affect interpretation.

1.4 Business Days

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

2. ESTABLISHMENT AND OPERATION OF PLAN

2.1 Object of Plan

The Plan is established to assist in the recruitment, reward, retention and motivation of certain Employees, as determined by the Board.

2.2 Outline of Plan

Under this Plan, the Board may grant Performance Rights to Employees it considers to be eligible, on terms fixed in accordance with this Plan.

2.3 Board

The Board will manage and administer the Plan for the Company in accordance with these Rules.

2.4 Committee

The Board may delegate management and administration of the Plan, and any of its powers or discretions under the Plan, to a committee consisting of such Directors, other officers, or employees of the Company, or any combination of such persons, as the Board thinks fit. The Board may direct the Committee as to how to exercise any of its discretions under these Rules or the Plan and the Committee must comply with any direction of the Board.

3. ELIGIBILITY

(a) The Board may from time to time in its absolute discretion decide that an Employee is eligible to participate in the Plan.

(b) In so deciding, the Board may have regard to:

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(i) the Employee's position with the Group and the services provided to the Group by the Employee;

(ii) the Employee's record and length of employment or service with the Group;

(iii) the Employee's potential contribution to the growth of the Group;

(iv) the Employee's remuneration level;

(v) any other matters which tend to indicate the Employee's merit; and

(vi) any other matters which the Board considers relevant.

(c) The Board may exercise its powers in relation to the participation in the Plan of any Employee on any number of occasions.

4. RIGHTS OF PARTICIPANTS

(a) Except as expressly provided in this Plan, nothing in this Plan:

(i) confers on any Employee the right to receive any Performance Rights;

(ii) confers on any Participant the right to continue as an Employee of a Group Member;

(iii) affects any rights which a Group Member may have to terminate the employment of any Employee;

(iv) may be used to increase damages in any action brought against a Group Member in respect of any such termination; or

(v) should be taken to confer on an Employee any expectation to become a Participant.

(b) These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Participant and any Group Member.

5. INVITATIONS

5.1 Invitations

The Board may from time to time invite an Employee to apply for Performance Rights.

5.2 Related parties

The Board may only invite a related party of the Company (within the meaning set out in section 228 of the Corporations Act) to apply for, and will only grant, Performance Rights as permitted by the Listing Rules and the Corporations Act.

5.3 Contents of invitation in respect of Performance Rights

The invitation must be substantially in the form set out in Schedule 1 (or such other form as approved by the Board from time to time) and specify, or be accompanied by, the following information and documents:

(a) a statement to the effect that the invitation is made under Division 1A of Part 7.12 of the Corporations Act;

(b) the date of the invitation;

(c) the name of the Employee;

(d) the number of Performance Rights the Employee is invited to apply for;

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(e) for each Performance Right:

(i) the Performance Criteria;

(ii) the Performance Period;

(iii) any other terms or conditions to which the Performance Right is subject, or to which any Shares acquired on vesting of that Performance Right will be subject (if any); and

(iv) the closing date for applying for the Performance Right;

(f) how the Employee is to apply for the Performance Rights;

(g) a copy of the Rules;

(h) an undertaking that during the period in which the Participant may acquire the Performance Rights or the Performance Rights may vest (**Offer Period**), within a reasonable period of the Participant so requesting, the Company will make available to the Participant the Market Price of Shares as at the date of the Participant's request, and an explanation of the way in which the Company will do so; and

(i) an Application Form.

6. NO AMOUNTS PAYABLE BY PARTICIPANT

(a) A Performance Right granted to a Participant under the Plan is granted for no consideration.

(b) If Performance Rights vest under the Plan, no amount is payable by a Participant in respect of those Performance Rights vesting, or the subsequent issue or transfer of Shares in respect of them.

7. ACCEPTANCE OF PERFORMANCE RIGHTS

7.1 Acceptance

An Employee applying for a Performance Right under an invitation made under rule 5 must, by no later than 5.00pm (Perth time) on the date that is 28 days after the date of such invitation (or any later date/time the Company allows for that invitation), complete and sign the Application Form, and return it to the Company (such that the Company receives it by that time) (**Closing Date**).

7.2 Rules

By accepting the invitation to apply for Performance Rights, the Employee agrees to become a Participant and be bound by:

(a) the terms of the invitation and Application Form;

(b) the provisions of the Plan, as amended from time to time; and

(c) the constitution of the Company, as amended from time to time.

7.3 Grant and Certificate

Subject to rule 5.2, following receipt of a duly completed Application Form, the Company must:

(a) within a reasonable time after the Closing Date, accept the Employee's application for Performance Rights as set out in relevant Application Form by granting the relevant Performance Rights to the Employee; and

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(b) within 10 Business Days after the grant of the relevant Performance Rights to the Participant in accordance with rule 7.3(a), issue a Certificate for those Performance Rights.

Upon granting Performance Rights to an Employee under this clause 7.3, the Employee will become a Participant.

7.4 Nature of Performance Rights

A Participant does not have a legal or beneficial interest in any Share by virtue of acquiring or holding a Performance Right. A Participant's rights under a Performance Right are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividends or other shareholder benefits until the Performance Right has vested and (if applicable) a Share has been issued or transferred to the Participant.

8. TRANSFER OF PERFORMANCE RIGHTS

(a) A Performance Right granted under the Plan is only transferable by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(b) Subject to rule 8(a), Participants must not grant any Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are issued or transferred to that Participant, and any such Security Interest or disposal or dealing will not be recognized in any manner by the Company.

(c) Where the Participant purports to:

(i) transfer a Performance Right other than in accordance with rule 8(a); or

(ii) grant any Security Interest in or over or otherwise dispose of or deal with a Performance Right or interest in it in breach of rule 8(b),

that Performance Right immediately lapses.

9. VESTING OF PERFORMANCE RIGHTS

9.1 Determination as to satisfaction of Performance Criteria within Performance Period

As soon as reasonably practicable after the end of the Performance Period, the Board must:

(a) determine the number of unvested Performance Rights held by the relevant Participant (including any Performance Rights of that Participant determined for the purposes of rule 9.7(b)) in respect of which the Performance Criteria were satisfied over the Performance Period; and

(b) provide written notice to the relevant Participant of that determination.

9.2 Vesting of Performance Rights

(a) Upon the Board giving notice to the relevant Participant under rule 9.1, the number of Performance Rights as set out in that notice (if any) will automatically vest.

(b) Notwithstanding anything else contained in this Plan, a Performance Right can only vest if, at the time of vesting, it has not lapsed or previously vested.

9.3 Exercise on Vesting

If an invitation made under rule 5 provides for:

(a) the deemed automatic exercise of a Performance Right, no further action is required from the Participant upon vesting of a Performance Right in order to exercise that Performance Right; or

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(b) the manual exercise of a vested Performance Right, a Participant may exercise any vested Performance Right at any time from the date the Board notifies the Participant under rule 9.1 until the date on which a Performance Right lapses, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

9.4 New certificate

Within 10 Business Days after the vesting of Performance Rights in accordance with rule 9.2(a) and receipt of the original Certificate from the Participant, the Company must:

(a) cancel the Certificate for the Performance Rights which have vested; and

(b) if applicable, issue a new certificate for any remaining Performance Rights covered by the cancelled Certificate.

9.5 Lapse

(a) An unvested Performance Right will lapse upon the earliest to occur of:

(i) the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;

(ii) the Performance Right lapsing in accordance with rule 8(c);

(iii) the Performance Right lapsing in accordance with rule 9.6, 9.7 or 9.8;

(iv) the Performance Right lapsing in accordance with rule 10; and

(v) the date that is five years after the grant of the Performance Right.

(b) A vested, but unexercised, Performance Right will lapse upon the earliest to occur of those items set out in rule 9.5(a)(ii) to 9.5(a)(v).

9.6 Cessation of employment - generally

Subject to rule 9.7, if a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member), all unvested Performance Rights and vested but unexercised Performance Rights of that Participant will automatically lapse.

9.7 Cessation of employment – Qualifying Reason

(a) If a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member) because of a Qualifying Reason, the unvested Performance Rights of that Participant will be treated on the following basis:

(i) if less than six months of the Performance Period relating to those Performance Rights has elapsed at the date of the cessation of employment, all of the Performance Rights will lapse (unless the Board, in its absolute discretion, determines otherwise); and

(ii) if six months or more of the Performance Period relating to those Performance Rights has elapsed at the date of cessation of employment, then (unless the Board, in its absolute discretion, determines otherwise) no action is to be taken in respect of those Performance Rights until the end of the Performance Period, at which time the unvested Performance Rights of that Participant will automatically lapse, other than the number of Performance Rights calculated on the following basis:

Step 1

Calculate the number of days from the beginning of the Performance Period up to and including the date of cessation of employment.

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Step 2

Divide the result from Step 1 by the number of days in the Performance Period.

Step 3

Multiply the number of unvested Performance Rights held by that Participant by the result from Step 2.

(b) The Performance Rights calculated in accordance with rule 9.7(a)(ii) that do not lapse must be taken into account for the purposes of the Board's determination under rule 9.1(a).

(c) If a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member) because of a Qualifying Reason, any vested but unexercised Performance Rights held by that Participant will immediately be deemed to have been exercised.

9.8 Fraudulent or dishonest actions

If in the opinion of the Board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Member, then the Board may determine that any unvested Performance Rights and vested but unexercised Performance Rights of the Participant automatically lapse.

10. TAKEOVER, SCHEME OF ARRANGEMENT AND WINDING-UP

10.1 Takeovers

(a) If a Takeover Bid is made for Shares:

(i) before the end of the Performance Period, the Board will make a determination as to how a Participant's unvested Performance Rights will be dealt with, and, in doing so, may determine, in its absolute discretion that a Participant's unvested Performance Rights vest (in whole or in part) and may impose any conditions on such vesting as it thinks fit; and

(ii) any vested but unexercised Performance Rights will immediately be deemed to have been exercised.

(b) In making its determination under rule 10.1(a)(i), the Board will have regard, without limitation, to the extent to which the Performance Criteria in respect of a Participant's Performance Rights have been satisfied as at the date of the Takeover Bid.

(c) If in making its determination under rule 10.1(a)(i), the Board does not determine that a Performance Right vests, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner.

(d) Promptly after making a determination under rule 10.1(a)(i), the Board must notify the Participant of the determination in writing.

10.2 Compromise or arrangement

(a) If:

(i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(ii) any person becomes bound or entitled to acquire Shares under:

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(A) section 414 of the Corporations Act; or

(B) Chapter 6A of the Corporations Act,

the Board will make a determination as to how a Participant's unvested Performance Rights and any vested but unexercised Performance Rights will be dealt with, and, in doing so, may determine, in its absolute discretion, that a Participant's unvested Performance Rights vest (in whole or in part) and any vested but unexercised Performance Rights are deemed to have been exercised and may impose any conditions on such vesting or exercise (as the case may be) as it thinks fit.

(b) In making its determination under rule 10.2(a), the Board will have regard, without limitation, to the extent to which the Performance Criteria in respect of a Participant's Performance Rights have been satisfied as at the relevant date.

(c) If in making its determination under rule 10.2(a), the Board does not determine that a Performance Right vests or is deemed to have been exercised (as the case may be), it will automatically lapse, unless the Board has determined that it be dealt with in some other manner.

(d) Promptly after making its determination under rule 10.2(a), the Board must notify the relevant Participant of its determination in writing.

10.3 Acquisition of shares in Acquiring Company

If a company (**Acquiring Company**) obtains, or in the view of the Board is likely to obtain, control of the Company as a result of:

(a) a Takeover Bid; or

(b) a proposed scheme of arrangement between the Company and its shareholders,

and both the Company and the Acquiring Company agree, a Participant may, upon the vesting or exercise of Performance Rights (as the case may be), elect to be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Performance Rights, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

11. VESTING OF PERFORMANCE RIGHTS

11.1 Issue or transfer of Shares

(a) Subject to clause 12, each Performance Right which has been exercised under rule 9.3 or 10 entitles the Participant to one Share.

(b) Unless the Board has exercised its discretion under clause 12(a) to make a cash payment to a Participant, the Company must issue or cause to be transferred to the Participant or his or her personal representative (as the case may be) the relevant number of Shares in respect of which the exercised Performance Rights entitle the Participant to receive:

(i) under rule 9.3(a), within a reasonable time after exercise; or

(ii) under rule 9.3(b), within a reasonable time after receipt of a notice of exercise from the Participant.

(c) No Share in respect of a Performance Right will be issued or transferred to a Participant unless and until that Performance Right has been exercised in accordance with rule 9.3 or 10.

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11.2 Shares rank equally

Any Share issued or transferred to a Participant under the Plan:

(a) is subject to the constitution of the Company; and

(b) ranks equally in every way (including for dividends for which the Record Date is after the date of issue or transfer) with other Shares then on issue.

12. PAYMENT OF CASH EQUIVELENT

(a) The Board may determine, in its absolute discretion, that all or a portion of Performance Rights exercised under rule 9.3 or 10 will be satisfied by the Company making a cash payment to the Participant in accordance with this rule 12 in lieu of issuing or causing to be transferred Shares.

(b) Where the Board exercises its discretion under clause 12(a) to make a cash payment to a Participant, the Company must pay to the Participant an amount in Australian dollars equivalent to the value of the Shares calculated in accordance with clause 12(c).

(c) The amount of the cash payment in rule 12(b) must be calculated by multiplying the number of Shares that would have otherwise been issued or transferred to the Participant under clause 11.1(b) by the VWAP Adjusted Market Price.

(d) The payment of a cash amount in accordance with this rule 12 satisfies the Company's obligations under rules 10 or 11 (as applicable).

13. ADJUSTMENTS

13.1 Alterations to capital and reconstructions

Subject to the Listing Rules, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to a Participant's Performance Rights (including, without limitation, to the number of Shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

13.2 New issues

Subject to rule 13.1, during the currency of any Performance Rights and prior to vesting and the issue or transfer of Shares in respect of those Performance Rights, Participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights.

13.3 Rounding

Until a Performance Right vests, all calculations adjusting the number of Shares must be carried out to include all fractions, but on vesting the number of Shares issued or transferred is rounded down to the next lower whole number.

13.4 Notice of adjustment

The Company must give notice to Participants of any adjustment to:

(a) the number of Performance Rights held by a Participant;

(b) the number of Shares which are to be issued or transferred on vesting of a Performance Right; or

(c) the Performance Criteria applicable to any of a Participant's Performance Rights,

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and must do so in accordance with any applicable Listing Rules. This notice may be in the form of a revised Certificate.

13.5 Listing Rules

Notwithstanding any other provision of this rule 13, an adjustment must not be made under this rule 13 unless it is consistent with the Listing Rules. The Company may amend the terms of any Performance Right, or the rights of any Participant under the Plan, to comply with the Listing Rules applying at the time to any reorganization of capital of the Company.

14. QUOTATION OF PERFORMANCE RIGHTS AND SHARES

(a) Performance Rights will not be quoted on ASX.

(b) Provided that other Shares are quoted by ASX at the time, the Company will apply to ASX for quotation of Shares issued on vesting of Performance Rights as soon as practicable after the issue of those Shares.

15. AMENDMENT OF THE PLAN

15.1 Board may amend

Subject to rules 15.2and 15.3, the Board may at any time by written instrument, amend all or any of the provisions of these Rules, including this rule 15.

15.2 No reduction of existing rights

Any amendment to the provisions of these Rules must not materially reduce the rights of any Participant as they existed before the date of the amendment, unless the amendment is introduced primarily:

(a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;

(b) to correct any manifest error or mistake;

(c) for the purpose of enabling any Group Member, or the Participants generally (but not necessarily each Participant), to receive a more favourable taxation treatment in relation to the Plan; or

(d) to enable the Plan or any Group Member to comply with the Corporations Act, the Listing Rules, its constitution or relevant instruments of relief granted by the Australian Securities and Investments Commission from time to time.

15.3 Retrospective amendment possible

Subject to rule 15.2, any amendment made under rule 15.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

16. TAXATION

For the avoidance of doubt, subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth), applies to this Plan, subject to the requirements of that Act and as amended from time to time.

17. DURATION

17.1 Discretionary

The Plan continues in operation until the Board decides to end it.

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17.2 Suspension

The Board may suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

17.3 No prejudice

If the Plan ends or is suspended for any reason, that does not prejudice the accrued rights of the Participants.

18. NOTICES AND CORRESPONDENCE

18.1 To the Company

Any notice, consent or other communication from a Participant to the Company under the Rules is only effective if it is in writing, signed and either sent or delivered to the principal place of business of the Company, or any other address of which the Company gives notice.

18.2 To a Participant

Any notice, consent or other communication from the Company to a Participant under the Rules is only effective if it is given or made by the Board, or a person authorized by the Board to act on behalf of the Company, and is in writing, signed and either sent or delivered to the place of employment of the Participant or to the last address of the Participant given to the Company.

18.3 When a notice is received

A notice, consent or other communication that complies with this rule 18 is regarded as given and received if it is sent by mail within Australia, two Business Days after posting, and if it is sent to a place outside Australia, seven Business Days after posting.

18.4 Electronic communication

The Company may if it thinks fit approve giving or receiving written notices by electronic means, and may establish procedures for doing this.

19. GENERAL

19.1 Governing law

(a) The Plan is governed by the law in force in Western Australia.

(b) The Company and each Participant submit to the exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Plan, and waive any right they might have to claim that those courts are an inconvenient forum.

19.2 Disputes

Any dispute or difference of any nature arising in relation to the Plan must be referred to the Board. The Board's decision on that dispute or difference is final and binding on the Company and the Participants.

19.3 No representation or warranty

The Company makes no representation or warranty as to the future market value of the Shares or with respect to any tax matters affecting any Employee or Participant resulting from the issue of the invitation, grant of Performance Rights, the issue or transfer of any Shares upon the vesting of any Performance Rights or transactions in the Shares. Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the acquisition of Performance Rights, vesting of Performance Rights or the issue or acquisition of Shares hereunder, with respect of any fluctuations in the market price of Shares, or in any other manner related to the Plan.

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19.4 Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Company unless the terms of that other plan provide otherwise.

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Schedule 1

ALKANE RESOURCES PERFORMANCE RIGHTS PLAN
INVITATION TO APPLY FOR PERFORMANCE RIGHTS

Dear [***name***]

You are invited to apply for the number of Performance Rights set out below, subject to the Alkane Resources Performance Rights Plan (**Plan**) and the terms set out below. This invitation is made under Division 1A of Part 7.12 of the *Corporations Act 2001* (Cth). A copy of the Plan is also enclosed. The Plan sets out important information about this invitation which you should consider. Unless the contrary intention appears, capitalized terms used in this letter have the meaning given to them in the Plan.

Employee	[***name***]
Number of Performance Rights	[***insert***]
No amounts payable	No amount is payable in respect of the grant of the Performance Rights. If Performance Rights granted to you vest under the Plan, no amount is payable by you in respect of those Performance Rights vesting, the subsequent exercise of those Performance Rights, or upon the issue or transfer of Shares in respect of them.
Performance Criteria	[***insert***]
Performance Period	[***insert date***]
Method of exercise	****Delete which ever does not apply**** [***Where manual exercise is required***] Upon vesting of your Performance Rights, you may exercise your Performance Rights by the delivery of: a) a written notice of exercise specifying the number of Performance Rights being exercised; and b) the certificate of the Performance Rights being exercised, to (or as directed by) the Company. If you do not deliver a written notice of exercise before the Performance Right lapses in accordance with rule 9.5 of the Plan, that Performance Right will automatically be forfeited. As soon as practicable after the valid exercise of your Performance Rights you will receive the requisite number of Shares. [***Where automatic exercise is permitted***] Upon vesting of your Performance Rights, no further action is required in order to exercise that Performance Right.
Delivery on exercise	Each Performance Right entitles you to, as determined by the Board in its sole and absolute discretion: • acquire one Share; or • be paid a cash equivalent amount for each Performance Right in lieu of acquiring one Share,

	in either case, calculated in accordance with the terms of the Plan.
Other terms	[***insert (if any)***]

To apply for these Performance Rights, you must complete the enclosed Application Form and return it to the Company at the address set out on the Application Form by no later than 5.00pm (Perth time) on the date that is 28 days after the date of this letter. You will not receive any Performance Rights unless the Application Form is received by the Company by this time (or any later time the Company allows). Please keep a signed copy of the Application Form for your records.

Failure to return the Application Form by the time stipulated will be treated as declining this invitation unless the Company, in its absolute discretion, decides to extend the time for returning the Application Form. You may not apply for the Performance Rights set out in this invitation in part.

If you are issued Performance Rights, at any time during the Offer Period, you may request the Market Price of Shares by contacting the Company Secretary on (08) 9227 5677 or by email at [***insert email address***]. The Company will provide to you in writing (preferably by email) the Market Price of Shares as at the date of your request. The Company will endeavour to provide this information to you within one Business Day of your request.

Any advice given by the Company in connection with this invitation is general advice only. You should consider obtaining your own independent advice, including financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice.

If you have any questions, you should contact me on (08) 9227 5677.

Yours sincerely

_____

[insert name and title of person sending invitation
Chairman/Managing Director/Company Secretary]

[***Date***]

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ALKANE RESOURCES PERFORMANCE RIGHTS PLAN
APPLICATION FORM

The Company Secretary
Alkane Resources Ltd Ground Floor
Level 4
66 Kings Park Road
WEST PERTH WA 6005

Instructions for filling out Application Form:

ACCEPTANCE OF INVITATION AND APPLICATION

I, _____ of _____, accept
Name Address

the Company's invitation to me dated _____ to apply for
Date of Invitation
_____ Performance Rights pursuant to the Alkane Resources
Number of Performance Rights

Performance Rights Plan.

I agree to comply with, and be bound by, the rules of the Alkane Resources Performance Rights Plan.

_____
Signature of Employee

_____
Name of Employee

_____
Place of residence of Employee

_____
Date of application

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APPENDIX K
INFORMATION CONCERNING THE COMBINED COMPANY FOLLOWING THE ARRANGEMENT

INTRODUCTION

This Appendix K is a summary of the Combined Company, its business, assets and operations, which should be read together with the more detailed information and financial data statements contained elsewhere in this Circular to which this Appendix K is attached. Unless otherwise indicated, the information contained in this Appendix K is given as of the date of this Circular.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this Appendix K, references to "A$" or "AUD$" are to Australian dollars and references to "CAD$" or "C$" are to Canadian dollars. Certain totals, subtotals and percentages throughout this Appendix K may not reconcile due to rounding.

The following table sets forth, for each period indicated, the low and high exchange rates for Australian dollars expressed in Canadian dollars, the exchange rate at the end of such period and the average of such exchange rates for each day during such period, based on the daily average exchange rate as reported by the Bank of Canada for the conversion of Australian dollars into Canadian dollars.

	Year ended June 30,		
	2024	**2023**	**2022**
	(C$)	(C$)	(C$)
Low	0.8602	0.8633	0.8861
High	0.9158	0.9490	0.9474
Period End	0.9131	0.8814	0.8892
Average	0.8882	0.9016	0.9182

On June 23, 2025, the exchange rate for Australian dollars expressed in Canadian dollars (as reported by the Bank of Canada) was A$1.00 = C$0.8839.

GLOSSARY

Unless the context indicates otherwise, capitalized terms used herein and not otherwise defined in this Appendix K have the meanings given to such terms set forth in the glossary of terms found in Appendix A to this Circular.

CORPORATE STRUCTURE

Corporate Summary

Immediately upon completion of the Arrangement, Alkane will indirectly own all of the outstanding Mandalay Shares and Mandalay will become a wholly owned subsidiary of Alkane. The Combined Company will continue the operations of Alkane and Mandalay on a consolidated basis and will continue to exist as a corporation existing under the laws of Australia. Upon completion of the Arrangement, the Combined Company will continue to be listed on the ASX. Alkane has applied to have its shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved Alkane's listing application and there is no assurance that the TSX will approve the listing application.

The Combined Company is expected to be a diversified Australian centric gold and antimony producer with a portfolio of three operating mines and a pro forma market capitalization of approximately A$1.023 billion (based on the Combined Company's expected pro forma issued shares and Alkane's closing price of A$0.75 as at April 24, 2025). The Combined Company will operate three producing mines in premier jurisdictions – Costerfield and Tomingley in

Australia and Björkdal in Sweden – forecasted to produce 160,000 gold-equivalent ounces in 2025, growing to over 180,000 gold-equivalent ounces in 2026 based on consensus broker forecasts, along with exploration upside.[13]

The Combined Company will have a robust balance sheet with a pro forma cash balance of approximately $167 million (A$188 million) as at March 31, 2025.[14]

Name, Address and Incorporation

The Combined Company's principal executive office will be located at Alkane's current principal executive office, being Level 4, 66 Kings Park Rd, West Perth, Western Australia 6005.

Intercorporate Relationships

On completion of the Arrangement, AcquireCo will directly own, and Alkane will indirectly own, all of the issued and outstanding shares in the capital of Mandalay. After completion of the Arrangement, the business and operations of Mandalay will be managed and operated as an indirect subsidiary of Alkane. Pursuant to the Arrangement Agreement, AcquireCo and Mandalay will, forthwith following the delisting of the Mandalay Shares from the TSX and the filing by Mandalay with the CRA of the prescribed form of election under the Tax Act electing to cease being a public corporation for the purposes of the Tax Act, amalgamate to form one company under the provisions of the BCBCA.

Set out below is the corporate structure of the Combined Company immediately following the Arrangement, prior to giving effect to the aforementioned amalgamation. Alkane will own or control 100% of the voting securities of all of the entities presented in the organization chart set forth below.

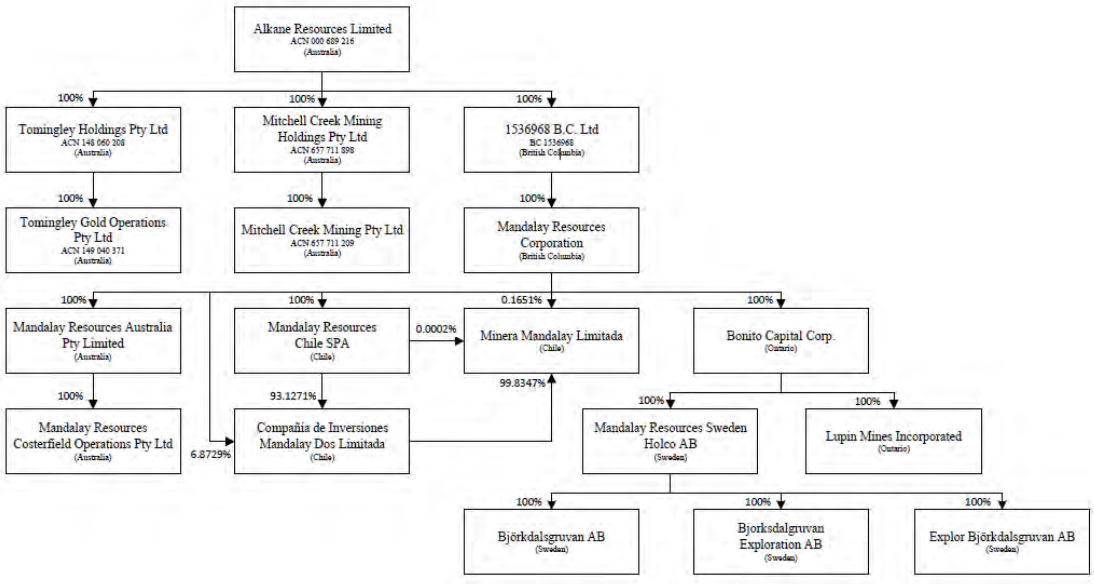


Figure 1: Combined Company Corporate Structure

[13] 2025 production estimate is based on Mandalay calendar year guidance and Alkane fiscal year guidance. 2026 production estimate is based on consensus broker analyst estimates for Mandalay (calendar year) and Alkane (fiscal year).

[14] Note that the cash balance does not account for transaction costs which are included in the pro forma financial information at Exhibit A to Appendix K of this Circular, uses exchange rates at the time of announcement of the Arrangement and includes an Alkane bullion value of A$10.5 million as at March 31, 2025.

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DESCRIPTION OF THE BUSINESS OF THE COMBINED COMPANY

Description of the Business

On completion of the Arrangement, the Combined Company will carry on the business currently operated by Alkane and Mandalay on a consolidated basis, including the identification, development, exploration and operation of gold and antimony mines in Australia and Sweden.

The Combined Company will have a portfolio of production and development assets from an Australian and Swedish asset base, a clear pipeline of growth projects and high-quality exploration targets. The Combined Company's portfolio of principal assets will include:

- Alkane's Tomingley Gold Project;
- Alkane's NMPP (including its Boda-Kaiser Project);
- Mandalay's Costerfield Operations; and
- Mandalay's Björkdal Gold Mine.

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 Project, which adds future production potential with its significant scale.

The Combined Company will also own a 100% interest in Alkane's other exploration prospects, primarily located in Central West NSW, including the Southern Junee Porphyry Project, Cudal, Rockley, Armstrongs, and Mt Conqueror, as well as Mandalay's Lupin Mine in Nunavut, Canada, which is currently in the process of final closure and reclamation.

The Combined Company is expected to initially adopt the existing policies and procedures, including those related to the executive compensation and corporate governance, of Alkane.

The Combined Company will remain a publicly listed issuer on the ASX under the trading symbol "ALK" and quoted on the OTC Pink Market under the symbol "ALKEF".[15] Alkane has applied for its Alkane Shares to be listed on the TSX. Listing of the Alkane Shares on the TSX will be subject to Alkane receiving approval from, and fulfilling all of the original listing requirements of, the TSX. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC. Upon completion of the Arrangement, the Combined Company will become a reporting issuer in all of the provinces and territories of Canada, other than Québec.

Specialized Skill and Knowledge

All aspects of the Combined Company's business will require specialized skills and knowledge. Such skills and knowledge include the areas of finance, geology, drilling, mining, construction, engineering, metallurgy, accounting, legal and natural resources. The Combined Company will retain executive officers and consultants with experience in these areas in Australia and Sweden and has access to technical personnel that provide the Combined Company with skills and knowledge required to conduct its business operations.

Competitive Conditions

The gold and antimony mineral exploration and mining business is a competitive business. The Combined Company will compete with other companies and individuals in the consideration of acquisitions, development and advancement

[15] Effective July 1, 2025, the OTC Pink Market will cease to exist.

of attractive gold assets, and in retaining qualified personnel, suitable contractors for drilling and bulk sampling operations, technical and engineering resources and, to the extent necessary, exploration and mining equipment.

Cycles

Following the Arrangement, the Combined Company's business may be considered cyclical to a limited extent, due to fluctuations in global inflation, interest rates and exchange rates which can drive commodity prices. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Refer to the Section titled "*Risk Factors*" in Appendix J for further information of the risk factors impacting the Combined Company's business.

Economic Dependence and Changes to Contracts

The Combined Company will own and operate its mining assets, providing control and operating flexibility. The Combined Company is a party to various contracts, including contracts for the supply of various inputs required for its mining operations. No single customer or supplier contract will be material to the Combined Company's business and individual buyers and sellers generally are unable to influence commodity prices. As a result, the Combined Company will not be dependent upon the sale of its products to any one customer.

In connection with the Combined Company's operations, the Combined Company will continue to contract with third parties to achieve its stated objectives and advance its projects. These contracts will carry ordinary risks (such as, a counterparty defaulting in their performance of obligations under the relevant contract), in which case, it may be necessary for the Combined Company to approach a court to seek a legal remedy, which can be costly and may cause delays to the Combined Company's operations or its projects. Some contracts may be subject to renewal and may be terminated with notice at any time. It is not expected that the Combined Company's business will be affected in the current financial year by the renegotiation, amendment or termination of any contracts, other than contracts that are renegotiated, amended or terminated in the normal course of business.

Employees

The Combined Company expects that, upon completion of the Arrangement, it will have approximately 800 employees and an additional approximately 190 full time equivalent contractors and subcontractors.

The Combined Company will continuously evaluate the expertise and skills required to execute its business strategy and seeks to attract and retain employees that are aligned with delivering on the Combined Company's goals.

The Combined Company's success is dependent on the performance of its management team and key individuals, many of whom have specialized skills in the exploration and operation of large-scale gold assets. The Combined Company's key site personnel have been involved in the gold industry for several years and are knowledgeable as to the geology, engineering, construction, approvals, stakeholder engagement, environmental matters, mining, metallurgy and infrastructure related to mining development.

Following the Arrangement, the Combined Company's personnel will be equipped with the skills necessary to perform its operations and continuously assess its workforce capabilities with its business strategy for its operations as it evolves.

Foreign Operations

The Combined Company's mining operations will be conducted in Australia and Sweden and are exposed to various levels of political, economic and other risks and uncertainties that are different than operating in a Canadian jurisdiction. Refer to the Section titled "*Risk Factors*" in Appendix J of this Circular for further information of the risk factors impacting the Combined Company's business.

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Additional Information

For more information on the business of the Combined Company as it will be operated by Alkane, see Appendix J of this Circular. More information regarding the business of Mandalay, see Mandalay's annual information form for the year ended December 31, 2024.

MINERAL PROPERTIES

Following completion of the Arrangement, the Combined Company will control four material mineral projects in Australia and Sweden:

- the Tomingley Gold Project;
- the Costerfield Gold/Antimony Operation;
- the Björkdal Gold Operation; and
- the Boda-Kaiser Project.

For more information regarding the mineral property currently owned by Alkane, being the Tomingley Gold Project, see *"Mineral Projects – Tomingley Gold Project"* in Appendix J to this Circular.

For more information regarding the mineral properties currently owned by Mandalay, being the (i) Costerfield Operations, and (ii) Björkdal Gold Mine, see the sections entitled "*Technical Information*", "*Mineral Project – Björkdal*" and "*Mineral Project – Costerfield*" in Mandalay's annual information form for the year ended December 31, 2024, filed with the securities commissions or similar authorities in Canada, and which is incorporated by reference herein.

DESCRIPTION OF THE COMBINED COMPANY'S SECURITIES

Following the Arrangement, the authorized share capital of the Combined Company will be the authorized share capital of Alkane prior to the Arrangement. The issued share capital of Alkane will remain unchanged as a result of the completion of the Arrangement, other than for the issuance of the Alkane Shares constituting the Consideration contemplated by the Arrangement.

The Combined Company will be authorized to issue an unlimited number of Alkane Shares subject to Alkane Shareholder approval, where required under applicable laws or the ASX Listing Rules. See "Description of Securities" in Appendix J to this Circular.

Based on the pro forma figures as of the date hereof, after giving effect to the Arrangement, it is anticipated that there will be up to:

- 1,364,164,259 Alkane Shares issued and outstanding; and
- 11,686,288 Alkane Performance Rights issued and outstanding, which are convertible into up to 11,686,288 Alkane Shares upon the satisfaction (or waiver) of the applicable performance conditions.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma consolidated financial information of the Combined Company giving effect to the Arrangement and the accompanying notes are included in Exhibit A to this Appendix K to this Circular. The unaudited pro forma financial information has been prepared in a manner consistent with Alkane's and Mandalay's respective accounting policies as applied and disclosed in the Alkane Financial Statements, the Mandalay Financial Statements, and the condensed interim financial statements of Alkane and Mandalay for the period ended March 31, 2025.

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The unaudited pro forma consolidated financial position as at March 31, 2025 gives effect to the Arrangement as if the transaction had closed on March 31, 2025. The unaudited pro forma consolidated statements of comprehensive income for the year ended June 30, 2024 and for the nine months ended March 31, 2025 give effect to the Arrangement as if the transaction had closed on July 1, 2023 and July 1, 2024 respectively. The unaudited pro forma financial information is based on the respective historical consolidated financial statements of Alkane and Mandalay.

The unaudited pro forma financial information and adjustments, including the allocation of the purchase price, are based upon preliminary estimates of fair values of assets acquired and liabilities assumed, current available information and certain assumptions that Alkane believes are reasonable in the circumstances, as described in the notes to the unaudited pro forma financial information.

The unaudited pro forma financial information is presented for illustrative purposes only and is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. The actual financial position and results of operations of the Combined Company following completion of the Arrangement may differ significantly from the pro forma amounts reflected in the unaudited pro forma financial information due to a variety of factors.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the pro forma consolidated capitalization of the Combined Company as of March 31, 2025, after giving effect to the Arrangement.

	Amount Outstanding as at March 31, 2025 (after giving effect to the Arrangement)
Alkane Shares (No. of Alkane Shares)	1,364,164,259
Performance Rights (No. of Alkane Performance Rights)	11,686,288
Total Equity (A$)	899,509,000[1]
External Borrowings (A$)	70,808,000[2]

Notes:

1. Calculated as Alkane equity prior to giving effect to the Arrangement and Mandalay equity of US$256,733 converted into Australian dollars using US$: A$0.6247, being the relevant USD:AUD spot exchange rate at March 31, 2025, with adjustments made per the pro forma financial information set out in Exhibit A to Appendix K.
2. Calculated as Alkane external borrowings prior to giving effect to the Arrangement and Mandalay borrowings of US$6,685,000 converted into Australian dollars using US$: A$0.6247, being the relevant USD:AUD spot exchange rate at March 31, 2025.

See Exhibit A to this Appendix K for the unaudited pro forma financial information following the completion of the Arrangement.

DIVIDENDS OR DISTRIBUTIONS

The Combined Company will adopt Alkane's approach to the declaration and payment of dividends. See "*Dividends or Distributions"* in Appendix J to this Circular.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

None of the Alkane Shares issuable in connection with the Arrangement will be subject to escrow.

PRINCIPAL SECURITYHOLDERS AND SELLING SECURITYHOLDERS

To the knowledge of the directors and officers of each of Mandalay and Alkane, upon completion of the Arrangement, no person or company will beneficially own, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Alkane Shares, other than as set forth below:

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Alkane Shareholder	No. Alkane Shares	% Shareholding in Alkane
CE Mining III MND Limited	181,443,906	13.3%
GMT Capital	139,151,155	10.2%

DIRECTORS AND EXECUTIVE OFFICERS

Executive Officers

Following the completion of the Arrangement, it is expected that the executive officers of the Combined Company will be (i) Nic Earner as Managing Director and Chief Executive Officer, (ii) James Carter as Chief Financial Officer, (iii) Simon Parsons as Executive General Manager – Operations, (iv) Ryan Austerberry as Chief Operating Officer – Mandalay assets, (v) Chris Davis as Vice President of Exploration and Operational Geology – Mandalay assets, and (vi) Julia Beckett and Dennis Wilkins as Joint Company Secretaries. For further information see "*Directors and Executive Officers*" in Appendix J to this Circular and to Mandalay's annual information form for the year ended December 31, 2024.

Directors

Following the completion of the Arrangement, it is expected that the Combined Company Board will consist of the following directors: (i) Andrew Quinn as Non-Executive Chair; (ii) Ian Gandel as Non-Executive Director; (iii) Bradford Mills as Non-Executive Director; (iv) Frazer Bourchier as Non-Executive Director; (v) Nic Earner as Managing Director; and (vi) Dominic Duffy as Non-Executive Director.

The following table sets out the names, country and state or province of residence of the expected directors and executive officers of the Combined Company after giving effect to the Arrangement, their expected position(s) and offices with the Combined Company and their expected holdings of Alkane Shares, as applicable, after giving effect to the Arrangement:

Name, Province or State and Country of Residence	Positions with the Combined Company	Director/Officer Since	Alkane Shares Beneficially Owned or Controlled	Alkane Performance Rights Beneficially Owned or Controlled
Andrew Quinn Carmarthenshire, United Kingdom	Non-Executive Chair	N/A	100,000	Nil
Ian Gandel Victoria, Australia	Non-Executive Director	July 24, 2006	111,228,277	Nil
Bradford Mills Texas, United States	Non-Executive Director	N/A	181,443,906	Nil
Frazer Bourchier Ontario, Canada	Non-Executive Director	N/A	3,873,689	Nil

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Name, Province or State and Country of Residence	Positions with the Combined Company	Director/Officer Since	Alkane Shares Beneficially Owned or Controlled	Alkane Performance Rights Beneficially Owned or Controlled
Nic Earner Western Australia, Australia	Managing Director, Chief Executive Officer	September 1, 2017	5,878,658	4,374,287
Dominic Duffy Victoria, Australia	Non-Executive Director	N/A	8,434,897	Nil
James Carter Western Australia, Australia	Chief Financial Officer	October 1, 2018	734,530	1,665,237
Simon Parsons South Australia, Australia	Executive General Manager – Operations	October 15, 2015	9,671	1,542,241
Ryan Austerberry Victoria, Australia	Chief Operating Officer	N/A	4,361,151	Nil
Chris Davis Victoria, Australia	Vice President of Exploration and Operational Geology	N/A	2,892,456	Nil
Julia Beckett Western Australia, Australia	Joint Company Secretary	October 17, 2024	Nil	Nil
Dennis Wilkins Western Australia, Australia	Joint Company Secretary	April 1, 2018	Nil	Nil

Notes:

1. Following the completion of the Arrangement, it is anticipated that the Combined Company Board will reconstitute each of Alkane's Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee with the members of the Combined Company Board.

ASX Listing Rule 14.4 and Section 3.6 of the Alkane Constitution require that an Alkane director (other than a Managing Director) must retire from office at the third annual general meeting after the director was elected or last re-elected but may seek re-election.

If the appointment of the incoming Alkane directors is approved by Alkane Shareholders at the Alkane Meeting, their appointment will not require them to be put forward for election at Alkane's next annual general meeting for the purposes of ASX Listing Rule 14.4. These incoming directors will subsequently be subject to requirements for re-election by rotation pursuant to ASX Listing Rule 14.5 and Section 3.6 of the Alkane Constitution.

After giving effect to the Arrangement, it is expected that the directors and executive officers of the Combined Company as a group will beneficially own, directly or indirectly, approximately 318,957,235 Alkane Shares or 23.4% of the outstanding Alkane Shares.

Biographical information for each of the new nominees to the Combined Company Board is set forth below.

- **Bradford Mills – Non-Executive Director**

  Mr. Mills has over 40 years of experience in the resource industry. He is the founder and managing director of Plinian Capital, a private equity firm whose principal business is investment in natural resources projects and companies. Mr. Mills served as the CEO of Mandalay from 2009 and oversaw its transition to a producing gold company from 2010 onwards. He stepped down as CEO in 2016. From 2004 – 2009, Mr. Mills held the position of CEO of Lonmin Plc (GBX: LMI), the world's number three platinum and platinum group metals producer. Prior to that, Mr. Mills served as president of the BHP Billiton's copper group. Mr. Mills is currently a director of Circum Minerals, a private potash development company in Ethiopia and CNM, a private nickel-copper-cobalt-PGM producing company in Zambia. Mr. Mills was a director of Rambler Metals & Mining PLC, a mining company engaged in the development, mining and exploration of base and precious metals in Newfoundland and Labrador, Canada.

- **Frazer Bourchier – Non-Executive Director**

  Mr. Bourchier is a registered professional engineer with over 36 years of domestic and international experience in the mining industry. His breadth of experience includes both operational field management and executive corporate oversight leadership. His public company and inter-company Board governance experience is further complemented by his McMaster University accredited Chartered Director Certification. Mr. Bourchier was previously President, CEO and a director of Harte Gold Corp. from late 2020 to early 2022 and Chief Operating Officer ("COO") of Detour Gold for two years from 2018 to 2019. For six years from 2012 to 2017, Mr. Bourchier held the role of COO at Nevsun Resources. Preceding this successful tenure, Mr. Bourchier was an operational Executive for two years at Wheaton Precious Metals (formerly Silver Wheaton). For the first 16 years of his career, he worked at Placer Dome (subsequently Barrick Gold) where he held positions of increasing responsibility concluding as Mining Manager and then General Manager at the Porgera open pit gold mine in PNG. He has Bachelor's and Master's degrees in Applied Science and Engineering from the University of Toronto. Mr. Bourchier served as a director of Treasury Metals Inc. (TSX: TML) from August 2020 to March 2024.

- **Dominic Duffy - Non-Executive Director**

  Mr. Duffy holds a B.Eng. in Mining Engineering from the University of NSW (Sydney, Australia). He has over 20 years experience working in a wide variety of operations in both technical and production roles and his work exposure has spanned across Australia, South America and Europe. He has a proven track record of operational turnarounds. Mr. Duffy joined Mandalay in 2010 where he oversaw the operational improvements at Costerfield, Björkdal and Cerro Bayo and served as President and CEO from 2018 to 2023. Prior to joining Mandalay, Mr. Duffy worked for Coeur d'Alene Mines and Hecla Mining Company in South America.

- **Andrew Quinn – Non-Executive Chair**

  Mr. Quinn is a chartered mining engineer and an highly experienced investment banker and company director. He was head of Mining Investment Banking for Europe and Africa at the Canadian Imperial Bank of Commerce for 15 years prior to his retirement in 2011. From 2011 until 2018 he served as a non-executive director of London-listed FTSE 100 company Randgold Resources, including roles as Senior Independent Director, Chair of the Remuneration Committee and member of the Audit Committee. Upon the merger with TSX and NYSE-listed Barrick Gold in 2019 he joined that board as non-executive director and served as a member of the Audit Committee. He retired from the board of Barrick in May 2025. Since 2016 Mr. Quinn has served as a non-executive director of the London Bullion Market Association, the international trade

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association which oversees and regulates the OTC market for precious metals. He chairs the Remuneration Committee, serves on the Finance Committee, and sits on several other committees. He will be retiring from the LBMA in October 2025. He has almost 50 years of experience in the mining and financial industries, including positions at Anglo American, Greenbushes Tin and The Mining Journal. Prior to joining CIBC he worked for 12 years at James Capel & Co (later HSBC Investment Banking) as an investment analyst, in equity sales and in corporate finance and investment banking. He holds an undergraduate degree in Mineral Exploitation (Mining Engineering) from Cardiff University, is Member of the Institute of Materials, Minerals & Mining and is a registered Chartered Engineer.

Biographical information for each of the expected incoming executive officers is set forth below.

- **Ryan Austerberry – Chief Operating Officer – Mandalay Assets**

  Ryan Austerberry (MAusIMM CP) has over 18 years experience in the resource industry, predominantly in technical roles and project management. Mr. Austerberry worked with Mandalay since 2009, and prior to becoming General Manager of Costerfield, Mr. Austerberry was General Manager of Björkdal, and was Corporate Manager of Technical Services. Mr. Austerberry holds a Bachelor of Applied Science Degree from the Royal Melbourne Institute of Technology, a Graduate Diploma in Mining from the University of Ballarat, an MBA from the Australian Institute of Business, and is a Graduate of the Australian Institute of Company Directors Course. Mr. Austerberry sits on the board of Equus Mining as the Mandalay appointed director.

- **Chris Davis – Vice President of Exploration and Operational Geology – Mandalay Assets**

  Chris Davis holds a BSc (Degree with honours in Earth Sciences) from the University of Melbourne and is a Charted Professional of the Australian Institute of Mining and Metallurgy (MAusIMM CP(Geo)). Having spent 15 years working with narrow vein gold and polymetallic deposits in Australia and Europe, he is a Qualified Person as defined by NI 43 101 and the JORC Code. Chris has managed departments across Mining, Resource Development and Exploration.

Biographical information for each of the existing Alkane Board members and executive officers is detailed in the Section titled "*Directors and Executive Officers*" in Appendix J to this Circular.

It is expected that three of the initial directors of the Combined Company will be independent for the purposes of applicable Canadian Securities Laws. Mr. Nic Earner will be a non-independent director as he will be an executive officer of the Combined Company. Mr. Frazer Bourchier and Mr. Dominic Duffy will be non-independent directors as they have been executive officers of Mandalay within the last three years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management no proposed director or executive officer of the Combined Company is, as of the date of this Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued: (i) while such person was acting in that capacity; or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

To the knowledge of management, other than as disclosed in this Circular, no proposed director, executive officer, or shareholder holding a sufficient number of securities to affect materially the control of the Combined Company is, as of the date of this Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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Bradford Mills was a director of Rambler Metals and Mining Canada Limited ("**Rambler Canada**"). On February 28, 2023, Rambler Canada, and certain of its affiliates, obtained an initial order from the Supreme Court of Newfoundland and Labrador and commenced proceedings pursuant to the *Companies Creditors Arrangement Act* (Canada) (the "**CCAA**") pursuant to which Rambler Canada and its affiliates implemented a court supervised sale and investment solicitation process. The proceedings were completed on December 11, 2023.

Mr. Bourchier was the President & CEO and a director of Harte Gold Corp. ("**Harte**"), which sought and obtained an initial order under the CCAA on December 7, 2021. On February 28, 2022, Harte announced that its previously announced sale and investment solicitation process (the "**Harte Transaction**") was completed with a subsidiary of Silver Lake Resources Limited ("**Silver Lake**"). Following completion of the Harte Transaction, Harte became a wholly-owned subsidiary of Silver Lake and emerged from the CCAA proceedings. All of the directors and officers of Harte resigned effective upon closing of the Harte Transaction.

To the knowledge of management no proposed director, executive officer, or shareholder holding a sufficient number of securities to affect materially the control of Combined Company has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of management no proposed director, executive officer or shareholder holding a sufficient number of securities to affect materially the control of Combined Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of Alkane, there are not expected to be any actual or potential conflicts of interest among the Combined Company, its proposed directors, officers, or other members of management of Combined Company, except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Combined Company.

EXECUTIVE COMPENSATION

Following the completion of the Arrangement, it is expected that the Combined Company will maintain the policies of Alkane with respect to the executive compensation. For further information see "*Executive Compensation*" in Appendix J to this Circular.

STOCK EXCHANGE LISTING

Following the completion of the Arrangement, it is expected that the ordinary shares of the Combined Company will be listed on the ASX under the symbol "ALK". [16] Alkane has applied for its Alkane Shares to be listed on the TSX. Listing of the Alkane Shares on the TSX will be subject to Alkane receiving approval from, and fulfilling all of the original listing requirements of, the TSX. Alkane has also applied to have its shares move up from the OTC Pink Market to trade on the OTCQB Venture Market. Trading on the OTCQB Venture Market will be subject to Alkane receiving approval from, and fulfilling the requirements of, OTC.

[16] Alkane is currently quoted on OTC Pink Market under the symbol "ALKEF". Effective July 1, 2025, the OTC Pink Market will cease to exist.

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AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Following the completion of the Arrangement, it is anticipated that the Combined Company Board will reconstitute each of Alkane's Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee with the members of the Combined Company Board and that its corporate governance policies will remain unchanged initially. For further information see "*Corporate Governance*" in Appendix J to this Circular.

RISK FACTORS

Following completion of the Arrangement, it is expected that the risk factors applicable to the Combined Company will be the same as the risk factors currently applicable to Mandalay and Alkane. For a discussion of the businesses of Mandalay and Alkane, together with factors to consider in connection with those businesses, please see the risk factors described under the heading "*Risk Factors*" in the body of this Circular, in Appendix J to this Circular and in Mandalay's annual information form for the year ended December 31, 2024.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

Following the completion of the Arrangement, it is expected that the auditor for the Combined Company will remain Alkane's current auditor, PricewaterhouseCoopers located at Brookfield Place, 125 St Georges Terrace, Perth, Western Australia 6000.

Transfer Agents, Registrars, Trustees or Other Agents

Following the completion of the Arrangement, the transfer agent and registrar of the Combined Company is expected to be Computershare Investor Services Pty Ltd located at Level 17, 221 St Georges Terrace, Perth, Western Australia 6000 for its Australian share register and Computershare Investor Services Inc. located at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 for its Canadian share register.

MATERIAL CONTRACTS

Material Contracts

The following material contracts were entered into by Alkane or Mandalay since the beginning of 2024, or were entered into by Alkane or Mandalay before 2024 but remain in effect:

- The Arrangement Agreement.
- The Loan Facility.

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EXHIBIT A TO APPENDIX K
UNAUDITED PRO FORMA FINANCIAL INFORMATION

(See attached)

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Alkane Resources Limited

Pro forma financial information (unaudited)

31 March 2025

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Alkane Resources Limited
Appendix 1 - Pro Forma Consolidated Statement of Financial Position (unaudited)
As at 31 March 2025
Expressed in Australian Dollars (AUD'000)

	Reported		Pro forma		Combined
	Alkane	Mandalay	adjustments	Notes	Group
Cash and cash equivalents	39,634	141,285	(14,671)	C	166,249
Trade and other receivables	3,680	53,350	-		57,030
Inventories	25,418	39,615	-		65,033
Financial assets at FVOCI	2	-	-		2
Total current assets	**68,734**	**234,250**	**(14,671)**		**288,314**
Property, plant and equipment	299,901	262,667	180,442	A	743,011
Exploration and evaluation	109,477	67,293	-		176,769
Financial assets at FVOCI	8,093	-	-		8,093
Other financial assets	15,092	31,726	-		46,818
Derivative financial instruments	117	-	-		117
Trade receivables and other assets	-	644	-		644
Goodwill	-	-	43,654	G	43,654
Total non-current assets	**432,680**	**362,330**	**224,097**		**1,019,106**
Total assets	**501,414**	**596,580**	**209,426**		**1,307,420**
Trade and other payables	(25,688)	(45,477)	(10,573)	B	(81,739)
External borrowings	(24,463)	(3,930)	-		(28,393)
Income tax provision	(6,225)	(24,527)	-		(30,752)
Provisions	(7,654)	(5,528)	-		(13,182)
Reclamation and site closure costs	-	(8,422)	-		(8,422)
Financial instruments (derivative contracts)	-	(11,908)	-		(11,908)
Lease liabilities	-	(997)	-		(997)
Other liabilities	(476)	-	-		(476)
Current liabilities	**(64,506)**	**(100,790)**	**(10,573)**		**(175,868)**
Provisions	(22,333)	(51,869)	-		(74,203)
External borrowings	(35,644)	(6,771)	-		(42,415)
Deferred tax	(45,329)	(24,955)	(43,654)	G, I	(113,939)
Lease liabilities	-	(732)	-		(732)
Other liabilities	(270)	(485)	-		(755)
Non-current liabilities	**(103,576)**	**(84,812)**	**(43,654)**		**(232,043)**
Total liabilities	**(168,082)**	**(185,602)**	**(54,227)**		**(407,911)**
Net assets	**333,332**	**410,978**	**155,199**		**899,509**
Issued capital	224,695	373,038	195,929	D, J	793,661
Reserves	(83,795)	8,052	(8,052)	E	(83,795)
Foreign currency translation reserve	-	(94,193)	94,193	E	-
Retained profits	192,432	124,081	(126,871)	F	189,643
Total equity	**333,332**	**410,978**	**155,199**		**899,509**

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Alkane Resources Limited
Appendix 2 - Pro Forma Consolidated Statement of Profit or Loss (unaudited)
For the nine months ended 31 March 2025
Expressed in Australian Dollars (AUD'000)

	Reported		Pro forma		Combined
	Alkane	Mandalay	adjustments	Notes	Group
Revenue	184,704	308,183	-		492,888
Cost of sales	(117,258)	(138,150)	-		(255,408)
Depreciation and amortisation expense	(35,001)	(36,946)	(23,775)	H	(95,721)
Total cost of sales	(152,259)	(175,096)	(23,775)		(351,129)
Gross profit	**32,445**	**133,087**	**(23,775)**		**141,758**
Other Income	864	-	-		864
Interest income	1,542	3,712	-		5,254
Impairment reversal	7,024	-	-		7,024
Other expenses	(9,596)	(13,172)	-		(22,769)
Finance costs	(3,433)	(1,957)	-		(5,390)
Revision of reclamation liability	-	(6,853)	-		(6,853)
Foreign exchange gain/(loss)	-	328	-		328
Gain/(loss) on financial instruments	-	(18,722)	-		(18,722)
Write-off of assets	-	(1,487)	-		(1,487)
Transaction costs	-	-	(33,928)	B, C	(33,928)
Profit before income tax expense	**28,846**	**94,936**	**(57,703)**		**66,078**
Income tax expense	(7,657)	(32,056)	5,386	I	(34,327)
Profit after income tax expense for the year	**21,189**	**62,880**	**(52,318)**		**31,751**
Basic earnings per share	3.50			K	2.33

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Alkane Resources Limited
Appendix 3 - Pro Forma Consolidated Statement of Profit or Loss (unaudited)
For the twelve months ended 30 June 2024
Expressed in Australian Dollars (AUD'000)

	Reported		Pro forma adjustments		Combined Group
	Alkane	Mandalay			
Revenue	172,991	320,482	-		493,473
Cost of sales	(102,256)	(156,036)	-		(258,292)
Depreciation and amortisation expense	(36,143)	(59,295)	(43,620)	H	(139,059)
Total cost of sales	(138,399)	(215,331)	(43,620)		(397,351)
Gross profit	**34,592**	**105,151**	**(43,620)**		**96,123**
Other Income	509	-	-		509
Interest income	2,527	3,273	-		5,800
Other expenses	(10,949)	(11,977)	-		(22,276)
Finance costs	(2,347)	(5,717)	-		(8,064)
Revision of reclamation liability	-	(9,854)	-		(9,854)
Foreign exchange gain/(loss)	-	(1,936)	-		(1,936)
Gain/(loss) on financial instruments	-	(10,304)	-		(10,304)
Write-off of assets	-	(793)	-		(793)
Net gain/(loss) on disposal of property, plant and equipment	110	526	-		636
Transaction costs	-	-	(33,928)	B, C	(33,928)
Profit before income tax expense	**24,442**	**68,368**	**(77,549)**		**15,912**
Income tax expense	(6,765)	(24,844)	10,648	I	(20,961)
Profit after income tax expense for the year	**17,677**	**43,524**	**(66,901)**		**(5,049)**
Basic earnings per share	2.93			K	(0.37)

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1. Basis of preparation

The accompanying unaudited pro forma consolidated statement of financial position as at 31 March 2025 and the unaudited pro forma consolidated statement of profit or loss for the year ended 30 June 2024 and nine month period ended 31 March 2025 (**'Pro Forma Financial Information'**) has been prepared by management for inclusion in Mandalay Resources Corporation's (**'Mandalay'**) Management Information Circular for the Annual General Meeting and Special Meeting of shareholders of Mandalay. This is in conjunction with Alkane Resources Limited's (**'Alkane'**) acquisition of all of the issued and outstanding shared of Mandalay by way of a plan of arrangement under the Canada Business Corporations Act. The Pro Forma Financial statements are for illustrative purposes only and give effect to the Arrangement Agreement (as defined below) and other transactions pursuant to the assumptions described in the Notes.

The Pro Forma Financial Information of Alkane and Mandalay (upon completion of the Arrangement Agreement) (the **'Combined Group'**) has been prepared in accordance with Section 8.4(7) of NI 51-102 and in a manner consistent with Alkane's and Mandalay's respective accounting policies as disclosed in Alkane's consolidated financial statements for the financial year ended 30 June 2024 and Mandalay's consolidated financial statements for the financial year ended 31 December 2024, and Mandalay's condensed consolidated interim financial statements for the period ended 31 March 2025. Alkane's consolidated financial statements for the year ended 30 June 2024 are prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**'AASB'**) and comply with the recognition, measurement and presentation requirements of International Financial Reporting Standards (**'IFRS'**) as issued by the International Accounting Standards Board (**'IASB'**). Mandalay's consolidated financial statements for the financial year ended 31 December 2024 are prepared in accordance with IFRS as issued by the IASB. The unaudited consolidated proforma financial information does not include all of the disclosures required under IFRS or Australian Accounting Standards for a set of financial statements.

Alkane has performed an initial review of Mandalay's financial statements to identify any potential material differences in the accounting policies and financial statement presentation between Alkane and Mandalay. This review aimed to determine any required alignment or reclassification to conform to Alkane's accounting policies and financial statement presentation. The Pro Forma Financial Information assumes that all significant differences have been appropriately adjusted to align Mandalay's financial information with Alkane's accounting policies. The assessment of differences in accounting policies is based on Alkane management's best estimate and interpretations of IASB and IFRS, which remain subject to change as/when information becomes available. On this basis, the actual impact of aligning accounting policies may differ from the information provided in the Pro Forma Financial Information. Such differences could be significant.

The Pro Forma Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

Business Combination of Alkane and Mandalay

On 28 April 2025, Alkane and Mandalay announced that they have agreed to combine in a 'merger of equals' transaction and have executed a definitive arrangement agreement (**'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'**). The Transaction will be effected pursuant to a court approved plan of arrangement under the British 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

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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. Following completion of the Transaction, the Combined Group will continue operating as Alkane Resources Limited, remain listed on the Australian Securities Exchange (**'ASX'**) and seek listing on the Toronto Stock Exchange (**'TSX'**).

Under the Transaction and Arrangement Agreement, Mandalay shareholders will receive 7.875 ordinary shares of Alkane (**'Alkane Shares'**) for each ordinary share of Mandalay (**'Mandalay Shares'**) (the **'Exchange Ratio'**) held immediately prior to the effective time of the Transaction (the **'Effective Time'**). Based on the number of Mandalay Shares at 26 May 2025 including Mandalay Shares to be issued to holders of Mandalay's stock options ('SO'), performance share units (**'PSU'**), restrictive share units (**'RSU'**), and deferred share units (**'DSU'**) immediately prior to the Effective Time of the Arrangement Agreement, the holders of Mandalay Shares will receive 758,622,367 Alkane Shares.

Assuming completion of the Transaction occurred on 26 May 2025, former Mandalay shareholders and existing Alkane shareholders would have owned approximately 56% and 44% respectively, of the outstanding ordinary shares of the Combined Group.

Alkane has been determined to be the accounting acquirer based on the following:

- The existing senior management of Alkane will form the majority of the senior management of the combined company following completion of the Transaction.
- Alkane will pay a 2% premium over the pre-combination fair value of Mandalay's equity interests.
- The new board of directors will have a mix of existing directors of Alkane and Mandalay with a new independent chairman being appointed not currently associated with Alkane or Mandalay.
- While existing Mandalay shareholders will hold a majority of voting interests on completion of the transaction, no existing owner or organised group of owners, will have a significant voting interest.
- Current corporate office of Alkane to be retained as the new headquarters of the combined company. Mandalay's Toronto head office will discontinue.

The unaudited pro forma consolidated statement of financial position as at 31 March 2025 gives effect to the Arrangement Agreement as if the Transaction had completed on 31 March 2025 and has been derived from:

- the unaudited consolidated statement of financial position of Alkane as at 31 March 2025; and
- the unaudited condensed consolidated statement of financial position of Mandalay as at 31 March 2025 translated from United States Dollars (**'USD'**) to Australian Dollars (**'AUD'**) using the relevant USD:AUD spot exchange rate at 31 March 2025.

The unaudited pro forma consolidated statement of profit or loss for the financial year ended 30 June 2024 gives effect to the Arrangement Agreement as if the Transaction had completed on 1 July 2023, and has been derived from:

- the audited consolidated statement of profit or loss and other comprehensive income of Alkane for the financial year ended 30 June 2024; and
- the aggregation of the unaudited condensed consolidated statement of profit or loss and other comprehensive income of Mandalay for (i) the three month period ended 30 September 2023 (**'Q3 FY23'**), (ii) the three month period ended 31 December 2023 (**'Q4 FY23'**), (iii) the three month

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period ended 31 March 2024 (**'Q1 FY24'**), and (iv) the three month period ended 30 June 2024 (**'Q2 FY24'**), translated from USD to AUD using the average USD:AUD exchange rate over the period from 1 July 2023 to 30 June 2024.

The unaudited pro forma consolidated statement of profit or loss for the nine-month period ended 31 March 2025 gives effect to the Arrangement Agreement as if the Transaction had completed on 1 July 2024, and has been derived from:

- the unaudited consolidated statement of profit or loss and other comprehensive income of Alkane for the nine-month period ended 31 March 2025; and
- the aggregation of the unaudited condensed consolidated statement of profit or loss and other comprehensive income of Mandalay for (i) the three month period ended 30 September 2024 (**'Q3 FY24')**, (ii) the three month period ended 31 December 2024 (**'Q4 FY24'**), and (iii) the three month period ended 31 March 2025 (**'Q1 FY25'**), translated from USD to AUD using the average USD:AUD exchange rate over the period from 1 July 2024 to 31 March 2025.

The unaudited Pro Forma Financial Information does not include all the information and disclosures required by IFRS and should be read in conjunction with the description of the Transaction included elsewhere in this Management Information Circular for the Annual General Meeting and Special Meeting of shareholders of Mandalay and the financial statements and notes of Alkane and Mandalay described above. Certain significant judgements and estimates have been made by management in the preparation of the Pro Forma Financial Information, in particular, the determination of the consideration given by Alkane to Mandalay, and the former as the accounting acquirer of the Transaction. The financial statements of Mandalay were originally reported in USD but have been converted to AUS for the purpose of the Pro Forma Financial Information. The consolidated annual and unaudited interim financial statements of Mandalay are available at www.sedarplus.ca and the consolidated financial statements of Alkane are included elsewhere in this Circular for the relevant periods used to construct these unaudited proforma financial statements. The unaudited constructed income statements were prepared for the purpose of these proforma financial statements and accordingly do not conform to the financial statements for Mandalay incorporated by reference in this Circular.

The Pro Forma Financial Information has been prepared for illustrative purposes only. Due to its nature, the Pro Forma Historical Financial Information does not represent the Combined Group's actual or prospective financial position or financial performance that would have occurred if the business combination had taken place on 1 July 2023, 1 July 2024 and 31 March 2025. Unless otherwise stated, all amount presented in these financial statements are in AUD.

The Combined Group Pro Forma Consolidated Statement of Profit or Loss has not been adjusted to reflect:

- Potential synergies that may exist, including the cost of realising synergies and business improvements arising following implementation of the Arrangement Agreement;
- Changes to financing costs associated with changes in debt structure associated with or expected to occur as a result of the Arrangement Agreement

The Combined Group Pro Forma Statement of Financial Position has not been adjusted to reflect:

- Potential synergies that may exist, including the cost of realising synergies and business improvements arising following implementation of the Arrangement Agreement;
- Finalisation of the purchase price accounting for the Arrangement Agreement, including identification and measurement of all assets and liabilities assumed, and recognising and measuring goodwill or gain from a bargain purchase; and

- Any changes to the debt structure of the Combined Group as a consequence of the change of control as a result of the Arrangement Agreement and any associated borrowing costs that has not already been announced as part of the Transaction.

2. Adjustments and assumptions in compiling the Pro Forma Financial Information

The unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2025 is shown in Appendix 1 and gives effect to the Arrangement Agreement as if the Transaction had closed on 31 March 2025. The unaudited Pro Forma Consolidated Statements of Profit or Loss for the year ended 30 June 2024 and for the nine-month period ended 31 March 2025 are shown in Appendix 3 and 2 respectively and give effect to the Arrangement Agreement as if it had closed on 1 July 2023 and 1 July 2024 respectively. The unaudited pro forma consolidated financial statements are based on the respective historical consolidated financial statements of Alkane and Mandalay and incorporate the following proforma adjustments and assumptions made by management based on currently available information.

A. *Accounting for the acquisition of Mandalay*

Under the Transaction and Arrangement Agreement, Alkane, who is deemed to be the accounting acquirer, will issue approximately 758,622,367 Alkane Shares to Mandalay shareholders at an exchange ratio of 7.875 Alkane Shares for every 1 Mandalay share held at 26 May 2025 (which includes Alkane Shares issued to holders of Mandalay's stock options ('SO'), performance share units (**'PSU'**), restrictive share units (**'RSU'**), and deferred share units (**'DSU'**)], where it has been assumed that these incentives will conditionally vest and their respective surrender and cancellation or redemption dates conditionally accelerate and convert into Mandalay Shares in accordance with their terms) in exchange for all of the issued and outstanding Mandalay Shares.

The fair value of the consideration ('**Consideration**') paid by Alkane to acquire the net assets of Mandalay is based on the fair value of Alkane Shares to be issued to by Alkane. On this basis, Consideration for the purpose of presenting Pro Forma Financial Information was deemed to equate to $568,966,775 which was measured using Alkane's quoted market share price on the Australian Securities Exchange ('ASX') at close of market on 24 April 2025, being the last trading day prior to the announcement at $0.75/share.

The Combined Group Pro Forma Financial Information is provisionally accounted for and is presented for illustrative purposes only and is not intended to be indicative of the results that would have actually occurred had the transaction taken place as of 1 July, 2023, or the financial performance that could be expected in future periods. The actual financial position and results of operations of the Combined Group on completion of the Transaction may differ significantly from the Pro Forma Financial Information due to the following factors including, but not limited to:

- finalisation of the acquisition accounting (in accordance with IFRS 3 Business Combinations), including the identification and valuation of all assets acquired and liabilities assumed, and recognising and measuring goodwill or gain from a bargain purchase. Adjustments may include recognition of all identifiable assets and liabilities of Mandalay at fair value as at the actual acquisition date. This includes assets such as Mine development assets and any intangible assets. Once the fair value of these identifiable assets and liabilities are determined, any residual amount of the purchase price that exceeds the net fair value of these assets and liabilities, if applicable, will be recognised as goodwill. Changes in the fair values attributable to assets and liabilities and the purchase consideration issued or issuable to Mandalay shareholders could positively or negatively impact future reported earnings of the Combined Group.

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- Finalisation of the calculation of the tax cost bases, including recognition of the associated deferred tax assets and liabilities, in accordance with IAS 12 Income Taxes. For the purpose of presenting a Pro Forma Statement of Profit and Loss, any tax benefits that may arise in connection with the pro forma adjustments have also been excluded.
- The timing and realisation of potential synergies arising from the Transaction and merger of Alkane and Mandalay.

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Mandalay Resources Incorporation
Net assets acquired as at 31 March 2025 including pro forma adjustments
Expressed in Australian Dollars (AUD'000)

	Reported Mandalay	Pro forma adjustments	Mandalay incl. PF adj.
Cash and cash equivalents	141,285	(14,671)	126,614
Trade and other receivables	53,350	-	53,350
Inventories	39,615	-	39,615
Total current assets	**234,250**	**(14,671)**	**219,579**
Property, plant and equipment	262,667	180,442	443,110
Exploration and evaluation	67,293	-	67,293
Financial assets at FVOCI	-	-	-
Other financial assets	31,726	-	31,726
Financial assets at FVOCI		-	
Trade receivables and other assets	644	-	644
Technical goodwill	-	43,654	43,654
Total non-current assets	**362,330**	**224,097**	**586,427**
Total assets	**596,580**	**209,426**	**806,006**
Trade and other payables	(45,477)	(10,573)	(53,260)
External borrowings	(3,930)	-	(3,930)
Income tax provision	(24,527)	-	(24,527)
Provisions	(5,528)	-	(5,528)
Reclamation and site closure costs	(8,422)	-	(8,422)
Financial instruments (derivative contracts)	(11,908)	-	(11,908)
Lease liabilities	(997)	-	(997)
Current liabilities	**(100,790)**	**(10,573)**	**(108,573)**
Provisions	(51,869)	-	(51,869)
External borrowings	(6,771)	-	(6,771)
Deferred tax	(24,955)	(43,654)	(68,609)
Lease liabilities	(732)	-	(732)
Other liabilities	(485)	-	(485)
Non-current liabilities	**(84,812)**	**(43,654)**	**(128,466)**
Total liabilities	**(185,602)**	**(54,227)**	**(237,039)**
Net identifiable assets	**410,978**	**155,199**	**568,967**

Purchase consideration	
Mandalay Shares for conversion	96,332,999
Alkane QMP 24 April 2025 ($)	$ 0.75
Exchange Ratio	7.875
Consideration Shares	758,622,367
Alkane Shares Issued ($000)	**568,967**
Costerfield	75,659
Bjorkdal	104,784
Value attributable to Mine Properties	**180,442.431**

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B. *Recognition of transaction and advisor costs relating to the Transaction*

Recognition of transaction and advisor costs as a pro forma adjustment relate to the recognition of (i) the expected remaining quantum of Alkane's advisor, due diligence and legal costs, (ii) the expected remaining quantum of advisor, due diligence and legal costs to be incurred by Mandalay, and (iii) stamp duty liabilities pertaining to the Costerfield project. These transaction costs are in connection with the Arrangement Agreement. For the purpose of presenting the Pro Forma Financial Information, it has been assumed these costs have been incurred in the periods presented and are accrued in trade and other payables and expensed through profit and loss.

However, it should be note that once the actual acquisition accounting has been performed, these costs may differ and some amounts may be capitalised within Mine Properties (in particular stamp duty), and equity if required.

C. *Settlement of redundancy payments and obligations*

Recognition of a pro forma adjustment relating to the settlement of short-term incentives, long term incentives and redundancy payments in connection with the change of control associated with the Arrangement Agreement. For the purpose of presenting the Pro Forma Financial Information, it has been assumed these costs are to be settled post 31 March 2025 in cash during the periods presented and expensed through profit and loss, however the timing and amount of recognition of such amounts will be determined as part of final accounting for the business combination on finalisation of the Transaction.

D. *Share capital*

The pro forma adjustments represent the movement in issued capital pertaining to (i) the elimination of Mandalay's historical share capital as at 31 March 2025 inclusive of the recognition of Mandalay Shares to be issued to holders of Mandalay's SOs, PSUs, RSUs and DSUs immediately prior to the Effective Time of the Arrangement Agreement, and (ii) the issue of 758,622,367 Alkane Shares to Mandalay shareholders recorded at fair value as of 26 May 2025 as further discussed in Note A.

It should be noted that once the actual acquisition accounting has been performed, the actual share capital of the Combined Group may differ to that presented in the Pro Forma Financial Information driven by adjustments for transaction costs that may qualify as an offset to equity, plus the finalisation of the quantum of Mandalay SOs, PSUs, RSUs and DSUs that are to vest immediately prior to the Effective Time of the Arrangement Agreement.

E. *Reserves and Foreign currency translation reserve*

To eliminate Mandalay's reserve and foreign currency translation reserve accounts on acquisition as at 31 March 2025.

F. *Retained profits*

To eliminate (i) Mandalay's historical retained profits as at 31 March 2025, and (ii) recognises the profit and loss impact of Alkane's share of pro forma transaction costs.

G. *Goodwill and deferred tax liability*

The unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2025 has been prepared on a provisional basis using the carrying values of Mandalay's assets and liabilities as of 31 March 2025, plus the impacts of the pro forma adjustments pertaining to Mandalay as if those events had occurred at 31 March 2025. The carrying values of the assets and liabilities are used solely for the purpose of the Pro Forma Financial Information, and therefore these values are not intended to represent the actual fair values and are applied in this context only for illustrative purposes.

In estimating Consideration (described in A above), the following assumptions have been made:

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- The unaudited Pro Forma Consolidated Statement of Financial Position is based on the historical carrying value of assets and liabilities of Alkane and Mandalay as at 31 March 2025, and includes the impacts of the pro forma adjustments pertaining to the Combined Group as if those events had occurred at 31 March 2025. No adjustments have been made for the fair value of the assets and liabilities;
- Any excess Consideration over and above the value of Mandalay's net identifiable assets and liabilities (including the effect of pro forma adjustments) has been attributed to the Mine development assets (and split across Mandalay's two assets comprising Costerfield and Bjorkdal based on their respective carrying written down value at 31 March 2025). On this basis, the remaining purchase Consideration of $180.4m has been split across Costerfield ($75.6m) and Bjorkdal ($104.8m)
- Recognition of goodwill ($43.7m), solely arising from the deferred tax liability recognised at the Australian corporate tax rate of 30% in respect of the uplift of Costerfield mine development ($22.7m) and 20% (Sweden corporate tax rate) in respect of Bjorkdal mine development ($21.0m) on the assumption that there will be no tax deduction received for the uplift. Under IAS 12, deferred taxes are to be recognised for all taxable temporary differences, with the asset or liability forming part of the goodwill balance on initial recognition in a business combination transaction. On this basis, a deferred tax liability of $43.7m has been recognised on pro forma which assumes that the historical tax base of the assets acquired in the merger are lower than the uplifted accounting value. Goodwill has been recognised solely due to the deferred tax liability recognised in the provisional allocation used for the purposes of the pro forma balance sheet. The final allocation of value and calculation of deferred tax balances and goodwill, if any, will be determined as part of final accounting for the business combination on finalisation of the Transaction.

H. Pro forma depreciation

The unaudited Pro Forma Consolidated Statements of Profit or Loss for the year ended 30 June 2024 and for the nine-month period ended 31 March 2025 are shown in Appendix 3 and 2 respectively and give effect to the Arrangement Agreement as if it had closed on 1 July 2023 and 1 July 2024 respectively.

On this basis, the adjustments for the nine-month period ended 31 March 2025, and for the twelve-month period ended 30 June 2024, recognises a pro forma depreciation charge pertaining to the uplift in Mine development assets as if the Transaction had closed on 1 July 2023 and 1 July 2024. Pro forma depreciation is calculated using the actual rate of depreciation for the relevant period pertaining to the two mine properties, multiplied by the respective uplift applied to each asset at 31 March 2025.

I. Income tax and deferred tax

Alkane's corporate tax rate is 30%. Mandalay's tax rate in its Australian operations is 30% and 20% in its Swedish operations. Outside the recognition of a deferred tax liability relating to the acquisition of Mandalay (discussed in G above), for the purpose of presenting a Pro Forma Statement of Profit and Loss, any tax benefits that may arise in connection with the pro forma adjustments have been excluded. It should be further noted that the recognition of increased depreciation charges and corresponding recognition of an associated reduction of income tax expense arises due to the requirements of IAS 12 described in note G above. It is assumed this increased depreciation would not be tax deductible and the reduction in tax expense is solely due to the tax effect accounting entries that are required.

J. Pro forma capital structure

The table below summarises the impact of the acquisition of Mandalay on Alkane's share capital on pro forma.

Pro forma share capital	Ordinary shares	$AUD'000
Consideration Shares	758,622,367	568,967
Alkane shares on issue at 31 March 2025	605,541,892	224,695
Pro forma balance	**1,364,164,259**	**793,661**

K. Pro forma net profit/(loss) per share

The following table illustrates the pro forma basic and diluted weighted average common shares outstanding for the year ended 30 June 2024 and the nine months ended 31 March 2025 after giving effect to the Acquisition.

	Nine months ended 31 March 2025	Year ended 30 June 2024
Pro forma net profit/(loss)	31,751	(5,049)
Pro forma net profit/(loss) per share - basic and diluted		
Historical number of Alkane's common shares outstanding	605,542	605,542
Shares to be issued for Mandalay Acquisition	758,622	758,622
Pro forma number of common shares outstanding	1,364,164	1,364,164
Pro Forma net profit/(loss) per share - basic (AUD cents)	**2.33**	**(0.37)**

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Appendix 4 – Translation of Mandalay's Consolidated Statement of Financial Position (unaudited) As at 31 March 2025

Expressed in thousands ('000)

The financial statements of Mandalay are reported in USD. The appendix below illustrates the translation of Mandalay's financial position as at 31 March 2025 into AUD. The statement of financial position was translated from USD to AUD using the 31 March 2025 exchange rate of 0.6247.

	Mandalay USD	Mandalay AUD
Cash and cash equivalents	88,259	141,285
Trade and other receivables	33,327	53,350
Inventories	24,747	39,615
Total current assets	**146,333**	**234,250**
Property, plant and equipment	164,085	262,667
Exploration and evaluation	42,037	67,293
Other financial assets	19,819	31,726
Trade receivables and other assets	402	644
Total non-current assets	**226,343**	**362,330**
Total assets	**372,676**	**596,580**
Trade and other payables	(28,409)	(45,477)
External borrowings	(2,455)	(3,930)
Income tax provision	(15,322)	(24,527)
Provisions	(3,453)	(5,528)
Reclamation and site closure costs	(5,261)	(8,422)
Financial instruments (derivative contracts)	(7,439)	(11,908)
Lease liabilities	(623)	(997)
Current liabilities	**(62,962)**	**(100,790)**
Provisions	(32,402)	(51,869)
External borrowings	(4,230)	(6,771)
Deferred tax	(15,589)	(24,955)
Lease liabilities	(457)	(732)
Other liabilities	(303)	(485)
Non-current liabilities	**(52,981)**	**(84,812)**
Total liabilities	**(115,943)**	**(185,602)**
Net assets	**256,733**	**410,978**
Issued capital	233,032	373,038
Reserves	5,030	8,052
Foreign currency translation reserve	(58,841)	(94,193)
Retained profits	77,512	124,081
Total equity	**256,733**	**410,978**