

Appendix 5B

Mining exploration entity quarterly report

Name of entity

ALKANE RESOURCES LTD

ABN

35 000 689 216

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to date (3 Months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	32,861	32,861
1.2	Payments for		
	(a) exploration and evaluation	(2,016)	(2,016)
	(b) development	(4,628)	(4,628)
	(c) production	(18,158)	(18,158)
	(d) administration	(1,699)	(1,699)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	71	71
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes paid	-	-
1.7	Other – mineral royalties	(543)	(543)
	Other (provide details if material)	514	514
Net operating cash flows		6,396	6,396
Cash flows related to investing activities			
1.8	Payment for purchases of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(345)	(345)
1.9	Proceeds from sale of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Payments for security deposits	-	-
	Other - Proceeds from refund of security deposits	-	-
	Other (provide details if material)	-	-
Net investing cash flows		(345)	(345)
1.13	Total operating and investing cash flows (carried forward)	6,051	6,051

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1.13	Total operating and investing cash flows (brought forward)	6,051	6,051
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (hire purchase)	-	-
1.17	Repayment of borrowings (hire purchase)	(51)	(51)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net Financing Cash Flows		(51)	(51)
Net increase (decrease) in cash held		6,000	6,000
1.20	Cash at beginning of quarter/year to date	14,849	14,849
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	20,849	20,849

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.25	\$274
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and/or companies associated with directors for:	\$A'000
Directors fees/corporate consulting fees	\$84
Executive director salary and superannuation	\$99
Administration/accounting and company secretarial fees	\$69
IT consulting fees and services	\$22

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

No expenditure has been reported on the Miranda/McDonoughs Lookout joint venture for the quarter ended 30 September 2015.

Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (hire purchase)	109	109
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,600
4.2 Development	5,100
4.3 Production	15,500
4.4 Administration	1,600
TOTAL	24,800

The Tomingley Gold Operation commenced production in February 2014 resulting in the generation of cash inflows from the sale of gold. As at 30 September 2015, the Group had bullion on hand of 1,951 ounces at fair value of \$2.3 million (30 June 2015: 3,169 ounces at fair value of \$4.8 million).

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	871	874
5.2 Deposits at call	9,957	13,975
5.3 Bank overdraft	-	-
5.4 Other * investment term deposits of less than 12 months	10,020	-
Total: cash at end of quarter (item 1.22)	20,849	14,849

Changes in interests in mining tenements

	Tenement Reference and Location	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

See tenement schedule appended for details of tenement holdings at end of quarter

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences⁺ securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	414,218,670	414,218,670		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter <i>Unlisted options</i>				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: *[signed]*..... Date: 16 October 2015

(~~Director~~/Company Secretary)

Print name: Karen E V BROWN

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

ITEM 6.1 & 6.2 Schedule of mining tenements –as at 30 June 2015

Project/Location	Tenement	Interest	Nature of interest
Peak Hill, NSW	GL 5884 (Act 1904)	100%	Equity
	ML 6036	100%	Equity
	ML 6042	100%	Equity
	ML 6277	100%	Equity
	ML 6310	100%	Equity
	ML 6389	100%	Equity
	ML 6406	100%	Equity
	ML 1351	100%	Equity
	ML 1364	100%	Equity
	ML 1479	100%	Equity
	EL 6319	100%	Equity
Dubbo, NSW	EL 5548	100%	Equity through subsidiary
	EL 7631	100%	Equity through subsidiary
	EL 8193	100%	Equity through subsidiary
	MLA 486	100%	Equity through subsidiary (application)
Wellington, NSW	EL 6320	100%	Equity
Tomingley, NSW	EL 5675	100%	Equity
	EL 5830	100%	Equity
	EL 5942	100%	Equity
	EL 6085	100%	Equity
	ML 1684	100%	Equity through subsidiary
Cudal, NSW	EL 7020	100%	Equity
	EL 8340	100%	Equity
Bodangora, NSW	EL 4022	100%	Equity
	EL 6209	0%	Right to acquire 100%
Finns Crossing, NSW	EL 8261	100%	Equity
Rockley, NSW	EL 8170	100%	Equity
	EL 8194	100%	Equity
Elsienora, NSW	EL 6082	0%	Right to earn up to 80%
	EL 6767	0%	Right to earn up to 80%
Nullagine, WA	EL 46/522-I	0%	60% retained interest in diamond potential
	EL 46/523-I	0%	60% retained interest in diamond potential
	EL 46/524	0%	60% retained interest in diamond potential
Miranda Well, WA	M 36/303	19.4%	Equity - ANI holds 80.6%
McDonough Lookout, WA	M 36/329 & 330	19.4%	Equity - ANI holds 80.6%

ANI Australian Nickel Investments Pty Limited