

# Appendix 5B

## Mining exploration entity and gas exploration entity quarterly report

Name of entity

**ALKANE RESOURCES LTD**

ABN

35 000 689 216

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

		Current Quarter \$A'000	Year to date (12 Months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	29,399	109,134
1.2	Payments for		
	(a) exploration and evaluation	(1,560)	(6,789)
	(b) development	(1,427)	(18,438)
	(c) production	(18,939)	(63,098)
	(d) administration	(1,719)	(6,865)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	166	490
1.5	Interest and other costs of finance paid	(90)	(248)
1.6	Income taxes paid	-	-
1.7	Other – mineral royalties	(650)	(2,819)
	Other (provide details if material)	104	893
<b>Net operating cash flows</b>		<b>5,284</b>	<b>12,260</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(6,117)	(15,171)
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	(2,131)	(2,151)
	Other - Proceeds from refund of security deposits	2,500	2,541
	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>(5,748)</b>	<b>(14,781)</b>
1.13	Total operating and investing cash flows (carried forward)	(464)	(2,521)

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1.13	Total operating and investing cash flows (brought forward)	(464)	(2,521)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	12,388	12,388
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	4,000
1.17	Repayment of borrowings	(4,016)	(4,115)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(146)	(146)
<b>Net Financing Cash Flows</b>		8,226	12,127
<b>Net increase (decrease) in cash held</b>		7,762	9,606
1.20	Cash at beginning of quarter/year to date	16,693	14,849
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	24,455	24,455

**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 1.2	\$284
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	\$98
Administration/accounting and company secretarial fees	\$70
IT consulting fees and services	\$32

**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

N/A

## 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 June 2016.

**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)	38
3.2	Credit standby arrangements	0

## Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	4,000
4.2	Development	8,300
4.3	Production	16,500
4.4	Administration	1,600
<b>TOTAL</b>		<b>30,400</b>

The Tomingley Gold Operation has been operational since February 2014 resulting in the generation of cash inflows from the sale of gold. As at 30 June 2016, in addition to the cash balance reported, the Group had bullion on hand of 2,971 ounces at fair value of \$5.3 million (31 March 2016: 2,645 ounces at fair value of \$4.3 million).

As announced on 5 May 2016, subsidiary Tomingley Gold Operation has entered into a working capital facility for A\$14.0M with Macquarie Bank Limited. The facility documents have now been executed and draw down on the facilities is expected in the near term. Refer to the Quarterly Activities Report for further details.

During the quarter, subsidiary Australian Zirconia Limited fully repaid the \$4.0M working capital facility.

## 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	3,303	554
5.2	Deposits at call	21,110	11,105
5.3	Bank overdraft	-	-
5.4	Other * investment term deposits of less than 12 months	42	5,034
<b>Total: cash at end of quarter</b> (item 1.22)		<b>24,455</b>	<b>16,693</b>

## Changes in interests in mining tenements (during the quarter)

		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 <b>Preference<sup>+</sup> securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs, redemptions				
7.3 <b><sup>+</sup>Ordinary securities</b>	476,159,490	476,159,490		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs	61,940,820	61,940,820	20	20
7.5 <b><sup>+</sup>Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				



**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report****ITEM 6.1 & 6.2 Schedule of mining tenements –as at 30 June 2016**

<b>Project/Location</b>	<b>Tenement</b>	<b>Interest</b>	<b>Nature of interest</b>
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
	ML 1724	100%	Equity through subsidiary
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	100%	Equity (subject to royalty of 2% net smelter return)
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%
Orange East, NSW	ELA 5243	0%	Right to earn 60% 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