

Appendix 5B

Mining exploration entity quarterly report

Name of entity

ALKANE RESOURCES LTD

ABN

35 000 689 216

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to date (6 Months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	32	65
1.2	Payments for		
	(a) exploration and evaluation	(3,800)	(7,951)
	(b) development	(13,455)	(18,747)
	(c) production	-	-
	(d) administration	(1,031)	(1,806)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	531	1,425
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (mine rehabilitation & maintenance)	(46)	(78)
	Other (R & D tax offset received)	1,477	1,477
	Other (Receipt from settlement of gold price hedges)	6,767	6,767
	Other	-	-
	Net operating cash flows	(9,525)	(18,848)
Cash flows related to investing activities			
1.8	Payment for purchases of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4,806)	(10,517)
1.9	Proceeds from sale of		
	(a) prospects	-	-
	(b) equity investments	13,608	13,608
	(c) other fixed assets	-	4
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Refund of security deposits)	-	-
	Other (Payment for security deposits)	-	-
	Net investing cash flows	8,802	3,095
1.13	Total operating and investing cash flows (carried forward)	(723)	(15,753)

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1.13	Total operating and investing cash flows (brought forward)	(723)	(15,753)
	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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	(2)	(2)
	Net Financing Cash Flows	(2)	(2)
	Net increase (decrease) in cash held	(725)	(15,755)
1.20	Cash at beginning of quarter/year to date	65,019	80,049
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	64,294	64,294

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	225
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	\$67
Administration/accounting fees (paid to entity related to director of subsidiaries)	\$60
Executive director salary and superannuation	\$98

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/Leinster Downs joint venture by Xstrata Nickel Australasia for the quarter to 30 June 2013. \$1,304 was reported for the preceding quarter.

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,400
4.2 Development	22,000
4.3 Production	-
4.4 Administration	1,100
TOTAL	26,500

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	8,637	6,211
5.2 Deposits at call	657	1,308
5.3 Bank overdraft	-	-
5.4 Other * term deposits of less than 12 months	55,000	57,500
Total: cash at end of quarter (item 1.22)	64,294	65,019

Changes in interests in mining tenements

	Tenement Reference	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	M 36/622	Equity	20% diluting	0%
	P36/1601-1605	Equity	20% diluting	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	ELA 4791	New application	0%	100%
	ELA 4808	New application	0%	100%
	ELA 4827	New application	0%	100%
	EL 8106	Equity on grant of application ELA 4613	100%	100%

See tenement schedule for details

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	372,639,000	372,639,000		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs	100,000	100,000	Nil	Nil
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>Unlisted options</i>	-	-	<i>Exercise price</i> 150	<i>Expiry date</i> 15/05/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter <i>Unlisted options</i>	4,000,000	-	150	15/05/2013
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: 31 July 2013.....
(~~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.
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ITEM 6.1 & 6.2 Schedule of mining tenements –as at 31 July 2013

Prospect	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
	MLA 79 Orange	100%	Equity (application)
	ML 1479	100%	Equity
	EL 6319	100%	Equity
Parkes, NSW	EL 8106	100%	Equity
Dubbo, NSW	EL 5548	100%	Equity through subsidiary
	EL 7631	100%	Equity through subsidiary
	ELA 4827	100%	Equity through subsidiary (application)
	MLA 183 Orange	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
Bodangora, NSW	EL 4022	100%	Equity
Calula, NSW	EL 7235	100%	Equity
	EL 7383	100%	Equity
	EL 7971	80%	Equity, CML 20%
	ELA 4791	100%	Equity (application)
Rockley, NSW	ELA 4808	100%	Equity (application)
	ELA 4851	100%	Equity (application)
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	20%	Equity - XNA holds 80%
McDonough Lookout, WA	M 36/329 & 330	20%	Equity - XNA holds 80%

CRL Comet Resources Limited
XNA Xstrata Nickel Australia