

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**ALKANE RESOURCES LTD**

ABN

35 000 689 216

Quarter ended ("current quarter")

31 December 2012

### 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	19	44
1.2	Payments for		
	(a) exploration and evaluation	(4,343)	(12,998)
	(b) development	(6,589)	(10,901)
	(c) production	-	-
	(d) administration	(537)	(2,415)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,250	3,320
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (mine rehabilitation & maintenance)	(21)	(131)
	Other (LISF Grant received)	-	550
	Other (R & D tax offset received)	-	1,423
	Other (deconsolidation of subsidiary) Refer to note 6	(6)	(6)
<b>Net operating cash flows</b>		<b>(10,227)</b>	<b>(21,114)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(336)	(7,387)
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 (Refund of security deposits)	9	22
	Other (Payment for security deposits)	(3,291)	(3,295)
<b>Net investing cash flows</b>		<b>(3,618)</b>	<b>(10,660)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(13,845)</b>	<b>(31,774)</b>

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1.13	Total operating and investing cash flows (brought forward)	(13,845)	(31,774)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	106,924
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 (cost of share issues)	-	(4,906)
	<b>Net Financing Cash Flows</b>	-	102,018
	<b>Net increase (decrease) in cash held</b>	(13,845)	70,244
1.20	Cash at beginning of quarter/year to date	93,894	9,805
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	80,049	80,049

**Payments to directors of the entity and associates of the directors**  
**Payments to 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 1.24	250
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments to companies associated with directors for:	\$ A,000
Directors fees/corporate consulting fees	\$64
Administration/accounting fees (paid to entity related to director of subsidiaries)	\$88
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

The Company sold its interest in the Orange District Exploration JV through the sale of its wholly owned subsidiary, LFB Resources NL. The Company received 17.5mil shares in Regis Resources Limited (valued at \$94.7mil at date of sale) in consideration for its holding in LFB. Refer to note 6 for further information.

- 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 three months to 31 December 2012.

## 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	3,000
4.2 Development	10,000
4.3 Production	-
4.4 Administration	750
<b>TOTAL</b>	<b>13,750</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the 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	1,432	3,031
5.2 Deposits at call	5,117	5,113
5.3 Bank overdraft	-	-
5.4 Other * term deposits of less than 12 months	73,500	85,750
<b>Total: cash at end of quarter (item 1.22)</b>	<b>80,049</b>	<b>93,894</b>

## 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 relinquished, reduced or lapsed	EL 5760 EL 6111 EL 7878	] ] Equity ]	49%	0%
6.2 Interests in mining tenements acquired or increased				

*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 <b>Preferences<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>	372,539,000	372,539,000		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs				
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>Unlisted options</i>	4,000,000	-	<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				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				



**ITEM 6.1 & 6.2 Schedule of mining tenements –as at 30 January 2013**

<b>Prospect</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
	MLA 79 Orange	100%	Equity (application)
	ML 1479	100%	Equity
	EL 6319	100%	Equity
	Parkes	ELA 4613	100%
Dubbo, NSW	EL 5548	100%	Equity through subsidiary
	EL 7631	100%	Equity through subsidiary
	MLA 183 Orange	100%	Equity through subsidiary (application)
Wellington, NSW	EL 6320	100%	Equity
Tomingley	EL 5675	100%	Equity
	EL 5830	100%	Equity
	EL 5942	100%	Equity
	EL 6085	100%	Equity
	MLA 399	100%	Equity through subsidiary (application)
Cudal	EL 7020	100%	Equity
Bodangora	EL 4022	100%	Equity
Calula	EL 7235	100%	Equity
	EL 7383	100%	Equity
	EL 7971	80%	Equity, CML 20%
Mt Conqueror	ELA 4417	100%	Equity (application)
Nullagine, WA	EL 46/522	0%	60% retained interest in diamond potential
	EL 46/523	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%
Leinster Downs, WA	M 36/622	20%	Equity - XNA holds 80%
	P 36/1601-1605	20%	Equity - XNA holds 80%

CRL                    Comet Resources Limited  
XNA                    Xstrata Nickel Australia  
Newmont              Newmont Australia Ltd