

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALKANE RESOURCES LTD

ABN

35 000 689 216

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	20,294	92,513
1.2 Payments for		
(a) exploration & evaluation	(2,297)	(11,578)
(b) development *	(416)	(2,255)
(c) production	(9,821)	(48,895)
(d) staff costs (administration and corporate)	(630)	(2,293)
(e) administration and corporate costs	(385)	(3,322)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	386	1,477
1.5 Interest and other costs of finance paid	(77)	(138)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (includes minerals royalties)	(577)	(3,125)
1.9 Net cash from / (used in) operating activities	6,476	22,384
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment *	(3,560)	(9,446)
(b) tenements (see item 10)	-	-
(c) investments	(2,510)	(7,812)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) other non-current assets – underground mining development *	(3,158)	(7,921)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	4	4
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	244	440
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net movement in security deposits)	(60)	(70)
2.6	Net cash from / (used in) investing activities	(9,039)	(24,805)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	988
3.6	Repayment of borrowings	(298)	(988)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(298)	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	72,443	72,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,476	22,384
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,039)	(24,805)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(298)	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	69,582	69,582

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	19,031	12,202
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (31 day notice deposit)	50,551	60,241
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	69,582	72,443

Further information to explain the consolidated statement of cash flows above:

* Following the December half year accounts review, the underground development cashflows were reclassified from operating activities to investing activities.

Bullion on hand at fair value at quarter end amounted to \$3.4M (Prior Qtr: \$1.7M) taking the total cash and bullion balance at quarter end to \$73.0M, a decrease of \$1.2M for the quarter.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

\$244

-

Payments to directors and/or companies associated with directors for:	\$A'000
- Directors fees/corporate consulting fees	\$ 92
- Executive director salary and superannuation	\$ 152

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	5,000
9.2 Underground Development	7,200
9.3 Production	7,800
9.4 Staff costs (administration and corporate)	700
9.5 Administration and corporate costs	1,000
9.6 Other (mineral royalties, property plant and equipment, repayment of borrowings)	1,200
9.7 Total estimated cash outflows	22,900

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

.....

Date: 31/07/2019.....

Print name: Dennis Wilkins

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

ITEM 10.1 & 10.2 Schedule of mining tenements –as at 30 June 2019

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
	ML 1724	100%	Equity through subsidiary
Wellington, NSW	EL 6320	100%	Equity
Tomingley, NSW	ML 1684	100%	Equity through subsidiary
	EL 5675	100%	Equity
	EL 5830	100%	Equity
	EL 5942	100%	Equity
	EL 6085	100%	Equity
	EL 8676	100%	Equity
	EL 8794	100%	Equity
Cudal, NSW	EL 7020	100%	Equity
Rockley NSW	EL 8194	100%	Equity
	EL 8527	100%	Equity
Northern Molong Porphyry Project			
Bodangora, NSW	EL 4022	100%	Equity
Kaiser, NSW	EL 6209	100%	Equity (subject to royalty of 2% net smelter return)
Finns Crossing, NSW	EL 8261	100%	Equity
Elsienora, NSW	EL 8550	100%	Equity
Orange East, NSW	EL 8442	0%	Right to earn 60% to 80%
Trangie, NSW	EL 8765	100%	Equity
Armstrongs (near Parkes), NSW	EL8784	100%	Granted
Nullagine, WA	E 46/522-I & 523-I	0%	60% retained interest in diamond potential - FMGN
	M 46/515, 522 & 523	0%	60% retained interest in diamond potential - FMGN
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

FMGN FMG Nullagine Pty Ltd