

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Anaconda Nickel Limited

ABN

23 060 370 783

Quarter ended ("current quarter")

30 June 2002

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	69,860	214,794
1.2 Payments for:		
(a) staff costs	(13,842)	(59,049)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(47,758)	(188,448)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	191	1,709
1.5 Interest and other costs of finance paid	-	(68,371)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) payments for undesignated hedge close outs	-	(23,087)
Net operating cash flows	8,451	(122,452)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	8,451	(122,452)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(7,109)	(35,931)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	1,250	2,500
(b) equity investments	100	1,366
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	51	752
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)		
(a) exploration, evaluation and development	(1,857)	(6,311)
(b) payments to term deposits	-	(47,513)
(c) proceeds from term deposits	116	79,760
(d) sales revenue capitalised prior to commercial production	-	7,565
Net investing cash flows	(7,449)	2,188
1.14 Total operating and investing cash flows	1,002	(120,264)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	140,258
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	29,247
1.18 Repayment of borrowings	-	(129,775)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)		
(a) share issue costs	-	(3,240)
(b) finance lease payments	(2,418)	(5,569)
Net financing cash flows	(2,418)	30,921
Net increase (decrease) in cash held	(1,416)	(89,343)
1.21 Cash at beginning of quarter/year to date	8,741	96,734
1.22 Exchange rate adjustments to item 1.20	(1,375)	(1,441)
1.23 Cash at end of quarter	5,950	5,950

+ See chapter 19 for defined terms.

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
1.24	Aggregate amount of payments to the parties included in item 1.2	310
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

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 businesses in which the reporting entity has an interest	N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
	(a) Senior Secured Fixed and Senior Secured Floating Rate Notes (i)	714,286	714,286
	(b) Glencore Working Capital Facility (ii)	73,496	73,496
	(c) Foreign Exchange Contracts	20,937	20,937
3.2	Credit standby arrangements		
	(a) Glencore Senior Secured Project Loan Facility (60% terms) (iii)	10,661	-

- (i) Each issued 28 August 1997.
- (ii) On 9 January 2002, shareholders approved a number of agreements that had been entered into with Glencore International AG, ("Glencore") including (without limitation) the working capital facility provided by Glencore to Murrin Murrin Resources Pty Limited, a wholly owned subsidiary of Anaconda Nickel Limited.
- (iii) Refer to additional notes attaching this Appendix 4C.

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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
4.1 Cash on hand and at bank	6,399	8,741
4.2 Deposits at call	-	-
4.3 Bank overdraft	(449)	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22) **	5,950	8,741

** Included in cash at the end of the quarter is \$A528,482 (\$A480,814 at 31 March 2002) in reserve accounts under the borrowing indenture relating to the Senior Secured Fixed Rate Notes and the Note Purchase Agreement relating to the Senior Secured Floating Rate Notes.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	Anaconda Industries Limited
5.2 Place of incorporation or registration	-	Western Australia
5.3 Consideration for acquisition or disposal	-	\$5,000,000
5.4 Total net assets	-	\$2,000
5.5 Nature of business	-	Exploration – Base Metals

- (i) In April 2002, the Company sold its 100% controlled entity Anaconda Industries Limited (“AIL”) to Lynas Corporation Limited for \$5.0m. Sales proceeds of \$1.25m were received in November 2001, a further \$1.25m was received in May 2002 and the final balance of \$2.5m was received in July 2002. In addition, Lynas will assume AIL’s contingent debt obligation of \$3.75m and all future royalty payments due to Ashton Mining (WA) Pty Limited.

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Company Secretary)

Date: 31 July 2002

Print name: John Quayle

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.

+ See chapter 19 for defined terms.