



EAGLE NICKEL LIMITED

**ANNUAL REPORT
30 JUNE 2015**

ABN 61 125 368 658



Eagle Nickel Limited

Corporate directory

30 June 2015



Directors	Bryan Frost Andrew McKay Robert Parton
Company secretary	Andrew Bursill
Registered office	Suite 4, Level 9 341 George Street Sydney NSW 2000 T: 02 9299 9690 F: 02 9299 9629
Principal place of business	Suite 4, Level 9 341 George Street Sydney NSW 2000 T: 02 9299 9690 F: 02 9299 9629
Share register	Computershare Investor Services Pty Limited 2/45 St Georges Terrace Perth WA 6000
Auditor	Rothsay 12 O'Connell Street Sydney NSW 2000 T: 02 8815 5400
Solicitors	Lawton Gillon Level 11, 161 St Georges Terrace Perth WA 6000
Stock exchange listing	Eagle Nickel Limited shares are listed on the Australian Securities Exchange (ASX code: ENL)
Website	www.eaglenickel.com

Eagle Nickel Limited

Directors' report

30 June 2015



The directors present their report, together with the financial statements, on the company for the year ended 30 June 2015.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bryan Frost (appointed 26 October 2016)
Andrew McKay (appointed 26 October 2016)
Robert Parton (appointed 26 October 2016)
Xuefeng Mei (resigned 26 October 2016)
Hui Guo (resigned 28 January 2015)

Principal activities

The principal activity of the company during the course of the financial year was mineral prospecting and exploration.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the company after providing for income tax amounted to \$790,976 (30 June 2014: \$215,493).

No exploration projects were undertaken during the year. The company continues to review its future exploration opportunities.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

On 14 November 2016, the Company issued 200,000 convertible notes with a face value of \$1.00 each (each a "Note") with RTO Opportunities Trust, an entity associated with Andrew McKay, a director of the Company. Subject to shareholder approval, and any regulatory approvals required, each Note is convertible into 125 fully paid ordinary shares upon the earlier to occur of 31 December 2017 and the date on which the ASX suspension of the shares of the Company is lifted.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

The directors are still reviewing the future likely outlook of the company's operations.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name: Bryan Frost (appointed 26 October 2016)
Title: Non-executive director
Qualifications: Stockbroker, AFSL
Experience and expertise: Bryan has a career spanning over 55 years that includes experience in stockbroking, investment banking, venture capital, direct investment and corporate structuring. In 1989 Bryan founded Peregrine Corporate Limited, an Australian boutique investment bank which maintains a Financial Services Licence. He has been involved in a myriad of public companies, usually through appointments to board positions and direct funding in a number of sectors including consumer products, mining, biotechnology and technology in Australia, Canada, South Africa, USA, UK, Ghana, Chile, and several other countries.

Bryan is currently Executive Chairman of Peregrine Corporate Limited and Public Holdings (Australia) Limited, and a Director of First Au Limited.

Other current directorships: Peregrine Corporate Limited
Public Holdings (Australia) Limited
First Au Limited.

Former directorships (last 3 years): Mining Projects Limited
Weld Range Minerals Limited
Armada Capital PLC (AIM Listing)

Interests in shares: 13,250,000

Interests in options: None

Name: Andrew McKay (appointed 26 October 2016)
Title: Non-executive director
Qualifications: B.Comm, AFSL
Experience and expertise: After completing a commerce degree at the University of Melbourne, Andrew's experience in the financial markets began as a cash and securities dealer for the Bank of New York in Sydney. After a few years Andrew moved to London and accepted a position as foreign exchange dealer for a Shearson Lehman Hutton subsidiary.

Andrew progressed rapidly to the position of Senior Dealer, Futures and Options, with responsibility for implementing the hedging strategy of the treasury department, and trading futures, FX and options.

On his return to Australia in 1990 Andrew launched an asset management company to apply his extensive knowledge of markets, developed during his banking days to proprietary trading and the broader asset/fund management world. He has been managing money for clients through Asia since 1996. Andrew is a founder of the business that is now known as Newport Private Wealth Pty Ltd.

Other current directorships: None
Former directorships (last 3 years): Basper Ltd
Interests in shares: 774,193
Interests in options: None

Eagle Nickel Limited

Directors' report

30 June 2015



Name:	Robert Parton (appointed 26 October 2016)
Title:	Non-executive director
Qualifications:	B.Bus (Acc), CPA
Experience and expertise:	<p>Commencing his career in 1987, Robert spent almost 20 years providing business analysis and management at companies including BHP, Kraft Foods, Crane Group, Mitre 10 and PDL Electronics (part of the Schneider Electric Group). Since 2006, Robert has been providing corporate advisory services utilising his extensive experience in business management, project evaluation and capital-raising across many sectors including real estate, cleantech, IT and manufacturing sectors. He has been involved in transaction management from sourcing, analysis and due diligence evaluation through to settlement and is a qualified accountant with over 20 year's membership with CPA Australia.</p> <p>Robert has previously served as a Director of Red Mountain Mining Limited (RMX), Basper Limited (BER), Telesso Technologies Limited (TEO), Motopia Limited (MOT) and Viculus Limited (VCL) and remains a Director of unlisted company The Pioneer Development Fund (Aust) Limited.</p>
Other current directorships:	Red Mountain Mining Limited
Former directorships (last 3 years):	Basper Limited Telesso Technologies Limited Motopia Limited Viculus Limited
Interests in shares:	5,442,657
Interests in options:	None
Name:	Xuefeng Mei (resigned 26 October 2016)
Title:	Non-Executive Chairman
Qualifications:	MBA
Experience and expertise:	<p>Mr Xuefeng Mei established and acted as the Managing Director of Shanghai Sky Chemical Co. Limited, Wuxi Sky Chemical Co. Limited and Hangzhou Sky Chemical Co. Limited. Mr Mei is currently a director of Shanghai Sky Chem Industrial Co. Ltd and is the controlling shareholder (either directly or indirectly) of Darshing International Holdings Limited and each of the associated companies.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None (as at date of resignation)
Interests in options:	None (as at date of resignation) (Rob to confirm if options sold as part of recent transaction)

Name:	Hui Guo (resigned 28 January 2015)
Title:	Non-Executive Director
Qualifications:	M.Fin
Experience and expertise:	Ms Hui (Annie) Guo was a senior executive with more than 9 years' experience working with one of the world's leading consulting firms in finance and resources sectors. On behalf of some of China's largest private and state-owned corporations, she has facilitated a number of significant transactions involving large-scale Australian mining assets specifically in the coal, iron ore, manganese and precious metals markets. Ms Guo has worked with leading Chinese corporations including Yanzhou Coal, China Sinochem Group, China Yunnan Tin Group, Reignwood Group, Guangdong Asset Rising Management Group, China State Development and Investment Corporation, Hainan Airlines, Bank of China and Bank of Communications Ltd. Ms Guo is experienced in deal structuring, M&A and has a solid understanding of important cultural, technical, operational and business practices in both Australia and China. Ms Guo is the managing director of Columbus Minerals Pty Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None (as at date of resignation)
Interests in options:	2,000,000 (as at date of resignation)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Mr Bursill holds a Bachelor of Agricultural Economics from the University of Sydney, is a Chartered Accountant qualifying with PricewaterhouseCoopers (formerly Price Waterhouse) and has been with Franks & Associates for over 18 years.

Since commencing his career as an outsourced CFO and company secretary in 1998, Andrew has been CFO, company secretary and/or director for numerous ASX listed, unlisted public and private companies, in a range of industries covering mineral exploration, oil and gas exploration, biotechnology, technology, medical devices, retail, venture capital and wine manufacture and distribution.

Mr Bursill is also a director and company secretary of Argonaut Resources NL and ShareRoot Limited, and company secretary of Aguia Resources Limited, Austral Gold Limited, Elk Petroleum Limited, Lake Resources NL, LWP Technologies Limited, Nvoi Limited, zipMoney Limited and several other unlisted public and private companies.

Meetings of directors

There were no formal meetings of directors held during the year ended 30 June 2015. Although the directors discussed operational and strategic issues associated with the company on a regular basis, all board matters were resolved by way of circular resolutions.

There were no meetings of directors held during the year ended 30 June 2015.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the company. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board of Directors ('the Board') and can be changed to reflect competitive market and business conditions where it is in the best interests of the company and its shareholders to do so. The Board's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the company. The main principles of the policy are:

- reward reflects the competitive market in which the company operates
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Board recommends the actual payments to directors. The maximum aggregate remuneration approved for non-executive directors is currently \$150,000.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

The executive directors and executives receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan, where applicable.

Performance based remuneration

The company currently has no performance based remuneration component built into director and executive remuneration packages.

The board believes that as the company is in its start-up phase of development, it is not feasible to establish Key Performance Indicators from which to base director and executive remuneration packages. Once the company is more fully established the board will reconsider this policy.

Voting and comments made at the company's last Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the company are set out in the following tables.

Eagle Nickel Limited

Directors' report
30 June 2015



The key management personnel of the company consisted of the following directors of the company:

- Xuefeng Mei
- Hui Guo (resigned 28 January 2015)

And the following person:

- Andrew Bursill, company secretary

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
2015							
<i>Non-Executive Directors:</i>							
Hui Guo *	11,416	-	-	1,084	-	-	12,500
	11,416	-	-	1,084	-	-	12,500

* Resigned 28 January 2015

Xuefeng Mei did not receive any remuneration during the financial year ended 30 June 2015.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
2014							
<i>Non-Executive Directors:</i>							
Hui Guo	22,883	-	-	2,117	-	-	25,000
Robert Sebek **	7,628	-	-	706	-	-	8,334
<i>Executive Directors:</i>							
Benjamin Jarvis							
*	12,022	-	-	1,112	-	-	13,134
	42,533	-	-	3,935	-	-	46,468

* Resigned 9 January 2014

** Resigned 1 May 2014

Xuefeng Mei did not receive any remuneration during the financial year ended 30 June 2014.

There was no proportion of remuneration linked to performance during 2015 and 2014.

Franks & Associates, an entity associated with Mr Andrew Bursill, invoiced a total of \$43,645 (2014: \$54,165) for finance and company secretarial services for the year ended 30 June 2015.

Service agreements

There are no service agreements for any directors in place as at 30 June 2015.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2015.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Xuefeng Mei	61,942,657	-	-	-	61,942,657
	61,942,657	-	-	-	61,942,657

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Xuefeng Mei	27,376,645	-	-	(9,367,347)	18,009,298
Hui Guo *	2,000,000	-	-	(2,000,000)	-
	29,376,645	-	-	(11,367,347)	18,009,298

* Held 2,000,000 options on date of resignation

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
17 December 2010	31 December 2015	\$0.20	7,651,718
16 March 2011	31 December 2015	\$0.20	2,651,333
13 May 2011	1 May 2016	\$0.20	7,000,000
9 May 2012	31 December 2015	\$0.20	10,723,584
9 May 2012	1 May 2016	\$0.20	7,285,714
			<u>35,312,349</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Rothsay

There are no officers of the company who are former partners of Rothsay.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Rothsay continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Bryan Frost
Director

16 December 2016



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

The Directors
Eagle Nickel Ltd
Suite 4, Level 9
341 George St
Sydney NSW 2000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2015 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 16 December 2016



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Eagle Nickel Limited (the “Company”) has adopted a comprehensive system of control and accountability as the basis for the administration of the Company’s corporate governance. The Board is committed to administering its policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs.

As a result of the appointment of a new Board of Directors, the Company has adopted the corporate governance framework and practices set out in this Statement. To the extent applicable, the Company has adopted the *Corporate Governance Principles and Recommendations, 3rd Edition* as published by ASX Corporate Governance Council (“Recommendations” or “Principles”). The Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council’s Principles and Recommendations.

Details on the Company’s corporate governance procedures, policies and practices can be obtained from the Company website at www.eaglenickel.com

This Statement has been approved by the Board, and the information provided remains current as at 16 December 2016.

Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) Maintain and increase Shareholder value;
- (b) Ensure a prudential and ethical basis for the Company’s conduct and activities; and
- (c) Ensure compliance with the Company’s legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) Developing initiatives for profit and asset growth;
- (b) Reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) Acting on behalf of, and being accountable to, the Shareholders; and
- (d) Identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors’ participation in the Board discussions on a fully-informed basis.

In light of the Company’s size and nature, the Board considers that the proposed Board is a cost effective and practical method of directing and managing the Company. If the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) The Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) The principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Due to the size of the Company and the Board, a Nominations Committee has not been established. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Nomination Committee. The responsibilities of a Nomination Committee are currently carried out by the full Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

The current Board consists of the following members:

- Bryan Frost, Non-Executive Chairman (appointed 26 October 2016);
- Andrew McKay, Non-Executive Director (appointed 26 October 2016); and
- Robert Parton, Independent Non-Executive Director (appointed 26 October 2016).

Given the current activities of the Company, there is no person filling the position of Managing Director. Should the Company appoint a Managing Director, the Company will ensure there is a clear division of responsibilities between the Chairman and the Managing Director. The Board will delegate to the Managing Director the authority to manage the day-to-day affairs of the Company. The Board will ensure that the Managing Director is appropriately qualified and experienced to discharge his responsibilities.

The Chairman's responsibilities include leadership of the Board and the efficient organisation and conduct of the functioning of the Board.

For further information on Board composition, please refer to the Company's Annual Report.

Identification and Management of Risk

Due to the size of the Company and the Board, a Risk Management Committee has not been established. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Risk Management Committee. The responsibilities of a Risk Management Committee are currently carried out by the Board.

Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent Professional Advice

The finance and company secretarial functions are outsourced to an external firm, Franks & Associates. Andrew Bursill of Franks & Associates holds the role of Company Secretary. The Company Secretary is accountable to the Board through the Chairman on corporate governance matters pertaining to the proper functioning of the Board. All Directors have access to the Company Secretary.

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration Arrangements

The total maximum remuneration of Non-Executive Directors was approved by ordinary resolution of Shareholders at an Annual General Meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current total amount has been set at \$150,000.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Due to the size of the Company and the Board, a Remuneration Committee has not been established. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a Remuneration Committee. The responsibilities of a Remuneration Committee are currently carried out by the Board.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the Board. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Each member of senior management is responsible for ensuring that their associates, being immediate family, include spouse, children, parents, brothers and sisters, comply with the trading restrictions set out in the policy.

In addition to the provision in this policy regarding trading while in possession of inside information senior management and their associates are restricted from trading by this policy at the following times during the year:

- Two weeks prior to the release to the ASX of the preliminary financial report for the year end;
- Two weeks prior to the release to the ASX of the half year financial report;
- One week prior to the release to the ASX of the quarterly reports;
- Two weeks prior to any general meeting of shareholders held by the company and at no time after such meeting until the results of the meeting have been released to the ASX; and
- A period of two business days following the release to the ASX of any announcement deemed by the ASX to be price sensitive.

The board has the absolute discretion to place a trading restriction on the senior management and their associates of the company at any time during the year they deem necessary. Reasons for any trading restriction where this discretion is exercised should be included in the minutes of the meeting at which it occurs.

The board may in exceptional circumstances only, approve trading in a restricted period by a member of senior management of their associated parties. An exemption may be granted in periods of financial hardship or pressing financial commitments which cannot be satisfied by other means. An application to the board for an exemption, detailing the reasons for the application, should be included in the minutes of the meeting at which it is made. Approval or rejection of the application should be also included in the minutes detailing reasons for acceptance or rejection. Exemptions will not be granted by the board if it considers there is information not generally available which, if it were is likely to have a significantly material effect on the price of the company's securities. Each application will be assessed on a case by case basis.

Senior management of their associates are required to notify the Chairman no more than one day after any dealings in the company's securities in writing by providing the following information:

- Name of security holder
- Date of trade
- Type of transaction; and
- Number of securities involved
- Price per security

The Chairman will then instruct the Company Secretary to complete the required disclosure to the ASX.

External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit Committee

Due to the size of the Company and the Board, an Audit Committee has not been established. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of an Audit Committee. The responsibilities of an Audit Committee are currently carried out by the Board.

Diversity Policy

The Board supports diversity but has not yet developed or adopted a diversity policy. It is the Board's intention to develop a diversity policy at a time when the size of the Company and its activities warrant such a structure.

Continuous disclosure and shareholder communication

The company has a policy that information concerning the company that a reasonable person would expect to have a material effect on the price of the company's securities is continuously disclosed as required under the Australian Stock Exchange (ASX) listing rules.

The company encourages communication with shareholders and the attendance and effective participation by shareholders at general meetings.

The company secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX.

Annual and half yearly reports are made available on the company's website and mailed to those shareholders who request a hard copy.

Corporate Governance Compliance

Eagle Nickel Limited and the Board, are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

A description of the Company's main corporate governance practices are set out below. The Company has considered the *ASX Corporate Governance Principles and Recommendations (3rd Edition)*, to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1:

A listed entity should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.

Disclosure:

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board and, when the appointment is made, by the Managing Director, who will also act as the CEO.

The matters that the Board has specifically reserved for its decision are:

- The appointment and management of the CEO;
- Approval of the overall strategy and annual budgets of the business;
- Overseeing the accounting and corporate reporting systems, including the external audit; and
- Compliance with constitutional documents.

The CEO will be delegated the authority to ensure the effective day-to-day management of the business and the Board will monitor the exercise of these powers. The CEO will be required to report regularly to the Board on the performance of the Business.

As the Company increases in size, scale, and complexity of its activities, some Board functions may be handled through Board Committees. Should any Committees be created, the Board will be responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Recommendation 1.2:

A listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:

The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.

All security holder releases will contain material information following the guidance contained in the *ASX Corporate Governance Principles and Recommendations (3rd Edition)* about any candidate to be elected for the first time or re-elected to enable an informed decision to be made.

Recommendation 1.3:

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment including a director's interest agreement with respect to disclosure of security interests.

Recommendation 1.4:

The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Disclosure:

The Company Secretary has a direct reporting line to the Board, through the Chair.

Recommendation 1.5:

A listed entity should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Board supports diversity but the Company has not yet developed a policy. It is the Board's intention to develop a policy at a time when the size of the Company and its activities warrants such a structure.

Recommendation 1.6:

A listed entity should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.

The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. There was no formal performance evaluation during the financial year.

Recommendation 1.7:

A listed entity should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.

There was no formal performance evaluation of the senior executives during the financial year.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1:

The Board of a listed entity should establish a Nomination Committee which the majority should be independent directors (including the Chair).

Disclosure:

Recommendation 2.1 is that the Board should establish a Nomination Committee. Due to the size of the Company and the Board, no Nomination Committee has been established.

The Board considers the following factors when selecting new Directors and when recommending Directors to shareholders for appointment or re-election:

- The aim of having a majority of independent Directors on the Board and of having an independent Non-Executive Chairman;
- That between them, the Directors have appropriate range of skills, expertise, experience and diversity to discharge the Board's mandate;
- That each individual Board member has sufficient time to meet his/her commitments as a Director of the Company;
- The duration of each existing Director's tenure, noting the retirement provisions of the Constitution, as set out above; and
- Whether the size of the Board is appropriate to facilitate effective discussions and efficient decision making.

Recommendation 2.2:

A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Disclosure:

In line with recommendation 2.2, the Board is currently in the process of developing a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. As part of the review of the skills matrix the Board will monitor the skills, expertise and experience that are relevant to the Company and assess those requirements against the collective attributes of the Directors. The Board skills matrix will be reviewed by the Directors on an annual basis.

Details of the Directors' skills, experience, expertise and attendance at meetings are set out in the Directors' Report in each year's Annual Report.

Recommendation 2.3/2.4:

2.3 - A listed entity should disclose the names of the directors considered to be independent directors and length of service of each director.

2.4 - A majority of the Board of a listed entity should be independent directors.

Disclosure:

The Board annually assesses the independence of each Director. For this purpose an independent Director is a Non-executive Director whom the Board considers to be independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with - the exercise of unfettered and independent judgment, and who:

1. Is not a substantial shareholder of the Company, is not an officer of, or is not otherwise associated with a substantial shareholder;
2. Within the last three years, has not been employed in an executive capacity by the Company;
3. Within the last three years, has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with the service provided;

4. Is not a material supplier to, or customer of, the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
5. Has no material contractual relationship with the Company, other than as a Director.

Robert Parton has been assessed as being a independent Director. In reaching that determination, the Board has taken into account (in addition to the matters set out above):

1. The specific disclosures made by each independent Director as referred to above;
2. That no independent Director has ever been employed by the Company or any of its subsidiaries;
3. That no independent Director is, or has been associated with a supplier, professional adviser, consultant to or customer of the Company which is material under accounting standards; and
4. That no independent Director personally carries on any role for the Company otherwise than as a Director of the Company.

The Company does not have a majority of independent directors as the nature and scale of the Company's activities do not currently warrant a larger Board required to have a majority of independent directors.

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

The dates of appointment as a director are contained in the Directors' Report.

Recommendation 2.5:

The Chair of the Board of a listed entity should be an independent director.

Disclosure:

Mr Bryan Frost currently acts as Chair of the Board and he is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

Recommendation 2.6:

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

The Board implements an induction program for new Directors which involves providing information about the company, its constitution and policies and practices.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1:

A listed entity should have a Code of Conduct for its directors, senior executives and employees.

Disclosure:

In line with recommendation 3.1, the Board has developed a Code of Conduct, to provide guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company. The Code of Conduct will be reviewed by the Directors on an annual basis.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The Board of a listed entity should have an Audit Committee.

Disclosure:

Recommendation 4.1 is that the Board should establish an Audit Committee. Due to the size of the Company and the Board, it is more efficient for the full Board to review the integrity of the Company's financial reporting and the processes to ensure the independence and competence of the external auditors.

While considering external reporting, the Board:

- Assesses whether financial statements are consistent with Directors' knowledge and adequate for shareholders' needs;
- Assesses the management processes supporting external reporting; and
- Reviews risk management and internal control systems.

All members of the Board are financially literate and have an in depth understanding of the industry in which the Company operates.

Recommendation 4.2

The Board of a listed entity should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The Board receives a written assurance from the CEO and the CFO for each financial reporting period that in their opinion, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3

A listed entity should ensure that the external auditor is present at the AGM and be available to answer questions from security holders relevant to the audit.

Disclosure:

The Company invites the auditor or representative of the auditor to the AGM.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1:

A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.

Disclosure:

In line with recommendation 5.1, the Board has developed a Continuous Disclosure Policy, which requires executive management to determine when a market release is required to comply with the ASX Listing Rule continuous disclosure requirements. The Continuous Disclosure Policy will be reviewed by the Directors on an annual basis.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1:

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has a website for making this information available to shareholders and investors.

Recommendation 6.2:

A listed entity should design and implement an investor relations program to facilitate two-way communication with investors.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings and will make itself available to meet shareholders and regularly responds to enquiries made via telephone and in writing.

Recommendation 6.3:

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

The Company encourages shareholders to attend and participate in general meetings. As a small company the shareholder attendance numbers are low however, if a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.

Recommendation 6.4:

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company is currently reviewing and implementing a strategy to receive communications from, and send communications, to its shareholders.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1:

The Board of a listed entity should have a committee or committees to oversee risk.

Disclosure:

Recommendation 7.1 is that the Board should establish a Committee to oversee risk. Due to the size of the Company the Board concluded that it was more efficient for the full Board to review the integrity of the Company's risk management processes to ensure a sufficient assessment and management of possible risks.

Recommendation 7.2:

The Board of a listed entity should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.

Disclosure:

The Board meets on a regular basis to discuss the operating activities. As part of this all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.

Recommendation 7.3:

A listed entity should disclose if it has an internal audit function.

Disclosure:

The Company does not have an internal audit function but reviews its risk management and internal control processes on a regular basis.

Recommendation 7.4:

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company is of the view that its operations do not create a material exposure to economic, environmental and social sustainability risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1:

The Board of a listed entity should have a Remuneration Committee.

Disclosure:

Recommendation 8.1 is that the Board should establish a Remuneration Committee. Due to the size of the Company and the Board, it is more efficient for the full Board to review remuneration policy matters. The remuneration of Directors is determined by the Board as a whole having regard to the level of fees paid to Directors by other companies of similar size in the industry to ensure that it is appropriate and not excessive.

The Board considers:

- Executive remuneration and incentive policies;
- The company's recruitment retention and termination policies and procedures for senior management;
- Superannuation arrangements; and
- The remuneration of executive Directors, with any executive Directors excusing themselves from the deliberations.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The Company provides disclosure of all Directors and executives remuneration in its annual report.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.3:

A listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or summary of it.

Disclosure:

The Company does not have an equity based remuneration scheme which is affected by this recommendation.

Eagle Nickel Limited

Contents

30 June 2015



Statement of profit or loss and other comprehensive income	24
Statement of financial position	25
Statement of changes in equity	26
Statement of cash flows	27
Notes to the financial statements	28
Directors' declaration	44
Independent auditor's report to the members of Eagle Nickel Limited	45
Shareholder information	47

General information

The financial statements cover Eagle Nickel Limited as an individual entity. The financial statements are presented in Australian dollars, which is Eagle Nickel Limited's functional and presentation currency.

Eagle Nickel Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4, Level 9
341 George Street, Sydney NSW 2000

A description of the nature of the company's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 December 2016.

Eagle Nickel Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Eagle Nickel Limited

Statement of profit or loss and other comprehensive income For the year ended 30 June 2015



	Note	2015 \$	2014 \$
Revenue	4	49,377	35,946
Expenses			
Depreciation and amortisation expense	5	(822)	(334)
Impairment of assets	5	(700,000)	(7,819)
Loss on disposal of assets		-	(9,642)
Administration expenses		(105,131)	(143,270)
Employment costs		(34,400)	(90,374)
Loss before income tax expense		(790,976)	(215,493)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Eagle Nickel Limited	14	(790,976)	(215,493)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in the fair value of available for sale financial assets		28,281	-
Other comprehensive income for the year, net of tax		28,281	-
Total comprehensive income for the year attributable to the owners of Eagle Nickel Limited		<u>(762,695)</u>	<u>(215,493)</u>
		Cents	Cents
Basic earnings per share	24	(0.65)	(0.18)
Diluted earnings per share	24	(0.65)	(0.18)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Eagle Nickel Limited
Statement of financial position
As at 30 June 2015



	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	7	17,079	47,126
Trade and other receivables	8	18,158	41,376
Other		-	8,914
Total current assets		<u>35,237</u>	<u>97,416</u>
Non-current assets			
Receivables	9	-	700,000
Available-for-sale financial assets	10	34,892	6,611
Property, plant and equipment		-	822
Total non-current assets		<u>34,892</u>	<u>707,433</u>
Total assets		<u>70,129</u>	<u>804,849</u>
Liabilities			
Current liabilities			
Trade and other payables	11	<u>85,979</u>	<u>58,004</u>
Total current liabilities		<u>85,979</u>	<u>58,004</u>
Total liabilities		<u>85,979</u>	<u>58,004</u>
Net assets/(liabilities)		<u>(15,850)</u>	<u>746,845</u>
Equity			
Issued capital	12	4,911,661	4,911,661
Reserves	13	2,496,034	2,467,753
Accumulated losses	14	<u>(7,423,545)</u>	<u>(6,632,569)</u>
Total equity/(deficiency)		<u>(15,850)</u>	<u>746,845</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Eagle Nickel Limited
Statement of changes in equity
For the year ended 30 June 2015



	Contributed equity \$	Asset revaluation reserve \$	Option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	4,911,661	-	2,467,753	(6,417,076)	962,338
Loss after income tax expense for the year	-	-	-	(215,493)	(215,493)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(215,493)	(215,493)
Balance at 30 June 2014	<u>4,911,661</u>	<u>-</u>	<u>2,467,753</u>	<u>(6,632,569)</u>	<u>746,845</u>

	Contributed Equity \$	Asset revaluation reserve \$	Option Reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2014	4,911,661	-	2,467,753	(6,632,569)	746,845
Loss after income tax expense for the year	-	-	-	(790,976)	(790,976)
Other comprehensive income for the year, net of tax	-	28,281	-	-	28,281
Total comprehensive income for the year	-	28,281	-	(790,976)	(762,695)
Balance at 30 June 2015	<u>4,911,661</u>	<u>28,281</u>	<u>2,467,753</u>	<u>(7,423,545)</u>	<u>(15,850)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Eagle Nickel Limited
Statement of cash flows
For the year ended 30 June 2015



	Note	2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(99,425)	(230,612)
Interest received		69,378	12,721
Net cash used in operating activities	23	(30,047)	(217,891)
Cash flows from investing activities			
Loan to other entities		-	(700,000)
Net cash used in investing activities		-	(700,000)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(30,047)	(917,891)
Cash and cash equivalents at the beginning of the financial year		47,126	965,017
Cash and cash equivalents at the end of the financial year	7	17,079	47,126

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The company has applied AASB 13 and its consequential amendments from 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The company has applied AASB 119 and its consequential amendments from 1 January 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The company has applied AASB 2012-2 from 1 January 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

Note 1. Significant accounting policies (continued)

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The company has applied AASB 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The company has incurred net losses after tax of \$790,976 (2014: \$215,493) and net cash outflows from operating activities of \$30,047 (2014: \$217,891) for the year ended 30 June 2015. The liabilities also exceed assets by \$15,850. These conditions, in addition to the reasons described below, may give rise to a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern.

The directors have not prepared cash flow forecasts but there is indication that the current cash resources will not be sufficient to fund the company's principal activities and working capital requirements without additional funding from either capital or debt. The Directors however are confident that the company is able to raise capital and/or debt within the next 12 months to fund the company's expenditure.

Based on the above, the directors have prepared the financial statements on the basis that the company will be able to continue as a going concern.

Should the company be unable to raise capital or debt, there is a material uncertainty whether the company will be able to continue as a going concern and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 1. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 1. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Equity-settled awards by the parent to employees of subsidiaries are recognised in the parent's individual financial statements as an increase in investment in the subsidiary with a corresponding credit to equity and not as a charge to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. Significant accounting policies (continued)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Eagle Nickel Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2015. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Note 1. Significant accounting policies (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The adoption of these amendments from 1 January 2018 will not have a material impact on the company.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The company operates in the mineral exploration industry in Australia only.

Given the nature of the company, its size and current operations, management does not treat any part of the company as a separate operating segment. Internal financial information used by the company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The company's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Note 4. Revenue

	2015 \$	2014 \$
Interest	49,377	35,946

Note 5. Expenses

	2015 \$	2014 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	822	334
<i>Impairment</i>		
Non-current receivables - unsecured loan	700,000	-
Available-for-sale financial assets	-	7,819
Total impairment	700,000	7,819

Note 6. Income tax expense

	2015 \$	2014 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(790,976)	(215,493)
Tax at the statutory tax rate of 30%	(237,293)	(64,648)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	210,000	2,348
Deferred tax assets not brought to account	27,293	62,300
Income tax expense	-	-

Note 6. Income tax expense (continued)

	2015	2014
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	4,050,930	3,959,953
Potential tax benefit @ 30%	1,215,279	1,187,986

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Current assets - cash and cash equivalents

	2015	2014
	\$	\$
Cash on hand	17,079	47,126

The maximum exposure to credit risk of the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 8. Current assets - trade and other receivables

	2015	2014
	\$	\$
Other receivables	12,052	12,052
Interest receivable	3,225	23,225
Goods and services tax receivable	2,881	6,099
	<u>18,158</u>	<u>41,376</u>

Impairment of receivables

There are no past due but not impaired receivables.

Note 9. Non-current assets - receivables

	2015	2014
	\$	\$
Unsecured loan	700,000	700,000
Less: Provision for impairment	(700,000)	-
	<u>-</u>	<u>700,000</u>

In January 2014 the company made a loan of \$700,000 at 7% p.a to Shanghai Wenhua Chemical Co., Ltd. The loan is repayable within 24 months. The fair value of the loan approximates its carrying value.

In December 2014, due to the material uncertainty in terms of the collectability of the loan and as the loan is unsecured, the Directors have provided a full impairment on the entire loan balance.

Note 10. Non-current assets - available-for-sale financial assets

	2015	2014
	\$	\$
Ordinary shares - listed entities	<u>34,892</u>	<u>6,611</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	6,611	36,123
Return on capital	-	(21,693)
Fair value adjustments	28,281	-
Impairment of assets	<u>-</u>	<u>(7,819)</u>
Closing fair value	<u>34,892</u>	<u>6,611</u>

Refer to note 17 for further information on fair value measurement.

Fair value of investments in listed corporations is assessed as the last bid price on the Australian Securities Exchange prior to close of business on reporting date.

Note 11. Current liabilities - trade and other payables

	2015	2014
	\$	\$
Trade payables	<u>85,979</u>	<u>58,004</u>

Refer to note 16 for further information on financial instruments.

Note 12. Equity - issued capital

	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>121,463,190</u>	<u>121,463,190</u>	<u>4,911,661</u>	<u>4,911,661</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern so that the company can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The company considers capital to consist of cash reserves on hand and available for sale financial assets.

Note 12. Equity - issued capital (continued)

The company monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing operations. Where required the company will sell assets, issue new securities, raise debt or modify its exploration program to ensure the company's working capital requirements are met.

Note 13. Equity - reserves

	2015 \$	2014 \$
Available-for-sale reserve	28,281	-
Options reserve	2,467,753	2,467,753
	<u>2,496,034</u>	<u>2,467,753</u>

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Available- for-sale \$	Options \$	Total \$
Balance at 1 July 2013	-	2,467,753	2,467,753
Balance at 30 June 2014	-	2,467,753	2,467,753
Change in fair value	28,281	-	28,281
Balance at 30 June 2015	<u>28,281</u>	<u>2,467,753</u>	<u>2,496,034</u>

Note 14. Equity - accumulated losses

	2015 \$	2014 \$
Accumulated losses at the beginning of the financial year	(6,632,569)	(6,417,076)
Loss after income tax expense for the year	(790,976)	(215,493)
Accumulated losses at the end of the financial year	<u>(7,423,545)</u>	<u>(6,632,569)</u>

Note 15. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management is carried out by senior executives in conjunction with the Board in their day to day function as the overseers of the business. Where necessary the Board provides principles for overall risk areas, as well as defined policies for specific risks such as foreign exchange and credit risk. Currently the Board has not deemed it necessary to issue written principals to cover financial risks.

Note 16. Financial instruments (continued)

Market risk

Foreign currency risk

The company's operations are limited to domestic activities within Australia and have limited exposure to foreign currency risk.

Price risk

The company is exposed to equity securities price risk. This arises from investments held by the company and classified in the statement of financial position as available-for-sale. The company is not exposed to commodity price risk. The company manages equity securities price risk by only investing in companies where the Board has a detailed understanding of its financial and operating position.

Interest rate risk

The company's main interest rate risk arises from funds on interest bearing deposits. Interest bearing deposits at variable rates expose the company to cash flow interest rate risk. The company's funds on deposit at variable rate were denominated in Australian Dollars only. No material amounts were held on deposits with banks during the year. Sensitivity analysis to interest rate risk is considered negligible for disclosure.

Credit risk

Credit risk is managed on a company basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and other receivables. Other receivables relate to amounts due from the Australian Taxation Office and accordingly the directors believe there is negligible credit risk with these receivables.

The directors believe that there is negligible credit risk with the cash and cash equivalents, as funds are held at call with a reputable Australian banking institution.

	2015 \$	2014 \$
Credit Risk		
Financial Assets:		
Cash and cash equivalents	17,079	47,126
Trade and other receivables	18,158	41,376
	<u>35,237</u>	<u>88,502</u>
Total	<u>35,237</u>	<u>88,502</u>

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested at call interest bearing deposit or in bank bills that are highly liquid and with maturities of less than six months.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2015						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	85,979	-	-	-	85,979
Total non-derivatives		<u>85,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,979</u>

Note 16. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2014						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	58,004	-	-	-	58,004
Total non-derivatives		58,004	-	-	-	58,004

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 17. Fair value measurement

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2015				
Assets				
Equity securities	34,892	-	-	34,892
Total assets	34,892	-	-	34,892
2014				
Assets				
Equity securities	6,611	-	-	6,611
Loan receivables	-	-	700,000	700,000
Total assets	6,611	-	700,000	706,611

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The carrying value of the loan receivable approximates its fair value measured at amortised cost using the effective interest method.

Note 18. Key management personnel disclosures

Directors

The following persons were directors of Eagle Nickel Limited during the financial year:

Xuefeng Mei
Hui Guo

Note 18. Key management personnel disclosures (continued)

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, during the financial year:

Andrew Bursill – Company Secretary

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2015	2014
	\$	\$
Short-term employee benefits	11,416	42,533
Post-employment benefits	1,084	3,935
	<u>12,500</u>	<u>46,468</u>

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Rothsay, the auditor of the company:

	2015	2014
	\$	\$
<i>Audit services - Rothsay</i>		
Audit or review of the financial statements	<u>10,000</u>	<u>22,000</u>

Note 20. Contingent liabilities

The directors are not aware of any contingent liabilities or assets as at 30 June 2015 and 30 June 2014.

Note 21. Related party transactions

Parent entity

Eagle Nickel Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	2015	2014
	\$	\$
Goods and services:		
Services from Franks& Associates Pty Ltd, an entity associated with Mr Andrew Bursill, for finance and company secretarial services	42,286	54,165

The above table details the company's total services provided and expenses recharged (excl GST) and total services provided and expenses paid (excl GST) for the year.

Note 21. Related party transactions (continued)

Eagle Nickel Limited neither provided employment services to related parties, nor paying for numerous expenses on their behalf, which are recharged to that company throughout the year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2015	2014
	\$	\$
Current payables:		
Trade payables to Franks & Associates Pty Ltd	47,966	7,700

Loans to/from related parties

Other than the payables as disclosed above, there were no other loans to or from related parties at the current and previous reporting date.

Note 22. Events after the reporting period

On 14 November 2016, the Company issued 200,000 convertible notes with a face value of \$1.00 each (each "Note") with RTO Opportunities Trust, an entity associated with Andrew McKay, a director of the Company. Subject to shareholder approval, and any regulatory approvals required, each Note is convertible into 125 fully paid ordinary shares upon the earlier to occur of 31 December 2017 and the date on which the ASX suspension of the shares of the Company is lifted.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	2015	2014
	\$	\$
Loss after income tax expense for the year	(790,976)	(215,493)
Adjustments for:		
Depreciation and amortisation	822	334
Net fair value loss on available-for-sale financial assets	-	9,642
Impairment of assets	700,000	7,819
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	32,132	(25,781)
Increase in trade and other payables	27,975	5,588
Net cash used in operating activities	<u>(30,047)</u>	<u>(217,891)</u>

As at 30 June 2015 the company had no financing facilities available (2014 : nil).

Note 24. Earnings per share

	2015 \$	2014 \$
Loss after income tax attributable to the owners of Eagle Nickel Limited	(790,976)	(215,493)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	121,463,190	121,463,190
Weighted average number of ordinary shares used in calculating diluted earnings per share	121,463,190	121,463,190
	Cents	Cents
Basic earnings per share	(0.65)	(0.18)
Diluted earnings per share	(0.65)	(0.18)

Note 25. Share-based payments

The options in the table below relates to unexpired options as follows: 7,000,000 to Golden Century Mining Limited on 13 May 2011 and 5,000,000 to Tianshan Investment Holdings Ltd in lieu of placement fees and 4,000,000 to the directors, Hui Guo and Benjamin Jarvis. The options issued to the directors are not part of their remuneration.

The options granted to Xuefeng Mei granted through Darshing International Holdings Limited on 9 May 2012 were not share based payments and excluded in the table below.

Set out below are summaries of options granted under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/05/2011	01/05/2016	\$0.20	7,000,000	-	-	-	7,000,000
09/05/2012	30/01/2015	\$0.03	9,000,000	-	-	(9,000,000)	-
			16,000,000	-	-	(9,000,000)	7,000,000

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/05/2011	01/05/2016	\$0.20	7,000,000	-	-	-	7,000,000
09/05/2012	30/01/2015	\$0.03	9,000,000	-	-	-	9,000,000
			16,000,000	-	-	-	16,000,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2015 Number	2014 Number
13/05/2011	01/05/2016	7,000,000	7,000,000
09/05/2012	30/01/2015	-	9,000,000
		7,000,000	16,000,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.83 years (2014: 1.13 years). The weighted average exercise price of options outstanding at the end of the financial year was \$0.20 (2014: \$0.10).

Eagle Nickel Limited

Directors' declaration

30 June 2015



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Bryan Frost", written over a horizontal line.

Bryan Frost
Director

16 December 2016



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005

P.O. Box 8716, Perth Business Centre WA 6849

Phone 9486 7094 www.rothsayresources.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EAGLE NICKEL LIMITED

Report on the financial report

We have audited the accompanying financial report of Eagle Nickel Limited (the Company) which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).



Audit opinion

In our opinion the financial report of Eagle Nickel Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the financial position as at 30 June 2015 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates the basis for preparing the accounts on a going concern basis. We note the company incurred a net loss of \$790,976 and had net cash outflows from operating activities for the year ending 30 June 2015 of \$30,047 and has a deficiency of net assets of \$15,850. In the event the company is unable to raise capital or debt, there is a material uncertainty as to whether the company could continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and for the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Eagle Nickel Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



Rothsay Auditing



Graham R Swan FCA
Partner

Dated 16 December 2016



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

The shareholder information set out below was applicable as at 14 December 2016.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	8
1,001 to 5,000	9
5,001 to 10,000	119
10,001 to 100,000	280
100,001 and over	72
	<u>488</u>
Holding less than a marketable parcel	<u>432</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares % of total shares issued
Number held	
NEWPORT PRIVATE WEALTH PTY LTD <RTO OPPORTUNITIES A/C>	24,000,000 19.76
CAMAC INVESTMENTS PTY LTD	13,250,000 10.91
QUEENSLAND M M PTY LTD <SUPERANNUATION A/C>	13,250,000 10.91
MRS JULIE ZOHAR	12,584,002 10.36
GEOTECH INTERNATIONAL PTY LTD <PAUL ASKINS SUPER FUND A/C>	8,311,131 6.84
MRS CATHLEEN NICOLE CURTIN	6,000,000 4.94
TPG AUSTRALASIA PTY LTD	5,442,657 4.48
IRON MOUNTAIN MINING LIMITED	3,577,000 2.94
MR LES FIELD + MRS PAULINE FIELD	2,000,000 1.65
MR ROBERT SHANE SEBEK	1,500,000 1.23
MRS HAU YING NGAI	1,157,356 0.95
GA & AM LEAVER INVESTMENTS PTY LTD <GA & AM LEAVER S/FUND A/C>	1,126,440 0.93
MR JOHN EDWARD GANDOSSI + MR MICHAEL ANGELO GANDOSSI + MR VINCI GANDOSSI <GANDOSSI SUPER FUND A/C>	1,000,000 0.82
BAOWIN INVESTMENTS PTY LTD	930,500 0.77
Z P PTY LTD <Z PERVAN SUPER FUND A/C>	900,000 0.74
MS MOOI FAH LEE	875,000 0.72
MR CAMPBELL DOUGLAS WELCH	847,000 0.70
MR WEI YEONG SOO	714,000 0.59
MR DAVID VANZYL	600,000 0.49
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	575,012 0.47
	<u>98,640,098 81.21</u>

Eagle Nickel Limited

Shareholder information

30 June 2015



Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
NEWPORT PRIVATE WEALTH PTY LTD <ATF RTO OPPORTUNITY TRUST>	24,000,000
CAMAC INVESTMENTS PTY LTD	13,250,000
QUEENSLAND M M PTY LTD	13,250,000

Voting rights

Voting rights are as set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

The shareholder information set out below was applicable as at 14 December 2016.