

1 October 2010

COMPANY UPDATE

Nickelore Limited (ASX:NIO) provides the following update on the Company.

Following its request for a trading halt on 21 September 2010, the Board sought commitments to underwrite a renounceable 1 for 1 rights issue at 1.4 cents per share to raise \$2.25 million. The net proceeds of the rights issue were to be used for the purposes of funding the Flores gold and copper project and general working capital.

The Board subsequently received a request from the Company's major shareholders that the Board suspend or stop the rights issue until further information could be obtained on other financing alternatives or partnerships for the Company. Following further discussions with the Company's major shareholders, the Board has stopped the rights issue.

Mr Robert Gardner has been appointed to the Board as Non-Executive Chairman and two members of the Board, Messrs Ron Heeks and Mark Bojanjac, have concurrently resigned. Mr Gardner is a Perth based business proprietor, with over 25 years experience in the mining industry. Mr Gardner has previously developed a number of projects that are now substantial assets of ASX listed companies.

In accordance with ASX requirements, Nickelore will remain in voluntary suspension pending the release of an announcement in relation to further Board appointments.

Board of Directors
Nickelore Limited