



Nickelore Limited

29 October 2010

# QUARTERLY REPORT

For the Three months ending 30 September 2010



During the quarter the Company made two new Board appointments, with Mr Robert Gardner appointed as Non-Executive Chairman and Mr Paul Piercy as Non Executive Director.

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.

Mr Piercy is a metallurgist with extensive Australian and International mining and resources industry experience. He has held senior management and technical positions within the Rio Tinto Limited group during the 1980's and 1990's. More recently Mr Piercy was Managing Director of Westrac Equipment from 1997 to 2000 before playing an integral role in the successful establishment of Westrac China, as its Chairman/CEO base in China.

Following the new Board appointments the Company is currently undertaking a review of its corporate strategy and will update shareholders in due course.

Activity on the Company's projects during the quarter is summarised below.

## Flores Project

The Company has decided not to proceed with its acquisition of the Flores Gold, Copper & Manganese Project. The Company and the project vendors have agreed to terminate the Memorandum of Agreement which was previously announced on 14 July 2010.

## Papua Gold and Copper Project

In August 2009 Nickelore signed a Heads of Agreement to acquire a 51% stake in a Gold and Copper Project in Papua. Due to a legal dispute between the vendor of the PGCP, InterAsian Resources SA (InterAsian), and the Indonesian tenement holder, Nickelore has halted its due diligence program until further notice. As a result InterAsian has granted an extension to Nickelore of the option period and deferral of payment of the option consideration.

Subject to a satisfactory resolution of the dispute, Nickelore intends to carry out further technical due diligence prior to making a decision of whether to exercise the option.

### Nickel Alliance

The Company continued to review opportunities in relation to the Nickel Alliance.

### Other

The Company is continuing to review opportunities to realise the value of its non-core assets.



Ian Cunningham  
Executive Director

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Nickelore Limited

ABN

13 086 972 429

Quarter ended ("current quarter")

30 September 2010

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date<br>( 9 months)<br>\$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from product sales and related debtors             |                            |  |
| 1.2 Payments for (a) exploration & evaluation                   | (207)                      | (207)                                  |
| (b) development   | -                          | -                                      |
| (c) production  | -                          | -                                      |
| (d) administration  | (240)                      | (240)                                  |
| 1.3 Dividends received  | -                          | -                                      |
| 1.4 Interest and other items of a similar nature received       | 5                          | 5                                      |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                      |
| 1.6 Income taxes paid   | -                          | -                                      |
| 1.7 Other (provide details if material)                         | 35                         | 35                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(407)</b>               | <b>(407)</b>                           |
| <b>Cash flows related to investing activities</b>               |                            |  |
| 1.8 Payment for purchases of: (a) prospects                     | -                          | -                                      |
| (b) equity investments  | -                          | -                                      |
| (c) other fixed assets  | -                          | -                                      |
| 1.9 Proceeds from sale of: (a) prospects                        | -                          | -                                      |
| (b) equity investments  | -                          | -                                      |
| (c) other fixed assets  | -                          | -                                      |
| 1.10 Loans to other entities                                    | -                          | -                                      |
| 1.11 Loans repaid by other entities                             | -                          | -                                      |
| 1.12 Other (provide details if material)                        | -                          | -                                      |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>-</b>                               |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(407)</b>               | <b>(407)</b>                           |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |       |       |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (407) | (407) |
|      | <b>Cash flows related to financing activities</b>          |       |       |
| 1.14 | Proceeds from issues of shares, options, etc.              | -     | -     |
| 1.15 | Proceeds from sale of forfeited shares                     | -     | -     |
| 1.16 | Proceeds from borrowings                                   | -     | -     |
| 1.17 | Repayment of borrowings                                    | -     | -     |
| 1.18 | Dividends paid   | -     | -     |
| 1.19 | Other (provide details if material)                        | -     | -     |
|      | <b>Net financing cash flows</b>                            | -     | -     |
|      | <b>Net increase (decrease) in cash held</b>                | (407) | (407) |
| 1.20 | Cash at beginning of quarter/year to date                  | 584   | 584   |
| 1.21 | Exchange rate adjustments to item 1.20                     | -     | -     |
| 1.22 | <b>Cash at end of quarter</b>                              | 177   | 177   |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 96                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | 0                          |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             |                             |                        |
| 3.2 Credit standby arrangements |                             |                        |

### **Estimated cash outflows for next quarter**

|                                | \$A'000   |
|--------------------------------|-----------|
| 4.1 Exploration and evaluation | 5         |
| 4.2 Development                | -         |
| 4.3 Production                 | -         |
| 4.4 Administration             | 80        |
| <b>Total</b>                   | <b>85</b> |

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 177                        | 182                         |
| 5.2 Deposits at call                             | -                          | 400                         |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22) | <b>177</b>                 | <b>583</b>                  |

### **Changes in interests in mining tenements**

|     | Tenement<br>reference | Nature of interest<br>(note (2))                              | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 |                       | Interests in mining tenements relinquished, reduced or lapsed |  |                                  |
| 6.2 |                       | Interests in mining tenements acquired or increased           |  |                                  |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*


|  | Total number   | Number quoted | Issue price per security (see note 3) (cents)   | Amount paid up per security (see note 3) (cents)   |
|--|--|---------------|---|--|
| 7.1 <b>Preference +securities</b><br><i>(description)</i>  |  |               |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |  |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 160,845,886  | 160,845,886   |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |  |               |   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |  |               |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |  |               |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   | 1,350,000<br>100,000<br>100,000<br>300,000<br>1,500,000<br>3,500,000 |               | <b>Exercise price</b><br>20 cents<br>19 cents<br>14 cents<br>30 cents<br>30 cents<br>12.5 cents | <b>Expiry date</b><br>30 April 2011<br>30 August 2011<br>30 August 2011<br>30 June 2012<br>29 January 2013<br>31 December 2012 |
| 7.8 Issued during quarter  |  |               |   |  |
| 7.9 Exercised during quarter   |  |               |   |  |
| 7.10 Expired during quarter  |  |               |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |  |               |   |  |

+ See chapter 19 for defined terms.

|      |   |  |  |  |
|------|---|--|--|--|
| 7.12 | <b>Unsecured notes</b> ( <i>totals only</i> ) |  |  |  |
|------|---|--|--|--|

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  ..... Date: 29 October 2010  
(Director/Company secretary)

Print name: Ian Cunningham

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

---

+ See chapter 19 for defined terms.