



**ABN 13 086 972 429**

---

**Half Year Report  
31 December 2011**

---

This Half Year Financial Report does not include all the Notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2011 and any public announcements made by Nickelore Limited during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## Contents

Corporate Directory .....	1
Directors' Report .....	2
Condensed Statement of Comprehensive Income.....	3
Condensed Statement of Financial Position .....	4
Condensed Statement of Changes in Equity .....	5
Condensed Statement of Cash Flows .....	6
Condensed notes to and forming part of the Financial Statements .....	7
Directors' Declaration .....	14
Independent Auditor's Review Report to the Members.....	15
Auditor's Independence Declaration .....	17

## Corporate Directory

### NON-EXECUTIVE CHAIRMAN

Robert Gardner

### NON-EXECUTIVE DIRECTORS

Paul Piercy

Jay Stephenson

### COMPANY SECRETARY

Jay Stephenson

### PRINCIPAL & REGISTERED OFFICE

Suite 4, 62 Ord Street  
WEST PERTH WA 6005  
Telephone: + 61 8 9215 6300  
Facsimile: + 61 8 9481 6799

### AUDITORS

Stantons International  
Level 2, 1 Walker Avenue  
WEST PERTH WA 6005

### SHARE REGISTRAR

Computershare Registry Services Pty Limited  
Level 2, 45 St George's Terrace  
PERTH WA 6000

### STOCK EXCHANGE LISTING

Australian Securities Exchange  
Code: NIO

### BANKERS

National Australia Bank  
50 St George's Terrace  
PERTH WA 6000

## Directors' Report

Your Directors submit their report for the half year ended 31 December 2011.

### 1. Directors

The names of the Company's Directors in office at any time during or since the end of the half year are:

- Robert Gardner
- Paul Piercy
- Jay Stephenson (Appointed 1 July 2011)

### 2. Review and Results of Operations

The Company's net loss for the half year was \$28,573, (2010 loss: \$240,452).

#### Review of Operations

Nickelore Limited is a company listed on Australian Securities Exchange (Code NIO).

#### Corporate Strategy

The Company maintains its long term strategy of realising the best possible return from its investment in the Canegrass Nickel Cobalt Project ("Canegrass Project") in Western Australia's North Eastern Goldfields. The Canegrass Project comprises mining leases; exploration licences; prospecting licences; rights to explore for, mine and treat non-sulphide, lateritic nickel and cobalt; and technical information held by Nickelore and Wingstar Investments Pty Ltd ("Wingstar").

In order to assist the Company to continue, the Board has implemented procedures to reduce costs in all areas. Staffing has been reduced to minimum levels and where possible remaining staff are being shared with third parties in order to defray costs. Only the expenditure necessary to meet the minimum statutory requirements to maintain the tenements in good standing will be considered.

The Board is confident that the Company can survive with existing financing in the near future and will be well placed to exploit the Canegrass Project when the climate for such projects has improved.

### 3. Events after the Reporting Date

Since 31 December 2011, the Company has sold 400,000 shares in Dragon Mountain Gold Limited ("DMG"), raising \$200,000 to fund the exercise of 500,000 options held in DMG at a cost of \$125,000. As at 24 February 2011, the Company holds 896,660 shares in DMG with a fair value of \$457,297.

No other matters or circumstances other than the above events have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 4. 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 page 17.

Signed in accordance with a resolution of the Directors.



---

**Robert Gardner**

**Chairman**

Perth, Western Australia,  
24 February 2012

## Condensed Statement of Comprehensive Income For the half year ended 31 December 2011

		COMPANY	CONSOLIDATED
	Note	31 December 2011 \$	31 December 2010 \$
<b>Revenue</b>	3	<b>106,966</b>	<b>223,630</b>
General administrative expenses		(134,765)	(324,930)
Exploration expenses written off		-	(137,382)
<b>Earnings/(Loss) before interest, tax and depreciation</b>		<b>(27,799)</b>	<b>(238,682)</b>
Depreciation		(677)	(1,219)
Finance costs		(97)	(551)
<b>(Loss)/income before tax</b>		<b>(28,573)</b>	<b>(240,452)</b>
Income tax expense		-	-
<b>(Loss)/income after tax</b>		<b>(28,573)</b>	<b>(240,452)</b>
Other comprehensive income		-	-
<b>Total Comprehensive (loss)/income for the period</b>		<b>(28,573)</b>	<b>(240,452)</b>
Basic earnings/(loss) per share (cents per share)	7	(0.02)	(0.15)

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Statement of Financial Position As at 31 December 2011

		COMPANY	
	Note	31 December 2011 \$	30 June 2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	35,653	78,830
Trade and other receivables		23,030	3,547
Other financial assets		350,530	295,898
<b>Total current assets</b>		409,213	378,275
<b>Non current assets</b>			
Property, plant and equipment		2,700	3,377
Mineral exploration and evaluation	10	2,585,809	2,580,052
<b>Total non current assets</b>		2,588,509	2,583,429
<b>TOTAL ASSETS</b>		<b>2,997,722</b>	<b>2,961,704</b>
<b>Current liabilities</b>			
Trade and other payables		86,201	120,110
<b>Total current liabilities</b>		86,201	120,110
<b>TOTAL LIABILITIES</b>		<b>86,201</b>	<b>120,110</b>
<b>NET ASSETS</b>		<b>2,911,521</b>	<b>2,841,594</b>
<b>Equity</b>			
Contributed equity	4	23,810,076	23,711,576
Reserves		17,533,027	17,533,027
Accumulated losses		(38,431,582)	(38,403,009)
<b>TOTAL EQUITY</b>		<b>2,911,521</b>	<b>2,841,594</b>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

## Condensed Statement of Changes in Equity

### For the half year ended 31 December 2011

COMPANY	Attributable to equity holders of the Company			
	Issued capital	Accumulated losses	Other reserves	Total equity
	\$	\$	\$	\$
At 1 July 2011	23,711,576	(38,403,009)	17,533,027	2,841,594
(Loss)/Profit for the period	-	(28,573)	-	(28,573)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(28,573)</b>	-	<b>(28,573)</b>
Issue of share capital	98,500	-	-	98,500
<b>At 31 December 2011</b>	<b>23,810,076</b>	<b>(38,431,582)</b>	<b>17,533,027</b>	<b>2,911,521</b>

CONSOLIDATED	Attributable to equity holders of the parent			
	Issued capital	Accumulated losses	Other reserves	Total equity
	\$	\$	\$	\$
At 1 July 2010	23,711,576	(38,034,777)	17,533,027	3,209,826
(Loss)/Profit for the period	-	(240,452)	-	(240,452)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(240,452)</b>	-	<b>(240,452)</b>
<b>At 31 December 2010</b>	<b>23,711,576</b>	<b>(38,275,229)</b>	<b>17,533,027</b>	<b>2,969,374</b>

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Statement of Cash Flows

### For the half year ended 31 December 2011

	Note	COMPANY 31 December 2011 \$	CONSOLIDATED 31 December 2010 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		22,320	111,722
Payments to suppliers and employees		(91,474)	(430,056)
Payment for exploration		(4,037)	(177,313)
Interest received		14	5,369
Interest paid		-	(551)
<b>Net cash flows used in operating activities</b>		(73,177)	(490,829)
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment		30,000	-
<b>Net cash flows from investing activities</b>		30,000	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Cost of capital raising		-	-
<b>Net cash flows from financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents		(43,177)	(490,829)
Cash and cash equivalents at beginning of period		78,830	583,964
<b>Cash and cash equivalents at end of period</b>	9	<b>35,653</b>	<b>93,135</b>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.



## **Condensed notes to and forming part of the Financial Statements**

### **For the half year ended 31 December 2011**

#### **1. Corporate Information**

The financial report of Nickelore Limited (the Company) for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of the Directors on 24 February 2011.

Nickelore Limited is a public company incorporated in Western Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Review of Operations in the Directors' Report.

#### **2. Statement of Compliance**

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

##### **a) Basis of preparation**

The financial statements of the Company have been prepared on the basis of historical cost, except where applicable, financial assets which are carried at fair value. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

##### **b) Going concern**

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Company has recorded a net accounting loss of \$28,573 and net operating cash outflows of \$73,177 for the half year ended 31 December 2011. The Directors believe the going concern basis is appropriate as:

- The cash assets of the Company at 31 December 2011 were \$35,653.
- The Company continued to reduce employee costs by entering an informal arrangement with Dragon Mountain Gold Limited to share administration staff. The Board will continue to employ staff on this basis until the Company requires full time persons in the roles.
- Director's salaries have also been reduced in order to minimise payroll costs. The Directors have agreed not to take their fees as cash payments. Directors were issued shares in the Company in lieu of directors' fees up until 30 November 2011.

## **Condensed notes to and forming part of the Financial Statements (cont'd)**

### **For the half year ended 31 December 2011**

#### **2. Statement of Compliance (cont'd)**

- The Company intends to sell its shares in Dragon Mountain Gold Limited ("DMG") to finance its operations as required. The Company held 796,660 shares in DMG with a fair value of \$350,530 as at 31 December 2011. Since 31 December 2011 Nickelore has exercised its options in DMG. As at 24 February 2011 the Company holds 896,660 shares in DMG with a fair value of \$457,297. The Board believes that this value will be realised on the sale of the shares.
- The Board is currently pursuing investors with a view to funding the development of the Canegrass Project.
- The Board continues to look for opportunities and projects internationally, reviewing options as they are identified in order to find a good fit for Nickelore.
- The Board has completed an evaluation of its tenements and has decided to focus its attention on tenements within the main tenement area. To this end, Nickelore will relinquish a number of outlying tenements considered of no value to the project in order to further reduce costs.
- Based on the above and the capacity to reduce expenditure commitments (if required), the Board is confident that the Company will have sufficient funds to finance its operations in the 2011/2012 financial year.

#### **c) Exploration and evaluation expenditure**

Exploration and evaluation costs related to an area of interest are carried forward only when rights of tenure to the area of interest are current and provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area of interest have not, at balance date, reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### **d) Use of estimates**

The half year financial statements of the Company have been prepared using estimates, including the recognition of the value of the exploration and evaluation costs incurred in the Canegrass Project as reflected in the Statement of Financial Position of the Company and in the valuation of options issued pursuant to the Employee Share Option Plan.

The estimates are based on management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The estimates will be adjusted to reflect the actual amounts in the period such actual amounts are known.

## Condensed notes to and forming part of the Financial Statements (cont'd)

### For the half year ended 31 December 2011

#### 3. Revenue and Expenses

	COMPANY 31 December 2011 \$	CONSOLIDATED 31 December 2010 \$
<b>Specific items</b>		
Loss before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:		
<b>Revenue</b>		
Interest received	13	16,546
Consulting services	-	85,540
Increase in value of listed investments	84,633	90,251
Other income	22,320	31,293
	106,966	223,630
<b>General administrative expenses</b>		
Advertising & promotion	4,531	476
Employee benefits	55,000	158,703
Legal fees & professional fees	28,124	105,985
Leasehold expenses	40,765	39,983
Computer and office expense	1,902	1,375
Office expenses	3,742	12,890
Other expenses	411	728
Travel expense	290	4,790
	134,765	324,930
<b>Exploration expenses written off</b>		
Exploration costs written off	-	137,382
	-	137,382
<b>Finance costs</b>		
Interest paid	97	551
	97	551

## Condensed notes to and forming part of the Financial Statements (cont'd)

### For the half year ended 31 December 2011

#### 4. Contributed Equity

	COMPANY	
	31 December 2011	30 June 2011
	\$	\$
<b>Ordinary shares</b>		
Issued and fully paid	23,810,076	23,711,576
	<u>\$</u>	<u>No.</u>
<b>Movements in ordinary shares on issue</b>		
At 1 July 2011	23,711,576	160,845,886
Increase through issue 9,850,000 of shares at \$0.01 each	98,500	9,850,000
<b>At 31 December 2011</b>	<u>23,810,076</u>	<u>170,695,886</u>

#### 5. Segment Reporting

The company operated in one geographical segment, being Australia, during the period ended 31 December 2011.

#### 6. Contingent Liabilities and Commitments

##### a) Exploration commitments

In order to maintain current rights of tenure to mining tenements, the Company has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and would be payable:

	COMPANY 31 December 2011	CONSOLIDATED 31 December 2010
	\$	\$
Not later than one year	-	358,560
Later than one year, but not later than five years	511,524	807,500
	<u>511,524</u>	<u>1,166,060</u>

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

##### b) Contingent liabilities

Nickelore is the subject of a Writ of Summons claiming \$86,241 for works provided to Nickelore. A statement of claim was filed on 18 September 2008 by the plaintiff. This matter is the subject of ongoing negotiations. However should this matter proceed to trial and Nickelore be unsuccessful in its defence of the claim, then it could be liable for the full amount of the claim, \$86,241, plus any costs. At this time the amount of any costs cannot be estimated. During the 2011 financial year and since 1 July 2011, Nickelore has had no correspondence from the plaintiff.

The Company is not aware of any other contingent liabilities which existed as at the end of the period or that have arisen as at the date of this report.

## Condensed notes to and forming part of the Financial Statements (cont'd)

### For the half year ended 31 December 2011

#### 7. Earnings per Share

	COMPANY 31 December 2011 Cents per Share	CONSOLIDATED 31 December 2010 Cents per Share
Basic earnings/(loss) per share	(0.02)	(0.15)
	<b>\$</b>	<b>\$</b>
Earnings / (loss)	(28,573)	(240,452)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	161,007,361	160,845,886

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

#### 8. Share Based Payment Plans

On 28 December 2011, 9,850,000 Fully Paid Ordinary Shares were issued to the Directors of Nickelore in lieu of Director's fees payable until 30 November 2011.

The following table lists the shares granted to each Director:

Date	Director	Name in which shares were issued	Sum of Directors fees payable	Share price at issue date	Number of shares issued
28/12/2011	Robert Gardner	Wingstar Investments Pty Ltd	\$58,500	\$0.01	5,850,000
28/12/2011	Paul Piercy	Mr Paul Piercy and Mrs Pauline Barbara Piercy <P & PB Piercy Superannuation A/C>	\$27,500	\$0.01	2,750,000
28/12/2011	Jay Stephenson	WSG Capital Pty Ltd	\$12,500	\$0.01	1,250,000
		<b>TOTAL</b>	<b>\$98,500</b>		<b>9,850,000</b>

(i) The shares were issued at a deemed price of \$0.01, being the average share price over the 5 days preceding the issue of shares.

During the six month period ended 31 December 2011 no other share based payments were made and no new options were granted.

## Condensed notes to and forming part of the Financial Statements (cont'd)

For the half year ended 31 December 2011

### 9. Cash and Cash Equivalents

For the purposes of the half year Condensed Statement of Cash Flows, cash and cash equivalents are comprised of the following:

	COMPANY	
	31 December 2011	30 June 2011
	\$	\$
Cash at bank and in hand	35,653	78,830
Short-term deposits	-	-
	<hr/>	<hr/>
	35,653	78,830
	<hr/>	<hr/>

### 10. Mineral Exploration and Evaluation

Exploration and evaluation costs related to an area of interest are carried forward only when rights of tenure to the area of interest are current and provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area of interest have not, at balance date, reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

### 11. Events after the Reporting Date

Since 31 December 2011, the Company has sold 400,000 shares in Dragon Mountain Gold Limited ("DMG"), raising \$200,000 to fund the exercise of 500,000 options held in DMG at a cost of \$125,000. As at 24 February 2011, the Company holds 896,660 shares in DMG with a fair value of \$457,297.

No other matters or circumstances other than the above events have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## **Condensed notes to and forming part of the Financial Statements (cont'd)**

### **For the half year ended 31 December 2011**

#### **12. Related Party Disclosures**

The following table provides the total amount of transactions that were entered into with related parties for the half year ended 31 December 2011:

##### **1 July 2011**

---

Nickelore entered into an agreement with Wolfstar Corporate Management to provide the services of Jay Stephenson as Non-Executive Director and Company Secretary for a fee of \$2,500 per month. The initial term of the contract is 6 months from the date of execution and then continuing on a month by month basis until otherwise advised.

##### **28 December 2011**

---

5,580,000 shares were issued to Wingstar Investments Pty Ltd in lieu of Directors fees owed to Robert Gardner until 30 November 2011.

2,750,000 shares were issued to Mr Paul Piercy and Mrs Pauline Barbara Piercy <P & PB Piercy Superannuation A/C> in lieu of Directors fees owed to Paul Piercy until 30 November 2011.

1,250,000 shares were issued to WSG Capital Pty Ltd in lieu of Directors fees owed to Jay Stephenson until 30 November 2011.

## **Directors' Declaration**

### **For the half year ended 31 December 2011**

In accordance with a resolution of the Directors of Nickelore Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the financial position as at 31 December 2011 and the performance for the half year ended on that date of the company; and
  - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



---

**Robert Gardner**  
**Chairman**

Perth, Western Australia,  
24 February 2011



## Independent Auditors Review Report to the Members For the half year ended 31 December 2011

Stantons International Audit and Consulting Pty Ltd  
Trading as

**Stantons International**  
Chartered Accountants and Consultants

PO Box 1908  
West Perth WA 6872  
Australia

Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia

Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204

ABN: 84 144 581 519  
www.stantons.com.au

### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NICKELORE LIMITED

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nickelore Limited, which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Nickelore Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nickelore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

## Independent Auditors Review Report to the Members (cont'd) For the half year ended 31 December 2011

### Stantons International

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Nickelore Limited on 24 February 2012.

#### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nickelore Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

#### **Inherent Uncertainty Regarding Going Concern**

Without qualification to the audit opinion expressed above, attention is drawn to the following matters:

As referred to in note 2(b) to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2011 the entity had cash and cash equivalents of \$35,653 and net working capital of \$323,012. The entity had incurred a loss for the period ended 31 December 2011 of \$28,573.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the entity cannot raise further equity, the entity may not be able to meet their liabilities as they fall due and the realisable value of the entity's non-current assets may be significantly less than book values.

#### **Inherent Uncertainty Regarding Capitalised Exploration Cost**

Without qualification to the opinion expressed above, attention is drawn to the following matters:

The recoverability of the Company's carrying value of capitalised exploration and acquisition costs (\$2,585,809) is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Company is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
24 February 2012

## Auditor's Independence Declaration For the half year ended 31 December 2011

Stantons International Audit and Consulting Pty Ltd  
Trading as

**Stantons International**  
Chartered Accountants and Consultants

PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
[www.stantons.com.au](http://www.stantons.com.au)

24 February 2012

Board of Directors  
Nickelore Limited  
Suite 4, 62 Ord Street  
WEST PERTH WA 6005

Dear Sirs

**RE: NICKELORE LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Nickelore Limited.

As Audit Director for the review of the financial statements of Nickelore Limited for the period ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**Martin Michalik**  
Director