



Nickelore Limited

ABN 13 086 972 429

Annual Financial Report

For the Year Ended 30 June 2013

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Directors' Report

Your Directors present their report on Nickelore Limited ("Company" or "Nickelore") for the financial year ended 30 June 2013.

1. DIRECTORS

The names and details of the Directors in office at any time during or since the end of financial year are:

- Robert Gardner
- Paul Piercy
- Jay Stephenson

2. PRINCIPAL ACTIVITY

The Company is seeking new resource project opportunities both in Australia and internationally.

There were no significant changes in the nature of the economic entity's principal activities during the financial year except as disclosed elsewhere in this report.

3. OPERATING AND FINANCIAL REVIEW

The Company reported a net loss of \$204,388 for the financial year (2012: \$105,476 profit for the Company). At 30 June 2013 the Company held \$428,419 in cash reserves (2012: \$36,544).

The Company continues to review its options in relation to its Nickel assets, including possible sale or development / joint venture options. At the current Nickel price Nickelore's interest in the Canegrass Project remains a valuable asset.

The Directors have remained mindful of the current state of the Australian share market with regard to junior exploration companies and low investor sentiment. Cash preservation is vital, however, good opportunities will continue to be assessed within Australia and worldwide in order to find a good project for Nickelore.

4. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the Company occurred during the financial year.

6. AFTER BALANCE DATE EVENTS

Since balance date, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

7. ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated under both State and Federal Law. The Company has a policy of complying with its environmental performance obligations. No environmental breaches have been notified to the Company to the date of this report.

Directors' Report (continued)

8. INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Robert Gardner	Chairman Appointed 1 October 2010
Qualifications	
Experience	Mr Gardner is a Perth based business proprietor, with over 25 years experience in the mining industry. Mr Gardner has developed a number of projects that are now major assets of ASX listed companies. Mr Gardner is also a major shareholder in the Company.
Interests in Shares and Options	Mr Gardner has an interest in 37,850,000 fully paid ordinary shares held in the name of Wingstar Investments Pty Ltd.
Other Directorships	During the last three years Mr Gardner has also served as a Director of the following other Australian listed companies: Dragon Mountain Gold Limited + + denotes current Directorship
Paul Piercy	Non-Executive Director Appointed 13 October 2010
Qualifications	Dip. Metallurgy, Dip Bus Admin, AICD Diploma
Experience	Mr Piercy has extensive Australian and International mining and resources industry experience. Mr Piercy also has significant experience in China where he was based for a number of years. Mr Piercy is a metallurgist who has held senior management and technical positions within the Rio Tinto Limited during the 1980's and 1990's, including General Manager of Hamersley Iron's Dampier port and rail operations, General Manager of Hamersley Iron's Paraburdoo & Channar operations and Managing Director of Novacoal and Kembla Coal & Coke. From 1997 to 2000 Mr. Piercy was Managing Director of WesTrac Equipment before playing an integral role in the successful establishment of WesTrac China, as its Chairman/CEO based in China. More recently Mr Piercy was Chairman of APAC Coal Limited and is currently a Non Executive Director of Australasian Resources Ltd and Dragon Mountain Gold Limited.
Interests in Shares and Options	Mr Piercy has an interest in 2,750,000 fully paid ordinary shares held in the name of P & PB Piercy Superannuation Fund.
Other Directorships	During the last three years Mr Piercy has also served as a Director of the following other Australian listed companies: Australasian Resources Limited + Dragon Mountain Gold Limited + Quest Minerals Limited+ + denotes current Directorship

Directors' Report (continued)

8. INFORMATION ON DIRECTORS AND COMPANY SECRETARY (Continued)

Jay Stephenson	Non-Executive Director and Company Secretary Appointed as Director and Company Secretary 1 July 2011
Qualifications	MBA, FCPA, CMA, FCIS, MAICD
Experience	<p>Mr Stephenson has been involved in business development for over 20 years including approximately 16 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring as well as managing all areas of finance for companies.</p> <p>Mr Stephenson is currently a Non-Executive Director of Drake Resources Limited, Doray Minerals Limited, Strategic Minerals Corporation NL, Spencer Resources Limited and Quintessential Resources Limited as well as Company Secretary for a number of ASX listed resource and industrial companies.</p>
Interests in Shares and Options	Mr Stephenson has an interest in 1,250,000 fully paid ordinary shares held in the name of WSG Capital Pty Ltd.
Other Directorships	<p>During the last three years Mr Stephenson has also served as a Director of the following other Australian listed companies:</p> <p>Drake Resources Limited +</p> <p>Doray Minerals Limited +</p> <p>Strategic Minerals Corporation NL +</p> <p>Quintessential Resources Limited +</p> <p>Parker Resources NL</p> <p>Spencer Resources Limited *</p> <p>Aura Energy Limited</p> <p style="text-align: right;">+ denotes current Directorship</p>

Directors' Report (continued)

9. REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and executives being:

Directors

Mr Robert Gardner	Non-Executive Chairman
Mr Paul Piercy	Non-Executive Director
Mr Jay Stephenson	Non-Executive Director and Company Secretary

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract qualified and experienced executives;
- Link executive rewards to length of service, experience and overall performance of the Company; and
- Equity participation is a cost effective and efficient incentive given the Company's pre-production status.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and senior management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company. No additional fees are paid for participation on sub-committees, such as the Audit Committee. Non-Executive Directors are encouraged by the Board to hold shares in the Company. Accordingly, they are entitled to participate in equity incentive schemes offered by the Company. The current Director's fees payable to Non-Executive Directors are as follows:

- Mr Gardner's annual Director's fees are \$50,400.
- Mr Piercy's annual Director's fees are \$50,400. Mr Piercy has agreed to accept a lesser annual payment in the sum of \$30,000 until such time as the Company begins work on a new project, effective 1 January 2011.
- Mr Stephenson's annual Director's fees are \$30,000

Director's fees are reviewed annually by the Board. No termination payments are payable to Non-Executive Directors. The remuneration received by Non-Executive Directors for the year ended 30 June 2013 is detailed in the preceding tables.

Directors' Report (continued)

9. REMUNERATION REPORT (Audited) (continued)

Senior Manager and Executive Director Remuneration

Objective

Generally, compensation is provided by the Company to its executive officers by way of salary and share option grants. The objective is to ensure that executive compensation is fair and reasonable in order to attract and retain qualified and experienced executives.

Structure

Fixed remuneration consists of base cash remuneration and statutory superannuation entitlements. Longer term discretionary remuneration consists of share option grants. Remuneration levels are based on an overall assessment of both individual and Company performance.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interest to those of its shareholders. In addition, equity participation is a cost effective and efficient incentive as compared to cash bonuses or increased remuneration, particularly given the Company's pre-production status. Accordingly, all executives and employees are entitled to participate in the Company's equity incentive scheme. Generally, the ability to exercise an option is conditional upon the holder remaining in the Company's employment. There are presently no other non-cash benefits available to Directors or employees. There is no separate profit-sharing or bonus plan.

The contracts for service between the Company and Directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, Directors and executives are paid employee benefit entitlements accrued to date of retirement. The Company may terminate the contracts without cause by providing one month's written notice. Termination payments (if applicable) are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Employment Contracts

Directors

Robert Gardner

Mr Gardner was appointed as Non-Executive Chairman on 1 October 2010. Base remuneration is \$50,400 per annum. No termination payments are applicable.

Paul Piercy

Mr Piercy was appointed as Non-Executive Director on 13 October 2010. Base remuneration is \$50,400 per annum. Contract was amended to \$30,000 per annum, effective 1 January 2011 until further notice. No termination payments are applicable.

Jay Stephenson

Mr Stephenson was appointed as Non-Executive Director and Company Secretary on 1 July 2011. Base remuneration is \$30,000 per annum. No termination payments are applicable.

Directors' Report (continued)

9. REMUNERATION REPORT (Audited) (continued)

Remuneration of Directors

Remuneration policies and packages applicable to the Directors and senior executives are reviewed annually by the Board, having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Details of the nature and amount of emoluments of each Director and executive officer during the financial year are:

		Short-Term				Post-Employment		Long Term Benefits	Equity	Total	% Remuneration Consisting of Options
		Salary & Fees Paid \$	Salary & Fees Accrued \$	Bonus \$	Non-Monetary \$	Super-annuation \$	Prescribed Benefits \$	Long Service leave \$	Options* \$	\$	
Directors											
R Gardner	2013	-	50,400	-	-	-	-	-	-	50,400	-
Chairman	2012	-	29,900	-	20,500	-	-	-	-	50,400	-
P Piercy	2013	-	30,000	-	-	-	-	-	-	30,000	-
Director	2012	-	17,500	-	12,500	-	-	-	-	30,000	-
J Stephenson	2013	-	30,000	-	-	-	-	-	-	30,000	-
Director and Company Secretary	2012	-	17,500	-	12,500	-	-	-	-	30,000	-
Total	2013	-	110,400	-	-	-	-	-	-	110,400	-
	2012	-	64,900	-	45,500	-	-	-	-	110,400	-

There are no executive officers that are not also Directors of the Company that are not disclosed in the above table.

Shares Granted as Part of Remuneration during Year Ended 30 June 2013

There were no shares granted to the Directors or Officers of the Company during the Year Ended 30 June 2013.

Shares Granted as Part of Remuneration during Year Ended 30 June 2012

Details of shares granted to the Directors or Officers of the Company during the Year Ended 30 June 2012 are:

Directors	Number of shares granted	Issue price of shares	Value of shares granted as remuneration	Value of shares granted for services for year end 30 June 2013	Value of shares granted for services for year end 30 June 2012
R Gardner Chairman	5,850,000	\$0.01	\$58,500	-	\$20,500
P Piercy Director	2,750,000	\$0.01	\$27,500	-	\$12,500
Jay Stephenson Director and Company Secretary	1,250,000	\$0.01	\$12,500	-	\$12,500
Total	9,850,000		\$98,500	-	\$45,500

There were no other shares granted to the Directors or Officers of the Company during the year ended 30 June 2012 or the year ended 30 June 2013 that are not disclosed in the above table.

Directors' Report (continued)

10. OPTIONS

Options Granted as Part of Remuneration for Year Ended 30 June 2013

There were no options granted to the Directors or Officers of the Company during the Year Ended 30 June 2013.

Options Granted as Part of Remuneration for Year Ended 30 June 2012

There were no options granted to the Directors or Officers of the Company during the Year Ended 30 June 2012.

Option Holdings of Key Management Personnel

During the year ended 30 June 2012 and the year ended 30 June 2013 no options were held by Key Management Personnel.

Shares issued on exercise of options

During the year, no ordinary shares have been issued as a result of the exercise of options.

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

11. MEETINGS OF DIRECTORS

The number of Directors' meetings (including Audit Committee meetings) held during the financial year and the numbers of meetings attended by each Director were:

Director	Directors' Meetings		Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert Gardner	1	1	-	-
Paul Piercy	1	1	-	-
Jay Stephenson	1	1	-	-

12. INDEMNIFICATION OF AUDITORS AND OFFICERS

During or since the end of the financial year the Company has either given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- Except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal;
- Since the beginning of the financial year the Company has paid insurance premiums of \$8,690 in respect of Directors and officers liability and corporate reimbursement, for Directors and officers in the Company. The insurance premiums relate to:
 - Indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any Director or officer in their capacity as a Director or officer of the Company or any related corporation, first made against the Director or officer during the period of insurance; and
 - Any loss for which the Directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a Director or officer of the Company or any related corporation, first made against them jointly or severally during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual officer of the Company.

Directors' Report (continued)

13. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Auditor Independence

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 38.

Non-Audit Services

The entity's auditors Stantons International have not provided any non audit services during the year.

14. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Directors:



Robert Gardner
Chairman
Perth, Western Australia
2 September 2013

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

	Notes	2013 \$	2012 \$
Continuing operations			
Revenue	4	65,967	364,904
Employee benefits expense	5	(110,400)	(110,400)
Premises expense	5	(75,999)	(83,989)
Corporate expense	5	(53,765)	(43,750)
Administration expenses	5	(29,388)	(18,089)
(Loss)/earnings before interest tax and depreciation		(203,585)	108,676
Finance costs	5	(803)	(1,850)
Depreciation expense	11	-	(1,350)
(Loss)/income before income tax		(204,388)	105,476
Taxation		-	-
(Loss)/income after taxation		(204,388)	105,476
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive(loss)/income for the year		(204,388)	105,476
(Loss)/income after tax attributable to members of the Company		(204,388)	105,476
Total Comprehensive (loss)/income attributable to members of the Company		(204,388)	105,476
Earnings per share (cents per share)			
Basic (loss)/profit for the year	17	(0.12)	0.06
Diluted(loss)/profit for the year	17	(0.12)	0.06

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements

Statement of Financial Position

As at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	428,419	36,544
Trade and other receivables	9	4,831	4,255
Prepayments		5,648	5,308
Other financial assets	10	9,863	511,096
Total Current Assets		448,761	557,203
Non Current Assets			
Property, plant and equipment	11	-	2,027
Exploration assets	12	2,601,471	2,588,279
Total Non Current Assets		2,601,471	2,590,306
TOTAL ASSETS		3,050,232	3,147,509
LIABILITIES			
Current Liabilities			
Trade and other payables	13	209,050	101,939
Total Current Liabilities		209,050	101,939
TOTAL LIABILITIES		209,050	101,939
NET ASSETS		2,841,182	3,045,570
EQUITY			
Contributed equity	14	23,810,076	23,810,076
Reserves	15	17,533,027	17,533,027
Accumulated losses	16	(38,501,921)	(38,297,533)
TOTAL EQUITY		2,841,182	3,045,570

The above Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Attributable to equity holders of the entity			
	Issued Capital	Accumulated Losses	Option Reserves	Total Equity
	\$	\$	\$	\$
At 1 July 2012	23,810,076	(38,297,533)	17,533,027	3,045,570
Loss for the year	-	(204,388)	-	(204,388)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(204,388)	-	(204,388)
Issue of share capital	-	-	-	-
Share Options	-	-	-	-
At 30 June 2013	23,810,076	(38,501,921)	17,533,027	2,841,182

	Attributable to equity holders of the entity			
	Issued Capital	Accumulated Losses	Option Reserves	Total Equity
	\$	\$	\$	\$
At 1 July 2011	23,711,576	(38,403,009)	17,533,027	2,841,594
Profit for the year	-	105,476	-	105,476
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	105,476	-	105,476
Issue of share capital	98,500	-	-	98,500
Share Options	-	-	-	-
At 30 June 2012	23,810,076	(38,297,533)	17,533,027	3,045,570

The above Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

Statement of Cash Flows

For the Year Ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from customers		40,920	44,640
Payments to suppliers and employees		(160,186)	(183,479)
Interest received		12,977	66
Interest paid		-	(967)
Net cash (used in) operating activities	19	<u>(106,289)</u>	<u>(139,740)</u>
Cash flows from investing activities			
Payment on purchase of investments		-	(125,000)
Payments for exploration expenditure capitalised		(12,215)	(7,546)
Receipt on sale of investments and subsidiaries		-	230,000
Dividend & return of capital on investment		510,379	-
Net cash provided by investing activities		<u>498,164</u>	<u>97,454</u>
Cash flows from financing activities			
Proceeds from issue of equity securities		-	-
Payment for share issue costs		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		391,875	(42,286)
Cash and cash equivalents at beginning of year		36,544	78,830
Cash and cash equivalents at end of year	8	<u>428,419</u>	<u>36,544</u>

The above Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. CORPORATE INFORMATION

The financial report of Nickelore (the "Company") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 2 September 2013.

Nickelore 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 Directors Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards.

The financial report has also been prepared on the accruals basis and historical cost basis, except for available for sale investments, which are measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in the financial report except where stated.

b) Adoption of new and revised Accounting Standards

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014

The Company has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Company's assessment of those new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

To facilitate the application of AASBs 11, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Company.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

This standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Company's financial report as a whole.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) 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 \$204,388 and net operating cash outflows of \$106,289 for the year ended 30 June 2013. The Directors believe the going concern basis is appropriate as:

- The cash assets of the Company at 30 June 2013 were \$428,419.
- Until 30 April 2013 the Company continued to offset its employee costs by providing a reduced sub-lease of premises to Dragon Mountain Gold Limited ("DMG") in return for bookkeeping and administration services. When new shared office space is available in September 2013 Nickelore and DMG will enter into a similar cost sharing arrangement. The Board further reduced staff costs by contracting the services of key employees on a part time basis as necessary. Nickelore will continue to operate in this manner until the Company requires a full time person in the roles.
- The Board is pursuing further financing options for the Company.

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 2013/2014 Financial Year.

Should the Company not be able to continue as a going concern, it may not be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in this financial report.

d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Mineral exploration and evaluation

Acquisition, exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

Impairment of non financial assets other than goodwill

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include economic and political environments and the future exploration and development expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Deferred taxation

Potential future income tax benefits have not been brought to account at 30 June 2013 because the Directors do not believe that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Borrowing costs

Borrowing costs are recognised as an expense when incurred, except for borrowing costs relating to qualifying assets when the interest is capitalised to the qualifying assets.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

h) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss.

Gains or losses on available-for-sale investments are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the Statement of Financial Position date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

i) Financial instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units ("CGUs") expected to benefit from the combination's synergies. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the CGU, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

k) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless that asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets. In which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference arises from the initial recognition of goodwill; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised, except:

- When the deductible temporary difference giving rise to the asset arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither accounting profit nor taxable income; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

n) Interest in joint venture operations

Where the Company has an interest in a joint venture operation, it is accounted for by recognising the Company's assets and liabilities from the joint venture, as well as expenses incurred by the Company and the Company's share of income earned from the joint venture, in the consolidated financial statements.

o) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

p) Property, plant and equipment

Each class of property, plant and equipment is stated at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is calculated on the diminishing balance basis over the estimated useful life of the asset as follows:

- Computer equipment 5 years
- Plant and equipment 5 years
- Furniture and fittings 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

q) Provisions and employee leave benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying value is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee leave benefits

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

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

s) Share based payment transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits:

- The Company's employee share option plan (ESOP), which provides benefits to Directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by management using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Nickelore (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 17).

t) Trades and other payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

u) Provision for rehabilitation

Provision is made for anticipated costs of rehabilitation necessitated by disturbance arising from production activity in respect of certain tenements in the period in which the disturbance occurred. The provision for tenement rehabilitation is provided in respect of a performance guarantee under Department of Mines and Petroleum obligations over site restoration requirements over certain tenements.

Rehabilitation costs are accumulated in the provision on a production output basis commencing in the period that disturbance occurs. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the relevant Federal & State legislation in relation to rehabilitation of the disturbances arising from production activity in respect of those tenements.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v) 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.

w) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

3. SEGMENT INFORMATION

The Company predominantly operated in one geographical segment for the 2013 and 2012 Financial Years.

The Company operates in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

	2013	2012
	\$	\$
4. REVENUE		
Other income		
Rendering of services	-	-
Interest revenue	16,144	66
Other income	37,200	44,640
	<u>53,344</u>	<u>44,706</u>
Non-operating revenue		
Dividend received	406,705	-
Increase/decrease in fair value of investments	(394,082)	299,198
Profit on sale of investments	-	21,000
	<u>12,623</u>	<u>320,198</u>
Total Revenue	<u>65,967</u>	<u>364,904</u>
5. EXPENSES		
Employee benefits expenses		
Wages and salaries	-	-
Directors fees	110,400	110,400
Superannuation	-	-
Other payroll expense	-	-
	<u>110,400</u>	<u>110,400</u>
Premises expenses		
Rent expense	74,500	82,187
Other office expenses	1,499	1,802
	<u>75,999</u>	<u>83,989</u>
Corporate expenses		
Accounting and auditing fees	32,461	19,675
Australian listing fees	13,112	14,697
Legal fees	-	(2,132)
Share registry fees	8,192	9,510
Other professional services	-	2,000
	<u>53,765</u>	<u>43,750</u>
Administration expenses		
Insurance	12,937	6,540
Other administrative expenses	16,451	11,258
Travel expenses	-	291
	<u>29,388</u>	<u>18,089</u>
Finance costs		
Finance costs	803	1,850
	<u>803</u>	<u>1,850</u>

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

	2013 \$	2012 \$
6. AUDITORS' REMUNERATION		
Remuneration of the auditor of the Company (Stantons International) for:		
Auditing services	20,973	19,675
Other services	-	-
Total	<u>20,973</u>	<u>19,675</u>

7. INCOME TAX

Numerical reconciliation of income tax expense to prima facie tax payable

Loss from ordinary activities before income tax expense	(204,388)	105,476
Prima facie tax benefit on loss from ordinary activities at 30% (2012: 30%)	(61,316)	31,643
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Non deductible	-	20
- Capital raising costs	(4,551)	(15,768)
- Movement in capitalised exploration expenditure	(3,958)	(2,468)
- Accounting (gain)/loss	118,225	(96,059)
- Provisions	(201)	(1,021)
Tax effect of current year tax losses for which no deferred tax asset has been recognised/(tax losses utilised)	<u>48,199</u>	<u>(83,653)</u>

Unrecognised temporary differences

Deferred tax assets (at 30%)

On income tax account		
Capital raising costs	8,075	12,266
Provisions	1,038,455	1,038,254
Carry forward tax losses	<u>3,823,668</u>	<u>3,871,867</u>
	4,870,198	4,922,387

On capital account

Carry forward tax losses	<u>3,488,406</u>	<u>3,488,406</u>
	8,358,604	8,410,793

Deferred tax liabilities (at 30%)

Capitalised exploration costs	<u>(780,441)</u>	<u>(776,484)</u>
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Potential future income tax benefits arising from tax losses have not been brought to account at 30 June 2013 because the Directors do not believe it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised. These benefits will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

8. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	78,419	36,544
Deposits at call	<u>350,000</u>	<u>-</u>
	428,419	36,544

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between 1 day and 6 months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

	2013 \$	2012 \$
9. TRADE AND OTHER RECEIVABLES (Current)		
Trade and other receivables	1,663	4,255
Interest receivable	3,168	-
	<u>4,831</u>	<u>4,255</u>

These amounts arise from the usual operating activities of the Company and are non-interest bearing. The debtors do not contain any overdue or impaired receivables.

10. OTHER FINANCIAL ASSETS

Dragon Mountain Gold Limited ("DMG") shares	9,863	511,096
	<u>9,863</u>	<u>511,096</u>

Nickelore currently holds 896,660 DMG shares. The market price of DMG fully paid ordinary shares at 30 June 2012 was \$0.57 per share. On 20 July 2012 DMG paid an unfranked dividend of \$0.4497 per share and a return of capital of \$0.1195 per share (\$0.5692 per share in total). Nickelore received the sum of \$510,379. Following payment of the dividend the market price of DMG shares decreased to \$0.017 on 20 July 2012. The market price of DMG fully paid ordinary shares at 30 June 2013 was \$0.011 per share.

11. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

At cost	-	48,987
Accumulated depreciation	-	(46,960)
Total plant and equipment	<u>-</u>	<u>2,027</u>

Movements in carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and end of the current financial year:

Balance at the beginning of the year	2,027	3,377
Disposals	(2,027)	-
Depreciation expense	-	(1,350)
Carrying amount at the end of the year	<u>-</u>	<u>2,027</u>

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

	2013 \$	2012 \$
12. NON CURRENT EXPLORATION ASSETS		
Tenement acquisition at cost		
Balance as at the start of the financial year	295,200	295,200
Movement in the year	-	-
Balance as at the end of the financial year	<u>295,200</u>	<u>295,200</u>
Exploration expenditure at cost		
Balance at the start of the financial year	2,293,079	2,284,852
Exploration expenditure	13,192	8,227
Exploration expenditure written off	-	-
Balance as at the end of the financial year	<u>2,306,271</u>	<u>2,293,079</u>
Total exploration assets	<u>2,601,471</u>	<u>2,588,279</u>

The value of the economic entity's interest in exploration expenditure is dependent upon:

- a) the continuance of the economic entity's rights to tenure of the areas of interest;
- b) the results of future exploration; and
- c) the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subject to claim(s) under native title or contain sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. TRADE AND OTHER PAYABLES

Trade payables	11,304	10,971
Sundry payables and accruals	11,446	16,977
Audit fee accrual	11,000	9,091
Director's fees accrual	<u>175,300</u>	<u>64,900</u>
	<u>209,050</u>	<u>101,939</u>

These amounts arise from the usual operating activities of the Company. Trade payables and other payables and accruals, except director's fees, are outstanding less than 90 days.

Of the director's fees accruals, \$64,900 is outstanding for the period November 2011 to June 2012, \$55,200 is outstanding for the period July 2012 to December 2012 and \$55,200 is outstanding for the period January 2013 to June 2013.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

	2013 \$	2012 \$
14. CONTRIBUTED EQUITY		
a) Ordinary shares		
Balance at beginning of financial year	23,810,076	23,711,576
Shares issued to Directors in lieu of Directors fees (table below)	-	98,500
Balance at end of financial year	23,810,076	23,810,076
	2013	2012
	No of shares	No of shares
Ordinary shares		
Balance at beginning of financial year	170,695,886	160,845,886
Shares issued to Directors in lieu of Directors fees (table below)	-	9,850,000
Balance at end of financial year	170,695,886	170,695,886

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the year ended 30 June 2013 no share based payments were made and no new options were granted.

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

The following table lists the shares granted to each Director during the year ended 30 June 2012:

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
		TOTAL	\$98,500		9,850,000

(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 year ended 30 June 2012 no other share based payments were made and no new options were granted.

b) Options

At 30 June 2013, the unissued ordinary shares of Nickelore under option are nil.

During the financial year 5,000,000 options lapsed.

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

During and since the end of the financial year, no options were cancelled.

At 30 June 2012, the unissued ordinary shares of Nickelore under option were as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
30 January 2008	29 January 2013	\$0.30	1,500,000
11 December 2008	31 December 2012	\$0.13	3,500,000
			5,000,000

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

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

	2013 \$	2012 \$
15. RESERVES		
Share based payments reserve	17,533,027	17,533,027
	<u>17,533,027</u>	<u>17,533,027</u>
Movements:		
<i>Share based payments reserve</i>		
Balance at beginning of year	17,533,027	17,533,027
Share based payments	-	-
Balance at end of year	<u>17,533,027</u>	<u>17,533,027</u>
16. ACCUMULATED LOSSES		
Accumulated losses at beginning of financial year	(38,297,533)	(38,403,009)
Net profit/(loss) attributable to members of the Company	(204,388)	105,476
Accumulated losses at end of financial year	<u>(38,501,921)</u>	<u>(38,297,533)</u>
17. EARNINGS PER SHARE		
a) Profit/(loss) used in the calculation of basic and dilutive earnings per share	(204,388)	105,476
b) Earnings per share		
Basic profit/(loss) per share (cents per share)	(0.12)	0.06
Diluted profit/(loss) per share (cents per share)	(0.12)	0.06
Effect of dilutive securities	Number	Number
Weighted average number of shares on issue during the financial year used in calculating basic profit/(loss) per share	170,695,866	165,838,352
Weighted average number of shares on issue during the financial year used in calculating diluted profit/(loss) per share	170,695,886	165,838,352

Given the Company has made a loss in the current year, there is no dilution of earnings hence the diluted loss per share is the same as for basic loss per share.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

18. COMMITMENTS AND CONTINGENCIES

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:

	2013 \$	2012 \$
Not later than one year	69,734	-
Later than one year, but not later than five years	278,938	511,524
	<u>348,672</u>	<u>511,524</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) Operating lease and other funding commitments

Property lease

Not later than one year	-	11,190
	<u>-</u>	<u>11,190</u>

During the financial year end 30 June 2013 Nickelore sub-leased a part of its leased premises and the 'commitment not later than one year' has been reduced to reflect this. At 15 August 2013 Nickelore has not signed a lease on its current premises but expects to do so before September 2013. The Directors do not anticipate the monthly lease payments to exceed the commitment during the financial year end 30 June 2013.

During the financial year end 30 June 2012 Nickelore sub-leased a part of its leased premises and the 'commitment not later than one year' was reduced to reflect this.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

	2013 \$	2012 \$
19. CASH FLOW INFORMATION		
Reconciliation from net (loss)/profit after tax to the net cash flows from operations		
Net (loss)/profit	(204,388)	105,476
<i>Non cash flows included in operating (loss)/profit:</i>		
Depreciation	-	1,350
Plant and equipment write-down	2,027	-
Issue of shares in lieu of directors fees	-	98,500
Profit on the sale of investments	-	(21,000)
Dividend received	(403,228)	-
Decrease/(increase) in fair value of investments	394,082	(299,198)
 <i>Cash flows not included in operating profit/(loss):</i>	 -	 -
 <i>Changes in assets and liabilities:</i>		
Decrease / (increase) in trade and other receivables	(576)	(708)
Decrease / (increase) in prepayments	(340)	(5,308)
(Decrease) / increase in other provisions	-	-
(Decrease) / increase in trade and other payables	106,134	(18,852)
Net cash used in operating activities	(106,289)	(139,740)

Non cash financing and investing activities:

During the 2012 financial year the non cash financing activities comprised the sum of \$98,500 worth of shares in lieu of director's fees.

During the 2013 financial year the non cash financing activities comprised the sum of \$394,082 being a decrease in the value of DMG shares held due to the Company paying a dividend and return of capital payment on 20 July 2013. The market price of DMG fully paid ordinary shares at 30 June 2012 was \$0.57 per share. On 20 July 2012 DMG paid a special dividend of \$0.5692 per share. Nickelore received the sum of \$510,379 (cash inflow, comprising a return of capital of \$107,151 and a dividend of \$403,228). Following payment of the dividend the market price of DMG shares was \$0.017 on 20 July 2012. The market price of DMG fully paid ordinary shares at 30 June 2013 was \$0.011 per share.

There were no other non cash financing or investing activities during the 2013 financial year.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

20. FINANCIAL INSTRUMENTS

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

b) Credit risk exposures

Credit risk represents the loss that would be recognised if the counterparties default on their contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

The Company does not have any significant credit risk to any single counterparty or any Company of counterparties having similar characteristics. The credit risk on financial assets, excluding investments, of the Company which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

The Company minimises concentrations of credit risk by undertaking transactions with a large number of customers.

The credit quality of financial assets that are neither past, due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2013	2012
	\$	\$
Trade and other receivables - new customers (less than 6 months)	1,663	4,255
Interest receivable	3,168	-
	<u>4,831</u>	<u>4,255</u>
Cash at bank and short-term deposits		
Counterparties with external credit rating (Moody's)		
Rating "A"	428,419	36,544
	<u>428,419</u>	<u>36,544</u>

c) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for classes of financial assets and financial liabilities comprises:

2013	Weighted average	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Fixed interest maturing over 1 to 5 years \$	Non- interest bearing \$	Total \$
Financial Assets						
Cash and cash equivalents	3.58%	68,368	350,000	-	10,051	428,419
Trade and other receivables	-	-	-	-	4,831	4,831
Other	-	-	-	-	9,863	9,863
Total		<u>68,368</u>	<u>350,000</u>	<u>-</u>	<u>24,745</u>	<u>443,113</u>
Financial Liabilities						
Trade and other payables	-	-	-	-	209,050	209,050
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>209,050</u>	<u>209,050</u>
Net Financial Assets/(Liabilities)		<u>68,368</u>	<u>350,000</u>	<u>-</u>	<u>(184,305)</u>	<u>234,063</u>

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

20. FINANCIAL INSTRUMENTS (continued)

2012	Weighted average	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Fixed interest maturing over 1 to 5 years \$	Non-interest bearing \$	Total \$
Financial Assets						
Cash and cash equivalents	0.40%	36,544	-	-	-	36,544
Trade and other receivables	-	-	-	-	4,255	4,255
Other	-	-	-	-	511,096	511,096
Total		36,544	-	-	515,351	551,895
Financial Liabilities						
Trade and other payables	-	-	-	-	101,939	101,939
Total		-	-	-	101,939	101,939
Net Financial Assets/(Liabilities)		36,544	-	-	413,412	449,956

As at the reporting date, the Company had the following variable rate cash and cash equivalents outstanding:

	30 June 2013		30 June 2012	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Financial assets				
Cash at bank	0.05%	68,368	0.40%	36,544
Term deposits	4.29%	350,000	-	-
	3.58%	418,368	0.40%	36,544

Company sensitivity

At 30 June 2013, if interest rates had changed by +/- 0.50% from the year-end rates with all other variables held constant, post-tax profit for the year would have been \$2,092 lower/higher (2012 – change of 0.50%: \$183 lower/higher).

d) Liquidity risk

The Company manages liquidity risk by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank deposits.

e) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective fair values determined in accordance with the accounting policies disclosed in Note 2 of the financial statements.

f) Foreign currency risk

The Company is not materially exposed to foreign currency risk.

Notes to the Financial Statements (continued)

For the Year Ended 30 June 2013

21. SHARE BASED PAYMENT PLAN

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of and movements in share options during the year:

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at the beginning of the year	5,000,000	0.18	5,500,000	0.18
Exercised during the year	-	-	-	-
Expired during the year	(5,000,000)	0.18	(500,000)	0.25
Outstanding at the end of the year	-	-	5,000,000	0.18
Exercisable at the end of the year	-	-	5,000,000	0.18

During the financial year ended 30 June 2013 all outstanding options expired and no new options were issued.

The outstanding balance as at 30 June 2012 is represented by:

- 1,500,000 options over ordinary shares with an exercise price of \$0.30 each expiring 29 January 2013;
- 3,500,000 options over ordinary shares with an exercise price of \$0.125 each expiring 31 December 2012.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2012 was 193 days. The range of exercise prices for options outstanding at 30 June 2012 was \$0.125 – \$0.30.

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.

22. RELATED PARTY DISCLOSURE

Compensation of key management personnel (by category)

	2013 \$	2012 \$
Short-Term	110,400	110,400
Post-Employment	-	-
Equity	-	-
Other	-	-
	<u>110,400</u>	<u>110,400</u>

During the financial year there were no other related party transactions.

23. SUBSEQUENT EVENTS

Subsequent to the end of the financial year, no events or circumstances have arisen which significantly altered or may significantly alter the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to 30 June 2013.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 10 to 34 and the disclosures in the Remuneration Report which are included in the Directors' Report:

1.
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) give a true and fair view of the Company's financial position as at 30 June 2013 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date and
 - (c) Comply with International Financial Reporting Standards as disclosed in Note 2.

2. The Executive Director and Chief Financial Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion:
 - (a) the financial statements and notes are in accordance with the Corporations Act 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.

This declaration is made in accordance with a resolution of the Directors.

Dated this 2nd day of September, 2013.



Robert Gardner
Chairman
Perth, Western Australia

Independent Audit Report to the Members of Nickelore

Stantons International Audit and Consulting Pty Ltd
trading as

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Chartered Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICKELORE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Nickelore Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2 (a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Independent Audit Report to the Members of Nickelore

Stantons International

Auditor's opinion

In our opinion:

- (a) the financial report of Nickelore Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 2 (a).

Inherent Uncertainty Regarding Going Concern and Capitalised Exploration Cost

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

As referred to in note 2(c) to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2013 the entity had cash and cash equivalents of \$428,419 and net working capital of \$239,711. The entity had incurred a loss for the year ended 30 June 2013 of \$204,388.

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.

The recoverability of the Company's carrying value of capitalised exploration and acquisition costs (\$2,601,471) 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 Company's assets may be significantly less than their current carrying values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 5 to 8 of the directors' report for the year ended 30 June 2013. 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.

Auditor's opinion

In our opinion the remuneration report of Nickelore Limited for the year ended 30 June 2013 complies with section 300 A of the *Corporations Act 2001*.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michajlik
Director
West Perth, Western Australia
2 September 2013

Auditors' Independence Declaration

Stantons International Audit and Consulting Pty Ltd
trading as

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2 September 2013

Board of Directors
Nickelore Limited
182 Claisebrook Road
PERTH WA 6005

Dear Directors

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 audit of the financial statements of Nickelore Limited for the year ended 30 June 2013, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

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



Martin Michalik
Director

Corporate Governance Statement

The Board of Directors of Nickelore is responsible for the corporate governance practices of the Company. This statement sets out the main corporate governance practices that were in operation throughout the financial year.

The ASX Listing Rules require listed companies to include in their annual report a statement disclosing the extent to which they have complied with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 2nd Edition" which are as follows:

- Principle 1.** Lay solid foundations for management and oversight
- Principle 2.** Structure the board to add value
- Principle 3.** Promote ethical and responsible decision making
- Principle 4.** Safeguard integrity in financial reporting
- Principle 5.** Make timely and balanced disclosure
- Principle 6.** Respect the rights of shareholders
- Principle 7.** Recognise and manage risk
- Principle 8.** Remunerate fairly and responsibly

(the Principles and Recommendations).

The Recommendations are not prescriptive so that if a company considers that a Recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to follow it. Where a company has not followed all the Recommendations, the annual report must identify which Recommendations have not been followed and give reasons for not following them.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role of the Board

The primary responsibilities of the Board are as follows:

- To set the goals and objectives for the Company, and to ensure that a strategic planning process is in place to progress towards achievement of those goals and objectives;
- To monitor progress against goals and objectives and to ensure that corrective action is taken where necessary;
- Establishing and monitoring policies directed to ensuring that the Company complies with statutory requirements;
- To ensure that where practicable effective risk management measures are in place;
- To ensure that the Board itself operates effectively to enhance the performance of the Company;
- To ensure that the Managing Director and Senior Executive team of the Company are of high calibre, appropriately rewarded and have clear understanding of their responsibilities and delegated authority; and
- To ensure that the Company maintains a high reputation with all stakeholders and communicates effectively with them.

Details of the skills, experience and expertise relevant to the position of Director by each Director in office at the date of this report, and their terms of office are included in the "Information on Directors and Company Secretary" section of the Directors' Report.

STRUCTURE THE BOARD TO ADD VALUE

Board Composition

At the end of the financial year the Board comprised one Chairman and two Non-Executive Directors. The one Chairman was responsible for the corporate and operational requirements of the Company.

The Directors are subject to election by shareholders. All Directors are subject to re-election by rotation within every three years. The Company's Constitution provides that one-third of the Directors retire by rotation at each AGM. Those Directors who are retiring may submit themselves for re-election by shareholders, including any Director appointed to fill a casual vacancy since the date of the previous AGM.

The Board's size and composition during the financial year was considered appropriate for the Company at its present stage of development and given the breadth of its membership; most issues can be decided at Board level without the need for separate committees.

Independence of Directors

It is noted that Mr Gardner is the largest shareholder of Nickelore and has been Chairman of the Company since 1 October 2010. The board does not consider Mr Gardner to be independent, however given the present position of the Company and the need for the Board to find a suitable person to drive the Company forward, Mr Gardner is considered a suitable person for the role of Chairman by the Board.

Non-executive Directors, Mr Paul Piercy and Mr Jay Stephenson are independent. Both are experienced directors. Mr Stephenson holds current directorships of many similar small ASX listed companies. The Board considers that its current composition is adequately structured to exercise independent judgement and deal with current and emerging issues of the business.

Corporate Governance Statement (continued)

Independent Professional Advice

With the prior approval of the Chairperson, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Board Performance Review

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the chairperson will review the performance of all Directors annually. Directors whose performance is unsatisfactory will be asked to retire.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report which is distributed to all shareholders;
- adherence to continuous disclosure requirements; and
- the annual general meeting and other meetings so called to obtain approval for board action as appropriate.

Director Remuneration

Details of the Company's remuneration policies are included in the Remuneration Report section of the Directors' Report.

Nomination Committee

The functions to be performed by a nomination committee under the Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board has adopted a written Board Code of Conduct which applies to the Directors of the Company. The Board has also adopted a written Code of Ethics and Conduct which applies to Directors and employees of the Company and supplements the Board Code of Conduct.

The Company is dedicated to delivering outstanding performance for investors and employees. In achieving this objective, all Directors, officers and employees are expected to act with honesty, integrity and responsibility and maintain a strong sense of corporate social responsibility. In maintaining its corporate social responsibility the Company will conduct its business ethically and according to its values, consider the environment and ensure a safe, equal and supportive workplace.

Trading Policy

The Board has adopted a policy in relation to dealings in the securities of the Company which applies to all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities and Directors and employees are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. The Chairman, or in his absence, the Company Secretary, must be notified of any proposed transaction and must give clearance for the transaction to proceed.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

The Company has an Audit Committee which operates under a charter approved by the Board. The Audit Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control, business risk management, compliance and reporting practices.

The functions and specific responsibilities of the Audit Committee include the following:

- approving changes to accounting policies and reviewing the impact of changes in Accounting Standards when they are foreseen and when they occur;
- determining that satisfactory arrangements are in place for external auditing of financial affairs;
- ensuring systems are in place and operating effectively to identify, assess, monitor and manage risks to which the company is exposed;
- determining that adequate systems of internal control and procedures have been instituted; and
- reviewing any financial matters, transactions and policies or address any other matters referred to the Committee by the Board.

Corporate Governance Statement (continued)

The Audit Committee comprises at least three Directors. The members of the Audit Committee are:

- Mr R Gardner (Chairman)
- Mr P Piercy (Non-Executive Director)
- Mr J Stephenson (Non-Executive Director)

The qualifications and experience of each of the current members of the audit committee are listed in the "Information on Directors and Company Secretary" section of the Directors' Report. The external Auditors, the Company Secretary and the Chief Financial Officer are invited to Audit Committee meetings at the discretion of the Committee.

MAKE TIMELY AND BALANCED DISCLOSURE

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market, in accordance with the continuous disclosure requirements under the ASX Listing Rules. The Company has procedures in place to ensure that any price sensitive information is identified, reviewed by management and disclosed to ASX in a timely manner and that all information provided to ASX is immediately available to shareholders and the market on the Company's website.

RESPECT THE RIGHTS OF SHAREHOLDERS

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. Information is communicated to shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to Australian Securities Exchange Limited, including half-year audit reviewed accounts, year end audited accounts and an annual report;
- the Board ensures the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments; and
- the Board encourages full participation of shareholder at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals.

RECOGNISE AND MANAGE RISK

The Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. The Board will review and discuss strategic risks and opportunities arising from changes in the Company's business environment regularly and on an as need basis. The Board may delegate some of the abovementioned responsibility to committees of the board but maintain the overall responsibility for the process.

The Board receives regular reports about the financial condition and operating results of the Consolidated Entity. The Managing Director and the Chief Financial Officer (or equivalent) annually provides a formal statement to the Board that in all material respects and to the best of their knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

REMUNERATE FAIRLY AND RESPONSIBLY

The Company does not presently operate a remuneration committee and the remuneration of all Directors is determined by the members of the Board of Directors. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

All compensation arrangements for Directors including the Chairman are determined by the Directors after taking into account the current competitive rates prevailing in the market. The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive and Non-Executive Directors, are detailed in the Directors' Report.

Executives will receive base salary, superannuation and in some cases, performance incentives. These packages are reviewed on an ongoing basis and in most cases will be reviewed against predetermined performance criteria.

A maximum amount of remuneration for Non-Executive Directors is fixed by shareholders in general meeting and can be varied in that same manner. In determining the allocation the Board takes account of the time demands made on the Directors together with such factors as fees paid to other Directors and to the responsibilities undertaken by them.

Directors and employees are eligible to participate in the Company's equity incentive schemes.

Corporate Governance Statement (Continued)

DEPARTURES FROM COMPLIANCE WITH RECOMMENDATIONS

Pursuant to the ASX Listing Rules, the Company advises that it does not comply with the following Recommendations. Reasons for the Company's non-compliance are detailed below.

Recommendation 2.2 – The Chairperson should be an independent director.

The Board's size and composition is considered appropriate for the Company at its present stage of development and given the breadth of its membership. The composition of the Board, including Chairperson, will be reviewed in line with future Company developments.

Recommendation 2.4 - The Board should establish a Nomination Committee

The functions to be performed by a nomination committee under the Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendation 2.6 - Provide Information indicated in Guide to Reporting on Principle 2

One of the matters to be included in the corporate governance section of this Report pursuant to the Guide to reporting on Principle 2 is "the names of the members of the nominations committee and their attendance at meetings of the committee". As stated in the previous paragraph, the Board does not consider it appropriate for the Company to establish a nomination committee and therefore this information has not been included in the annual report. In all other respects, the Company has complied with the disclosure requirements contained in the Guide to reporting on Principle 2.

Recommendation 3.3 – Disclose in each annual report the measureable objectives for achieving gender diversity

One of the matters to be included in the corporate governance section of this Report pursuant to the Guide to reporting on Principle 3 is "Company should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them". The Board is committed to a policy of diversity and acknowledges the corporate benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Board promotes an environment conducive to the appointment of well qualified employees, senior management and board candidates so that there is appropriate diversity to maximise the achievement of corporate goals. Whilst the Board has high regard for the principles of diversity, it has been unable to demonstrate any measureable change within its corporate structure to date as there has been no turnover on the Board of the Company and its employees during the financial year. Nickelore recognises the benefits arising from diversity and the Company is committed to applying the principles when the opportunity arises in the future.

Recommendation 4.2: - The Audit Committee should be structured so that it consist only of Non-Executive Directors and is chaired by an Independent Chair, who is not Chairman of the Board

The Audit Committee now comprises all the Directors of the company, the majority of whom are independent. The Chairman of Nickelore was also the Chairman of the Audit Committee in the 2012 Financial Year. Having regard to the current size and composition of the Company's Board, the Board considered it necessary for all the Company's Directors to be included in the Audit Committee. The composition of the Audit Committee will be reviewed in the event of future changes to the composition of the Board.

Recommendation 8.1 - The Board Should Establish a Remuneration Committee

The functions to be performed by a remuneration committee under the Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendation 8.3 - Provide the Information Indicated in Guide to Reporting on Principle 8

One of the matters to be included in the corporate governance section of the annual report pursuant to the Guide to reporting on Principle 8 is "the names of members of the remuneration committee and their attendance at meetings of the committee." As stated in the previous paragraph, the Board does not consider it appropriate for the Company to establish a remuneration committee and therefore this information has not been included in the annual report. In all other respects, the Company has complied with the disclosure requirements contained in the Guide to reporting on Principle 8.

Schedule of Mineral Tenements

Nickelore Schedule of Mineral Tenements As at 30 June 2013	
Tenement	Ownership Interest
M 24/468	NIO 100%
M 24/802	NIO 100%
P 24/4573	NIO 100%
P 24/4574	NIO 100%
P 24/4575	NIO 100%
P 24/4576	NIO 100%
P 24/4577	NIO 100%
P 24/4580	NIO 100%
P 24/4581	NIO 100%

Additional Shareholder Information

Additional Information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report.

Ordinary Share Capital

170,695,886 issued ordinary shares held by 1507 shareholders carry one vote per share.

Substantial Holdings

The number of shares / options held by a substantial shareholder as at 15 August 2013 was:

Shareholder	Ordinary shares
Wingstar Investments Pty Ltd	37,850,000
World Trend Limited	32,000,000

Distribution of shareholders (as at 30 June 2013)

(a) Analysis of numbers of shareholders by size of holding

Range of Units	Total number of Shareholders	Total number of Ordinary shares
1 - 1,000	137	56,161
1,001 – 5,000	391	1,251,530
5,001 – 10,000	294	2,475,345
10,001 – 100,000	573	19,656,911
100,001 - (MAX)	112	147,255,939
	1,507	170,695,886

(b) There were 1,410 holders holding less than a marketable parcel of ordinary shares.

Twenty largest shareholders as at 30 June 2013

		Number of ordinary shares	%
1	Wingstar Investments Pty Ltd	37,850,000	22.17
2	World Trend Limited	32,000,000	18.75
3	LL Arthur Limited	22,200,000	13.01
4	Mr Ianaki Semerdziew	6,989,000	4.09
5	Tre Pty Ltd <Time Road Superannuation>	3,730,000	2.19
6	Mrs Liliana Teofilova	3,298,576	1.93
7	HSBC Custody Nominees (Australia) Limited	3,085,000	1.81
8	Mr Paul Piercy & Mrs Pauline Barbara Piercy <P & PB Piercy Super A/c>	2,750,000	1.61
9	Mr Gary John George Grogan	1,700,000	1.00
10	Mr Zheng Cang Yi	1,431,416	0.84
11	Mrs Melissa Narbey	1,377,415	0.81
12	WSG Capital Pty Ltd	1,250,000	0.73
13	Campbell Kitchener Hume & Associates Pty Ltd <C K H Superfund A/C>	1,176,220	0.69
14	Mr Thomas Edward Arthur	1,000,000	0.59
15	Buschehofen Pty Ltd (Buschehofen P/F A/C)	1,000,000	0.59
16	Casablanca Investments Pty Ltd	1,000,000	0.59
17	Mr Philip Gordon O'Prey & Mrs Karen O'Prey (Richian S/F A/C)	1,000,000	0.59
18	Mr Tony Bollella & Mrs Antonietta Pia Bollella	900,000	0.53
19	Mr Gary Michael Egan	737,860	0.43
20	Mr Jean-Jacques Loofs + Mrs Hermione Loofs <Loofs Super Fund A/c>	721,800	0.42
		125,197,287	73.35

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