

# Appendix 4D

## Half year Report to the Australian Stock Exchange

### Part 1

<b>Name of Entity</b>	US Nickel Limited (formally known as Lumacom Limited)
<b>ABN</b>	44 091 009 559
<b>Half Year Ended</b>	31 December 2009
<b>Previous Corresponding Reporting Period</b>	Half year ended 31 December 2008

### Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase/ (decrease) over previous corresponding period
Revenue from ordinary activities	0	(100)%
Loss from ordinary activities after tax attributable to members	698	512%
Net loss attributable to members	698	512%

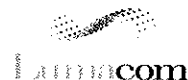
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer Part 4 for commentary on the results for the half year.

# US NICKEL LIMITED

(Formally Known As  
Lumacom Limited)

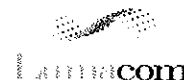


## Part 3 – Contents of ASX Appendix 4D

<u>Section</u>	<u>Contents</u>
<u>Part 1</u>	Details of entity, reporting period
<u>Part 2</u>	Results for announcement to the market
<u>Part 3</u>	Contents of ASX Appendix 4D
<u>Part 4</u>	Commentary on results
<u>Part 5</u>	Details relating to dividends
<u>Part 6</u>	Net tangible assets per security
<u>Part 7</u>	Details of entities over which control has been gained or lost
<u>Part 8</u>	Details of associates and joint venture entities
<u>Part 9</u>	Information on audit or review

# US NICKEL LIMITED

## (Formally Known As Lumacom Limited)



### Part 4 – Commentary on Results

#### *Company Strategy*

The Company is currently looking at corporate acquisitions in the resource sector which can add value to shareholders.

#### *Discussion on Financial Results*

##### *Revenues*

During the 6 months to 31 December 2009 the Company's did not generated any revenue from the continued operation.

##### *Results*

The loss for the period of \$698,293 which increased 512% on the corresponding period last year (2008: \$152,789).

##### *Head Office Overheads*

The head office overheads have increased as the directors have been working more actively in acquiring projects in the resources sector.

# US NICKEL LIMITED

## (Formally Known As Lumacom Limited)



### **Part 5 – Details Relating to Dividends**

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

### **Part 6 – Net Tangible Assets per Security**

	<b>2009</b>	<b>2008</b>
Net tangible asset backing per ordinary security	0.1 cents	0.4 cents

# US NICKEL LIMITED

(Formally Known As  
Lumacom Limited)



## Part 7 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	-
Date control gained or lost	-
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	-
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	-
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	-

## Part 8 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2009 %	2008 %	2009 \$A'000	2008 \$A'000
	N/A	N/A	N/A	N/A
Name of entity				
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

## Part 9 – Audit/Review Status

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

Not applicable

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

Not applicable



US NICKEL  
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LIMITED

A.B.N. 44 091 009 559

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HALF-YEAR FINANCIAL REPORT  
31 DECEMBER 2009

## DIRECTORS' REPORT

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*The Directors present their Report together with the consolidated financial report for the half-year ended 31 December 2009 and the auditor's review report thereon.*

### 1. Directors

The Directors of the Company at any time during or since the end of the half-year are:

<i>Name</i>	<i>Period of directorship</i>
Mr Michael Anthony <i>Non-executive Chairman</i>	Appointed 22 July 2008
Mr Alexander Robert Hewlett <i>Managing Director</i>	Appointed 18 December 2008
Mr John Anthony Dollisson <i>Non-executive Director</i>	Appointed 29 May 2006
Mr Christopher Daws <i>Executive Director</i>	Appointed 18 November 2008

### 2. Results

The loss after income tax of the consolidated entity for the half-year was \$698,298 (2008: loss of \$152,789).

### 3. Review of Operations

A complete discussion on the operations of the Company for the six months ended to 31 December 2009 is included in Part 4 of the Appendix 4D preceding this Half Yearly Financial Report.

### 4. Auditor's independence declaration under Section 307C of the Corporations Act 2001

The auditor's declaration is set out on page 3 and forms part of the directors' report for the half-year ended 31 December 2009.

Dated at Perth, Western Australia this day 25<sup>th</sup> of February 2010.

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read "Alex Hewlett".

Alex Hewlett  
*Managing Director*

## Auditor's Independence Declaration to the Directors of US Nickel Limited

In relation to our review of the financial report of US Nickel Limited (formerly Lumacom Limited) for the half year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'P McIver'.

P McIver  
Partner  
Perth  
25 February 2010



## DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Lumacom Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity;
  - (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.
- (b) Subject to matter set out in note 2(iii) "going concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Alex Hewlett  
*Managing Director*

Dated at Perth this 25<sup>th</sup> day of February 2010.

# US NICKEL LIMITED



## STATEMENT OF COMPREHENSIVE INCOME For the half-year ended 31 December 2009

Consolidated			
	Note	31 December 2009 \$	31 December 2008 \$
<b>Continuing Operations</b>			
Other income		19,764	76,663
Expenses from operating activities			
Administrative expenses		(507,207)	(215,923)
Depreciation		(1,505)	-
Technical		(139,214)	-
Write down in carrying value of assets		(83,362)	-
Finance costs		-	(1,873)
Net foreign exchange gain / (loss)		(14,165)	51,811
Loss from continuing operation before income tax		(725,689)	(89,322)
Income tax		-	-
Net loss from continuing operation after income tax		(725,689)	(89,322)
<b>Discontinued Operations</b>			
Profit / (Loss) from discontinued operations after income tax	4	27,396	(63,467)
Net profit for the period		(698,293)	(152,789)
<b>Other comprehensive income</b>			
Foreign currency translation		35,436	52,994
Foreign currency translation reserve reclassified to profit and loss on disposal of foreign operation		(50,707)	-
Other comprehensive income for the period, net of tax		(15,271)	52,994
Total Comprehensive Loss For The Period		(713,564)	(99,795)
<b>Loss per share for loss from continuing operation attributable to the ordinary equity holders of the company:</b>			
Basic loss per share	8	(0.13 cents)	(0.19 cents)
Diluted loss per share	8	(0.07 cents)	(0.16 cents)
<b>Loss per share for loss attributable to the ordinary equity holders of the company:</b>			
Basic loss per share	8	(0.13 cents)	(0.33 cents)
Diluted loss per share	8	(0.07 cents)	(0.28 cents)

# US NICKEL LIMITED



## STATEMENT OF FINANCIAL POSITION As at 31 December 2009

	Note	31 December 09 \$	30 June 09 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		472,634	1,170,057
Receivables		32,582	122,405
Other		10,948	1,891
Investments held for trading		72,250	93,000
Total Current Assets		<u>588,414</u>	<u>1,387,353</u>
<b>NON CURRENT ASSETS</b>			
Other assets	3	200,000	-
Property, plant and equipment		8,529	10,034
Total Non Current Assets		<u>208,529</u>	<u>10,034</u>
<b>TOTAL ASSETS</b>		<u>796,943</u>	<u>1,397,387</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		77,439	181,917
Interest bearing liabilities		-	5,010
Provisions		19,691	8,435
Total Current Liabilities		<u>97,130</u>	<u>195,362</u>
<b>TOTAL LIABILITIES</b>		<u>97,130</u>	<u>195,362</u>
<b>NET ASSETS</b>		<u>699,813</u>	<u>1,202,025</u>
<b>EQUITY</b>			
Issued capital	5	18,878,486	18,716,134
Reserves		49,000	15,271
Accumulated losses		(18,227,673)	(17,529,380)
<b>TOTAL EQUITY</b>		<u>699,813</u>	<u>1,202,025</u>

# US NICKEL LIMITED

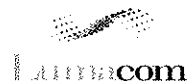


## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the half-year ended 31 December 2009

Consolidated	Issued Capital \$	Foreign Currency Reserves \$	Option Premium Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2009	18,716,134	15,271	-	(17,529,380)	1,202,025
Loss for the period	-	-	-	(698,293)	(698,293)
Foreign currency translation	-	35,436	-	-	35,436
Foreign currency reserve relating to foreign operation disposed off	-	(50,707)	-	-	(50,707)
Total comprehensive (loss)/ income for the half-year	-	(15,271)	-	(698,293)	(713,564)
Transaction with owners in their capacity as owners					
Issue Shares	170,000	-	-	-	170,000
Capital costs	(7,648)	-	-	-	(7,648)
Issue of options	-	-	49,000	-	49,000
Balance as at 31 December 2009	18,878,486	-	49,000	(18,227,673)	699,813

Consolidated	Issued Capital \$	Foreign Currency Reserves \$	Option Premium Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2008	18,121,450	(14,126)	-	(16,689,323)	1,418,001
Loss for the period	-	-	-	(152,789)	(152,789)
Foreign currency translation	-	52,994	-	-	52,994
Total comprehensive income for the half year	18,121,450	52,994	-	(152,789)	(99,795)
Transaction with owners in their capacity as owners					
Issue Shares	511,901	-	-	-	511,901
Balance as at 31 December 2008	18,633,351	38,868	-	(16,842,112)	1,830,107

# US NICKEL LIMITED



## STATEMENT OF CASH FLOWS For the half-year ended 31 December 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		94,045	176,113
Payments to suppliers and employees		(943,492)	(580,450)
Interest received		14,004	40,672
Interest and other finance costs paid		-	(1,873)
<i>Net cash flows used in operating activities</i>		<u>(835,443)</u>	<u>(365,538)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	1,328
Purchase of Investment held for trading investments		(102,477)	(338,476)
Proceed from held for trading investments		43,260	-
<i>Net cash used in investing activities</i>		<u>(59,217)</u>	<u>(337,148)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares – net of cost		162,352	391,900
Proceeds from borrowings		-	26,594
Repayment of borrowings		-	(14,159)
Proceed from issue of options		49,000	-
<i>Net cash provided by financing activities</i>		<u>211,352</u>	<u>404,335</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENT</b>		<b>(683,308)</b>	<b>(298,351)</b>
Cash and cash equivalents at the beginning of period		1,170,570	1,541,273
Net foreign exchange difference		(14,628)	66,179
<b>Cash and cash equivalents at the end of period</b>		<u><b>472,634</b></u>	<u><b>1,309,101</b></u>

## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 1. CORPORATE INFORMATION

The financial report of Lumacom Limited ("Lumacom" or the "Company") and its controlled entities for the half-year ended 31 December 2009 was authorized for issue in accordance with a resolution of the directors on 25 February 2010. Lumacom is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange (ASX).

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICY

#### (i) Basis of Preparation of Half-Year Financial Report

The half-year financial report is a general purpose financial report prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year financial report does not include full note disclosures of the type normally included in an annual financial report. Accordingly, it should be read in conjunction with the 30 June 2009 Annual Financial Report and any public announcements made by the Company during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

#### (ii) Adoption of new and revised accounting standards

From 1 July 2009 the Company has adopted all Australian Accountant Standards and Interpretations for annual period on or after 1 July 2009 including:-

##### AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the geographic segments previously identified under AASB 114. AASB 8 disclosures are shown in note 5, including the related revised comparative information.

##### AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with non owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognized income and expenses, either in one single statement, or in two linked statements. The Group has elected to present two statements.

##### AASB 123 Borrowing Costs

The revised AASB 124 requires capitalised of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group's previous policy was to capitalise borrowing costs.

##### AASB 3 Business Combination (revised 2008)

AASB 3 (Revised 2008) introduces a number of changes to the accounting for business combination, the most significant of which includes the application of the acquisition method of accounting, the requirement to have to expense transaction costs and a choice (for each combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net asset. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The change apply prospectively.

The Group has not elected to early adopt any new accounting standards and interpretations.

## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### (iii) Going Concern

During the half-year ended 31 December 2009, the consolidated entity incurred a net loss of \$698,293 (2008: \$152,789), a net cash outflow from operations \$835,443 (2008: \$365,538) and discontinued its principal activity of signage and other infrastructure. On 24 February 2010, shareholders approved a significant change in activities from a technologies company to a resources company.

The condensed half-year financial report has been prepared on the basis that the consolidated entity will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Currently the directors are undertaking various funding initiatives including:

- a capital raising;
- seeking a joint venture partner to fund the development of its exploration projects; and
- other debt or equity funding alternatives.

The consolidated entity is expecting to lodge a prospectus for a capital raising on the Australian Stock Exchange ("ASX") on or about 26 February 2010. The expected capital raising is for a minimum of \$2,500,000 and a maximum of \$4,000,000 to be used to acquire and explore exploration projects. The ability of the consolidated entity to continue as a going concern is reliant on the successful capital raising to raise a minimum of \$2,500,000. The consolidated entity would need to raise funds via other means if the capital raising is unsuccessful.

The directors believe that at the date of signing the financial report there are reasonable grounds to believe that having regard to matters set out above, the consolidated entity will be able to raise sufficient funds to meet its obligations as and when they fall due.

Should the consolidated entity not achieve the matter set out above there is significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at amount stated in the financial report.

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

	Consolidated	
	31 December 09	30 June 09
	\$	\$
3. OTHER ASSET		
Acquisition deposit	200,000	-

## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 3. OTHER ASSET - Continued

The Company has paid non-refundable deposits for the acquisition of WML Exploration BC Ltd and Western Metals (MN) LLC. The details of the purchase consideration are as follows:

- The acquisition of WML Exploration BC Ltd (relating to the Snowbird Project) as follows:
  - i. \$140,000 non-refundable deposit which has already being paid;
  - ii. \$210,000 payable on 25<sup>th</sup> November 2010;
  - iii. 7,000,000 unlisted options (pre consolidation) or 700,000 unlisted options (post consolidation); and
  - iv. \$2,000,000 upon commercial production provided that Group has delineated Ore Reserves of greater than 250,000 ounces of gold or gold equivalent.
- The acquisition of Western Metals (MN) LLC (relating to the Mid Continent Project) as follows:
  - i. \$60,000 non-refundable deposit which has already being paid;
  - ii. \$90,000 payable on 25<sup>th</sup> November 2010;
  - iii. 3,000,000 unlisted options (pre consolidation) or 300,000 unlisted options (post consolidation); and
  - iv. \$2,000,000 upon commercial production provided that Group has delineated Ore Reserves of greater than 250,000 ounces of gold or gold equivalent.

### 4. DISCONTINUED OPERATION

During the period company decided to discontinue its principal activity of signage and other infrastructure for the outdoor advertising industry; signage for corporate and retail customers; commercialisation of the business and intellectual property rights relating to the Lumagraph Display technology. Vertigo Group Limited the wholly owned subsidiary based in Hong Kong was deregistered on 10 November 2009. Vertigo Group Limited had no assets or liabilities on the date of deregistration. The results of the discontinued operations for the period is presented below:

	31 December 09	31 December 08
	\$	\$
Revenue	-	158,907
Expenses	-	(162,563)
Gross profit loss	-	(3,656)
Other income	-	7,139
Operating expense	(23,311)	(66,950)
Gain on disposal of foreign operation	50,707	-
Profit / (loss) before tax from discontinued operation	27,396	(63,467)
Income tax	-	-
Profit / (loss) for the year from discontinued operation	27,396	(63,467)

### 5. ISSUED CAPITAL

	31 December 09	30 June 09
	\$	\$
Issued Capital		
585,383,417 fully paid ordinary shares (30 June 2009: 500,383,417)	18,878,486	18,716,134



# US NICKEL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 5. ISSUED CAPITAL (Continued)

The following movements in share capital occurred during the period:

	Number of Ordinary Fully Paid Shares	Issued Capital \$
Balance 1 July 2009	500,383,417	18,716,134
• Issue of 75,000,000 shares at 0.2 cents each in July 2009	75,000,000	150,000
• Issue of 10,000,000 shares at 0.2 cents each in September 2009	10,000,000	20,000
• Share Issue Costs	-	(7,648)
Balance 31 December 2009	585,383,417	18,878,486

The following movements in share capital occurred in the previous corresponding period:

	Number of Ordinary Fully Paid Shares	Issued Capital \$
Balance 1 July 2008	378,503,853	18,121,451
• Issue of 45,000,000 shares at 0.6 cents each in August 2008	45,000,000	270,000
• Issue of 12,000,000 shares at 1.0 cents each in September 2008	12,000,000	120,000
• Issue of 32,500,000 shares at 0.4 cents each in December 2008	32,500,000	130,000
• Share Issue Cost	-	(8,100)
Balance 31 December 2008	468,003,853	18,633,351

### Options

The following unlisted options to subscribe for ordinary fully paid shares are outstanding at 31 December 2009:

- 45,000,000 options exercisable at \$0.02 each on or before 31 December 2010
- 27,250,000 options exercisable at \$0.01 each on or before 31 December 2010
- 480,000,000 options exercisable at \$0.002 each on or before 31 December 2014

The following options lapsed during the half-year:

- 7,000,000 options exercisable at \$0.06 each on or before 30 November 2009

## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 6. OPERATING SEGMENTS

The Company has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of the internal report that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Company has identified its operating segments to be Australia and North America on the basis of geographical location and different regulatory requirements.

Discrete financial information about each of these operating segments is reported to the chief operating decision makers on at least a monthly basis.

The accounting policy use by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior period.

The following table present revenue and profit/loss information regarding geographical segments for the six months ended 31 December 2009 and 31 December 2008.

#### *Geographical Segments*

	Revenue		Profit/(Loss)	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	\$	\$	\$	\$
Australia	-	-	(677,682)	(87,829)
North America	-	-	(48,007)	(1,493)
Consolidated	-	-	(725,689)	(89,322)

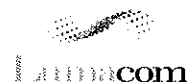
### 7. BUSINESS COMBINATION (SUBSEQUENT TO BALANCE DATE)

On 25 February 2010, Lumacom Limited acquired 100% of the voting shares of Western Metals (MN) LLC, a limited liability company registered under the law of State of Minnesota, Colorado, USA from Indago Resources Limited and 100% voting shares of WML Exploration BC Ltd, a company registered in British Columbia, Canada from WML Snowbird Pty Ltd. As a result the company is now actively focused on projects in resource sector.

The purchase consideration comprised off the following:

- Western Metals (MN) LLC (relating to the Mid Continent Project):
  - i. \$60,000 non-refundable deposit which has already being paid;
  - ii. \$90,000 payable on 25<sup>th</sup> November 2010;
  - iii. 3,000,000 unlisted options (pre consolidation) or 300,000 unlisted options (post consolidation); and
  - iv. \$2,000,000 upon commercial production provided that Group has delineated Ore Reserves of greater than 250,000 ounces of gold or gold equivalent.

# US NICKEL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 7. BUSINESS COMBINATION (SUBSEQUENT TO BALANCE DATE) –Continued

- WML Exploration BC Ltd (relating to the Snowbird Project):
  - i. \$140,000 non-refundable deposit which has already being paid;
  - ii. \$210,000 payable on 25<sup>th</sup> November 2010;
  - iii. 7,000,000 unlisted options (pre consolidation) or 700,000 unlisted options (post consolidation); and
  - iv. \$2,000,000 upon commercial production provided that Group has delineated Ore Reserves of greater than 250,000 ounces of gold or gold equivalent.

The fair values are provisional and a review of the fair value of assets acquired will be completed within the twelve months of the acquisition date. The provisional fair value of the assets acquired has not being tax affected due to non-availability of information at the time of reporting date.

	Provisional Fair value \$	Carrying value \$
<b>Western Metals (MN) LLC</b>		
Exploration and evaluation asset	261,942	261,942
Discount arising on acquisition	(45,953)	
Provisional fair value of identifiable net assets	<u>215,989</u>	
<b>Fair value of the consideration:</b>	<b>\$</b>	
Cash	60,000	
Deferred consideration	90,000	
Fair value of the option	36,753	
Fair value of the contingent payment	29,236	
	<u>215,989</u>	
<b>Direct costs relating to the acquisition</b>	<u>21,528</u>	
<b>The cash outflow on acquisition is as follows:</b>		
Net cash acquired with the subsidiary		
Cash paid	-	
Net consolidated cash outflow	<u>200,000</u>	
	<u>200,000</u>	

	Provisional Fair value \$	Carrying value \$
<b>WML Exploration BC Ltd</b>		
Exploration and evaluation asset	359,234	359,234
Goodwill arising on acquisition	105,759	
Provisional fair value of identifiable net assets	<u>464,993</u>	
<b>Fair value of the consideration:</b>	<b>\$</b>	
Cash	140,000	
Deferred consideration	210,000	
Fair value of the option	85,757	
Fair value of the contingent payment	29,236	
	<u>464,993</u>	
<b>Direct costs relating to the acquisition</b>	<u>21,528</u>	

# US NICKEL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 7. BUSINESS COMBINATION (SUBSEQUENT TO BALANCE DATE) –Continued

	Provisional Fair value \$	Carrying value \$
The cash outflow on acquisition is as follows:		
Net cash acquired with the subsidiary		
Cash paid	-	
Net consolidated cash outflow	350,000	
	<u>350,000</u>	

### 8. EARNINGS PER SHARE

Earnings per for the current and prior period have been adjusted to reflect the consolidation of capital approved in the AGM dated 24 February 2010.

### 9. CONTINGENT LIABILITIES

The management is not aware of any matter that is pending in the courts of law in Australia and abroad. The management has no knowledge of any suits submitted for or against the company.

### 10. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 February 2010 shareholders have resolved the following:

#### (i) Approval of Options

As part of the acquisition of the projects of Snowbird & Mid Continent (refer note 6), 10,000,000 pre-consolidation or 1,000,000 post consolidation options will be issued in consideration for the acquisition of Western Metals (MN) LLC and WML Exploration BC Ltd.

#### (ii) Consolidation of Capital

Consolidating the capital based on the following basis:

- (a) every ten (10) shares on issue be consolidated into one (1) share; and
- (b) every ten (10) options on issue be consolidated into one (1) options.

#### (iii) Change in Nature and Scale of Activities

Significant changes in the nature and scale of US Nickel Limited's activities from a Technologies company to a resources sector company.

#### (iv) Prospectus Issue

Issue a prospectus for capital rising of minimum \$2,500,000 subscription for 12,500,000 ordinary shares and maximum \$4,000,000 for the total of 20,000,000 ordinary shares to be issued under the offer.

#### (v) Change of Name

Change the company's name to US Nickel Ltd.

## NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 31 December 2009

### 10. EVENTS SUBSEQUENT TO REPORTING DATE - Continued

#### Joint Venture

The Group is in advance staged discussions with MMC (USA) Limited in engaging them to act as their joint venture partner. MMC (USA) Limited is a wholly owned subsidiary of China MinMetals Corporation. MMC (USA) Limited will manage and finance the exploration and drilling programs at Mid-Continent Project in North America. MMC (USA) will make a one-time payment to the Group in the amount of USD\$ 100,000 to undertake the due diligence. After due diligence if MMC (USA) Limited proceed it will have the right to earn a 70% interest in the Mid-Continent Project once it has spent at least \$4.0 million in exploration and related costs and completed drilling programs in the Mid-Continent Project and met other requirement under the proposed joint venture agreement.

To the members of US Nickel Limited (formerly known as Lumacom Limited)

## Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of US Nickel Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

## Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of US Nickel Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

## Conclusion

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

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Inherent Uncertainty Regarding Continuation as a Going Concern

- iii) Without qualifying our opinion, we draw attention to Note 2(iii) in the financial report. As a result of these matters there is significant uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'P McIver'.

P McIver  
Partner  
Perth  
25 February 2010