



Nickelore Limited

ABN 13 086 972 429

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2018

The information contained in this report is to be read in conjunction with Nickelore Limited's 2018 annual report and announcements to the market made by Nickelore Limited during the half-year ended 31 December 2018



NICKELORE LIMITED

ABN 13 086 972 429

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

Corporate Directory

Directors

Robert Gardner	<i>Executive Chairman</i>
David Deloub	<i>Non-executive Director</i>
Jay Stephenson	<i>Non-executive Director</i>

Company Secretary

Jay Stephenson

Registered Office

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Perth WA 6000

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WEST PERTH WA 6872

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Email: info@nickelore.com.au

Website: www.nickelore.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505 (investors within Australia)

Telephone: +61 (0)3 9415 4000

Email: web.queries@computershare.com.au

Website: www.investorcentre.com

Securities Exchange

Australian Securities Exchange
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Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

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Auditor

Stantons International
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**INTERIM FINANCIAL REPORT
31 DECEMBER 2018**

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Directors' Report

Your Directors present their report together with the condensed financial statements of Nickelore Limited (**Nickelore or the Company**) for the half-year ended 31 December 2018.

DIRECTORS

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

- ☺ Mr Robert Gardner *Executive Chairman*
 - ☺ Mr David Deloub *Non-executive Director*
 - ☺ Mr Jay Stephenson *Non-executive Director*
- (the Board)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

1.1. Operations review

a. Lone Star Energy Limited.

On 1 December 2017, the Company announced that it had entered into a binding agreement (**Agreement**), pursuant to which the Company has agreed to acquire a 100% of the issued capital in Lone Star Energy Limited (ACN 157 789 761) (**Lone Star**), an oil and gas exploration and development company which has an interest in two oil projects located in Texas and Oklahoma, USA. Details of the transaction can be found in the 1 December 2017 announcement.

The Company is progressing the transaction and lodged a Prospectus, on 20 November 2018, for the offer of 210,000,000 Shares at an issue price of \$0.02 per Share to raise \$4.2 million. Oversubscription of up to an additional 190,000,000 Shares at an issue price of \$0.02 per Share to raise up to an additional \$3.8 million may be accepted. On 7 December 2018 and 20 February 2019 the Company lodged a Supplementary Prospectus.

Details of the two oil projects are detailed below:

- ☺ **Greever Project:** located in Hansford County, Texas in the United States approximately 96 miles north of Amarillo. The Greever Prospect is a conventional horizontal drilling opportunity in the Marmaton Formation in the Hansford Oil and Gas Field in Hansford County, Texas. The Hansford Field is described as a significant field (>1,000 Billion cubic feet (Bcf) of gas) with over 50 years of exploitation. An initial horizontal well bore was spudded in August 2017. The well is offsetting a recent successfully drilled (producing) horizontal well and is adjacent to an analogous field with five recently drilled horizontal Marmaton producing wells. The Greever Prospect opportunity is made up of 640 acres in Section 52, Block 4T in Hansford County, Texas. The Greever Prospect also includes an Area of Mutual Interest (AMI) including the adjoining Section 51, Block 4T. LS Operating Pty Ltd (LS Operating), a wholly owned subsidiary of Lone Star, has participated for a 25% working interest (with an 18.75% net revenue interest). The Sutton #2H-52 well (located within the Greever Prospect) has now been drilled, successfully completed and is currently flowing back to sales

Burgess Project (Sand Creek): located in Ellis County, Oklahoma in the United States. The Burgess Prospect, NE/4 28-24N-23W Ellis County, Oklahoma, has now been drilled with gas production coming from the Chester zone. The well also includes potential future oil production further up the well in the Oswego zone. LS Operating has a 96.8% working interest (with a 73% net revenue interest) in the Burgess well.

Proposed Assets

In addition to the two projects owned by Lone Star, Lone Star's subsidiary, LS Operating LLC (LSO) has an agreement with BRK Oklahoma Holdings, LLC (BRK) under which LSO has a first right to participate in conventional well bore drilling and acreage acquisition opportunities presented to BRK under the Drilling Program Agreement (Step-in Agreement). No consideration is payable by LSO to BRK under the Step-in Agreement. By entering the Step-in Agreement, BRK will be able to layoff its obligations under the Drilling Program Agreement where LSO exercises its right to participate in an opportunity presented by BRK.

BRK has an agreement with Black Mesa Production, LLC (BMP) under which BRK has agreed to commit USD\$10,000,000 to participate in drilling programs introduced to it by BMP up to 31 December 2018 (Drilling Program Agreement). BMP has agreed that LSP exercising its rights under the Step-in Agreement will satisfy BRK's commitment under the Drilling Program Agreement to the extent of the commitment by LS Operating.

BMP has introduced the prospects described below to BRK under the Drilling Program Agreement (Proposed Assets). LSP has conditionally exercised its right to participate in these opportunities under the terms of the Step-in Agreement, subject to completion of the Proposed Acquisition.



Directors' Report

Bullard Prospect

The Bullard Prospect is a conventional horizontal drilling oil and gas well opportunity located in the Woodford Formation in the Anadarko Basin in Garvin County, Oklahoma.

The Bullard well commenced production during the period and has produced approximately 110,000 barrels of oil equivalent (65% oil and 35% gas) in less than 3 months of production.

LSO has the opportunity to earn 20.57% working interest and a 15.35% net revenue interest in the project.

To date LSO's share of the net revenue from this well is estimated to be approximately US\$850,000 representing approximately 45% working interest share of the drilling and completion costs of the well.

The operator of the Bullard Prospect is an experienced Oklahoma based operator (Rimrock Resource Operating LLC) with decades of experience and a successful track record in this area.

Stack Prospects

The STACK group of prospects is comprised of several different drill locations within the prolific STACK play. The target reservoirs include Mississippian aged Meramec and Osage Limestones and Devonian aged Woodford Shale. The reservoirs are exploited using horizontal multistage fracturing. Horizontal laterals range from approximately 4,800' to 10,000'. The six different STACK units are all located in Blaine County, Oklahoma in the core of the over pressured STACK play. The excellent rock quality and over pressured nature of the reservoirs underlying the Stack Prospect units allow for initial producing rates in excess of 2,000 boe/d. All identified units are in either the volatile oil window or high gas condensate window, are in proven parts of the play and have at least one producing STACK well within a mile of each identified unit. Lone Star has the opportunity to earn 5.52% to 0.25% working interest in six different drilling units. The operators of the identified units include large U.S. independents such as Continental Resources, Devon Energy and Cimarex Energy. Drilling is expected to commence in March 2019.

b. Existing Business Activities

While Nickelore intends to continue to fund its obligations in respect to the Canegrass Project, if Nickelore shareholders approve the Acquisition, post-completion the new board of Nickelore will undertake a review of the Canegrass assets to investigate opportunities to divest its existing assets and projects by way of a sale, joint venture, or farm-out agreement.

1.2. Operating results

The loss of the Company for the half-year amounted to \$399,749 (31 December 2017: \$127,979), which is expected at the Company's current operating levels. Cash outflows has been minimised through Directors' election to accrue fees. No Directors' fees have been settled in cash since November 2011; refer to note 15b of the financial statements for details on fees paid or accrued.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Company's assessment in this regard can be found in Note 1 Statement of significant accounting policies: Going Concern on page 9. The auditor's review report on page 17 contains an emphasis of matter in this regard.

1.3. Financial position

Nickelore's net liabilities have increased by \$399,749 from \$(264,831) at 30 June 2018 to \$(664,580) at 31 December 2018.

As 31 December 2018, the Company's cash and cash equivalents decreased from 30 June 2018 by \$166,280 to \$2,692 and had a working capital deficit of \$664,580 (June 2018: \$(264,831) working capital deficit).

1.4. Share consolidation

On 8 October 2018, the Company announced the completion of the share consolidation which consolidated the securities on a 6:1 basis. The number of shares on issue after the consolidation was 51,288,419.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no other significant events subsequent to reporting date that are not covered in this Director's Report or within the financial Statements at Note 13 Events subsequent to reporting date on page 14.



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Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2018 has been received and can be found on page 4 of the interim financial report.



ROBERT GARDNER

Chairman

Dated this Thursday, 14 March 2019



Stantons International Audit and Consulting Pty Ltd
trading as

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14 March 2019

Board of Directors
Nickelore Limited
Suite 4, 182 Claisebrook Road,
Perth, WA 6000

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 review of the financial statements of Nickelore Limited for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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



Samir R Tirodkar
Director



NICKELORE LIMITED

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Condensed Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Continuing operations			
Revenue		5	1,185,
Other gains and losses		2,690	897
Accounting and audit fees		(31,757)	(16,612)
Legal and professional fees	3	(144,436)	(34,699)
Computers and communications		(4,982)	(4,490)
Employee benefits expenses	15a	(40,200)	(40,200)
Exploration and evaluation expenditure	4	(6,842)	(7,263)
Insurance		(6,919)	(2,348)
Interest Expense		(7,339)	-
Regulatory expenses	3	(114,784)	(22,098)
Other expenses		(45,185)	(2,351)
Loss before tax		(399,749)	(127,979)
Income tax benefit		-	-
Loss from continuing operations		(399,749)	(127,979)
Net loss for the half-year		(399,749)	(127,979)
Other comprehensive income, net of income tax			
- Items that will not be reclassified subsequently to profit or loss		-	-
- Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income/ (loss) attributable to members of the parent entity		(399,749)	(127,979)
			(Restated)
Earnings per share:			
Basic loss per share (cents per share)	2	¢ (0.779)	¢ (0.250)

The condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.



Condensed Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents	5	2,692	168,972
Trade and other receivables	6	39,209	2,739
Financial assets	7	13,450	10,760
Loans	8	52,709	40,755
Other current assets	9	48,727	2,458
Total current assets		156,787	225,684
Total assets		156,787	225,684
Current liabilities			
Trade and other payables	10	469,075	270,515
Short-term financial liabilities	11	352,292	220,000
Total current liabilities		821,367	490,515
Total liabilities		821,367	490,515
Net liabilities		(664,580)	(264,831)
Equity			
Issued capital	12	24,648,541	24,648,541
Accumulated losses		(25,313,121)	(24,913,372)
Total equity /(deficiency)		(664,580)	(264,831)

The condensed statement of financial position is to be read in conjunction with the accompanying notes.



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Condensed Statement of Changes in Equity

for the Half-Year Ended 31 December 2018

Note	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017	24,648,541	(24,604,151)	44,390
Loss for the half-year	-	(127,979)	(127,979)
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	(127,979)	(127,979)
Transaction with owners, directly in equity			
Shares issued during the half-year	-	-	-
Transaction costs	-	-	-
Balance at 31 December 2017	24,648,541	(24,732,130)	(83,589)
Balance at 1 July 2018	24,648,541	(24,913,372)	(264,831)
Loss for the half-year	-	(399,749)	(399,749)
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	(399,749)	(399,749)
Transaction with owners, directly in equity			
Shares issued during the half-year	-	-	-
Transaction costs	-	-	-
Balance at 31 December 2018	24,648,541	(25,313,121)	(664,580)

The condensed statement of changes in equity is to be read in conjunction with the accompanying notes.



Condensed Statement of Cash Flows

for the Half-Year Ended 31 December 2018

Note	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities		
Payments to suppliers and employees	(264,789)	(59,864)
Interest received	5	1,185
Payments for exploration expenditure	(5,742)	(6,735)
Net cash used in operating activities	(270,526)	(65,414)
Cash flows from investing activities		
Loans provided	(20,754)	(18,180)
Net cash used in investing activities	(20,754)	(18,180)
Cash flows from financing activities		
Proceeds from borrowings	125,000	-
Net cash provided by financing activities	125,000	-
Net decrease in cash held	(166,280)	(83,594)
Cash at beginning of period	168,972	178,475
Cash at end of period	2,692	94,881

The condensed statement of cash flows is to be read in conjunction with the accompanying notes.



Notes to the Condensed Financial Statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies

These are the condensed financial statements and notes of Nickelore Limited (the **Company**). Nickelore is a public company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue on 14 March 2019 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Nickelore Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the half-year.

i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

ii. Financial position

The financial statements have been prepared on the basis of historical cost, except where applicable, financial assets which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

iii. Going Concern

The condensed financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Nickelore's net liabilities have increased by \$399,749 from (\$264,831) at 30 June 2018 to (\$664,580) at 31 December 2018.

As at 31 December 2018, the Company's cash and cash equivalents decreased by \$166,280 from \$168,972 at 30 June 2018 to \$2,692 and had a working capital deficit of \$664,580 (30 June 2018: \$264,831 working capital deficit).

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of the Company's exploration assets. Should the above matters not be achieved, there is a material uncertainty about the ability of the Company to continue as a going concern.

The Directors have prepared a cash flow forecast which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. In particular the Company is expecting to complete a capital raising for a minimum of \$4.2 million within the next months.

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the condensed financial statements.

The condensed financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

iv. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.



Notes to the Condensed Financial Statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies

b. Critical Accounting Estimates and Judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2018 annual report.

Key Judgments – Environmental Issues

Balance disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

c. Adoption of new and revised accounting standards

In the half year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies, including:

AASB 9 Financial Instruments

AASB 9 Financial Instruments introduces new classification and measurement models for financial assets and is applicable to annual reporting periods beginning on or after 1 January 2018.

The Company previously and currently accounts for its non-cash financial assets at Fair Value through Profit or Loss, which is consistent with a treatment permitted under *AASB 9 Financial Instruments*.

The Company does not consider there to be any material impact from the adoption of *AASB 9 Financial Instruments*.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

The Company does not currently have any contracts with customers in place.

The Company does not consider there to be any material impact from the adoption of *AASB 15 Revenue from Contracts with Customers*.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies



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Notes to the condensed financial statements

for the half-year ended 31 December 2018

Note 2 Earnings per share (EPS)

a. Loss used in the calculation of basic EPS loss

Note	31 December 2018 \$	31 December 2017 \$
	(399,749)	(127,979)

b. Weighted average number of ordinary shares after consolidation outstanding during the half-year used in calculation of basic EPS

	31 December 2018 No.	31 December 2017 No. (restated)
	51,288,623	51,288,623

c. Basic and diluted EPS (cents per share)

	31 December 2018 ¢	31 December 2017 ¢ (restated)
	(0.779)	(0.250)

Note 3 Loss Before Income Tax

The following significant revenue and (expense) items are relevant in explaining the financial performance:

a. Legal and professional fees:

 Legal and professional fees as follows are in relation to the proposed acquisition of other entities

Legal

Professional Services

	31 December 2018 \$	31 December 2017 \$
	143,700	34,699
	736	-
	144,436	34,699

b. Regulatory expenses:

Company Secretary expense

ASX fees

ASIC fees

	23,799	5,583
	85,974	1,499
	5,011	15,016
	114,784	22,098



Notes to the condensed financial statements

for the half-year ended 31 December 2018

Note 4 Exploration and evaluation expenditure

a. Exploration and evaluation expenditure

☺ Exploration expenditure

Total exploration and evaluation expenditure

	31 December 2018 \$	31 December 2017 \$
	6,842	7,263
	6,842	7,263

b. Cumulative exploration and evaluation expenditure

Cumulative expenditure at the beginning of half-year

Expenditure incurred and expensed for the half-year

Cumulative expenditure to the end of half-year

	Tenement acquisition expenditure \$	Exploration and evaluation expenditure \$	Cumulative exploration and evaluation expenditure \$
	295,200	2,369,400	2,664,600
		6,842	6,842
	295,200	2,376,242	2,671,442

c. All exploration and evaluation expenditure is expensed as incurred

Note 5 Cash and cash equivalents

Cash at bank and in hand

Trust account

Note	31 December 2018 \$	30 June 2018 \$
	9,589	165,869
5a	(6,897)	3,103
	2,692	168,972

a. The Company holds a trust account for the purposes of an unmarketable parcel share sale.

Note 6 Trade and other receivables

Current

GST Refundable

	31 December 2018 \$	30 June 2018 \$
	39,209	2,739
	39,209	2,739

Note 7 Financial assets

Current

Dragon Mountain Gold Limited (DMG) shares

Note	31 December 2018 \$	30 June 2018 \$
7a	13,450	10,760
	13,450	10,760

a. Nickelore currently holds 896,660 DMG shares. The fair value of DMG fully paid ordinary shares at 31 December 2018 was based on the ASX quoted market value. These shares are classified as Tier 1 financial assets. These shares are a financial asset through profit and loss.



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Notes to the condensed financial statements

for the half-year ended 31 December 2018

Note 8 Loans

		31 December 2018 \$	30 June 2018 \$
Current			
Loan to Lone Star Energy Limited	8a	52,709	40,755
		52,709	40,755

- a. The loan advance to Lone Star Energy Limited was for expenses paid only behalf of the company. This is an unsecured loan with no interest rate or maturity date.

Note 9 Other assets

		31 December 2018 \$	30 June 2018 \$
Current			
Prepayments		48,727	2,458
		48,727	2,458

Note 10 Trade and other payables

		31 December 2018 \$	30 June 2018 \$
Current			
<i>Unsecured</i>			
Trade payables		206,622	23,964
Accruals		6,500	30,798
Directors' fees accrual	15b	244,975	204,775
Other		10,978	10,978
		469,075	270,515

Note 11 Short-term financial liabilities

		31 December 2018 \$	30 June 2018 \$
Current			
Convertible notes – non-related parties	11a	55,000	55,000
Convertible notes – related parties	11a,b	297,292	165,000
		352,292	220,000

- a. During the period, the Company issued convertible notes with a value of \$125,000 (30 June 2018: \$200,000). Interest to 31 December 2018 amounted to \$7,292 (30 June 2018: \$20,000). The terms and conditions of the convertible notes are:
- Maturity date: 30 June 2019.
 - Interest rate: 10% p.a.
 - In the event the Loan is converted or repaid prior to the first anniversary of the Commencement Date, the Interest payable will be deemed to be equal to that amount that would have accrued over a 12-month period.
 - Conversion price: issue price of shares issued pursuant to the capital raising.
- b. Of the convertible notes payable under note 11a, Company issued convertible notes with a value of \$275,000 to related parties of Mr Robert Gardner. The accrued interest on these convertible notes amounted to \$22,292. The terms and conditions of these notes are the same as those referred to in under note 11a



Notes to the condensed financial statements

for the half-year ended 31 December 2018

Note	12	Issued capital	Note	31 December	30 June	31 December	30 June
				2018	2018	2018	2018
				No.	No.	\$	\$
Fully paid ordinary shares at no par value			12a	51,288,419	307,731,740	24,648,541	24,648,541
				6 months to 31 December 2018 No.	12 months to 30 June 2018 No.	6 months to 31 December 2018 \$	12 months to 30 June 2018 \$
a. Ordinary shares							
At the beginning of the period				307,731,740	307,731,740	24,648,541	24,648,541
Shares issued during the period:							
👉 Consolidation 6:1				(256,443,321)	-	-	-
At reporting date				51,288,419	307,731,740	24,648,541	24,648,541

Note 13 Events subsequent to reporting date

On 20 February 2019, the Company issued a supplementary prospectus to the original prospectus lodged on 20 November 2018. The supplementary prospectus extended the closing date until 12 March 2019, detailed a change in lead manager from PAC Partners Securities Pty Ltd to Red Leaf Securities Pty Ltd and advised that the end date for conditions precedent to the acquisition of Lone Star had been extended to 30 June 2019.

On 14 March 2019, the Company announced the extension of the closing date of the supplementary prospectus until 9 April 2019.

As at the date of signing this financial report, the supplementary prospectus is still live.

There have been no material events subsequent to reporting date.

Note 14 Commitments and contingences

There is no change in the Company's commitments or contingencies since the year ended 30 June 2018 to date of this report.



Notes to the condensed financial statements

for the half-year ended 31 December 2018

Note 15 Related party transactions

a. Key management personnel (KMP) compensation

The totals of remuneration paid to KMP during the half-year are as follows:

	31 December 2018 \$	31 December 2017 \$
Directors' fees	40,200	40,200
Total	40,200	40,200

15a.i

i. All fees have been accrued since November 2011; no fees have been settled in cash.

b. KMP accrued director fees payable

	31 December 2018 \$	30 June 2018 \$
Robert Gardner	159,600	134,400
David Deloub	16,250	8,750
Paul Piercy (former director)	31,250	31,250
Jay Stephenson	37,875	30,375
Total	244,975	204,775

15b.i

i. All fees have been accrued since November 2011; no fees have been settled in cash.

Note 16 Operating segments

a. Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. The Board continually assesses the Company's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore one regulatory environment being Australia. The Company operates predominantly in the minerals exploration and evaluation industry.

Due to its reduced activity, the Company currently operates materially in one business segment being mineral exploration and evaluation and one geographical segment as described above. Accordingly, the financial information presented in the statement of profit or loss and other comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

Note 17 Company details

The registered office of the Company is:

Street: Suite 4, 182 Claisebrook Road
Perth WA 6000

Postal: PO Box 52
West Perth WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Website: www.nickelore.com.au

E-mail: info@nickelore.com.au

The principal place of business is:

Finance and Administration Office:
283 Rokeby Road
Subiaco WA 6008



Directors' Declaration

The Directors of Nickelore Limited declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 15, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the half-year ended on that date of the Company.
2. In the Directors' opinion 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 Board of Directors and is signed for and on behalf of the directors by:



ROBERT GARDNER

Chairman

Dated this Thursday, 14 March 2019



Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

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Australia

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nickelore Limited, which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Company*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nickelore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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



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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Nickelore Limited on 14 March 2019.

Conclusion

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern and Carrying Value of Current and Non-Current Assets

Without modifying our conclusion expressed above, attention is drawn to the following matter.

As referred to in Note 1(iii) to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2018, the Company had cash and cash equivalents of \$2,692 and a working capital deficiency of \$664,580. The Company had incurred a loss for the half year ended 31 December 2018 of \$399,749.

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 Company is not successful in raising further equity, the Company may not be able to meet its liabilities as they fall due and the realisable value of the Company's current and non-current assets may be significantly less than book values.

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

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
14 March 2019





Nickelore Limited