



Nickelore Limited

31 July 2014

QUARTERLY REPORT

For the three months ending 30 June 2014



Financial

At 31 March 2014 the Company held \$342,000 in cash reserves.

Canegrass Project

During the Quarter the Company completed a program of works study. The focus on the study was to determine the next steps in the development of the Canegrass Project (**Project**).

In 2008, the Company commenced the staged development of the lateritic nickel deposits of the Project. It had produced a JORC compliant resource, undertaken a series of detailed metallurgical studies leading to a defined processing route, had a revised mining plan already submitted to the DMP for approval and a market for the ore from the starter pit. To preserve cash during the decline in the nickel price and the difficulty in funding, work on the Project has focused on the organisation and preparation of the Project to be in a position to begin advancement towards Production.

Having completed the program of works study, the Company is now beginning to address areas of potential problems identified in the study. Nickelore is still confident that the most economic method of treating the Canegrass ore is by heap-leaching. The mechanics of pre-treating the ore prior to leaching will be refined by a series of physical tests at laboratory and larger scales. Further specific metallurgical testwork needs to be undertaken on the samples produced to provide a credible, costed path to pre-production. This testwork is expected to take between six months and a year.

At the same time, Nickelore will be seeking to significantly reduce the capital cost of the Project. While the final operation is unlikely to be on the scale originally envisaged, Nickelore believes the end result will be profitable and viable over the long term and justify the continuing faith of its shareholders.

In July 2014, the Company appointed Strategic Metallurgy to do a Preliminary Metallurgical Assessment and Initial Flowsheet Development for the Canegrass Project.

Other

The Board continues to review investment opportunities in commodity sectors and jurisdictions that have the potential to significantly add value for shareholders.

Robert Gardner
Executive Chairman

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

NICKELORE LIMITED (NIO)

ABN

13 086 972 429

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(3)	(12)
(b) development	-	-
(c) production	-	-
(d) administration	(22)	(84)
(e) project development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(22)	(86)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(22)	(86)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(22)	(86)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(22)	(86)
1.20	Cash at beginning of quarter/year to date	364	428
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	342	342

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	6
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors payments, Corporate Management Fees paid to associated Company

Non-cash financing and investing activities

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

Nil

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

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	45
4.2 Development	-
4.3 Production	-
4.4 Administration	23
Total	68










Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	(8)	14
5.2 Deposits at call	350	350
5.3 Bank overdraft	-	-
5.4 Other: Refundable Guarantees	-	-
Total: cash at end of quarter (item 1.22)	342	364

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
 Canegrass Project  M 24/468  M 24/802  P 24/4573  P 24/4574  P 24/4575  P 24/4576  P 24/4577  P 24/4580  P 24/4581	Australia	100%	0%	0%

Appendix 5B
Mining exploration entity quarterly report

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				
Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 ⁺Ordinary securities	170,695,886	170,695,886		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 ⁺Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	Nil		<u>Exercise price \$</u>	<u>Expiry date</u>
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Signed: _____

Dated: Thursday, 31 July 2014

Company Secretary

Print name: JAY STEPHENSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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