

25 February 2016

Dear Shareholder

NICKELORE LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 23 February 2016, Nickelore Limited (ACN 086 972 429) (**Nickelore** or the **Company**) is undertaking a 2:5 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 87,923,354 fully paid ordinary shares (**New Share**) to raise approximately \$527,540. The price of New Shares under the Offer is \$0.006 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 23 February 2016.

The Offer is fully underwritten by Pendragon Capital Limited (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 5% of the total amount raised pursuant to the Offer and a management fee equal to 1% of the total amount raised pursuant to the Offer. The Company must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Due diligence and acquisition costs in relation to the Proposed Helio Acquisition ¹	300,000	56.8
2.	Expenses of the Offer	54,120	10.3
3.	Expenditure commitments on current projects	75,000	14.2
4.	Working capital	98,420	18.7
	Total	527,540	100

Note:

1. The Company announced details of the Proposed Helio Acquisition to ASX on 10 February 2016. If the Proposed Helio Acquisition does not proceed, the Company intends to apply these funds towards its current projects, working capital and the review of alternative investment and divestment opportunities.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 1 March 2016, whose registered address is in Australia, New Zealand or Hong Kong.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 87,923,354 New Shares resulting in total Shares on issue of approximately 307,731,740.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 4 March 2016. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Limited (**Share Registry**) by no later than 5:00 pm on 16 March 2016, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept your Entitlement and apply for Shares under the Shortfall Offer. To take up all of your Entitlement and apply for Shares under the Shortfall Offer you will need to ensure your application money for the Entitlements and the Shortfall Offer you wish to take up is received by the Share Registry by no later than 5:00 pm on 16 March 2016, by completing and returning your Entitlement and Acceptance Form (including the Shortfall Offer) together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00 pm on 16 March 2016, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.006 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.



Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	23 February 2016
Lodgement of Prospectus & Appendix 3B with ASX	23 February 2016
Notice sent to Shareholders	25 February 2016
Ex date	26 February 2016
Record Date for determining Entitlements	1 March 2016
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders & Company announces this has been completed	4 March 2016
Last day to notify ASX of an extension to the Closing Date	11 March 2016
Closing Date	16 March 2016
Shares quoted on a deferred settlement basis	17 March 2016
ASX (and Underwriter) notified of under subscriptions	21 March 2016
Issue date/Shares entered into Shareholders' security holdings	22 March 2016
Quotation of Shares issued under the Offer	23 March 2016

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Jay Stephenson, Nickelore's Company Secretary, on +61 8 6141 3500.

Yours sincerely



Jay Stephenson
COMPANY SECRETARY



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Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia, New Zealand or Hong Kong compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

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Yours sincerely



Jay Stephenson
COMPANY SECRETARY

