

29 April 2016

QUARTERLY ACTIVITIES REPORT

FOR THE THREE MONTHS ENDING 31 MARCH 2016

Nickelore Limited (ASX:NIO) (**Nickelore** or the **Company**) is pleased to provide its quarterly activities report for the three months ending 31 March 2016.

ACQUISITION OF SOLAR ENERGY COMPANY HELIO

On 10 February 2016, Nickelore entered into a non-binding agreement to acquire Helio Energia Holdings S.A. (**Helio**), a leading-edge, full-service, end-to-end provider of roof top solar energy systems for commercial and industrial energy customers in Brazil (the **Acquisition**). Nickelore believes the Acquisition will provide shareholders with an opportunity to enter an exciting new market with strong prospects for growth.

Brazil has strong fundamentals for solar energy, with supply constraints and growing demand resulting in high retail prices from existing energy sources. Helio is an early leader in the rapidly expanding Brazilian roof top solar energy market and has quickly established itself with a significant operating base and development pipeline in this high growth sector.

Since the announcement of the Acquisition, Helio continued to expand its solar energy projects operating in Brazil. Helio currently has four operating projects (delivering an installed capacity of 1.8MW and generating revenue for the company), four projects under construction (delivering a further 2.1MW of installed capacity), and an additional 3.8MW to start construction soon. Upon completion of those projects, Helio's total installed capacity will be 7.7MW.

Furthermore, Nickelore and Helio also made considerable progress on a number of conditions precedent under the Acquisition agreement. This included both parties completing due diligence on each other, the commissioning of an Independent Expert's Report to determine whether the acquisition is "fair and reasonable" and in the best interests of Nickelore's shareholders, and entering into discussions with candidates to be appointed as a director to Nickelore's Board, in addition to Helio CEO Dale A. Vander Woude. Nickelore also successfully completed an Entitlement Offer, as detailed below.

The Acquisition will result in a change in the Company's nature and scale of its activities and will require shareholder approval under Chapter 11 of the ASX Listing Rules, as well as requiring the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and obtain conditional approval from ASX to have its securities readmitted to trading. Nickelore expects to despatch a notice of meeting (NoM) to its shareholders soon seeking the relevant approvals to undertake this process with the NoM to contain detailed information relating to the Acquisition.

Nickelore intends to hold the meeting of shareholders to approve the Acquisition prior to 30 June 2016.

FINANCIAL

At 31 March 2016 Nickelore held \$670,000 in cash reserves (31 December 2015: \$204,000). As noted above, during the quarter Nickelore completed a 2 for 5 non-renounceable Entitlement Offer at an issue price of \$0.006 per Nickelore share to raise \$527,540 (before costs) from existing and new shareholders.

The proceeds have been allocated to fund acquisition and due diligence costs associated with the Acquisition, working capital and ongoing expenditure commitments of the Company.

Subsequent to the quarter, Helio received a separate cash injection of growth capital of US\$3 million and was in the process of finalising other commitments for up to an additional US\$5 million, all as part of an expected US\$8 million convertible note facility. This funding was part of a process that commenced prior to announcement of the Acquisition and was in line with Helio's initial funding model. The facility will convert to equity automatically upon the closing of the Acquisition. Funds from the convertible notes will support Helio's project pipeline growth.

As referred to above, in order to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, in conjunction with the Acquisition, Nickelore also intends to conduct a Principal Raising for a minimum of A\$5 million, with oversubscriptions of up to an additional A\$20 million. The funds raised will provide additional capital for Helio to capture pipeline opportunities as it targets 50MW of capacity within two years of conclusion of the fundraising.

UPDATE ON EXISTING BUSINESS ACTIVITIES

The Acquisition of Helio will result in a significant change to the nature and scale of the Company's main business, which the Nickelore Board considers to be positive and in the best interests of Nickelore shareholders.

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.

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CONTACT

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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")

31 March 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(1)	(9)
(b) development	-	-
(c) production	-	-
(d) administration	(47)	(94)
(e) project development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(47)	(98)
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)	(47)	(98)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(47)	(98)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	513	513
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	513	513
	Net increase (decrease) in cash held	466	415
1.20	Cash at beginning of quarter/year to date	204	255
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	670	670

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	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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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
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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
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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	2
4.2 Development	-
4.3 Production	-
4.4 Administration	35
Total	37


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	550	24
5.2 Deposits at call	120	180
5.3 Bank overdraft	-	-
5.4 Other: Refundable Guarantees	-	-
Total: cash at end of quarter (item 1.22)	670	204

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	Australia			
▶ P 24/4573		100%		
▶ P 24/4574		100%		
▶ P 24/4575		100%	0%	0%
▶ P 24/4576		100%		
▶ P 24/4577		100%		
▶ P 24/4580		100%		

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 (description)	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	307,731,740	307,731,740		
7.4 Changes during quarter	87,923,354	87,923,354	\$0.006	\$0.006
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities (description)	-	-		
7.6 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	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 (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

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: Friday, 29 April 2016

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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