ANNUAL REPORT

2012/13

AusNiCo
New Nickel

Corporate Information

DIRECTORS

Brian Moller
Nicholas Mather
Ben Harrison
John Bovard
Richard Willson

COMPANY SECRETARY

Karl Schlobohm

REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

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111 Eagle Street
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SOLICITORS

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1 Eagle Street
Brisbane QLD 4000

SHARE REGISTER

Link Market Services Ltd
Level 15, 324 Queen Street
Brisbane QLD 4000
Phone: 1300 554 474

AUDITORS

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
Phone: +61 7 3237 5999

COUNTRY OF INCORPORATION

Australia

STOCK EXCHANGE LISTING
Australian Securities Exchange Ltd
ASX Code: ANW

INTERNET ADDRESS

www.ausnico.com.au

AUSTRALIAN BUSINESS NUMBER

ABN 84 122 957 322

Chairman's Report

Dear Shareholders,

It has been an eventful year for AusNiCo Ltd ("AusNiCo") in challenging market conditions.

In February 2013, AusNiCo completed the acquisition of Taronga Mines Ltd ("Taronga"), an unlisted public company. Taronga is the holder of the promising Taronga Tin project, which is recognised as the world's 11th largest undeveloped hard rock tin project, as well as other mineral interests prospective for tin, tungsten, silver and copper.

This acquisition provides the Company with an advanced tin project as well as a suite of complementary nickel sulphide, copper and gold projects in Queensland, New South Wales and Tasmania.

With the completion of this acquisition, we welcomed two experienced company Directors, Richard Willson and John Bovard to the Board.

In the course of the year John Downie stepped down from the Board and I would like to this opportunity to thank John for his contribution in guiding the Company from the time of its ASX debut in October 2010 to the completion of the Taronga acquisition.

As a result of the acquisition of Taronga, the Company welcomed Mr Peter Williams as CEO of the combined Group. Peter has since applied himself diligently to the task of advancing the Company's projects and has been a key driver of a number of pivotal milestones have been achieved with our Taronga Tin Project during the year.

In March 2013, consultants DRA Pacific completed an updated study on the likely capital and operating costs of the Taronga Tin project. The positive economic evaluation which resulted has given the board the confidence to proceed with an updated Pre-Feasibility Study.

AusNiCo has retained its Queensland and Tasmanian mining interests where it is targeting nickel and cobalt. Furthermore, the Company has also secured ground 100 km NNE of Herron Resources Ltd's Western Australian Jump Up Dam Nickel project which is considered prospective for nickel, gold and silver, complementing its tin and nickel portfolio in Queensland, New South Wales and Tasmania.

The Company continues to progress work on its Taronga Tin Project, and on 26 August 2013 released its maiden JORC mineral resource estimate for the Taronga Tin Project of 36.3 million tonnes @ 0.16% Sn for 57,200 tonnes of contained tin, 36.3 million tonnes @ 0.07% Cu for 26,400 tonnes of contained copper and 36.3 million tonnes @ 3.8 g/t Ag for 4 million ounces of contained silver. Of the total tin mineral resource some 79% is classified as indicated. Full details are outlined in the Review of Operations.

Completion of this current resource estimate now allows AusNiCo to proceed with an updated Pre-Feasibility study and there is optimism that this study may provide a potential tin upgrade lift.

The market conditions have been challenging for junior explorers and producers alike with soft commodity prices and a scarcity of funding. Despite this, the Company was delighted with the response from shareholders to its fully underwritten $873,651 non renounceable rights issue which closed on 5 September 2013. These funds will assist the Company in progressing development of the Taronga Tin Project.

We thank shareholders for their response to this capital raising and for their patience and believe there is cause for optimism as AusNiCo progresses with its pre-feasibility study work on its Taronga Tin project and continues exploration and evaluation work on its other projects.

Yours faithfully

Brian Moller
Chairman

Review of Operations

About AusNiCo

AusNiCo Ltd ("AusNiCo" or the "Company") was originally incorporated on 1 December 2006 as a wholly owned subsidiary of ASX-listed DGR Global Ltd and was ultimately listed on the Australian Securities Exchange ("ASX") on 21 October 2010.

AusNiCo completed a merger with Taronga Mines Limited on 27th December 2012 delivering AusNiCo 100% interest in the world class Taronga Tin Project at a period when global tin prices are expected to appreciate owing to a forecasted supply deficit.

AusNiCo is primarily focussed on the development of the Taronga Tin Project, targeting tin production by 2017. AusNiCo will also continue to progress exploration at its exciting portfolio of nickel sulphide projects.

Taronga Tin Project

The Taronga Tin Project is located near the historic mining town of Emmaville in northern New South Wales. The region has a long history of mining with tin mining commencing in the 1880s.

The Taronga Tin deposit is a sheeted vein system that comprises two main zones of mineralisation, the Northern Zone and Southern Zone which are approximately 300 metres apart. Over 90% of the tin is situated within quartz vein boundaries and occurs predominantly as cassiterite. A total of 357 drill holes for 33,350m of drilling was undertaken, and includes 24,187m of diamond drilling and 9,163m of percussion drilling. The drill holes were sited on 50m x 50m centres with 25m x 25m infill drilling in some areas. Most drilling was limited to a depth of 200m but limited drilling does indicate potential for continuation of the mineralisation at depth, which may trend to higher grade mineralisation as the vein widths increase but vein density decreases

In 1933, BHP undertook the first systematic testing at the Taronga Tin Project with the driving of a 90m adit into the deposit, from which bulk samples were extracted. BHP treated three parcels of mineralised material for a recovered grade of 0.25% tin. It was reported that channel sampling in the adit wall of the section from which the mineralised material was removed had returned a much lower average grade of only 0.15% tin. Between 1958 and 1964, BHP conducted extensive sampling in 11 shallow surface costeans and drilled twelve percussion drill holes into sections of the deposit.

In 1978, a Joint Venture led by Newmont Holdings Pty Ltd (Newmont JV) commenced an extensive evaluation of the Taronga Tin Project. They drilled 357 holes (178 diamond core and 179 reverse circulation percussion) for a total of 33,350 metres of drilling in all. Notably only 18 holes failed to intersect tin mineralisation above the initial 0.1% tin lower cut-off grade. The Newmont JV also drove three adits, generating sufficient mineralised material to complete three programs of metallurgical test work and an evaluation of the impact of sample size on resource grade. Newmont concluded in their study that the grade from the bulk samples was higher than the drilling data, thought to be due in part to volume variance effects.

The Newmont JV completed a Preliminary Feasibility Study (Newmont PFS) which included a historic resource estimate, open-cut mine design, conceptual metallurgical process flow sheet, processing plant design and project related infrastructure. The Newmont PFS also concluded that a saleable concentrate of 55 – 74% Sn could be produced. However, the annual average tin price (in constant 1982 A$/tonne terms) had dropped from $16,913/t in 1978 to $3,539/t in 1983 and the Newmont JV elected to relinquish the exploration licences.

Taronga Mines Ltd acquired the Taronga Tin Project in 2008. AusNiCo took ownership of the project in 2012 following the completion of the merger between the two companies.

In March 2013, AusNiCo commissioned DRA Pacific Pty Ltd (DRA Pacific) to complete a ±30% estimate for capital and operating costs for the processing plant (tin recovery only) based on parameters reported in the 1982 Newmont Pre-Feasibility Study. For the tin only processing plant at the Taronga Tin Project, DRA Pacific has estimated a plant capital cost of $95M based upon a 3.7Mtpa ROM operation incorporating Heavy Medium Separation, and plant operating costs at A$7.24/tonne Run of Mine (ROM).

On the 26th August 2013, AusNiCo announced the maiden JORC 2012 compliant Mineral Resource for the Taronga Tin Project. The Mineral Resource estimate was independently prepared by Mining One Consultants Pty Ltd (Mining One) and estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code 2012).

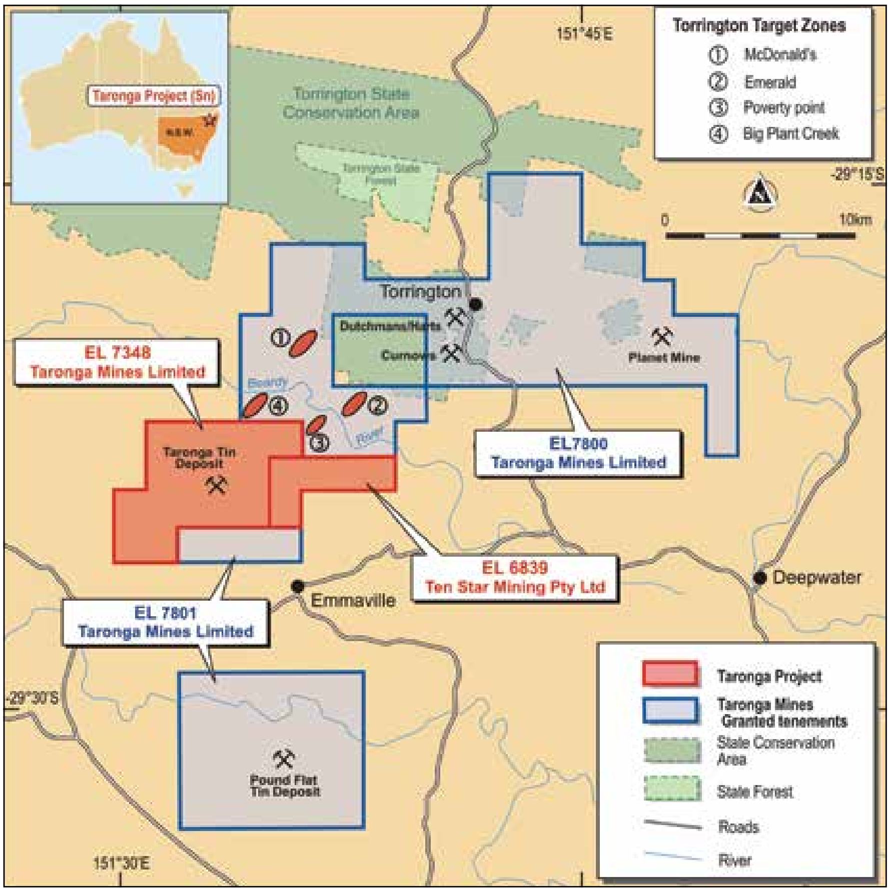

Figure 1. AusNiCo granted Exploration Licences located near Emmaville, NSW

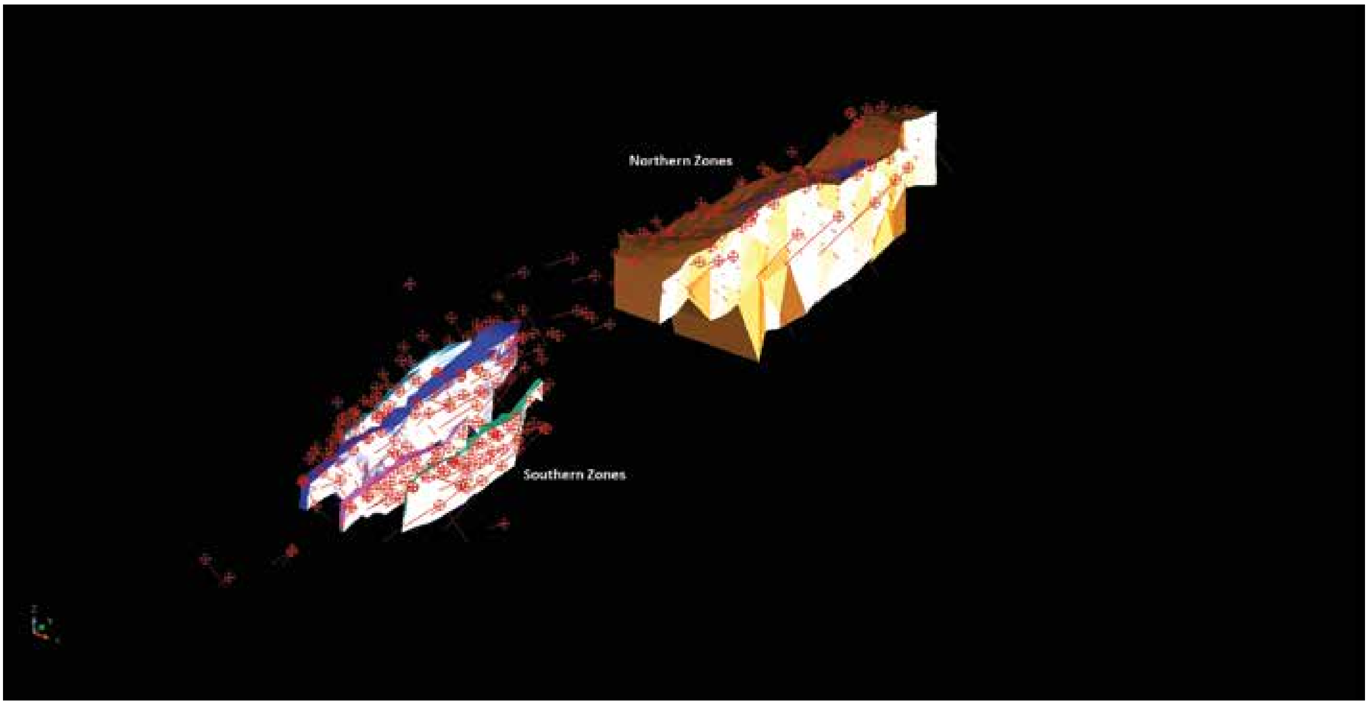

Figure 2. View of the Taronga mineralised zones looking north-west: for scale, the distance from the southern end of the southern zones to the northern end of the northern zones is about 2km; drill holes are shown in red.

Taronga Tin Deposit - Mineral Resource (JORC 2012)									
0.1% Sn Cut-off Grade									
	Indicated			**Inferred**			**Total**		
	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes
Northern Zone	19.3	0.16	30,800	7.7	0.12	9,300	27.0	0.15	40,100
Southern Zone	7.6	0.19	14,400	1.7	0.16	2,700	9.3	0.19	17,100
Total	**26.9**	**0.17**	**45,200**	**9.4**	**0.13**	**12,000**	**36.3**	**0.16**	**57,200**

Table 1. Taronga Tin Project - Maiden Tin Mineral Resource (JORC 2012).

For comparative purposes, the JORC 2012 compliant Mineral Resource of 57,200t of contained metal is 14% greater than the historic pre-JORC ore reserve of 50,026t of contained metal at an equivalent cut-off grade of 0.1% Sn , and is attributable to a larger resource envelope.

No provision has been included in the resource estimate for the potential grade uplift attributable to sample volume variance. Previous work undertaken by the Newmont JV demonstrated that comparison of bulk sample tin grades won from adits and corresponding tin grades of samples from drill core show that for values below 0.28% Sn in the Northern Zone, bulk samples were generally higher grade than the assays of corresponding samples from drill holes. A similar situation occurred in the Southern Zone for values below 0.22% Sn.

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No historical resource was previously calculated for copper and silver, despite over 65% of mineral intercepts being assayed for copper and silver. The copper and silver Mineral Resource (JORC 2012) has a lower classification compared to the tin Mineral Resource owing to low sample grades and fewer assay data for these elements compared with tin. There is insufficient assay data to calculate a resource estimate for other elements known to exist within the mineralisation, namely fluorine, tungsten and molybdenum.

Work undertaken on other tin projects has demonstrated the beneficial impact of by-product credits to improving the cash operating margin. During the second half of the year the Company commenced metallurgical test work to assess the recovery of copper and silver to potentially enhance the economics of the Taronga Tin Project. Initial results were encouraging, with the recovery of copper to a sulphide concentrate ranging between 55.0% to 68.2%, and the recovery of silver between 49.1% and 51.2%. More recent test work increased the concentrate copper grade (8.1%Cu to 17.9%Cu)

Taronga Tin Deposit – Copper and Silver Mineral Resource (JORC 2012)									
0.1% Sn Cut-off Grade									
	Indicated			**Inferred**			**Total**		
	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz
Northern Zone									
Copper	-	-	-	27.0	0.07	19,000t	27.0	0.07	19,000t
Silver	-	-	-	27.0	3.8	3,300,000oz	27.0	3.8	3,300,000oz
Southern Zone									
Copper	-	-	-	9.3	0.08	7,400t	9.3	0.08	7,400t
Silver	-	-	-	9.3	3.8	1,100,000oz	9.3	3.8	1,100,000oz
Total									
Copper	**-**	**-**	**-**	**36.3**	**0.07**	**26,400t**	**36.3**	**0.07**	**26,400t**
Silver	**-**			**36.3**	**3.8**	**4,400,000oz**	**36.3**	**3.8**	**4,400,000oz**

Table 2. Taronga Tin Project - Maiden Copper & Silver Mineral Resource (JORC 2012)

For comparative purposes, the JORC 2012 compliant Mineral Resource of 57,200t of contained metal is 14% greater than the historic pre-JORC ore reserve of 50,026t of contained metal at an equivalent cut-off grade of 0.1% Sn , and is attributable to a larger resource envelope.

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In addition to the Taronga Tin Project, there are a number of nearby exploration targets for tin, including McDonalds, Emerald and Pound Flat prospects. During the half AusNiCo completed two Induced Polarisation (IP) geophysical surveys at the Emerald and Pound Flat prospects. The surveys were intended to test the extension of potential tin mineralisation identified in previous surveys and assist in the design of a future drilling programs. Results are due during the September 2013 quarter.

The Emerald prospect is located approximately 8.4km ENE of the Taronga Tin Project and comprises sheeted veining tin mineralisation analogous to the Taronga Tin Project. Historic geochemical work defined a zone of mineralisation approximately 1,700m by a width of 200m to 500m, and the recently completed IP survey will seek to determine the extent of sulphide mineralisation beyond the geochemical survey previously completed.

The Pound Flat prospect is located approximately 15km SSE of the Taronga Tin Project. Previous work completed by the Newmont JV included two large tin intercepts from limited drilling, including 49m @ 0.18%Sn from surface and 98.5m @0.13%Sn from 13.5m down-hole. The recently completed Induced Polarisation survey will seek to determine the extent of mineralisation to the NE of the previously reported historic resource.

The McDonalds prospect is located approximately 6km NW of the Taronga Tin Project. Previous work completed by Electrolytic Zinc in the 1970s and 1980s identified tin bearing sheeted vein mineralisation over a strike length of 2,300m. Electrolytic Zinc proposed that higher grade tin and tungsten may occur as system of sub-parallel coarser grained, thicker and more widely spaced lodes in the granite directly beneath sediment hosted vein system. AusNiCo has received approval from NSW Trade & Investment for a limited drill program.

Heazlewood Project (Tasmania)

The Heazlewood Project (EL50/2011) is located NE of Savage River in Tasmania and is prospective for Avebury style nickel mineralisation. During the second half of 2012/13 AusNiCo completed a review of historical data and undertook an initial field reconnaissance program.

AusNiCo has identified a strong Total Magnetic Intensity (TMI) anomaly located at the southern boundary of EL 50/2011 and approximately 400m west of the historic Lord Brassey mine, that extends south through the existing licence boundary. An application has been made to have an unlicensed area south of the existing exploration licence boundary incorporated into the licence area to enable further exploration work to occur.

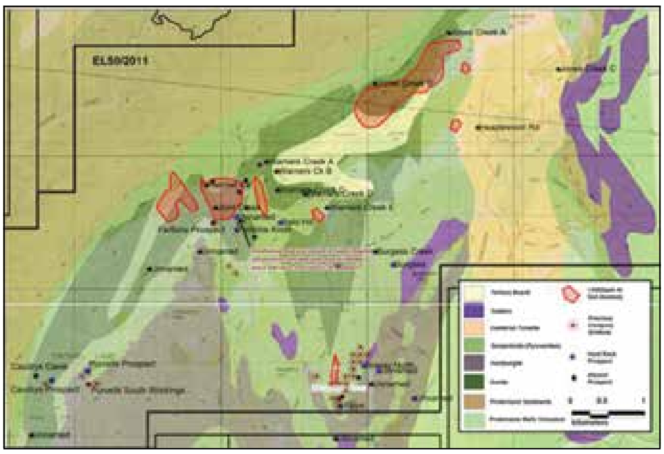

Figure 3. Heazlewood River Project location plan

Kildanga (QLD)

The Kildanga Project (EPM 19366) is located west of Kilkivan in Queensland and previous drilling has identified zones of nickel sulphide mineralisation, plus copper and gold.

Following a reinterpretation of the Pembroke Prospect in late 2012, the Company completed a geochemical soil survey across an extensive area at Pembroke near Kilkivan, Queensland. The previously identified gold / copper zone at Pembroke is now thought. The geochemical program designed primarily to determine the extent of potential nickel mineralisation, targeted the previously un-explored serpentinite and diorite to the south and south east. However, soil analyses from several areas contained elevated gold (>20ppb), which together with further examination of the drillhole data has led to a revised interpretation that the zone of gold / copper dips at a shallow angle to the south. Qualitative evidence at the nearby the historic Pembroke Copper Mine also suggests that a relatively shallow zone of gold / copper dips to the south.

As illustrated in Figure 5, the previously identified zones of copper/gold and nickel sulphide are interpreted to extend beyond any existing drilling and new holes will test the extent of the lodes. Previously reported results include PEM2 (reported 4m at 1.1%Ni, 0.05%Co).

Planning is under way for a potential future drilling program, subject to availability of suitable resources to test the gold / copper zone of mineralisation down dip and across strike. The recent geochemical survey also confirmed the coincidence of elevated nickel assays at surface with higher nickel intercepts previously drilled, and provides numerous nickel targets for future drilling programs at depth.

As illustrated in Figure 5, the previously identified zones of copper/gold and nickel sulphide are interpreted to extend beyond any existing drilling and new holes will test the extent of the lodes. Previously reported results include PEM2 (reported 4m at 1.1%Ni, 0.05%Co).

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Historic records indicate veinlets of mineralisation at Pembroke Mine dipping SSE at a shallow angle.

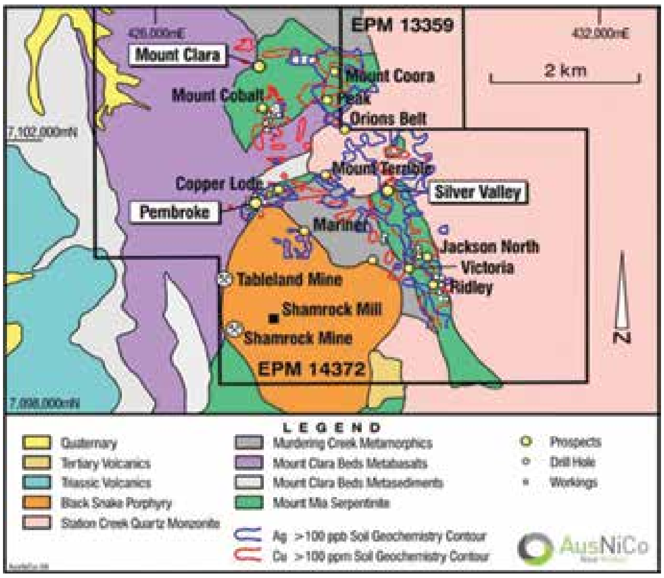

Figure 4. Pembroke Project location plan

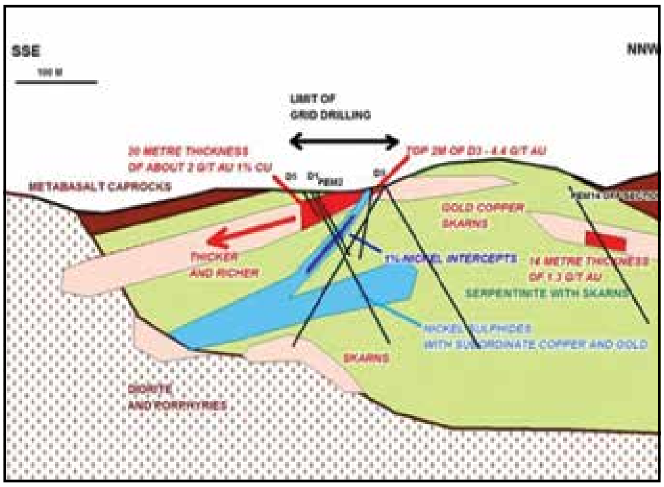

Figure 5. Section (SSE / NNW) of Pembroke

Jump Up Dam (WA)

Subsequent to the end of the June 2013 quarter, the Company was granted EL 31/1031, an area of 142km2, located approximately 100km NNE of Kalgoorlie. The Company considers the licence area to be prospective for nickel sulphides based on an approximate 8km of ultramafics and a review of historic exploration activities. Herron Resources' Jump Up Dam project consists of a nickel laterite resource of over 67Mt including 497,700t Ni and 27,400t Co is fully contained within EL 31/1031.

Significant exploration has previously been undertaken in the area but was principally focused on lateritic nickel and gold targets. AusNiCo will utilise the exploration strategy successfully employed to discover the Maggie Hay's Project in Western Australia the Company's Pembroke nickel sulphide project in Queensland, based on the association of PGM soil anomalies with nickel sulphides. From this work a targeted TEM survey is proposed to be undertaken.

Anomalous gold in soil assays of up to 137ppb Au plus a very strong electro-magnetic conductor thought to be graphite points to the exploration potential for gold and graphite respectively.

Competent Persons Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd, which provides certain consultancy services including the provision of Mr Mather as a Director of AusNiCo. Mr Mather has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

The information in this Announcement that relates to Mineral Resources is based on information compiled by Mr Michael McKeown, a Competent Person who is a Fellow of The Australian Institute of Mining and Metallurgy. Mr McKeown is a full time employee of Mining One Pty Ltd, a mining consultancy which has been paid at usual commercial rates for the work which has been completed for AusNiCo Limited.

Mr McKeown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). Mr McKeown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Director's Report

Your Directors submit their report for the financial year ended 30 June 2013.

DIRECTORS

The names of the Directors in office during the financial year and up to the date of this report are:-

- Brian Moller
- Nicholas Mather
- John Downie (resigned 19 April 2013)
- Ben Harrison
- John Bovard (appointed 18 January 2013)
- Richard Willson (appointed 18 January 2013)

The details of the Directors in office at the date of this report are as follows:

Brian Moller

Non-Executive Chairman
LLB (Hons)

Brian Moller is a corporate partner in the Brisbane based law firm Hopgood Ganim. He was admitted as a solicitor in 1981 and has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

He holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. During the past three years Mr Moller has also served as a director of the following listed companies:

- DGR Global Ltd
- Platina Resources Ltd
- Navaho Gold Ltd
- SolGold plc., which listed on the London Stock Exchange (AIM)
- Buccaneer Energy Ltd

Nicholas Mather

Non-Executive Director
BSc (Hons,Geol), MAusIMM

Nick Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognized resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies Mr Mather brings a wealth of valuable experience.

During the past three years Mr Mather has also served as a director of the following listed companies:

- DGR Global Ltd
- Orbis Gold Ltd (formerly Mt Isa Metals Ltd)
- Navaho Gold Ltd
- Bow Energy Ltd (resigned 11 January 2012)
- Armour Energy Ltd
- Lakes Oil NL (appointed 7 February 2012)
- SolGold plc., which is listed on the London Stock Exchange (AIM)

Ben Harrison

Non-Executive Director
BSc, M.App.Fin, FINSIA

Ben Harrison is an Executive Director with Bizzell Capital Partners. Prior to joining Bizzell Capital Partners he worked in the corporate finance team at a leading corporate advisory firm where he was involved in a number of high profile capital market and M&A transactions in the resources and industrial sectors. Prior to this, Mr Harrison worked as an equities analyst specialising in the minerals and energy sectors.

Mr Harrison commenced his career as a project manager for an international engineering consulting firm, working on a number of large infrastructure projects in Australia and South East Asia. Mr Harrison has experience in project management, financial analysis, primary and secondary market transactions and M&A. He also has experience in private equity and direct investments and is involved at board and management level in investee companies on behalf of Bizzell Capital Partners and its related entities.

Mr Harrison is an Executive Director of ASX-listed Navaho Gold Ltd and Non-Executive Director of ASX-listed Laneway Resources Ltd.

John Bovard

Non-Executive Director
BE Civil, FAusIMM

John Bovard is a civil engineer with over 40 years' experience in mining, heavy construction, project development and corporate management throughout Australia. His career to date has included roles as CEO of public companies and both Executive and Non-Executive Directorships. He holds a Bachelor's Degree in Civil Engineering, is a Fellow of the Australasian Institute of Mining and Metallurgy, and a Fellow of the Australian Institute of Company Directors.

Mr Bovard is currently the Non-Executive Chairman of the ASX-listed Orbis Gold Limited and Non-Executive Director of AIM-listed SolGold Plc. Other previous roles have included Non-Executive Director of Australian Pacific Coal Limited (resigned 29 November 2012).

He was also Project Manager for the $A800 million Phosphate Hill Fertiliser Project for Western Mining Corporation (WMC) situated south of Mount Isa in Queensland, Australia. Other previous project experience includes managing the construction of the Porgera Mine in Papua New Guinea, the Super Pit expansion at Kalgoorlie, and the development of the Bronzewing Gold Mine in Western Australia. He was previously the General Manager of the giant OK Tedi porphyry Copper Gold Mine. Mr Bovard's corporate profile, together with his extensive experience in south west Pacific mining operations and construction is considered to be of great value to AusNiCo Ltd.

Richard Willson

Non-Executive Director
BAc, FCPA, FAICD

Richard Willson is an accountant with more than 18 years' experience. He has worked in public practice and in various financial management and company secretarial roles within the resources and agricultural sectors for both publicly listed and private companies.

Mr Willson has a bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and is a Fellow of the Institute of Company Directors. In addition to his role as Chief Financial Officer and Company Secretary with YTC Resources Ltd, Mr Willson is a Non-Executive Director of Tellus Resources Ltd, and a Non-Executive Director of the not for profit Unity Housing Company and is Chairman of its Finance, Audit & Compliance Committee.

Mr Willson was previously Chief Financial Officer and Company Secretary of ASX listed companies Flinders Mines Ltd, Maximus Resources Ltd and ERO Mines Ltd. He acted as an alternate director for Flinders Mines Ltd and Maximus Resources Ltd, was heavily involved with the listing of Eromanga Uranium Ltd which later became ERO Mines. As CFO and Company Secretary of the privately owned Sydac Pty Ltd, he was instrumental in its sale to a large multinational company. Richard has worked in senior financial roles within the BHP Billiton group and was the Finance Manager and Company Secretary for the Provimi Australia and Jumbuck Pastoral groups. He has also acted a director for a number of private companies

As at the date of this report, the interests of the directors in the shares and options of AusNiCo Ltd were:

	Number of ordinary shares	Number of options over ordinary shares
Brian Moller	2,282,820	500,000
Nicholas Mather	39,365,152	10,500,000
Ben Harrison	1,393,212	-
John Bovard	-	5,000,000
Richard Willson	-	5,000,000

COMPANY SECRETARY

Karl Schlobohm

Company Secretary
B.Comm, B.Econ, M.Tax, CA, AICD

Karl Schlobohm is a Chartered Accountant with over 20 years' experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting. Over the past 5 years, Mr Schlobohm has contracted into roles as CFO and/or Company Secretary for a number of ASX-listed resource companies including Linc Energy, Discovery Metals and Meridian Minerals.

He currently acts as the Company Secretary for ASX-listed DGR Global Ltd, Navaho Gold Ltd, Armour Energy Ltd and LSE(AIM)-listed SolGold Plc.

CORPORATE STRUCTURE

AusNiCo Ltd is a company limited by shares that is incorporated and domiciled in Australia. It was converted to a public company on 23 October 2008, and became an ASX-listed company on 21 October 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year involved exploration for tin, nickel and other commodities.

On 27 December 2012, AusNiCo Limited effectively acquired 100% of the issued shares of Taronga Mines Limited ("Taronga") through an off-market takeover offer. The merger with Taronga was accounted for under AASB 2 and deemed to be similar to a reverse acquisition for accounting purposes, as the shareholders of Taronga retained over 66% of the voting rights in the merged entity. Accordingly, Taronga was deemed to be the acquirer in the merger for accounting purposes and the accounts presented are an continuation of the Taronga financial statements.

EMPLOYEES

The Company had no full-time, permanent employees as at 30 June 2013. Additional support from DGR Global and the Board of Directors was provided, and consultants were used as required.

No dividend was declared or paid.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26 July 2013, the Group announced a fully underwritten non-renounceable rights issue to eligible shareholders to raise approximately $873,651, which closed on 5 September 2013.

The Directors are not aware of any significant changes in the state of affairs of the Company after the balance date that is not covered in this report.

REVIEW AND RESULTS OF OPERATIONS

The loss after income tax for the Group for the year ended 30 June 2013 was $1,821,672 (2012: $593,874).

The review of operations for the year is discussed in the Annual Report under the heading "Review of Operations".

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements of the Group for the financial year.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Planned developments in the operations of the Group and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under Review of Operations.

There are no further developments of which the Directors are aware which could be expected to affect the results of the Group's operations and plans, other than information which the Directors believe comment on, or disclosure of, would prejudice the interests of the Group.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Directors have put in place strategies and procedures to ensure that the Group manages its compliance with environmental regulations. The Directors are not aware of any breaches of any applicable environmental regulations.

PROCEEDINGS ON BEHALF OF GROUP

No person has applied to the Court under section 237 of Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Group. Further details on the remuneration of Directors and Executives are set out in this Remuneration Report.

The Group aims to reward the Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group. The Board's policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is as follows:

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is $350,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors. A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Directors' and Executive officers' option plan, subject to the approval of shareholders.

The remuneration of Non-Executive Directors for the year ended 30 June 2013 is detailed in this Remuneration Report.

Executive Remuneration

The Company aims to reward the Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executives may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options.

The remuneration of the Executives employed by the Company for the year ended 30 June 2013 is detailed in this Remuneration Report

Relationship between remuneration and Company performance

During the financial year, the Company has generated losses as its principal activity was mineral exploration.

The Company listed on the ASX on 21 October 2010. The following table show the share price at the end of the financial year for the Company since listing:

	30 June 2011	30 June 2012	30 June 2013
Share price at year end	$0.04	$0.024	$0.007

There were no dividends paid during the year ended 30 June 2013.

As the Company is still in the exploration and development stage, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of Executive performance or remuneration. The Company has not sought the advice of Remuneration Consultants.

Employment contracts

It is the Board's policy that employment agreements are entered into with all Executives and employees.

The current executive services agreement with the CEO has a notice period of three (3) months.

All other employment agreements have one month (or less) notice periods.

The terms of appointment for Non-Executive Directors are set out in letters of appointment.

Executives are entitled to their statutory entitlements of accrued annual leave and long service leave together with any superannuation on termination. No other termination payments are payable.

Chief Executive Officer

The Company has a two (2) year Consultancy Agreement with Mr Peter Williams, which took effect from 29 January 2013 and replaced the Consultancy Agreement in place with Mr Peter Williams and Taronga Mines Limited. The Consultancy Agreement has an option to be extended for an additional two (2) years.

Under the terms of the agreement:

- Mr Williams is entitled to a base remuneration of $16,828 per month and this base is increased to $18,671 per month if the Company's market capitalisation is equal to or greater than $100 million.
- Mr Williams was issued with 8,919,595 Performance Shares which convert to ordinary shares upon achieving certain performance milestones. These include completion of 12 months service with the Company (2,973,200 Performance Shares) and the finalisation of a pre-feasibility study with respect of exploration licenses 6839, 7348, 7800 and 7801 in New South Wales (5,946,395 Performance Shares). The performance shares vest subject to the performance milestones being met.
- Both the Company and Mr Williams are entitled to terminate the contract upon giving three (3) months written notice.
- The Company is entitled to terminate the agreement immediately upon Mr Williams's insolvency or certain acts of misconduct.
- Mr Williams may earn a series of performance bonuses (short term incentives) equal to $144,000 or $160,000 if the market capitalisation of the Company is greater than $100 million. The performance bonuses are payable on meeting the following key performance indicators aimed at creating a stronger link between the Chief Executive Officer's performance and reward whilst increasing Shareholder value in the Company:

  (a) 10% - compliance with statutory requirements and board reporting
  (b) 25% - share price re-rating
  (c) 25% - project advancement and value adding acquisition
  (d) 30% - promotional achievement, capital management and successful capital raising
  (e) 10% - no lost time injury and adherence to OH&S policies

Other Executives

Employment contracts entered into with Executives contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board discretion
Short and long-term incentives, such as options	Board discretion
Resignation/ notice period	1 month
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (i.e. 'golden handshakes')	None
Duration	No fixed duration

Details of Key Management Personnel

The following persons were Directors of the Company:

(i) Directors
Brian Moller
Nicholas Mather
John Downie (resigned 19 April 2013)
Ben Harrison
John Bovard (appointed 18 January 2013)
Richard Willson (appointed 18 January 2013)

The following persons were Executives of the Company:

(ii) Other Key Management Personnel

Peter Williams	Chief Executive Officer (appointed 29 January 2013)
Karl Schlobohm	Company Secretary
Priy Jayasuriya*	Chief Financial Officer

* Priy Jayasuriya is currently remunerated by DGR Global Ltd.

The below table represents the remuneration for Taronga Mines Ltd Directors and Other Key Management personnel for the period 1 July 2011 to 30 June 2012 and 1 July 2012 to the date of the merger transaction (27 December 2012) and then for the combined entity to 30 June 2013.

Remuneration of Directors and Other Key Management Personnel

Directors	Short term benefits	Post-employment	Share based payments Equity settled		Total	% Consisting of options
	Salary & fees	Superannuation	Options	Shares		
	$	$	$	$	$	
Current Directors						
Brian Moller						
2013	24,167	-	-	-	24,167	-
2012	-	-	-	-	-	-
Nicholas Mather						
2013	19,167	-	10,433	-	29,600	35%
2012	-	-	14,086	-	14,086	100%
Ben Harrison						
2013	19,167	-	-	-	19,167	-
2012	-	-	-	-	-	-
John Bovard						
2013	18,172	-	5,216	-	23,388	22%
2012	-	-	7,043	-	7,043	100%
Richard Willson						
2013	18,172	-	5,216	-	23,388	22%
2012	-	-	7,043	-	7,043	100%
Former Directors						
John Downie[1]						
2013	17,935	-	-	-	17,935	-
2012	-	-	-	-	-	-
William Ryan[2]						
2013	-	-	-	-	-	-
2012	-	-	14,086	-	14,086	100%
Teunis Kwak[3]						
2013	-	-	-	-	-	-
2012	-	-	7,042	-	7,042	100%
Subtotal remuneration						
2013	116,780	-	20,865	-	137,645	
2012	-	-	49,300	-	49,300	

Key Management Personnel	Short term benefits	Post-employment	Share based payments Equity settled		Total	% Consisting of options
	Salary & fees $	Superannuation $	Options $	Shares $	$	
Current Executives						
Peter Williams						
2013	176,134	-	-	126,361	302,495	-
2012	73,656	-	-	-	73,656	-
Karl Schlobohm						
2013	23,333	-	-	-	23,333	-
2012						
Priy Jayasuriya[4]						
2013						
2012						
Former Executives						
Melanie Leydin[5]						
2013	33,500	-	-	-	33,500	-
2012	36,621	-	-	-	36,621	-
Total remuneration						
2013	349,747	-	20,865	126,361	496,973	
2012	110,277	-	49,300	-	159,577	

1 John Downie resigned as Non-Executive Director on 19 April 2013.
2 William Ryan resigned as Non-Executive Director on 27 December 2012.
3 Teunis Kwak resigned as Non-Executive Director on 27 December 2012.
4 Priy Jayasuriya is remunerated by DGR Global Ltd.
5 Melanie Leydin resigned as Company Secretary on 27 December 2012.

There were no other executives employed or remunerated by the Company during the years ended 30 June 2013 and 2012.

Performance income as a proportion of total remuneration

Mr Williams was issued with 8,919,595 Performance Shares which convert to ordinary shares upon achieving certain performance milestones. These include completion of 12 months service with the Company (2,973,200 Performance Shares) and the finalisation of a pre-feasibility study with respect of exploration licenses 6839, 7348, 7800 and 7801 in New South Wales (5,946,395 Performance Shares). The performance shares vest subject to the performance milestones being met. There was no other performance based remuneration during the year (2012: Nil).

Options issued as part of remuneration for the year ended 30 June 2013

Options may be issued to Directors and Executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of Directors and Executives of the Company to align comparative shareholder return and reward for Directors and Executives. During the year the Taronga options issued to Directors were converted into AusNiCo options at a ratio of five AusNiCo options for every one Taronga option held. This was treated as a modification and as a result an additional share based payment expense of $20,865 was recognised. The modified options vested immediately, have an exercise price of $0.04 each and expire on 30 June 2015.

Shares issued on exercise of remuneration options

There were no options exercised during the year that were previously granted as remuneration (2012: nil).

Performance shares issued as part of remuneration for the year ended 30 June 2013

Details of all performance shares on issue over unissued ordinary shares in AusNiCo Ltd at 30 June 2013 to Key Management Personnel as remuneration are set out below:

Key Management Personnel	Grant date	Grant number	Exercise price	Expiry date	Vest date[1]	Number vested[2]	% Vested	Value per performance share at grant date[3]	Exercised in current year	Exercised in prior years	Balance at 30/6/13
P Williams	16/01/13	2,973,200	$0.00	11/12/15	29/01/14	-	0%	$0.017	-	-	2,973,200
P Williams	16/01/13	5,946,395	$0.00	11/12/15	N/A	5,946,395	100%	$0.017	-	-	5,946,395

1. The performance shares convert into one ordinary share in AusNiCo Ltd upon satisfaction of certain performance milestones. The performance milestones include completion of 12 months service with the Company and the finalisation of a pre-feasibility study with respect of exploration licenses 6839, 7348, 7800 and 7801 in New South Wales. The performance shares vest subject to the performance milestones being met.
2. The performance shares issued in relation to delivery of a pre-feasibility study has been treated as fully vested for accounting purposes as there were non-vesting conditions attached to the performance shares.
3. Value per performance share at grant date is calculated using the value of the ordinary shares on the date the shares were allotted.

(End of Remuneration Report)

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board		Audit & Risk Management Committee	
	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended
Brian Moller	7	6	2	2
Nicholas Mather	7	7	-	-
John Downie	5	2	-	-
Ben Harrison	7	7	2	2
John Bovard	5	5	-	-
Richard Willson	5	5	1	1

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

Each of the Directors and Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors. The Company has insured all of the Directors. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

OPTIONS

At the date of this report, the unissued ordinary shares of AusNiCo Ltd under option are as follows:

Grant date	Date of Expiry	Exercise Price	Number under Option
5 December 2008	19 November 2013	$0.30	22,000,000
16 January 2013	30 June 2015	$0.04	65,500,000

No shares have been issued as a result of the exercise of share options since 1 July 2012. Share options do not carry any voting or dividend rights.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor BDO Audit Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO Audit Pty Ltd received the following amounts for the provision of non-audit services:

Corporate finance advice $70,664
Tax services $4,350

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement can be found on page 29.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 19.

Signed in accordance with a resolution of Directors:

Brian Molller
Non-Executive Chairman

Brisbane
Date: 12 September 2013

Auditor’s Independence Declaration

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY TIMOTHY KENDALL TO THE DIRECTORS OF AUSNICO LIMITED

As lead auditor of AusNiCo Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect AusNiCo Limited and the entities it controlled during the period.

Tim Kendall

T J Kendall
Director

BDO Audit Pty Ltd
Brisbane, 12 September 2013

Shareholder Information

(a) Distribution Schedule

Fully Paid Ordinary Shares, and Unlisted Options as at 19 September 2013

	Ordinary Shares		Unlisted $0.30 options exercisable on or before 19 November 2013		Unlisted $0.04 options exercisable on or before 30 June 2015	
	Number of holders	Number of shares	Number of holders	Number of options	Number of holders	Number of options
1 – 1,000	6	2,830	-	-	-	-
1,001 – 5,000	3	9,424	-	-	-	-
5,001 – 10,000	93	922,971	-	-	-	-
10,001 – 100,000	179	7,349,202	-	-	-	-
100,001 and over	199	598,303,560	5	22,000,000	8	65,500,000
Total	480	606,587,987	5	22,000,000	8	65,500,000

The number of shareholders holding less than a marketable parcel of shares is 242 (holding a total of 5,033,182 ordinary shares).

In addition, the Company has on issue 8,919,595 unlisted Performance Shares held by one party.

(b) Twenty Largest Holders

The names of the twenty largest holders of ordinary shares in AusNiCo Ltd as at 19 September 2013 are:

Ordinary shares:

1	TENSTAR TRADING LIMITED	106,450,709	17.55%
2	DGR GLOBAL LIMITED	83,687,100	13.80%
3	YTC RESOURCES LIMITED	68,200,000	11.24%
4	SAMUEL HOLDINGS PTY LTD <SAMUEL DISCRETIONARY A/C>	53,545,214	8.83%
5	PINE MOUNTAIN PTY LTD <RIVERVIEW A/C>	18,510,000	3.05%
6	RYTECH PTY LTD	16,000,000	2.64%
7	SERLETT PTY LTD <DILIGENT SUPER FUND A/C>	15,040,000	2.48%
8	BIZZELL CAPITAL PARTNERS PTY LTD	11,616,667	1.92%
9	GEOROCKE PTY LTD	7,143,000	1.18%
10	RPM SOLUTIONS PTY LTD	6,800,000	1.12%
11	EKCO INVESTMENTS PTY LTD	6,750,000	1.11%
12	ASCRY PTY LTD <WILKINS FAMILY FUND>	6,015,900	0.99%
13	MDP PTY LTD <ARIAS SUPER FUND A/C>	6,000,000	0.99%
14	TARONGA MINES LIMITED	5,591,780	0.92%
15	HG CORPORATE CONSULTING PTY LTD	5,093,710	0.84%
16	NOCKOLDS SUPERANNUATION PTY LTD <NOCKOLDS SUPER A/C>	5,000,000	0.82%
17	SANBERG PTY LTD < CLARENCE SUPER FUND A/C>	5,000,000	0.82%
18	WOODLANDS ASSET MANAGEMENT PTY LTD	4,700,000	0.77%
19	MR OWEN HUNTER WALDRON	4,501,000	0.74%
20	MR BRIAN LIONEL ROACH	4,487,710	0.74%
	Top 20	440,132,790	72.56%
	Total	606,587,987	100.00%

(c) Substantial shareholders

The Company has received substantial shareholding notices from the following parties:

Name	Number of Shares	Current %
DGR Global Ltd	59,776,500	13.68%
YTC Resources Limited	68,200,000	15.61%
Tenstar Trading Limited	84,671,275	19.38%

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

(e) Restricted securities

The Company is aware of the following party having a restriction over its shareholding through to 16 January 2014:

Name	Number of Shares	%
Samuel Holdings Pty Ltd	35,866,940	12.17%

(f) Unquoted equity securities greater than 20%

Name	Number of Unlisted Performance Shares	Number of Options Exercisable at 4 cents	Number of Options Exercisable at 30 cents	% of that Class of Equities
DGR Global Ltd			20,000,000	44.3%
YTC Resources Limited		27,500,000		41.98%
William Peter Williams	8,919,595			100%

Interest in Tenements

As at the date of this report, the Company has an interest in the following tenements.

Tenement	% Interest	Grant Date	Application Date	Expiry Date	Term
EPM 19366*	100%	21.05.12		20.05.17	5 years
EPM 17768	100%		01.08.08	N/A	
EL 50/2011	100%	21.05.12		20.05.17	5 years
EL 31/1031	100%	28.06.13		27.06.15	2 years
EL 59/1921	100%		12.10.12	N/A	
EL 38/2792	100%		02.11.12	N/A	
EL 7348	100%	29.05.09		29.05.11	2 years
EL 7800	100%	23.03.11		04.07.13	2 years
EL 7801	100%	23.03.11		04.07.13	2 years
EL 6839	100%	24.07.07		24.07.13	6 years

* This EPM replaces EPMs 13359, 13360, 14372, 14560, 17611 and 18107.

Corporate Governance Statement

The Board of directors of AusNiCo Ltd is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of AusNiCo Ltd on behalf of the shareholders by whom they are elected and to whom they are accountable.

AusNiCo Ltd's Corporate Governance Statement was adopted on 28 May 2010, and is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2nd Edition", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website.

The Company's Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company's website www.ausnico.com.au

COMMITTEES

Following its debut on the ASX, the Board established an Audit and Risk Management Committee comprising Mr Richard Willson, Mr Brian Moller and Mr Ben Harrison. The Company has adopted an Audit and Risk Management Charter setting out the composition, purpose, powers and scope of the Committee as well as reporting requirements to the Board as a whole. Extracts of this Charter are available at the Company's website **www.ausnico.com.au**

The Company does not have any other formally constituted committees of the Board of Directors. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of any other special or separate committees at this time. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards. This statement outlines the main corporate governance policies, which the Directors have adopted.

COMPOSITION OF THE BOARD

The Board is comprised of 5 Directors. The names, qualifications and relevant experience of each current Director are set out in the Directors Report. There is no requirement for any Director's shareholding qualification.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities determined within the limitations imposed by the Constitution.

BOARD MEMBERSHIP

The Board acts as a nomination committee. Members of the Board have been brought together to provide a blend of qualifications, skills and national and international experience required for managing a company operating within the mining industry.

APPOINTMENT AND RETIREMENT OF DIRECTORS

The Company's Constitution provides that Directors are subject to retirement by rotation, by order of length of appointment. Retiring Directors are eligible for re-election by Shareholders at the annual general meeting of the Company.

DUTIES OF DIRECTORS

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other boards. Accordingly, Directors wishing to accept appointment to other boards must first seek approval from the Board, approval of which will not be unreasonably withheld.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors may, in appropriate circumstances, engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

COMPENSATION ARRANGEMENTS

The maximum aggregate amount payable to non-executive Directors as Director's fees has been set at three hundred and fifty thousand dollars ($350,000) per annum. The Constitution provides that Director's fees can only change pursuant to a resolution at a general meeting.

The Board is responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

INTERNAL MANAGEMENT CONTROLS

The Company's assets are located in Australia. Control over the operations is exercised by senior management. The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks.

IDENTIFYING SIGNIFICANT BUSINESS RISKS

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's Shares, however, the Directors recognise that mineral exploration and evaluation is inherently risky.

ASX CORPORATE GOVERNANCE

To further enhance listed entities' disclosure of corporate governance issues, the ASX Corporate Governance Council (CGC) was established on 1 August 2002. The CGC was established for the purpose of setting an agreed set of corporate governance standards of best practice for Australian listed entities. The ASX Guidelines articulate core principles that the CGC believes underlie good corporate governance. The ASX Guidelines provide that a listed entity's Annual Report is required to disclose its main corporate governance practices and also the extent to which the entity complies with the ASX Guidelines and where it does not, to explain why.

TRADING POLICY

The Directors and Executives of the Company are subject to a number of restrictions in relation to them dealing in Shares of the Company, all of which are incorporated in a Trading Policy which is part of the Company's Corporate Governance Policies and Procedures. Directors and Executives are specifically precluded from dealing in Shares during certain "close" periods, with specific exceptions (eg. participation in rights issues, etc). Prior to any dealing in Shares the Director or Executive must seek, and receive, written clearance for the intended transaction from the Chairman of the Board.

DIVERSITY POLICY

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company also values diversity in the organisation. In light of the amendments to the ASX's Corporate Governance Principles, the Company has developed a formal Diversity Policy which is available on the Company's website (www.ausnico.com.au).

The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, ethnicity and cultural background), and the benefit of its integration throughout the Company in order improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measureable objectives, having regard to the nature and scale of its activities.

The Company only has 1 employee, and no female Directors, executives or employees. However, under a contractual agreement with DGR Global, various services of an administrative, accounting and business development nature are provided, and whose staff include female executives and employees directly involved in the provision of services to AusNiCo.

CORPORATE GOVERNANCE STATEMENT

The Company has adopted a Corporate Governance Charter dated 28 May 2010 (Corporate Governance Charter) in order to implement and maintain a culture of good corporate governance both internally and in its external dealings. In adopting the Corporate Governance Charter the Board is mindful of the ASX Guidelines. The original Corporate Governance Charter has also been supplemented by the adoption of a Trading Policy and a Diversity Policy, both of which are summarised above.

In addition to any matters specifically addressed above, the following table briefly addresses the areas where the Company has departed from the ASX Guidelines. Where the Company's Corporate Governance practices do not correlate with the practices recommended by the CGC, the Company is working towards compliance; however it does not consider that all practices are appropriate for the Company due to the size and scale of Company operations.

The Board is of the view that with the exception of the departures from the ASX Guidelines noted above and / or set out in the following table it otherwise complies with all of the ASX Guidelines.

AREAS WHERE THE COMPANY HAS DEPARTED FROM THE ASX GUIDELINES

ASX Principles and Recommendations	Summary of the Company's Position
Principle 1 – Lay Solid Foundations for Management and Oversight	
Recommendation 1.2 – Companies should disclose the process for evaluating the performance of senior executives	The Board has not established a separate nomination committee. In the absence of a formally constituted nomination committee, the full Board is responsible for the proper oversight of the Board, the Directors and senior management. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate committee.
Principle 2 – Structure Board to Add Value	
Recommendation 2.1 – A majority of the board should be independent directors	Presently under the ASX Guidelines it is considered that there are two independent directors. While the Company does not presently comply with this Recommendation 2.1, the Company may consider appointing further independent Directors in the future. The Company believes that given the size and scale of its operations, non-compliance by the Company with this Recommendation 2.1 will not be detrimental to the Company.
Recommendation 2.2 – The Chair should be an independent director	Brian Moller is the Chairman of the Company, but is not considered to be independent under the ASX Guidelines. The Company is of the view that the size and scale of its current operations do not warrant the appointment of an independent Chairperson and that non-compliance with this Recommendation 2.2 will not be detrimental to the Company.
Recommendation 2.4 – The board should establish a nomination committee	The Board's view is that the Company is not currently of the size to justify the formation of a separate nomination committee. The Board currently performs the functions of a nomination committee and where necessary will seek the advice of external advisors in relation to this role. The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a nomination committee to assist the Board in relation to the appointment of Directors and senior management.
Principle 7 – Recognise and Manage Risk	
Recommendation 7.2 – The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board is responsible for reviewing and ratifying systems of risk management and internal compliance.
Principle 8 – Remunerate Fairly and Responsibly	
Recommendation 8.1 – The board should establish a remuneration committee	The Board has not established a remuneration committee. The Board considers that given its size, no efficiencies or other benefits would be gained by the establishing of such a committee. The role of the remuneration committee is carried out by the full Board. The Company has adopted a Remuneration Committee Charter, which is set out in the Company's Corporate Governance Charter.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Revenue	2	7,138	8,379
Other income	2	24,453	-
Revenue and other income		**31,591**	**8,379**
Administration and consulting expenses		(649,190)	(211,276)
Depreciation		(4,856)	(226)
Employee benefits expenses		(18,091)	(8,596)
Exploration costs written-off		(15,484)	-
Legal expenses		(217,571)	(18,510)
Share based payments expense		(194,696)	(60,160)
IPO costs written-off		-	(303,485)
Listing expense		(250,000)	-
(Loss) before income tax	**3**	**(1,318,297)**	**(593,874)**
Income tax expense	4	(503,375)	-
(Loss) for the year		**(1,821,672)**	**(593,874)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(1,821,672)**	**(593,874)**
Earnings per share		**Cents per share**	**Cents per share**
Basic earnings per share	8	(0.5)	(0.2)
Diluted earnings per share	8	(0.5)	(0.2)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Current assets			
Cash and cash equivalents	9	92,060	276,219
Trade and other receivables	10	89,548	56,545
Other current assets	11	28,190	-
Total current assets		**209,798**	**332,764**
Non-current assets			
Other financial assets	12	185,187	62,259
Property, plant and equipment	13	19,480	2,030
Exploration and evaluation assets	14	8,779,186	4,887,799
Total non-current assets		8,983,853	4,952,088
Total assets		**9,193,651**	**5,284,852**
Current liabilities			
Trade and other payables	15	615,132	71,847
Other financial liabilities	16	7,778	-
Total current liabilities		**622,910**	**71,847**
Non-current liabilities			
Other financial liabilities	16	12,472	-
Deferred tax liability	4	503,375	-
Total non-current liabilities		**515,847**	**-**
Total liabilities		**1,138,757**	**71,847**
Net assets		**8,054,894**	**5,213,005**
Equity			
Issued capital	17	10,921,740	6,452,875
Reserves		1,108,296	913,600
Accumulated losses	19	(3,975,142)	(2,153,470)
Total equity attributable to owners of AusNiCo Ltd		8,054,894	5,213,005

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Accumulated Losses	Share Based Payment Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2011	**3,085,390**	**(1,559,596)**	**228,640**	**1,754,434**
Loss for the year	-	(593,874)	-	(593,874)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(593,874)	-	(593,874)
Shares and options issued during the period on acquisition of tenement	2,480,000	-	624,800	3,104,800
Shares issued during the year	961,333	-	-	961,333
Share issue costs	(73,848)	-	-	(73,848)
Share based payments	-	-	60,160	60,160
Balance at 30 June 2012	**6,452,875**	**(2,153,470)**	**913,600**	**5,213,005**
Loss for the year	-	(1,821,672)	-	(1,821,672)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(1,821,672)	-	(1,821,672)
Shares issued during the year	4,468,865	-	-	4,468,865
Share issue costs	-	-	-	-
Share based payments	-	-	194,696	194,696
Balance at 30 June 2013	**10,921,740**	**(3,975,142)**	**1,108,296**	**8,054,894**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Receipts in the ordinary course of business		-	-
Receipt of research and development concession		-	-
Payments to suppliers and employees (inclusive of GST)		(714,212)	(499,016)
Interest received		7,138	8,379
Interest paid		(1,225)	-
Net cash flows from operating activities	**20**	**(708,299)**	**(490,637)**
Cash flows from investing activities			
Payments for security deposits		-	(2,200)
Refund of security deposits		15,151	10,000
Cash acquired on asset acquisition		744,017	-
Purchase of property, plant and equipment		-	(2,256)
Payments for exploration and evaluation assets		(231,428)	(213,240)
Net cash flows from investing activities		**527,740**	**(207,696)**
Cash flows from financing activities			
Proceeds from the issue of shares		-	961,333
Transactions costs on the issue of shares		-	(73,848)
Payments on leases		(3,600)	-
Net cash flows from financing activities		**(3,600)**	**887,485**
Net increase/(decrease) in cash and cash equivalents		(184,159)	189,152
Cash and cash equivalents at the beginning of the year		276,219	87,067
Cash and cash equivalents at the end of the year	**9**	**92,060**	**276,219**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies

CORPORATE INFORMATION

The financial report of AusNiCo Ltd for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 12 September 2013.

AusNiCo Ltd (the Company) is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 27, 111 Eagle Street, Brisbane, QLD 4000.

The nature of the operations and principal activities of the Company are described in the director's report.

BASIS OF PREPARATION

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers AusNiCo Ltd and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of AusNiCo Ltd comply with International Financial Reporting Standards (IFRS).

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has not generated revenues from operations. As such, the Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including the successful raising in the future of necessary funding, the ongoing support of creditors, expenditure reductions in the current year and the successful exploration and subsequent exploitation of the Group's tenements. In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the ordinary course of business.

On 26 July 2013, the Group announced a fully underwritten non-renounceable rights issue to eligible shareholders to raise approximately $873,651, which is expected to be completed after the date of this report. These funds will be used for working capital and the advancement of the feasibility study on the Taronga Tin Project. It is the Group's intention to raise subsequent funds later in the year.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

ACCOUNTING POLICIES

(a) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2012:

Reference	Title	Application date of standard	Application date for the Company
AASB 20011-9	Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income (AASB 101 Amendments)	1 July 2012	1 July 2012

The adoption of the above standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2013. None of these is expected to have a significant effect on the financial statements.

The Company anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Reference	Title	Application date of standard	Application date for the Company
AASB 9	Financial Instruments	1 January 2015	1 July 2015
AASB 10	Consolidated Financial Statements	1 January 2013	1 July 2013
AASB 11	Joint Arrangements	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	1 July 2013
AASB 13	Fair Value Measurements	1 January 2013	1 July 2013
AASB 20011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)	1 July 2013	1 July 2013

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of AusNiCo Limited and its subsidiaries as at and for the period ended 30 June each year (the "Group"). As a result of the merger with Taronga Mines Ltd (as discussed in Note 1(c) and Note 27), this financial report represents the continuation of the financial statements of Taronga Mines Ltd being the accounting parent entity of the Group.

Subsidiaries

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by AusNiCo Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues by the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

c) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Acquisition of Taronga Mines Limited and its controlled entities

During the year, Taronga Mines Limited's original shareholders obtained a majority share interest in AusNiCo Limited after the merger transaction. This transaction did not meet the definition of a business combination in Australian Accounting Standard AASB 3 Business Combinations. The transaction has therefore been accounted for in the consolidated financial statements in accordance with Australian Accounting Standard AASB 2 Share-based Payment and has been accounted for as a continuation of the financial statements of Taronga Mines Limited together with a deemed issue of shares, equivalent to the shares held by the former shareholders of AusNiCo Limited. The deemed issue of shares is, in effect, a share-based payment transaction whereby Taronga Mines Limited is deemed to have received the net assets of AusNiCo Limited, together with the listing status of AusNiCo Limited. The overall accounting effect is very similar to that of a reverse acquisition in AASB 3.

Because the consolidated financial statements represent a continuation of the financial statements of Taronga Mines Limited, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB3 have been applied:

- fair value adjustments arising at acquisition were made to AusNiCo Limited assets and liabilities, not those of Taronga Mines Limited;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that Taronga Mines Limited would have needed to issue AusNiCo Limited shareholders for them to hold the same shareholding percentage in Taronga Mines Limited as they have in the group post the actual transaction;
- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of Taronga Mines Limited;
- a shared-based payment transaction arises whereby Taronga Mines Limited is deemed to have issued shares in exchange for the net assets of AusNiCo Limited (together with the listing status of AusNiCo Limited). The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in profit or loss as a listing expense;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of AusNiCo Limited, including the equity instruments issued to effect the acquisition;
- the results for the year comprise the consolidated results for the year of Taronga Mines Limited together with the results of AusNiCo Limited from 27 December 2012; and
- the comparatives represent the consolidated comparatives of Taronga Mines Limited only.

(d) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(e) Cash and Cash Equivalents

For the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and other receivables

Receivables, generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Financial Instruments

Recognition and Initial Measuremen

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Group becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

(h) Property, Plant & Equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation

The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Property, plant & equipment	*Depreciation*
Leased Motor Vehicles	20% Straight line
Office Equipment	20% - 33.3% Straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(i) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the area from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site. As the Group is in early stage exploration and site disturbance is minimal, no provision has been recorded.

(j) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(l) Provisions and Employee Benefits

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Leases

Leases of property, plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(n) Share Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(o) Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of shares and options granted to Directors, employees and consultants is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the instruments. For options, fair value is determined using a Black-Scholes option pricing model.

Where the terms of equity instruments granted are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where equity instruments granted are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new instruments are substituted for the cancelled instruments and designated as a replacement, the combined impact of the cancellation and replacement instruments are treated as if they were a modification.

(p) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognized as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(q) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expense is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled based on tax rates (and laws) that have been enacted or substantially enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Following the merger transaction AusNiCo Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. AusNiCo Ltd is responsible for recognising the current tax assets and liabilities and deferred tax assets attributable to tax losses for the tax consolidation group. The tax consolidated group have entered a tax funding agreement whereby each company in the tax consolidation group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidation group.

(r) GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Earnings per Share

Basic earnings per share is calculated as net profit (loss) attributable to owners of the Company, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Where applicable, value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – exploration & evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2013, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 “Exploration for and Evaluation of Mineral Resources”.

Exploration and evaluation assets at 30 June 2013 were $8,779,186 (2012: $4,887,799).

Note 2. Revenue and other income

	2013	2012
	$	$
- Interest	7,138	8,379
- Other	24,453	-
Total Revenue	**31,591**	**8,379**

(a) Interest revenue from:		
- Deposits held with financial institutions	7,138	8,379
Total Interest Revenue	**7,138**	**8,379**

(b) Other income		
- Research and development concession from ATO	24,453	-
Total other income	**24,453**	**-**

Note 3. Profit / (Loss)

Included in the profit / (loss) are the following specific expenses:

	2013	2012
	$	$
Depreciation		
- Office equipment	1,184	226
- Leased motor vehicles	3,672	-
Defined contribution superannuation expense	206	-

Note 4. Income Tax

	2013 $	2012 $
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2012: 30%)	(395,489)	(178,162)
Add tax effect of:		
Deferred tax assets not recognised	-	160,114
Formation of tax consolidated group	834,395	-
Other items	64,469	18,048
Income tax expense / (benefit)	503,375	-
Recognised deferred tax assets		
Unused tax losses	1,994,142	232,831
Deductible temporary differences	138,531	-
Potential benefit at 30% (2012: 30%)	2,132,673	232,831
Recognised deferred tax liabilities		
Exploration and evaluation assets	2,636,048	232,831
Potential benefit at 30% (2012: 30%)	**2,636,048**	**232,831**
Net deferred tax recognised	(503,375)	-
Unrecognised deferred tax assets		
Unrecognised tax losses	-	914,230
Unrecognised deferred tax assets	-	274,269

TAX CONSOLIDATION LEGISLATION

AusNiCo Ltd and its wholly-owned controlled entities have implemented the tax consolidation legislation in the current year.

The head entity, AusNiCo Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, AusNiCo Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

However, upon consolidation, the carried forward losses of prior years belonging to the subsidiary entities were cancelled, resulting in a need to derecognise tax losses of the head company of the group which are of no value to the consolidated group.

Note 5. Key Management Personnel

(a) Key Management Personnel Compensation

The total remuneration of Key Management Personnel for the year was as follows:

	2013 $	2012 $
Short term employee benefits	349,747	110,277
Post-employment benefits	-	-
Share based payments	147,226	49,300
Total	**496,973**	**159,577**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Key Management Personnel.

(b) Equity Instruments

Shareholdings

Current Year	Balance 1 July 2012 (Taronga)	Conversion to AusNiCo shares on acquisition[1]	Shares held in AusNiCo on acquisition	Net Change Other[2]	Balance 30 June 2013
Current Directors					
Brian Moller	-	-	793,056	1,489,764	2,282,820
Nicholas Mather	7,173,388	35,866,940	2,762,917	735,295	39,365,152
Ben Harrison	-	-	657,917	735,295	1,393,212
John Bovard	-	-	-	-	-
Richard Willson	-	-	-	-	-
Former Directors					
John Downie	-	-	695,000	(695,000)	-
William Ryan	2,400,000	12,000,000	-	(12,000,000)	-
Teunis Kwak	-	-	-	-	-
Other Key Management					
Peter Williams	250,000	1,250,000	-	-	1,250,000
Karl Schlobohm	-	-	148,889	749,334	898,223
Priy Jayasuriya	-	-	-	-	-
Former Executives					
Melanie Leydin	-	-	-	-	-
Total	**9,823,388**	**49,656,940**	**5,253,064**	**(9,720,607)**	**45,189,407**

1 Existing Taronga shareholders were issued with five AusNiCo shares for every one Taronga share held under the merger transaction.

2 "Net Change Other" above includes the balance of shares held on appointment / resignation, shares acquired or sold for cash on similar terms and conditions to other shareholders and shares issued for Director fees in lieu of cash as approved at the Annual General Meeting of shareholders held on 28 November 2012.

There were no shares granted to Directors or Key Management Personnel as compensation or options exercised during the year ended 30 June 2013.

(b) Equity Instruments (continued)

Shareholdings (continued)

Previous Year	Balance 1 July 2012	Granted as Compensation	Shares held in AusNiCo on acquisition	Net Change Other[1]	Balance 30 June 2013
Directors					
William Ryan	2,000,000	-	-	400,000	2,400,000
Nicholas Mather	3,792,057	-	-	3,381,334	7,173,388
Richard Willson	200,000	-	-	(200,000)	-
John Bovard	-	-	-	-	-
Teunis Kwak	-	-	-	-	-
Other Key Management					
Peter Williams	-	-	-	250,000	250,000
Melanie Leydin	-	-	-	-	-
Total	**5,992,057**	**-**	**-**	**3,831,334**	**9,823,388**

1 "Net Change Other" above includes the balance of shares held on appointment / resignation, shares acquired or sold for cash on similar terms and conditions to other shareholders

There were no shares granted as compensation or options exercised during the year ended 30 June 2013 (2012: Nil)

There were no shares held nominally at 30 June 2013 (2012: nil).

Option holdings

Current Year	Balance 1 July 2012 (Taronga)	Conversion to AusNiCo Options on acquisition[1]	Options held in AusNiCo on acquisition	Granted as Remuneration	Options Exercised	Net Change Other[2]	Balance 30 June 2013	Total Vested	Total Vested and Exercisable	Total Vested and Unexercisable
Directors										
Brian Moller	-	-	550,000	-	-	(50,000)	500,000	500,000	500,000	-
Nicholas Mather	2,000,000	10,000,000	590,000	-	-	(90,000)	10,500,000	10,500,000	10,500,000	-
Ben Harrison	-	-	-	-	-	-	-	-	-	-
John Bovard	1,000,000	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	-
Richard Willson	1,000,000	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	-
Former Directors										
John Downie	-	-	2,520,000	-	-	(2,520,000)	-	-	-	-
William Ryan	2,000,000	10,000,000	-	-	-	(10,000,000)	-	-	-	-
Teunis Kwak	1,000,000	5,000,000	-	-	-	(5,000,000)	-	-	-	-
Other Key Management Personnel - Current										
Peter Williams	-	-	-	-	-	-	-	-	-	-
Karl Schlobohm	-	-	410,000	-	-	(410,000)	-	-	-	-
Priy Jayasuriya	-	-	-	-	-	-	-	-	-	-
Other Key Management Personnel - Former										
Melanie Leydin	-	-	-	-	-	-	-	-	-	-
Total	**7,000,000**	**35,000,000**	**4,070,000**	**-**	**-**	**(18,070,000)**	**21,000,000**	**21,000,000**	**21,000,000**	**-**

1 Existing Taronga option holders were issued with five AusNiCo options for every one Taronga option held, the options vested immediately on grant and expire 30 June 2015.

2 "Net Change Other" above includes the balance of options held on appointment / resignation, expired options and options acquired on similar terms and conditions to other shareholders.

(b) Equity Instruments (continued

Option holdings (continued)

Current Year	Balance 1 July 2012 (Taronga)	Conversion to AusNiCo Options on acquisition[1]	Options held in AusNiCo on acquisition	Granted as Remuneration	Options Exercised	Net Change Other[2]	Balance 30 June 2013	Total Vested	Total Vested and Exercisable	Total Vested and Unexercisable
Directors										
Brian Moller	-	-	550,000	-	-	(50,000)	500,000	500,000	500,000	-
Nicholas Mather	2,000,000	10,000,000	590,000	-	-	(90,000)	10,500,000	10,500,000	10,500,000	-
Ben Harrison	-	-	-	-	-	-	-	-	-	-
John Bovard	1,000,000	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	-
Richard Willson	1,000,000	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	-
Former Directors										
John Downie	-	-	2,520,000	-	-	(2,520,000)	-	-	-	-
William Ryan	2,000,000	10,000,000	-	-	-	(10,000,000)	-	-	-	-
Teunis Kwak	1,000,000	5,000,000	-	-	-	(5,000,000)	-	-	-	-
Other Key Management Personnel - Current										
Peter Williams	-	-	-	-	-	-	-	-	-	-
Karl Schlobohm	-	-	410,000	-	-	(410,000)	-	-	-	-
Priy Jayasuriya	-	-	-	-	-	-	-	-	-	-
Other Key Management Personnel - Former										
Melanie Leydin	-	-	-	-	-	-	-	-	-	-
Total	**7,000,000**	**35,000,000**	**4,070,000**	**-**	**-**	**(18,070,000)**	**21,000,000**	**21,000,000**	**21,000,000**	**-**

1 Existing Taronga option holders were issued with five AusNiCo options for every one Taronga option held, the options vested immediately on grant and expire 30 June 2015.

2 "Net Change Other" above includes the balance of options held on appointment / resignation, expired options and options acquired on similar terms and conditions to other shareholders.

Previous Year	Balance 1 July 2011	Granted as Remuneration	Options Exercised	Net Change Other[1]	Balance 30 June 2012	Total Vested	Total Vested and Exercisable	Total Vested and Unexercisable
Directors								
William Ryan	2,000,000	2,000,000	-	(2,000,000)	2,000,000	2,000,000	2,000,000	-
Nicholas Mather	2,000,000	2,000,000	-	(2,000,000)	2,000,000	2,000,000	2,000,000	-
Richard Willson	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000	1,000,000	-
John Bovard	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000	1,000,000	-
Teunis Kwak	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000	1,000,000	-
Other Key Management Personnel								
Peter Williams	-	-	-	-	-	-	-	-
Melanie Leydin	-	-	-	-	-	-	-	-
Total	**7,000,000**	**7,000,000**	**-**	**(7,000,000)**	**7,000,000**	**7,000,000**	**7,000,000**	**-**

1 During the year ended 30 June 2012 Taronga cancelled the previous options on issue to directors and re-issued the same number of option on issue with an alteration to the exercise price and life of the options. The re-issued options were exercisable at $0.20 on or before 30 June 2015

There were no share options held nominally at 30 June 2013 (2012: nil).

(b) Equity Instruments (continued)

Performance shares

Current Year	Balance 1 July 2012	Granted as Remuneration	Net Change Other[1]	Balance 30 June 2013	Total Vested
Current Directors					
Brian Moller	-	-	-	-	-
Nicholas Mather	-	-	-	-	-
Ben Harrison	-	-	-	-	-
John Bovard	-	-	-	-	-
Richard Willson	-	-	-	-	-
Former Directors					
John Downie	-	-	-	-	-
William Ryan	-	-	-	-	-
Teunis Kwak	-	-	-	-	-
Other Key Management Personnel - Current					
Peter Williams	-	8,919,595	-	8,919,595	-
Karl Schlobohm	-	-	-	-	-
Priy Jayasuriya	-	-	-	-	-
Other Key Management Personnel - Former					
Melanie Leydin	-	-	-	-	-
Total	**-**	**8,919,595**	**-**	**8,919,595**	**-**

Previous Year	Balance 1 July 2011	Granted as Remuneration	Net Change Other[1]	Balance 30 June 2012	Total Vested
Current Directors					
William Ryan	-	-	-	-	-
Nicholas Mather	-	-	-	-	-
Richard Willson	-	-	-	-	-
John Bovard	-	-	-	-	-
Teunis Kwak	-	-	-	-	-
Other Key Management Personnel - Current					
Peter Williams	-	-	-	-	-
Melanie Leydin	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

1 "Net Change Other" above includes the balance of performance shares held on appointment / resignation, and expired performance shares. There were no performance shares held nominally at 30 June 2013 (2012: nil).

(c) Loans to Key Management Personnel

There were no loans to Directors or other key management personnel during the current year (2012: none).

(d) Other Transactions with Key Management Personnel

Other transactions with Directors are set out in Note 22. There were no other transactions or balances with key management personnel during the year.

Note 6: Dividends and Franking Credits

There were no dividends paid or recommended during the year or since the end of the year (2012: none). There are no franking credits available to shareholders of the Company (2012: none)..

Note 7: Auditors Remuneration

	2013	2012
	$	$
BDO Audit Pty Ltd		
Audit and review of the financial reports	38,029	-
Corporate finance advice	70,664	-
Taxation services	**4,350**	**-**
	113,043	**-**
William Buck Audit (Vic) Pty Ltd:		
Audit and review of the financial reports	-	5,000
Other assurance services	-	10,490
Taxation services	-	-
	-	**15,490**

Note 8: Earnings Per Share (EPS)

(a) Earnings

	2013	2012
	$	$
Earnings used to calculate basic and diluted EPS	(1,821,672)	(593,874)

	Number of Shares	Number of Shares
(b) Weighted average number of shares and options		
Weighted average number of ordinary shares outstanding during the year, used in calculating basic earnings per share	363,402,421	251,473,432
Weighted average number of dilutive options outstanding during the year	-	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year, used in calculating diluted earnings per share	363,402,421	251,473,432

Weighted average number of ordinary shares outstanding during the current period has been calculated using:

i) the number of ordinary shares outstanding from the beginning of the current period to the acquisition date computed on the basis of the weighted average number of ordinary shares of Taronga Mines Limited (accounting acquirer) outstanding during the period multiplied by the exchange ratio of 1 Taronga Mines Limited share to 5 AusNiCo Limited shares; and

ii) the number of ordinary shares outstanding from the acquisition date to the end of that period being the actual number of ordinary shares of AusNiCo Limited (the accounting acquiree) outstanding during that period.

The basic earnings per share for the comparative period before the acquisition date presented in the consolidated financial statements has been calculated using Taronga Mines Limited's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio of 1 Taronga Mines Limited share to 5 AusNiCo Limited shares.

Options are not considered dilutive as they are currently out of the money. Options may become dilutive in the future.

Note 9: Cash and Cash Equivalents

	2013	2012
	$	$
Cash at bank	92,060	61,334
Short-term deposits	-	214,885
	92,060	276,219

Note 10. Trade and Other Receivables

	2013	2012
	$	$
GST refundable	57,607	51,043
Trade and other receivables	31,941	5,502
	89,548	56,545

Receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment loss has been recorded for the current and previous financial year.

Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

The receivables are not exposed to foreign exchange risk. No receivables were past due or impaired at 30 June 2013 (2012: nil).

Note 11. Other Current Assets

	2013	2012
	$	$
Prepayments	28,190	-

Note 12. Other Financial Assets

	2013	2012
	$	$
Security deposits	185,187	62,259

Note 13. Property, Plant and Equipment

	2013	2012
	$	$
Leased Motor vehicles – at cost	21,646	-
Accumulated depreciation	(3,672)	-
Written down value	**17,974**	**-**
Office equipment – at cost	2,916	2,256
Accumulated depreciation	(1,410)	(226)
Written down value	**1,506**	**2,030**
Total written down value	**19,480**	**2,030**

Reconciliation of carrying amounts at the beginning and end of the year

	Leased Motor Vehicles	Office Equipment	Total
	$	$	$
Year ended 30 June 2013			
At 1 July 2012 net of accumulated depreciation	-	2,030	2,030
Additions	**-**	**-**	**-**
Additions – asset acquisition	21,646	660	22,306
Disposals	-	-	-
Depreciation charge for the year	(3,672)	(1,184)	(4,856)
At 30 June 2013 net of accumulated depreciation	**17,974**	**1,506**	**19,480**
Year ended 30 June 2012			
At 1 July 2011 net of accumulated depreciation	-	-	-
Additions	-	2,256	2,256
Disposals	-	-	-
Depreciation charge for the year	-	(226)	(226)
At 30 June 2012 net of accumulated depreciation	**-**	**2,030**	**2,030**

Note 14. Exploration and Evaluation Assets

	2013	2012
	$	$
Exploration and evaluation assets	**8,779,186**	**4,887,799**

Movements in carrying amounts		
Balance at the beginning of the year	4,887,799	1,548,952
Additions – tenement acquisition	-	3,104,800
Additions – asset acquisition	3,600,000	-
Expenditure during the year	306,871	234,047
Written-off during the year	**(15,484)**	**-**
Balance at the end of the year	**8,779,186**	**4,887,799**

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 15. Trade and Other Payables

	2013	2012
	$	$
Trade creditors	478,607	65,362
Accrued expenses	136,033	-
Employee benefits	31	-
Other payables	**461**	**6,485**
	615,132	**71,847**

Trade and other payables are non-interest bearing and are generally on 30-60 day terms.
Due to the short term nature of these payables, their carrying value is assumed to approximate fair value

Note 16. Other Financial Liabilities

	2013	2012
	$	$
Current		
Lease liability - secured	7,778	-
Non-current		
Lease liability – secured	**12,472**	**-**

Note 17. Issued Capital

(a) Issued and paid up capital

	2013	2012
	$	$
436,825,528 (2012: 57,680,002) ordinary shares fully paid	10,995,588	6,526,723
Share issue costs	(73,848)	(73,848)
	10,921,740	**6,452,875**

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

(b) Reconciliation of issued and paid-up capital

	Number of Shares	$
At 1 July 2011	35,666,668	3,085,390
Shares issued for acquisition of tenement (1)	12,400,000	2,480,000
Shares issued for cash (2)	9,613,334	887,485
At 30 June 2012	**57,680,002**	**6,452,875**
Reversal of existing Taronga Mines Limited shares on issue	(57,680,002)	(6,452,875)
Existing AusNiCo shares on issue	144,994,142	6,452,875
Issue of shares on acquisition of Taronga Mines Limited (refer note 27)	288,400,010	4,410,532
Shares issued for in settlement for amounts owed (3)	3,431,376	58,333
At 30 June 2013	**436,825,528**	**10,921,740**

(1) On 30 July 2011, 12,400,000 $0.20 ordinary shares were issued (with 5,500,000 free attaching 20 cent options) to YTC Resources Limited in consideration for the acquisition of exploration licenses.

(2) On 29 February 2012, 9,613,334 $0.10 ordinary shares were issued for cash pursuant to a private placement, net of share issue costs of $73,848.

(3) On 11 February 2013, 3,431,376 $0.017 ordinary shares were issued in settlement of amounts owing.

(c) Options

As at 30 June 2013, there were 87,500,000 unissued ordinary shares of AusNiCo Ltd under option, held as follows:

- 20,000,000 unlisted options to take up one ordinary share in AusNiCo Ltd (issued to DGR Global Ltd) at an exercise price of 30 cents. The options were granted on 5 December 2008, vested immediately and expire 19 November 2013.
- 2,000,000 unlisted options to take up one ordinary share in AusNiCo Ltd (issued to AusNiCo Directors) at an exercise price of 30 cents. The options were issued 5 December 2008, vested immediately and expire 19 November 2013.
- 35,000,000 unlisted options to take up one ordinary share in AusNiCo Ltd (issued to Taronga Directors in replacement of existing Taronga options) at an exercise price of 4 cents. The options vested immediately on grant and expire 30 June 2015.
- 3,000,000 unlisted options to take up one ordinary share in AusNiCo Ltd (issued to Taronga service providers in replacement of existing Taronga options) at an exercise price of 4 cents. The options vested immediately on grant and expire 30 June 2015.
- 27,500,000 unlisted options to take up one ordinary share in AusNiCo Ltd (issued to YTC Resources Ltd in replacement of existing Taronga options) at an exercise price of 4 cents. The options vested immediately on grant and expire 30 June 2015.

(d) Performance Shares

As at 30 June 2013, there were 8,919,595 Performance Shares of AusNiCo Ltd issued to the Chief Executive Officer of the Company. These performance shares convert into one ordinary share each in AusNiCo Ltd, upon satisfaction of the performance milestones applying to the performance shares. The performance shares vest subject to the performance milestones being met (refer note 18).

(e) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure to ensure the lowest costs of capital available to the Company.

The Group's capital comprises equity as shown in the statement of financial position. The Group is not exposed to externally imposed capital requirements.

Note 18. Share-based Payments

(a) Expense

The expense recognised for share based payments received during the year is shown in the table below:

	2013 $	2012 $
Expense arising from equity settled share-based payment transactions	194,696	60,160

The share-based payments are described below.

Under the terms of the merger with Taronga, all existing Taronga options were converted to AusNiCo options at a ratio of five AusNiCo options for every one Taronga option held. As a result 65,500,000 new AusNiCo options were granted on 16 January 2013. The options are to take up one ordinary share in AusNiCo at a price of 4 cents each. The options vested immediately and expire 30 June 2015. As a result of this modification an additional share based payment expense of $68,335 was recognised. The following table lists the inputs to the model used for the modification of the options:

structure to ensure the lowest costs of capital available to the Company.

The Group's capital comprises equity as shown in the statement of financial position. The Group is not exposed to externally imposed capital requirements.

Employee share options

	Pre Modification	Post Modification
Weighted average exercise price	$0.20	$0.04
Weighted average life of the option	1.51 -2.51 years	2.51 years
Underlying share price	$0.085	$0.017
Expected share price volatility	100%	100%
Expected dividends	-	-
Risk free interest rate	2.71%	2.71%
Number of options issued	13,100,000	65,500,000
Value (Black-Scholes) per option	$0.0215 - $0.0339	$0.0068
Total value of options issued	**$375,681**	**$444,016**

There have been no other cancellations or modifications to any of the share based payments during 2013 and 2012.

(b) Other share-based payments

On 30 July 2011, 12,400,000 ordinary shares with 5,500,000 attaching options were granted and issued to YTC Resources Ltd, a company listed on the Australian Securities Exchange in consideration for the acquisition of exploration licences. The transaction was at arms-length terms. The following table lists the inputs into the Black-Scholes option valuation model:

	Options issued to YTC Resources Ltd
Weighted average exercise price	$0.20
Weighted average life of the option	3 years
Underlying share price	$0.20
Expected share price volatility	80%
Expected dividends	-
Risk free interest rate	2.94%
Number of options issued	5,500,000
Value (Black-Scholes) per option	$0.114
Total value of options issued	**$624,800**

On 1 November 2012, AusNiCo Limited ("AusNiCo") announced a merger transaction with Taronga Mines Limited ("Taronga") to acquire 100% of the issued capital through an off-market takeover offer. Under the terms of the merger with Taronga, each Taronga shareholder was offered 5 AusNiCo shares for each 1 Taronga share resulting in Taronga shareholders becoming the controlling shareholders of AusNiCo. Consequently, this transaction was accounted for as discussed in note 1. As a result 288,400,010 AusNiCo shares were issued to Taronga shareholders (refer note 27).

(c) Types of share-based payment plans

Employee share option plan (ESOP)

Share options are granted to employees. The employee share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares.

When a participant ceases employment after the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately or death. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

The contractual life of each option granted is generally three (3) years. There are no cash settlement alternatives.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Performance Shares

The Company has established a Performance Share Plan, being a long term incentive scheme aimed at creating a stronger link between an eligible recipient's performance and reward whilst increasing Shareholder value in the Company.

The performance milestones applying to the 8,919,595 performance shares are as follows:

(a) 2,973,200 performance shares vesting on completion of 12 months service with the Company; and

(b) 5,946,395 performance shares vesting on the finalisation of a pre-feasibility study with respect of exploration licenses 6839, 7348, 7800 and 7801 in New South Wales.

(d) Summaries of options granted

The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the year:

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at the beginning of the year	13,100,000	$0.20	7,600,000	$0.25
Granted during the year	-	-	13,100,000	$0.20
Conversion to AusNiCo Options[1]	52,400,000	$0.04	-	-
Existing AusNiCo options on merger[2]	2,000,000	$0.30	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(7,600,000)	$0.25
Outstanding at the end of the year	67,500,000	$0.05	13,100,000	$0.20
Exercisable at the end of the year	**67,500,000**	**$0.05**	**13,100,000**	**$0.20**

The options outstanding at 30 June 2013 have a remaining contractual life of 1.95 years (2012: 2.58 years) and exercise prices ranging from $0.04 to $0.30 (2012: $0.20).

1. Under terms of the merger with Taronga, all existing Taronga options were converted to AusNiCo options at a ratio of five new AusNiCo options for every one Taronga option held. As a result 65,500,000 AusNiCo options were issued on 16 January 2013. The options are to take up one ordinary share in AusNiCo at a price of 4 cents each. The options vested immediately and expire on 30 June 2015.
2. Existing AusNiCo options at the time of the merger have been recognised, which consisted of 2,000,000 options that were granted 5 December 2008. The options are to take up one ordinary share in AusNiCo at a price of 30 cents each. The options vested immediately on grant and expire 19 November 2013.

(e) Summary of performance shares granted

The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the year:

	2013 No.	2012 No.
Outstanding at the beginning of the year	-	-
Granted during the year	8,919,595	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	**8,919,595**	**-**

(f) Option pricing model

The fair value of the equity settled share options granted is estimated using a Black-Scholes options pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the model used for the years ended 30 June 2013 and 2012:

Employee share options

	2013	2012
Weighted average exercise price	-	$0.20
Weighted average life of the option	-	3 years
Underlying share price	-	$0.11
Expected share price volatility	-	80%
Expected dividends	-	-
Risk free interest rate	-	2.94%
Number of options issued	-	7,600,000
Value (Black-Scholes) per option	-	$0.038
Total value of options issued	**-**	**$288,800**

During the 2012 financial year 7,600,000 options on issue were cancelled and new options were re-issued with a lower exercise price. This resulted in a net additional expense of $60,160 being recognised in the statement of comprehensive income as a share based payments expense.

(g) Performance share pricing model

Historical volatility of the Company was the basis of determining expected share price volatility, as it was assumed that this is indicative of future movements. The life of the performance shares are based on its term to expiry.

Performance Shares

	2013	2012
Weighted average exercise price	$0.00	-
Weighted average life of shares	3 years	-
Underlying share price	$0.017	-
Expected share price volatility	100%	-
Expected dividends	-	-
Risk free interest rate	2.71%	-
Number of performance shares issued	8,919,595	-
Value per performance share	$0.017	-
Total value of performance shares issued	**$151,633**	**-**

Note 19. Accumulated Losses

	2013	2012
	$	$
Accumulated losses at the beginning of the year	(2,153,470)	(1,559,596)
Losses after income tax expense	**(1,821,672)**	**(593,874)**
Accumulated losses	**(3,975,142)**	**(2,153,470)**

Note 20. Cash Flow Reconciliation

	2013	2012
	$	$
Loss after income tax	(1,821,672)	(593,874)
Non-cash items		
• Listing expense	250,000	
• Write-back of exploration expenditure written off	15,484	-
• Share based payments	194,696	60,160
• Depreciationt	4,856	226
Changes in operating assets and liabilities*		
(Increase) decrease in trade and other receivables	(33,003)	(44,571)
(Increase) decrease in prepayments	(28,191)	262,914
Increase (decrease) in trade and other payables	206,156	(175,492)
Increase (decrease) in deferred tax liabilities	503,375	-
Net cash flows from operating activities	**(708,299)**	**(490,637)**

* Net of amounts relating to exploration and evaluation assets.

Non-cash investing & financing activities		
Shares issued to settle liabilities	58,333	-
Shares issued for asset acquisition (note 27)	4,410,532	-
Shares issued to acquire tenements	-	2,480,000
Options issued to acquire tenements	**-**	**624,800**

Note 21. Information relating to AusNiCo Ltd ("the parent entity")

	2013	2012
	$	$
Current assets	146,346	1,129,727
Total assets	5,580,548	6,106,020
Current liabilities	572,159	97,364
Total liabilities	1,088,006	117,614
Net assets	**4,492,542**	**5,988,406**
Issued Capital	7,273,885	7,215,551
Share based payments reserve	2,538,416	2,412,055
Accumulated losses	(5,319,759)	(3,639,200)
Total Shareholders' equity	4,492,542	5,988,406

The parent does not have any guarantees in relation to the debts of its subsidiaries, contingent liabilities or contractual obligations to purchase property, plant and equipment at 30 June 2013 (2012: Nil)

Note 22. Related Party Disclosures

(a) Subsidiaries

The consolidated financial statements include the financial statements of AusNiCo Ltd, Taronga Mines Pty Ltd, New England Tin Pty Ltd and Tenstar Mining Pty Ltd which are all incorporated in Australia.

(b) Ultimate parent

AusNiCo Ltd is the ultimate legal parent, which is incorporated in Australia.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid are included in note 5.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related party	Year	Sales to related parties	Purchases from related parties	Other transactions with related parties
DGR Global Ltd (i)	2013	-	136,475	-
	2012	-	-	-
HG Corporate Consulting Pty Ltd (ii)	2013	-	48,480	-
	2012	-	82,642	-
Samuel Holdings Pty Ltd (iii)	2013	-	-	-
	2012	-	49,184	-

(i) The Group has a commercial arrangement with DGR Global Ltd for the provision of various services, whereby DGR Global provides resources and services including the provision of its administration staff, its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities ("Services"). In consideration for the provision of the Services, the Group pays DGR Global a monthly management fee. For the year ended 30 June 2013 $136,475 was paid or payable to DGR Global (2012: Nil) for the provision of the Services. The total current amount payable at year end was $75,066 (2012: Nil).

(ii) Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim lawyers. For the year ended 30 June 2013, $48,480 (2012: $82,642) was paid or payable to Hopgood Ganim for the provision of legal services to the Group. The services were based on normal commercial terms and conditions. The total current amount payable at year end was $225,046 (2012: $36,005).

(iii) Mr Nicholas Mather is a director of Samuel Holdings Pty Ltd. Samuel Holdings Pty Ltd was the underwriter of the Taronga rights issue offered by the Company during the 2012 year. As a result of the agreement Samuel Holdings Pty Ltd was paid $49,184 in underwriting fees. There were no related party transactions with Samuel Holdings Pty Ltd during the current 2013 year.

Subsequent to the end of the 2013 financial year the Company has entered into an underwriting agreement in relation to the non-renounceable rights issue announced to the market on the 26 July 2013 with Mather Investments (QLD) Pty Ltd an entity associated with Mr Nicholas Mather. Furthermore, the Company entered into a Consultancy Agreement with Samuel Holdings Pty Ltd for the provision of certain consultancy services for a base fee of $60,000 per annum.

The outstanding balances at each relevant year end are unsecured, interest free and settlement occurs in cash.

(e) Loans from related parties

No such loans existed during the current financial year (2012: Nil).

Note 23. Capital and Leasing Commitments

(a) Future Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The commitments are as follows:

	2013	2012
	$	$
Less than 12 months	921,999	136,500
Between 12 months and 5 years	**332,000**	**-**
	1,253,999	**136,500**

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

(b) Lease Expenditure Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The commitments are as follows:

Note 24. Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board. It arises from exposure to receivables as well as through deposits with financial institutions.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group and at balance date.

The Group's cash at bank is wholly held with Macquarie Bank Limited.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital.

The Group did not have any financing facilities available at balance date

Year ended 30 June 2013

	< 6 months	6-12 months	1-5 years	5 years	Total
	$	$	$	$	$
(i) Liquid financial assets					
Cash and cash equivalents	92,060	-	-	-	92,060
Trade and other receivables	89,548	-	-	-	89,548
Total financial assets	**181,608**	**-**	**-**	**-**	**181,608**
(ii) Liquid financial liabilities					
Trade and other payables	(478,607)	-	-	-	(478,607)
Other financial liabilities	(3,889)	(3,889)	(12,472)	-	(20,250)
Total financial liabilities	(482,496)	(3,889)	(12,472)	-	(498,857)
Net inflow (outflow)	**(300,888)**	**(3,889)**	**(12,472)**	**-**	**(317,249)**

Year ended 30 June 2012

	< 6 months	6-12 months	1-5 years	5 years	Total
	$	$	$	$	$
(i) Liquid financial assets					
Cash and cash equivalents	276,219	-	-	-	276,219
Trade and other receivables	56,545	-	-	-	56,545
Total financial assets	**332,764**	**-**	**-**	**-**	**332,764**
(ii) Liquid financial liabilities					
Trade and other payables	(71,847)	-	-	-	(71,847)
Total financial liabilities	(71,847)	-	-	-	(71,847)
Net inflow (outflow)	260,917	-	-	-	260,917
Net inflow (outflow)	**(300,888)**	**(3,889)**	**(12,472)**	**-**	**(317,249)**

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk.

Interest rate risk

Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

For further details on interest rate risk refer to the tables below:

	Floating interest rate 2013 $	Fixed interest rate 2013 $	Non-interest bearing 2013 $	Total carrying amount 2013 $	Weighted average effective interest rate 2013 %
(i) Financial assets					
Cash and cash equivalents	92,060	-	-	92,060	1.50%
Trade and other receivables	-	-	89,548	89,548	N/A
Other financial assets	-	-	185,187	185,187	N/A
Total financial assets	**92,060**	**-**	**274,735**	**366,795**	
(ii) Financial liabilities					
Trade and other payables	-	-	478,607	478,607	N/A
Other financial liabilities	-	20,250	-	20,250	10.26%
Total financial liabilities	**-**	**20,250**	**478,607**	**498,857**	

	Floating interest rate 2012 $	Fixed interest rate 2012 $	Non-interest bearing 2012 $	Total carrying amount 2012 $	Weighted average effective interest rate 2012 %
(i) Financial assets					
Cash and cash equivalents	276,219	-	-	276,219	3.50%
Trade and other receivables	-	-	56,545	56,545	N/A
Other financial assets	-	-	62,259	62,259	N/A
Total financial assets	**276,219**	**-**	**118,804**	**395,023**	
(ii) Financial liabilities					
Trade and other payables	-	-	65,362	65,362	N/A
Other financial liabilities	-	-	-	-	N/A
Total financial liabilities	**-**	**-**	**65,362**	**65,362**	

Due to the short term nature of the above assets and liabilities, their carrying values are assumed to approximate their fair values.

Note 25. Operating Segments(a) Future Exploration Commitments

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for Nickel, Gold, Copper and Tin. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the year.

All assets are located in Australia.

Note 26. Contingent Assets and Liabilities

There are no contingent assets and liabilities at 30 June 2013 (2012: none).

Note 27: Acquisition Accounting

On 1 November 2012, AusNiCo Limited ("AusNiCo") announced a merger transaction with Taronga Mines Limited ("Taronga") to acquire 100% of the issued capital through an off-market takeover offer. Under the takeover offer, each Taronga shareholder was offered 5 AusNiCo shares for each 1 Taronga share resulting in Taronga shareholders becoming the controlling shareholders of AusNiCo. Consequently, this transaction was accounted for as discussed in note 1.

The value of the transaction is as follows:

	$
Assets and liabilities acquired:	
Cash and cash equivalents	744,017
Trade and other receivables	4,057
Other current assets	11,475
Other financial assets	140,279
Property, plant and equipment	22,306
Exploration and evaluation assets	3,600,000
Trade and other payables	(337,752)
Other financial liabilities	(23,850)
Net assets acquired	**4,160,532**
Fair value of notional shares that Taronga Mines Limited issued to affect the transaction	**4,410,532**
Listing expense recognised in statement of comprehensive income	**250,000**

Note 28. Subsequent Events

On 26 July 2013, the Group announced a fully underwritten non-renounceable rights issue to eligible shareholders to raise approximately $873,651, which closed on 5 September 2013.

The Directors are not aware of any significant changes in the state of affairs of the Company or events after the balance date that would have a material impact on the financial statements.

Directors' Declaration

In accordance with a resolution of the Directors of AusNiCo Ltd, I state that:

1. In the opinion of the Directors:
    (a) The financial statements and notes of AusNiCo Ltd for the financial year ended 30 June 2013 are in accordance with the Corporations Act 2001, including:
        (i) Giving a true and fair view of its financial position as at 30 June 2013 and its performance for the year ended on that date; and
        (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
    (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable as discussed in note 1.
    (d) The remuneration disclosures contained in the Remuneration Report comply with s300A of the Corporations Act 2001.
2. The Directors have been given the declarations required to be made by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the board

Brian Moller
Non-Executive Chairman

Brisbane
Date: 12 September 2013

Independent Auditor's Report

BDO

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REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of AusNiCo Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of AusNiCo Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

IN OUR OPINION:

(a) the financial report of AusNiCo Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter - Material Uncertainty Regarding Going Concern Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

OPINION

In our opinion, the Remuneration Report of AusNiCo Limited for the year ended 30 June 2013 complies with section 300A of the Corporations Act 2001.

BDO Audit Pty Ltd

Tim Kendall

T J Kendall
Director

BDO Audit Pty Ltd
Brisbane, 12 September 2013